ANNUAL FINANCIAL REPORT

REGISTRATION DOCUMENT 2017

CRÉDIT AGRICOLE S.A.

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CRÉDIT AGRICOLE S.A.

2017 | REGISTRATION DOCUMENT
ANNUAL FINANCIAL REPORT



AUTORITÉ DES MARCHÉS FINANCIERS
AMF

This Registration Document was filed with the French Financial Markets Authority (Autorité des Marchés Financiers, AMF) on 22 March 2018, 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.

INTERVIEW WITH DOMINIQUE LEFEBVRE, CHAIRMAN OF THE BOARD OF DIRECTORS, AND PHILIPPE BRASSAC, CHIEF EXECUTIVE OFFICER OF CRÉDIT AGRICOLE S.A.



What do the 2017 results tell us?

Dominique Lefebvre: Our results are good. They are actually the best we have seen in ten years, both for Crédit Agricole S.A. and for the Group as a whole, including the Regional Banks. And this is despite the exceptional items that weighed on them, especially tax, including the tax surcharge imposed by the government at the end of the year. Crédit Agricole S.A.'s net income Group share totalled €3.65 billion, more than 3% above the 2016 level, which, it should be remembered, included the capital gain resulting from Eureka, the Group's simplification transaction. It was €6.5 billion for the Group. These results confirm and validate the pertinence of our strategy.

To what extent do these results reflect the progress of your strategic plan?

Philippe Brassac: We are at the halfway point, and a lot of indicators are green. We are already meeting our targets in terms of controlling the cost of risk and the capital adequacy ratio for Crédit Agricole S.A. In underlying terms, i.e. adjusted for the specific items[1] that affected the year, net income was €3.9 billion for Crédit Agricole S.A. and €7.1 billion for Crédit Agricole Group, figures which are very close to the targets set in our "Strategic Ambition 2020" plan. Crédit Agricole S.A.'s underlying return on tangible equity (RoTE) was 11.1%, again in line with our goals. We have another two full years to carry out numerous projects, sealing our transformation. But beyond the business lines' commercial and financial performances and our profitability, I would like to stress the Group's ability to adapt and innovate in a perpetually changing environment, be it from a regulatory perspective or in terms of emerging customer usage or the arrival of new entrants.

What risks does the constant arrival of new entrants pose to your model?

Philippe Brassac: I take a positive view of the arrival of new entrants. It boosts our ability to innovate and differentiate ourselves, by positioning us as a partner that provides a comprehensive service to customers, leaving them the choice of the channel they prefer to use in their relationship with us, whereas new players tend to confine them to a single channel. This is one of the strengths of our customer project. It's a constant for us. The race to cut prices and the multiplication of fragmented offers will not be enough to satisfy customers over the long term. Other aspects on which we are already making a difference will come into play: behaving responsibly for instance, or acting as a trusted third party by providing the right advice. We are constantly innovating to offer our customers the best products and services. If we look more closely at digital aspects, the Holy Grail of modernity, we have nothing to blush about: rating agency D-Ratings[2] sees us as the most advanced French retail bank. We are France's leading digital bank, and the Crédit Agricole offer is actually a lot more comprehensive than that of a fully digital bank.

What can you say about activity in the various business lines?

Philippe Brassac: Our results reflect a high level of activity in the Group's various components – Retail banking, Specialised financial services and the Large customers business line. Similarly, assets under management in the Asset gathering totalled €1,868 billion, driven by inflows and consolidation of Pioneer Investments. This comes on top of tight cost control.

(1) See details of exceptional items on page 173 of Chapter 4.
(2) BBB+ rating, survey "Digital Performance of Retail Banks in France, 2017 Ratings".

The definitions of the underlined words can be found in the Glossary on page 567.

These commercial performances reflect our commitment to organic growth. Revenues derived from the development of cross-selling, the collective fruit of our universal customer-focused banking model, are up 5% compared with 2015, taking into account the spectacular increase in new consumer credit managed by Crédit Agricole Consumer Finance for the Group's Retail banks for instance (+8% in France, +27% in Italy).

Giving the priority to organic growth was a central plank of your plan. Does the number of acquisitions made this year mark a shift in that respect?

Philippe Brassac: No. We are implementing our plan just as we laid it out. We have continued to refocus on our core businesses, selling part of our stake in BSF and our Eurazeo shares. Our diversified and profitable business model promotes good organic growth in all of our businesses, largely through synergies between the specialised business lines and the retail networks, allowing us to maintain a high level of operating efficiency while generating capacity to invest in business development. 2017 saw the completion of several deals. Cariparma finalised the acquisition of 95% of the capital of three savings banks in Italy, Cassa di Risparmio (CR) di Cesena, CR Rimini and CR San Miniato, located in regions bordering the Group's Italian branch network, thereby increasing its distribution capacity in Italy by around 20%. Crédit Agricole S.A. acquired from Natixis the residual 15% stake in CACEIS, the institutional financial services subsidiary, giving the Group full control of a rapidly growing business and as such improving its profitability. The acquisition of Pioneer Investments made Amundi the eighth-largest asset manager in the world and strengthened its position as the leading European asset manager . Lastly, on 31 October, Indosuez Wealth Management signed an agreement for the acquisition of 67.67% of Banca Leonardo, a company specialising in wealth management services, with €5 billion in assets under management.

Did you meet your commitments in terms of the dividend?

Dominique Lefebvre: Yes. I can even say that we exceeded our commitments. We could have just paid a dividend of 60 euro cents per share, in view of the tax items that penalised the year. But we have chosen on an exceptional basis to raise our payout ratio to 56%, representing a dividend of 63 euro cents. This is clear proof of our confidence in the future.

What can you tell us about your plan to terminate the loyalty dividend?

Dominique Lefebvre: First I have to give you some background, to give you a better understanding of our disappointment as regards this decision. Our aim in implementing a loyalty bonus mechanism – one that complies with the provisions of the French Commercial Code[1] – was to reward the loyalty of our shareholders while also encouraging long-term shareholdings. Crédit Agricole S.A. shareholders voted in favour of it at the 2011 General Meeting. But the European Supervisor is compelling us to cancel it. And while we do not share the reasons behind this decision, we will be asking our shareholders to vote in favour of the cancellation because not doing so would pose a major threat to the company's capital. We have therefore decided on a principle of compensation – which will be submitted to the vote of the shareholders – with the idea of reconciling the best interests of all Crédit Agricole S.A. shareholders. The Board of Directors has accordingly decided on the principle of granting one bonus share for 26[2], which is within the range estimated by the independent expert mandated to estimate the loss related to the cancellation of this measure.

What is your view of the debates concerning corporate purpose?

Dominique Lefebvre: At a time when the government is looking at the purpose served by companies within society, our organisational model remains appropriate, and actually looks innovative: decentralisation and unity with the combination of cooperative companies and a listed entity. The existence of mutual shareholders, allowing the customer to play a role in the company's governance, keeps us constantly connected to the concerns of our customers, to the reality on the ground. It is an asset that allows us to innovate and capitalise on our values of solidarity, loyalty, responsibility and collective interest. We are guided in our reflections on the Group's transformation by seeking efficiency for our stakeholders, namely our shareholders, institutional and private investors, customers and employees.

Dominique Lefebvre, you chair the Strategy and CSR Committee. What progress did you make in 2017, and what are your goals?

Dominique Lefebvre: After the adoption, in late 2016, of a Group Ethics Charter, a Code of Conduct will serve as a reference within Crédit Agricole S.A. and its subsidiaries. In terms of climate finance, Crédit Agricole S.A. is also very committed. We have even raised one of the commitments made at COP 21. We are the leading banking group in France in renewable energy financing, and the leader in socially responsible investment. We intend to remain so and to promote initiatives in this area further.

€3,649 million
Net income Group share

€0.63
dividend for the 2017 financial year

11.7%
fully loaded Common Equity Tier 1 ratio

(1) Article L. 232-14 of the French Commercial Code sets out the characteristics of the mechanism.
(2) Given the weighted average price of the Crédit Agricole S.A. share observed over a period of 60 trading days until the close of trading on 12 February 2018 (€14.55), the value of the compensation amounts to approximately 56 cents per share, i.e. the grant of one (1) share for 26.

The definitions of the underlined words can be found in the Glossary on page 567.

CRÉDIT AGRICOLE GROUP PROFILE

A whole bank just for you

Crédit Agricole serves 52 million customers(1) worldwide, with customer focus, accountability and community support, the enduring values that have been its hallmark for 120 years. Led by its 139,000 engaged employees, the bank forges genuine partnerships with its customers.

Thanks to its universal customer-focused banking model – based on close cooperation between its retail banks and its specialised business lines – reaffirmed by its "A whole bank just for you" brand signature, Crédit Agricole helps its customers to realise all their personal and business projects. It does so by offering them an extensive range of services consisting of day-to-day banking, loans, savings products, insurance, asset management, real estate, leasing and factoring, corporate and investment banking, and issuer and investor services.

Crédit Agricole's corporate social responsibility policy lies at the heart of its identity. This is reflected in its products and services and informs the actions of all its business lines. This commitment is a key factor contributing to overall performance and a powerful innovation driver.

Built on strong cooperative foundations and led by its 9,7 million mutual shareholders and more than 30,000 directors of its Local and Regional Banks, Crédit Agricole's robust organisational model gives it stability and staying power as a European group open to the wider world.

Crédit Agricole Group extends its leadership year after year. It is the number one provider of financing to the French economy(2) and the number one insurer in France(3). It is also the leading bancassurer in Europe(3), the top-ranked European asset manager(4) and the world's largest green, social and sustainability bonds bookrunner(5).



A presence in **49** **countries**



139,000 **employees in France and abroad**



52 million **customer worldwide**



No. 1 **bancassurer in Europe**



No. 1 **European asset manager**



No. 1 **green, social and sustainability bonds bookrunner**



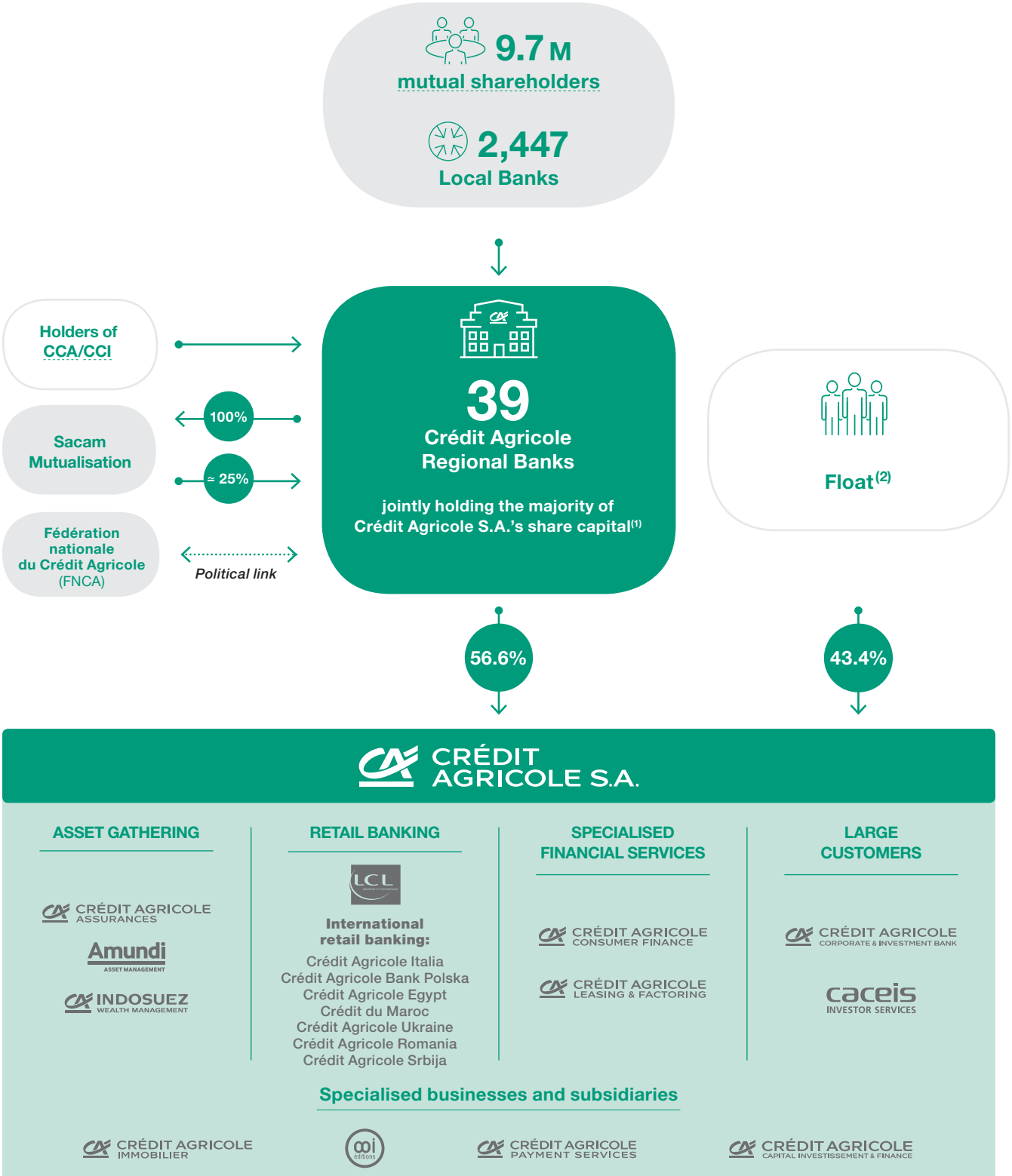
Top 3 in consumer finance in Europe

(1) Scope of French and international retail banking, Crédit Agricole Consumer Finance and Crédit Agricole Bank Polska consumer finance customers.
(2) Based on the value of outstanding deposits and loans as of 31/12/2017 (source: Bank, French retail banking).
(3) In terms of premium income. Sources: l'Argus de l'assurance published on the 8 December 2017, data at end-2016.
(4) Source: IPE "Top 400 Asset managers" published in June 2017, based on assets under management at December 2016.
(5) Any currency, in 2017. Source: Bloomberg.

The definitions of the underlined words can be found in the Glossary on page 567.

Group organisation (at 31 December 2017)

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 Regional Bank of Corsica, 99,9% owned by Crédit Agricole S.A., is a shareholder of Sacam Mutualisation..
(2) See details, p. 10 of this document.



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The definitions of the underlined words can be found in the Glossary on page 567.

A stable **shareholding structure,** a balanced **distribution policy**

Stock market and shareholding

Net dividend per share in 2017

€0.63

Payout ratio in 2017

56%

Stock market capitalisation at end-2017

€39.3bn

Net tangible book value per share at end-2017(1)

€11.3

Breakdown of revenues by business line in 2017(2)



(1) See definition and calculation method on page 17 of this document.

(2) Excluding Corporate Centre.

Key figures

Business at 31 December 2017

(in billions of euros)	31/12/2017
Total assets	**1,550.3**
Gross customer loans[1]	**465.0**
Customer deposits[2]	**714.4**

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

(2) Including debt instruments issued to retail customers.

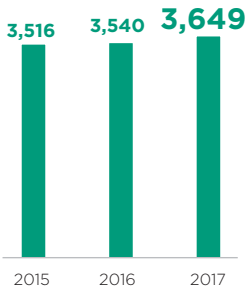
Trends in earnings

Condensed **income statement**

(in millions of euros)	2015 restated[1]	2016	2017
Revenues	17,194	16,853	**18,634**
Gross operating income	5,611	5,159	**6,431**
Net income	3,971	3,955	**4,216**
Net income Group share	3,516	3,540	**3,649**

(1) Restated to reflect the deconsolidation of the contribution from Regional Banks.

Net income Group share
(in millions of euros)

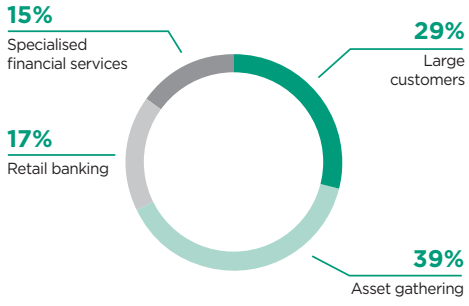


Return on tangible equity (ROTE)

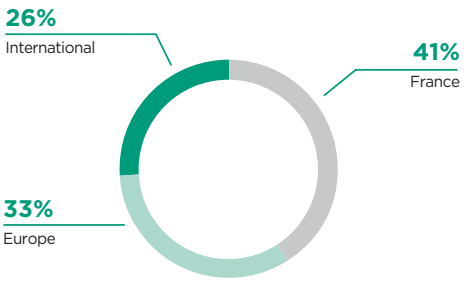


11.1%[1]
excluding specific items

Business line contribution to net income Group share[2]



Business line contribution to net income Group share by geographic region[2]



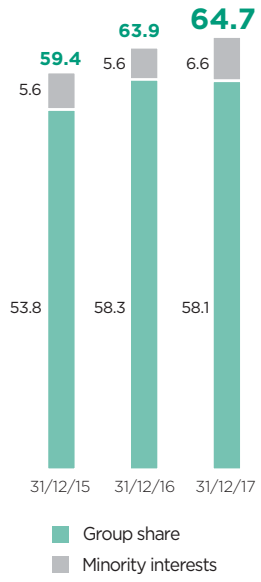
(1) See details p. 571 of this document.

(2) Excluding Corporate Centre and the impact of specific accounting items (CVA/DVA/FVA, loan hedges, own debt and provision for disputes).

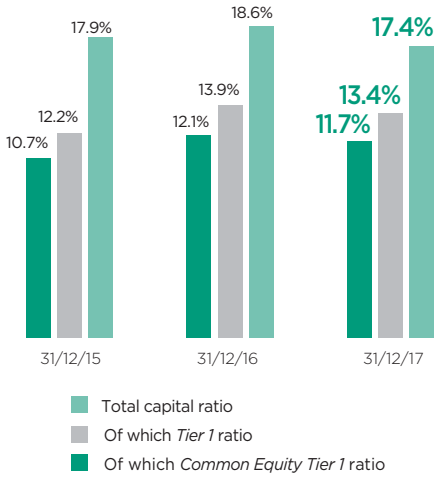
The definitions of the underlined words can be found in the Glossary on page 567.

Financial structure

Total **equity**
(in billions of euros)



Solvency ratios[1], fully loaded
(as a percentage)



Credit ratings at 15 March 2018

Ratings	LT / ST Counterparty	Issuer / LT senior preferred debt	Outlook / Review	ST senior preferred debt	Last rating action	Rating action
S&P Global Ratings	N/A	A	Positive outlook	A-1	25/10/2017	Outlook changed to positive from stable; LT / ST ratings affirmed
Moody's	Aa3(cr)/ P-1(cr)	A1	Stable outlook	Prime-1	19/07/2016	LT ratings upgraded (1 notch); outlook changed to stable from positive; ST ratings affirmed
Fitch Ratings	A+(dcr)	A+	Stable outlook	F1	14/12/2017	LT / ST ratings affirmed; outlook unchanged
DBRS	AA (high) / R-1 (high) (COR)	AA (low)	Stable outlook	R-1 (middle)	29/09/2017	LT ratings upgraded (1 notch); outlook changed to stable from positive; ST debt ratings confirmed

Presence in the CSR indexes and ratings[2]

FTSE4Good

Member 2013/2014 STOXX ESG LEADERS INDICES

EURONEXT vigeo

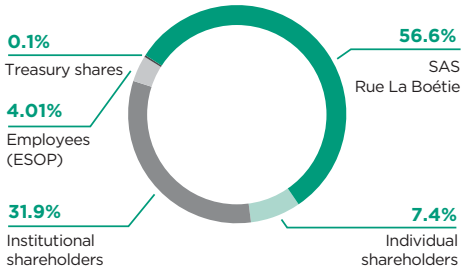
CDP DRIVING SUSTAINABLE ECONOMIES

MSCI

(1) 2015 data not proforma for the effects of the Eurêka transaction.
(2) See other CSR ratings on Part 2 of this document.

INFORMATION ON THE SHARE CAPITAL AND SHAREHOLDERS

OWNERSHIP STRUCTURE AT 31 DECEMBER 2017



CHANGE IN SHARE OWNERSHIP OVER THE PAST THREE YEARS

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

	Position at 31/12/2017			Position at 31/12/2016	Position at 31/12/2015
Shareholders	Number of shares	% of voting rights	% of share capital	% of share capital	% of share capital
SAS Rue La Boétie[1]	1,611,969,963	56.68	56.64	56.64	56.70
Treasury shares[2]	2,146,133	-	0.08	0.10	0.15
Employee share ownership plans (ESOP)	114,039,868	4.01	4.01	4,.57	3.66
Institutional investors	908,882,841	31.96	31.93	30.02	29.96
Individual shareholders	209,065,721	7.35	7.34	8.67	9.53
TOTAL	**2,846,104,526**	**100**	**100**	**100**	**100**

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

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

The ownership structure changed slightly in 2017

The Regional Banks maintain their investment in Crédit Agricole S.A. through SAS Rue La Boétie. Jointly and in the long term, they own the majority of the share capital: 56.70% at end-2015, 56.64% at end-2016 and 56.64% at end-2017.

The share of institutional shareholders increased year on year, with 31.93% at end-2017 *versus* 30.02% a year earlier. The share of individual shareholders fell slightly; it represents 7.34% of the share capital, compared with 8.67% at end-2016. Overall, the free float was up slightly over the period, at 39.28% *versus* 38.69% at end-2016.

Employee ownership through employee share ownership plans (ESOP) fell slightly in 2017 from 4.57% of the share capital at end-2016 to 4.01% at end-2017.

The definitions of the underlined words can be found in the Glossary on page 567.

RECENT CHANGES IN SHARE CAPITAL

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

Date and type of transaction	Amount of share capital *(in euros)*	Number of shares
Share capital at 31/12/2012	**7,494,061,611**	**2,498,020,537**
12/11/2013 Employee bonus shares *(General Meeting of 18/05/2011)*	10,708,380	3,569,460
Share capital at 31/12/2013	**7,504,769,991**	**2,501,589,997**
24/06/2014 Share-based payment of dividend and loyalty dividend bonus *(General Meeting of 21/05/2014)*	+224,327,331	+74,775,777
Share capital at 31/12/2014	**7,729,097,322**	**2,576,365,774**
23/06/2015 Share-based payment of dividend and loyalty dividend bonus *(General Meeting of 20/05/2015)*	187,134,309	62,378,103
12/11/2015 Employee bonus shares *(Minutes reporting decisions of 12/11/2015)*	+1,749,240	+583,080
Share capital at 31/12/2015	**7,917,980,871**	**2,639,326,957**
21/06/2016 Share-based payment of dividend and loyalty dividend bonus *(General Meeting of 19/05/2016)*	+509,891,574	+169,963,858
16/12/2016 Capital increase reserved for employees	+110,441,133	+ 36,813,711
Share capital at 31/12/2016	**8,538,313,578**	**2,846,104,526**
Share capital at 31/12/2017	**8,538,313,578**	**2,846,104,526**

Since 29 December 2017, the share capital of Crédit Agricole S.A. has amounted to €8,538,313,578, divided into 2,846,104,526 shares with a par value of €3 each.

INFORMATION CONCERNING MAJOR SHAREHOLDERS

There are currently no shareholders' agreements.

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

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

Control over the issuer

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

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

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

Under the terms of the agreement entered into by the Regional Banks and Crédit Agricole S.A. at the time of the initial public offering, the Regional Banks, through SAS Rue La Boétie, own the majority of the share capital on a permanent basis (56.64% at the end of 2017) and voting rights (56.68% at the same date) in Crédit Agricole S.A., making it immune to takeover bids. The composition of the Board of Directors results from the intention expressed in the listing agreement to ensure a majority representation of the Regional Banks.

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

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

DIVIDEND POLICY

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

From 2001 to 2003, Crédit Agricole S.A. paid a net dividend of €0.55 per share. The dividend was raised to €0.66 for 2004, €0.94 for 2005, €1.15 for 2006 and €1.20 for 2007. In respect of 2008, 2009 and 2010, shareholders were offered the option to receive a dividend of €0.45 in cash or in shares. The option of receiving the dividend in shares attracted considerable interest from shareholders: 85.7% of rights, excluding treasury shares and liquidity agreements, were exercised in favour of this option in respect of 2008, 59.3% in respect of 2009 and 84.9% in respect of 2010. No dividend was distributed for 2011 or 2012. For 2013, a net dividend of €0.35 per share was paid either in cash or in shares, plus a 10% loyalty bonus (€0.385 per share) for shares eligible for a loyalty dividend at the date the dividend was paid. Over 85% of shareholders opted to take their dividend in shares. In respect of 2014, a net dividend of €0.35 per share was paid, plus a 10% loyalty bonus (i.e. a total dividend of €0.385 per share) for shares eligible for a loyalty dividend at the date the dividend was paid. 84% of shareholders opted to take their dividend in shares. In respect of 2015, a dividend of €0.60 was paid out, either in cash or in shares. It was increased by a 10% bonus for shares eligible for a loyalty dividend at the date the dividend was paid, giving a total dividend of €0.66 per share.

In respect of 2016, the Crédit Agricole S.A. Board of Directors, at its meeting on 14 February 2017, decided to recommend to the General Meeting of Shareholders of 24 May 2017 the payment of a cash dividend of €0.60, corresponding to a payout ratio of 56% (excluding treasury shares) of net income attributable to shareholders, plus a 10% loyalty bonus for the shares eligible for a loyalty dividend at the date the dividend was paid.

The Board of Directors also confirmed its intention to recommend a dividend corresponding to 50% of attributable net income per share from 2017, and to maintain the dividend at least at the same level as in 2016.

In respect of 2018, the Board of Directors offered the Annual Shareholders' Meeting a dividend of 0.63 euro per share, entailing a 56% payout ratio on stated attributable net income Group share, which is higher than the 50% target ratio in the Medium-Term Plan. This decision reflects the desire to neutralize for all shareholders the tax surcharge voted in the amended budget law and supported by the Group on its 2017 results.

On 20 December 2017, to comply with a request from the European Central Bank, Crédit Agricole S.A. announced it would submit a proposal to the General Meeting of Shareholders to be held on 16 May 2018 to remove the loyalty dividend clause from its Articles of Association. This removal and the terms of compensation for beneficiaries is subject to approval by a special meeting of eligible shareholders that will be held on 4 April 2018 and by the Extraordinary Annual General Meeting to be held on 16 May 2018.

	In respect of 2017	In respect of 2016	In respect of 2015	In respect of 2014	In respect of 2013
Net dividend per share *(in euros)*	0.63	0.60	0.60	0.35	0.35
Payout ratio[1]	56%	55%	50%	43%	35%

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

The definitions of the underlined words can be found in the Glossary on page 567.

TABLE SUMMARISING AUTHORISATIONS IN FORCE AND THE USE MADE THEREOF DURING 2017

Type of authorisation	Purpose of authorisation	Validity of authorisation	Ceiling	Use during 2017
Share buyback	Buying Crédit Agricole S.A. ordinary shares	General Meeting of 24/05/2017 31st resolution Valid for a term of 18 months Came into force on 24/05/2017 Expires on 24/11/2018	10% of the ordinary shares in the share capital	See detailed information
Capital increase by means of the issue of ordinary shares	Share capital **increase** by issuance of ordinary shares and/or any other negotiable securities giving access to ordinary shares, with pre-emptive subscription rights.	General Meeting of Shareholders of 19/05/2016 33rd resolution Valid for a term of 26 months Expires on 19/07/2018	€3.95 billion €7.9 billion in respect of debt securities These ceilings are subject to those in the 34th, 35th and 37th resolutions	None
	Share capital **increase** by issuing ordinary shares and/or securities granting rights to ordinary shares, without pre-emptive subscription rights, in situations other than public offerings.	General Meeting of Shareholders of 19/05/2016 34th resolution Valid for a term of 26 months Expires on 19/07/2018	€792 million €5 billion in respect of debt securities These ceilings are subject to that of the 33rd resolution	None
	Share capital **increase** by issuing ordinary shares and/or securities granting rights to ordinary shares, without pre-emptive subscription rights, in the case of a public offering.	General Meeting of Shareholders of 19/05/2016 35th resolution Valid for a term of 26 months Expires on 19/07/2018	€792 million €5 billion in respect of debt securities These ceilings are subject to that in the 33rd resolution	None
	Increase the amount of the initial issue, in the event of an issue of ordinary shares or securities granting rights to ordinary shares, with or without pre-emptive subscription rights, approved pursuant to the 33rd, 34th, 35th, 37th, 38th, 41st and 42nd resolutions.	General Meeting of Shareholders of 19/05/2016 36th resolution Valid for a term of 26 months Expires on 19/07/2018	Subject to the ceilings set by the 33rd, 34th, 35th, 37th, 38th, 41st and 42nd resolutions.	None
	Issue ordinary shares and/or other securities granting rights to ordinary shares, without pre-emptive subscription rights, in consideration for asset transfers to the Company, consisting of equity securities or other securities granting rights to the share capital, other than through a public exchange offer.	General Meeting of Shareholders of 19/05/2016 37th resolution Valid for a term of 26 months Expires on 19/07/2018	Up to 10% of the share capital, this ceiling being subject to that set in the 35th resolution	None
	Determine the issue price of the ordinary shares as part of the redemption of "coco" contingent capital instruments (at a level at least equal to the weighted average price of the last three stock market trading days prior to the issue of the contingent capital instruments, less a discount of up to 50% where applicable) up to an annual maximum of 10% of the share capital.	General Meeting of Shareholders of 19/05/2016 38th resolution Valid for a term of 26 months Expires on 19/07/2018	€3 billion The total nominal amount cannot exceed 10% of the share capital in any 12 month period. This ceiling is subject to that in the 34th or 35th resolutions.	None
	Limit authorisations to issue securities with or without pre-emptive subscription rights as a result of the adoption of the 24th to 28th resolutions.	General Meeting of Shareholders of 19/05/2016 39th resolution	Nominal amount of the capital increase approved pursuant to the 33rd to 37th resolutions	None
	Increase the share capital by capitalisation of reserves, earnings, share premiums or other items.	General Meeting of Shareholders of 19/05/2016 40th resolution Valid for a term of 26 months Expires on 19/07/2018	€1 billion, independent and separate ceiling	None
Transaction reserved for employees	**Increase** the share capital by issuing ordinary shares, without pre-emptive subscription rights, reserved for Crédit Agricole Group employees who subscribe to an Employee savings scheme.	General Meeting of Shareholders of 19/05/2016 41st resolution Valid for a term of 26 months Expires on 19/07/2018	€200 million Autonomous and distinct from other ceilings on capital increases	Issuance of 34,204,962 new shares with a par value of €3 each – Completed on 16/12/2016
	Increase the share capital by issuing ordinary shares, without pre-emptive subscription rights, reserved for Crédit Agricole International Employees.	General Meeting of Shareholders of 19/05/2016 42nd resolution Valid for a term of 18 months Expires on 19/11/2017	€50 million Autonomous and distinct from other ceilings on capital increases	Issuance of 2,608,749 new shares with a par value of €3 each – Completed on 16/12/2016
	Award performance shares, whether already issued or to be issued, to eligible employees or Corporate Officers.	General Meeting of Shareholders of 19/05/2016 43rd resolution Valid for a term of 24 months Expires on 19/05/2018	0.20% of the share capital at the date of the Board's decision to award the shares	None
Cancellation of shares	**Cancel shares** acquired under the share buyback programme.	General Meeting of 24/05/2017 32nd resolution Valid for a term of 24 months Expires on 24/05/2019	10% of the total number of shares in each 24-month period	None

The definitions of the underlined words can be found in the Glossary on page 567.

PURCHASE BY THE COMPANY OF ITS OWN SHARES IN 2017

The thirty-first resolution of the Ordinary General Meeting of Crédit Agricole S.A. of 24 May 2017 authorised the Board of Directors to trade in Crédit Agricole S.A. ordinary shares, in accordance with the General Regulation of the French Financial Market Authority (AMF) and with Articles L. 225-209 *et seq.* of the French Commercial Code.

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

- the authorisation was granted for a period of 18 months;
- the Company may not, under any circumstances, hold more than 10% of the share capital;
- the number of shares purchased may not exceed 10% of the total number of ordinary shares at the date on which the said purchases are carried out;
- the maximum purchase price is €24;
- in any event, the maximum amount the Company may allocate to the buyback of its ordinary shares is €4.83 billion.

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

The Board of Directors informs the General Meeting of the following activities undertaken in accordance with the share buyback programme for the period from 1 January to 31 December 2017.

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

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

Number of shares registered in the Company's name at 31/12/2016	2,765,736
To cover commitments to employees and Corporate Officers	1,770,736
To provide volume to the market in the context of the market-making agreement	995,000
Number of shares bought in 2017	8,427,533
To cover commitments to employees and Corporate Officers	*0*
To provide volume to the market in the context of the market-making agreement	*8,427,533*
Volume of shares used to achieve the purpose set[1]	
Coverage of commitments to employees and Corporate Officers	*874,603*
Market-making agreement (purchases + sales)	*16,600,066*
Number of shares reallocated for other purposes	0
Average purchase price of shares bought in 2017	€13.20
Value of shares bought in 2017 at purchase price	€111,215,350
Trading costs	€275,677
Number of shares sold in 2017	**9,047,136**
To cover commitments to employees and Corporate Officers	*874,603*
To provide volume to the market in the context of the market-making agreement	*8,172,533*
Average price of shares sold in 2017	€13.55
Number of shares registered in the Company's name at 31/12/2017	**2,146,133**
To cover commitments to employees and Corporate Officers	*896,133*
To provide volume to the market in the context of the market-making agreement	*1,250,000*
Gross carrying amount per share[2]	
Shares bought to cover commitments to employees and Corporate Officers (historical cost)	*€10.75*
Shares bought as part of the market-making agreement (traded price at 31/12/2017)	*€13.80*
Total gross carrying amount of shares	€26,886,387.77
Par value	€3
Percentage of the share capital held by the Company at 31/12/2017	0.08%

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

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

The definitions of the underlined words can be found in the Glossary on page 567.

DESCRIPTION OF CRÉDIT AGRICOLE S.A. SHARE BUYBACK PROGRAMME FOR 2017 AND SUBSEQUENT YEARS

Pursuant to Article 241-2 of the AMF General Regulation, this document constitutes the description of the share buyback programme to be approved by the Combined General Meeting of 24 May 2017.

It is hereby specified that the expression "Ordinary Shares" as used in this document refers to the shares that make up the Company's share capital at this time, as opposed to Preferred Shares which could be issued in accordance with the authorisation given by the General Meeting of 19 May 2009 to the Board of Directors.

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

At 13 February 2018, Crédit Agricole S.A. directly owned 2,296,133 shares, representing 0.08% of the share capital.

II. Breakdown of targets by equity securities held

At 13 February 2018, the shares held by Crédit Agricole S.A. broke down as follows:

- 896,133 shares to cover commitments to employees and Corporate Officers;
- 1,400,000 shares held under a market-making agreement to create an active market for the shares.

III. Purposes of share buyback programme

The authority to be granted by the shareholders at the Combined General Meeting of Shareholders of 24 May 2018 is designed to allow Crédit Agricole S.A. to trade in its own shares either on the market or over the counter for any purpose permitted or to be permitted by applicable laws or regulations.

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

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

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

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

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

In addition, the maximum total amount that Crédit Agricole S.A. may allocate to the buyback of its ordinary shares during the term of the share buyback programme is €5.6 billion.

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

2. Characteristics of the shares covered

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

Name: Crédit Agricole S.A.

ISIN Code: FR0000045072

3. Maximum purchase price

The purchase price for Crédit Agricole S.A. shares under the buyback programme may not exceed €27 per share.

V. Duration of programme

In accordance with Article L. 225-209 of the French Commercial Code and with the 27th resolution to be submitted to the Ordinary General Meeting of 24 May 2018, this share buyback programme replaces the unused portion of the programme approved by the Ordinary General Meeting of 24 May 2017, and may be implemented until it is renewed by a future General Meeting, and in any event, for a maximum term of 18 months as from the date of the Combined General Meeting, that is, until 16 November 2019 at the latest.

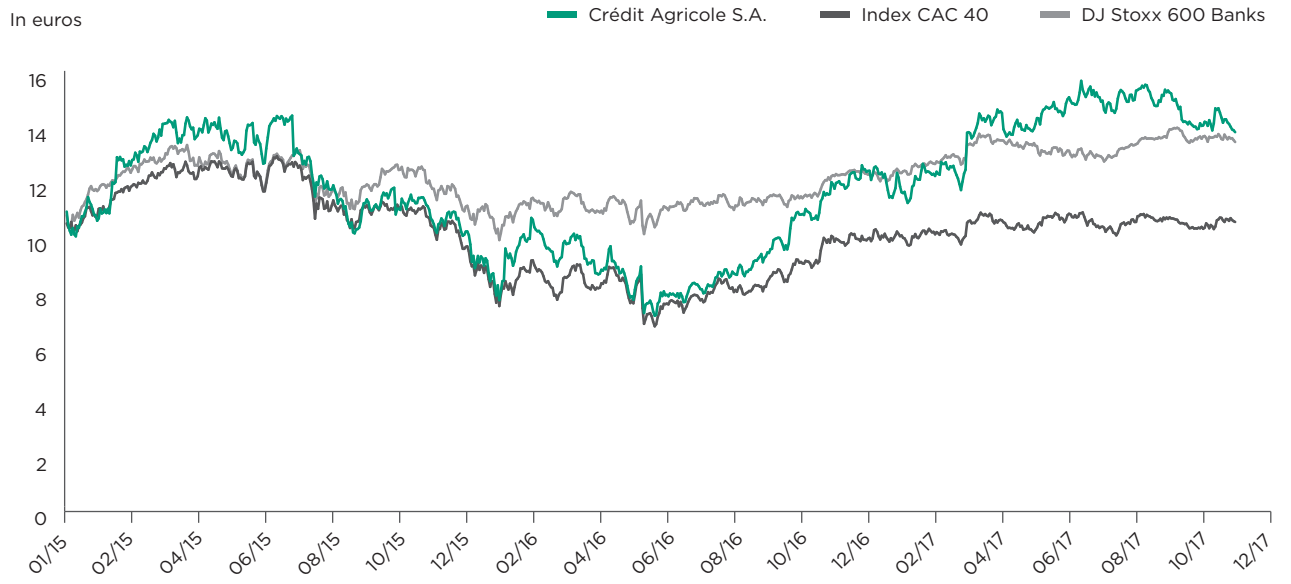
The definitions of the underlined words can be found in the Glossary on page 567.

STOCK MARKET DATA

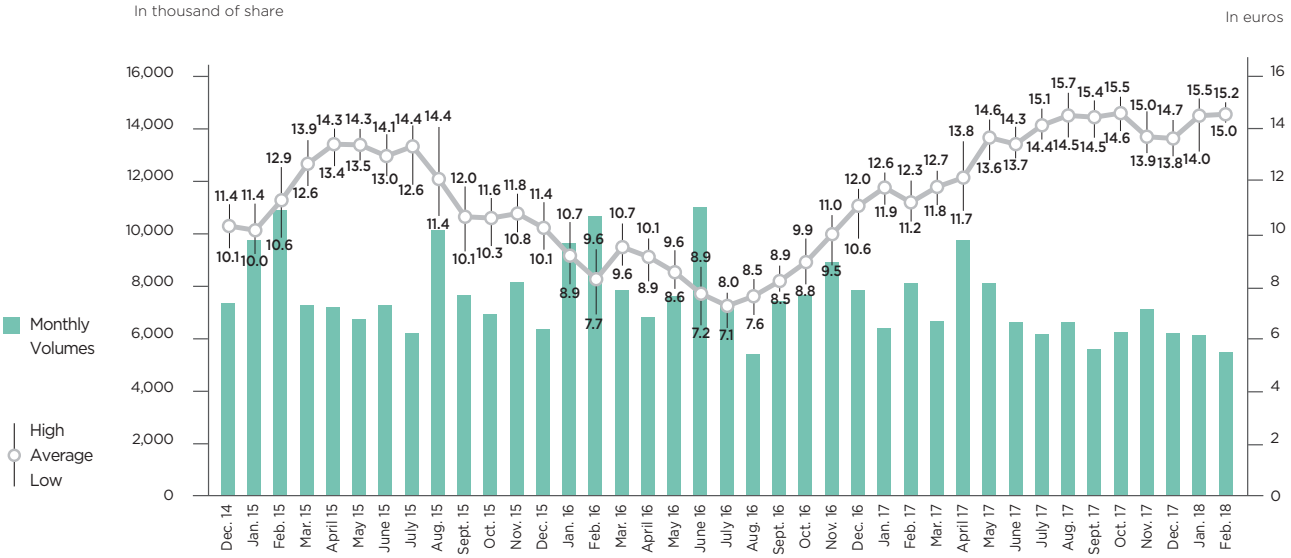
CRÉDIT AGRICOLE S.A. SHARE

Stock market performance

THREE-YEAR SHARE PERFORMANCE



MONTHLY CHANGE IN THE SHARE PRICE AND IN THE VOLUME OF SHARES TRADED



Between 31 December 2014 and 29 December 2017, the last trading day of the year, the Crédit Agricole S.A. share price rose from €10.76 to €13.80, or an increase of 28.25% in three years, outperforming both the CAC 40 index (+24.28%) and the DJ Stoxx 600 Banks index (down 2.53% over the period).

In 2017 alone (between 30 December 2016 and 29 December 2017), the share price rose by 17.15%, compared with an increase of 9.26% for the CAC 40 and an increase of 8.06% for the DJ Stoxx 600 Banks Index.

The total number of Crédit Agricole S.A. shares traded between 2 January and 29 December 2017 on Euronext Paris was 1.618 billion (1.950 billion in 2016), with a daily average of 6.3 million (7.6 million in 2016). The highest share price achieved over this period was €15.68 and the lowest €11.06.

Stock market indexes

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

They are included in several indexes: the CAC 40 (featuring the 40 most representative listed companies on the Paris Stock Exchange), the Stoxx Europe 600 Banks Index (made up of 47 banking institutions in Europe), and the FTSEurofirst 80 Index (representative of the largest companies in the Eurozone by market capitalisation).

Crédit Agricole S.A. strengthens its global CSR performance and maintains itself in the main international socially responsible indexes, which bring together the best performing companies according to strict ESG criteria. Since 2004, it has also been in the FTSE4Good, and in the NYSE Euronext Vigeo Eiris France 20, Eurozone 120, Europe 120 and World 120 indexes since 2013. Since 2014, it has included the STOXX Global ESG Leaders index, and since 2015 the Oekom Prime, being one of the top 18% of companies in this field. Crédit Agricole SA is also one of the top-rated French banks in 2017 by the CDP (Carbon Disclosure Project) on its climate policy with a rating of A- and by the MSCI (Morgan Stanley Capital International) with the rating of A on its overall CSR performance.

Stock market data

	31/12/2017	31/12/2016	31/12/2015	31/12/2014	31/12/2013
Number of shares in issue	2,846,104,526	2,846,104,526	2,639,326,957	2,576,365,774	2,501,589,997
Stock market capitalisation *(in billions of euros)*	39.3	33.5	28.7	27.7	23.3
Earnings Per Share (EPS) *(in euros)*	1.12	1.12	1.21	0.83	1.01
Net Book Value Per Share (NBVPS)(1) *(in euros)*	18.1	16.8(2)	18.7	18.0	16.91
Price/NBVPS	0.76	0.70	0.58	0.60	0.55
P/E (price/EPS)	12.28	10.51	8.99	12.90	9.23
Highest and lowest share prices during the year *(in euros)*					
High (during trading day)	15.68	12.07	14.49	12.22	9.50
Low (during trading day)	11.06	6.79	9.82	9.14	5.95
Final (closing price at 31 December)	13.80	11.78	10.88	10.76	9.31

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

Shareholder return

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

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

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

Holding period	Cumulative gross return	Average annualised return
1 year (2017)	16.3%	16.3%
2 years (2016 and 2017)	35.5%	16.4%
3 years (2015 to 2017)	41.3%	12.2%
4 years (2014 to 2017)	70.8%	20.8%
5 years (2013 to 2017)	156.8%	20.8%
10 years (2008 to 2017)	(5.8%)	(0.6%)
Since IPO (14/12/2001)	66.2%	3.2%

DIVIDEND CALENDAR

21 May 2018	Record date for receipt of dividend
22 May 2018	Ex-dividend date, the amount of the dividend is deducted from the opening share price on this date
24 May 2018	Dividend paid

ISIN REGISTERED

Date shares registered in bearer's name	ISIN	First year entitled to loyalty dividend
Prior to 31/12/2015	FR0011636075	2018
Between 01/01/2016 and 31/12/2016	FR0013217072	Depending on vote at General Meeting
Between 01/01/2017 and 31/12/2017	FR0013295292	Depending on vote at General Meeting

For reference: the ISIN FR0000045072 is the transaction code used for submitting buy or sell orders for bearer shares.

2018 FINANCIAL COMMUNICATIONS CALENDAR

14 February	Publication of 2017 full-year results
4 April	Special Meeting of holders
15 May	Publication of 2018 first-quarter results
16 May	General Meeting of Shareholders in Paris
3 August	Publication of 2018 first-half results
7 November	Publication of 2018 nine-month results

CONTACTS

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The definitions of the underlined words can be found in the Glossary on page 567.

SIGNIFICANT EVENTS IN 2017

January

Crédit Agricole S.A. announces a goodwill impairment charge on LCL due to the macroeconomic and financial environment, particularly the low interest rates. Crédit Agricole S.A. confirms the financial targets set for 2019 as part of its "Strategic Ambition 2020" Medium-Term Plan.

March

Crédit Agricole announces the successful sale of 56,720,400 Amundi pre-emptive subscription rights as part of a private placement with institutional investors for approximately €67 million. Following the completion of the Amundi capital increase, the Crédit Agricole Group discloses that it holds about 70% of Amundi's share capital, of which 64.2% by Crédit Agricole S.A.

April

Crédit Agricole S.A. announces preliminary discussions with the Bank of Italy and the Italian Interbank Deposit Protection Fund with a view to the potential acquisition of the Cesena ("Cassa di Risparmio di Cesena"), Rimini ("Cassa di Risparmio di Rimini") and San Miniato ("Cassa di Risparmio di San Miniato") Savings Banks.

May

The General Meeting of Shareholders of Crédit Agricole S.A. approves a dividend of €0.60 per share, to be paid solely in cash.

June

In line with its strategy to exit minority holdings that tie up capital, Crédit Agricole S.A. announces an agreement to sell its 15.42% stake in Eurazeo for €790.5 million.

July

Amundi finalises the acquisition of Pioneer Investments.

Indosuez Wealth Management signs agreement for the acquisition of Crédit Industriel et Commercial's private banking operations in Singapore and Hong Kong. The deal confirms Indosuez Wealth Management's commitment to accelerating its development in Asia.

September

Crédit Agricole S.A. announces that it has completed the sale of a part of its stake in Banque Saudi Fransi (16.2% out of 31.1% held).

November

Indosuez Wealth Management announces the signing of an agreement for the acquisition of 67% of Banca Leonardo, one of Italy's leading wealth management players.

December

At the request of the ECB, Crédit Agricole S.A. announces the removal of the loyalty dividend clause from the Articles of Association. The implementation of this decision will be submitted to the beneficiaries of the loyalty dividend at a Special Meeting (to be held on 4 April 2018), and then to the General Meeting of Shareholders (on 16 May 2018).

Crédit Agricole S.A. announces the acquisition of the residual 15% stake held by Natixis in CACEIS, giving it 100% control of the company's capital.

Crédit Agricole S.A.announces the acquisition of three Italian savings banks (*Cassa di Risparmio di Cesena SpA, Cassa di Risparmio di Rimini SpA, Cassa di Risparmio di San Miniato SpA*).

HISTORY

▸ 1885

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

▸ 1894

Law authorising the creation of the first "Sociétés de Crédit Agricole", later named Caisses Locales de Crédit Agricole Mutuel (Local Banks of Crédit Agricole Mutuel).

▸ 1899

Law grouping the Local Banks into Crédit Agricole Regional Banks.

▸ 1920

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

▸ 1945

Creation of Fédération Nationale du Crédit Agricole (FNCA).

▸ 1986

Creation of Predica, life insurance company of the Group.

▸ 1988

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

▸ 1990

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

▸ 1996

Acquisition of Banque Indosuez.

▸ 1999

Acquisition of Sofinco and an initial stake in Crédit Lyonnais.

▸ 2001

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

▸ 2003

Acquisition of Finaref and Crédit Lyonnais (now LCL).

▸ 2006

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

▸ 2008

Strategic refocusing of Corporate and Investment Banking activities.

▸ 2009

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

▸ 2010

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

▸ 2011

Acquisition in Italy of 172 branches from Intesa Sanpaolo S.p.A.

Presentation of the "Commitment 2014" strategic plan. Presentation of Crédit Agricole Group's adaptation plan.

▸ 2013

Sale of Emporiki Group to Alpha Bank. Disposal of the stockbrokers CLSA and Cheuvreux.

Disposal of the equity investment in Bankinter.

▸ 2014

Presentation of Crédit Agricole Group's 2016 Medium-Term Plan.

Sale of the 50% stake in Newedge to Société Générale and simultaneous acquisition of an additional 5% stake in Amundi's capital.

Refocus completed with the disposal of Nordic subsidiaries of Crédit Agricole Consumer Finance, Crédit Agricole Bulgaria and BNI Madagascar.

▸ 2015

Amundi IPO.

Disposal of Crédit Agricole Albania.

▸ 2016

Announcement and completion of the transaction to simplify the Group's ownership structure (Eurêka).

Presentation of the Medium-Term Plan "Strategic Ambition 2020".

Announcement of the acquisition of Pioneer Investments by Amundi.

▸ 2017

Sale of the entire stake in Eurazeo (15.42% of the capital).

Finalisation of Amundi's acquisition of Pioneer Investments.

Sale of a part of the 16.2% stake in Banque Saudi Fransi.

Announcement of the acquisition of Banca Leonardo in Italy by Indosuez Wealth Management.

Acquisition of a stake of more than 95% in the Cesena, Rimini and San Miniato Savings Banks.

Acquisition of the remaining 15% stake held by Natixis in CACEIS.

The definitions of the underlined words can be found in the Glossary on page 567.

OUR UNIVERSAL CUSTOMER-FOCUSED BANKING MODEL

A UNIQUE UNIVERSAL CUSTOMER-FOCUSED BANKING MODEL

In 2016, the Crédit Agricole Group simplified its capital structure, with Crédit Agricole S.A. ceasing to hold 25% of the capital of each Regional Bank. The transaction clarified the ties between Crédit Agricole S.A. and the Regional Banks. It improved the quantity and quality of the capital of Crédit Agricole S.A. (immediate achievement of the Medium-Term Plan CET1 ratio target of 11% at 2019). This transaction allowed the Regional Banks to pool their results to a greater extent, and to take advantage of the value they create.

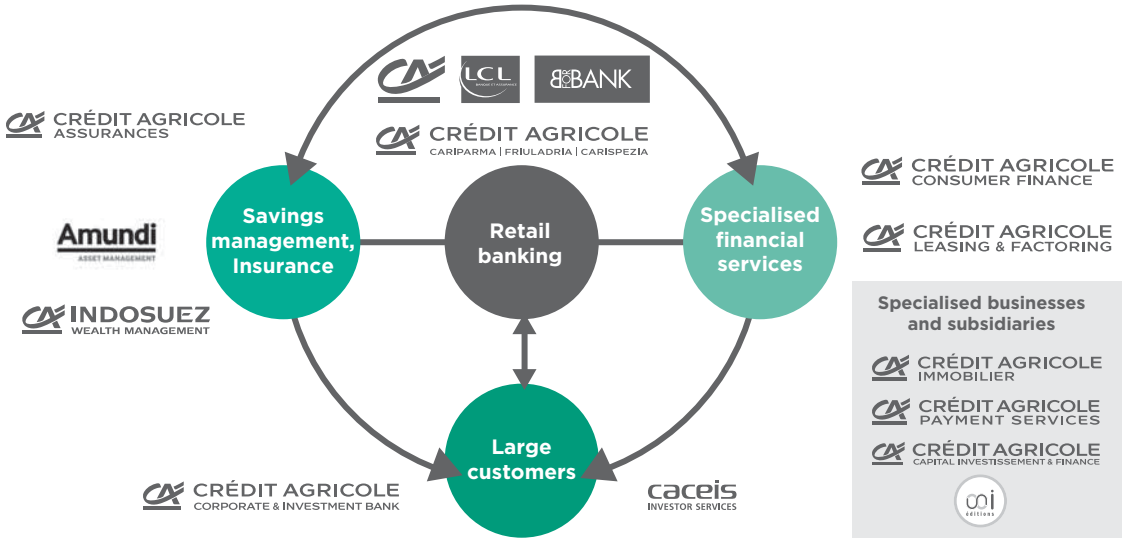
The Regional Banks, France's leading retail banking network, will nevertheless continue to play a central role within the Group and in the strategy it implements. They form the core of the universal customer-focused banking model, which is based on recognised know-how in the distribution of all the financial products and services developed by specialised business lines to all types of customers in the Group's retail banking operations in France and internationally.

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

All of these services and skills are offered in a close relationship based on the Group's retail banks in France (Regional Banks, LCL, BforBank) and internationally (Crédit Agricole Cariparma, CA Bank Polska, Crédit du Maroc, CA Egypt, CA Ukraine and CA Serbia). The contacts maintained by employees and elected representatives of Local and Regional Banks in the field ensure good knowledge of customers and their problems throughout their lives. This understanding of the expectations and needs of customers, together with the size of the Group's networks, enable Crédit Agricole S.A.'s specialised business lines to constantly improve their offerings and their competitiveness.

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

The increase in customer take-up is both a means of encouraging loyalty and a vector for revenue growth, through the synergies developed between retail banking and the specialised business lines. Crédit Agricole Group's medium-term strategic plan, "Strategic Ambition 2020", drawn up jointly by the Regional Banks and Crédit Agricole S.A. and unveiled in March 2016, has reinforced the implementation of this model.



ACTIVITIES AND ORGANISATION OF THE REGIONAL BANKS

The Crédit Agricole Regional Banks are co-operative entities and fully fledged banks that have a leading position in all their retail banking markets in France. With 21 million individual customers, the Regional Banks account for 23.2% of the household bank deposit market (source: Banque de France, September 2017). They are leaders in the agricultural (84% share; source: Adéquation 2016), professional (34%; source: Pépites CSA 2016) and business (37%; source: TNS-Sofres 2017) markets.

The marketing of products and services to cover the financial and wealth management needs of their customers is based on a network nearly 7,000 branches, about 6,000 in-store servicing points installed at small retailers and a full range of remote banking services.

THE BUSINESS LINES OF CRÉDIT AGRICOLE S.A. AT 1 JANUARY 2018



Asset gathering

Insurance

MISSION: As France[1]'s leading insurer, Crédit Agricole Assurances is highly focused on the needs of its customers, whether they are individuals, SMEs and small businesses, corporates or farmers. Its goal is to be effective and useful, from designing solutions and services to handling claims.

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

KEY FIGURES:

Gross revenues
€30.4 bn

Assets under management in savings/retirement
€279 bn

Number of property & casualty insurance contracts
12.7 million

Asset management

MISSION: Amundi provides both individual customers and institutional and corporate customers with innovative savings and investment solutions that cater for their needs, performance targets and specific risk profiles.

OUR OFFERING: Amundi offers its customers in Europe, Asia Pacific, the Middle East and the Americas a wide range of expertise and investment solutions for active, passive, real estate and alternative asset management. Following the acquisition of Pioneer Investments, the Group offers an enhanced range of tools and services and has unique research capabilities.

KEY FIGURES:

Assets under management
€1,426 bn

No. 1 European asset management company[2]

Present in more than
37 countries

Wealth management

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

OUR OFFERING: we offer a tailored approach allowing individual customers to manage, protect and transfer their assets in a manner which best fits their aspirations. Embracing a global vision, our teams offer expert advice and first class services.

Key figures:

Assets under management[3]
€118.3 bn

3,110 employees

Present in
14 countries



Retail banking

LCL

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

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

KEY FIGURES:

Loans outstanding
€111 bn
(of which €71 bn in home loans)

Total customer assets
€187 bn

6 million individual customers

International retail banking

MISSION: Crédit Agricole's international retail banks (IRB) are primarily located in Europe (Italy, Poland, Serbia, Romania, Ukraine), and in selected countries of the Mediterranean basin (Morocco, Egypt), where they serve individual and corporate customers (SMEs and large corporates), mainly in the agriculture and food processing sector.

OUR OFFERING: in-branch and online, international retail banks offer a tailored range of banking products (payment instruments, loans, saving products) and insurance, in synergy with the Group's other business lines (CAA, Amundi, CAL&F, Crédit Agricole CIB, etc.).

KEY FIGURES:

Loans outstanding
€52.2 bn

On-balance sheet deposits
€53.1 bn

6.1 million customers, 47,000 *(of them in the agricultural and food processing industries)*

(1) Source: L'Argus de l'assurance, 8 December 2017 (figures to end-2016).

(2) Source: IPE "Top 400 asset managers" published in June 2017 based on assets under management as at December 2016.

(3) Excluding LCL Private Banking, Regional Banks and private banking activities within international retail banking.

The definitions of the underlined words can be found in the Glossary on page 567.



Specialised Financial Services

Consumer finance

MISSION: a key player in consumer finance in Europe, Crédit Agricole Consumer Finance offers its customers and partners a range of flexible, responsible solutions, tailored to their needs. Customer satisfaction is a strategic priority, particularly through investments in digital.

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

KEY FIGURES:

Gross managed loans
€82.6 bn

of which €17.6 bn for the Group's retail banking activities

Present in
19 countries

Leasing, factoring and finance for energies and regions

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

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

KEY FIGURES:

31%(2)
market share in Sofergies *(Energy-saving finance companies)*

17%(1)
factoring market share

12.1%(1)
equipment leasing market share

(1) End of September 2017. (2) End of June 2017.



Large customers

Corporate and investment banking

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

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

KEY FIGURES:

No. 1
bookrunner worldwide in aerospace financing *(Air Finance)*

No. 1
bookrunner worldwide for green, social and sustainability bonds (all currencies) in 2017 *(source: Bloomberg)*

8,000
employees

Asset servicing

MISSION: CACEIS, a specialist back-office banking group, supports management companies, institutional investors, banks, sovereign asset funds, brokers and companies in the execution of their orders, including custody and management of their financial and physical assets.

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

KEY FIGURES:

Assets under custody
€2,656 bn

Assets under administration
€1,762 bn

Assets deposited
€1,106 bn

Specialised businesses and subsidiaries

Crédit Agricole Immobilier
€964 million annual fees
1,857 homes sold
3.1 million sq. m. under management at end-2017

Crédit Agricole Capital Investissement & Finance (IDIA CI, SODICA CF)
€1.5 billion assets under management
31 transactions completed

Crédit Agricole Payment Services
France's leading payment solutions provider with a market share of almost 30%
More than 10 billion transactions processed in 2017
More than 40 years of experience in developing user-friendly, secure solutions for customers

Uni-Éditions
11 market-leading publications with nearly 2 million subscribers
10 million readers, 10 websites
132 million visits per year and about 2 million unique mobile visitors per month(1)

(1) Source: Office de Justification de la Diffusion, ACPM, January 2017.

ASSET GATHERING

Insurance

Business and organisation

Crédit Agricole Assurances (CAA) is the largest bancassurer in Europe[1] by premium income.

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

Savings and retirement

Crédit Agricole Assurances is the second largest provider of personal insurance in France[1].

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

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

Internationally, the insurance group conducts most of its business with Crédit Agricole Group entities (Italy, Luxembourg, Poland); it also joins forces with external partners in targeted geographic areas (Japan in particular).

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

Death & disability/creditor/group insurance

Crédit Agricole Assurances is the leading provider of individual death & disability insurance in France[2] and second largest bancassurer for creditor insurance[3]. A new service launched in 2015, group insurance covered around 500,000 people at 1 January 2018.

Individual or group insurance solutions cater for customers wishing to:

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

The death & disability/health offering works through the banking networks of Crédit Agricole Group, in France and abroad, supplemented in metropolitan France by a network of general agents dedicated to health professionals. In group insurance, CAA and Amundi have joined forces to become a leading provider of social protection for companies. With expertise in creditor insurance, CAA offers its services through some 30 partners, retail banks and specialised finance companies in six countries.

Property & casualty insurance

Crédit Agricole Assurances is the largest car and home bancassurer[3], the second largest health bancassurer[3] and the sixth largest property and liability bancassurer in France[1].

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

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

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

2017

Significant events

- Crédit Agricole Assurances confirms its position as France's leading insurer[1].
- Crédit Agricole, the leading banking and insurance brand in December 2017[4].
- Launch in September 2017 of "Commercial vehicle" insurance for small businesses and farmers.
- Since September 2017, introduction of robo-advisor solutions for CGPI partners.
- In November 2017, Crédit Agricole Vita was one of the winners in the "Future Bancassurance Awards 2017", held in Milan, for its two new investment solutions: "Strategia PIR" and "Multi PIR Private", aimed at individual and private banking customers respectively to take advantage of the introduction of individual savings plans (PIR) in Italy.

(1) Source: L'Argus de l'assurance, 8 December 2017 (figures to end-2016).
(2) Source: L'Argus de l'assurance, 26 May 2017 (figures to end-2016).
(3) Source: L'Argus de l'assurance, 14 April 2017 (figures to end-2016).
(4) Source: annual survey conducted by Opinion Way and L'Argus, which measures the image, reputation and attractiveness of banks and insurers.

Asset management

Business and organisation

AMUNDI ON THE STOCK MARKET

Amundi's shares performed well again in 2017: the 2017 year-end Amundi share price was €70.65, up 42.1% from end-2016, and up 57% since its initial listing on 11 November 2015 (introductory price of €45). In addition, an ordinary dividend of €2.20 per share was paid in May 2017.

Amundi outperformed the major Paris stock market indexes in 2017: not only the CAC 40 (+9.3%) and the SBF 120 (+10.3%), but also its industry benchmark, the Stoxx 600 Financial Services (+15%), as well as its main stock market peers (European asset managers). In this favourable market environment, Amundi's shares were boosted by the reporting of strong operating results and the gradual recognition by investors and analysts of the acquisition of Pioneer Investments (and the resulting synergies). This transaction, which was welcomed by the markets, illustrated Amundi's ability to use its share capital to create value, pushing its share price up to an all-time high of €76.17 at the end of November 2017.

The market capitalisation (€14.2 billion at end-2017) has therefore doubled since the listing, giving Amundi the largest capitalisation of any listed asset manager in Europe and the fourth largest in the world.

STRATEGIC AMBITIONS FOR 2020

Following an excellent year in 2017, which confirmed the momentum observed in 2016, Amundi has reached or exceeded all the operating and financial targets **announced when it listed on the stock market** in late 2015.

The integration of Pioneer Investments (acquired on 3 July 2017) is well under way and the new organisation is in place, allowing revenue and cost synergies to be achieved as scheduled.

This acquisition, which represents a milestone in Amundi's development strategy, has strengthened its profile in three areas: distribution capacity, geographic presence and management expertise.

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

Amundi's strategic ambitions for 2020 are an indication of its ability to increase the pace of its development. As the European market leader and a world-class player, Amundi is poised to become a leader in the global asset management industry.

2017

Significant events

- Finalisation of the acquisition of Pioneer Investments, which reinforces Amundi's position as Europe's leading asset manager and rounds out its portfolio of products and services.
- Signing of a strategic partnership agreement with the International Finance Corporation, a subsidiary of the World Bank, confirming Amundi's vocation to become a global leader in green finance.
- Amundi Services – a service platform for asset management companies – continues its commercial development by unveiling a new turnkey solution, "Asset Manager in a Box".
- Launch of the first robo-advisor for employee savings, an innovative online service that advises employees on their choice of investments.
- Amundi shares are included in MSCI indices.

Wealth management

Business and organisation

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

Embracing a global vision, its 3,110 employees provide expert advice and first class services in wealth management.

2017

Significant events

- Deployment of the "Shaping Indosuez 2020" business plan launched at the end of 2016.
- Acquisition of CIC's private banking activities in Asia.
- Signing of an agreement for the acquisition of Banca Leonardo in Italy.
- Finalisation of the policy of focusing on customers from countries that have signed the automatic exchange of informations agreement.

RETAIL BANKING

LCL

LCL is a national network, a leader in towns and cities, supplying banking services and insurance, that prides itself on excellent customer service within a collective growth dynamic.

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

Business and organisation

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

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

LCL's ambition is to offer a personal relationship experience that combines both human and digital interaction, giving its 6 million individual customers the choice of banking how, where and when they want through their preferred channel.

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

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

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

The 337,000 SMEs and small businesses – skilled craft workers, retailers, professionals and other small businesses – also benefit from the same national network and the support of 1,300 specialist advisors. These advisors serve as a single contact point to help their customers manage their daily affairs and achieve their business and personal projects. LCL is a major player in the financing of professionals, granting loans of €2.2 billion through its subsidiary Interfimo.

LCL Banque Privée has 173,000 private banking clients. Dedicated advisors work with regional centres of expertise to offer comprehensive, tailored advice on finance, day-to-day banking and the management of real estate and financial assets. The 73 private banking centres offer peace and quiet and complete privacy for analysis, advice and decision-making.

LCL Banque des Entreprises relies on its national network of 69 geographic locations (representing 84 Business Centres and Corporate branches) to provide its 29,000 customers with its full range of expertise in Paris and throughout the rest of France: corporate finance for SME takeovers and acquisitions, market activities, international trade and payments, employee savings.

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

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

2017

Significant events

- *"LCL Mes comptes"* is named best mobile app in the Quality Awards held by the meilleurebanque.com comparison website for the third year running. The bank has a 91% customer satisfaction rate.
- LCL is ranked third in the banking industry for its E-reputation, in a survey published by Brandwatch for the third quarter of 2017.
- LCL is an industry pioneer: in just two years, 1 million users have joined its Avantage+ scheme, which offers cashback at 300 retailers on payments made in-store or online using an LCL card.
- LCL is rolling out a new branch concept intended to improve customer service. In 2017, 36 branches underwent refurbishment in line with this new concept.

International retail banking

Business and organisation

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

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

The IRB division thus has operational responsibility for the functioning and performance of these banks. It oversees and supports their development and ensures that they comply with Group standards, particularly as regards transaction processing, regulatory aspects, etc.

Lastly, the IRB division plays a key role in implementing new customer service and relationship development models.

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

The definitions of the underlined words can be found in the Glossary on page 567.

- **Crédit Agricole Italia** – which has one of the highest ratings from Moody's of any Italian bank – is the bridgehead of the Group's presence in Italy, where all the Group's business lines are present. In 2017, CA Italia bought the Cesena, Rimini and San Miniato Savings Banks to consolidate its presence in the Emilia-Romagna and Tuscany regions, which are among the wealthiest in Italy (over 2 million customers and a branch market share of 3.7%). This is now the seventh largest network in Italy by number of branches;
- **Crédit Agricole Bank Polska** has been a universal bank since 2011 and remains a leading provider of consumer finance. Following the acquisition of CACIB Poland in 2013, the bank set up a sales network targeting the high-end segment of the agricultural market;
- **Crédit Agricole Egypt** (60.5% owned) is a universal bank which generates 51% of its revenues from retail banking (individuals and SMEs). Strong synergies exist between the corporate segment and other Group entities;
- **Crédit Agricole Bank (Ukraine)** is a universal bank specialising in multinational corporations and food processing (mid-caps and SMEs), sectors in which the bank has a strong reputation and solid expertise;
- **Crédit du Maroc** (78.7% owned) is Morocco's seventh largest bank. It is a universal bank with a traditional customer base of large Moroccan corporates. However, it expanded rapidly into the retail market between 2005 and 2012 and now supports the country's development;
- after joining the Group in 2005, **Crédit Agricole Banka Srbija** (Serbia) has made a significant effort since 2011 to reach break-even point (reduction in the risk on new business, tight control over margins and operating expenses, stronger positioning in the agricultural segment – market share of 18% – and food processing segment – market share of 12%). Against a backdrop of political and economic stability, the bank seeks steady and profitable organic growth based on a selective market approach;
- **Crédit Agricole Romania**, a modest-sized bank, is organically developing a retail banking business focused on high-net-worth individuals and expatriates, in addition to agricultural and food processing companies and subsidiaries large multinational corporate of the Group's customers.

Crédit Agricole S.A. also has holdings in other European countries alongside the Regional Banks. It owns 5% of Bankoa in the Spanish Basque region, and 8% of Crédit Agricole Next Bank in Switzerland.

CRÉDIT AGRICOLE'S INTERNATIONAL RETAIL BANKS

Entity	Number	Balance sheet total *(in millions of euros)*	Significant events in 2017	Positioning/Rating
CA Italia	1,060 branches 2.6 million customers 10,137 employees	62,529	• Dynamic commercial activity, particularly in mortgage loans and off-balance sheet deposits, driven by wealth management. • Continued investment in digital transformation, penetration and Group synergies, particularly with Crédit Agricole CIB and LCL.	• Moody's deposit ratings: A3 long term (highest level for Italian banks) with a negative outbook • Leading Italian banking group by "aggregate performance over the last 5 years" (internal source)
CA Bank Polska	441 branches 2.27 million customers 4,253 employees	5,243	• Local market impacted by the growing regulatory burden and taxes, accelerating the normalisation of margins on consumer finance and leading to concentration of the sector. • Continued transformation with the transition to a unique IT system (Copernicus Project).	• N°. 1 Polish bank chosen by customers when switching banks • Ranked second in the "*Mortgage Banking*" category – *Newsweek* Polska
CA Egypt	79 branches 369,037 customers 2,340 employees	2,159	• Strict risk and cost management, enabling it to survive two major crises and remain highly profitable. • Business recovered sharply following the devaluation of the Egyptian pound at the end of 2016.	• Fitch rating: AA+ (egy) stable • One of only two banks in the flagship index of the Cairo Stock Exchange (EGX 30)
CA Bank (Ukraine)	152 branches 448,070 customers 2,257 employees	915	• Backdrop of economic normalisation (interest rates, inflation), return to growth in Retail segments, solid performance in the Corporate segment and productivity enhancement. • Continued process optimisation (back office, digitisation) and modernisation of distribution channels (branches and digital banking).	• Fitch rating: B in local currency (highest level for Local Banks), B- in foreign currency • No. 1 in the agricultural and food processing sector, bagging a Financial Oscar for the country's best "agricultural bank" (Business magazine)
Crédit du Maroc	329 branches 715,511 customers 2,458 employees	4,623	• Increased market share in mortgages (6.48%, compared with 6.25% at end-2016) and consumer finance (6.32%, versus 5.76% at end-2016). • Improved performance due to a better cost/income ratio and lower cost of risk.	• Moody's deposit ratings: Ba1/NP domestic (Ba2/NP foreign) with a "positive" outbook • First bank certified for international corporate operations (digitisation)

Entity	Number	Balance sheet total *(in millions of euros)*	Significant events in 2017	Positioning/Rating
CA Bank Srbija (Serbia)	74 branches 268,697 customers 876 employees	734	• Improvement in the country's situation (economic recovery, progress towards a balanced budget, cooperation with the IMF and progress in EU accession talks). • For the Bank: improved profitability due to the consolidation of its strengths (in the agricultural and food processing and vehicle finance segments) and the development of synergies with the Group, particularly Crédit Agricole CIB.	• No. 1 in personal vehicle finance with a 50.38% market share *(source: NBS)* • Leading agricultural lender with 20% market share *(Serbian Corporates Registers Agency, by financial value)*
CA Romania	19 branches 14,118 customers 274 employees	292	Continuation of efforts under the local Medium-Term Plan, launched at the end of 2016, to get the bank to break-even point within three years.	
For all seven international retail banks	2,154 branches 6.145 million customers 22,595 employees	76,495	• To support the "new customer relationship" and in line with the Group's Medium-Term Plan: various initiatives around digital transformation (towards the multichannel bank of the future), the development of Group synergies and the agricultural/food processing markets • Through their actions, the international retail banks are demonstrating their commitment as "socially responsible banks"	

SPECIALISED FINANCIAL SERVICES

Consumer finance

Business and organisation

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

Present in 17 countries in Europe, as well as in China and Morocco, CA Consumer Finance draws on its know-how and expertise to improve the commercial success and customer retention policies of its banking, distribution, automotive and institutional partners.

Customer satisfaction is the key to its strategy. CA Consumer Finance empowers customers so that they can make informed planning decisions. It is ranked first or second for customer recommendations in the countries where it operates. Committed to helping people balance their budgets, it supports its most vulnerable customers by teaching them how to manage their finances and avoid taking on too much debt.

CA Consumer Finance is innovating and investing in the latest digital technology to offer its customers and partners the best solutions and to define a new consumer finance experience with them. This is in keeping with its "CACF 2020" strategic plan and its pledge that "100% digital + 100% human = 100% CACF".

In addition to strong commercial and financial momentum, 2017 saw the delivery of several major projects as part of the "CACF 2020" strategic plan. The customer experience has become more fluid, with a new way of applying for consumer finance via a mobile app launched in Germany and Italy. The convergence of the visual identity and the various brands of CA Consumer Finance in Europe began with the launch of the new identity and Sofinco customer promise in France. By relocating staff in the Paris region to the new head office of CA Consumer Finance in Massy, the teams have become more efficient and more agile methods have been introduced. CA Consumer Finance has also formed new e-commerce partnerships with Amazon, which offers solutions from Leasys, FCA Bank's leasing subsidiary, and Reezocar, which specialises in the online purchase of used vehicles in Europe. CA Consumer Finance also continued to increase its self funding ratio, to 79%.

CA Consumer Finance is composed of the following entities: Agos (Italy, 61% owned), CreditPlus Bank (Germany), CACF Nederland (Netherlands), CACF SA (group consolidation, head office services and activities in France), Credibom (Portugal), Wafasalaf (Morocco, 49% owned), FCA Bank (50/50 JV with Fiat Chrysler Automobiles, present in 17 European countries and Morocco), Forso Nordic (50/50 JV with Ford, present in Denmark, Finland, Sweden and Norway), and GAC Sofinco AFC (50/50 JV with Guangzhou Automobile Group CO, in China).

2017

Significant events

- Managed loans on behalf of Crédit Agricole Group: €17.6 billion.
- Modernisation of the organisation and working methods with the new head office of CA Consumer Finance in Massy.
- Convergence of the visual identity of the commercial brands of CA Consumer Finance in Europe, kicked off by Sofinco in France.
- CA Consumer Finance, Europe's first largest player by number of euro-denominated consumer finance securitisation transactions and by amount.

The definitions of the underlined words can be found in the Glossary on page 567.

Leasing & Factoring

Business and organisation

Crédit Agricole Leasing & Factoring (CAL&F) is one of the Group's subsidiaries with expertise in specialised financing. With €21.5 billion in managed loans (22% outside France)(1), it is a major player in lease financing and factoring in France and holds leading positions across Europe. CAL&F provides solutions for businesses of all sizes, not only for their equipment and property investment plans, but also for the financing and management of their trade receivables.

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

Lease financing

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

Factoring

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

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

Financing for energies and regions

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

2017

Significant events

- Rollout of the new sales model for equipment lease financing, Greenlease, at 25 Regional Banks.
- Launch of a new, fully digital factoring solution, Cash in Time, providing financing for customer invoices in less than 24 hours, with no long-term or volume commitment.
- Simplification of the "European pass" factoring solution to support companies based in several European countries.
- Launch of "capital market factoring": a factoring solution where the balance can be topped up, arranged with Crédit Agricole CIB and based on the securitisation of receivables.
- Introduction of a new sales organisation within CAL&F.

LARGE CUSTOMERS

Corporate and investment banking

Business and organisation

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

Customer relations are placed under the responsibility of business line banking advisers, with overall coordination by the Global Coverage Organisation department, which reports to Executive Management. Outside France, the teams of banking advisers are under the responsibility of Senior Regional Officers and Senior Country Officers.

The main tasks of the **Structured Finance** division include originating and structuring complex finance deals, mostly backed by collateral, advising on strategy and financing, and providing worldwide coverage of aviation and rail, infrastructure, oil & gas, maritime, Telecom, Media, Technology, utilities and power and private equity funds. In 2017, structured finance retained its leadership position, especially in the key sectors of Crédit Agricole CIB, aviation and rail, by maintaining prudent risk management.

Investment banking chiefly covers advising customers in equity financing and structuring and arranging financing. The finalisation of a series of major deals, particularly in mergers & acquisitions, led to a solid performance in 2017.

Capital markets covers all sales and trading activities on the primary and secondary markets (fixed income, forex, credit, bonds, securitisation, money market) for corporates, financial institutions and large issuers. Capital markets managed to hold onto its position, despite a difficult lacklustre environment in 2017.

(1) At the end of December 2017.

The **debt optimisation & distribution** business line is responsible for originating, structuring and arranging medium and long-term bilateral and syndicated loans for customers, as well as the underwriting and primary and secondary distribution of syndicated loans with banks and non-banking institutional investors. This business line recorded solid momentum in both origination and distribution in 2017, in a tough market with an increasing number of mandates.

Transaction banking and international trade mainly assists customers with managing their international trade and guarantee needs, in addition to providing cash management and supply chain finance solutions under its transaction banking activity.

Activities in this sector performed well in 2017, with double-digit growth rates triggered by the global recovery.

2017

Significant events

- In 2017 Crédit Agricole CIB opened a branch office in Indonesia, one of the most dynamic countries in the region. The office soon established a reputation for successful transactions, and the bank was invited to join the 2018 panel for International Government Debt Securities Issuance.
- Crédit Agricole CIB sold 16.2% of its stake in Banque Saudi Fransi to Kingdom Holding Company. Following this sale, Crédit Agricole CIB retains a 14.9% stake in Banque Saudi Fransi.
- For the fourth consecutive year, Crédit Agricole CIB was named best bank in green capital and socially responsible investment by GlobalCapital magazine.

Asset servicing

Business and organisation

CACEIS, now a wholly owned subsidiary of Crédit Agricole S.A., is an international banking group specialising in Asset Servicing for a customer base of asset management companies, institutional investors and large corporates.

With almost 3,400 employees in 12 countries, CACEIS offers a full range of services: execution, clearing, custody, fund administration, middle-office solutions, forex, security lending and borrowing, fund distribution support and services to issuers.

With an innovative product range reflecting changing market practices and regulatory requirements, CACEIS is Europe's leading provider of fund administration and custody services.

This year, in addition to regulatory projects, CACEIS has been actively pursuing technological innovation within its organisation, creating a Digital Data Dissemination business line and becoming a shareholder of the European Fintech Liquidshare. CACEIS has also reorganised the legal structure of its banking entities. These are now housed within a single banking subsidiary, CACEIS Bank, which has eight foreign branches.

2017

Significant events

- Crédit Agricole S.A. owns 100% of CACEIS after acquiring a 15% stake from Natixis.
- Outline of a digital transformation programme focusing on the user experience, operational security and efficiency, and cross-functional data use.
- Development of a range of services tailored to customers' needs to comply with regulatory requirements under MiFID II/MIFIR, PRIIPs and IFRS 9.
- Participation in several initiatives and consortia for implementation of concrete solutions using blockchain technology.

CORPORATE CENTRE

CACIF – Crédit Agricole Capital Investissement & Finance

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

CACIF also provides services through SODICA Corporate Finance, specialising in M&A, financial engineering and mid-cap stock market advisory services, as well as advice on food processing, wine-making and property transactions. SODICA is the Group's listing sponsor on Euronext Growth.

2017

Significant events

- €300 million raised for Crédit Agricole Régions Développement (CARD), which supports French mid-caps in all business sectors except food processing.
- Expansion of the network of international partners of SODICA CF (24 countries).
- SODICA Millésime advised InVivo Wine on the acquisition of Baarsma Wines, a Dutch wine distribution company operating across Europe.

The definitions of the underlined words can be found in the Glossary on page 567.

Crédit Agricole Immobilier

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

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

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

2017

Significant events

- Winner of the Grand Paris project with the consortium Les Lumières Pleyel: a development of 176,000 sq.m. of offices, homes and businesses in Saint Denis.
- Launch of Woodi, the special eco-neighbourhood with 2,700 homes in Melun.
- Delivery of Floréal, the last building at Euromed Center, the 70,000 sq.m. business district in Marseille.
- Integration of the property management firm Sogico: 7,284 new units under management.

Uni-Éditions

Crédit Agricole S.A.'s publishing subsidiary, Uni-Éditions is one of the top nine magazine publishers in France[1] and continues to be one of the most profitable in the industry, with revenues of almost €97 million.

Fully integrated with the Group's Customer Project, in 2017 Uni-Éditions accelerated its digital transformation to become a media group focused on services and data at important moments in customers' lives.

In early 2018, *Santé Magazine*, joint market leader with *Top Santé*, will launch a new website *www.santemagazine.fr*.

The magazine *Parents* has also designed a new website (*www.parents.fr*) and launched a pregnancy app as well as introducing a "parents" award.

2017

Significant events

- *Dossier Familial* is confirmed as the leading French monthly magazine. It has a circulation of close to 1 million paid copies[2].
- No. 1: *Parents, Maison Créative, Détente Jardin, Régal, Détours en France* and *Secrets d'Histoire* ahead of *Historia*.
- + *Pep's*: Ranked third behind *Pleine Vie* and *Notre Temps*.
- The *Bottin Gourmand* restaurant guide was chosen to develop the *Meilleurs Ouvriers de France* (MOF) competition in the gastronomy category over a three-year period.

Payment Systems & Services

Crédit Agricole Payment Services (CAPS) is the payment services provider of the Crédit Agricole Group. As part of its business plan "CAPS 2020", it aspires to make payments a sustainable source of value creation for the Group and its customers. Leveraging all of its payment expertise, from marketing to transaction processing, security and interbank representation, CAPS is a major player in the business.

2017

Significant events

- Rollout of Paylib, a contactless mobile payment solution with biometric authentication.
- Extension of the merchant range with the development of the SMART VSB retail solution.
- Start of exclusive negotiations with WIRECARD for a cross-channel acceptance and pan-European acquisition solution for French merchants and marketplaces in France and abroad.
- Completion of the programme for the Office of Foreign Assets Control (OFAC) and repatriation of nearly all the Group's SWIFT payments to Crédit Agricole Payment Services.
- SMS Fraud Alert service deployed in the Regional Banks.

See the detail of operating segment information on page 379.

(1) Source: Precepta, Xerfi studies, September 2017.
(2) Source: Office de Justification de la Diffusion, ACPM, January 2017.



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The definitions of the underlined words can be found in the Glossary on page 567

CSR is the cornerstone of all business lines

The Executive Management has made the development of corporate social responsibility (CSR) a strategic priority for Crédit Agricole S.A. The aim is to carry out its banking and insurance activities responsibly and effectively as regards its stakeholders, and to assume its role as the leading financial partner of the French economy and its regions. CSR has been one of the Group's strategic challenges since the "2010 Group Project". This importance was reaffirmed with the launch of its Medium-Term Plan, Strategic Ambition 2020, in March 2016. The Group's decision-making bodies jointly defined and shared the CSR policy, which was formalised in 2014. It is revised each year on the basis of employee and external stakeholder consultation so that its key challenges can be updated. The Group thereby ensures that its strategic decisions are in line with the expectations of stakeholders. In 2017, the Group also mapped several ongoing actions that might contribute towards the United Nations Sustainable Development Goals (SDGs). Current discussions on the adaptation of CSR to all the business lines have revealed a need for greater clarity of the CSR strategy by focusing on three main areas: Ethics, Climate and Inclusion.

IDENTIFYING PRIORITIES

The Group's CSR policy and its priority challenges are validated each year by a CSR survey, which canvasses stakeholder opinion on the perceptions of the banking sector in general and Crédit Agricole's positioning in particular. This dialogue is supplemented by the assessment of experts and opinion leaders and set against the expectations of extra-financial rating agencies. This approach allows us to measure the relevance and importance of each challenge.

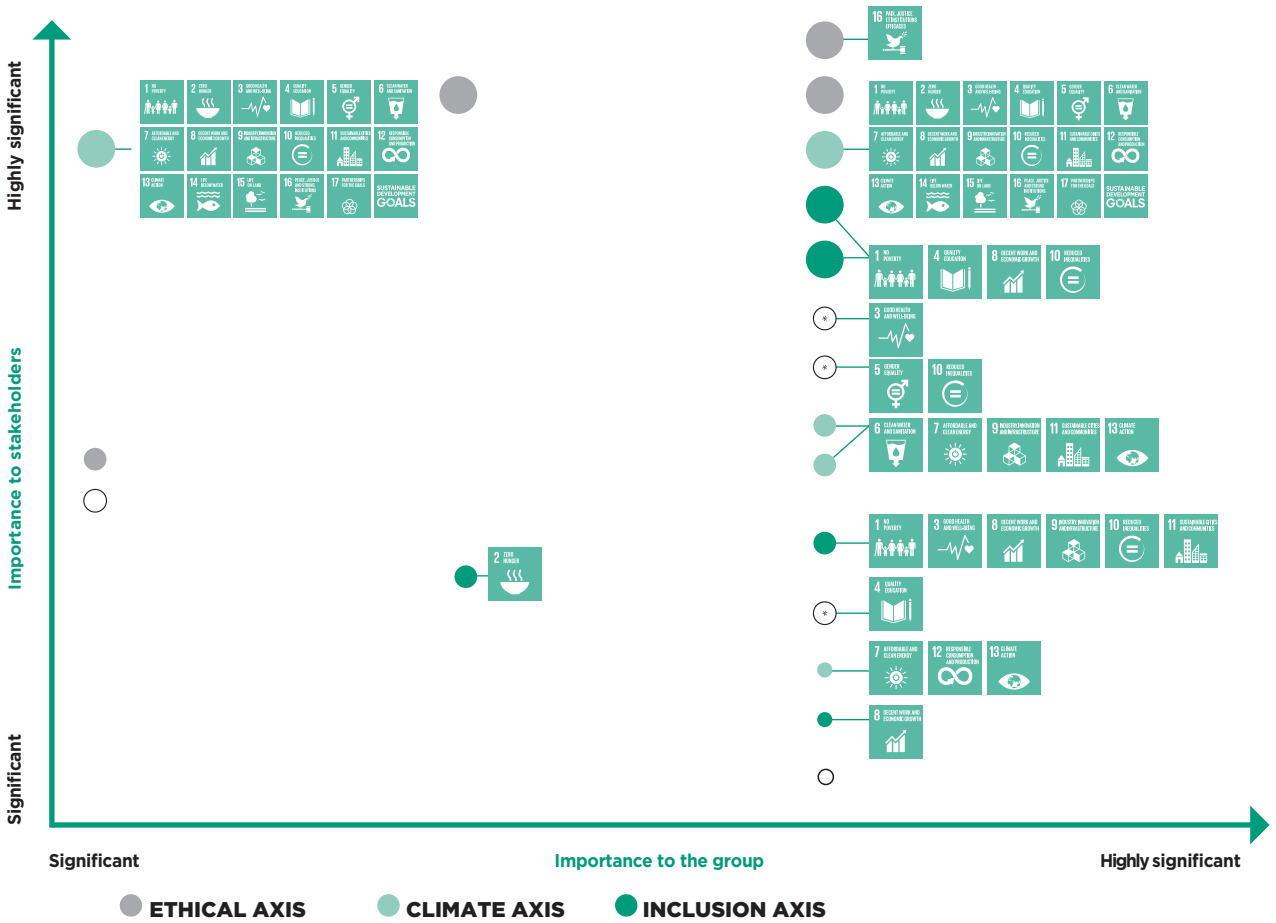
Launched at end 2014, the annual CSR survey is designed to detect changes in stakeholder expectations and the emergence of any new challenges. The third survey in 2017 confirmed the priorities identified since 2015, namely: protecting customer data, promoting an ethical culture within the Group and delivering customer benefits. These issues are also central to the Group's Strategic Ambition 2020 plan. Around 3,300 people (Group employees and business partners (customers and suppliers), as well as members of the public) were invited to take part in this third survey. The alignment of stakeholder expectations with the Group CSR strategy is mapped in a materiality matrix that lists and ranks the environmental, social and governance challenges. This consists of three key areas: Ethics, Climate and Inclusion.

Similarly, the Group's support for the SDGs is in line with its priority challenges. Launched by the United Nations in 2015, there are 17 SDGs declined in 169 targets, aimed at creating a fairer and more prosperous world by 2030. Given its size and the diversity of its activities and locations, Crédit Agricole can contribute towards many of these targets, either directly or indirectly by deciding how to allocate savings and financings. To maximise its impact, the Group has mapped the links between the SDGs, its CSR commitments and its activities. Some activities contribute towards a single goal, while others are more cross-cutting and cover several goals. The Group contributes directly to the SDGs through the concrete actions presented in each of the sections and listed in the cross-reference table at the end of this document.

MATRIX OF CSR CHALLENGES



MATRIX OF SUSTAINABLE DEVELOPMENT GOALS (SDG)



** Relevant topics kept which cover the priority HR subjects.*

OUR PRIORITIES ◯ Critical ◯ Strong ○ Important

The definitions of the underlined words can be found in the Glossary on page 567

Once the relevant challenges were identified, they were grouped together into 11 key themes for the Group and its stakeholders, listed in the table below. They are accompanied by specific objectives for 2016-2020, as well as the continuation of the actions taken and tangible results achieved in 2017, helping to further these objectives.

Challenges	Objectives	2016 achievements	2017 achievements
1. Respecting ethics in business	Promote a compliant and ethical culture, starting with management	Creation of a Group Code of Ethics Training programme for members of the Executive Committee and of the Management Committee of Crédit Agricole S.A.	Training for the 16 members of the Executive Committee
2. Faithfully responding to the needs of our customers	Ensure the protection of personal data and transparency in their use	Drafting a Charter for using personal data	Distribution of the Charter to financial advisers and customers at the Regional Banks
	Ensure real attentiveness and transparency of advice	Training programme on a new advisory and wealth management approach for retail banking financial advisers	
3. Managing all risks, including ESG	Manage all risks, including ESG	Incorporation of climate risks into the Group's risk mapping	Formalisation of a climate change strategy (pending approval)
4. Supporting all customers through good and bad times	Prevent over-indebtedness: education and awareness-raising actions	Budgetary and banking education programme undertaken by 19 Regional Banks: 3,100 people (60% of them young people) attended more than 310 workshops jointly organised with schools and voluntary groups	Budgetary and banking education programmes undertaken by: ● 23 Regional Banks: 3,620 people attended more than 320 workshops ● Crédit Agricole Consumer Finance: - in Italy (Agos): 30 workshops attended by 1,264 students - in Germany (CreditPlus): awareness training for 220 young people.
	Support vulnerable customers	● Regional Banks' *Points passerelle*: 12,350 beneficiaries, 86% of whom got back on their feet ● CA consumer finance contacted 7,273 vulnerable customers, conducted 2,784 assessments and budget reviews and proposed 2,047 solutions ● LCL: national unit to support the networks on cases of complex situation	● Regional Banks' *Points passerelle*: 12,336 beneficiaries, 85% of whom got back on their feet ● CA Consumer Finance: 19,328 customers identified as being in financial difficulty, 7,704 contacted, 3,131 customers given support ● CA Polska: 1,367 cases of over-indebtedness dealt with
	Develop new services that are beneficial for all customers	Partner of major business-creation support networks in France (ADIE, France Initiative, etc.)	Development of products and services for older customers ("Ageing well at home") and for young people ("1st internship, 1st job")
5. Improving the quality of work life	Adapt management culture to change	Launch of the first Engagement and Recommendation Index (ERI): ● Number of employees interviewed: 84,691 ● Participation rate: 63%	Second ERI: ● Number of employees interviewed: 97,400 (+15% versus 2016) ● Participation rate: 66% (3 points) ● ERI at Group level was up 2 points compared to 2016
	Safeguard workplace health	More than 7,000 Group employees (Crédit Agricole S.A., CAA and Amundi) receive personalised support for employee caregivers.	
6. Ensuring fairness and promoting diversity	Develop gender equality among top-level managers	Women make up 19.7% of decision-making bodies[1]	Women make up 20.7% of decision-making bodies
	Ensure fairness in terms of social protection for our retail banks abroad	Action in 2018: Take Care programme *at* five international subsidiaries (Ukraine, Egypt, Morocco, Poland and Serbia) covering 13,000 employees and their families	
7. Reinforcing the inclusion of ESG criteria in our products and services	Encourage the transition to a low-carbon economy	● Close to €1.1 billion in cash invested in green bonds by Crédit Agricole S.A. and Crédit Agricole CIB ● €28 billion in arrangements in support of the energy transition ● €150 million in financing raised by Amundi with its joint management company with EDF	Since 2016: ● €2 billion in cash invested in green bonds by Crédit Agricole S.A. and Crédit Agricole CIB ● €71 billion in arrangements in support of the energy transition ● €203 million in financing raised by Amundi with its specialised management companies
	Directly finance the development of renewable energy in France	+21% in financing renewable energy in France in 2016 (€514 million, compared with €425 million in 2015) by CAL&F, the Regional Banks and LCL	+24% in financing renewable energy in 2017 €635 million in financing

Challenges	Objectives	2016 achievements	2017 achievements
8. Supporting the economic development of regions and their response to sustainable development challenges	Allocate savings to activities with positive impacts (environmental and/or social) in the regions	€1.793 billion in assets under management in social impact funds managed by Amundi	€2.341 billion in assets (+30.5%) in social impact funds
	Support the development of entrepreneurial activities	17 Villages by CA 231 start-ups supported	20 Villages by CA 400 start-ups supported
	Support the agricultural sector in identifying solutions to economic, environmental and social challenges	20,000 weather-related insurance contracts (Harvest Insurance and Hail Insurance)	25,000 weather-related insurance policies (Harvest Insurance, Hail Insurance and Prairie Insurance)
9. Improving governance	Factoring in of CSR challenges by the Board of Directors	CSR training programme for Directors of Crédit Agricole S.A.	Training of the Board of Directors of Crédit Agricole S.A. in September
10. Fostering personal development and employability	Helping employees adapt to changing jobs	788 transfers between entities 8,322 transfers within entities	702 transfers between entities 9,005 transfers within entities
11. Reducing our environmental footprint	Reducing our greenhouse gas (GHG) emissions	-50% reduction in energy-related CO_2 emissions at sites in the Île-de-France region (base 2014)	-5% reduction in GHG emissions in 2017 vs. 2016 (scope: Crédit Agricole S.A. Group)

(1) Change in benchmark from last year.

MANAGING OUR CSR PERFORMANCE WITH FReD

The Group's CSR policy plots the course to be followed on CSR challenges. FReD is the secret weapon of Crédit Agricole S.A. and its subsidiaries. FReD is an internal system for managing and measuring Group progress on CSR matters. Launched in 2012, its three pillars are trust and the customer relationship (FIDES), respect in employees and in the corporate ecosystem (RESPECT) and protecting the environment (DEMETER). In 2017, the FReD methodology underwent several changes, including a reduction in the number of projects in the portfolio (from 15 to 12), for each of the entities in order to focus on the most significant actions, and a new segmentation of the action plans, now divided into four stages instead of five in order to be more demanding in the measurement of progress. Each completed action therefore scores three points in the procedure, rather than four. The minimum target index to be reached has been recalculated accordingly, falling from 2 to 1.5.

Two new entities, Crédit Agricole du Maroc and Crédit Agricole Polska, joined the process in 2017, taking the number of entities contributing to the index FReD Group to 15[1]. In 2017, Crédit Agricole S.A. published its Group index for the sixth year, at 1.7. This index is audited annually by one of the Statutory Auditors of Crédit Agricole S.A.: PwC. Lastly, the FReD index determines one-third of the deferred variable compensation of Senior Executives of Crédit Agricole S.A. Group. Thanks to profit-sharing agreements negotiated in several entities, FReD is now impacting the variable compensation of more than 10,000 people.

Crédit Agricole S.A. aims to strengthen its overall CSR performance by building on the portfolios of FReD action plans and any other actions taken as part of its CSR policy. In 2017, the Group was confirmed as a member of the leading socially responsible investment indexes: NYSE Euronext Vigeo Eiris France 20, Europe 120, Eurozone 120 and Monde 120, FTSE4Good, ESG STOXX Leaders, Oekom Prime. Crédit Agricole S.A. was also one of the CDP's (Carbon Disclosure Project) highest rated French banks for climate policy in 2017, with CDP assigning it a rating of A-, and MSCI (Morgan Stanley Capital International) a rating of A.

(1) Amundi, CACEIS, CA Polska, CA Assurances, Crédit Agricole Corporate and Investment Bank, Crédit Agricole Consumer Finance, Crédit Agricole Immobilier, Crédit Agricole Leasing & Factoring, CA Indosuez Wealth Group (CA Indosuez Wealth (France), CA Indosuez Wealth (Europe), CA Indosuez Wealth (Switzerland) S.A., CFM Indosuez Wealth), Crédit Agricole Italia, Crédit Agricole Payment Services, Crédit Agricole S.A. (parent company), Crédit du Maroc, LCL and Uni-Éditions.

The definitions of the underlined words can be found in the Glossary on page 567

A LONG-TERM COMMITMENT

Signatory of the:

- United Nations Global Compact since 2003;
- Equator Principles since 2003;
- Principles for Responsible Investment since 2006;
- Diversity Charter since 2008;
- Sustainable Purchasing Charter since 2010;
- Charter for the energy efficiency of commercial buildings since 2013;
- Science Based Targets since 2016;
- RE100 since 2016.

Co-founding member of the:

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

Participant in the:

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

Other positions:

- Statement on modern slavery since 2017.

CSR GOVERNANCE

To better coordinate and disseminate the Group's CSR policy and consolidate the Group's performance, Crédit Agricole S.A. has set up a Sustainable Development department that reports directly to the Corporate Secretary and counts seven employees. This department is supported by a network of 120 CSR contributors across the various entities and business lines. Since January 2017, the Head of Sustainable Development department has been a member of the Group Management Committee.

Firm in the belief that all stakeholders must play a role in the governance of the CSR policy, the Group has established an organisation involving several bodies with complementary tasks.

Bodies	Main tasks
Strategic and CSR Committee of the Board of Directors of Crédit Agricole S.A.	Ensures that CSR challenges are factored into the strategy and operations
Crédit Agricole S.A. Executive Committee	Validates CSR policy
Crédit Agricole S.A. Management Committee	Discusses and explores the Group's CSR challenges
Sustainable Development Committee (comprising the CEOs of key subsidiaries and business lines)	Discusses, drives, coordinates roll-out
Sustainable Development department	Makes proposals, coordinates, supports and leads
RSE 20 (network of CSR managers)	Manages actions on the basis of their specific challenges
RSE 100 (CSR champions)	Involves all Group employees in the field

For the purposes of this Registration document, the Group has decided to classify the initiatives taken in 2017 in accordance with the following topics:

- promoting a compliant and ethical culture;
- developing finance for all;
- accelerating the energy transition;
- encouraging responsible behaviour by taking into account environmental, social and ethical factors;
- contributing to employee development.

CSR information corresponding to the Grenelle II Decree (Article R. 225-105-1 of the French Commercial Code) is thus provided in each of the above-mentioned actions. A cross-reference table with the list of regulatory information and the cross-reference to other guidelines (including the SDGs) can be found at the end of the chapter. The reporting scopes of the various consolidated indicators are specified throughout the text, in the corresponding paragraphs.

1. PROMOTING A COMPLIANT AND ETHICAL CULTURE

Crédit Agricole Group has made ethics a priority, in line with stakeholder expectations. The Group's standards and values and the interaction between its various systems are all levers that influence behaviour and foster an ethical culture. To achieve the goals of fairness towards customers, employees, partners and society, the Group recognises that it must look beyond the regulatory requirements to ensure that ethical conduct becomes second nature.

1.1. DEVELOPING A GROUP-WIDE ETHICAL DIMENSION

The role of the Compliance function is to ensure compliance with the regulations and code of conduct applicable to banking and financial activities among the Group's entities, managers and all employees. In addition to these obligations, Compliance:

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

1.1.1. Code of Ethics

The new Code of Ethics covering the entire Crédit Agricole Group was released in May 2017 after being approved by the Board of Directors of Crédit Agricole S.A. and the Fédération nationale du Crédit Agricole.

The Code of Ethics is notably designed to make the rules more visible and to foster a compliance culture. The Code of Ethics has the following components:

- reaffirmation of the Group's values and identity;
- indication of the Group's commitments: emphasis on a fair multi-channel bank open to everyone, providing each person with support over time;
- implementation of principles: towards customers, society and employees; by acting in an ethical behaviour.

Insofar as it serves as the basis for acceptable ethical and professional behaviour, every Group entity adopted the Code of Ethics in 2017, adapting it to its own specific requirements.

1.1.2. Training of Directors and executives

CRD 4 (Article 91-12.c), European Banking Authority (EBA) 2012 Guideline, and Article L. 511-51, paragraph 2 of the French Monetary and Financial Code have reinforced the traceability and content of training for the Group's Directors and executives. In 2016, Crédit Agricole began working on the introduction of a knowledge assessment tool to optimise the traceability of training and to standardise training content at Group level.

This led to a classroom-based training tool being developed for all Group entities. Executive members receive annual training on compliance and international sanctions, with a test at the end of the course.

1.1.3. Deploying a responsible compliance approach

A. Fight against corruption

Crédit Agricole Group considers the fight against corruption to be a major component of good business practice. Keen to demonstrate its commitment and to highlight the quality of its anti-corruption programme, Crédit Agricole Group aimed to assess and enhance its dedicated mechanisms through an assessment performed by an independent third party. To this end, the process of certification of the anti-corruption programme that began in 2015 continued in 2017, with the support of a specialised firm.

After obtaining BS 10500 certification in July 2016, Crédit Agricole Group went on to obtain **ISO 37001 certification** in July 2017, thereby becoming the first French bank to be certified. This certification recognises the Group's determination and the quality of its anti-corruption programme. It attests that the corruption risks have been correctly identified and analysed and that the programme applied by Crédit Agricole has been designed to limit these different risks, by applying international best practices. It concerns all Crédit Agricole Group's business lines: retail banking, corporate banking, asset management, wealth management, etc.

In 2017, the Group took the necessary actions to implement the anti-corruption compliance programme laid down in Article 17 of the Sapin II law and to establish a system of governance for each Crédit Agricole Group entity.

Lastly, 97% of Crédit Agricole S.A. employees had received anti-corruption training by the end of 2017.

B. Prevention of fraud/cybercrime

Fraud prevention is designed to protect the Bank's interests and to safeguard customers: a key factor in customer trust. The fraud prevention system was deployed in all entities of Crédit Agricole Group at the end of 2017. A Compliance/Anti-fraud and Corruption department is now in place. Actions continued to be taken to control fraud risks in terms of system management, prevention and

The definitions of the underlined words can be found in the Glossary on page 567.

detection. Systems were rolled out to combat payment fraud and fraudulent transfers. Governance was also strengthened at entity level with greater involvement of management.

Awareness raising is also key to increasing vigilance measures. Action has been taken to update the training tools, which will be available to entities in early 2018. With the increasing number of cases of attempted fraud from external sources and their increasing complexity (notably through cyber crime), the main challenges now lie in ensuring a proactive response among banks. At the end of 2017, 97% of Crédit Agricole S.A. employees had been trained in classroom sessions and through e-learning.

C. Prevention of money laundering

Crédit Agricole Group rolled out a training programme for the prevention of money laundering and the financing of terrorism in 2013. It aims to set out the obligations of financial bodies and identify situations at risk. The practical modules, compatible with the training module already in place, were made available to the retail bank entities in France. At the end of 2017, 93% of Crédit Agricole S.A. employees had been trained in classroom sessions and through e-learning.

International sanctions (asset freezes and embargoes) are a crucial issue and are taken into account by the Group's business lines. There is a risk of significant financial and disciplinary penalties if these sanctions are not respected. In October 2015, Crédit Agricole Group signed an agreement with US authorities on a framework of sanctions pronounced against it in respect of infractions dating back to the period between 2003 and 2008. A remediation plan has been in place since February 2016 covering the entire Group. Training for all employees (in all areas of activity and all countries) on the topic of international sanctions was rolled out in early 2015. This training will help employees understand the different international sanctions and the different regulations applicable, but also how to respect the different rules. At the end of 2017, 94% of Crédit Agricole S.A. employees had been trained in classroom sessions and through e-learning.

D. Reporting compliance dysfunctions

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

- detected and then analysed as quickly as possible;
- notified to the operational managers and to the managers of the Compliance function at the most appropriate level within each business line;
- monitored and corrected, and its causes eliminated;
- communicated to the supervisory authority as regards the most significant dysfunctions.

The centralisation of dysfunction events via the reporting process is described in a specific procedure that measures Crédit Agricole S.A.'s exposure to non-compliance risk at the highest level. As soon as an employee has reasonable grounds for suspicion or observes the existence of a compliance-related dysfunction, he must inform his superior, who informs the Compliance team. The framework is completed by a right of alert allowing employees, if they observe an anomaly in the usual process of reporting dysfunctions or if they feel under pressure to allow a dysfunction to occur, to notify the entity's Compliance Officer of the situation without going through line management. Confidentiality surrounding the employee's identity is the rule. The Compliance Officers of each entity report the status of observed dysfunctions to the Group Compliance department, which is responsible for informing the Group Compliance Management Committee. This Committee takes note of the situation and approves proposals aimed at remedying the dysfunction.

E. Getting employees involved in compliance risk prevention: employee information and training

A handbook deals with 14 major compliance issues (financial security, advisory duty, conflicts of interest, etc.). This document is available in nine languages, thereby reaching a maximum number of employees. An Intranet, accessible to all employees and bilingual almost entirely, describes the main compliance issues in an informative way and sets out professions and missions of the Compliance department.

In 2017, the Crédit Agricole S.A. Compliance department set up a training and awareness course for all employees. This is based on general guidelines and has been adapted for the Group's main business lines. This new training programme concerns all Group employees regardless of their level of exposure. It has six e-learning modules covering the following areas: combating money laundering and terrorist financing, international sanctions, prevention of external fraud, customer protection, combating corruption and day-to-day compliance. It is designed to raise awareness of the fundamental aspects of compliance, which form the baseline and are essential for establishing a compliance culture within the Group.

To supplement this employee-wide training, in 2017 the Compliance department developed an e-learning module on internal fraud.

The training programme was further clarified and supplemented in 2017 with additional training for employees who are more exposed or in specific roles.

F. Complying with customers' interests: marketing products transparently

Within Crédit Agricole, new activities, new products and new services are analysed by internal committees (known as NAP Committees). These Committees are specific to each business line in France and abroad and are made up of representatives from the Compliance, Legal Affairs and Risk Management and Permanent Control departments. The work of these Committees (which had around 50 meetings at Crédit Agricole S.A. in 2017) ensures that all products and activities offered in the distribution networks meet the legal and regulatory requirements: clarity of the information provided to customers, suitability of the product for the identified target customer, information given to the customer on the benefits and fees received by the distributor, prevention of money laundering and the financing of terrorism, fraud prevention, Foreign Account Tax Compliance Act (FATCA), international sanctions, etc.

1.2. SERVING CUSTOMERS

As part of its Medium-Term Plan, "Strategic Ambition 2020", one of the Group's priorities is to roll out a new Customer Project to better meet the expectations of its customers, setting itself apart by virtue of the relationship and built on three pillars:

- a model based on proficiency across all the business lines, with the expertise and know-how to meet the financial and wealth management needs of customers;
- full multi-channel distribution by enabling customers to choose how they interact with the Bank and to change this at any time;
- strategic investment in the customer relationship via an advisory approach that makes it possible to offer customers comprehensive and tailor-made solutions.

For several years, the Group has been putting in place measures to protect customers' data and remain attentive to all customers and provide them with the best advice.

1.2.1. Protecting customers' data

To support the implementation of its Customer Project, Crédit Agricole Group decided to establish a Personal Data Code, which came into effect in early 2017. It reflects not only societal changes, as evidenced in the responses to the CSR barometer, but also regulatory changes with the establishment by 2018 of a framework to improve personal data protection. This code consists of five core principles (data security, integrity and reliability, ethics, transparency and education, customer control) designed to reassure customers and to disseminate best practice to employees in Group entities.

1.2.2. Attentiveness and quality of advice

A. Developing a balanced relationship

IN THE REGIONAL BANKS

Continuing the transformation of its distribution model through the Multi-channel Retail Banking project, Crédit Agricole has launched various digital innovation projects. Using new development methods based on short cycles, the bank aims to offer its customers new uses and new services through a redesigned digital architecture. At the end of 2017, several projects were under way: pilot projects for the development and certification of the portfolio management advisory service ("Mon Patrimoine"), which offers ongoing comprehensive, personal advice to customers on how to build, optimise and protect their portfolio; optimisation of tools enabling advisers to sign up new customers, in particular, electronically, rolled out to the 39 Regional Banks; or even the improvement in the customer and adviser experience with the digitalisation of procedures for small businesses and farmers. Other pilots launched in 2016 came to an end in 2017 and they will gradually be rolled out to the Regional Banks: the "Green Button" (introduced at 35 Regional Banks), Chat facilities (activated at 24 Regional Banks), and Visio (currently being trialled at 20 Regional Banks).

In 2017, Crédit Agricole also launched EKO, a simple, clear solution offered to everyone because with no minimum income requirement, available online and in-branch according to the customer's choice. This 100% human, 100% digital solution was designed in association with Crédit Agricole's customers. It satisfies the twofold requirement of affordability and budget control.

AT LCL

The aim of the Customer Medium-Term Plan is to place the customer at the centre of a local and digital bank. It addresses customers' growing expectations of being able to access LCL's services wherever they are and whenever they like, more interaction and increasingly remote communication. Several major projects have been launched since 2015 to modernise the distribution model and adapt commercial practices to changes in customer behaviour, particularly when it comes to digital trends. This translates into direct exchanges with customers through different channels (phone, email, online and mobile banking, social networks, etc.) and through co-construction workshops.

LCL is also mindful of its advisory obligations. It endeavours to get as much commercial knowledge about its customers as possible, establishing a framework to ensure that it offers them appropriate advice. The actions taken mainly focus on employee training, customer classification, tools development (particularly advisory), product governance, customer information and the traceability of communications.

B. Monitoring customers' expectations

MEASURING SATISFACTION

In recent years, the majority of Group business lines have developed their own barometers and/or studies to survey customer satisfaction. Analyses are validated at each key stage of the relationship or of the product's lifecycle. They help define the priority actions associated with improving this satisfaction.

For each point of contact (branch, e-mail, website, telephone, mobile applications), LCL offers its customers a performance review to gage their inclination to recommend LCL and to canvass suggestions for improvement. In 2017, LCL received comments from nearly 3.1 million customers across all markets, and collected almost 300,000 questionnaires.

CUSTOMER RECOMMENDATION INDEX

To go beyond a mere sense of satisfaction, the customer recommendation index (*indice de recommandation client*, IRC) represents an indicator of the quality of service. It was chosen by the Group to measure customer loyalty. By means of an annual barometer taking readings across all markets, this global synthetic indicator measures customers' attachment to their bank based on whether or not they would recommend it to a close relative or friend. The sixth reading of the IRC, at national level, was carried out across all markets in 2017. Regional IRCs were also determined for the sixth year in the retail market of 32 Regional Banks. The fifth reading of the IRC in more specialised markets, such as high net worth customers, was also completed in 2017. The IRC method is deployed in the majority of Group entities both in France and abroad.

COMPLAINTS

The Customer Relations unit of Crédit Agricole S.A. – which handles complaints from customers of the Regional Banks, subsidiaries in France or abroad, or from people who are not customers of the Group – received 1,047 complaints of all kinds in 2017, reflecting current consumer expectations. The average time taken to handle

The definitions of the underlined words can be found in the Glossary on page 567.

these complaints was 17 calendar days. All customers also have the option of mediation. The Group is continuing the procedure introduced in 2017 for the accreditation of ombusdmen of Regional Banks and LCL by the French National Commission on the Assessment and Supervision of Consumer Mediation (*Commission d'évaluation et de contrôle de la médiation de la consommation*, CECMC). By the end of 2017, two-thirds of ombudsmen had been certified. A quality forum ("*Carrefour Qualité*") is held twice a year where customer service managers can share their experiences of the Customer project. This illustrates the commitment of the Group's entities to improving both the handling of complaints and the quality of customer service.

At LCL, complaints from individual customers and small businesses are handled at three successive levels: the branch, the customer relations service and the LCL ombudsman. Customers are informed of this mechanism via their account statements, the website, guides to rates and charges and the bank's general terms and conditions. In addition, the complaints from individual and business customers in the various distribution channels are collated and counted using an IT tool. This makes it possible to monitor each complaint, analyse the reasons for it and respond to it.

At Crédit Agricole Assurances (CA Assurances), each business line has systems in place to respond to customers in the best way. With respect to the deadline for responding, the main companies have committed to handling complaints within maximum deadlines. For example, Predica (personal insurance) has undertaken to respond within 10 business days and 73% of complaints are handled within this limit. Pacifica (property & casualty insurance) makes a contractual commitment to at most 60 days and 95% of these requests are handled within 30 days. Finally, Crédit Agricole Creditor Assurances (creditor insurance) commits to a maximum period of 30 days and 94% of these requests are handled within this period.

1.3. ESTABLISHING A COMMITTED TAX POLICY

Tax practices are an important part of corporate social responsibility. With governments increasingly forced to adopt austerity policies, there is growing public interest in knowing whether companies pay their fair share of taxes on their profits and concern that they should not promote tax evasion. Expectations go beyond compliance with (or use of) the complex fabric of national, regional and international tax rules. In accordance with the criteria set by its key stakeholders, Crédit Agricole is a responsible company in respect of tax.

Crédit Agricole Group generates three quarters of its revenues in France and it is in France that it pays three quarters of its taxes. Thus its tax charges are in line with its business activities. This is also why it was one of the French banks that contributed the most towards the exceptional surcharge to corporate income tax introduced at the end of 2017, which resulted in a 10-point increase in the corporate income tax rate.

As a reminder, this surcharge was intended to offset the budgetary consequences for the government of refunding the 3% dividend tax paid by companies on profit distributions since 2012, which was declared unconstitutional in October 2017. This surcharge represented a financial impact of €350 million for Crédit Agricole Group. It includes, for an estimated amount of €40 million, the consequence of this exceptional corporate tax increase on the potential requirement for Crédit Agricole CIB to reallocate to customers the tax savings generated by the recognition of losses from funding vehicles that provide lease finance for customers' major investments. Crédit Agricole Group obtained a €90 million rebate as a result of the cancellation of the 3% dividend tax.

Crédit Agricole S.A. also applies a transfer pricing policy in line with OECD principles: it declares its revenue and pays the corresponding taxes in the jurisdictions where it conducts its banking and financial activities. Crédit Agricole S.A.'s effective tax rate was 34.6% in 2017. It only relates to part of the overall tax charge borne by Crédit Agricole Group. This means that Crédit Agricole S.A.'s effective tax rate does not include all the corporate income tax that is paid by the various Group entities. The effective tax rate of Crédit Agricole Group in 2017 was thus 36.4%.

Crédit Agricole S.A. has developed, under the oversight of its Executive Management, a set of rules that have led it to withdraw from States classed as non-cooperating by the OECD. This policy is implemented under the control of the Group Compliance, Public Affairs and Tax departments. Crédit Agricole S.A. is also committed to withdrawing its operations from States that may be considered to be tax havens. Crédit Agricole S.A. no longer has any vehicle based in the British Virgin Islands. In addition, its entities established in Guernsey, the Cayman Islands and Bermuda are taxed in France (under Article 209 B of the French Tax Code), the United States and the United Kingdom respectively.

Crédit Agricole S.A. has no entity in countries on the list of non-cooperative tax jurisdictions, published by the European Union for the first time on 6 December 2017 and updated on 23 January 2018.

Crédit Agricole S.A. is also transparent about its organisation, the location of its entities, its structure and its operations. It has also published country-by-country reporting that allows stakeholders in all jurisdictions where it has a tax residence (subsidiary or branch) to grasp the key determinants of its income tax expense. In chapter 8 of this Registration document, Crédit Agricole S.A. published a breakdown by country of its full-time equivalent employees, revenues generated locally, its pre-tax income, taxes and taxable profit in each country (broken down by current tax and deferred tax) plus all public subsidies it received. These figures show aggregate data for each country.

Crédit Agricole Group has publicly committed to:

- only carry on its international wealth management activities in States and territories that are committed to the automatic exchange of information;
- only deal with customers who provide it with a mandate to automatically exchange information about him/her with the relevant authorities;
- not create, manage or advise off-shore structures.

These commitments led Crédit Agricole Indosuez Wealth Management to reduce its assets under management by approximately €10 billion.

Crédit Agricole S.A. maintains a professional and cooperative relationship with tax authorities in all countries in which it operates, and fully, frankly and transparently discloses all relevant information in compliance with its legal disclosure requirements whenever disputes arise. Crédit Agricole S.A. annually publishes a list of all its subsidiaries and entities, with their name, business type and geographic location. When the Group operates in countries where income tax is considerably lower than French income tax, it can prove that it operates a *bona fide* banking and finance activity in these countries and has real economic substance in these locations (technical expertise, employees and material resources specific to its business). It also communicates transparently on tax audits performed within the Group, any adjustments notified by the tax authorities and the resulting provisions.

The Crédit Agricole S.A. Tax department ensures that the Group's tax practices pursue broad goals of responsibility and compliance, not just the narrower purpose of managing the cost of tax and tax risk. Accordingly, Crédit Agricole S.A. provides no help or encouragement for customers in violating tax laws and regulations, nor does it facilitate or support transactions where tax efficiency for the customer is derived from the non-disclosure of facts to the tax authorities. Furthermore, in accordance with the standard on the automatic exchange of information developed by the OECD to combat tax evasion, adopted by a hundred countries and transposed by the European Union, the entities of Crédit Agricole Group (like all financial institutions based in signatory countries of the scheme) identify account holders (both existing customers and new customers) who are tax residents of the countries with which an exchange agreement has been signed. From 2017, it will send information about these customers each year to their local tax authority, which will then forward it to the tax authority in the country of residence concerned. Crédit Agricole S.A. is transparent in its advocacy with legislators and fiscal policy-makers, and its tax is determined by the legal tax regime applicable to all other similar taxpayers. As Crédit Agricole S.A. wishes its lobbying activity to take place transparently with all stakeholders and to comply with best practice, it has issued a Charter on lobbying in order to define corporate lobbying practices applicable to Crédit Agricole S.A. and all of its entities.

Lastly, Crédit Agricole S.A. regularly checks its use of tax incentives and deductions to ensure that they contribute to investment, employment or any other factor.

1.4. CONDUCTING A TRANSPARENT LOBBYING POLICY

1.4.1. Aligning with best practices

To ensure that its lobbying activities comply with best practice, Crédit Agricole S.A. adopted a Lobbying Charter in 2013. The charter applies to Crédit Agricole S.A. and all of its entities. In 2014, it signed the joint statement of Transparency International France, thereby pledging to take into account the principles of transparency, fairness and integrity recommended by this association. Registered since 2009 on the European Union Transparency Register, Crédit Agricole S.A. has undertaken to adopt the Code of Conduct for interest representatives. In France, Crédit Agricole S.A. is registered with the digital register for interest representatives pursuant to the Sapin II law of 9 December 2016.

1.4.2. Organising transparently

The Public Affairs department is responsible for lobbying within Crédit Agricole Group. It is nine-strong, two of whom are full-time in Brussels. It works alongside correspondents within the Management of the Group and its subsidiaries. Also subject to the internal code of business conduct and control of its budget by the Finance department, the Public Affairs department regularly communicates key messages and positions advocated by internal bodies, including the Executive Committee, the Management Committee and the Specialised Committees of the Board of Directors. Since 1 January 2016, the functions of the Director of the Public Affairs department have been extended to cover the entire Crédit Agricole Group, including the Regional Banks, the Fédération nationale du Crédit Agricole and Crédit Agricole S.A.

1.4.3. Addressing key issues

The Group's Public Affairs department operates primarily at two levels, namely France and Europe. Many of the issues it deals with involve working closely with the French Banking Federation, as well as the European Banking Federation, the Association for financial markets in Europe and/or, at the request of the Fédération nationale du Crédit Agricole, which is a member thereof, with the European Association of Cooperative Banks (EACB).

In 2017, the actions of the Public Affairs department concerned both the French government – in the new post-election political landscape – and European institutions (European Commission, European Parliament and Council of the European Union). The department also had dealings with the European Central Bank, as the Single Supervisory Mechanism (SSM) and Single Resolution Board responsible for ensuring the orderly resolution of Europe's leading banks.

In many areas, awareness-raising actions were needed to reiterate the importance of banks in financing the economy, as well as their central role in the digital transition. At the same time, the Group's unique status was underlined as a cooperative, mutual, customer-focused universal bank committed to customer service.

This led to significant efforts being made, both directly and through our industry bodies, to preserve particular European aspects as the work of the Basel Committee on Banking Supervision (Basel IV agreement) drew to a close. The Group was also involved in consultations by the European authorities on the digital transformation of the banking sector. More recently, it took part in a consultation by the French government on its action plan for the growth and transformation of companies.

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2. DEVELOPING FINANCE FOR ALL

The societal role and utility provided to all of the Group's customers are emerging as a critical requirement in terms of longevity. Crédit Agricole's businesses make our customers' projects a reality through lending for new types of businesses (microcredit, social businesses, technological and social start-ups), measures in the field of prevention (financial education, awareness on health issues, over-indebtedness) and even through an offer of savings products targeting projects with a societal impact.

While the Group's regional footprint is marked by financing activities, its own activity, through purchases and relationships with business partners and the involvement of employees in charitable work, also contribute to this commitment to inclusive finance.

2.1. SUPPORTING ALL CUSTOMERS THROUGH GOOD AND BAD TIMES

In order to better meet the needs of its customers and assist them throughout the relationship, Crédit Agricole forges ahead with its efforts to provide a service to all of its customers, including the most vulnerable.

2.1.1. Preventing situations of risk

A. Over-indebtedness

Since 1994, Crédit Agricole Consumer Finance France has been active in the Banque de France over-indebtedness commissions, with 15 representatives in 2017.

In 2013, Crédit Agricole Consumer Finance France created a customer support agency, which aims to:

- assist customers showing signs of or meeting criteria of vulnerability and identified as "at risk of over-indebtedness";
- analyse and assess their personal and financial situation and prospective developments with regard to risk indicators and the information provided by the various departments;
- look for and offer customers solutions adapted to their situation;
- monitor the effectiveness of the support solution implemented;
- monitor external partners: Crésus, *Point Passerelle* de Crédit Agricole and Crédit Municipal de Paris, as well as debt consolidation companies.

In 2017, CA Consumer Finance France identified 19,328 customers in situations of vulnerability and managed to contact 7,704 of them. A total of 3,131 customers benefited from personalised support from the customer support agency. CA Consumer Finance France also processed 4,783 eligible Banque de France over-indebtedness dossiers.

B. Financial and budget education

For a number of years, several Group entities have been running budget and banking education programmes geared essentially towards preventing over-indebtedness.

The *Points Passerelle* scheme allowed 23 Regional Banks to promote awareness about budget management for 3,620 people, notably young people, through more than 320 workshops co-organised with schools or organisations including local missions, *Écoles de la deuxième chance* and institutions promoting integration into the job market.

At CA Consumer Finance, several initiatives have been undertaken to help teach young people how to manage their budget.

In Germany, CreditPlus has been involved in financial education for young people since 2012, providing financial and training support to EVA, an organisation based in Stuttgart. The aim is to teach people in this age group to be better consumers and to manage their budget responsibly, giving them useful tips at a decisive moment in their lives. In 2017, 220 young people received help of this type.

In Italy, Agos holds meetings in schools. In 2017, 1,264 students attended 30 workshops.

C. Prevention tips to keep customers secure

Crédit Agricole Assurances also conducts preventive actions with customers, rounded out by an offer of protective equipment or specific training solutions. Increased support for customers is provided on certain issues or for certain targets: free post-driving licence instruction courses for young drivers, special prices for protective equipment, verification of electrical installations, remote monitoring systems against theft or helplines for elderly people, support for customers who have experienced repeated incidents of the same nature, insurance offers including the provision of useful assistance services to protect them or their relatives in the event of death, dependence, disability, or for funerals.

24 Regional Banks have launched prevention initiatives with CA Assurances. They have held 120 events on a range of various themes: personal accidents, alcohol and road hazards, fire, theft, health, etc. In 2017, more than 50,000 people attended events devoted to issues of this nature.

For several years, young people who take out car insurance with Crédit Agricole have been offered free post-driving licence instruction courses under the name "Box Reflex'Conduite". The courses are reserved for under-31s who have had their licence for less than a year, and are geared towards giving them the proper reflexes to deal with unexpected circumstances when driving.

2.1.2. Showing commitment at difficult times

The *Points Passerelle* mechanism is supported by 33 of the Regional Banks to help and support people affected by a life crisis (unemployment, death of a loved one, divorce, etc.) regain stability. This mechanism covers all solutions, from approaches involving legal or social services to personal budget monitoring and loans, so as to open up new horizons for vulnerable people from a socio-economic perspective. Since the creation of the first *Point Passerelle* in 1997, more than 100,000 people have been helped. With the assistance of a network of 120 advisers spread across 82 dedicated locations and 930 volunteers (elected representatives and retired Crédit Agricole employees), 12,336 people were assisted this year, 85% of whom managed to regain a steady economic footing.

In cooperation with the Regional Banks and the Fédération nationale du Crédit Agricole, Crédit Agricole Assurances has created leaflets for *Points Passerelle* advisors, giving practical advice on insurance problems to facilitate assistance: procedures in the event of death, systems for the reimbursement of health costs, etc.

At LCL, the detection of delicate situations liable to reflect proven or potential financial vulnerability following a personalised diagnosis may give rise to the "LCL Initial" offer, which opens up access to a range of banking services at a lower cost. The national unit called "*LCL parenthèse* - counselling and customer support" (*Conseil et accompagnement client*) also provides support in certain situations that are either complex or require dialogue with organisations involved in the fight against over-indebtedness, such as the "Points Conseils Budget", with which LCL has signed an agreement.

Since 2015, Pacifica has been authorised to offer supplementary healthcare policies specifically for recipients of the ACS (*Aide au paiement de la Complémentaire Santé*) payment. This scheme, reviewed by the Health Ministry, is a payment by the State that covers some or all of supplementary healthcare contributions. It is granted on the basis of household composition and income, the amount of the payment depending on the age of the beneficiary. Pacifica's Santé Solidaire offering has three basic plans and on top of the standards defined by the decree offers various additional benefits.

CA Assurances also complies with the AREAS convention, which is aimed at facilitating access to insurance and loans for people who have or have had a serious health problem. CACI, the credit insurance subsidiary, has established a specialist unit that offers contracts that are tailored to the needs of its customers benefiting from this convention.

2.1.3. Giving credit to all customers, including the financially vulnerable

A. Contributing to business creations

Working with major business-creation support networks since 2003, the Regional Banks again worked to promote business start-ups:

- leading financial backer of *Initiative France*, an organisation that has made 5,484 loans in a total amount of €327 million;
- 1,446 SMEs financed via partner France Active in the amount of €19 million;
- nearly 2,000 entrepreneurs funded by means of €9 million in credit lines granted by 14 Regional Banks.

LCL is also a partner of *France Active*. In 2017, LCL granted funding totalling €5 million to 152 borrowers.

B. Distributing microcredit

Since 2008, the Regional Banks have distributed personal microcredit, enabling people not eligible for credit to benefit from a banking service while at the same time controlling their budget. Some 1,560 loans have been made by the Regional Banks. Crédit Agricole also offers Home Renovation microloans as part of a partnership with Soliha. Microcredit of this nature serves to combat unfit housing and energy poverty. It is offered to homeowners with low incomes and those in difficulties. Since April 2017, Crédit Agricole has also participated in the experiment proposed by Caisse des Dépôts on the use of personal microcredit to finance certain debts. The objective of this form of microcredit is to stabilise or even reduce the beneficiaries' indebtedness.

C. Facilitating socio-economic autonomy

Launched in 2015, the Fondation *Crédit Agricole Solidarité et Développement*, recognised as a charity, is focused on personal socioeconomic autonomy. It supports the programmes of national partners, as well as complementary projects developed with the Regional Banks. Its four fields of action are social integration (educational success, budget education, digital inclusion, mobility, food, etc.), economic and vocational integration (vocational training, job search and business creation assistance), the housing sector (access to housing, fight against poor housing and energy poverty, intergenerational housing), health and ageing well (acting against isolation and in favour of access to care and the prevention of risks). Forty-two charitable projects have been financed in a total amount of more than €1 million.

2.1.4. Coming to the aid

A. Of distressed customers

Claims management (fire, theft, water damage, hail, road accidents, etc.) is also a major challenge that is part of an insurer's liabilities. Pacifica accordingly offers fast customer support, with qualitative assistance. The claims management centres and partner networks involved in this service are in close proximity to the distressed customer and are therefore able to offer a solution tailored to each situation. In 2017, Pacifica once again demonstrated its capacity for action, particularly during the numerous storms that occurred during the first quarter, the series of frosts that devastated harvests in April and in the aftermath of hurricane Maria in the French West Indies and hurricane Ana in December. In the event of a weather event, Pacifica is able to deal with an increasing number of urgent situations. The system addresses customers confronted with a natural disaster. In 2017, 42% of them declared their willingness to recommend their insurer to family members, friends or colleagues (compared with 41% in 2016 and 36% in 2015).

B. Of farmers

Crédit Agricole, the financial partner of nine out of every ten farmers, actively supports sectors in crisis and offers adjustment measures of various types, including the deferral of all or part of their annual payments. In line with the September 2016 announcement by Chairman Dominique Lefebvre, Chairman of Crédit Agricole S.A. Group, that €5 billion would be set aside to support farmers in this period of crisis, the Regional Banks released €3.6 billion in the form of short-term loans and €1.4 billion as medium- and long-term loans. The network of 1,800 agricultural advisers in the 39 Regional Banks advises individual farmers on the best solution for

their specific case, allowing them to get through their difficulties and preserve their capacity to invest for the future.

Pacifica also supports farmers by offering insurance for the majority of crops (large-scale farming, vines, arboriculture) against a number of weather events (drought, hail, excess rainfall, floods, storms, frost, etc.). Pacifica manages close to 25,000 weather-related insurance policies (harvest insurance, hail insurance and prairie insurance). It proposes an insurance range to cover biogas facilities for property damage (fire, storm-hail-snow, water damage, flooding, theft, vandalism, broken machinery, electrical damage), operating losses and energy supplier civil liability (in the case of the resale of electricity, heat or gas) and employer gross negligence civil liability (when employees are present). Lastly, Pacifica has integrated two new dimensions into its Multi-risk Agricultural and Multi-Risk Professional offerings:

- a guarantee, at no additional cost, that covers expenses incurred to prevent the imminent realisation of damages to the environment; this guarantee allows the creation of a solvent counterparty in the event of damage to the environment;
- no-limit compensation for actual asbestos removal costs incurred as a result of claim.

2.1.5. Meeting the challenges of tomorrow

Crédit Agricole Assurances has built an offering centred on products that address major societal issues.

A. Responding to an ageing population

Predica offers a new product to assist people once they are in need of care. Certified by the French Federation of Insurance Companies, this product guarantees a minimum income of at least €500 in cases of serious long-term care. This can pay for personal services or cover some of the costs of living in a care home. It also pays €1,000 a year towards the costs of home-care services to provide respite for the carers of the dependent person. Predica's healthcare partners are committed to providing a response within 72 hours and a solution within 30 days, for insured persons looking for a place in a care home. At the end of 2017, Predica covered more than 180,000 insured people for dependency care risks.

For seven years, CA Assurances has been committed to local charities working with unpaid caregivers. Since its inception in 2010, 140 projects have been funded, and €2 million distributed.

B. Meeting public health challenges

Pacifica has a range of solidarity-based and responsible health products for individuals. There are no medical screening requirements, the coordinated care pathway is followed, minimum reimbursement amounts (consultation patient charges, pharmacy, hospital flat fees) are applied and preventive procedures are covered.

C. Committing to inter-generational solidarity

Predica undertook various actions in this area, in particular appraising its offering from the perspective of a population in which four generations are living together. Thus, parents can take out a life insurance policy on behalf of children who have not yet come of age. Grandparents can then help the policies grow through occasional donations or regular gifts to their grandchildren. A provident guarantee is available to complete the offer. It provides that the insurer will cover the remaining payments until the child comes of age in the event of the death of the person making payments on the life insurance policy (parents or grandparents).

2.2. CONTRIBUTING TO ECONOMIC AND SOCIAL DYNAMISM IN LOCAL REGIONS

Crédit Agricole is a decentralised banking group with strong local roots. It is founded on the mutual values of its regional cooperative banks. The values of proximity, responsibility and solidarity drive the Group to promote actions with its stakeholders to improve the development conditions of the regions in which it is present, both in France and abroad.

2.2.1. Being responsible along the entire chain

The Crédit Agricole Group has adopted a responsible purchasing policy to address the major challenges of tomorrow in its regions and contribute to the company's overall performance. It is part of the Group's Code of Ethics, and was co-constructed with the subsidiaries and the Regional Banks.

It is intended for all employees, actors in the purchasing process and our suppliers. It is broken down by an action plan built on five pillars:

- ensure responsible behaviour in the supplier relationship;
- contribute to the economic competitiveness of the ecosystem;
- integrate environmental and societal aspects into purchases;
- sustainably improve the quality of relationships with suppliers;
- integrate the responsible purchasing policy into existing governance arrangements.

The approach was expanded this year to all Crédit Agricole S.A. Group entities by means of joint action within the FReD framework.

Crédit Agricole S.A. signed the Responsible Supplier Relations Charter in 2011. In addition, the *"Supplier Relations and Responsible*

Purchasing" label awarded by the French ombudsman is currently being renewed on a scope that is expected to include Crédit Agricole S.A. and its subsidiaries. In its 2017 version, the label attests that the organisation and actions of Crédit Agricole S.A. comply with the objectives and commitments laid down in the ISO 20400 reference framework.

Lastly, Crédit Agricole S.A. has been assessed by **EcoVadis** in respect of the CSR requirements of the mother company towards its suppliers and as an example for its subsidiaries.

Key figure:

Crédit Agricole S.A. earned a score of 68/100 from EcoVadis

A. Ensure responsible behaviour in the relationship with suppliers

PRINCIPLES:

- Ensure balanced business relationships by adopting respectful practices and behaviours.
- Foster reciprocal commitments in respect of the rights of all.
- Provide visibility on projected purchases.

The Responsible Purchasing Charter, which consolidates the Crédit Agricole S.A. Group's main commitments in respect of responsible purchasing, was revised in 2017 and is included in all supplier contracts. It is built on reciprocal commitments derived from the fundamental principles of the United Nations Global Compact.

Crédit Agricole S.A. Group is attentive to the monitoring of payment terms in respect of its suppliers. This is a major objective under the FReD approach, which is mandatory for all Group subsidiaries. The ongoing rollout of a purchasing information system common to all entities will contribute to better monitoring of average payment terms across the Group. For Crédit Agricole S.A., a target of payment within 15 days has been set for our VSE/SME suppliers.

Key figure:

Average payment term for Crédit Agricole S.A. in 2017: 41.32 days (47.12 days in 2016)

B. Contribute to the economic competitiveness of the ecosystem

PRINCIPLES:

- Encourage the diversity of businesses in the regions.
- Promote exchanges with local actors and thereby contribute to regional development.
- Stimulate innovation with our suppliers to create value.
- Assess the total cost over the life cycle

During the purchasing process, the Crédit Agricole S.A. Group Purchasing department assesses actions implemented in favour of the sheltered sector and disability-friendly companies and VSEs/SMEs.

It includes in its tender specifications criteria linked to social principles, reflecting, among other things, use of the sheltered disability-friendly sector, either directly or through joint contracting.

The Group has partnered with Early Metrics, a rating agency, to evaluate start-ups in various areas and promote their activity. Moreover, an innovation-monitoring platform has been built with Yoomap for subsidiaries and the Villages by CA (the Group's incubators).

Key figures:

In France, Crédit Agricole S.A., its subsidiaries and Crédit Agricole Technologies et Services:

- Volume of purchases entrusted to the sheltered and disability-friendly sector: €5 million
- Volume of purchases entrusted to VSEs/SMEs: €1,153 million

C. Integrate environmental and societal aspects into our purchases

PRINCIPLES:

- Identify and map risks and opportunities.
- Integrate CSR criteria into the choice of a good or a service and the selection of our suppliers.

Crédit Agricole S.A. Group is working to update its CSR risk mapping for the identification, analysis and prioritisation of risk-based purchasing categories on environmental, social, ethical and supply-chain criteria. It is based on the intrinsic gravity of a risk and its probability of occurrence. It also gives the possibility of carrying out a more detailed analysis depending on the business sector, the geographical area and a weighting of the risks reflecting the weight of the various suppliers in the overall volume of purchases.

Included systematically in all calls for tender, CSR assessment of suppliers focuses on their CSR management system and their offer itself. This type of assessment has been entrusted to an independent third party expert, EcoVadis, since 2012. The score obtained accounts for 10% in awarding the contract to the supplier.

Crédit Agricole S.A. Group assesses the CSR quality of the supplier's offer (product or service) by including technical sustainable development criteria specific to each family of purchases in the tender specifications, in accordance with the risks and opportunities identified in the CSR risk mapping. The supplier must show that its procedures comply with the stated principles during the project's entire lifecycle.

Another purpose of these actions is to meet the regulatory requirements relating to due diligence.

The definitions of the underlined words can be found in the Glossary on page 567

Key figure

1,200 Crédit Agricole S.A. Group suppliers had an EcoVadis score as of 31 December 2017.

D. Sustainably improve the quality of relationships with suppliers

PRINCIPLES:

- Involve buyers as early as possible in the purchasing process.
- Reinforce the ramp-up of the purchasing skills of internal players (buyers/decision-makers).
- Develop mutual understanding between the company and its suppliers.
- Establish a mediation mechanism.

Satisfaction surveys are part of a regular process for the collection of opinions from both suppliers and internal decision-makers, with three objectives: measure supplier satisfaction with the relationship with the Group, measure the satisfaction with services of decision-makers on supplier panels by family of purchases, and provide support for purchasing. In 2017, Crédit Agricole S.A. participated in the SME and mid-cap supplier relationship survey run by Pacte PME on a comprehensive panel of 1,228 suppliers. The results were as follows: 18% of our suppliers responded to this survey, with a supplier relationship satisfaction rate of 81%.

In 2017, Crédit Agricole S.A. organised maiden supplier meetings to present the results of the survey and discuss its purchasing strategy.

In 2017, a review of skills was conducted among the Crédit Agricole S.A. Group's purchasing employees, which will help improve professional development in 2018, ensuring that it better matches the needs of employees, increases their skills and in that way reinforces shared methods across the Group.

Key figures:

- June 2017 supplier meetings: nearly 200 suppliers were present, with a very high satisfaction rate
- 75% of buyers tested their purchasing knowledge to establish an inventory of skills in the purchasing business line

E. Integrate the responsible purchasing policy into existing governance arrangements

The "Strategic Ambition 2020" Medium-Term Plan rolled out by the Group required a new organisation and a new governance for Crédit Agricole S.A.'s Group Purchasing department. Its management is now structured around five purchasing hubs, with a general secretariat for support functions.

A CSR correspondent has been appointed within each hub, and is led by the CSR Manager of the Crédit Agricole S.A. Group's Purchasing department.

2.2.2. Developing a product offering with societal impact

Within the Crédit Agricole S.A. Group, initiatives are emerging on products with a societal impact, particularly in the subsidiaries and the Regional Banks.

Amundi is developing a management offering with a social impact. Its aim is to galvanise local development by supporting innovative projects. Amundi has identified three commitments: providing long-term support for companies, diversifying the portfolio of social actors and publishing transparent information, mainly in the form of a social impact report.

Social impact management in 2017:

- €2,341 million in assets, representing growth of 30.5% compared with 2016;
- 29 social actors financed, including three new ones;
- 18 Finansol-certified products;
- Seven themes: jobs (education, training, integration), housing, health, environment, associations, over-indebtedness and international aid.

To address issues surrounding unemployment, poor housing, difficulties accessing healthcare for dependants, as well as environmental issues, many savers want to make their investments meaningful, while keeping an eye on the returns on offer. CA Assurances, *via* its subsidiary Predica, is accordingly offering the *Contrat solidaire*, the first Finansol-certified social multi-vehicle life insurance policy. It marries savings and social good. Predica sends an annual report to these policyholders detailing the social impact of the savings invested in the policy funds (number of jobs created or secured, number of people re-housed, number of healthcare beneficiaries, tonnes of waste recycled, number of microcredit beneficiaries abroad, etc.).

The socially responsible savings range *"L'Autre épargne"* provides an option for customers looking for alternative investments. This is used to finance community projects and projects that contribute to the local economy by supporting non-profit associations through the donations generated by these products. *L'Autre épargne* is built around two Finansol-certified mutual funds financing the food banks (*"Banques alimentaires"*) and Habitat et Humanisme, the Predica *Contrat solidaire* life insurance product and a variant of the mutual shareholders' passbook account with the option for customers to earn Tookets (see 2.2.4), Crédit Agricole's charity reward currency.

2.2.3. Supporting local entrepreneurship

Using its strong local presence to benefit the regions, the Group funds projects aimed at fostering and maintaining local economic activity.

A. A foundation committed to inclusive and responsible finance

As of 31 December 2017, the Grameen Crédit Agricole Foundation had commitments worth €64.1 million, including €57.5 million in funding of microfinance institutions (MFI) and €4.8 million in equity investments in social business enterprises, an increase of 45% year on year. In 2017, the Foundation made 41 new funding commitments. Since its creation in 2008, the Foundation has approved 250 funding projects worth a total of €196.5 million.

AN EXPANDING NETWORK OF PARTNERS, A GREATER SOCIAL IMPACT

In 2017, the Foundation expanded its area of activity with new partnerships in Montenegro, Kazakhstan and Myanmar. It currently supports 69 active partners in 28 countries, 86% of which are among the world's poorest countries. The Foundation supports women and rural populations in particular, which represent 76% and 81% respectively of the 3 million customers of the institutions it finances.

The Foundation has also strengthened its links with institutional partners. A new agreement was signed with the French Development Agency in early 2017 to strengthen the Foundation's capacity for technical assistance for small rural and agricultural financial institutions in Africa. After an initial phase that helped support and strengthen 15 institutions in sub-Saharan Africa, the second phase will include a technical assistance programme for roughly 20 microfinance institutions.

The Foundation has also signed numerous partnerships with Crédit Agricole Group entities. Amundi, for instance, has established €7 million in funding for the Foundation through the Finance and Solidarity Fund. Three retail banking subsidiaries, Crédit du Maroc, Crédit Agricole Egypt and Crédit Agricole Serbia, as well as Crédit Agricole CIB India have signed a partnership to co-finance microfinance institutions in their region with the Foundation. Lastly, the Caisse régionale de Franche-Comté joined the Foundation as a shareholder of *La Laiterie du Berger* in Senegal.

FOR MORE RESPONSIBLE CAPITALISM

With eight years' experience as an investor in social business enterprises, in 2017 the Foundation published a White Paper entitled "Social business: towards entrepreneurship with a social utility". In it, the Foundation demonstrates the impact of companies with a social purpose, also highlighting the challenges of this business model. From the identification of success factors to the structuring of the social performance of projects, the Foundation sets out seven proposals aimed at improving the effectiveness of social business and promoting more responsible capitalism.

B. Support for local structures and ecosystems

The Group includes multiple regional structures that enable the Regional Banks to use some of their capital to help SMEs and mid-caps (ETIs). The Group also has national structures, such as CACIF-IDIA and Amundi Private Equity Funds. With more than three €3.67 billion in assets under management, Crédit Agricole Group is one of the major players in investment capital in France. It supports nearly 980 companies throughout France, 233 of them being new investments in 2017, for a total of more than €280 million.

As part of the "Strategic Ambition 2020" Medium-Term Plan, the Group aims to become the benchmark in terms of supporting young innovative companies. In line with the Villages by CA concept (see below), two investment funds enabling the Group to invest in innovation capital have been set up since 2017 and endowed with €100 million. For example, the CA Innovation et Territoire fund aims to invest in young technology and/or innovative companies operating primarily in the Group's six strategic areas (energy and environment, housing, agriculture and food processing, health-ageing well, tourism and the sea). The CA Venture fund invests in FinTech/InsurTech. The Group also supports the activities of mid-cap enterprises through €300 million in the CARD fund, managed by IDIA.

Village by CA is a value-creating ecosystem and start-up incubator supporting projects with high potential. The first Village was created in Paris in 2014, and a further 20 Villages were operating by the end of 2017. Boasting an environment at the forefront of technology and operating in the heart of the French regions, the start-ups of each Village by CA operate in an open innovation ecosystem alongside a multitude of private and public partners. To date, 400 start-ups have received support.

The Regional Banks offer their customers the mutual shareholders passbook account. Savings collected from mutual shareholder customers go directly to finance companies less than five years old located in the Group's regions. Its assets currently amount to €8.5 billion.

Finally, Crédit Agricole Assurances, a force in regional development, has invested nearly €3.5 billion in financing French companies (excluding OATs and financials).

2.2.4. Participating in local community life and social development

Crédit Agricole is France's leading bank for associations, as well as their partner, sponsor and patron. Each year, it allocates more than €40 million to thousands of local projects of all types. In addition to financial support in the form of grants, gifts, scholarships, bursaries, etc., the support of Local and Regional Banks to associations is reflected in donations in kind, skills patronage and the provision of premises and human resources.

Further, in 2011, Crédit Agricole Pyrénées Gascogne created a local charity reward currency known as the Tooket, which corresponds to pledges. Since their launch, more than 1.5 billion Tookets,(1) *i.e.* more than €15 million, have been distributed to more than 1.1 million individuals to support more than 8,000 associations. In 2017, 12 Regional Banks joined the scheme.

A pioneer in cultural sponsorship, Crédit Agricole set up in 1979 its foundation, Fondation du Crédit Agricole – Pays de France, recognised to be of public utility. In 2017, it committed alongside the Regional Banks to 54 new projects aimed at preserving and enhancing regional heritage, allocating almost €1.9 million in grants. The restoration of countless assets ranging from buildings and works of art to museums and gardens has been made possible in this way in all regions. Since its creation, around 1,300 projects have been funded, in a total amount of over €40 million.

Crédit Agricole S.A. lends its support to players operating at the heart of the regions. It provides support for Dons Solidaires, an organisation involved in recycling unused non-food items (toiletries, clothing, school supplies, etc.) destined for charities working with the most disadvantaged people. In 2017, Crédit Agricole S.A. provided a grant of €75,000, which contributed to the creation of three regional offices in Occitania, Loire and Brittany and the European IKDI network, federating partners sharing the same activity.

As a founding member of Inpact (a cultural fund aimed at promoting artistic creation among people not benefiting from cultural offerings in their local area), Crédit Agricole S.A. is committed to creating and promoting solidarity with public and private stakeholders and charities. Since its inception in 2012, more than 100 artistic projects have taken shape, involving people usually excluded from cultural endeavours.

Crédit Agricole S.A. has supported the contemporary art fair in Montrouge since moving its headquarters to that city in 2010. Partner of the biennale of contemporary art devoted to young contemporary creation (*Jeune Création Contemporaine*), it supports artists' residencies in the city and organises workshops for its employees. Nearly 100 people benefited from this in 2017. A grant of €10,000 was awarded as part of this partnership this year.

In 2017, Crédit Agricole S.A. renewed its partnership on the European Heritage Days with the French Ministry of Culture. Crédit Agricole S.A. realises that heritage is a regional challenge and uses this sponsorship to echo the role played by the Regional Banks and the Crédit Agricole Pays de France Foundation in the regions.

(1) 1 euro = 100 Tookets.

The definitions of the underlined words can be found in the Glossary on page 567

2.2.5. Getting employees involved to support economic, social and cultural initiatives

A. Developing "*à la carte*" forms of employee commitment

Solidaires, created in 2012, supports employee involvement in good causes in France and abroad (local and international solidarity, support for people with disabilities, promotion of culture and education). Crédit Agricole S.A. offers Group employees different types of commitment: volunteer missions undertaken in charities, collective one-day missions at a charity together with other Crédit Agricole S.A. Group employees in partnership with "*Ça me regarde*" or a consulting day in partnership with "*Pro Bono* Lab" in favour of a charity.

Solidarity Days are held each year to showcase the achievements of *the Solidaires* programme and to educate, galvanise, meet and engage employees of Crédit Agricole S.A. Group. Established at the end of 2013, the Commitee "Solidaires" is a forum for cross-functional co-construction bringing together nine entities running programmes encouraging employee commitment to charities.

In 2017, Crédit Agricole S.A. partnered with Stop Illettrisme, allowing the rollout on the Evergreen, Saint-Quentin-en-Yvelines and Montparnasse sites of sponsorship by Group employees for certain employees of cleaning service providers SAMSIC and GSF, who are following a diploma course to learn French.

B. Providing financial and *pro bono* support to the charities in which employees are involved

A programme called "*Coup de pouce*" (Helping Hand) exists to support Crédit Agricole S.A. Group employees involved in charities, through project grants. Within nine entities (Amundi, CACEIS, CA Immobilier, CA Assurances, CA Consumer Finance, CA Leasing & Factoring, CA CIB, the Crédit Agricole S.A. Corporate entity and LCL), any employee may submit a charitable project to a jury for a grant.

In 2017, the winners were offered the chance to participate in a call for projects enabling them to benefit from pro bono advice by Group employees during marathons organised by Pro Bono Lab. Three charitable associations (*Les p'tits héros, Le Chaînon manquant, Carrefour des Solidarités*) were thus able to benefit from a day's consulting advice. A total of 35 employees have contributed their skills to the development of these charities.

2017 key figures:

Coups de pouce solidaires

In 2017, the *Coups de pouce solidaires* operation consisted of:

- nine participating entities;
- 127 candidates, including 90 prizewinners;
- €259,000 distributed.

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

Stop Illettrisme: 80 employees committed to sponsoring an employee of a cleaning services provider (GSF and SAMSIC).

Mobilisation of Crédit Agricole S.A. Group employees for the 12-16 June 2017 Solidarity Days enabling:

- the collection of 695 kg of clothing for La Cravate *Solidaire*, pairs of glasses for Médico Lions Club and children's books for Recyclivre;
- the collection of:
  - €20,000 for ELA (European Leukodystrophies Association, an association harnessing means to overcome rare genetic diseases) through the mobilisation of 416 employees who took part in a walkathon for ELA (5.5 million steps),
  - €115,000 for Action Against Hunger, a challenge organised by Amundi. A total of 145 employees took part,
  - participation in collective work: renovation of a hall at the *Paris Samu Social* headquarters (17 employees), Emmaüs Solidarity (10 employees), *École de la deuxième chance* (4 employees).

3. ACCELERATE THE ENERGY TRANSITION

As the number one provider of financing to the French economy, Crédit Agricole understands the importance of its role in the country's energy transition. Its leading positions, business expertise, financial power (revenues of €32.1 billion) and scale (139,000 employees) all play a role in helping to sustainably and dynamically finance this new economy. Crédit Agricole is one of the major players in financing the energy transition. Its strategy has a simple goal: to accelerate the transition to a low-carbon economy and safeguard the environment by building environmental criteria into products and services.

3.1. LARGER AMBITIONS

Two years after the Paris Climate Accord, Crédit Agricole Group decided to expand upon the commitments made in 2015.

- €100 billion in new green financing by 2020
  - €71 billion arranged at end-2017
- One third of renewable energy and energy efficiency projects in France financed by 2020
  - +24% projects financed compared with 2016
- €2 billion in Group cash invested in Green bonds by end-2017
  - €2 billion invested at end-2017 – target met
- €5 billion in new projects financed by specialised management companies by 2020
  - €203 million in financing committed
- Fully offset the direct footprint of Crédit Agricole S.A. and of its subsidiaries with respect to energy and business travel to 2040

3.2. A FOUR-PRONGED CLIMATE STRATEGY

In order to achieve its goals, Crédit Agricole decided to support customers undertaking the energy transition through its financing, investment, advisory and insurance activities following a four-pronged strategy.

3.2.1. Control the Group's carbon and environmental footprints

A. Of customers

SYSTEMATIC EVALUATION FOR FINANCING OF LARGE CORPORATES

At the end of 2013, Crédit Agricole CIB introduced a CSR scoring system for all its corporate customers designed to supplement the environmental and social risk assessment system for transactions. Customers are scored each year on a scale composed of three levels (advanced, compliant or sensitive), based on whether the customer complies with existing sector policies, whether there is an image risk for the Bank (sensitive), and whether the customer is listed in the main global CSR indices (advanced). Following the signing of a contract with a non-financing rating agency to undertake tests in 2016 and 2017, the CSR scoring system will be improved in 2018 using three levels of due diligence: reduced, standard and higher.

INCLUSION OF ESG RISK IN MID-CAP AND SME FINANCING

Crédit Agricole reaffirms its intention to incorporate ESG risks into its corporate credit decision-making. In 2016, a questionnaire was drawn up together with the Regional Banks and tools to raise the awareness of relationship managers were made available. In 2017, five Regional Banks started giving questionnaires to their customers. Initially this will focus on raising the awareness of customers and relationship managers, without incorporating the ESG rating into the credit decision. The ESG questions will be incorporated at a later date, beginning in 2018, in the Economic Analysis component of the corporate commitments business case.

B. Control and reduce the direct carbon footprint

Following the adoption of several measures including 100% use of electricity derived from renewable sources across its French sites, the Group has set itself a new greenhouse gas reduction target, encompassing energy, transportation and procurement, by 2020.

- Reduce greenhouse gas emissions by 15% over the 2016-2020 period
  - - 5% reduction already achieved between 2016 and 2017

The definitions of the underlined words can be found in the Glossary on page 567

ENERGY AND WATER

Since 2007, energy and water consumption have been monitored at Crédit Agricole S.A. Group's main entities in France and abroad. The Group activity does not raise significant threats concerning water resources. As a result, the Group did not take any particular measures to reflect local constraints.

	Consumption		Estimated coverage ratio		Tons eq. CO_2/year	
	2017	2016	2017	2016	2017	2016
Electricity	309,094 MWh	340,390 MWh	99%	99%	64,928	72,467**
Gas	69,034 MWh	79,012 MWh	96%	100%	14,188	16,239
District heating	16,570 MWh	21,258 MWh	96%	81%	3,705	4,754
Cooling network	3,573 MWh	3,766 MWh	100%	46%	156	165
Fuel oil	3,585 MWh	2,609 MWh	100%	100%	1,137	827**
Water	752,521m³	648,895 m³	85%	89%		

Scope covered: 88% FTEs – 64,643 employees – 2,400,000 m².

* *2016 value modified since the method for calculating fuel consumption was revised and improved from year n-1.*

** *2016 data on CO_2 adjusted after adding in the emission factors of new countries.*

ELECTRIC POWER CONSUMPTION BY DATA CENTRES IN 2017(1)

	Consumption		Tons eq. CO_2/year	
	2017	2016	2017	2016
Electricity	73,242 MWh	71,947 MWh	2,675	1,983**

(1) Only the consumption of data centres that could be isolated from their corresponding office buildings is taken into account. It is therefore confined to the following entities: Greenfield, the Group data centre managed by Crédit Agricole Immobilier, Crédit Agricole CIB France, Amundi France, Agos, Credibom, CA Indosuez Switzerland S.A., CA Indosuez Wealth (Europe), CFM Indosuez Wealth and Crédit du Maroc.

** *2016 data on CO_2 adjusted after adding in the emission factors of new countries.*

TRANSPORT

Crédit Agricole S.A. Group is currently working on a mobility plan covering its campuses around Ile-de-France. The first measures will be put in place in 2018.

The Group also conducts an annual measurement of emissions attributable to business travel in order to monitor progress on this front. The indicators cover business travel by rail and air.

	Rail		Air		Total	
	2017	2016	2017	2016	2017	2016
Distances travelled in thousands of kilometres	49,548	48,305	154,438	144,126	**203,986**	**192,431**
CO_2 emissions in tonnes eq.	2,232	2,176	44,863	40,104	**47,095**	**42,280**

Scope covered: 72% FTEs – 52,811 employees.

OFFSETTING THE CARBON FOOTPRINT

Crédit Agricole Group has been a shareholder since its launch in 2011 of the Livelihoods fund, which seeks to improve the living conditions of rural populations in developing countries through carbon finance. The Livelihoods fund, which brings together Danone, Michelin, CDC, Crédit Agricole, Firmenich, Hermès, La Poste, SAP, Schneider Electric and Voyageurs du Monde, is an investment fund that finances agroforestry, rural energy and ecosystem restoration projects. At the end of 2017, its assets amounted to nearly €40 million and it had nine active projects in its portfolio. Each project has a twin local impact, environmental and social, for the communities affected, as well as generating carbon credits designed to reduce the carbon footprint of the financing companies.

In this way, Crédit Agricole S.A. and Crédit Agricole CIB offset nearly 35,746 tonnes of CO_2 in 2017: Crédit Agricole S.A. offset 21,448 tonnes, including energy and transport emissions, and Crédit Agricole CIB 14,298 tonnes. The certificates received for 2017 came from three projects: Océanium in Senegal (the largest mangrove restoration in the world: 100 million mangroves planted across 10,000 hectares for 400 villages and 100,000 people), Tiipaalga in Burkina Faso (teaching women to build their own stoves in a way that uses up to 60% less wood in a region threatened by desertification – 30,000 families benefited) and Hifadhi in Kenya (manufacture and distribution of stoves reducing wood consumption – 60,000 stoves distributed, 300,000 expected beneficiaries and one million tonnes of CO_2 avoided over ten years).

Following an initial investment in 2011 when the first Livelihoods fund was launched, Crédit Agricole is continuing its commitment alongside this partner and is participating in the second fund launched in December 2017. Crédit Agricole S.A. thus committed to fully offset its direct carbon footprint from energy and transport, for the Crédit Agricole S.A. corporate entity and its subsidiaries, to 2040.

3.2.2. Grow the Group's presence in renewable energy

A. Finance renewable energy

Crédit Agricole Leasing & Factoring (CAL&F) has, through its subsidiary Unifergie, project finance expertise in the fields of energy and environment. Unifergie finances projects for farmers, corporates and local authorities, stakeholders in the energy transition, in several areas: renewable energy (biogas, biomass, wind, photovoltaic, etc.), energy efficiency (cogeneration, public lighting, building rehabilitation, district heating, energy equipment), environment (waste, water), land use (public real estate, infrastructure, telecommunication networks). CAL&F regularly partners with other Group entities (mainly Regional Banks, LCL and Crédit Agricole CIB) to finance a range of projects in these sectors.

At 31 December 2017, Unifergie had financed 74 energy projects for €635 million (24% up on 2016), these investments being equivalent to 1,065 megawatts (MW). The total capacity financed by CAL&F was 4,800 MW at the end of 2017; this electricity production helped power 1,890,000 French homes. Unifergie, along with the Regional Banks and LCL, has committed to financing one renewable energy and energy efficiency project in three in France by 2020.

As one of the leading financers of renewable energy, since 2008 Crédit Agricole CIB has financed a total of 379 wind farms generating more than 20,000 megawatts (MW) and 125 solar farms totalling more than 4,800 MW of installed capacity.

CA Assurances also invests in renewable energy, in particular in energy infrastructure projects - in France for the most part. In 2017, CAA continued to strengthen its partnership with Engie, the goal being to grow their joint wind asset portfolio. At the end of 2017, €351 million had thus been invested in renewable energy programmes.

B. Socially responsible bonds

In addition to project finance, Crédit Agricole CIB fights climate change by structuring numerous social and environmental bonds. Operating in this market since 2010, Crédit Agricole CIB arranged $51.7 billion in green bonds, social and responsible bonds for its major customers in 2017. Crédit Agricole CIB has committed to arranging at least €100 billion in green financing over the 2016-2020 period.

In addition, in 2013 Crédit Agricole CIB launched the Crédit Agricole CIB Green Notes. These are bonds or any other funding instrument issued by Crédit Agricole CIB where the funds raised are used to finance environmental projects. At 31 December 2017, Crédit Agricole CIB had financed €1.569 billion in green loans thanks to green notes and similar debt products.

3.2.3. Helping customers improve energy and carbon performance

A. Individual customers and corporates

The Regional Bank network markets various loans that help finance work intended to improve housing energy performance, such as:

- the interest-free eco-loan (Eco-PTZ). Between its launch by the public authorities in April 2009 and end-2017, nearly 121,000 offers have been made by Crédit Agricole, in a total amount of more than €2.25 billion;
- energy-saving loans offered by the Group since 2007. Between their introduction and end-2017, the total amount of loans marketed by all Regional Banks reached €2.7 billion. In 2017, 3,815 eco-energy loans (PEE) were granted to customers of the 39 Regional Banks for an average amount of €7,720.

A home simulator, Calculéo, is also available on the Regional Banks' websites. It allows individual customers to determine the amount of any assistance to which they are entitled to finance energy saving work.

In addition, Crédit Agricole offers its SME and mid-cap customers an Energy Advisory Plan (*Démarche Conseil Energie*) to help them finance energy efficiency investments.

B. Real estate

The Crédit Agricole Group's multi-business property specialist, Crédit Agricole Immobilier (CAI) advises its clients on how to create value throughout their property development projects. It mobilises the full range of its expertise to serve individuals (residential development, property management, management of the head of Square Habitat networks), companies (operating real estate, commercial property development, property management) and local authorities (promotion, urban development).

In line with one of the key thrusts of its CSR policy and in furtherance of its innovation approach, CAI is designing the city of the future and imagining homes, offices and services that anticipate new ways of living and working. The goal: to drive the emergence of responsible residential and tertiary sector property, that creates value, drives performance and offers innovative solutions for all its customers. CAI thus undertakes flagship development and regeneration projects, like the Woodi transaction, in Melun, which will ultimately house 8,000 residents and have 2,700 residential units. The project also comprises a major social integration component, particularly through the provision of exclusive services, such as, for example, a socially responsible concierge service.

During operation, in property and facility management, numerous sites managed by CAI have been certified with a view to highlighting the sustainability of its customers' real estate and in anticipation of new regulations. Having played an active role in developing the innovative BBCA label (low carbon building) in 2015 and in two projects certified in 2016 (a student residence in Noisiel and the Liv'In Bussy Saint-Georges programme in Seine-et-Marne), in 2017 CAI worked with the International Biodiversity and Property Council to develop a pioneering new label, BiodiverCity® Life, to promote the balance between humans and the diversity of nature in the context of an operating project. The Europe Avenue campus in Bois-Colombes, operated by CAI, which already has "HQE TM Exploitation" and BREEAM® In-Use certification, is a pilot campus. The Crédit Agricole S.A. campuses continue to

The definitions of the underlined words can be found in the Glossary on page 567

enjoy cutting-edge environmental management: the "HQE TM Exploitation" certifications were thus renewed with improvements for certain profiles, in Montrouge, for the Aqua, Terra, Forum and Lumen buildings – the latter also participating in the Cube 2020 national energy management competition – and the "*Refuge LPO*" and "*Eco-jardin*" label, in Saint-Quentin. Greenfield, the Group's data centre in Chartres, had its ISO 50001 certification renewed. The site boasts one of the best energy performances for a high-resilience data centre anywhere in the world.

Furthermore, CAI also factors territorial impact and the key principles of the circular economy into its projects, *via* the densification of space, scalability of housing, or indeed its new urban farming concept, called "Nature in town". In 2017, CAI's completions included Parc Angely in Toulouse and Lumia in Bordeaux, comprising urban farming systems (vegetable gardens, fruit trees, communal gardens, etc.). CAI also won a "*Pyramide de Vermeil de l'Innovation Industrielle*", the most prestigious national award in the profession in this category, for its *Le R* project in Toulouse, which combines urban farming, connected housing and the Homdyssée evolving home concept, embodying a new vision for the future of housing.

CA Assurances continues to increase the proportion of property assets with environmental certification (such as HQE, BREEAM, LEED) in its office portfolio. All new projects will henceforth strive for environmental certification. At end-2017, the green office portfolio (i.e. those with environmental certification) accounted for 40% of total square metres invested in office property (*i.e.* 530,228 m^2) out of a total of over one million square meters in office space.

3.2.4. Attract productive and responsible savings towards a low-carbon economy

A. Decarbonation of portfolios

The goal of these solutions is to reduce the carbon impact of portfolios, namely reduce within portfolios the proportion of issuers emitting large amounts of CO_2 or that have fossil fuel reserves that potentially cannot be exploited. The decarbonation can apply to traditional portfolios or to index solutions. The result is a reallocation of capital away from companies that are most exposed to carbon risk to more ethical companies, with business models that are better adapted to a low carbon economy.

Amundi was a pioneer with its September 2014 launch of an index-linked investment management offering based on the MSCI Low Carbon Leaders indices, with the support of large institutions such as AP4 (Fourth Swedish National Pension Fund), FRR (French Pension Reserve Fund) and ERAFP (French Public Service Supplementary Retirement Pension Body). These innovative indices replicate standard global or European equity indices, while reducing the weighting of companies exposed to climate risk and maintaining equivalent market exposure. By using these indices, investors can thus reduce their carbon risk exposure without adversely impacting market exposure and hence returns.

Combining all solutions with an in-built carbon filter (open funds, dedicated funds or management mandates), Amundi currently has close to €7.8 billion under management.

B. Investing in the energy transition

In 2017, the International Finance Corporation (IFC), a member of the World Bank Group and Amundi, the Group's asset manager, announced the project to jointly develop the largest fund of green bonds dedicated to emerging markets. IFC will contribute up to US$325 million to the new bond fund, which will invest in green bonds issued by banks in developing countries. For its part, Amundi will raise the remainder of the US$2 billion from institutional investors worldwide and provide its expertise in emerging debt management. The fund aims to be fully invested in green bonds within seven years and be open to banks in Africa, Asia, the Middle East, Latin America, Eastern Europe and Central Asia.

For institutional investors looking for bond solutions, Amundi offers Amundi Green Bonds and Amundi Impact Green Bonds. At 31 December 2017, these two funds, which are dedicated to financing the energy transition, had total assets of €186 million.

Created in 2013, the Amundi "Valeurs Durables" (sustainable values) fund invests in European companies that carry out a significant part of their business in the development of so-called "green" technologies: renewable energy, improving energy efficiency, water management and waste management. At 31 December 2017, the fund's assets totalled €494 million.

A few Regional Banks also offer green savings in the form of term deposits or socially responsible investment offerings such as Amundi Valeurs Durables.

3.3. ASSESSING AND MANAGING ESG AND CLIMATE RISKS

On 19 October 2017, Crédit Agricole's Group Risk Management Committee, approved and defined a climate policy entailing, in particular:

- ambitious goals regarding the financing of the energy transition (see 3.1 and 3.2);
- realistic but demanding support for its customers in what is inevitably a gradual transformation (see Part 3);
- a major effort to measure and manage its indirect carbon footprint (see 3.3.1) and a strong commitment to controlling its direct footprint (see 3.2.1).

3.3.1. Managing climate risks within financings

For a number of years, Crédit Agricole CIB has undertaken work designed to better understand and manage climate risks:

- by estimating the carbon footprint of its financing and investment portfolio. Since 2011, Crédit Agricole CIB has used P9XCA methodology, developed in partnership with the Chair in Quantitative Finance and Sustainable Development at Paris *Dauphine* University and *École Polytechnique* to estimate the carbon footprint of its portfolio and to undertake sector-based and geographical mapping of the carbon emissions it generates. Accordingly, annual emissions have been estimated since 2012 for the entire Crédit Agricole Group at 160 million tonnes of CO_2 equivalent, of which 100 million tonnes are from major infrastructure projects in France and worldwide. Crédit Agricole S.A. has shared this methodology with its peers and P9XCA is now recommended for corporate and investment banks by the Agency for Environment and Energy Management (ADEME), the Observatory on Corporate Social Responsibility (ORSE) and the Bilan Carbone Association;
- by drawing up sector policies for the sectors representing the bulk of the footprint (over 80% of this footprint overall) (see section below);
- by seeking to assess the materiality of climate risks and by progressively adding further analyses for customers seeming to pose the highest risk (scenarios for evaluating the materiality of climate risks with determination of the carbon price and calculation of an individualised transition risk index). Crédit Agricole CIB has refined its climate risk mapping, in both geographical and segment terms, with a precise assessment for each customer.

Furthermore, the Group has drawn up sector policies for the sectors with the greatest potential impact (see 4.2.2). At the COP 23 meeting in November 2017, Crédit Agricole announced a review of its oil and gas sector policy. This review aims to exclude the financing of the least energy efficient and most environmentally hazardous hydrocarbons. This covers in particular all tar sands and extra heavy oil projects. The exclusion of offshore oil projects in the Arctic was also extended to onshore projects. Infrastructure primarily relating to such projects is also covered.

This change supplements the general policy of pulling out of coal financing introduced in 2015 and finalised in 2016 with the exclusion of the financing of new coal power stations or their expansion worldwide.

3.3.2. Insuring climate change

Since June 2016, Pacifica has been encouraging insurance for hybrid and electric vehicles by taking charge of the deductible for claims relating to these vehicles, upon policy subscription. Batteries are also covered in the event of theft or damage, including during rental. Pacifica is also adapting to new practices and offers car-sharing insurance (coverage of the driver for bodily injury, coverage of the passengers, including if they take the wheel, assistance). For policyholders driving less than 5,000 kilometres per annum, Pacifica offers a premium reduction.

CA Assurances introduced insurance cover for renewable energy facilities (solar panels, wind turbines) as part of its comprehensive home insurance policies and comprehensive professional and farming insurance. In addition to this programme, customers taking out an Eco-PTZ loan are offered a 25% discount on comprehensive home insurance in the first year. Since 2015, Pacifica has also applied this reduction to the energy savings loan (see section 4.1.3).

In property & casualty insurance, products in the individual, small business and farmers' ranges take into account climate constraints through insurance cover protecting policyholders and their property from storms, natural disasters, or weather events (hail and frost). At end-2017, Pacifica managed almost 25,000 climate insurance policies. In addition, Pacifica offers forest insurance to safeguard against forest risks. At end-2017, this insurance comprised a portfolio of over 1 million hectares covered for civil liability.

Finally, CA Assurances and Airbus Defence & Space have developed an insurance solution to manage climate risk for farmers, called Prairie Insurance. It is based on the measurement of a forage production index that measures by satellite the annual level of forage production from land locally for each municipality in France.

The definitions of the underlined words can be found in the Glossary on page 567

4. ENCOURAGING RESPONSIBLE BEHAVIOUR BY TAKING ACCOUNT OF ENVIRONMENTAL, SOCIAL AND ETHICAL FACTORS

For several years, Crédit Agricole has been committed to reducing both its negative impacts on its ecosystem and increasing its contribution in terms of protecting the environment and social and societal promotion, in line with its various activities related to:

- its investment and financing business lines;
- support for the agricultural sector;
- safeguarding of resources.

4.1. INVESTING RESPONSIBLY

As a signatory to the Principles for Responsible Investment (PRI) since their launch in 2006, Amundi includes environmental, social and governance (ESG) criteria in its analysis process and investment decisions, in addition to financial criteria. This approach, which provides a 360° view of companies, thus underpins value creation and applies, more specifically, to socially responsible investment (SRI) with strict rules.

4.1.1. Proposing extensive and incentivising SRI

Amundi selected the Best-in-Class approach as the basis of its SRI strategy. This approach consists of comparing players within the same sector to identify best practices and encourage all issuers to embark upon a progress initiative.

SRI assets under management at 31/12	2017	2016	2015
Assets under management *(in billions of euros)*	168.4	167.7	159.1
As a % of Amundi's total assets	11.8	15.5	16.2

4.1.2. Disseminating a committed ESG policy

The Principles of Responsible Investing (PRI) at Amundi include:

- a strict normative screening policy that resulted in the exclusion of 256 issuers (corporates and governments) in 2017;
- ESG analysis of firms based on documents such as the United Nations Global Compact, the OECD Guidelines on Corporate Governance, and the International Labour Organization (ILO) policies, etc.;
- distribution of ESG ratings to all managers;
- solutions for all types of customers.

Four Amundi funds have received SRI certification from the Ministry of Finance and Public Accounts since 2016. In addition, Amundi's SRI activities are certified by AFNOR, which renews certifications yearly.

To meet the expectations of its stakeholders for quality and transparency, Amundi introduced a dedicated governance model: the ESG Committee, to approve and disseminate ESG ratings, the Consultative Committee, primarily comprising non-Group experts and a think tank dedicated to responsible finance.

Finally, to roll out SRI management, Amundi established a responsible investment department, a team specifically focussed on the voting policy at General Meetings of Shareholders, shareholder dialogue with companies, etc., and external extra-financial analysts.

4.1.3. Pursuing a formal policy of engagement

A. Engagement for influence

Amundi conducts a policy of engagement for influence on specific themes to encourage companies to adopt better practices. Since 2013, the ESG analyst team has been particularly focused on six areas and publishes a report on its work on its website. Amundi also supports international shareholder collective initiatives to induce public authorities to adopt incentive measures and to encourage companies to improve their practices.

B. Voting policy

The goal of shareholder dialogue is, through regular constructive interaction, to present Amundi's expectations as a responsible investor on the items on the agenda of the General Meetings of Shareholders of the companies in which Amundi has its largest interests. This dialogue is structured according to a formalised process (e.g. pre-alerts ahead of General Meetings) and leads to greater transparency, additional commitments and to companies modifying or even relinquishing certain practices. In 2017, this commitment involved 233 issuers through alerts and company-driven dialogue.

Voting campaign at General Meetings (AGMs)	2017	2016	2015
Number of AGMs concerned	2,540	2,623	2,565
Number of resolutions considered	32,443	32,771	32,396

4.1.4. Offering SRI opportunities to customers

Predica also offers SRI unit-linked products in some of the multi-vehicle life insurance contracts distributed by the Group networks. The international subsidiaries are gradually adopting this approach. Since the launch of the SRI unit-linked products, several initiatives have been carried out to promote this type of investment to distribution networks and to customers: creation of an information pack, network activities during industry events (e.g. Sustainable Development Week, SRI Week, Social Finance Week), internal awareness-raising, customer communication on SRI, customer chats, etc.

Crédit Agricole Indosuez Wealth Group put together an action plan primarily designed to promote SRI within wealth management. It is based on the following principles:

- roll-out of SRI ratings of all customer portfolios to all entities;
- raising the awareness of salespeople/customers regarding this portfolio SRI rating;
- the creation of a "Carbon Impact" rating;
- thematic fund selection (Low carbon, energy transition, etc.);
- the development of a Green Bonds securities offering.

4.2. ASSESSING AND MANAGING ENVIRONMENTAL AND SOCIAL RISKS IN FINANCING

Negative environmental and/or social impacts related to financing and investments are taken into account using three pillars: application of the Equator Principles, CSR sector policies, and an assessment of the environmental and social aspects of operations.

4.2.1. The Equator Principles

The Equator Principles were developed in response to limitations and triggers related to project financing, as defined by the Basel Committee on Banking Supervision. Even if they cannot be applied as such to other forms of financing, they nevertheless constitute a methodological framework for assessing and preventing the social and environmental impacts of financing once it is linked to building a specific industrial asset, such as a plant or transport infrastructure.

In 2017, 18 project finance contracts were signed and classified in categories A, B and C[1]. There were 374 projects in the portfolio at 31 December 2017. The classification of projects breaks down as follows:

- 30 projects were classified as A, of which 1 in 2017;
- 293 projects were classified as B, of which 12 in 2017;
- 51 projects were classified as C, of which 5 in 2017.

At 31 December 2017, the number of Project-Related Corporate Loans (PRCL) in the portfolio was 20. Six PRCL were signed in 2017 and were classified into categories A, B and C as follows:

- 4 projects were classified as A;
- 2 were classified as B;
- None were classified as C.

4.2.2. CSR sector policies

The CSR sector policies published by the Group set out the social and environmental criteria included in its financing and investment policies. These criteria mainly reflect the civic issues that seem most relevant for a bank, and more particularly for Corporate and investment banking, and notably regarding respecting human rights, combating climate change and conserving biodiversity. The goal of CSR sector policies is thus to set out the non-financing principles and rules governing financing and investments in the sectors in question.

The sectors in question are: arms, coal power plants, oil and gas, hydro-power, nuclear, shale gas, mining and metals, aerospace/maritime/automotive transport, transport infrastructure, property, forests and palm oil.

4.2.3. Sensitivity analysis

Crédit Agricole CIB has assessed the environmental and social aspects of transactions since 2009. It reflects either the existence of doubts regarding the management of environmental or social impacts that are considered critical, or the existence of controversy regarding the transaction or the customer.

(1) The categories of the International Finance Corporation (IFC) are:

- Category A – Projects with potential significant adverse environmental and social risks and/or impacts that are diverse, irreversible or unprecedented;

- Category B – Projects with potential limited adverse environmental and social risks and/or impacts that are few in number, generally site-specific, largely reversible and readily addressed through mitigation measures; and

- Category C – Projects with minimal or no adverse environmental and social risks and/or impacts.

The definitions of the underlined words can be found in the Glossary on page 567

4.3. PROMOTING RESPONSIBLE AGRICULTURE

An advocate of a strong agricultural sector, both economically, socially and in terms of the environment, the Group also helps farmers diversify their income by investing in renewable energy generation: wood biomass and solar, or even methanation. Crédit Agricole is the bank for all forms of agriculture and also finances the sustainable agriculture projects of its customers on a daily basis. Several Group entities in France and abroad have created organic offerings.

In 2017, Crédit Agricole participated in the *États Généraux de l'Alimentation* (French National Food Conference) and in particular in cross-industry workshop 14 on investing and preparing for the future on behalf of the French Banking Federation. This workshop brought together NGOs, professional farming associations and manufacturers. This provided an opportunity to explore how to support transformation in production models in order to better meet consumer expectations.

In addition, in 2017, Crédit Agricole continued to participate in the Tech&Bio show held every two years in the Drôme region, with a stand run by the Regional Banks of the Rhône-Alpes region. Crédit Agricole S.A. also renewed its partnership with Agence Bio and an agreement was signed to increase technical exchanges to give account managers at the Regional Banks a better understanding of the technical performance of organic producers.

In 2017, FARM (Foundation for World Agriculture and Rurality), of which Crédit Agricole is a founding member, increased its efforts to bring small producers into the agri-food sector, leading a workshop on this issue with French and West-African companies. This gave rise to a symposium at the OECD on contracting between growers and upstream and downstream industries, with the support of the Europe, Foreign Affairs and the Agriculture and Food Ministries. Contracting can in fact meet the needs of producers to find markets and of processors to secure supplies. FARM, a member of the French Inter-Ministerial Food Security Group (GISA) looked to pursue the same agenda at the *États Généraux de l'Alimentation*.

4.4. PROTECTING RESOURCES

4.4.1. Limiting the impact of resource consumption

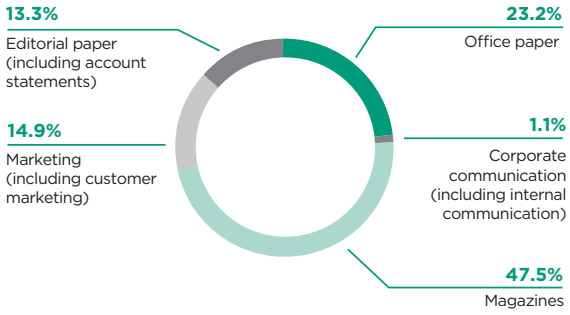
A. Paper

Since 2013, Crédit Agricole S.A. and its subsidiaries have published a series of indicators to measure and monitor paper consumption.

	2017	2016
Total consumption *(in tonnes)*	16,917	17,112
Responsible paper use *(as a %)*	91	94

Scope covered: 72% FTEs – 52,811 employees

BREAKDOWN OF PAPER CONSUMPTION (AS A %)



B. Waste

The waste categories covered in the reporting include paper and cardboard, electrical and electronic equipment (WEEE and non-IT waste), ordinary industrial waste (OIW - excluding paper and cardboard) and food waste. Alongside this, a number of recycling initiatives for various types of waste and certain products are implemented within the Group's entities.

	2017	2016
WEEE - Waste electric and electronic equipment	69 tons	93 tons
Paper/cardboard	2,389 tons	1,825 tons
OIW - Ordinary industrial waste	2,277 tons	2,706 tons
Food waste	438 tons	280 tons

Scope covered: 69% FTEs – 50,570 employees.

For computer equipment, a partner from the sheltered and disability-friendly sector, ATF Gaia, has been collecting electric and electronic waste for some Group entities since 2014. It erases hard drive content using a software application approved by the Group's Security division and assesses the operating status of equipment that is subsequently sent for sorting. Equipment in working order is reused by the partner for charity purposes, while equipment that is no longer serviceable is destroyed in an environmentally-friendly manner.

C. Eco-products

The most widely used method of payment and part of our everyday lives, credit cards have an ecological footprint due to their metal and plastic components. It is with this and the circular economy in mind that since 2013 Crédit Agricole has been implementing a responsible approach to its bank cards, with as the first component the collection and processing of old bank cards using a unique and specific recovery system. In 2017, over 3 million cards, equivalent to 16.5 tonnes, were collected at 35 Regional Banks. Since 2014, 11 million bank cards, weighing approximately 58.5 tonnes, have been recovered.

With respect to the second component of the approach, following a number of technical setbacks, Crédit Agricole decided to abandon plans to replace the plastic in bank cards with a plant-based material (PLA) from end-2017. Nevertheless, Crédit Agricole Payments Services, the Group subsidiary specialised in payment instruments, continues to make every effort to find new sustainable development drivers.

Moreover, since January 2016, all new chequebooks proposed by the Regional Banks have been printed on PEFC certified paper. This certification guarantees sustainable management of forests for paper production, *i.e.* ensuring that forests are managed according to the highest environmental and social standards.

4.4.2. Protecting biodiversity

A. Integrating biodiversity within the business units

Financed activities could have an impact on biodiversity. For that reason Crédit Agricole CIB has introduced analysis and exclusion criteria based on biodiversity protection into its CSR sector policies. Special attention is given to areas deemed important on the basis of this criterion. According to these policies, the exclusion criteria include significant negative impacts on the most vulnerable protected areas, such as protected sites or wetlands of international importance covered by the Ramsar Convention. In 2016, Crédit Agricole CIB mapped the sectors and regions that are most exposed to water access and water pollution issues. From 2018, customers operating in these sectors and regions will be subject to a special analysis regarding their use policy.

B. Combatting deforestation

For several years the Group has also been involved in reforestation activities. It supports a programme in France for the reforestation of forest plots in anticipation of the future impacts of climate change. In 2017, CACEIS, a service subsidiary that among other events manages the Crédit Agricole S.A. General Meeting of Shareholders, renewed its commitment to electronic registration processes. Each shareholder who opts to receive an e-notice helps promote reforestation in France (one new electronic registration = one tree planted). 5,000 trees were planted in 2017.

4.5. OTHER ENVIRONMENTAL INFORMATION

Some of the information required under the decree of the Grenelle II law (Article R. 225-105-1 of the French Commercial Code) is dealt with in this section. However, given the nature of its activity, the Group has not identified any material direct impact and has not put in place specific action in respect of the following themes:

- measures to prevent, reduce or remedy discharges into the air, water and soil that seriously affect the environment: indirect impacts are dealt with in the framework of investments (see sections 3 and 4);
- measures to prevent noise pollution and any other form of pollution caused by the business activities: indirect impacts are dealt with in the framework of investments (see sections 3 and 4);
- land use: most of the Bank's operations are located in urban environments; indirect impacts related to this theme are dealt with in the section on Group investments (see section 4) and on the bank's construction and property development activities (see section 3.2.3);
- prevention of food waste: this information relates to the Group's catering provider, for which it is a priority. A commitment to the fight against food waste is one of several criteria we apply in selecting our suppliers. This data is monitored with our suppliers, in the same way as other CSR criteria. The catering supplier is encouraged to publish such information in its own CSR report. However, the Group remains attentive to this dimension and quantifies food waste collected for recovery (see section 4.4.1);
- amount of provisions and guarantees for environmental risks: no provision or guarantee has been constituted to cover environmental risks.

The definitions of the underlined words can be found in the Glossary on page 567

5. DEVELOPING PEOPLE

Context and ambition

Through its 100% people-oriented and 100% digital strategy, since 2016, the Group Human Resources department (GHR) supports the deployment of the Group's Medium-Term Plan (MTP) "Strategic Ambition 2020" and its two fundamental axes: the Customer Project and the Group's transformation.

The Human Resources (HR) strategy continued in 2017 with the implementation of three drivers and the definition and monitoring of three key performance indicators, all building on the Group's commitment as a responsible employer.

Human Resources Group Strategy: **3 Drivers, 3 Key Performance Indicators, 1 Commitment**

Driver No. 1	*Driver No. 2*	*Driver No. 3*
Measuring commitment and mobilising the Group's employees by promoting their involvement	**Strengthening employability in a context of profound change**	**Developing talent and succession planning**
Performance indicator	*Performance indicator*	*Performance indicator*
"Engagement" Index	**"Digital" Index**	**"Gender Equality" Index**

Our commitment as a responsible employer:

- Ensuring fairness and promoting diversity in pursuit of inclusion
- Improving the quality of life at work and ensuring employee health and safety
- Maintaining an active dialogue with employee representatives

At the end of 2017, our key performance indicators had changed as follows:

Key indicators	2017	2016
Engagement Index (participation rate in ERI Survey)*	66%	63%
Digital index (number of employees having obtained their Digitall visa)	13,346	N/A
Gender equality index (number of women in the management bodies)	20.7%	21.5%

* *Including the scope of the Regional Banks.*

Organisation

This strategy is implemented by all Group Human Resources teams:

- the Group Human Resources department (GHR) promotes the topics related to the Group's MTP and handles governance issues such as the management of executives, compensation policies and social policies which include promoting diversity and equal opportunities;
- the Human Resources departments in each entity participate in achieving the objectives laid down as part of the MTP and define their own HR policies to meet their specific business challenges.

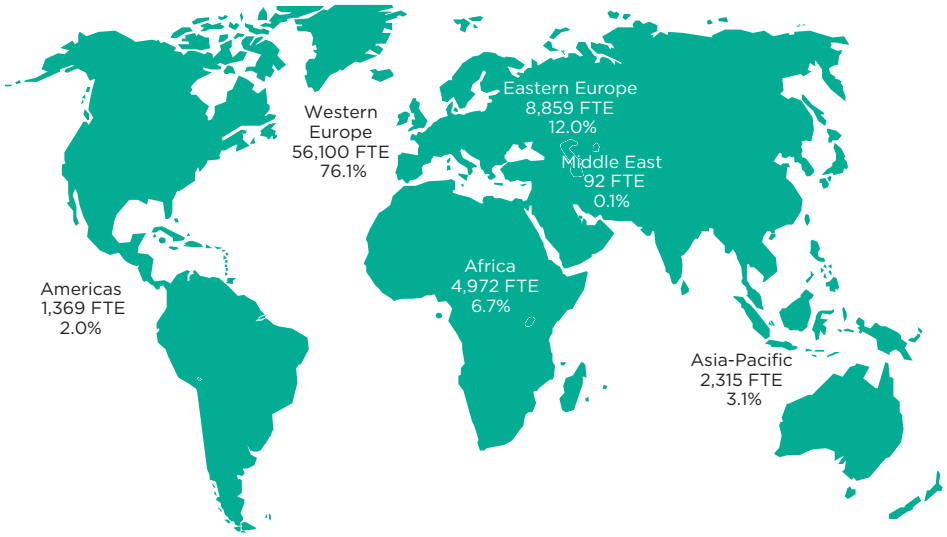
To guarantee a shared vision and ambition, the Human Resources teams share a framework of principles and values:

- Human Resources policies founded on respect for individuals, fairness and openness;
- varied careers and promotion opportunities which develop the skills and reveal the potential of each employee;
- collective intelligence to enhance performance;
- an entrepreneurship culture in a large group;
- a responsible, high-performance company which fosters customer, regional and economic development in France and abroad;
- an innovative and fulfilling working environment and practices, which drive performance.

Breakdown of the teams of Crédit Agricole S.A. Group at the end of 2017

Our Human Resources policies are inspired by our considerable diversity and the challenges specific to each business, location or population.

At the end of 2017, Crédit Agricole S.A. Group employed 73,707 employees (full-time equivalents or FTE) and was present in 48 countries (see 5.7 "Social Indicators").



BREAKDOWN OF HEADCOUNT BY BUSINESS LINE

	2017		2016	
	Headcount (FTE)	%	Headcount (FTE)	%
French retail banking	17,585	23.9	18,544	26.2
International retail banking	22,306	30.3	20,447	28.9
Asset gathering	10,622	14.4	8,699	12.3
Specialised financial services	8,587	11.6	8,779	12.3
Large customers	10,917	14.8	10,641	15.0
Corporate Centre	3,690	5.0	3,720	5.3
CRÉDIT AGRICOLE S.A.	**73,707**	**100.0**	**70,830**	**100.0**
o/w France	36,210	49.1	36,968	52.2
o/w Rest of the world	37,497	50.9	33,862	47.8
Scope covered		*100%*		*100%*

5.1. MEASURING COMMITMENT AND MOBILISING THE GROUP'S EMPLOYEES BY PROMOTING THEIR INVOLVEMENT

5.1.1. Engagement and Recommendation Index (ERI)

In a context of considerable change, employee commitment is more than ever an essential driver for Crédit Agricole S.A. Group's performance. Launched for the first time in 2016, an anonymous internal survey was rolled-out simultaneously in the Group's various entities in France and abroad. It will be relaunched each year to monitor changes in indicators.

By listening attentively to employees, we aim to strengthen our ability to transform ourselves and adopt an approach of continuous improvement and progress at both Group and entity levels.

Across the Crédit Agricole Group (including the Regional Banks), 40 entities in France took part in the 2017 survey. All of the International Retail Banks (IRB) - Italy, Morocco, Egypt, Ukraine, Serbia, Romania, and Poland - also joined the process for the first time.

The survey was conducted by an external firm between 19 September and 10 October 2017 by questioning approximately 97,400 employees worldwide. The participation rate increased by three points compared to 2016, to 66%. 64,282 people responded in 2017.

The Engagement and Recommendation Index is measured on the basis of 21 closed questions, which are identical for the entire Crédit

Agricole Group. In addition to these closed questions, essentially based on subjects such as pride in belonging, understanding of the strategy, work-life balance, etc., one open question is asked: "If you could improve anything within your company, what would it be? How would you go about it?" This enables qualitative elements to be collected. In 2017, 29,393 answers were drafted by employees.

In 2017, the Engagement and Recommendation Index at Group level was up 2 points compared to the previous year. In summary, the results show strong commitment to the Group's strategy, considerable pride in working there and solid understanding of the link between individual contributions and achievement of the objectives. However, transversal issues between the Group's various activities and career development stand out as areas for improvement.

With the aim of transparency for all employees, the analysis of the results was presented to the management bodies of the Group and entities, as well as to the staff representative bodies. This process also gave the Group the opportunity to discuss and involve the different stakeholders in drawing up action plans. These projects can be either transversal to the Group, or specific to the entities, in line with their specific challenges or competitive environments.

The results of the 2016 survey enabled numerous action plans and projects to be launched and carried out in 2017 by all entities and businesses, for example:

- the analysis of the results and particularly the open questions enabled LCL to fuel and enrich its "LCL demain" (LCL tomorrow) initiative, with the aim of continuing its transformation; almost 4,000 employees and managers were able to improve their knowledge of the values, ambition, development focuses and upcoming projects at LCL;
- Crédit Agricole CIB launched nine global action plans to reinforce the Company's commitment and performance;
- Crédit Agricole Consumer Finance produced videos about cross-functional projects to promote cross-functional actions and collaboration, and to reinforce its local communications actions by developing new methods;
- CACEIS rolled-out eight projects and significant investments in its information technology tools to strengthen its production infrastructure;
- CA Indosuez Wealth Management implemented Career@ Indosuez, a tool to raise employee awareness about the existing tools to support them in their mobility.

5.1.2. Participative approach

Over many years, the Group and all entities have developed approaches to involve and increase the participation of all employees. These participative approaches, conducted using forums and discussions, feedback, workshops and opinion surveys, notably foster improvements in the adoption of the strategy, human resources and managerial practices.

Adoption of the strategy

Crédit Agricole CIB implemented conference calls and managerial meetings, organised in France and simultaneously retransmitted abroad to allow managers to meet members of the Executive Management team. 925 managers were invited to these meetings and conferences during the year to share the results or strategic projects. A dedicated area enables managers to find all the information to relay to their teams.

In order to develop its "customer culture", CACEIS organised two crowdsourcing sessions to collect employee ideas from all countries, for the purpose of drafting a behaviour charter. An ambitious deployment plan was then implemented, with 496 managers and 2,619 employees, via innovative communication techniques: videos, improvisation sessions, etc.

Relocation projects

Crédit Agricole Consumer Finance, Crédit Agricole Assurances and Crédit Agricole Immobilier deployed participative approaches to support their respective relocation projects. Employees were invited to choose certain fixtures and fittings, equipment, services, etc., to define charters for the use of spaces and take part in workshops to adopt the new tools.

HR practices

Crédit Agricole Egypt published a discussion platform online for all company employees and HR teams, and organised one week of discussion workshops to improve employee knowledge of the HR function.

To support the change in Crédit Agricole Assurances' corporate status, 36 meetings took place throughout the year to present this new foundation to employees and answer questions. Managers were also able to take part in drafting new HR programmes.

Managerial practices

A manager discussion system was implemented at LCL to develop and formalise a managerial culture and values.

Crédit Agricole Bank Polska S.A. launched a survey of all employees enabling it to identify the strengths and areas for improvement in order to improve cooperation between local managers and employees. The results of these assessments provided each manager with both individual and more collective insight, enabling the identification of best practices and expected behaviour.

All Crédit du Maroc's managers took part in drafting a Managerial Charter with eight values and 24 commitments with the aim of developing a shared managerial culture.

5.2. STRENGTHENING EMPLOYABILITY IN A CONTEXT OF PROFOUND CHANGE

5.2.1. Developing employee skills and adapting HR programmes to the challenges of transformation

With a permanent aim of strengthening the employability of employees and building on the IFCAM, the Group's University, training has always been a key issue for developing skills, either by regularly broadening the training offer, or through the will to make this offer ever more accessible.

Training in 2017

In 2017, 65,632 Crédit Agricole S.A. Group employees benefited from at least one training session, and 1,693,144 training hours were provided (see 5.7 "Social Indicators"). The Group maintained its training efforts on core business skills, regulatory and compliance requirements or the development of cross-functional skills such as languages, management or personal development.

The 2017 strategic orientations specifically covered support for the Customer Project and the increased regulatory and compliance requirements.

Raising awareness about digital technologies

Technological changes are currently transforming businesses and customer relations. The development of employees' digital skills is, therefore, a priority. The Group is continuing its efforts to meet this challenge. A digital acculturation platform, called Digitall, was made available to Crédit Agricole S.A. Group employees in France and abroad.

Launched in June 2017, Digitall is a unique space with scalable content, allowing employees to train in the new uses and tools driven by the digital revolution. This freely accessible platform offers employees an innovative experience. "Digitall" comprises three main content areas:

- discovery of the latest innovations in start-ups and digital uses via the Netexplo Academy;
- cyber-security awareness-raising videos;
- the Digit'up mobile app, which offers digital technology definitions.

A visa enables employees to validate their level of digital knowledge. At the end of December 2017, over 18,199 employees had connected to the Digitall platform and over 13,346 had validated their digital knowledge by obtaining the Digitall Visa.

The development of cross-functional skills

In view of the acceleration of the pace of obsolescence of technical skills, employee aptitudes (cognitive, social, situational skills, etc.) have become essential. These cross-functional skills being key to employability, work has been carried out to reinforce their development.

- Crédit Agricole S.A. has defined cross-functional skills guidelines shared between managers and employees and has facilitated adoption of these skills by associating each one with examples of actions plans or training to enable everyone to progress.
- CACEIS has created a "My training Lab" platform enabling employees to develop their cross-functional skills via freely accessible e-learning programmes.

Supporting transformations

The challenges of transformation are everywhere and accelerating. Crédit Agricole S.A. Group pays particular attention to supporting employees and managers in these transition phases.

- To support the integration of new employees from Pioneer, Amundi offered an awareness-raising module on intercultural communication to enable each employee to discover the cultural specificities of the others and understand their impact in the construction of a multicultural team.
- Crédit Agricole S.A. implements training programmes for employees and managers to enable them to better understand transformation and adopt change. In 2017, 14 sessions took place and almost 150 people were trained.
- Crédit Agricole CIB reinforced its training offer for managers to develop their team mobilisation role. 25 sessions were organised and 198 managers took part in Management Academy training.

Digitalisation of training

The Group is committed to an ambitious strategy to rethink its training actions in the digital age:

- offering shorter training times to promote experimentation and practical implementation;
- varying training methods: workshops, conferences, virtual classes, videos, MOOCs, etc.
- allowing employees to train at times that suit them and according to their needs via freely accessible content.

- Crédit Agricole CIB enriched its global training portal with 900 digital modules now available to all employees throughout the year.
- CACEIS has developed "Flash training" programmes to enable employees to discover new subjects related to regulatory changes, new technologies, etc. in formats of under two hours. In France, 39 sessions were organised for 551 employees on 19 subjects.
- Over 10,000 LCL employees followed an e-learning programme to improve their knowledge of services available for customers and understand their role in the customer experience.
- Crédit Agricole Assurances has provided all its employees with an online language and office tool learning platform.
- Crédit Agricole Immobilier has implemented a partnership with a start-up enabling it to film situations, in particular managerial situations, and use them in training sessions to reinforce learning.

5.2.2. Promoting employee mobility

In 2017, internal mobility within the Group was reflected by 9,707 moves worldwide and 3,449 promotions solely in the France scope (see 5.7 "Social Indicators"); over 60% of permanent contract positions were filled internally.

For many years, Crédit Agricole S.A. Group has developed a proactive internal mobility policy by favouring internal development prospects. This policy is also based on structured support and communication tools, steering bodies bringing together HR actors, and support systems offered to all employees. In 2017, Human Resources endeavoured to strengthen the existing programmes and to launch experiments based on the opportunities offered by digital technologies.

The JobMatch experiment

From June 2017, Crédit Agricole S.A. undertook an experimental approach called JobMatch for all its employees.

In partnership with a start-up, an "HR big data" solution matches employees' professional profiles (skills, training, wishes) with offers published on the internal "MyJobs" job board, while digitising the HR function.

JobMatch offers an innovative approach to minimise decisional bias and reveal development opportunities based on employee skills. JobMatch enables the HR department and employees to open up discussions on job prospects and/or less obvious business.

This project also enables a collective change in practices and promotes a more transverse mobility culture as well as digitising the HR function so that it can concentrate on the human aspect.

Mobility devices

The mobility devices in place involve cross-functional initiatives that impact all businesses and locations of the Group and also initiatives conducted by the entities themselves.

The main Group devices are:

- **MyJobs** is the tool shared by subsidiaries of Crédit Agricole S.A. Group, used by over 500 HR specialists for internal and external recruitment and by Group employees in their search for job mobility opportunities. At 31 December 2017, over 47,000 MyJobs accounts had been created by employees in France and abroad. Since MyJobs was launched at the end of 2014, more than 15,000 permanent positions have been posted and nearly 48,000 internal applications have been received. In 2017, 4,323 new positions were published on the internal job board;
- **The Professional Development channel:** this channel, accessible on the website https://www.credit-agricole.com/ enables employees to consult interviews, articles and videos on the reality of the job market today, the Group's businesses, and HR tools and services (training, mobility, etc.) at Group and entity level;
- **Mobili'Jobs:** organised twice a year on the Group's campuses, these events are the opportunity for employees to discuss with operational actors and HR in order to discover opportunities and learn about the various businesses. They are met in speed interviews to apply directly for offers published on the Group's internal job board. During the two sessions held in 2017, 14 Group entities took part in the event and 82 managers and 109 HR actors were involved. 330 offers were proposed, and 530 employees came to meet the operational personnel present and/or take part in the HR workshops. 143 of the employees took part in the HR workshops held the week before to perfect their CVs and prepare for this specific type of interview;
- **Mobili' Meetings:** these face-to-face or virtual interactive conferences aim to provide better knowledge of the Group. In 2017, 225 Group employees (including Regional Bank employees) took part in these meetings to boost their career plans and to test and improve their knowledge of the Group and its mobility rules;
- **the "Professional Development" workshops** offer all Crédit Agricole S.A. Group employees a two-day session to support them with their mobility plans. Led by HR professionals from various Group entities, these workshops provide employees with the tools and methods to put together their career development project: they help employees to prepare for interviews and optimise the drawing up of a CV. In 2017, 14 sessions were offered and attracted 142 attendees;
- **the Group Mobility Committees:** monthly meetings of Human Resources Managers (GHR) of Crédit Agricole S.A. Group entities and entities related to the Regional Banks in the Île-de-France region (FNCA, CADIF, CAMCA) are held in order to coordinate the internal job market and share discussions on available jobs and the profiles of employees looking for career opportunities. In 2017, 158 Curriculum Vitae and 87 positions were presented. Note: a Mobility Committee dedicated to the information technology function of Crédit Agricole S.A. Group is also organised every month.

Examples of actions carried out in 2017 by the entities:

- Since September 2017, LCL has opened its "Mobility Club" and offers its employees in-depth support through workshops on career development, CVs and interviews.
- In September 2017, Crédit Agricole S.A. created its "Mobility Cell" comprising an internal HR team and external consultants to offer personalised support to employees.
- In November 2017, SILCA deployed a virtual support platform allowing employees to work on their career development. This platform offers employees a workshop programme alternating videos and practical exercises to work on their experience, strengths, project, network and presentation.
- Crédit Agricole Leasing & Factoring organised its first "Mobili'Jobs by CAL&F" on 12 October 2017. Sponsored by a member of CAL&F's Executive Committee, the Human Resources and Organisation department offered initiatives focusing on occupations that recruit: in total over 170 employees took part in these presentations.
- In June, the HR and Risk teams of Crédit Agricole S.A. launched a recruitment and training programme to facilitate internal mobility towards the job of Quantitative Analyst. Six positions were opened for employees wishing to reconvert to this kind of position. Following this recruitment phase, a qualifying training programme, developed in partnership with the ENSAE, was offered to them.

5.3. TALENT DEVELOPMENT AND SUCCESSION PLANNING

5.3.1. Attracting and integrating young talent

As a major player in recruitment in France (2,291 permanent jobs in France, 5,098 worldwide – see 5.7 "Social Indicators"), Crédit Agricole S.A. Group conducts numerous actions to attract talent. One of the priorities is the recruitment of new graduates.

In 2017, on average in France, 1,676 people on work-study contracts and 486 interns are included in the Group's monthly headcount (see 5.7 "Social Indicators"). A pool of interns, people on work-study and VIE (Volunteer for International Experience) contracts formed since 2013 to facilitate the long-term integration of young people into the Group's entities in France and abroad, was stepped up in 2016 with the addition of fixed-term contracts for young graduates. It is still used by numerous subsidiaries in 2017 as a preferred source of recruitment.

The challenge of attracting young people

The Group continued to be present alongside students in schools and universities through numerous events such as conferences, round tables, educational projects in the schools or on subsidiaries' campuses. Many employees were able to share their experience of bank occupations in France and abroad.

For the fifth consecutive year, the Group acted to promote the employment of young women through the Grand Prix Crédit Agricole Louise Tallerie, which attracted over 1,200 candidates from very diverse educational backgrounds.

- Crédit Agricole CIB deployed over a hundred actions in France and abroad. In addition to forums, actions such as conferences, case studies, "after-works" or visits to trading rooms were organised and mobilised both HR teams and employees. Nearly 100 managers and employees got involved to share their experiences and collect applications.
- Crédit Agricole Ukraine signed the "Pact for young people 2020" with the Vice-Minister for Young People and Sport.
- Crédit Agricole Consumer Finance signed a partnership with the Institut Mines Telecom in Evry and took part in numerous job forums of schools and universities present in the Île-de-France and Northern regions.
- Through 33 events, Crédit Agricole Bank Polska went to meet young university students to assist them in drafting their CVs, prepare them for future interviews and train them in sitting tests used in recruitment procedures.

Changes in recruitment practices

Through social networks, LinkedIn, Facebook, Twitter and Instagram, the Group communicates about the diversity of businesses, career opportunities in France and abroad and supports applicants during the application process. Employees, as the Group's ambassadors, can also directly answer questions from future applicants on the career site www.groupecreditagricole.jobs, thus creating proximity and interaction with Internet users.

Integration programmes

Specific attention is paid to integration to best support new employees. Within this framework, a programme to promote the risk and compliance culture, allowing new employees to adopt appropriate and expected behaviour with regard to regulations, is systematically implemented.

- CA Indosuez Wealth Management is professionalising and standardising its graduate integration process. An objectives contract is set for the first three months, combined with a meeting with the Executive Management and a mentoring programme.
- Amundi was awarded the HappyTrainees label for the 4th consecutive year, which recognises companies for the quality of their reception and support for interns and people on work-study contracts.
- Within Crédit Agricole Assurances, people in the second year of their work-study contracts become ambassadors to guide new arrivals and thus coordinate a community of almost 100 employees.

5.3.2. Supporting the development of talent and careers

Historically, Crédit Agricole S.A. Group has developed an approach to identify and develop its talents and managers based on managerial guidelines and a unique selection procedure shared throughout the Group that gives each person the same chances of achieving their ambitions and progressing.

Discussions on the detection, development and selection models for talents and managers were started in 2017 at Group level to adapt its system to the challenges of tomorrow, whilst taking into account the values, culture and specificities of Crédit Agricole S.A. Group.

There are many objectives:

- adapt to the profound changes in the environment that require profiles that are diffrent from those in the past;
- provide the means to achieve the Group's Strategic Ambition, by creating a pool of managers able to design and implement the required transformations;
- meet demographic changes by more effectively anticipating and preparing upcoming successions;
- contribute to reinforcing the synergies within Crédit Agricole Group through the emergence of talents and Group managers and the implementation of inclusive programmes that promote the sharing and understanding of the Group's challenges.

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

The constitution of pools

The mechanisms put in place since 2014 remain:

- **the Graduate Programme,** for high-potential young graduates, provides training courses and support over a four-year period, with two positions of responsibility, including international exposure. Three groups of graduates are in place with around thirty young employees whose positions are at the heart of the Group's transformation challenges;
- **the MyWay programme** is designed to assess and develop the Group's young talents. It is based on an online self-assessment system, an interview that brings together managers and HR and the setting up of a personal development plan. More than 360 employees have already benefited from this scheme;
- **deployment of the Talent Mobility** tool across all regions, in cooperation with the *Fédération nationale du Crédit Agricole*. It brings together the HR departments of the Regional Banks and subsidiaries of Crédit Agricole S.A. Group in the given labour market segment to encourage inter-entity mobility. This year, 16 Committees took place in all regions, allowing talents to gain regional visibility;
- **key resource reviews** are conducted with the Group's transversal functions to promote mobility within the Group and to share specific skill needs in order to devise appropriate career trajectories.

Development of gender equality in the management teams

To encourage the ambition of talented women and accelerate their progress towards the decision-making bodies, where they are still insufficiently represented, an action plan was structured and deployed in 2017 at all levels of Crédit Agricole S.A. Group.

Two priority objectives are pursued:

- identify women with potential at all levels of the company and in all occupations;
- support them in their career development.

To support this ambition, the executives decided to effectively commit to an action plan based on various additional initiatives:

- **training in the role of Director** to provide the Group with a pool of men and women ready to integrate one of the Boards of Directors of Group entities or external Boards of Directors. The Group has chosen the Corporate Director Certificate delivered by IFA/Sciences Po to develop these skills. Two women at C1 level (first circle of executives) followed the November 2017 session and 15 men and women at C1 level will follow sessions in 2018;
- **Mentoring programme by Executives** to prepare talented and motivated women for positions with wider responsibilities and enrich the Group's talent pools. 13 women were identified in the different entities of Crédit Agricole S.A. Group and are mentored by 13 members of the Group's Executive Committee. The programme lasts for one year and was launched in September 2017. In parallel, Mentoring initiatives have developed in the Group's entities, taking to over 150 the number of women that are being or have been mentored in France and abroad;
- **"Young Female Talent" training:** launched in 2017 and deployed in 2018, this programme is reserved for 80 very young female talented employees to enable them to acquire the corporate codes and prepare themselves to find the keys to their career development.

5.4. ENSURING FAIRNESS AND PROMOTING DIVERSITY IN PURSUIT OF INCLUSION

5.4.1. Gender equality at work

For the last several years, Crédit Agricole S.A. Group has been committed to an approach to promote gender equality at work, notably thanks to the signature of agreements on subjects such as equality in recruitment, training, promotion, compensation and work-life balance.

In 2017, the Group had 53.7% of women in its global headcount. (See 5.7 "Social Indicators").

In addition to the actions described in section 5.3.2. aiming to encourage the promotion of women to managerial and executive functions, the Group carries out an equality policy including numerous actions and awareness-raising levers.

Implementation of indicators

The annual monitoring and sharing of indicators continues to be reinforced.

As part of the FReD Gender Equality Action, which has been shared by all Group entities since 2016, all entities continued the collectively set action plan and method in 2017:

- collection of quantitative data, monitoring of shared Group indicators and specific entity indicators;
- sharing with the Executive Committees twice a year;
- monitoring of the change in the proportion of women/men in the talent pools.

At LCL, internal fairness and gender equality at work are measured annually by three promotion and salary indicators.

Five Group entities (Amundi, Crédit Agricole CIB, Crédit Agricole Assurances, CACEIS and Crédit Agricole S.A.) took part in the "Confiance & Mixité" (Trust & Diversity) survey organised by the Financi'Elles network in 2017, bringing to 10,000 the number of managers questioned. The results were analysed at Group and entity level. They enable the measurement of perceptions on the policies implemented and the adjustment of action plans. The Group has advanced on numerous items including the trust of men and women in gender equality policies.

Awareness-raising actions

- **The Gender Equality Week,** created in 2012, and deployed each year at the same time in all Group entities, represents an important opportunity for communication, discussion and awareness raising for all employees. In 2017, the projection of the film "Women&Money" produced by the PWN network and sponsored by the Group was one of the highlights.
- **Distribution of a Gender Equality Guide:** each of the Group's entities has an approach and elements of language to allow them to roll-out tangible action plans adapted to their specificities. The Guide was distributed to all Group entities in 2017.
- Training on the challenges of gender equality and stereotypes is included in manager career development paths.

Balance between work and personal life

Crédit Agricole S.A. Group has implemented numerous provisions to support the work-life balance in order to attain the following goals: reduce the impact of maternity leave on women's careers, maintain their commitment and develop their talents, meet the new expectations of parent employees (in particular fathers), adapt the work organisation to allow more flexibility, promote better balance for better management of Parenthood.

- Crédit Agricole S.A., Crédit Agricole CIB, CACEIS and Crédit Agricole Leasing & Factoring produced a guide to enable managers and employees to have all the necessary information to manage absences due to maternity or paternity leave, reduce the impact on the team's work and careers, and approach this period with confidence.
- LCL offers financial aid mechanisms to access training, which due to geographical distances, could lead to family constraints.
- Crédit Agricole CIB, Crédit Agricole S.A. and CACEIS organised practical workshops to help employees manage the period of return from maternity leave, communication with children and teenagers and time management. Crédit Agricole CIB has rolled out different initiatives, notably in Italy, the UK and Asia.
- Crédit Agricole Assurances has continued to provide "Feel Good" workshops, with two pillars dealing with work organisation and the work-life balance.

Pay equality

Crédit Agricole S.A. Group reaffirms its commitment to pay equality between men and women. To achieve this, the Group and all its entities carry out regular analysis to monitor the appearance of any pay differences, and if appropriate, plan remedial measures.

- LCL renewed its commitment to eliminate pay differences that are not justified by objective elements, by allocating €1 million over the 2017/2019 period to remedying unjustified pay differences.
- Crédit Agricole Leasing & Factoring is committed not to pro-rate personal variable compensation for employees following maternity, adoption or paternity leave.
- SILCA neutralises the part-time aspect for the payment of variable compensation for employees with children under 12.

The definitions of the underlined words can be found in the Glossary on page 567

Programmes to support the professional development of women

Specific programmes dedicated to women and notably to their leadership development have been offered for several years by most Group entities in France and abroad.

- Crédit Agricole CIB and Crédit Agricole Consumer Finance renewed their "Women's Leadership" training programme.
- Crédit Agricole Egypt trained 21 women to develop their potential for promotion to positions with greater responsibility.

5.4.2. Equal opportunity

The principles of non-discrimination, diversity of career paths or diversity of ages are subjects to which the Group is committed and intends to apply in order to guarantee equal treatment of employees and future recruits.

Fight against discrimination

Training of recruiters in non-discrimination in recruitment was established in 2015 and 2016: 114 recruitment actors in all entities were trained.

In 2017, pursuant to Article L. 1131-2 of the "Equality and Citizenship" law, benchmarking for trainers present in the marketplace was carried out to renew this initiative in 2018. A list of trainers was selected and proposed to Training managers in the entities to allow them to choose, according to their needs and specificities.

- LCL implemented a Charter on the prevention and intervention in terms of discrimination, sexism, harassment (moral and sexual) and violence at work, providing an action framework and reporting procedure for such behaviour. To put this commitment into practice, an e-learning session entitled "Sexual or moral harassment, sexist behaviour and violence at work" was made available to employees.
- Crédit Agricole Assurances only works with recruitment firms that have signed the Diversity Charter.

Diversity of career paths

Entity initiatives illustrate the ambitions of the Group, which has always demonstrated that diversity and openness are part of its values and culture.

- The "Point de rencontre" (Meeting Point) programme, initiated in 2015 by LCL and the association Appels (Agency for Education through Sport) offers young adults with few qualifications, involved in a sport and motivated by the idea of working in the banking sector, to join a training programme to become an Individual Customer Advisor. An eight-month training programme alternates theoretical and practical training. LCL received the "1st chance" trophy for this professional insertion initiative for young people based on the recognition of their sense of responsibility, commitment and team spirit.
- Crédit Agricole Assurances has developed a recruitment programme with a start-up based on skills rather than the Curriculum Vitae. This challenge-based solution enables applicants to be assessed on their skills through on-line case scenarios. Over 80 insurance policy manager positions were filled using this solution.

Age diversity

As part of the generation contract agreements, Group entities have committed towards young people and seniors by:

- contributing to integrating young people and developing their skills;
- taking part in the retention in employment of senior employees through mechanisms that anticipate professional changes;
- promoting inter-generational cooperation through knowledge transmission.

- Crédit Agricole Leasing & Factoring created a programme for seniors over 55 years to enable them to transmit their skills in a lasting way through a personalised relationship with the mentored employee.
- Amundi offers end-of-career leave to enable employees to leave the company two years before retirement in order to develop an associative project or help a family member.
- SILCA and Crédit Agricole Consumer Finance are developing reverse mentoring programmes in which young employees offer help in using social networks.

5.4.3. Employment and integration of people with disabilities

Crédit Agricole S.A. Group continues its proactive policy on the employment and integration of people with disabilities at all its subsidiaries in France. Since the law of 11 February 2005, the Group has implemented four successive three-year disability agreements, which have enabled the Group to achieve a significant increase in its rate of employment of people with disabilities.

A fifth Group disability agreement was signed for the 2017/2019 period by all the representative trade unions at Group level. This new agreement sets out long-term commitments including:

- recruiting 150 disabled employees including 50 with permanent contracts (CDI);
- transforming 20% of temporary contracts into CDIs;
- deploying shared rules on retention in employment with the "disabled community" specific to Crédit Agricole S.A. Group and comprising employees from the disability integration service and occupational health service, social assistants, ergonomists, social partners, etc.;
- introducing and using the idea of reasonable compensation as indicated in the law of 11 February 2005 for retention in employment;
- developing and supporting innovative actions for employees with a disability;
- developing use of the Sheltered and disability-friendly sector (STPA) with a co-contracting IT project with this sector;
- organising a communication day dedicated to disabilities.

For the first year of its fifth disability agreement, Crédit Agricole S.A. Group should obtain the following results in 2017:

- 42 new hires, 13 of these on a permanent contract;
- a purchase volume with the STPA equivalent to 200 beneficiary units, up significantly compared to 2016.

At the time of the new agreement, a communications leaflet detailing useful information to guide employees in their procedures, was produced and relayed to the disabled community, and published on the Intranet.

Whilst the European Disability Employment Week (EDEW), which takes place every year during the 3rd week of November, provides an opportunity to raise awareness amongst Group employees more widely, the aim is to raise this subject throughout the year by creating specific events or communicating on a regular basis: news about the disabled community is regularly published on-line and a video was produced with contributions from the trade unions that signed the 5th disability agreement.

5.4.4. Fair and motivating compensation policies and social benefits

The Group aims to develop a compensation and social benefits system that ensures fair, motivating and competitive compensation of employees in accordance with the reference markets, specifics of its business lines, legal entities and legal constraints in each country.

Compensation policies

The compensation policy is aimed at rewarding performance, whether it is by an individual or group, in keeping with the Group's practices and values of fairness and merit.

Skills and responsibility level are rewarded by a basic salary in line with the specific characteristics of each business line in its local market, with a view to offering competitive and attractive compensation.

In the majority of the Group's companies, variable compensation plans linked to individual and collective performance are implemented on the basis of set targets and the results of the entity. Variable compensation is set in such a way that it does not hinder the ability of Group entities to strengthen their solvency. It takes all risks into account, including liquidity risk, as well as the cost of capital.

Two variable compensation systems exist within Crédit Agricole S.A. Group linked to individual performance:

- individual Variable Compensation, based on the achievement of pre-defined individual and collective targets within an employee's area of responsibility;
- the bonus, based on the overall amount set aside for each business line and which is shared between individual employees by line management through a broad assessment of their individual and collective performances.

Profit-sharing

Collective variable compensation plans that allow profit-sharing are defined separately for each entity in order to reflect their actual conditions as closely as possible. In France, the Group's companies negotiate their own incentive and profit-sharing agreements.

In 2017, the budget distributed amounted to slightly more than €253.6 million: profit-sharing and incentive plans and employer's additional contributions for employee savings plans (see 5.7 "Social Indicators"). In addition, several of the Group's foreign entities have an incentive or profit-sharing scheme. This is notably the case for International retail banking entities in Egypt, Italy and Serbia.

Employee shareholding, key to the Crédit Agricole Group corporate culture, has grown over the years. Since its initial public offering in 2001, Crédit Agricole S.A. Group has carried out six capital increases reserved for employees in France and in some 20 countries abroad.

Social protection

In 2017, most of the Group entities renegotiated their agreements establishing a supplementary healthcare system to comply with the regulatory requirements of "responsible contracts". Within this framework, a supplementary hospitalisation scheme was implemented at Group level. Several entities also implemented an additional supplementary scheme for refunding fees relating to consultations with specialist doctors.

5.5. IMPROVING THE QUALITY OF LIFE AT WORK AND ENSURING EMPLOYEE HEALTH AND SAFETY

5.5.1. Guaranteeing an environment and conditions that ensure the health and safety of employees at work

The Crédit Agricole S.A. Group strives to ensure that employees' work environment is safe and healthy.

Prevention of psychosocial risks

The Group's entities continued to apply their policy of preventing and raising awareness of PsychoSocial Risks (PSR) by implementing action plans or signing agreements.

Various measures have been set up or reinforced, such as counselling units, free helplines accessible 24/24, PSR monitoring committees, training and awareness-raising sessions, support for managers, etc. In 2017, special attention was paid to situations involving organisational changes.

- The transformation project "Transformons Ensemble" rolled out within Crédit Agricole S.A. was the subject of a collective agreement that covers the prevention of psychosocial risks. In addition to mobilising existing resources, it provides for the rollout of an e-learning module focused on PSR identification and management, as well as co-development workshops.
- Upon the creation of Crédit Agricole Assurance Solutions (CAAS) – stemming from the merger of Crédit Agricole Assurances, Caagis, Predica and the CACI Gestion EIG – these entities and their trade unions signed an inter-company agreement relating to the organisation of negotiations aimed at establishing the corporate status applicable within the new company. On that occasion, the agreement's signatories took into consideration the possibilities of psychosocial risks associated with the restructuring projects. In this respect, they appended a risk prevention charter to the agreement.

Measures were rolled out across the Group, in France and abroad.

- Crédit Agricole Bank Polska was awarded a prize from the Labour Inspectorate for its actions against stress and other psychosocial risks in the workplace.
- Amundi developed a legal/psychological assistance platform for its employees in Ireland.

Awareness-raising and support in terms of health and healthcare

Crédit Agricole S.A. Group continues to raise its employees' awareness on health and hygiene. Throughout the year, the entities organised health-related events at their different sites, including advice on ergonomics, free screenings, a vaccination campaign, nutrition workshops, etc.

- LCL continued its first-aid training at its various Paris sites, with 128 employees trained.
- CACEIS organised its first "Health Days", which took place simultaneously in all its European entities, featuring workshops and conferences on topics such as ergonomics, nutrition and the benefits of sport.
- Amundi introduced 176 employees to first-aid practices and the use of a defibrillator.
- Crédit Agricole Consumer Finance defined and laid down an action plan for the prevention of musculoskeletal disorders, to be rolled out in 2018.

Improving employee safety and security in the workplace

The Group sees the safety of its employees as more than a legal obligation, and is committed to establishing and implementing a preventive safety policy. In addition to the measures implemented to ensure the safety and security of employees in the entities' headquarters, special attention is paid to employees in direct contact with customers and those who spend a lot of time on the road.

- At LCL, 98% of the branches are now fully automated, meaning that employees at the counters no longer handle cash.
- LCL is continuing its training sessions in the handling and prevention of offensive behaviour. In 2017, this training was provided to over 1,000 employees.
- Pacifica – a subsidiary of Crédit Agricole Assurances – rolled out a guide for the prevention of road-related risks aimed at all its employees who regularly use a vehicle for business travel; it also initiated driver training sessions.

5.5.2. Developing a proactive policy to promote well-being at work

To help achieve a balance between work and personal life, the Group continued its efforts to organise work so as to reconcile well-being and performance. The Group believes that quality of work life contributes to collective success and promotes efficiency.

Work organisation

REDUCED WORKING TIME

In 2017, 13.3% of employees worked part-time or opted for reduced working time (see 5.7 "Social Indicators"). Depending on the provisions of the collective agreements signed in each Group entity, employees have several possibilities in terms of working time. They can thus adjust their working time to achieve a good work-life balance.

Numerous women opt for part-time work (90.5% of employees working part-time are women), especially when they have young children. They can return to full-time work at any time.

TELEWORK

Group entities have facilitated telework since 2011 – the year in which the Group charter was signed – to ensure work organisation is adaptive, but also to promote quality of life at work.

In 2017, telework was available in a large number of Group entities, i.e. 12 of them. Various different telework formats are employed:

- either a standard format of one set day a week, two in certain circumstances, in particular for expectant mothers;
- an adjustable format involving non-set days or a fixed number of days per month/quarter/year, to be arranged depending on team needs and in agreement with the manager.

In 2017, some 3,700 employees had opted for telework.

THE RIGHT TO DISCONNECT

The right to disconnect was also laid down in the collective agreements of various Group entities.

- The agreement signed within Crédit Agricole Consumer Finance defines best practices applicable to the use of digital tools and provides for training and awareness-raising sessions. It also stipulates that the use of digital tools, in respect of the workload, must be discussed during the annual appraisals.
- The agreement signed at CA Indosuez Wealth Management provides, *inter alia*, for the shutdown of computer servers between 22:00 and 6:00, and the supply of smartphones with the "do not disturb" function enabled by default from 20:30 to 7:30.

Development of services in the workplace

The campuses of Montrouge (Evergreen) and Saint-Quentin-en-Yvelines (SQY PARK) have undergone a construction and refurbishment programme. In 2017, some 9,000 employees worked on the Montrouge site, while 5,000 worked on the Saint-Quentin-en-Yvelines site. The transformation, initiated in 2014, systematically involves the active participation of employees, through the set-up of participatory initiatives (see 5.1.2).

The Group's campuses include restaurants, concierge services, new work/relaxation areas, sports facilities, amenities (bakery, bank, etc.) and specific transport facilities (loan of bicycles, loan of electric cars, etc.).

The introduction of open-plan spaces and new modes of working have also resulted in a new way of working together, characterised by more collaborative and exchange-based work, and encouraging greater managerial accessibility.

Support for employee caregivers

Through Crédit Agricole Assurances, the Crédit Agricole S.A. Group is now recognised for the support it provides to caregivers – a major social issue.

THE *RESPONSAGE* PLATFORM

Crédit Agricole Assurances, Amundi and Crédit Agricole S.A. have a telephone helpline called *Responsage* for employees and their families, providing personalised guidance and advice to help employees with the day-to-day care of their disabled or dependent family members (parents, spouses and children).

This service, funded by the entities, is offered free of charge to some 7,000 employees and their families.

DONATION OF REST DAYS

The work-life balance has also been taken into consideration through agreements concerning the donation of rest days among employees.

- In 2017, Crédit Agricole CIB, CACEIS and Crédit Agricole Consumer Finance signed agreements concerning the possibility for employees to donate rest days to one of their colleagues caring for a seriously ill child, spouse or parent.
- Through the agreement signed in 2016, Crédit Agricole Assurances managed to collect 283 days of leave for employee caregivers.

5.6. MAINTAINING ACTIVE DIALOGUE WITH EMPLOYEE REPRESENTATIVES

5.6.1. Bodies which promote social dialogue within the Group

The Group is keen to develop constructive social dialogue to enable it to conclude well-structured agreements containing meaningful commitments (see 5.7 "Social Indicators").

The European Works Council and the Group Works Council promote social dialogue throughout the Crédit Agricole Group.

European Works Council

The European Works Council held five meetings in 2017, including one plenary meeting and four Select Committee Meetings.

The plenary meeting of 20 December 2017 examined the following agenda items:

- presentation of the expert's report on the progress of the 2020 Medium-Term Plan;
- presentation of the expert's report on the 2017 mission regarding the Group's activities in Italy;
- presentation of the expert's report on Amundi's acquisition of Pioneer Investments and recording of opinions;
- presentation of the 2016 summary of social data, commissioning of an expert, and defining of the 2018 mission.

The Select Committee Meetings mainly covered the following issues:

- Amundi's acquisition of Pioneer Investments;
- presentation of the Specialised Financial Services (SFS) and Large Customers (LC) divisions;
- changes at Crédit Agricole Consumer Finance Nederland.

Moreover, the Select Committee members were invited to Italy to meet a delegation from each entity operating in that country, as well as the HR teams. The goal was to get a better grasp of the strategic, economic, CSR and social dimensions of each of the entities. An independent accounting firm circulated a report on these meetings, which was then presented and discussed by the European Works Council in a plenary session on 20 December 2017.

As provided for in the European Works Council's founding agreement, a training session was held on 28-29 September 2017. It was aimed at all of the Council's principal members and alternate members. This year, as an exception, they were joined by the new members of the Group Works Council, which was renewed in 2017. The following topics were covered: the Group's history, its strategy, an overview of the Group's different business lines, its CSR policy, the development of International retail banking, as well as the method used to understand a banking institution's accounts and financial information.

The Group Works Council

The Group Works Council was renewed in 2017. The change took place at the meeting of 28 June 2017.

A Council Secretary was appointed, once again from the CFDT trade union. The term of office of the members of the Group Works Council runs for two years.

The Group Works Council held three plenary meetings, and two meetings of the Economic and CSR Commission.

During the three plenary meetings, the following topics were covered: presentation of the IT strategy, presentation of the Engagement and Recommendation Index (IER) results, presentation of the 2016 results, presentation of the Group transformation "Transformons Ensemble" project, presentation of IT projects, report of the Ipso-Facto firm's appraisal of the "Transformons Ensemble" project, and selection of the accounting firm for the 2018 assignment relative to the 2017 financial statements.

5.6.2. Social dialogue within the Crédit Agricole S.A. Group

Social dialogue within Crédit Agricole S.A. is promoted by the European Works Council and the Group Works Council, as well as by the Consultative Committee and the meetings of the Group's trade union representatives:

- in 2017, the Consultative Committee of Crédit Agricole S.A. met twice: on 25 April 2017 to present the Group's IT strategy, and on 18 December 2017 to examine the progress of the "Transformons Ensemble" project, the presentation of the IT projects, and the 2016 social data;
- emanating from the agreement that instituted the Consultative Committee, the trade union representatives are tasked with improving social dialogue by passing on labour-related information in an informal and constructive way. They met ten times during the year.

One of the commitments of the Crédit Agricole S.A. Group's strategic workforce planning agreement is to pay greater attention to the careers of employee representatives, through the introduction of a qualification course in partnership with Sciences Po. This training aims to increase the attractiveness of the representatives' functions by recognising the skills gained.

In 2017, the third cohort comprised 12 participants, out of whom 11 obtained a certification. They join the 33 other employee representatives who have been awarded the certificate since 2014.

A fourth cohort of 12 participants began on 23 November 2017.

5.7. SOCIAL INDICATORS

Number of employees

HEADCOUNT BY TYPE OF CONTRACT (FULL-TIME EQUIVALENT)

	2017			2016		
	France	International	Total	France	International	Total
Active permanent contract (CDI) employees	35,602	34,581	70,183	36,235	31,116	67,351
Fixed-term contract (CDD) employees	608	2,916	3,524	733	2,746	3,479
Total employees	**36,210**	**37,497**	**73,707**	**36,968**	**33,862**	**70,830**
Non active permanent contract (CDI) employees	1,214	1,384	2,598	1,336	1,439	2,775
TOTAL	**37,424**	**38,881**	**76,305**	**38,304**	**35,301**	**73,605**

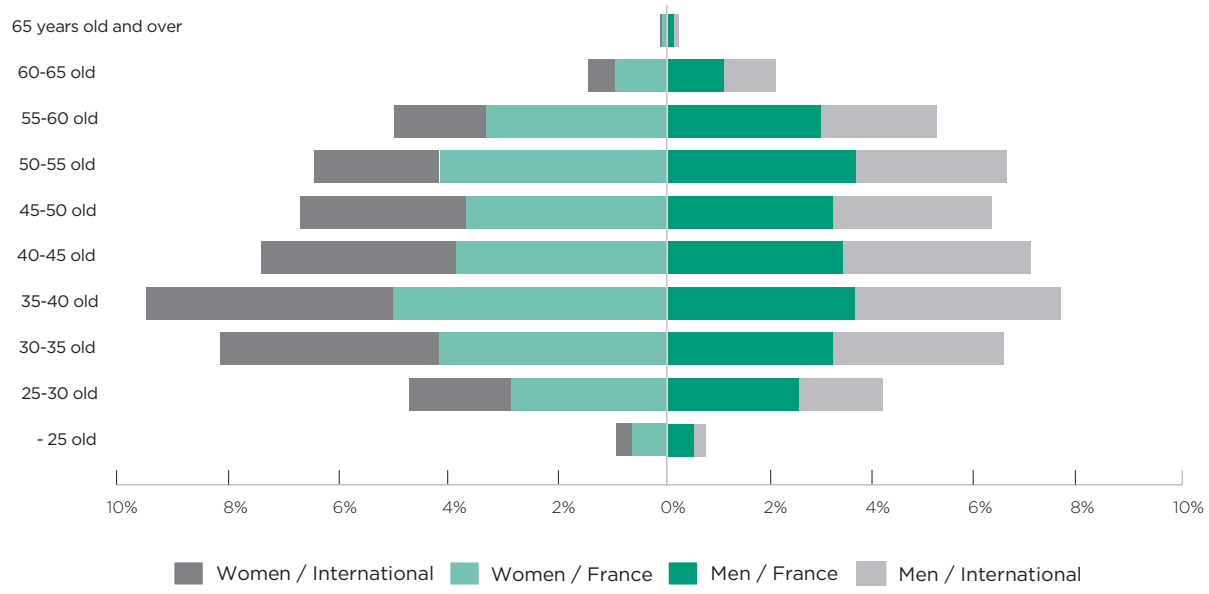
EMPLOYEES BY GENDER IN FRANCE

	2017		2016	
	Women	Men	Women	Men
Headcount in France *(in %)*	55.5	44.5	55.8	44.2
Scope covered - France		*99%*		*99%*

EMPLOYEES BY STATUS IN FRANCE

	2017		2016	
	Managers	Non-managers	Managers	Non-managers
HEADCOUNT IN FRANCE *(in %)*	**65.8**	**34.2**	**63.7**	**36.3**
Women *(in %)*	55.9	44.1	53.5	46.5
Men *(in %)*	78.1	21.9	76.4	23.6
Scope covered - France		*99%*		*99%*

AGE STRUCTURE



Scope covered: 94%

AVERAGE AGE

	2017			2016		
	France	International	Total	France	International	Total
Average age	43 years old	42 years and 4 months old	42 years and 8 months old	42 years and 11 months old	42 years old	42 years and 6 months old
Scope covered			*94%*			*99%*

DEPARTURES OF PERMANENT CONTRACT EMPLOYEES BY REASON

	2017				2016			
	France	International	Total	%	France	International	Total	%
Resignation	1,025	1,456	2,481	44.6	794	1,411	2,205	41.7
Retirement and early retirement	907	536	1,443	26.0	1,188	179	1,367	25.9
Lay-off	211	336	547	9.8	257	430	687	13.0
Death	19	21	40	0.7	24	22	46	0.9
Other	435	616	1,051	18.9	380	599	979	18.5
TOTAL PERMANENT CONTRACT DEPARTURES	**2,597**	**2,965**	**5,562**	**100.0**	**2,643**	**2,641**	**5,284**	**100.0**
Scope covered			*94%*				*99%*	

Training

TRAINING IN FIGURES

	2017 (11 months)	2016 (11 months)
Number of employees trained		
France	39,992	42,186
International	25,640	27,172
TOTAL	**65,632**	**69,358**
Scope covered	*93%*	*98%*
Number of training hours		
France	715,330	939,511
International	977,814	926,847
TOTAL	**1,693,144**	**1,866,358**
Scope covered	*93%*	*98%*

TRAINING TOPICS

	2017 (11 months)				2016 (11 months)	
	Total	%	o/w France	o/w International	Total	%
Knowledge of Crédit Agricole S.A.	23,606	1.4	6,074	17,532	30,379	1.6
Personnel and business management	86,848	5.1	38,672	48,176	104,672	5.6
Banking, law and economics	308,130	18.2	184,743	123,387	441,403	23.7
Insurance	260,932	15.4	130,917	130,015	343,399	18.4
Financial management (accountancy, tax, etc.)	52,606	3.1	22,213	30,393	52,445	2.8
Risk	87,527	5.2	44,664	42,863	101,244	5.4
Compliance	227,552	13.4	78,930	148,622	149,558	8.0
Methods, organisation, quality	60,641	3.6	19,488	41,153	56,856	3.0
Purchasing, marketing, distribution	136,786	8.1	17,688	119,098	101,078	5.4
IT systems, networks, telecommunications	37,682	2.2	21,442	16,240	59,282	3.2
Languages	136,631	8.1	51,203	85,428	131,585	7.1
Office systems, software, new ICT	38,763	2.3	14,568	24,195	66,166	3.5
Personal development, communication	153,138	9.0	60,578	92,560	151,117	8.1
Health and safety	53,852	3.2	8,831	45,021	48,229	2.6
Human rights and the environment	2,933	0.2	246	2,687	3,314	0.2
Human resources	25,517	1.5	15,073	10,444	25,631	1.4
TOTAL	**1,693,144**	**100.0**	**715,330**	**977,814**	**1,866,358**	**100.0**
Scope covered			*93%*			*98%*

Mobility/career management

INTERNAL MOBILITY

	2017	2016
Mobility within a same entity	9,005	8,322
Mobility between entities	702	788
TOTAL	**9,707**	**9,110**
Scope covered	*91%*	*100%*

PROMOTIONS IN FRANCE

	2017			2016		
	Women	Men	Total	Women	Men	Total
Promotion in the non-manager category	1,134	434	1,568	1,245	657	1,902
Promotion from non-manager to manager	458	309	767	308	167	475
Promotion in the manager category	482	632	1,114	592	688	1,280
TOTAL	**2,074**	**1,375**	**3,449**	**2,145**	**1,512**	**3,657**
%	60.1	39.9	100.0	58.7	41.3	100.0
Scope covered France			*99%*			*99%*

Recruitement

INTERNSHIPS AND WORK-STUDY CONTRACTS IN FRANCE (MONTHLY AVERAGE FTE)

	2017	2016
Work-study contracts	1,676	1,819
Internships	486	543
Scope covered France	*99%*	*99%*

RECRUITMENT BY REGION AND BY BUSINESS LINE

	Number of employees hired on permanent contracts[1]							
	FRB	IRB	SFS	AG	LC	CC	Total 2017	2016
France	1,229	-	157	329	449	127	**2,291**	2,452
Western Europe	4	207	127	317	246	-	**901**	830
Eastern Europe	-	1,075	124	8	7	-	**1,214**	1,117
Africa	-	267	55	-	3	-	**325**	350
Asia Pacific	-	-	-	51	213	-	**264**	309
Middle East	-	-	-	-	5	-	**5**	5
Americas	-	-	-	2	96	-	**98**	106
TOTAL 2017	**1,233**	**1,549**	**463**	**707**	**1,019**	**127**	**5,098**	
Total 2016	**1,266**	**1,431**	**439**	**726**	**1,112**	**195**		**5,169**
Scope covered							*94%*	*99%*

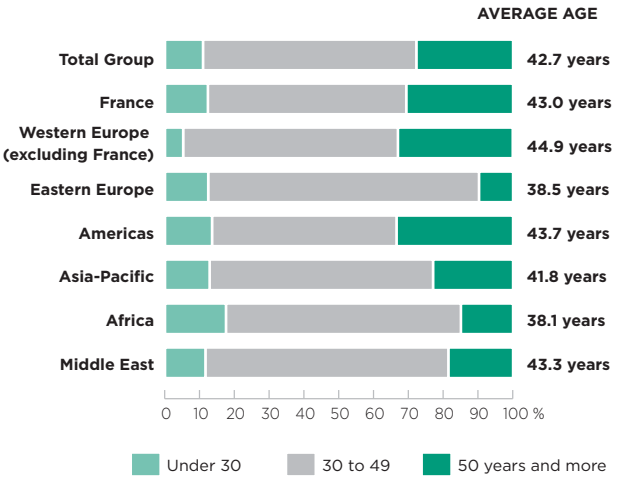
(1) Including conversions of definite-term contracts into permanent contracts.

Equal treatment

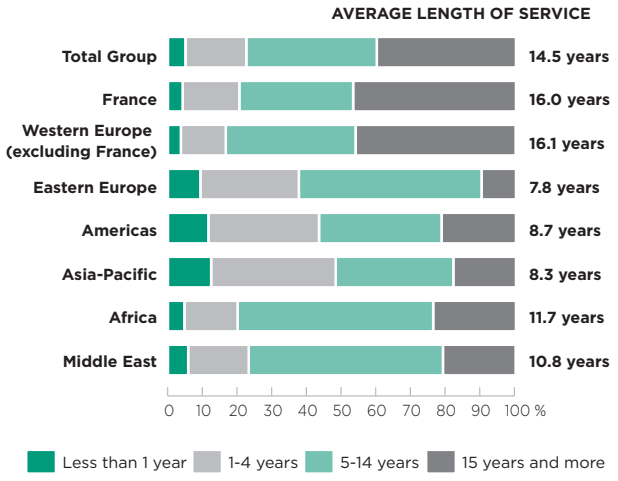
PROPORTION OF WOMEN (%)

	2017		2016	
	%	Scope covered	%	Scope covered
Among all employees	53.7	94%	53.6	97%
Among permanent contract employees	51.5	94%	50.6	99%
Among management levels 1 and 2	20,7	100%	21,5	100%
Among the Group Executive Committee	1 out of 16	100%	1 out of 15	100%
Among the top 10% of highest-earning employees in each subsidiary (fixed compensation)	29.9	96%	29.2	99%

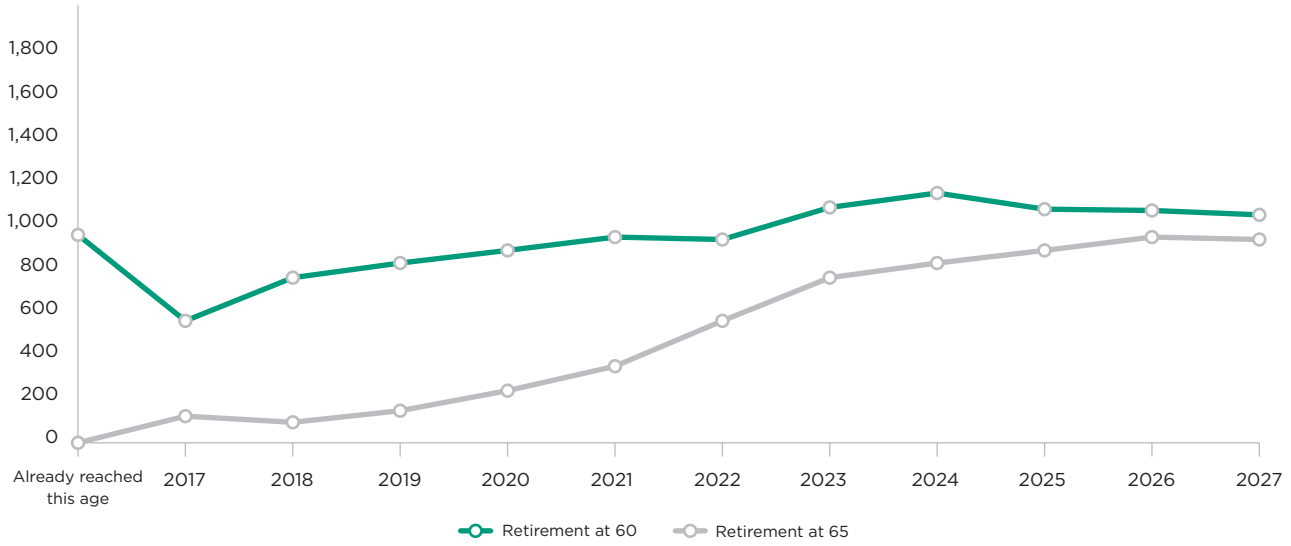
PERMANENT CONTRACT EMPLOYEES BY AGE



PERMANENT CONTRACT EMPLOYEES BY SENIORITY



PROJECTED NUMBER OF EMPLOYEES TURNING 60 IN THE NEXT 10 YEARS



Compensation

ANNUAL FIXED SALARY SCALE



AVERAGE MONTHLY SALARY OF ACTIVE PERMANENT CONTRACT EMPLOYEES IN FRANCE (GROSS BASIC SALARY)

(in euros)		2017	2016
	Men	5,178	5,130
	Women	4,278	4,245
Managers	Overall	4,753	4,715
	Men	2,465	2,445
	Women	2,475	2,450
Non-managers	Overall	2,472	2,449
	MEN	**4,583**	**4,497**
	WOMEN	**3,483**	**3,411**
TOTAL	**OVERALL**	**3,973**	**3,891**
Scope covered France		*99%*	*99%*

COLLECTIVE VARIABLE COMPENSATION PAID DURING THE YEAR ON THE BASIS OF THE PREVIOUS YEAR'S RESULTS IN FRANCE

	2017			2016		
	Total amount *(in thousands of euros)*	Number of beneficiaries	Average amount *(in euros)*	Total amount *(in thousands of euros)*	Number of beneficiaries	Average amount *(in euros)*
Profit-sharing	26,786	12,247	2,187	66,251	36,200	1,830
Incentive plans	181,685	45,458	3,997	169,241	46,398	3,648
Employer's additional contribution	45,087	39,216	1,150	43,960	39,545	1,112
TOTAL	**253,558**			**279,452**		
Scope covered France			*99%*			*99%*

Health & safety

ABSENTEEISM IN FRANCE IN CALENDAR DAYS

	2017							2016		
	Managers		Non-managers		Total		Average number of days' absence per employee	Total		Average number of days' absence per employee
	Women	*Men*	*Women*	*Men*	*Number of days*	*%*		*Number of days*	*%*	
Sickness	100,416	61,777	162,161	40,028	**364,382**	**52.9**	9.7	352,907	51.4	9.2
Accident	4,755	1,590	6,923	2,516	**15,784**	**2.3**	0.4	17,726	2.6	0.5
Maternity, paternity and breast feeding	94,755	5,907	123,955	1,981	**226,598**	**32.9**	6.0	237,326	34.6	6.2
Authorised leave	25,770	20,219	19,105	6,032	**71,126**	**10.3**	1.9	68,433	10.0	1.8
Other	4,264	3,455	2,031	1,410	**11,160**	**1.6**	0.3	10,186	1.4	0.3
TOTAL	**229,960**	**92,948**	**314,175**	**51,967**	**689,050**	**100.0**	**18.3**	**686,578**	**100.0**	**18.0**
Scope covered France							*99%*			*99%*

All French entities collect and report occupational illness and accident data every year in their social review. By way of example, in their respective 2016 social reviews, UES Crédit Agricole S.A. and LCL recorded 51 and 495 accidents (none for serious risks) associated with falls/drops, traffic/handling accidents and everyday occurrences.

Work organisation

PROPORTION OF PART-TIME EMPLOYEES

	2017			2016		
	Managers	Non-managers	Total	Managers	Non-managers	Total
Part-time employees	2,062	2,802	4,864	2,048	3,006	5,054
Part-time employees as % of total	8.6	22.4	13.3	8.6	22.1	13.5
Women as % of part-time employees	88.9	91.6	90.5	89.0	91.3	90.4
Scope covered France			*99%*			*99%*

Labour relations

NUMBER OF AGREEMENTS SIGNED DURING THE YEAR IN FRANCE BY SUBJECT

	2017	2016
Compensation and benefits	43	89
Training	1	0
Employee representative bodies	9	21
Jobs	6	3
Working hours	12	8
Diversity and equality at work	4	10
Health & Safety	5	N/A
Others	30	24
TOTAL	**110**	**155**
Scope covered France	*99%*	*99%*

Note on methodology

The scope encompasses all fully consolidated entities with employees. Each item presented in this document is accompanied by an indication of the scope of employees covered (as a percentage of full-time equivalent (FTE) employees at year-end). The employee data relating to the Regional Banks are not included in this report. The consolidated data cover one calendar year, from 1 January to 31 December.

The examples of CSR practices illustrating the document data and commentary were compiled from surveys of CSR managers, Human Resource Directors and various departments of Crédit Agricole S.A., across a broad representative sample of Crédit Agricole Group entities.

As part of our ongoing policy to improve the reliability of social indicators, once again this year we asked our Statutory Auditors to conduct an in-depth examination of our voluntarily published social indicators. This work is the subject of an independent reasonable assurance report.

Employment reporting:

- unless otherwise stated, the population under review is that of "working" employees. The notion of working implies:
  - a legal tie in the form of a standard fixed-term or permanent employment contract (or similar abroad),
  - a presence on the payroll and in the position on the last day of the period,
  - working time percentage of 50% or more;
- unless otherwise stated, the data are presented from the employer's viewpoint and not the beneficiary's viewpoint. The difference relates to employees seconded by one entity to another (with no change in the employment contract) who report to their host entity from the beneficiary's viewpoint and to their contracting entity from the employer's viewpoint;
- in 2017, for the Pioneer entities and the Italian savings banks entities, consolidated by acquisition in 2017, only the full-time equivalent workforce at 31 December 2017 were counted in the scope of employees, to be consistent with the financial scope of consolidation;
- information pertaining to training is calculated on the basis of the first 11 months of the year, December not being a representative month and generally being marginal in terms of activity compared with the other months of the year. The method for rounding hours of training in the calculation was changed for 2017. To provide comparability between 2016 and 2017, this method was also applied to the 2016 figures.

Environmental reporting:

- a cut-off was used to remedy the difficulties of collecting information on the <50 FTE entities (though excluding these entities still made it possible to cover over 80% of the workforce in the financial consolidation) with the exception of Crédit Agricole CIB;
- note that with regard to three significant entities, Crédit Agricole Srbija (Serbia), Crédit Agricole Bank (Ukraine) and Europejski Fundusz Leasingowy (E.F.L., Poland), no data were submitted in 2017. An improvement plan has been defined to ensure that data from these entities are collected;
- note that with regard to the Pioneer entities, consolidated by acquisition in 2017, data were submitted. On the other hand, no data were reported this year for the Italian savings banks entities, also consolidated in 2017. An improvement plan has been made to ensure that data from these entities are collected;
- the main coverage ratio for each indicator (energy/water, transport, paper, waste) is expressed in FTE;
- CO_2 emissions are calculated using the benchmark emission factors of the International Energy Agency for electricity (excluding France). For entities in France, the emission factor used is 0.006 kg CO_2eq/KWh, the Group having signed a national contract with EDF in 2015 for the supply of exclusively renewable energy of French origin (mainly from hydropower). For other types of energy, emission factors used are those of DEFRA (British Department for Environment, Food and Rural Affairs) and the Ademe (French agency for environment and energy management) Carbon Base. For journeys by air, the emission factor takes into account emissions related to radiative forcing;
- for information reported on energy and water consumption:
  - energy and water consumption is based on the bills issued by the suppliers,
  - only consumption billed directly to Group entities is taken into account. Consumption included in rental charges is not taken into account,
  - to measure the coverage rate for reported consumption, a ratio is calculated on the basis of floor area reported over total floor area that consumes energy or water,
  - floor space used for buildings corresponds to the gross leasable area (GLA) indicated in the leases as of 31 December.

CROSS-REFERENCE TABLE

2017 Registration document	Page	Article 225 Grenelle II law	Energy Transition Law	United Nations sustainable development goals (SDG)[1]	GRI - G4
CSR at the heart of the banking business					
Identifying priorities	33-36	2.a); 3.b)			G4-2; G4-24; G4-27; G4-44
Steering CSR performance	36	2.a)			G4-2; G4-24; G4-27; G4-44
A long-term commitment	37	1.g); 2.a)			G4-2; G4-15; G4-16
CSR governance	37	2.a)			G4-2; G4-34; G4-35; G4-36; G4-37; G4-38; G4-39; G4-40; G4-48;
Promoting a compliant and ethical culture					
Developing a Group-wide ethical dimension	38-39	3.d)			G4-14; G4-49; G4-56; G4-58; G4-SO4
Serving customers	40-41	3.b), 3.d)		16	G4-PR5
Establishing a committed tax policy	41-42				
Conducting a transparent lobbying policy	42				
Developing finance for all					
Supporting all customers through good times and bad	43-45	3.b), 3.d)		1, 4	G4-PR5
Contributing to economic and social dynamism in local regions	45-49	1.g); 3.a); 3.b); 3.c); 3.e)		1, 2, 3, 4, 8, 9, 10, 11, 12	G4-EN27; G4-EC8; G4-LA15
Accelerating the energy transition and safeguarding the environment					
Larger ambitions	50	2.d)	Title I Art. 1; Title I Art. 2; Title II Art. 3 and Art. 4; Title V	6, 7, 9, 11, 13	G4-EC2; G4-EN3; G4-EN5; G4-EN6; G4-EN7; G4-EN8; G4-EN15; G4-EN16; G4-EN17; G4-EN19; G4-EN27
A four-pronged climate strategy	50-53	2.c); 2.d)	Title I Art. 1; Title I Art. 2; Title II Art. 3 and Art. 4; Title V	6, 7, 9, 11, 13	G4-EC2; G4-EN3; G4-EN5; G4-EN6; G4-EN7; G4-EN8; G4-EN15; G4-EN16; G4-EN17; G4-EN19; G4-EN27
Assessing and managing ESG and climate risks	54	2.d)		6, 7, 9, 13	G4-EN27
Encouraging responsible behaviour by taking account of environmental, social and ethical factors					
Investing responsibly	55-56	2.d)		7, 8, 9	G4-EN27
Assessing and managing environmental and social risks in financing	56	2.a); 2.d)		6, 7, 8, 9, 13, 14, 15	G4-EN27
Promoting responsible agriculture	57	1.g); 2.d); 3.b)		2	
Protecting resources	57-58	2.c.i); ii); 2.e)	Title IV	12, 15	G4-EN1; G4-EN2; G4-EN4; G4-EN23
Other environmental information	58	2.a); 2.b); 2.c)			G4-33
Developing people					G4-10
Measuring commitment and mobilising employees by promoting their involvement	60-61	1.c); 2.a)			G4-LA9; G4-LA10
Strengthening employability in a context of profound change	62-64	1.c); 1.e)		4	G4-LA9; G4-LA10
Talent developing and succession planning	64-65	1.a); 1.e); 1.f); 3.b)		4, 5	G4-EC3; G4-LA1; G4-LA2; G4-LA9; G4-LA10; G4-LA13
Ensuring fairness and promoting diversity in pursuit of inclusion	66-68	1.a); 1.b); 1.c); 1.e); 1.f); 3.b)		5, 10	G4-EC3; G4-LA1; G4-LA2; G4-LA13
Improving the quality of life at work and ensuring employee health and safety	69-70	1.b); 1.c); 1.d); 1.e)		3	G4-LA3; G4-LA6; G4-LA8
Maintaining active dialogue with employee representatives	71	1.c)			G4-11; G4-LA5
Social indicators	72-78	1.a) 1.b) 1.c) 1.d) 1.e) 1.f)		3, 4, 5, 10	G4-10; G4-11; G4-EC3; G4-LA1; G4-LA2; G4-LA3; G4-LA5; G4-LA6; G4-LA8; G4-LA9; G4-LA10; G4-LA13

(1) SDG key: 1 - End poverty, 2 - End hunger, 3 - Ensure healthy lives and promote well-being, 4 - Ensure quality education for all, 5 - Achieve gender equality, 6 - Ensure availability of water, 7 - Ensure access to affordable, reliable energy, 8 - Promote economic growth and decent work for all, 9 - Build infrastructure, promote industrialisation and foster innovation, 10 - Reduce inequality, 11 - Make cities and human settlements sustainable, 12 - Ensure sustainable consumption and production patterns, 13 - Combat climate change, 14 - Conserve marine resources, 15 - Protect terrestrial ecosystems, 16 - Peace, justice and efficient institutions

The definitions of the underlined words can be found in the Glossary on page 567

REPORT BY ONE OF THE STATUTORY AUDITORS, APPOINTED AS AN INDEPENDENT THIRD PARTY, ON THE CONSOLIDATED HUMAN RESOURCES, ENVIRONMENTAL AND SOCIAL INFORMATION INCLUDED IN THE MANAGEMENT REPORT

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

For the year ended December 31st, 2017

To the Shareholders,

In our capacity as Statutory Auditor of Crédit Agricole S.A. (the "Company"), appointed as independent third party and certified by COFRAC under number 3-1060 (whose scope is available at www.cofrac.fr), we hereby report to you our report on the consolidated human resources, environmental and social information for the year ended December 31st, 2017, included in the management report (hereinafter named "CSR Information"), pursuant to article L. 225-102-1 of the French Commercial Code (Code de commerce).

Company's responsibility

The Board of Directors is responsible for preparing a company's management report including the CSR Information required by article R. 225-105-1 of the French Commercial Code in accordance with the "2017 specifications" for the social information and with the "2017 reporting agreement on environmental data" for the environmental information (hereinafter the "Guidelines") and available on request from the company's sustainability department head office.

Independence and quality control

Our independence is defined by regulatory texts, the French Code of ethics (*Code de déontologie*) of our profession and the requirements of article L. 822-11-3 of the French Commercial Code. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with the ethical requirements and applicable legal and regulatory requirements.

Statutory Auditor's responsibility

On the basis of our work, our responsibility is to:

- attest that the required CSR Information is included in the management report or, in the event of non-disclosure of a part or all of the CSR Information, that an explanation is provided in accordance with the third paragraph of article R. 225-105 of the French Commercial Code (Attestation regarding the completeness of CSR Information);
- express a limited assurance conclusion that the CSR Information taken as a whole is, in all material respects, fairly presented in accordance with the Guidelines (Conclusion on the fairness of CSR Information).

However, it is not for us to express an opinion on the compliance with the other legal provisions applicable, in particular those set out by the article L. 225-102-4 of the commercial code (plan of vigilance) and by the law n° 2016-1691 of December 9, 2016 known as Sapin II (fight against corruption).

Our work involved 12 persons and was conducted between October 2017 and February 2018 during a 8 week period. We were assisted in our work by our CSR experts.

We performed our work in accordance with the order dated 13 May 2013 defining the conditions under which the independent third party performs its engagement and with the professional guidance issued by the French Institute of statutory auditors (Compagnie nationale des commissaires aux comptes) relating to this engagement and with ISAE 3000 concerning our conclusion on the fairness of CSR Information (Assurance engagements other than audits or reviews of historical financial information).

1. Attestation regarding the completeness of CSR Information

NATURE AND SCOPE OF OUR WORK

On the basis of interviews with the individuals in charge of the relevant departments, we obtained an understanding of the Company's sustainability strategy regarding human resources and environmental impacts of its activities and its social commitments and, where applicable, any actions or programmes arising from them.

We compared the CSR Information presented in the management report with the list provided in article R. 225-105-1 of the French Commercial Code.

For any consolidated information that is not disclosed, we verified that explanations were provided in accordance with article R. 225-105, paragraph 3 of the French Commercial Code.

We verified that the CSR Information covers the scope of consolidation, i.e., the Company, its subsidiaries as defined by article L. 233-1 and the controlled entities as defined by article L. 233-3 of the French Commercial Code within the limitations set out in the methodological note, presented at the end of chapter 2 of the registration document.

CONCLUSION

Based on the work performed and given the limitations mentioned above, we attest that the required CSR Information has been disclosed in the management report.

2. Conclusion on the fairness of CSR Information

NATURE AND SCOPE OF OUR WORK

We conducted around forty interviews with about sixty persons responsible for preparing the CSR Information in the departments in charge of collecting the information and, where appropriate, responsible for internal control and risk management procedures, in order to:

- assess the suitability of the Guidelines in terms of their relevance, completeness, reliability, neutrality and understandability, and taking into account industry best practices where appropriate;
- verify the implementation of data-collection, compilation, processing and control process to reach completeness and consistency of the CSR Information and obtain an understanding of the internal control and risk management procedures used to prepare the CSR Information.

We determined the nature and scope of our tests and procedures based on the nature and importance of the CSR Information with respect to the characteristics of the Company, the human resources and environmental challenges of its activities, its sustainability strategy and industry best practices.

Regarding the CSR Information that we considered to be the most important and whose list is given in annex:

- at parent entity level, we referred to documentary sources and conducted interviews to corroborate the qualitative information (organisation, policies, actions), performed analytical procedures on the quantitative information and verified, using sampling techniques, the calculations of the data. We also verified that the information was consistent and in agreement with the other information in the management report;
- at the level of a representative sample of entities, LCL, CA-CIB France, CFM Indosuez Wealth, CA-CIB AO, CAA Solutions, Agos Ducato, CreditPlus Bank, CACEIS Bank France et CACEIS Fund Administration, selected by us on the basis of their activity, their contribution to the consolidated indicators, their location and a risk analysis, we conducted interviews to verify that procedures are properly applied, and we performed tests of details, using sampling techniques, in order to verify the calculations and reconcile the data with the supporting documents. This work represents 38% of headcount considered as typical size of the social component, and between 24% and 57% of environmental data considered as characteristic variables of the environmental component.

For the remaining consolidated CSR Information, we assessed its consistency based on our understanding of the company.

We also assessed the relevance of explanations provided for any information that was not disclosed, either in whole or in part.

We believe that the sampling methods and sample sizes we have used, based on our professional judgement, are sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures. Due to the use of sampling techniques and other limitations inherent to information and internal control systems, the risk of not detecting a material misstatement in the CSR information cannot be totally eliminated.

CONCLUSION

Based on the work performed, no material misstatement has come to our attention that causes us to believe that the CSR Information, taken as a whole, is not presented fairly in accordance with the Guidelines.

Neuilly-sur-Seine, the 21st of March 2018

One of the Statutory Auditors
PricewaterhouseCoopers Audit

Anik Chaumartin
Partner

Sylvain Lambert
Partner of the Sustainability department

The definitions of the underlined words can be found in the Glossary on page 567

APPENDIX: CSR INFORMATION THAT WE CONSIDERED TO BE THE MOST IMPORTANT

Human resources:

- Total workforce and split by gender, age and geographical area, including indicators FTE employees at year-end, employees by gender and by status, age structure and average age, proportion of part-time employees;
- Hirings and dismissals, including indicators number of employees hired on permanent contracts, departures of permanent contract employees by reason, internal mobility;
- Compensation and variation, including indicators collective variable compensation paid during the year, average monthly salaries of active permanent contract employees, promotions;
- Absenteeism, including indicator number of days of absence by reason;
- Organization of social dialogue;
- Health and safety conditions;
- Agreements signed with labour unions or employee representatives with regard to workplace health and safety, including indicator number of agreements by topic;
- Training policy;
- Training hours, including indicators number of employees trained, number of training hours, number of training hours by topic;
- Implemented policy and measures taken in favour of the equality between the women and men, including indicators proportion of women among permanent contract employees and among employees hired on permanent contracts, proportion of women among the top 10% of highest-earning employees (fixed compensation);
- Implemented policy and measures taken in favour of the employment and of the insertion of the disabled people;
- Policy against discrimination, including indicators permanent contract employees by age and by seniority;
- Promotion and adherence to the terms of the conventions of the International Labour Organization.

Environmental information:

- Company organization to take into account environmental issues;
- Measures of prevention, recycling, reuse, and other forms of waste recovery and disposal, including indicators amounts of paper/cardboard waste, WEEE and ordinary industrial waste collected;
- Consumption of raw materials and measures taken to improve the efficiency of their use, including indicators paper consumption by use, proportion of responsible paper;
- Energy consumption, measures implemented to improve energy efficiency and the use of renewable energy sources, including energy consumption by source;
- Significant greenhouse gases emissions resulting from the company's activities, including the use of goods and services it produces, including indicators GHG emissions due to energy consumption and business travel;
- Adaptation to the consequences of climate change.

Social information:

- Territorial, economic and social impact of the Company's activities;
- Conditions of the dialogue with the stakeholders;
- Actions of partnerships or sponsorship;
- Integration of social and environmental criteria in the procurement policy;
- Magnitude of subcontracting operations and consideration of sub-contractors' and suppliers' corporate social responsibility;
- Actions undertaken to prevent corruption;
- Measures taken in favour of consumer health and safety;
- Other actions taken in favour of human rights.



3 CORPORATE GOVERNANCE

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The definitions of the underlined words can be found in the Glossary on page 567.

Effective **governing bodies**

The Board of Directors



10 plenary Board meetings in 2017 including 2 seminars



98% attendance rate at the meetings in 2017

6 Specialised Committees

- Risks Committee
- Compensation Committee
- US Risks Committee
- Appointments and Governance Committee
- Audit Committee
- Strategy and CSR Committee

Crédit Agricole S.A.'s Executive Committee



1 Chief Executive Officer



1 Deputy Chief Executive Officer



4 Deputy Managing Directors in charge of 4 business lines



3 Deputy Managing Directors in charge of 3 central support functions



7 other members, including three internal control functions (Risk, Compliance, Control and Audit)

1. BOARD OF DIRECTORS' REPORT

TO THE GENERAL MEETING OF SHAREHOLDERS OF 16 MAY 2018 ON THE CORPORATE GOVERNANCE PURSUANT TO ARTICLES L. 225-37 AND L. 225-37-4 OF THE FRENCH COMMERCIAL CODE

Corporate Governance Report for financial year 2017

In addition to the management report, the Board of Directors' Corporate Governance Report[1] – presented pursuant to Article L. 225-37 of the French Commercial Code – provides shareholders with the required information on the Board's activities in 2017, its composition, and the conditions under which the Board prepared and organised its work. It also presents the situation of Crédit Agricole S.A. in respect of the regulated information required under Article L. 225-37-4 and falling within the Board's remit, including:

- the list of offices held by each Corporate Officer in any company during the year;
- any agreements which took place either directly of *via* an intermediary between, on the one hand, one of the Corporate Officers or a shareholder holding more than 10% of a company's voting rights and, on the other hand, another company of which the first directly or indirectly holds more than half of the share capital, excluding any agreements concerning ordinary operations signed under normal conditions;
- a description of the diversity policy applicable to the members of the Board of Directors with regard to criteria such as age, gender, qualifications and professional experience, as well as a description of this policy's objectives, its implementation procedures, and the results obtained during the past financial year;
- any restrictions imposed by the Board of Directors on the Chief Executive Officer's powers;
- any areas of non-compliance with the Afep/Medef Code applicable within Crédit Agricole S.A.

Pursuant to Article L. 225-37-2 of the French Commercial Code, this Corporate Governance Report also includes the draft resolutions on the principles and criteria for determining and allocating the fixed, variable and exceptional components of the total compensation and benefits in kind awarded to the Chairman, Chief Executive Officer and Deputy Chief Executive Officer. The report details the above-mentioned compensation items and specifies that the payment of the variable and exceptional compensation is subject to approval of these compensation components by the Ordinary General Meeting.

Lastly, excluding the Board's powers, in particular concerning the issuing or buyback of shares presented in this section the information required under Article L. 225-37-5 is presented in the management report, which includes the following information pursuant to Article L. 225-37-4:

- a table summarising the authorisations in force granted by the General Meeting of Shareholders concerning capital increases, pursuant to Articles L. 225-129-1 and L. 225-129-2, mentioning the use made of such authorisations during the year (page 13);
- the terms governing shareholder participation in General Meetings, laid down in the Articles of Association (Articles 21 to 29), presented on page 526 of this document and available for consultation at the registered office of Crédit Agricole S.A. and on its website – www.credit-agricole.com.

A cross-reference table listing all of the legal publication requirements before and after the reform introduced by the Order of 12 July 2017 is included on page 566 of this Registration document.

(1) This Board of Directors' Corporate Governance Report replaces the Chairman's Report reformed by Order No. 2017-1162 of 12 July 2017 introducing a number of measures to simplify and clarify corporates disclosure requirements.

The definitions of the underlined words can be found in the Glossary on page 567.

1.1. INFORMATION CONCERNING THE BOARD'S COMPOSITION AND OPERATION

1.1.1. General presentation of the Board of Directors

The Chairman

In accordance with Crédit Agricole's own governance model – which separates steering/control functions from executive functions – the office of Chairman and that of Chief Executive Officer of Crédit Agricole S.A. are historically separate, thus complying with Article L. 511-58 of the French Monetary and Financial Code, which provides that: "the Chairmanship of the Board of Directors, or of any other body performing equivalent oversight functions in respect of a credit institution or a finance company, cannot be held by the Chief Executive Officer or by anyone performing equivalent management duties".

As part of his statutory duties, the Chairman of the Board of Directors:

- adopts the agendas for the Board Meetings and ensures that the information provided to the Directors is adequate to make reasoned decisions; to this effect, he contributes to the smooth flow of information between the Board and the Executive Management, and between the Board and its Committees;
- encourages and promotes open, critical discussions and ensures that all viewpoints can be expressed within the Board;
- ensures that the responsibilities held within the Board are clear for all Directors.

He chairs the Board's Strategy and CSR Committee and is a member of the Appointments and Governance Committee.

Since November 2015, for the purpose of simplifying the organisation of the Crédit Agricole Group, the Chairman of Crédit Agricole S.A. is also the Chairman of the Fédération nationale du Crédit Agricole. In this respect, he plays an essential coordination role between Crédit Agricole S.A. and Crédit Agricole's Regional Banks, its majority shareholder *via* SAS Rue La Boétie, of which he is Chairman.

In 2017, in addition to constant dialogue with the Chief Executive Officer of Crédit Agricole S.A., and meetings with Senior Executives on strategic issues or issues falling within the Board's remit, in particular with the Group Chief Risk Officer and the Statutory Auditors prior to the approval of interim and annual financial statements, the Chairman took part in:

- the main meetings with the ECB's joint supervision team in charge of Crédit Agricole, as well as meetings with banking supervision officers;
- the main press conferences, as well as the press encounters and interviews organised by the Communications department of Crédit Agricole S.A., in particular for the presentation of results or for the launch of new offers within the scope of its Customer Project;
- internal events and meetings with the teams of the Crédit Agricole S.A. Group, including the teams from Amundi, Crédit Agricole Consumer Finance (CA Consumer Finance), Indosuez Wealth Management, Crédit Agricole Corporate and Investment Bank (Crédit Agricole CIB), Crédit Agricole's teams in Asia, as well as certain internal labour bodies such as the European Works Council.

The Chairman also represents the Group at major public events such as the Paris International Agricultural Show and in projects supported by the Crédit Agricole S.A. Group – such as the ELA Association (research into leukodystrophies), the Fondation Un Avenir Ensemble (a non-profit foundation that helps disadvantaged young people) and the CICA, an organisation bringing together banks from 24 countries for the financing of agriculture.

The Board of Directors

Crédit Agricole S.A.'s Board of Directors comprises 21 Directors, as follows:

- eighteen Directors elected by the General Meeting of Shareholders including:
  - ten Directors who are Chairmen or Chief Executive Officers of Crédit Agricole's Regional Banks,
  - one Director that is a legal entity, SAS Rue La Boétie, represented by a Chief Executive Officer of a Regional Bank who is also Deputy Chairman of SAS Rue La Boétie,
  - six Directors from outside the Crédit Agricole Group,
  - one Director who is an employee of a Regional Bank;
- one Director representing professional farming associations, appointed by joint decree of the Ministry of Finance and the Ministry of Agriculture, pursuant to the Act of 18 January 1988 on the mutualisation of Caisse Nationale de Crédit Agricole, which became Crédit Agricole S.A. on 29 November 2001;
- two Directors elected by the employees of Crédit Agricole S.A. Group.

The Board includes a non-voting Director who is Chief Executive Officer of a Crédit Agricole Regional Bank and, since May 2017, a non-voting Director who is Chairman of a Crédit Agricole Regional Bank. Non-voting Directors are appointed by the Board of Directors on the recommendation of the Chairman or the Appointments and Governance Committee for persons outside the Group. They attend Board Meetings in an advisory capacity. Their presence not only reflects the Group's desire to maintain a balanced geographical representation of the Regional Banks on the Board, but also constitutes a pool of potential appointees to the Board to replace outgoing members. This was the case, in 2015, with François Thibault, who was elected to the office of Director by the General Meeting of 20 May 2015, with Jean-Paul Kerrien, who was co-opted by the Board as a Director on 4 November 2015, with Catherine Pourre, who was appointed by the General Meeting of 24 May 2017, and with Philippe Boujut, whose appointment as Director will be proposed at the General Meeting of 16 May 2018.

A Works' Council representative attends meetings of the Board of Directors, in an advisory capacity.

Under the terms of the agreement entered into by the Regional Banks and Crédit Agricole S.A. at the time of the initial public offering, the Regional Banks, through SAS Rue La Boétie, own the majority of the share capital (56.6% at the end of 2017) and voting rights (56.7% at the same date) in Crédit Agricole S.A., making it immune to takeover bids. The composition of the Board of Directors also ensures a majority representation of the Regional Banks.

In addition, three seats on the Board are reserved for employees. The election of Directors by employees goes back to 1984, when the Caisse Nationale de Crédit Agricole (CNCA) was a public body (Decree of 17 July 1984 applying the Act of 26 July 1983 on public sector democratisation to the CNCA). As of CNCA's initial public offering, at which point it became Crédit Agricole S.A., Crédit Agricole Group decided:

- firstly, to keep two seats (one manager and one non-manager) for Directors elected by the employees of the Crédit Agricole S.A. Union Économique et Sociale in accordance with the provisions of Articles L. 225-27 *et seq.* of the French Commercial Code;
- secondly, to set aside one of the Directors' seats for a representative of Regional Bank employees; the candidate is chosen, under the auspices of the Fédération nationale du Crédit Agricole, from the most representative union within the Regional Banks; as this situation is exclusively governed by a provision of the Articles of Association, the Director representing Regional Bank employees is elected by the General Meeting under common law conditions.

Without taking into account the three Directors representing employees (in accordance with the recommendation of the Afep/Medef Code), 33% of the Directors on the Board are independent, in line with the recommendation of the aforementioned Code for companies controlled by a majority shareholder.

With 21 Directors, the Board of Crédit Agricole S.A. reflects a proper balance between:

- the decision taken by the Regional Banks in 2001 upon the Crédit Agricole S.A. IPO – mentioned in the listing protocol published at the time – to permanently hold at least 50% of the share capital and voting rights of Crédit Agricole S.A. and thus hold a majority of seats on the Board;
- the legal, historical and contractual requirements concerning representation of employees of Crédit Agricole S.A. and of the Regional Banks on the Board;
- the presence, as required by law, of a state-appointed Director representing professional farming associations;
- the requirements concerning the number of independent Directors, taking into account the functions and missions assigned to them by banking regulations and the recommendations of the Afep/Medef Code for controlled companies (proportion of one-third at least of Directors, excluding employee representatives).

Under these conditions, any increase or decrease in the number of Directors representing any of the above-mentioned categories would mechanically result in a proportional increase or decrease of the number of Directors in the other categories in order to maintain the balance required by law and by the Articles of Association, with the risk of undermining the proper functioning of the Board.

To date, each of the annual assessments conducted with stakeholders has confirmed that the size of the Board of Crédit Agricole S.A. is totally appropriate for its members.

In addition to the above-mentioned provisions of the Articles of Association, it is specified, pursuant to Article L. 225-37-5 of the French Commercial Code, that the rules applicable to the appointment and replacement of members of the Board of Directors of Crédit Agricole S.A. are the common-law rules laid down in the French Commercial Code and the French Monetary and Financial Code (in particular Art. L. 511-51). As Crédit Agricole S.A. is an entity under the direct supervision of the European Central Bank, its Board of Directors is also covered by the ECB's Single Supervisory Mechanism (SSM Framework Regulation of 16 April 2014). To this effect, after the appointment (or re-appointment) of Directors by the General Meeting, the European Central Bank issues a non-opposition notice after a review of each appointee's repute, expertise and availability.

To date, no opposition notice has ever been issued by the European Central Bank in respect of a Director of Crédit Agricole S.A.

1.1.2. Rules of functioning of the Board of Directors and Specialised Committees

The functioning of the Board of Directors is governed by legal provisions and by the Board's Rules of Procedure. The same is true for the Specialised Committees.

The Board's Rules of Procedure, the Directors' Code of Conduct and, since December 2016, the Code of Ethics, appended to the latest version of these documents produced in October 2017, are appended to this report. Along with the Committees' Rules of Procedure, these documents are available on the website of Crédit Agricole S.A. at https://www.credit-agricole.com

Furthermore, the Board of Directors of Crédit Agricole S.A. is entirely composed of non-executive Directors, and no severance benefit is payable to Board members upon termination of their office, irrespective of the reason.

1.1.3. Board's diversity policy

Gender balance

In accordance with the law of 27 January 2011 on the balanced representation of men and women on Boards of Directors, which, for listed companies, came into force at the first General Meeting held in 2017 to approve appointments, the proportion of Directors of each gender on the Board of Crédit Agricole S.A. cannot be lower than 40%.

The only exclusion from the denominator laid down by the law concerns "Directors elected by employees", *i.e.* two Directors out of 21. Ms Pascale Berger – representing the employees of the Regional Banks under the collective agreement, but having been elected directly by the shareholders at a General Meeting – is thus taken into account in the calculation of the 40% threshold. The same applies to Ms Christiane Lambert – representing professional farming associations – who was appointed by the French Ministers of Agriculture and the Economy and Finance, and is thus not covered by the legal exclusions.

On 13 February 2018, the date on which the Board of Directors approved the resolutions to be submitted to the General Meeting on 16 May 2018, the Board of Directors of Crédit Agricole S.A. comprised nine women out of the 19 members covered by the legal calculation rule, representing a ratio of 47%.

They consist of Ms P. Berger, C. Catoire, L. Dors, V. Flachaire, F. Gri, C. Lambert, M. Mondardini, C. Pourre, R. Talamona.

The definitions of the underlined words can be found in the Glossary on page 567.

With the exception of the Strategy and CSR Committee – chaired by Dominique Lefebvre who is also Chairman of the Board of Directors – the five other Specialised Committees are chaired by female Directors:

Specialised Board Committees	Chair
Risks Committee	Françoise Gri
United States Risk Committee	Françoise Gri
Audit Committee	Catherine Pourre
Compensation Committee	Laurence Dors
Appointments and Governance Committee	Monica Mondardini
Strategy and CSR Committee	Dominique Lefebvre

The issue of gender balance within Boards of Directors and, more broadly, within Executive bodies is discussed every year by the Appointments and Governance Committee and by the Board of Directors, in particular during the review of the report on gender equality at work. In general, the Board feels that the increase in the number of women on Boards of Directors and Executive bodies should be driven by proactive policies on the part of companies. It favours a general movement contributing to increasing the number of potential candidates. In this respect, on 7 November 2017, it approved the Crédit Agricole S.A. Policy on gender equality at work. Measures include a partnership with IFA (the French Directors' Institute) and IEP Paris (Institute of Political Studies) for the setting up of a training course to provide the Group with a pool of persons – primarily women – with the appropriate profiles to both hold offices on the Boards of Directors of the Group's entities and to represent the Group with outside companies. In order to redress the balance within this pool, the rule set by Crédit Agricole S.A. is for each cohort to be made up of 70% women and 30% men.

1.1.4. Profile and expertise of the Board of Directors

The Directors' combined professional experience forms the basis of the Board of Directors' collective expertise, which is recognised as a collegiate body under French law. The diversity of experiences and expertise contributes to the richness of discussions in key areas of the banking and insurance business – such as financial markets, accounting and auditing, technology, strategic planning, risk management, regulations, marketing and distribution, human resource management, the governance of credit institutions, and the Company's corporate social responsibility. In this spirit, the questionnaire for the assessment of the Directors' individual expertise – approved by the Appointments and Governance Committee on 7 February 2017 for the 2017 campaign – focused on twelve areas of expertise, each deemed indispensable for the performance of the Board's missions under proper conditions.

The approach used in the questionnaire is based on knowledge (through a four-level scale ranging from "low" to "very good"), as well as professional experience.

The knowledge aspect encompasses the following:

- an overall vision of the company's activities and the risks associated with them;
- a precise vision of each of the Company's key activities and their environment;
- a sectoral vision of certain activities (financial markets, capital markets, insurance, solvency, and models);
- financial accounting and auditing;
- risk management, compliance and internal audit;
- IT and security;
- local, regional or global economic dimensions;
- applicable laws and regulations;
- corporate social responsibility.

The experience aspect encompasses:

- company management, including experience in human resource management, marketing and distribution;
- the management of international groups;
- strategic planning.

Based on the Appointments and Governance Committee's review of the results of the individual and collective assessments conducted with Board members by the firm Spencer Stuart in 2017 and presented to the Appointments and Governance Committee on 1 August 2017 before being examined by the Board on 10 October 2017, the collective expertise of the Board of Directors of Crédit Agricole S.A. is characterised by:

- the predominance of banking, finance and insurance expertise, with a high level of expertise in audit and risks;
- expert knowledge of local economies, the bedrock of the Group's business, more often combined with strong commitments to local, or even, national communities;
- experience as Directors of large corporates, mainly multi-nationals, in the service, technology and industry sectors;
- recognised players in the fields of governance and CSR.

Based on the results of the assessment campaign conducted in 2017, the Board of Directors of Crédit Agricole S.A. concluded that, in each of the areas examined, the Board permanently has several members with adequate knowledge of the subjects, and that all essential aspects of its collective expertise were covered. Whilst banking and financial expertise must always remain Crédit Agricole's top priority, given its history and organisational model (which rests on a cooperative regional base), regional and national economic knowledge was reaffirmed as an important component of the Board of Directors' collective expertise. This expertise may face an international environment, which means that the Board must have professional experience in multinational corporations. The Board considers that expertise in certain fields, such as IT and corporate social responsibility, must always be present within

the Board. This expertise may be shared between independent Directors and representatives of Regional Banks.

The Board reaffirmed its commitment to this balance of skills, which broadly reflects its policies of having a majority of Directors stemming from the pool of Chairmen and Chief Executive Officers of Crédit Agricole Regional Banks – including the permanent representative of SAS Rue La Boétie – along with three employee representatives and the external expertise of the independent Directors and representative of the professional farming associations (see each Director's profile in the "Offices" section of this report).

This balance of skills is also assessed at the time of appointment and/or re-appointment of Directors, taking into account the legal requirements concerning gender parity within Boards of Directors, and ensuring that the proportion of Directors of each gender on the Board amounts to at least 40% (excluding Directors elected by employees).

INDICATIVE GRID CONCERNING THE DESIRED BALANCE OF INDIVIDUAL EXPERTISE REQUIRED FOR THE BOARD OF DIRECTORS' COLLECTIVE EXPERTISE

	>50%(1)	Between 30 and 50%(1)	From 10 to 30%(1)
1) Knowledge of the Company's activities and associated risks	✓		
2) Knowledge of each of the Company's key activities		✓	
3) Sectoral knowledge of certain activities	✓		
• Retail banking	✓		
• Asset gathering		✓	
• CIB		✓	
• Specialised financial services		✓	
4) Knowledge of financial accounting		✓	
5) Knowledge in the fields of risk management, compliance and internal audit	✓		
6) Knowledge in the field of IT and security			✓
7) Knowledge of local, regional or global economic environments	✓		
8) Knowledge of laws and regulations		✓	
9) Experience in company management	✓		
10) Experience in the management of international groups		✓	
11) Experience in strategic planning	✓		
12) Knowledge in the field of corporate social responsibility		✓	

(1) Permanent percentage of Directors required having good or very good knowledge in the fields mentioned.

1.1.5. Directors' independence

Crédit Agricole S.A. refers to the Afep/Medef Corporate Governance Code for listed companies, as revised in its latest version published in November 2016 (the "Afep/Medef Code"). Crédit Agricole S.A. does not comply – or does not comply in full – with certain recommendations of the Afep/Medef Code as set out in a table appended to this section (see above).

The process for assessing the independence of Crédit Agricole S.A. Directors is implemented under the auspices of the Appointments and Governance Committee. At its meeting of 1 February 2018, the Committee individually examined the situation of each of the Directors, in particular that of independent Directors. To this effect, each of them had been requested to report any significant change in their situation liable to affect their independence, and to confirm the compliance of their situation which each criteria of the Afep/Medef Code – which requires independent Directors to be non-executive officers of the Company or its Group and have no particular ties (significant shareholder, employee, etc.) with them.

The six criteria that it sets out are:

1. is not, or has not been, in the last five years:
- an employee or Executive Corporate Officer of the Company,
- an employee, Executive Corporate Officer or Director of a company consolidated by the Company,
- an employee, Executive Corporate Officer or Director of the parent company or of a company consolidated by this parent company;

2. is not an Executive Corporate Officer of a company in which the Company, directly or indirectly, acts as a Director or in which an employee designated as such or an Executive Corporate Officer of the Company (currently or in the last five years) is a Director;

3. is not a client, supplier, corporate banker or investment banker
- who plays a significant role in the Company or its Group,
- for whom the Company or its Group represents a significant proportion of his/her business;

4. has no close family tie with a Corporate Officer;

5. has not been an auditor of the Company in the last five years;

The definitions of the underlined words can be found in the Glossary on page 567.

6. has not been a Director of the Company for more than 12 years; the status of independent Director is lost when the 12 years is up.

On the recommendation of the Appointments and Governance Committee, the Board noted that the representatives of the Regional Banks sitting on the Board of Directors of Crédit Agricole S.A. (Chairmen or Chief Executive Officers) could not be deemed to be independent Directors on the basis of the principle outlined and the above criteria, as Directors of the Regional Banks hold offices in the parent company or in companies consolidated by said parent company. The same goes for the Director representing Regional Bank employees, who is the employee of an entity with a controlling interest in Crédit Agricole S.A. Irrespective of the fact that, due to their employment contract, they would not meet criterion 1, the two Directors representing Crédit Agricole S.A. employees on the Board come under a specific regulatory framework, and cannot, under the Afep/Medef Code, be included in the calculation of the percentage of independent Directors.

Lastly, with regard to the professional farming associations' representative, Crédit Agricole's position as the leading financier of agriculture in France excludes said Director *de facto* from compliance with criterion 3, even if said Director's appointment by the Minister of the Economy and Finance and the Minister of Agriculture is part of a regulatory process in which Crédit Agricole S.A. has no say.

With respect to the Regional Banks Chairmen who sit on the Crédit Agricole S.A. Board, the Board has reiterated, as it does every year, that they are not employees of the Regional Banks and that they legitimately hold this office by election, in accordance with the Regional Banks' cooperative status.

As in 2016, the Board of Directors believed that six Directors met the Afep/Medef Code's independence criteria at its meeting of 13 February 2018:

- Caroline Catoire;
- Laurence Dors;
- Françoise Gri;
- Monica Mondardini;
- Catherine Pourre;
- Christian Streiff.

As previously, the Board's composition, with one-third independent Directors, not including employee Directors, fulfils the recommendations of the Afep/Medef Code on controlled companies.

In addition to a formal review of their individual situation, updated by each interested party for each criterion, the assessment was also based, after the recommendation of the Appointments and Governance Committee, on the findings of an analysis conducted with the support of the Group's Risks department concerning existing business relations between the Crédit Agricole Group and the companies in which the independent Directors hold positions.

As banking is, by definition, at the heart of the financing of the economy and in view of the characteristics of the French banking market, whenever the companies concerned are based in France, the probability that these companies are customers of a Crédit Agricole Group entity is obviously high, often increasing with the size of the company.

Consequently, to assess the "significant" nature of the business relationship, the analysis takes account of:

1. the amount and nature of the commitments, their maturity, their significance within the company's debt, and the company's refinancing capacity;

2. the quality of the relationship with the company in question, in particular its financial position as demonstrated by its results and ratings (Banque de France and internal rating), in order to check whether it depends on Crédit Agricole for financing or whether it would be able to obtain financing from other banks or through other means – including *via* the market – in the event of Crédit Agricole's withdrawal.

By making sure that the business relationship is balanced, *i.e.* that neither of the parties is in a position of power over the other, this last phase adds a determining qualitative dimension to the overall assessment.

In anticipation of the General Meeting of May 2018, analyses were performed for each of the independent Directors of Crédit Agricole S.A. concerning business relationships with companies in which they hold positions or have ties. These analyses concerned:

Caroline Catoire *(Ms Catoire acts as a consultant with this group)*	• Roquette Group
Laurence Dors	• Capgemini • EGIS Group
Françoise Gri	• Edenred S.A.
Monica Mondardini	• CIR Group • Atlantia S.p.A. • Trevi Financiaria Industriale S.p.A.
Catherine Pourre	• SEB • Neopost • Bénéteau
Christian Streiff	• Safran

Based on the results of this analysis, on the recommendation of the Appointments and Governance Committee, the Board has deemed that the Group's commitments vis-à-vis these companies:

- were either not significant enough to qualify as situations of dependence on Crédit Agricole;
- or, after further analysis of these companies' financial positions, revealed a balanced business relationship with these counterparties, with neither of the parties having the ability to exert influence over the other.

The Appointments and Governance Committee reiterated that, under all circumstances, should the Directors concerned be called upon to give an opinion on a matter in which there is a potential conflict of interests, said Directors must abstain from related discussions and voting, as required by the rules of good governance of Crédit Agricole S.A. and the Directors' Code of Conduct.

1.1.6. Directors' term of office and average age

The term of office of Crédit Agricole S.A. Directors as private individuals is fixed at three years by the Articles of Association. Directors may not serve for more than four consecutive terms.

The average age of Crédit Agricole S.A. Directors as of 31 December 2017, was 59. The Company's Articles of Association provide for a maximum age limit of 65, and 67 for the Chairman.

The table below shows the expiry dates of the terms of office of Directors elected by the General Meeting of Shareholders for the next three years.

Concerning other Directors:

- the terms of office of the two Directors representing Crédit Agricole S.A. employees are governed by an electoral protocol; within this framework, their terms of office, which are renewable, are due to expire in June 2018;
- by Order of the Minister of the Economy and Finance and the Minister of Agriculture and Food dated 28 August 2017, Christiane Lambert, Chairwoman of the French federation of farmers' unions – *Fédération Nationale des Syndicats d'Exploitants Agricoles* – was appointed member of the Board of Directors of Crédit Agricole S.A., as representative of professional farming associations. This appointment, which is renewable, is valid for a term of three years.

EXPIRY OF THE TERMS OF OFFICE OF COMPANY DIRECTORS ELECTED BY THE GENERAL MEETING
(General Meeting of Shareholders to approve the annual financial statements)

Names	2018 General Meeting of Shareholders	2019 General Meeting of Shareholders	2020 General Meeting of Shareholders
Dominique Lefebvre		✓	
SAS Rue La Boétie represented by Raphaël Appert	✓		
Pascale Berger	✓		
Caroline Catoire			☐
Laurence Dors			✓
Daniel Epron			✓
Véronique Flachaire		✓	
Jean-Pierre Gaillard		✓	
Françoise Gri			✓
Jean-Paul Kerrien		✓	
Monica Mondardini	✓		
Gérard Ouvrier-Buffet			✓
Jean-Pierre Paviet	☐		
Catherine Pourre			✓
Christian Streiff			☐
Renée Talamona	✓		
Louis Tercinier	✓		
François Thibault			☐

✓*: Renewable term of office*
☐*: Non-renewable term of office*

1.1.7. Changes within the Board and Committees in 2017

The Board of Directors of Crédit Agricole S.A. underwent several major changes following the General Meeting of 24 May 2017. These changes had been announced in the 2016 Registration document.

Following the 2014 split of the Audit and Risks Committee into two separate Committees, the Board had decided that François Veverka would chair the two Committees until his departure in May 2017, in order to ensure a smooth transition and properly prepare his succession. In this respect, Catherine Pourre – an ESSEC graduate holding a degree in business law from Université Catholique de Paris, a Chartered Accountant with over 20 years' experience in auditing and consulting, and former Executive Director of Unibail Rodamco (2002-2015) – had joined the Board in May 2016, as a non-voting Director. She already sat on the Audit Committee, Risks Committee and US Risks Committee in this capacity.

Following the General Meeting of 24 May 2017, where she was appointed member of the Board of Directors of Crédit Agricole S.A., the Board assigned the chairmanship of the Audit Committee to Ms Pourre.

Moreover, as decided in 2016, Françoise Gri – member of the Board of Directors of Crédit Agricole S.A. since 2012 having seen her term of office renewed at the General Meeting of 24 May 2017, member of the Strategy and CSR Committee and member of the Risks Committee since 2012 – took over from Mr Veverka as Chair of the Risks Committee and Chair of the US Risks Committee.

Given the historical choice made by Crédit Agricole S.A. to perform its corporate and investment banking activities *via* a subsidiary entity, and in view of the importance for the Board to track the results and risks of these activities, Ms Gri and Pourre also joined

The definitions of the underlined words can be found in the Glossary on page 567.

the Board of Directors of Crédit Agricole CIB in 2017, as Risks Committee member and Audit Committee member, respectively.

In accordance with the standards published by the European banking authorities, which consider that the participation of Directors in both of these Committees contributes to a smooth flow of information between them, Ms Pourre was appointed member of the Risks Committee while Ms Gri was appointed member of the Audit Committee of Crédit Agricole S.A. Furthermore, Ms Gri has replaced Mr Veverka as member of the Compensation Committee, in line with the recommendations of the banking authorities, who want the "risk" dimension to be taken into account in this Committee's work, so that modes of compensation never promote excessive risk-taking.

In addition to the appointment of Ms Pourre, the General Meeting appointed Jean-Pierre Paviet (Chartered Accountant, Chairman of Caisse Régionale des Savoie) and Louis Tercinier (Chairman of Caisse Régionale Charente-Maritime Deux-Sèvres) as Directors. They have replaced Jean-Louis Roveyaz and Roger Andrieu, respectively.

At the close of the General Meeting, the Board appointed Mr Tercinier as member of the Appointments and Governance Committee to replace Mr Andrieu.

Moreover, it appointed Mr Thibault – Chairman of Caisse Régionale Centre Loire – as member of the Risks Committee, to replace Mr Roveyaz. Jean-Paul Kerrien – Chairman of Caisse Régionale du Finistère – took over as member of the Compensation Committee.

Lastly, following the appointment by SAS Rue La Boétie of Raphaël Appert – Chief Executive Officer of Caisse Régionale Centre-est – as its permanent representative on the Board of Directors as of 3 May 2017, to replace Jack Bouin, Mr Appert took over the position of Board Vice-Chairman, assigned to the representative of SAS Rue La Boétie and previously held by Mr Bouin.

He also took over Mr Bouin's position as member of the Appointments and Governance Committee and member of the Strategy and CSR Committee. In the CSR Committee, Christian Streiff, who was already a member of the Risks Committee, replaced Mr Veverka.

In addition to the above-mentioned Directors and situations, the following Directors continued to perform their duties within the Committees of which they were already members, following the renewal of their terms of office at the General Meeting of 24 May 2017:

- Caroline Catoire, member of the Audit Committee and member of the US Risks Committee;
- Laurence Dors, Chairwoman of the Compensation Committee, member of the Audit Committee;
- Daniel Epron, member of the Compensation Committee;
- Gérard Ouvrier-Buffet, member of the Audit Committee.

Lastly, in February 2017, following the death of Xavier Beulin (the Board member representing the professional farming associations), the Minister of the Economy and Finance and the Minister of Agriculture, on the recommendation of the representative professional farming associations, appointed Christiane Lambert (Chairwoman of *Fédération Nationale des Syndicats d'Exploitants Agricoles* – FNSEA) as representative of the professional farming associations on the Board of Crédit Agricole S.A. by joint Order dated 28 August 2017.

1.1.8. Other information required under Article L. 225-37-4 of the French Commercial Code

1. Restrictions imposed by the Board of Directors on the Chief Executive Officer's powers: the Chief Executive Officer enjoys the broadest powers to act in all circumstances on behalf of Crédit Agricole S.A. and to represent the Bank with respect to third parties. He exercises his authority within the limits of the Company's objects and subject to that authority expressly assigned by law to Meetings of Shareholders and to the Board of Directors.

   His relations with the Board of Directors are governed by the Board's Rules of Procedure, which require the Chief Executive Officer to obtain the Board's prior approval for the following operations:

   - the creation, acquisition or disposal of any subsidiaries and equity investments in France or abroad for amounts exceeding €150 million;
   - any other investment of any kind for amounts exceeding €150 million.

2. Principles and rules laid down by the Board of Directors to determine the compensation and benefits in kind awarded to Corporate Officers:

   This information can be found in the "compensation" section of this document.

3. Areas of non-compliance with the Afep/Medef Code:

   The areas of non-compliance with the Afep/Medef Code appear in the summary table hereunder. Such areas of non-compliance are not mentioned when they stem from the implementation of banking laws or regulations.

In accordance with paragraph 2 of Article L. 225-37-4 of the French Commercial Code, we advise you that no agreements were signed, either directly or via an intermediary, between, on the one hand, one of the Corporate Officers or a shareholder holding more than 10% of a company's voting rights and, on the other hand, another company of which Crédit Agricole S.A., directly or indirectly, holds more than half of the share capital (unless such agreements concern ordinary operations signed under normal arm's length conditions).

1.1.9. Summary table of areas of non-compliance in the application by Crédit Agricole S.A. of the recommendations of the revised Afep/Medef Code

Recommendation of the Code	Comment by the Company
Assessment of the Board of Directors **10.3** It is recommended that a meeting be held each year without the presence of Executive Corporate Officers.	The Board of Directors of Crédit Agricole S.A. does not hold any plenary meetings without the presence of Executive Corporate Officers. As a reminder, the Board of Crédit Agricole S.A. is exclusively composed of non-executive Directors. However, the Risks Committee and the Audit Committee each hold an annual meeting without the presence of Executive Corporate Officers and Statutory Auditors. It should be recalled that the individual and collective performance of Executive Corporate Officers is evaluated in detail on an annual basis by the Compensation Committee as part of the system governing Corporate Officer compensation approved by the Board. The presentation to the Board by the Committee Chairwoman of the findings of this assessment, along with the Board's discussion on the components of the Executive Corporate Officers' compensation packages, take place in the absence of the Executive Corporate Officers, in accordance with Article 17.3. of the Afep/Medef Code.
The Committee in charge of selection or appointments **16.1** Composition: "(II) should have a majority of independent Directors".	The Appointments and Governance Committee is chaired by an independent Director. It comprises six members, including the non-executive Chairman of the Board of Directors, and two independent Directors i.e. a proportion of one-third. The shareholding structure (existence of a majority shareholder) is reflected in the composition of this Committee.
Share ownership by Directors and Executive Corporate Officers: **19. Ethical standards applicable to Directors:** "... the Director should personally be a Company shareholder and, in accordance with the provisions of the Articles of Association or Rules of Procedure, hold a minimum number of shares that is significant in relation to the Directors' fees allocated to him/her". 22. Obligation to hold shares "The Board of Directors sets the minimum number of shares that Executive Corporate Officers are required to hold as registered shares until the end of their term of office. This decision is reviewed at least every time they are reappointed. (...) So long as the shareholding target has not been reached, Executive Corporate Officers allocate that portion of their option exercises or performance share awards as determined by the Board for this purpose. This information is included in the Company's annual report."	The Company's Articles of Association set the minimum holding of Crédit Agricole S.A. shares by a Director at one share. No provision is made in this regard for Executive Corporate Officers. Any change would need to be approved by an Extraordinary General Meeting called to amend the Articles of Association, something that no Director or shareholder has requested to date. The number of shares held by each Director is disclosed in this report, in the section "Offices held by Directors and Corporate Officers". The average number of shares held is around 2,150. At an annual average share price of €14, this amounts to a value close to the net amount paid for 10 annual Board meetings. As regards Executive Corporate Officers more specifically, it should be borne in mind that: • unlike the practice observed in most large companies in the CAC 40, the Corporate Officers of Crédit Agricole S.A. do not receive stock options or performance shares; • under current regulations, a significant portion of their variable compensation is deferred and paid in the form of instruments linked to the Crédit Agricole S.A. share price.
21. Termination of employment contract in the case of a corporate office "It is recommended, when an employee becomes a Company Executive Corporate Officer, to terminate their employment contract with the Company or a Group company, either by means of contractual termination or resignation.(1) This recommendation applies to the Chairman, Chairman and Chief Executive Officer, and Chief Executive Officer in companies with Boards of Directors (...)."	Upon the appointment of Philippe Brassac as Chief Executive Officer of Crédit Agricole S.A. from 20 May 2015, the Board of Directors authorised, at its meeting of 19 May 2015, the maintenance of his employment contract and its subsequent suspension during his term of office. The termination of his employment contract would have deprived him of the rights arising from the performance of his employment contract that were progressively built up over the course of his 33-year career with the Group and, in particular, benefits obtained by virtue of seniority and length of service, notably in terms of long-term benefits – such as membership of group schemes – and the right to severance payments. The overall amount of such payments would not, in any event, exceed two years of gross compensation in accordance with the recommendations of the Afep/Medef Code. The Board considered that this is an appropriate approach to give Group employees who have made a major contribution to its development the opportunity to access high-standing offices, thereby fostering the sustainable management of the Group's human resources.
24. Compensation of Executive Corporate Officers 24.5.1 Departure of Executive Corporate Officers – General Provisions Termination payments: "The law gives a major role to shareholders since the predefined termination payments granted to Executive Corporate Officers are subject to the procedure applicable to related-party agreements. The law imposes total transparency and makes termination payments conditional upon performance conditions". The performance conditions set by Boards for these payments must be assessed over at least two financial years. They must be stringent and solely allow the award of termination payments in the event of the forced departure of an executive, irrespective of its form."	• **for the Deputy Chief Executive Officer:** his mandate contract, also approved by the General Meeting in respect of related-party agreements, does not provide for performance conditions, insofar as the termination payments for which he would be eligible in the event of his contract being terminated would not be due under his mandate contract, but under his employment contract, which is suspended during the exercise of his mandate and would be reactivated in the event of termination of his directorship. The introduction of performance conditions would, in this case, be contrary to labour law.

(1) When the employment contract is maintained, it is suspended according to existing jurisdiction.

The definitions of the underlined words can be found in the Glossary on page 567.

1.2. ACTIVITIES OF THE BOARD AND THE SPECIALISED COMMITTEES IN 2017

1.2.1 Board activities

The Board was very active in 2017, with 10 meetings including two strategic seminars, the first of which took place on 20 January 2017 and concerned the progress of the "Strategic Ambition 2020" Plan. The second seminar, held on 18 April 2017, focused on the Customer Project component of the Strategic Plan for retail banking and the strategy concerning Payment instruments. The principle of two strategic seminars per year has been officially adopted, and these two meetings are now included in the annual schedule. They meet the Directors' wish to have meetings during the year exclusively focused on examining and discussing the Group's business lines and/or commercial activities in their respective contexts.

Directors' attendance rate remained very high, averaging 98% (see attendance table below) reflecting the strong commitment of all Directors, which has not waned from one year to the next.

Bodies	Attendance rate	Number of meetings in 2017
Board of Directors	98%	10 (including 2 seminars)
Risks Committee	97%	6
Audit Committee	100%	5
Joint Risks/Audit Committees	93%	3
United States Risks Committee	100%	4
Compensation Committee	97%	5
Strategy and CSR Committee	100%	5
Appointments and Governance Committee	100%	4

Concerning the Executive Management's organisation and that of the Executive Committee, the model used in 2017 followed on from that of 2016, with an Executive Committee composed of 16 members, unchanged from the previous year. A number of changes took place within the Management Committee (53 members), as the Development division of Crédit Agricole S.A. saw the arrival of the Head of Marketing and Communication, the Head of Customer Relations and Innovation, the Head of Relations with Regional Banks, and the Head of Amundi's Institutional and Corporate Clients division.

Continuity also prevailed at the helm of the three internal control functions (Risks, Control and Audit, and Compliance), of which the three Heads are members of the Executive Committee and report to the Executive Management. On a regular basis, they reported on their work and the results of their audits to the Board and its Specialised Committees in accordance with the Decree of 3 November 2014, in particular Article 23 for internal control, Article 31 for the Head of Compliance, Article 77 for the Head of Risks, Article 252 for the biannual presentation of internal control outcomes, and Article 265 for the presentation of the annual internal control report. Within this framework, and in addition to systematic attendance at Risks Committee Meetings, the Group Chief Risk Officer attended every Board meeting in 2017, while the Head of Group Compliance and the Head of Group Control and Audit each attended two Board meetings. The work of the Group Control and Audit function was presented in May 2017 by the Head of the function, while the Audit Plan for 2018, previously reviewed by the Risks Committee and, for financial projects, by the Audit Committee, was presented in November 2017.

In terms of governance, a notable change took place in 2017 with respect to the three Senior Executives of the control functions, in order to comply with a request from the European Central Bank, concerning the principles laid down by the Basel Committee. The appointment of each of these executives will now be submitted to the Board's opinion, after having obtained those of the Appointments and Governance Committee and Risks Committee. Likewise, their removal will require the Board's approval, after having obtained the opinion of the two above-mentioned Committees. The Board's Rules of Procedure, and those of the Committees – which until then solely included the French legal and regulatory provisions requiring that the Board be informed of these appointments and that its approval be sought for the removal of the Chief Risk Officer – have been amended accordingly.

For all members of the Management Committee – all identified as having key functions within the Crédit Agricole S.A. Group, *i.e.* whose departure or incapacity would affect the Group's proper functioning – the Appointments and Governance Committee informed the Board of the review of the measures taken in respect of succession plans for each of those members.

For the members of the Executive Committee, specific measures are taken by the Executive Management.

As part of its strategic steering of the Company's activities, the Board worked on five major structural transactions in 2017, all of which were made public on or before their completion date:

- the finalising of Amundi's acquisition of the Italian asset management company Pioneer Investments for €3.5 billion, making Crédit Agricole's listed subsidiary the No. 1 asset management company in Europe and ranking it among the world's top 10; in that context, the Board authorised (i) a capital increase by Amundi to finance the transaction and determined the Group's appropriate stake in Amundi following this operation (70%), and (ii) the granting of a performance guarantee by Crédit Agricole S.A. for this capital increase (the guarantee was not drawn down as the subscription rate reached 209%);
- the acquisition of three Italian Savings banks – Cesena, Rimini and San Miniato – increasing the Group's Italian retail customer base by 20%, as well as the acquisition of Banca Leonardo in the field of wealth management, increasing the assets managed by CA Indosuez Wealth Management by nearly €6 billion;

- Crédit Agricole CIB's sale of a 16.2% stake in Banque Saudi Fransi ("BSF") to Kingdom Holding Company ("KHC") – a Saudi holding company listed in Saudi Arabia – for around €1.3 billion, reducing Crédit Agricole CIB's stake in BSF to 14.9%;
- the acquisition of the 15% stake in CACEIS still held by Natixis for €380 million;
- the sale of the 15.42% stake in Eurazeo held by Crédit Agricole S.A. to the Decaux family holding company.

These acquisitions support Crédit Agricole's "Strategic Ambition 2020" Plan which, while giving priority to organic growth, provides for the possibility of targeted disposals or acquisitions in certain business lines, in particular to boost the Group's development in Italy, defined as its No. 2 domestic market. For each of these operations, the Board was particularly attentive to their impacts on the capital adequacy path of Crédit Agricole S.A.

In addition, the Board remained highly attentive to the Company's economic, political, regulatory and international climate, which has been the subject of discussions and exchanges with the Executive Management. For this reason, the Board focused particular attention on the following:

- before the French presidential elections, the impact of the candidates' programmes on Crédit Agricole's business activities and funding programme;
- the negotiations taking place within the Basel Committee on the finalising of the Basel 3 prudential agreement, termed by European professionals "Basel IV" in view of the initial project's seeming ambition to give the previous agreements a new orientation;
- the effect of interest rate levels, the likelihood of any changes thereto, and their impacts on Group activities, of which the Board was kept regularly informed and of which it conducted an in-depth review of possible consequences at its strategy seminar of 20 January 2017;
- the impact of new market players and their competitive positioning, along with the conclusions to be drawn by the Group in terms of offers and communication;
- the impact of the coming into force – on 1 January 2018 – of IFRS 9 which, beyond regulatory aspects, gave rise to a large-scale IT project to comply with the standard (the Chairman of the Audit Committee reported to the Board on a regular basis on the progress of this project);
- the impact of the first Amending Finance Act for 2017, published on 1 December 2017, introducing an exceptional income tax contribution for large corporates to finance the refund of the tax surcharge of 3% ruled to be unconstitutional; given the scale of its business in France, where it is taxed, the Crédit Agricole cooperative banking group is among the top payers of this exceptional tax contribution;
- the effect of Brexit, in particular for Group entities based in the UK (Crédit Agricole S.A., Crédit Agricole CIB, Amundi, CACEIS and FCA Bank), with impacts that seemed under control, irrespective of the final outcome.

The Board of Directors chose the occasion of the quarterly review of the Crédit Agricole Group and Crédit Agricole S.A. Group consolidated financial statements to assess the direction and development of the Group's commercial activities, the results of which demonstrate the qualities of the Universal Customer-focused Banking model, with performances reflecting both the intrinsic qualities of the business lines and their capacity to interact with one another to generate synergies, in particular, in the following areas:

- insurance and asset management;
- retail Banking in France and internationally;
- specialised financing activities;
- corporate and investment banking.

At each quarterly review, as well as on the occasion of reports presented at each meeting of the Audit and Risks Committees, the Board closely monitored the Group's regulatory prudential ratios in terms of solvency and liquidity. Crédit Agricole Group remains amongst the best capitalised systemically important banks in Europe, with a prudent risk profile that is reflected in the quality of the ratings awarded to the Group by financial rating agencies, as well as highly favourable market access conditions (long-term ratings at 31 December 2017 of "A1", "A" and "A+" from Moody's, S&P and Fitch, respectively). In 2017, the Group expanded its range of financial instruments as the Board authorised, on 2 August, the launch of a 3-year funding programme in Renminbi on the Chinese market for a total of around €630 million (5 billion yuan). The prime objective of this operation is to allow the on-site financing of the Group's activities in China, in particular the joint venture between Guangzhou Automobile Group and Crédit Agricole Consumer Finance, as well as Crédit Agricole CIB.

More generally, as part of its risk oversight role, the Board continued to get a detailed quarterly update on the Group's risk position, in particular by means of the risk register and quarterly dashboard, previously examined by the Risks Committee.

The Board approved and regularly reviewed the strategies and policies governing risk-taking, as well the management, monitoring and reduction of the risks to which the Group is, or could be, exposed.

On this basis, it reviewed and/or approved risk management and control tools and systems as well as their consistency, in particular consistency between instruments such as the Annual Internal Control Report (RACI), and instruments introduced in 2016 under the Single Supervisory Mechanism (SSM) – in particular, the Declaration of risk appetite, the Internal Capital Adequacy Assessment Process (ICAAP) and Internal Liquidity Adequacy Assessment Process (ILAAP) declarations. The Board also examined the Recovery plan, of which it approved the update, as in previous years, at its annual August meeting. At the request of the supervisory authority and in respect of the adoption of this tool as a risk management instrument, the Board – in particular *via* its Risks Committee – paid increasing attention to the building and monitoring of the ICAAP, which has become a key tool for comprehensive risk management and the assessment of risks to the capital.

Based on all of the information submitted to the Board in 2017, enabling it, in particular, to understand the way in which the institution's risk profile interacts with the tolerance level, the Board judged that the risk management measures set up by the Group were appropriate to its profile and strategy.

The Board was kept informed – either directly or through the Chairwomen of the Risks and Audit Committees of the results of the various oversight missions conducted by the ECB within the

The definitions of the underlined words can be found in the Glossary on page 567.

Group and/or the requests sent by the supervisory authority to the Executive Management of Crédit Agricole S.A., in particular:

- the ECB's follow-up Letter concerning the oversight of operational risk management and compliance within the Group;
- the ECB's follow-up Letter concerning the oversight mission and the BCBS 239 thematic review on the quality of the data;
- the results of the information publication assessment in respect of Pillar 3 (financial communication).

In the context of relations with the supervisory authority, the Board of Directors was kept informed of the progress of discussions on the loyalty dividend clause introduced in 2011 in the Articles of Association of Crédit Agricole S.A. on the decision of the General Meeting of Shareholders. Despite its compliance with French corporate law, this clause was interpreted by the European banking authorities as a preferential distribution method, which contravenes European prudential regulations.

In that context, faced with the obligation to remove this clause, at its meeting of 19 December 2017, the Board adopted the principle of the compensation of beneficiaries. The terms and conditions of this compensation – to be submitted to a Special Meeting of holders on 4 April 2018 and to the Extraordinary General Meeting of Crédit Agricole S.A. on 16 May 2018 – were laid down at the Board meeting of 13 February 2018.

In response to the requests of the European supervisory authorities, the Board also adopted – at its meeting of 2 August 2017 – the texts defining the modalities for the operational implementation of the internal legal solidarity mechanism applicable to French mutual Groups, as laid down in Article L. 511-31 of the French Monetary and Financial Code.

The Supervisory Review and Evaluation Process (SREP) is also a major focus of attention for the Board. The European Central Bank (ECB), which conducts it, can accordingly impose capital requirements (Pillar 2) on the Group, over and above regulatory requirements (Pillar 1). The quality of governance is a major aspect of the ECB's overall assessment. The ECB also conducted two thematic reviews between end-2015 and July 2017 on the governance of Crédit Agricole S.A. and its risk appetite. In that context, and in response to the suggestions made by the Directors in relation to the annual assessment of the operation of the Board, numerous measures aimed at improving the quality of its governance, transparency and efficiency were adopted by the Board in 2017. Firstly, on the recommendation of the Appointments and Governance Committee, the Board modified its Rules of Procedure to enable it to issue procedural notes describing the way in which it fulfils some of its legal obligations or responds to the supervisory authority's recommendations. In this regard, the Board adopted two procedural notes – one detailing with precision the process used for the assessment of the Directors' propriety, expertise and availability, and the other describing the way in which it fulfils its obligation to examine and approve the Group's risk management strategies.

Following an assessment of its operation – conducted in 2017 by external consultancy firm Spencer Stuart, and resulting in a significant improvement in the overall positive assessment of the members of the Board – new measures were taken to further improve the fluidity and efficiency of its operation.

This assessment revealed that, in the opinion of its members, the Board of Directors' strengths were the following:

- a strongly collaborative atmosphere and focus on team work;
- greater involvement in strategic discussions, through the Board's strategic planning sessions and an involvement of the Strategy and CSR Committee in disposals and acquisitions operations at an earlier stage;
- coordination of Board meetings by its Chairman, who promotes debate and freedom of speech;
- economic and current event updates presented by the Chief Executive Officer at the start of each Board meeting, shedding light on the economic situation and promoting better understanding of the business activity of Crédit Agricole S.A. and the Group;
- improvement in the Board's operational logistics, largely attributable to the deployment of a new, secure IT tool in 2017;
- training programmes for Directors, deemed useful and of excellent quality;
- major contribution of the Committees on all technical aspects, with significant involvement by their Chairs.

To take account of the suggestions made, the Board adopted several measures including the following:

- a summary added to each item on the agenda, thereby reducing presentation time and leaving more time for debates;
- an effort to summarise the presentation of the Committees' opinions and supporting arguments at Board meetings;
- more regular use, whenever possible, of parallels with the situations of Crédit Agricole's main competitors on the items examined by the Board;
- making a permanent feature of the two strategic seminars per year exclusively focused on business strategy and business activity in order to counterbalance the numerous regulatory items on the agenda of plenary meetings;
- the Board's review of the methodology used for defining succession plans (see below).

These measures supplement those adopted and implemented in 2016, *i.e.*:

- a "base" of eight Board meetings per year, to better spread the workload across the year;
- the introduction of a systematic exchange and debate with the Executive Management on the Group's current position, at the start of every meeting;
- a briefer presentation of recurring topics, focusing on the changes that took place since the previous presentation;
- insertion, in the Strategy and CSR Committee's Rules of Procedure, of the possibility of holding of *ad hoc* meetings outside the annual schedule, to be able to refer matters to the Strategy and CSR Committee as early as possible before the decision-making process.

Regarding the results of the assessment of individual expertise, they confirmed that the Board has excellent knowledge of banking activities and the Group's activities in particular. As for more specialised areas, they are covered in all cases by the expertise of at least two of the Directors. Thus, all of expertises required for the Board's missions are covered. Based on the results of this assessment, the Board defined an indicative reference Grid concerning the desired balance of individual expertise required for the Board of Directors' collective expertise (see above).

The definitions of the underlined words can be found in the Glossary on page 567.

In the field of corporate social responsibility, the Board was informed by the Chairman of the Strategy and CSR Committee of the 2017 highlights in this area, as well as the main changes envisaged in the commitment of Crédit Agricole S.A. to Climate Financing, and the assessment of the performance of the Crédit Agricole S.A. Group by extra-financial rating agencies.

In view of the increasing focus on those issues in the political and regulatory environment, and given the high expectations of society, customers and employees in those areas, the Board focused attention on the Group's involvement in the Climate Financing debate, *i.e.* how to steer global financing toward green investments and the energy transition. In that area, the Committee and the Board supported a pro-active approach with regard to opportunities, while upholding the principle of reality in terms of risks.

Lastly, concerning CSR, the Board was also informed by the Chairman of the results of the FReD programme. This decentralised approach to the CSR commitment of the Group and its subsidiaries was deployed in 2012, based on a three-pillar framework: Fides (compliance), Respect (company employees and ecosystem), and Demeter (on the environment). The performance achieved at end-2017 was in line with targets. New measures include the profit-sharing agreement of Crédit Agricole S.A. – renewed in 2017 – which now includes an employer contribution based on FReD performance, just like at Crédit Agricole CIB, Crédit Agricole Immobilier, Cariparma, and CACEIS. Some 10,000 Group employees now see their compensation impacted in part by this indicator.

Moreover, in respect of its legal missions defined by the French Commercial Code, the Board notably authorised five related-party agreements (see below).

In accordance with Article L. 228-40 of the French Commercial Code, the Board gave its consent for the 2017 bond issue programme, approving the related authorisations and receiving regular progress reports.

Lastly, as every year in February (see "Compensation" section above), following the report from the Chairwoman of the Compensation Committee, the Board reviewed the Executive Corporate Officers' individual variable compensation and its components, as well as the 2017 compensation and total variable compensation available to identified employees. Ahead of this review, on 19 December 2017 the Board approved the modifications made to the description of the variable compensation components of the Chief Executive Officer and Deputy Chief Executive Officer, included in this Registration document and in the information to be provided to shareholders at the General Meeting of 16 May 2018, in line with best market practices and in compliance with the Say-on-Pay reform introduced by the Act of 9 December 2016.

1.2.2. Training for the Board in 2017

Article L. 511-53 of the French Monetary and Financial Code provides that credit institutions and finance companies must set aside the necessary human and financial resources for Director training. European banking authorities are extremely keen on this and define the theoretical skills base in their guidance.

The Board training programme for 2017 was presented to it at its meeting on 16 December 2016. Following a recommendation from the Chairman, it was formally approved, in recognition of the importance with which it is viewed by the Board. Following on from this, the Board also formally approved its training programme for 2018 on 19 December 2017.

In 2017, the entire Board received training on the updated banking and financial regulations and on compliance issues (obligations of Directors and conflicts of interest, international sanctions and financial security).

Of the 21 Directors, 18 have completed awareness training on Corporate Social Responsibility (basic concepts, texts and the regulatory environment, the Group's CSR policy, etc.), as well as on Digital and Big Data (regulatory, technological, commercial and competitive aspects).

Specific training was also given to members of the Risks and Audit Committees, focusing on changes in prudential regulations and, for audits, value adjustments.

Following the General Meeting of 24 May 2017, individual training was also offered to new members of the Committees and to the new Chairs of the Risks and Audit Committees.

1.2.3. Summary of issues examined by the Board in 2017 further to review by, advice from and/or on the recommendation of the Specialised Committees

1) After analysis by the Audit Committee:

- the preparation of the annual financial statements and the review of the half-yearly and quarterly financial statements of Crédit Agricole S.A., Crédit Agricole S.A. Group, and Crédit Agricole Group; at each reporting date, the Board heard from the Company's Statutory Auditors who, having presented the conclusions of their work to the Audit Committee, then presented them to the Board, together with their reports for each interim reporting date; the Board also looks at and, where necessary, approves the draft press releases published by the Company;
- the Group's goodwill position;
- follow-up on IFRS 9;
- plan to cancel the loyalty dividend clause;
- 2018 Crédit Agricole S.A. Group budget.

2) After analysis by the Risks Committee:

- the evolution of Crédit Agricole S.A.'s and Crédit Agricole Group's position in terms of shareholders' equity and solvency, against a backdrop of tighter regulatory constraints, focusing on appetite for risk and the process of assessing internal capital adequacy (ICAAP);
- the results of the stress test on Global Interest Rate Risk (GIRR) conducted between February and May 2017 at the request of the European Central Bank (ECB); the European Banking Authority (EBA) assesses all other risks in the now traditional biannual exercises;
- monitoring of measures implemented in response to decisions taken by the ECB, setting out the prudential requirements for Crédit Agricole Group entities in 2017 as part of the Supervisory Review and Evaluation Process (SREP, Pillar 2); the Board also approved the statement on the Internal Liquidity Adequacy Assessment Process (ILAAP) and the Internal Capital Adequacy Assessment Process (ICAAP);

The definitions of the underlined words can be found in the Glossary on page 567.

- the Declaration of the Crédit Agricole Group's risk appetite;
- changes in the Group's liquidity position, emergency liquidity plan and semi-annual short-term limits, and monitoring of the implementation of the Crédit Agricole Group financing programme, previously approved by the Board;
- Group limits in respect of GIRR, VaR (Value at Risk) limits and limits for capital market activities;
- texts adapting the legal internal solidarity mechanism;
- the mechanism implemented by Crédit Agricole Group to comply with the regulation transposing section 619 of the Dodd-Frank Act (the "Volcker Rule"), effective since July 2015;
- the management of the securities portfolio of Crédit Agricole S.A. Group;
- the annual internal control Report and half-year interim information on internal control, coordinated by the Group Risk Management department;
- letters sent to the Company by regulators and measures taken to respond to their observations;
- annual, half-yearly and quarterly developments, respectively, in terms of credit risk, market risk, and operational and security risks, as well as the Group risk dashboard and the quarterly risk register;
- update of the Group's recovery plans;
- the Cariparma capital increase with a view to the acquisition of the three Italian Savings Banks;
- the OFAC remediation plan and its timetable following its approval by the US Federal Reserve;
- the Board's procedural note on the review and approval of risk strategies;
- in compliance/legal matters: semi-annual and annual compliance reports; the status of litigation and ongoing administrative investigations, and the status of the OFAC remediation plan.

3) After analysis by the US Risks Committee:

- the scope of the appetite for liquidity risk and the Emergency Liquidity Plan for Group businesses in the United States;
- update of the organisation and guidance note on consolidated risk management in the United States.

4) After analysis by the Strategy and CSR Committee:

- acquisition of the Cesena, Rimini and San Miniato Savings Banks by Cariparma;
- acquisition of Banca Leonardo by Indosuez Wealth Management;
- acquisition of the 15% stake held by Natixis in CACEIS;
- disposal by Crédit Agricole CIB of a 16.2% stake in Banque Saudi Fransi (BSF);
- the sale of the 15.42% stake in Eurazeo held by Crédit Agricole S.A. to the Decaux family holding company;
- the Company's 2017 CSR performance and the challenges for 2018.

5) After analysis by the Compensation Committee:

- the fixed compensation, annual personal variable compensation, and the terms and conditions and criteria used to determine the annual variable compensation of the Executive Corporate Officers (Chairman, Chief Executive Officer and Deputy Chief Executive Officer), taking into account regulatory provisions;
- update of the compensation policy of Crédit Agricole S.A. Group and its application note;
- under regulatory provisions, the report on the compensation of members of the executive body as well as identified staff whose professional activities have a significant impact on the Company's risk profile;
- the distribution of the total amount of Directors' fees.

6) After review by the Appointments and Governance Committee:

- the Board of Directors' response to the ECB's follow-up letter, following its two thematic reviews on governance and risk appetite;
- the Board's procedural note on the qualities, skills and commitment required to serve as a Director and the key functions performed on the Board of Directors of Crédit Agricole S.A.;
- changes in the Board's composition and in the composition of certain Specialised Committees, in tandem with changes taking place on the Board;
- the results of the self-assessment of the functioning of the Board and its individual and collective expertise, and possible ways of improving governance;
- updates of all texts governing the functioning of the Board and the Specialised Committees;
- independence of Directors under the Afep/Medef Code and areas of non-compliance with this Code;
- the progress made on succession plans for key functions within Crédit Agricole S.A.;
- the implementation of the Code of Ethics, the work on the Code of Conduct and the entire Group policy for the presentation and control of conflicts of interest;
- the Board training programme for 2018;
- the report on professional equality and equal pay within Crédit Agricole S.A. and initiatives undertaken at Crédit Agricole S.A. Group level to promote professional equality and diversity.

7) Other:

Other issues examined by the Board include, in the context of the legal work of the Crédit Agricole Group corporate centre, the approval of the Chief Executive Officers of Regional Banks and Deputy General Managers.

1.2.4. Related-party agreements

In accordance with the provisions of Article L. 225-40-1 of the French Commercial Code, the Board, at its meeting of 19 December 2017, conducted an annual review of all the agreements signed and authorised in previous financial years and which remained in effect during the year.

These were:

- the Loan Agreement "Maturity 3 August 2026 with early repayment option from 3 August 2020", signed on 21 July 2016 as part of the reclassification of the CCI and CCA issued by the Regional Banks and held by Crédit Agricole S.A. with Sacam Mutualisation, reviewed by the Board on 2 August 2017 when authorising the amendment to the financing structure granted by Crédit Agricole S.A.;
- the original Switch agreement, signed on 16 December 2011 by Crédit Agricole S.A. and the Regional Banks (Switch guarantee, guaranteeing equity-accounted values, including CCA/CCI and Insurance), the first amendment of which was authorised by the Board on 17 December 2013 and which was then reviewed by the Board when authorising its second

amendment on 16 February 2016 and its third amendment on 19 May 2016;

- the tax consolidation agreement signed on 16 December 2015 by Crédit Agricole S.A. and the Regional Banks, the subject of an amendment authorised by the Board on 19 May 2016;
- the tax consolidation agreement signed by Crédit Agricole S.A. and Sacam Mutualisation, authorised by the Board on 19 May 2016, stipulating that the tax savings generated within the Group by intragroup dividends received by Sacam Mutualisation are to be fully allocated to that entity;
- the tax consolidation agreements authorised by the Board on 21 January 2010 and renewed by the Board on 16 December 2015 between Crédit Agricole S.A. and SAS Rue La Boétie, SAS Ségur, SAS Miromesnil and, lastly, several Sacams, also the subject of amendments authorised by the Board of Directors at its meeting on 16 December 2016;
- the tax consolidation agreement signed in 1996 between the CNCA and Indosuez, now Crédit Agricole S.A. and Crédit Agricole CIB respectively, renewed on 22 December 2015, which was the subject of an amendment authorised by the Board of Directors at its meeting on 7 November 2016;
- the Evergreen HL1 mutual securitisation fund agreements signed with Crédit Agricole CIB, LCL and the Caisses Régionales Val de France, Languedoc, and de l'Anjou et du Maine, authorised by the Board on 18 December 2012;
- the agreement on the increase in Crédit Agricole CIB's capital, authorised by the Board on 9 March 2004, under which Crédit Agricole S.A. subscribed to an issue of deeply subordinated notes (TSS) that were partially redeemed in 2014;
- the amendment to the listing agreement of 22 November 2001 authorised by the Board of Directors on 19 May 2016 to amend article 4 (CNCA equity investment in the capital of the Regional Banks) to take account of the internal reclassification of the CCI/CCA held by Crédit Agricole S.A. with Sacam Mutualisation.

In 2017, the Board authorised five new agreements, including one previously amended, entering the scope of application of Article L. 225-38 of the French Commercial Code:

- the performance guarantee granted by Crédit Agricole S.A. for the Amundi capital increase carried out as part of the Pioneer Investments transaction;
- the agreement between Crédit Agricole S.A. and Crédit Agricole CIB relating to the payment of the Euribor fine imposed on both companies at the end of 2016 (the companies lodged an appeal against the European Commission's decision);
- the amendment to loan agreements between Crédit Agricole S.A. and the Regional Banks as part of the Eureka simplification operation carried out in 2016;
- the billing and collection mandate between Crédit Agricole S.A. and Crédit Agricole CIB as part of the transfer of the IT activity from Crédit Agricole S.A. to Crédit Agricole CIB;
- the agreement relating to the transfer of the Banking Services department from Crédit Agricole S.A. to Crédit Agricole CIB.

1.3. ACTIVITIES OF THE SPECIALISED BOARD COMMITTEES

The Board of Directors has six Committees: the Risks Committee, since 2016, the United States Risks Committee, the Audit Committee, the Compensation Committee, the Appointments and Governance Committee and the Strategy and CSR Committee. The United States Risks one was set up in response to a US regulatory requirement applicable, as of 1 July 2016, to foreign banks operating in the United States and meeting certain asset threshold criteria.

Pursuant to Article L. 511-89 of the French Monetary and Financial Code and the Decree of 3 November 2014 on the internal control of banking sector companies, in 2015, the Board of Directors set up a Risks Committee, separate from its Audit Committee. The Compensation and Appointments Committees were already in existence prior to the publication of these texts which resulted in the creation of statutory Committees, such as the Audit Committee, which fulfils the requirements of Article L. 823-19 of the French Commercial Code. Where the composition of these Committees is the subject of Afep/Medef Code recommendations, the Board of Directors of Crédit Agricole S.A. applies said recommendations, apart from some exceptions, the reasons for which are detailed in the revised table of areas of non-compliance with the recommendations of the Afep/Medef Code, in accordance with Article L. 225-37, paragraph 7, of the French Commercial Code.

After the Board's Risks and Audit Committee was split into two separate Committees, the Board decided that, when the new system was introduced, the two Committees would both be chaired by the pre-existing Committee Chairman, François Veverka, an independent Director. This decision facilitated the work of the two Committees and their coordination, within the context of implementing numerous new regulatory provisions, mainly in the area of Risks, but also in Audit.

On 7 November 2016, following a recommendation from the Appointments and Governance Committee, the Board acknowledged the final succession plan for Mr Veverka, whose non-renewable term of office was due to expire on 24 May 2017. Under the plan, it was proposed that Ms Françoise Gri, previously a member of the Risks Committee, succeed Mr Veverka as Chair of that Committee and of the United States Risks Committee. It was also proposed that Ms Pourre, who joined as a non-voting Director in May 2016 and whose appointment as Director would be put to the General Meeting on 24 May 2017, succeed him as Chair of the Audit Committee.

At the end of the General Meeting, and in view of the key functions they would be required to perform on the Board, Ms Gri and Ms Pourre each had interviews with the ECB in accordance with its new "Guide to fit and proper assessments" published in May 2017. Following these interviews and the review of the "Fit & Proper" documents submitted to it, the ECB issued a notice of non-opposition to the appointments of two new Committee Chairs.

The definitions of the underlined words can be found in the Glossary on page 567.

In addition to these two individual hearings, the Chairs of the Risks Committee and the Audit Committee also attended several meetings with the ECB Joint Supervisory Team (JST), within the framework of the SREP and in relation to the interviews of members of these two Committees conducted by the JST. Since assuming office, Ms Gri and Ms Pourre have had, together or separately, regular meetings with the Group Chief Risk Officer and the Head of Internal Audit. Ms Pourre has also had regular meetings with the Deputy General Manager, Head of the Group Finance division, the Head of Accounting and Consolidation, the Head of Subsidiaries and Affiliates, and the Statutory Auditors. In addition to her regular meetings with the Chief Risk Officer and the Head of Internal Audit, Ms Gri has also met with the Head of Compliance, the Head of Group Information Systems, the Head of Group Human Resources, and the Chief Executive Officer.

Committees' operating principles

Committee members are appointed by the Board, on the Chairman's recommendation. The Board may terminate the appointment of a Committee member at any time. A Committee member may resign from office at any time. All Committee members, and all other persons who attend Committee Meetings, are bound by professional secrecy.

The operation of each Committee is governed by Rules of Procedure. In the course of their work, Board Committees may interview any executive or employee of Crédit Agricole S.A. Group or experts from outside the Company in areas that fall within the Committees' remit.

In accordance with the provisions of the French Monetary and Financial Code and the recommendations of the European banking authorities, the Committee members have the knowledge, skills and expertise necessary for their role. These competencies are assessed annually by the Appointments and Governance Committee, in light of the results of the annual evaluation provided for in Article L. 511-100 of the French Monetary and Financial Code, and the qualities necessary to chair and serve on Committees, as described in the Board's procedural note adopted on 7 November 2017 and in accordance with EBA Guidelines for assessing the suitability of members of management bodies, issued on 27 September 2017.

Members of the Specialised Committees receive a brief on the different items on the agenda, generally three to five days prior to each meeting, depending on the Committee.

Just as Board members are paid for attending Board Meetings, members of Committees are paid Directors' fees calculated using a scale set by the Board on the recommendation of the Compensation Committee, unless said Directors waive their fees.

1.3.1. Risks Committee

At 31 December 2017, the Risks Committee had five members, including three independent Directors. One of the members chairs the Committee.

Members	Attendance rate
Françoise Gri, Committee Chairwoman, independent Director	100%(1)
Véronique Flachaire, Chief Executive Officer of a Crédit Agricole Regional Bank	100%(1)
Catherine Pourre, independent Director	83 %(1) (100% on a joint basis)
Christian Streiff, independent Director	100% (33% on a joint basis)
François Thibault, Chairman of a Regional Bank	100%(1)

(1) For the Risks Committee alone and when meeting on a joint basis with the Audit Committee, when the percentage is the same.

The Head of Group Risk Management, the Group Head of Control Audit, the Group Head of Compliance, the Deputy General Manager, Head of the Group Finance division and the Head of Accounting and Consolidation attend meetings of the Risks Committee.

The operation and duties of the Committee are set out in Rules of Procedure approved by the Board of Directors (see above). The Committee performs its duties under the responsibility of the Board of Directors, in the areas defined by provisions of the French Monetary and Financial Code, in particular, as arising from the CRD 4 directive of 20 February 2014 and the Decree of 3 November 2014 on the internal control of banks.

Minutes are prepared for each Committee Meeting. Once approved by the Chairwoman, they are distributed first to all members and then, after being presented to the Board of Directors, are attached to the minutes of Board Meetings.

The Committee's work is set out in an annual schedule. In the autumn of each year, the Risks Committee organises a working lunch without management being present to decide on its programme of work for the following year and the individual and collective training requested by its members. It also examines any areas where it might improve.

The Risks Committee met nine times in 2017, including three in joint formation with the Audit Committee. It appeared to be useful, in fact, for members of the Audit and Risks Committees to have, in certain fields, and *a fortiori* in areas where financial and regulatory information are interrelated, the same level of information and the opportunity to discuss said information with one another. When regulations expressly require the Risks Committee to issue an opinion to the Board of Directors on the information reviewed, this opinion is given by the Committee Chair. The members of both Committees are happy with the joint Committee procedure, introduced when the Audit and Risks Committee was split into two Committees in 2015 and which can now be regarded as a permanent arrangement.

Within this joint framework, the following issues were reviewed:

- the financial and prudential components of the "Strategic Ambition 2020" Plan;
- the Annual Internal Control Report and half-year interim information on internal control;
- Group Control and Audit department reporting;
- periodic compliance information;
- monitoring of ongoing supervisory authority work;
- Palma project for ALM;

- depending on the date of the meetings, shared information on the Group's solvency and liquidity positions, with a review of various related ratios.

In February 2018, the review of the budget for the Crédit Agricole Group and the risk appetite statement, which are essential guidance for members of the two Committees, were covered at a joint meeting, together with the question of the loyalty dividend clause, which falls within the remit of the Audit Committee, particularly with regard to financial communication, but which also concerns the Risks Committee owing to the potential impact on capital.

In addition to the items covered at specific joint meetings, the Risks Committee focused much of its work on analysing and monitoring the Group's implementation of the regulatory provisions contained in the decree of 3 November 2014, particularly those on risk management and monitoring tools, ensuring their overall consistency for the purposes of risk governance.

In this respect, the following items were reviewed in particular:

- the risk appetite statement, for which the Risks Committee issued a favourable opinion for the Board's approval, on 13 February 2018, of the fourth risk appetite statement since this tool was introduced by the Single Supervisory Mechanism (SSM). With 26 major risks identified, the risk appetite statement provides a vital framework for the Committee's risk control and monitoring and for governance in general, which can use it both for the ICAAP, depending on the activity, and to assess the impact of the risk strategies examined;
- the Group's liquidity position, emergency liquidity plan, semi-annual short-term limits and ILAAP, solvency position and monitoring of the solvency trend;
- the annual update of the recovery plan and resolution plan for the Single Resolution Board, the second authority established as part of the SSM;
- the organisation, operation and resources allocated to each of the three control functions (risks, compliance, internal audit);
- the situation regarding key outsourced services and the status of the Business Continuity Plan (BCP);
- compliance of compensation policies with risk strategies;
- quarterly risk reports;
- limits on the securities and sovereign portfolio, VaR limits, GIRR limits;
- management by the Group of its e-reputation;
- monitoring the Group's preparations for Brexit;
- internal models and internal model risks;
- as part of the review of the risk strategies that define the limits and thresholds for the Group's various activities/business lines, the Committee examined and issued opinions to the Board on:
  - consumer finance, leasing and factoring,
  - home loans,
  - forbearance,
  - insurance and conglomerates,
  - the agricultural and food-processing markets,
  - Wealth management,
  - CACEIS,
  - Italy and southern European countries,
  - securitisation;
- SREP, the recommendations of the supervisor and the measures implemented by the Group to identify capital requirements under Pillar 2 as part of the ICAAP;
- follow-up letters to ECB audits (operational risk management, BCBS 239 on data quality, financial communication);
- monitoring of the mechanism implemented by Crédit Agricole Group to comply with the regulation transposing section 619 of the Dodd-Frank Act (the "Volcker Rule");
- close periodic monitoring of the implementation of the OFAC remediation plan;
- Control and Audit function audits, including audits conducted in Regional Banks, and the Control and Audit function audit plan, ECB audits and follow-up of recommendations;
- semi-annual and annual internal control reports.

Given the rise of new technologies, digitisation and dematerialization in banking, the Risks Committee has scheduled two annual meetings on operational issues and risks related to various aspects of IT systems (governance, security and cybersecurity, regulatory projects, budgets, etc.).

All information given to the Committee is accompanied by quarterly risk dashboards and risk registers. These enable the Committee to perform a comprehensive annual risk review (including risk mapping) based on the various regions and sectors (country risk, sovereign debt), highlighting areas of concern for the Group, including counterparties with the highest exposure.

1.3.2. United States Risks Committee

As of 31 December 2017, the US Risks Committee had three members, including two independent Directors.

Members	Attendance rate
Françoise Gri, Chairwoman, independant Director	100%
Véronique Flachaire, Chief Executive Officer of a Crédit Agricole Regional Bank	100%
Caroline Catoire, independent Director	100%

The definitions of the underlined words can be found in the Glossary on page 567.

With a presence in the United States through Crédit Agricole CIB (90% of US business), Amundi, CACEIS and Wealth management, the Crédit Agricole Group is subject to section 165 of the Dodd-Frank Act. This regulation requires foreign banks operating in the US, and whose total consolidated assets do not justify the creation of a holding company to head up its businesses, to have a Board of Directors' Committee dedicated to monitoring US risks. It was against this backdrop that the United States Risks Committee was established at the end of the first half of 2016.

The US regulation recommends that the Committee should have at least three Directors, one of whom is independent. Crédit Agricole S.A. has opted for mostly independent members, including the Committee Chairwoman.

It holds four meetings a year, one of which is in the United States, in accordance with a US Federal Reserve recommendation. Accordingly, the Committee met on 3 April 2017 at the headquarters of Crédit Agricole CIB New York, along with representatives from all of the Group's business lines in North America. The meeting was an opportunity for a discussion, at the headquarters of the New York Federal Reserve, with representatives from the team responsible for overseeing the Group's operations in the United States.

The Committee organises its work on the basis of an operational note, which became a Group procedural note in 2017. This defines the organisation and framework for consolidated risk management of Group entities in the United States. This document, on which the Rules of Procedure of the United States Risks Committee are based, must be formally approved by the Board of Directors. At its meeting on 2 August 2017, the Board approved the various enhancements and clarification of this note in order to best meet the requirements of the Enhanced Prudential Standards (EPS) of the Bank Holding Company Act.

Each United States Risks Committee Meeting is an opportunity for a detailed review of credit risks, market risks and operational risks from the Group's activities in the United States. In addition, there are systematic reviews of ongoing audits by the US supervisor(s) and the Control and Audit department, and an update on legal and compliance risks.

The liquidity position, which is a major focus area for the US authorities, is discussed at each meeting. Once a year, following a review by the Committee, this leads to the approval by the Board of Directors of the Liquidity Emergency Plan for the Group's activities in the United States and the Liquidity Risk Appetite Framework.

Along with recurring topics, at the Committee's request an in-depth report is presented on the Group's entities in the United States and on the activities and/or business lines in that country. In this respect, the Committee reviewed the following in 2017:

- Indosuez Wealth Management (Miami);
- CACEIS North America;
- the US component of the OFAC remediation plan, anti-money laundering and the application of the Volcker Rule;
- the review of new products and activities;
- Amundi's position in the United States following the acquisition of Pioneer Investments and the risk profile of the acquired businesses;
- securitisation activity;
- changes in US regulations on cybersecurity.

1.3.3. Audit Committee

At 31 December 2017, the Audit Committee had six Directors, including four independent Directors. It acquired a new independent Director when Ms Gri joined the Committee after the General Meeting on 24 May 2017. Since that date, it has been compliant with the recommendation of the Afep/Medef Code that it should be two-thirds composed of independent members. The former situation had previously been included among the areas of non-compliance with the Code.

Members	Attendance rate
Catherine Pourre, Committee Chairwoman and independent Director	100%(1)
Caroline Catoire, independent Director	100%(1)
Laurence Dors, independent Director	100%(1)
Françoise Gri, independent Director	100%(1)
Gérard Ouvrier-Buffet, Chief Executive Officer of a Crédit Agricole Regional Bank	100%(1)
Jean-Pierre Gaillard, Chairman of a Crédit Agricole Regional Bank	100%(1)

(1) For Audit Committees alone and on a joint basis with the Risks Committee when the percentage is the same.

The Deputy General Manager, Head of the Group Finance division, the Head of Accounting and Consolidation, the Group Chief Risk Officer and the Head of Group Control and Audit attend meetings of the Audit Committee.

The operation and duties of the Committee are set out in Rules of Procedure approved by the Board of Directors (see above). Once a year, the Audit Committee organises a working lunch without management presence in order to decide on its programme of work for the following year and to examine any areas where it might improve.

It also reserves a part of one of its meetings during the year for a discussion with the Statutory Auditors without senior management being present.

During the last financial year, the Audit Committee held eight meetings (including three joint meetings with the Risks Committee – see below). The attendance rate was 100%.

A substantial part of the Committee's work involved an in-depth review, in view of their presentation to the Board, of the parent company annual, half-year and quarterly financial statements and an examination of the consolidated results and the results of each Group business line, their regulatory position and financial communication.

At each reporting date, the Committee pays particular attention to the accounting options (treatment of CVA/DVA/FVA, issuer spread on securities issued, treatment of Home Purchase Savings Plan Provisions, employment-related commitments, ALM, etc.). On this occasion, it hears from the Statutory Auditors on the conditions

under which the financial statements were prepared and the points to which the latter would like to draw the Committee's attention. At each half-yearly reporting date, in addition to their reports, the Statutory Auditors submit their programme of work for the next six months to the Committee.

The Committee also reviews goodwill each year, with three meetings during the last financial year (August, December and February), including one on methodology. At the Board Meeting on 20 January 2017, the Committee recommended the write-down of LCL goodwill before the review of all goodwill ahead of the approval of the 2016 financial statements.

In 2017, the work on IFRS 9 was the subject of a systematic follow-up review with the Committee (excluding joint meetings) and numerous *ad hoc* meetings of its Chairwoman, in particular with the Accounting department and Statutory Auditors. The entry into force of the new accounting standard on 1 January 2018 required extensive work with a significant IT component alongside the regulatory aspects. For Crédit Agricole, the project involved several hundred people and cost more than €110 million.

In 2017, the Committee paid particular attention to the tax reforms introduced by the new French government. These involve a reduction in statutory contributions, which should benefit Crédit Agricole Group. However, its tax rate has also significantly increased with the exceptional tax surcharge created to finance the reimbursement of tax on dividends introduced by the previous administration and found by a court to be unconstitutional. The Committee is also closely monitoring the impact of the new European case law on VAT grouping.

Following the European audit reform transposed into French law by the Order of 17 March 2016, the Committee also continued to monitor services other than the certification of financial statements performed by the Statutory Auditors of Crédit Agricole S.A. and subject to its authorisation.

Lastly, the Committee scrutinised the effects of the ECB's decision on Crédit Agricole S.A.'s loyalty dividend clause, particularly regarding financial communication.

1.3.4. Compensation Committee

At 31 December 2017, the Compensation Committee had six members, including three independent Directors and one Director representing employees.

Members	Attendance rate
Laurence Dors, Committee Chairwoman, independent Director	100%
Daniel Epron, Chairman of a Crédit Agricole Regional Bank	100%
Françoise Gri, independent Director	100%
François Heyman, Director representing employees	100%
Jean-Paul Kerrien, Chairman of a Crédit Agricole Regional Bank	
Christian Streiff, independent Director	80%

The composition of the Committee complies with the regulatory provisions and the recommendations of the Afep/Medef Code, both with respect to its membership (majority of independent Directors, presence of an employee representative) and its chairmanship (by an independent Director).

The Crédit Agricole S.A. Group Head of Human Resources attends Compensation Committee Meetings accompanied by the Head of Compensation and Employee Benefits.

The operation and duties of the Committee are set out in Rules of Procedure approved by the Board of Directors (see above). The Committee performs the duties conferred upon it by the Afep/Medef Code and the French Monetary and Financial Code (particularly Article L. 511-102), as well as preparing compensation-related tasks for which the Board of Directors is responsible under the French Commercial Code (particularly Article L. 225-37-2).

In accordance with the provisions of Article L. 511-91 of the French Monetary and Financial Code and the Board of Directors' decision of 17 December 2013, the Compensation Committee of Crédit Agricole S.A. performs its functions under said Article for the following subsidiaries: LCL, Crédit Agricole Assurances, Crédit Agricole Consumer Finance, Crédit Agricole Leasing & Factoring and CACEIS.

The Compensation Committee met five times in 2017. Its Chairwoman reported to the Board on the work accomplished by the Committee at each of its meetings and submitted the Committee's recommendations on matters subject to approval by the Board.

In line with the preference expressed by the Chairman at the General Meeting of 24 May 2017, the Committee has been careful to ensure that Crédit Agricole S.A. complies with the highest industry standards on transparency of compensation. At the same time, it emphasises its specific aspects, such as being linked to the Group's corporate social responsibility targets as measured by the FReD index, which is used as a performance metric for the deferred compensation of the Corporate Officers.

After the May 2017 General Meeting, the Committee compared the results of voting on say on pay resolutions with the positions and expectations expressed by proxy advisors and investors, to identify the areas for improvement for the 2018 General Meeting. The work done with the Human Resources department, following consultation with the Finance department, expanded the description of the principles of individual performance and its presentation, as well as the performance assessment for deferred compensation. These amendments, which are contained in the compensation section of this report, were adopted by the Board of Directors at its meeting on 19 December 2017.

In preparation for the General Meeting on 16 May 2018, the Committee reviewed, at its meeting on 9 February 2018, all resolutions on the compensation of the Executive Corporate Officers approved by the Board at its meeting on 13 February 2018.

As part of the Board's regulatory obligations, the Committee also examined the compensation of individuals with supervisory responsibilities (Risks, Control & Audit, Compliance), the budget for the variable compensation of identified employees and individual variable compensation over €1 million.

The definitions of the underlined words can be found in the Glossary on page 567.

It also considered the "compensation" section of this Board report on Corporate Governance prior to the Board's approval of the entire Corporate Governance report on 13 February 2018.

In addition to the work described, other matters examined by the Committee in 2017 included:

- the update of the Crédit Agricole S.A. Group Compensation policy and its application note, submitted for the Board's approval, and the results of the annual audit on the Compensation policy;
- the overall budget for variable compensation within the Group, by entity and according to the appropriate schemes (bonus pool or individual variable compensation);
- the report in respect of 2017 on the compensation policy and practices of members of the executive body, as well as individuals whose professional activities have a significant impact on the Company's risk profile;
- the distribution of the total amount of Directors' fees;
- the integration of the Engagement and Recommendation Index (ERI).

1.3.5. Appointments and Governance Committee

At 31 December 2017, the Appointments and Governance Committee comprised six members. Pursuant to the provisions of the Afep/Medef Code, the Committee is chaired by an independent Director. However, the proportion of independent members on the Compensation and Governance Committee is below Afep/Medef recommendations but reflects the ownership structure of Crédit Agricole S.A., which is controlled by a majority shareholder and where the Chief Executive Officer is from one of the 39 Crédit Agricole Regional Banks that control it. This situation is reported in the table of non-compliance with the Afep/Medef Code.

Members	Attendance rate
Monica Mondardini, Committee Chairwoman, independent Director	100%
Raphaël Appert, Chief Executive Officer of a Crédit Agricole Regional Bank	100%
Laurence Dors, independent Director	100%
Jean-Pierre Gaillard, Chairman of a Crédit Agricole Regional Bank	100%
Dominique Lefebvre, Chairman of the Board of Directors, Chairman of a Crédit Agricole Regional Bank	100%
Louis Tercinier, Chairman of a Crédit Agricole Regional Bank	100%

The operation and duties of the Committee are set out in Rules of Procedure approved by the Board of Directors (see above).

The Corporate Secretary of Crédit Agricole S.A. (and Secretary of the Board of Directors) takes part in meetings of the Appointments and Governance Committee. The Chairwoman of the Appointments and Governance Committee reports to the Board on its work and opinions of the Committee on matters referred to it for approval.

The Committee met four times in 2017 and carried out extensive work on governance.

The finalisation of the ECB's two thematic reviews on governance and risk appetite gave rise, prior to a final letter of recommendations, to numerous discussions with the supervised institution. This accounted for a significant proportion of the Committee's work during the financial year.

In this respect, it submitted action plans to the Board addressing each of the 12 recommendations made and followed up on their implementation. These included amendments to the Rules of Procedure of the Board and the Committees concerned to include the Board's opinion on the appointment of the Heads of the three control functions and its consent to their possible removal, as well as the Board's procedural note on the qualities, skills and commitment required to serve as a Director and the key functions performed on the Board of Directors of Crédit Agricole S.A. (see the Board's activities in 2017).

This procedural note, which the Committee analysed to make sure it complied with the new EBA guidelines on governance and the evaluations published in September 2017, has served as a guide for reviewing the qualities, skills and commitment of Directors whose terms are due for renewal at the 2018 General Meeting and for the nomination of a new Director.

It took care to respond to each suggestion made by Board members during the annual evaluation of its operation. It also analysed the results of the self-assessment of the individual skills that together make up the Board's collective expertise.

In 2017, the Committee also heard from the Group Head of Compliance on the mechanisms for conflict of interest prevention and management. It sought to verify the implementation status of the Group Code of Ethics adopted at the end of 2016 and the work carried out to adapt this for the Code of Conduct.

The Committee also hosted the Chief Executive Officer of Crédit Agricole S.A., who presented the work and methodology used to prepare succession plans for key functions within the Group.

As it does each year, before recommending it for the Board's approval, it examined the report on gender equality at work and equal pay within Crédit Agricole S.A. and initiatives undertaken at Crédit Agricole S.A. Group level to promote gender equality at work and diversity. The presentation was an opportunity for a comprehensive debate within the Committee in favour of a proactive gender equality policy.

Lastly, it prepared this Corporate Governance Report, submitted to the Board at its meeting on 13 February 2018, after analysing the position of independent Directors in view of the requirements of the Afep/Medef Code and governance principles, and the table of non-compliance with the Code contained in this report. These items were formally approved by the Board.

1.3.6. Strategy and Corporate Social Responsibility (CSR) Committee

At 31 December 2017, the Committee comprised seven members.

Members	Attendance rate
Dominique Lefebvre, Chairman of the Board of Directors, Chairman of a Crédit Agricole Regional Bank	100%
Raphaël Appert, Deputy Chairman of the Board of Directors, Chief Executive Officer of a Crédit Agricole Regional Bank	100%
Daniel Epron, Chairman of a Crédit Agricole Regional Bank	100%
Françoise Gri, independent Director	100%
Renée Talamona, Chief Executive Officer of a Crédit Agricole Regional Bank	100%
François Thibault, Chairman of a Crédit Agricole Regional Bank	100%
Christian Streiff, independent Director	100%

The operation and duties of the Strategy and CSR Committee is described in its Rules of Procedure, amended in 2016 to allow it to meet whenever the need arises, rather than according to an annual schedule. In 2017, the Committee held five meetings, only two of which were scheduled: in March to examine the Medium-term Strategic Plan and in December for the CSR review.

This Committee was created by a plenary decision of the Board and not in response to a legal requirement. The Afep/Medef Code recalls that *"the main mission of the Board of Directors is to define the company's strategic guidelines"*. It continues*: "The Board of Directors should consider and decide upon transactions with a genuinely strategic importance, after review by an* ad hoc *committee if appropriate"*, without explicitly recommending that a Strategy Committee be established.

In addition to the information it receives from the Strategy and CSR Committee and the decisions submitted to it following review, the Board remains closely involved in defining strategy through the two annual strategy seminars and the presentation of the business lines at the plenary meeting.

Having chosen to include CSR within the remit of one of its Committees, the Board of Crédit Agricole S.A. is complying with the recommendations of the French Financial Market Authority (AMF), which, in its November 2016 report on corporate social responsibility, recommends that detailed guidelines be given regarding the frequency at which corporate social responsibility matters should be included on the Committee's agenda, while also specifying its duties and results and its interaction with other Board Committees. In this respect, the Committee has no involvement in compensation policy, which is the responsibility of the Compensation Committee, nor in the gender equality at work policies reviewed annually by the Appointments and Governance Committee and approved by the Board. Conversely, it shares an interest with the Appointments and Governance Committee in fostering an ethical culture within the Group. The Committee's approach is more focused on the CSR strategy, for example by monitoring the results of the CSR survey enhanced in 2017 by Crédit Agricole S.A. with the Institut CSA and the conclusions that might be drawn from this. The survey conducted in June 2017 (with 2,017 employees, 1,262 members of the public, of whom 587 were customers and mutual shareholders, 20 business customers and suppliers) clearly demonstrated the growing public concern with ethical-related issues. The Committee will therefore liaise with the Appointments and Governance Committee on establishing an ethical culture within the Group.

Each year, the Strategy and CSR Committee devotes its December meeting to the review of the Group's CSR policies and its guidelines (see "Board activity in 2017" below). It underlined the importance for Crédit Agricole S.A. Group of supporting its customers on the energy transition and alternative solutions, rather than severing relations, which should only occur in exceptional cases of proven and immediate risk. The Committee is mindful that the Group, given its history and positioning, is actively involved in major agricultural and food processing issues and that it has a role to play in adapting business models, particularly in light of climate change and new eating habits.

At its meeting in December 2017, the Committee also examined the structure of Crédit Agricole S.A.'s second integrated report. This explains to stakeholders how the Company takes account of the social and environmental consequences of its business and how it interacts with its environment as part of its overall strategy.

Apart from its CSR responsibilities, the Committee conducts in-depth reviews of the Group's strategic planning for its various business lines in France and internationally, under the responsibility of the Board of Directors. Early on in the process, the Committee reviews plans for strategic investments or acquisitions and formulates an opinion on those plans, particularly with regard to their financial impact and compliance with the strategic framework of the Medium-term Plan.

Strategy and CSR Committee Meetings are attended by the Chief Executive Officer of Crédit Agricole S.A., the Deputy Chief Executive Officer of Crédit Agricole S.A., the Deputy General Manager, Head of Group finance division, the Corporate Secretary and the Head of Strategy of Crédit Agricole S.A. The Head of Sustainable Development of Crédit Agricole S.A. also attends for CSR-related matters.

In 2017, the issues examined by the Committee as part of its strategy-related responsibilities included:

- the acquisition of the Cesena, Rimini and San Miniato Savings Banks by Cariparma in Italy;
- the acquisition of Banca Leonardo by Indosuez Wealth Management (Europe);
- the transfer by Crédit Agricole CIB to Kingdom Holding Company ("KHC") of a 16.2% stake in Banque Saudi Fransi ("BSF");
- the purchase of the 15% stake still held by Natixis in CACEIS;
- the sale of the 15.42% stake in the Eurazeo held by Crédit Agricole S.A. to the Decaux family holding company.

The definitions of the underlined words can be found in the Glossary on page 567.

1.3.7. Directors' compensation

Board members receive Directors' fees. The conditions for allocating Directors' fees, as described below, are determined by the Board on the recommendation of the Compensation Committee.

Compensation of Board members is based entirely on their attendance at Board Meetings. Directors receive the same compensation for attending strategy seminars and special meetings, *i.e.* those not on the annual calendar, and scheduled meetings, up to a maximum of the total amount approved.

Board members receive additional Directors' fees for attending meetings of the Specialised Committees: the Chairmen of the Board's Specialised Committees receive an annual flat rate fee, which differs according to the Committee. Committee members receive a set fee for each Committee Meeting they attend.

Non-voting Directors get the same compensation for attending Board Meetings and, when they are members, Specialised Committee Meetings.

Following the raising by the General Meeting of Shareholders of 19 May 2016 of total Directors' fees to €1.4 million to reflect, in particular, the increased number of meetings, the creation of a Sixth Specialised Committee, but also the significant expansion in the duties of Directors on the back of regulatory changes, the Board, on the recommendation of the Compensation Committee, allocated it as follows from 1 July 2016:

- a set fee of €4,000 per Board Meeting;
- a set fee of €2,700 per Committee Meeting;
- an annual fixed amount of €20,000 respectively allocated to the Chairs of the Compensation Committee, Appointments and Governance Committee, and United States Risks Committee.

The same distribution was approved by the Board of Directors on 2 August 2017.

As regards the chairmanship of the Audit Committee and Risks Committee, the annual fixed amounts are:

- €35,000 for the chairmanship of the Risks Committee from 1 July 2017;
- €35,000 for the chairmanship of the Audit Committee from 1 July 2017.

It should be noted that the Chairman of the Board of Directors, Dominique Lefebvre, waived all compensation other than in his capacity as Chairman, despite sitting on the Strategy and CSR Committee and the Appointments and Governance Committee.

Renée Talamona waived her Directors' fees both for attending meetings of the Board and of the Strategy and CSR Committee on which she sits.

The three Directors representing employees on the Board do not receive any Directors' fees. Instead, they are paid over to their unions.

The Board has also set up a system for reimbursing Board members for travel expenses, based on costs incurred by each member for attending Board and Committee Meetings. This system is renewed by the Board each year.

1.3.8. Compensation in respect of directorships held in Group companies

The total amount of Directors' fees for Crédit Agricole CIB, LCL, Crédit Agricole Italia (formerly Cariparma) and Amundi is determined by their Boards of Directors and submitted for approval at their General Meetings of Shareholders. The allocation of Directors' fees at these four companies is based on their attendance at Board Meetings and their participation in the Board's Specialised Committees.

The table below disclosing Directors' fees paid to the Directors and non-voting Directors of Crédit Agricole S.A. includes amounts received from other Group subsidiaries.

Directors	2016 Net amounts received from Crédit Agricole S.A. in 2016[1]	Net amounts received in 2017[1] Crédit Agricole S.A.	Crédit Agricole CIB	LCL	Amundi	total other Group subsidiaries	Grand Total 2017
Directors elected by the General Meeting							
Dominique Lefebvre[2]	0	0	-	-	-	0	**0**
Jack Bouin[5]	32,576	12,764	-	-	-	0	**12,764**
Raphaël Appert[7]	-	25,527		-	-	8,517	**34,044**
Roger Andrieu[5]	26,035	11,875	-	-	-	0	**11,875**
Pascale Berger[3][4]	24,083	30,420	-	-	-	0	**30,420**
Caroline Catoire	35,370	45,149	-	-	-	0	**45,149**
Pascal Célérier[6]	7,684		-	-	-	0	**0**
Laurence Dors	51,468	57,849	-	-	-	0	**57,849**
Daniel Epron	32,258	40,005	-	-	-	20,045	**60,050**
Véronique Flachaire	33,655	45,149	-	-	-	0	**45,149**
Jean-Pierre Gaillard	38,164	45,149	-	10,795	-	0	**55,944**
Françoise Gri	36,386	72,025	13,335	-	-	0	**85,360**
Jean-Paul Kerrien	18,098	26,289	-	-	-	3,575	**29,864**
Monica Mondardini[8]	30,415	39,200	-	-	-	0	**39,200**
Gérard Ouvrier-Buffet	29,147	38,291	-	-	-	28,274	**66,565**
Jean-Pierre Paviet[7]	-	12,700	28,575	-	-	0	**41,275**
Catherine Pourre[7][8]	20,370	59,897	27,300	-	-	0	**87,197**
Jean-Louis Roveyaz[5]	38,164	20,447	3,598	-	-	6,475	**30,520**
Christian Streiff	33,655	46,863	-	-	-	0	**46,863**
Renée Talamona[2]	0	0	-	-	-	0	**0**
Louis Tercinier[7]	-	17,844	-	-	-	0	**17,844**
François Thibault	24,638	40,005	9,525	-	-	1,618	**51,148**
François Veverka[5]	64,432	33,725	10,856	8,890	19,050	0	**72,521**
Directors elected by the staff						0	**0**
François Heyman[3][4]	34,223	41,828	-	-	-	0	**41,828**
Christian Moueza[3][4]	24,083	30,420	-	-	-	0	**30,420**
Directors representing the professional agricultural organisations						0	**0**
Xavier Beulin[9]	18,098	5,080	-	-	-	0	**5,080**
Christiane Lambert[10]	-	5,080	-	-	-	0	**5,080**
Non-voting Director						0	**0**
Philippe Boujut[11]	-	12,700	-	-	-	0	**12,700**
François Macé	16,002	22,860	-	-	-	0	**22,860**
TOTAL	**669,004**	**839,141**	**93,189**	**19,685**	**19,050**	**68,504**	**1,039,569**

(1) After the following deductions from the sums payable to individual beneficiaries resident in France: income tax prepayment (21%) and social contributions (15.50%).
(2) Do not receive their Directors' fees.
(3) The three Directors representing employees on the Board do not receive their Directors' fees, instead, they are paid over to their unions.
(4) After deductions of social contributions (15.50%).
(5) Outgoing Directors (May 2017).
(6) Outgoing Director in March 2016, following his appointment as Deputy General Manager
(7) Appointment as Director (May 2017).
(8) 30% withholding tax (French non-residents).
(9) Died in February 2017.
(10) Appointment by decree (September 2017).
(11) Appointment as non-voting Director (May 2017).

2. ADDITIONAL INFORMATION ON CORPORATE OFFICERS

2.1. COMPOSITION OF THE BOARD OF DIRECTORS

At 21 March 2018

Dominique LEFEBVRE	Chairman of the Board of Directors Chairman of the Caisse régionale Val de France Chairman of the Fédération nationale du Crédit Agricole Chairman of SAS Rue La Boétie
Raphaël APPERT representative of SAS Rue La Boétie	Deputy Chairman of the Board of Directors Chief Executive Officer of the Caisse régionale Centre-est First Deputy Chairman of the Fédération nationale du Crédit Agricole Deputy Chairman of SAS Rue La Boétie
Pascale BERGER	Crédit Agricole Regional Banks Employee Representative
Caroline CATOIRE	Corporate Director
Laurence DORS	Senior Partner of Theano Advisors Corporate Director
Daniel EPRON	Chairman of the Caisse régionale de Normandie
Véronique FLACHAIRE	Chief Executive Officer of the Caisse régionale du Languedoc
Jean-Pierre GAILLARD	Chairman of the Caisse régionale Sud Rhône Alpes
Françoise GRI	Corporate Director
Jean-Paul KERRIEN	Chairman of the Caisse régionale du Finistère
Monica MONDARDINI	Chief Executive Officer of CIR S.p.A. Chief Executive Officer of GEDI Gruppo Editoriale (CIR Group)
Gérard OUVRIER-BUFFET	Chief Executive Officer of the Caisse régionale Loire Haute-Loire
Jean-Pierre PAVIET	Chairman of the Caisse régionale des Savoie
Catherine POURRE	Manager of CPO Services (Luxembourg) Corporate Director
Christian STREIFF	Deputy Chairman of Safran Group
Renée TALAMONA	Chief Executive Officer of the Caisse régionale de Lorraine
François THIBAULT	Chairman of the Caisse régionale Centre Loire
Christiane LAMBERT	Chairwoman of the FNSEA, representing professional farming associations
François HEYMAN	Representing the employees (UES Crédit Agricole S.A.)
Christian MOUEZA	Representing the employees (UES Crédit Agricole S.A.)
Philippe BOUJUT	Non-voting Director Chairman of the Caisse régionale Charente-Périgord
François MACÉ	Non-voting Director Chief Executive Officer of the Caisse régionale Nord de France
Bernard de DRÉE	Representative of the Works Council

Presentation of the Board of Directors at 31 December 2017	Origin	Age	First appointed	Renewal of term	Attendance	Risks Committee	US Risk Committee	Audit Committee	Compensation Committee	Appointments and Governance Committee	Strategy and CSR Committee
Dominique Lefebvre *Chairman of the Board of Directors* *Chairman of the Caisse régionale Val de France, FNCA, and SAS Rue La Boétie*		56	2015(1)	2019	100%					M	C
Raphaël Appert *Representative of SAS Rue La Boétie* *Deputy Chairman of the Board of Directors* *Chief Executive Officer of the Caisse régionale Centre-est* *First Deputy Chairman of FNCA* *Deputy Chairman of SAS Rue La Boétie*		56	2017	2018	100%					M	M
Pascale Berger *Representative of Crédit Agricole Regional Bank employees*		56	2013	2018	100%						
Caroline Catoire *Corporate Director*		62	2011	2020	100%		M	M			
Laurence Dors *Senior Partner of Theano Advisors* *Corporate Director*		61	2009	2020	100%			M	C	M	
Daniel Epron *Chairman of the Caisse régionale de Normandie*		61	2014	2020	100%				M		M
Véronique Flachaire *Chief Executive Officer of the Caisse régionale du Languedoc*		60	2010	2019	100%	M	M				
Jean-Pierre Gaillard *Chairman of the Caisse régionale Sud Rhône Alpes*		57	2014	2019	100%			M		M	
Françoise Gri *Corporate Director*		60	2012	2020	89%	C	C	M	M		M
Jean-Paul Kerrien *Chairman of the Caisse régionale du Finistère*		56	2015	2019	100%				M		
Monica Mondardini *Chief Executive Officer of CIR S.p.A.* *Chief Executive Officer of "GEDI Gruppo Editoriale" (CIR Group)*		57	2010	2018	100%					C	
Gérard Ouvrier-Buffet *Chief Executive Officer of the Caisse régionale Loire Haute-Loire*		60	2013	2020	100%			M			
Jean-Pierre Paviet *Chairman of the Caisse régionale des Savoie*		65	2017	2018	100%						
Catherine Pourre(2) *Manager of CPO Services (Luxembourg)* *Corporate Director*		60	2017	2020	89%	M		C			
Christian Streiff *Deputy Chairman of Safran Group*		63	2011	2020	100%	M			M		M
Renée Talamona *Chief Executive Officer of the Caisse régionale de Lorraine*		60	2016	2018	100%						M
Louis Tercinier *Chairman of the Caisse régionale Charente-Maritime Deux-Sèvres*		57	2017	2018	100%					M	
François Thibault *Chairman of the Caisse régionale Centre Loire*		62	2015	2020	100%	M					M
Christiane Lambert *Chairman of the FNSEA (Fédération nationale des syndicats d'exploitants agricoles)*		56	2017	2020	67%						
François Heyman *Representing employees*		58	2012	2018	100%				M		
Christian Moueza *Representing employees*		60	2012	2018	100%						
KEY INDICATORS AVERAGE/SUM		**59**			**98%**	**5**	**3**	**6**	**6**	**6**	**7**
Philippe Boujut *Non-voting Director* *Chairman of the Caisse régionale Charente Périgord*		63	2017	2020	100%						
François Macé *Non-voting Director* *Chief Executive Officer of the Caisse régionale Nord de France*		62	2013	2019	100%						
Bernard de Drée *Representative of the Works Council*		63	2012	2019	100%						

M *Member.*
C *Chairman.*
Directors who are the Chairmen or Chief Executive Officers of Crédit Agricole's Regional Banks.
Director who is an employee of a Regional Bank.
Director, Chief Executive Officer of Caisse régionale de Crédit Agricole, representing SAS Rue La Boétie.
Independent Directors.
Non-voting Director
Representing farming organisations, appointed by joint order of the Ministers of Agriculture and Finance.
Directors elected by the staff of the Union Économique et Sociale (UES) of Crédit Agricole S.A.
Representative of the Works Council

(1) *2007-2009: Director natural person; 2009-2015: representing the SAS Rue la Boétie.*
(2) *Elected Director by the General Meeting of 2017, Catherine Pourre was previously a non-voting Director.*

2.2. OFFICES HELD BY CORPORATE OFFICERS

The information appearing below on offices held by members of the Board of Directors and Executive Management is required by Article L. 225-37-4, paragraph 1, of the French Commercial Code and amended by the Order no. 2017-1180 of 19 July 2017, Article 3.

Crédit Agricole S.A. Board of Directors at 31 December 2017



Dominique LEFEBVRE

Main office within the Company: Chairman of the Board of Directors
Chairman of the Strategy and Corporate Social Responsibility Committee
Member of the Appointments and Governance Committee

Business address: Caisse régionale Val de France – 1, rue Daniel Boutet – 28002 Chartres

Born in 1961

French nationality

Date first appointed:
November 2015(1)

Term of office ends:
2019

Number of Crédit Agricole S.A. shares held at 31/12/2017:
4,127

BRIEF BIOGRAPHY

Dominique Lefebvre is a cereal farmer and has held numerous positions within professional agricultural organisations. He got involved in Crédit Agricole's working bodies very early on and, in 1995, was elected Chairman of Crédit Agricole de la Beauce et du Perche, now Crédit Agricole Val de France (1997). He also holds several national offices. Initially elected a member of the Bureau de la Fédération Nationale du Crédit Agricole (FNCA) (in 2004), he became Deputy Chairman thereof in 2008, then Chairman in 2010. On this basis, he was also Chairman of SAS Rue La Boétie, Crédit Agricole S.A.'s majority shareholder, before being elected Chairman of Crédit Agricole S.A. in November 2015.

OFFICES HELD AT 31/12/2017

In Crédit Agricole Group companies
- Chairman: Caisse régionale Val de France, Fédération Nationale du Crédit Agricole (FNCA), SAS Rue La Boétie, Sacam Participations, Sacam International, Fondation Crédit Agricole Solidarité et Développement (CASD)
- Chairman of the Management Committee: GIE Gecam
- Deputy Chairman: Sacam Développement
- Manager: Sacam Mutualisation
- Director: Crédit Agricole Foundation - Pays de France, SCI CAM

In other listed companies
-

In other non-listed companies
-

Other offices
- Chairman of the Finance Commission: Chambre d'agriculture d'Eure-et-Loir
- Manager: EARL de Villiers-le-Bois
- Member of Conseil de l'Agriculture française

OTHER OFFICES HELD WITHIN PAST YEARS (2013 TO 2017)

In Crédit Agricole Group companies
Deputy Chairman: Crédit Agricole S.A. (2015)

Chairman: Adicam (2015)

In other listed companies
-

In other non-listed companies
-

Other offices
Director: INRA (2014)

Chairman: Confédération nationale de la mutualité, de la coopération du crédit agricole - CNMCCA (2015)

Member: Conseil économique, social et environnemental (2015)

(1) *2007 - 2009: Director natural person;*
2009 - 2015: representing the SAS Rue La Boétie.



Representative of SAS Rue La Boétie:

RAPHAEL APPERT

Main office within the Company: Deputy Chairman of the Board of Directors
Member of the Strategy and Corporate Social Responsibility Committee – Member of the Appointments and Governance Committee

Business address: Caisse régionale de Centre-est - 1 rue Pierre de Truchis de Lays - 69410 Champagne au Mont d'Or

Born in 1961

French nationality

Date first appointed:
May 2017
(SAS Rue La Boétie)

Term of office ends:
2018

Number of Crédit Agricole S.A. shares held at 31/12/2017:
5,012 (personally owned)

FCPE (employee share ownership plan) units held, invested in Crédit Agricole S.A. shares, at 31/12/2017
2,206 (personally owned)

BRIEF BIOGRAPHY

Aged 56 and a graduate of EDHEC (Lille 1983), Raphaël Appert has spent his entire career at Crédit Agricole. Having joined the network of branches of Crédit Agricole du Nord-est in 1983, he subsequently became Manager of the Commercial Network of Crédit Agricole de la Sarthe in 1995, then Finance and Marketing Manager of Crédit Agricole de l'Anjou et du Maine in 1998. In 2002, he was appointed Deputy General Manager of Crédit Agricole Centre-est. In 2005, the Board of Directors of Crédit Agricole Val de France appointed him Chief Executive Officer. He has been Chief Executive Officer of Crédit Agricole Centre-est since 2010. Elected to the Board of the Fédération nationale du Crédit Agricole in 2012, he became Deputy Corporate Secretary in 2015, then First Deputy Chairman in May 2017. Within the Crédit Agricole Group, Raphaël Appert's offices notably include those of Chairman of Sacam Développement and Director of Fondation Grameen Crédit Agricole.

OFFICES HELD AT 31/12/2017

In Crédit Agricole Group companies
- Chief Executive Officer: Caisse régionale Centre-est; Sacam International
- Deputy Chairman: SAS Rue La Boétie
- First Deputy Chairman: Fédération nationale du Crédit Agricole (FNCA)
- Chairman: Sacam Développement
- Director: Crédit Agricole Financements, SAS Carvest, Fondation du Crédit Agricole - Pays de France, Sacam Participations
- Management Committee member: GIE Gecam
- Manager: Sacam Mutualisation
- Director: Fondation Grameen Crédit Agricole;

In other listed companies
-

In other non-listed companies
- Director: Siparex Associés;

Other offices
- Association des Fondateurs et Protecteurs de l'Institut Catholique de Lyon (AFPCIL)
- Association de l'Enseignement Supérieur Commercial Rhône Alpes (AESCRA), EM Lyon,
- Chairman of the Club du Musée des Beaux-Arts (Lyon)

OTHER OFFICES HELD WITHIN PAST YEARS (2013 TO 2017)

In Crédit Agricole Group companies
- Chairman: Pacifica (2017); Crédit Agricole Assurances (2017)
- Director: Amundi (2015), Predica (2017)
- Supervisory Board member: Crédit Agricole Bank Polska (2017)
- Deputy Corporate Secretary: Fédération nationale du Crédit Agricole - FNCA (2017)

In other listed companies
-

In other non-listed companies
-

Other offices
-

The definitions of the underlined words can be found in the Glossary on page 567.



Pascale BERGER

Main office within the Company: Director representing Crédit Agricole Regional Banks employees

Business address: Caisse régionale de Franche-Comté – 11, avenue Élisée Cusenier – 25000 Besançon

Born in 1961

French nationality

Date first appointed:
May 2013

Term of office ends:
2018

Number of Crédit Agricole S.A. shares held at 31/12/2017:
10

FCPE (employee share ownership plan) units held, invested in Crédit Agricole S.A. shares, at 31/12/2017:
880

BRIEF BIOGRAPHY

Pascale Berger holds a DEA (diplôme d'études approfondies) in business law and a DESS (diplôme d'études spécialisées) in rural law. She spent most of her career at the Caisse régionale de Franche-Comté, first as Portfolio Manager in the Litigation department (1988-1992), then Business Manager in the Training department (1992-2005). She subsequently joined the Permanent Control department, then became an Internal Auditor. In 2014, she joined the Innovation and Transformation division, with responsibility for the documentary database. In April 2017, she became Communications Officer. She was elected Assistant Secretary and became Chairwoman of the Mutuelle (Health insurance) Commission of the Caisse régionale de Franche-Comté works council.

OFFICES HELD AT 31/12/2017

In Crédit Agricole Group companies
- Communications Officer: Caisse régionale de Franche-Comté
- Deputy Secretary: Franche-Comté works council
- Chairwoman of the Mutuelle Commission: Franche-Comté works council

In other listed companies
-

In other non-listed companies
-

Other offices

OTHER OFFICES HELD WITHIN PAST YEARS (2013 TO 2017)

In Crédit Agricole Group companies
- Auditor: Caisse régionale de Franche-Comté within the Audit and Periodic Controls department (2014)
- Advisor: Chorale Doc (Caisse régionale de Franche-Comté documentary database (2017)

In other listed companies
-

In other non-listed companies
-

Other offices
-



Caroline CATOIRE

Main office within the Company: Director
Member of the Audit Committee – Member of the Risks Committee in the United States

Business address: Crédit Agricole S.A. – 12, place des États-Unis – 92120 Montrouge

Born in 1955

French nationality

Date first appointed:
May 2011

Term of office ends:
2020

Number of Crédit Agricole S.A. shares held at 31/12/2017:
1,099

BRIEF BIOGRAPHY

A former student of École Polytechnique, Caroline Catoire held various positions in the Total Group from 1980 to 1998: within the Economic Research department, the Oil Trading department, and then the Finance department as Head of Management Control, followed by Director of Corporate Finance. She then joined Société Générale and served as the Director of Management Control of the investment bank (1999-2002). She broadened her experience in the financial sector, serving as CFO in various companies: Sita France, then Saur Group and Metalor Group. Since December 2015, she has been a consultant in the financial sector.

OFFICES HELD AT 31/12/2017

In Crédit Agricole Group companies
-

In other listed companies
-

In other non-listed companies
- Chairwoman: C2A Conseil

Other offices
- Non-voting Director: Roquette (from January 2018)

OTHER OFFICES HELD WITHIN PAST YEARS (2013 TO 2017)

In Crédit Agricole Group companies
-

In other listed companies
- Director and Audit Committee member: Maurel & Prom International (2015)

In other non-listed companies
- Chief Financial Officer and Executive Committee member: Saur Group (2014), Metalor Group (2015)
- Director Company Coved, Company CER, Company Sedud (2014)

Other offices
-



Laurence DORS

Main office within the Company: Director
Chairwoman of the Compensation Committee
Member of the Audit Committee – Member of the Appointments and Governance Committee

Business address: Theano Advisors – 57, rue Pierre Charron – 75008 Paris

Born in 1956

French nationality

Date first appointed: May 2009

Term of office ends: 2020

Number of Crédit Agricole S.A. shares held at 31/12/2017: 1,085

BRIEF BIOGRAPHY

A former senior civil servant in the French Finance Ministry and the Ministry of the Economy's staff (1994-1995), and later the Prime Minister's staff (1995-1997), Laurence Dors has spent much of her professional career in general management positions of international groups (Lagardère, EADS, Dassault Systèmes, Renault). Cofounder and Senior Partner of the consulting firm, Theano Advisors, she is a specialist in governance issues and an independent Director. She sits on the Board of Directors of the "Institut français des administrateurs".

OFFICES HELD AT 31/12/2017

In Crédit Agricole Group companies
-

In other listed companies
- Independent Director: Capgemini

In other non-listed companies
- Independent Director: EGIS SA
- Senior Partner: Theano Advisors

Other offices
- Director: Institut Français des Administrateurs (IFA)
- Member: Advisory Committee of Institut des Hautes Études de l'Amérique Latine (IHEAL); Club économique franco-allemand (CEFA)

OTHER OFFICES HELD WITHIN PAST YEARS (2013 TO 2017)

In Crédit Agricole Group companies
-

In other listed companies
-

In other non-listed companies
-

Other offices
- Director: Institut National des Hautes Études de la Sécurité et de la Justice - INHESJ (2016)



Daniel EPRON

Main office within the Company: Director
Member of the Strategy and Corporate Social Responsibility Committee – Member of the Compensation Committee

Business address: Caisse régionale de Normandie – 15, esplanade Brillaud-de-Laujardière – 14050 Caen

Born in 1956

French nationality

Date first appointed: May 2014

Term of office ends: 2020

Number of Crédit Agricole S.A. shares held at 31/12/2017: 845

BRIEF BIOGRAPHY

Daniel Epron is a farmer in the Orne region. He has held a number of elected mandates, especially in the agricultural sector: He was Deputy Corporate Secretary of the young farmers' Centre, the "Centre national des jeunes agriculteurs" (1989-1992), a member of the "Conseil économique, social et environnemental régional de Basse-Normandie" (1989-2013), Chairman of the "Chambre régionale d'agriculture de Normandie" (1995-2007), and a Regional Councillor for Basse-Normandie (2001-2004). Chairman of the Caisse locale de Crédit Agricole de l'Aigle (1990-2005), he chaired the Caisse régionale de l'Orne from 1995 to 1997, and has chaired the Caisse régionale de Normandie (post merger) since 2006. He is Deputy Chairman of Fédération nationale du Crédit Agricole (FNCA) and has been a member of the "Conseil économique, social et environnemental" since the end of 2015.

OFFICES HELD AT 31/12/2017

In Crédit Agricole Group companies
- Chairman: Caisse régionale de Normandie, Sofinormandie
- Deputy Chairman: Fédération Nationale du Crédit Agricole (FNCA)
- Director: SAS Rue La Boétie, Cariparma, Crédit Agricole Technologies et Services, SCI CAM
- Management Committee member: GIE Gecam

In other listed companies
–

In other non-listed companies
–

Other offices
- Manager: GFA de Belzaise
- Partner: SCI Samaro
- Director: Agence de Développement pour la Normandie
- Member: Conseil économique, social et environnemental (CESE)

OTHER OFFICES HELD WITHIN PAST YEARS (2013 TO 2017)

In Crédit Agricole Group companies
- Director: CA Consumer Finance (2014), LCL (2014)

In other listed companies
-

In other non-listed companies
-

Other offices
- Member: Conseil économique, social et environnemental régional (CESER) de Normandie (2013)

The definitions of the underlined words can be found in the Glossary on page 567.



Véronique FLACHAIRE

Main office within the Company: Director
Member of the Risks Committee – Member of the Risks Committee in the United States

Business address: Caisse régionale du Languedoc – Avenue du Montpelliéret Maurin – 34970 Lattes

Born in 1957

French nationality

Date first appointed: February 2010

Term of office ends: 2019

Number of Crédit Agricole S.A. shares held at 31/12/2017: 650

FCPE (employee share ownership plan) units held invested in Crédit Agricole S.A. shares at 31/12/2017: 1,545

BRIEF BIOGRAPHY

Véronique Flachaire is a chemical engineer and graduate of Sciences Po Paris, and has spent her entire career at the Crédit Agricole Group. With an executive position in the Caisse régionale du Midi, she was then appointed Deputy Chief Executive Officer of the Caisse régionale du Sud-Ouest. She ran the Inforsud Group and then the Group's subsidiary dedicated to means of payment - Cédicam - (2004-2007), before joining Crédit Agricole S.A. as Director of Relations with Regional Banks. Backed by her diverse range of experience in all areas of banking, she was appointed CEO of the Caisse régionale Charente-Maritime Deux-Sèvres in 2009 and currently serves the same position in the Caisse régionale du Languedoc since 2012.

OFFICES HELD AT 31/12/2017

In Crédit Agricole Group companies
- Chief Executive Officer: Caisse régionale du Languedoc
- Chairwoman: Crédit Agricole Technologies et Services, Progica
- Director: CCPMA, Adicam, Sofilaro, Crédit Agricole Payment Services, Deltager

In other listed companies
-

In other non-listed companies
-

Other offices

OTHER OFFICES HELD WITHIN PAST YEARS (2013 TO 2017)

In Crédit Agricole Group companies
- Chairwoman: Santeffi (2016) – Deltager (2016) – CA Paiement (2016)
- Director: HECA (2016)

In other listed companies
-

In other non-listed companies
-

Other offices
- Chairwoman: Fédération bancaire française Languedoc-Roussillon (2016)



Jean-Pierre GAILLARD

Main office within the Company: Director
Member of the Audit Committee – Member of the Appointments and Governance Committee

Business address: Caisse régionale Sud Rhône Alpes – 15-17, rue Paul Claudel – 38100 Grenoble

Born in 1960

French nationality

Date first appointed: May 2014

Term of office ends: 2019

Number of Crédit Agricole S.A. shares held at 31/12/2017: 2,200

BRIEF BIOGRAPHY

Jean-Pierre Gaillard is a wine grower, tourist activity manager and Municipal Councillor in Saint-Jean le Centenier. He has been Chairman of the Caisse locale de Crédit Agricole de Villeneuve de Berg since 1993. After having sat on the Board of the Caisse régionale de l'Ardèche, then the Caisse régionale Sud Rhône Alpes, where he was elected Chairman in 2006. Being particularly committed to local development and environmental economics, he chairs Crédit Agricole Group's Energy and Environment Committee. He holds a number of offices within national bodies and has been Deputy Chairman of the Fédération nationale du Crédit Agricole since December 2015.

OFFICES HELD AT 31/12/2017

In Crédit Agricole Group companies
- Chairman: Caisse régionale Sud Rhône Alpes, Adicam
- Deputy Chairman: Fédération nationale du Crédit Agricole (FNCA), Fomugei Management Committee
- Director and member of the Bureau of the Board of Directors: SAS Rue La Boétie
- Director and member of the Audit Committee: LCL
- Member of the Supervisory Board: CA Titres

In other listed companies
-

In other non-listed companies
-

Other offices
- Municipal Councillor: Saint-Jean Le Centenier (Ardèche)
- Director: Banque de France de l'Ardèche

OTHER OFFICES HELD WITHIN PAST YEARS (2013 TO 2017)

In Crédit Agricole Group companies
- Director: Banca Popolare FriulAdria (2014)
- Deputy Chairman: Crédit Agricole Solidarité Développement/CASD (2015)
- Treasurer: Fédération nationale du Crédit Agricole - FNCA (2015)
- Chairman: Amicale Sud (2017)

In other listed companies
-

In other non-listed companies
-

Other offices



Françoise GRI

Main office within the Company: Director
Chairwoman of the Risks Committee and of the US Risks Committee
Member of the Audit Committee – Member of the Compensation Committee
Member of the Strategy and CSR Committee

Business address: Crédit Agricole S.A. – 12, place des États-Unis – 92120 Montrouge

Born in 1957

French nationality

Date first appointed: May 2012

Term of office ends: 2020

Number of Crédit Agricole S.A. shares held at 31/12/2017: 2,000

BRIEF BIOGRAPHY

Françoise Gri is a graduate of "École nationale supérieure d'informatique et de mathématiques appliqués" in Grenoble. She began her career in the IBM Group and was appointed Chairwoman and CEO of IBM France in 2001. 2007 saw her move to Manpower as Chairwoman and CEO of its French subsidiary, before going on to become ManpowerGroup Executive Vice-President for Southern Europe (2011). An accomplished senior manager with extensive international experience, she then took up the position of Chief Executive Officer of the Pierre & Vacances-Center Parcs Group (2012-2014). An independent Director, she is a specialist in IT Technology and Corporate Social Responsibility.

OFFICES HELD AT 31/12/2017

In Crédit Agricole Group companies
- Independent Director: Crédit Agricole CIB

In other listed companies
- Independent Director: Edenred S.A.
- Director and Audit Committee member: WNS Services

In other non-listed companies
- Manager: F. Gri Conseil
- Independent Director: 21 Centrale Partners

Other offices
- Director: École Audencia (from January 2018)

OTHER OFFICES HELD WITHIN PAST YEARS (2013 TO 2017)

In Crédit Agricole Group companies
-

In other listed companies
- Chairwoman: Viadeo (2016)
- Chief Executive Officer: Pierre & Vacances-Center Parcs Group (2014)
- Member of the Supervisory Board: Rexel SA (2013)

In other non-listed companies
-

Other offices
- Deputy Chairwoman: Institut de l'entreprise (2015)
- Member: Corporate Governance High Committee; Medef Ethics Committee (2016); Institut français du tourisme (2015), Conseil économique, social et environnemental (2013)



Jean-Paul KERRIEN

Main office within the Company: Director
Member of the Compensation Committee

Business address: Caisse régionale du Finistère – 7, route du Loch – 29555 Quimper

Born in 1961

French nationality

Date first appointed: November 2015 (Director)

Term of office ends: 2019

Number of Crédit Agricole S.A. shares held at 31/12/2017: 601

BRIEF BIOGRAPHY

A farmer specialising in organic vegetable production, Jean-Paul Kerrien has been Chairman of the Caisse locale de Taulé since 1996. He has been Director of the Caisse régionale du Finistère since 2006, of which he became Deputy Chairman in 2009 then Chairman in 2012. Reflecting his strong investment in the Group's agriculture, he has developed several cooperative production and distribution structures. He was a member of the Finistère Chamber of Agriculture (2006-2012), of which he chaired the Agronomy Commission. Jean-Paul Kerrien also has responsibilities in the area of innovation. Chairman of "Investir en Finistère" from 2014 to 2017, he is committed to developing the economic attractiveness of the Finistère region.

OFFICES HELD AT 31/12/2017

In Crédit Agricole Group companies
- Chairman: Caisse régionale du Finistère, Fireca
- Director: Cofilmo, BforBank, Crédit Agricole en Bretagne, Crédit Agricole Egypt

In other listed companies
–

In other non-listed companies
- Partner: Earl de Kererec, Sarl photovoltaïque de Kererec

Other offices
- Director: Investir en Finistère

OTHER OFFICES HELD WITHIN PAST YEARS (2013 TO 2017)

In Crédit Agricole Group companies
- Director: HECA (2015)
- Non-voting Director: Crédit Agricole S.A. (2015)

In other listed companies
–

In other non-listed companies
–

Other offices
- Chairman: Investir en Finistère (2017)
- Employment dispute advisor: High court of Morlaix (2013)

The definitions of the underlined words can be found in the Glossary on page 567.



Gérard OUVRIER-BUFFET

Main office within the Company: Director
Member of the Audit Committee

Business address: Caisse régionale Loire Haute-Loire – 94, rue Bergson – BP 524 – 42007 Saint-Étienne Cedex 1

Born in 1957

French nationality

Date first appointed:
August 2013

Term of office ends:
2020

Number of Crédit Agricole S.A. shares held at 31/12/2017:
2,602

FCPE (employee share ownership plan) units held, invested in Crédit Agricole S.A. shares, at 31/12/2017:
3,236

BRIEF BIOGRAPHY

Gérard Ouvrier-Buffet has spent almost his whole career in Crédit Agricole Group. He acquired comprehensive expertise in all aspects of retail banking working in the Caisse régionale de Haute-Savoie (1982-1992), and Caisse régionale du Midi (1992-1998). Appointed Deputy Chief Executive Officer of Crédit Agricole Sud Rhône Alpes in 1998, he has served as Chief Executive Officer of the Caisse régionale Loire Haute-Loire since 2002. At the same time, he was Chairman of Predica and Crédit Agricole Assurances until 2013. He then spearheaded the launch and development of the real estate business line. Today, he is Chairman of Crédit Agricole Immobilier. He is Deputy Chairman of the Fédération nationale du Crédit Agricole (FNCA).

OFFICES HELD AT 31/12/2017

In Crédit Agricole Group companies
- Chief Executive Officer of the Caisse régionale Loire Haute-Loire
- Chairman of the Board of Directors: Crédit Agricole Immobilier, Cofam, Sircam, Locam
- Chairman of the Audit and Risks Committee and Supervisory Board member: Crédit du Maroc
- Deputy Chairman: Fédération nationale du Crédit Agricole (FNCA)
- Director: SAS Rue La Boétie, Square Habitat Loire Haute-Loire, Edokial, Défitech, Chêne Vert, SCI CAM
- Management Board member: Uni-éditions
- Management Committee member: GIE Gecam

In other listed companies
-

In other non-listed companies
- Director: Sacicap Forez-Velay
- Board Chairman: Le Village by CA Loire Haute Loire
- Founding Director: Fondation d'Entreprise Crédit Agricole Loire Haute-Loire for innovation

Other offices
- Treasurer: Foundation of the University Jean Monnet in Saint-Étienne

OTHER OFFICES HELD WITHIN PAST YEARS (2013 TO 2017)

In Crédit Agricole Group companies
- Chairman of the Board of Directors: Crédit Agricole Assurances (2013), Pacifica (2013)
- Director: Predica (2013), Crédit Agricole Immobilier (2015)
- Chairman of the Executive Committee: Square Habitat (2014)
- Chairman of the Board of Directors: Logiciel Immobilier (2014)

In other listed companies
-

In other non-listed companies
- Director: SA d'HLM Cité Nouvelle Saint-Étienne (2013)

Other offices
-



Christiane LAMBERT

Main office within the Company: Director

Business address: FNSEA 11, rue de la Baume – 75008 Paris

Born in 1961

French nationality

Date first appointed: September 2017

Term of office ends: 2020

Number of Crédit Agricole S.A. shares held at 31/12/2017: 10

BRIEF BIOGRAPHY

Born to a family of farmers, Christiane Lambert has been managing her own farm since 1980. She started in Massiac, in her native Cantal region, with a herd of dairy cows and some 40 sows. At the same time, she joined the union of young farmers (Jeunes Agriculteurs - JA), making her way up the various regional ranks: Chairwoman of the Centre cantonal des Jeunes Agriculteurs (CCJA) de Massiac (1981-1984), then Deputy Chairwoman of the CDJA of Cantal (1982-1988), and also the first woman to chair the CRJA Auvergne in 1986. In 1989, she moved to Maine-et-Loire to take over her in-laws' pig farm with her husband. She continued her trade union activities and became the first chairwoman of the CNJA (1994-1998).
She has been a Director of FNSEA since March 2002, and then a Board member since 2005, becoming the First Deputy Chairwoman in 2010. She is also Deputy Chairwoman of several organizations such as the Environment Commission and Institut de Formation des Cadres Paysans (IFOCAP). In addition, she chaired the Forum des Agriculteurs Responsables Respectueux de l'Environnement (FARRE) from 2005 to 2017. In April 2017, she became the first woman to chair the FNSEA.

OFFICES HELD AT 31/12/2017

In Crédit Agricole Group companies
-

In other listed companies
-

In other non-listed companies
-

Other offices
- Chairwoman: Fédération nationale des syndicats d'exploitants agricoles (FNSEA)

OTHER OFFICES HELD WITHIN PAST YEARS (2013 TO 2017)

In Crédit Agricole Group companies
-

In other listed companies
-

In other non-listed companies
-

Other offices
- Corporate Secretary: Fédération régionale des syndicats d'exploitants agricoles (FRSEA) des Pays de la Loire and member of the Chamber of Agriculture's bureau (2014)



Monica MONDARDINI

Main office within the Company: Director
Chairwoman of the Appointments and Governance Committee

Business address: GEDI-Gruppo Editoriale – Ufficio Amministratore Delegato – Via C. Colombo 90 – 00147 Roma

Born in 1960

Italian nationality

Date first appointed: May 2010

Term of office ends: 2018

Number of Crédit Agricole S.A. shares held at 31/12/2017: 500

BRIEF BIOGRAPHY

Graduate in economics and statistics from the University of Bologna (Italy), Monica Mondardini has held several executive positions within the publishing (Hachette) and then the insurance sector (Generali) in Italy, Spain and France. In 2009 she joined one of the largest Italian publishing groups, the Gruppo Editoriale L'Espresso, as Deputy Director. While in her current role, in 2013 she became Deputy Director of CIR S.p.A., a major industrial holding company listed on the Milan stock exchange, that controls GEDI, Gruppo Editoriale (formerly Gruppo Editoriale L'Espresso), as well as other companies active in the automotive and health sectors.

OFFICES HELD AT 31/12/2017

In Crédit Agricole Group companies
-

In other listed companies
- Chairwoman: Sogefi S.p.A. (CIR Group)
- Chief Executive Officer: CIR S.p.A., GEDI Gruppo Editoriale (CIR Group)
- Independent Director: Atlantia S.p.A., Trevi Finanziaria Industriale S.p.A. (end H1-2018)

In other non-listed companies
- Director: Kos (CIR Group)

Other offices
-

OTHER OFFICES HELD WITHIN PAST YEARS (2013 TO 2017)

In Crédit Agricole Group companies
-

In other listed companies
- Chairwoman: Aeroporti di Roma S.p.A (Atlantia Group) (2017)
- Director: Scor SE (2013)

In other non-listed companies
-

Other offices
- Director: Save the Children Italia (2014)

The definitions of the underlined words can be found in the Glossary on page 567.



Jean-Pierre PAVIET

Main office within the Company: Director

Business address: Caisse régionale des Savoie - P.A.E. Les Glaisins - 4, avenue du Pré-Félin Annecy-Le-Vieux - 74985 Annecy

Born in 1952

French nationality

Date first appointed:
May 2017

Term of office ends:
2018

Number of Crédit Agricole S.A. shares held at 31/12/2017:
15

BRIEF BIOGRAPHY

A graduate of École Supérieure Libre des Sciences Commerciales Appliquées (ESLSCA Paris) and a Chartered Accountant, Jean-Pierre Paviet started his career as an auditor, and subsequently became chief project manager within the Deloitte auditing firm in Paris. In 1981, he joined the GEER Group (tourist development) as financial controller. In 1985, he founded the Sofineige Group, which he still chairs. He became a Director of the Caisse régionale des Savoie in 1992 and was appointed Chairman in 2010. Moreover, he holds various offices within national bodies of the Crédit Agricole Group and in several subsidiaries.

OFFICES HELD AT 31/12/2017

In Crédit Agricole Group companies
- Chairman: Caisse régionale des Savoie, Crédit Agricole Leasing & Factoring, Caisse locale de Crédit Agricole d'Aime
- Director: Crédit Agricole CIB, C2MS, Fedération Auvergne Rhône-Alpes du Crédit Agricole, Fondation Grameen

In other listed companies
–

In other non-listed companies
-

Other offices
- Chairman: Sofineige; Valpierre (a Sofineige subsidiary)

OTHER OFFICES HELD WITHIN PAST YEARS (2013 TO 2017)

In Crédit Agricole Group companies
- Chairman: Eurofactor (2013)
- Director: CA Home Loan SFH (2017)

In other listed companies
–

In other non-listed companies
-

Other offices
-



Catherine POURRE

Main office within the Company: Director
Chairwoman of the Audit Committee
Member of the Risks Committee

Business address: CPO Services – 13, rue d'Amsterdam – 1126 - Luxembourg

Born in 1957

French nationality

Date first appointed:
May 2017 (Director)

Term of office ends:
2020

Number of Crédit Agricole S.A. shares held at 31/12/2017:
50

BRIEF BIOGRAPHY

A graduate of ESSEC, Certified Accountant, with a degree in business law from the Catholic University of Paris, Catherine Pourre has extensive experience in audit and organisation consulting, particularly as a partner at PricewaterhouseCoopers (1989-1999) then at Capgemini Ernst & Young France, where she became Executive Director in 2000. She joined Unibail-Rodamco in 2002 as Deputy Chief Executive Officer. She carried out various executive management functions as member of the Executive Committee then member of the Management Committee. Since August 2015, she has been Manager and Director of CPO Services (Luxembourg). Catherine Pourre is also an experienced navigator. She is "chevalier de la Légion d'honneur" and "chevalier de l'Ordre national du Mérite".

OFFICES HELD AT 31/12/2017

In Crédit Agricole Group companies
- Director: Crédit Agricole CIB

In other listed companies
- Chairwoman of the Control Committee, representing the Strategic Investment Fund: Seb
- Director, member of the Audit Committee and Chairwoman of the Compensation Committee: Neopost
- Member of the Supervisory Board and member of the Audit Committee and Compensation Committee: Bénéteau

In other non-listed companies
- Manager: CPO Services

Other offices
- Member of BoardWomen Partners
- Director and Treasurer: Association Class 40
- Member: the Royal Ocean Racing Club (RORC)

OTHER OFFICES HELD WITHIN PAST YEARS (2013 TO 2017)

In Crédit Agricole Group companies
- Non-voting Director: Crédit Agricole S.A., Crédit Agricole CIB (2017)

In other listed companies
- Member of the Management Committee: Unibail-Rodamco S.E. (2013)
- Director of the permanent establishment: Unibail-Rodamco S.E. (2013)
- Chairwoman and Chief Executive Officer: Tayninh (2013)

In other non-listed companies
- Director: Unibail-Rodamco Management BV (2015)
- Deputy Chief Executive Officer: Unibail Management (2014)
- Member of the Board of Directors: Rodamco Europe (2013)
- Representative: Rodamco Europe, Head of eight subsidiaries of Unibail-Rodamco (2013)
- Member of the Board of Directors: Rodamco Beheer (2013)
- Member of the Supervisory Board: MFI AG (2013)
- Director: Viparis, Comexposium (2013)
- Chairwoman: SAS Doria (2013), SAS Unibail Management (2013)
- Director: Unibail-Rodamco Participations (2013)
- Supervisory Board member: Uni-Expos (2013)

Other offices
- Chairwoman: Union nationale pour la course au large UNCL (2015)



Christian STREIFF

Main office within the Company: Director
Member of the Risks Committee - Member of the Compensation Committee
Member of the Strategy and CSR Committee

Business address: Safran Group – 2, boulevard du Général Martial Valin – 75015 Paris

Born in 1954

French nationality

Date first appointed:
May 2011

Term of office ends:
2020

Number of Crédit Agricole S.A. shares held at 31/12/2017:
100

BRIEF BIOGRAPHY

Born in Sarrebourg, Christian Streiff graduated at the top of his class from Ecole des Mines de Paris in 1977. He has spent his entire career in the world of industry and technology. With an international profile, he has headed senior management teams in France, Germany, the United States and Italy. He speaks German, English and Italian. From 1979 to 2005, he worked for the Saint-Gobain Group, first in production (automotive foundry at Halbergerhütte in Germany, 1979-1982), then in Management and Executive Management positions: in the fibre branch at Chambéry, France (1985); in the production of fibreglass for Gevetex in Germany (1988); in the packaging sector for Vetri Spa in Italy (1991). In 1994, he returned to France where he was successively appointed Chief Executive Officer of Saint-Gobain Emballage (1996), Chairman of Pont-à-Mousson SA in Nancy (2000), Chairman of the High Performance Materials division (2003), and Chief Executive Officer of the Saint-Gobain Group (2005). He was then appointed Chairman of Airbus in 2005. In 2006, he joined the PSA Peugeot Citroën SA Group, where he served as Chairman of the Management Board. In 2009, due to a serious health accident, he was forced to leave his offices and undertake a long and ambitious self-reconstruction process. From 2012, he gradually returned to professional life, successively holding Director's positions in Germany (Continental, Thyssenkrupp) and France (Crédit Agricole) and co-heading innovative technology start-ups. In 2014, he was appointed Deputy Chairman of the Safran Group. Christian Streiff is the author of 2 books: "Kriegspiel" in 2000 and "J'étais un homme pressé" in 2014.

OFFICES HELD AT 31/12/2017

In Crédit Agricole Group companies
-

In other listed companies
- Deputy Chairman of the Board of Directors: Safran Group

In other non-listed companies
- Chairman: C.S. Conseils, Club économique franco-allemand (CEFA)
- Director: Expliseat, Optiréno, Zeplug

Other offices
- Director: Fondation pour la Recherche sur les AVC (Strokes Research Foundation)

OTHER OFFICES HELD WITHIN PAST YEARS (2013 TO 2017)

In Crédit Agricole Group companies
-

In other listed companies
- Director: Finmeccanica S.p.A. - Italy (2013), Thyssenkrupp - Germany (2015)
- Chairman: Astra (2017)

In other non-listed companies
- Director: Bridgepoint - United Kingdom (2015)

Other offices
-



Renée TALAMONA

Main office within the Company: Director
Member of the Strategy and Corporate Social Responsibility Committee

Business address: Caisse régionale de Lorraine – 56-58, avenue André Malraux – 57000 Metz

Born in 1957

French nationality

Date first appointed: March 2016

Term of office ends: 2018

Number of Crédit Agricole S.A. shares held at 31/12/2017: 20,284

FCPE (employee share ownership plan) units held, invested in Crédit Agricole S.A. shares, at 31/12/2017: 8,218

BRIEF BIOGRAPHY

Graduate in economics and econometrics, Renée Talamona has held several different positions in the banking sector. She has spent her entire career in the Crédit Agricole Group, firstly at the Caisse nationale de Crédit Agricole (CNCA) within the Economic Studies department (1980-1983), then the Finance department (1983-1986). She subsequently joined the General Inspection as Inspector, then Chief Project Manager (1986-1992). In 1992, she entered the Regional Banks, first as Finance and Risk Director at the Caisse régionale Sud Méditerranée, then Deputy Director successively at the Caisse régionale de Champagne-Bourgogne and the Caisse régionale Pyrénées Gascogne. She joined Crédit Agricole S.A. in 2009 to become Deputy Group Risks Director, and in 2011 was appointed Director for the Regions of France department of Crédit Agricole CIB. Since 2013, she is the Chief Executive Officer of the Caisse régionale de Lorraine.

OFFICES HELD AT 31/12/2017

In Crédit Agricole Group companies
- Chief Executive Officer: Caisse régionale de Lorraine
- Director and member of the Risks Committee: Amundi
- Director, member of the Audit Committee, Risks Committee, and Appointments Committee: Crédit Agricole Leasing & Factoring,
- Director: BFT IM

In other listed companies
–

In other non-listed companies
-

Other offices
-

OTHER OFFICES HELD WITHIN PAST YEARS (2013 TO 2017)

In Crédit Agricole Group companies
-

In other listed companies
- Director: LCL (2016)

In other non-listed companies
-

Other offices
-



Louis TERCINIER

Main office within the Company: Director
Member of the Appointments and Governance Committee

Business address: Caisse régionale de Charente-Maritime Deux-Sèvres – 14, rue Louis Tardy – 17140 Lagord

Born in 1960

French nationality

Date first appointed: May 2017

Term of office ends: 2018

Number of Crédit Agricole S.A. shares held at 31/12/2017: 2,205

BRIEF BIOGRAPHY

After technical studies in agronomy and management, Louis Tercinier pursued a number of professional training courses, primarily in the fields of economics and auditing. A farmer specialising in both grains and vineyards, he is part of a family of producers and traders (Cognac and Pineau des Charentes) going back five generations. A Board member of Unicognac and Vice-Chairman of Océalia, Louis Tercinier is Chairman of SICA Atlantique, France's second-largest grain and oilseed export site with six units built around the original grain terminal activity. Chairman of Caisse locale de Saintes since 2005, he was elected Director of the Caisse régionale de Charente-Maritime Deux-Sèvres in 2006, of which he became Deputy Chairman in 2010, and then Chairman in 2015.

OFFICES HELD AT 31/12/2017

In Crédit Agricole Group companies
- Chairman: Caisse régionale Charente-Maritime Deux-Sèvres, Caisse locale de Crédit Agricole Mutuel de Saintes
- Director: Cofisa, CA Home Loan SFH

In other listed companies
-

In other non-listed companies
- Executive Committee member: John Deere Financial SAS

Other offices
- Chairman: SICA Atlantique
- Deputy Chairman: Océalia
- Director: Unicognac S.A, Société Développement Atlantique (Sodevat)
- Manager: GFA des Forges

OTHER OFFICES HELD WITHIN PAST YEARS (2013 TO 2017)

In Crédit Agricole Group companies
-

In other listed companies
-

In other non-listed companies
-

Other offices
- EARL Tercinier (2017)

The definitions of the underlined words can be found in the Glossary on page 567.



François THIBAULT

Main office within the Company: Director
Member of the Strategy and Corporate Social Responsibility Committee – Member of the Risk Committee

Business address: Caisse régionale Centre Loire – 8, allée des Collèges – 18000 Bourges

Born in 1955

French nationality

Date first appointed: May 2015 (Director)

Term of office ends: 2020

Number of Crédit Agricole S.A. shares held at 31/12/2017: 1,675

BRIEF BIOGRAPHY

An agricultural engineer, farmer and viticulturist by profession, François Thibault is a long-standing elected member of Crédit Agricole's working bodies. Chairman of Caisse locale de Cosne-sur-Loire (Nièvre) since 1991. He became a Director (1995) of Caisse régionale Centre Loire, and then its Chairman (1996). He also holds a number of responsibilities in the Group's national working bodies, in particular as Commission Chairman of Fédération nationale du Crédit Agricole (FNCA), as well as in specialised subsidiaries, in particular in insurance (CAMCA) and corporate and investment banking (Crédit Agricole CIB).

OFFICES HELD AT 31/12/2017

In Crédit Agricole Group companies
- Chairman: Caisse régionale Centre Loire, Foncaris, Camca and Camca Courtage, SAS Centre Loire Expansion
- Director: Crédit Agricole CIB, Car Centre; Sacam Centre

In other listed companies
–

In other non-listed companies
- Partner: Gaec Thibault, GFA Villargeau d'en Haut, GFA de Montour, SCI Loire et Fontbout

Other offices
-

OTHER OFFICES HELD WITHIN PAST YEARS (2013 TO 2017)

In Crédit Agricole Group companies
- Chairman: Car Centre (2014), SAS Pleinchamp (2016), Chairman: Foncaris (2016)
- Director: Crédit Agricole Bank Polska (2016)
- Non-voting Director: Crédit Agricole S.A. (2015)

In other listed companies
-

In other non-listed companies
-

Other offices
-



François HEYMAN

Main office within the Company: Director representing the employees of UES Crédit Agricole S.A.
Member of the Compensation Committee

Business address: Crédit Agricole S.A. – SGL/DCG/DI – 12, place des États-Unis – 92120 Montrouge

Born in 1959

French nationality

Date first appointed: June 2012

Term of office ends: 2018

Number of Crédit Agricole S.A. shares held at 31/12/2017: 64

FCPE (employee share ownership plan) units held, invested in Crédit Agricole S.A. shares, at 31/12/2017: 2,508

BRIEF BIOGRAPHY

François Heyman has been a research and communication campaigns officer in the Group Communication division of Crédit Agricole S.A. since 2009. Alongside his banking career, he has served in a number of national trade union roles as representative of the Fédération Générale Agroalimentaire of the CFDT, a member of the "Conseil économique, social et environnemental", Co-Chairman of Agrica (a supplementary retirement and Social Security body), Director of Arrco, and a member of the "Conseil supérieur de la Protection sociale agricole".

OFFICES HELD AT 31/12/2017

In Crédit Agricole Group companies
- Research and Communication Campaigns Officer in the Group Communication division: Crédit Agricole S.A.

In other listed companies
-

In other non-listed companies
-

Other offices
-

OTHER OFFICES HELD WITHIN PAST YEARS (2013 TO 2017)

In Crédit Agricole Group companies
-

In other listed companies
-

In other non-listed companies
-

Other offices
-



Christian MOUEZA

Main office within the Company: Director representing the employees of UES Crédit Agricole S.A.

Business address: SILCA – 83, boulevard des Chênes – 78280 Guyancourt

Born in 1957

French nationality

Date first appointed: June 2012

Term of office ends: 2018

Number of Crédit Agricole S.A. shares held at 31/12/2017: –

FCPE (employee share ownership plan) units held, invested in Crédit Agricole S.A. shares, at 31/12/2017: 436

BRIEF BIOGRAPHY

Christian Moueza has spent the greater part of his career in Crédit Agricole S.A. and served in a number of different operating positions in computing and IT systems. An analyst, IT developer, and IT and organisational project manager, he was elected Director representing employees of Crédit Agricole S.A. (technical employees).

OFFICES HELD AT 31/12/2017

In Crédit Agricole Group companies
- IT Resource Manager: Silca

In other listed companies
-

In other non-listed companies
-

Other offices
-

OTHER OFFICES HELD WITHIN PAST YEARS (2013 TO 2017)

In Crédit Agricole Group companies
- IT Site Manager: Silca (2013)
- IT and Organisational Project Manager: Internet & Viruses (2014)

In other listed companies
–

In other non-listed companies
-

Other offices
-



Philippe BOUJUT

Main office within the Company: Non-voting Director

Business address: Caisse régionale Charente-Périgord - 28-30, rue d'Epagnac - 16800 Soyaux

Born in 1954

French nationality

Date first appointed: May 2017

Term of office ends: 2020

Number of Crédit Agricole S.A. shares held at 31/12/2017: 201

BRIEF BIOGRAPHY

A winegrower, Philippe Boujut has owned vineyards in the Cognac region since 1976. He founded and developed a company selling and exporting viticulture products (1995-2005). He was elected Deputy Mayor of Saint Preuil (1983-1995), and then Mayor of that municipality (1995-2008). He was elected Director of the Caisse locale de Crédit Agricole de Segonzac (1983) and then became its Chairman (1986). After having been a member of the Board of Caisse régionale de Charente-Périgord (1998), he was elected as its Deputy Chairman (2009), then its Chairman (2012).

OFFICES HELD AT 31/12/2017

In Crédit Agricole Group companies
- Chairman: Caisse régionale Charente-Périgord
- Director: Fireca, Camca. Grand Sud-Ouest Capital
- Executive Committee member: Sacam Fireca
- Member of the Supervisory Board: Camca Courtage
- Member of the R&D Committee and Strategy Committee: CA INNOVE

In other listed companies
-

In other non-listed companies
-

Other offices
- Director: Fondation Poitiers Université
- Member: Association Agriculteur Français et Développement International (AFDI), Confédération Régionale de la Mutualité, de la Coopération et du Crédit Agricole (CRMCCA)

OTHER OFFICES HELD WITHIN PAST YEARS (2013 TO≈2017)

In Crédit Agricole Group companies
-

In other listed companies
-

In other non-listed companies
-

Other offices
-



François MACÉ

Main office within the Company: Non-voting Director

Business address: Caisse régionale Nord de France – 10, square Foch – BP 369 – 59020 Lille Cedex

Born in 1955

French nationality

Date first appointed:
November 2013

Term of office ends:
2019

Number of Crédit Agricole S.A. shares held at 31/12/2017:
3,890

FCPE (employee share ownership plan) units held invested in Crédit Agricole S.A. shares at 31/12/2017:
8,685

BRIEF BIOGRAPHY

An agricultural engineer (ESA-Purpan), and holder of a post-graduate degree (DEA) in economics and rural law, François Macé has spent most of his career in Crédit Agricole Group. He served in several operating positions in the agriculture and corporate markets, followed by the Finance and Risk functions at the Caisse régionale du Loiret (which became Centre Loire in 1995). He joined the Caisse régionale du Midi (1998-2001), before moving to the Caisse Régionale Val de France as Deputy Chief Executive Officer. An accomplished banker, he was appointed Chief Executive Officer of the Caisses régionales Charente-Périgord (2004-2010), de Champagne-Bourgogne (2010-2012) and Nord de France (since 2012).

OFFICES HELD AT 31/12/2017

In Crédit Agricole Group companies
- Chief Executive Officer: Caisse régionale Nord de France
- Director: CA Consumer Finance, Camca, CACIF
- Member of the Supervisory Board: CA Titres

In other listed companies
-

In other non-listed companies
- Chairman: John Deere Financial SAS, Nord Capital Investissement, Square Habitat Nord de France
- Director: SAS Nacarat, La Voix du Nord

Other offices
-

OTHER OFFICES HELD WITHIN PAST YEARS (2013 TO 2017)

In Crédit Agricole Group companies
- Chairman: Sacam Machinisme (2017)
- Chairman: Crelan (formerly Crédit Agricole Belge) (2014)
- Director: Crédit Agricole Risk Insurance (2014), Crédit Agricole Serbia (2014), Crédit Agricole CIB (2013)

In other listed companies
-

In other non-listed companies
- Chairman: Foncière de l'Érable (2016)

Other offices
- Director: El Purpan (2014)
- Chairman: FBF Committee Nord-Pas-de-Calais (2016)
- Chairman: Finorpa SCF (2017)
- Director: Nord Capital Partenaires (2017)

3. INFORMATION ON EXECUTIVES



Born in 1959

French nationality

Date first appointed:

May 2015

Philippe BRASSAC

Main office within the Company: Chief Executive Officer
Member of the Executive Committee

Business address: Crédit Agricole S.A. – 12, place des États-Unis – 92120 Montrouge

BRIEF BIOGRAPHY

A graduate of the Paris Graduate School of Economics, Statistics and Finance (ENSAE), Philippe Brassac joined Crédit Agricole du Gard in 1982. He held several executive offices there before being appointed, in 1994, Deputy Chief Executive Officer of Crédit Agricole des Alpes-Maritimes, now Crédit Agricole Provence Côte d'Azur. In 1999, he joined Caisse nationale de Crédit Agricole as Director of Relations with Regional Banks. In 2001, he was appointed Chief Executive Officer of Crédit Agricole Provence Côte d'Azur. In 2010, he also became Corporate Secretary of the Fédération nationale du Crédit Agricole (FNCA) and Deputy Chairman of the Board of Directors of Crédit Agricole S.A. In May 2015, he was appointed Chief Executive Officer of Crédit Agricole S.A.

OFFICES HELD AT 31/12/2017

In Crédit Agricole Group companies
- Chief Executive Officer: Crédit Agricole S.A.
- Chairman and Member of the Compensation Committee: Crédit Agricole CIB
- Chairman: LCL
- Director: Fondation du Crédit Agricole - Pays de France

In other listed companies
–

In other non-listed companies
-

Other offices
- Executive Committee member: Fédération Bancaire Française

OTHER OFFICES HELD WITHIN PAST YEARS (2013 TO 2017)

In Crédit Agricole Group companies
- Corporate Secretary: Fédération nationale du Crédit Agricole - FNCA (2015)
- Board member: Fédération nationale du Crédit Agricole - FNCA (2015)
- Chief Executive Officer: Caisse régionale Provence Côte D'Azur (2015)
- Director and Deputy Chairman: Crédit Agricole S.A. (2015), SAS Rue La Boétie (2015)
- Director and Chairman of the Compensation Committee: Crédit Agricole CIB (2015)
- Director: LCL (2015), Fédération régionale du CAM (2015), SCI CAM (2015), Adicam (2015)
- Chairman: Sofipaca Gestion and Sofipaca (2015), Sacam Développement (2015)
- Chief Executive Officer: Sacam International (2015)
- Chief Executive Officer and Director: Sacam Participations (2015)

In other listed companies
-

In other non-listed companies
-

Other offices
- Member of the Executive Committee: European Association of Co-operative Banks/EACB (2015)
- Member of the Board of Directors: COOP FR (2015)
- Corporate Secretary of the Management Committee: Gecam (2015)
- Member: Confédération nationale de la mutualité, de la coopération et du crédit agricole - CNMCCA (2015)
- Chairman of the Executive Committee: Fédération Bancaire Française (2017)



Born in 1960

French nationality

Date first appointed:
July 2012

Number of
Crédit Agricole S.A.
shares held at 31/12/2017:
16,776

Xavier MUSCA

Main office within the Company: Deputy Chief Executive Officer
Member of the Executive Committee

Business address: Crédit Agricole S.A. – 12, place des États-Unis – 92120 Montrouge

BRIEF BIOGRAPHY

Graduate from the "Institut d'études politiques" in Paris and the "École nationale d'administration", Xavier Musca began his career at the General Finance Inspectorate in 1985. In 1989, he joined the Treasury Directorate, where he became head of the European Affairs Bureau in 1990. In 1993, he was called to the Prime Minister's staff, then returned to the Treasury Directorate in 1995. Between 2002 and 2004, he was Principal Private Secretary to Francis Mer, Minister for the Economy, Finance and Industry, then appointed Treasury Director in 2004. He became Deputy Secretary General to the French President in 2009, in charge of economic affairs, then Secretary General to the French President in 2011. In 2012, Xavier Musca was appointed Deputy Chief Executive Officer of Crédit Agricole S.A., responsible for International retail banking, Asset management and Insurance. Since May 2015, he has been Deputy Chief Executive Officer of Crédit Agricole S.A., as second Executive Director of Crédit Agricole S.A.

OFFICES HELD AT 31/12/2017

In Crédit Agricole Group companies
- Chairman: CA Consumer Finance, Amundi
- Deputy Chairman: Predica
- Director: Crédit Agricole Assurances, Cariparma
- Director, Permanent Representative of Crédit Agricole S.A.: Pacifica

In other listed companies
- Director and Chairman of the Audit Committee: Capgemini

In other non-listed companies
-

Other offices
-

OTHER OFFICES HELD WITHIN PAST YEARS (2013 TO 2017)

In Crédit Agricole Group companies
- Director: Crédit Agricole Creditor Insurance (2017)
- Member of the Compensation Committee: Cariparma (2017)
- Deputy Chairman of the Supervisory Board: Crédit du Maroc (2015)
- Deputy Chairman: UBAF (2015)
- Director: CACEIS (2015), Crédit Agricole Egypt (2015)

In other listed companies
- Director: Banco Espirito Santo (2014)

In other non-listed companies
- Director: Bespar (2014)

Other offices
-

3.1. TRADING IN THE COMPANY'S SHARES

Summary of trading in the Company's shares by members of the Board of Directors, the Chief Executive Officer, the Deputy Chief Executive Officer and any person having the authority to make decisions concerning the development and strategy of Crédit Agricole S.A. and any person mentioned in Article L. 621-18-2 of the French Monetary and Financial Code, during the 2017 financial year, for transactions exceeding an aggregate ceiling of €5,000 (pursuant to Article L. 621-18-2 of the French Monetary and Financial Code and Article 223-26 of the General Regulations of the French Financial Market Authority (AMF).

In accordance with Article 223-22 of the AMF's General Regulations, these trades have been reported to the AMF.

Name and position	Trading by members of the Board of Directors on a personal basis, and by any related persons
Véronique FLACHAIRE Director	Sale of 744 shares at the unit price of €13.945

Name and position	Trading by executives on a personal basis, and by any related persons
Philippe DUMONT Deputy General Manager, Head of the Specialised Financial Services division	Sale of 17,724 shares at the unit price of €12.5901

Specific measures concerning restrictions on or operations by Directors with regard to trading in the Company's shares:

Because each Director, by definition, is a "permanent insider", the rules on "windows" for subscription/prohibition on trading in Crédit Agricole S.A. shares apply to each Director. The dates corresponding to these windows are communicated to the Directors at the year-end for the next financial year.

The Company's Board of Directors comprises 21 Directors, including one Corporate Officer of SAS Rue La Boétie, which is owned by the Regional Banks and owns 56.6% of the capital of Crédit Agricole S.A. at end-December 2017, and ten Corporate Officers of the Regional Banks. The Regional Bank representatives therefore hold a majority of the seats on the Board. This illustrates the will to give the Regional Banks a broad representation and reflects Crédit Agricole Group's capital structure.

The interests of the Regional Banks and of SAS Rue La Boétie could differ from those of Crédit Agricole S.A. or of other Crédit Agricole S.A. shareholders. This could lead to potential conflicts of interests between the duties to Crédit Agricole S.A. of persons serving as both Directors of Crédit Agricole S.A. and Corporate Officers of SAS Rue La Boétie or of a Regional Bank and their duties to SAS Rue La Boétie or to a Regional Bank. For information, it is noted that Crédit Agricole S.A. acts as the central body for the Regional Banks, in accordance with the provisions of Articles L. 511-30 to L. 511-32 and L. 512-47 to L. 512-54 of the French Monetary and Financial Code.

The Board of Directors currently has six independent Directors, i.e. one-third, in line with the recommendation of the Afep/Medef Corporate Governance Code for companies controlled by a majority shareholder. Five of the six Specialised Committees (Risks, US Risks, Audit, Compensation, Appointments and Governance) are chaired by an independent Director. Consequently, after reviewing the situation with respect to the Directors in the light of the Afep/Medef independence criteria, the Board concluded that the existing operation enabled the Board and its committees to fulfil their duties with the required effectiveness, objectivity and independence, particularly with respect to preventing potential conflicts of interests, and to the equitable consideration of all shareholders' interests.

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

To the Company's knowledge, there are no family ties among the Corporate Officers, Directors, Chief Executive Officer and Deputy Chief Executive Officers of Crédit Agricole S.A.

Crédit Agricole S.A. complies with the corporate governance **regulations** applicable in France, as described in the Board of Directors' report on corporate governance submitted to the General Meeting of Shareholders of 16 May 2018, and reproduced in this Registration document. The Afep/Medef Code revised in November 2016 is the Company's reference code for the purposes of preparing the report stipulated in Article L. 225-37 of the French Commercial Code.

To the Company's knowledge, at this date, no member of an administrative or management body of Crédit Agricole S.A. has been convicted in relation to fraudulent offences during the last five years.

To the Company's knowledge, at this date, no member of an administrative or management body of Crédit Agricole S.A. has been associated with any bankruptcy, receivership or liquidation during the last five years.

3.1.1. Details of any official charges and/or sanctions ruled against any member of an administrative or management body

No member of the administrative or management bodies of Crédit Agricole S.A. has been disqualified by a court from acting as a member of an administrative or management body or from participating in the management or running of Crédit Agricole S.A. within at least the last five years.

The definitions of the underlined words can be found in the Glossary on page 567.

4. MANAGEMENT BODIES AT 21 MARCH 2018

4.1. COMPOSITION OF THE EXECUTIVE COMMITTEE

The Chief Executive Officer	**Philippe BRASSAC**
The Deputy Chief Executive Officer	**Xavier MUSCA**
The Deputy General Manager, Head of the Operations and Transformation division	**Pascal CÉLÉRIER**
The Deputy General Manager, Head of the Development, Customer and Innovation division	**Bertrand CORBEAU**
The Deputy General Manager, Head of the Specialised Financial Services division	**Philippe DUMONT**
The Deputy General Manager, Head of the Group Finance division	**Jérôme GRIVET**
The Deputy General Manager, Head of the Large Customer division	**Jean-Yves HOCHER**
The Deputy General Manager, Head of Retail Banking Subsidiaries	**Michel MATHIEU**
The Deputy General Manager, Head of the Savings, Insurance and Property	**Yves PERRIER**
The Corporate Secretary	**Jérôme BRUNEL**
The Head of Human Resources	**Bénédicte CHRÉTIEN**
The Group Head of Internal Audit	**Michel LE MASSON**
The Head of Crédit Agricole S.A. Group for Italy	**Giampiero MAIOLI**
The Group Chief Risk Officer	**Hubert REYNIER**
The Chief Executive Officer of Crédit Agricole Assurances	**Frédéric THOMAS**
The Group Head of Compliance	**Jean-Pierre TRÉMENBERT**

4.2. COMPOSITION OF THE MANAGEMENT COMMITTEE

The Management Committee consists of the Executive Committee as well as:

The Chief Executive Officer of CACEIS	**Jean-François ABADIE**
The Head of Group Public Affairs	**Alban AUCOIN**
The Head of Group Information Systems	**Éric BAUDSON**
The Head of the Agriculture, Agrifood and Specialised Markets	**Laurent BENNET**
The Global Head of Institutional division & Chief Investment Officer of Amundi	**Pascal BLANQUÉ**
The Chief Executive Officer of Crédit Agricole Leasing & Factoring	**Philippe CARAYOL**
Head of the Institutional and Corporate Clients division of Amundi	**Dominique CARREL-BILLIARD**
The Head of Payments Systems	**Bertrand CHEVALLIER**
The Group Senior Country Officer, Poland	**Olivier CONSTANTIN**
The Head of International Retail and Commercial Banking	**François-Édouard DRION**
The Head of Marketing and Communication	**Véronique FAUJOUR**
The Group Senior Country Officer, Egypt	**Pierre FINAS**
The Head of Customer Relationship Multichannel Retail Banking, Relational Commitments and Innovation	**Michèle GUIBERT**
The Head of Regional Banks Relations	**Michèle JARDIN**
The Global Head of the Retail division of Amundi	**Fathi JERFEL**
The Chief Economist	**Isabelle JOB-BAZILLE**
The Head of Strategy	**Clotilde L'ANGEVIN**
The Chief Executive Officer of Pacifica	**Thierry LANGRENEY**
The Chief Executive Officer of CACI	**Henri LE BIHAN**
The Chief Operating Officer of Amundi	**Guillaume LESAGE**
The Head of Private Banking	**Paul de LEUSSE**
The Group Head of Digital Journey	**Serge MAGDELEINE**
The Deputy Chief Executive Officer of Crédit Agricole CIB	**François MARION**
The Head of Group Communications	**Denis MARQUET**
The Head of Legal Affairs	**Pierre MINOR**
The Deputy Chief Executive Officer of Crédit Agricole CIB	**Régis MONFRONT**
The Chief Executive Officer of Crédit Agricole Immobilier	**Marc OPPENHEIM**
The Chief Executive Officer of Agos Ducato (Italy)	**Dominique PASQUIER**
The Senior Regional Officer Americas of Crédit Agricole CIB	**Marc-André POIRIER**
The Head of Sustainable Development	**Stanislas POTTIER**
The Chief Executive Officer France of CA Consumer Finance	**Stéphane PRIAMI**
The Deputy Chief Executive Officer of Crédit Agricole CIB	**Jacques PROST**
The Head of Group Purchasing	**Sylvie ROBIN-ROMET**
The Senior Regional Officer Asia-Pacific of Crédit Agricole CIB	**Michel ROY**
The Group Senior Country Officer, Morocco	**Baldoméro VALVERDE**
The Chief Operating Officer of Amundi	**Bernard de WIT**

5. COMPENSATION POLICY

This section has been prepared with the assistance of the Compensation Committee.

5.1. CRÉDIT AGRICOLE S.A. COMPENSATION POLICY

5.1.1. General principles applicable to all Crédit Agricole S.A. employees

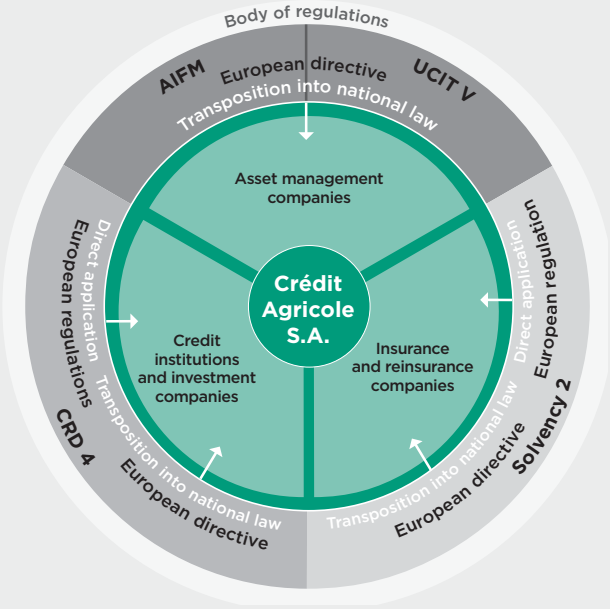
Crédit Agricole S.A. has defined a sustainable compensation policy that seeks to uphold the Group's values while respecting the interests of all stakeholders, be they employees, customers or shareholders. The aim of the policy is to reward individual and collective performance over the long term.

In line with the specific characteristics of its business lines, legal entities and legislation in national markets, the Group's compensation system aims to offer competitive compensation relative to its benchmark markets to attract and retain the best talent. Compensation is dependent on individual performance and overall performance of the business lines. Lastly, the compensation policy aims to limit excessive risk-taking.

The compensation policies of Crédit Agricole S.A. entities are consistent with the risk appetite framework and declaration approved by their management bodies.

Crédit Agricole S.A.'s compensation policy must also be seen within a closely regulated environment specific to its business sector.

Regulations governing the compensation policies of Crédit Agricole S.A. entities



The compensation policies of Crédit Agricole S.A. entities are governed by three distinct sets of regulations:

- those applicable to credit institutions and investment companies (the "CRD 4" package);
- those applicable to asset management companies and alternative investment funds (hedge funds and private equity funds) under the European Alternative Investment Fund Managers directive (directive 2011/61/EU of 8 June 2011, or "AIFMD"), and to UCITS management companies under the European UCITS V directive (directive 2014/91/EU of 23 July 2014);
- those applicable to insurance and reinsurance companies that come under the Solvency 2 framework.

This regulatory framework clarifies the definition of "identified staff" who are subject to more stringent compensation rules.

In general, Crédit Agricole S.A. ensures that its compensation policy complies with the applicable national, European and international legal and regulatory frameworks. It also includes the provisions of the Volcker Rule, the French law on the Separation of Banking and Finance Activities and the Markets in Financial Instruments Directive (MiFID).

Total compensation paid to employees of Crédit Agricole S.A. comprises the following elements:

- fixed compensation;
- annual variable individual compensation;
- collective variable compensation (profit-sharing and incentives in France, profit-sharing in other countries);
- long-term variable compensation subject to performance conditions;
- peripheral compensation (supplementary pension and death & disability and health insurance schemes).

All or part of this package may be offered to each employee, according to their level of responsibility, skills and performance.

In each of its business lines, Crédit Agricole S.A. regularly reviews practices in other French, European and global financial groups so that its compensation structure can support its aspirations to attract and retain the talent and skills the Group needs.

Fixed compensation

Skills and responsibility level are rewarded by a basic salary in line with the specific characteristics of each business line in its local market.

Annual individual variable compensation

Variable compensation plans linked to performance are structured on the basis of attaining targets and the results of the entity, thereby aligning employees' interests with those of the Group and its shareholders.

Variable compensation is related directly to annual performance. Unsatisfactory performance, failure to comply with rules and procedures or high-risk behaviours therefore have a direct impact on variable compensation.

Variable compensation is set in accordance with regulatory principles. It is defined in such a way that its amount does not hinder the ability of Group entities to strengthen their capital when necessary. It does not result from a performance assessment based on economic and financial criteria alone. The assessment takes all risks into account, including liquidity risk, as well as the cost of capital.

Depending on the business line and in line with market practices, two types of individual variable compensation systems exist within Crédit Agricole S.A.:

- **individual variable compensation** for Central Support functions, retail banking and specialised business lines (insurance, leasing and factoring, consumer finance); and
- **bonuses** in corporate and investment banking, wealth management, asset management and private equity.

INDIVIDUAL VARIABLE COMPENSATION

Individual variable compensation reflects individual performance, on the basis of the attainment of individual and/or collective objectives. Performance is assessed by precise measurement of the results obtained relative to specific annual objectives (how much), taking into account the conditions in which the objectives were achieved (how).

The objectives are described precisely and are measurable over the year. The objectives should take into account customer, employee and societal dimension of the activities.

The extent to which objectives are achieved or exceeded is the main criterion for awarding individual variable compensation, in addition to a qualitative assessment focusing on how the objectives are achieved (autonomy, engagement, context, impact on other businesses and stakeholders within the company, etc.).

BONUS

Bonus pools are related directly to the entity's financial results. Individual bonuses are determined according to a procedure comprising several stages.

1. The level of an entity's bonus pool depends on that entity's contribution and a payout ratio:
   - Contribution

     It represents an entity's capacity to fund bonuses, taking into account the cost of risk, the cost of capital and the cost of liquidity. It is defined as:

     Revenues(1)
     − direct and indirect expenses before bonuses
     − cost of risk
     − cost of capital before tax
     = contribution

   - Payout ratio

     This is the portion of the contribution that the entity wants to pay out in bonuses. This payout ratio is dependent on the entity's financial performance and the practices of competing companies operating in comparable businesses.
2. The individual allocation of bonuses is determined according to the following principles:

   Individual bonus allocations are based on a formal annual individual performance appraisal, which looks at the achievement of both quantitative and qualitative objectives. There is no direct, automatic link between an employee's financial results and their variable compensation, with employees being evaluated by looking at a combination of their performance, the results of their business and the conditions under which these results were attained.

   Similarly to individual variable compensation, targets are clearly defined and measurable over the year.

   Qualitative objectives are individualised, related to the professional activity and to the level of responsibility. They include the quality of risk management, resources and behaviour implemented to achieve the results (cooperation, teamwork and management).

   In addition to the individual appraisal carried out each year by line management, the Human Resources department, the Risk Management and Permanent Controls department and the Compliance department conduct an independent assessment of potentially high-risk behaviour by employees. If evidence of excessive risk-taking is found, there is a direct impact on variable compensation.

(1) It being understood that, by definition, revenues are calculated net of the cost of liquidity.

The definitions of the underlined words can be found in the Glossary on page 567.

Collective variable compensation

Crédit Agricole S.A. aims to ensure that all employees share in the results of collective performance. Accordingly, mechanisms for the allocation of collective variable compensation (profit-sharing) extend to the majority of Group entities in France. Similar mechanisms in certain international entities ensure results are shared among all employees (notably in Cariparma in Italy, Crédit Agricole Serbia in Serbia and Crédit Agricole Egypt in Egypt).

Long-term variable compensation

This component of variable compensation unifies, motivates and increases loyalty. It complements the annual variable compensation mechanism by rewarding the long-term collective performance of the Group and its entities.

It consists of several systems differentiated according to the level of responsibility in the Company:

1. compensation in shares and/or cash with long-term performance conditions based on economic, financial and societal criteria consistent with the long-term strategy of the Group and its business entities. It is reserved for Senior Executives and key Group executives;
2. "employee" shareholding opens to all employees.

5.1.2. Compensation policy for Crédit Agricole S.A. executive managers

The Group's 580 Senior Executives are members of the Management teams and break down into two management circles:

- executives in the first circle prepare the definition of strategy for their business line or a Group cross-cutting function and steer implementation, in line with Group strategy;
- in the second circle, executives are responsible for defining functional or operational policies that have a strategic impact on their businesses.

Crédit Agricole S.A. has implemented a variable compensation policy for Senior Executives, aiming at:

- correlating compensation levels with actual long-term performance;
- aligning management interests with those of Crédit Agricole S.A. by differentiating between individual and collective objectives and between financial and non-financial performance (customer satisfaction, management efficiency and impact on society);
- attracting, motivating and retaining executive managers.

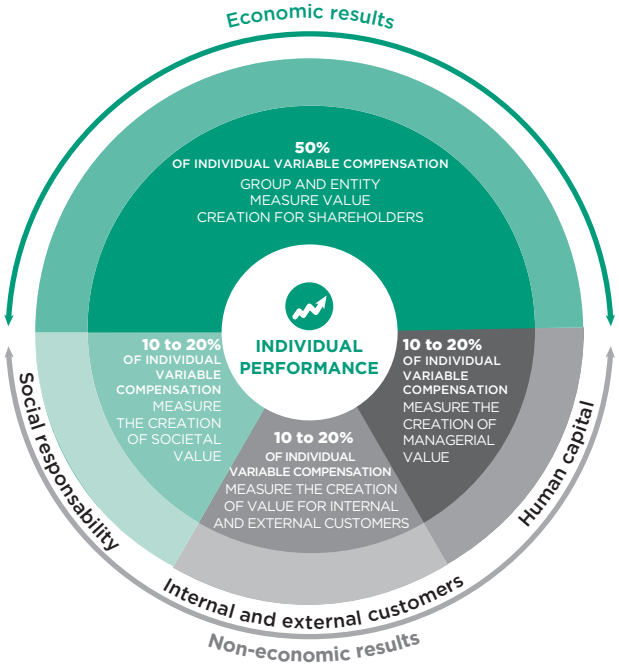
Annual individual variable compensation

All Crédit Agricole S.A. executive managers, including its Executive Corporate Officers, are eligible for the Group variable compensation plan. They benefit from a common plan, with the same rules applied across the Group.

Annual variable compensation is calculated based on two sets of criteria:

- financial criteria (50%), within the scope of Crédit Agricole S.A. and the scope of the executive manager's responsibility;
- non-financial criteria (50%).

They break down as follows:



- Measure the satisfaction of services and advices provided
- Measure the social responsibility, respect for values exceeding legal obligations, environmental impact, partnerships, ethics, etc.
- Measure the ability to attract, develop and retain employees

The amounts of annual individual 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, whatever his/her business line or function, are partly based on Group-wide financial objectives, commensurate with his/her level of responsibility. The other part is based on the financial objectives of his/her entity.

Long-term variable compensation

Crédit Agricole S.A.'s compensation policy aims to reward performance in the long-term.

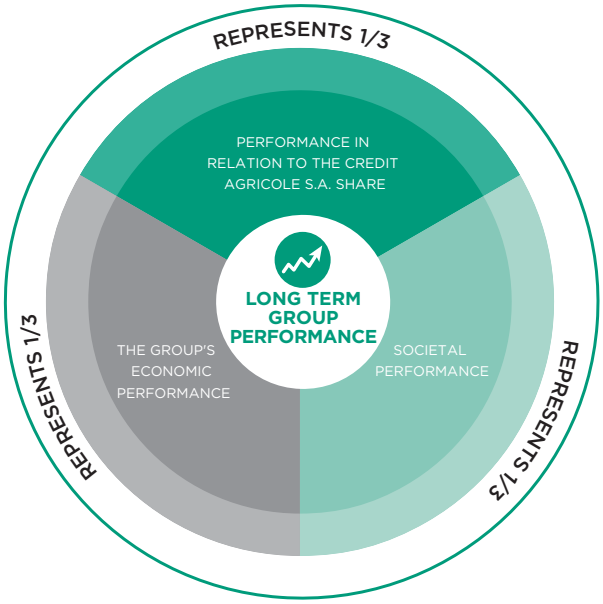
The Group established a long-term incentive plan in 2011 to reward long term performance. Accordingly, taking an entity's societal impact into consideration strengthens the link between compensation and long-term performance.

The long-term variable compensation plan for Senior Executives consists of compensation in instruments linked to the Crédit Agricole S.A. share.

Amounts are deferred over three years. One-third vests each year, subject to performance conditions and according to the following criteria:

- the intrinsic financial performance of Crédit Agricole S.A. defined as growth of its operating income increased by the Group share of equity-accounted net income;
- the relative performance of Crédit Agricole S.A. shares compared to a composite index of European banks;

- the societal performance of Crédit Agricole S.A. as measured by the FReD index.



The members of the Crédit Agricole S.A. Executive Committee and the Group's top managers are eligible for this long-term plan, with the allocation determined on an annual basis by the Group Chief Executive Officer.

Supplementary pension schemes

Since 2010, a common supplementary pension scheme has been put in place for Crédit Agricole Group Senior Executives. Most Crédit Agricole S.A. entities have signed up to the retirement regulation by a collective company agreement in accordance with Article L. 911-1 of the French Social Security Code. Senior Executives are accordingly members of a supplementary pension scheme, comprising a combination of defined-contribution plans and supplementary defined-benefit schemes:

- the aggregate contributions to the two defined-contribution supplementary pension schemes (the branch scheme and the Company scheme) are equal to 8% of gross salary capped at eight times the French social security ceiling (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 schemes. The rights currently outstanding in Crédit Agricole S.A. are equal, subject to continued employment conditions at retirement, to between 0.125% and 0.30% of reference compensation for each quarter of seniority up to a limit of 120 quarters.

The reference compensation is defined as the average of the three highest gross annual compensations out of the last ten years of service in Crédit Agricole entities, including both fixed and variable compensation, with the latter capped at between 30% and 60% of fixed compensation.

In any event, on liquidation, the total retirement annuity of all schemes is capped by contractual provisions at sixteen times the annual social security ceiling for the Chief Executive Officer and the Deputy Chief Executive Officer of Crédit Agricole S.A., and at 70% of the reference compensation in accordance with the supplementary retirement regulations for Senior Executives of Crédit Agricole S.A.

The rights established by the Group prior to the effective date of the applicable rules are maintained in accordance with the rules and, if applicable, are added to the rights resulting from the application of those rules, particularly when calculating the maximum annuity that can be paid.

5.1.3. Governance of compensation

The Group exercises oversight of all Group entities to ensure consistent compliance with Group-wide guidelines and rigorous application of compensation policies and procedures.

The Crédit Agricole S.A. Compensation Committee prepares opinions on Group compensation policy and presents them to the Board of Directors, providing such information as may be necessary for the Board to make informed decisions. It monitors and implements compensation policy, overall and by major business line.

Each entity provides the Compensation Committee of Crédit Agricole S.A. with the information it requires to fulfil its role, through the intermediary of the Group Human Resources department.

Moreover, in accordance with regulatory requirements, the following functions play a role in the process of reviewing variable compensation in the Group and in particular for identified staff:

- the Group Human Resources department;
- the Group Risk Management and Permanent Controls department;
- the Group Compliance department;
- the Group Finance department; and
- the Group Control and Audit department.

A Compensation Policy Control Committee comprising representatives of the Risk Management and Permanent Controls department, the Compliance department and the Human Resources department issues an opinion on the compensation policy formulated by the Group Human Resources department before it is presented to the Compensation Committee and then submitted to the Board of Directors for consideration.

The role of this Committee is:

- to assess the information on general policies for presentation to the Compensation Committee, a pre-requisite to fulfilling the duty to provide warning;
- to ensure the validity of the principles applied to implement the compensation policy within the Group, in light of the new regulatory requirements;
- to review the compliance of the rules applied within each entity: definition of identified staff; principles used to calculate total variable compensation; management of non-compliant behaviour, which will be taken into consideration when calculating variable compensation for the current year or previous years;

The definitions of the underlined words can be found in the Glossary on page 567.

- to coordinate the actions to be introduced in the entities by the Risk Management and Compliance functions.

The Group Finance department validates the terms and conditions for determining the total amount available for variable compensation, taking the full range of risks into account. It also ensures that variable compensation does not hinder the ability of Group entities to strengthen their solvency.

The Group Control and Audit function carries out an *a posteriori* audit on an annual basis examining the definition and implementation of compensation policy.

Important to know

- A responsible compensation policy reflecting the Group's values.
- A specific regulatory framework.
- Rewarding individual and collective performance in both the short and long-term.
- Strict internal and external oversight of compensation policy.

5.2. COMPENSATION OF IDENTIFIED STAFF

The compensation policy that applies to identified staff is aligned with the Group's general principles and stems from a highly controlled regulatory environment that imposes rules on the structure of their compensation.

Scope of identified staff

The term "identified staff" replaces the former terms "regulated employees" or "risk-takers".

Identified staff include all categories of staff who have a material impact on the Group's or their entity's risk profile by virtue of their function, level of authorisation or their compensation, as well as staff with control functions in the Group or entities.

Identified staff are designated by a joint decision-making process between the Group functions and entities and between the Human Resources functions and the various control departments. This process is overseen by the Crédit Agricole S.A. Compensation Committee.

Three definitions are used within the Group.

Credit institutions and investment companies

These are all Group companies covered by the Decree of 3 November 2014 on internal control of credit institutions and investment companies.

Under Delegated Regulation (EU) 604/2014, "identified staff" include:

- **identified staff by virtue of their duties at Crédit Agricole S.A.:**
  - Corporate Officers,
  - members of the Board of Directors,
  - all members of the Executive Committee,
  - Heads of Central Support functions responsible for finance, legal affairs, taxation, human resources, compensation policy, information technology, financial control and economic analysis,
  - Heads of the three control functions: Risk Management and Permanent Controls, Compliance and Audit,
  - employees reporting directly to the Head of Risk and Permanent Controls, Compliance and Audit,
  - employees heading a Committee responsible for managing operational risk for the Group;
- **identified staff by virtue of their function in entities with balance sheets of more than €10 billion or equity of more than 2% of their parent company's equity:**
  - the Corporate Officers or Chief Executive Officers,
  - members of the Executive Committee or employees reporting directly to Chief Executive Officers,
  - Heads of the three control functions: Risk Management and Permanent Controls, Compliance and Audit,
  - employees who chair the "new activities/new products" committees in these entities;
- **identified staff by virtue of their level of authorisation or compensation:**
  - employees with authorisation or powers to take credit risk of more than 0.5% of Common Equity Tier 1 (CET1) capital in the subsidiary to which they belong and of at least €5 million, or with authorisation or powers to structure this type of product with a significant impact on the risk profile of the subsidiary to which they belong,
  - employees who can take market risks of more than 0.5% of the CET1 capital or 5% of the Value at Risk (VaR) of the subsidiary to which they belong,
  - the hierarchical managers of employees who are not individually identified but who are collectively authorised to take credit risks of more than 0.5% of CET1 capital in the subsidiary to which they belong and at least €5 million, or to take market risks of more than 0.5% of the CET1 capital or 5% of the Value at Risk (VaR) of the subsidiary to which they belong,

The definitions of the underlined words can be found in the Glossary on page 567.

- employees who have earned total gross compensation of more than €500,000 in the previous financial year,
- employees who are not identified under any of the previous criteria but whose total compensation puts them in the 0.3% top earners in the entity in the previous year (for entities with a balance sheet of more than €10 billion or with equity of more than 2% of their parent company's equity).

For asset management companies

In accordance with AMF Position 2013-11 implementing directive 2011/61/EU of 8 June 2011 (AIFMD), or the AMF Decision of 6 April 2016, adopted under the UCITS V directive (directive 2014/91/EU), "identified staff" in asset management companies include employees who meet the following two criteria:

- **belong to a category of staff that has a material impact on the risk profile by virtue of the functions held, including as a minimum:**
  - executive Directors,
  - investment managers,
  - decision-making managers,
  - Heads of the three control functions: Risk Management and Permanent Controls, Compliance and Audit,
  - Heads of the support functions: Legal, Finance, Administration and Human Resources;
- **those who earn variable compensation of more than €100,000.**

For insurance companies

Insurance and reinsurance companies are excluded from the scope of European Commission Delegated Regulation (EU) no. 604/2014.

Under Delegated Regulation (EU) 2015/35 of 10 October 2014, "identified staff" of these companies include:

- the Corporate Officers or executive Directors;
- members of the Executive Committee of CA Assurances;
- employees performing the key functions referred to in Articles 269 to 272 of Delegated Act 2015/35, i.e. risk management, compliance, internal audit and actuarial functions;
- employees responsible for underwriting and business development;
- investment managers.

5.2.1. Compensation policies of identified staff

Credit institutions and investment companies

Pursuant to its regulatory obligations, the main features of Group compensation policy for identified staff are:

- the amounts and distribution of variable compensation must not impair the institutions' ability to strengthen their equity as required;
- for any employee in a credit institution or investment firm, the variable component of their compensation cannot be greater than 100% of the fixed component; nevertheless, each year, the General Meeting of Shareholders can vote to apply a higher maximum ratio provided that the total variable component never exceeds 200% of the fixed component for any employee;
- part of variable compensation is deferred over three years and is acquired in tranches subject to performance conditions;
- part of variable compensation is paid in Crédit Agricole S.A. shares or instruments linked to the Crédit Agricole S.A. share;
- vesting of each variable compensation deferred tranche is followed by a six-month lock-up period; part of non-deferred variable compensation is also locked up for six months.

RULES FOR DEFERRED COMPENSATION

The system is designed to provide incentives for employees to focus on the medium-term performance of the Group and control of risks.

In practice, and in view of the proportionality principle, employees whose bonus or variable compensation is less than €120,000 are excluded from the scope of the application of compensation rules in all Group entities, unless otherwise stipulated by the regulatory authorities in the countries in which the Group's subsidiaries are located.

The deferred portion is determined based on the overall variable compensation awarded for the financial year.

Total variable component for year N	Deferred portion
< €120,000	Non applicable
€120,000 - €400,000	40% from the first euro
€400,000 - €600,000	50% from the first euro with minimum non-deferred amount of €240,000
> €600,000	60% from the first euro with minimum non-deferred amount of €300,000

PAYMENT IN SHARES OR EQUIVALENT INSTRUMENTS

The deferred variable compensation and a percentage of the non-deferred portion carried for six months are acquired in the form of Crédit Agricole S.A. shares or share-linked instruments. As a result, at least 50% of variable compensation for identified staff is awarded in shares or equivalent instruments.

Any hedging or insurance strategies limiting the scope of alignment provisions on risks contained in the compensation scheme are prohibited.

PERFORMANCE CONDITIONS

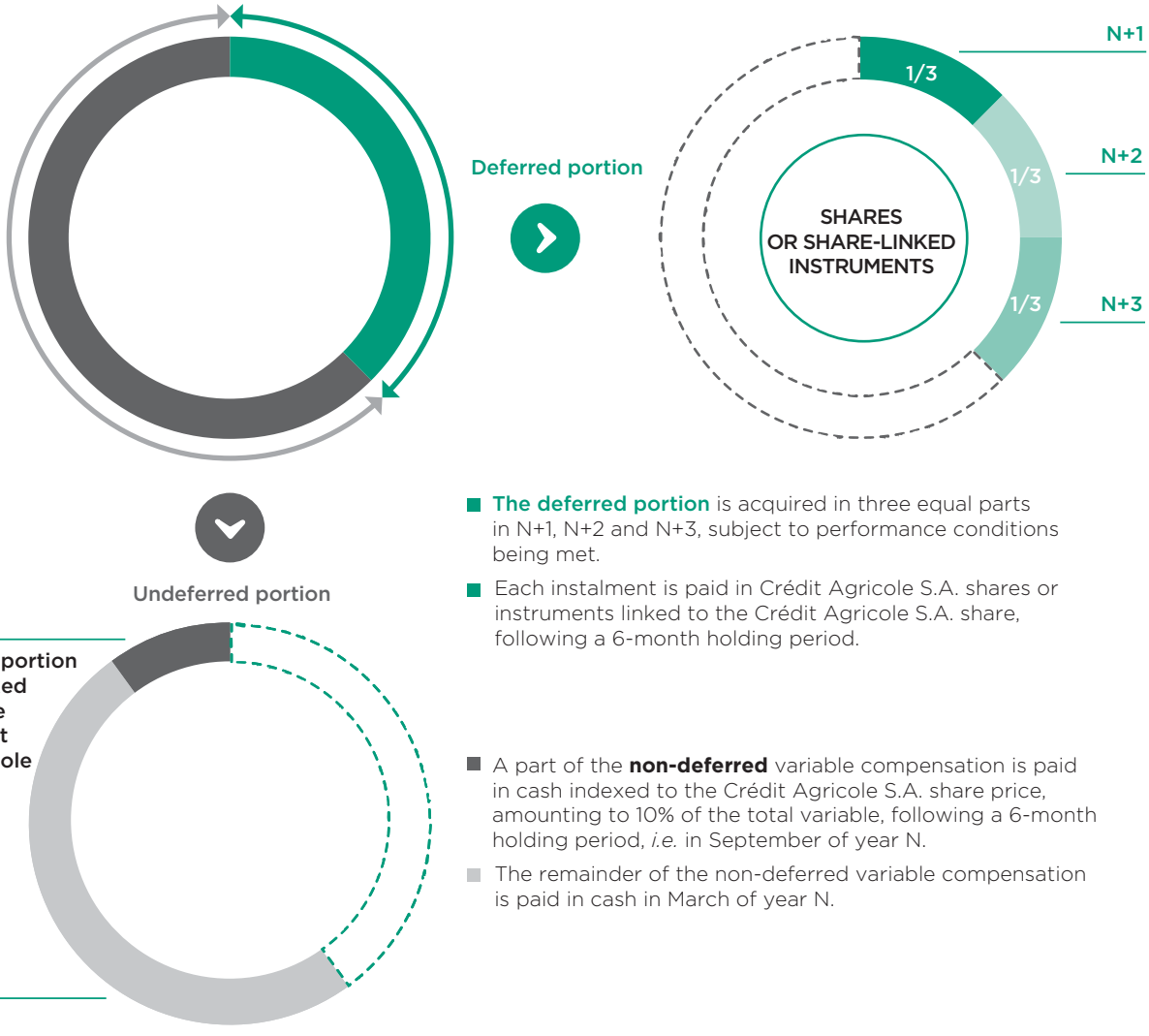
The deferred portion is vested in thirds: for an award in year N, 1/3 in year N+1, 1/3 in year N+2 and 1/3 in year N+3, provided the vesting criteria are met. Each vesting date is followed by a six-month holding period.

The performance conditions for identified executive managers are aligned with those for long-term variable compensation as indicated in the Long-Term Variable Compensation paragraph above.

For other identified staff, the performance conditions are determined relative to the target net income Group share for the entity, which is determined during the year in which the variable compensation under consideration is awarded.

The definitions of the underlined words can be found in the Glossary on page 567.

DEFERRED COMPENSATION STRUCTURE OVERVIEW



- **The deferred portion** is acquired in three equal parts in N+1, N+2 and N+3, subject to performance conditions being met.
- Each instalment is paid in Crédit Agricole S.A. shares or instruments linked to the Crédit Agricole S.A. share, following a 6-month holding period.

- A part of the **non-deferred** variable compensation is paid in cash indexed to the Crédit Agricole S.A. share price, amounting to 10% of the total variable, following a 6-month holding period, *i.e.* in September of year N.
- The remainder of the non-deferred variable compensation is paid in cash in March of year N.

LIMITATION OF GUARANTEED BONUSES

Payment of guaranteed variable compensation is strictly limited to hiring situations and has a duration of no more than one year.

Guaranteed variable compensation is awarded subject to the deferred compensation plan applicable to the financial year. Accordingly, all the rules on variable compensation for identified staff (the deferred payment schedule, performance conditions and reporting) also apply to these bonuses.

DISCLOSURE

Compensation paid to identified staff in the year is addressed by a resolution put each year to the Crédit Agricole S.A. General Meeting.

MONITORING PROCESS

If an identified employee (including an Executive Corporate Officer) is found to have engaged in high-risk actions or behaviour, the total amount of variable compensation awarded to that employee may be reduced in whole or in part under Article L511-84 of the French Monetary and Financial Code.

An internal monitoring system for high-risk behaviour by identified staff is defined in *ad hoc* procedures and deployed at Crédit Agricole S.A. subsidiaries in cooperation with the Group Risk Management and Permanent Controls and Compliance business lines.

The system includes:

- annual system monitoring and evaluation by the governance body;
- an arbitration procedure at the Executive Management level for the cases of high-risk behaviour discovered.

For asset management companies

Under current regulations the compensation framework for identified staff in asset management companies differs substantially from that used for credit institutions and investment companies. Special amendments have therefore been made, notably to the rules on deferred compensation.

Total variable component for year N	Deferred portion
< €100,000	Non applicable
€100,000 - €600,000	50% from the first euro
> €600,000	60% from the first euro with minimum non-deferred amount of €300,000

For insurance and reinsurance companies

In accordance with the relevant regulations, the compensation framework for identified staff at insurance and reinsurance companies is the same as that of credit institutions and investment companies, unless a portion of the non-deferred variable compensation which is not required and therefore not applied is acquired in the form of Crédit Agricole S.A. shares or share-linked instruments.

5.3. COMPENSATION OF EXECUTIVE CORPORATE OFFICERS

5.3.1. General principles

The policy of compensation of Executive Corporate Officers of Crédit Agricole S.A. is determined by the Board of Directors on the recommendation of the Compensation Committee. The Board undertakes an annual review of the policy in light of developments in the industry and the competitive environment. Policy is aligned with the compensation policy for all Group Senior Executives described above. It is designed to unite key Group personnel around common shared criteria.

Moreover, compensation of Crédit Agricole S.A.'s Executive Corporate Officers is compliant with:

- the regulatory framework set by the French Monetary and Financial Code and the Decree of 3 November 2014 on internal control of credit institutions and investment companies, which transposes into French law the European rules on compensation of identified staff, including the Group's Executive Corporate Officers;
- the recommendations and principles of the Corporate Governance Code for listed companies, as revised in November 2016 (the "Afep/Medef Code");
- the provisions of law no. 2015-990 of 6 August 2015 on growth, activity and equal economic opportunities modifying, notably, Article L. 225-42-1 of the French Commercial Code on the vesting of conditional annual supplementary defined-benefit rights.

Compensation of Executive Corporate Officers is examined each year by the Board of Directors, on recommendation of the Compensation Committee. The guiding aim is to reward performance over the long-term.

5.3.2. Fixed compensation

The amount of fixed compensation is decided by the Board of Directors acting on the recommendation of the Compensation Committee, taking a number of factors into account:

- the scope of responsibilities of Executive Corporate Officers;
- market practices and compensation packages observed for the same or similar functions in other major listed companies. To ensure that the principles and levels of compensation are consistent, annual surveys are carried out with the firm Willis Towers Watson to assess how the Group's compensation of Executive Corporate Officers compares with other CAC 40 and financial sector companies, based on the annual reports and press releases of those companies.

5.3.3. Variable compensation

Chairman of the Board of Directors

In order to ensure that the Chairman of the Board of Directors is completely independent when carrying out his duties, he is not eligible for any variable compensation.

Chief Executive Officer and Deputy Chief Executive Officer

In 2010, the Board of Directors defined a demanding variable compensation policy for the Chief Executive Officer and the Deputy Chief Executive Officer that aims to align their compensation with the Group's performance, and innovates by taking sustainable long-term performance into account in addition to short-term financial results.

The overall performance of each Executive Corporate Officer combines an equal weighting of their financial results and managerial performance. Their annual variable compensation is 50% based on financial criteria and 50% based on non-financial criteria. The Board of Directors, on the recommendation of the Compensation Committee, defines both sets of criteria (financial and non-financial) each year to form the basis for the calculation of variable compensation to be awarded to the Executive Corporate Officers.



Variable compensation is expressed as a percentage of annual fixed compensation. In accordance with the Afep/Medef Code (paragraph 24.3.2), variable compensation is capped and may not exceed the maximum levels set out in the compensation policy. It can vary from 0 to 100% (target level) of fixed compensation for the Chief Executive Officer, if all the financial and non-financial objectives are attained and up to a maximum of 120% of fixed compensation for exceptional performance (maximum level). For the Deputy Chief Executive Officer, variable compensation can vary from 0 to 80% (target level) of fixed compensation if all financial and non-financial objectives are attained and up to a maximum of 120% (maximum level) of fixed compensation for exceptional performance.

The definitions of the underlined words can be found in the Glossary on page 567.

Each year, the Board of Directors, on the recommendation of the Compensation Committee and subject to approval by the General Meeting, decides the amount of variable compensation due for the most recent financial year ended 31 December for each of its Executive Corporate Officers. The criteria for 2017 set out by the Board of Directors' Meeting of 14 February 2017 and approved by the General Meeting of 24 May 2017 are:

FINANCIAL CRITERIA, ACCOUNTING FOR 50% OF VARIABLE COMPENSATION

These take account of financial results, levels of investment and risk generated, cost of capital and liquidity in accordance with regulatory requirements in the French Monetary and Financial Code and Decree of 3 November 2014 on internal control, and in accordance with the development strategy set for the Group and its business lines.

The financial criteria for **the Chief Executive Officer and the Deputy Chief Executive Officer** apply within the scope of Crédit Agricole S.A.:

- revenues;
- net income Group share;
- cost/income ratio;
- return on tangible equity (RoTE).

These criteria each account for one-quarter of the financial portion, i.e. one-eighth of annual variable compensation and for each criterion:

- the maximum achievement rate for each criterion cannot exceed 150%;
- a trigger threshold is applied; below this threshold, the achievement rate will be considered zero.

	Weighting CEO/ Deputy CEO	Threshold	Target	Ceiling
Revenues	12.5%	80%	100%	150%
Net income Group share	12.5%	80%	100%	150%
Cost/income ratio	12.5%	80%	100%	150%
RoTE	12.5%	80%	100%	150%
TOTAL	**50%**			

Performance between the trigger threshold and target and between the target and ceiling is calculated on a straight-line basis.

NON-FINANCIAL CRITERIA, ACCOUNTING FOR 50% OF VARIABLE COMPENSATION

The non-financial criteria are determined each year on the basis of the Group's strategic priorities. They are based on four sets of objectives:

- the progress and implementation of the Crédit Agricole Group's Medium-Term Plan "Strategic Ambition 2020";
- the Group's transformation in order to improve industrial efficiency;
- the organisational restructuring and oversight of control functions in view of tighter regulation;
- the collective momentum of Crédit Agricole Group reflected in the ability to promote and deliver shared projects, to underpin the image of a unified Group and to involve all Group employees whose commitment level will be measured using the Engagement and Recommendation Index (see description in Chapter 2).

The achievement rate of non-financial criteria cannot exceed 150%.

The performance of the Chief Executive Officer and Deputy Chief Executive Officer is evaluated for each indicator, by comparing results achieved with the annual targets defined by the Board. The Deputy Chief Executive Officer's performance assessment is presented to the Compensation Committee by the Chief Executive Officer, before being presented to the Board for decision.

Terms and conditions for payment of annual variable compensation

Following the assessment of the annual performance, a portion of the variable compensation awarded by the Board of Directors for a year is deferred, subject to approval by the General Meeting of Shareholders, in the interests of aligning the compensation of Executive Corporate Officers with the Group's long-term performance and to comply with regulations.

DEFERRED PORTION OF ANNUAL VARIABLE COMPENSATION, ACCOUNTING FOR 60% OF THE TOTAL

60% of annual variable compensation is awarded in instruments linked to the Crédit Agricole S.A. share price. Its award is conditional upon the attainment of three performance targets:

- the intrinsic financial performance of Crédit Agricole S.A. defined as growth of the operating income of Crédit Agricole S.A. increased by the Group share of equity-accounted net income;
- the relative performance of the Crédit Agricole S.A. share price compared with a composite index of European banks (Euro Stoxx Banks);
- the societal performance of Crédit Agricole S.A., measured by the FReD index; the growth of this index is measured on the basis of progress achieved by CSR projects (as certified by PricewaterhouseCoopers, see description in Chapter 2).

Each of these criteria accounts for one-third of the overall performance assessment. For each criterion:

- the maximum achievement rate for each criterion cannot exceed 120%;
- a trigger threshold is applied; below this threshold, the achievement rate will be considered zero.

	Trigger threshold Achievement rate: 80%	Target Achievement rate: 100%	Ceiling Achievement rate: 120%
Intrinsic financial performance (Operating income)	80% of budget	100% of budget	120% of budget
Relative share performance	3rd quartile	Median positioning	1st quartile
Societal performance	+0.75 FReD point	+1.5 FReD point	+2.25 FReD point

For each year, the overall performance is equal to the average achievement rate for each criterion, which is capped at 100%.

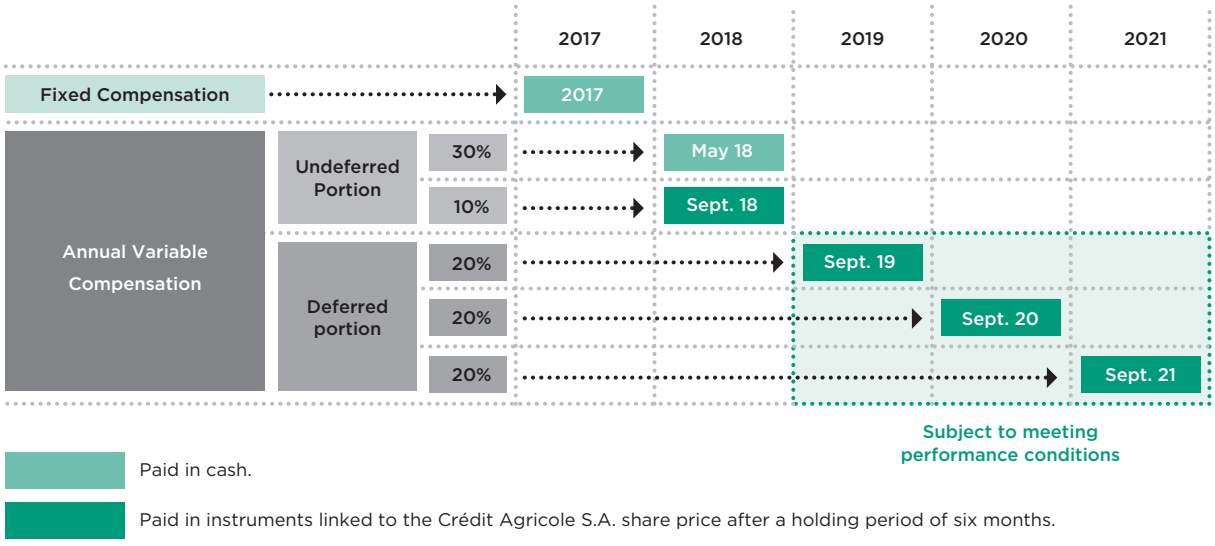
Performance between the trigger threshold and target and between the target and ceiling is calculated on a straight-line basis.

If an Executive Corporate Officer leaves the Group before the vesting of a given tranche of deferred compensation (see diagram below), the benefit of the payment of this tranche of deferred compensation is excluded, unless in the case of retirement or exceptional circumstances, the grounds for which must be substantiated by the Board of Directors. In such cases, unaccrued tranches of deferred variable compensation will be delivered at their normal maturity date depending on the level of achievement of performance conditions.

NON-DEFERRED PORTION OF TOTAL VARIABLE COMPENSATION, ACCOUNTING FOR 40% OF THE TOTAL

The non-deferred variable compensation approved by the General Meeting in May and accounting for 40% of the total, is paid in part (30 percentage points) following approval by the General Meeting of Shareholders in May, and with an amount equal to 10 percentage points paid in September. The latter payment is indexed against the change in the Crédit Agricole S.A. share price between March and September.

OVERVIEW OF THE COMPENSATION STRUCTURE OVERTIME



5.3.4. Stock options – performance shares

No Crédit Agricole S.A. stock options have been allocated to Executive Corporate Officers since 2006.

No performance shares were awarded to Executive Corporate Officers in 2017.

5.3.5. Post-employment benefits

Retirement

The Chief Executive Officer and Deputy Chief Executive Officer do not benefit from retirement plans specific to Corporate Officers.

Philippe Brassac, as Chief Executive Officer, and Xavier Musca, as Deputy Chief Executive Officer and Second Executive Director, benefit from the Group supplementary pension scheme for Senior Executives of the Crédit Agricole Group. Crédit Agricole S.A. joined the scheme in January 2010 when it introduced its pension regulations, approved by collective bargaining agreement under Article L. 911-1 of the French Social Security Code.

The definitions of the underlined words can be found in the Glossary on page 567.

The benefit represented by this supplementary pension scheme was taken into account by the Board of Directors in determining the overall compensation of Executive Corporate Officers. This benefit was approved by the General Meeting of Shareholders under the procedure governing related-party agreements.

The plans currently in force are a combination of a defined-contribution scheme and a supplementary defined-benefit plan. The rights to the defined-benefit scheme are determined after the rights paid under the defined-contribution scheme:

- contributions to the defined-contribution retirement plan equal 8% of gross salary capped at eight times the social security ceiling (of which 3% paid by the Executive Corporate Officer);
- defined benefit plan top-up rights are equal to 1.20% of the reference compensation for every year of service, capped at 36% of the reference compensation, on the condition that the beneficiary is a Corporate Officer or an employee when exercising his or her pension entitlements.

In any event, on liquidation, the total retirement annuity is capped, for all company retirement plans and mandatory basic and complementary plans, by contractual provisions, at 16 times the annual social security cap for the Chief Executive Officer and the Deputy Chief Executive Officer, and at 70% of the reference compensation in application of the supplementary retirement regulations for Crédit Agricole S.A. Senior Executives.

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 compensation is determined as the average of the three highest gross annual compensations received over the last ten years of activity within the Crédit Agricole Group, including fixed and variable compensation, the latter being taken into account with a maximum of 60% of fixed compensation.

The supplementary defined-benefit pension scheme in effect for Executive Corporate Officers complies with the recommendations set out in section 24.6.2 of the Afep/Medef Code, the provisions of law no. 2015-990 of 6 August 2015 on growth, activity and equal economic opportunities, and notably Article L. 225-42-1 of the French Commercial Code on the vesting of annual contingent rights for supplementary defined-benefit pensions:

- the group of potential beneficiaries is substantially broader than Executive Corporate Officers alone;
- minimum length of service: five years (the Afep/Medef Code requires only two years' service);
- progression: proportional to the length of service capped at 120 quarters (30 years), with a vesting rate of between 0.125% and 0.30% per quarter validated, i.e., between 0.5% and 1.2% per annum (*vs.* 3% maximum required);
- estimated supplementary pension below the mentioned ceiling of 45% of fixed and variable compensation due in respect of the reference period;
- obligation for the beneficiary to be a Corporate Officer or an employee when exercising their pension entitlements.

Management of the 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.

Termination compensation

CHIEF EXECUTIVE OFFICER

In the event of termination of a Chief Executive Officer's mandate, his employment contract will be reinstated under compensation conditions equivalent to the average annual compensation paid to the members of the Executive Committee of Crédit Agricole S.A., excluding Executive Corporate Officers, during the 12 months preceding the date of termination of their mandate.

The Chief Executive Officer will receive a severance payment if his mandate is terminated by Crédit Agricole S.A., under the following conditions and in accordance with the current version of the Afep/Medef Code.

If, on termination of the Chief Executive Officer's mandate, Crédit Agricole S.A. is unable, within three months, to offer an equivalent or comparable position to that currently held by the members of the Executive Committee of Crédit Agricole S.A. in the form of an offer for at least two positions, he will be eligible, if termination of the mandate was initiated by Crédit Agricole S.A. and a result of a change in control or strategy, to a severance payment as follows.

The severance payment will be calculated based on twice the total gross annual compensation received for the calendar year preceding the year of termination of Mr Brassac's mandate. Note that the severance payment includes all other compensation including, notably, traditional redundancy pay due for Mr Brassac's employment contract with Crédit Agricole S.A., the severance pay described in Article 10 of his suspended employment contract, any other severance pay of any type whatsoever due for any reason and, potentially, payments in application of the non-competition clause.

The payment of this compensation, excluding the compensation granted to him by his work contract, will depend on performance criteria set for each business line of the Crédit Agricole S.A. Group over the two financial years preceding the termination date. The goals are based on the following indicators that take into account the internal growth of these activities as well as the cost of risk:

- revenues of operational business lines (excluding Corporate Centre);
- operating income from operational business lines (excluding Corporate Centre).

In any event, it is agreed by Mr Brassac and the Company that, in the event that a severance payment is made and he is able to retire on his full pension, he may not claim his retirement rights before a period of 12 months as of the date the severance payment is made. Otherwise, Mr Brassac will be required to waive the severance payment.

The definitions of the underlined words can be found in the Glossary on page 567.

DEPUTY CHIEF EXECUTIVE OFFICER

In the event of termination of the Deputy Chief Executive Officer's mandate, their employment contract will be reinstated under compensation conditions equivalent to the average annual compensation paid to the members of the Executive Committee of Crédit Agricole S.A., excluding Executive Corporate Officers, during the 12 months preceding the date of termination of their mandate. The Company undertakes to offer them at least two positions corresponding to the duties of members of Crédit Agricole S.A.'s Management Committee.

In the event their employment contract is subsequently terminated, the Deputy Chief Executive Officer will receive a severance payment, calculated on a base corresponding to twice the annual gross compensation (excluding benefits in kind) received during the 12 months preceding the termination of their contract, including any other compensation and, in particular, traditional redundancy pay and any applicable non-competition payment. If he becomes eligible for post-employment benefits, no compensation will be paid.

In accordance with the Afep/Medef Code (paragraph 24.5.1), the Chief Executive Officer and the Deputy Chief Executive Officer are not entitled to a specific increase in their compensation during the period preceding their departure.

Non-competition clause

The Chief Executive Officer and the Deputy Chief Executive Officer are subject to a non-competition clause forbidding them from accepting employment in France in a company with an activity which competes with that of Crédit Agricole S.A. This commitment is valid for one year from the termination of the employment contract. In exchange, they will be paid monthly compensation equal to 50% of their last fixed salary for the duration of the obligation.

In accordance with the Afep/Medef Code (paragraph 24.5.1), the aggregate compensation paid for contract termination and a non-competition clause may not exceed two years of annual compensation.

The Board of Directors reserves the right to partially or fully lift the non-competition obligation on the departure of the Chief Executive Officer or Deputy Chief Executive Officer.

Retirement allowances for the Deputy Chief Executive Officer of Crédit Agricole S.A.

Mr Xavier Musca qualifies for the retirement allowance scheme that applies to all employees under the terms of the Crédit Agricole S.A. collective agreement. This can amount to six months' fixed salary plus variable compensation capped at 4.5% of the fixed salary.

5.3.6. Other Executive Corporate Officer benefits

Mr Philippe Brassac has the use of company housing.

No other benefits are paid to Executive Corporate Officers.

Implementation of the Afep/Medef recommendations

In accordance with the Afep/Medef Code (paragraph 27.1), the points of non-compliance of Crédit Agricole S.A.'s application of the recommendations of the Code are set out on page 94.

5.3.7. Individual compensation of Executive Corporate Officers

Dominique Lefebvre, Chairman of the Board of Directors

TABLE 1 – COMPENSATION, SHARES AND STOCK OPTIONS AWARDED TO EXECUTIVE CORPORATE OFFICERS OF CRÉDIT AGRICOLE S.A.

Gross amounts *(in euros)*	**2016**	**2017**
Compensation awarded in respect of the financial year(1)	560,000	560,000
Value of options awarded during the year(2)	-	-
Value of performance shares awarded during the year(2)	-	-

(1) The compensation shown in this table represents amounts awarded in respect of the year indicated. The itemised tables below show compensation awarded in respect of a given year and compensation received during that year.

(2) No Crédit Agricole S.A. stock options were awarded to Corporate Officers in 2017. No performance share plan was instituted at Crédit Agricole S.A.

The definitions of the underlined words can be found in the Glossary on page 567.

TABLE 2 – SUMMARY OF GROSS COMPENSATION

	2016		2017	
(in euros)	Amount awarded in respect of 2016	Amount paid in 2016	Amount awarded in respect of 2017	Amount paid in 2017
Fixed compensation	520,000	520,000	520,000	520,000
Non-deferred variable compensation paid in cash	-	-	-	-
Non-deferred variable compensation indexed to the Crédit Agricole S.A. share price	-	-	-	-
Deferred and conditional variable compensation	-	-	-	-
Exceptional compensation	-	-	-	-
Directors' fees[1]	-	-	-	-
Benefits in kind	40,000	40,000	40,000	40,000
TOTAL	**560,000**	**560,000**	**560,000**	**560,000**

(1) Net amounts, after the following deductions from the sums payable to individual beneficiaries resident in France: income tax prepayment (21%) and social contributions (15.50%).

Mr Dominique Lefebvre was appointed Chairman of the Board of Directors as of the end of the Board of Directors Meeting of 4 November 2015.

Mr Dominique Lefebvre receives annual fixed compensation of €520,000. This compensation was set by the Board of Directors at its meeting on 4 November 2015, and has not been changed since. In 2017, he received €520,000.

Mr Dominique Lefebvre does not receive any variable compensation. No exceptional compensation was awarded to him in respect of 2017.

Mr Dominique Lefebvre waived receipt of Directors' fees paid in respect of offices held in Crédit Agricole Group companies for the duration of his term of office or at the end of his term.

Finally, Mr Dominique Lefebvre receives a payment in lieu of company housing, as set out under Benefits in kind in the table above.

Philippe Brassac, Chief Executive Officer

TABLE 1 – COMPENSATION, SHARES AND STOCK OPTIONS AWARDED TO EXECUTIVE CORPORATE OFFICERS OF CRÉDIT AGRICOLE S.A.

Gross amounts *(in euros)*	2016	2017
Compensation awarded in respect of the financial year[1]	1,964,258	2,020,744
Value of options awarded during the year[2]	-	-
Value of performance shares awarded during the year[2]	-	-

(1) The compensation shown in this table represents amounts awarded in respect of the year indicated. The itemised tables below show compensation awarded in respect of a given year and compensation received during that year.

(2) No Crédit Agricole S.A. stock options were awarded to Corporate Officers in 2017. No performance share plan was instituted at Crédit Agricole S.A.

TABLE 2 – SUMMARY OF GROSS COMPENSATION

	2016		2017	
(in euros)	Amount awarded in respect of 2016	Amount paid in 2016	Amount awarded in respect of 2017	Amount paid in 2017
Fixed compensation	900,000	900,000	900,000	900,000
Non-deferred variable compensation paid in cash	295,620	174,000	312,540[3]	295,620
Non-deferred variable compensation indexed to the Crédit Agricole S.A. share price	98,540	49,880	104,180[3]	124,161
Deferred and conditional variable compensation[1]	591,240	-	625,080[3]	179,800
Exceptional compensation	-	-	-	-
Directors' fees[2]	-	-	-	-
Benefits in kind	78,858	78,858	78,944	78,944
TOTAL	**1,964,258**	**1,202,738**	**2,020,744**	**1,578,525**

(1) The amounts paid correspond to the amounts acquired, detailed in Table 2bis and indexed to changes in the share price as stated in Notes 1, 2, 3 and 4 of the same table.

(2) Net amounts, after the following deductions from the sums payable to individual beneficiaries resident in France: income tax prepayment (21%) and social contributions (15.50%).

(3) Amounts set by the Board of Directors of Crédit Agricole S.A. subject to the approval of the General Meeting of 16 May 2018.

TABLE 2A – DETAILS OF DEFERRED VARIABLE COMPENSATION

		2015		2016		2017	
	Total amount awarded[1]	Amounts awarded[1]	Amounts vested[2]	Amounts awarded[1]	Amounts vested[3]	Amounts awarded[1]	Amounts vested[4]
Plan awarded in 2014	-	-	-	-	-	-	-
Plan awarded in 2015	-	-	-	-	-	-	-
Plan awarded in 2016	348,000	-	-	-	-	116,000	116,000

(1) The share value at the grant date was €11.37 for the 2014 plan, €12.86 for the 2015 plan and €9.67 for the 2016 plan.

(2) The share value at the payment date was €12.95 for the 2014 plan.

(3) The share value at the payment date was €8.28 for the 2014 and 2015 plans.

(4) The share value at the payment date was €15.01 for the 2014, 2015 and 2016 plans.

Philippe Brassac has been Chief Executive Officer since 20 May 2015.

FIXED COMPENSATION

Mr Philippe Brassac receives annual fixed compensation of €900,000. This compensation was set by the Board of Directors at its meeting on 19 May 2015, and has not been changed since.

VARIABLE COMPENSATION

Variable compensation awarded in 2018 in respect of 2017

At its meeting of 13 February 2018, the Board of Directors, on the recommendation of the Compensation Committee, set the amount of the variable compensation of Mr Philippe Brassac in respect of 2017, subject to its approval by the General Meeting of 16 May 2018.

In view of the achievement of financial and non-financial criteria decided by the Board at its meeting of 14 February 2017, the amount of variable compensation has been determined on the following basis:

- The 117.3% level of achievement of financial criteria was due to the combined impacts of good revenue growth across all business lines, despite the very challenging low interest rate environment, and tight cost control. The result was 104% achievement of the revenue criteria and 112.3% for the cost/income ratio. Helped by growth in GOI coupled with confirmed sound control of risk, performance for the net income Group share and RoTE criteria was 120.8% and 131.9%, respectively.
- The Board has calculated that the Chief Executive Officer achieved 114.3% of the non-financial criteria defined at the start of the year, which include a specific weighting applied to the CEO. This is in view of successfully implementing aspects of the Group's medium-term plan: roll-out of the Customer project, especially digital transformation actions, increased income synergies and more powerful external growth momentum, notably in asset management (Pioneer) and retail banking (in Italy). In addition, projects for the transformation of the Group also continued in 2017, most notably in support functions. Employee engagement strengthened in the Crédit Agricole Group. The Engagement and Recommendation Index improved (the index was introduced in 2016 to measure pride in belonging to the Group), and understanding and support for strategy deepened.

Based on the weighting described above, Philippe Brassac earned €1,041,800 in variable compensation in respect of 2017, reflecting a target achievement ratio of 115.8%. This was equivalent to 115.8% of his fixed reference compensation.

	Economic criteria							
	Revenues	Net income Group share	Cost/income ratio	RoTE	Total	Non-economic criteria	Total	Individual variable compensation
Theoretical weighting	12.5%	12.5%	12.5%	12.5%	50%	50%	100%	900,000
Actual performance	13.0%	15.1%	14.0%	16.5%	58.6%	57.1%	115.8%	1,041.800

This compensation breaks down as follows:

- €312,540, i.e. 30% of variable compensation, to be paid in May 2018;
- €104,180, i.e. 10% of variable compensation, indexed to the Crédit Agricole S.A. share price and to be paid in September 2018;
- €625,080, at the grant date, representing 60% of variable compensation, awarded in instruments linked to the Crédit Agricole S.A. share price, which vest progressively over a deferred period of three years, conditional upon the attainment of three performance targets:
  - the intrinsic financial performance of Crédit Agricole S.A. defined as growth of the 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,
  - the societal performance of Crédit Agricole S.A. as measured by the FReD index.

Deferred variable compensation vested in 2017 (table 2A above)

Mr Philippe Brassac received €116,000 in deferred variable compensation for previous years. At the payment date this was equivalent to €179,800 after indexation to the Crédit Agricole S.A. share price. This amount represents:

- the first year of payment of deferred variable compensation awarded in 2016 in respect of 2015, tranche for which €116,000 were awarded, with a share price on the grant date of €9.67.

The definitions of the underlined words can be found in the Glossary on page 567.

Vesting is conditional upon the attainment of three performance targets:

- the intrinsic financial performance of Crédit Agricole S.A. defined as growth of the 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;
- the societal performance of Crédit Agricole S.A. as measured by the FReD index.

In view of the performance recorded in respect of the three criteria, the final percentage vested is 100% for the variable compensation tranche awarded in 2016 in accordance with the table below:

	2016 plan
Financial performance	103%
Stock market performance	117%
Societal performance	104%
Overall achievement rate (capped at 100%)	100%

EXCEPTIONAL COMPENSATION

No exceptional compensation was awarded or paid in respect of the 2017 financial year.

DIRECTORS' FEES

Mr Philippe Brassac has waived the Directors' fees for his directorships in Crédit Agricole S.A. Group companies for the whole of his term of office.

SEVERANCE PAYMENT

No severance benefit was paid to Mr Philippe Brassac during the financial year.

Mr Philippe Brassac will receive a severance payment if Crédit Agricole S.A. terminates his contract under the conditions approved by the Board at its meeting on 19 May 2015 and ratified by the General Meeting of Shareholders on 19 May 2016. In the event of termination of his position as Chief Executive Officer, on any grounds whatsoever, he may be bound by a non-competition clause for a period of one year from the date of termination, as approved by the Board at its meeting on 19 May 2015 and ratified by the General Meeting of Shareholders on 19 May 2016.

SUPPLEMENTARY PENSION

No supplementary pension amount is payable to Mr Philippe Brassac in respect of the 2017 financial year.

As a Corporate Officer of Crédit Agricole S.A., Mr Philippe Brassac continues to be a member of the supplementary pension schemes in place for the Group's Senior Executives, in addition to the collective and mandatory pension and death & disability schemes.

The additional annuity procured by these plans will be reduced, where appropriate, so that the annual aggregate annuity taken together with the annuities of all Group defined-contribution schemes and other mandatory schemes does not exceed 16 times the annual Social Security cap as of the date of liquidation.

The Board of Directors Meeting on 19 May 2015 approved Mr Philippe Brassac's membership of Crédit Agricole S.A. Group's supplementary pension schemes prior to the date of publication of French law no. 2015-990 dated 6 August 2015 for growth, activity and equal economic opportunities; therefore the provisions of Article L. 225-42-1 of the French Commercial Code (*Code de commerce*), which makes the acquisition of annual supplementary pension entitlements subject to performance conditions, do not apply.

In accordance with the provisions of Article L. 225-37-3-3 of the French Commercial Code, Mr Philippe Brassac's annual and conditional individual supplementary pension entitlements as at 31 December 2017 break down as:

- a life annuity under a defined-contribution supplementary pension scheme, for an estimated gross amount of €4,000;
- a life annuity under a defined-benefit supplementary pension scheme, for an estimated gross amount of €516,000.

The estimated total of these supplementary pension entitlements, taken together with estimated pensions from mandatory retirement schemes, corresponds to the application of the contractual cap of 16 times the annual social security cap as of the closing date, for all schemes.

The uncertain entitlements under the defined-benefit supplementary pension scheme are subject to continued employment at retirement and are estimated on the basis of 35 years' service recorded on the closing date, corresponding to 36% of the reference compensation at 31 December 2017, or a zero increase in contingent rights compared with 2016.

On that basis, the provisions have been met of Article L. 225-42-1 of the French Commercial Code, as amended under law no. 2015-990 of 6 August 2015 for growth, activity and equal economic opportunities, limiting the annual increase in contingent rights to 3%.

The published estimated amounts are the gross amounts before taxes and social security charges applicable at the 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 scheme.

BENEFITS IN KIND

Mr Philippe Brassac has the use of company housing. This benefit is being transferred to benefits in kind in accordance with current regulations.

Xavier Musca, Deputy Chief Executive Officer

TABLE 1 – COMPENSATION, SHARES AND STOCK OPTIONS AWARDED TO EXECUTIVE CORPORATE OFFICERS OF CRÉDIT AGRICOLE S.A.

Gross amounts (in euros)	2016	2017
Compensation awarded in respect of the financial year[1]	1,292,100	1,321,700
Value of options awarded during the year[2]	-	-
Value of performance shares awarded during the year[2]	-	-

(1) The compensation shown in this table represents amounts awarded in respect of the year indicated. The itemised tables below show compensation awarded in respect of a given year and compensation received during that year.

(2) No Crédit Agricole S.A. stock options were awarded to Corporate Officers in 2017. No performance share plan was instituted at Crédit Agricole S.A.

TABLE 2 – SUMMARY OF GROSS COMPENSATION

	2016		2017	
(in euros)	Amount awarded in respect of 2016	Amount paid in 2016	Amount awarded in respect of 2017	Amount paid in 2017
Fixed compensation	700,000	700,000	700,000	700,000
Non-deferred variable compensation paid in cash	177,630	156,300	186,510[3]	177,630
Non-deferred variable compensation indexed to the Crédit Agricole S.A. share price	59,210	44,806	62,170[3]	74,605
Deferred and conditional variable compensation[1]	355,260	149,196	373,020[3]	375,772
Exceptional compensation	-	-	-	-
Directors' fees[2]	-	-	-	-
Benefits in kind	-	-	-	-
TOTAL	**1,292,100**	**1,050,302**	**1,321,700**	**1,328,007**

(1) The amounts paid correspond to the amounts acquired, detailed in Table 2bis and indexed to changes in the share price as stated in Notes 1, 2, 3 and 4 of the same table.

(2) Net amounts, after the following deductions from the sums payable to individual beneficiaries resident in France: income tax prepayment (21%) and social contributions (15.50%).

(3) Amounts set by the Board of Directors of Crédit Agricole S.A. subject to the approval of the General Meeting of 16 May 2018.

TABLE 2A – DETAILS OF DEFERRED VARIABLE COMPENSATION

		2015		2016		2017	
	Total amount awarded[1]	Amounts awarded[1]	Amounts vested[2]	Amounts awarded[1]	Amounts vested[3]	Amounts awarded[1]	Amounts vested[4]
Plan awarded in 2014	270,004	90,005	90,005	90,005	90,005	89,994	89,994
Plan awarded in 2015	244,804	-	-	81,597	81,597	81,597	81,597
Plan awarded in 2016	312,600	-	-	-	-	104,200	104,200

(1) The share value at the grant date was €11.37 for the 2014 plan, €12.86 for the 2015 plan and €9.67 for the 2016 plan.

(2) The share value at the payment date was €12.95 for the 2014 plan.

(3) The share value at the payment date was €8.28 for the 2014 and 2015 plans.

(4) The share value at the payment date was €15.01 for the 2014, 2015 and 2016 plans.

Mr Xavier Musca has served as Deputy Chief Executive Officer since 19 July 2012 and as Deputy CEO second executive Director since 20 May 2015.

FIXED COMPENSATION

Mr Xavier Musca received annual fixed compensation of €700,000 in 2017. On 20 May 2015, Mr Xavier Musca became the second executive Director of Crédit Agricole S.A. At its meeting on 19 May 2015, the Board of Directors therefore increased his fixed compensation to €700,000. It has not been reviewed since.

VARIABLE COMPENSATION

Variable compensation awarded in 2018 in respect of 2017

At its meeting of 13 February 2018, the Board of Directors, on the recommendation of the Compensation Committee, set the amount of the variable compensation of Mr Xavier Musca in respect of 2017, subject to its approval by the General Meeting of 16 May 2018.

In view of the achievement of financial and non-financial criteria decided by the Board at its meeting of 14 February 2017, the

amount of variable compensation has been determined on the following basis:

- The 117.3% level of achievement of financial criteria was due to the combined impacts of good revenue growth across all business lines, despite the very challenging low interest rate environment, and tight cost control. The result was 104% achievement of the revenue criteria and 112.3% for the cost/income ratio. Helped by growth in GOI coupled with confirmed sound control of risk, performance for the net income Group share and RoTE criteria was 120.8% and 131.9%, respectively.
- The Board has calculated that the Deputy Chief Executive Officer achieved 104.8% of the non-financial criteria defined at the start of the year, which include a specific weighting applied to the Deputy CEO. This is in view of successfully implementing aspects of the Group's medium-term plan: roll-out of the Customer project, increased income synergies and more powerful external growth momentum. In addition, projects for the transformation of the Group also continued in 2017, most notably in support functions. The Group's strength and resilience were further bolstered in 2017, through reinforced organisation and management of the Group's control functions, to meet the ECB's requirements and in close and persistent cooperation with the FED. Employee engagement strengthened in the Crédit Agricole Group. The Engagement and Recommendation Index improved (the index was introduced in 2016 to measure pride in belonging to the Group), and understanding and support for strategy deepened.

Variable compensation earned by Mr Xavier Musca in respect of 2017 was set at €621,700, reflecting a target achievement rate of 111%. This is equivalent to 88.8% of his fixed reference compensation.

	Economic criteria							
	Revenues	Net income Group share	Cost/income ratio	RoTE	Total	Non-economic criteria	TotaL	Individual variable compensation
Theoretical weighting	12.5%	12.5%	12.5%	12.5%	50%	50%	100%	560,000
Actual performance	13.0%	15.1%	14.0%	16.5%	58.6%	52.4%	111%	621,700

This compensation breaks down as follows:

- €186,510, i.e. 30% of variable compensation, to be paid in May 2018;
- €62,170, i.e. 10% of variable compensation, indexed to the Crédit Agricole S.A. share price and to be paid in September 2018;
- €373,020, at the grant date, representing 60% of variable compensation, awarded in instruments linked to the Crédit Agricole S.A. share price, which vest progressively over a deferred period of three years, conditional upon the attainment of three performance targets:
  - the intrinsic financial performance of Crédit Agricole S.A. defined as growth of the 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,
  - the societal performance of Crédit Agricole S.A. as measured by the FReD index.

Deferred variable compensation vested in 2017 (table 2A above)

Mr Xavier Musca received €275,791 in deferred variable compensation for previous years. At the payment date this was equivalent to €375,772 after indexation to the Crédit Agricole S.A. share price. This amount represents:

- the first year of payment of deferred variable compensation awarded in 2016 in respect of 2015, tranche for which €104,200 were awarded, with a share price on the grant date of €9,67;
- the second year of payment of deferred variable compensation awarded in 2015 in respect of 2014, tranche for which €81,597 were awarded, at a share price on the grant date of €12.86;
- the third year of payment of deferred variable compensation awarded in 2014 in respect of 2013, tranche for which €89,994 were awarded, at a share price on the grant date of €11.37.

Vesting is conditional upon the attainment of three performance targets:

- the intrinsic financial performance of Crédit Agricole S.A. defined as growth of the 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;
- the societal performance of Crédit Agricole S.A. as measured by the FReD index.

In view of the performance recorded in respect of the three criteria, the final percentage vested is 100% for the variable compensation tranches awarded in 2014, 2015 and 2016 in accordance with the table below:

	2014 plan	2015 plan	2016 plan
Financial performance	103%	103%	103%
Stock market performance	120%	117%	117%
Societal performance	104%	104%	104%
Overall rate (capped at 100%)	**100%**	**100%**	**100%**

EXCEPTIONAL COMPENSATION

No exceptional compensation was awarded or paid in respect of the 2017 financial year.

DIRECTORS' FEES

Mr Xavier Musca has waived the Directors' fees for his directorships in Crédit Agricole S.A. Group companies for the whole of his term of office.

SEVERANCE PAYMENT

Mr Xavier Musca is guaranteed that his employment contract will be reinstated with compensation conditions equivalent to those that apply to the members of the Management Committee (excluding Corporate Officers) and he will be offered two positions at Management Committee level. In case of occurrence of this event, this benefit will be submitted to the General Meeting of Shareholders under the procedure governing related-party agreements.

Mr Xavier Musca will be paid compensation in the event that his employment contract is terminated by Crédit Agricole S.A. In case of occurrence of this event, this benefit will be submitted to the General Meeting of Shareholders under the procedure governing related-party agreements.

In the event of the termination of his position as Deputy Chief Executive Officer on any grounds whatsoever, Mr Xavier Musca may be bound by a non-competition clause for a period of one year from the date of termination of the office. In case of occurrence of this event, this benefit will be submitted to the General Meeting of Shareholders under the procedure governing related-party agreements.

SUPPLEMENTARY PENSION

No supplementary pension amount is payable to Mr Xavier Musca in respect of the 2017 financial year.

Mr Xavier Musca is a beneficiary of the supplementary pension scheme for Senior Executives of Crédit Agricole Group, which supplements the collective and mandatory pension and death & disability schemes.

The Board of Directors Meeting on 19 May 2015 approved Mr Xavier Musca's membership of Crédit Agricole S.A. Group's supplementary pension schemes prior to the date of publication of French law no. 2015-990 dated 6 August 2015 for growth, activity and equal economic opportunities; therefore the provisions of Article L. 225-42-1 of the French Commercial Code (*Code de commerce*), which makes the acquisition of annual supplementary pension entitlements subject to performance conditions, do not apply.

In accordance with the provisions of Article L. 225-37-3-3 of the French Commercial Code, Mr Xavier Musca's annual and conditional individual supplementary pension entitlements estimated as at 31 December 2017 break down as:

- a life annuity under a defined-contribution supplementary pension scheme, for an estimated gross amount of €3,000;
- a life annuity under a defined-benefit supplementary pension scheme, for an estimated gross amount of €70,000.

The uncertain entitlements under the defined-benefit supplementary pension scheme are subject to continued employment at retirement and are estimated on the basis of 5.5 years' service recorded on the closing date, corresponding to 6.3% of the reference compensation at 31 December 2017, or a 1.2% increase in contingent rights compared with 2016.

On that basis, the provisions have been met of Article L. 225-42-1 of the French Commercial Code, as amended under law no. 2015-990 of 6 August 2015 for growth, activity and equal economic opportunities, limiting the annual increase in contingent rights to 3%.

The published estimated amounts are the gross amounts before taxes and social security charges applicable at the 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 scheme.

TABLE 3 – DIRECTORS' FEES RECEIVED BY CRÉDIT AGRICOLE S.A. DIRECTORS
See p. 108

TABLE 4 – STOCK OPTIONS GRANTED TO EXECUTIVE CORPORATE OFFICERS IN 2017 BY CRÉDIT AGRICOLE S.A. AND OTHER GROUP COMPANIES
No stock options were awarded to Executive Corporate Officers in 2017.

TABLE 5 – STOCK OPTIONS EXERCISED BY EXECUTIVE CORPORATE OFFICERS IN 2017
No Crédit Agricole S.A. stock options were exercised by Executive Corporate Officers in 2017.

TABLE 6 – PERFORMANCE SHARES AWARDED TO EXECUTIVE CORPORATE OFFICERS IN 2017
No performance share plan was instituted at Crédit Agricole S.A.

TABLE 7 – PERFORMANCE SHARES MADE AVAILABLE IN 2017 FOR EXECUTIVE CORPORATE OFFICERS
Not applicable. No performance share plan was instituted at Crédit Agricole S.A.

TABLE 8 – HISTORY OF STOCK OPTION AWARDS
Not applicable.

TABLE 9 – HISTORY OF PERFORMANCE SHARE AWARDS
Not applicable.

TABLE 10 – SUMMARY OF MULTI-ANNUAL VARIABLE COMPENSATION OF EACH EXECUTIVE CORPORATE OFFICER
Not applicable.

TABLE 11 – EMPLOYMENT CONTRACT/SUPPLEMENTARY PENSION SCHEME/SEVERANCE PAYMENT/NON-COMPETITION CLAUSE

Executive Corporate Officers Corporate Officers	Employment contract(1)	Supplementary pension	Indemnities and benefits due or likely to be due upon termination or change in office	Indemnity under a non-competition clause
Dominique Lefebvre Chairman Term of office commenced: 04/11/2015	No	No	No	No
Philippe Brassac Chief Executive Officer Term of office commenced: 20/05/2015	Yes	Yes	Yes	Yes
Xavier Musca Deputy Chief Executive Officer Term of office commenced: 19/07/2012	Yes	Yes	Yes	Yes

(1) The Afep/Medef recommendation against holding a corporate office while being covered by an employment contract applies to the Chairman of the Board of Directors, the Chairman and Chief Executive Officer and the Chief Executive Officer. The employment contract of Xavier Musca, Deputy Chief Executive Officer, was, however, suspended by amendment. It will take effect once more at the end of his corporate office, at the updated compensation and function conditions which prevailed prior to his term of office.

5.3.8. Items of compensation paid or awarded in respect of the 2017 financial year to each Executive Corporate Officer of the Company, to be approved by shareholders

In accordance with Article L. 225-100 of the French Commercial Code as amended by law no. 2016-1691 of 9 December 2016 on transparency, anti-corruption and economic modernisation and in light of the vote of the General Meeting on 24 May 2017 on the proposed compensation policy for the financial year ended 31 December 2017, the fixed, variable and extraordinary items of total compensation and benefits of any kind paid or awarded in respect of the most recent financial year ended 31 December to Executive Corporate Officers of Crédit Agricole S.A. are subject to shareholder approval.

The General Meeting of 16 May 2018 is asked to approve the fixed, variable and extraordinary items of total compensation and the benefits in kind paid or awarded for the financial year ended 31 December 2017 to each Executive Corporate Officer of Crédit Agricole S.A.:

- Mr Dominique Lefebvre;
- Mr Philippe Brassac;
- Mr Xavier Musca.

The General Meeting is accordingly asked to:

- approve the following items of compensation paid or awarded in respect of the financial year ended 31 December 2017 to Mr Dominique Lefebvre, Chairman of the Board of Directors, Mr Philippe Brassac, Chief Executive Officer and Mr Xavier Musca, Deputy Chief Executive Officer; and
- accordingly record that the variable and extraordinary compensation items awarded in respect of the financial year ended 31 December 2017 will be paid to the aforementioned Executive Corporate Officers of Crédit Agricole S.A., where applicable following a deferred period.

ITEMS OF COMPENSATION PAID OR AWARDED IN RESPECT OF THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 TO MR DOMINIQUE LEFEBVRE, CHAIRMAN OF THE BOARD OF DIRECTORS, SUBJECT TO APPROVAL BY SHAREHOLDERS

▶ Items of compensation paid or awarded in respect of the financial year ended to be approved by shareholders

	Amounts	Presentation
Fixed compensation	€520,000	Mr Dominique Lefebvre receives annual fixed compensation of €520,000. This compensation was set by the Board of Directors at its meeting on 4 November 2015; it has not changed since.
Non-deferred variable compensation	No payment in respect of 2017	Mr Dominique Lefebvre is not entitled to any variable compensation.
Variable compensation indexed to the Crédit Agricole S.A. share price	No payment in respect of 2017	Mr Dominique Lefebvre is not entitled to any variable compensation indexed to the Crédit Agricole S.A. share price.
Deferred and conditional variable compensation	No payment in respect of 2017	Mr Dominique Lefebvre is not entitled to any deferred and conditional variable compensation.
Exceptional compensation	No payment in respect of 2017	Mr Dominique Lefebvre is not entitled to any exceptional compensation.
Stock options, performance shares or any other long-term compensation	No payment in respect of 2017	Mr Dominique Lefebvre is not eligible for stock options or performance shares.
Directors' fees	No payment in respect of 2017	Mr Dominique Lefebvre waived receipt of Directors' fees paid in respect of offices held in Crédit Agricole Group companies for the duration of his term of office or at the end of his term.
Benefits in kind	€40,000	The benefits in kind paid consist in a payment in lieu of company housing.

▶ Items of compensation paid or awarded in respect of the year ended, submitted for the approval of shareholders and that were voted on by the General Meeting as part of the procedure governing related party agreements and commitments

	Amounts	Presentation
Termination compensation	No payment paid in respect of 2017	Mr Dominique Lefebvre is not entitled to any severance payment.
Non-competition compensation	No payment paid in respect of 2017	Mr Dominique Lefebvre is not entitled to any non-competition payment.
Supplementary pension	No payment in respect of 2017	Mr Dominique Lefebvre is not a beneficiary of the supplementary pension scheme in place within the Group.

ITEMS OF COMPENSATION PAID OR AWARDED IN RESPECT OF 2017 TO MR PHILIPPE BRASSAC, CHIEF EXECUTIVE OFFICER, SUBJECT TO APPROVAL BY SHAREHOLDERS

▶ Items of compensation paid or awarded in respect of the year ended to be approved by shareholders

	Amounts	Presentation
Fixed compensation	€900,000	Mr Philippe Brassac receives annual fixed compensation of €900,000. This compensation was set by the Board of Directors at its meeting on 19 May 2015; it has not changed since.
Non-deferred variable compensation	€312,540	Mr Philippe Brassac earned €1,041,800 in variable compensation in respect of 2017, subject to approval by the General Meeting of 16 May 2018, namely 115.8% of his fixed compensation (with a target of 100% and a ceiling of 120% of the fixed amount). At its meeting of 13 February 2018, the Board of Directors, on the recommendation of the Compensation Committee, set the amount of the variable compensation for Mr Philippe Brassac in respect of 2017. In view of the achievement of financial and non-financial objectives decided by the Board at its meeting of 14 February 2017 and approved by the General Meeting of 24 May 2017, the amount of variable compensation has been determined on the following basis: ● The 117.3% level of achievement of financial criteria was due to the combined impacts of good revenue growth across all business lines, despite the very challenging low interest rate environment, and tight cost control. The result was 104% achievement of the revenue criteria and 112.3% for the cost/income ratio. Helped by growth in GOI coupled with confirmed sound control of risk, performance for the net income Group share and RoTE criteria was 120.8% and 131.9%, respectively. ● The Board has calculated that the Chief Executive Officer achieved 114.3% of the non-financial criteria defined at the start of the year, which include a specific weighting applied to the CEO. This is in view of successfully implementing aspects of the Group's medium-term plan: roll-out of the Customer project, especially digital transformation actions, increased income synergies and more powerful external growth momentum, notably in asset management (Pioneer) and retail banking (in Italy). In addition, projects for the transformation of the Group also continued in 2017, most notably in support functions. Employee engagement strengthened in the Crédit Agricole Group. The Engagement and Recommendation Index improved (the index was introduced in 2016 to measure pride in belonging to the Group), and understanding and support for strategy deepened. Details of the achievement of these objectives can be found on page 144 of the Registration document. 30% of the variable compensation, namely €312,540 will be paid in May 2018 subject to approval by the General Meeting of 16 May 2018.
Variable compensation indexed to the Crédit Agricole S.A. share price	€104,180	10% of the variable compensation is indexed to the Crédit Agricole S.A. share price and paid in September 2018 subject to the approval of the General Meeting of 16 May 2018.
Deferred and conditional variable compensation	€625,080	The deferred portion of the variable compensation totalled €625,080 on the grant date subject to the approval of the General Meeting on 16 May 2018, namely 60% of the total variable compensation awarded in 2018 in respect of the financial year ended 31 December 2017. This compensation is awarded in instruments linked to Crédit Agricole S.A. shares, 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 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 ● the societal performance of Crédit Agricole S.A. as measured by the FReD index. Details of the principle used to measure these objectives can be found on page 139 of the Registration document.
Exceptional compensation	No payment in respect of 2017	Mr Philippe Brassac has received no exceptional compensation in respect of 2017.
Stock options, performance shares or any other item of long-term compensation	No payment in respect of 2017	Mr Philippe Brassac was not awarded any stock options or performance shares or any other long-term compensation in respect of 2017.
Directors' fees	No payment in respect of 2017	Mr Philippe Brassac waived receipt of Directors' fees for the duration of his term of office as Director of Group companies.
Benefits in kind	€78,944	The benefits in kind allocated consist of the provision of company housing.

▶ Items of compensation paid or awarded in respect of the year ended, submitted for the approval of shareholders and that were voted on by the General Meeting as part of the procedure governing related party agreements and commitments

	Amounts	Presentation
Termination compensation	No payment paid in respect of 2017	Mr Philippe Brassac will be paid compensation in the event that his office is terminated by Crédit Agricole S.A. In accordance with the procedure governing related-party agreements and commitments, this commitment was authorised by the Board on 19 May 2015 and approved by the General Meeting of Shareholders of 19 May 2016.
Non-competition compensation	No payment paid in respect of 2017	In the event of the termination of his position as Chief Executive Officer on any grounds whatsoever, Mr Philippe Brassac may be bound by a non-competition clause for a period of one year from the date of termination of the office. In accordance with the procedure governing related-party agreements and commitments, this commitment was authorised by the Board on 19 May 2015 and approved by the General Meeting of Shareholders of 19 May 2016.
Supplementary pension	No payment in respect of 2017	As a Corporate Officer of Crédit Agricole S.A., Mr Philippe Brassac continues to be a member of the supplementary pension schemes in place for the Group's Senior Executives, in addition to the collective and mandatory pension and death & disability schemes. These plans are a combination of a defined-contribution plan and supplementary defined-benefit plan. The rights under this plan are calculated after deducting the annuity earned under the defined-contribution plan. The additional annuity paid by these plans will be reduced, where appropriate, so that the annual aggregate annuity taken together with the annuities of all Group defined-contribution schemes and other mandatory schemes does not exceed 16 times the annual Social Security cap as of the date of liquidation. Details of these schemes can be found on pages 141 and 145 of the Registration Document.

ITEMS OF COMPENSATION PAID OR AWARDED IN RESPECT OF THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 TO MR XAVIER MUSCA, DEPUTY CHIEF EXECUTIVE OFFICER, SUBJECT TO APPROVAL BY SHAREHOLDERS

▶ Items of compensation paid or awarded in respect of the year ended to be approved by shareholders

	Amounts	Presentation
Fixed compensation	€700,000	On 20 May 2015, Mr Xavier Musca became the second executive Director of Crédit Agricole S.A. At its meeting on 19 May 2015, the Board of Directors therefore increased his fixed compensation to €700,000. It has not changed since then.
Compensation Non-deferred variable compensation	€186,510 (amount awarded)	Mr Xavier Musca earned €621,700 in variable compensation in respect of 2017, subject to approval by the General Meeting of 16 May 2018, namely 88.8% of his fixed compensation (with a target of 80% and a ceiling of 120% of the fixed amount). At its meeting of 13 February 2018, the Board of Directors, on the recommendation of the Compensation Committee, set the amount of the variable compensation of Mr Xavier Musca in respect of his office in 2017. In view of the achievement of financial and non-financial objectives decided by the Board at its meeting of 14 February 2017 and approved by the General Meeting of 24 May 2017, the amount of variable compensation has been determined on the following basis: ● The 117.3% level of achievement of financial criteria was due to the combined impacts of good revenue growth across all business lines, despite the very challenging low interest rate environment, and tight cost control. The result was 104% achievement of the revenue criteria and 112.3% for the cost/income ratio. Helped by growth in GOI coupled with confirmed sound control of risk, performance for the net income Group share and RoTE criteria was 120.8% and 131.9%, respectively. ● The Board has calculated that the Deputy Chief Executive Officer achieved 104.8% of the non-financial criteria defined at the start of the year, which include a specific weighting applied to the Deputy CEO. This is in view of successfully implementing aspects of the Group's medium-term plan: roll-out of the Customer project, increased income synergies and more powerful external growth momentum. In addition, projects for the transformation of the Group also continued in 2017, most notably in support functions. The Group's strength and resilience were further bolstered in 2017, through reinforced organisation and management of the Group's control functions, to meet the ECB's requirements and in close and persistent cooperation with the FED. Employee engagement strengthened in the Crédit Agricole Group. The Engagement and Recommendation Index improved (the index was introduced in 2016 to measure pride in belonging to the Group), and understanding and support for strategy deepened. Details of the achievement of these objectives can be found on page 147 of the Registration document. 30% of the variable compensation, namely €186,510 will be paid in May 2018 subject to approval by the General Meeting of 16 May 2018.
Variable compensation indexed to the Crédit Agricole S.A. share price	€62,170 (amount awarded)	10% of the variable compensation is indexed to the Crédit Agricole S.A. share price and will be paid in September 2018 subject to approval by the General Meeting on 16 May 2018. .
Compensation Deferred and conditional variable compensation and conditionnal	€373,020 (amount awarded)	The deferred portion of the variable compensation totalled €373,020 on the grant date subject to the approval of the General Meeting on 16 May 2018, namely 60% of the variable compensation awarded in 2018 in respect of the financial year ended 31 December 2017. This compensation is awarded in instruments linked to Crédit Agricole S.A. shares, 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 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; ● the societal performance of Crédit Agricole S.A. as measured by the FReD index. Details of the principle used to measure these objectives can be found on page 139 of the Registration document.
Exceptional compensation	No payment in respect of 2017	Mr Xavier Musca received no exceptional compensation in respect of 2017.
Stock options, performance shares or any other item of long-term compensation	No payment in respect of 2017	Mr Xavier Musca was not awarded any stock options or performance shares or any other long-term compensation in respect of 2017.
Directors' fees	No payment in respect of 2017	Mr Xavier Musca waived receipt of directors' fees for the duration of his term of office as director of Group companies.
Benefits in kind	No benefits in kind	Mr Xavier Musca did not receive any benefits in kind.

▶ **Items of compensation paid or awarded in respect of the year ended, submitted for the approval of shareholders and that were voted on by the General Meeting as part of the procedure governing related party agreements and commitments**

	Amounts	Presentation
Termination compensation	No payment in respect of 2017	Mr Xavier Musca will be paid compensation in the event that his employment contract is terminated by Crédit Agricole S.A. This commitment was authorised by the Board of Directors at its meeting on 19 May 2015, and ratified by the General Meeting of Shareholders on 19 May 2016.
Termination compensation	No payment in respect of 2017	In the event of the termination of his position as Deputy Chief Executive Officer on any grounds whatsoever, Mr Xavier Musca may be bound by a non-competition clause for a period of one year from the date of termination of the office. This commitment was authorised by the Board of Directors at its meeting on 19 May 2015, and ratified by the General Meeting of Shareholders on 19 May 2016.
Supplementary pension	No payment in respect of 2017	Mr Xavier Musca is a beneficiary of the supplementary pension scheme for Senior Executives of Crédit Agricole Group, which supplements the collective and mandatory pension and death & disability schemes. This commitment was authorised by the Board of Directors at its meeting on 19 May 2015, and ratified by the General Meeting of Shareholders on 19 May 2016. Details of these schemes can be found on pages 141 and 148 of the Registration Document.

5.3.9. Principles and criteria for the calculation, apportionment and award of items of compensation in respect of 2018 to each Executive Corporate Officer of the Company subject to shareholder approval

In accordance with law no. 2016-1691 of 9 December 2016 on transparency, anti-corruption and economic modernisation, the principles and criteria for calculating, apportioning and awarding items of compensation to Executive Corporate Officers of Crédit Agricole S.A. must be submitted to shareholders for approval.

The General Meeting of Shareholders of 16 May 2018 is asked to ratify the items of compensation to be awarded in respect of 2018 to each Executive Corporate Officer of Crédit Agricole S.A.:

- Mr Dominique Lefebvre;
- Mr Philippe Brassac;
- Mr Xavier Musca.

The items of compensation for the Chairman are decided by the Board of Directors, on the advice and/or recommendations of the Compensation Committee, in accordance with the principles defined by the Crédit Agricole S.A. Group compensation policy adopted by the Board of Directors on 13 February 2018 and the statutory and regulatory provisions in force.

Principles used to determine the items of compensation of the Chairman of Crédit Agricole S.A.

The amount of annual fixed compensation of the Chairman is decided by the Board of Directors acting on the recommendation of the Compensation Committee, taking into account:

- the scope of responsibilities of Executive Corporate Officers;
- market practices and compensation packages observed for the same or similar functions in other major listed companies.

  Every year, the Group commissions specialist firms to assess its policy for the compensation of Executive Corporate Officers against the benchmark of other CAC 40 and financial sector companies to make sure the principles of its policy and compensation levels are consistent and competitive.

If a new Chairman is appointed, his or her compensation will be decided by the Board of Directors either in accordance with the principles and criteria approved by the General Meeting of Shareholders, or in accordance with existing practices for the same role, adapted as appropriate when this person exercises new functions or a new appointment without equivalent in respect of the previous year.

To ensure that he or she remains independent, the Chairman of the Board of Directors is excluded from any variable compensation scheme, including stock option plans or performance share award plans, existing within Crédit Agricole S.A.

APPORTIONMENT AND AWARD CRITERIA FOR ITEMS OF COMPENSATION OF THE CHAIRMAN OF THE BOARD OF DIRECTORS

	Presentation
Fixed compensation	The annual fixed compensation of the Chairman of the Board of Directors has been €520,000 since 4 November 2015. There are no plans to change this in 2018.
Variable compensation	To ensure that he or she remains independent, the Chairman of the Board of Directors is excluded from any variable compensation scheme, including stock option plans or performance share award plans, or any other long-term compensation existing within Crédit Agricole S.A.
Multi-annual Variable Compensation	To ensure that he or she remains independent, the Chairman of the Board of Directors is excluded from any variable compensation scheme, including stock option plans or performance share award plans, or any other long-term compensation existing within Crédit Agricole S.A.
Exceptional compensation	There are no plans at present to grant the Chairman of the Board of Directors exceptional compensation for 2018.
Stock options, performance shares or any other item of long-term compensation	To ensure that he or she remains independent, the Chairman of the Board of Directors is excluded from any variable compensation scheme, including stock option plans or performance share award plans, or any other long-term compensation existing within Crédit Agricole S.A.
Directors' fees	The Chairman of the Board of Directors also waived any Directors' fees due in respect of appointments held in Group companies during and at the end of his term of office as Chairman of the Board of Directors.
Benefits in kind	The Chairman of the Board of Directors has the use of company housing by virtue of his appointment which was reclassified as a benefit in kind under current rules. For information, this was valued at €40,000 in 2017

As a reminder, under the commitments authorised by the Board of Directors and approved by the General Meeting of Shareholders, the Chairman of the Board of Directors receives neither a severance payment nor non-competition indemnity in the event of termination of his appointment, nor is he or she a member of the supplementary pension scheme in effect within the Group.

The items of compensation of Executive Corporate Officers are decided by the Board of Directors on the advice and/or recommendations of the Compensation Committee, in accordance with the principles defined by the Crédit Agricole S.A. Group compensation policy (reviewed and adopted by the Board of Directors on 12 February 2018) and the statutory and regulatory provisions in force.

Principles used to determine the items of compensation of Executive Corporate Officers of Crédit Agricole S.A.

The amount of annual fixed compensation of Executive Corporate Officers is decided by the Board of Directors acting on the recommendation of the Compensation Committee, taking into account:

- the scope of responsibility of Executive Corporate Officers;
- market practices and compensation packages observed for the same or similar functions in other major listed companies. Every year, the Group commissions specialist firms to assess its policy for the compensation of Executive Corporate Officers against the benchmark of other CAC 40 and financial sector companies to make sure the principles of its policy and compensation levels are consistent and competitive.

If a new Executive Corporate Officer is appointed, his or her compensation will be decided by the Board of Directors either in accordance with the principles and criteria approved by the General Meeting of Shareholders, or in accordance with existing practices for the same role, adapted as appropriate when this person exercises new functions or a new appointment without equivalent in respect of the previous year.

The variable compensation policy of Executive Corporate Officers is covered by the policy for executive managers of the Crédit Agricole S.A. Group. It is mainly aimed at:

- correlating compensation levels with actual long-term performance;
- aligning management interests with those of Crédit Agricole S.A. by differentiating between individual and collective targets and between financial and non-financial performance (customer satisfaction, management efficiency and societal impact);
- attracting, motivating and retaining executive managers.

Given the nature of their appointment and the responsibilities they assume, Executive Corporate Officers receive variable compensation designed to:

- align the compensation of Executive Corporate Officers with the Group's performance;
- take into account aspects of long-term performance beyond purely short-term financial results.

In accordance with the principles defined by the compensation policy reviewed and adopted by the Board of Directors in 2017, the Board of Directors defines the criteria for establishing the annual variable compensation of Executive Corporate Officers and their targets.

The variable compensation awarded to Executive Corporate Officers is subject to strict rules under current banking regulations.

Criteria and conditions for awarding items of variable compensation to Executive Corporate Officers

Each year the Board of Directors assesses the performance of Executive Corporate Officers upon the recommendation of the Compensation Committee.

This assessment is based on financial and non-financial criteria, each counting towards 50% of the overall performance. The distribution of the different items of variable compensation and the criteria for assessing and awarding these items of compensation are specified below (see tables on page 156 and 157).

The payment of items of variable and exceptional compensation awarded to each Executive Corporate Officer concerned for the current financial year (2018) is in any event conditional on approval of those items by the Ordinary General Meeting due to be held in 2019.

APPORTIONMENT AND AWARD CRITERIA FOR ITEMS OF COMPENSATION FOR THE CHIEF EXECUTIVE OFFICER

<table>
<tr><th></th><th>Presentation</th></tr>
<tr><td>Fixed compensation</td><td>The Group proposes to increase the Chief Executive Officer's compensation to €1,100,000 starting in May 2018 by:
● an 8.3% increase in current compensation, from €900,000 to €975,000, to bring it into line with the market after seven years without an increase in the fixed portion of the CEO's salary;
● reinstating the housing benefit in kind, equating to a salary equivalent of €125,000, which simplifies the structure of the Chief Executive Officer's total compensation.</td></tr>
<tr><td>Variable compensation</td><td>The Chief Executive Officer has a target annual variable compensation of 100% of his fixed compensation, capped at 120% if performance exceeds the target.
The performance assessment linked to the annual variable compensation is 50% based on financial criteria and 50% on non-financial criteria.
At its meeting on 13 February 2018, the Board of Directors set four financial criteria:
<table>
<tr><th></th><th>Weighting</th><th></th><th>Threshold</th><th>Target</th><th>Ceiling</th></tr>
<tr><td>Revenues</td><td>12.5%</td><td rowspan="4">50%</td><td>80%</td><td>100%</td><td>150%</td></tr>
<tr><td>Net income Group share</td><td>12.5%</td><td>80%</td><td>100%</td><td>150%</td></tr>
<tr><td>Cost/income ratio</td><td>12.5%</td><td>80%</td><td>100%</td><td>150%</td></tr>
<tr><td>Return on tangible equity</td><td>12.5%</td><td>80%</td><td>100%</td><td>150%</td></tr>
</table>
For each of these criteria, the target is set on the basis of the budget approved by the Board of Directors at its meeting on 13 February 2018.
At its meeting on 13 February 2018, the Board of Directors set four non-financial criteria:
● the implementation of the Crédit Agricole Group's Medium-Term Plan "Strategic Ambition 2020", for 17.5%;
● the Group's transformation in order to improve operational efficiency, for 10%,
● the steering of control functions in view of tighter regulation, for 10%,
● the collective momentum of Crédit Agricole Group, for 12.5%.
The achievement rate of non-financial criteria cannot exceed 150%.</td></tr>
<tr><td>Multi-annual Variable Compensation</td><td>The Chief Executive Officer is not eligible for the multi-annual variable compensation scheme for 2018.</td></tr>
<tr><td>Exceptional compensation</td><td>There are no plans at present to award the Chief Executive Officer exceptional compensation for 2018.</td></tr>
<tr><td>Stock options, performance shares or any other item of long-term compensation</td><td>The Chief Executive Officer is not eligible for stock option plans or performance share awards or any other long-term compensation for 2018.</td></tr>
<tr><td>Directors' fees</td><td>The Chief Executive Officer waived receipt of directors' fees for the duration of his term of office as director of Group companies.</td></tr>
<tr><td>Benefits in kind</td><td>It is proposed to remove the housing benefit in kind paid to the Chief Executive Officer's, in return for the proposed increase in his fixed compensation.</td></tr>
</table>

Under the commitments authorised by the Board of Directors on 19 May 2015 and approved by the General Meeting of Shareholders on 19 May 2016 and as described on pages 141 and 142 of this document, the Chief Executive Officer receives:

- a severance payment in the event that his position is terminated by Crédit Agricole S.A.;
- a non-competition indemnity if a non-competition clause is triggered, for a period of one year from the termination of the appointment, regardless of the cause;
- the supplementary pension scheme for executive managers of Crédit Agricole Group, which supplements the collective and mandatory pension and death & disability schemes.

The definitions of the underlined words can be found in the Glossary on page 567.

CRITERIA FOR APPORTIONING AND AWARDING ITEMS OF COMPENSATION FOR THE DEPUTY CHIEF EXECUTIVE OFFICER

	Presentation
Fixed compensation	The annual fixed compensation of the Deputy Chief Executive Officer has been €700,000 since 19 May 2015. There are no plans to change this in 2018.
Variable compensation	The Deputy Chief Executive Officer has a target annual variable compensation of 80% of his fixed compensation, capped at 120% if performance exceeds the target. The performance assessment linked to the annual variable compensation is 50% based on financial criteria and 50% on non-financial criteria. At its meeting on 13 February 2018, the Board of Directors set four financial criteria:

	Weighting		Threshold	Target	Ceiling
Revenues	12.5%	50%	80%	100%	150%
Net income Group share	12.5%		80%	100%	150%
Cost/income ratio	12.5%		80%	100%	150%
Return on tangible equity	12.5%		80%	100%	150%

For each of these criteria, the target is set on the basis of the budget approved by the Board of Directors at its meeting on 13 February 2018.
At its meeting on 13 February 2018, the Board of Directors set four non-financial criteria:
- the implementation of the Crédit Agricole Group's Medium-Term Plan "Strategic Ambition 2020", for 7.5%,
- the Group's transformation in order to improve operational efficiency, for 17.5%,
- the steering of control functions in view of tighter regulation, for 17.5%,
- the collective momentum of Crédit Agricole Group, for 7.5%.

The achievement rate of non-financial criteria cannot exceed 150%.

Multi-annual Variable Compensation	The Deputy Chief Executive Officer is not eligible for the multi-annual variable compensation scheme for the financial year 2018.
Exceptional compensation	There are no plans at present to award the Deputy Chief Executive Officer exceptional compensation for 2018.
Stock options, performance shares or any other item of long-term compensation	The Deputy Chief Executive Officer is not eligible for stock option plans or performance share awards or any other long-term compensation for 2018.
Directors' fees	The Deputy Chief Executive Officer waived receipt of directors' fees for the duration of his term of office as director of Group companies.
Benefits in kind	The Deputy Chief Executive Officer does not receive any benefits in kind.

Under the commitments authorised by the Board of Directors on 19 May 2015 and approved by the General Meeting of Shareholders on 19 May 2016 and as described on pages 141 and 142 of this document, the Deputy Chief Executive Officer receives:

- a severance payment in the event that his position is terminated by Crédit Agricole S.A.;
- a non-competition indemnity if a non-competition clause is triggered, for a period of one year from the termination of the appointment, regardless of the cause;
- the supplementary pension scheme for executive managers of Crédit Agricole Group, which supplements the collective and mandatory pension and death & disability schemes.

6. RULES OF PROCEDURE OF THE BOARD OF DIRECTORS

RULES OF PROCEDURE OF THE BOARD OF DIRECTORS

At its meeting of 10 October 2017, the Board of Directors of Crédit Agricole S.A. approved, on the recommendation of its Chairman and of the Appointments and Governance Committee, the update to its Rules of Procedure setting out the operation of the Board of Directors and Executive Management of the Company, taking account of:

- the role of central body assigned to the Company by the French Monetary and Financial Code;
- legislative and regulatory changes having an impact on the operation of the Board and of its Specialised Committees;
- the Group's rules of operation.

Article 1: Organisation of the Board of Directors.

Article 2: Powers of the Board of Directors and of the Chief Executive Officer.

Article 3: Operation of the Board of Directors.

Article 4: Board Committees.

Article 5: Crédit Agricole S.A. Directors' Code of Conduct.

Crédit Agricole S.A. is a company with a Board of Directors that splits the roles of Chairman and Chief Executive Officer, in accordance with Group practice and current regulations, namely separating the guidance, decision-making and control functions from the executive functions.

Pursuant to the provisions of the French Commercial Code, the Chairman of the Board of Directors and Chief Executive Officer of Crédit Agricole S.A. are Corporate Officers.

Pursuant to the provisions of the French Monetary and Financial Code, the Board of Directors must ensure that Crédit Agricole S.A. has a sound governance system comprising in particular a clear organisation resulting in responsibilities being shared in a well-defined, transparent and coherent manner, effective procedures for identifying, managing, monitoring and reporting risks to which the Company is or may be exposed, an adequate internal control system, sound administrative and accounting procedures, compensation policies and practices enabling and facilitating sound and effective risk management.

It should also be recalled that the Chief Executive Officer and the Deputy Chief Executive Officer of Crédit Agricole S.A. are the Company's Executive Management.

Article 1: Organisation of the Board of Directors

1.1. CHAIRMAN OF THE BOARD OF DIRECTORS

The Chairman of the Board of Directors guides and organises the Board's work. He/she is responsible for its proper operation as well as that of its Committees. He/she calls Board Meetings and sets the agenda.

The Chairman presents the General Meeting of Shareholders with a report on the preparation and organisation conditions for Board work along with the internal control procedures put in place by Crédit Agricole S.A.

1.2. OFFICERS OF THE BOARD OF DIRECTORS

The Board of Directors appoints the Chairman and Deputy Chairman as Officers of the Board. The Chief Executive Officer of Crédit Agricole S.A. takes part in the work of the Board.

The Officers of the Board are responsible for preparing the Board's work. They meet when called by the Chairman, as needed.

The Chairman may invite any person whose opinion he would like to canvass to assist the Officers of the Board.

The Secretary to the Board of Directors acts as secretary to the Officers of the Board.

1.3. BOARD COMMITTEES

The Board of Directors has established six Specialised Committees tasked with preparing Board Meetings and/or providing it with their opinions and recommendations. These include:

- the Risks Committee;
- the Audit Committee;
- the US Risks Committee;
- the Compensation Committee;
- the Strategy and Corporate Social Responsibility (CSR) Committee; and
- the Appointments and Governance Committee.

The Board of Directors draws up the Rules of Procedure for these Specialised Committees and determines their duties and composition in line with applicable laws and regulations.

The remit of these Committees is defined in Article 4 below.

The Chairman or the Board of Directors may canvass the opinion of any Committee on any matter within its remit.

The Board of Directors, on the recommendation of the Chairman, may appoint one or more non-voting Directors, who may attend Specialised Committee meetings in the same manner as Directors.

The Rules of Procedure of each Committee are appended to these Board Rules of Procedures.

Article 2: Powers of the Board of Directors and of the Chief Executive Officer

2.1. POWERS OF THE BOARD OF DIRECTORS

The Board of Directors exercises the powers granted to it by law and under the Company's Articles of Association. To this effect, in particular:

- the Board approves the annual parent company financial statements (balance sheet, income statement, notes), the management report detailing the Company's position for the year just ended or the current year, and its outlook, along with forecasts. It approves the consolidated financial statements of Crédit Agricole S.A. Group and receives the interim financial statements;
- the Board approves the consolidated financial statements of the Crédit Agricole Group;

The definitions of the underlined words can be found in the Glossary on page 567.

- the Board decides to call the Company's General Meetings. It sets the agenda and prepares the draft resolutions;
- the Board:
  - elects and dismisses the Chairman of the Board of Directors,
  - on the recommendation of the Chairman, appoints and dismisses the Chief Executive Officer,
  - temporarily fills one or more Director positions in the event of a vacancy due to death or resignation,
  - on the recommendation of the Chief Executive Officer, appoints and dismisses the Deputy Chief Executive Officer(s);
- the Board decides on the compensation of Corporate Officers and the allocation of Directors' fees;
- the Board must first authorise any agreement that falls under Articles L. 225-38 *et seq.* of the French Commercial Code and, in particular, any agreement between the Company and any Corporate Officer.

The Board also:

- determines the Group's strategic orientations, on the recommendation of the Chairman and Chief Executive Officer;
- gives prior approval to strategic investment projects and any transaction, specifically any acquisition or disposal transaction, that is likely to have a significant effect on the Group's earnings, the structure of its balance sheet or its risk profile;
- defines the general principles applicable to the Crédit Agricole Group's internal financial organisation;
- decides or authorises the issuance of Crédit Agricole S.A. bonds;
- grants the Chief Executive Officer the necessary powers to implement the decisions set out above;
- approves and regularly reviews the strategies and policies governing the taking on, management, monitoring and reduction of the risks to which Crédit Agricole S.A. and the Group are or may be exposed, including risks stemming from the economic environment;
- notably approves the various commitment and risk limits for the Crédit Agricole S.A. Group and, where applicable, for the Crédit Agricole Group;
- issues an opinion, after having obtained the opinions of the Risks Committee and Appointments and Governance Committee, on the CEO's appointment proposals for each Head of the Group's internal control functions, i.e. the Head of Risk Management, the Head of Periodic Control, and the Compliance Officer. Where necessary, the Board issues an opinion, under the same conditions, on the dismissal of the above-mentioned Officers, who cannot be removed from their positions without the prior approval of the Board;
- determines and regularly reviews the general principles of the compensation policy of Crédit Agricole S.A. Group, in particular regarding employee categories whose activities have a significant impact on the Group's risk profile;
- reviews the governance system, periodically evaluates its effectiveness and ensures that corrective steps have been taken to remedy any identified deficiencies;
- determines the strategy and checks implementation by Executive Management (the Chief Executive Officer and the Deputy Chief Executive Officer(s)) of the monitoring systems to ensure effective and prudent management of the activities of Crédit Agricole S.A. and in particular the segregation of functions within the organisation and the prevention of conflicts of interests;
- defines the criteria used to assess the independence of Directors;
- is notified in advance by Executive Management of changes in the Group's organisation and management structures;
- conducts any inspections or audits that it deems necessary.

With respect to the role of central body assigned to Crédit Agricole S.A. by the French Monetary and Financial Code:

- The Board authorises:
  - any foreign expansion of the Regional Banks,
  - any creation, by a Regional Bank, of a financial institution or insurance company, as well as the acquisition of any interest in any such company,
  - any financial support for any Regional Bank in difficulty,
  - the establishment of a Committee responsible for the interim management of a Regional Bank;
- The Board decides to:
  - give Crédit Agricole S.A.'s approval for the appointment of Chief Executive Officers of the Crédit Agricole Mutuel Regional Banks.

The Chief Executive Officer also asks the Board for its prior opinion regarding any decision by the former to dismiss a Chief Executive Officer of a Regional Bank.

2.2. POWERS OF THE CHIEF EXECUTIVE OFFICER

The Chief Executive Officer has the fullest powers to act in the name of the Company in all circumstances and to represent it with respect to third parties.

He must, however, secure the Board of Directors' approval prior to the following transactions:

- the creation, acquisition or disposal of any subsidiaries and equity investments in France or abroad for total amounts exceeding €150 million;
- any other investment of any kind for amounts exceeding €150 million.

If, due to the urgency of the situation, the Board cannot be called to deliberate on a transaction that exceeds this ceiling, the Chief Executive Officer will do all in his/her power to canvass all Directors or, at the very least, the Officers of the Board and the members of the relevant Specialised Committee prior to making any decision. Where this is not possible, the Chief Executive Officer may, with the Chairman's approval, make any decisions that are in the Company's interest in the areas set forth above. He reports such decisions to the Board at its subsequent meeting.

Article 3: Operation of the Board of Directors

3.1. MEETINGS OF THE BOARD OF DIRECTORS

The Board is convened by its Chairman, or any person authorised for that purpose by the Board of Directors, and meets as often as required by the Company's interests and at least six times each year. Should the Chairman be unable to attend, the Board is chaired by the oldest Deputy Chairman who is thus authorised to convene it.

The Board of Directors may hold its meetings by means of video conferencing or other means of telecommunication, in accordance with the provisions of Article 3.3 below.

Directors with an interest in matters deliberated by the Board shall abstain from voting on such matters.

The Chief Executive Officer, the Corporate Secretary, and any Deputy Chief Executive Officers participate in Board Meetings but do not have the right to vote.

The Chief Executive Officer appoints representatives of Executive Management to participate in Board Meetings.

The Board of Directors may appoint one or several non-voting Directors who participate in Board Meetings.

3.2. PROVISION OF INFORMATION TO BOARD MEMBERS

The Chairman and the Chief Executive Officer are required to supply to each Director all documents and information needed for the Director to fulfil his duties.

Pursuant to the provisions of the French Monetary and Financial Code, the Board of Directors is informed, by Executive Management, of all material risks, risk management policies and any changes made thereto.

The heads of the Group's risk management, periodic control and compliance functions may report directly to the Board of Directors and, where applicable, to the Risk Committee.

Prior to Board Meetings, Directors will receive a file including the agenda items that require an in-depth review ahead of the meeting, provided that confidentiality guidelines allow the communication of such information.

All Board members receive all relevant information on the Company, in particular the press releases issued by the Company.

Board members can also seek information directly from the Chief Executive Officer, the Deputy Chief Executive Officer(s) and the Corporate Secretary of Crédit Agricole S.A., after having informed the Chairman that they plan to do so.

In the course of their work, Board Committees may invite Group employees or experts in areas that fall within the remit of said Committees.

3.3. PARTICIPATING IN BOARD MEETINGS BY MEANS OF VIDEO CONFERENCING OR OTHER MEANS OF TELECOMMUNICATION

At the Chairman's discretion, the Board may hold its meeting by means of video conferencing or other means of telecommunication, provided that:

- at least five Directors are physically present at the location of the Board Meeting;
- the video conferencing or other means of telecommunication allow for the identification of the Directors and ensure their full participation. As a minimum, the means retained shall transmit participants' voices and meet the technical requirements to allow continuous and simultaneous transmission of the Board's deliberations.

Directors attending a meeting by means of video conferencing or other means of telecommunication are deemed present for the purpose of calculating the quorum and majority.

This provision does not apply where the Board is meeting to:

- prepare and close the parent company and consolidated financial statements and management reports;
- appoint or dismiss the Chairman;
- appoint or dismiss the Chief Executive Officer.

The attendance records and the minutes must indicate the names of Directors participating in the meeting by means of video conferencing or other means of telecommunication. The minutes must also record any technical incident that may have affected the proceedings.

3.4. BOARD OF DIRECTORS' PROCEDURE MEMOS

The operation of the Board of Directors is governed by its Rules of Procedure and by applicable laws and regulations.

The Board of Directors may also issue Procedure Memos describing the way in which it implements and organises its Governance, in accordance with the above-mentioned legal requirements, in particular to comply with the process formalisation requests made by supervisory authorities.

Once approved by the Board of Directors, these Procedure Memos – drawn up on the proposal of the Appointments and Governance Committee – are binding on all members. They may be amended or repealed at any time by the Board of Directors, after consultation of the above-mentioned Committee, in particular if they loose their significance due to changes in regulations.

Article 4: Board Committees

4.1. STRATEGY AND CSR COMMITTEE

The Strategy and CSR Committee's key duty is to conduct in-depth reviews of the Group's strategic planning for its various business lines in France and internationally, under the responsibility of the Board of Directors. As such, the Committee reviews plans for strategic investments or acquisitions and formulates an opinion on such plans.

It does a review, at least every 12 months, of the corporate social and environmental responsibility actions of Crédit Agricole S.A. Group and Crédit Agricole Group.

The Board receives reports on the work and opinions of the Strategy Committee from the Committee Chairman or a Committee member designated by him/her.

4.2. RISKS COMMITTEE

The Risks Committee's duties, under the responsibility of the Board of Directors, in accordance with the provisions of the French Monetary and Financial Code and the Decree of 3 November 2014 are to:

- review the overall strategy and risk appetite of Crédit Agricole S.A. and of Crédit Agricole Group, along with the risk strategies, and to advise the Board of Directors on such matters;

The definitions of the underlined words can be found in the Glossary on page 567.

- help the Board of Directors assess the implementation of this strategy by Executive Management and by the Head of the Risk Management function;
- examine, without prejudice to the tasks of the Compensation Committee, whether the incentives built into the compensation policy and practices of Crédit Agricole S.A. Group are consistent with the Group's position with respect to the risks it is exposed to, its capital position, its liquidity position and the probability and the spreading over time of the expected profits.

The Board receives reports on the work and proposals of the Risks Committee from the Committee Chairman or a Committee member designated by him/her.

4.3. US RISKS COMMITTEE

The US Risks Committee's duties, under the responsibility of the Board of Directors and in line with US regulations, are to:

- review the risk management policies pertaining to the operations of Group entities in the United States;
- ensure the implementation of appropriate oversight of management of these risks; and
- submit all decisions on such matters to the Board for approval.

4.4. AUDIT COMMITTEE

The Audit Committee, under the responsibility of the Board of Directors and in line with the provisions of Article L. 823-19 of the French Commercial Code, is responsible for:

- reviewing the parent company and consolidated financial statements of Crédit Agricole S.A. prior to submission to the Board of Directors;
- reviewing documents or reports within its area of expertise that are intended for the Directors;
- monitoring the process for preparing financial information and, where necessary, making recommendations to ensure its integrity;
- monitoring the effectiveness of the internal control, risk management and, where applicable, internal audit systems, with respect to the procedures for preparing and processing accounting and financial information, without impinging on its independence;
- making a recommendation regarding the Statutory Auditors submitted for the approval of the General Meeting of Shareholders. This recommendation, which is made to the Board of Directors, is prepared in accordance with the provisions of Article 16 of Regulation (EU) no. 537/2014; it also makes a recommendation to the Board when any Statutory Auditor is being considered for reappointment in the manner provided for in Article L. 823-3-1;
- it monitors the performance of the duties of the Statutory Auditors; it considers the findings and conclusions of the Haut Conseil du Commissariat aux comptes (H3C) following audits carried out pursuant to Articles L. 821-9 *et seq.*;
- it ensures the Statutory Auditors satisfy the independence criteria established by the French Commercial Code; where necessary, it agrees, together with the Statutory Auditors, the steps to be taken to safeguard their independence, in accordance with the provisions of the aforementioned EU Regulation;
- it approves the provision of the services covered by Article L. 822-11-2 of the French Commercial Code.

The Board receives reports on the work and proposals of the Audit Committee from the Committee Chairman or a Committee member designated by him/her.

4.5. COMPENSATION COMMITTEE

The Compensation Committee's duties, under the responsibility of the Board of Directors and in compliance with the provisions of the French Monetary and Financial Code, are to draw up proposals and recommendations to be submitted to the Board relating to:

- the general principles of the compensation policy applicable to all Crédit Agricole S.A. Group entities, and, in particular:
  - the definition of compensation structures, in particular by distinguishing between fixed compensation and variable compensation,
  - the principles for determining total amounts of variable compensation, taking into account the impact of the risks and capital requirements inherent to the business activities concerned,
  - the application of regulatory provisions concerning identified individuals within the meaning of the European regulations.

  In this respect, the Committee in particular:
  - gives an opinion on the compensation policy of Crédit Agricole S.A. Group, prior to any Board decision,
  - monitors the implementation of this policy, overall and by major business line, by means of an annual review, to ensure regulatory compliance;
- the compensation of Corporate Officers by ensuring compliance with the legal and regulatory provisions applicable to them;
- the total amount of Directors' fees and their allocation amongst the Directors;
- proposed capital increases reserved for the Group's employees and, where applicable, stock option plans and bonus share distribution plans to be submitted to the General Meeting of Shareholders, as well as the terms and conditions for implementing these capital increases and plans.

The Board receives reports on the work and proposals of the Compensation Committee from the Committee Chairman or a Committee member designated by him/her.

4.6. APPOINTMENTS AND GOVERNANCE COMMITTEE

The Committee's duties, under the responsibility of the Board of Directors and in compliance with the provisions of the French Monetary and Financial Code, are to:

- identify and recommend to the Board suitable candidates for Director, with a view to their submission to the General Meeting of Shareholders;
- periodically assess, at least every 12 months, the balance and range of knowledge, skills and experience of Board members. This assessment is done individually and collectively;

- specify the roles and credentials required for Board duties and assess the time to be spent on such duties;
- set a target as regards gender balance on the Board and draw up a policy designed to achieve this target. The target and the Company's policy along with the implementation arrangements must be filed with the French Regulatory and Resolution Supervisory Authority (ACPR), in accordance with the provisions of the aforementioned decree;
- periodically assess, and at least every 12 months, the Board's structure, size, composition and effectiveness having regard to its duties and to make all necessary recommendations to the Board;
- periodically review the Board's policies regarding the selection and appointment of Executive Management, Deputy Chief Executive Officer(s) and the Head of the Risk Management function, and make recommendations in this regard.

The Board receives reports on the work and proposals of the Committee from the Committee Chairman or a Committee member designated by him/her.

Article 5: Crédit Agricole S.A. Directors' Code of Conduct

Every member of the Board of Directors of Crédit Agricole S.A. fully subscribes to the Code appended to these Rules of Procedure, of which it forms an integral part, and every Board member has received a copy thereof.

Article 6: Group code of ethics

Every member of the Board of Directors of Crédit Agricole S.A. fully subscribes to the provisions of the code of ethics of Crédit Agricole Group and undertakes to respect them.

Crédit Agricole S.A. Directors' Code of Conduct

The purpose of this Code of Conduct is to contribute to the quality of the Directors' work by encouraging them to apply the principles and best practices of corporate governance.

Crédit Agricole S.A. Directors undertake to abide by the guidelines contained in this Code and to implement them.

Article 1 – Corporate administration and interests

Directors, regardless of how they are appointed, must consider themselves as representing all shareholders and other stakeholders and must act in their interests and in the Company's interests under all circumstances.

Article 2 – Compliance with the law and Articles of Association

When Directors first assume their office and throughout their term of office, they must be fully conversant with their general and/or special rights and obligations. They must know and comply with the legal and regulatory provisions applicable to the Company and to their office, the applicable Codes of Governance and Best Practice, as well as the Company's own rules as set out in the Articles of Association and Rules of Procedure.

Article 3 – Attention and Diligence

Directors shall dedicate the necessary time, care and attention to their duties.

Directors must comply with the legal and regulatory provisions applicable to Directors of credit institutions.

To this end, upon taking up office, Directors must inform the Chairman of the Board of all offices held in other companies, along with the name and legal form of the entities in which these offices are held.

Directors must inform the Chairman of the Board, in a timely manner, of any change (termination, resignation, non-renewal, redundancy, new office) to the declared list of offices.

Directors undertake to resign their offices if they feel they are no longer in a position to carry out their duties on the Board and on the Specialised Committees on which they sit.

Unless genuinely unable to do so, they must diligently attend and actively participate in all meetings of the Board and of any Committees on which they may sit.

Article 4 – Information and training

The Chairman ensures that all relevant information and documents are made available to the Directors in sufficient time to properly carry out their duties. Likewise, the Chairman of each Specialised Committee ensures that all relevant information and documents are made available to the Directors in sufficient time to properly carry out their duties.

Directors, regardless of their experience, have a responsibility to remain informed and acquire knowledge on an ongoing basis. They must keep themselves informed so as to be able to give full consideration to the matters covered in the meeting agenda.

To this end, Crédit Agricole S.A. allocates the necessary human and financial resources to train Directors and the latter are required to dedicate the necessary time to the training offered them by Crédit Agricole S.A.

Directors are made aware of any legislative and regulatory changes, including those relating to inside information.

Article 5 – Performance of duties: Guidelines

Directors must act independently, fairly, professionally and with integrity in the performance of their duties.

Article 6 – Independence and duty to speak out

Directors must ensure that they retain their independence and freedom of judgement, decision and action in all circumstances. They must be impartial and undertake not to be influenced by any factor that may be detrimental to the corporate interests that they are bound to defend.

They should disclose to the Board any matter that may come to their attention and that they deem to be a potential threat to the Company's interests.

They are dutybound to clearly express their questions and opinions. In the event that they disagree, they should request that their objections be expressly recorded in the minutes of the meeting.

The definitions of the underlined words can be found in the Glossary on page 567.

Article 7 – Independence and conflict of interests

Directors shall inform the Board of any conflict of interest, including any potential conflict of interests, that they could be directly or indirectly involved in. They shall refrain from taking part in the debates and making decisions on the subjects concerned.

Article 8 – Integrity, fairness and propriety

Directors shall act in good faith in all circumstances and shall not do anything that could be detrimental to the interests of the Company or other Crédit Agricole Group companies.

The Directors personally undertake to keep confidential all information received, all discussions in which they participate and all decisions made.

Directors must demonstrate sufficient honesty, integrity and independence of mind to enable them to assess and, where necessary, question the decisions of Executive Management and ensure the supervision and effective monitoring of management decision-making.

Article 9 – Inside information – insider trading

Directors shall not use inside information to which they have access for their personal gain or for the gain of any other person.

CRÉDIT AGRICOLE S.A. SHARES AND RELATED FINANCIAL INSTRUMENTS:

Directors aware of non-public information regarding the Company in which they exercise their term of office shall refrain from using such information to engage in trading in Crédit Agricole S.A. shares, whether directly or through a third party. They are thus added to the list of "Permanent insiders" with respect to Crédit Agricole S.A. shares made available to the French financial markets authority (*Autorité des marchés financiers*, AMF).

They undertake to comply with the rules that stipulate that "Permanent Insiders" may trade in Crédit Agricole S.A. shares within a period of six weeks following the release of quarterly, half-year and annual results, provided that, during such periods, they are not aware of any non-public information on the Company.

They receive a letter notifying them of these obligations from the Compliance department of Crédit Agricole S.A., which they must acknowledge.

Crédit Agricole S.A. may from time to time prohibit trading in any Crédit Agricole S.A. financial instrument, including during those periods.

Directors are required to disclose any trading in the Company's shares and related financial instruments, whether on their own account or for closely related parties, in accordance with the applicable laws and regulations.

Persons who are required to file disclosures must send their disclosures to the French financial markets authority (*Autorité des marchés financiers*, AMF) by electronic means within three (3) trading days after completion of the trades. Each disclosure is published on the AMF website.

At the General Meeting of Shareholders, the shareholders are informed of trading by Directors during the past financial year. This is presented in a summary statement in the Company's management report.

In addition, by virtue of their work within Crédit Agricole S.A., Directors may also be added to the list of so-called "Occasional Insiders". They will be required to comply with the related restrictions of which they will be informed, and in particular those relating to the duty not to trade in Crédit Agricole S.A. shares during a project.

FINANCIAL INSTRUMENTS OTHER THAN THOSE ISSUED BY OR RELATED TO CRÉDIT AGRICOLE S.A.:

In addition, Directors are required to disclose to Crédit Agricole S.A. any trading in financial instruments other than those issued by or related to Crédit Agricole S.A., whether on their own account or for closely related parties, if they believe this will result in a potential conflict of interest or if they hold confidential information that can be deemed to be inside information acquired in the performance of their duties as Director of Crédit Agricole S.A. Crédit Agricole S.A. may from time to time prohibit trading in any financial instrument (so-called "Occasional Insiders" list) on which specific information that has not been publicly disclosed is revealed at a Crédit Agricole S.A. Board Meeting (such as a strategic transaction, acquisition, formation of a joint venture, etc.).

Crédit Agricole Group code of ethics

This new code of ethics expresses Crédit Agricole Group's commitment to behaviour that reflects all its values and principles of action vis-à-vis its customers, mutual shareholders, shareholders, as well as its suppliers and all stakeholders with whom it engages. It acts as a responsible employer.

It is the responsibility of Directors and executives to respect the values set out in this Code and to set an example. Executives must ensure that these values are applied and shared by all Crédit Agricole Group employees, regardless of their level of responsibility, business line or place of work.

Our code of ethics, beyond merely applying all the legal, regulatory and industry rules governing our various businesses, reflects our desire to do even more to better serve our customers, who have been our raison d'être since day one.

All Directors and employees are made aware of our code of ethics.

It is applied by each entity in a form that reflects its specific characteristics and incorporated into its internal control procedures.

The Compliance principles are compiled into a set of rules (Fides).

Our principles of action and behaviour comply with the fundamental principles found in the various international documents.(1)

Our identity and values

Crédit Agricole Group is built around regional cooperative and mutual banks, with a European calling and open to the world.

Thanks to its universal customer-focused retail banking model – based on the close cooperation between its retail banks and their related business lines –, Crédit Agricole Group aims to build a multi-channel relationship with its customers, streamlining and facilitating their plans in France and worldwide, helping them make optimal decisions, and supporting them over time, with determination, flexibility and innovation.

To help its customers and meet their needs, the Crédit Agricole Group provides them with a wide range of expertise and know-how on: day-to-day banking, loans, savings products, insurance, asset management, real estate, lease financing, factoring, corporate and investment banking, etc.

(1) *These include the principles in the Universal Declaration of Human Rights published by the UN in 1948, the ten principles of the United National Global Compact, the OECD Guidelines for Multinational Enterprises, the OECD anti-corruption guidelines and recommendations, International Labour Organization conventions.*

Our long-standing values, close customer relationships, responsibility and solidarity mean that people drive our actions and are central to our purpose.

Crédit Agricole promotes the cooperative values of democratic governance, relationships of trust and respect for and between its members. It relies on each person's sense of responsibility and entrepreneurial spirit. Customer satisfaction, regional development and the search for long-term performance inform its actions.

Our identity and values require each person to act in an irreproachable manner. Each Group entity shares the belief that these values drive strength and growth.

Built on its sense of ethics and fairness and true to its cooperative culture, compliance helps enhance customer trust and the Group's image. It is central to our business lines and to the governance of Crédit Agricole Group.

Crédit Agricole Group undertakes that its principles of action help further its goal of being the fair bank, open to everyone, multi-channel, providing each person with support over time and with the ability to make fully informed decisions.

Our principles of action apply

VIS-À-VIS OUR CUSTOMERS

Respect and support for customers, and fairness towards them

Each employee brings his/her experience and expertise to bear in listening to and serving customers and mutual shareholders and in supporting them over time, all in a multi-channel environment. They listen and provide customers with fair advice, help customers make decisions by offering solutions that are tailored to their profile and interests while informing them of the related risks.

Solidarity

Built on the Group's mutual base, the relationships we establish with our customers, mutual shareholders and all our stakeholders embody solidarity, the fulfilment of all commitments made.

Usefulness and convenience

Our Group is committed to its universal customer-focused bank model, a fount of values and beneficial for our customers, who get access to the expertise and know-how of all the Group's business lines. It remains true to its local commitment by spurring regional development.

Protection of personal data and transparency in their use

The Group has established a standard framework by means of a personal data code to ensure our customers' data is protected.

VIS-À-VIS SOCIETY

Fundamental rights

The Group operates worldwide in compliance with human rights and basic social rights.

Corporate social responsibility (CSR)

The Group reaffirms its corporate social and environmental responsibility approach across all its business lines and within corporate operations. This approach is built on a value-creating CSR strategy and is designed to support the French regions, strive for excellence in our dealings with our customers, partners, mutual shareholders and employees.

VIS-À-VIS OUR EMPLOYEES

Responsible human resource policy

For the Group, being a responsible employer means ensuring non-discrimination, equal treatment, encouraging personal development, in particular through training actions, promoting gender equality, diversity of backgrounds and profiles and helping people with disabilities, encouraging social dialogue and quality of working life, and creating a safe work environment in which all employees are treated with dignity and respect.

THROUGH ETHICAL BEHAVIOUR

Professionalism and skills

Directors, executives and employees, regardless of their entity or geographic area, must be aware of and apply the laws, regulations, rules and professional standards as well as the procedures applicable to their entity, in order to ensure compliance and to implement them in a responsible manner.

Responsible behaviour

Every Director, executive, employee reflects the Group's image. Responsible and ethical behaviour is required at all times and in all circumstances: no action is permitted that may harm the reputation and integrity of the Group's image.

Confidentiality and integrity of information

Group Directors, executives and employees are subject to the same duty of secrecy and are forbidden from improperly disseminating or using, for their own account or on behalf of third parties, any confidential information they may have. Employees must endeavour to provide reliable and accurate information to our customers, shareholders, supervisory authorities, the financial community and stakeholders in general.

Prevention of conflicts of interests

Group Directors, executives and employees must be free of all conflicts of interests in order to, at all times, ensure that the interests of our customers take precedence.

Vigilance

Everyone, Directors, executives and employees, must work to safeguard the interests of customers, combat money laundering and terrorist financing, comply with international sanctions, combat corruption, prevent fraud and safeguard market integrity. Each person must ensure an appropriate level of vigilance given the Group's business lines and, if necessary, use the alert mechanism, in line with current regulations and procedures

The definitions of the underlined words can be found in the Glossary on page 567.

7. INTERNAL CONTROL SYSTEM FOR ACCOUNTING AND FINANCIAL INFORMATION

7.1. ACCOUNTING AND FINANCIAL INFORMATION

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

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

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

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

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

Accounting

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

Management Control

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

Financial Communication

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

Procedures for preparation and processing of financial information

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

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

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

ACCOUNTING DATA

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

MANAGEMENT DATA

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

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

In accordance with AMF and CESR (Committee of European Securities Regulators) recommendations, the use of management data for preparing published financial information meets the following guidelines:

- classification of the types of financial information published: historical information, *pro forma* data, projections or trends;

The definitions of the underlined words can be found in the Glossary on page 567.

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

Description of the Permanent Accounting Control system

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

The unit has the following roles in this area:

- to define the standards and organisational and operational principles of permanent accounting controls within Crédit Agricole Group;
- to oversee and coordinate the permanent accounting control systems implemented within the Group's subsidiaries and Regional Banks;
- to issue assessments of accounting risks for entities presenting a risk management strategy to the Group Risk Management Committee, based on the analysis of the entities' permanent accounting control processes.

Work conducted by the Permanent Accounting Control team dedicated to the Financial department of Crédit Agricole S.A. showed a generally satisfactory level of maturity in the processes.

Audits on specific issues within Crédit Agricole S.A.'s accounting scope led to the recommendation of actions plans to better manage the risks linked to the control process, which are now being monitored.

The assessment chart for measuring the exposure to Accounting Risk (ICAAP grid) was implemented by all Crédit Agricole Group entities.

Relations with the Statutory Auditors

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

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

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

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

7.2. ENERGY TRANSITION – CLIMATE RISK

Two years after the Paris Climate Accord, the Crédit Agricole Group has decided to increase the commitments made in 2015, raising its objective of structuring new financing to €100 billion by 2020, compared with US$60 billion by the end of 2018 initially. In addition, at the One Planet Summit, Crédit Agricole S.A. joined:

- the Climate Action 100+ initiative (via Amundi), which aims to encourage the world's 100 biggest polluters to massively reduce their greenhouse gas emissions;
- the 237 companies that have pledged to implement the recommendations of the Task Force on Climate Related Financial Disclosure (TCFD);
- the French Business Climate Pledge, *i.e.* the 91 French companies that plan to invest €300 billion in the low-carbon economy and finance R&D and renewable energy production programmes.

To this end, Crédit Agricole supports customers that are committed to the energy transition through its financing, investment, advisory and insurance activities.

- to **finance the carbon-free economy;**
- to **direct savings towards sustainable activities;**
- to **finance energies and regions;**
- to **insure against climate change;**
- to **build a sustainable living environment.**

To measure and manage its induced carbon footprint, Crédit Agricole implemented, in 2011, a methodology for quantifying GHG emissions said to be financed by a financial institution. It was developed at its request by the Finance and Sustainable Development Chair at *Université Paris-Dauphine* and *École polytechnique*. This innovative methodology enables Crédit Agricole CIB to calculate, without multiple counting, the order of magnitude of the emissions financed, allowing it to map the carbon challenge by sector and by geography. This map in turn serves to develop sector-based CSR policies and calculate so-called "transitional" climate risk. P9XCA makes it possible to combine a level of sector-based challenges with a nationwide emission reduction target, known as the Intended Nationally Determined Contribution (INDC), and a relative level of customer maturity. Then, in accordance with the recommendations of the TCFD, it tests four scenarios defined by the extent of the mitigation measures and the progressive nature of their implementation, over three timeframes: short term (before 2020), medium term (from 2020 to 2030), and long term (after 2030).

In addition, the Group Risk Committee (CRG) drafted its first climate risk strategy in 2017. It includes major impact assessment efforts drawing on several scenarios, as well as proposals for adapting policies on the Group's largest portfolios.

The definitions of the underlined words can be found in the Glossary on page 567.



4 2017 OPERATING AND FINANCIAL REVIEW

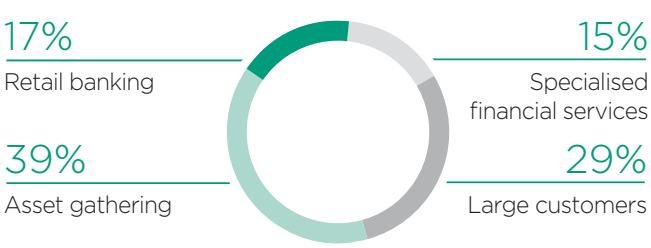
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Growth in net income, **positive** indicators

A balanced business mix

2017 NIGS:

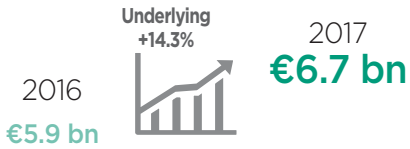


A very high level of solvency despite the aquisitions carried out in the year

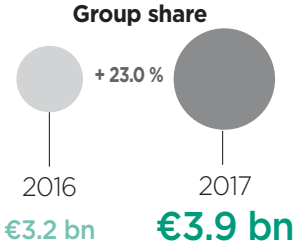


Improved underlying results and operational efficiency

Increase in underlying gross operating income



Rise in underlying net income Group share



Underlying cost/income ratio improved by 2.1 points*



2016 64.9%

2017 **62.8%**

** excluding contribution to Single Resolution Fund (SRF)*

OPERATING AND FINANCIAL INFORMATION

PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS OF CRÉDIT AGRICOLE S.A.

Changes to accounting policies and principles

Changes to accounting policies and principles are described in Note 1 to the consolidated financial statements for the year ended 31 December 2017.

Changes in the scope of consolidation

Changes in the scope of consolidation are described in Notes 2 and 11 to the consolidated financial statements for the year ended 31 December 2017.

ECONOMIC AND FINANCIAL ENVIRONMENT

A look back at 2017: optimism returns

The stages of the cyclical recovery were slow to materialise, casting doubt on the ability of economies to extricate themselves from the sluggish growth environment. Output had regained some strength, but job creation was mediocre and wages weren't picking up. Investment remained muted and prices were too moderate. Then the cyclical recovery finally arrived, and a virtuous circle emerged between production, investment, jobs, revenues and demand – albeit slowly. In 2017, the recovery finally gained strength thanks to an acceleration in productive investment, which had been late taking off. The growth surprised on the upside: only inflation has yet to make a significant recovery and remains subdued.

In 2017, real growth in the United States – bolstered by consumer spending and, of late, productive investment – reached +2.3%. Strong job numbers continued to fuel confidence and household spending. At 4.1%, the unemployment rate fell below what the Federal Reserve calls its "natural rate" (4.6%). However, inflation (2.1%) lagged behind expectations, only slowly edging toward the Fed's 2% target. In the Eurozone, all of the conditions needed to trigger a growth phase under the classic macroeconomic model finally came together. The recovery gained momentum gradually; today's growth rate is probably close to its maximum (2.4% in 2017). While it was aided by a highly favourable external environment (a strong global manufacturing cycle, in particular), growth became increasingly independent, driven by robust domestic demand. Despite sustained growth, inflation (+1.4% in December 2017) did not accelerate significantly. Underlying inflation remains weak at +1%. Finally, in France, despite numerous uncertainties (particularly around the presidential elections), +1.9% growth was achieved. This represents a substantial acceleration after three consecutive years of lacklustre growth (around +1% annually).

The financial markets, which had earlier benefited from the so-called reflation trade (interest rate hikes and an equity market rally driven by the view that growth and inflation would rise in the United States, an outlook influenced by Donald Trump's bullish stance on the economy), were disappointed at the beginning of the year. The US President's crowning achievement would be delayed until the end of the year, when the wide-reaching (and costly) tax reform was finally passed. The markets then shifted their concerns to the elections in Europe, and particularly France. They were occasionally spooked by less accommodative monetary policy moves. Despite the brief spells of trouble, the markets nonetheless had a relatively good year. There was no abrupt shift in long yields, with German and US 10-year yields situated at 0.43% and 2.48%, respectively, at the end of December (up 20 and 5 basis points, respectively). Thus, the bond markets were successfully able to "digest" the monetary tightening in the United States. The Federal Reserve adjusted its key rate on three occasions, raising it by 25 basis points each time. In December 2017, the federal funds rate stood at 1.50%. The Fed also undertook "quantitative tightening", or the gradual reduction of its balance sheet. Meanwhile, in October the European Central Bank (ECB) extended its quantitative easing programme but reduced its monthly purchases of sovereign bonds from €60 billion to €30 billion for the period from January 2018 to September 2018. Finally, the Eurozone's strong recent growth and the retreat of political risk have enabled the euro to gradually return to admirable levels. Spurred on by the belief that Asian Central banks might reduce their appetite for US-denominated assets and diversify their reserves with more euro holdings, the euro (at 1.20) rose +14% against the US dollar in 2017.

The definitions of the underlined words can be found in the Glossary on page 567

CRÉDIT AGRICOLE S.A. OPERATIONS AND CONSOLIDATED RESULTS

On 1 January 2017, Calit was transferred from Specialised financial services (Crédit Agricole Leasing & Factoring) to International retail banking-Italy. Historical data have not been restated on a *pro forma* basis.

Pioneer has been included in the scope of consolidation of Crédit Agricole Group as an Amundi subsidiary since 1 July 2017. Historical data have not been restated on a *pro forma* basis.

Since 26 September 2017, Banque Saudi Fransi (BSF) has been excluded from the scope of consolidation of Crédit Agricole Group following the disposal of the bulk of the equity investment (16.2% of the 31.1% held prior to the disposal). This subsidiary was accounted for under the equity-method. Historical data have not been restated on a *pro forma* basis.

Since 21 December 2017, Cassa di Risparmio (CR) di Cesena, CR di Rimini and CR di San Miniato has been included in the scope of consolidation of Crédit Agricole Group as subsidiaries of Crédit Agricole Italy. Historical data have not been restated on a *pro forma* basis.

Moreover, as the amounts contained in the tables and comments below do not take into account the effects of rounding up or down, they may differ slightly from the amounts provided in the financial statements.

(in millions of euros)	2017 stated	2016 stated	Δ 2017/2016 stated	2017 underlying	2016 underlying	Δ 2017/2016 underlying
Revenues	**18,634**	**16,855**	**+10.6%**	**18,772**	**17,506**	**+7.2%**
Operating expenses excl. SRF	(11,961)	(11,454)	+4.4%	(11,785)	(11,362)	+3.7%
SRF	(242)	(241)	+0.5%	(242)	(241)	+0.5%
Gross operating income	**6,431**	**5,160**	**+24.6%**	**6,745**	**5,904**	**+14.3%**
Cost of credit risk	(1,307)	(1,687)	(22.5%)	(1,307)	(1,687)	(22.5%)
Cost of legal risk	(115)	(100)	+15.0%	(115)	(100)	+15.0%
Equity-accounted entities	728	518	+40.4%	523	518	+0.9%
Net income on other assets	6	(52)	n.m.	14	(52)	n.m.
Change in value of goodwill	186	(491)	n.m.	0	-	n.m.
Pre-tax income	**5,929**	**3,348**	**+77.1%**	**5,859**	**4,583**	**+27.9%**
Tax	(1,733)	(695)	x 2.5	(1,433)	(989)	+44.8%
Net income from discontinued operations	20	1,303	n.m.	20	31	n.m.
Net income	**4,216**	**3,956**	**+6.6%**	**4,447**	**3,624**	**+22.7%**
Non-controlling interests	(568)	(415)	+36.6%	(521)	(434)	+20.0%
NET INCOME GROUP SHARE	**3,649**	**3,541**	**+3.1%**	**3,925**	**3,190**	**+23.0%**
Earnings per share *(€)*	**1.12**	**1.12**	**+0.3%**	**1.22**	**0.99**	**+23.0%**
Cost/income ratio excl. SRF *(%)*	**64.2%**	**68.0%**	**-3.8 pp**	**62.8%**	**64.9%**	**-2.1 pp**

In 2017, the stated **net income Group share** was €3,649 million versus €3,541 million in 2016, a +3.1% increase, even though 2016 had benefited from the €1,272 million gain on the Eurêka operation. The solid organic growth across the various business lines and, to a lesser extent, the consolidation of Pioneer Investments, thus made it possible to offset in a year the non-recurrence of this gain in stated net income Group share.

Specific items[1] for 2017 had a negative impact of -€276 million on net income Group share. The largest were tax-related for a total of -€384 million, -€326 million of which relating to the corporate tax surcharge, -€128 million for the revaluation of deferred tax assets and +€69 million for dividend tax refunds. In addition, the disposal of the equity investment in Eurazeo and part disposal of the equity investment in Banque Saudi Fransi generated a gain of +€203 million in net income Group share. The acquisition cost of Pioneer and the three Italian banks were adjusted by +€78 million. Goodwill also generated an adjusted gain of +€91 million, with +€312 million from the badwill relative to the acquisition of the three Italian banks and -€222 million relative to the impairment of goodwill of CA Polska. The other specific items had an aggregate effect of -€100 million on net income Group share, including in particular the issuer spread for -€131 million, the Cheque Image Exchange penalty for -€58 million, the DVA (Debt Value Adjustment) for -€42 million, loan portfolio macro-hedges for -€36 million and the Home purchase savings plan provision for +€143 million.

In 2016, specific items had a +€351 million effect on net income Group share, in particular the aforementioned Eurêka gain (€1,272 million), the gain on the disposal of Visa Europe (+€327 million), the dividends received from the Regional Banks prior to the disposal of the equity investment in them in connection with the Eurêka operation (+€285 million), offsetting the impairment of the LCL goodwill (-€491 million), the balances on debt redemptions (-€448 million) and adjustments to LCL macro-hedging (-€187 million), revaluation of deferred taxes in light of the Finance Act in France (-€160 million) and other sundry items totalling -€247 million (see table on page 173).

Excluding these specific items, underlying net income Group share came to €3,925 million, an increase of +23.0% compared with 2016.

(1) Details of the specific items for Crédit Agricole S.A. can be found on page 173.

The underlying return on tangible equity (RoTE) was 11.1%, already above the 11% target set in the Medium-Term Plan for 2019.

Underlying earnings per share came to €1.22, an increase of +23.0% compared with 2016.

The various underlying income statement aggregates reflect very positive **business trends**, operational efficiency and risk control: significant increase in income (+7.2% versus 2016), strong cost control (+3.7% excluding contribution to Single Resolution Fund (SRF)), significant reduction in the cost of credit risk (-22.5%), slightly offset by higher legal provisions (€115 million versus €100 million in 2016) and an effective tax rate rising from 24.3% in 2016 to 26.8% in 2017. As in the fourth quarter, the tax credits on AT1 coupons reduced the effective tax rate by 3 percentage points (4 percentage points in 2016).

Underlying revenues of €18,772 million were up +7.2% on 2016, +4.8% on a like-for-like basis[1]. The increase was across the board, aside from Retail banking, which continues to be affected by the low rate environment and the effect of the devaluation of the Egyptian pound on the income of that local subsidiary. Asset gathering, thanks to the consolidation of Pioneer Investments and organic growth of asset management, Large customers and the Corporate Centre thanks to the effects of Eurêka and the fall in funding costs particularly stand out.

Underlying operating expenses are up slightly to €11,785 million, *i.e.* +3.7%, excluding the SRF contribution, the latter remaining stable (+0.5% to €242 million). On a like-for-like basis[2], operating expenses excluding SRF were only up +1.3%, clearly well under control. All business lines contributed to this performance, the biggest scissor effects[2] coming from LCL (+2.5 percentage points excluding SRF), Specialised financial services (+1.2 percentage points excluding SRF), Large customers (+1.8 percentage points excluding SRF), and in particular the Asset servicing business (+4.2 percentage points excluding SRF).

The underlying cost/income ratio excluding SRF improved by 2.1 percentage points to 62.8% compared with 2016.

Lastly, the cost of credit risk, excluding unallocated legal provisions, fell -22.5% to €1,307 million from €1,687 million in 2016 (*i.e.* -€380 million). The top contributor to the fall was Large customers (-55.5% or -€254 million), followed by Specialised financial services (-21.1%/-€118 million). The cost of credit risk rose +12.1% at LCL (+€22 million to €204 million), mainly due to the non-recurring reversals in the first quarter 2016, which lowered the base of comparison, and the provisions in the third quarter 2017 due to hurricane Irma, however the cost of risk remains very low for this business. In Retail banking (IRB) in Italy, provisions rose slightly following the transfer to this business line of Calit's contribution from 1 January 2017 and significant bad debts at this subsidiary in the third quarter. The rate of impaired loans at IRB Italy (excluding Calit) was down -1.6 percentage points to 11.5%[3] (versus 13.1% at end-December 2016), thanks to an improvement in the quality of the portfolio and the consolidation of three Italian banks, with rates of impaired loans under 10% following the disposal of €3 billion of these loans prior to the acquisition. The coverage ratio also improved to 50.1%[3] (from 46.5% at end-December 2016).

(1) Aggregate of the contributions to underlying net income of Amundi and Pioneer Investments and including amortisation of distribution contracts in 2017 and 2016.
(2) Difference between growth in revenues and growth in operating expenses.
(3) Excluding lease financing.

The definitions of the underlined words can be found in the Glossary on page 567

The following specific items affected the financial statements of Crédit Agricole S.A. in 2017 and 2016:

	2017		2016	
(in millions of euros)	Gross impact*	Impact on NIGS	Gross impact*	Impact on NIGS
Issuer spreads (CC)	(216)	(131)	(139)	(84)
DVA (LC)	(66)	(42)	(38)	(24)
Loan portfolio hedges (LC)	(57)	(36)	(25)	(16)
HPSP provisions (LCL)	65	40	(17)	(11)
HPSP provisions (CC)	156	103	(66)	(43)
Eurêka operation – expenses (CC)	-	-	(23)	(18)
Liability Management (FRB)	-	-	(300)	(187)
Liability management upfront payments (CC)	39	26	(683)	(448)
Capital gain on VISA EUROPE (CC)	-	-	355	327
Regional Banks' dividends (CC)	-	-	286	285
Cheque Image Exchange penalty(1)	(59)	(58)	-	-
Total impact on revenues	**(138)**	**(100)**	**(652)**	**(220)**
LCL network optimisation cost (FRB)	-	-	(41)	(26)
Cariparma Group restructuring plan (IRB)	-	-	(51)	(25)
Pioneer integration costs (AG)	(135)	(60)	-	-
Cost of integrating 3 Italian banks (IRB)	(41)	(22)	-	-
Total impact on operating expenses	**(176)**	**(82)**	**(92)**	**(51)**
Eurazeo disposal (CC)	103	103	-	-
BSF disposal (LC)	102	99	-	-
Total impact on equity affiliates	**205**	**203**	**-**	**-**
Changes in goodwill (CC)(2)	186	91	(491)	(491)
Total impact of changes in goodwill	**186**	**91**	**(491)**	**(491)**
Corporate tax surcharge		(326)		-
Reimbursement 3% dividend tax		69		-
Revaluation deferred taxes		(128)		(160)
Total impact on Taxes		**(384)**		**(160)**
Acquisition costs of CA Italy (IRB)	(8)	(4)	-	-
Total impact on Net gains (losses) on other assets	**(8)**	**(4)**	**-**	**-**
Eurêka operation (CC)	-	-	1,272	1,272
Total impact on Net income from discontinued operations	**-**	**-**	**1,272**	**1,272**
TOTAL IMPACT OF SPECIFIC ITEMS	**70**	**(276)**	**38**	**351**
Asset gathering	**(135)**	**(176)**	**-**	**(80)**
French retail banking	**44**	**(79)**	**(358)**	**(247)**
International retail banking	**(49)**	**(26)**	**(51)**	**(25)**
Specialised financial services	**-**	**43**	**-**	**(3)**
Large customers	**(21)**	**(67)**	**(63)**	**(41)**
Corporate Centre	**231**	**28**	**510**	**747**

* *Impact before tax and before non-controlling interests.*

(1) O/w -€38 million for CC and -€21 million for LCL (before tax and non-controlling interests).

(2) O/w +€408 million in negative goodwill for the three Italian banks (+€312 million in net income Group share) and -€222 million in goodwill impairment at CA Polska (before non-controlling interests, no tax effect).

Solvency

At end-December 2017, Crédit Agricole S.A.'s capital ratios remained high, with a fully-loaded Common Equity Tier 1 (CET1) ratio of 11.7%, a 40 basis point reduction compared with 31 December 2016 (12.1%). The net impact of the various acquisitions contributed -48 basis points (in particular Pioneer Investments by Amundi: -60 basis points, three Italian savings banks: -8 basis points, acquisition of 15% equity investment in CACEIS: -9 basis points) and disposals (Eurazeo: impact of +13 basis points, BSF for +17 basis points) by the Group in 2017.

Furthermore, Crédit Agricole S.A. generated strong earnings over the year, allowing it to pay out a dividend of €0.63 per share. Retained earnings had a +37 basis point positive impact on the CET1 ratio over the year. AFS reserves dropped marginally -10 basis points over the year.

In parallel, risk-weighted assets remained contained at €296.4 billion at 31 December 2017, versus €300.7 billion at 31 December 2016.

The phased-in total capital ratio stood at 18.3% at end-December 2017, versus 20.1% at 31 December 2016.

Lastly, Crédit Agricole S.A.'s phased-in leverage ratio under the Delegated Act adopted by the European Commission was 4.4% at 31 December 2017(1) versus 5.0% at 31 December 2016.

Liquidity

The liquidity position of Crédit Agricole Group is solid. The banking cash balance sheet of the Group, amounting to €1,148 billion at 31 December 2017, showed a surplus of stable resources over long term applications of funds of €122 billion, up by +€11 billion year-on-year. This surplus is higher than the Medium-Term Plan target of over €100 billion.

At 31 December 2017, the liquidity reserves, at market value and after haircuts, was €248 billion. HQLA securities (€113 billion) more than four times covered short-term debt net of deposits with Central banks (€24 billion). The average LCR ratios over 12 months of Crédit Agricole Group and Crédit Agricole S.A. stood at 133% and at 137%, respectively, at end-December 2017, levels exceeding the Medium-Term Plan target of over 110%.

The Group's main issuers raised €36.1 billion equivalent of medium- to long term debt on the markets in 2017, of which 46% was issued by Crédit Agricole S.A.. This compares with €33.1 billion equivalent raised over the full year 2016. Furthermore, €3.4 billion were also placed in Crédit Agricole Group's retail networks (Regional Banks, LCL and CA Italia) in 2017.

As the main issuer of the Group, Crédit Agricole S.A. raised the equivalent of €16.6 billion of medium- to long term debt on the markets in 2017. This figure includes €10.4 billion equivalent of senior preferred debt and of senior secured debt, as well as €6.2 billion equivalent of senior non-preferred debt. Its 2017 medium- to long term market funding programme was thus 104% completed.

Operations and results by business segment

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

- Asset gathering;
- French retail banking - LCL;
- International retail banking;
- Specialised financial services;
- Large customers;

plus the Corporate Centre.

The Group's business lines are described in Note 5 to the consolidated financial statements for the year ended 31 December 2017 – "Operating segment information". The organisation and activities are described in section 1 of this document.

CONTRIBUTION BY BUSINESS LINE TO CRÉDIT AGRICOLE S.A.'S NET INCOME GROUP SHARE

(in millions of euros)	2017	2016
Retail banking in France (LCL)	488	273
International retail banking	234	233
Savings management	1,720	1,690
Specialised financial services	766	610
Large customers	1,307	1,255
Corporate Centre	(865)	(520)
TOTAL	**3,649**	**3,541**

(1) As defined in the Delegated Act. Subject to ECB authorisation, assumption of exemption of transactions between entities affiliated to Crédit Agricole Group (with an impact of +110bp) and non-exemption of exposures related to the centralisation of CDC deposits.

The definitions of the underlined words can be found in the Glossary on page 567

1. Asset gathering

This business line encompasses Asset management, Insurance and Wealth management.

(in millions of euros)	2017 stated	2016 stated	2017/2016 stated	2017 underlying	2016 underlying	2017/2016 underlying
Revenues	**5,263**	**4,744**	**11.0%**	**5,263**	**4,744**	**11.0%**
Operating expenses	(2,706)	(2,153)	25.7%	(2,571)	(2,153)	19.4%
SRF	(3)	(2)	10.7%	(3)	(2)	10.7%
Gross operating income	**2,555**	**2,588**	**(1.3%)**	**2,690**	**2,588**	**3.9%**
Cost of credit risk	(25)	(9)	x 2.6	(25)	(9)	x 2.6
Cost of legal risk	0	0	n.m.	0	0	n.m.
Share of net income of equity-accounted entities	33	28	16.0%	33	28	16.0%
Net income on other assets	4	2	x 2.1	4	2	x 2.1
Change in value of goodwill	0	0	n.m.	0	0	n.m.
Pre-tax income	**2,567**	**2,609**	**(1.6%)**	**2,703**	**2,609**	**3.6%**
Income tax charge	(647)	(773)	(16.3%)	(581)	(693)	(16.2%)
Net income from discontinued operations	21	23	(5.5%)	21	23	(5.5%)
Net income for the financial year	**1,942**	**1,858**	**4.5%**	**2,143**	**1,939**	**10.5%**
Non-controlling interests	(222)	(169)	31.6%	(248)	(169)	46.8%
NET INCOME GROUP SHARE	**1,720**	**1,690**	**1.8%**	**1,895**	**1,770**	**7.1%**

At 31 December 2017, the core business's assets under management stood at €1,868 billion, an increase of +24.3% compared with 31 December 2016, thanks to high net inflows, a positive market effect and the consolidation of Pioneer Investments' assets for €243 billion (within Amundi) and CM-CIC Asia for €3 billion (within CA Indosuez Wealth Management). Excluding scope effects, assets under management increased by +€119 billion, or +6.8% in 2017, with net inflows contributing +€83 billion (+€73 billion for Amundi, +€6 billion for Wealth management and +€4 billion for life insurance). This represents annualised net inflows equal to 4.7% of opening assets under management (*pro forma* of the integration of Pioneer as of 3 July), confirming the core business's strong momentum. Apart from this solid commercial performance, the business recorded a positive market and currency effect of +€34 billion.

The 2017 financial statements incorporate Pioneer Investments integration costs for -€135 million before tax (-€60 million in net income Group share), reclassified as specific items. One-off tax items had a total impact of -€109 million. The 2016 financial statements included a non-recurring tax impact of -€80 million.

In 2017, underlying net income Group share came to €1,895 million, an increase of +7.1% compared with 2016. Within this business line, Asset management rose sharply over the period (+25.9%) on the back of the consolidation of Pioneer Investments from 3 July 2017 while Insurance was very profitable, up +1.9% on 2016 to €1,280 million. Wealth management was down -4.1% over the same period due to the absence of reversals of retirement provisions in 2016.

Asset gathering contributed 39% of Crédit Agricole S.A.'s underlying net income Group share of the business lines (excluding the Corporate Centre) in 2017 and 27% of underlying revenues on the same basis.

At 31 December 2017, capital allocated to Asset gathering was €8.7 billion, of which €2.2 billion for Asset and Wealth management and €6.4 billion for Insurance. The business line's risk-weighted assets totalled €27 billion, of which €12.2 billion for Asset and Wealth management and €14.8 billion for Insurance. The business line's RoNE was 22.8% on the basis of underlying net income in 2017, versus 22.2% for 2016.

INSURANCE'S CONTRIBUTION TO CRÉDIT AGRICOLE S.A.'S RESULTS

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

(in millions of euros)	2017 stated	2016 stated	2017/2016 stated	2017 underlying	2016 underlying	2017/2016 underlying
Revenues	**2,243**	**2,337**	**(4.0%)**	**2,243**	**2,337**	**(4.0%)**
Operating expenses	(743)	(693)	7.2%	(743)	(693)	7.2%
SRF	0	0	n.m.	0	0	n.m.
Gross operating income	**1,500**	**1,644**	**(8.8%)**	**1,500**	**1,644**	**(8.8%)**
Cost of credit risk	0	0	n.m.	(0)	0	n.m.
Cost of legal risk	0	0	n.m.	0	0	n.m.
Share of net income of equity-accounted entities	0	0	(35.5%)	0	0	(35.5%)
Net income on other assets	0	(2)	n.m.	0	(2)	n.m.
Change in value of goodwill	0	0	n.m.	0	0	n.m.
Pre-tax income	**1,500**	**1,642**	**(8.6%)**	**1,500**	**1,642**	**(8.6%)**
Income tax charge	(357)	(483)	(26.1%)	(238)	(403)	(40.9%)
Net income from discontinued operations	21	23	(5.6%)	21	23	(5.6%)
Net income for the financial year	**1,164**	**1,182**	**(1.5%)**	**1,283**	**1,262**	**1.7%**
Non-controlling interests	(3)	(5)	(37.2%)	(3)	(5)	(38.7%)
NET INCOME GROUP SHARE	**1,161**	**1,176**	**(1.3%)**	**1,280**	**1,257**	**1.9%**

In 2017, Crédit Agricole Assurances (CAA) reported premium income of €30.4 billion (versus €30.8 billion in 2016), with strong growth in unit-linked (UL) inflows and continued diversification of the business mix. Premium income from property and personal insurance demonstrated a solid trend.

In Savings/retirement, premium income amounted to €23.1 billion in 2017 (-3.6% from 2016). The diversification of the product mix towards UL business continued at a rapid pace, as illustrated by the strong growth in UL's contribution to gross inflows in 2017 to +26.8%. For full-year 2017, net inflows on UL products totalled +€4.4 billion, up 36.9% year-on-year (+€3.2 billion in 2016), while euro-denominated contracts recorded net outflows of -€0.1 billion (versus +€2.4 billion in 2016).

Assets under management continued to grow, reaching €278.6 billion(1) at end-December 2017, a year-on-year increase of +3.4% driven mainly by +14.0% growth in UL assets. At end-December 2017, UL contracts represented 21.4% of total assets under management, +1.9 percentage point compared with end-December 2016.

In property and personal insurance (property & casualty, death & disability, creditor and group insurance), premium income increased further to €7.3 billion, up +7.3% on 2016.

In property & casualty insurance, CAA enjoyed strong business momentum, both in France and abroad. Premium income rose +8.3%, in particular in France, thereby outperforming the market and totalled €3,845 million, with a net increase of nearly 700,000 new contracts over the year and a decrease in the termination rate.

In the Death & Disability/Creditor/Group segment, premium income surged to €3.4 billion in 2017 (+6.2%). Driven by growth in all three business segments, premium income rose notably by +39% in group insurance in one year, by +8% in death & disability (led by group health and funeral insurance) and +5% in creditor insurance.

The tax impacts of the corporate tax surcharge (-€79 million) and the revaluation of deferred tax assets (-€40 million for 2017 and for -€80 million for 2016) are classified as specific items.

2017 revenues totalled €2,243 million, down -4.0% on 2016, this decline being mainly due to the tax environment. Although the business line chose to offset the tax charge for the revaluation of deferred tax assets by revenues in 2016, in 2017, in view of the tax surcharge in France, it was decided not to repeat this offsetting. In Property and casualty insurance, the combined ratio remained under control at 96.8%(2), despite adverse weather events during the year.

Operating expenses increased by +7.2% in 2017, almost exclusively due to non-recurring IT depreciation expenses recorded at the end of the year (€32 million for the impact of the migration of systems to a single platform). Adjusted for this non-recurring impact, operating expenses rose a muted +2.6% compared with 2016, due to the continued development of new activities, namely creditor insurance. The cost/income ratio increased by +3.5 percentage points to 33.1%, reflecting the impact of non-recurring IT depreciation expenses.

The business line's net income Group share was €1,280 million for 2017, a year-on-year increase of +1.9%. The cost/income ratio stood at 33.1%.

CAA's capital ratio was 195% at 31 December 2017, up 17 percentage points compared to 30 June 2017.

(1) Savings/retirement/death & disability assets under management.
(2) Ratio of (claims + operating expenses + commissions) to premium income, net of reinsurance.

The definitions of the underlined words can be found in the Glossary on page 567

Insurance contributed 26% of Crédit Agricole S.A.'s underlying net income Group share of the business lines (excluding the Corporate Centre) in 2017 and 12% of underlying revenues on the same basis.

At 31 December 2017, capital allocated to Insurance was €6.4 billion and risk-weighted assets totalled €14.8 billion.

AMUNDI'S CONTRIBUTION TO CRÉDIT AGRICOLE S.A.'S RESULTS

Asset management comprises the results of Amundi, a subsidiary owned 70.0% by Crédit Agricole Group, including 68.5% held by Crédit Agricole S.A.

At the time of Amundi's €1.4 billion capital increase at end-March 2017, Crédit Agricole Group sold some of its preferential rights to reduce its percentage interest in Amundi from 75.7% prior to that date, of which 74.1% was held by Crédit Agricole S.A. The new ownership percentages have applied since the second quarter 2017.

The 2017 financial statements incorporate the second half contribution of Pioneer Investments, Unicredit's asset management company, which was acquired on 3 July 2017.

(in millions of euros)	2017 stated	2016 stated	2017/2016 stated	2017 underlying	2016 underlying	2017/2016 underlying
Revenues	**2,255**	**1,677**	**34.4%**	**2,255**	**1,677**	**34.4%**
Operating expenses	(1,328)	(893)	48.7%	(1,192)	(893)	33.5%
SRF	(1)	(2)	(20.1%)	(1)	(2)	(20.1%)
Gross operating income	**926**	**783**	**18.3%**	**1,061**	**783**	**35.6%**
Cost of credit risk	(13)	(1)	n.m.	(13)	(1)	n.m.
Cost of legal risk	0	0	n.m.	0	0	n.m.
Share of net income of equity-accounted entities	33	28	16.0%	33	28	16.0%
Net income on other assets	(1)	0	n.m.	(1)	0	n.m.
Change in value of goodwill	0	0	n.m.	0	0	n.m.
Pre-tax income	**944**	**810**	**16.5%**	**1,080**	**810**	**33.2%**
Income tax charge	(279)	(253)	10.4%	(332)	(253)	31.3%
Net income from discontinued operations	0	0	n.m.	0	0	n.m.
Net income for the financial year	**666**	**558**	**19.3%**	**748**	**558**	**34.1%**
Non-controlling interests	(205)	(147)	39.5%	(231)	(147)	57.0%
NET INCOME GROUP SHARE	**460**	**411**	**12.0%**	**517**	**411**	**25.9%**

Amundi's assets under management[(1)] amounted to €1,426 billion at end-December 2017, a year-on-year increase of +31.7% driven by the consolidation of Pioneer Investments (+€242.9 billion), sustained net inflows[(1)] (+€73.1 billion in 2017), particularly in the Retail segment (+€50.3 billion), and a positive market effect (+€27.4 billion over the same period). The strong international performance reflected its excellent momentum (around 70% of net inflows were outside France). These very strong inflows went hand-in-hand with an improvement in the product mix with a strong contribution across all asset classes.

The 2017 financial statements include the restatement of Pioneer Investments integration costs for- €135 million before tax, as well as the restatement of various tax impacts for a total amount of +€5 million. Underlying net income Group share is therefore higher than stated net income Group share.

Revenues totalled €2,255 million in 2017, an increase of +34.4% compared with 2016. This gain was driven by the consolidation of Pioneer Investments, whose acquisition was finalised on 3 July 2017. On a like-for-like basis[(2)], underlying revenues were up +12.0%, in line with the growth in assets under management. Financial income was strong due to disposals of non-controlling interests, while performance fees benefited from favourable market conditions throughout the year.

Underlying operating expenses remained well under control, rising a moderate +2.3% on a like-for-like basis[(2)]. The underlying cost/income ratio excluding SRF stood at 52.9%, a slight 0.4 percentage point improvement year-on-year.

It should be noted that the contribution from equity-accounted entities, which primarily reflects the joint ventures in China, India and South Korea, increased by +16.0% compared with 2016.

Accordingly, underlying net income Group share was €517 million, an increase of +25.9% compared with 2016. On a like-for-like basis[(2)], it rose +6.6% as a result of the decrease in Crédit Agricole S.A.'s percentage interest in Amundi. Underlying net income at 100% on a like-for-like basis[(2)] increased accordingly by +13.7%.

Asset management contributed 11% of Crédit Agricole S.A.'s underlying net income Group share of the business lines (excluding the Corporate Centre) in 2017 and 12% of underlying revenues on the same basis.

(1) Assets managed, advised and distributed including 100% of AuM and inflows of Asian JVs; for Wafa in Morocco, AuM at percentage of ownership interest.
(2) 2017 aggregate of the contributions to underlying net income of Amundi and Pioneer Investments and including amortisation of distribution contracts in 2017 and 2016.

CONTRIBUTION OF CA INDOSUEZ WEALTH MANAGEMENT TO THE NET INCOME OF CRÉDIT AGRICOLE S.A.

Assets under management referred to in activity figures only include those of the CA Indosuez Wealth Management group. As a reminder, LCL's private banking customer assets amounted to €44.5 billion at end-December 2017, up +5.0% compared with end-December 2016. The results generated by LCL's private banking business are booked by LCL.

(in millions of euros)	2017 stated	2016 stated	2017/2016 stated	2017 underlying	2016 underlying	2017/2016 underlying
Revenues	**765**	**729**	**5.0%**	**765**	**729**	**5.0%**
Operating expenses	(635)	(567)	12.0%	(635)	(567)	12.0%
SRF	(1)	(1)	69.9%	(1)	(1)	69.9%
Gross operating income	**129**	**161**	**(20.1%)**	**129**	**161**	**(20.1%)**
Cost of credit risk	(11)	(9)	29.3%	(11)	(9)	29.3%
Cost of legal risk	0	0	n.m.	0	0	n.m.
Share of net income of equity-accounted entities	0	0	n.m.	0	0	n.m.
Net income on other assets	6	4	36.5%	6	4	36.5%
Change in value of goodwill	0	0	n.m.	0	0	n.m.
Pre-tax income	**123**	**157**	**(21.4%)**	**123**	**157**	**(21.4%)**
Income tax charge	(11)	(38)	(69.8%)	(11)	(38)	(69.8%)
Net income from discontinued operations	0	0	n.m.	0	0	n.m.
Net income for the financial year	**112**	**119**	**(5.9%)**	**112**	**119**	**(5.9%)**
Non-controlling interests	(13)	(16)	(17.6%)	(13)	(16)	(17.6%)
NET INCOME GROUP SHARE	**98**	**103**	**(4.1%)**	**98**	**103**	**(4.1%)**

Wealth management's assets under management increased by +7.6% year-on-year to €118 billion at end-December 2017, a rise of +€8.3 billion. This change was attributable to the consolidation of the CM-CIC Asia operations for €3.4 billion (acquisition completed in July) and the acquisition of HSBC portfolios in Monaco for a total of +€2.7 billion but also to very strong inflows. Net inflows in 2017 totalled +€4.9 billion. These effects largely offset the final impacts of the strategic refocusing on countries signed up to the automatic exchange of information.

There were no specific items in either the 2016 or 2017 financial statements. Underlying net income Group share is therefore the same as stated net income Group share.

In 2017, the CA Indosuez Wealth Management group generated revenues of €765 million, up +5.0% on 2016, benefiting from the increase in assets under management following the acquisitions during the year (HSBC and CM-CIC) as well as an increase in performance fees.

Operating expenses excluding SRF totalled €635 million in 2017, up +12% on 2016, which saw a reversal of retirement provisions in operating expenses for +€26 million. Furthermore, 2017 included specific expenses totalling €10.7 million connected with the consolidation of the former HSBC operations in Monaco and CM-CIC operations in Asia.

In 2017, net income Group share was €98 million, down -4.1% on 2016. Adjusted for the reversal of retirement provisions recognised under operating expenses in 2016 (for +€21 million after tax), net income Group share was up +20% on 2016.

Wealth management contributed 2% of Crédit Agricole S.A.'s underlying net income Group share of the business lines (excluding the Corporate Centre) in 2017 and 4% of underlying revenues on the same basis.

It should be noted that at end-2017, CA Indosuez Wealth Management signed an agreement for the acquisition of 67.67% of Banca Leonardo, one of Italy's leading wealth management players (€5.9 billion in assets under management at 30 June 2017).

The definitions of the underlined words can be found in the Glossary on page 567

2. French retail banking – LCL

For Crédit Agricole S.A., Retail banking in France includes only the results of its 95.1%-owned subsidiary, LCL. The results of Crédit Agricole's Regional Banks have been excluded from the Crédit Agricole S.A. scope since the beginning of 2016.

(in millions of euros)	2017 stated	2016 stated	2017/2016 stated	2017 underlying	2016 underlying	2017/2016 underlying
Revenues	**3,492**	**3,118**	**12.0%**	**3,447**	**3,435**	**0.4%**
Operating expenses	(2,427)	(2,520)	(3.7%)	(2,427)	(2,479)	(2.1%)
SRF	(15)	(19)	0.0%	(15)	(19)	0.0%
Gross operating income	**1,050**	**578**	**81.5%**	**1,005**	**936**	**7.4%**
Cost of credit risk	(204)	(182)	12.1%	(204)	(182)	12.1%
Cost of legal risk	0	0	n.m.	0	0	n.m.
Share of net income of equity-accounted entities	0	0	n.m.	0	0	n.m.
Net income on other assets	6	1	x 5	6	1	x 5
Change in value of goodwill	0	0	n.m.	0	0	n.m.
Pre-tax income	**851**	**397**	**x 2.1**	**807**	**755**	**6.8%**
Income tax charge	(338)	(110)	x 3.1	(211)	(209)	0.9%
Net income from discontinued operations	0	0	n.m.	0	0	n.m.
Net income for the financial year	**513**	**287**	**78.8%**	**596**	**546**	**9.1%**
Non-controlling interests	(25)	(14)	82.1%	(29)	(26)	11.6%
NET INCOME GROUP SHARE	**488**	**273**	**78.7%**	**567**	**520**	**9.0%**

LCL continued to enjoy sustained **business** momentum in 2017, reporting an increase of +8.4% in loan outstandings to €111.4 billion compared with 31 December 2016. Although home loans grew +7.4% year-on-year to €70.8 billion, this business followed the market's general trend towards stabilisation, and thus experienced a slowdown in the second half of the year. Nevertheless, over the full-year, home loan origination exceeded by 24.4% the level seen in 2016, at +€18.4 billion in 2017 versus +€14.8 billion in 2016. Activity in the professional and business segments was robust, resulting in a +11.7% increase in outstandings to €33.5 billion at end-December 2017. Finally, consumer loans continued to grow, rising by +3.6% over the year to €7.1 billion at end-2017.

Similarly, overall customer assets grew by +4.5% to €187.2 billion at end-December 2017. On-balance sheet deposits rose +6.6% year-on-year to €106.4 billion at end-December 2017, driven throughout the year by the increase in demand deposits, which stood at €45.0 billion at end-December (+14.3% compared with end-2016). At the same time, deposits on passbook savings accounts (*Livrets A*, *Livret d'épargne populaire* and *Livrets de développement durable*) increased by +4.7% to €36.3 billion, while home savings plans and savings accounts (PEL and CEL) increased by +3.1% to €9.4 billion. Off-balance sheet deposits totalled €80.8 billion at end-2017, a +1.9% year-on-year increase. Assets under management for life insurance rose +2.6% year-on-year to €60.6 billion at end-December 2017. The share of unit-linked products rose to 24.6% of assets under management, a year-on-year gain of +1.9 percentage points.

LCL maintained strong momentum in customer equipment that began early in the year, as shown by the number of property & casualty insurance contracts, which increased by +71,000 contracts in one year (+7%). As a result, between end-December 2015 (the reference date for the Strategic Ambition 2020 Medium-Term Plan) and end-December 2017, the customer equipment rate[1] for non-life insurance rose +2 percentage points for property insurance, +1.2 percentage point for personal insurance and +0.7 percentage point for death & disability. At the same time, the number of premium cards rose +45,000 in 2017 (+6% year-on-year). The customer equipment rate for this product rose 1.5 percentage points compared with December 2015.

Fixed-rate mortgage rates[2] on the French market rose between January and August 2017, from 1.38% to 1.57% over the period. In the latter part of the year, they flattened before sliding back to close the year at 1.51% on average in December 2017. Renegotiations fell sharply, month after month, beginning in early 2017, with a marked slowdown from the end of the first half, thereby dropping from €2.1 billion in January 2017 to €0.1 billion in December 2017. Renegotiations totalled €7.2 billion in 2017, compared with €11.9 billion in 2016 and €14.0 billion in 2015. Early repayments followed the same trend, falling from €0.6 billion in January 2017 to €0.3 billion in December and, cumulatively, from €1.9 billion in the first quarter 2017 to €1.0 billion in the last quarter. This trend has accelerated, with the fourth quarter 2017 representing a -32.1% decrease compared with the preceding quarter.

In terms of **results**, the changes in the Home purchase savings plan provision represent a recurring specific item in the LCL financial statements. The non-recurring specific P&L items used to reconcile stated and underlying amounts and changes are, for 2017, the Cheque Image Exchange penalty and the tax adjustments (surcharge and revaluation of deferred taxes). For 2016, these items are the liability management transaction undertaken to adjust LCL's funding costs, the provisions for the network's optimisation and the revaluation of deferred taxes. Details of these items can be found on page 173 of this document.

(1) Customer equipment rate: number of products held/number of deposit accounts.
(2) Source: Crédit Logement monthly observatory.

In 2017, LCL's underlying revenues totalled €3,447 million, almost unchanged on the previous year (+0.4%). The underlying net interest margin was constrained, throughout the year, by the interest rate environment: it is stable year-on-year at -0.6%. The fee and commission income generated from home loan renegotiations and early repayments, recognised in the net interest margin, remained very high at €94 million in 2017, stable on the previous year. In parallel, fee and commission income recorded strong growth over the year, rising +5.7% between 2016 and 2017, or +13.5% excluding the Cheque Image Exchange penalty. All businesses contributed to this increase: insurance fee and commission income rose +5.6% year-on-year, fees related to securities and mutual funds +8.7% and account management and payment instrument fees +8.0% excluding the Cheque Image Exchange penalty. In 2017, fee and commission income accounted for 46% of revenues.

Operating expenses excluding SRF totalled €2,427 million year-on-year, down -2.1% despite the continued investments in IT. The underlying cost/income ratio excluding SRF improved 1.8 percentage points over the year to 70.4%.

The cost of risk totalled -€204 million in 2017 (+12.1% versus 2016). Cost of risk on outstandings remained stable at a low level of 17 basis points(1) at end-December 2017.

In full year 2017, LCL's underlying net income Group share was +€567 million, up +9.0% compared with 2016. RoNE was 12.3% in 2017 compared with 11.9% in 2016. This year, LCL contributed 12% of Crédit Agricole S.A.'s underlying net income Group share of the business lines (excluding the Corporate Centre) and 18% of underlying revenues on the same basis.

At 31 December 2017, capital allocated to LCL was €4.2 billion and risk-weighted assets were €44.1 billion.

3. International retail banking – IRB

International retail banking encompasses the local banking networks in Italy, grouped under the name "Gruppo Bancario Crédit Agricole Italia", notably Cariparma, Friuladria and Carispezia, as well as all of the Group's retail banks abroad, mainly Crédit Agricole Poland, Crédit Agricole Ukraine, Crédit Agricole Egypt and Crédit du Maroc.

It should be noted that from 1 January 2017, the Crédit Agricole Leasing Italy (Calit) entity has been transferred from SFS/CAL&F to IRB Italy. In addition, three Italian savings banks, Cesena, Rimini and San Miniato, were acquired on 21 December 2017.

(in millions of euros)	2017 stated	2016 stated	2017/2016 stated	2017 underlying	2016 underlying	2017/2016 underlying
Revenues	**2,482**	**2,505**	**(0.9%)**	**2,482**	**2,505**	**(0.9%)**
Operating expenses	(1,547)	(1,546)	0.0%	(1,506)	(1,495)	0.7%
SRF	(10)	(10)	2.8%	(10)	(10)	2.8%
Gross operating income	**924**	**949**	**(2.6%)**	**965**	**1,000**	**(3.5%)**
Cost of credit risk	(429)	(454)	(5.4%)	(429)	(454)	(5.4%)
Cost of legal risk	0	0	n.m.	0	0	n.m.
Share of net income of equity-accounted entities	0	0	n.m.	0	0	n.m.
Net income on other assets	(12)	0	x 24	(4)	0	x 7.5
Change in value of goodwill	0	0	n.m.	0	0	n.m.
Pre-tax income	**483**	**494**	**(2.2%)**	**532**	**545**	**(2.4%)**
Income tax charge	(152)	(157)	(3.0%)	(166)	(174)	(4.5%)
Net income from discontinued operations	0	(3)	n.m.	0	(3)	n.m.
Net income for the financial year	**331**	**335**	**(1.0%)**	**366**	**369**	**(0.8%)**
Non-controlling interests	(97)	(102)	(4.4%)	(106)	(111)	(4.0%)
NET INCOME GROUP SHARE	**234**	**233**	**0.5%**	**260**	**258**	**0.6%**

The International retail banking division recorded net income Group share of €234 million, compared with €233 million in 2016, an increase of +0.5%. Underlying net income Group share was €260 million, an increase of +0.6% compared with 2016.

The specific items affecting 2017 relate to the acquisition and integration costs of the three Italian banks for -€8 million under gains and losses on other assets (-€4 million in net income Group share) and -€41 million in operating expenses (*i.e.* -€22 million in net income Group share). In 2016, only a single specific item had affected the financial statements: the Cariparma Group restructuring plan for -€51 million in operating expenses (-€25 million in net income Group share)

(1) Relative to consolidated outstandings, calculated on an average annualised basis over four rolling quarters.

The definitions of the underlined words can be found in the Glossary on page 567

In Italy, in an ongoing low-rate environment, Cariparma has shown itself highly resilient thanks to its regional network, which is primarily based in the North of the country, and continued to post a strong commercial performance in 2017.

At 31 December 2017, IRB Italy was impacted by changes in scope. The consolidation of the three Italian savings banks on 21 December 2017 contributed €6.9 billion in on-balance sheet deposits, €3.9 billion in off-balance sheet savings and €4.7 billion in loans. These amounts represented respectively 19% of IRB Italy's deposits, a 13% of its off-balance sheet savings and 13% of its loans before the acquisition. The transfer of Calit from SFS to IRB on 1 January 2017 accounted for €0.1 billion in on-balance sheet deposits and €1.9 billion in loans at end-December 2017 (*i.e.* 0.2% of IRB Italy's deposits and 5.1% of its loans, respectively, before the acquisition of the three Italian savings banks).

Excluding these scope effects, at end-December 2017, customer assets at IRB Italy totalled €65.1 billion, a year-on-year increase of +4%. Growth in off-balance sheet savings excluding institutional assets under custody was strong, with an increase of +5.7% to €29.7 billion. On-balance sheet assets totalled €35.4 billion at end-December 2017, a year-on-year increase of +2.7%. Loans outstanding were up +2.7% to €35.6 billion, compared with a decline for the Italian market as a whole. Growth continued to be driven by home loans, which increased by +9.4% year-on-year, compared to a +2.2% increase for the Italian market as a whole. Loans to large corporates increased by +13.6% year-on-year.

Revenues totalled €1,662 million in 2017, up +2.2% on 2016 primarily due to scope effects. It was impacted by two non-recurring items during the year: a -€23 million contribution to the FITD (Fondo Interbancario di Tuteladei Deposit) and a Lower Tier 2 restructuring expense of -€13 million. Fee and commission income surged +6% over the year, thanks in particular to off-balance sheet savings.

Stated operating expenses totalled €1,039 million. They were affected in 2017 by the cost of the Single Resolution Fund (SRF) for -€10 million (-€10 million in 2016) and the contribution to the Deposit Guarantee Fund (DGF) for -€16 million (-€11 million in 2016). It should be noted that there was no contribution to the Italian Bank bailout plan in 2017 (versus -€24 million in 2016). Underlying operating expenses rose +3.5% year-on-year: the scope effects and the investment plan implemented as part of the Medium-Term Plan (network of financial advisers, digital, IT expenses) mainly explain this change. The underlying cost/income ratio excluding SRF stood at 60.1%, a slight increase of +0.7 percentage point year-on-year.

Cost of risk on outstandings was 92 basis points, down -1 basis point over the year. The ratio was stable despite the increase in the NPL coverage ratio. The impaired loans ratio was 11.5% excluding leasing (but including the three Italian banks) at the end of December 2017, compared to 13.1% one year earlier. The coverage ratio excluding leasing and including collective provisions was up sharply at 50.1% (including scope effects) compared to 46.5% at the end of December 2016.

Over 2017 as a whole, IRB Italy's underlying net income Group share was €161 million, down -3.3% compared with 2016. It was stable excluding Calit.

The contribution to underlying net income Group share of all Crédit Agricole S.A. Group business lines in Italy was €545 million in 2017, a year-on-year increase of +13%[1]. 2017 was a year of consolidation for the Group in Italy with in particular the acquisition of Pioneer Investments (3 July 2017) and the integration of three savings banks. The business mix for revenues in Italy is as follows: 52% from Retail banking, 37% from Specialised financial services, 7% from Asset gathering, 4% from Large customers. The business is very dynamic[2] with 4 million customers (including 2 million in Retail banking), €257 billion in deposits/assets under management/assets under custody and €64.3 billion in customer loans. 2017 was also the year in which cross-selling picked up in Italy across all business lines (Retail banking +12%, Specialised financial services +11%, Asset gathering +10%, Large customers +19%). The revenue synergies achieved at end-2017 totalled €750 million, ahead of the €800 million goal set in the Medium-Term Plan for end-2019.

International retail banking excluding Italy (Other IRB) also delivered strong business momentum and a sustained financial performance in 2017. When expressed in euros, though, its performance was affected by a negative currency effect, mainly due to the devaluation of the Egyptian pound in November 2016. Nonetheless, growth of this business in local currency was solid in 2017, and net income Group share in euros was also up significantly, despite the effect of the devaluation. Deposits totalled €10.7 billion at end-December 2017, a year-on-year increase of +2%[3]. This growth was primarily driven by sharp increases in Poland (+8%), Ukraine (+4%) and Serbia (+16%). Once more excluding the foreign exchange impact, on and off-balance sheet assets increased by +4%[3] from end-December 2016 to end-December 2017 to €12.0 billion. Loans outstanding stood at €10.0 billion at end-December 2017, a year-on-year increase of +3%[3]. The surplus of deposits over loans was €1.4 billion at end-December 2017.

In 2017, revenues totalled €820 million, an increase of +6.5%[3] compared with 2016, driven largely by Egypt (+34%).

Operating expenses totalled €508 million in 2017 compared with €530 million for 2016, an increase of +2.8%[3].

The cost of risk fell sharply during the year to -€115 million, a -19%[3] fall, mainly due to the reduction in Egypt (-13%)[3] and Ukraine.

Overall, IRB excluding Italy reported net income Group share of €99 million in 2017, a marked increase of +7.7% compared with 2016 (+61% at constant exchange rates). The cost/income ratio improved by -1.7 percentage points over the year to 62%.

(1) Aggregation of Group entities in Italy, in particular IRB Italy, CACIB, CA Vita, Amundi, Agos, Calit, Pioneer Investments Sgr, FCA Bank (assumption: half of net income comes from Italy).
(2) Including scope effects in 2017 (Pioneer and the three savings banks).
(3) Excluding currency impact.

4. Specialised financial services – SFS

Specialised financial services includes consumer credit (CA Consumer Finance – CACF) and leasing and factoring activities (CA Leasing & Factoring – CAL&F). It should be noted that Crédit Agricole Leasing Italy (Calit) was transferred from CAL&F to IRB Italy as of 1 January 2017.

(in millions of euros)	2017 stated	2016 stated	2017/2016 stated	2017 underlying	2016 underlying	2017/2016 underlying
Revenues	**2,721**	**2,646**	**2.8%**	**2,721**	**2,646**	**2.8%**
Operating expenses	(1,393)	(1,371)	1.6%	(1,393)	(1,371)	1.6%
SRF	(14)	(13)	9.3%	(14)	(13)	9.3%
Gross operating income	**1,314**	**1,262**	**4.1%**	**1,314**	**1,262**	**4.1%**
Cost of credit risk	(440)	(558)	(21.1%)	(440)	(558)	(21.1%)
Share of net income of equity-accounted entities	241	207	16.2%	241	207	16.2%
Net income on other assets	(1)	(2)	(18.6%)	(1)	(2)	(18.6%)
Change in value of goodwill	0	0	n.m.	0	0	n.m.
Pre-tax income	**1,114**	**910**	**22.4%**	**1,114**	**910**	**22.4%**
Income tax charge	(230)	(210)	9.5%	(272)	(206)	31.9%
Net income from discontinued operations	(1)	0	n.m.	(1)	0	n.m.
Net income for the financial year	**883**	**701**	**26.0%**	**841**	**704**	**19.4%**
Non-controlling interests	(118)	(91)	29.2%	(118)	(91)	29.2%
NET INCOME GROUP SHARE	**766**	**610**	**25.6%**	**723**	**613**	**17.9%**

CACF enjoyed another strong year, resulting in origination of +€40.8 billion in 2017, up +6.0% compared with 2016. This origination reflects buoyant sales activity not only in France but also internationally, primarily in Germany, Portugal and China. As a result, gross managed loans increased +6.9% year-on-year (+€5.4 billion) to €82.6 billion at the end of December 2017, growth being driven primarily by the robust performance of FCA Bank (+€3.2 billion) and of the Group's retail banks (+€1.7 billion). To be noted in 2017 was the disposal by Agos of a portfolio of doubtful loans of €260 million. A similar transaction for €380 million had been completed in 2016.

CACF's self-funding rate stood at 78.9% at the end of December 2017, well ahead of its Medium-Term Plan target of 70% by end-2019. In 2017, six public securitisation transactions were successfully placed on the market, including a first SRT (Significant risk transfer) by FCA Bank.

Further to the transfer of Calit to Retail banking in Italy on 1 January 2017, representing €2.0 billion in outstandings at end-2016, the leasing book of **CAL&F** recorded a -8.9% decrease (non-adjusted). On a like-for-like basis, however, the leasing book was up +4.4% year-on-year, bolstered by strong momentum of +€5.0 billion in new lending in 2017 (+7.6% versus 2016). Business was particularly buoyant outside France, where outstandings rose +17.7% year-on-year. In France, they rose +2.0%. On the French market, 2017 was particularly strong in renewable energies, while international operations were driven by an excellent yearly performance in Poland. Factored revenues rose +9.0% year-on-year to €19.6 billion. Origination amounted to €9.6 billion over the year as a whole (+6.3%), driven by the international business thanks to operations launched in Germany and Portugal.

In light of this sales performance, the business line's revenues rose +2.8% year-on-year to €2,721 million in 2017. Expenses excluding the SRF contribution rose a modest +1.6% over the same period as the two businesses continued to make significant investments in IT and digital throughout the year, while operating expenses were down. The cost/income ratio remained unchanged at 51.2% in 2017. At €440 million, the cost of credit risk was down once again this year (-21.1%), the CACF[1] cost of risk on outstandings representing 110 basis points at end-December 2017 versus 140 basis points a year earlier. This improvement was due to a low recurring cost of risk, but also the positive impact of the disposal at year-end of €260 million in doubtful loans by Agos on very favourable terms. Thanks to the strong performance of the CACF partnerships, and in particular that of FCA Bank, the share of net income of equity-accounted entities rose +16.2% year-on-year to €241 million.

The business line's net income Group share stood at €766 million, up +25.6% on 2016; in underlying, it rose +17.9% year-on-year to €723 million.

Specialised financial services contributed 15% of underlying net income Group share for Crédit Agricole S.A.'s business lines (excluding the Corporate Centre) in 2017 and 14% of underlying revenues on the same basis. The business line's RoNE was 14.1% in 2017 compared with 11.7% in 2016.

At 31 December 2017, capital allocated to the Specialised financial services business line was €5.2 billion and risk-weighted assets totalled €54.4 billion.

(1) Over four rolling quarters.

The definitions of the underlined words can be found in the Glossary on page 567

5. Large customers – LC

The Large customers business line includes Capital markets, Investment banking, Structured finance and Commercial banking within Crédit Agricole Corporate and Investment Bank (Crédit Agricole CIB) and Asset servicing (CACEIS).

(in millions of euros)	2017 stated	2016 stated	Δ 2017/2016 stated	2017 underlying	2016 underlying	Δ 2017/2016 underlying
Revenues	**5,332**	**5,190**	**2.7%**	**5,455**	**5,253**	**+3.8%**
Operating expenses excl. SRF	(3,099)	(3,038)	2.0%	(3,099)	(3,038)	+2.0%
SRF	(139)	(149)	(6.6%)	(139)	(149)	(6.6%)
Gross operating income	**2,094**	**2,003**	**4.5%**	**2,217**	**2,066**	**+7.3%**
Cost of credit risk	(203)	(457)	(55.5%)	(203)	(457)	(55.5%)
Cost of legal risk	(115)	(100)	15.0%	(115)	(100)	+15.0%
Share of net income of equity-accounted entities	277	211	30.9%	175	211	(17.2%)
Net income on other assets	13	1	x 15.5	13	1	x 15.5
Change in value of goodwill	-	-	n.m.	-	-	n.m.
Pre-tax income	**2,065**	**1,658**	**24.5%**	**2,086**	**1,721**	**+21.2%**
Income tax charge	(710)	(370)	91.8%	(663)	(392)	+69.4%
Net income from discontinued operations	0	11	(100.0%)	-	11	(100.0%)
Net income	**1,355**	**1,299**	**4.3%**	**1,423**	**1,341**	**+6.1%**
Non-controlling interests	(48)	(44)	8.9%	(49)	(45)	+9.4%
NET INCOME GROUP SHARE	**1,307**	**1,255**	**4.2%**	**1,374**	**1,296**	**+6.0%**
o/w CIB	*1,184*	*1,161*	*1.9%*	*1,254*	*1,202*	*+4.3%*
o/w Asset Servicing	*123*	*93*	*32.0%*	*120*	*93*	*+28.1%*

In what was a challenging environment all year for market activities – in particular due to low volatility and the low interest rate environment – the business line's revenues held up well, enabling underlying revenues to rise +3.8% year-on-year to €5,455 million in 2017.

Capital markets and investment banking revenues totalled €2,340 million (+2.5% versus 2016): they were driven by strong performances from Credit, Securitisation and Mergers & Acquisitions (M&A), whereas fixed income and forex were broadly hindered by a lack of volatility. In 2017, Crédit Agricole CIB was ranked number one globally in the Green Bonds market with 59 deals during the year and was ranked second wordlwide in bond issuance on behalf of financial institutions, in euros *(source: Thomson Financial)*. Investment Banking maintained a good level of activity (€301 million, namely -1.6% compared with 2016) thanks to M&A; Crédit Agricole CIB was ranked no. 5 in M&A advisory in France in 2017 with 59 deals during the period. Business was also strong for equity and convertible bond issuances.

In **Corporate banking**, revenues were strong at €2,306 million (+3.9%). Despite the difficulties in the Shipping and Energy sectors, constrained by origination, the structured finance business line performed well, buoyed by Aéro-Rail, Telecom and Acquisition Finance, and recorded some exceptional income. In 2017, Crédit Agricole CIB also gained 1.5 percentage point of market share in the project finance market in the EMEA region, where it ranked second with 4.2% of the market at end-December 2017. Moreover, through its Distribute to Originate model, Corporate Banking achieved an average primary syndication rate of 39% in 2017, +4 percentage points on end-December 2016. Commercial banking generated underlying revenues of €1,079 million, up +7% on 2016. Commercial activity posted a positive performance, in particular in international trade and financing of Private Equity funds. Of note was the acceleration of synergies between Crédit Agricole CIB, CACEIS and CA Indosuez Wealth Management. Crédit Agricole CIB was ranked first in syndicated loans in France, both in number and in volume, rising one notch from 2016 *(source: Thomson Reuters)*.

Asset servicing (CACEIS), is seeing its client base thrive, with strong asset growth: assets under custody rose +5.3% year-on-year to €2,656 million at end-December 2017; funds under administration were up +12.4% year-on-year to €1,762 million. Revenues were up +7.9% overall from 2016 to 2017 at €809 million. Of note were the strong flows offsetting listed derivatives and very sustained growth in Bridge Financing (synergies with Crédit Agricole CIB).

In terms of results, changes in the DVA and deferred taxes, as well as loan book hedges, represent recurring specific items in the financial statements of Crédit Agricole CIB. The non-recurring specific P&L items made to reconcile stated and underlying amounts and changes are, for 2017: the disposal of a portion of the equity investment in BSF – Banque Saudi Fransi – (16.2% of the capital) as well as the adjustment to the net gain on this disposal, and tax adjustments (surcharge and revaluation of deferred taxes in France and the United States). In 2016, only recurring specific items had affected the financial statements. Details of these items can be found on page 173 of this document.

Operating expenses excluding the SRF contribution totalled €3,099 million over the year, up +2% in connection with investments in progress. The underlying cost/income ratio excluding SRF improved 1.0 percentage point over the year to 56.8%.

The totalled -€203 million in 2017, down on 2016 (-55.5%).

Stated income from equity-accounted entities in 2017 amounted to €277 million: it includes an adjustment, carried out in 2017, in the net gain on the disposal of part of the Group's stake in BSF (-€15 million, classified under specific items). The underlying income from equity-accounted entities thus amounted to €175 million in 2017, down -17.2% compared with 2016 as a result of the deconsolidation of this stake.

In 2017, underlying net income Group share was €1,374 million, an increase of +6.0% compared with 2016. This year's figure includes a non-deductible charge of -€115 million to non-specific legal provisions, compared to -€100 million in 2016. The business line's RoNE was 11.2% in 2017 compared with 9.7% in 2016. This improvement reflects the rise in net income and the fall in capital requirements.

Large customers contributed 29% of underlying net income Group share for Crédit Agricole S.A.'s business lines (excluding the Corporate Centre) in 2017 and 28% of underlying revenues (excluding the Corporate Centre) on the same basis.

Risk-weighted assets were down -15% to €108.2 billion for this business line. Allocated capital stood at €10.3 billion at end-2017.

6. Corporate Centre

(in millions of euros)	2017 stated	2016 stated	Δ 2017/2016 stated	2017 underlying	2016 underlying	Δ 2017/2016 underlying
Revenues	**(656)**	**(1,348)**	**(51.4%)**	**(597)**	**(1,077)**	**(44.6%)**
Operating expenses excluding SRF	(789)	(825)	(9.4%)	(789)	(825)	(4.3%)
SRF	(61)	(47)	+28.4%	(61)	(47)	+28.4%
Gross operating income	**(1,505)**	**(2,220)**	**(32.2%)**	**(1,446)**	**(1,949)**	**(25.8%)**
	(6)	(27)	(77.4%)	(6)	(27)	(77.4%)
Share of net income of equity-accounted entities	177	71	x 2.5	74	71	3.9%
Net income on other assets	(4)	(54)	(92.7%)	(4)	(54)	(92.7%)
Change in value of goodwill	186	(491)	n.m.	-	-	n.m.
Pre-tax income	**(1,152)**	**(2,721)**	**(57.6%)**	**(1,383)**	**(1,958)**	**(29.4%)**
Income tax charge	344	925	(62.8%)	460	684	(32.7%)
Net income from discontinued operations	-	1,272	(100.0%)	-	0	(100.0%)
Net income	**(808)**	**(523)**	**+54.4%**	**(922)**	**(1,274)**	**(27.6%)**
Non-controlling interests	(58)	4	n.m.	29	7	x 3.9
NET INCOME GROUP SHARE	**(865)**	**(520)**	**+66.7%**	**(894)**	**(1,267)**	**(29.5%)**

In 2017, the Corporate Centre's underlying net income Group share came to -€894 million, an improvement of 29.5%, *i.e.* +€373 million compared with 2016. 2017 included a contribution to the Single Resolution Fund (SRF) for -€61 million, compared to a contribution of -€47 million in 2016. The specific adjustments used to reconcile stated and underlying amounts and changes for 2017 and 2016 are detailed on page 173.

At 31 December 2017, risk-weighted assets for the Corporate Centre totalled €24.0 billion.

The definitions of the underlined words can be found in the Glossary on page 567

CRÉDIT AGRICOLE S.A. CONSOLIDATED BALANCE SHEET

ASSETS

(in millions of euros)	Notes	31/12/2017	31/12/2016	Change
Cash, Central banks	6.1	50,761	28,202	80.0%
Financial assets at fair value through profit or loss	6.2-6.9	321,404	326,279	(1.5%)
Hedging derivative instruments	3.2-3.4	16,435	21,928	(25.1%)
Available-for-sale financial assets	6.4-6.7-6.8-6.9	307,058	315,916	(2.8%)
Loans and receivables due from credit institutions	3.1-3.3-6.5-6.8-6.9	394,051	382,838	2.9%
Loans and receivables due from customers	3.1-3.3-6.5-6.8-6.9	360,079	346,254	4.0%
Revaluation adjustment on interest rate hedged portfolios		5,978	8,190	(27.0%)
Held-to-maturity securities	6.6-6.7-6.9	20,179	14,354	40.6%
Current and deferred tax assets	6.13	4,462	3,993	11.7%
Accruals, prepayments and sundry assets	6.14	36,197	44,373	(18.4%)
Non-current assets held for sale and discontinued operations		495	591	(16.2%)
Investments in equity-accounted entities	6.15	5,177	7,100	(27.1%)
Fixed assets	6.16-6.17	12,586	11,029	14.1%
Goodwill	6.18	15,421	13,185	17.0%
TOTAL ASSETS		**1,550,283**	**1,524,232**	**1.7%**

LIABILITIES

(in millions of euros)	Notes	31/12/2017	31/12/2016	Change
Central banks	6.1	3,185	3,857	(17.4%)
Financial liabilities at fair value through profit or loss	6.2	227,887	244,008	(6.6%)
Hedging derivative instruments	3.2-3.4	13,271	17,890	(25.8%)
Due to credit institutions	3.3-6.10	125,590	112,328	11.8%
Due to customers	3.1-3.3-6.10	550,746	521,828	5.5%
Debt securities	3.2-3.3-6.11	163,708	159,280	2.8%
Revaluation adjustment on interest rate hedged portfolios		6,565	9,444	(30.5%)
Current and deferred tax liabilities	6.13	3,482	3,101	12.3%
Accruals, deferred income and sundry liabilities	6.14	40,530	47,917	(15.4%)
Liabilities associated with non-current assets held for sale		354	374	(5.3%)
Insurance company technical reserves	6.19	320,417	306,658	4.5%
Provisions	6.20	4,421	4,283	3.2%
Subordinated debt	3.2-3.3-6.11	25,421	29,327	(13.3%)
Total liabilities		**1,485,577**	**1,460,295**	**1.7%**
Equity		**64,706**	**63,937**	**1.2%**
Shareholder's equity Group share		58,056	58,276	(0.4%)
Non-controlling interests		6,650	5,661	17.5%
TOTAL EQUITY AND LIABILITIES		**1,550,283**	**1,524,232**	**1.7%**

Main changes in the consolidated balance sheet

At 31 December 2017, the consolidated balance sheet amounted to €1,550.3 billion, up +€26.1 billion (+1.7%) compared with the 2016 balance sheet. This near stability resulted from several contrasting trends:

- the continued good commercial momentum in 2017, which resulted in an increase in outstanding amounts with credit institutions, customer deposits and customer loans;
- the increase in Central bank deposits;
- growth in insurance activities and hence in the related investments and technical reserves;
- the significant decline in equity-accounted entities;
- a decline in financial assets and liabilities at fair value through profit or loss, especially derivatives.

Analysis of the main items

Loans and receivables from customers and credit institutions totalled €754.1 billion at end-December 2017, an increase of +3.4% or +€25.0 billion compared with 2016.

Loans and receivables due from customers (including lease financing operations) totalled €360.1 billion at 31 December 2017, compared with €346.3 billion a year earlier, an increase of +4.0%. The increase was attributable chiefly to growth in customer transactions at LCL in the amount of +€7.9 billion, particularly on home loans (+€5.2 billion) and at Cariparma for +€7.7 billion, +€4.8 billion of which was attributable to the consolidation of the Italian savings banks.

Loans and receivables due from credit institutions also increased to €394.1 billion (+2.9%), at 31 December 2017 compared with €382.8 billion at end-2016 . The +€11.2 billion increase was mainly due to a rise in internal transactions with the Regional Banks (+€12.5 billion – advances to the Regional Banks in a low rate environment, mirror advances in connection with the higher savings deposits and new repurchase agreements involving the Regional Banks) and the increase in CACEIS outstandings (+€3 billion). At the same time, Crédit Agricole CIB saw its outstandings fall by -€10.6 billion, of which -€13 billion in securities bought under repurchase agreements.

Amounts due to credit institutions and customers totalled €676.3 billion at end-2017, up +6.7% or +€42.2 billion compared with end-2016.

Amounts due to credit institutions rose +€13.3 billion to €125.6 billion (+11.8%). This increase was mainly driven by Crédit Agricole S.A. (+€7.4 billion) and Cariparma (+€4.4 billion).

Amounts due to customers rose +€28.9 billion (+5.5%) to €550.7 billion. This increase was driven by Crédit Agricole S.A., which saw strong inflows into regulated savings (+€10.8 billion in passbook accounts, *Livret A* accounts and home purchase savings plans), LCL *via* special savings accounts and ordinary accounts (+€7 billion), Cariparma for +€8.9 billion including +€5.8 billion due to the consolidation of the Italian savings banks, and CACEIS for +€2.5 billion related to ongoing activities.

Financial assets at fair value through profit or loss amounted to €321.4 billion at 31 December 2017, a decline of -1.5% year-on-year. This -€4.9 billion decline was mainly attributable to Crédit Agricole CIB (-€18.7 billion), which in particular saw a -€44 billion decline in derivative instruments and a +€21 billion increase in securities bought under repurchase agreements. Crédit Agricole Assurances saw its assets grow by +€12.8 billion, due as much to net acquisitions of UCITS as to the increase in unit-linked products.

As of 31 December 2017, **financial liabilities at fair value through profit or loss** totalled €227.9 billion, a decline of -€16.1 billion or -6.6% year-on-year. This fall, which was attributable to Crédit Agricole CIB and was consistent with the equivalent asset item, was mainly due to the reduction in "Derivative instruments" (-€44 billion) and the increase in "Securities bought under repurchase agreements" (+€23 billion).

Available-for-sale financial assets (net of impairments) totalled €307.1 billion at end-December 2017, down -2.8%. Within Crédit Agricole S.A. Group, Crédit Agricole Assurances, together with its insurance subsidiary Predica, is the largest holder of these securities, followed by Crédit Agricole S.A. These assets include bonds and other fixed-income securities (€201.7 billion), treasury bills and similar securities (€74.3 billion), equities and other variable-income securities (€18.7 billion), and non-consolidated equity investments (€12.3 billion).

Investments in equity-accounted entities totalled €5.2 billion at end-2017, down -27.1% due to the partial disposal and deconsolidation of Banque Saudi Fransi for -€2.3 billion.

Hedging derivatives recorded declines of -25.1% in assets and -25.8% in liabilities, attributable chiefly to the change in the fair value of micro and macro-hedging swaps at Crédit Agricole S.A.

Insurance companies' technical reserves increased by +4.5% in 2017 compared with 2016, reaching €320.4 billion. Most of the increase was attributable to Predica in the amount of +€9 billion, reflecting the increase in policy liabilities on euro and unit-linked contracts. The other Group insurers contributed +€4.1 billion to this increase, in line with business growth and market developments.

The **Debt securities** increase year-on-year +2.8% to amount to €163.7 billion end 2017.

Equity amounted to €64.7 billion at 31 December 2017, a year-on-year increase of +1.2%. Equity – Group share decreased very slightly (-0.4%) to €58.1 billion at end-2017, mainly reflecting the inclusion of income for the year (+€3.6 billion) and dividends (-€1.7 billion). The capital increase at Amundi during the year had a +€0.8 billion impact on non-controlling interests.

Capital management and regulatory ratios

The amendment to IAS 1 adopted by the European Union on 11 January 2006 requires quantitative and qualitative disclosures on the issuer's capital and management of its capital *i.e.* objectives, policies and processes for managing capital. This information is provided in Note 3.6 to the financial statements and in "Basel 3 Pillar 3 disclosures", provided below. In 2017, profitability of assets is 0.27%(1), vs. 0.26% in 2016.

(1) Refering to Art. R511-16-1 of the Monetary and Financial Code, profitability of assets is obtained by dividing the net accounting income with the total balance-sheet, on a consolidated basis.

The definitions of the underlined words can be found in the Glossary on page 567

RECENT TRENDS AND OUTLOOK

Outlook for 2018

The strength and scope of the current cycle is a positive surprise. So far, we haven't seen any of the imbalances that traditionally accompany very strong growth, most notably inflation and external imbalances. Such imbalances usually foreshadow a downturn. In terms of price formation, while there was previously a stronger link between lower unemployment and higher wages, today's trends are being influenced by structural factors such as international competition, the outsourcing of highly labour-intensive production, the expansion of the service sector and the "uberisation" of work in the advanced economies. This has contributed to weak inflation numbers. Some aspects of the current cycle can also be traced back to the financial crisis of 2008. The crisis left deep scars that are only slowly healing. Thus the true imbalances may not yet be visible, particularly in the form of inflation. While the pace of growth may be approaching or even exceeding the potential growth rate (+1.8% in the US, +1.5% in the Eurozone), this does not mean that the output gap has closed. The gap is narrowing, but very slowly: it has been zero in Germany since 2014, but the process has taken longer in the United States (2017) and the Eurozone (2018). Thus, with the notable exceptions of the United States and Germany, the majority of economies are still not running at full capacity.

Considering all these factors, we believe the current cycle will deliver a few more positive quarters before naturally dying down slowly. We anticipate a very modest acceleration of growth in the United States. After reaching +2.3% in 2017, US growth should be +2.4% in 2018, a level it should be able to achieve without tax stimulus. Indeed, some forecasts suggest that the additional growth boost from the Republicans' tax measures will be modest. Independent, self-sustaining growth is continuing in the United States, and also in the Eurozone, where growth is expected to slow very slightly (to +2.3%) in 2018. In France, leading economic indicators point to a virtuous circle, with recoveries in corporate investment, real estate and job creation. France's growth rate should hold relatively steady in 2018 (+1.9%) and 2019 (+1.6%), with no acceleration predicted from 2017 levels. This growth will essentially come down to household spending and corporate investment, while foreign trade should continue to weigh down on growth. Finally, the emerging economies have seen their growth accelerate thanks to global demand. Household spending is taking over as their leading driver of growth. As a result, the emerging economies as a whole should be able to repeat their 2017 growth of +4.7% in 2018. This scenario of resilient, comfortable (that is, not excessive) growth depends on an assumption about the Chinese economy: namely, that it is headed for a controlled slowdown.

So far, inflationary pressures seem to be at bay. At the end of 2018, inflation amounted to +2.2% in the United States and +1.4% in the Eurozone. In France, inflation should also remain moderate and quite stable at around +1.1% for the 2018–2019 period (vs. +1% in 2017), despite a slow rise in core inflation. Thus, the central banks, including the ECB, are not lagging behind the real economic cycle. Therefore, there is no need for urgent monetary policy moves. The current and upcoming monetary policy tightening measures will proceed at a gradual pace. The Fed will continue slowly "normalising" interest rates and its balance sheet. The members of the Federal Open Market Committee anticipate three hikes to the federal funds rate in 2018, ending the year at 2.25%. Meanwhile, the ECB will proceed with its asset purchase programme, spending €30 billion monthly until September 2018, after which the programme should be further extended with a lower purchase amount. The ECB will commit to ending quantitative easing in December 2018 at the earliest while stabilising its balance sheet. It will begin reducing its balance sheet at a much later date. A rise in key interest rates is not expected before the end of 2019.

Monetary policies thus remain accommodative despite the current and planned tightening moves, and they will continue to support growth. Meanwhile, the resolution of government imbalances will be facilitated by low bond yields, in the major dollar and euro currency zones. US and German 10-year yields have tightened by almost +35 and +30 basis points respectively since the beginning of the year and now sit at 2.80% and 0.70% – levels that are still low but on a surprising uptrend. Although it may seem aggressive, we should compare it to recent tightening episodes. US yields rose by +80 basis points in the wake of Donald Trump's election and close to +135 basis points during the *taper tantrum* in 2013. Meanwhile, German yields jumped by +90 basis points in April 2015, a trend that was warranted by the unwinding of long positions and not by economic factors. What is behind this recent tightening? Solid economic results that are exceeding expectations. Although they are not triggering a notable pick-up in inflation, they are corroborating the central bankers' scenario of a slow rise towards inflation targets and pushing the markets to sign off (at least so it would seem) on the impending monetary policy tightening. Moreover, although the decline in the equity markets invites caution, rising interest rates do not seem synonymous with an irrepressible risk-off trend, as evidenced by the tightening of yield premiums on non-core Eurozone countries. We are therefore anticipating an orderly rise in long yields, despite inevitable periods of turbulence, while real rates should remain low or even negative. US and German 10-year yields should end 2018 at 2.90% and 0.90%, respectively. Meanwhile, the risk premiums offered by France and Italy (taking into account a high probability of election-related tension) should amount to +35 and +175 basis points, respectively.

While our scenario is reasonably calm, there are still numerous latent risks that could suddenly manifest themselves. Of the many alarming economic and political risks that could emerge, the timeframe of our scenario forces us to focus on those that have the potential to materialise with tangible impacts in a relatively short term. With a hard landing by China's economy excluded from our scenario, there are still dangers that threaten to derail our success story. A misstep in monetary policy could lead to a sharp rise in long yields, or there could be a downturn on the US equity market. Given that forward guidance by the major central banks seems to have anchored inflation anticipations (we do not expect inflation to pick up significantly), the first potential pitfall should be avoided.

Meanwhile, our scenario of modestly accelerating US growth without a "harmful" rise in interest rates leads us to conclude that a collapse of the US equity market is probably not an imminent risk. However, this remains the greatest risk considering the collateral damage that could be caused to the prices of financial assets due to extremely accommodative monetary policies.

Recent events

Events after the reporting period are disclosed in Note 13 to the consolidated financial statements for the year ended 31 December 2017.

"Strategic Ambition 2020" Medium-Term Plan

On 9 March 2016, Crédit Agricole Group unveiled its **Medium-Term Plan**, "Strategic Ambition 2020", which is based on its **leadership in retail banking and its specialised business lines as well as its ability to deliver results in line with its commitments in an environment of lasting economic, regulatory and banking change.**

THE PLAN'S STRATEGIC AMBITION

The plan is designed around four priorities: simplifying the Group's capital structure, rolling out its customer project, strengthening the Group's growth momentum in its core business lines and improving its industrial efficiency.

- the **simplification of the Group's structure**, called Eurêka, was completed in the third quarter 2016; it consisted of transferring the 25% interest without voting rights in the Regional Banks held by Crédit Agricole S.A. since its IPO through CCIs/CCAs, to Sacam Mutualisation, an entity wholly owned by the Regional Banks, for a final sale price of €18.5 billion;
- the Plan is supported by Crédit Agricole Group's robust Universal Customer-focused Banking model, a source of value for its customers. The aim is **to roll out the Customer Project and enhance the digital transformation** to serve customers by strengthening the distribution model. The latter combines multi-channel with local service thanks to the digital transformation of all business lines, while also combining the ease and flexibility sought by customers with the added value of tailored advice;
- **the strengthening of the Group's growth momentum on its core business** is based on several priorities: improving its positions in Retail banking, Asset gathering, Specialised financial services and Large customers, stepping up the digital transformation, while controlling the cost base, and developing intragroup synergies. By strengthening internal partnerships and accelerating cross-selling between the business lines and Group's retail banks, the plan anticipates revenue synergies of +€1 billion for the Group, +€700 million of which for Crédit Agricole S.A. and +€300 million for the Regional Banks, between 2015 and 2019;
- **improving operational efficiency** will enable to decrease Crédit Agricole S.A.'s cost/income ratio by 6 percentage points and bring it to below 60% by 2019, which represents €900 million of savings over a three-year period.

FINANCIAL AND PRUDENTIAL PLANNING

The Plan is based on prudent assumptions. The assumption is for moderate growth in the Eurozone and in the Group's two main domestic markets, France and Italy, as well as persistently low interest rates (3-month Euribor and 10-year OAT).

KEY ASSUMPTIONS AND GOALS OF "STRATEGIC AMBITION 2020"

		Crédit Agricole Group		Crédit Agricole S.A.	
		As of 31 Dec. 2015	2019 targets	As of 31 Dec. 2015	2019 targets
Business	Revenues 2015-2019 CAGR(1)	€31,836m	>+1.5%	€17,194m	>+2.5%
	Cost/income ratio	63%	<60%	66%	<60%
	Cost of risk/outstandings	30bp(2)	<35bp	41bp	<50bp
Profitability	Net Income Group share	€6.0bn	>€7.2bn	€3.5bn	>€4.2bn
	Return on Tangible Equity (RoTE)	-	-	10.0%	>10%
Solvency	Fully-loaded *Common Equity Tier 1* ratio	13.7%	16%	10.7%	≥11%
	TLAC(3) ratio excl. eligible senior debt	19.7%	22%	-	-
	Risk-weighted assets	€509bn	€534bn	€296bn(4)	€303bn(4)

(1) Compound annual growth rate versus 2015 restated for the Group's capital simplification operation.

(2) Basis points.

(3) Total Loss-Absorbing Capacity.

(4) Pro forma calculation of the Group's capital simplification operation.

The definitions of the underlined words can be found in the Glossary on page 567

The financial targets will be achieved through balanced revenue growth and cost control in each business line, the cost-cutting efforts releasing €4.4 billion in funding for the investments planned for Crédit Agricole S.A.'s business lines. At the same time, the contribution from the Corporate Centre will be reduced to around -€700 million per annum.

Crédit Agricole Group aims to remain among the strongest banks in Europe in terms of capital adequacy The forecasts assume an earnings payout ratio by Crédit Agricole S.A. of 50% in cash, the risk weighting of the capital and reserves of Crédit Agricole Assurances at 370% and the Switch 2 guarantee between the Regional Banks and Crédit Agricole S.A., eliminated at Crédit Agricole Group level.

LIQUIDITY MANAGEMENT

	Regulatory requirement		Situation at end-2015	2016-2019 target
LCR	70% at 1 January 2016 ↓ 100% from 1 January 2018	Crédit Agricole S.A.	> 100%	- 110%
		Crédit Agricole Group	> 100%	- 110%
NSFR(1)	100% from 1 January 2018	Crédit Agricole Group	> 100%	> 100%
PRS(2)		Crédit Agricole Group	€108bn	> €100bn

(1) Estimate made on the basis of our understanding of the EBA guideline dated 18 December 2015.

(2) Stable resources: surplus stable balance sheet resources.

MID-TERM ASSESSMENT OF STRATEGIC PLAN

Synergies

Significant progress has been made in terms of synergies thanks to the initiatives taken by all business lines, which are enhancing customer positioning. At end-December 2017, synergies represented €8.2 billion for Crédit Agricole Group, up +4.8% compared with 2015.

New partnerships were established across business lines and Group networks, in line with their strategic goals, as illustrated by the following examples:

- closer cooperation between Crédit Agricole Consumer Finance (CACF) and the Group's retail banks, resulting in consumer finance origination managed by CACF for Group networks growing +8% from 2016 to 2017 with the French networks and +27% with International retail banking - Italy;
- the new value-sharing model between the Regional Banks and Crédit Agricole Leasing & Factoring (CAL&F) was rolled out, implementing its asset light strategy: 24 Regional Banks had adopted this model at end-2017;
- the remote monitoring offering of Nexecur, a protection and security subsidiary, has been gradually incorporated into the Group's property & casualty insurance offering;
- new joint initiatives were launched by Crédit Agricole Corporate & Investment Bank (CACIB) and the Regional Banks regarding the financing of large customers and support for mid-caps and SMEs in partnership with the European Investment Bank.

In addition, structural initiatives were put in place across the Group to bring certain activities in-house and in particular:

- Crédit Agricole Assurances (CAA) bringing in-house the new creditor insurance business of the Regional Banks, launched in September 2017. A new agreement was signed with CNP Assurances in June 2017 under which the latter will continue to co-insure 50% of the existing creditor insurance portfolio of the Regional Banks until it has run down;
- CAA bringing in-house virtually all the group insurance contracts of Group entities.

Lastly, new highly distinctive joint offerings were launched, increasing cross-selling:

- success of the unified global corporate group savings platform (employee savings, employee stock ownership and group retirement) offered by Amundi and CAA to SBF 120 large corporates;
- roll-out of the "Premium Client Solutions" integrated offering by the Large customer division: financing, advisory, custody services and market solutions for large customers, in particular those active in Private Equity.

Operational efficiency

Multiple cross-functional operational efficiency programmes have been put in place by the Group with the goal of freeing up for Crédit Agricole S.A. €900 million with which to fund developments and innovations: around one-third of this sum had already been committed(1) at end-2017. These include the following:

- the convergence of IT production within a Crédit Agricole Group shared facility;
- the creation of a shared top-tier technology division with, in particular, a Group Cloud and a DevOps automation platform;
- the activation of the new unit(2) planned for the first half of the year with the transfer of virtually all the IT production of the Regional Banks, LCL, CAA, CACIB, CACF and Crédit Agricole S.A. expected to take place on 1 January 2019;
- a five-year €260 million investment programme, ultimately generating €185 million in annual savings.

One year after the launch of the purchasing optimisation programme ("SAVE"), the initial assessment of this work is positive:

- the €210 million in savings expected for 2019 encompasses 85 projects: €107 million had already been negotiated(2) at end-2017;
- the new organisation and new operational governance are in place, making it possible to optimise and streamline the Group's purchasing;

(1) Forecast based on annualised signed cost savings

(2) Subject to the process of notifying and consulting employee representative bodies

- the Group Purchasing IT system has been rolled out, enabling meticulous monitoring and process harmonisation.

Lastly, a series of programmes to cut support costs has been launched throughout Crédit Agricole S.A. Group:

- this is expected to generate €300 million in savings in 2019;
- for Crédit Agricole S.A. (corporate entity), the programme is well-advanced with an estimated €55 million in savings at end-2017 out of an expected total of €72 million;
- within the subsidiaries, 24 cross-functional projects are underway in 12 areas, incorporating automation, resource pooling and optimisation of interactions and cessation (deployment underway);
- LCL, CACIB and CACEIS are working to improve back office efficiency through automation (60 robots in production);
- Crédit Agricole Indosuez Wealth Management (CAIWM) and Crédit Agricole Payment Services (CAPS) both launched lean management programmes;
- CACF is developing new working practices, in particular the widespread use of nimble approaches and teleworking.

Update on achievement of targets

At end-2017, Crédit Agricole S.A. had already achieved a large part of the targets it had set itself in the plan, in particular in terms of growth rate in underlying revenues, control of cost of risk (cost of risk/outstandings), profitability (underlying RoTE) and solvency (fully-loaded Core equity Tier 1 ratio). With respect to the 2019 targets for the cost/income ratio (excluding the contribution to the Single Resolution Fund or SRF) and net income Group share (underlying), the progress made at the mid-way point means they can be reaffirmed. Crédit Agricole S.A. reported underlying net income Group share of €3.9 billion in 2017 (versus €2.6 billion in 2015) against a target of €4.2 billion in 2019 and a cost/income ratio excluding SRF of 62.8% in 2017 (versus 68.6% in 2015) against a 2019 target of under 60%.

The adapted fully-loaded Common Equity Tier 1 ratio target has already been achieved: for Crédit Agricole S.A. the ratio was 11.7% at end-2017 against a 2019 target of over 11%.

Moreover, the dividend policy set out in the plan (payout ratio of 50%, in cash) and supplemented in November 2016 (minimum dividend of €0.60 per share) also applies for 2017.

Lastly, the Group's capital structure has already been adapted to the future requirements of the TLAC ratio, without taking into account eligible senior debt, which is an additional buffer of 2.5% to 3.5%. At 31 December 2017, the Group's TLAC ratio was 20.6% excluding eligible preferred senior debt, in line with current requirements and those at end-2019 including eligible preferred senior debt. The Group reaffirms its target TLAC ratio of 22% by 2019 excluding eligible preferred senior debt. To achieve this target against the background of sharp growth in lending in France in 2016 and 2017 - growth that could continue up to 2019 – the scope of the TLAC debt issuance programme was adjusted by €2 to €3 billion in aggregate over 2018 and 2019.

	Crédit Agricole S.A.		
	2015	2017	Objectifs 2019
CAGR underlying revenues	16,683	+6.1% (1)	>+2.5%
Cost/income ratio excl. SRF	68.6%	62.8%	<60%
Cost of risk/outstandings (bp)	41	29	<50
Underlying net income Group share (€bn)	2.6	3.9	4.2
Fully loaded CET1(2)	11%	11.7%	≥11%
Underlying RoTE (%)	7.8%	11.1%	>10%
TLAC (%) ratio excl. eligible senior debt			
Dividend(3)	€0.60 (scrip option)	€0.63 in cash	50% in cash (min. €0.60)

(1) CAGR 2015-2017

(2) Pro forma calculation of the Group's capital simplification operation

(3) Dividend proposed to the General Meeting

The definitions of the underlined words can be found in the Glossary on page 567

INFORMATION ON CRÉDIT AGRICOLE S.A.'S (PARENT COMPANY) FINANCIAL STATEMENTS

ANALYSIS OF CRÉDIT AGRICOLE S.A. (PARENT COMPANY) RESULTS

At 31 December 2017, Crédit Agricole S.A. revenues stood at €1,457 million, up by +€123 million on 2016.

This change was attributable to:

- an increase in the interest margin of +€1,449 million, mainly due to a positive change of +€716 million recognised as part of the Group's debt optimisation programmes: the first, carried out in 2016, generated an expense excluding commission of €674 million whereas the second, carried out in 2017, generated income of €42 million. In July 2016, an expense of €230 million from the Group's simplification operation was recognised. This operation consisted of unwinding the Switch guarantee for its component covering the cooperative investment certificates ("CCIs") and the cooperative associate certificates ("CCAs") of the Regional Banks as well as the refund of the deposit on this guarantee. As part of this project, a loan of €11 billion was granted to the Regional Banks generating income over the two financial years of €128 million. Also in 2017, the Home Purchase Savings Plan provision was impacted by the change in certain models (extension to 18 years of the run-off model for the Home Purchase Savings Plan and change in the calculation method for the savings reference rate) resulting in a +€100 million reversal. Lastly, the change in presentation of the Intermediate Interest Balance for the foreign exchange hedging transactions resulted in a positive income of €128 million in respect of 2017 (transfer from the item "Net income of the trading book" to the item "interest margin");
- a -€1,919 million reduction in income from variable-income securities (mainly dividends from subsidiaries and equity investments) explained by the lower dividends from Crédit Agricole Assurances, Crédit Agricole CIB and LCL in the amounts of -€803 million, -€595 million and -€339 million respectively, as well as cooperative investment certificates ("CCIs") and cooperative associate certificates ("CCAs") from the Regional Banks for -€278 million following the completion of the Group's simplification project carried out in 2016;
- an increase in the net income from commissions of +€190 million, mainly due to a reduction of -€67 million in liquidity commissions following a reduction in the Regional Banks' requirements, €133 million due to the centralisation of savings (mainly home purchase savings schemes and *livrets d'épargne populaire* savings accounts), €48 million as part of the securities issuance programmes. Moreover, following the ruling by the Paris Court of Appeal of 21 December 2017 on the "Cheque Image Exchange" litigation, an expense of €38.3 million was recognised;
- a +€361 million increase in earnings on the trading book related primarily to exchange gains in the amount of +€484 million generated by the foreign exchange positions of AT1 securities issued in foreign currency and the change in presentation of the Intermediate Foreign Exchange Hedging transactions Balance for -€149 million in respect of 2016, now included in the interest margin;
- a +€93 million increase in investment portfolios and equivalent related mainly to the increase in capital gains generated in 2017 on the disposal of French Government securities for +€82 million;
- lastly, a -€51 million reduction in other revenues, mainly due to the commissions recognised on the issue of securities.

In the year ended 31 December 2017, Crédit Agricole S.A. registered €753 million in operating expenses, an increase of +€7 million compared with 2016.

As a result of these changes, gross operating income recorded a gain of €695 million at 31 December 2017, up +€120 million compared with 2016.

The cost of risk amounted to +€14 million for 2017, down by -€30 million compared to 2016. On 3 March 2017, Crédit Agricole S.A. acting in its capacity as the corporate centre and the guarantor of the liquidity and solvency of all of its affiliates, including Crédit Agricole CIB, paid the penalty of €115 million on Euro rate products to the European Commission. This expense fully covered by a provision has not had an impact on the cost of risk.

"Net gains (losses) on fixed assets" totalled +€634 million in 2017, representing a variation of -€12,439 million year-on-year. This decrease mainly stemmed from operations carried out in 2016, and notably the disposal of the Regional Banks' CCI/CCA carried out as part of the simplification operation by the Crédit Agricole Group and the sale of Visa Europe securities which generated respectively capital gains of +€12,153 million and +€123 million; as well as the reversal of impairment on CA Consumer Finance in the amount of +€1,236 million and an additional provision on LCL of -€483 million. These changes are offset by the operations conducted in 2017, with notably the disposal of the Eurazeo securities for €427 million, as well as the net reversal of impairment on the investment securities of +€210 million (of which +€400 million in reversal on Cariparma and -€197 million of change in provisions on the Polish banks).

Tax gains, resulting largely from the tax consolidation mechanism in France, with Crédit Agricole S.A. at the head of the tax group, totalled €255 million in 2017, up +€42 million year-on-year. At 31 December 2017, 1,254 entities had signed tax consolidation agreements with Crédit Agricole S.A. compared to 1,243 at 31 December 2016.

The FGBR and regulated provisions increased by +€7 million during the 2017 financial year.

Overall, the net income of Crédit Agricole S.A. recorded a gain of €1,564 million at 31 December 2017. At 31 December 2016, the net income restated for exceptional operations carried out (simplification operations for the Group and optimisation of the Group's debt) amounted to €2,781 million.

FIVE YEAR FINANCIAL SUMMARY

	2013	2014	2015	2016	2017
Equity at year end *(in euros)*	7,504,769,991	7,729,097,322	7,917,980,871	8,538,313,578	8,538,313,578
Number of shares outstanding	2,501,589,997	2,576,365,774	2,639,326,957	2,846,104,526	2,846,104,526
Operations and net income for the period (in millions of euros)					
Gross Revenues	16,604	17,684	15,792	15,112	14,296
Earnings before tax, employee profit-sharing, depreciation, amortisation and provision expense	(9,884)	967	1,501	12,916	815
Employee profit-sharing	1	1	1	2	2
Income tax charge	(2,777)	(1,509)	(1,357)	(213)	(255)
Earnings after tax, employee profit-sharing, depreciation, amortisation and provision expense	3,531	3,112	1,446	13,819	1,564
Earnings proposed for distribution at the date of the General Meeting of Shareholders	881	907	1,593	1,718	1,804
Earnings per share (in euros)					
Earnings after tax and employee profit-sharing but before depreciation, amortisation and provision expense	(2.841)	0.961	1.082	4.462	0.375[1]
Earnings after tax, employee profit-sharing, depreciation, amortisation and provision expense	1.412	1.208	0.548	4.855	0.550
Ordinary dividend[3]	0.35	0.35	0.60	0.60	0.63
Loyalty dividend[3]	0.385	0.385	0.660	0.660	0.693
Employees					
Average headcount[2]	2,571	2,307	2,251	2,238	2,148
Total payroll for the period *(in millions of euros)*	197	191	191	186	190
Cost of benefits paid during the period (costs and social welfare) *(in millions of euros)*	115	121	156	145	133

(1) Calculated based on the number of shares issued as of the General Meeting of Shareholders on 16 May 2018, or 2,846,104,526 shares.

(2) Refers to headquarters employees.

(3) The amount of the dividend (ordinary and loyalty) is eligible in full, when it is paid out to shareholders who are natural persons fiscally domiciled in France, with the rebate of 40% provided for under point 2 of paragraph 3 of article 158 of the General Tax Code.

The definitions of the underlined words can be found in the Glossary on page 567



5 RISK FACTORS AND PILLAR 3

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The definitions of the underlined words can be found in the Glossary on page 567.

A **strengthened** regulatory context, an **effective** control of risks

Solvency ratio

Phased CET1 ratio

11.7%

Non-phased CET1 ratio

11.7%

Financial conglomerate ratio

100% required

193%

Leverage ratio

4.4%

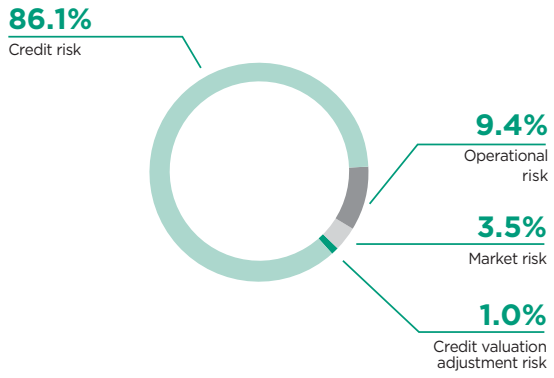
TLAC

20.6%

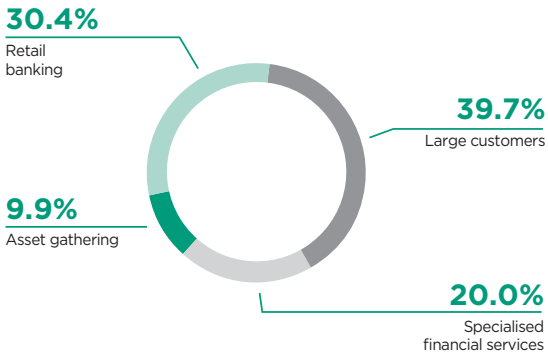
excluding senior debt

Risk-weighted assets

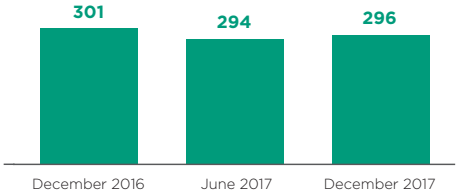
Breakdown by risk type



Breakdown by business line



Changes over one year *(in billion euros)*



RISK FACTORS

This part of the management report sets out the Group's risk appetite, the type of risks to which it is exposed, their extent and the systems used to manage them.

The information presented in accordance with IFRS 7, relating to disclosures on financial instruments, covers the following types of risks[1]:

- credit risks (including country risk): risks of losses arising from a default by a counterparty leading to that counterparty's inability to meet its commitments to the Group;
- market risks: risks of losses arising from changes in market parameters (interest rates, exchange rates, prices, credit spreads, etc.);
- structural balance sheet risks: risks of losses arising from changes in interest rates (global interest rate risk) and exchange rates (foreign exchange risk) and the risk of not having the necessary resources to meet commitments (liquidity risk), including risks in the insurance sector.

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

- operational risks: risks of losses resulting primarily from the unsuitability or failure of processes, systems or people in charge of transaction processing;
- legal risks: risks arising from the Group's exposure to civil or criminal proceedings;
- non-compliance risks: risks relating to failure to comply with regulations and legislation governing the Group's banking and financial activities.

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

1. RISK APPETITE, GOVERNANCE AND ORGANISATION OF RISK MANAGEMENT, STRESS TESTS

Concise statement on risks

(Statement prepared in compliance with Article 435(1)(f) of Regulation EU 575/2013)

The Board of Directors of Crédit Agricole Group makes a formal statement every year regarding its risk appetite. For 2017, this was discussed and approved on 13 February 2018 after first having been reviewed and recommended by the Risk Management Committee. The Group's risk appetite statement is prepared in line with the risk appetite approach applied in the various entities. This statement is an integral and strategic part of the governance framework which covers strategy, commercial objectives, risk management and global financial management for the Group. The strategic thrusts of the Medium Term Plan, the risk appetite statement, the budgetary process and the allocation of resources to the business lines are mutually coherent.

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

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

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

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

The risk appetite statement is coordinated with the Operational departments of the various entities and aims to:

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

The Group's risk appetite is defined through:

- **key indicators:**
  - Crédit Agricole S.A.'s external rating which has a direct impact on refinancing terms, the Group's image in the market and the price of its securities,

(1) These disclosures are an integral part of the consolidated financial statements for the year ended 31 December 2017 and, as such, are covered by the Statutory Auditors' report.

The definitions of the underlined words can be found in the Glossary on page 567.

- solvency which guarantees the Group's sustainability by ensuring it has sufficient capital to back the risks it is taking on,
- liquidity the management of which aims to prevent the Group's sources of finances drying up with the consequent threat of default on payments, or even resolution,
- business risk which provides a measure of progress towards the strategy laid down by the Group, thereby facilitating its long-term survival. This indicator was added in 2016,
- profit the direct source of future solvency and shareholder dividends and therefore a key part of the Group's financial communications,
- credit risk of Crédit Agricole Group, which constitutes its main risk;

- **limits, alert thresholds and risk envelopes** defined in line with these indicators: credit, market, interest rate and operational risks;
- **qualitative priorities**, inherent to the Group's strategy and businesses, essentially looking at risks which are not currently quantified. The qualitative criteria are largely based on the Corporate Social Responsability (CSR) policy which embodies the Group's concern with supporting sustainable development and controlling all risks including non-financial risks.

The key indicators reflect three levels of risk:

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

The Group's risk appetite system is based on the risk identification process formalised in 2016, which aims to list as exhaustively as possible the Group's major risks and to apply a standard approach to placing them in categories and sub-categories.

The work carried out during the year made it possible to expand the scope of risks covered by the risk appetite statement and to thereby create a more comprehensive and forward-looking governance framework.

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

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

The main components of the Group's risk profile at 31 December 2017 are broken down in the "Risk factors" and "Pillar 3" sections, respectively, of this Registration document:

- credit risk: part 2. (Risk factors) and part 4.2. (Pillar 3);
- market risk: part 3. (Risk factors) and part 4.4. (Pillar 3);
- financial risks (interest rate, exchange rate, liquidity and financing): part 5. (Risk factors) and parts 5. and 6. (Pillar 3);
- operational risks: part 7. (Risk factors) and part 4.6. (Pillar 3).

At 31 December 2017, the Group's risk appetite indicators are within the risk appetite levels defined by the Group. They have not reached the tolerance thresholds.

Adequacy of the institution's risk management arrangements pursuant to Article 435.1 (e) of Regulation (EU) no. 575/2013.
At its meeting of 13 February 2018, the Board of Directors of Crédit Agricole S.A. Group concluded, having regard to all the information submitted to it in 2017 providing it, in particular, with a view of how the risk profile of the institution interacts with the tolerance level, that the risk management arrangements put in place by Crédit Agricole Group are appropriate given its profile and strategy.

Organisation of risk management

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

Measuring and supervising risk is the responsibility of the dedicated Risk Management function (headed by the DRG – Group Risk Management department), which is independent from Group functions and reports directly to the Executive Management.

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

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

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

- it coordinates the risk identification process and the implementation of the Group's risk appetite framework in cooperation with the Finance, Strategy and Compliance functions and the business lines;
- it defines and/or validates methods and procedures for analysing, measuring and monitoring credit, market and operational risks;
- it takes part in the critical analysis of the business lines' commercial development strategies, focusing on the risk impact of these strategies;

- it provides independent opinions to Executive Management on risk exposure arising from business lines' positions (credit transactions, setting of market risk limits) or anticipated by their risk strategy;
- it lists and analyses Group entities' risks, on which data is collected in risk information systems.

The Financial Management unit of the Group Finance department (FIG) manages structural asset/liability risk (interest rate, exchange rate and liquidity) along with the refinancing policy and supervision of capital requirements.

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

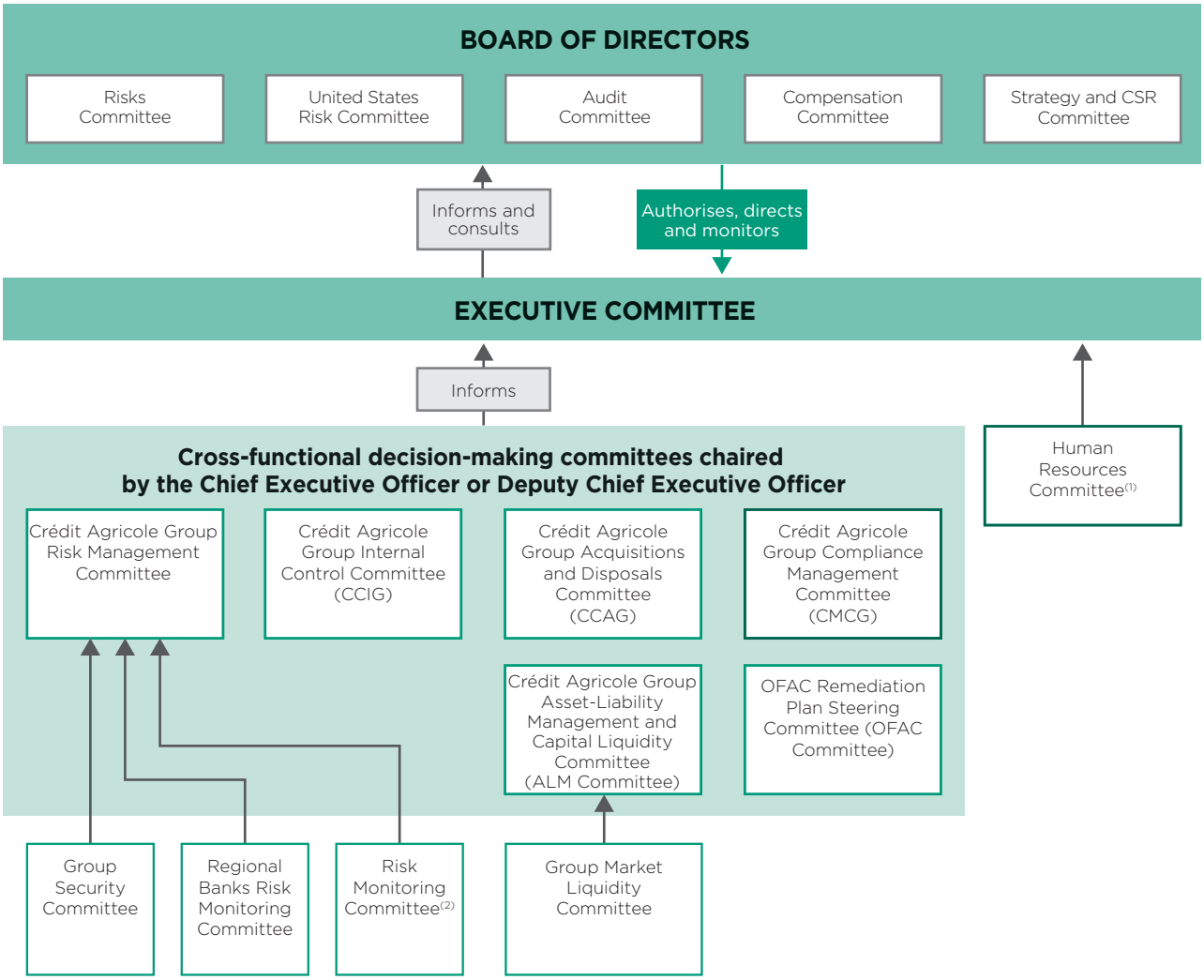
DRG keeps the executive Directors and supervisory body informed of the degree of risk control in the Crédit Agricole S.A. Group, presents various risk strategies of the major business lines of the Group for validation, and warns them of any risk of deviation from risk strategies or policies approved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

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

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

The definitions of the underlined words can be found in the Glossary on page 567.

MAIN GROUP-LEVEL COMMITTEES DEALING WITH RISK



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

In addition, each Group operating entity defines its own risk appetite statement and sets up a Risk Management and Permanent Controls function. Within each business line and legal entity:

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

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

Group risk management is also reliant on a certain number of tools which enable DRG and the Group's executive bodies to fully comprehend the risks being run:

- a robust IT and global risk consolidation system, within the trajectory defined by the Basel Committee on banking controls for global systemic institutions (BCBS 239);
- generalised use of stress testing methodologies in Group credit, financial or operational risk procedures;
- formalised and up-to-date control standards and procedures, which define lending systems, based on an analysis of profitability and risks, monitoring of geographical, individual and sectoral concentrations, as well as limits on interest rate, foreign exchange and liquidity risks;
- a Group recovery plan, presented on an annual basis to the supervisory authorities, in accordance with regulatory requirements, in particular the provisions of law no. 2013-672 of 26 July 2013 on the implementation of a banking resolution regime.

Risk culture

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

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

1.1. Consolidated risk monitoring

Every quarter, the Board of Directors' Risk Management Committee and the Group Risk Management Committee examine the risk dashboard produced by the Group Risk Division. This document gives a detailed review of the Group's risk situation on a consolidated basis and across all business lines.

The risk register which, in combination with the risk dashboard, provides an overview of changes in the Group's risks and a long-term view of trends observed in the portfolio. The register is presented to the Group Risk Division and the Board of Directors' Risk Management Committee.

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

1.2. Stress testing

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

1.3. Different types of stress testing

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

  In the case of credit risk, stress tests were performed in 2017 to measure the risk stemming from economic changes in certain major Group risks. These exercises underpin the decisions taken by the Group Risk Management Committee on aggregate exposure limits.

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

  The goal of this exercise is to estimate a solvency ratio by measuring the impact on the income statement (cost of risk, interest margin, commission, etc.), risk-weighted assets and own funds and to compare it against the Group's tolerance and capacity thresholds.
- **Regulatory stress testing:** this stress testing encompasses all requests from the ECB, the EBA or other supervisor.

1.4. Governance

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

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

The definitions of the underlined words can be found in the Glossary on page 567.

2. CREDIT RISK

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

Definition of default

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

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

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

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

Restructured loans

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

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

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

The volume of loans in forbearance under the ITS 2013-03 definition are given in Note 3.1 to the consolidated financial statements. Principles of loan classification for accounting purposes are specified in Note 1.3 to the Group's consolidated financial statements.

2.1. Objectives and policy

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

Crédit Agricole Corporate and Investment Bank, the Group's corporate and investment banking arm, also carries out active portfolio management, in order to reduce the main concentration risks borne by Crédit Agricole S.A. Group. The Group uses market instruments, such as credit derivatives or securitisation mechanisms, to reduce and diversify counterparty risk and enable it to optimise its use of capital. Similarly, potential risk concentration is mitigated by syndication of loans with external banks with outside banks and use of risk hedging instruments (credit insurance, derivatives).

Crédit Agricole S.A. and its subsidiaries seek to diversify their risks in order to limit their exposure to credit and counterparty risks, particularly in the event of a crisis affecting a particular industry or country. To this end, Crédit Agricole S.A. and its subsidiaries regularly monitor their total exposures by counterparty, by trading portfolio, by business sector and by country, using different internal calculation methods depending on the type of exposure (see in particular section 2.2.2.2. "Credit risk measurement").

To reduce the risk associated with the deterioration of the quality of its exposure to credit and counterparty risks, the Group may apply a hedging strategy consisting notably of the purchase of credit derivatives (see Credit risks under section 2.2.4.3. "Use of credit derivatives", Market risks under section 3.3.2. "Use of credit derivatives" and Asset and liability management section 5.5. "Hedging policy").

In particular, with respect to counterparty risk on market transactions, the group's policy on credit reserves constitution is twofold. On sound clients, a credit valuation adjustment ("CVA risk assessment") is recorded and consists in a generic provisioning, as for credit risk. Conversely, on defaulted counterparties, an individual provision is sized in accordance with the derivative instrument situation, taking into account the CVA amount already provisioned prior to the default.

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

2.2. Credit risk management

2.2.1. Risk-taking general principles

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

Each lending decision requires a risk-return analysis. In the case of the Corporate and investment banking business line this means an *ex ante* calculation of the profitability of the transaction.

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

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2.2.2. Risk measurement methods and systems

2.2.2.1 INTERNAL RATING SYSTEMS AND CREDIT RISK CONSOLIDATION SYSTEMS

The internal rating systems cover all of the methods, procedures and controls used for assessment of credit risk, rating of borrowers and estimation of losses given default by the borrower. Governance of the internal rating system relies on the Standards and Methodologies Committee (CNM), chaired by the Group's head of Risk Management and Permanent Controls. The task of this Committee is to validate and spread standards and methodologies relating to measuring and controlling risks within Crédit Agricole Group. In particular, the Standards and Methodologies Committee reviews:

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

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

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

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

COMPARISON BETWEEN THE INTERNAL GROUP RATINGS AND THOSE OF RATING AGENCIES

Crédit Agricole Group	A+	A	B+	B	C+	C	C-	D+	D	D-	E+	E	E-
Indicative Moody's rating equivalent	Aaa	Aa1/Aa2	Aa3/A1	A2/A3	Baa1	Baa2	Baa3	Ba1	Ba2	Ba3	B1/B2	B3	Caa/Ca/C
Indicative Standard & Poor's rating equivalent	AAA	AA+/AA	AA-/A+	A/A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+/B	B-	CCC/CC/C
Probability of default in year 1	0.001%	0.01%	0.02%	0.06%	0.16%	0.30%	0.60%	0.75%	1.25%	1.90%	5.0%	12.00%	20.00%

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

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

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

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

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

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

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

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

The definitions of the underlined words can be found in the Glossary on page 567.

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

2.2.2.2 CREDIT RISK MEASUREMENT

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

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

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

- current risk corresponds to the sum owing by the counterparty in the event of instantaneous default;
- the risk of change corresponds to the estimated maximum Crédit Agricole CIB's exposure over its remaining maturity, for a given confidence interval.

The methodology used is based on Monte Carlo-type simulations, enabling the risk of change over derivatives' remaining maturity to be assessed on the basis of statistical modelling of the change in underlying market parameters.

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

Situations of specific risk of unfavourable correlations (risk that an exposure to a derivative is positively correlated with the counterparty's probability of default as a result of a legal tie between this counterparty and the underlying of the derivative) are monitored regularly to identify and integrate such risks in the exposure measurement as recommended by regulations. Situations of general risk of unfavourable correlations (risk that market conditions have a correlated effect on a counterparty's credit quality and derivative exposures with this counterparty) were monitored by means of *ad hoc* exercises in 2017.

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

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

Credit risk on these market transactions is managed in accordance with rules set by the Group. The policy on setting counterparty risk limits is as described above in section 2.2.1.: "Credit risk management – Risk-taking general principles". The techniques used to reduce counterparty risk on market transactions by Crédit Agricole CIB are described in "Credit risk mitigation mechanisms".

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

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

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

2.2.3. Supervision system of commitments

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

2.2.3.1 PROCESS FOR MONITORING CONCENTRATIONS BY COUNTERPARTY OR GROUP OF RELATED COUNTERPARTIES

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

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

At year-end 2017, the commercial lending commitments of Crédit Agricole S.A. and its subsidiaries, to their ten largest non-sovereign, non-bank customers, amounted to 7.0% of the total non-bank commercial lending portfolio (compared with 5.6% at 31 December 2016). The diversification of the portfolio on an individual basis is still satisfactory.

2.2.3.2 PORTFOLIO REVIEW AND SECTOR MONITORING PROCESS

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

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

2.2.3.3 PROCESS FOR MONITORING COUNTERPARTIES IN DEFAULT AND ON CREDIT WATCH

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

2.2.3.4 CONSOLIDATED CREDIT RISK MONITORING PROCESS

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

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

2.2.3.5 COUNTRY RISK MONITORING AND MANAGEMENT SYSTEM

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

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

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

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

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

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

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

Western European countries with an internal rating (lower than B) qualifying them for close country risk monitoring undergo a separate *ad hoc* monitoring procedure. Exposure to sovereign and non-sovereign risk in these countries is detailed in Note 6.9 to the consolidated financial statements.

Exposures to other countries rated below B are detailed in paragraph 2.3.2.4. "Country risk" below.

2.2.3.6 CREDIT RISK STRESS TESTING

Credit risk stress testing is primarily based on satellite models that link changes in credit risk parameters to macroeconomic and financial variables. These models are independently reviewed and approved by the Standards and Methodology Committee in the same way as the Basel models. In addition, the quantitative stress testing system is back-tested each year.

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

For the purposes of credit risk monitoring and management, the Group Risk department carries out a series of stress tests in cooperation with the relevant business lines and entities.

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

The definitions of the underlined words can be found in the Glossary on page 567.

2.2.4. Credit risk mitigation mechanisms

2.2.4.1 COLLATERAL AND GUARANTEES RECEIVED

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

The principles governing the eligibility, utilisation and management of collateral and guarantees received as security are defined by Crédit Agricole Group's Standards and Methodology Committee (CNM), in accordance with the CRR/CRD4 system for the calculation of the solvency ratio.

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

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

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

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

2.2.4.2 USE OF NETTING AGREEMENTS

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

2.2.4.3 USE OF CREDIT DERIVATIVES

In managing its corporate financing portfolio (banking book), the Group's Corporate and investment bank uses credit derivatives and a range of risk-transfer instruments including namely securitisation. The aim is to reduce concentration of corporate credit exposure, diversify the portfolio and reduce loss levels.

The risks arising from such transactions are monitored using indicators such as VaR (Value at Risk) on all cash transactions to buy or sell protection for the bank's own account.

At 31 December 2017, the notional amount of protection bought in the form of credit derivatives was €5 billion (€7 billion at 31 December 2016), the notional amount of short positions was zero (€12 million at 31 December 2016). Credit derivatives are processed through ten leading, competent and regulated bank counterparties. Furthermore, 38% of these derivatives are processed through clearing houses.

The notional amount of credit derivatives can be found in Note 3.2 "Derivative instruments: total commitments" to the consolidated financial statements.

2.3. Exposures

2.3.1. Maximum exposure

The maximum exposure to credit risk of Crédit Agricole S.A. and its subsidiaries corresponds to the net carrying amount of financial assets (loans and receivables, debt instruments and derivative instruments) before the effect of non-recognised netting agreements and collateral. It is set out in Note 3.1 to the consolidated financial statements.

At 31 December 2017, the maximum exposure to credit and counterparty risk of Crédit Agricole S.A. and its subsidiaries amounted to €1,278 billion (€1,305 billion at 31 December 2016), a decrease of 2.1%.

2.3.2. Concentration

An analysis of credit risk on commercial lending commitments excluding Crédit Agricole Group internal transactions and collateral given by Crédit Agricole S.A. as part of repurchase agreements (loans and receivables to credit institutions, loans and receivables to customers, financing commitments given and guarantee commitments given for €752.69 billion) is presented below. The exclusion of derivatives, which are especially monitored in terms of VaR (see. Market risk) and the financial assets hold by insurance companies (€249 billion – see. Risks in the insurance sector) explain the main difference between the maximum exposure to credit risk and the exposure of commercial lending portfolio.

2.3. 2.1 PORTFOLIO DIVERSIFICATION BY GEOGRAPHIC AREA

On the commercial lending portfolio (including bank counterparties), the breakdown by geographic area covers a total portfolio of €737.53 billion at 31 December 2017, compared with €708.73 billion at 31 December 2016, the main reason is an overall increase of 8% of exposures in France and Italy. The breakdown reflects the country in which the commercial lending risk is based.

BREAKDOWN BY GEOGRAPHIC AREA OF COMMERCIAL LENDING OF CRÉDIT AGRICOLE S.A. GROUP

Geographic area of exposure	2017	2016
Africa and Middle East	4%	4%
Central and South America	1%	2%
North America	8%	9%
Asia-Pacific excluding Japan	5%	5%
Eastern Europe	2%	2%
Western Europe (excluding Italy)	14%	15%
France (retail banking)	17%	17%
France (excluding retail banking)	33%	33%
Italy	13%	11%
Japan	3%	2%
TOTAL	**100%**	**100%**

The breakdown of commercial lending by geographic area is broadly stable. At end-2017, lending in France accounted for 50% of the total, as at end-2016. Italy, the Group's second largest market, saw commercial lending rise 13%, mainly due to the acquisition of the Cesena, Rimini and San Miniato savings banks.

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

2.3.2.2 PORTFOLIO DIVERSIFICATION BY BUSINESS SECTOR

On the commercial lending portfolio (including bank counterparties outside the Group) the scope broken down by business sector stood at €706.8 billion at 31 December 2017, versus €667.1 billion at 31 December 2016. These breakdowns reflect the business sector in which the commercial lending risk to customers is based.

BREAKDOWN BY BUSINESS SECTOR OF COMMERCIAL LENDING OF CRÉDIT AGRICOLE S.A. GROUP

Business sector	2017	2016
Air/Space	3.5%	2.9%
Agriculture and food processing	2.4%	2.6%
Insurance	1.3%	1.3%
Automotive	3.0%	4.1%
Other non-banking financial activities	7.4%	6.7%
Other industries	1.6%	1.6%
Other transport	1.6%	1.7%
Banks	5.6%	5.9%
Wood/Paper/Packaging	0.2%	0.3%
Building and public works	2.3%	2.6%
Retail/Consumer goods industries	2.2%	2.1%
Other	3.0%	3.2%
Energy	7.3%	8.3%
o/w Oil and Gas	*5.1%*	*5.8%*
o/w Electricity	*2.2%*	*2.5%*
Real estate	3.7%	3.9%
Heavy industry	2.4%	3.0%
IT/Technology	1.1%	1.2%
Shipping	2.0%	2.6%
Media/Publishing	0.4%	0.5%
Healthcare/Pharmaceuticals	1.3%	1.5%
Non-trading services/Public sector/ Local authorities	16.6%	13.0%
Telecom	1.6%	1.7%
Tourism/Hotels/Restaurants	0.9%	1.0%
Utilities	0.3%	0.3%
Retail banking customers	28.3%	28.0%
TOTAL	**100%**	**100%**

The commercial lending portfolio broken down by business sector is well diversified and remained broadly stable for 2017. Only two sectors accounted for more than 10% of business, as in 2016: the "Retail banking customers" business, which was the largest at 28.3% (28.0% in 2016) and the "Non-trading services/Public sector/Local authorities" business, the second largest, for which the share rose to 16.6% from 13.0% of the total in 2016, mainly due to an increase in the exposure of the sovereign portfolio.

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

As in 2016, most of exposure in the oil sector relates to players that are structurally less sensitive to the drop in oil prices (public sector companies, large international companies, transportation/ storage/refinery companies). Generally speaking, the "Oil and gas" sector benefits from a very selective approach to projects and any significant new operations are subject to in-depth analysis in terms of credit risk and CSR policy. Following two years of crisis in the sector, the economic performance of clients is stabilising. Also of note is the strong resilience of the "Oil and Gas" portfolio, both during and after the crisis.

The current position of the "Shipping" sector is the result of the expertise and background of Crédit Agricole CIB in mortgage financing for ships, which it provides to its international ship-owning clients. Shipping transport is currently experiencing the longest crisis observed since 1984-1988. Against this background, the strategy of gradually reducing exposure, in place since 2011, continued in 2017 (that means -19% compared to 2016). However, the portfolio is relatively well-protected thanks to its diversification (financing of oil tankers, gas carriers and off-shore facilities, cargo ships, container ships, cruise ships, etc.) and by the quality of its financing structure for ships, secured by mortgage loans.

The "heavy industry" sector mainly comprises large global steel, metal and chemical groups. Lending was down in 2017, primarily due to the contraction of the coal segment, in line with the CSR policy of Crédit Agricole Group.

2.3.2.3 BREAKDOWN OF LOANS AND RECEIVABLES OUTSTANDING BY TYPE OF CUSTOMER

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

The gross amount of loans and receivables outstanding, including accrued interest, was €465.0 billion at 31 December 2017, compared to €456.0 billion at 31 December 2016, an increase of 2.0% in 2017. It is split mainly between large corporates and retail customers (respectively, 45.1% and 33.2%).

2.3.2.4 EXPOSURE TO COUNTRY RISK

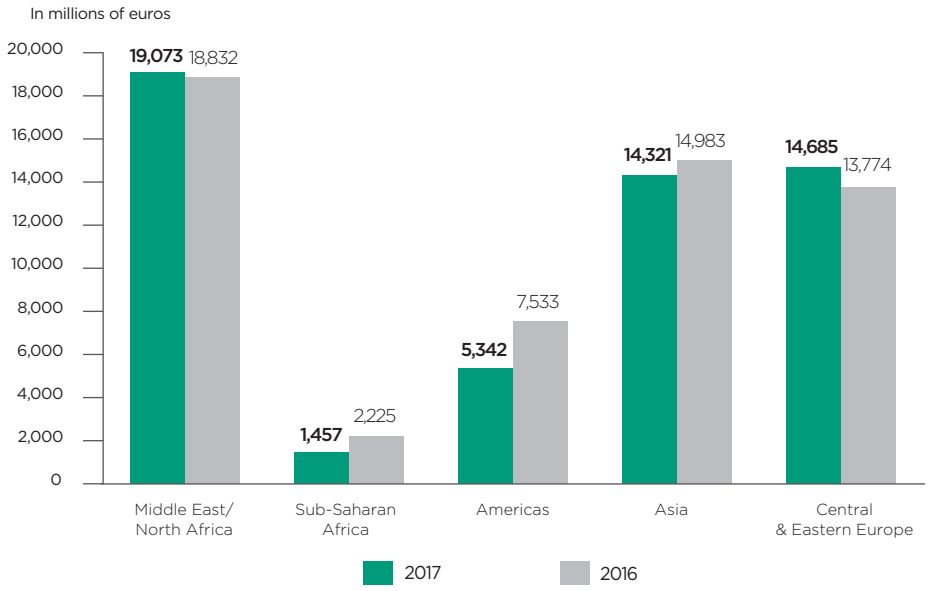
At 31 December 2017, commercial lending (including to bank counterparties) to Crédit Agricole S.A. Group customers in countries with ratings below B according to the Group's internal ratings, excluding countries in Western Europe (Italy, Spain, Portugal, Greece, Cyprus and Iceland), totalled €54.9 billion versus €57.4 billion at 31 December 2016. Most of these commitments come from Crédit Agricole CIB, UBAF (47%-owned by Crédit Agricole CIB) and International retail banking. They include guarantees received which are deducted (export credit insurance, cash deposits, securities pledged, etc.).

The concentration of total exposures in these countries was stable in 2017: the top twenty countries accounted for 92.2% of the lending portfolio at year-end 2017, compared with 91.4% at year-end 2016.

Three geographical areas are dominant: Middle East/North Africa (35%), Asia (26%) and Central and Eastern Europe (27%).

The definitions of the underlined words can be found in the Glossary on page 567.

CHANGES IN COMMERCIAL LENDING FOR COUNTRIES WITH A CREDIT RATING LOWER THAN B



The Middle East and North Africa

Cumulative commitments in countries in the Middle East and North Africa totalled €19.1 billion at 31 December 2017, 1% up on year-end 2016. Morocco, Saudi Arabia, United Arab Emirates, Egypt and Qatar accounted for 79% of commitments in this area.

Central & Eastern Europe

Cumulative commitments in Central and Eastern Europe rose 7% from 2016, mainly due to increased exposure to Poland. Group commitments are concentrated in four countries: Poland, Russia, Ukraine and Serbia, which together represented 91% of the total in this region.

Asia

Commitments in Asia fell 4% to €14.3 billion from 31 December 2016. This change was mainly due to a fall in exposures to Indonesia. China remains the largest regional exposure (at €7.9 billion, an increase of 1.2%), ahead of India (€5.1 billion).

Latin America

At end-December 2017, exposure to this region represented 10% of all exposure to countries rated lower than B. It fell 29% from end-2016, mainly due to significantly reduced commitments in Brazil. Exposure to Brazil and Mexico made up 86% of the Latin America total.

Sub-Saharan Africa

Group commitments in Sub-Saharan Africa totalled €1.5 billion at 31 December 2017, *i.e.* 3% of the total for countries with a rating below B, compared with 4% at year-end 2016. Exposure to South Africa accounted for 36% of commitments in this region.

2.3.3. Credit quality

2.3.3.1 ANALYSIS OF LOANS AND RECEIVABLES BY CATEGORY

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

Loans and receivables *(in millions of euros)*	**31/12/2017**	**31/12/2016**
Neither past due nor impaired	443,858	433,550
Past due but not impaired	5,485	5,601
Impaired	15,697	16,842
TOTAL	**465,040**	**455,993**

The portfolio of loans and receivables at 31 December 2017 was 95.4% made up of amounts that were neither past due nor impaired (95.1% at 31 December 2016).

Under IFRS 7, a financial asset is past due when a counterparty has failed to make a payment when contractually due. The Group considers there to be no identified credit risk on loans and receivables that are less than 90 days past due, which account for 92.9% of receivables past due but not impaired (93.9% at end-2016).

Details of financial assets that were past due or impaired are presented in Note 3.1 to the consolidated financial statements.

2.3.3.2 ANALYSIS OF OUTSTANDINGS BY INTERNAL RATING

The internal rating policy used by Crédit Agricole Group aims to cover the entire Group customer portfolio, *i.e.* retail customers, corporate customers, banks and financial institutions, government agencies and local authorities.

On the performing commercial lending portfolio excluding retail customers (€547.3 billion at 31 December 2017, compared with €517.9 billion at 31 December 2016), internally-rated borrowers accounted for 81.1% of the total, compared with 79.3% at year-end 2016 (€444.1 billion at 31 December 2017, compared with €410.4 billion at 31 December 2016). The breakdown of this portfolio is presented according to the Standard & Poor's equivalents of the Group's internal ratings:

CHANGE IN THE PERFORMING NON-RETAIL COMMERCIAL LENDING PORTFOLIO OF CRÉDIT AGRICOLE S.A. GROUP BY INDICATIVE S&P EQUIVALENT OF 2017 INTERNAL RATING



This breakdown reflects a high-quality loan book, further improved during 2017, with a risk profile showing a six point increase in A and above ratings. At 31 December 2017, 86% of lending was to borrowers with investment-grade ratings (ratings equal to or greater than BBB, 85% at 31 December 2016), and only 1.5% pertained to borrowers on credit watch.

2.3.3.3 IMPAIRMENT AND RISK COVERAGE

Impairment and risk hedging policy

The policy for hedging loan loss risks is based on two kinds of impairment allowances:

- impairment allowances on an individual basis intended to cover probable losses on impaired receivables;
- collective impairment allowances under IAS 39, recognised when objective indications of impairment are identified on one or more homogeneous subgroups within the credit risk portfolio. These impairment allowances are intended to cover deterioration in the risk profile of exposures to certain countries, business sectors or counterparties, not because they are in default but because their rating has been lowered. Impairment losses on a portfolio basis are also made in retail banking. Collective impairments are, mainly, calculated on statistical bases on the amount of loss expected until the transactions mature, using Basel Probability of Default (PD) and Loss Given Default (LGD) criteria.

Impaired financial assets

The breakdown of impaired loans and receivables due from credit institutions and customers by customer type and geographic area is presented in Note 3.1 to the consolidated financial statements.

At 31 December 2017, impaired lending commitments as a whole amounted to €15.7 billion, versus €16.8 billion at 31 December 2016. These consist of non-performing loans and commitments on which the Group sees potential non-recovery. Impaired assets accounted for 3.4% of the Group's gross stated outstandings (3.7% at 31 December 2016). They were hedged by €8.4 billion in individual impairment allowances or 53.6% (€8.8 billion and 52.2% at 31 December 2016), including lease finance transactions but not including collective impairment allowances.

Restructured loans[1] totalled €11.4 billion at 31 December 2017.

2.3.4. Cost of risk

Crédit Agricole S.A. Group's cost of risk was €1.42 billion in 2017, compared to €1.79 billion in 2016, a 20% decrease. LCL's cost of risk rose 12% from the very low level in 2016, which benefited from reversals of provisions. The cost of risk of the International retail banking business line fell 8%, with a notable improvement in the quality of the CA Italia portfolio, which saw its cost of risk fall 3%. With regard to Specialised financial services, Crédit Agricole Consumer Finance Group showed a decrease of its cost of risk by 21%, mainly thanks to the recovery made by its Agos subsidiary.

(1) The concept of restructured loans is detailed in Note 1.3 "Accounting policies and principles 2017" of the consolidated financial statements.

The definitions of the underlined words can be found in the Glossary on page 567.

The cost of risk of Corporate and investment banking decreased by 43%.

Details of the movements that affected the cost of risk are presented in Note 4.8 to the consolidated financial statements. This is broken down by business line in Note 5.1 to the consolidated financial statements.

2.3.5. Counterparty risk on derivative instruments

The counterparty risk on derivative instruments is established according to market value and potential credit risk calculated and weighted in accordance with regulatory standards. The measure relating to this credit risk is presented in paragraph 2.2 "Credit risk measurement" of section II "Credit risk management".

3. MARKET RISK

Market risk is the risk of a negative impact on the income statement or balance sheet of adverse fluctuations in the value of financial instruments following changes in market parameters, particularly:

- interest rates: interest rate risk is the risk of a change in the fair value of a financial instrument or the future cash flows from a financial instrument due to a change in interest rates;
- exchange rates: foreign exchange risk is the risk of a change in the fair value of a financial instrument due to a change in exchange rates;
- prices: price risk is the risk of a change or volatility in the price of equities, commodities, baskets of equities or stock market indices; the instruments most exposed to this risk are variable-income securities, equity derivatives and commodity derivatives;
- credit spreads: credit risk is the risk of a change in the fair value of a financial instrument resulting from movement in the credit spreads on indices or issuers; for more complex credit products, there is also the risk of a change in fair value arising from a change in correlation between issuer defaults.

3.1. Objectives and policy

Crédit Agricole S.A. Group has a specific market risk management system with its own organisation independent of operational hierarchies, risk identification and measurement methods, monitoring and consolidation procedures. In terms of scope, this system hedges all market risk.

In a market still marked by persistently low rates, political developments (post-Brexit discussions, elections in France and around Europe, new US administration) and central bank monetary policy guidelines, Crédit Agricole Group continued to apply a prudent market risk management policy, in line with its risk appetite.

3.2. Risk management

3.2.1. Local and central organisation

Crédit Agricole S.A. Group has two distinct and complementary levels of market risk management:

- at the central level, the Group Risk Management and Permanent Controls department coordinates all Group-wide market risk supervision and control issues; it standardises data and data processing to ensure consistency of both consolidated risk measurement and controls; it keeps the executive bodies (Executive Management of Crédit Agricole S.A.) and decision-making bodies (Board of Directors and Risk Management Committee) up-to-date on the market risk position;
- at the local level, for each Crédit Agricole S.A. Group entity, a Risk Management and Permanent Controls Officer manages the monitoring and control of market risks arising from the entity's businesses; within the Crédit Agricole CIB subsidiary, the Risk Management and Permanent Controls department includes the Market and Counterparty Risks (MCR) department which is responsible for identifying, measuring and monitoring market risks.

  Within MCR, these various activities break down as follows:

  a.) Risk management, to monitor and control market risk for all product lines worldwide: limit proposals, which are approved by the Market Risk Committee and monitored for their compliance, analysis of limit breaches as well as significant variations in results which are brought to the attention of the Market Risk Committee,

  b.) monitoring of activity: in charge of producing daily management income and risk indicators for all activities held to market risk limits and of monitoring and validating the market parameters used to produce profit and loss account and risk indicators; this ensures an autonomous production process based on a market database updated daily, which is independent of the Front Office; lastly the process is used in conjunction with the Finance department during monthly procedures to align net management income and net accounting income,

c.) cross-functional teams, responsible for coordinating the methods and processes between product lines and units; these teams are responsible for reporting regulatory indicators produced independently by the MCR department. This includes the following:

- the team responsible for validating pricers,
- the team in charge of the internal model (VaR, stressed VaR, stress scenarios, IRC, etc.),
- the Market Data Management team, which controls market data separately from Front Office data,
- the International Consolidation team, primarily tasked with producing the department's consolidated information,
- the COO (Chief Operating Officer) and his/her team, responsible for coordinating Group-wide issues: projects, new activities, budgets, reports and committees.

The IT architecture put in place within Crédit Agricole CIB for market risk management is based on sharing the platforms used in the Front Office, on which risk indicators are calculated. The independence of the process is based on the selection of market data and the validation of valuation models by the Risk department.

Group procedures define the level of information, format and frequency of the reports that entities must transmit to Crédit Agricole S.A. (Group Risk Management and Permanent Controls department).

3.2.2. Decision-making and Risk Monitoring Committees

Three governance bodies are involved in the management of market risk at Crédit Agricole S.A. Group level:

- the Group Risk Management Committee, chaired by the Chief Executive Officer of Crédit Agricole S.A., approves the aggregate limits on each entity's market risks when it presents its risk strategy and makes the main decisions in the matter of risk containment; it examines the market situation and risks incurred on a quarterly basis, in particular through the utilisation of limits and any significant breaches of limits and incidents;
- the Risk Monitoring Committee, chaired by the Chief Executive Officer of Crédit Agricole S.A., reviews the main indicators of market risk twice a month;
- the Standards and Methodology Committee, chaired by the Head of Group Risk Management and Permanent Controls, is in particular responsible for approving and disseminating standards and methodologies concerning the supervision and permanent control of market risks.

In addition, each entity has its own Risk Committee. The most important of these is Crédit Agricole CIB's Market Risk Committee (CRM), which meets twice monthly and is chaired by the Management Committee member in charge of risks. It is made up of Crédit Agricole CIB's head of capital market activities and the risk managers. This Committee reviews Crédit Agricole CIB's positions and the profit and loss account of its capital market activities and verifies compliance with the limits assigned to each activity. It is empowered to make decisions on requests for temporary increases in limits.

3.3. Market risk measurement and supervision methodology

3.3.1. Indicators

The market risk measurement and supervision system is based on a combination of several indicators, most of which are subject to global or specific limits. It relies principally on Value at Risk (VaR), stressed VaR, stress scenarios and complementary indicators (risk factor sensitivity, combined qualitative and quantitative indicators) and a process that values all positions in each entity giving rise to market risks. The permanent control process includes procedures to validate and back-test models.

3.3.1.1 VAR (VALUE AT RISK)

The central element of the market risk measurement system is the Value at Risk (VaR). VaR can be defined as the maximum theoretical loss on a portfolio in the event of adverse movements in market parameters over a given timeframe and for a given confidence interval. Crédit Agricole S.A. Group uses a confidence interval of 99% and a timeframe of one day using one year of historical data. In this way, market risks incurred by the Group in its trading activities can be monitored on a daily basis by quantifying the estimated maximum level of loss in 99 out of 100 cases, after inclusion of a number of risk factors (interest rate, exchange rate, asset prices, etc.).

The offsetting figure is defined as the difference between total VaR and the sum of VaRs by risk factor. It represents the effects of diversification among positions held simultaneously on different risk factors. A procedure known as back-testing (comparing each day's result against VaR estimated the day before) is used to confirm the relevance of the methodology.

The internal VaR model of Crédit Agricole CIB, which is the main contributor to the VaR of Crédit Agricole S.A. Group, has been approved by the regulatory authorities.

The process of measuring a historical VaR for risk positions on a given date is based on the following principles:

- compilation of an historical database of risk factors on positions held by Crédit Agricole S.A. Group entities (interest rates, share prices, exchange rates, commodity prices, volatilities, credit spreads, correlation, etc.);
- determination of 261 scenarios corresponding to one-day changes in risk factors, observed over a rolling one-year period;
- adjustment of parameters corresponding on the date D according to the 261 scenarios;
- remeasurement of the day's positions based on the 261 scenarios.

The 99% VaR figure based on the 261 scenarios is equal to the average of the second and third worst results observed.

The VaR calculation methodology undergoes constant improvement and adjustment to take into account, among other things, the changing sensitivity of positions to risk factors and the relevance of the methods to new market conditions. For example, efforts are made to incorporate new risk factors and to achieve finer granularity on existing risk factors.

The definitions of the underlined words can be found in the Glossary on page 567.

Limitations of the historical VaR calculation

The main methodological limitations of the VaR model are the following:

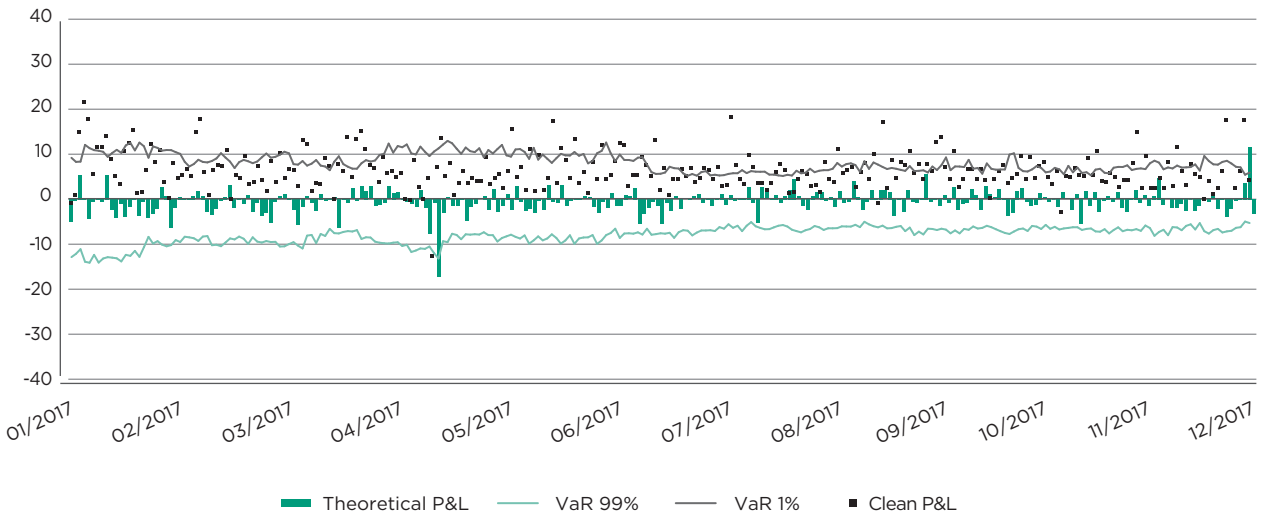
- the use of daily shocks assumes that all positions can be liquidated or covered in one day, which is not always the case for certain products or in certain crisis situations;
- the use of a 99% confidence interval excludes losses that could occur outside of that interval: VaR is consequently an indicator of risk under normal market conditions and does not take into account movements of exceptional magnitude;
- VaR does not provide any information on amounts of exceptional losses (beyond the 99% confidence interval).

Back-testing

A back-testing process is applied to check the relevance of the VaR model for each of Crédit Agricole S.A. Group's entities that has capital market activities. This process verifies *a posteriori* whether the number of exceptions (days when actual losses exceeded estimated VaR) was within the 99% confidence interval (a daily loss should exceed the calculated VaR only two or three times a year).

Thus at 31 December 2017, within the regulatory scope of Crédit Agricole CIB (see graph below) there was only one rolling 12-month VaR exception, recorded on 24/04/2017. The multiplier, used to calculate capital requirements, has been at its minimum of 4 since end-2015.

BACKTESTING OF REGULATORY VAR OF CRÉDIT AGRICOLE CIB FOR 2017 (IN MILLIONS OF EUROS)



3.3.1.2 STRESS SCENARIOS

Stress scenarios complement the VaR measure, which does not capture the impact of extreme market conditions. Stress scenarios are calculated following Group principles to simulate extreme market conditions and are the result of different complementary approaches:

- historical scenarios, which consist in replicating the impact on the current portfolio of major crises observed in the past. The past crises used in historical stress scenarios are the 1987 stock market crash, the 1994 bond market crisis, the 1998 credit market crisis, coupled with falling equity markets, sharply rising interest rates and declining emerging-country currencies; the 2008 crisis following the failure of Lehman Brothers (two stress scenarios measuring the impact of market movements after the failure);
- hypothetical scenarios anticipating plausible shocks, which are developed in conjunction with economists. The hypothetical scenarios used are **economic recovery** with rising equity and commodity markets, flattening yield curves, appreciation of the USD and narrowing credit spreads; **liquidity crunch**, with flattening yield curves, widening spreads, falling equity markets; and **international tensions** (scenario representing economic conditions in a context of international tensions between China and the United States: rising volatility and falling prices on the equity markets, falling futures prices and rising volatility on the commodities market, flattening yield curves, fall of the USD against other currencies, widening credit spreads).

The stress scenarios are calculated weekly.

At year-end 2017, the risk levels of Crédit Agricole S.A. Group assessed through historical and hypothetical stress scenarios were as follows:

ESTIMATED LOSSES ASSOCIATED WITH STRESS SCENARIOS



In addition other types of stress tests are performed:

- at the level of the entities, adverse stress tests enabling evaluation of the impact of major and unfavourable market movements on the different business lines;
- at the level of Crédit Agricole CIB, extreme adverse stress tests are used to measure the impact of even more severe market shocks.

3.3.1.3 COMPLEMENTARY INDICATORS

Other complementary indicators are also produced by the entities and can, as part of the risk containment system, be subject to limits. These include indicators of sensitivity to various risk factors, loss alerts, stop-loss indicators, nominal amounts, outstandings, remaining terms, etc. These indicators provide fine-grained measurements of exposure to different market risk factors, serve to identify atypical transactions and fill out the summary picture of risks supplied by VaR and global stress scenarios.

3.3.1.4 CRD 4 INDICATORS

Stressed VaR

So-called "stressed" VaR is intended to correct the pro-cyclical nature of the historical VaR; the latter is indeed is calculated over the one-year period preceding the measurement date, and where the associated market parameters reflect calm market conditions with low volatility, it can display a low level.

Stressed VaR is calculated using a 99% confidence interval of one day and over a period of tension corresponding to the worst period observed for the most significant risk factors.

At end-2017, the period used for Crédit Agricole CIB was March 2008-March 2009. In addition to the VaR capital requirement, there is now a stressed VaR capital requirement.

Incremental Risk Charge

The IRC (Incremental Risk Charge) is an additional equity requirement related to the risk of default and migration on so-called linear credit positions (*i.e.* not including credit correlation positions), required by the CRD 4 directive.

Its purpose is to quantify any unexpected losses caused by credit events on the issuers, *i.e.* default and migration of rating (the case of either a fall or a rise in credit rating).

The IRC is calculated with a confidence interval of 99.9% over a risk period of one year, by Monte Carlo simulations of migration scenarios based on three sets of data:

1) a one-year transition matrix provided by S&P and adapted to the internal rating system of Crédit Agricole CIB; this matrix gives the transition probabilities for an issuer based on its initial credit rating to higher or lower credit ratings, as well as its probability of default;

2) the correlation of issuers with systemic factors;

3) average spread curves by rating from which the shocks resulting from migrations are deducted.

These simulated credit default and migration scenarios then make it possible to value positions using the Crédit Agricole CIB models.

The IRC is then defined as the 99.9% quantile of the breakdown of the valuations thus obtained.

Comprehensive Risk Measure

The Comprehensive Risk Measure (CRM) measures the risk of default, the risk of a rating change and market risks on the credit correlation portfolio.

Since end-2016, Crédit Agricole Group has not had any activities subject to capital requirements with respect to the Comprehensive Risk Measure.

The definitions of the underlined words can be found in the Glossary on page 567.

Credit Value Adjustment (CVA)

The value adjustment linked to the counterparts quality (CVA) aims to integrate in derivatives' valuation credit risk associated with the counterparty (risk of non-payment of sums due in the event of default). It is calculated on an aggregate basis by counterparty according to the future exposure profile of the transactions after deducting any collateral. This adjustment is always negative and is deducted from the fair value of the financial assets on the balance sheet.

CRD 4 brought in a new capital charge to cover volatility in the CVA. Under the directive, banks authorised to calculate their capital requirements using their internal models for both counterparty risk and specific rate risk must calculate their CVA risk capital charge using the advanced measurement method ("CVA VaR"). The size of these capital requirements is calculated using the same methodology and tools as for market VaR in respect of specific interest rate risk.

The ACPR has validated the CVA VaR model used by Crédit Agricole CIB and the additional capital required to cover CVA risk (VaR and stressed VaR) has been measured since 2014.

3.3.2. Use of credit derivatives

CDS are used for hedging purposes in the following cases:

- management of credit exposure from the loan book or derivatives portfolio (CVA);
- hedging of bond portfolio exposure;
- hedging of the exposure of hybrid derivatives portfolios (e.g. to hedge the issuance of credit-linked notes sold to investor customers).

3.4. Exposures

VaR (Value at Risk)

Group VaR is calculated by incorporating the impacts of diversification between the different entities of the Group.

The scope considered for capital market activities of Crédit Agricole CIB is the regulatory VaR (measured through an internal model approved by the ACPR).

The change in VaR on the capital markets activities of Crédit Agricole S.A. Group between 31 December 2016 and 31 December 2017, broken down by major risk factor, is shown in the table below:

BREAKDOWN OF VaR (99%, ONE DAY)

(in millions of euros)	31/12/2017	Minimum	Maximum	Average	31/12/2016
Fixed income	3	3	6	5	6
Credit	5	3	7	5	4
Foreign exchange	2	2	8	4	4
Equities	2	1	3	2	1
Commodities	-	-	-	-	-
Offsetting	(5)	-	-	(6)	(5)
VAR OF CRÉDIT AGRICOLE S.A. GROUP	**6**	**5**	**15**	**8**	**10**
For reference: Sum of the VaRs of all entities	7	7	18	11	16

At 31 December 2017, Group VaR was €6 million, a fall since 31 December 2016 (€10 million). VaR broadly fell over the first eight months of the year, against a background of low volatility and restrained activity, in particular due to uncertainties surrounding the French elections. It then remained moderate throughout the second half of the year. For reference, without accounting for the diversification effects between different entities, total VaR would be €7 million (of which €6 million for Crédit Agricole CIB).

"Fixed income" VaR fell to €3 million at 31 December 2017 (from €6 million in 2016) in a low-rate environment.

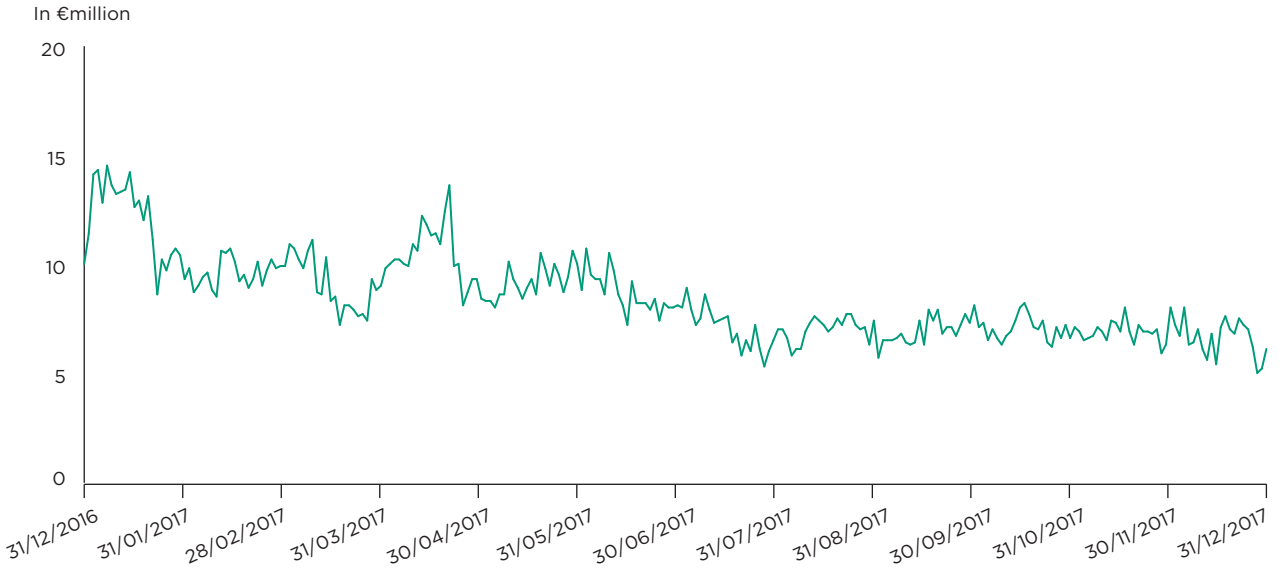
"Crédit" VaR rose slightly to €5 million (from €4 million in 2016).

"Forex" VaR was down to €2 million at 31 December 2017 (from €4 million in 2016).

"Equities" VaR rose slightly to €2 million (from €1 million in 2016).

The following graph shows VaR over the course of 2017:

CRÉDIT AGRICOLE S.A. GROUP VaR BETWEEN 01/01/2017 AND 31/12/2017



Stressed VaR

The stressed VaR is calculated on the scope of Crédit Agricole CIB.

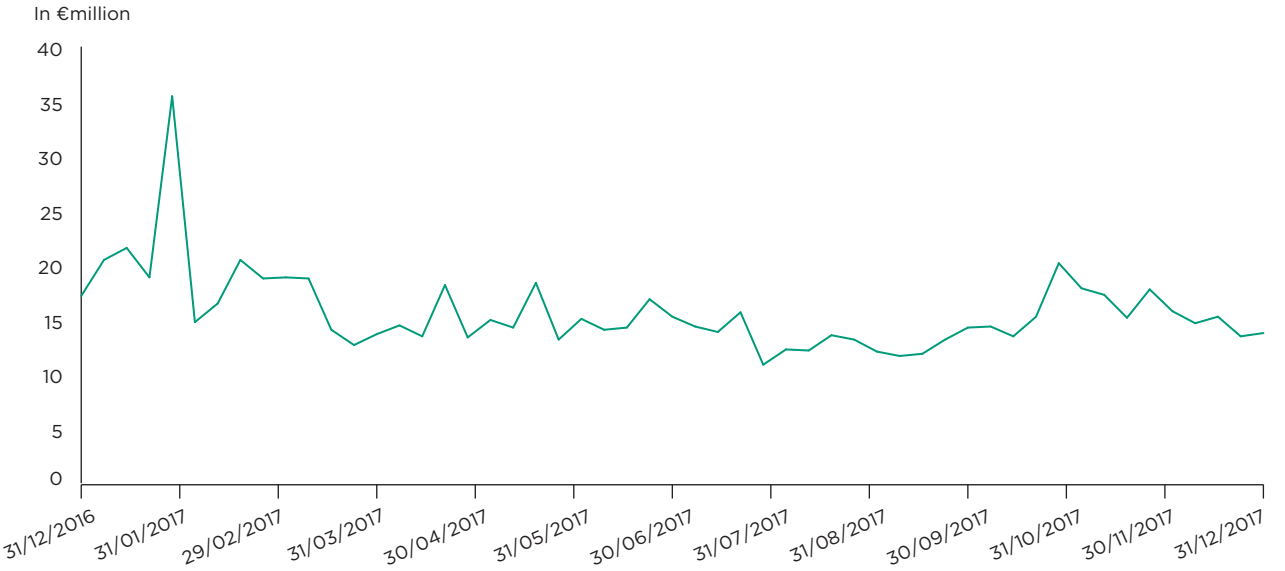
The table below shows the change in regulatory stressed VaR on the capital market activities of Crédit Agricole CIB, between 31 December 2016 and 31 December 2017:

CHANGE IN STRESSED VaR (99%, ONE DAY)

(in millions of euros)	31/12/2017	Minimum	Maximum	Average	31/12/2016
Crédit Agricole CIB stressed VaR	14	11	36	16	17

The graph below shows the change in regulatory stressed VaR of Crédit Agricole CIB over the course of 2017:

CRÉDIT AGRICOLE S.A. STRESSED VaR BETWEEN 01/01/2017 AND 31/12/2017



The definitions of the underlined words can be found in the Glossary on page 567.

At end-December 2017, stressed regulatory VaR of Crédit Agricole CIB was €14 million, a decrease of €3 million on 31 December 2016. Averaged over the year, stressed VaR (€16 million) was down €4 million on the 2016 average (€20 million), in line with Crédit Agricole CIB's prudent management policy.

Capital requirements related to Incremental Risk Charge (IRC)

IRC is calculated on the so-called linear credit positions (*i.e.* excluding correlation positions) scope of Crédit Agricole CIB.

The table below shows the changes in IRC on the capital market activities of Crédit Agricole CIB between 31 December 2016 and 31 December 2017. Changes in the capital requirements regarding the IRC during 2017 reflect mainly the changes in exposures on European sovereign bonds, notably Spanish and Italian ones.

(in millions of euros)	31/12/2017	Minimum	Maximum	Average	31/12/2016
IRC	172	159	354	201	127

3.5. Equity risk

Equity risk arises in the trading and arbitrage of equity securities, as well as on shares held in the investment portfolio and on treasury shares.

3.5.1. Equity risk from trading and arbitrage activities

Equity risk from trading and arbitrage activities arises from positions taken on shares and stock market indices *via* cash or derivatives markets (positions in exotic equity derivatives are being managed in run-off mode and no new transactions of this kind are being made). The main risk factors are prices of shares/stock indices, volatilities of those prices and smile parameters of those volatilities(1).

Measurement and containment of equity risk is addressed in the description of the processes indicated in section 3.3. above.

This risk is monitored by means of VaR. 2017 values are shown in the table in section 3.4. above. Equity VaR was €2 million at 31 December 2017 (€1 million at 31 December 2016).

3.5.2. Equity risk from other activities

A number of Crédit Agricole S.A. Group entities hold portfolios that are invested partly in equities and structured products whose market value depends on prices of underlying equities and equity indices. The valuation methods used for shares recognised under "available-for-sale assets" are described in Note 10.2 to the consolidated financial statements. At 31 December 2017, total outstandings exposed to equity risk *via* these portfolios primarily comprised available-for-sale financial assets for €31.0 billion (including insurance company portfolios for €26.1 billion) and financial assets at fair value through profit or loss held by insurance companies for €15.7 billion.

Note 6.4 to the consolidated financial statements gives figures in particular on outstandings of equities and unrealised gains and losses on "available-for-sale financial assets". Information on market risk (including equity risk) on the portfolios held by the insurance companies is presented below in the section on "insurance sector risks".

3.5.3. Treasury shares

In accordance with the provisions of Articles L. 225-209 *et seq.* of the French Commercial Code and European Commission Regulation 2273/2003 of 22 December 2003, the Combined General Meeting of Shareholders of the Group may grant authority to the Board of Directors of Crédit Agricole S.A. to trade in its own shares. Crédit Agricole S.A. uses such an authorisation mainly to cover its commitments to employees under stock options or to stimulate the market by a share liquidity agreement.

Details of 2017 transactions in treasury shares carried out under the share buyback programme are provided in Chapter 1 of this Registration document, in the section "Purchase by the Company of its own shares".

At 31 December 2017, holdings of treasury shares amounted to 0.10% of the share capital, unchanged from 31 December 2016 (see Note 8 to the parent company financial statements and Note 6.21 to the consolidated financial statements).

Details of the 2018 treasury share buyback programme are provided in Chapter 1 of this Registration document, under "Information on the share capital".

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(1) *Smile is the parameter that takes into account the variability of volatility based on the exercise price of option-based products.*

4. SENSITIVE EXPOSURES BASED ON THE FINANCIAL STABILITY BOARD RECOMMENDATIONS

The following exposures (see table below) correspond to the recommendations of the Financial Stability Board. This information forms an integral part of Crédit Agricole CIB's consolidated financial statements at 31 December 2017. As such, it is covered by the Statutory Auditor's report on the annual financial information.

4.1. Summary schedule of exposures at 31 December 2017

	Assets under loans and receivables					Assets at fair value			
(in millions of euros)	Gross exposure	Haircut	Collective provisions	Net exposure	Accounting category	Gross exposure	Haircut	Net exposure	Accounting category
RMBS					(1)				
CMBS						1		1	
Unhedged super senior CDOs	613	(613)		0		1,248	(1,229)	19	(3)
Unhedged mezzanine CDOs	16	(16)		0	(2)	166	(166)	0	
Unhedged CLOs									
Protection acquired from monolines						25		25	
Protection acquired from CDPC									(4)

(1) Loans and receivables due from credit institutions and customers – Securities not listed on an active market (see Note 6.5 to the consolidated financial statements).

(2) Loans and receivables due from customers – Securities not listed on an active market (see Note 6.5 to the consolidated financial statements).

(3) Financial assets at fair value through profit or loss – Bonds and other fixed income securities and derivatives (see Note 6.2 to the consolidated financial statements).

(4) Financial assets at fair value through profit or loss – Derivative instruments (see Note 6.2 to the consolidated financial statements).

4.2. Mortgage asset-backed securities (MBS)

	United States		United Kingdom		Spain	
RMBS (in millions of euros)	**31/12/2017**	**31/12/2016**	**31/12/2017**	**31/12/2016**	**31/12/2017**	**31/12/2016**
Recognised under loans and receivables						
Gross exposure				8		
Haircut[1]				(0)		
Net exposure (in millions of euros)				**7**		
Recognised under assets measured at fair value						
Gross exposure				20		2
Haircut				(5)		0
Net exposure (in millions of euros)				**15**		**2**
% underlying subprime on net exposure						
Breakdown of gross exposure, by rating						
AAA						
AA						100%
A				82%		
BBB						
BB				18%		
B						
CCC						
CC						
C						
Not rated						

(1) There have been no collective provisions since 31 December 2014.

CMBS *(in millions of euros)*	United States		United Kingdom		Others	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Recognised under loans and receivables						
Net exposure[1]						
Recognised under assets measured at fair value						
Net exposure			1	2		

(1) There have been no collective provisions since 31 December 2014.

Purchases of protection on RMBSs and CMBSs measured at fair value:

- 31 December 2017: nominal = €8 million; fair value = €8 million;
- 31 December 2016: nominal = €9 million; fair value = €4 million.

Mortgage ABSs are measured at fair value based on information provided by outside sources.

4.3. Measurement methodology for super senior CDO tranches with US residential mortgage underlyings

4.3.1. Super senior CDOs measured at fair value

Super senior CDOs are measured by applying a credit scenario to the underlyings (mainly residential mortgages) of the ABSs making up each CDO.

The final loss percentages in existence are:

- determined based on the quality and origination date of each residential loan;
- expressed as a percentage of the nominal amount. This approach allows for the assessment of loss assumptions on the basis of the risks on the Bank's statement of financial position.

The future cash flows obtained are then discounted at a rate which takes market liquidity into account.

Date Reporting period	Loss rates on subprime produced in 2005	2006	2007
31/12/2016	50%	60%	60%
31/12/2017	**50%**	**60%**	**60%**

4.3.2.Super senior CDOs at amortised cost

Since the fourth quarter of 2012, impairment has been calculated using the same methodology as for super senior CDOs measured at fair value, but the future cash flows obtained are discounted at current interest rates on the reclassification date.

4.4. Unhedged super senior CDOs with US residential mortgage underlyings

At 31 December 2017, Crédit Agricole CIB had a net exposure of €19 million to unhedged super senior CDOs.

4.4.1. Breakdown of super senior CDOs

(in millions of euros)	Assets at fair value	Assets under loans and receivables
Nominal	**1,248**	**613**
Haircut	1,229	613
Collective provisions	-	-
Net amount at 31/12/2017	**19**	-
Net amount at 31/12/2016	*14*	-
Haircut rate[1]	98%	100%
Underlying		
% of underlying subprime assets produced before 2006	25%	0%
% of underlying subprime assets produced in 2006 and 2007	36%	0%
% of underlying Alt-A assets	4%	0%
% of underlying Jumbo assets	0%	0%

(1) After inclusion of fully written down tranches.

4.4.2. Other exposures at 31 December 2017

(in millions of euros)	Nominal	Haircut	Collective provisions	Net
Unhedged CLOs measured at fair value	-	-		-
Unhedged CLOs recognised in loans and receivables	-	-		-
Unhedged mezzanine CDOs measured at fair value	166	(166)		-
Unhedged mezzanine CDOs recognised in loans and receivables[1]	16	(16)		-

(1) Mezzanine CDO tranches derived from the liquidation of a CDO previously recognised in loans and receivables.

4.5. Protections

Breakdown of net exposure to monolines at 31 December 2017

	Monolines covering:			
(in millions of euros)	US residential CDOs	CLOs	Other underlyings	Total protection acquired from monolines
Gross notional amount of purchased protection	31	-	148	178
Gross notional amount of hedged items	31	-	148	178
Fair value of hedged items	28	-	125	153
Fair value of protection before value adjustments and hedges	**3**	-	**22**	**25**
Value adjustments recognised on protection		-	-	-
Residual exposure to counterparty risk on Monolines	**3**	-	**22**	**25**

Following the acquisition of CIFG by the monoline insurer Assured Guaranty, the latter now covers 100% of positions. Since it is regarded as a sound counterparty (rated AA by Moody's), no monoline provision has thus been recorded in the financial statements.

5. ASSET AND LIABILITY MANAGEMENT

5.1. Asset and liability management – Structural financial risks

Crédit Agricole S.A.'s Financial Management department defines the principles of financial management and ensures their consistent application within Crédit Agricole S.A. Group. It has responsibility for organising financial flows, defining and implementing refinancing rules, performing asset and liability management and managing solvency ratios.

Optimising financial flows within Crédit Agricole S.A. Group is an ongoing objective. Pooling of surplus resources and making it systematically possible to hedge the associated risks contribute to this objective.

Thus, the principles of the Group's ALM approach ensure that any surpluses and shortfalls in terms of customer resources, in particular resources collected by the Regional Banks, are centralised in the books of Crédit Agricole S.A. This resource pooling helps in refinancing other Group entities as needed (including Crédit Agricole Leasing & Factoring and Crédit Agricole Consumer Finance).

This system for centralising the management of liquidity at Crédit Agricole S.A. serves to control and optimise cash management, especially since it is accompanied by partial interest rate matching.

Consequently, the Group has a high level of financial cohesion, with limited diffusion of financial risks, particularly liquidity risk. However, the Group's various entities are responsible for managing the risk that remains at their level, within the limits assigned to them.

Limits are defined by order of the Chief Executive Officer of Crédit Agricole S.A. in the framework of the Group Risk Management Committee, approved by the Board of Directors of Crédit Agricole S.A., and apply throughout Crédit Agricole S.A. Group:

- subsidiaries that carry asset and liability risks comply with limits set by the Crédit Agricole S.A. Group Risk Management Committee;
- methods of measuring, analysing and managing the Group's assets and liabilities are defined by Crédit Agricole S.A.; regarding the Retail banks' balance sheets in particular, a consistent system of run-off conventions and models has been adopted for the Regional Banks, LCL and the foreign subsidiaries;
- Crédit Agricole S.A. consolidates the subsidiaries' measurements of their asset and liability risks. Results of

The definitions of the underlined words can be found in the Glossary on page 567.

these measures are monitored by Crédit Agricole S.A.'s Treasury and ALM Committee;

- Crédit Agricole S.A.'s Financial Management department and Group Risk Division take part in meetings of the ALM Committees of the main subsidiaries.

5.2. Global interest rate risk

5.2.1. Objectives

The objective of global interest rate risk management is to stabilise the future profits of Group entities against the impact of any adverse interest rate movements.

Changes in interest rates impact net interest income by creating mismatches in timing or in the type of indexation between assets and sources of funds. Interest rate risk management uses balance sheet or off-balance sheet transactions to limit the resulting volatility in income.

The scope for monitoring the global interest rate risk is made up of entities whose business generates an interest rate risk:

- Regional Banks;
- LCL group;
- Crédit Agricole S.A.;
- International retail banks, such as CA Italia banking group;
- Crédit Agricole CIB;
- Crédit Agricole Consumer Finance group;
- Crédit Agricole Leasing & Factoring group;
- CACEIS;
- Amundi.

The interest rate risk borne by the Insurance business is monitored using indicators specific to this business line. An assessment of the impact of an instantaneous rate shock on the level of own funds under Solvency 2 is performed on the Crédit Agricole Assurances scope. This indicator incorporates an alert threshold.

5.2.2. Governance

5.2.2.1 INTEREST RATE RISK MANAGEMENT – ENTITIES

Each entity manages its exposures under the supervision of its ALM Committee, in accordance with the Group's limits and standards. The limits of Crédit Agricole S.A.'s subsidiaries are reviewed annually and validated by the Group Risk Management Committee.

The Financial Management department and the Risk Management and Permanent Controls department are represented on the main subsidiaries' ALM Committees. They ensure harmonisation of methods and practices across the Group and monitor compliance with the limits assigned to each of the subsidiaries' entities.

Each Regional Bank's situation as regards global interest rate risk is reviewed quarterly by the Regional Banks' Risk Management Committee.

5.2.2.2 INTEREST RATE RISK MANAGEMENT – GROUP

The Group's exposure to global interest rate risk is monitored by Crédit Agricole S.A.'s Treasury and ALM Committee.

This Committee is chaired by the Chief Executive Officer of Crédit Agricole S.A. and includes several members of the Executive Committee along with representatives of the Risk Management and Permanent Controls department:

- it examines the individual positions of Crédit Agricole S.A. and its main subsidiaries, along with consolidated positions at each quarterly closing;
- it examines compliance with limits applicable to Crédit Agricole S.A. Group and to entities authorised to bear global interest rate risk;
- it validates the guidelines for the global interest rate risk of Crédit Agricole S.A. proposed by the Financial Management department.

Limits approved by Crédit Agricole S.A.'s Board of Directors govern the Group's exposure to global interest rate risk.

5.2.3. Measurement and management system

5.2.3.1 MEASUREMENT

The rate risk measurement is mainly based on the calculation of rate gaps or impasses.

This methodology consists of creating future projections of outstandings at known rates and inflation-indexed outstandings according to their contractual features (maturity date, amortisation profile) or by modelling out flows of outstandings where:

- the maturity profile is not known (products with no contractual maturity, such as demand deposits, passbook accounts or capital);
- implicit options sold to customers are incorporated (early loan repayments, home purchase savings, etc.).

These models are usually defined based on a statistical analysis of past customer behaviour coupled with a qualitative analysis (economic and regulatory context, commercial strategy, etc.).

Consistency between the models used by the Group's various entities is ensured by the fact that the models must adhere to the modelling principles approved by the Standards and Methodology Committee. They are approved by the entity's ALM Committee and their relevance is monitored on an annual basis.

The gaps are consolidated quarterly at Group level. When their management requires it, some entities, particularly the major ones, measure their gaps more frequently.

The rules that apply in France to the setting of the Livret A passbook savings account interest rate, which is a benchmark for part of the deposits collected by the Group's retail banking business (regulated products and others), index a portion of the interest to average inflation over a rolling six-month period. As a result, the Group hedges the risk associated with these balance sheet items using instruments (carried on or off the balance sheet) for which the underlying is an inflation rate.

Option risks are included in the gaps using a delta-equivalent measure. A portion of these risks is hedged using option based products.

This measurement system is applied to all significant currencies (mainly USD, GBP and CHF).

5.2.3.2 LIMITATION SYSTEM

The limits set at Group and entity levels put bounds on the extent of the maximum discounted loss over the next 30 years and the maximum annual loss over the next 15 years in the event of a rate shock.

The rules for setting limits are intended to protect the Group's net asset value in accordance with Pillar 2 of the Basel 3 regulations regarding global interest rate risk and to limit the volatility, over time, of interest income by avoiding sizeable concentrations of risk on certain maturities. As well as being validated by the Group Risk Management Committee, these limits must be approved by each entity's decision-making body.

Each entity (including Crédit Agricole S.A.) hedges the interest rate risks generated by this method of financial organisation at its own level, by means of financial instruments (on- and off-balance sheet, fixed or optional).

5.2.3.3 ASSESSMENT OF INTERNAL CAPITAL REQUIREMENTS

Internal capital requirements with respect to the interest rate risk are measured, taking into account:

- the directional interest rate risk (calculated based on gaps);
- the option rate risk (mainly gamma effect on, caps);
- the behavioural risk (such as early fixed-rate loan repayments);
- interest rate risk exposure limits.

This measurement is performed using a set of internal scenarios incorporating interest rate curve distortions that are calibrated using a method consistent with that used to assess the other risks measured under Pillar 2.

5.2.4.Exposure

The Group's interest rate gaps are broken down by type of risk (nominal rate/real rate) in the various currencies. They measure the surplus or deficit on sources of fixed-rate funds. By convention, a positive (negative) figure represents a downside (upside) risk on interest rates in the year considered. The figure indicates the economic sensitivity to a change in interest rates.

The results of these measures for Crédit Agricole S.A. Group at 31 December 2017 are as follows:

GAPS IN EUROS (AT 31 DECEMBER 2017)

(in billions of euros)	2018	2019-2023	2024-2028	> 2028
Gaps in euros	(0.9)	(4.1)	(1.9)	(1.3)

Over the course of 2018, a one hundred basis points increase of interest rates in eurozone, would imply for Crédit Agricole S.A. group a potential loss of €9 million in the banking portfolio at 31 December 2017, amounting to a 0.05% drop in 2017 revenues (compared to a €59 million drop, *i.e.* 0.35% of revenues in 2016).

The cumulative impact over the next 30 years of a +200-basis point rate increase corresponds to a negative impact of -€844 million on this portfolio, or 1.56% of Crédit Agricole S.A. group's regulatory capital (Tier 1 + Tier 2, phased-in), after deduction of equity investments.

OTHER CURRENCY GAPS (AT 31 DECEMBER 2017)

(in billions of euros)	2018	2019-2023	2024-2028	> 2028
Other currency gaps[(1)]	4.1	1.2	0.5	0.1

(1) Sum of all gaps in all currencies in absolute values countervalued in billions of euros.

On other currencies, a one hundred basis points decrease of the interest rates in the eurozone in each currency, would imply for Crédit Agricole S.A. group a loss of -€41 million on this portfolio at 31 December 2017, amounting to 0.22% of 2017 revenues. As an example, the gap in USD amounted to €462 million and a decrease of -100 basis points of the interest rates would have a negative impact of -€4.6 million.

After the euro, the main currencies to which Crédit Agricole S.A. Group is exposed are JPY, PLN, GBP, CHF and USD.

5.3. Foreign exchange risk

Foreign exchange risk is treated differently depending on whether the currency position is structural or operational.

5.3.1. Structural foreign exchange risk

The Group's structural foreign exchange risk arises from long-term investments by the Group in assets denominated in foreign currencies (equity of the foreign operating entities, whether resulting from acquisitions, transfers of funds from the head office, or capitalisation of local earnings), with the Group's reference currency being the euro.

At 31 December 2017, the Group's main structural foreign currency positions, on a gross basis before hedging, are in US dollars and currencies pegged to the dollar (such as the Hong Kong dollar), in pounds sterling, Swiss francs, Polish zlotys, Moroccan dirhams and Japanese yen.

Foreign exchange risks are borne mainly by Crédit Agricole S.A. and its subsidiaries. The Regional Banks retain only a residual risk. Positions are determined on the basis of financial statements.

In most cases, the Group's policy is to borrow in the currency in which the investment is made in order to immunise that asset against foreign exchange risk.

The definitions of the underlined words can be found in the Glossary on page 567.

The Group's policy for managing structural foreign exchange positions has two overall objectives:

- first, to immunise the Group's solvency ratio against fluctuations in foreign exchange rates; unhedged structural foreign exchange positions are sized in order to obtain such immunisation;
- second, to hedge the risk of asset impairment due to changes in foreign exchange rates.

Five times a year, the Group's foreign exchange positions are presented to the Crédit Agricole S.A. Treasury and ALM Committee, which is chaired by the Chief Executive Officer. General decisions on how to manage positions are taken during these meetings. In this case, the Group documents net investment hedges in foreign currencies.

5.3.2. Operational foreign exchange risk

Operational foreign exchange risk arises from income and expenses of all kinds that are denominated in currencies other than the euro (provisions, net income generated by foreign subsidiaries and branches, dividends in foreign currencies, etc.), and from balance sheet imbalances.

Crédit Agricole S.A. manages the positions affected by foreign currency revenues and expenses that appear on its books, as does each entity within the Group that bears significant risk. The Foreign Subsidiaries' Treasury departments manage their operational foreign exchange risk in their local currency.

The Group's general policy is to limit its operational currency positions and not to hedge revenues that have not yet materialised, unless there is a strong probability that losses will materialise and unless the impairment risk is high.

In accordance with the foreign exchange risk monitoring and management procedures, operational currency exposure positions are updated monthly or daily for foreign exchange trading operations.

In view of the predominance of its savings and retirement activities, Crédit Agricole Assurances Group is more particularly exposed to financial market risk, mainly asset-liability, notably rate risk, equity market risk, forex risk and liquidity risk. Its financial investments also expose it to counterparty risk. Crédit Agricole Assurances Group also faces insurance risks of various natures. Lastly, it is exposed to operational risk linked to non-compliance risk and to legal risk particularly in process execution.

5.4. Liquidity and financing risk

Like all credit institutions, the Group is exposed to liquidity risk, *i.e.* the risk of not having sufficient funds to honour its commitments. This risk could materialise if, for instance, there were a general crisis of confidence among investors in the money and bond markets or massive withdrawals of customer deposits.

5.4.1. Objectives and policy

The Group's primary objective in managing liquidity is to ensure that it has sufficient resources to meet its requirements in the event of any type of severe, prolonged liquidity crisis.

To manage this, the Group uses an internal liquidity risk management and control system whose objectives are:

- to maintain liquidity reserves;
- to match these reserves with future liabilities coming due;
- to organise its refinancing to achieve an appropriate short and long-term refinancing timeframe and diversify sources of refinancing;
- to ensure a balanced development between customer loans and deposits.

The system includes indicators, limits and alert thresholds. These are calculated and monitored for all Group entities and consolidated to allow monitoring of liquidity risk across the whole Crédit Agricole Group scope.

It also incorporates compliance with regulatory liquidity constraints. The short-term liquidity ratio (LCR – Liquidity Coverage Ratio), along with the Additional Liquidity Monitoring Metrics (ALMM), calculated on a company or sub-consolidated basis for the Group entities in question and on a consolidated basis for the Group, are disclosed in a monthly report to the ECB.

5.4.2. Methodology and governance of the internal liquidity risk management and control system

Crédit Agricole Group's liquidity risk management and control system is built around indicators defined in a standard and divided into four separate groups:

- short-term indicators derived largely from simulations of crisis scenarios. The purpose of these is to schedule maturities and volumes of short-term refinancings as a function of liquidity reserves, cash flow from commercial activity and repayment of long-term borrowings;
- long-term indicators used to assess and schedule long-term debt maturities: limits on maturity concentrations, allowing the Group to anticipate its refinancing needs and avoid any risk of difficulties with refinancing on the markets;
- diversification indicators, which allow the Group to monitor and manage concentrations of sources of market refinancing (by refinancing channel, type of debt, currency, geographic area, investor);
- cost indicators used to measure the short-term and long-term trends in the Group's issue spreads and their impact on the cost of liquidity.

It is the responsibility of the Standards and Methodology Committee, after taking advice from Group Risk Management and Permanent Controls, to validate the definition of and any changes to these indicators proposed by Crédit Agricole S.A.'s Group Finance department.

The Crédit Agricole S.A. Board of Directors approves the general policy for Group liquidity risk management and sets limits for key indicators in light of the Group's liquidity risk tolerance. The Group Risk Management Committee, which proposes these limits to the Board, determines how they are translated to each of the Group's constituent entities.

Accordingly, each subsidiary of Crédit Agricole S.A. and each Regional Bank is notified of the limits for the indicators controlled at Group level. In addition to this translation of the Group system, the asset-liabilities committees (or their equivalent) of these entities define a specific set of limits for the risks relating to their own business. They are also free to decide locally to apply a stricter control than that required by the Group.

5.4.3.Liquidity management

Crédit Agricole S.A. controls the management of liquidity risk. The Finance department is responsible, in respect of short-term refinancing, for:

- setting spreads on short-term funds raised under the various programmes (mainly NCDs);
- centralising assets eligible for refinancing by the Central banks of Group entities and specifying the terms and conditions of use in the framework of tenders;
- monitoring and forecasting cash positions.

And in respect of long-term refinancing, for:

- assessing needs for long-term funds;
- planning refinancing programmes to meet these needs;
- executing and monitoring these programmes over the course of the year;
- reallocating the funds raised to Group entities;
- setting prices for liquidity in intragroup flows.

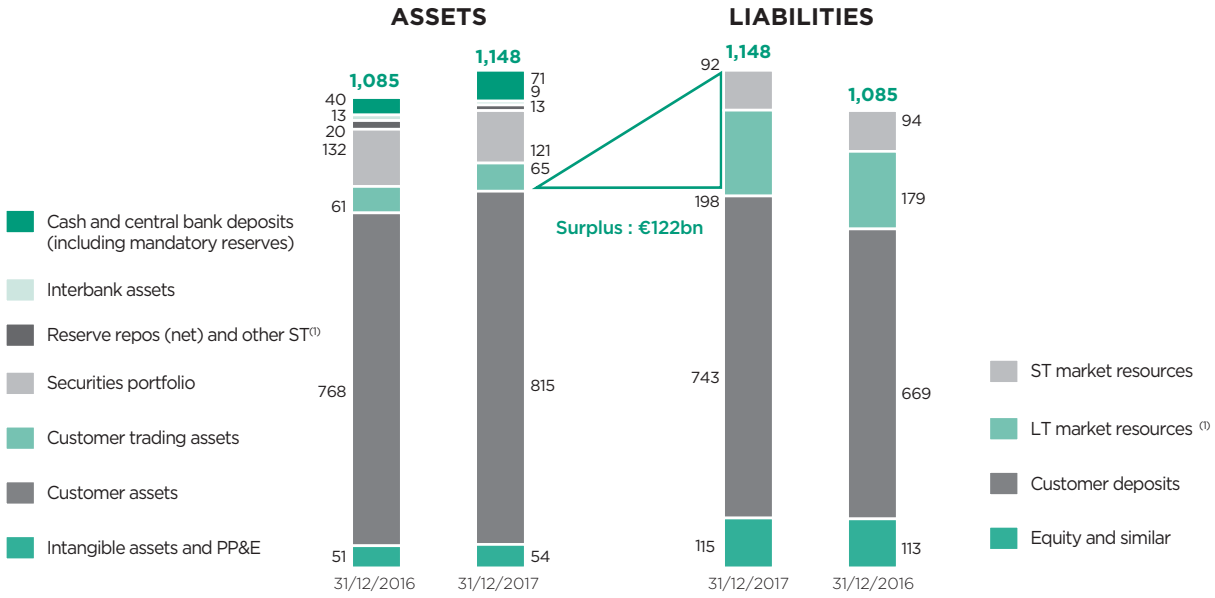
Long-term refinancing programmes comprise various instruments (see below). The body in charge of these tasks at an operational level is the Group's Treasury and Liquidity Committee, which reviews all matters relating to liquidity issues ranging from intraday to medium/long-term. It proposes policy directions for the Group's Asset-Liability Management and Capital Liquidity Committee.

The Asset-Liability Management and Capital Liquidity Committee, chaired by the Chief Executive Officer of Crédit Agricole S.A. (who is also informed of the Group's liquidity positions) is responsible for all key decisions concerning the management of funding programmes, the launch of new programmes, the validation of funding budgets and management of the balance between loans and deposits.

If funding markets tighten, a Committee is set up by the Executive Management, the Group Risk Management and Permanent Controls department and the Group Finance department in order to keep a close watch on the Group's liquidity situation.

5.4.4. Quantitative information

5.4.4.1 CASH BALANCE SHEET AT 31 DECEMBER 2017



In order to provide simple, pertinent and auditable information on the Group's liquidity position, the cash balance sheet long-term sources surplus is calculated quarterly.

This cash balance sheet is derived from Crédit Agricole Group's IFRS financial statements. It is based on the definition of a comparison table between the Group's IFRS financial statements and the sections of the cash balance sheet as they appear below, the definition of which corresponds to that commonly accepted in the market.

It relates only to the banking sector, insurance business being managed by specific regulatory constraints.

(1) Long term market resources include drawings on T-LTRO.

The definitions of the underlined words can be found in the Glossary on page 567.

Further to the breakdown of the IFRS financial statements in sections of the cash balance sheet, netting calculations are carried out. They relate to certain assets and liabilities that have a symmetrical impact in terms of liquidity risk. The amount of €78 billion in repos/reverse repos was thus eliminated insofar as these outstandings reflect the activity of the securities desk in carrying out securities lending operations that offset each other.

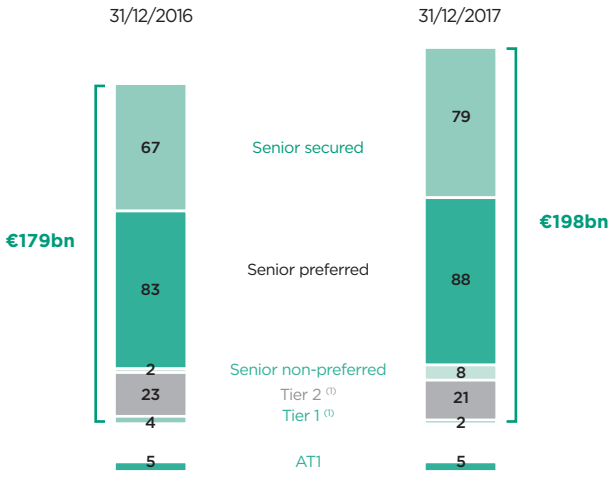
In a final stage, other restatements reassign any amounts that accounting standards would allocate to one section when they are economically dependent on another. Senior issues placed through the banking networks, which accounting standards would class as "LT market funds", are thus reclassified as "Customer deposits".

The €122 billion surplus known as the "stable resources position" enables the Group to cover the LCR deficit generated by the durable assets and stable liabilities (customer assets, fixed assets, LT resources and capital).

It exceeded the Medium Term Plan target of over €100 billion. The ratio of stable resources over long-term applications of funds was 113% at 31 December 2017.

Long-term market funds increased by €19 billion over the financial year. These changes cover the €7 billion increase in the deposit-lending deficit and contribute to the Group's policy to secure its liquidity risk. The increase in senior non-preferred debt (+€6 billion) is aimed at meeting future resolution requirements.

CHANGES IN LONG TERM MARKET RESOURCES OF CRÉDIT AGRICOLE GROUP



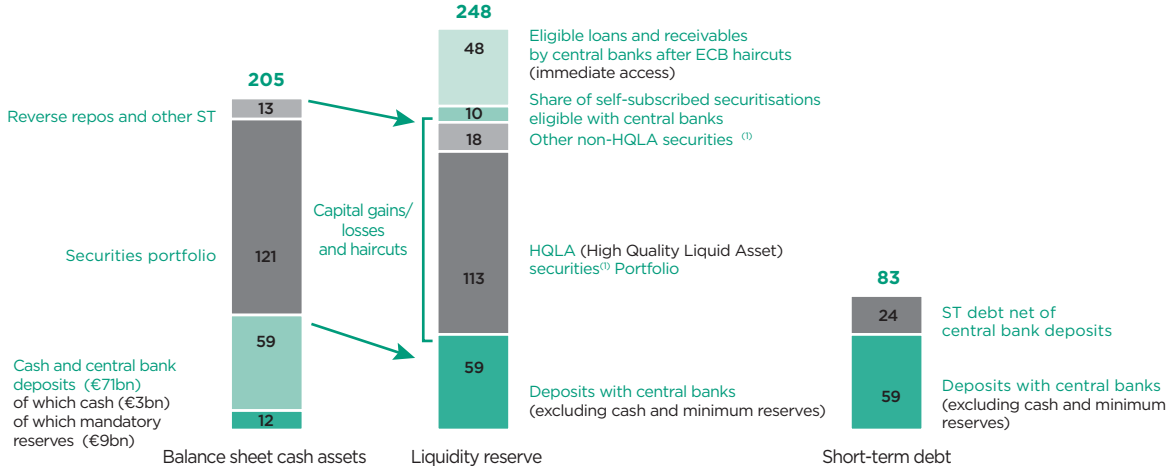
(1) Notional amount.

Note that for Central bank refinancing operations, funds raised under the T-LTRO (Targeted Longer-Term Refinancing Operation) are classed as long-term market funds. In fact, the new T-LTRO II operations do not allow for early redemption by the ECB and given their four-year contractual maturity are equivalent to long-term secured refinancing, identical in liquidity risk terms to a secured issue.

5

5.4.4.2 CHANGE IN CRÉDIT AGRICOLE GROUP'S LIQUIDITY RESERVES

Liquidity reserves after haircuts totalled €248 billion at 31 December 2017. In addition, HQLA (High-Quality Liquid Asset) securities amounting to €113 billion, after haircuts, cover more than four times the net short-term debt not replaced with Central banks (€24 billion).



(1) Available liquid market securities, marked to market and after haircut.

Available liquidity reserves at end-2017 comprised:

- €48 billion in loans and receivables eligible for Central bank refinancing operations after the ECB haircut;
- €10 billion in securitisation shares held by the bank and eligible for Central bank refinancing operations, after haircut;
- €59 billion in Central bank deposits (excluding cash and mandatory reserves);
- a €131 billion securities portfolio, after haircuts; at 31 December 2017, this portfolio consisted of market liquid HQLA securities eligible for Central bank refinancing totalling €113 billion and other market liquid assets amounting to €18 billion after haircut.

Liquidity reserves in 2017 averaged €251 billion.

The allocation of limits arising from Crédit Agricole Group's liquidity risk management and control system to each Crédit Agricole S.A. subsidiary and Regional Bank ensures that local liquidity risks are matched by adequate coverage from reserves.

5.4.4.3 REGULATORY RATIOS

Since March 2014, Eurozone credit institutions have been obliged to report to their supervisory authorities their Liquidity Coverage Ratio (LCR), as defined by the EBA (European Banking Authority). The aim of the LCR is to boost the short-term resilience of banks' liquidity risk profile by ensuring that they have sufficient unencumbered High Quality Liquid Assets (HQLA) that can be converted into cash easily and immediately, on private markets, assuming a liquidity crisis lasting 30 calendar days. Since 1 October 2015, this ratio has been limited to a minimum threshold for credit institutions. This was 60% at end-2015, 70% on 1 January 2016, and was increased to 80% on 1 January 2017. This minimum threshold is set at 100% from 1 January 2018.

Crédit Agricole Group, like most European banking groups, already manages its LCR with a target of more than 100%.

12-month average at 31/12/2017 *(in billions of euros)*	Crédit Agricole Group	Crédit Agricole S.A. Group
Liquidity buffer	214.5	180.7
Total net cash outflows	160.9	132.2
Liquidity coverage ratio	133%	137%

Unlike the LCR, which is a ratio of flows, the NSFR (Net Stable Funding Ratio) is a ratio that compares the stock of assets with an effective or potential maturity of longer than one year to liabilities with similar effective or potential maturity. The definition of the NSFR assigns each balance sheet item a weighting based on its potential to mature in longer than one year. A number of these weightings are still under discussion and European regulations have not yet fully defined this ratio. A regulatory framework initially due to be issued in 2018 will be delayed as part of the European legislative initiative launched at the request of the European Commission on 23 November 2016.

To the best of our understanding, Crédit Agricole Group would currently meet NSFR requirements under existing regulations.

5.4.5. Refinancing strategy and conditions in 2017

Despite geopolitical tensions, some tightening of monetary policy by the ECB and the continued rise in United States benchmark rates which began at the end of 2016, 2017 saw a significant improvement in refinancing conditions.

In an uncertain political climate, the credit spreads of French banks widened in February and March in the run-up to the French presidential elections, reflecting the widening of OAT/Bund spreads. Following the first round of the French presidential elections, spreads began to tighten, a trend that continued steadily until the end of the year, when they reached the lowest levels seen since 2007.

In the second quarter, the resolution of Spanish and Italian banks – the first such cases since the Bank Recovery and Resolution Directive (BRRD) came into force – had no impact on the rest of the European banking sector.

In the third quarter, the bank refinancing market remained unperturbed by geopolitical tensions and the German elections, which ultimately did nothing to halt the tightening of spreads that began in April.

Regarding ECB monetary policy, the participation of European banks in the last TLTRO in March 2017 exceeded expectations at €235 billion. The ECB prepared the market for a tapering of its quantitative easing (QE) programme by starting to wind down its purchases. As announced at the end of 2016, the monthly purchase programme was therefore reduced from €80 billion to €60 billion from April 2017. In October 2017, the ECB announced that it would be further reducing its monthly purchases from €60 billion to €30 billion from January 2018. It is yet to decide whether to continue them beyond September 2018.

In line with market expectations, the Federal Reserve raised its benchmark interest rate three times, in March, June and December, without this affecting refinancing condition for Crédit Agricole S.A.

Similarly, the triggering of Article 50 by the United Kingdom in late March, followed by the early general election held in June which saw the Conservative Party lose its majority, November's hike in interest rates by the Bank of England for the first time since 2007, and Brexit negotiations between the UK and the EU-27, had no impact on bank spreads in 2017.

Lastly, the announcement of an agreement on the finalisation of the Basel III framework (often referred to as "Basel IV") in December 2017 was seen as the resolution of uncertainty for banks and did not affect their refinancing terms.

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

In 2017, the principal Group issuers raised €36.1 billion of senior debt in the market.

To meet capital planning needs and future resolution requirements, in 2017 Crédit Agricole S.A. issued senior non-preferred debt compliant with French law, contributing €6.2 billion towards the TLAC ratio of the Crédit Agricole Group and Crédit Agricole S.A., equivalent to an average maturity on the markets of 7 years:

- USD 3.8 billion;
- JPY 135.2 billion;
- EUR 1 billion;
- AUD 500 million;
- CHF 275 million.

The definitions of the underlined words can be found in the Glossary on page 567.

Created under the Sapin II law, which entered into force in December 2016, senior non-preferred debt enables the Group to boost its financial profile and protect Crédit Agricole S.A.'s issuer credit rating, to improve the Group's TLAC ratio, to optimise costs associated with the Group's liability structure, to protect senior preferred debt holders and facilitate Crédit Agricole S.A.'s access to the senior preferred category (in terms of volume and price).

In 2017, to help meet its refinancing requirements, Crédit Agricole S.A. raised the equivalent of €10.5 billion in senior preferred debt on the markets, with an average maturity of 10 years:

- €3.4 billion of unsecured senior debt (EMTN, US MTN, Samurai) with an average maturity of 8.3 years;
- €6.9 billion of covered bonds issued by Crédit Agricole Home Loan SFH and Crédit Agricole Public Sector SCF, with an average maturity of 11.6 years;
- €1 billion in RMBS based on the Regional Banks' home loans.

In total, Crédit Agricole S.A. has raised the equivalent of €16.6 billion on the markets, marginally in excess of its refinancing programme set at €16 billion (senior and subordinated debt).

In terms of currency, the issues are sufficiently diversified: the euro represents 63% of market issues, the US dollar 21%, the yen 10%, the Swiss franc 4% and the Australian dollar 2%.

The Group has also pursued its strategy of strengthening and developing access to diversified medium to long-term resources, particularly through its specialist subsidiaries, with €19.5 billion of senior debt raised in 2017, in addition to the resources raised on the market by Crédit Agricole S.A.

- Crédit Agricole CIB issued €6.9 billion, mainly in structured private placements with its international clients;
- Crédit Agricole Consumer Finance raised €9.3 billion, thereby strengthening its presence on the European ABS markets, in accordance with its self-funding objectives;
- Cariparma notably placed €2.3 billion in 8-year and 12-year covered bonds in the market based on Italian home loans;
- EFL in Poland, raised €0.9 billion.

In addition, the Group placed €3.4 billion of bonds in its networks (Regional Banks, LCL, Cariparma) in 2017.

- Issuance of Crédit Agricole S.A. senior preferred bonds placed in the Regional Bank networks and borrowing from supranational organisations (CDC, EIB, CEB, etc.) amounted to €2.2 billion, with an average maturity of 11.2 years; moreover, Crédit Agricole S.A. placed €0.4 billion of senior non-preferred debt in the Regional Bank networks;
- LCL placed in its network €0.5 billion;
- Cariparma placed €0.2 billion in its network.

5.5. Hedging policy

Within Crédit Agricole S.A. Group, derivative instruments are used for three main purposes:

- to meet demand from Group customers;
- to manage the Group's financial risks;
- to take positions for the Group's own account as part of specific trading activities.

Derivatives not held for hedging purposes (as defined by IAS 39) are recognised in the trading portfolio. Accordingly, these derivatives are monitored for market risk as well as counterparty risk, where applicable. Certain derivative instruments may be held for the economic hedging of financial risks, but without meeting the IAS 39 criteria (prohibition on equity hedging, etc.). For this reason, they are likewise recognised in the trading book.

In all cases, the intent of the hedge is documented at the outset and verified quarterly by appropriate tests (forward-looking and backward-looking).

Each Group entity manages its financial risks within limits set by the Group Risk Management Committee chaired by the Chief Executive Officer of Crédit Agricole S.A.

The tables in Note 3.4 to the consolidated financial statements give the market values and notional amounts of hedging derivative instruments.

5.5.1. Fair value hedges and cash flow hedges

Global interest rate risk management aims to reconcile two approaches:

- protection of the Group's net asset value, which requires matching balance sheet and off-balance sheet items that are sensitive to interest rate variations (*i.e.* fixed rate items, for the sake of simplicity) against instruments that are also fixed-rate, so as to neutralise the variations in fair value that occur when interest rates change. If the matching is done by means of derivative instruments (mainly fixed-rate swaps, inflation swaps and market caps), the derivatives are classified as **fair value hedges** if the instruments (micro FVH) or groups of instruments (macro FVH) identified as the hedged items (fixed-rate assets and inflation: customer loans, fixed-rate liabilities and inflation: demand deposits and savings deposits) are eligible under IAS 39 (otherwise, as mentioned above, these derivatives are recognised in the trading book, even though economically they hedge against risk).

  To check hedging suitability, hedging instruments and hedged items are grouped by maturity using contract characteristics or, for certain balance sheet line items (particularly deposits), using assumptions based on the financial characteristics of the products and historical behaviour. The comparison between the two maturity schedules (hedges and hedged items) means that hedging can be documented in a forward-looking manner for each maturity;

- protection of the interest margin, which requires neutralising variations in future cash flows associated with instruments or related balance sheet items that are affected by interest rate resets on the instruments, either because they are indexed to interest rate indices that fluctuate or because they will be refinanced at market rates at some point in the future. If this neutralisation is effected using derivative instruments (mainly interest rate swaps), the derivative instruments are classified as **cash flow hedge (CFH)** instruments. This neutralisation can also be carried out for balance sheet items or instruments that are identified individually (micro CFHs) or portfolios of line items or instruments (macro CFHs).
- The table below shows the cash flows, broken down by projected maturity date, for the Crédit Agricole S.A. Group, of the cash flow hedging derivatives:

(in millions of euros)	At 31/12/2017			
Remaining time to maturity	**< 1 year**	**1 to 5 years**	**≥ 5 years**	**Total**
Cash flows of hedging derivatives (CFH)	(93)	678	1,018	**1,602**

5.5.2. Net investment hedges in foreign currencies

A third category of hedging is protection of the Group's net asset value against fluctuations in exchange rates and resulting changes in the value of assets or liabilities held in currencies other than the Group's reference currency, which is the euro. The instruments used to manage this risk are classified in the net investment (hedge category).

6. INSURANCE SECTOR RISKS

The information in this section supplements Note 4 to the consolidated financial statements in the Registration document of Crédit Agricole Assurances and is covered by the Statutory Auditors' Report on the consolidated financial statements.

In view of the predominance of its savings and retirement activities, Crédit Agricole Assurances Group is more particularly exposed to financial market risks, mainly asset-liability, notably rate risk, equity market risk and liquidity risk. Its financial investments also expose it to counterparty and spread risk. Crédit Agricole Assurances Group also faces insurance risks. Lastly, it is exposed to operational risk linked to non-compliance risk and to legal risk particularly in process execution.

6.1. Governance and organisation of risk management in Crédit Agricole Assurances Group

The risk governance system of the Crédit Agricole Assurances Group is based on the following principles:

- it falls within the remit of the following functions of Crédit Agricole S.A. Group: the Group Risk Division, which is responsible for steering (supervision and prevention) and second-degree control, the "Internal Audit" function; in charge of periodic controls, and the "Compliance" function; in accordance with regulatory insurance requirements, the system also includes the Group's actuarial function;
- it is overseen by the Risk Management department of the Crédit Agricole Assurances Group, which heads the "Risk" function, supervises procedures based on the reporting by subsidiaries and ensures that subsidiary risk management systems are compliant with Group standards and principles. To have a Group vision of all risks, the holding company draws on expertise within the Crédit Agricole Assurances Group, mostly housed within Crédit Agricole Assurances Solutions (CAAS) since 1 April 2017 (transfer of employees of Crédit Agricole Assurances holding company, Predica, CACI and Caagis to one 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 falls on:

- the governing bodies, in particular Executive Management (the CEO and second Executive Directors) and the Board of Directors, who hold ultimate responsibility for Crédit Agricole Assurances Group's compliance with all applicable regulations and legislation;
- the Crédit Agricole Assurances Executive Committee, which is the primary strategic body of the Group's Executive Management. It is supported by the individual entities' Management Committees and the Group committees (in particular the Finance Committee, the Risks and Internal Control Committee and the ALTM Committee);
- the four key functions (Risk, Compliance, the Actuarial function and Internal audit), each one assigned a representative appointed by the Chief Executive Officer and approved by the Board of Directors, and notified to the appropriate national supervisory authority; the four key functions are coordinated by the Risk and Internal Control Committee of Crédit Agricole Assurances Group; the heads of the key functions have direct access to the Board of Directors, to whom they present the results of their work at least once a year;
- an internal control system, defined as the framework designed to manage and control all types of operations and risks and to ensure that all transactions are carried out in a manner that is proper (in compliance with regulations), secure and effective; Crédit Agricole Assurances asks its Board of Directors to validate its risk policies;
- the internal process for evaluating Crédit Agricole Assurances Group's solvency and risks (Organisational Readiness Self-Assessment – ORSA) synchronised with the other MTP/Budget strategic processes, Capital planning and the updating of the Risk strategy and of function policies.

The definitions of the underlined words can be found in the Glossary on page 567.

Prospective assessments, completed within the Medium-Term Plan, make it possible to analyse the consequences of adverse situations on the Group's management indicators and to take the necessary action, where appropriate.

6.1.1. Organisation of risk management

The risk management system of Crédit Agricole Assurances Group is managed by the Risk Management and Permanent Controls Officer (RCPR) of Crédit Agricole Assurances Group, the representative of the Risk Management department of Crédit Agricole Assurances Group, who reports operationally to the Crédit Agricole Assurances Chief Executive Officer and hierarchically to the Group Chief Risk Officer of Crédit Agricole S.A. He relies on the RCPRs of the entities who report to him within the hierarchy. The Insurance Risk function operates like a matrix integrating entity level organisations with Group approaches by type of risk.

The hierarchical reporting line guarantees independence, with a "second pair of eyes" role (to issue a recommendation) to back the operating functions, which manage risks day-to-day, make decisions and exercise first-level controls to ensure their processes are performed properly.

6.1.2. Risk management system

AT CRÉDIT AGRICOLE ASSURANCES GROUP LEVEL

In order to achieve its strategic orientations while managing and mitigating its risks appropriately, Crédit Agricole Assurances Group established a risk appetite framework. This consists of key indicators for each risk category that constitute the core of its Risk Management strategy.

The Risk management strategy implemented by 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 at least annually, along with the risk tolerance framework, by the Crédit Agricole Assurances Board of Directors, following a review by the Crédit Agricole S.A. Group Risk Management Committee (a sub-committee of Crédit Agricole S.A. Executive Committee, chaired by its Chief Executive Officer) of the indicators and major limits. Crédit Agricole Assurances' Executive Management or even Crédit Agricole S.A. Group's Risk Management department, depending on the scope of their authority, are notified of any breaches of alert thresholds or limits and resulting corrective measures.

The quarterly Group risk dashboard, supplemented by a monthly report for financial risks, is updated based on standardised risk management indicators, and is used to monitor Crédit Agricole Assurances Group's exposure profile and to identify potential deviations.

The Board of Directors is informed when any tolerance threshold for any indicator in the risk appetite matrix is breached and it receives regular updates on compliance with the risk appetite framework.

The Crédit Agricole Assurances holding company has established the bodies needed to manage risk coherently at Group level: bi-monthly Risk Monitoring Committee, monthly Financial Risk Committee, reviews of portfolios by asset type, a monthly presentation of current risk issues to the Executive Committee.

Moreover, Crédit Agricole Assurances has set up a Group-wide Methodology Committee, steered by the Group Risk function. The role of the Methodology Committee is to approve the methodologies underpinning the models and indicators used to address major risks for Crédit Agricole Assurances Group or presenting cross-sector challenges for Crédit Agricole Assurances Group.

AT ENTITY LEVEL

In accordance with the Group framework, companies define their own processes and systems to measure, supervise and manage risks: risk and process mapping resulting in a risk strategy that defines, according to their risk appetite, the Crédit Agricole Assurances Group global limits in accordance with a process coordinated by the holding company, accompanied if necessary by limits to manage their specific risks.

The entities also draw up formal policies and procedures providing a strict framework for risk management (including the rules for accepting risk when insurance policies are taken out, provisioning and hedging of technical risks by reinsurance, claims management, etc.).

For its international subsidiaries, Crédit Agricole Assurances has drawn up a set of standards to be adopted by each entity, which set out the scope and rules for decentralised decision-making and specify the rules to follow during the decision-making process.

Operational risk management is supervised in each entity by committees that meet periodically (investment, ALM, technical, reinsurance and others) in order to monitor developments in the risk position, based on reporting by business lines, present analyses to support the risk management process, and, if necessary, draw up proposals for action. Significant incidents (including limit breaches) lead to alerts being triggered and notified either to the Crédit Agricole S.A. Group Risk Management department (Crédit Agricole Assurances Group limits), to the Crédit Agricole Assurances Executive Management, or to the entity's management. Corrective measures are implemented accordingly.

The risk management system is examined during meetings of the Risk Management and Internal Control Committees of each subsidiary, in light of the permanent control reports, the analysis of their risk dashboard and the conclusions of periodic controls.

6.2. Market risk

In view of the predominance of savings activities in the French and international (Italy mainly) life insurance subsidiaries, Crédit Agricole Assurances Group is particularly affected by market risks owing to the very large volume of financial assets held to cover policyholder liabilities.

Market risk is the risk of loss that can result from fluctuations in the price of financial instruments in a portfolio.

Crédit Agricole Assurances Group is exposed to several types of market risk:

- interest rate risk;
- equity risk;
- foreign exchange risk;
- counterparty risk, both from the point of view of default (bond portfolio issuers, OTC transaction counterparties) and movements in the issuer spread; this risk is fully described in a specific section.

In particular, these risks have an impact on the valuation of portfolio assets and their long-term yield, and must be managed closely with matching liabilities and, particularly for Life Insurance, with guarantees granted to policyholders (minimum guaranteed rate, floor guarantee, etc.).

Liquidity risk is monitored specifically.

Hence, the financial policy of Crédit Agricole Assurances Group combines the ALM supervision, based on "risk/yield" analyses and "stress scenarios", to identify the characteristics of the amounts to invest, the limitations and objectives over short/medium and long-term horizons, with market analysis, supported by economic scenarios, to identify opportunities and limitations in terms of the environment and the market. The aim of ALM supervision is to reconcile the objectives of seeking yield for policyholders, conserving ALM balances and delivering shareholder value.

The Investment department within the Crédit Agricole Assurances holding company is involved in developing and monitoring implementation of the investment policies of Crédit Agricole Assurances Group and of the subsidiaries (taking into account individual ALM limitations and financial objectives), which are submitted to their respective Board of Directors for approval. It is responsible for oversight of the investment management services provided by Amundi (management mandates granted by the companies). Moreover, it makes investments directly (without a mandate) on behalf of Crédit Agricole Assurances Group companies (in real estate in particular), as part of the policy of diversification.

6.2.1. 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.

The Crédit Agricole Assurances Group bond portfolio, excluding unit-linked policies, amounted to €249 billion at 31 December 2017, up from €243 billion at the end of 2016.

Interest rate risk in life insurance companies is intrinsically linked to interactions between assets (financial management) and liabilities (policyholder behaviour). Management of this risk requires a global approach combining financial strategy, the constitution of reserves and sales and income policies. Crédit Agricole Assurances' framework for managing interest rate risk sets out the limits on risks and the related (ALM Committee, presentation of stress scenarios to the Board of Directors, etc.).

The downside risk affects the life insurance business insofar as a low interest rate environment puts pressure on the profitability of Crédit Agricole Assurances: it creates a situation in which returns from securities in the portfolio are lower than the rates paid out on life insurance contracts. Risks related to the minimum guaranteed returns in France are handled at regulatory level by means of prudential provisions.

Crédit Agricole Assurances has a range of levers to tackle the risk of falling rates:

- no longer issuing policies that feature an average guaranteed return superior to zero (since 2000 for the main French life insurance company), so that the overall average guaranteed return has steadily fallen;
- moderation of the profit-sharing paid;
- hedging using bond assets and swaps/swaptions to manage reinvestment risk;
- adapting of ALM and investment policies to the very low rate environment;
- prudent diversification of investment assets;
- adapting the sales policy with specific measures to switch deposits to unit-linked contracts.

Crédit Agricole Assurances is exposed to a risk arising from an increase in interest rates associated with policyholder behaviour: a gap between the rate of return 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 unrealised 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.

Crédit Agricole Assurances thus implements measures to manage the risk of a rise in rates:

- adjustment of duration according to projected outflows of liabilities;
- retention of liquidities or liquid investments with a low risk of loss;
- dynamic management of the investment portfolio and setting aside reserves to provide the capacity to increase the return (capitalisation reserve, and profit-sharing reserves);
- caps against a rise in rates: this strategy is designed to offset the lower return delivered by the bond portfolio by additional financial returns generated by these hedging instruments (approx. 27% of the main life insurance company's bond portfolio is hedged);
- building customer loyalty to limit early redemptions.

The Crédit Agricole Assurances Group's dashboard, presented to the Executive Committee and the Audit and Accounts Committee, includes indicators to monitor the nature of this risk: average guaranteed minimum rate, bond portfolio coverage ratio, allocation to reserves, etc.

ANALYSIS OF SENSITIVITY TO INTEREST RATE RISK

Technical liabilities

The Crédit Agricole Assurances Group's technical liabilities are largely insensitive to rate risks for the following reasons:

- savings provisions (over 90% of technical reserves, excluding unit-linked policies): these technical reserves are based on the pricing rate which is constant over time for a particular policy. As a result, a change in interest rates will have no impact on the value of these commitments;
- property and casualty reserves: these technical reserves are not discounted to present value and changes in interest rates therefore have no impact on the value of these commitments;
- mathematical reserves for benefits (personal injury, disability): the discount rate used in calculating these reserves is based on the interest rate in force at the calculation date. Therefore, the size of these commitments varies with interest rates. However, given the limited amount of these technical commitments, they pose no material risk for Crédit Agricole Assurances Group.

The definitions of the underlined words can be found in the Glossary on page 567.

Financial investments

The sensitivity to rate risk of Crédit Agricole Assurances Group's bond portfolio is used to assess the impact of a rate movement. It is calculated by assuming a 100-basis point rise or fall in interest rates (net of policyholders' deferred profit-sharing and tax):

	31/12/2017		31/12/2016	
(in millions of euros)	Impact on net income	Impact on equity	Impact on net income	Impact on equity
100 BPS rise in risk-free rates	(109)	(1,783)	(42)	(1,369)
100 BPS decline in risk-free rates	121	1,767	74	1,352

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 held as available-for-sale financial assets are recognised in equity. Impacts on securities held for trading are recognised in profit or loss.

Financing debts

Borrowings arranged by Crédit Agricole Assurances mainly pay fixed rates. Interest is therefore largely insensitive to rate changes.

6.2.2. Equity and other diversification assets risk

TYPE OF EXPOSURE AND RISK MANAGEMENT

Exposure to the equity markets and other so-called diversification assets (private equity and listed or unlisted infrastructures, real estate and alternative management) is intended to capture yield in these markets (notably with a low correlation between real estate and other asset classes). Market risk on equities and other diversification assets is defined as a risk of volatility in terms of valuation and therefore, an accounting provisioning risk that could have an impact on policyholder benefits (provision for permanent impairment, provision for liquidity risk). To limit this effect, particularly for the life insurance portfolios, allocations are analysed to determine a ceiling for the share of these diversification assets and a maximum volatility level.

Equities and other diversification assets are held directly or *via* dedicated Crédit Agricole Assurances Group UCITS to provide regional diversification, in accordance with the relevant risk policies. Exposure to these assets is managed by a series of limits (by asset class and overall for the diversification) and concentration rules.

Compliance with these limits is monitored on a monthly basis.

The main asset classes in the global portfolio are presented in Note 6.4 to the consolidated financial statements. The fair value of financial assets and liabilities recognised at acquisition cost in the balance sheet is disclosed in Note 6.5.1 to the consolidated financial statements. Both items can be found in the Crédit Agricole Assurances Registration document.

ANALYSIS OF SENSITIVITY TO EQUITY RISK

A quantified measurement of equity risk can be expressed by the sensitivity calculated by assuming a 10% rise or fall in equity markets (impacts are shown net of policyholders' deferred profit-sharing and tax):

	31/12/2017		31/12/2016	
(in millions of euros)	Impact on net income	Impact on equity	Impact on net income	Impact on equity
10% rise in equity markets	37	163	40	179
10% decline in equity markets	(40)	(163)	(45)	(179)

The impacts presented above take the following elements into account:

- the profit-sharing rate for the entity holding the financial investments;
- the tax rate in force.

These sensitivity measurements include the impact of changes in the benchmark equity index on assets measured at fair value, reserves for guaranteed minimum return and reserves for the right to withdraw from unit-linked policies as well as any additional impairment provisions required by a decline in equity markets.

Changes to the fair value of available-for-sale financial assets are recognised in unrealised gains or losses, all other items are recognised in net income.

6.2.3. Foreign exchange risk

Foreign exchange risk is defined as the risk of loss due to movements in foreign exchange rates against the euro. For Crédit Agricole Assurances, this risk is marginal, as shown by the sensitivity to foreign exchange risk, calculated by assuming a 10% rise or fall in each currency relative to the euro (impacts are shown net of policyholders' deferred profit-sharing and tax):

	31/12/2017		31/12/2016	
(in millions of euros)	Impact on net income	Impact on equity	Impact on net income	Impact on equity
Exchange rate sensitivity on financial instruments: +10% for each currency relative to the euro	(15)	18	(16)	18
Exchange rate sensitivity on financial instruments: -10% for each currency relative to the euro	13	(14)	13	(15)

Crédit Agricole Assurances's exposure to foreign exchange risk falls into two categories:

- limited structural exposure: in yen for the CA Life Japan subsidiary, with a hedging ratio of 91.9% (low net exposure of JPY 676 million at end-2017, equivalent to €5 million) and in PLN for the CA Insurance Poland subsidiary, with a hedge ratio of 90.6% (net exposure of PLN 3.3 million, equivalent to €0.8 million);
- operational foreign exchange exposure arising 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.

Actual exposure is measured monthly and compared to the exposure limits. At the end of 2017, it was not material (0.3% of the global portfolio), and was mainly on emerging currencies.

6.2.4. Liquidity risk

TYPE OF EXPOSURE AND RISK MANAGEMENT

For Crédit Agricole Assurances, liquidity risk essentially corresponds to its ability to meet its current liabilities.

From this perspective, the companies combine several approaches.

On the one hand, liquidity is an investment selection criterion (majority of securities listed on regulated markets, limits on assets in markets that lack depth, such as private equity, unrated bonds, and alternative management, etc.).

On the other hand, systems for managing liquidity are consistent across Crédit Agricole Assurances Group, and are defined by the companies as part of their ALM policy:

- for life insurance companies, in order to ensure a match between the maturities of assets and those of liabilities under normal and stressed conditions (wave of redemptions/deaths), the objective is to ensure liquidity in the long-term (monitoring and limiting of annual cash run-off gaps), medium term (so-called "reactivity" ratio), 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, Crédit Agricole Assurances applies temporary liquidity management approaches (repos with collateral in cash or ECB-eligible assets);
- for non-life insurance companies, liquidities or assets with low reactivity are retained, and the share is calculated to respond to a shock to liabilities.

The "reactivity" ratio measures the ability to mobilise current assets of less than two years or variable-rate assets by limiting the impacts in terms of capital loss; it is measured and compared against a threshold set by each life insurance company.

PROFILE OF FINANCIAL INVESTMENT PORTFOLIO MATURITIES

Note 6.6 to the consolidated financial statements of Crédit Agricole Assurances contains the bond portfolio maturity schedule (excluding unit-linked contracts).

BREAKDOWN FINANCIAL LIABILITIES BY CONTRACTUAL MATURITY

Note 6.22 to the consolidated financial statements of Crédit Agricole Assurances provides information on the estimated schedule for Crédit Agricole Assurances insurance liabilities (excluding unit-linked contracts for which the risk is borne by policyholders).

FINANCING

As a holding company, Crédit Agricole Assurances is responsible for subsidiary refinancing enabling them to meet their solvency requirements and operational cash needs. It is refinanced through its shareholder Crédit Agricole S.A., and, since 2014, through issuing subordinated debt directly in the market.

The structure of these financing debts and their breakdown by maturity is shown in Note 6.20 to the consolidated financial statements of Crédit Agricole Assurances.

6.3. Counterparty risk

Credit risk is the risk of loss due to default by an issuer. For debt securities, this risk translates as a decrease in their value.

This section deals only with counterparty risk on financial instruments. Exposure to counterparty risk on reinsurers' receivables is covered in the section on "insurance risk".

Amundi's risk management teams perform the analysis of counterparty risk for issuers and for OTC market transactions (derivatives) under the 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 CAA Group, on the basis of limits in terms of ratings, issuer and sector concentration.

The definitions of the underlined words can be found in the Glossary on page 567.

Hence, aggregate limits are defined to manage the breakdown of issues between rating classes. The rating used is the Solvency II rating corresponding 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-2012 of fixed income securities towards 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 a minimum Crédit Agricole S.A. internal rating equivalent to investment grade (BBB-), using a rigorous selection process and in a limited proportion (approx. 4% of the portfolio in January 2018).

The breakdown of the bond portfolio by financial rating makes it possible to assess its credit quality.

The bond portfolio (excluding backing 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 ten issuers ensures diversification within rating levels A and BBB. Exposure is reviewed quarterly with the Amundi Risk teams and the Risk Management department of Crédit Agricole S.A. Group.

Concentration in sovereign debt and similar is subject to individual limits according to debt-to-GDP ratio and the country's credit rating.

Exposure to Eurozone peripheral debt (Greece, Italy, Portugal, Spain) has been reduced. As regards sovereigns, it is concentrated in Italian sovereign debt held by the Italian subsidiary of Crédit Agricole Assurances.

Cash collateral contracts are used to manage counterparty risk for over-the-counter derivatives used by companies to hedge exposure to rate risk and presented on their balance sheets.

6.4. Insurance risk

Crédit Agricole Assurances Group is exposed to insurance risk through the insurance business. Such risk primarily relates to the underwriting, valuation of provisions and reinsurance processes.

Each entity implements an approach in collaboration with all the operating departments concerned, as well as Risk, Compliance, Actuarial functions and Legal Affairs, to manage risks when new insurance products are created or substantial changes are made to the features of an existing product. Products are approved by an *ad hoc* Committee (New Business and New Product Committee).

6.4.1. Insurance underwriting risk

Insurance underwriting risk takes different forms depending on the whether the insurance is life or non-life:

LIFE INSURANCE UNDERWRITING RISK

Through its Savings, Retirement and Death & Disability activities and life insurance guarantees in respect of its creditor insurance, Crédit Agricole Assurances is exposed to biometric risks (longevity, mortality, incapacity, long-term care and disability risks), loading risk (insufficient loading to cover operating expenses and fees paid to distributors), but most of all to behavioural risk for redemptions (for example, due to a deterioration in trust in Crédit Agricole Group or a legal development, such as the Bourquin amendment to the Sapin II law).

Life insurance technical reserves, recognised in the main by French companies, are chiefly constituted from savings denominated

in euro or unit-linked 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 specific technical provision is recognised for this floor guarantee.

In savings, redemption rates are monitored for each life insurance company and at Crédit Agricole Assurances Group level, and compared with the structural redemption rates established on the basis of historic and market data.

For the death and disability activity, 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.

Catastrophe risk, related to a mortality shock (e.g. a pandemic) is likely to impact the results for individual or group death & disability insurance. The French life insurance subsidiary benefits from BCAC cover (Bureau commun des assurances collectives), both on group death benefits and individual death and disability benefits, as well as, in part, supplementary cover of disability risk.

NON-LIFE INSURANCE UNDERWRITING RISK

For property and casualty insurance and non-life benefits included in creditor insurance policies, the underwriting risk can be defined as the risk that the premiums collected are insufficient compared to the claims to be settled. Crédit Agricole Assurances is specifically exposed to frequency risk and exceptional risk, whether originating from a catastrophe risk (particularly climatic) or the occurrence of individual incidents for significant amounts.

For distribution partners, underwriting policy defines the framework for accepting risk (to ensure appropriate selection of risks and the spread within the policy portfolio to optimise technical margins). Formal rules and procedures for pricing are also drawn up.

The ratio of claims paid to premiums earned is compared to targets. This claims ratio is the key indicator for monitoring risk and is used to identify priorities for improving the technical result, where necessary.

Concentration risk in non-life insurance relates to an aggregation of liabilities in respect of a single claim, arising from:

- underwriting concentration in which insurance policies are written by one or more Group entities on the same risk;
- claim concentration, where policies are written by one or more Crédit Agricole Assurances Group entities on risks that are different, but liable to be triggered by a single covered event or the same primary cause.

This type of risk is hedged, first, by a policy of diversifying the risks written in a single region and, second, by reinsurance to limit the financial impact of major event (storms, natural disasters, etc.), under a reinsurance policy (see reinsurance risk below) that incorporates this dimension.

6.4.2. Provisioning risk

Provisioning risk is the risk of a gap between the provisions set aside and those required to meet liabilities. It may be related to risk valuation (volatility introduced by discount rates, regulatory developments, or new risks for which statistical depth is inadequate, etc.) or a change in risk factors (population ageing, for example, leading to increased long-term care risks or health issues, stricter laws governing professional civil liability, personal injury compensation, and others).

The objective of the provisioning policy established in each of the companies is to guarantee a prudent assessment of loadings for past and projected claims to ensure a high probability that the accounting provisions set aside will be sufficient to cover the ultimate load.

The methods used to constitute provisions (on a case-by-case basis) for property and casualty insurance, according to the products and benefits affected, are documented and the management rules applied by claims managers are set out in the manuals.

The choice of statistical methodology to calculate accounting provisions (including provisions for late payment) is justified at each reporting date.

The local permanent control plan encompasses control of provisioning policy.

The Statutory Auditors perform an actuarial review of provisions as part of the annual audit.

The breakdown of technical reserves relating to life and non-life insurance contracts is presented in Note 6.19 to the consolidated financial statements of Crédit Agricole S.A. Group.

6.4.3. Reinsurance risk

Reinsurance risks are of three types:

- inappropriate reinsurance (insufficient cover or, on the other hand, payment of too high a premium, which erodes technical margins and competitiveness);
- risk of a reinsurer defaulting and not being able to pay its share of the claims;
- no or virtually no reinsurance on a given activity or guarantee given (reinsurance offer, amounts that can be covered and the cost of cover, depending on market conditions that are liable to vary significantly).

Each company draws up its own reinsurance plan aimed at protecting equity in case of systemic or exceptional events and at limiting volatility in the company's results, based on the principles of Crédit Agricole Assurances Group's strategy for common and uniform risks limitation, namely:

- selecting reinsurers that meet minimum financial soundness criteria, with reinsurers' ratings monitored at Crédit Agricole Assurances Group level;
- ensuring adequate dispersion of premiums across reinsurers;

- monitoring the adequacy of reinsurance cover relative to the commitments to policyholders and of results on each reinsurance agreement.

The reinsurance plans are reviewed annually by the Board of Directors in each subsidiary.

Their breakdown by reinsurer rating is as follows:



Net outstandings ceded to reinsurers (ceded reserves and current accounts with reinsurers net of cash deposits received) totalled €0.5 billion at 31 December 2017, remaining stable year-on-year.

6.4.4. Emerging risks

The Risk Management department is responsible for the 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 Controls 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.).

6.5. 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 (PSEE).

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 company, is thus comprised of the following components:

- mapping of risk events, periodically updated to include organisational changes, new activities 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 actions plans to reduce them;
- a process of collecting data on risk-related incidents and operating losses, backed by an early-warning system, is used to monitor identified risks and use them to introduce remedial measures and ensure consistency with mapping; the amount of losses collected is compared each quarter to an annually 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 staff. The business continuity plans meet Crédit Agricole S.A. Group standards, with the adoption of Crédit Agricole S.A. Group's solution for the user fallback site, the IT back-up plan based on the Crédit Agricole S.A. Group 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 three-year programme of security projects (including accreditation, intrusion tests, and IT system failure scenarios) is being implemented.

A Crédit Agricole Assurances Group-wide general subcontracting policy, describing amongst others the monitoring and control system associated with outsourcing, has been rolled out by Group entities.

6.6. Non-compliance risks

Non-compliance risks refer to a potential lack of adherence to rules governing financial and banking activities. These rules may be laws, regulations (Solvency II, securities regulations, data protection, customer protection, or requirements to combat money laundering, corruption or the financing of terrorism), professional or ethical standards and instructions from the executive body. These risks are identified in the operational risk mapping of each Crédit Agricole Assurances Group entity.

In each entity, the Compliance Officer is responsible for adapting Group procedures issued by Crédit Agricole S.A.'s Compliance department (Corpus FIDES) and for developing procedures specific to that business. The Compliance Officer is also responsible for training and for the dedicated control system aimed at controlling these risks, preventing the risk of fraud and limiting potential impacts (financial losses, legal, administrative or disciplinary sanctions), while protecting the reputation of Crédit Agricole Assurances Group. In this respect, the launch of new business activities and the creation of new products, are subject to enhanced security by referral to the New Activities and New Products Committees, established in each entity to review in particular the contractual and marketing documents for products, as well as the training materials and sales aids intended for distributors.

The management and supervision of their compliance system is carried out by the Crédit Agricole Assurances Group Compliance Officer. Coordination for the Insurance business is carried out through exchanges with the subsidiaries.

In all areas of compliance, from the prevention of money laundering and financing of terrorism to protecting customers, the Group has strengthened coordination with distributors (Regional Banks, LCL, other international networks) to define roles and responsibilities and ensure implementation of the controls to guarantee correct application of procedures by all parties.

Crédit Agricole Assurances Group realigned its organisation and its risk management policy to ensure compliance with the Solvency II regulation, as detailed in the Corporate governance section of the Crédit Agricole Assurances Registration document.

6.7. Legal risks

Responsibility for legal management, regulatory monitoring and consulting with the various business line departments lies with the companies' Legal Affairs department.

There is currently no governmental, legal 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 material effect on the financial position or profitability of the Company and/or of Crédit Agricole Assurances Group.

To Crédit Agricole Assurances' knowledge, there is no significant litigation to note.

7. OPERATIONAL RISKS

Operational risk is the risk of loss resulting from shortcomings or failure in internal procedures, staff, information systems or external events.

It includes legal risk, non-compliance risk, internal and external fraud risk, the model risk and risks generated by the provision of key outsourced services (PSEE).

7.1. Organisation and supervision system

The operational risk system, adjusted to each Group entity, comprises the following components common to the entire Group:

Organisation and of the Operational Risk Management function:

- supervision of the system by Executive Management (*via* the Operational Risk Committee or the operational risk unit of the Group Risk Management Committee and the Internal Control Committee);
- tasks of the Risk Management Officers (Crédit Agricole S.A. and its subsidiaries) and the Operational Risk Managers at local level in terms of management of the operational risk management system;
- responsibility of the entities in managing their own risks;
- set of standards and procedures;
- circulation of Crédit Agricole's Group risk tolerance policy implemented in 2015 and incorporating operational risk.

Identification and qualitative assessment of risks through risk mapping

Risk mapping is done annually by the entities and is used by each entity with a validation of the results and associated action plans by the Operational Risk Committee (operational risk unit of the Internal Control Committee).

This mapping is supplemented by the establishment of risk indicators to monitor the most sensitive processes.

Collection of operational loss data and an early-warning system to report significant incidents, which are consolidated in a database used to measure and monitor the cost of risk

The reliability and quality of the data collected are submitted to systematic audits both at the local and central levels.

The calculation and regulatory reporting of capital for operational risk at the consolidated and entity levels

The definitions of the underlined words can be found in the Glossary on page 567.

The quarterly production of an operational risk dashboard at entity level, accompanied by a Crédit Agricole Group summary, taking into account the main sources of risks affecting the business lines and associated action plans for major incidents.

Tools

The RCP (Risk and Permanent Controls) platform contains the four essential elements of the system (collection of loss data, operational risk mapping, permanent controls and action plans) sharing the same framework and thus making it possible to establish a connection between the risk mapping systems and risk management system (permanent controls, action plans, etc.).

Regarding the IT system component used for the calculation and allocation of regulatory capital, the upgrade plan was continued along with a rationalisation of the databases, enhanced information granularity and the automation of the controls on data taken from COREP's regulatory statements to bring information technology into line with best management principles defined by the Basel Committee.

These components are subjected to consolidated verifications at the central level.

In addition, the risks associated with key outsourced services are incorporated into each component of the Operational Risk system and are the subject of a specific report, as are the consolidated controls that are centrally communicated.

7.2. Methodology

The main entities of Crédit Agricole S.A. Group use the advanced measures approach (AMA): Crédit Agricole CIB, Amundi, LCL, Crédit Agricole Consumer Finance and Agos. The use of the AMA for these entities was approved by the French Regulatory and Resolution Supervisory Authority (ACPR) in 2007. These entities currently represent 80% of capital requirements for operational risks.

For the entities that use the standardised approach (TSA), the regulatory weighting coefficients used in calculating the capital requirement are those recommended by the Basel Committee (percentage of revenues according to business line).

AMA regulatory capital requirements calculation

The AMA method for calculating capital requirements for operational risk has the following objectives:

- increase control over the cost of operational risk, and prevent exceptional risks across the Group's various entities;
- determine the level of capital needed for the measured risks;
- promote improvements in risk management through the monitoring of action plans.

The systems implemented within the Group aim for compliance with all qualitative criteria (integration of risk measurement into day-to-day management, independence of the Risk function, periodic disclosure of operational risk exposures, etc.) and Basel 3 quantitative criteria (99.9% confidence interval over a one-year period; incorporation of internal data, external data, scenario analyses and factors reflecting the operating environment; incorporation of risk factors that influence the statistical distribution, etc.).

The AMA model for calculating capital requirements is based on a unique actuarial model called the Loss Distribution Approach.

Internal factors (change in the entity's risk profile) are considered according to:

- changes within the entity (organisational, new business activities, etc.);
- changes in risk mapping;
- an analysis of the history of internal losses and the quality of the risk management system, in particular *via* the permanent controls system.

For external factors, the Group uses:

- the ORX Insight external consortium database to monitor incidents recorded in other institutions;
- the SAS OpRisk and ORX News external public databases for:
  - raising awareness among the entities of the main risks that have impacted other institutions,
  - assisting experts in the valuation of the main Group vulnerabilities (key scenarios).

The model was designed and developed according to the following principles:

- it must form an integral part of the risk policy;
- it must be pragmatic, *i.e.* the methodology must be applicable to real operating conditions;
- it must have educational value, in order to be endorsed by Executive Management and the business lines;
- it must be robust, *i.e.* it must be able to provide estimates that are realistic and stable from one financial year to the next.

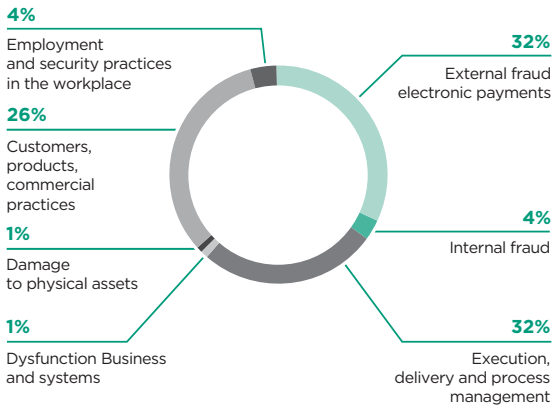
A biannual committee for back-testing the Advanced Measurement Approach (AMA) model is in place and analyses the model's sensitivity to changes in the risk profile of the entities. Every year, this committee identifies areas where improvements are possible, and draws up corresponding action plans.

The Operational Risk system and methodology, in addition to the local implementation of Group standards, underwent an external audit by the ECB in 2015 and 2016. These audits demonstrated the Group's progress and identified certain areas in need of improvement.

The ECB also audited the Conduct Risk in 2017.

7.3. Exposure

BREAKDOWN OF OPERATIONAL LOSSES BY BASEL RISK CATEGORY (2015 TO 2017)

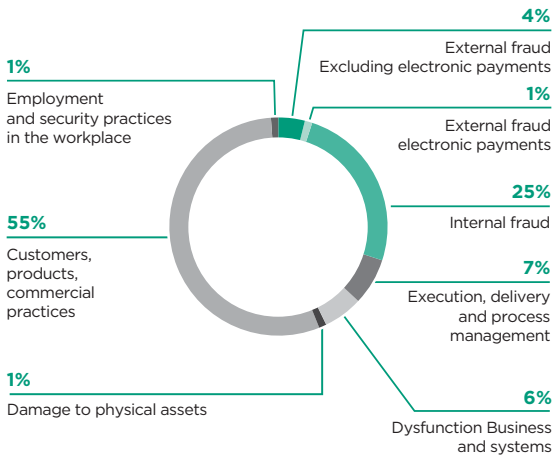


Generally, the exposure profile in terms of the operational risks identified over the last three years reflects the principal activities at Crédit Agricole S.A. Group:

- still significant exposure to the Execution risk category, due to processing errors (absent or incomplete legal documentation, guarantee management, litigation with suppliers, input errors, etc.), but also due to tax sanctions;
- still significant exposure to external fraud, mainly in connection with credit boundary operational risk (document fraud, fraudulent invoices, etc.), and with payment instruments fraud (bank cards, fraudulent transfers);
- exposure to legal and non-compliance risks (litigation for: failure to respect the interests of the customer, improper financial support, unsuitability of the product/service to the customer's needs, etc.).

Remedial and preventive action plans at local or Group level were introduced to reduce the exposure of Crédit Agricole S.A. Group to operational risk. Periodic monitoring of action plans for incidents with an impact higher than €5 million has been implemented since 2014 within the Group Operational Risk Committee and since 2016 in the Group Risk Management Committee.

BREAKDOWN OF RISK-WEIGHTED ASSETS BY BASEL RISK CATEGORY (2015 TO 2017)



7.4. Insurance and coverage of operational risks

Crédit Agricole Group has obtained insurance coverage for its operational risks to protect its assets and profits. For high-intensity risks, Crédit Agricole S.A. has taken out insurance policies to cover itself and its subsidiaries with major insurance companies. These policies harmonise the transfer of personal and property risks and the setting up of specific professional civil liability and fraud insurance programmes for each business line. Lower intensity risks are managed directly by the relevant entities.

In France, third-party civil liability risks are covered by operating civil liability policies. It should be noted that property & casualty insurance for operating assets (property and IT equipment) also includes third-party liability coverage for all buildings exposed to this risk.

Insurance policies for operating losses, fraud and securities risks, Group professional liability, and civil liability for executives and non-executive corporate officers were renewed in 2017.

"Basel 2 eligible" policies contribute to reducing the amount of capital that must be held against operational risks (within the 20% authorised limit).

High-frequency and low-intensity risks that cannot be insured on satisfactory financial terms are retained in the form of deductibles or are pooled within Crédit Agricole S.A. Group, ultimately through its captive insurance subsidiary (Crédit Agricole Risk Insurance), and represent around 7% of all Group insurance programmes.

8. LEGAL RISKS

The main legal and tax proceedings outstanding at Crédit Agricole S.A. and its fully consolidated subsidiaries are described in the 2016 management report. The cases presented below are those which have come up or have evolved since 21 March 2017, the date on which Registration document no. D.17-0197 was filed with the AMF. Are also mentioned cases in progress which have not evolved since this date.

Any legal risks outstanding at 31 December 2017 that could have a negative impact on the Group's net assets have been covered by adequate provisions, which correspond to Executive Management's best estimates, based on the information available to it, see Note 6.20 of Financial statements.

To date, to the best of Crédit Agricole S.A.'s knowledge, there is no other 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 the Group.

Litigation and exceptional events

Strauss/Wolf/Faudem

US citizens and members of their families who were victims of terrorist attacks attributed to Hamas and committed in Israel between 2001 and 2004 have brought proceedings against National Westminster Bank and Crédit Lyonnais before a New York court.

They claim that these banks gave support to terrorists as they each kept an account opened (in 1990 in the case of Crédit Lyonnais) by a charity providing aid to Palestinians. The plaintiffs allege that the account was used to transfer funds to Palestinian entities accused of financing Hamas. The plaintiffs, who have not put a figure on the damages they have suffered, are claiming compensation for « injury, anguish and emotional pain ».

As the matter and the proceedings currently stand, the plaintiffs have not provided proof that the charity was actually linked to terrorists, nor that Crédit Lyonnais was aware that its client could have been involved (if it were to be proven) in financing terrorism. The Court nonetheless demanded that this be demonstrated by the plaintiffs if they are to win their case. LCL vigorously denies the plaintiffs' allegations.

Under a ruling made on 28 February 2013, the judge issued a Summary Judgement referring LCL and the plaintiffs to a jury trial on the merits.

In January 2014, the US Supreme Court ruled that the American courts cannot claim jurisdiction over foreign defendants that do not have a principal place of business in the territory of the United States. Accordingly, LCL filed a new motion in June 2014 seeking to establish that the American judge does not have jurisdiction in this matter. On 31 March 2016, the court handling the case decided to partly allow LCL's motion, holding that it did not have general jurisdiction over LCL, a foreign corporation that did not have a principal place of business in the United States. However, the court held that it did have specific jurisdiction over the plaintiffs'claims.

A trial on the merits will now be held at an as yet unspecified date.

CIE case (Cheque Image Exchange)

In March 2008, LCL and Crédit Agricole S.A. and ten other banks were served notice of grievances on behalf of the Conseil de la concurrence i.e. the French Competition Council (now the Autorité de la concurrence).

They are accused of colluding to implement and apply interchange fees for cashing cheques, since the passage of the Cheque Image Exchange system, i.e. between 2002 and 2007. In the opinion of the Autorité de la concurrence, these fees constitute anti-competitive price agreements in the meaning of Articles 81 paragraph 1 of the treaty establishing the European Community and Article L. 420-1 of the French Commercial Code, and allegedly caused damage to the economy.

In their defense, the banks categorically refuted the anticompetitiveness of the fees and contested the legality of the proceedings.

In a decision published on 20 September 2010, the Autorité de la concurrence stated that the Cheque Image Exchange fee (CEIC) was anti-competitive by its very aim and that it artificially increased the costs borne by remitting banks, which resulted in an unfavourable impact on the prices of banking services. Concerning one of the fees for related services, the fee for cancellation of wrongly cleared transactions (AOCT), the Autorité de la concurrence called on the banks to revise their amount within six months of the notification of the decision.

The accused banks were sanctioned for an overall amount of €384.92 million.

LCL and Crédit Agricole were respectively sentenced to pay €20.7 million and €82.1 million for the CEIC and €0.2 million and €0.8 million for the AOCT.

All of the banks appealed the decision to the Paris Court of Appeal. By a decree of 23 February 2012, the Court overruled the decision, stating that the Autorité de la concurrence had not proven the existence of competition restrictions establishing the agreement as having an anti-competitive purpose.

The Autorité de la concurrence filed an appeal with the Supreme Court on 23 March 2012.

On 14 April 2015, the French Supreme Court (Cour de cassation) overruled the Paris Court of Appeal's decision dated 23 February 2012 and remanded the case to the Paris Court of Appeal with a change in the composition of the Court on the sole ground that the Paris Court of Appeal declared the UFC-Que Choisir and ADUMPE's interventions in the proceedings devoid of purpose without having considered their arguments.

The Supreme Court did not rule on the merits of the case and Crédit Agricole has brought the case before the Paris Court of Appeal.

The Paris Court of Appeal issued a decree on 21 December 2017. It confirmed the decision of the Autorité de la concurrence dated 20 September 2010 but reduced from euros 82 940 000 to euros 76 560 000 the sanction on Crédit Agricole. LCL's sanction remains unchanged, at an amount of 20,930,000 euros.

As well as the other banks parties to this procedure, LCL and Crédit Agricole filed an appeal with the Supreme Court.

Office of Foreign Assets Control (OFAC)

In October 2015, Crédit Agricole S.A. and its subsidiary Crédit Agricole Corporate and Investment Bank (Crédit Agricole CIB) reached agreements with the US and New York authorities that had

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been conducting investigations regarding US dollar transactions with countries subject to US economic sanctions. The events covered by this agreement took place between 2003 and 2008.

Crédit Agricole CIB and Crédit Agricole S.A., which cooperated with the US and New York authorities in connection with their investigations, have agreed to pay a total penalty amount of $787.3 million (i.e. €692.7 million). The payment of this penalty has been allocated to the pre-existing reserve that had already been taken and, therefore, has not affected the accounts for the second half of 2015.

The agreements with the Board of Governors of the Federal Reserve System (Fed) and the New-York State Department of Financial Services (NYDFS) are with CASA and Crédit Agricole CIB. The agreement with the Office of Foreign Assets Control (OFAC) of the US Department of the Treasury is with Crédit Agricole CIB. Crédit Agricole CIB also entered into separate deferred prosecution agreements (DPAs) with the United States Attorney's Office for the District of Columbia (USAO) and the District Attorney of the County of New York (DANY), the terms of which are three years. The USAO and DANY have agreed to take no further action against Crédit Agricole CIB, CASA, or any of Crédit Agricole CIB's subsidiaries or affiliates regarding the conduct subject to this investigation if Crédit Agricole CIB complies with its obligations under the DPAs.

Within the framework of the implementation of these agreements, Crédit Agricole continues to strengthen its internal procedures and its compliance programs regarding laws on international sanctions and will continue to cooperate fully with the US and New York authorities regarding this matter, with its home regulators, the European Central Bank and the French Regulatory and Resolution Supervisory Authority (ACPR), and with the other regulators across its worldwide network.

Pursuant to the agreements with NYDFS and the US Federal Reserve, Crédit Agricole's compliance program is subject to regular reviews to evaluate its effectiveness, including a review by an independent consultant appointed by NYDFS for a term of one year and annual reviews by an independent consultant approved by the Federal Reserve.

Euribor/Libor and other indexes

Crédit Agricole S.A. and its subsidiary Crédit Agricole CIB, in their capacity as contributors to a number of interbank rates, have received requests for information from a number of authorities as part of investigations into: (i) the calculation of the Libor (London Interbank Offered Rates) in a number of currencies, the Euribor (Euro Interbank Offered Rate) and certain other market indices; and (ii) transactions connected with these rates and indices. These demands covered several periods from 2005 to 2012.

As part of its cooperation with the authorities, Crédit Agricole S.A. and its subsidiary Crédit Agricole CIB carried out investigations in order to gather the information requested by the various authorities and in particular the American authorities – the DOJ (Department of Justice) and CFTC (Commodity Future Trading Commission) – with which they are in discussions. It is currently not possible to know the outcome of these discussions, nor the date when they will be concluded.

Furthermore, Crédit Agricole CIB is currently under investigation opened by the Attorney General of the State of Florida on both the Libor and the Euribor.

Following its investigation and an unsuccessful settlement procedure, on 21 May 2014, the European Commission sent a notification of grievances to Crédit Agricole S.A. and to Crédit Agricole CIB pertaining to agreements or concerted practices for the purpose and/or effect of preventing, restricting or distorting competition in derivatives related to the Euribor.

In a decision dated 7 December 2016, the European Commission jointly fined Crédit Agricole S.A. and Crédit Agricole CIB €114,654,000 for participating in a cartel in euro interest rate derivatives. Crédit Agricole S.A. and Crédit Agricole CIB are challenging this decision and have asked the European Court of Justice to overturn it.

Additionally, the Swiss competition authority, COMCO, is conducting an investigation into the market for interest rate derivatives, including the Euribor, with regard to Crédit Agricole S.A. and several Swiss and international banks. Moreover, in June 2016 the South Korean competition authority (KFTC) decided to close the investigation launched in September 2015 into Crédit Agricole CIB and the Libor index on various currencies, Euribor and Tibor indices. The KFTC investigation into certain foreign exchange derivatives (ABS-NDF) is ongoing.

Concerning the two class actions in the United States of America in which Crédit Agricole S.A. and Crédit Agricole CIB have been named since 2012 and 2013 along with other financial institutions, both as defendants in one ("Sullivan" for the Euribor) and only Crédit Agricole S.A. as defendant for the other ("Lieberman" for Libor), the "Lieberman" class action is at the preliminary stage that consists in the examination of its admissibility; proceedings are still suspended before the US District Court of New York State. Concerning the"Sullivan" class action, Crédit Agricole S.A. and Crédit Agricole CIB introduced a motion to dismiss the applicants' claim. The US District Court of New York State upheld the motion to dismiss regarding Crédit Agricole S.A. and Crédit Agricole CIB in first instance. This decision is subject to appeal.

Since 1 July 2016, Crédit Agricole S.A. and Crédit Agricole CIB, together with other banks, are also party to a new class action suit in the United States ("Frontpoint") relating to the SIBOR (Singapore Interbank Offered Rate) and SOR (Singapore Swap Offer Rate) indices. Crédit Agricole S.A. and Crédit Agricole CIB have filed a motion to dismiss. The New York Federal Court, ruling in first instance, granted this request last August 18th, in favor of Crédit Agricole S.A. and Crédit Agricole CIB. Following federal procedure which allows them to do so, the plaintiffs modified the terms of their action to refer the case to the judge again. As a consequence, Crédit Agricole S.A. and Crédit Agricole CIB have submitted a new motion to dismiss, which must be examined by the New York Federal Court soon.

These class actions are civil actions in which the plaintiffs claim that they are victims of the methods used to set the Euribor, Libor, SIBOR and SOR rates, and seek repayment of the sums they allege were unlawfully received, as well as damages and reimbursement of costs and fees paid.

The definitions of the underlined words can be found in the Glossary on page 567.

AWSA II

On 5 June 2015, action was brought against Crédit Agricole Corporate Investment Bank (Crédit Agricole CIB) in the Nanterre commercial court by Polish companies Autostrada Wielkopolska II SA (AWSA II) and Autostrada Wielkopolska SA (AWSA). On 30 August 2008, AWSA and the Polish Infrastructure Minister signed an Agreement for the Construction and Operation of section 2 of the A2 motorway in Poland. AWSA II, to which AWSA assigned the rights to this concession until March 2037, claims to have suffered financial loss caused by Crédit Agricole CIB due to way in which the transaction financing was structured and is claiming 702.84 million zlotys (PLN) in damages, the equivalent of about €168.579 million. At the 19 October 2016 hearing, the Nanterre Commercial Court ordered a stay of proceedings pending the final decision of the Polish courts in the case between AWSA II and the company that audited the financial model.

Bonds SSA

Several regulators have demanded information to Crédit Agricole SA and to Crédit Agricole CIB for inquiries relating to activities of different banks involved on Bonds SSA market (Supranational, Sub-Sovereign and Agencies). Crédit Agricole CIB is included with other banks in various consolidated class actions before the United States District Court for the Southern District of New York. Crédit Agricole SA and Crédit Agricole CIB are included with other banks in two class actions filed in Canada, one before the Ontario Superior Court of Justice and the other before the Federal Court. Through the cooperation with these regulators, Crédit Agricole CIB proceeded to internal inquiries to gather the required information. It is not possible at this stage to predict the outcome of these investigations or class actions or the date on which they will end.

O'Sullivan

On November 9, 2017, a group of individuals, (or their families or estates), who claimed to have been injured or killed in attacks in Iraq filed a complaint against several banks including Crédit Agricole S.A., and its subsidiary Crédit Agricole Corporate Investment Bank (Crédit Agricole CIB), in US Federal District Court in New York.

The Complaint alleges that Crédit Agricole S.A., Crédit Agricole CIB, and other defendants conspired with Iran and its agents to violate US sanctions and engage in transactions with Iranian entities in violation of the US Anti-Terrorism Act and the Justice Against Sponsors of Terrorism Act. Specifically, the lawsuit alleges that Crédit Agricole S.A., Crédit Agricole CIB, and other defendants processed US dollar transactions on behalf of Iran and Iranian entities in violation of sanctions administered by the US Treasury Department's Office of Foreign Assets Control, which allegedly enabled Iran to fund terrorist organizations that, as is alleged, attacked plaintiffs. The plaintiffs are seeking an unspecified amount of compensatory damages.

Crédit Agricole S.A., Crédit Agricole CIB, and other defendants plan to move to dismiss the Complaint.

Binding agreements

Crédit Agricole S.A. does not depend on any industrial, commercial or financial patent, license or contract.

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9. NON-COMPLIANCE RISKS

Non-compliance risk refers to a potential lack of adherence to rules governing financial and banking activities. These rules may be laws, regulations, professional or ethical standards, instructions, professional codes of conduct, or efforts to combat money laundering, corruption or the financing of terrorism.

A dedicated monitoring system ensures that these risks are controlled and that their impact in terms of financial losses, or legal, administrative or disciplinary sanctions, is minimised. The common objective is to preserve the Group's reputation.

Non-compliance risk prevention and controls

The Crédit Agricole Group's Compliance function covers the entirety of Crédit Agricole S.A.'s consolidated supervision scope, as well as each of the Regional Banks. The Group Head of Compliance reports directly to the Chief Executive Officer of Crédit Agricole S.A. To encourage integration and guarantee the independence of these roles, the Compliance Officers of Credit Agricole S.A. subsidiaries report hierarchically to the Group Head of Compliance, unless prevented by local law. A functional coordination link was also implemented with the Regional Banks, either at Compliance Control Officer (RCC) level, when he or she reports directly to the entity's Executive Management, or at Risk Management level when Compliance falls within the scope of the latter. At the end of 2017, these positions were held by 1,465 full-time equivalent employees within Crédit Agricole S.A., its subsidiaries and the Regional Banks, representing an increase of over 12% of employees allocated thereto during 2017, following a 25% increase in 2016.

The Group Compliance department is responsible for developing policies with respect to observance of laws and regulations within its scope, their circulation and monitoring that they are observed. This in particular applies to rules on the prevention of money laundering and the financing of terrorism, on the management of embargoes and asset freezes, the prevention of fraud and corruption, market integrity and consumer protection. It relies on two centres of expertise, the Financial Compliance and Customer Protection Unit and the Financial Security and Fraud Prevention Unit, an entity coordination and supervision unit, the Compliance function, and a cross-functional unit, the Secretary General, which unites the project, systems, steering and control and communication functions.

Within the Compliance function, each Compliance Officer updates a non-compliance risk map and these are consolidated by the Group Compliance department.

The Group Compliance Management Committee, chaired by Executive Management, holds five or six plenary meetings per year. It makes the decisions required to prevent non-compliance risks and to implement and monitor corrective measures following the reporting of irregularities to the Committee. Non-compliance risks and the decisions made to control them are regularly presented to the Risks Committee of the Crédit Agricole S.A. Board of Directors.

As part of the medium term plan, "Strategic Ambition 2020", the Group has worked to adopt a New Compliance Approach. Three action levers were identified:

- set up a new organisation and strengthen the Compliance function;
- develop a Compliance culture among all Crédit Agricole Group employees;
- apply the native Compliance principle by including Compliance upstream of processes, particularly in IT systems.

Originally launched in 2016, the implementation of associated projects continued throughout 2017.

Significant work carried out in 2016 to implement this New Compliance Approach enabled a review of the organisation of the Group Compliance department and the Compliance function. The main actions for the restructuring of the Compliance function undertaken in 2017 related to the operational implementation of the hierarchical and functional coordination links defined in 2016, the creation of governance bodies for the business line and the acceleration of the steering and management system (budget management, review of compliance control indicators, self-certification initiative for the roll-out of compliance standards, etc.), the expansion of the Fides Corpus set of rules, incorporating the principal new regulations applicable in 2017 (notably the 4th EU anti-money laundering directive). At the same time, the Group Compliance department significantly increased the number of employees dedicated to working on these challenges and goals and began major work in terms of the strengthening and convergence of its IT systems, building on the opportunities offered by technological advances.

With regard to developing a compliance culture among Group employees, two important texts were published by the Group to cement its commitment to its customers and resolute action has been taken with regard to organising compliance training. The Group's Code of Ethics, approved by Crédit Agricole S.A.s' Board of Directors in December 2016 and by the Fédération Nationale du Crédit Agricole in January 2017, was shared with all entities on 24 May 2017 and has been adapted for local use. This highlights Crédit Agricole's values of proximity, responsibility and solidarity and constitutes a reference document that sets out the principles of action and behaviour to be respected by all Group stakeholders. The Data Protection Code, drawn up in 2016 together with Group customers and formally established on 1 January 2017, confirms the Group's strong stance in terms of protecting the personal data of its customers, based on the principles of integrity and reliability, ethics, transparency and education, customer control and data security. Its operational implementation is fully in line with the provisions of the European regulation on data protection which will come into force in May 2018.

With regard to the native compliance principle, the initiatives introduced in 2016 were continued in 2017, with the support of the Compliance function for important initiatives such as using tablets to open new accounts in banks in France and using a Group approach to launch projects to improve the Know-Your-Customer (KYC) processes.

These changes are also part of a vast reinforcement project for the international sanctions management system, the OFAC remediation plan, pursuant to the agreements signed with the US authorities on 19 October 2015 after breaches to the "OFAC Sanctions" regime for US dollar transactions over the 2003/2008 period. The Group's USLCP remediation plan was approved by the US FED on 24 April 2017 and is the subject of close monitoring and regular reporting to the Group's governance and the US authorities. The priority projects of 2017 mainly concerned:

- the finalisation of the launch of projects relating to Sanctions governance within the Group (organisation, policies and procedures relating to sanctions, including an analysis of local particularities);
- major work on the remediation of customer data, involving all Group entities;
- a second self-assessment exercise on the OFAC Sanctions risk management system ("Enterprise-Wide Risk Assessment") covering the entire scope of the plan, resulting in the overall improvement of the Group's level of control following action already taken;
- significant progress in all other areas covered by the plan: general and specific resources and training (e.g. on the bank correspondence business); roll-out of major systems projects relating to the system for filtering and screening customers vis-a-vis sanctions lists; optimisation of the sanctions lists management system; streamlining of permanent and periodic control processes.

Two audits conducted in 2017 by independent consultants from the DFS and the FED involved large numbers of employees during the financial year.

Crédit Agricole Group also pursued its commitment in the fight against corruption. Following the certification of its system in 2016 by SGS (inspection, control, analysis and certification specialist - BS 10500 certification), Crédit Agricole Group became in July 2017 the first French bank to have obtained ISO 37001 certification for its system, reflecting the efforts made by the Group in this respect. This initiative will continue in 2018 with the completion of the operational implementation of the Sapin II law with regard to preventing corruption and protecting whistle-blowers.

Lastly, in 2017, the Compliance function also focused on the following main areas:

- with regard to fraud prevention, initiatives continued to counter new forms of organised external fraud that use increasingly sophisticated techniques;

- with regard to financial security, and in addition to the changes associated with the implementation of the OFAC remediation plan that contributed directly to strengthening the system in terms of all these requirements, the system was further enhanced through the introduction of the requirements of the 4th EU directive and the work on payment transparency;
- with regard to customer protection, the year 2017 was marked by major work to apply new regulatory requirements. The main topics giving rise to action at Group level pertained to the new requirements associated with the MIFID 2 directives and regulations, PRIIPs and Insurance mediation, as well as the European regulation on Data Protection. Furthermore, the efforts placed on proactive and traceable advisory and supervisory duties relating to the sale of mutual shares continued. The roll-out of programmes relating to unclaimed assets (Eckert law), creditor insurance (Lagarde and Hamon laws), banking inclusion (Right to an account and customers in fragile financial situations) and the handling of customer complaints were monitored and resulted in the launch of specific projects;
- with regard to market integrity, work to streamline and optimise current systems required actions to be taken, particularly in relation to the prevention of market abuse.

BASEL 3 PILLAR 3 DISCLOSURES

Regulation (EU) no. 575/2013 of the European Parliament and of the Council of 26 June 2013 (Capital Requirements Regulation or "CRR") requires relevant financial institutions (notably credit institutions and investment firms) to disclose quantitative and qualitative information on their risk management activities. Crédit Agricole S.A. Group's risk management system and exposure levels are presented in this section and in the section entitled "Risk Factors" of this Registration Document.

Basel 3 focuses on three pillars:

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

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

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

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

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

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

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

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

Lastly, the major solvency ratios are an integral part of the risk appetite management system applied within the Group (described in chapter 5 "Risk Factors").

1. MANAGEMENT OF REGULATORY CAPITAL

Qualitative and quantitative information on capital management under IAS 1 are presented in sections 1.1, 1.5.1-4 and 1.5.6 in this chapter. When they are covered by the Statutory Auditors'opinion, these information are identified by a dedicated footnote, as following: "Information covered by the Statutory Auditors' opinion".

1.1. Applicable regulatory framework*

Tightening up the regulatory framework, Basel 3 agreements enhanced the quality and level of regulatory capital required and added new risk categories to the regulatory framework. The legislation concerning the regulatory requirements applicable to credit institutions and investment firms was published in the Official Journal of the European Union on 26 June 2013 (directive 2013/36/EU, known as "CRD 4", transposed notably by Order no. 2014-158 of 20 February 2014 and the Capital Requirements Regulation, "CRR") and entered into force on 1 January 2014, in accordance with the transitional provisions specified in the legislation.

Under CRR/CRD 4, three levels of solvency ratio are calculated:

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

These ratios are to be phased-in so that the transition from the Basel 2 calculation rules to the Basel 3 rules can be handled progressively up to 1 January 2018 (and up to 1 January 2022 for hybrid debt instruments; see item 1.5.3. "Transitional implementation").

Two other families of ratios are added to this system:

- the leverage ratio;
- the resolution ratios.

Each of these ratios links an amount of regulatory capital to a risk exposure. The definitions and calculations are covered in the following sections. The minimum requirements applicable to Crédit Agricole S.A. Group and Crédit Agricole Group are complied with.

* *Information covered by the Statutory Auditors' opinion.*

The definitions of the underlined words can be found in the Glossary on page 567.

1.2. Supervision

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

The French Regulatory and Resolution Supervisory Authority (ACPR) has agreed that some of the Group's subsidiaries may benefit from an exemption on an individual, or where applicable, sub-consolidated basis, under the conditions stipulated by article 7 of the CRR. Within this framework, Crédit Agricole S.A. was exempted by the ACPR from application on an individual basis.

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

1.3. Regulatory supervision scope

Difference between the accounting and regulatory scopes of consolidation

Entities consolidated for accounting purposes, but excluded from the regulatory scope of consolidation of credit institutions on a consolidated basis predominantly comprise insurance companies and several *ad hoc* entities that are equity-accounted for regulatory purposes. In addition, entities consolidated on an accounting basis using proportional consolidation at 31 December 2013 and now equity-accounted in accordance with IFRS 11, are still consolidated proportionally for regulatory purposes. Information on these entities and their consolidation method for accounting purposes is provided in Note 11 to the consolidated financial statements, "Scope of consolidation at 31 December 2017".

DIFFERENCES IN THE TREATMENT OF EQUITY INVESTMENTS BETWEEN THE ACCOUNTING AND PRUDENTIAL SCOPES

Type of equity investment	Accounting treatment	Fully loaded Basel 3 regulatory treatment
Subsidiaries with financial operations	Fully consolidated	Full consolidation generating capital requirements for the subsidiary's operations.
Jointly held subsidiaries with financial operations	Equity-accounted	Proportional consolidation.
Subsidiaries with insurance operations	Fully consolidated	Regulatory treatment of these equity investments using equity accounting method, since the Group is identified as being a "financial conglomerate": ● CET1 instruments weighted at 370% (for non-listed entities), with EL equity at 2.4%, subject to approval by the banking supervisor; otherwise, deduction of the subsidiary's CET1 financial instruments from the Group's total CET1 instruments; ● AT1 and Tier 2 instruments deducted from the the total of equivalent financial instruments of the Group. In turn, as in previous years, Crédit Agricole S.A. Group and Crédit Agricole Group are subject to additional capital requirements and capital adequacy ratios applying to financial conglomerates.
Equity investments of over 10% with operations that are financial in nature	● Equity-accounted ● Equity investments in credit institutions	● Deduction of CET1 instruments from CET1, beyond an exemption threshold of 17.65% of CET1. This exemption threshold, applied after calculation of a 10% threshold, is common to the non-deducted portion of deferred tax assets that rely on future profitability arising from temporary differences. ● AT1 and Tier 2 instruments deducted from the total of equivalent financial instruments of the Group.
Equity investments of ≤ 10% with financial or insurance operations	Equity investments and available-for-sale securities	Deduction of CET1, AT1 and Tier 2 instruments, beyond an exemption threshold of 10% of CET1.
ABCP (Asset-backed commercial paper) business securitisation vehicles	Full	Risk weighting of the equity-accounted value and commitments on these structures (liquidity facilities and letters of credit).

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

DIFFERENCES BETWEEN ACCOUNTING AND REGULATORY SCOPES OF CONSOLIDATION AND CORRESPONDENCE BETWEEN FINANCIAL STATEMENTS AND REGULATORY RISK CATEGORIES

	a	b	c	d	e	f	g
			Carrying values of items:				
31/12/2017 *(in billons of euros)*	Carrying values as reported in published financial statements	Carrying values under scope of regulatory consolidation	Subject to credit risk framework	Subject to counterparty credit risk framework	Subject to the securitisation framework	Subject to the market risk framework	Not subject to capital requirements or subject to deduction from capital
Assets							
Cash, Central Banks	51	51	51				0
Financial assets at fair value through profit or loss	321	223	3	201		147	0
Hedging derivative instruments	16	15		15			0
Available-for-sale financial assets	307	82	73	5	4		0
Loans and receivables due from credit institutions	394	389	383	6			0
Loans and receivables due from customers	360	360	356	3			0
Revaluation adjustment on interest rate hedged portfolios	6	6					6
Held-to-maturity financial assets	20	9	6	4			0
Current tax assets	1	2	2				0
Deferred tax assets	3	3	3				0
Accruals, prepayments and sundry assets	36	33	30	3		2	0
Non-current assets held for sale	0	0	0				0
Policyholders' deferred profit sharing	0						
Investments in equity-accounted entities	5	15	13				2
Investment property	6	0	0				0
Property, plant and equipment	4	5	5				0
Intangible assets	2	2					2
Goodwill	15	15					15
TOTAL ASSETS	**1,550**	**1,210**	**926**	**237**	**4**	**149**	**24**
Liabilities							
Central banks	3	4					4
Financial liabilities at fair value through profit or loss	228	226		72			154
Hedging derivative instruments	13	13					13
Due to credit institutions	126	109		7			102
Due to customers	551	564		2			563
Debt securities	164	156					156
Revaluation adjustment on interest rate hedged portfolios	7	6					6
Current tax liabilities	1	2	2				0
Deferred tax liabilities	2	2	2				0
Accruals, deferred income and sundry liabilities	41	36	7				29
Liabilities associated with non-current assets held for sale	0	0					0
Insurance company technical reserves	320	0					0
Provisions	4	5					5
Subordinated debt	25	24					24
Total liabilities	**65**	**63**					**63**
Of which equity	**58**	**58**					**58**
Of which equity, Group share	27	27					27
Of which consolidated reserves	25	25					25
Of which unrealised or deferred gains or losses - Group share	3	3					3
Of which net income/(loss) for the year - Group share	4	4					4
Of which non-controlling interests	**7**	**5**					**5**
TOTAL EQUITY AND LIABILITIES	**1,550**	**1,210**	**10**	**81**			**1,119**

The carrying amounts for the regulatory scope of consolidation (column b) are not equal to the sum of their breakdown by type of risk (columns c to g) as an exposure may be subject to several types of risk.

The definitions of the underlined words can be found in the Glossary on page 567.

1.4. Solvency ratios

SOLVENCY RATIO NUMERATOR (SEE PART 1.5 "DEFINITION OF CAPITAL")

Basel 3 defines three levels of capital:

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

SOLVENCY RATIO DENOMINATOR (SEE PART 4 "COMPOSITION AND CHANGES IN RISK-WEIGHTED ASSETS")

Basel 3 defines several types of risk: credit risks, market risks and operational risks, which give rise to risk-weighted asset calculations. These are discussed in part 4, below.

Furthermore, risk-weighted assets include the equity-accounted value of insurance investments for the validated conglomerate scope, pursuant to Article 49 of the CRR. For the Crédit Agricole S.A. Group, the weighting is 370% given the unlisted status of Crédit Agricole Assurances (CAA). Furthermore, the risk arising from these regulatory prudential requirements on Crédit Agricole S.A.'s investment in CA Assurances was transferred to the Regional Banks through the implementation of specific guarantees (Switch), since 2 January 2014. The guarantee covers €9.2 billion of equity value for CA Assurances.

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

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

There are two subsets of the IRB approach:

- the "Foundation Internal Ratings-Based" approach, under which institutions may use exclusively their own default probability estimates;
- the "Advanced Internal Ratings-Based" approach, under which institutions may use all their internal estimates of risk components: exposures given default, maturity, probability of default, loss given default.

1.4.1. Minimum regulatory requirements

The requirements with regard to Pillar 1 are governed by the CRR Regulation. The legislator also fixes, on a discretionary basis, the minimum requirements, within the framework of Pillar 2.

MINIMUM REQUIREMENTS FOR PILLAR 1

- Capital ratios before buffers: the minimum phased-in CET1 requirements have been set at 4.5% of risk-weighted assets since 2015. Likewise, the minimum phased-in Tier 1 requirement was raised to 6% in 2015 and for the following years. Lastly, the minimum phased-in total capital requirement is 8%, in 2015 and for the following years;
- Capital buffers are added to these ratios, to be applied progressively:
  - the capital conservation buffer (2.5% of risk-weighted assets in 2019),
  - the countercyclical buffer (in principle within a range 0 to 2.5%): the buffer for the Group being an average weighted by exposure at default (EAD[1]) of the buffers defined for each country in which the Group operates,
  - the buffers for systemic risk (0 to 3% in general, up to 5% after agreement from the European Commission, and more exceptionally above that figure) and for Global Systemically Important Banks (G-SIB, between 0% and 3.5%) or other (O-SII, between 0% and 2%). These buffers are not cumulative, and in general, subject to exceptions, it is the highest that applies. Only Crédit Agricole Group is a systemic institution and has a buffer of 1% as from 1 January 2019, phased-in at 0.25% in 2016 and 0.50% in 2017. Crédit Agricole S.A. Group does not fall within these categories.

These buffers come into force on an annual incremental basis from 2016 to 2019 (0% in 2015, 25% of the required buffer in 2016, 50% in 2017, etc.). When the countercyclical buffer rate is calculated by one of the national authorities, the application date is at least 12 months after the date of publication, other than in exceptional circumstances. The progressive increments above apply at the end of the 12-month advance notice period. At the end of December 2017, countercyclical buffers for Hong Kong, Iceland, Norway, the Czech republic, Slovakia and Sweden were recognised by the Financial Stability Board (FSB). These buffers must be covered by Common Equity Tier 1 phased-in capital.

1 January...	2016	2017	2018	2019
Common Equity Tier 1	4.5%	4.5%	4.5%	4.5%
Tier 1 (CET1 + AT1)	6.0%	6.0%	6.0%	6.0%
Tier 1 + Tier 2	8.0%	8.0%	8.0%	8.0%
Capital conservation buffer	0.625%	1.250%	1.875%	2.50%
Countercyclical buffer (0% to 2.5%)	0.011%	0.014%		
Systemic risk buffer (0% to 5%)	0%	0%		

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

Details of the countercyclical buffer calculation:

31/12/2017 (in millions of euros)	General credit exposures		Trading book exposure		Securitisation exposure		Own funds requirements					Countercyclical capital buffer rate by country (in %)	Countercyclical capital buffer rate specific to the bank (in %)
	Standard approach	IRB approach	Sum of long and short position of trading book	Value of trading book exposure for internal models	Standard approach	IRB approach	General credit exposure	Trading book exposure	Securitisation exposure	Total	Weight of the country in the total (in %)		
Hong Kong	323	2,909	-	-	-	-	58	-	-	58	**0.312**	1.25	0.004
Iceland	1	-	-	-	-	-	-	-	-	-	**0.001**	1.25	0.000
Norway	180	853	-	-	-	-	27	-	-	27	**0.144**	1.50	0.002
Czech republic	93	99	-	-	-	-	13	-	-	13	**0.068**	0.50	0.000
Slovakia	2	17	-	-	-	-	1	-	-	1	**0.005**	0.50	0.000
Sweden	207	1,828	-	-	-	30	72	-	-	72	**0.389**	2.00	0.008
France	43,406	184,930	210	2,152	547	10,988	8,502	189	133	8,824	**47.390**	0.00	0.000
Other countries[1]	65,711	173,313	227	-	1,452	27,457	9,239	18	368	9,625	**51.692**	0.00	0.000
TOTAL	**109,923**	**363,949**	**437**	**2,152**	**1,999**	**38,475**	**17,912**	**207**	**501**	**18,620**	**100.000**		**0.014**

(1) For which no countercyclical buffer has been defined by the competent authority.

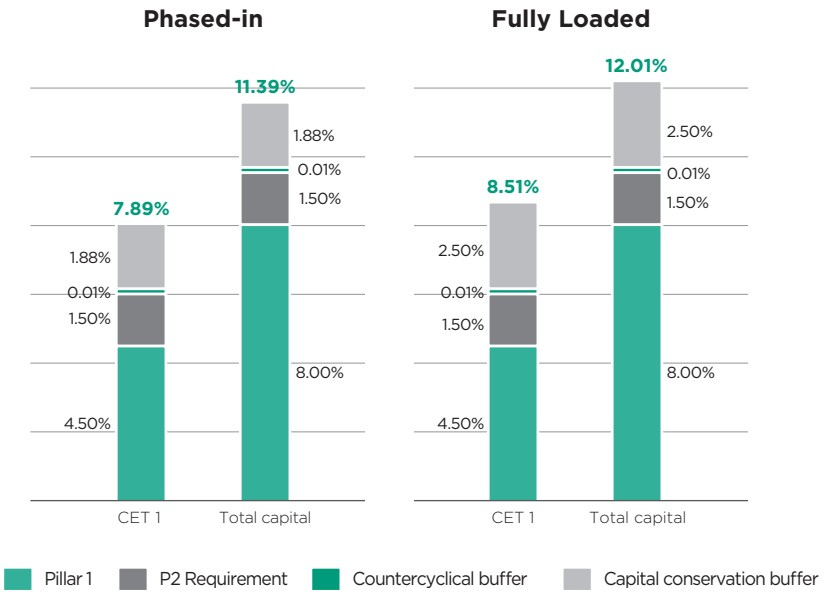
MINIMUM REQUIREMENTS WITH REGARD TO PILLAR 2 PUBLISHED ON 19 DECEMBER 2017

Crédit Agricole Group and Crédit Agricole S.A. Group have been notified by the European Central Bank (ECB) of the new minimum capital requirements following the results of the Supervisory Review and Evaluation Process (SREP).

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

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

Crédit Agricole S.A. Group will therefore have to comply in 2018 with a consolidated minimum CET1 ratio of 7.89% phased-in or 8.51% fully loaded. These levels include the requirements under Pillar 1, Pillar 2 P2R, the capital conservation buffer that is subject to phasing and the countercyclical buffer:



At the end of December 2017, the phased-in CET1 ratio was 11.7%; the fully loaded ratio is identical.

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

The definitions of the underlined words can be found in the Glossary on page 567.

1.4.2. Summary table of the solvency ratios

	31/12/2017		31/12/2016	
(in millions of euros)	Phased-in	Fully loaded	Phased-in	Fully loaded
Common Equity Tier 1 (CET1)	34,769	34,766	36,358	36,302
Tier 1 capital	41,791	39,821	45,445	41,843
Total capital	54,245	51,688	60,512	55,994
Total risk-weighted assets	296,388	296,388	300,740	300,740
CET1 RATIO	**11.7%**	**11.7%**	**12.1%**	**12.1%**
TIER 1 RATIO	**14.1%**	**13.4%**	**15.1%**	**13.9%**
TOTAL CAPITAL RATIO	**18.3%**	**17.4%**	**20.1%**	**18.6%**

1.5. Definition of capital

1.5.1. Tier 1 Capital (Tier 1)

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

COMMON EQUITY TIER 1 (CET1)

This includes:

- share capital;
- reserves, including share premiums, retained earnings, net income after dividend payments and accumulated other comprehensive income, including in particular unrealised capital gains and losses on available-for-sale financial assets and conversion differences;
- non-controlling interests, which are partially derecognised, or even excluded, depending on whether or not the subsidiary is an eligible credit institution; this partial derecognition corresponds to the excess of the amount of capital required to cover the subsidiary's capital requirements; it applies to each tier of capital;
- deductions, which mainly include the following items:
  - treasury shares held and valued at their carrying amount,
  - intangible assets, including start-up costs and goodwill,
  - prudent valuation (laid down in the regulatory framework : adjustment of the amount of assets and liabilities measured at fair value according to a prudential methodology by deducting any potential value adjustment),
  - deduction from the CET1 of **deferred tax assets (DTAs)** that rely on future profitability **arising from tax loss carryforwards,**
  - deduction from the CET1 of negative amounts resulting from any **shortfall of provisions relative to expected losses** ("EL"),
  - deduction from the CET1 of CET1 instruments held in **equity investments less than or equal to 10%** above an exemption threshold of 10% of CET1 capital; items not deducted are included in risk-weighted assets (variable weighting depending on the nature of instruments and the Basel methodology),
  - deduction from the CET1 of **deferred tax assets** (**DTAs**) that **rely on future profitability arising** from temporary differences above an exemption threshold of 17.65% of CET1 capital; this exemption threshold, applied after application of an initial exemption threshold of 10% of CET1, is common to the non-deducted portion of CET1 instruments held in significant financial stakes (over 10%); items not deducted are included in risk-weighted assets (250% weighting),
  - deduction from the CET1 of CET1 instruments held in **equity investments over 10%** (significant investments) above an exemption threshold of 17.65% of CET1 capital; this exemption threshold, applied after application of an initial exemption threshold of 10% of CET1, is common to the non-deducted portion of the deferred tax assets that rely on future profitability arising from temporary differences; items not deducted are included in risk-weighted assets (250% weighting).

ADDITIONAL TIER 1 CAPITAL (AT1)

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

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

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

Investments in financial-sector entities related to this tier (AT1) are deducted, as are those resulting from the transitional regime rules.

The five Basel 3 eligible AT1 issues have two bail-in mechanisms that are triggered if:

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

At 31 December 2017, the phased-in ratios of Crédit Agricole S.A. and of Crédit Agricole Group were 11.7% and 14.8% respectively. Thus, they represent capital buffers of €19.6 billion (for Crédit Agricole S.A.'s threshold) and €40.9 billion (for Crédit Agricole Group's threshold) relative to the bail-in thresholds.

At 31 December 2017, there were no applicable restrictions on the payment of coupons.

At 31 December 2017, the potentially distributable items of Crédit Agricole S.A. totalled €37.9 billion, including €25.7 billion in distributable reserves and €12.2 billion in share premiums.

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

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

- additional Tier 1 capital eligible under Basel 3 (AT1); and
- a fraction of the ineligible Tier 1, equal to the lower of:
  - the regulatory amount of ineligible Tier 1 instruments on the closing date (after amortisation, any calls, redemptions, etc.), including preferred shares,
  - 50% (threshold for 2017) of the Tier 1 stock at 31 December 2012, the Tier 1 stock at 31 December 2012 stood at €9,329 million, or a maximum recognisable amount of €4,665 million.

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

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

1.5.2. Tier 2 Capital (Tier 2)

This includes:

- subordinated debt instruments, which must have a minimum maturity of five years; they must not carry any early repayment incentives; these instruments are subject to a haircut during the five-year period prior to their maturity date;
- grandfathering as presented for the AT1 capital above;
- net unrealised capital gains on equity instruments included before tax in Tier 2 capital at a rate of 45% (only on a phased-in basis);
- surplus provisions relative to eligible expected losses determined in accordance with the internal ratings-based approach are limited to 0.6% of risk-weighted assets under IRB; in addition, general credit risk adjustments gross of tax effects may be included for up to 1.25% of risk-weighted assets under the standardised approach;
- deductions of investments in financial-sector entities related to this tier (predominantly in the insurance sector, since most subordinated banking receivables are not eligible) and those resulting from the transitional regime rules, following phasing of investments deducted at 50% from Tier 1 and at 50% from Tier 2 according to the applicable regulations.

The amount of Tier 2 included in the ratios represents:

- on a fully loaded basis: CRD 4 eligible Tier 2;
- on a phased-in basis: CRD 4 eligible Tier 2, plus the lower of:
  - regulatory ineligible Tier 2 securities at the closing date and, as applicable, the remainder of Tier 1 securities exceeding the 50% threshold (threshold for 2017) of ineligible Tier 1 securities,
  - 50% (threshold for 2017) of the CRD 4 ineligible Tier 2 stock at 31 December 2012; the CRD 4 ineligible Tier 2 stock at 31 December 2012 stood at €4,118 million, or a maximum recognisable amount of €2,059 million.

For clarity, the tables of undated subordinated debt, participating securities and dated subordinated notes at 31 December 2017 are presented in Pillar 3, available on the website: https://www.credit-agricole.com/en/finance/finance/financial-publications.

1.5.3. Transitional implementation

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

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

1. transitional treatment of prudential filters on unrealised gains and losses on available-for-sale assets: prior to 2014, unrealised gains were excluded from CET1; they were integrated on a gradual basis (40% in 2015; 60% in 2016; 80% in 2017 and 100% the following years); conversely, unrealised capital losses have been included from 2014; in addition, unrealised capital gains and losses on sovereign debt securities remain excluded from capital until such time as IFRS 9 is applied by the EU;
2. progressive deduction of the partial derecognition or exclusion of non-controlling interests by tranche rising by 20% per annum since 1 January 2014;
3. progressive deduction of deferred tax assets (DTAs) that rely on future profitability arising from tax loss carryforwards by tranche, rising by 20% per annum since 1 January 2014; the residual amount (80% in 2014, 60% in 2015, 40% in 2016, 20% in 2017 and 0% the following years) continues to be handled using the CRD 3 method (treatment as risk-weighted assets with a 0% weighting);
4. progressive deduction of deferred tax assets (DTAs) that rely on future profitability arising from temporary differences: the amount that exceeds the double exemption threshold that is partly common to significant equity investments over 10% is deducted by tranche rising by 20% per annum with effect from 1 January 2014; the items covered by the exemption thresholds are weighted 250%; the residual amount by which the exemption threshold (80% in 2014, 60% in 2015, 40% in 2016, 20% in 2017 and 0% the following years) is exceeded continues to be handled using the CRD 3 method (treatment as risk-weighted assets with a 0% weighting);
5. progressive deduction of CET1 instruments held in financial entities constituting significant equity investments over 10%: the residual amount by which the double exemption threshold common to the deferred tax assets referred to in the previous point is exceeded, is deducted according to the same conditions as described in the above point; the items covered by the exemption threshold are weighted 250% as above; that residual amount by which the exemption threshold is exceeded (80% in 2014, 60% in 2015, 40% in 2016, 20% in 2017 and 0% the following years) continues to be handled using the CRD 3 method (50% deduction from Tier 1 and 50% from Tier 2);
6. the hybrid debt instruments that were eligible as capital under Basel 2 and which are no longer eligible as capital owing to the entry into force of the new regulation can, under certain conditions, be eligible for the grandfathering clause. Any instruments issued after 31 December 2011 that do not comply with the CRR are excluded from 1 January 2014; the instruments for which the issue date is prior to this date may, subject to certain conditions, benefit from grandfathering clauses; in accordance with this clause, these instruments are gradually excluded over a period of eight years, with a reduction of 10% per annum. In 2014, 80% of the total stock

The definitions of the underlined words can be found in the Glossary on page 567.

declared on 31 December 2012 was recognised, then 70% in 2015, and so on. The unrecognised part can be included in the lower capital category (from AT1 to Tier 2, for example) if it meets the corresponding criteria.

1.5.4. Simplified regulatory capital at 31 December 2017

The following table shows the regulatory capital at 31 December 2017 (simplified version). To facilitate its reading, the full table of the composition of capital is presented under Pillar 3, available on our website at https://www.credit-agricole.com/en/finance/finance/financial-publications.

	31/12/2017		31/12/2016	
(in millions of euros)	**Phased-in**	**Fully loaded**	**Phased-in**	**Fully loaded**
Capital and reserves Group share[1]	50,596	50,885	49,727	50,554
(+) Minority interests[1]	3,472	3,270	2,575	1,951
(-) Prudent valuation	(737)	(737)	(472)	(472)
(-) Deductions of goodwill and other intangible assets	(17,761)	(17,761)	(15,074)	(15,074)
(-) Deferred tax assets that rely on future profitability not arising from temporary differences after deduction of the associated tax liabilities	(240)	(299)	(32)	(53)
(-) Shortfall in adjustments for credit risk relative to expected losses under the internal ratings-based approach deducted from the CET1	(578)	(578)	(179)	(179)
(-) Amount exceeding the exemption threshold for CET1 instruments of financial stakes in which the institution owns a significant holding and of the deductible deferred tax assets that rely on future profitability arising from temporary differences[2]	0	0	(251)	(418)
Transitional adjustments and other deductions applicable to CET1 capital	17	(14)	64	(7)
COMMON EQUITY TIER 1 (CET1)	**34,769**	**34,766**	**36,358**	**36,302**
Equity instruments eligible as AT1 capital	5,098	5,098	5,616	5,616
Ineligible AT1 equity instruments qualifying under grandfathering clause	2,416	0	4,508	0
Tier 1 or Tier 2 instruments of entities operating mainly in the insurance sector in which the institution has a significant investment deducted from Tier 1 capital	(420)	(1)	(808)	0
Transitional adjustments, other deductions and minority interests	(72)	(42)	(229)	(75)
ADDITIONAL TIER 1 CAPITAL	**7,022**	**5,055**	**9,087**	**5,541**
TIER 1 CAPITAL	**41,791**	**39,821**	**45,445**	**41,843**
Equity instruments and subordinated borrowings eligible as Tier 2 capital	15,506	15,506	17,808	17,808
Ineligible equity instruments and subordinated borrowings	382	0	431	0
Surplus provisions relative to expected losses eligible under the internal ratings-based approach and general credit risk adjustments under the standardised approach[3]	443	443	382	382
Tier 2 instruments of entities operating mainly in the insurance sector in which the institution has a significant investment deducted from Tier 2 capital	(3,771)	(3,951)	(3,231)	(3,799)
Transitional adjustments, other deductions and minority interests	(106)	(131)	(323)	(240)
TIER 2 CAPITAL	**12,454**	**11,867**	**15,067**	**14,151**
TOTAL CAPITAL	**54,245**	**51,688**	**60,512**	**55,994**
TOTAL RISK-WEIGHTED ASSETS	**296,388**	**296,388**	**300,740**	**300,740**
CET1 RATIO	**11.7%**	**11.7%**	**12.1%**	**12.1%**
TIER 1 RATIO	**14.1%**	**13.4%**	**15.1%**	**13.9%**
TOTAL CAPITAL RATIO	**18.3%**	**17.4%**	**20.1%**	**18.6%**

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

(2) Financial-sector CET1 instruments in which the institution holds a significant stake account for €2,986 million, and the deferred taxes that rely on future profitability arising from temporary differences amount to €739 million on a fully loaded basis as of the 31st of December 2017.

(3) The transfer to Tier 2 of the surplus provisions relative to eligible expected losses determined in accordance with the internal ratings-based approach is limited to 0.6% of risk-weighted assets under IRB. In addition, general credit risk adjustments gross of tax effects may be included up to 1.25% of risk-weighted assets under the standardised approach.

The definitions of the underlined words can be found in the Glossary on page 567.

The fully loaded Common Equity Tier 1 (CET1) capital stood at €34.8 billion at 31 December 2017, down €1.5 billion compared with year-end 2016.

The non-recurring events that affected CET1 in 2017 concern the different asset acquisition and disposal transactions. The most significant is the acquisition of Pioneer Investments (Unicredit's asset management subsidiary) by Amundi; two other transactions also took place: the aquisition of three Italian savings banks and 15% of the capital of CACEIS held by Natixis. Two disposals were carried out: 16% of the capital in BSF and Crédit Agricole S.A.'s entire investment (15.4%) in Eurazeo. The other variations are mainly attributable to unrealised losses, the negative foreign exchange impact and the increase in the provision deficit relative to the expected loss on IRB (Internal ratings based approach) exposures.

For recurring changes, the retained prudential result amounted to €2.0 billion and, in the other direction, the expense for coupons on Basel 3-eligible AT1 issues was €0.5 billion.

Details of residual changes are shown under detailed ratios categories:

- capital and reserves on a fully loaded basis rose by €0.3 billion compared with 2016 year-end, to €50.9 billion, mainly due to retained prudential net income amounting to €2.0 billion and to the positive €0.3 billion impact of the acquisition of Pioneer Investments on the reserves. In the other direction, the drop in unrealised gains and losses stood at €0.4 billion, translation adjustments, net of the foreign currency impact of AT1 issues had a negative impact of €0.8 billion and AT1 coupons represented an expense of €0.5 billion for CET1. in addition, the acquisition of the CACEIS minority share had a negative impact of less than €0.2 billion;
- fully loaded non-controlling interests amounted to €3.3 billion, up €1.3 billion, mainly due to the effect of the acquisition of Pioneer Investments (for €0.9 billion) and the acquisition of the Italian savings banks (€0.2 billion);
- the deduction for prudent valuation amounted to €0.7 billion, up €0.3 billion;
- deductions of goodwill and other intangible assets amounted to €17.8 billion, up by €2.7 billion, mainly due to the impact of the acquisition of Pioneer Investments;
- deferred tax assets (DTA) which are dependent on future profitability related to tax loss carryforwards amounted to €0.3 billion;
- the provision deficit in relation to the expected loss on IRB exposures amounted to -€0.6 billion, compared with -€0.2 billion at 31 December 2016;
- CET1 instruments held in equity investments over 10% decreased by €1.1 billion to €3.0 billion, mainly due to the partial disposal of BSF; they are the subject of an exemption threshold and passed under this threshold; deferred tax assets (DTA) that rely on future profitability arising from temporary differences amounted to €0.7 billion, up €0.1 billion on 31 December 2016; the latter are subject to the calculation of an exemption threshold and are treated as risk-weighted assets and weighted at 250%; overall, the capital deduction for equity investments in excess of 10% was zero at 31 December 2017 (compared with -€0.4 billion at 31 December 2016).

The phased-in Common Equity Tier 1 (CET1) capital stood at €34.8 billion, *i.e.* a similar amount to the fully loaded capital. In summary, the negative impact from the phasing on unrealised capital gains and losses is offset by the positive impact of the reintegration of derecognised non-controlling interests.

Fully loaded Tier 1 capital came in at €39.8 billion, down by €2 billion from 31 December 2016. This change was attributable to:

- the hybrid securities included in Tier 1 capital eligible under Basel 3, which amounted to €5.1 billion, down €0.5 billion due to an unfavourable foreign currency impact;
- as a reminder, the entire stock prior to 1 January 2014, or €2.4 billion, was ineligible;
- the deductions mainly include the redemption ceiling for AT1 instruments of less than €0.1 billion, unchanged from 31 December 2016.

Phased-in Tier 1 capital amounted to €41.8 billion and was down €3.7 billion on 31 December 2016, with additional Tier 1 capital down €2.1 billion. This change comprises the fully loaded changes detailed above and the phased-in changes. The latter was mainly attributable to:

- "grandfathered" securities fell by €2.1 billion, mainly due to the redemptions of €1.3 billion in the context of a liability management transaction, plus call options for €0.6 billion and a negative foreign currency impact for the remainder; the total amount of these securities thus remains below the level authorised by the grandfathering provision, which makes it possible to include, in addition to the CRR/CRD 4-eligible instruments, an amount of debt equivalent to a maximum of 50% of the base at 31 December 2012;
- subordinated loans and receivables from credit institutions and insurance companies, all representatives of Tier 2 instruments, which are deducted for their share of the deduction from Tier 1; this item, impacted by the change in the phasing percentage, amounted to €0.4 billion at 31 December 2017, representing a decrease of €0.4 billion from 31 December 2016.

Fully loaded Tier 2 capital amounted to €11.9 billion, down €2.3 billion from 31 December 2016. This change was attributable to:

- the hybrid securities included in category 2 capital eligible under Basel 3, which amounted to €15.5 billion, or €2.3 billion lower than at 31 December 2016; a number of redemptions were completed in the financial year, amounting to €0.5 billion; regulatory haircuts had an impact of €1.4 billion and the foreign exchange impact was negative for the remainder;
- surplus provisions relative to expected losses under the internal ratings-based approach and adjustments for the gross general credit risk of tax effects under the standardised approach were stable at €0.4 billion;
- subordinated loans and receivables from credit institutions and insurance companies, all representative of Tier 2 instruments, were deducted in full from Tier 2 in the amount of €4.0 billion on a fully loaded basis, compared with €3.8 billion at 31 December 2016;
- transitional adjustments and other deductions include a deduction from the redemption ceiling for Tier 2 instruments of €0.2 billion, and in the other direction, the Tier 2 impact of non-controlling interests of instruments issued by subsidiaries amounted to €0.1 billion.

The definitions of the underlined words can be found in the Glossary on page 567.

Phased-in Tier 2 capital was €12.5 billion, down €2.6 billion from 31 December 2016. This change comprises the fully loaded changes above and the phased-in changes. The latter was mainly attributable to:

- €0.4 billion of non-eligible instruments was almost unchanged from 31 December 2016;
- subordinated loans and receivables from credit institutions and insurance companies, for their share allocated as a Tier 2 deduction, which amounted to €3.8 billion, an increase of €0.5 billion on 31 December 2016, due mainly to the change in the phasing percentage.

In all, fully loaded total capital at 31 December 2017 stood at €51.7 billion, or €4.3 billion lower than at 31 December 2016.

At €54.2 billion, **phased-in total capital** was €6.3 billion lower than at 31 December 2016. This regulatory capital does not take into account the non-preferred senior debt issues, which are discussed in the item "Resolution Ratios" below.

1.5.5. Changes in regulatory capital in 2017

(in millions of euros)	**Phased-in 31/12/2017 *vs* 31/12/2016**
Common Equity Tier 1 capital at 31/12/2016	**36,358**
Capital increase	0
Accounting attributable net income/loss for the year before dividend	3,194
Expected dividend	(1,802)
Change in unrealised gains and losses[1]	190
Foreign currency impact	(772)
Minority interests[1]	897
Change in goodwill and other intangible assets	(2,687)
Shortfall in adjustments for credit risk relative to expected losses under the internal ratings-based approach deducted from the CET1	(399)
Amount exceeding the exemption threshold[1]	251
Other regulatory adjustments	(460)
COMMON EQUITY TIER 1 CAPITAL AT 31/12/2017	**34,769**
Additional Tier 1 capital at 31/12/2016	**9,087**
Issues	0
Redemptions and foreign currency impact on the debt stock[2]	(2,610)
Change in the regulatory adjustments to Additional Tier 1 capital	545
ADDITIONAL TIER 1 CAPITAL AT 31/12/2017	**7,022**
TIER 1 CAPITAL AT 31/12/2017	**41,791**
Tier 2 capital at 31/12/2016	**15,067**
Issues	0
Redemptions and foreign currency impact on the debt stock[2][3]	(2,351)
Change in the regulatory adjustments to Tier 2 capital	(262)
TIER 2 CAPITAL AT 31/12/2017	**12,454**
TOTAL CAPITAL AT 31/12/2017	**54,245**

(1) Including the impact of the change in the phasing percentage.

(2) Including the impact of deductions of AT1 and Tier 2 repurchase instruments and the applicable cap to these instruments.

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

1.5.6. Reconciliation of accounting and regulatory capital

	31/12/2017		31/12/2016	
(in millions of euros)	Phased-in	Fully loaded	Phased-in	Fully loaded
EQUITY, GROUP SHARE (CARRYING AMOUNT)*	**58,056**	**58,056**	**58,277**	**58,277**
Expected dividend payment on result of year Y	(1,802)	(1,802)	(1,716)	(1,716)
Filtered unrealised gains/(losses) on change in own credit risk on structured products	370	370	219	219
Filtered unrealised gains/(losses) on change in own credit risk on derivatives	(11)	(14)	(41)	(69)
Filtered unrealised gains/(losses) on cash flow hedges	(426)	(426)	(578)	(578)
Transitional regime applicable to unrealised gains/(losses)	(294)	0	(859)	0
AT1 instruments included in equity (carrying amount)	(5,000)	(5,000)	(5,011)	(5,011)
Other regulatory adjustments	(297)	(299)	(564)	(568)
Capital and reserves Group share(1)	**50,596**	**50,885**	**49,727**	**50,554**
MINORITY INTERESTS (CARRYING AMOUNT)*	**6,650**	**6,650**	**5,661**	**5,661**
(-) items not recognised under regulatory framework(2)	(3,178)	(3,380)	(3,086)	(3,710)
Minority interests(1)	**3,472**	**3,270**	**2,575**	**1,951**
(-) Prudent valuation	(737)	(737)	(472)	(472)
Deductions of goodwill and other intangible assets	(17,761)	(17,761)	(15,074)	(15,074)
Deferred tax assets that rely on future profitability not arising from temporary differences	(240)	(299)	(32)	(53)
Shortfall in adjustments for credit risk relative to expected losses under the internal ratings-based approach deducted from the CET1	(578)	(578)	(179)	(179)
Amount exceeding the exemption threshold for CET1 instruments of financial stakes in which the institution owns a significant holding and of the deductible deferred tax assets that rely on future profitability arising from temporary differences	0	0	(251)	(418)
Other CET1 components	17	(14)	64	(7)
TOTAL CET1	**34,769**	**34,766**	**36,358**	**36,302**
AT1 equity instruments (including preferred shares)	7,514	5,098	10,124	5,616
Tier 1 or Tier 2 instruments of financial-sector entities in which the institution holds a significant investment deducted from Tier 1 capital	(420)	(1)	(808)	0
Transitional adjustments, other deductions and minority interests	(42)	(42)	(159)	(75)
Other components of Tier 1 capital	(30)	0	(70)	0
Total Additional Tier 1	**7,022**	**5,055**	**9,087**	**5,541**
TOTAL TIER 1	**41,791**	**39,821**	**45,445**	**41,843**
Tier 2 equity instruments	15,888	15,506	18,239	17,808
Surplus provisions relative to expected losses eligible under the internal ratings-based approach	0	0	0	0
General credit risk adjustments under the standardised approach	443	443	382	382
Tier 2 instruments of entities operating mainly in the insurance sector in which the institution has a significant investment deducted from Tier 2 capital	(3,771)	(3,951)	(3,231)	(3,799)
Transitional adjustments, other deductions and minority interests	(106)	(131)	(323)	(240)
TOTAL TIER 2	**12,454**	**11,867**	**15,067**	**14,151**
TOTAL CAPITAL	**54,245**	**51,688**	**60,512**	**55,994**

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

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

* *Information covered by the Statutory Auditors' opinion.*

The definitions of the underlined words can be found in the Glossary on page 567.

1.6. Other ratios

1.6.1. Financial conglomerate ratio

As at 31 December 2017, Crédit Agricole S.A.'s financial conglomerate ratio, which now includes the Solvency 2 requirement relating to the equity interest in Crédit Agricole Assurances, is 193% on a phased-in basis, a level well above the minimum 100% requirement. The Group therefore has almost twice the level of minimum capital requirements for banking activities and insurance activities.

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

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

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

The "conglomerate" view is the most relevant for a bancassurance group. The conglomerate combines banks and insurance companies, which corresponds to the natural scope of Crédit Agricole S.A. Moreover, the conglomerate ratio reflects the actual risks borne by each of the two activities. Therefore, the conglomerate ratio view is economic, whereas the bank solvency ratio treats insurance as an equity investment.

1.6.2. Leverage ratio

Article 429 of the CRR specifying the methods for calculating the leverage ratio was amended and replaced by the Delegated Act no. 62/2015 of 10 October 2014. The delegated act was published in the Official Journal of the European Union on 18 January 2015.

Publication of the ratio at least once a year is mandatory as of 1 January 2015; institutions can choose to publish a fully loaded ratio, a phased-in ratio or both ratios.

If the institution decides to change its publication choice, at the time of first publication it must reconcile the data for all of the ratios previously published with the data for the new ratios selected for publication.

An observation period has been introduced for the leverage ratio running from 1 January 2014 to 1 January 2017 to monitor the components and the behaviour of the ratio relative to the requirements based on risks.

At this stage, the implementation of Pillar 1 (minimum regulatory requirement), initially planned for 1 January 2018, has been delayed, and could take place as part of the CRR2 transposition.

A requirement for a two-level leverage ratio is recommended by the Basel Committee: it could be 3%, for non G-SIB, and a level of 3% increased by half of the entity's systemic buffer for G-SIB.

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

At 31 December 2017, Crédit Agricole S.A.'s leverage ratio stood at 4.4% on a phased-in Tier 1 basis[(1)].

LEVERAGE RATIO – COMMON DISCLOSURE

		CRR leverage ratio exposures
On-balance sheet exposures (excluding derivatives and SFTs)		
1	On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)	973,980
2	(Asset amounts deducted in determining Tier 1 capital)	(20,455)
3	**TOTAL ON-BALANCE SHEET EXPOSURES (EXCLUDING DERIVATIVES, SFTS AND FIDUCIARY ASSETS) (SUM OF LINES 1 AND 2)**	**953,525**
Derivative exposures		
4	Replacement cost associated with all derivatives transactions (ie net of eligible cash variation margin)	14,724
5	Add-on amounts for PFE associated with all derivatives transactions (mark-to-market method)	30,188
EU-5a	Exposure determined under Original Exposure Method	0
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	4,177
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	(16,153)
8	(Exempted CCP leg of client-cleared trade exposures)	(1,526)
9	Adjusted effective notional amount of written credit derivatives	11,641
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	(9,078)
11	**TOTAL DERIVATIVE EXPOSURES (SUM OF LINES 4 TO 10)**	**33,972**

(1) Subject to ECB authorisation, with an impact of +110 basis points related to the exoneration of operations between affiliated Group entities.

		CRR leverage ratio exposures (continued)
SFT exposures		
12	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	314,007
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	(181,292)
14	Counterparty credit risk exposure for SFT assets	5,910
EU-14a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Article 429b (4) and 222 of Regulation (EU) No 575/2013	0
15	Agent transaction exposures	0
EU-15a	(Exempted CCP leg of client-cleared SFT exposure)	0
16	**TOTAL SECURITIES FINANCING TRANSACTION EXPOSURES (SUM OF LINES 12 TO 15A)**	**138,625**
Other off-balance sheet exposures		
17	Off-balance sheet exposures at gross notional amount	257,452
18	(Adjustments for conversion to credit equivalent amounts)	(123,100)
19	**OTHER OFF-BALANCE SHEET EXPOSURES (SUM OF LINES 17 TO 18)**	**134,352**
Exempted exposures in accordance with CRR Article 429 (7) and (14) (on and off balance sheet)		
EU-19a	(Exemption of intragroup exposures (solo basis) in accordance with Article 429(7) of Regulation (EU) No 575/2013 (on and off balance sheet))	(319,740)
EU-19b	(Exposures exempted in accordance with Article 429 (14) of Regulation (EU) No 575/2013 (on and off balance sheet)	0
Capital and total exposures		
20	**TIER 1 CAPITAL**	**41,791**
21	**TOTAL LEVERAGE RATIO EXPOSURES (SUM OF LINES 3, 11, 16, 19, EU-19A AND EU-19B)**	**940,735**
Leverage ratio		
22	**LEVERAGE RATIO**	**4.4%**
Choice on transitional arrangements and amount of derecognised fiduciary items		
EU-23	Choice on transitional arrangements for the definition of the capital measure	Transitional
EU-24	Amount of derecognised fiduciary items in accordance with Article 429(11) of Regulation (EU) NO 575/2013	

SUMMARY RECONCILIATION OF ACCOUNTING ASSETS AND LEVERAGE RATIO EXPOSURES

		Applicable amount
1	Total assets as per published financial statements	1,550,283
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation	(340,388)
3	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the leverage ratio exposure measure in accordance with Article 429(13) of Regulation (EU) No 575/2013 "CRR")	
4	Adjustments for derivative financial instruments	(89,603)
5	Adjustments for securities financing transactions"SFTs"	26,286
6	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	134,352
EU-6a	(Adjustment for intragroup exposures excluded from the leverage ratio exposure measure in accordance with Article 429 (7) of Regulation (EU) No 575/2013)	(319,740)
EU-6b	(Adjustment for exposures excluded from the leverage ratio exposure measure in accordance with Article 429 (14) of Regulation (EU) No 575/2013)	0
7	Other adjustments	(20,455)
8	**TOTAL LEVERAGE RATIO EXPOSURE**	**940,735**

The definitions of the underlined words can be found in the Glossary on page 567.

SPLIT-UP OF ON BALANCE SHEET EXPOSURES (EXCLUDING DERIVATIVES AND SFTs)

		CRR leverage ratio exposures
EU-1	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	662,183
EU-2	Trading book exposures	4,285
EU-3	Banking book exposures, of which:	657,898
EU-4	Covered bonds	2,179
EU-5	Exposures treated as sovereigns	177,319
EU-6	Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns	1,915
EU-7	Institutions	38,787
EU-8	Secured by mortgages of immovable properties	5,683
EU-9	Retail exposures	170,693
EU-10	Corporate	175,742
EU-11	Exposures in default	12,952
EU-12	Other exposures (eg equity, securitisations, and other non-credit obligation assets)	72,628

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

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

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

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

The leverage ratio is impacted by the reduction in phased-in capital explained in section 1.5.4 above, but also by the increase in exposure associated with changes in scope following acquisitions made by the Group in Italy (Pioneer Investments, savings banks) and the growth in business, particularly in retail banking.

1.6.3. Resolution ratios

MREL RATIO

The MREL (Minimum Requirement for Own Funds and Eligible Liabilities) ratio, is defined in the European "Bank Recovery and Resolution Directive" (BRRD), published on 12 June 2014 and effective since 1 January 2015 (except for provisions on bail-in and MREL, which are applicable since 1 January 2016).

More generally, the BRRD establishes a framework for the resolution of banks throughout the European Union and with the aim of equipping resolution authorities with shared instruments and powers to pre-emptively tackle banking crises, preserve financial stability and reduce taxpayers' exposure to losses.

The MREL ratio corresponds to the minimum requirement of own funds and eligible liabilities that must be available to absorb losses in the event of resolution. This minimum requirement is calculated as being the amount of own funds and eligible liabilities expressed as a percentage of the institution's total liabilities and capital. In this calculation, total liabilities takes into account the full recognition of netting rights applicable to derivatives.

- In view of the European Commission's legislative proposal to amend the BRRD, published on 23 November 2016, the denominator of the MREL could eventually converge towards the denominator of the TLAC ratio (see below) and be expressed as a risk-weighted average.
- Regulatory capital, subordinated notes with a residual maturity of more than one year (including prudentially ineligible instruments and the amortised portion of Tier 2), non-preferred senior debts with a residual maturity of more than one year and certain preferred senior debts with residual maturities of more than one year qualify for inclusion in MREL. MREL eligible preferred senior debt is subject to the appreciation of the Single Resolution Board (SRB).

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

Since September 2015, Crédit Agricole Group has already reached an MREL ratio of 8% excluding preferred senior debt, which, in the event of resolution, would enable recourse to the European resolution fund before applying the bail-in to preferred senior debt, creating an additional level of protection for preferred senior investors. Crédit Agricole Group, will be subject to a MREL target defined by the resolution authority, which could be different from the target goal of 8% retained by the Group.

The Group had set itself the objective of reaching the ratio of 8% excluding preferred senior debt by the end of 2016. In 2016, the SRB only sent the Group an indicative MREL target, which included potentially eligible[1] preferred senior debt, which is non-binding at the consolidated level. During Q2 2018, the CRU could set a MREL requirement for the Group at the consolidated level, but is not expected to take its first MREL decisions at the individual level before 2019.

At 31 December 2017, Crédit Agricole Group posted a MREL ratio estimated at 8.3%, including €7.7 billion in senior non-preferred debt, and without integrating potentially eligible preferred senior debt.

TLAC RATIO

This ratio, whose modalities were indicated in a Term Sheet published on 9 November 2015, was established by the Financial Stability Board (FSB) at the request of the G20. The FSB defined the calculation of a ratio aimed at estimating the adequacy of

(1) Estimation based on our current understanding of the texts.

the bail-in and recapitalisation capacities of Global Systemically Important banks (G-SIB). This new Total loss absorbing capacity (TLAC) ratio, which will be transposed at the European level into the CRR and enter into force from 2019, will provide resolution authorities with the means to assess whether G-SIBs have sufficient bail-in capacity before and during resolution. As a result, the resolution authorities will be able to implement an ordered resolution strategy that minimises impacts on financial stability, ensures the continuity of the G-SIBs' critical economic functions and limits the use of taxpayers' money.

According to the provisions of the TLAC Term Sheet, included in the European Commission's legislative proposal of amendments to the CRR published on 23 November 2016 and currently being examined by the Parliament and the Council, the minimum level of the TLAC ratio from 1 January 2019 is equal to twice the minimum regulatory prudential requirements. These correspond to the maximum between 6% of the leverage ratio denominator and 16% of the risk-weighted assets, plus applicable regulatory buffers. From 1 January 2022, they will correspond to the maximum between 6.75% of the leverage ratio denominator and 18% of the risk-weighted assets (excluding buffers). This minimum level could be increased by the resolution authorities through the MREL requirement (see previous point).

From 2019, this ratio will only apply to systemically Important Institutions, and thus to Crédit Agricole Group. Crédit Agricole S.A. is not, however, subject to this ratio, as it is not classified as a G-SIB by the FSB.

The elements that could absorb losses are made up of equity, subordinated notes and debts to which the Resolution Authority can apply the bail-in.

Crédit Agricole Group must comply with a TLAC ratio in excess of 19.5% (including a capital conservation buffer of 2.5% and a G-SIB buffer of 1%) from 2019, then 21.5% from 2022. Crédit Agricole Group aims to comply with these TLAC requirements excluding eligible preferred senior debt, subject to changes in methods of calculating risk-weighted assets.

As at 31 December 2017, the TLAC to risk-weighted assets ratio is estimated at 20.6% for Crédit Agricole Group, excluding eligible preferred senior debt.

2. ECONOMIC CAPITAL MANAGEMENT

2.1. Overall system

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

This system is one of the components of the ICAAP (Internal Capital Adequacy Assessment Process) whose implementation and updating is the responsibility of each subgroup. Economic capital is developed in accordance with the interpretation of the main regulatory texts:

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

The Group has implemented an economic capital requirement measuring system covering Crédit Agricole Group, Crédit Agricole S.A. Group and the Group's main French and foreign entities. The Group has also defined the available internal capital (an internal view of capital), which is compared to the economic capital requirement.

2.2. Economic capital requirement

For each of the risks identified during the risk identification process, the calculation of economic capital requirements consists of:

- adjusting capital requirements calculated under Pillar 1 so that internal capital adequately reflects, from an economic standpoint, all the risks in each business activity;
- applying a quantile (the probability of default), the level of which is defined on the basis of the Group's appraisal of external ratings;
- taking into account a more relevant conglomerate approach as part of Crédit Agricole S.A. Group's bancassurance activity;
- taking into account, on a prudent basis, the impacts of diversification resulting from the broad spread of business activities within the same Group, including between banking and insurance.

All economic capital requirements are covered by internal capital. At Crédit Agricole Group level, the available internal capital covered 140% of the economic capital requirements at 31 December 2017.

At 31 December 2017, all the major risks identified during the risk identification process were taken into account. For each of these risks, internal capital requirement measures are developed, including if applicable, an adjustment to the risk compared to the Pillar 1 requirements. The Group notably measures: interest rate risk on the banking portfolio, issuer risk, business and strategic risk, credit risk, and liquidity price risk.

Coherence of all methodologies for measuring economic capital requirements is ensured by a specific governance within the Group.

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

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

The definitions of the underlined words can be found in the Glossary on page 567.

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

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

3. APPENDICE TO THE REGULATORY CAPITAL

DESCRIPTION OF DIFFERENCES BETWEEN THE SCOPES OF CONSOLIDATION (ENTITY BY ENTITY)[1]

		Method of regulatory consolidation			
Name of the entity	Method of accounting	Full consolidation	Description of the entity Proportional consolidation	Equity method	Description of the entity
Crédit Agricole Immobilier	Equity method		X		Specialised, scientific and technology activities
Crédit Agricole Immobilier Promotion	Equity method		X		Construction activities
Crédit Agricole Immobilier Services	Equity method		X		Real-estate activities
SNC Eole	Equity method		X		Construction activities
SO.GI.CO	Equity method		X		Real-estate activities
SCI D2 CAM	Equity method		X		Real-estate activities
Uni-edition	Full consolidation			X	Information and communication
Crédit Agricole Assurances (CAA)	Full consolidation			X	Financial and insurance activities - Insurance
Crédit Agricole Life Insurance Company Japan Ltd.	Full consolidation			X	Financial and insurance activities - Insurance
CA Assicurazioni	Full consolidation			X	Financial and insurance activities - Insurance
Crédit Agricole Créditor Insurance (CACI)	Full consolidation			X	Financial and insurance activities - auxiliary activities of financial and insurance services
Spirica	Full consolidation			X	Financial and insurance activities - Insurance
Crédit Agricole Assurances Solutions	Full consolidation			X	Financial and insurance activities - Activities of financial services, excluding insurance and pension funds
Predica	Full consolidation			X	Financial and insurance activities - Insurance
Médicale de France	Full consolidation			X	Financial and insurance activities - Insurance
Pacifica	Full consolidation			X	Financial and insurance activities - Insurance
Via Vita	Full consolidation			X	Other activities of services
Crédit Agricole Life Insurance Europe	Full consolidation			X	Financial and insurance activities - Insurance
GNB Seguros (Anciennement BES Seguros)	Full consolidation			X	Financial and insurance activities - Insurance
Crédit Agricole Life	Full consolidation			X	Financial and insurance activities - Insurance
Crédit Agricole Vita S.p.A.	Full consolidation			X	Financial and insurance activities - Insurance
ASSUR&ME	Full consolidation			X	Financial and insurance activities - Auxiliary activities of financial and insurance services
UBAF	Equity method		X		Financial and insurance activities - activities of financial services, excluding insurance and pension funds

(1) The scope of consolidation is described in full in Note 11 to the consolidated financial statements.

Name of the entity	Method of accounting	Method of regulatory consolidation			Description of the entity
		Full consolidation	Proportional consolidation	Equity method	
CAIRS Assurance S.A.	Full consolidation			X	Financial and insurance activities - Insurance
Atlantic Asset Securitization LLC	Full consolidation			X	Financial and insurance activities - Activities of financial services, excluding insurance and pension funds
LMA SA	Full consolidation			X	Financial and insurance activities - Activities of financial services, excluding insurance and pension funds
Héphaïstos EUR FCC	Full consolidation			X	Financial and insurance activities - Activities of financial services, excluding insurance and pension funds
Héphaïstos GBP FCT	Full consolidation			X	Financial and insurance activities - Activities of financial services, excluding insurance and pension funds
Héphaïstos USD FCT	Full consolidation			X	Financial and insurance activities - Activities of financial services, excluding insurance and pension funds
Héphaïstos Multidevises FCT	Full consolidation			X	Financial and insurance activities - Activities of financial services, excluding insurance and pension funds
Eucalyptus FCT	Full consolidation			X	Financial and insurance activities - Activities of financial services, excluding insurance and pension funds
Pacific USD FCT	Full consolidation			X	Financial and insurance activities - Activities of financial services, excluding insurance and pension funds
Shark FCC	Full consolidation			X	Financial and insurance activities - Activities of financial services, excluding insurance and pension funds
Vulcain EUR FCT	Full consolidation			X	Financial and insurance activities - Activities of financial services, excluding insurance and pension funds
Vulcain Multi-Devises FCT	Full consolidation			X	Financial and insurance activities - Activities of financial services, excluding insurance and pension funds
Vulcain USD FCT	Full consolidation			X	Financial and insurance activities - Activities of financial services, excluding insurance and pension funds
Pacific EUR FCC	Full consolidation			X	Financial and insurance activities - Activities of financial services, excluding insurance and pension funds
Pacific IT FCT	Full consolidation			X	Financial and insurance activities - Activities of financial services, excluding insurance and pension funds
Triple P FCC	Full consolidation			X	Financial and insurance activities - Activities of financial services, excluding insurance and pension funds
ESNI (compartiment Cédit Agricole CIB)	Full consolidation			X	Financial and insurance activities - Auxiliary activities of financial and insurance services
Elipso Finance S.r.l	Equity method		X		Financial and insurance activities - Activities of financial services, excluding insurance and pension funds
La Fayette Asset Securitization LLC	Full consolidation			X	Financial and insurance activities - Activities of financial services, excluding insurance and pension funds
Tsubaki On (FCT)	Full consolidation			X	Financial and insurance activities - Activities of financial services, excluding insurance and pension funds
Tsubaki Off (FCT)	Full consolidation			X	Financial and insurance activities - Activities of financial services, excluding insurance and pension funds
ARES Reinsurance Ltd.	Full consolidation			X	Financial and insurance activities - Auxiliary activities of financial and insurance services

(1) The scope of consolidation is described in full in Note 11 to the consolidated financial statements.

Name of the entity	Method of accounting	Method of regulatory consolidation			Description of the entity
		Full consolidation	Description of the entity Proportional consolidation	Equity method	
Menafinance	Equity method		X		Financial and insurance activities - Activities of financial services, excluding insurance and pension funds
Forso Nordic A.B.	Equity method		X		Financial and insurance activities - Activities of financial services, excluding insurance and pension funds
Forso Norge	Equity method		X		Financial and insurance activities - Activities of financial services, excluding insurance and pension funds
Forso Denmark	Equity method		X		Financial and insurance activities - Activities of financial services, excluding insurance and pension funds
Forso Finance OY	Equity method		X		Financial and insurance activities - Activities of financial services, excluding insurance and pension funds
FCA Bank S.p.A.	Equity method		X		Financial and insurance activities - Activities of financial services, excluding insurance and pension funds
Finaref Risques Divers	Full consolidation			X	Financial and insurance activities - Insurance
Finaref Vie	Full consolidation			X	Financial and insurance activities - Insurance
CACI Reinsurance Ltd.	Full consolidation			X	Financial and insurance activities - auxiliary activities of financial and insurance services
Space Holding (Ireland) Limited	Full consolidation			X	Financial and insurance activities - Activities of financial services, excluding insurance and pension funds
Space Lux	Full consolidation			X	Financial and insurance activities - Activities of financial services, excluding insurance and pension funds
CACI Life Limited	Full consolidation			X	Financial and insurance activities - Activities of financial services, excluding insurance and pension funds
CACI Non Life Limited	Full consolidation			X	Financial and insurance activities - activities of financial services, excluding insurance and pension funds
CACI Gestion	Full consolidation			X	Specialised, scientific and technology activities

(1) The scope of consolidation is described in full in Note 11 to the consolidated financial statements.

4. COMPOSITION AND CHANGES IN RISK-WEIGHTED ASSETS

4.1. Summary of risk-weighted assets

4.1.1. Risk-weighted assets by type of risks (OV1)

The risk-weighted assets in respect of credit risk, market risk and operational risk were €296.4 billion at 31 December 2017, compared with €300.7 billion at 31 December 2016.

		RWA		Minimum capital requirements
(in millions of euros)		31/12/2017	31/12/2016	31/12/2017
1	**Credit risk (excluding counterparty credit risk) (CCR)**	**228,466**	**230,731**	**18,277**
2	*of which standardised approach (SA)*	94,788	92,757	7,583
3	*of which foundation IRB (F-IRB) approach*	22,050	21,284	1,764
4	*of which advanced IRB (A-IRB) approach*	87,765	94,824	7,021
5	*of which Equity IRB under the simple risk weight on internal models approach*	23,862	21,866	1,909
6	**Counterparty credit risk**	**16,074**	**20,267**	**1,286**
7	*of which Marked to market*	4,905	5,735	392
8	*of which original exposure*	-	-	-
9	*of which standardised approach*	-	-	-
10	*of which internal model method (IMM)*	7,996	10,120	640
11	*of which contributions to a CCP default fund*	316	527	25
12	*of which CVA*	2,857	3,885	229
13	**Settlement risk**	**1**	**1**	**-**
14	**Securitisation exposures in the banking portfolio (after cap)**	**6,258**	**5,735**	**501**
15	*of which IRB ratings-based approach (RBA)*	1,551	1,771	124
16	*of which IRB supervisory formula approach (SFA)*	634	1,127	51
17	*of which IRB internal assessment approach (IAA)*	2,684	2,483	215
18	*of which standardised approach (SA)*	1,388	353	111
19	**Market risk**	**10,523**	**7,695**	**842**
20	*of which standardised approach (SA)*	4,793	940	383
21	*of which internal model approach (IMA)*	5,730	6,755	458
22	**Large exposures**	**-**	**-**	**-**
23	**Operational risk**	**27,965**	**27,548**	**2,237**
24	*of which basic indicator approach*	-	-	-
25	*of which standardised approach*	7,847	5,424	628
26	*of which advanced measurement approach*	20,119	22,124	1,609
27	**Amounts below the thresholds for deduction (subject to 250% risk weight)**	**7,101**	**8,764**	**568**
28	**Basel 1 floor adjustment**	**-**	**-**	**-**
29	**TOTAL**	**296,388**	**300,740**	**23,711**

The definitions of the underlined words can be found in the Glossary on page 567.

4.1.2. Risk-weighted assets by business line

31/12/2017 (in millions of euros)	Credit risk				Credit risk	Credit valuation adjustment risk	Operational risk	Market risk	Total risk-weighted assets
	Standardised approach	Weighting approach IRB	IRB approach[1]	Contributions to a CCP default fund					
French retail banking	7,587	1,989	32,171	-	41,747	15	2,347	6	**44,115**
International retail banking	30,816	700	3,348	11	34,875	20	3,522	329	**38,746**
Asset gathering	6,140	15,092	854	-	22,086	501	4,321	81	**26,989**
SFS	34,218	937	16,754	-	51,909	44	2,414	2	**54,369**
Corporate and investment banking	17,074	3,934	63,704	305	85,017	2,277	14,909	6,003	**108,206**
Corporate Centre	3,683	8,312	7,414	-	19,409	-	452	4,102	**23,963**
TOTAL RISK-WEIGHTED ASSETS	**99,518**	**30,964**	**124,245**	**316**	**255,043**	**2,857**	**27,965**	**10,523**	**296,388**

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

31/12/2016 (in millions of euros)	Credit risk				Credit risk	Credit valuation adjustment risk	Operational risk	Market risk	Total risk-weighted assets
	Standardised approach	Weighting approach IRB	IRB approach[1]	Contributions to a CCP default fund					
French retail banking	6,392	2,101	30,578	-	39,071	4	2,501	-	**41,576**
International retail banking	26,201	712	3,347	-	30,260	1	2,706	247	**33,214**
Asset gathering	5,283	11,799	807	-	17,889	202	3,585	-	**21,676**
SFS	37,279	920	16,427	-	54,626	34	2,202	-	**56,862**
Corporate and investment banking	18,158	7,933	74,243	408	100,742	3,644	16,173	7,084	**127,643**
Corporate Centre	4,228	7,165	7,512	119	19,024	-	381	364	**19,769**
TOTAL RISK-WEIGHTED ASSETS	**97,541**	**30,630**	**132,914**	**527**	**261,612**	**3,885**	**27,548**	**7,695**	**300,740**

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

4.1.3. Trends in risk-weighted assets

The table below shows the change in Crédit Agricole S.A. Group's risk-weighted assets in 2017:

(in millions of euros)	31/12/2016	Foreign exchange	Organic changes and optimisation actions	Equity-accounted value Insurance	Scope	Method	Total change 2017	31/12/2017
Credit risk	261,612	(4,683)	(4,484)	3,258	1,304	(1,964)	**(6,569)**	255,043
of which Equity risk	*30,630*	-	*426*	*3,258*	*(3,351)*	-	***333***	*30,963*
CVA	3,885	-	(1,034)	-	6	-	**(1,028)**	2,857
Market risk	7,695	-	2,719	-	109	-	**2,828**	10,523
Operational risk	27,548	-	(983)	-	1,400	-	**417**	27,965
TOTAL	**300,740**	**(4,683)**	**(3,782)**	**3,258**	**2,819**	**(1,964)**	**(4,352)**	**296,388**

Risk-weighted assets totalled €296.4 billion at 31 December 2017, a decline of €4.4 billion (-1.4%) attributable to:

- foreign currency impact (depreciation of the US dollar);
- organic change particularly in corporate and investment banking;
- the acquisitions of Pioneer Investments and the Italian Savings Banks, partly offset by the disposal of 16.2% of the share capital of BSF as well as the 15.4% equity investment in Eurazeo;
- the €3.3 billion increase in the equity-accounted value of the equity stake in insurance companies.

4.2. Credit and counterparty risk

Definitions:

- **probability of default (PD):** the probability that a counterparty will default within a period of one year;
- **Exposure at default (EAD):** the exposure amount in the event of default. The concept of exposure encompasses balance sheet assets plus a proportion of off-balance sheet commitments;
- **loss given default (LGD):** ratio between the loss experienced on an exposure on a counterparty at default and the size of the exposure at default;
- **gross exposure:** amount of the exposure (balance sheet + off-balance sheet), after the impacts of offsetting and before the application of any credit risk mitigation techniques (guarantees and collateral) and the credit conversion factor (CCF);
- **credit conversion factor (CCF):** ratio between the unused portion of a commitment that will be drawn and at risk at the time of default and the unused portion of the commitment calculated on the basis of the authorised limit or, where applicable, the unauthorised limit if higher;
- **expected losses (EL):** the amount of the average loss the bank expects to have to recognise in its loan book within one year;
- **risk-weighted assets (RWA):** risk-weighted assets are calculated by applying a weighting ratio to each exposure. The ratio is a function of the characteristics of the exposure and the calculation method used (IRB or standardised);
- **valuation adjustments:** impairment losses on a specific asset due to credit risk, recognised either through a partial writedown or a deduction from the carrying amount of the asset;
- **external credit ratings:** credit ratings provided by an external credit rating agency recognised by Regulation (EC) no. 1060/2009.

Section I provides an overview of changes in credit and counterparty risk followed by a more detailed look at credit risk (in section II) by regulatory approach: standardised approach and using the IRB approach. Counterparty risk is covered in section III followed by section IV on credit and counterparty risk mitigation techniques.

4.2.1. General overview of credit and counterparty risk

4.2.1.1. EXPOSURES BY TYPE OF RISK

The table below shows Crédit Agricole S.A. Group's exposure to global risk (credit, counterparty, dilution and settlement and delivery) by exposure class for the standardised and internal ratings-based approaches at 31 December 2017 and at 31 December 2016.

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

The definitions of the underlined words can be found in the Glossary on page 567.

OVERALL RISK EXPOSURE (CREDIT, COUNTERPARTY, DILUTION, SETTLEMENT AND DELIVERY) AT 31 DECEMBER 2017

	31/12/2017												
	Standardised				IRB				Total				
(in billions of euros)	*Exposure gross*[1]	*Exposure Gross exposure after CRM*[2]	*EAD*	*RWA*	*Exposure Gross exposure after CRM*[2]	*Exposure*	*EAD*	*RWA*	*Exposure gross*[1]	*Exposure Gross exposure after CRM*[2]	*EAD*	*RWA*	*Capital requirements*
Central governments and central banks	48.0	48.1	48.0	4.9	141.0	148.3	146.3	1.9	188.9	196.3	194.2	6.8	0.5
Institutions	42.9	58.0	55.8	9.0	363.6	368.3	363.7	8.7	406.4	426.2	419.5	17.7	1.4
Corporates	112.1	91.7	65.9	53.6	268.9	252.2	193.3	70.7	381.0	343.8	259.2	124.3	9.9
Retail customers	38.2	36.2	31.8	20.3	161.7	161.7	158.5	38.1	199.9	197.9	190.2	58.4	4.7
Retail loans	27.7	26.4	22.6	15.1	139.1	139.1	136.0	30.8	166.8	165.5	158.6	45.9	3.7
O/w secured by real estate assets	6.2	5.9	5.9	2.4	81.9	81.9	81.9	9.3	88.1	87.8	87.7	11.8	1.0
O/w revolving	6.1	6.0	2.4	1.9	10.5	10.5	7.5	3.1	16.7	16.5	9.9	5.0	0.4
O/w other	15.4	14.6	14.3	10.8	46.7	46.7	46.6	18.3	62.1	61.3	60.9	29.1	2.3
Loans to small and medium businesses	10.4	9.8	9.2	5.3	22.6	22.6	22.5	7.3	33.1	32.4	31.7	12.5	1.0
O/w secured by real estate assets	0.4	0.4	0.4	0.2	3.9	3.9	3.9	0.8	4.2	4.2	4.2	0.9	0.1
O/w other loans	10.1	9.4	8.9	5.1	18.7	18.7	18.6	6.5	28.8	28.2	27.5	11.6	0.9
Equities	1.2		1.1	1.3	16.2		6.8	23.9	17.4		7.9	25.2	2.0
Securitisations	2.5		2.3	1.4	38.5		38.5	4.9	41.0		40.8	6.3	0.5
Other non credit-obligation assets	11.2		11.2	8.9	-		-	-	11.2		11.2	8.9	0.7
TOTAL	**256.0**		**215.9**	**99.5**	**989.8**		**907.1**	**148.1**	**1,245.8**		**1,123.1**	**247.6**	**19.7**

(1) Initial gross exposure.

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

OVERALL RISK EXPOSURE (CREDIT, COUNTERPARTY, DILUTION, SETTLEMENT AND DELIVERY) AT 31 DECEMBER 2016

	31/12/2016												
	Standardised				IRB				Total				
(in billions of euros)	*Exposure Gross exposure*[1]	*Exposure Gross exposure after CRM*[2]	*EAD*	*RWA*	*Exposure Gross exposure*[1]	*Exposure Gross exposure after CRM*[2]	*EAD*	*RWA*	*Exposure Gross exposure*[1]	*Exposure Gross exposure after CRM*[2]	*EAD*	*RWA*	*Capital requirements*
Central governments and central banks	33.1	33.2	33.1	5.6	136.1	143.7	141.7	2.5	169.1	176.9	174.8	8.1	0.6
Institutions	58.8	75.3	73.4	9.9	343.5	349.6	343.8	9.5	402.3	425.0	417.2	19.4	1.5
Corporates	112.5	92.5	69.2	53.7	272.2	255.7	202.4	78.6	384.7	348.2	271.7	132.3	10.6
Retail customers	34.1	32.7	28.6	19.2	153.0	153.0	150.0	37.0	187.1	185.7	178.6	56.1	4.5
Retail loans	27.5	26.6	22.8	15.8	131.5	131.5	128.7	30.2	159.0	158.1	151.5	46.0	3.7
O/w secured by real estate assets	4.3	4.2	4.2	1.8	78.1	78.1	78.1	9.2	82.4	82.3	82.3	11.1	0.9
O/w revolving	8.0	7.7	4.0	3.1	10.1	10.1	7.2	3.0	18.1	17.8	11.3	6.1	0.5
O/w other	15.1	14.6	14.5	10.9	43.4	43.4	43.4	17.9	58.5	58.0	57.9	28.8	2.3
Loans to small and medium businesses	6.7	6.1	5.8	3.3	21.4	21.4	21.3	6.8	28.1	27.5	27.1	10.1	0.8
O/w secured by real estate assets	0.2	0.2	0.2	0.1	3.5	3.5	3.5	0.7	3.8	3.8	3.8	0.8	0.1
O/w other loans	6.4	5.9	5.6	3.3	17.9	17.9	17.8	6.0	24.3	23.8	23.4	9.3	0.7
Equities	1.2		1.0	1.2	15.9		6.5	21.9	17.0		7.5	23.0	1.8
Securitisations	0.7		0.5	0.4	38.4		38.4	5.4	39.1		38.9	5.7	0.5
Other non credit-obligation assets	9.9		10.1	7.7	-		-	-	9.9		10.1	7.7	0.6
TOTAL	**250.3**		**216.0**	**97.5**	**959.0**		**882.9**	**154.8**	**1,209.3**		**1,098.8**	**252.3**	**20.2**

(1) Initial gross exposure.

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

The definitions of the underlined words can be found in the Glossary on page 567.

Measured in terms of gross exposure, the Group's total outstanding amounts were up +3.0% reflecting the favourable business climate in the main business lines, in particular in the "Retail customers" portfolio (up +6.8%).

The main portfolio remains the Institutions category with total gross exposure of €406.4 billion. This included €301.4 billion in exposures linked to Crédit Agricole Group internal transactions at end-December 2017 (€287.0 billion at end-December 2016). Excluding these internal transactions, gross exposure for the total loan book was €944.4 billion at end-December 2017, up +2.4% year-on-year.

RWA density (defined as the ratio of risk-weighted assets/EAD) was 31% on average for retail customers and 48% for Corporates at 31 December 2017.

TOTAL NET AMOUNT AND AVERAGE OF EXPOSURES (CRB-B)

		31/12/2017	
(in millions of euros)		Net amount of exposures at period-end	Net average exposures during the period(1)
1	Central governments or central banks	140,898	141,323
2	Institutions	363,203	357,276
3	Corporates	265,291	262,870
4	O/w: Specialised financing	56,024	57,929
5	O/w: SMEs	4,081	4,264
6	Retail customers	158,254	154,626
7	Secured by real estate	85,429	84,768
8	SME	3,784	3,469
9	Non-SME	81,644	81,299
10	Qualifying revolving	10,219	9,952
11	Other retail customers	62,606	59,906
12	SME	17,810	17,623
13	Non-SME	44,796	42,283
14	Equities	6,786	6,298
15	**Total internal ratings-based (IRB) approach**	**934,431**	**922,392**
16	Central governments or central banks	47,361	39,676
17	Regional governments or local authorities	377	380
18	Public sector entities	460	579
19	Multilateral developments banks	4	58
20	International organisations	206	321
21	Institutions	42,117	47,047
22	Corporates	81,801	79,835
23	O/w: SMEs	9,432	9,176
24	Retail customers	31,820	29,982
25	O/w: SMEs	9,872	9,121
26	Exposures secured by mortgage on real estate	5,586	5,621
27	O/w: SMEs	887	676
28	Defaulted exposure	3,396	3,283
29	Particularly high risk items	152	83
30	Covered bonds	19	66
31	Investment firms	-	-
32	Claims in the form of CIU	24,713	21,784
33	Equities	1,075	1,187
34	Other items	11,145	10,864
35	**Total standardised approach**	**250,234**	**240,766**
36	**TOTAL**	**1,193,829**	**1,172,324**

(1) The 2017 average is calculated on the basis of data recorded at the end of each quarter of 2017.

NB: Of which €301,350 million in Crédit Agricole internal transactions at 31/12/2017
Of which €287,054 million in Crédit Agricole internal transactions at 31/12/2016

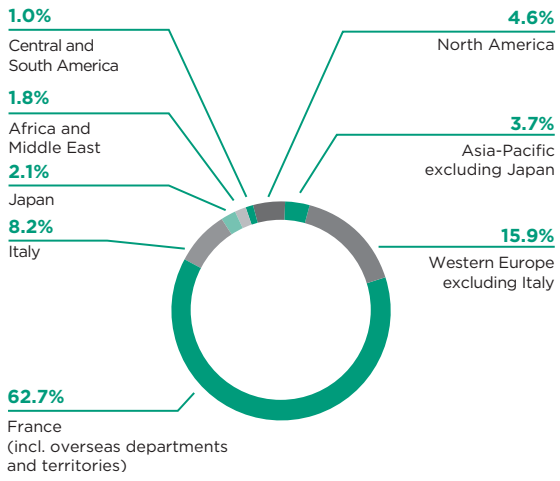
The definitions of the underlined words can be found in the Glossary on page 567.

Net exposures totalled €1,193.8 billion at 31 December 2017, 78% of which are subject to an internal ratings-based regulatory treatment.

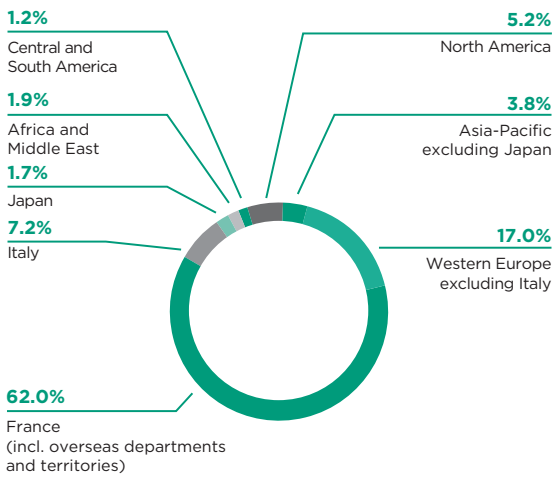
4.2.1.2. EXPOSURES BY GEOGRAPHIC AREA

The breakdown by geographic area includes all Crédit Agricole S.A. Group exposures except for securitisation transactions and "Assets other than credit obligations".

AT 31 DECEMBER 2017



AT 31 DECEMBER 2016



GEOGRAPHIC BREAKDOWN OF EXPOSURES (CRB-C)

	31/12/2017 *(in millions of euros)*	Europe								Asia-Pacific		North America		Central and South America	Africa and Middle East	Total
		France	Italy	Luxembourg	United Kingdom	Germany	Switzerland	Netherlands	Other	Japan	Other	United States	Other			
1	Central governments or central banks	89,679	325	3,285	3,158	4,976	1,135	556	9,537	14,168	5,178	5,930	1,040	58	1,872	**140,898**
2	Institutions	323,573	425	1,622	4,731	1,792	4,079	4,035	6,496	1,021	9,198	1,603	691	407	3,500	**363,173**
3	Corporates	89,439	8,979	8,682	15,435	14,658	5,909	6,546	25,755	7,191	24,699	38,483	3,449	9,686	6,378	**265,291**
4	Retail customers	113,199	30,662	1,013	280	3,032	992	20	4,747	92	3,168	24	18	303	702	**158,253**
5	Equities	14,269	768	192	22	1	31	-	491	66	3	107	-	-	-	**15,951**
6	**Total internal ratings-based (IRB) approach 31/12/2017**	**630,158**	**41,158**	**14,794**	**23,626**	**24,459**	**12,147**	**11,156**	**47,028**	**22,537**	**42,242**	**46,148**	**5,199**	**10,454**	**12,455**	**943,566**
	Total IRB ratings-based approach 31/12/2016	**574,152**	**39,601**	**12,822**	**24,966**	**24,674**	**13,665**	**12,443**	**48,780**	**18,858**	**41,577**	**52,159**	**5,986**	**11,815**	**12,224**	**893,728**
7	Central governments or central banks	19,740	16,597	5,373	11	829	593	7	2,310	49	64	116	-	9	1,661	**47,361**
8	Regional governments or local authorities	44	268	-	-	11	-	11	2	-	-	-	42	-	-	**377**
9	Public sector entities	99	30	-	-	290	1	-	39	-	1	-	-	-	-	**460**
10	Multilateral developments banks	4	-	-	-	-	-	-	-	-	-	-	-	-	-	**4**
11	International organisations	-	-	206	-	-	-	-	-	-	-	-	-	-	-	**206**
12	Institutions	12,943	3,079	405	11,865	3,939	185	792	2,091	740	1,435	3,037	233	322	1,060	**42,131**
13	Corporates	44,997	18,900	2,767	709	1,916	299	254	6,658	59	752	394	138	553	3,417	**81,814**
14	Retail customers	8,576	8,422	4	887	2,067	157	2,285	6,345	5	70	7	13	779	650	**30,276**

31/12/2017 (in millions of euros)		Europe								Asia-Pacific		North America		Central and South America	Africa and Middle East	Total
		France	Italy	Luxembourg	United Kingdom	Germany	Switzerland	Netherlands	Other	Japan	Other	United States	Other			
15	Secured by real estate	571	4,028	-	4	1	5	-	1,290	-	35	26	-	-	1,172	**7,136**
16	Defaulted exposure	1,034	1,939	1	12	66	4	41	137	-	3	-	-	11	147	**3,396**
17	Particularly high risk items	136	15	-	-	-	-	-	-	-	-	-	-	-	-	**152**
18	Covered bonds	-	-	-	-	19	-	-	-	-	-	-	-	-	-	**19**
19	Investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
20	Claims in the form of CIU	22,328	702	336	-	70	-	-	9	1,163	85	9	-	-	10	**24,713**
21	Equities	740	107	4	17	-	-	-	15	-	2	3	-	-	186	**1,075**
22	Other items	7,371	2,278	65	49	24	362	11	513	19	39	98	1	17	297	**11,145**
23	**Total standardised approach 31/12/2017**	**118,583**	**56,367**	**9,162**	**13,554**	**9,230**	**1,606**	**3,402**	**19,415**	**2,035**	**2,487**	**3,691**	**427**	**1,695**	**8,610**	**250,263**
	Total standardised approach 31/12/2016	**119,864**	**41,349**	**26,811**	**9,251**	**3,892**	**15**	**2,791**	**10,100**	**360**	**420**	**60**	**41**	**1,818**	**9,325**	**226,099**
24	**TOTAL 31/12/2017**	**748,742**	**97,525**	**23,956**	**37,180**	**33,689**	**13,753**	**14,558**	**66,442**	**24,572**	**44,729**	**49,839**	**5,626**	**12,146**	**21,065**	**1,193,829**
	Total 31/12/2016	**694,015**	**80,951**	**39,633**	**34,217**	**28,567**	**13,681**	**15,234**	**58,865**	**19,218**	**41,995**	**52,219**	**6,027**	**13,634**	**21,548**	**1,119,804**

NB: o/w €301,350 million in Crédit Agricole internal transactions at 31/12/2017
Of which €287,054 million in Crédit Agricole internal transactions at 31/12/2016

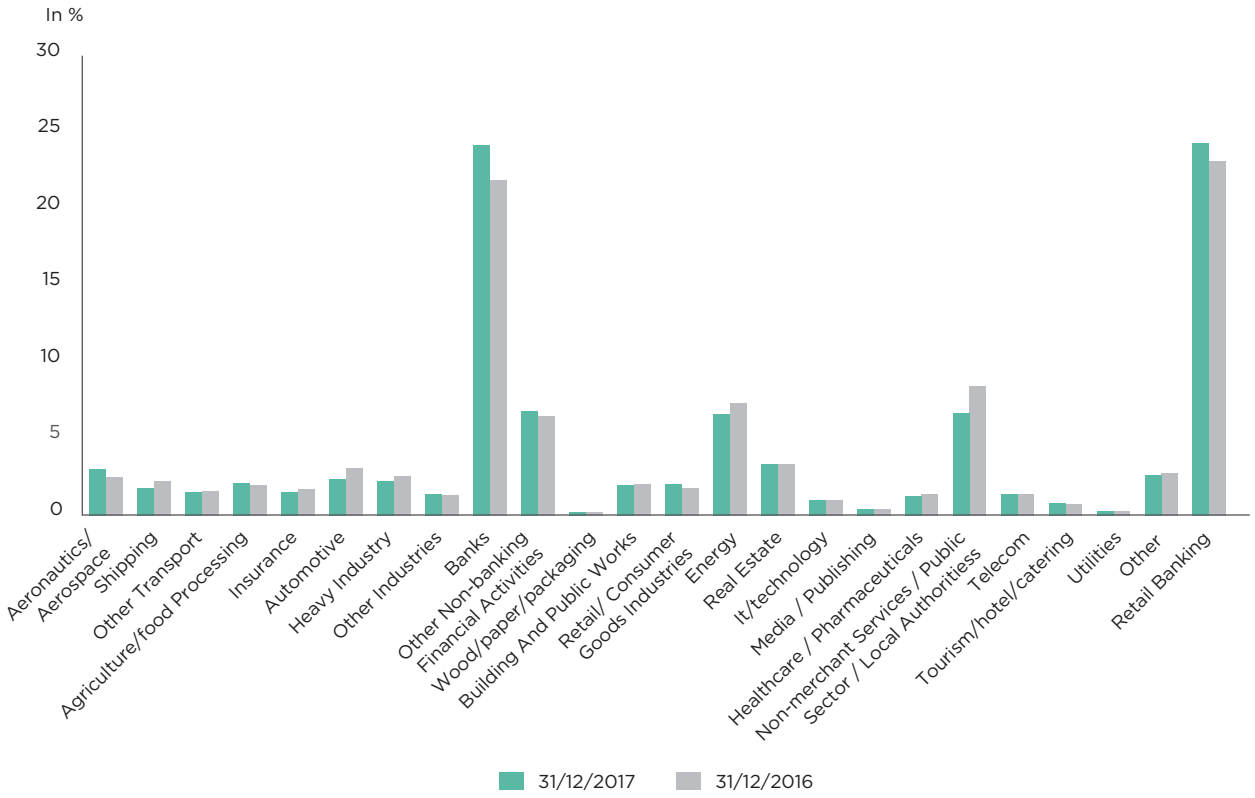
At 31 December 2017, total exposure for the scope defined above was €1,193.8 billion (of which €301.4 billion in Crédit Agricole S.A. Group internal transactions), compared with €1,119.8 billion at 31 December 2016.

For all supervisory approaches (i.e. based on internal and standard ratings) concerning Retail customers, the Group's exposure is concentrated on two countries – France and Italy – which account for 85% of exposures. The other portfolios are more geographically diversified. For example, close to 27% of exposures in the Corporate portfolio are located outside Europe, primarily in North America and Asia.

4.2.1.3. EXPOSURES BY BUSINESS SECTOR

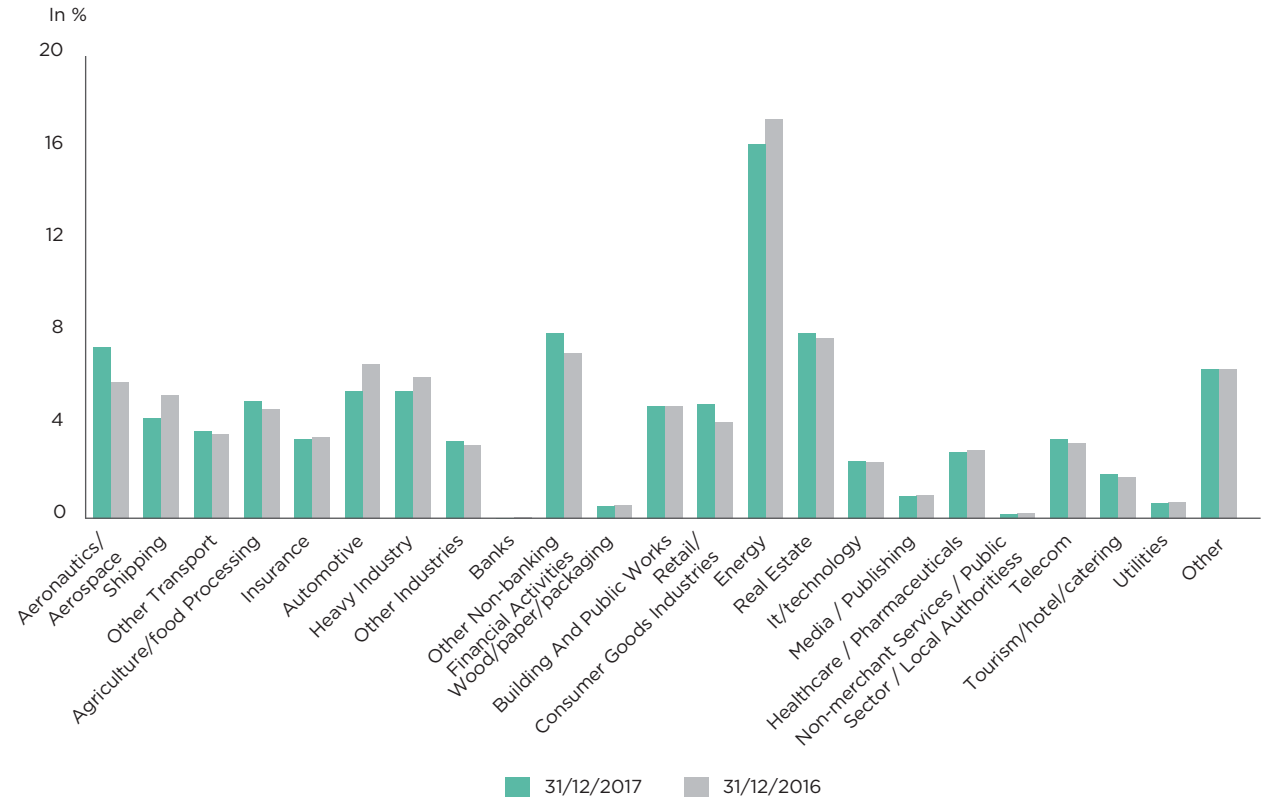
The breakdown by business sector covers Crédit Agricole S.A. Group's exposures to Central governments and central banks, Institutions, Corporates and Retail customers. The Retail customer portfolio is also broken down by Basel sub-portfolio (home loans, revolving credit, other small business loans, farmers and other retail).

EXPOSURES BY BUSINESS SECTOR



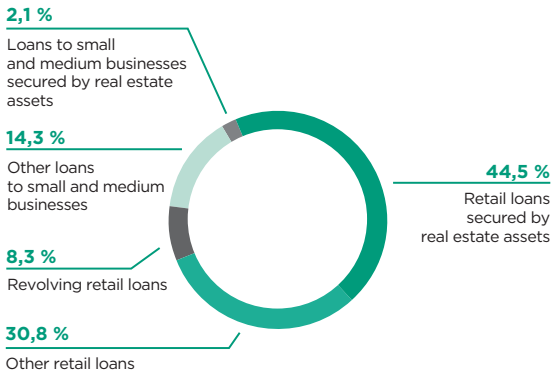
The breakdown of the loan book by business sector still shows a good level of risk diversification.

BREAKDOWN OF EXPOSURES CORPORATES PORTFOLIO

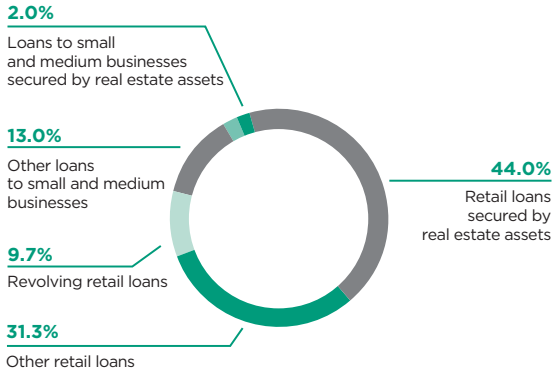


The **Corporates** portfolio also shows a satisfactory level of diversification: within this scope, no sector accounted for more than 17% of total exposures at end-2017.

RETAIL CUSTOMERS AT 31 DECEMBER 2017



RETAIL CUSTOMERS AT 31 DECEMBER 2016



Breakdown of exposures – Retail customer portfolio

The chart above shows a breakdown of Crédit Agricole S.A. Group's Retail customer portfolio exposures by Basel sub-portfolio (outstandings of €199.9 billion at 31 December 2017 compared with €187.1 billion at 31 December 2016, an increase of +6.8% over the year).

Within the "Retail customers" portfolio, the relative share of "retail loans secured by real estate assets" has been rising over recent years (44.5% in 2017, compared with 44.0% in 2016). Conversely, the share of "revolving retail loans" fell further in 2017 to 8.3% of outstanding retail customer loans from 9.7% in 2016.

4.2.1.4. EXPOSURES BY RESIDUAL MATURITY

The breakdown of exposures by residual maturity and by financial instrument is disclosed on an accounting basis in Note 3.3 to the consolidated financial statements on "Liquidity and financing risk".

4.2.1.5. DEFAULT EXPOSURES AND VALUE ADJUSTMENTS

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

		Gross carrying amount of			
31/12/2017 *(in millions of euros)*		Defaulted exposure	Non-defaulted exposure	Provisions/ Impairment	Net amount
1	Central governments or central banks	88	140,862	52	140,898
2	Institutions	373	363,209	390	363,192
3	Corporates	5,095	263,804	3,598	265,302
4	O/w: Specialised financing	1,293	55,241	510	56,024
5	O/w: SMEs	257	4,018	194	4,081
6	Retail customers	5,329	156,372	3,448	158,253
7	Secured by real estate	1,333	84,435	340	85,429
8	SME	307	3,566	89	3,784
9	Non-SME	1,026	80,869	251	81,644
10	Qualifying revolving	334	10,185	300	10,219
11	Other retail customers	3,662	61,752	2,808	62,606
12	SME	1,430	17,313	933	17,810
13	Non-SME	2,231	44,439	1,875	44,796
14	Equities	-	16,176	226	15,951
15	**Subtotal IRB approach 31/12/2017**	**10,885**	**940,424**	**7,713**	**943,596**
	Subtotal IRB approach 31/12/2016	**12,117**	**890,201**	**8,590**	**893,728**
16	Central governments or central banks	-	47,361	-	47,361
17	Regional governments or local authorities	-	377	-	377
18	Public sector entities	-	460	-	460
19	Multilateral developments banks	-	4	-	4
20	International organisations	-	206	-	206
21	Institutions	-	42,131	14	42,117
22	Corporates	-	81,816	15	81,801
23	O/w: SMEs	-	9,440	8	9,432
24	Retail customers	-	31,832	11	31,820
25	O/w: SMEs	-	9,880	8	9,872
26	Exposures secured by mortgage on real estate	-	5,587	-	5,587
27	O/w: SMEs	-	887	-	887
28	Defaulted exposure	6,399	-	3,001	3,398
29	Particularly high risk items	-	153	1	152
30	Covered bonds	-	19	-	19
31	Investment firms	-	-	-	-
32	Claims in the form of CIU	-	24,734	21	24,713
33	Equities	-	1,219	144	1,075
34	Other items	-	11,218	73	11,145
35	**Subtotal standardised approach 31/12/2017**	**6,399**	**247,116**	**3,281**	**250,234**
	Subtotal standardised approach 31/12/2016	**6,068**	**223,460**	**3,451**	**226,076**
36	**TOTAL 31/12/2017**	**17,284**	**1,187,540**	**10,994**	**1,193,829**
	Total 31/12/2016	**18,184**	**1,113,661**	**12,040**	**1,119,804**

NB: o/w €301,350 million in Crédit Agricole internal transactions at 31/12/2017

Of which €287,054 million in Crédit Agricole internal transactions at 31/12/2016

Exposures at default stood at €17.3 billion at 31 December 2017, down 4.9% compared with 31 December 2016. They represent 1.4% of gross total exposures versus 1.6% at end-2016. In tandem in particular with the reduction in exposures at default, the total amount of provisions/ impairment was down €1 billion compared with end-December 2016.

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

31/12/2017 (in millions of euros)		Gross carrying amount of		Provisions/Impairment	Net amount
		Defaulted exposure	Non-defaulted exposure		
1	**Europe**	**14,446**	**1,030,761**	**9,362**	**1,035,846**
2	France	5,539	747,677	4,504	748,742
3	Italy	6,438	94,534	3,447	97,525
4	United Kingdom	182	37,163	164	37,180
5	Germany	157	33,668	136	33,689
6	Luxembourg	122	23,843	10	23,956
7	Spain	289	9,638	131	9,796
8	Netherlands	362	14,263	68	14,558
9	Switzerland	20	13,816	83	13,753
10	Other (Europe)	1,337	56,159	819	56,647
11	**Asia-Pacific**	**523**	**68,971**	**192**	**69,302**
12	Japan	59	24,514	[illegible]	24,572
13	Other (Asia-Pacific)	464	44,457	192	44,730
14	**North America**	**137**	**55,465**	**138**	**55,465**
15	United States	101	49,876	138	49,839
16	Other (North America)	36	5,589	[illegible]	5,626
17	**Central and South America**	**719**	**11,823**	**392**	**12,150**
18	**Africa and Middle East**	**1,458**	**20,520**	**911**	**21,067**
19	**TOTAL 31/12/2017**	**17,284**	**1,187,540**	**10,995**	**1,193,829**
20	**Total 31/12/2016**	**18,184**	**1,113,661**	**12,041**	**1,119,804**

NB: o/w €301,350 million in Crédit Agricole internal transactions at 31/12/2017
Of which €287,054 million in Crédit Agricole internal transactions at 31/12/2016

AGE OF EXPOSURES ON WATCHLIST (CR1-D)

31/12/2017 (in millions of euros)		Gross carrying amounts					
		≤ 30 days	> 30 days ≤ 60 days	> 60 days ≤ 90 days	> 90 days ≤ 180 days	> 180 days ≤ 1 year	> 1 year
1	Loans	4,017	811	418	165	115	109
2	Outstanding debt securities	-	-	-	-	-	-
3	Total exposures	4,017	811	418	165	115	109

Exposures on watchlist for up to 60 days account for 86% of total exposures on watchlist.

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

31/12/2017 (in millions of euros)		Gross carrying amount of performing and non-performing exposures	Of which performing but on watchlist > 30 days <= 60 days	Of which performing exposures subject to renegotiation	Of which non-performing				Impairment and aggregate provisions and negative fair value adjustments due to credit risk				Collateral and guarantees received	
									On performing exposures		On non-performing exposures			
						O/w: in default	O/w: impaired	O/w: renegotiated		O/w: renegotiated		O/w: renegotiated	On non-performing exposures	O/w: exposures subject to renegotiation
10	Outstanding debt securities	98,199	316	-	294	218	294	-	(2)	-	(222)	-	-	-
20	Loans and receivables	797,526	2,291	4,526	17,013	15,654	15,654	6 923	(1,955)	(341)	(8,390)	(2,952)	4,593	5,175
30	Off-balance sheet exposures	448,869	-	466	1,357	1,293	-	95	93	27	396	3	78	93

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

The definitions of the underlined words can be found in the Glossary on page 567.

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

31/12/2017 *(in millions of euros)*		Aggregate amount of specific credit risk adjustments	Aggregate amount of general credit risk adjustments
1	**Initial balance**	**9,117**	**2,505**
2	Increases due to the provisions funded for probable losses on loans during the financial year	2,810	327
3	Reductions due to reversals for probable losses on loans during the financial year	(1,346)	(736)
4	Reductions in collective credit risk adjustments	(1,886)	-
5	Transfers between credit risk adjustments	(18)	4
6	Foreign exchange impact	(253)	(115)
7	Business combinations, including acquisitions and disposals of subsidiaries	240	69
8	Other adjustments	(91)	(56)
9	**Closing balance[1]**	**8,572**	**1,997**
10	Recoveries on credit risk adjustments recorded directly in profit and loss 11	(288)	-
11	Specific credit risk adjustments recorded directly in profit and loss	2,140	-

(1) Differences in total provisions between the CR2-A, CR1-A and CR1-C tables are mainly due to divergences in scope. Impairment of fixed assets and equity investments and provisions for guarantee commitments given are only included in the CR1-A and CR1-C statements. Moreover, collective provisions for outstanding amounts processed using the standard method are excluded from CR1-A and CR1-C statements as they are deducted from Tier 2 capital.

4.2.2.Credit risk

Since late 2007, the ACPR has authorised Crédit Agricole S.A. Group to use its internal rating systems to calculate regulatory capital requirements for credit risk on Retail and Large customer exposures throughout almost all of its consolidation scope. The main recent developments regarding the Group's rollout plan are the switch to the Advanced IRB approach for all "Retail banking" portfolios in the Cariparma and FriulAdria entities in Italy in 2013, and the validation of the IRB "Corporate" portfolios approach of LCL with effect from 1 October 2014.

The main Group entities or portfolios still using the standardised method for measuring credit and/or operational risk at 31 December 2017 were as follows:

- the Cariparma Group portfolios still not validated (non-retail banking portfolios and Carispezia scope and the Cesena, Rimini and San Miniato Savings Banks) as well as all other entities in the International retail banking division;
- the Crédit Agricole Leasing & Factoring Group;
- some portfolios and foreign subsidiaries of Crédit Agricole Consumer Finance Group;
- the real estate professionals portfolio.

Pursuant to the Group's commitment to phase in the advanced method, agreed with the supervisor (rollout plan), work on the main entities or portfolios still under the standardised method continues. An update of the rollout plan is sent annually to the competent authority.

4.2.2.1. EXPOSURES UNDER THE STANDARDISED APPROACH

The exposure categories under the standardised approach are classified by counterparty type and financial product type, in one of the 17 categories set out in Article 112 of Regulation (EU) 575/2013 of 26 June 2013. The weightings applied to these same assets are calculated in accordance with Articles 114 to 134 of said regulation.

For the "Central governments and central banks" and "Institutions" exposure categories, Crédit Agricole S.A. Group has chosen to use Moody's ratings to evaluate the risk under the standardised approach.

Accordingly, when the counterparty's credit valuation from the rating agency is known, it is used to determine the applicable weighting. With respect to the counterparties in the "Institutions" or "Corporates" exposure categories for which the credit valuation is not known, the weighting used is determined having regard to the credit valuation of the jurisdiction of the central government in which this counterparty is established, in accordance with the provisions of Articles 121 and 122 of the aforementioned regulation.

With respect to exposures on debt instruments in the banking portfolio, the rule is to apply the issuer's weighting ratio. This rate is determined using the rules described in the foregoing paragraph.

STANDARDISED APPROACH – EXPOSURE TO CREDIT RISK AND CREDIT RISK MITIGATION (CRM) EFFECTS AT 31 DECEMBER 2017 (CR4)

		Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
31/12/2017 Asset classes *(in millions of euros)*		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1	Central governments and central banks	45,456	110	45,503	35	4,867	10.69%
2	Regional governments or local authorities	315	62	315	41	67	18.82%
3	Public sector entities	445	6	446	13	59	12.85%
4	Multilateral developments banks	-	4	1	2	1	33.33%
5	International organisations	206	-	206	-	-	
6	Institutions	21,267	3,298	37,602	2,106	7,516	18.93%
7	Corporates	60,823	18,376	43,777	6,558	44,482	88.37%
8	Retail customers	25,290	4,976	24,587	595	17,315	68.76%
9	Secured by mortgages on immovable property	7,081	55	6,975	25	2,756	39.37%
10	Equities	1,001	74	1,001	74	1,320	122.79%
11	Exposure in default	3,130	265	3,067	107	3,848	121.24%
12	Items associated with particularly high risk	149	2	149	2	227	150.33%
13	Covered bonds	19	-	19	-	9	47.37%
14	Investment firms	-	-	-	-	-	
15	Claims in the form of CIU	3,787	20,926	3,787	5,970	3,422	35.07%
16	Other assets	11,145	-	11,154	40	8,900	79.51%
17	**TOTAL**	**180,114**	**48,154**	**178,588**	**15,567**	**94,789**	**48.82%**

STANDARDISED APPROACH – EXPOSURE TO CREDIT RISK AND CREDIT RISK MITIGATION (CRM) EFFECTS AT 31 DECEMBER 2016 (CR4)

		Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
31/12/2016 Asset classes *(in millions of euros)*		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1	Central governments and central banks	30,428	41	30,534	18	5,232	17.12%
2	Regional governments or local authorities	164	291	164	283	319	71.36%
3	Public sector entities	231	1	231	-	67	29.00%
4	Multilateral developments banks	26	77	27	16	-	
5	International organisations	180	-	180	-	-	
6	Institutions	38,242	3,172	54,297	2,032	7,946	14.11%
7	Corporates	65,563	18,948	49,798	6,405	44,316	78.85%
8	Retail customers	22,753	5,532	22,311	1,389	16,762	70.73%
9	Secured by mortgages on immovable property	5,202	158	5,201	77	2,438	46.19%
10	Equities	1,004	-	1,004	-	1,177	117.23%
11	Exposure in default	3,085	198	3,080	112	3,814	119.49%
12	Items associated with particularly high risk	1	-	1	-	1	100.00%
13	Covered bonds	76	-	76	-	8	10.53%
14	Investment firms	-	-	-	-	-	
15	Claims in the form of CIU	3,626	16,123	3,626	3,226	2,978	43.46%
16	Other assets	9,787	-	9,799	313	7,699	76.14%
17	**TOTAL**	**180,369**	**44,542**	**180,329**	**13,873**	**92,757**	**47.76%**

The definitions of the underlined words can be found in the Glossary on page 567.

EXPOSURES BY ASSET CLASS AND BY RISK WEIGHTING COEFFICIENT AT 31 DECEMBER 2017 (CR5)

		Risk weight																	
31/12/2017 Asset classes *(in millions of euros)*		0%	2%	4%	10%	20%	35%	50%	70%	75%	100%	150%	250%	370%	1,250%	Other	Deducted	Total exposure to credit risk	Of which unrated
1	Central governments and central banks	41,542	-	-	-	45	-	402	-	-	2,810	-	-	-	-	-	739	45,538	45,478
2	Regional governments or local authorities	21	-	-	-	334	-	-	-	-	-	-	-	-	-	-	-	355	355
3	Public sector entities	324	-	-	-	91	-	7	-	-	37	-	-	-	-	-	-	459	453
4	Multilateral developments banks	1	-	-	-	-	-	2	-	-	-	-	-	-	-	-	-	3	3
5	International organisations	206	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	206	206
6	Institutions	18,784	2,137	-	-	9,691	-	7,283	-	-	1,646	166	-	-	-	-	-	39,708	29,409
7	Corporates	-	-	-	-	3,995	-	6,476	-	-	38,699	1,164	-	-	-	-	-	50,334	34,695
8	Retail customers	-	-	-	-	-	-	-	-	25,183	-	-	-	-	-	-	-	25,183	25,183
9	Secured by mortgages on immovable property	-	-	-	-	-	5,478	1,073	-	429	19	-	-	-	-	-	-	6,999	6,999
10	Equities	-	-	-	-	-	-	-	-	-	911	-	163	-	-	-	-	1,075	1,075
11	Exposure in default	-	-	-	-	-	-	-	-	-	1,826	1,347	-	-	-	-	-	3,174	3,174
12	Items associated with particularly high risk	-	-	-	-	-	-	-	-	-	-	152	-	-	-	-	-	152	152
13	Covered bonds	-	-	-	-	-	-	19	-	-	-	-	-	-	-	-	-	19	-
14	Investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Claims in the form of CIU	4,777	-	4	-	2,066	-	121	-	-	2,471	318	-	-	-	-	-	9,757	9,757
16	Other assets	1,580	-	-	-	893	-	-	-	-	8,721	-	-	-	-	-	-	11,194	11,194
17	**TOTAL**	**67,235**	**2,137**	**4**	**-**	**17,116**	**5,478**	**15,382**	**-**	**25,612**	**57,142**	**3,148**	**163**	**-**	**-**	**-**	**739**	**194,155**	**168,132**

EXPOSURES BY ASSET CLASS AND BY RISK WEIGHTING COEFFICIENT AT 31 DECEMBER 2016 (CR5)

		Risk weight																	
31/12/2016 Asset classes *(in millions of euros)*		0%	2%	4%	10%	20%	35%	50%	70%	75%	100%	150%	250%	370%	1,250%	Other	Deducted	Total exposure to credit risk	Of which unrated
1	Central governments and central banks	26,092	-	-	-	255	-	1	-	-	3,555	-	-	-	-	-	650	30,552	30,530
2	Regional governments or local authorities	-	-	-	-	161	-	-	-	-	287	-	-	-	-	-	-	447	447
3	Public sector entities	86	-	-	-	98	-	1	-	-	47	-	-	-	-	-	-	231	161
4	Multilateral developments banks	43	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	43	42
5	International organisations	180	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	180	180
6	Institutions	35,196	1,730	-	-	9,750	-	7,352	-	-	2,257	44	-	-	-	-	-	56,328	46,582
7	Corporates	6,527	-	-	177	3,498	-	5,849	-	-	39,109	1,043	-	-	-	-	-	56,203	40,930
8	Retail customers	-	-	-	-	-	86	-	-	23,614	-	-	-	-	-	-	-	23,700	23,700
9	Secured by mortgages on immovable property	-	-	-	-	-	3,682	584	-	517	494	-	-	-	-	-	-	5,278	5,278
10	Equities	-	-	-	-	-	-	-	-	-	811	117	85	-	-	-	(8)	1,004	1,004
11	Exposure in default	-	-	-	-	-	-	-	-	-	1,949	1,244	-	-	-	-	-	3,192	3,189
12	Items associated with particularly high risk	-	-	-	-	-	-	-	-	-	-	1	-	-	-	-	-	1	1
13	Covered bonds	-	-	-	76	-	-	-	-	-	-	-	-	-	-	-	-	76	76
14	Investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Claims in the form of CIU	2,377	-	4	-	2,028	-	28	-	-	2,130	285	-	-	-	-	-	6,853	6,853
16	Other assets	1,734	-	-	-	850	-	-	-	-	7,529	-	-	-	-	-	-	10,113	10,113
17	**TOTAL**	**72,234**	**1,730**	**4**	**253**	**16,639**	**3,768**	**13,814**	**-**	**24,131**	**58,167**	**2,733**	**85**	**-**	**-**	**-**	**642**	**194,202**	**169,085**

BREAKDOWN OF EXPOSURES AND EXPOSURE AT DEFAULT BY CREDIT QUALITY LEVEL OF CENTRAL GOVERNMENTS AND CENTRAL BANKS

	31/12/2017		31/12/2016	
Credit quality level *(in billions of euros)*	Amount of exposures	Amount of exposure at default	Amount of exposures	Amount of exposure at default
1	28.3	28.2	21.8	21.7
2	1.3	1.3	1.0	1.0
3	16.8	16.9	8.0	8.1
4	0.4	0.4	0.9	0.9
5	1.0	0.9	1.3	1.2
6	0.1	0.1	0.1	0.1
TOTAL	**47.9**	**47.9**	**33.1**	**33.1**

The credit quality level 1 is very prevalent in the portfolio of Central governments and central banks (59.1% at 31 December 2017), whereas exposures rated 5 and 6 represent a minority, and their proportion is declining (less than 3% of exposures at 31 December 2017, compared with less than 4% at 31 December 2016).

BREAKDOWN OF EXPOSURES AND EXPOSURE AT DEFAULT BY CREDIT QUALITY LEVEL OF INSTITUTIONS

Credit quality level *(in billions of euros)*	31/12/2017 Amount of exposures	31/12/2017 Amount of exposure at default	31/12/2016 Amount of exposures	31/12/2016 Amount of exposure at default
1	38.4	51.4	54.2	68.7
2	0.7	0.7	0.4	0.5
3	2.8	2.7	3.4	3.4
4	0.6	0.5	0.3	0.5
5	0.3	0.3	0.5	0.4
6	0.0	0.1	0.0	0.1
TOTAL	**42.9**	**55.8**	**58.8**	**73.4**

Exposure to institutions under the standardised approach remained, as in earlier years, almost entirely concentrated on the top credit quality level, reflecting the extent of business with very high quality institutions: the percentage of exposures to institutions ranked levels 1 and 2 is 91.1%.

4.2.2.2. CREDIT RISK – INTERNAL RATINGS-BASED APPROACH

Outstanding loans are classified by counterparty type and financial product type, based on the seven exposure classes shown in the table below and set out in Article 147 of Regulation (EU) 575/2013 of 26 June 2013 on capital requirements applicable to credit institutions and investment companies:

- in addition to exposures to "Central governments and central banks", the Central government and central banks class includes exposures to certain regional and local authorities and public sector agencies that are treated as central government agencies, as well as multilateral development banks and international organisations;
- the "Institutions" class comprises exposure to credit institutions and investment companies, including those recognised in other countries. It also includes some exposures to regional and local authorities, public sector agencies and multilateral development banks that are not classified under central governments;
- the "Corporates" class is divided into large corporates and small and medium-sized companies, which are subject to different regulatory treatments;
- the "Retail customer" class is broken down into loans secured by property granted to individuals and to small and medium businesses, revolving credits, other loans granted to individuals and to small and medium businesses;
- the "Equity" class comprises exposures that convey a residual, subordinated claim on the assets or income of the issuer or have a similar economic substance;
- the "Securitisation" class includes exposures to securitisation transactions or structures, including those resulting from interest rate or exchange rate derivatives, independently of the institution's role (whether it is the originator, sponsor or investor);
- the "Assets other than credit obligations" class does not currently show any assets using the Internal Rating-Based (IRB) approach.

In accordance with the regulatory rules in effect, risk-weighted assets in the "Central governments and central banks", "Institutions", "Corporate" and "Retail customers" classes are calculated by applying a prescribed formula, the main parameters of which are the EAD, PD, LGD and the maturity associated with each exposure:

- for exposures to Large customers (Central governments and central banks, Institutions and Corporates), the formula is given in Article 153 of EU Regulation 575/2013 of 26 June 2013;
- for exposures to Retail customers, the formula is given in Article 154 of EU Regulation 575/2013 of 26 June 2013.

Risk-weighted assets in the "Equities" category are calculated by applying standardised weightings to the carrying amount of the exposures. These weightings, set out in Article 155 of EU Regulation 575/2013 of 26 June 2013, depend on the nature of the equities involved: 190% for private equity exposures in sufficiently diversified portfolios, 290% for exchange traded equity exposures and 370% for all other equity exposures excluding equity investments of over 10% in financial firms used in the calculation of the exemption threshold (250% weighting).

The calculation of risk-weighted assets in respect of "Securitisation" exposures is set out in the dedicated section below.

Risk-weighted assets of "Assets other than credit obligations" exposures are calculated in accordance with Article 156 of Regulation (EU) 575/2013 of 26 June 2013. The parameters of the formulas cited above are estimated using historical default and loss data collected internally by Crédit Agricole S.A. Group. It should be noted that the definition of default used for the calculation of these parameters has a significant influence on the value thereof.

Exposure at Default (EAD) is the amount of exposure to a counterparty at the time of said counterparty's default. For balance sheet items, EAD corresponds to exposure net of provisions for items covered by the standardised approach to credit risk, and to gross amounts for items covered by internal ratings. In the case of limits and financing commitments not used by the counterparty, a fraction of the total commitment is taken into account by applying

a credit conversion factor (CCF). The CCF is estimated using an internal method validated by the supervisory authority for retail banking portfolios. The Internal CCF is estimated on the basis of the CCF observed in cases of default by class of exposure. For other portfolios, a standard CCF of 20%, 50% or 100% is applied, depending on the nature of the commitment and its term.

For Large customers, default is defined on a customer-by customer basis. As a result, it factors in the principle of contagion: an exposure to a defaulting customer causes the classification under default of all of the said customer's loans within the entity responsible for the uniformity of the rating and all of its loans within Crédit Agricole S.A. Group.

For Retail customers, the default can be recorded at the level of the transaction. When applied to the debtor, it factors in the principle of contagion. Contagion rules are defined and precisely documented by the entity (joint account, outstandings of individuals or professionals, notion of risk group, etc.).

The pertinence and reliability of the rating data used are guaranteed by a process consisting in the initial validation and subsequent maintenance of internal models based on a structured and documented organisation implemented throughout the Group and involving entities, the Risk Management department and the Audit Group function.

The use of internal models for calculating solvency ratios has strengthened Crédit Agricole S.A. Group's risk management. In particular, the development of "internal rating" approaches has led to the systematic collection of reliable data in respect of historical default and loss for the majority of Group entities. The collection of historical data of this nature now makes it possible to quantify credit risk by giving each rating an average Probability of Default (PD) and, for "advanced internal rating" approaches, the Loss Given Default (LGD).

In addition, the parameters of the "internal rating" models are used in the definition, implementation and monitoring of entities' risk and credit policies. On the scope of Large customers, the Group's unique rating system (identical methods and tools, shared data), in place for many years, has contributed to strengthening and standardising the use of ratings and the associated risk parameters within the entities. The uniqueness of ratings in the scope of the large customer category thereby provides a shared framework on which to base standards and procedures, management tools, provisioning and risk-hedging policies, as well as alerts and close monitoring procedures. Due to their role in the monitoring and managing of risk within the various entities, ratings are subject to quality controls and regular monitoring at all stages of the rating process.

Internal models for measuring risks accordingly promote the development of sound risk-management practices among Group entities and improve the efficiency of the process of capital allocation by allowing a more accurate measurement of its consumption by business line and by entity.

The set of internal models used in Crédit Agricole Group was presented for approval to the Standards and Methodology Committee before auditing by the Group Control and Audit department. This internal validation process pre-dates the application for formal approval to the ECB. The process of constructing and validating an internal rating model requires work over a period generally spanning three to five years, involving several on-site pre-validation and validation assignments.

After validation, systems governing internal ratings and the calculation of risk parameters are subject to permanent and periodic control within each Group entity.

Model input	Portfolio/Entity	Number of Models
PD	Sovereigns	5
	Local authorities	8
	Financial institutions (Banks, Insurance, Funds, etc.)	8
	Specialised financing	9
	Corporates	5
	Retail banking – LCL	2
	Retail banking – Crédit Agricole Consumer Finance	16
	Retail banking – CACIB	1
	Retail banking – Cariparma	3
LGD	Sovereigns	1
	Financial institutions (Banks, Insurance, Funds, etc.)	3
	Specialised financing	8
	Corporates	1
	Retail banking – LCL	12
	Retail banking – Crédit Agricole Consumer Finance	16
	Retail banking – CACIB	1
	Retail banking – Cariparma	2
CCF	Retail banking – LCL	3
	Retail banking – Crédit Agricole Consumer Finance	5

4.2.2.3. QUALITY OF EXPOSURES UNDER THE INTERNAL RATINGS-BASED APPROACH

Presentation of the internal ratings system and procedure

The internal ratings systems and procedures are described in the section entitled "Risk Factors – Credit Risk – Risk Measurement methods and systems".

As exposure to Retail customers' credit risk categories does not use the same internal ratings as the other categories, they are presented separately.

The definitions of the underlined words can be found in the Glossary on page 567.

CREDIT RISK EXPOSURES BY PORTFOLIO AND PROBABILITY OF DEFAULT (PD) RANGE INTERNAL RATINGS-BASED APPROACH AT 31 DECEMBER 2017 (CR6)

(in millions of euros)	PD scale	Original on-balance sheet gross exposure	Off-balance sheet exposures pre CCF	Average CCF	EAD post CRM and post-CCF	Average PD	Average LGD	Average maturity	RWA	RWA density	EL	Provisions
Central governments and central banks	0.00 to < 0.15	72,818	80	66.18%	72,909	0.00%	45.00%	-	697	0.96%	1	-
	0.15 to < 0.25	158	-	-	158	0.16%	45.00%	-	65	41.14%	-	-
	0.25 to < 0.50	105	-	-	105	0.30%	45.00%	-	60	57.64%	-	-
	0.50 to < 0.75	13	-	-	13	0.60%	45.00%	-	10	79.98%	-	-
	0.75 to < 2.50	113	-	-	113	0.81%	45.00%	-	102	90.28%	-	-
	2.50 to < 10.00	-	-	-	-		50.00%	-	-	150.00%		-
	10.00 to < 100.00	-	-	-	-	-	-	-	-	-	-	-
	100.00 (default)	-	-	-	-	-	-	-	-	-	-	-
	Subtotal	**73,206**	**80**	**66.18%**	**73,297**	**0.00%**	**45.00%**	**-**	**934**	**1.27%**	**1**	**9**
Institutions	0.00 to < 0.15	307,612	2,754	60.76%	309,350	0.03%	1.27%	-	1,955	0.63%	1	-
	0.15 to < 0.25	217	1	28.92%	218	0.16%	36.15%	-	75	34.65%	-	-
	0.25 to < 0.50	471	7	31.75%	473	0.30%	38.92%	-	312	65.82%	1	-
	0.50 to < 0.75	19	21	59.81%	31	0.60%	45.00%	-	29	92.22%	-	-
	0.75 to < 2.50	61	16	29.86%	66	0.95%	44.98%	-	75	113.29%	-	-
	2.50 to < 10.00	1	1	25.30%	1	5.00%	45.00%	-	2	190.42%	-	-
	10.00 to < 100.00	4	3	88.96%	6	19.66%	45.00%	-	17	269.33%	1	-
	100.00 (default)	-	-	-	-	100.00%	45.00%	-	-	-	-	-
	Subtotal	**308,385**	**2,803**	**60.51%**	**310,146**	**0.03%**	**1.37%**	**-**	**2,464**	**0.79%**	**3**	**1**
Corporates - Other	0.00 to < 0.15	8,269	7,401	84.88%	14,556	0.04%	44.97%	-	2,890	19.85%	3	-
	0.15 to < 0.25	2,325	2,510	75.86%	4,229	0.16%	44.90%	-	1,774	41.95%	3	-
	0.25 to < 0.50	2,501	2,467	73.05%	4,297	0.30%	44.71%	-	2,527	58.82%	6	-
	0.50 to < 0.75	2,489	1,862	74.20%	3,849	0.60%	44.84%	-	3,160	82.12%	10	-
	0.75 to < 2.50	3,093	2,063	70.85%	4,541	1.17%	44.62%	-	4,658	102.59%	24	-
	2.50 to < 10.00	123	54	76.94%	164	5.00%	44.44%	-	264	160.88%	4	-
	10.00 to < 100.00	130	145	75.75%	240	18.00%	44.88%	-	599	249.91%	19	-
	100.00 (default)	395	69	58.53%	430	100.00%	44.95%	-	-	-	193	-
	Subtotal	**19,325**	**16,571**	**78.60%**	**32,304**	**1.81%**	**44.86%**	**-**	**15,873**	**49.14%**	**262**	**385**
Corporates - SMEs	0.00 to < 0.15	25	31	75.80%	49	0.04%	45.00%	-	8	17.07%	-	-
	0.15 to < 0.25	38	10	85.89%	46	0.16%	44.91%	-	17	37.57%	-	-
	0.25 to < 0.50	264	73	75.67%	319	0.30%	44.52%	-	166	52.15%	-	-
	0.50 to < 0.75	328	101	69.19%	399	0.60%	44.39%	-	279	70.00%	1	-
	0.75 to < 2.50	1,875	523	72.63%	2,205	1.36%	44.21%	-	1,970	89.31%	13	-
	2.50 to < 10.00	114	24	54.50%	123	5.00%	44.01%	-	154	124.70%	3	-
	10.00 to < 100.00	87	22	53.94%	94	15.06%	44.42%	-	185	195.60%	6	-
	100.00 (default)	209	9	53.40%	209	100.00%	44.63%	-	-	-	93	-
	Subtotal	**2,940**	**792**	**71.52%**	**3,445**	**7.64%**	**44.31%**	**-**	**2,779**	**80.67%**	**117**	**191**

(in millions of euros)	PD scale	Original on-balance sheet gross exposure	Off-balance sheet exposures pre CCF	Average CCF	EAD post CRM and post-CCF	Average PD	Average LGD	Average maturity	RWA	RWA density	EL	Provisions
Corporates - Specialised Lending	0.00 to < 0.15	-	-	-	-	-	-	-	-	-	-	-
	0.15 to < 0.25	-	-	-	-	-	-	-	-	-	-	-
	0.25 to < 0.50	-	-	-	-	-	-	-	-	-	-	-
	0.50 to < 0.75	-	-	-	-	-	-	-	-	-	-	-
	0.75 to < 2.50	-	-	-	-	-	-	-	-	-	-	-
	2.50 to < 10.00	-	-	-	-	-	-	-	-	-	-	-
	10.00 to < 100.00	-	-	-	-	-	-	-	-	-	-	-
	100.00 (default)	-	-	-	-	-	-	-	-	-	-	-
	Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL		**403,857**	**20,246**	**75.75%**	**419,193**	**0.23%**	**12.70%**	**-**	**22,050**	**5.26%**	**384**	**585**

CREDIT RISK EXPOSURES BY PORTFOLIO AND PROBABILITY OF DEFAULT (PD) RANGE INTERNAL RATINGS-BASED APPROACH AT 31 DECEMBER 2016 (CR6)

(in millions of euros)	PD scale	Original on-balance sheet gross exposure	Off-balance sheet exposures pre CCF	Average CCF	EAD post CRM and post-CCF	Average PD	Average LGD	Average maturity	RWA	RWA density	EL	Provisions
Central governments and central banks	0.00 to < 0.15	78,273	-	52.04%	78,314	0.00%	45.00%	-	834	1.07%	1	-
	0.15 to < 0.25	164	-	-	164	0.16%	45.00%	-	67	41.13%	-	-
	0.25 to < 0.50	613	-	-	613	0.30%	45.00%	-	353	57.64%	1	-
	0.50 to < 0.75	15	-	-	119	0.60%	45.00%	-	12	10.22%	-	-
	0.75 to < 2.50	104	-	-	-	0.75%	45.00%	-	91	-	-	-
	2.50 to < 10.00	-	-	-	-	-	50.00%	-	-	-		-
	10.00 to < 100.00	-	-	-	-	-	-	-	-	-	-	-
	100.00 (default)	-	-	-	-	-	-	-	-	-	-	-
	Subtotal	**79,168**		**52.04%**	**79,209**	**0.01%**	**45.00%**	**-**	**1,358**	**1.71%**	**2**	**-**
Institutions	0.00 to < 0.15	295,124	3,266	65.09%	297,316	0.03%	1.17%	-	1,618	0.54%	1	-
	0.15 to < 0.25	318	17	72.24%	330	0.16%	31.40%	-	124	37.61%	-	-
	0.25 to < 0.50	631	9	30.53%	634	0.30%	31.53%	-	324	51.06%	1	-
	0.50 to < 0.75	11	18	70.88%	89	0.60%	45.00%	-	21	23.98%	-	-
	0.75 to < 2.50	91	12	30.93%	31	0.96%	45.00%	-	107	349.76%	-	-
	2.50 to < 10.00	-	-	100.00%	-	5.00%	44.99%	-	-	190.40%	-	-
	10.00 to < 100.00	2	-	32.40%	2	16.06%	45.02%	-	5	255.59%	-	-
	100.00 (default)	2		-	2	100.00%	44.99%	-	-	-	1	-
	Subtotal	**296,179**	**3,324**	**64.94%**	**298,404**	**0.03%**	**1.28%**	**-**	**2,199**	**0.74%**	**3**	**1**

The definitions of the underlined words can be found in the Glossary on page 567.

(in millions of euros)	PD scale	Original on-balance sheet gross exposure	Off-balance sheet exposures pre CCF	Average CCF	EAD post CRM and post-CCF	Average PD	Average LGD	Average maturity	RWA	RWA density	EL	Provisions
Corporates - Other	0.00 to < 0.15	7,335	6,911	86.43%	13,311	0.04%	44.97%	-	2,709	20.35%	2	-
	0.15 to < 0.25	2,460	2,631	73.76%	4,394	0.16%	44.95%	-	1,846	42.01%	3	-
	0.25 to < 0.50	2,450	2,582	73.07%	4,336	0.30%	44.87%	-	2,582	59.54%	6	-
	0.50 to < 0.75	2,217	1,850	77.43%	3,645	0.60%	44.86%	-	2,983	81.82%	10	-
	0.75 to < 2.50	2,611	1,888	68.85%	3,864	1.22%	44.64%	-	4,047	104.73%	21	-
	2.50 to < 10.00	135	51	76.41%	174	5.00%	44.53%	-	280	161.36%	4	-
	10.00 to < 100.00	163	188	69.45%	294	18.23%	44.81%	-	731	248.95%	24	-
	100.00 (default)	343	112	72.64%	418	100.00%	44.87%	-	-	-	188	-
	Subtotal	**17,714**	**16,213**	**78.88%**	**30,436**	**1.89%**	**44.89%**	**-**	**15,178**	**49.87%**	**258**	**392**
Corporates - SMEs	0.00 to < 0.15	91	68	75.00%	142	0.04%	45.00%	-	21	14.46%	-	-
	0.15 to < 0.25	17	7	94.17%	24	0.16%	43.58%	-	9	36.98%	-	-
	0.25 to < 0.50	144	39	71.05%	169	0.30%	44.59%	-	88	52.14%	-	-
	0.50 to < 0.75	285	98	80.32%	362	0.60%	44.56%	-	251	69.28%	1	-
	0.75 to < 2.50	1,738	363	64.58%	1,936	1.38%	44.09%	-	1,726	89.13%	12	-
	2.50 to < 10.00	162	27	56.40%	173	5.00%	43.73%	-	216	125.03%	4	-
	10.00 to < 100.00	102	40	59.34%	122	15.66%	44.33%	-	240	196.94%	8	-
	100.00 (default)	232	9	56.12%	234	100.00%	44.12%	-			103	-
	Subtotal	**2,772**	**652**	**67.99%**	**3,160**	**9.20%**	**44.20%**	**-**	**2,549**	**80.66%**	**128**	**206**
Corporates - Specialised Lending	0.00 to < 0.15	-	-	-	-	-	-	-	-	-	-	-
	0.15 to < 0.25	-	-	-	-	-	-	-	-	-	-	-
	0.25 to < 0.50	-	-	-	-	-	-	-	-	-	-	-
	0.50 to < 0.75	-	-	-	-	-	-	-	-	-	-	-
	0.75 to < 2.50	-	-	-	-	-	-	-	-	-	-	-
	2.50 to < 10.00	-	-	-	-	-	-	-	-	-	-	-
	10.00 to < 100.00	-	-	-	-	-	-	-	-	-	-	-
	100.00 (default)	-	-	-	-	-	-	-	-	-	-	-
	Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL		**395,832**	**20,189**	**76.17%**	**411,209**	**0.23%**	**13.26%**	**-**	**21,284**	**5.18%**	**392**	**599**

CREDIT RISK EXPOSURES BY PORTFOLIO AND PROBABILITY OF DEFAULT (PD) RANGE ADVANCED INTERNAL RATINGS-BASED APPROACH AT 31 DECEMBER 2017 (CR6)

(in millions of euros)	PD scale	Original on-balance sheet gross exposure	Off-balance sheet exposures pre CCF	Average CCF	EAD post CRM and post-CCF	Average PD	Average LGD	Average maturity	RWA	RWA density	EL	Provisions
Central governments and central banks	0.00 to < 0.15	55,093	987	63.24%	63,423	0.00%	1.12%	614	74	0.12%	-	-
	0.15 to < 0.25	72		54.35%	531	0.16%	10.00%	1,251	59	11.18%	-	-
	0.25 to < 0.50	1,227	100	55.15%	1,466	0.30%	15.74%	495	229	15.60%	1	-
	0.50 to < 0.75	686	294	75.00%	284	0.60%	10.00%	642	44	15.58%	-	-
	0.75 to < 2.50	304	551	74.48%	43	1.21%	47.28%	1,572	52	121.72%	-	-
	2.50 to < 10.00	129	163	74.06%	19	5.00%	60.00%	1,386	43	233.72%	1	-
	10.00 to < 100.00	616	187	70.03%	58	12.18%	67.55%	1,440	208	360.02%	5	-
	100.00 (default)	88	-	-	21	100.00%	45.00%	1,609	3	14.47%	15	-
	Subtotal	**58,215**	**2,282**	**63.08%**	**65,845**	**0.06%**	**1.68%**	**619**	**713**	**1.08%**	**22**	**44**
Institutions	0.00 to < 0.15	23,484	3,307	96.18%	31,329	0.02%	10.58%	567	1,094	3.49%	1	-
	0.15 to < 0.25	720	230	44.81%	574	0.16%	40.89%	651	206	35.83%	-	-
	0.25 to < 0.50	1,366	652	33.36%	1,198	0.30%	45.33%	447	424	35.41%	1	-
	0.50 to < 0.75	1,478	768	36.03%	1,024	0.60%	50.97%	167	505	49.29%	2	-
	0.75 to < 2.50	705	687	50.33%	651	1.10%	33.22%	526	373	57.23%	2	-
	2.50 to < 10.00	20	71	24.21%	7	5.00%	50.79%	737	11	166.59%	-	-
	10.00 to < 100.00	18	52	23.62%	17	15.47%	60.88%	1,015	56	324.19%	1	-
	100.00 (default)	371	2	29.30%	366	100.00%	45.03%	631	-	0.01%	383	-
	Subtotal	**28,161**	**5,769**	**83.29%**	**35,167**	**1.12%**	**14.24%**	**553**	**2,669**	**7.59%**	**392**	**389**
Corporates - Other	0.00 to < 0.15	19,201	54,356	48.83%	44,975	0.04%	35.28%	759	6,544	14.55%	7	-
	0.15 to < 0.25	6,207	16,476	48.16%	12,990	0.16%	45.03%	965	4,900	37.72%	8	-
	0.25 to < 0.50	8,955	14,160	50.69%	13,547	0.30%	43.45%	953	7,541	55.66%	16	-
	0.50 to < 0.75	6,525	7,057	51.66%	6,761	0.60%	44.75%	871	4,790	70.84%	15	-
	0.75 to < 2.50	7,631	9,631	51.98%	9,484	1.04%	49.52%	1,089	9,058	95.51%	39	-
	2.50 to < 10.00	855	528	53.59%	667	5.00%	40.99%	789	851	127.48%	12	-
	10.00 to < 100.00	1,027	2,628	41.30%	1,585	14.82%	39.86%	749	2,573	162.33%	70	-
	100.00 (default)	2,169	894	55.53%	2,480	100.00%	45.54%	887	419	16.88%	1,611	-
	Subtotal	**52,569**	**105,731**	**49.29%**	**92,490**	**3.21%**	**40.39%**	**862**	**36,675**	**39.65%**	**1,779**	**2,509**
Corporates - SMEs	0.00 to < 0.15	-	3	20.00%	1	0.06%	73.95%	395	-	17.88%	-	-
	0.15 to < 0.25	1	1	82.46%	2	0.17%	39.42%	668	-	25.09%	-	-
	0.25 to < 0.50	-	1	57.63%	1	0.30%	47.64%	1,216	-	67.74%	-	-
	0.50 to < 0.75	17	3	73.36%	19	0.60%	46.46%	781	12	63.45%	-	-
	0.75 to < 2.50	57	243	43.82%	113	1.18%	42.88%	1,023	98	86.55%	1	-
	2.50 to < 10.00	19	12	83.80%	28	5.00%	43.66%	1,260	37	128.44%	1	-
	10.00 to < 100.00	29	11	76.19%	20	17.53%	40.58%	467	32	161.06%	1	-
	100.00 (default)	25	14	49.31%	32	100.00%	45.03%	1,200	1	2.24%	3	-
	Subtotal	**148**	**288**	**49.25%**	**216**	**17.73%**	**43.49%**	**1,003**	**180**	**83.50%**	**6**	**3**

The definitions of the underlined words can be found in the Glossary on page 567.

(in millions of euros)	PD scale	Original on-balance sheet gross exposure	Off-balance sheet exposures pre CCF	Average CCF	EAD post CRM and post-CCF	Average PD	Average LGD	Average maturity	RWA	RWA density	EL	Provisions
Corporates - Specialised Lending	0.00 to < 0.15	2,260	1,453	50.39%	9,530	0.02%	5.48%	1,357	252	2.64%	-	-
	0.15 to < 0.25	7,953	1,768	64.85%	8,771	0.16%	9.49%	1,363	928	10.58%	1	-
	0.25 to < 0.50	10,384	2,841	59.63%	10,882	0.30%	12.60%	1,242	1,868	17.17%	4	-
	0.50 to < 0.75	6,040	2,644	60.53%	6,064	0.60%	10.97%	1,328	1,334	22.00%	4	-
	0.75 to < 2.50	10,174	3,270	50.22%	9,308	1.13%	14.85%	1,250	3,279	35.22%	15	-
	2.50 to < 10.00	1,650	276	72.55%	1,065	5.00%	11.95%	1,234	483	45.36%	6	-
	10.00 to < 100.00	1,552	194	74.92%	1,367	15.06%	19.42%	1,235	1,274	93.22%	35	-
	100.00 (default)	1,258	24	79.80%	1,241	100.00%	38.30%	1,143	44	3.54%	510	-
	Subtotal	**41,272**	**12,470**	**57.34%**	**48,227**	**3.51%**	**11.70%**	**1,296**	**9,461**	**19.62%**	**576**	**510**
Retail loans secured by real estate assets	0.00 to < 0.15	31,799	1,214	100.00%	33,013	0.09%	11.79%	-	940	2.85%	4	-
	0.15 to < 0.25	3,939	10	100.00%	3,949	0.22%	17.42%	-	313	7.93%	2	-
	0.25 to < 0.50	18,205	669	100.00%	18,874	0.42%	11.43%	-	1,576	8.35%	9	-
	0.50 to < 0.75	-	-	-	-	-	-	-	-	-	-	-
	0.75 to < 2.50	17,091	864	100.00%	17,955	1.47%	11.29%	-	3,382	18.84%	30	-
	2.50 to < 10.00	6,105	575	100.00%	6,680	5.48%	11.64%	-	2,793	41.82%	43	-
	10.00 to < 100.00	393	6	100.00%	398	27.00%		-	313	78.59%	14	-
	100.00 (default)	1,024	2	100.00%	1,026	100.00%	45.26%	-	4	0.40%	464	-
	Subtotal	**78,556**	**3,339**	**100.00%**	**81,895**	**2.15%**	**12.21%**	**-**	**9,322**	**11.38%**	**565**	**251**
Revolving retail loans	0.00 to < 0.15	106	2,244	51.14%	1,254	0.09%	68.72%	-	51	4.08%	1	-
	0.15 to < 0.25	11	342	27.09%	104	0.23%	55.84%	-	8	7.75%	-	-
	0.25 to < 0.50	211	1,914	59.27%	1,346	0.44%	64.41%	-	187	13.90%	4	-
	0.50 to < 0.75	-	-	-	-	-	-	-	-	-	-	-
	0.75 to < 2.50	913	1,717	56.26%	1,879	1.63%	60.56%	-	664	35.34%	19	-
	2.50 to < 10.00	1,715	807	79.00%	2,353	5.37%	60.80%	-	1,862	79.15%	76	-
	10.00 to < 100.00	179	24	78.43%	198	34.66%	61.03%	-	343	173.05%	41	-
	100.00 (default)	332	1	65.07%	333	100.00%	85.89%	-	18	5.28%	286	-
	Subtotal	**3,468**	**7,050**	**56.71%**	**7,467**	**7.42%**	**64.31%**	**-**	**3,133**	**41.96%**	**427**	**300**
Other retail loans	0.00 to < 0.15	13,828	389	92.86%	14,190	0.09%	13.69%	-	468	3.30%	2	-
	0.15 to < 0.25	2,306	51	87.31%	2,350	0.21%	23.98%	-	250	10.63%	1	-
	0.25 to < 0.50	4,320	211	98.79%	4,529	0.45%	38.59%	-	1,238	27.33%	8	-
	0.50 to < 0.75	-	-	-	-	-	-	-	-	-	-	-
	0.75 to < 2.50	12,088	345	102.34%	12,441	1.46%	47.44%	-	7,223	58.06%	88	-
	2.50 to < 10.00	9,463	199	102.24%	9,666	4.67%	51.20%	-	7,614	78.77%	218	-
	10.00 to < 100.00	1,236	4	95.17%	1,239	14.88%	21.03%	-	1,271	102.53%	260	-
	100.00 (default)	2,229	3	91.06%	2,231	100.00%	72.72%	-	265	11.88%	1,642	-
	Subtotal	**45,469**	**1,202**	**97.94%**	**46,646**	**6.53%**	**36.05%**	**-**	**18,329**	**39.29%**	**2,220**	**1,875**

(in millions of euros)	PD scale	Original on-balance sheet gross exposure	Off-balance sheet exposures pre CCF	Average CCF	EAD post CRM and post-CCF	Average PD	Average LGD	Average maturity	RWA	RWA density	EL	Provisions
Loans to small and medium businesses secured by real estate assets	0.00 to < 0.15	176	-	-	176	0.11%	17.88%	-	7	3.81%	-	-
	0.15 to < 0.25	391	2	100.00%	393	0.20%	16.97%	-	22	5.58%	-	-
	0.25 to < 0.50	1,114	13	100.00%	1,127	0.51%	16.90%	-	121	10.73%	1	-
	0.50 to < 0.75	-	-	-	-	-	-	-	-	-	-	-
	0.75 to < 2.50	961	11	100.00%	973	1.21%	17.03%	-	188	19.38%	2	-
	2.50 to < 10.00	744	11	100.00%	755	5.25%	17.03%	-	336	44.48%	7	-
	10.00 to < 100.00	138	5	100.00%	143	10.26%	9.26%	-	109	76.39%	7	-
	100.00 (default)	307	-	100.00%	307	100.00%	53.30%	-	1	0.19%	164	-
	Subtotal	**3,831**	**42**	**100.00%**	**3,873**	**9.97%**	**19.81%**	**-**	**784**	**20.23%**	**180**	**89**
Other loans to small and medium businesses	0.00 to < 0.15	124	7	70.87%	129	0.11%	22.95%	-	10	7.52%	-	-
	0.15 to < 0.25	3,072	147	85.87%	3,200	0.20%	31.91%	-	657	20.54%	2	-
	0.25 to < 0.50	4,537	233	75.04%	4,712	0.50%	31.93%	-	1,387	29.43%	7	-
	0.50 to < 0.75	-	-	-	-	-	-	-	-	-	-	-
	0.75 to < 2.50	4,210	217	84.75%	4,394	1.22%	30.94%	-	1,659	37.76%	17	-
	2.50 to < 10.00	3,891	237	85.41%	4,093	4.89%	31.51%	-	2,228	54.44%	65	-
	10.00 to < 100.00	589	49	80.05%	629	13.47%	-	-	545	86.67%	54	-
	100.00 (default)	1,400	31	76.38%	1,423	100.00%	82.42%	-	14	0.96%	1,172	-
	Subtotal	**17,822**	**921**	**82.00%**	**18,580**	**9.85%**	**34.32%**	**-**	**6,500**	**34.98%**	**1,318**	**933**
TOTAL		**329,512**	**139,095**	**55.43%**	**400,406**	**3.12%**	**21.82%**	**-**	**87,765**	**21.92%**	**7,485**	**6,902**

The definitions of the underlined words can be found in the Glossary on page 567.

CREDIT RISK EXPOSURES BY PORTFOLIO AND PROBABILITY OF DEFAULT (PD) RANGE ADVANCED INTERNAL RATINGS-BASED APPROACH AT 31 DECEMBER 2016 (CR6)

(in millions of euros)	PD scale	Original on-balance sheet gross exposure	Off-balance sheet exposures pre CCF	Average CCF	EAD post CRM and post-CCF	Average PD	Average LGD	Average maturity	RWA	RWA density	EL	Provisions
Central governments and central banks	0.00 to < 0.15	43,610	411	63.96%	51,654	0.01%	1.15%	676	83	0.16%	-	-
	0.15 to < 0.25	103	-	63.24%	674	0.16%	10.00%	1,194	69	10.16%	-	-
	0.25 to < 0.50	1,670	53	32.75%	1,661	0.30%	10.81%	547	183	10.99%	1	-
	0.50 to < 0.75	464	157	74.84%	312	0.60%	10.02%	487	40	12.78%	-	-
	0.75 to < 2.50	391	625	59.83%	57	1.14%	53.16%	1,312	95	165.88%	-	-
	2.50 to < 10.00	70	182	75.00%	17	5.00%	71.21%	1,147	41	239.74%	1	-
	10.00 to < 100.00	740	269	67.03%	61	15.21%	62.90%	1,513	239	389.57%	7	-
	100.00 (default)	20	-	-	17	100.00%	45.00%	1,822	-	0.08%	15	-
	Subtotal	**47,066**	**1,697**	**63.22%**	**54,454**	**0.07%**	**1.80%**	**680**	**749**	**1.38%**	**23**	**61**
Institutions	0.00 to < 0.15	10,956	3,083	83.61%	18,662	0.04%	14.81%	855	1,081	5.79%	1	-
	0.15 to < 0.25	889	246	45.96%	914	0.16%	34.88%	652	322	35.21%	1	-
	0.25 to < 0.50	1,285	744	33.46%	1,259	0.30%	42.33%	461	422	33.54%	1	-
	0.50 to < 0.75	937	886	44.82%	1,273	0.60%	47.18%	264	440	34.57%	2	-
	0.75 to < 2.50	474	1,247	43.34%	330	1.02%	37.62%	629	639	193.68%	3	-
	2.50 to < 10.00	28	15	21.90%	10	5.00%	51.17%	668	15	146.33%	-	-
	10.00 to < 100.00	55	52	28.47%	16	12.57%	175.62%	769	55	335.21%	1	-
	100.00 (default)	442	6	100.00%	437	100.00%	45.03%	640	-	-	432	-
	Subtotal	**15,067**	**6,279**	**72.06%**	**22,903**	**2.03%**	**19.77%**	**792**	**2,974**	**12.99%**	**441**	**487**
Corporates - Other	0.00 to < 0.15	12,750	49,209	54.98%	39,420	0.05%	39.66%	911	7,220	18.32%	7	-
	0.15 to < 0.25	7,323	17,159	56.88%	15,739	0.16%	43.57%	892	5,741	36.47%	10	-
	0.25 to < 0.50	7,010	13,102	51.66%	11,768	0.30%	45.30%	883	6,564	55.78%	15	-
	0.50 to < 0.75	6,892	9,052	48.24%	16,239	0.60%	49.18%	906	6,675	41.10%	21	-
	0.75 to < 2.50	10,106	10,892	58.41%	5,215	1.04%	46.19%	1,009	11,967	229.48%	54	-
	2.50 to < 10.00	622	1,004	55.52%	924	5.02%	42.05%	746	1,225	132.57%	18	-
	10.00 to < 100.00	917	4,115	41.69%	2,004	14.59%	43.27%	798	3,035	151.45%	77	-
	100.00 (default)	2,870	360	53.43%	2,510	100.00%	45.05%	813	91	3.61%	1,579	-
	Subtotal	**48,490**	**104,893**	**54.17%**	**93,819**	**3.32%**	**43.04%**	**911**	**42,517**	**45.32%**	**1,780**	**2,816**
Corporates - SMEs	0.00 to < 0.15	724	15	95.17%	684	0.03%	38.90%	1,062	81	11.81%	-	-
	0.15 to < 0.25	37	3	75.22%	39	0.16%	38.03%	394	7	18.87%	-	-
	0.25 to < 0.50	10	2	67.54%	12	0.30%	45.87%	733	4	38.28%	-	-
	0.50 to < 0.75	16	4	41.26%	50	0.60%	30.36%	396	5	9.51%	-	-
	0.75 to < 2.50	95	117	53.91%	50	1.26%	33.89%	1,043	7	13.20%	-	-
	2.50 to < 10.00	15	8	76.90%	21	5.00%	36.00%	406	18	86.55%	-	-
	10.00 to < 100.00	31	14	70.41%	18	19.58%	8.70%	566	5	28.40%	-	-
	100.00 (default)	19	-	70.38%	19	100.00%	44.86%	1,216	-	0.01%	5	-
	Subtotal	**946**	**164**	**61.44%**	**892**	**2.76%**	**37.78%**	**994**	**127**	**14.24%**	**6**	**5**

(in millions of euros)	PD scale	Original on-balance sheet gross exposure	Off-balance sheet exposures pre CCF	Average CCF	EAD post CRM and post-CCF	Average PD	Average LGD	Average maturity	RWA	RWA density	EL	Provisions
Corporates – Specialised Lending	0.00 to < 0.15	3,176	1,141	68.09%	10,198	0.02%	4.40%	1,406	285	2.80%	-	-
	0.15 to < 0.25	7,513	2,260	52.93%	9,295	0.16%	10.85%	1,385	1,107	11.91%	2	-
	0.25 to < 0.50	12,570	3,469	63.54%	12,410	0.30%	12.75%	1,287	2,223	17.91%	5	-
	0.50 to < 0.75	7,383	3,497	47.04%	7,209	0.60%	13.86%	1,340	1,973	27.37%	6	-
	0.75 to < 2.50	9,511	2,867	57.32%	9,436	1.14%	14.29%	1,304	3,389	35.91%	16	-
	2.50 to < 10.00	1,875	187	61.91%	1,307	5.00%	19.55%	1,127	891	68.11%	13	-
	10.00 to < 100.00	1,721	199	73.15%	1,597	16.72%	18.67%	1,121	1,463	91.64%	46	-
	100.00 (default)	1,728	24	76.31%	1,594	100.00%	39.21%	1,271	157	9.87%	567	-
	Subtotal	**45,476**	**13,644**	**57.57%**	**53,047**	**4.02%**	**12.38%**	**1,328**	**11,488**	**21.66%**	**654**	**564**
Retail loans secured by real estate assets	0.00 to < 0.15	29,513	1,368	100.00%	30,882	0.09%	11.89%	-	884	2.86%	3	-
	0.15 to < 0.25	3,494	7	100.00%	3,501	0.22%	17.42%	-	278	7.95%	1	-
	0.25 to < 0.50	16,720	843	100.00%	17,564	0.43%	11.51%	-	1,486	8.46%	9	-
	0.50 to < 0.75	-	-	0.00%	-	0.00%	0.00%	-	-	0.00%	-	-
	0.75 to < 2.50	15,798	1,372	100.00%	17,170	1.47%	11.32%	-	3,244	18.89%	28	-
	2.50 to < 10.00	6,115	1,404	100.00%	7,519	5.31%	11.46%	-	3,031	40.31%	47	-
	10.00 to < 100.00	411	6	100.00%	416	28.08%		-	321	77.17%	15	-
	100.00 (default)	1,042	4	100.00%	1,046	100.00%	45.04%	-		0.00%	471	-
	Subtotal	**73,094**	**5,004**	**100.00%**	**78,098**	**2.31%**	**12.26%**	**-**	**9,244**	**11.84%**	**575**	**255**
Revolving retail loans	0.00 to < 0.15	106	2,229	49.87%	1,218	0.09%	62.96%	-	45	3.70%	1	-
	0.15 to < 0.25	11	305	26.94%	93	0.23%	55.74%	-	7	7.19%	-	-
	0.25 to < 0.50	202	1,752	61.07%	1,272	0.44%	61.63%	-	170	13.34%	4	-
	0.50 to < 0.75	-	-	-	-	-	-	-	-	-	-	-
	0.75 to < 2.50	900	1,569	57.85%	1,808	1.61%	56.96%	-	596	32.95%	17	-
	2.50 to < 10.00	1,722	717	81.48%	2,306	5.70%	58.76%	-	1,827	79.24%	77	-
	10.00 to < 100.00	201	22	80.20%	219	33.83%	60.81%	-	379	173.19%	44	-
	100.00 (default)	333	2	67.27%	334	100.00%	85.69%	-	17	5.19%	286	-
	Subtotal	**3,475**	**6,596**	**57.22%**	**7,250**	**7.75%**	**61.17%**	**-**	**3,040**	**41.94%**	**429**	**306**
Other retail loans	0.00 to < 0.15	11,382	350	96.09%	11,718	0.09%	14.30%	-	421	3.59%	2	-
	0.15 to < 0.25	2,045	95	96.03%	2,136	0.22%	29.23%	-	272	12.73%	1	-
	0.25 to < 0.50	4,148	231	100.28%	4,379	0.46%	38.07%	-	1,203	27.46%	8	-
	0.50 to < 0.75	-	-	-	-	-	-	-	-	-	-	-
	0.75 to < 2.50	11,506	334	108.11%	11,866	1.48%	47.58%	-	6,944	58.51%	85	-
	2.50 to < 10.00	9,188	176	101.46%	9,367	4.68%	51.19%	-	7,384	78.83%	212	-
	10.00 to < 100.00	1,331	5	99.31%	1,335	14.92%	21.02%	-	1,366	102.33%	290	-
	100.00 (default)	2,570	2	95.83%	2,573	100.04%	71.78%	-	310	12.05%	1,771	-
	Subtotal	**42,169**	**1,193**	**101.07%**	**43,374**	**7.86%**	**37.81%**	**-**	**17,899**	**41.27%**	**2,369**	**2,072**

The definitions of the underlined words can be found in the Glossary on page 567.

(in millions of euros)	PD scale	Original on-balance sheet gross exposure	Off-balance sheet exposures pre CCF	Average CCF	EAD post CRM and post-CCF	Average PD	Average LGD	Average maturity	RWA	RWA density	EL	Provisions
Loans to small and medium businesses secured by real estate assets	0.00 to < 0.15	160	-	100.00%	160	0.11%	17.44%	-	6	3.61%	-	-
	0.15 to < 0.25	345	-	100.00%	345	0.21%	17.19%	-	20	5.81%	-	-
	0.25 to < 0.50	925	3	100.00%	928	0.51%	16.96%	-	101	10.89%	1	-
	0.50 to < 0.75	-	-	-	-	-	-	-	-	-	-	-
	0.75 to < 2.50	863	14	100.00%	877	1.22%	17.05%	-	170	19.43%	2	-
	2.50 to < 10.00	742	10	100.00%	752	5.23%	17.09%	-	332	44.20%	7	-
	10.00 to < 100.00	155	1	100.00%	156	8.78%	7.91%	-	118	75.86%	8	-
	100.00 (default)	308			308	100.00%	52.18%	-		0.00%	161	-
	Subtotal	**3,498**	**28**	**100.00%**	**3,526**	**10.94%**	**19.97%**	**-**	**748**	**21.21%**	**178**	**91**
Other loans to small and medium businesses	0.00 to < 0.15	82	4	63.32%	84	0.11%	26.78%	-	6	7.04%	-	-
	0.15 to < 0.25	2,644	177	85.04%	2,795	0.20%	31.83%	-	569	20.37%	2	-
	0.25 to < 0.50	4,233	184	80.16%	4,380	0.51%	32.20%	-	1,290	29.46%	7	-
	0.50 to < 0.75	-	-	-	-	-	-	-	-	-	-	-
	0.75 to < 2.50	4,016	148	84.04%	4,142	1.23%	31.08%	-	1,530	36.93%	16	-
	2.50 to < 10.00	3,856	238	88.14%	4,065	4.97%	30.55%	-	2,100	51.65%	64	-
	10.00 to < 100.00	633	64	90.90%	691	13.24%		-	541	78.24%	59	-
	100.00 (default)	1,603	24	85.79%	1,624	100.00%	81.36%	-	2	0.13%	1,321	-
	Subtotal	**17,067**	**838**	**85.03%**	**17,781**	**11.58%**	**34.84%**	**-**	**6,038**	**33.96%**	**1,470**	**1,063**
TOTAL		**296,347**	**140,336**	**58.71%**	**375,143**	**3.67%**	**23.89%**	**-**	**94,824**	**25.28%**	**7,924**	**7,720**

The disparities between customer types seen in prior years in the retail banking portfolio were again apparent in 2017. The levels of observed PD levels in loans secured by real estate assets is significantly narrower than for other classes. For instance, 69% of gross exposures to the "Retail loans secured by real estate assets" portfolio have a PD of under 0.5%, while this figure is 43% for "Other loans to small and medium businesses" in the IRB portfolio – the Group's retail banking arm.

The differences in respect of PD levels are even more pronounced if we observe the contributions of expected losses attributable to significant differences in LGD levels from one portfolio to another: Exposure to "Retail loans secured by real estate assets" accounted for 51.7% of total retail customer EAD but only 12.0% of expected losses.

PD AND AVERAGE LGD BY TYPE OF PERFORMING EXPOSURE UNDER THE A-IRB APPROACH BY GEOGRAPHIC AREA

The LGDs in this table are regulatory and may be subject to floors on certain portfolios.

		31/12/2017		31/12/2016	
		A-IRB approach		A-IRB approach	
Type of exposure	**Geographic area**	*PD*	*LGD*	*PD*	*LGD*
Loans to small and medium businesses					
O/w other loans	**All geographical areas**	**2.52%**	**31.63%**	**2.79%**	**31.47%**
	France (including overseas departments and territories)	2.41%	29.97%	2.61%	29.31%
	Western Europe Excluding Italy	2.43%	23.35%	2.27%	30.60%
	Italy	3.10%	40.85%	3.56%	40.77%
O/w secured by real estate assets	**All geographical areas**	**2.73%**	**17.02%**	**3.15%**	**17.06%**
	France (including overseas departments and territories)	2.47%	16.93%	2.50%	17.06%
	Italy	3.07%	17.15%	4.06%	17.06%

Type of exposure	Geographic area	31/12/2017 A-IRB approach PD	31/12/2017 A-IRB approach LGD	31/12/2016 A-IRB approach PD	31/12/2016 A-IRB approach LGD
Retail loans					
	All geographical areas	**1.06%**	**11.87%**	**1.14%**	**11.89%**
O/w secured by real estate assets	France (including overseas departments and territories)	1.10%	10.86%	1.19%	10.92%
	Italy	0.86%	17.42%	0.89%	17.40%
	All geographical areas	**3.26%**	**62.75%**	**3.49%**	**59.58%**
O/w revolving	France (including overseas departments and territories)	2.69%	61.16%	2.73%	57.03%
	Italy	4.58%	66.35%	5.46%	66.17%
	All geographical areas	**2.48%**	**35.17%**	**2.72%**	**36.67%**
	France (including overseas departments and territories)	3.23%	35.64%	3.36%	34.26%
O/w other	Western Europe Excluding Italy	1.00%	16.20%	1.18%	18.29%
	Italy	3.26%	62.92%	3.38%	63.21%
	Asia-Pacific excluding Japan	0.00%	0.00%	19.99%	38.76%
	All geographical areas	**0.03%**	**1.75%**	**0.05%**	**1.91%**
	France (including overseas departments and territories)	0.04%	1.74%	0.07%	2.12%
	North America	0.00%	1.00%	0.00%	1.00%
	Western Europe Excluding Italy	0.03%	1.76%	0.03%	2.01%
Central governments and central banks	Italy	0.05%	3.83%	0.14%	10.00%
	Japan	0.00%	1.00%	0.01%	1.00%
	Asia-Pacific excluding Japan	0.04%	1.66%	0.06%	1.93%
	Africa and Middle East	0.09%	7.56%	0.10%	9.24%
	Eastern Europe	0.31%	45.00%	0.50%	45.00%
	All geographical areas	**0.67%**	**30.91%**	**0.76%**	**32.35%**
	France (including overseas departments and territories)	0.58%	27.94%	0.77%	28.19%
	North America	1.29%	31.32%	1.04%	33.98%
	Western Europe Excluding Italy	0.55%	36.67%	0.52%	36.19%
Corporates	Italy	0.81%	40.14%	0.64%	45.83%
	Japan	0.63%	21.54%	0.92%	24.75%
	Asia-Pacific excluding Japan	0.29%	30.36%	0.70%	33.73%
	Africa and Middle East	0.37%	48.79%	0.42%	50.31%
	Eastern Europe	0.38%	41.68%	0.35%	47.92%
	All geographical areas	**0.11%**	**16.88%**	**0.13%**	**20.44%**
	France (including overseas departments and territories)	0.10%	13.87%	0.14%	20.59%
	North America	0.15%	12.00%	0.08%	13.15%
	Western Europe Excluding Italy	0.11%	19.56%	0.12%	16.29%
Institutions	Italy	0.06%	6.86%	0.08%	7.80%
	Japan	0.13%	25.29%	0.14%	21.48%
	Asia-Pacific excluding Japan	0.16%	36.24%	0.20%	34.70%
	Africa and Middle East	0.09%	32.65%	0.07%	30.52%
	Eastern Europe	0.54%	55.40%	0.18%	26.07%

In addition, only France has F-IRB exposure on the following portfolios: Central governments and central banks, Institutions and Corporates.

4.2.2.4. USE OF CREDIT DERIVATIVES FOR HEDGING PURPOSES

Effect of credit derivatives used for credit risk mitigation (CRM) on risk-weighted assets (RWA) under the internal ratings-based approach at 31 December 2017.

The definitions of the underlined words can be found in the Glossary on page 567.

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

31/12/2017 *(in millions of euros)*		Pre-credit derivatives RWA	Post-credit derivatives RWA
1	**Exposure under Foundation IRB approach**	**-**	**-**
2	Central governments and central banks	-	-
3	Banks	-	-
4	Corporates – SMEs	-	-
5	Corporates – Specialised Lending	-	-
6	Corporates – Other	-	-
7	**Exposure under Advanced IRB approach**	**-**	**-**
8	Central governments and central banks	8	1
9	Banks	11	10
10	Corporates – SMEs	4,646	2,992
11	Corporates – Specialised Lending	38	38
12	Corporates – Other	-	-
13	Retail customers – Exposure to SME residential property-related receivables	-	-
14	Retail customers – Exposure to non-SME residential property-related receivables	-	-
15	Retail customers – Revolving exposure to qualifying retail customers	-	-
16	Retail customers – SMEs	-	-
17	Retail customers – other exposures	-	-
18	Equities – IRB approach	-	-
19	Other assets	-	-
20	**TOTAL**	**4,703**	**3,041**

4.2.2.5. CHANGE IN RWA BETWEEN 30/09/2017 AND 31/12/2017

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

31/12/2017 *(in millions of euros)*		RWA	Minimum capital requirements
1	**RWA at end of prior period**	**142,138**	**11,371**
2	Total assets	9,143	731
3	Asset quality	(1,379)	(110)
4	Model updates	(1,964)	(157)
5	Methodology and policy	-	-
6	Acquisitions and disposals	(5,707)	(456)
7	Currency movements	(479)	(38)
8	Other	(974)	(77)
9	**RWA at end of current period**	**140,778**	**11,262**

4.2.2.6. BACK-TESTING RESULTS

In the following paragraphs, back-testing covers all the methods and procedures used to verify the performance and stability of the internal risk models (PD, LGD, CCF), specifically by comparing forecasts with actual results.

With regard to permanent control, a back-testing Committee has been established within each entity. This Committee (which may, for some entities, be a specific agenda item for the Risk Committee) is chaired by the Risk Management department of the relevant entity and includes a representative from the Group Risk Management and Permanent Controls department. It meets at least twice a year and is the subject of reports to the Chief Executive Officer and the Head of the entity's Permanent Control department, as well as the Group Risk Management department.

Periodic inspection is conducted annually by the Internal Audit function or any third party specifically authorised by it. The audit plan covers:

- systems for calculating ratings and estimating risk parameters, as well as compliance with minimum requirements;
- systems functioning (correct implementation);

The corresponding reports are sent to the person responsible for monitoring the relevant entity within the Group Risk Management department.

The entity performs internal controls (permanent and periodic) on:

- the quality of input and output data within the system;

- the conceptual and technical quality of systems for calculating ratings and estimating risk parameters;
- the completeness of data used for the calculation of risk-weighted assets.

Back-testing is critical in maintaining the pertinence and performance of rating models. A first phase of analysis is based chiefly on the quantitative analysis of the predictive model as a whole and its main explanatory variables.

This exercise can also detect significant changes in the structure and behaviour of portfolios and customers. Back-testing then results in decisions to adjust or recast models in order to factor in the new structural elements. This allows changes in non-cyclical behaviour or change in the franchise to be identified, revealing the impact of commercial or risk strategies implemented by the Bank.

Across the Group as a whole, each rating method is back-tested at least once a year by the unit responsible for the method (Group Risk Management department or its delegate). This provides the Group annually, through the Standards and Methodologies Committee, with the result of back-testing after consulting an *ad hoc* Committee to confirm the proper application of selected statistical methods and the validity of results, and proposes, where appropriate, suitable corrective measures (revision of the method, recalibration, training, recommendations for control, etc.).

These ex-post controls are performed – through the cycle – on historical data covering as long a period as possible. The following tables show the back-testing results for 2017 in respect of the Probability of Default (PD) and Loss Given Default (LGD) models.

IRB – EX-POST CONTROLS OF THE PROBABILITY OF DEFAULT (PD) BY PORTFOLIO

Portfolio	Estimated probability of default (%) – Average over a long period	Default rate observed – Average over a long period (%)	Estimated LGD (%)	LGD before prudential margin (%)
Sovereigns	1.7%	0.4%	55%	11%
Local authorities[1]	0.04%	0.06%	*F-IRB approach*	*F-IRB approach*
Financial institutions[2]	0.5%	0.03%	56%	62%
Corporates	2.7%	1.8%	42%	40%
Specialised financing	1.5%	1.0%	25%	24%
Individual customers – LCL	1.5%	1.2%	16%	10%
Small business customers – LCL	4.4%	3.9%	27%	23%
Individual customers – Cariparma	1.9%	1.6%	21%	18%
Small business customers – Cariparma[3]	5.4%	4.7%	43%	36%
Individual customers – CACF France	4.3%	3.8%	40%	37%
Individual customers – Agos	3.3%	2.5%	42%	37%
Individual customers – Credibom	2.7%	2.5%	36%	35%
Individual customers – Credit plus	3.1%	2.8%	67%	62%

(1) The probability of default and the default rate of local authorities were calculated from Q1 2015, in light of the implementation of the new qualitative rating in 2015.

(2) LGD internal models in the process of recalibration.

(3) For the Cariparma small business customers portfolio, the probability of default is estimated from 31/12/2014 in view of the substantial impact of the recalibration implemented in 2014 (change in default setting, update of historical data, etc.).

4.2.2.7. COMPARISON BETWEEN ESTIMATED AND ACTUAL LOSSES

The ratio of Expected Losses (EL) to Exposure at Default (EAD) was 1.69% at 31 December 2017 (1.87% at 31 December 2016). This ratio is calculated for the Central government and central banks, Institutions, Corporates, Retail customer and Equity portfolios in the A-IRB approach.

At the same time, the ratio of provisions to gross exposures was 1.30% at 31 December 2017, compared with 1.53% at 31 December 2016.

4.2.3. Counterparty credit risk

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

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

The definitions of the underlined words can be found in the Glossary on page 567.

4.2.3.1. ANALYSIS OF EXPOSURE TO COUNTERPARTY RISK

EXPOSURE TO COUNTERPARTY RISK BY APPROACH AT 31 DECEMBER 2017

	Standardised			IRB			Total			
31/12/2017 *(in billions of euros)*	Exposure	EAD	RWA	Exposure	EAD	RWA	Exposure	EAD	RWA	Capital requirements
Central governments and central banks	1.9	1.9	-	7.2	7.1	0.3	9.0	9.0	0.3	-
Institutions	17.6	15.5	1.3	18.5	18.4	3.6	36.0	34.0	4.9	0.4
Corporates	2.6	2.1	2.0	16.8	16.7	5.7	19.4	18.8	7.7	0.6
Retail customers	-	-	-	-	-	-	-	-	-	-
Equities	-	-	-	-	-	-	-	-	-	-
Securitisations	-	-	-	-	-	-	-	-	-	-
Other non credit-obligation assets	-	-	-	-	-	-	-	-	-	-
TOTAL	**22.0**	**19.5**	**3.3**	**42.4**	**42.2**	**9.6**	**64.5**	**61.7**	**12.9**	**1.0**

EXPOSURE TO COUNTERPARTY RISK BY APPROACH AT 31 DECEMBER 2016

	Standardised			IRB			Total			
31/12/2016 *(in billions of euros)*	Exposure	EAD	RWA	Exposure	EAD	RWA	Exposure	EAD	RWA	Capital requirements
Central governments and central banks	1.9	1.9	0.1	8.1	8.1	0.4	10.0	10.0	0.4	-
Institutions	16.7	16.7	1.8	22.6	22.5	4.3	39.3	39.2	6.1	0.5
Corporates	2.6	2.6	2.6	21.3	21.1	6.7	23.9	23.7	9.3	0.7
Retail customers	-	-	-	-	-	-	-	-	-	-
Equities	-	-	-	-	-	-	-	-	-	-
Securitisations	-	-	-	-	-	-	-	-	-	-
Other non credit-obligation assets	-	-	-	-	-	-	-	-	-	-
TOTAL	**21.2**	**21.2**	**4.4**	**52.0**	**51.6**	**11.4**	**73.2**	**72.9**	**15.9**	**1.3**

The total gross exposure to counterparty risk was €64.5 billion at 31 December 2017 (€47.6 billion in the form of derivatives and €16.8 billion in the form of securities financing transactions).

Information on exposure to transactions on forward financial instruments is also provided in Note 3.1 "Credit risk" to the consolidated financial statements.

4.2.3.2. EXPOSURE TO COUNTERPARTY RISK UNDER THE STANDARDISED APPROACH

EXPOSURE TO COUNTERPARTY RISK UNDER THE STANDARDISED APPROACH BY REGULATORY PORTFOLIO AND BY RISK WEIGHTING AT 31 DECEMBER 2017 (CCR3)

	Risk weight													
31/12/2017 Regulatory portfolio *(in millions of euros)*	0%	2%	4%	10%	20%	35%	50%	70%	75%	100%	150%	Other	Exposure-to counterparty risk	of which unrated
Central governments and central banks	1,664	-	-	-	185	-	1	-	-	4	-	-	1,854	1,854
Regional governments or local authorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public sector entities	-	-	-	-	7	-	-	-	-	-	-	-	8	1
Multilateral developments banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-
International organisations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Institutions	63	11,674	-	-	2,686	-	1,042	-	-	57	-	-	15,523	13,456
Corporates	-	-	-	-	94	-	145	-	-	1,838	17	-	2,094	1,572
Retail customers	-	-	-	-	-	-	-	-	5	-	-	-	5	5
Exposure in default	-	-	-	-	-	-	-	-	-	-	1	-	1	-
Investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	**1,728**	**11,674**	**-**	**-**	**2,973**	**-**	**1,188**	**-**	**5**	**1,899**	**18**	**-**	**19,485**	**16,888**

EXPOSURE TO COUNTERPARTY RISK UNDER THE STANDARDISED APPROACH BY REGULATORY PORTFOLIO AND BY RISK WEIGHTING AT 31 DECEMBER 2016 (CCR3)

	Risk weight													
31/12/2016 Regulatory portfolio *(in millions of euros)*	0%	2%	4%	10%	20%	35%	50%	70%	75%	100%	150%	Other	Exposure to counterparty risk	of which unrated
Central governments and central banks	1,577	-	-	-	-	-	-	-	-	65	-	-	1,642	1,642
Regional governments or local authorities	-	-	-	-	9	-	-	-	-	-	-	-	9	9
Public sector entities	91	-	-	-	117	-	-	-	-	-	-	-	209	91
Multilateral developments banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-
International organisations	183	-	-	-	-	-	-	-	-	-	-	-	183	183
Institutions	23	11,138	-	-	4,120	-	1,205	-	-	64	-	-	16,549	14,953
Corporates	-	-	-	-	4	-	60	-	-	2,558	3	-	2,624	2,444
Retail customers	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exposure in default	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	**1,874**	**11,138**	**-**	**-**	**4,251**	**-**	**1,265**	**-**	**-**	**2,687**	**3**	**-**	**21,216**	**19,323**

4.2.3.3. EXPOSURE TO COUNTERPARTY RISK UNDER THE ADVANCED APPROACH

COUNTERPARTY RISK EXPOSURES BY PORTFOLIO AND PROBABILITY OF DEFAULT (PD) RANGE, SUPERVISORY PORTFOLIOS FOR FOUNDATION INTERNAL RATINGS-BASED APPROACH AT 31 DECEMBER 2017 (CCR4)

31/12/2017 *(in millions of euros)*	PD range	EAD post-CRM	Average PD	Average LGD	Average maturity	RWA	RWA density
Central governments and central banks	0.00 to < 0.15	-	-		-	-	-
	0.15 to < 0.25	-	-		-	-	-
	0.25 to < 0.50	-	-		-	-	-
	0.50 to < 0.75	-	-		-	-	-
	0.75 to < 2.50	-	-		-	-	-
	2.50 to < 10.00	-	-		-	-	-
	10.00 to < 100.00	-	-		-	-	-
	100.00 (default)	-	-		-	-	-
	Subtotal	**-**	**-**		**-**	**-**	**-**
Institutions	0.00 to < 0.15	327	0.03%	0.98%	-	-	0.03%
	0.15 to < 0.25	-	-	-	-	-	-
	0.25 to < 0.50	2	0.30%	38.92%	-	1	57.64%
	0.50 to < 0.75	-	-	-	-	-	-
	0.75 to < 2.50	7	0.75%	45.00%	-	8	113.28%
	2.50 to < 10.00	-	-	-	-	-	-
	10.00 to < 100.00	-	-	-	-	-	-
	100.00 (default)	-	-	-	-	-	-
	Subtotal	**336**	**0.05%**	**2.16%**	**-**	**10**	**2.84%**

The definitions of the underlined words can be found in the Glossary on page 567.

31/12/2017 *(in millions of euros)*	PD range	EAD post-CRM	Average PD	Average LGD	Average maturity	RWA	RWA density
Corporates – Other	0.00 to < 0.15	8	0.03%	44.95%	-	-	5.61%
	0.15 to < 0.25	-	-	-	-	-	-
	0.25 to < 0.50	-	-	-	-	-	-
	0.50 to < 0.75	-	-	-	-	-	-
	0.75 to < 2.50	-	-	-	-	-	-
	2.50 to < 10.00	-	-	-	-	-	-
	10.00 to < 100.00	-	-	-	-	-	-
	100.00 (default)	-	-	-	-	-	-
	Subtotal	**8**	**0.03%**	**44.95%**	**-**	**-**	**5.61%**
Corporates – SMEs	0.00 to < 0.15	-	-	-	-	-	-
	0.15 to < 0.25	-	-	-	-	-	-
	0.25 to < 0.50	-	-	-	-	-	-
	0.50 to < 0.75	-	-	-	-	-	-
	0.75 to < 2.50	-	1.90%	43.88%	-	-	100.00%
	2.50 to < 10.00	-	-	-	-	-	-
	10.00 to < 100.00	-	-	-	-	-	-
	100.00 (default)	-	-	-	-	-	-
	Subtotal	**-**	**1.90%**	**43.88%**	**-**	**-**	**100.00%**
Corporates – Specialised Lending	0.00 to < 0.15	-	-	-	-	-	-
	0.15 to < 0.25	-	-	-	-	-	-
	0.25 to < 0.50	-	-	-	-	-	-
	0.50 to < 0.75	-	-	-	-	-	-
	0.75 to < 2.50	-	-	-	-	-	-
	2.50 to < 10.00	-	-	-	-	-	-
	10.00 to < 100.00	-	-	-	-	-	-
	100.00 (default)	-	-	-	-	-	-
	Subtotal	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL		**344**	**0.05%**	**3.11%**	**-**	**10**	**2.91%**

COUNTERPARTY RISK EXPOSURES BY PORTFOLIO AND PROBABILITY OF DEFAULT (PD) RANGE, SUPERVISORY PORTFOLIOS FOR FOUNDATION INTERNAL RATINGS-BASED APPROACH AT 31 DECEMBER 2016 (CCR4)

31/12/2016 *(in millions of euros)*	PD range	EAD post-CRM	Average PD	Average LGD	Average maturity	RWA	RWA density
Central governments and central banks	0.00 to < 0.15	-	-	-	-	-	-
	0.15 to < 0.25	-	-	-	-	-	-
	0.25 to < 0.50	-	-	-	-	-	-
	0.50 to < 0.75	-	-	-	-	-	-
	0.75 to < 2.50	-	-	-	-	-	-
	2.50 to < 10.00	-	-	-	-	-	-
	10.00 to < 100.00	-	-	-	-	-	-
	100.00 (default)	-	-	-	-	-	-
	Subtotal	**-**	**-**	**-**	**-**	**-**	**-**
Institutions	0.00 to < 0.15	784	0.03%	0.90%	-	38	4.81%
	0.15 to < 0.25	-	-	-	-	-	-
	0.25 to < 0.50	4	0.30%	31.53%	-	2	57.64%
	0.50 to < 0.75	-	0.60%	45.00%	-	-	104.03%
	0.75 to < 2.50	8	0.75%	45.00%	-	7	87.74%
	2.50 to < 10.00	-	-	-	-	-	-
	10.00 to < 100.00	-	-	-	-	-	-
	100.00 (default)	-	-	-	-	-	-
	Subtotal	**796**	**0.04%**	**1.51%**	**-**	**47**	**5.95%**
Corporates – Other	0.00 to < 0.15	98	0.03%	44.97%	-	7	7.29%
	0.15 to < 0.25	-	0.16%	44.95%	-	-	22.87%
	0.25 to < 0.50	-	-	-	-	-	-
	0.50 to < 0.75	-	-	-	-	-	-
	0.75 to < 2.50	-	-	-	-	-	-
	2.50 to < 10.00	-	-	-	-	-	-
	10.00 to < 100.00	-	-	-	-	-	-
	100.00 (default)	-	-	-	-	-	-
	Subtotal	**98**	**0.03%**	**44.97%**	**-**	**7**	**7.31%**
Corporates – SMEs	0.00 to < 0.15	-	-	-	-	-	-
	0.15 to < 0.25	-	-	-	-	-	-
	0.25 to < 0.50	-	-	-	-	-	-
	0.50 to < 0.75	-	-	-	-	-	-
	0.75 to < 2.50	-	-	-	-	-	-
	2.50 to < 10.00	-	-	-	-	-	-
	10.00 to < 100.00	-	-	-	-	-	-
	100.00 (default)	-	-	-	-	-	-
	Subtotal	**-**	**-**	**-**	**-**	**-**	**-**
Corporates – Specialised Lending	0.00 to < 0.15	-	-	-	-	-	-
	0.15 to < 0.25	-	-	-	-	-	-
	0.25 to < 0.50	-	-	-	-	-	-
	0.50 to < 0.75	-	-	-	-	-	-
	0.75 to < 2.50	-	-	-	-	-	-
	2.50 to < 10.00	-	-	-	-	-	-
	10.00 to < 100.00	-	-	-	-	-	-
	100.00 (default)	-	-	-	-	-	-
	Subtotal	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL		**894**	**0.04%**	**6.29%**	**-**	**55**	**6.10%**

The definitions of the underlined words can be found in the Glossary on page 567.

COUNTERPARTY RISK EXPOSURES BY PORTFOLIO AND PROBABILITY OF DEFAULT (PD) RANGE, SUPERVISORY PORTFOLIOS FOR ADVANCED INTERNAL RATINGS-BASED APPROACH AT 31 DECEMBER 2017 (CCR4)

31/12/2017 *(in millions of euros)*	PD range	EAD post-CRM	Average PD	Average LGD	Average maturity	RWA	RWA density
Central governments and central banks	0.00 to < 0.15	6,776	0.01%	1.05%	1,069	15	0.23%
	0.15 to < 0.25	36	0.16%	10.00%	1,251	2	6.91%
	0.25 to < 0.50	140	0.30%	15.74%	495	15	10.69%
	0.50 to < 0.75	36	0.60%	10.00%	642	6	16.39%
	0.75 to < 2.50	169	0.97%	46.48%	1,333	189	111.48%
	2.50 to < 10.00	-	-	-	-	-	-
	10.00 to < 100.00	10	19.98%	50.66%	1,652	28	274.80%
	100.00 (default)	-	-	-	-	-	-
	Subtotal	**7,167**	**0.07%**	**2.56%**	**1,064**	**256**	**3.57%**
Institutions	0.00 to < 0.15	14,156	0.04%	16.82%	817	1,271	8.98%
	0.15 to < 0.25	1,548	0.16%	40.89%	651	600	38.73%
	0.25 to < 0.50	1,287	0.30%	45.33%	447	790	61.36%
	0.50 to < 0.75	671	0.60%	50.97%	167	526	78.42%
	0.75 to < 2.50	409	0.84%	31.81%	742	241	58.85%
	2.50 to < 10.00	4	5.00%	50.79%	737	9	224.04%
	10.00 to < 100.00	53	19.48%	38.15%	1,489	114	214.28%
	100.00 (default)	-	100.00%	45.03%	631	-	59.31%
	Subtotal	**18,128**	**0.16%**	**22.57%**	**753**	**3,551**	**19.59%**
Corporates – Other	0.00 to < 0.15	7,896	0.04%	38.42%	831	969	12.27%
	0.15 to < 0.25	1,527	0.16%	45.03%	965	642	42.05%
	0.25 to < 0.50	1,986	0.30%	43.45%	953	1,157	58.26%
	0.50 to < 0.75	1,047	0.60%	44.75%	871	726	69.35%
	0.75 to < 2.50	1,200	0.94%	49.95%	1,120	1,066	88.79%
	2.50 to < 10.00	81	5.00%	40.99%	789	95	117.85%
	10.00 to < 100.00	130	16.93%	40.94%	748	278	212.89%
	100.00 (default)	19	100.00%	45.54%	887	2	12.29%
	Subtotal	**13,888**	**0.52%**	**41.37%**	**890**	**4,935**	**35.53%**
Corporates – SMEs	0.00 to < 0.15	53	0.03%	47.58%	1,309	9	16.98%
	0.15 to < 0.25	-	0.17%	39.42%	668	-	38.90%
	0.25 to < 0.50	6	0.30%	47.64%	1,216	4	60.08%
	0.50 to < 0.75	3	0.60%	46.46%	781	2	80.31%
	0.75 to < 2.50	36	1.59%	44.28%	1,140	39	106.81%
	2.50 to < 10.00	4	5.00%	43.66%	1,260	7	163.15%
	10.00 to < 100.00	3	19.22%	39.74%	499	6	245.97%
	100.00 (default)	-	100.00%	45.03%	1,200	-	-
	Subtotal	**106**	**1.58%**	**46.07%**	**1,208**	**67**	**63.06%**
Corporates – Specialised Lending	0.00 to < 0.15	752	0.06%	10.85%	1,309	57	7.62%
	0.15 to < 0.25	734	0.16%	9.49%	1,363	97	13.28%
	0.25 to < 0.50	584	0.30%	12.60%	1,242	129	22.09%
	0.50 to < 0.75	271	0.60%	10.97%	1,328	80	29.41%
	0.75 to < 2.50	250	1.00%	13.90%	1,221	64	25.69%
	2.50 to < 10.00	52	5.00%	11.95%	1,234	15	28.03%
	10.00 to < 100.00	138	18.11%	20.24%	1,314	299	216.93%
	100.00 (default)	10	100.00%	38.30%	1,143	-	-
	Subtotal	**2,791**	**1.57%**	**11.70%**	**1,302**	**741**	**26.55%**
TOTAL		**42,080**	**0.36%**	**24.70%**	**-**	**9,549**	**22.69%**

COUNTERPARTY RISK EXPOSURES BY PORTFOLIO AND PROBABILITY OF DEFAULT (PD) RANGE, SUPERVISORY PORTFOLIOS FOR ADVANCED INTERNAL RATINGS-BASED APPROACH AT 31 DECEMBER 2016 (CCR4)

31/12/2016 *(in millions of euros)*	PD range	EAD post-CRM	Average PD	Average LGD	Average maturity	RWA	RWA density
Central governments and central banks	0.00 to < 0.15	7,617	0.01%	1.03%	1,052	17	0.22%
	0.15 to < 0.25	19	0.16%	10.00%	1,194	1	7.59%
	0.25 to < 0.50	150	0.30%	10.81%	547	17	11.56%
	0.50 to < 0.75	91	0.60%	10.02%	487	13	14.59%
	0.75 to < 2.50	221	0.89%	46.86%	1,404	256	116.16%
	2.50 to < 10.00	8	5.00%	71.21%	1,147	24	294.77%
	10.00 to < 100.00	15	19.59%	70.44%	1,493	41	267.13%
	100.00 (default)	-	-	-	-	-	-
	Subtotal	**8,121**	**0.09%**	**2.77%**	**1,047**	**370**	**4.56%**
Institutions	0.00 to < 0.15	16,256	0.04%	15.88%	839	1,485	9.14%
	0.15 to < 0.25	3,005	0.16%	34.88%	652	1,010	33.62%
	0.25 to < 0.50	1,376	0.30%	42.33%	461	774	56.26%
	0.50 to < 0.75	670	0.60%	47.18%	264	524	78.12%
	0.75 to < 2.50	607	0.99%	37.37%	637	388	63.95%
	2.50 to < 10.00	7	5.00%	51.17%	668	16	247.83%
	10.00 to < 100.00	38	19.29%	49.73%	1,263	87	230.22%
	100.00 (default)	-	-	-	-	-	-
	Subtotal	**21,959**	**0.15%**	**21.65%**	**768**	**4,285**	**19.51%**
Corporates – Other	0.00 to < 0.15	9,617	0.04%	38.39%	906	1,310	13.62%
	0.15 to < 0.25	2,673	0.16%	43.57%	892	1,051	39.33%
	0.25 to < 0.50	2,598	0.30%	45.30%	883	1,109	42.67%
	0.50 to < 0.75	1,439	0.60%	49.18%	906	981	68.18%
	0.75 to < 2.50	1,149	1.19%	45.62%	990	1,022	88.88%
	2.50 to < 10.00	104	5.02%	42.05%	746	124	119.14%
	10.00 to < 100.00	108	19.12%	37.22%	650	251	231.83%
	100.00 (default)	40	1	-	813	1	-
	Subtotal	**17,729**	**0.54%**	**41.55%**	**904**	**5,849**	**32.99%**
Corporates – SMEs	0.00 to < 0.15	70	0.03%	38.87%	1,061	14	19.39%
	0.15 to < 0.25	2	0.16%	38.03%	394	1	30.19%
	0.25 to < 0.50	7	0.30%	45.87%	733	3	50.07%
	0.50 to < 0.75	1	0.60%	30.36%	396	-	50.33%
	0.75 to < 2.50	49	1.47%	32.61%	1,069	43	87.82%
	2.50 to < 10.00	1	5.00%	36.00%	406	1	107.78%
	10.00 to < 100.00	2	18.70%	9.36%	555	3	177.35%
	100.00 (default)	1	100.00%	44.86%	1,216	-	12.18%
	Subtotal	**133**	**1.29%**	**36.52%**	**1,020**	**66**	**49.37%**
Corporates – Specialised Lending	0.00 to < 0.15	773	0.06%	9.64%	1,526	52	6.79%
	0.15 to < 0.25	971	0.16%	10.85%	1,385	126	13.00%
	0.25 to < 0.50	616	0.30%	12.75%	1,287	108	17.46%
	0.50 to < 0.75	343	0.60%	13.86%	1,340	77	22.51%
	0.75 to < 2.50	431	1.09%	11.85%	1,329	116	26.94%
	2.50 to < 10.00	11	5.00%	19.55%	1,127	9	80.09%
	10.00 to < 100.00	141	19.57%	20.37%	1,129	310	219.50%
	100.00 (default)	19	100.00%	39.21%	1,271	-	0.33%
	Subtotal	**3,305**	**1.68%**	**11.93%**	**1,376**	**798**	**24.16%**
TOTAL		**51,247**	**0.37%**	**24.97%**	**-**	**11,369**	**22.18%**

The definitions of the underlined words can be found in the Glossary on page 567.

4.2.3.4. CHANGE IN RWA UNDER THE INTERNAL MODELS METHOD (IMM) BETWEEN 30/09/2017 AND 31/12/2017

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

31/12/2017 *(in millions of euros)*		RWA	Minimum capital requirements
1	**RWA at end of prior period**	**7,808**	**625**
2	Total assets	783	63
3	Counterparty credit rating	(269)	(22)
4	Model updates (IMM only)	167	13
5	Method and policy (IMM only)	-	-
6	Acquisitions and disposals	-	-
7	Currency movements	(494)	(40)
8	Other	-	-
9	**RWA at end of current period**	**7,996**	**640**

4.2.3.5. CVA

The CRD 4 directive brought in a new capital charge to cover volatility in the CVA (Credit Valuation Adjustment) or valuation adjustment for assets grouped together under the term "CVA Risk", which is intended to include in the valuation of OTC derivatives credit events affecting our counterparties. The CVA is thus defined as the difference between the valuation excluding risk of default and the valuation including the probability of default of our counterparties.

Under the directive, banks use a regulatory formula ("standardised approach") or are authorised to calculate their capital requirements using their internal models for both counterparty risk and specific rate risk using the advanced method ("CVA VaR").

The CVA requirement under the advanced approach is calculated on the basis of expected positive exposure on OTC derivative transactions involving "Financial institution" counterparties excluding intragroup transactions. Within this scope, the tools used to estimate capital requirements are the same as for market VaR in respect of specific interest rate risk.

CAPITAL REQUIREMENT FOR CREDIT VALUATION ADJUSTMENT (CVA) AT 31 DECEMBER 2017 (CCR2)

31/12/2017 *(in millions of euros)*		EAD post-CRM	RWA
1	Total portfolios subject to the Advanced CVA capital charge	15,951	1,893
2	(i) VaR component (including the 3×multiplier)	-	18
3	(ii) Stressed VaR component (including the 3×multiplier)	-	134
4	All portfolios subject to the Standardised CVA capital charge	10,019	964
EU4	Based on Original Exposure Method	-	-
5	Total subject to the CVA capital charge	25,970	2,857

CAPITAL REQUIREMENT FOR CREDIT VALUATION ADJUSTMENT (CVA) AT 31 DECEMBER 2016 (CCR2)

31/12/2016 *(in millions of euros)*		EAD post-CRM	RWA
1	Total portfolios subject to the Advanced CVA capital charge	20,566	2,958
2	(i) VaR component (including the 3×multiplier)	-	42
3	(ii) Stressed VaR component (including the 3×multiplier)	-	194
4	All portfolios subject to the Standardised CVA capital charge	7,805	926
EU4	Based on Original Exposure Method	-	-
5	Total subject to the CVA capital charge	28,371	3,885

4.2.4. Credit and counterparty risk mitigation techniques

Definitions:

- **collateral:** a security interest giving the bank the right to liquidate, keep or obtain title to certain amounts or assets in the event of default or other specific credit events affecting the counterparty, thereby reducing the credit risk on an exposure;
- **personal guarantee:** undertaking by a third party to pay a sum in the event of the counterparty's default or other specific credit events, therefore reducing the credit risks on an exposure.

EXPOSURE UNDER ADVANCED APPROACH

	31/12/2017				31/12/2016			
		Risk mitigation amount				Risk mitigation amount		
(in millions of euros)	Total exposure amount	*Personal guarantees and credit derivatives*	*Collateral*	*Total collateral*	Total exposure amount	*Personal guarantees and credit derivatives*	*Collateral*	*Total collateral*
Central governments and central banks	67,664	2,580	11	2,592	56,884	2,660	48	2,708
Institutions	52,058	662	1,352	2,014	43,153	671	1,237	1,908
Corporates	234,415	38,216	40,561	78,777	234,781	34,641	44,368	79,008
TOTAL	**354,138**	**41,458**	**41,925**	**83,383**	**334,818**	**37,971**	**45,653**	**83,624**

EXPOSURES UNDER THE STANDARDISED APPROACH

	31/12/2017				31/12/2016			
		Risk mitigation amount				Risk mitigation amount		
(in millions of euros)	Total exposure amount	*Personal guarantees and credit derivatives*	*Collateral*	*Total collateral*	Total exposure amount	*Personal guarantees and credit derivatives*	*Collateral*	*Total collateral*
Central governments and central banks	47,997	-	81	81	33,067	-	-	-
Institutions	42,852	-	2,154	2,154	58,846	237	83	320
Corporates	112,128	1,992	18,552	20,543	112,498	1,717	18,438	20,156
TOTAL	**202,977**	**1,992**	**20,787**	**22,778**	**204,410**	**1,955**	**18,521**	**20,476**

4.2.4.1. CREDIT RISK MITIGATION TECHNIQUES

Collateral management system

The main categories of collateral taken by the bank are described in the section entitled "Risk Factors – Credit Risk – Collateral and guarantees received".

When a credit is granted, collateral is analysed to assess the value of the asset, its liquidity, volatility and the correlation between the value of the collateral and the quality of the counterparty financed. Regardless of collateral quality, the first criterion in the lending decision is always the borrower's ability to repay sums due from cash flow generated by its operating activities, except for specific trade finance transactions.

For financial collateral, a minimum exposure coverage ratio is usually included in loan contracts, with readjustment clauses. Financial collateral is revalued according to the frequency of margin calls and the variability of the underlying value of financial assets transferred as collateral or quarterly, as a *minimum*.

The minimum coverage ratio (or the haircut applied to the value of the collateral under Basel 3) is determined by measuring the pseudo-maximum deviation of the value of the securities on the revaluation date. This measurement is calculated with a 99% confidence interval over a time horizon covering the period between each revaluation, the period between the default date and the date on which asset liquidation starts, and the duration of the liquidation period. This haircut also applies for currency mismatch risk when the securities and the collateralised exposure are denominated in different currencies. Additional haircuts are applied when the size of the stocks position implies a block sale or when the borrower and the issuer of the collateral securities belong to the same risk group.

For retail banking (LCL, Cariparma), revaluation is automatic based on changes in the property market indices. In contrast, for project-type property financing, assets are mainly revalued on the basis of an expert appraisal combining various approaches (asset value, rental value, etc.) and include external benchmarks

Other types of asset may also be pledged as non recourse financial assets. This is notably the case for certain activities such as aircraft, shipping, real estate or commodities financing. These businesses are conducted by middle offices, which have specific expertise in valuing the assets financed.

Protection providers

Two major types of guarantee are mainly used (other than intragroup guarantees): export credit insurance taken out by the Bank and unconditional payment guarantees.

The main guarantee providers (excluding credit derivatives – see section below) are export credit agencies, which enjoy a good quality sovereign rating. The largest are BPI (France), Sace S.p.A. (Italy), Euler Hermès (Germany) and Korea Trade Insurance Corporation (Korea).

The definitions of the underlined words can be found in the Glossary on page 567.

EXTERNAL RATINGS GIVEN TO THE EXPORT CREDIT AGENCIES

31/12/2017 *(in millions of euros)*	Moody's Long-term rating (outlook)	Standard & Poor's Long-term rating (outlook)	Fitch Ratings Long-term rating (outlook)
Bpifrance Financement	Aa2 [stable]	Not rated	AA [stable][1]
Euler Hermès S.A.	Aa3 [stable]	AA [stable]	Not rated
Sace S.p.A.	Not rated	Not rated	BBB+ [stable]

(1) Rating given to EPIC Bpifrance.

Moreover, the guarantees received from mutual guarantee companies cover a substantial portion of the loans in the Group's "residential real estate" portfolio in France (see table hereinafter). These outstandings are backed by guarantees granted by Crédit Logement (rated Aa3 [stable] by Moody's) or by the Group's subsidiary insurance company, CAMCA Assurance S.A. (rated A+ [stable outlook] by Fitch). The guarantors themselves are supervised by the ACPR and are subject to prudential regulation applying to either financing companies, for Crédit Logement, or insurance companies (Solvency 2), for CAMCA.

AMOUNTS IN OUTSTANDING PROPERTY LOANS GUARANTEED BY CAMCA AND CRÉDIT LOGEMENT

(in millions of euros)	Outstandings at 31/12/2017 Outstandings guaranteed	Outstandings at 31/12/2017 % of guaranteed loans in the "residential real estate loans" portfolio in France	Outstandings at 31/12/2016 Outstandings guaranteed	Outstandings at 31/12/2016 % of guaranteed loans in the "residential real estate loans" portfolio in France
Coverage by financial guarantee insurance companies (Crédit Logement, CAMCA)	59,917	85.50%	55,262	82.90%

Where Crédit Logement is concerned, the guarantee granted covers, with no deductible, the payment of all amounts legally due by defaulting borrowers in principal, interest, insurance premiums and costs. When the guarantee is granted, the guarantor applies an independent selection policy in addition to that already implemented by the bank. Where CAMCA is concerned, the guarantee mechanism is broadly similar to that of Crédit Logement, with the difference that the payments made by CAMCA with respect to the guarantee arise once the bank's means of recourse against the borrower have been exhausted. In the end, these guarantee provisions significantly enhance the quality of the property loans guaranteed and constitute a full transfer of risk in respect of these outstandings.

Credit derivatives for hedging purposes

Credit derivatives used for hedging purposes are described in the "Risk factors – Credit risk – Credit risk mitigation mechanisms – Use of credit derivatives" section, as well as in section 4.2.2.4. above.

EXPOSURES TO CREDIT DERIVATIVES (CCR6)

31/12/2017 *(in millions of euros)*	Credit derivative hedging Protection purchased	Credit derivative hedging Protection sold	Other credit derivatives
Notional amounts	**-**	**-**	**-**
Single-issuer credit default swaps	5,002	-	-
Credit default swap indices	-	-	-
Total return swaps	-	-	-
Credit options	-	-	-
Other credit derivatives	-	-	-
TOTAL NOTIONAL AMOUNTS	**5,002**	**-**	**-**
Fair values	**-**	**-**	**-**
Positive fair value (asset)	154	-	-
Negative fair value (liability)	(1)	-	-

4.2.4.2. RISK MITIGATION TECHNIQUES APPLIED TO COUNTERPARTY RISK

These techniques are presented in the "Risk factors – Credit risk – Credit risk mitigation mechanisms – Use of credit derivatives" section.

4.2.5. Securitisation transactions

The credit risk on securitisation transactions is presented in the Securitisation chapter below.

4.2.6. Equity exposures in the banking portfolio

Crédit Agricole S.A. Group's equity exposures, excluding the trading book, consist of securities "that convey residual, subordinated claims on the assets or income of the issuer or have a similar economic substance". These mainly include:

- listed and unlisted equities and shares in investment funds;
- options implicit in convertible, redeemable or exchangeable bonds;
- stock options;
- deeply subordinated notes.

Non-consolidated equity interests are acquired for management purposes (financial assets at fair value through profit or loss or designated as at fair value through profit or loss or held-for-trading, available-for-sale financial assets, held-to-maturity investments, loans and receivables) as described in Note 1.3 to the financial statements entitled "Accounting policies and principles".

The accounting policies and valuation methods used are described in Note 1.3 to the financial statements "Accounting policies and principles".

GROSS EXPOSURE AND EXPOSURE AT DEFAULT UNDER THE INTERNAL RATINGS-BASED APPROACH (CR10)

31/12/2017 Categories *(in millions of euros)*	On-balance sheet amount	Off-balance sheet amount	Risk weighting coefficients	Exposure amount	RWA	Minimum capital requirements
Private equity exposures	568	103	190%	663	1,260	101
Exposures on listed equities	65	-	290%	64	186	15
Other equity exposures	15,440	-	370%	6,058	22,416	1,793
TOTAL	**16,073**	**103**		**6,786**	**23,862**	**1,909**

Equity exposures under the internal ratings based approach mainly consist of the portfolios of Crédit Agricole S.A., Crédit Agricole CIB and Crédit Agricole Investissement et Finance.

Equity exposures (on and off-balance sheet) under the internal ratings-based approach amounted to €16.2 billion at 31 December 2017 (compared with €15.9 billion at 31 December 2016).

Furthermore, equity exposures using the standardised approach amounted to €1.2 billion at 31 December 2017 for an RWA of €1.3 billion.

The cumulative amount of realised gains or losses on sales and settlements over the period under review is presented in Note 4 to the financial statements "Notes to the income statement".

4.3. Securitisation

4.3.1. Definitions of securitisation transactions

Crédit Agricole S.A. Group acts as originator, sponsor and investor in securitisation transactions as per the Basel 3 framework.

Securitisation transactions, listed below, consist of transactions defined in directive 2013/36/EU ("CRD 4") and EU Regulation 575/2013 of 26 June 2013 ("CRR") in force since 1 January 2014. The directive and regulations incorporate into European law the Basel 3 international reforms (issued in December 2010) introducing, among other things, new requirements for bank solvency and oversight of liquidity risk. They cover transactions or schemes under which the credit risk associated with an exposure or pool of exposures is sub-divided into tranches and which have the following two features:

- payments depend on the performance of the underlying exposure or pool of exposures;
- the subordination of tranches determines how losses are distributed over the life of the transaction or scheme.

Securitisation transactions include:

- standard securitisations: the economic transfer of the securitised exposures. This means the transfer of ownership of the securitised exposures by the originating institution to a securitisation vehicle or *via* a sub-investment in a securitisation vehicle. Notes issued do not constitute payment obligations for the originating institution;
- synthetic securitisations: the risk is transferred through the use of credit derivatives or guarantees and where the securitised exposures remain exposures for the originating institution.

The securitisation exposures detailed below cover all securitisation exposures (recorded on or off-balance sheet) that generate risk-weighted assets (RWA) and capital requirements with respect to its regulatory portfolio, according to the following typologies:

- the securitisation exposures for which the Group is deemed the originator;
- exposures in which the Group is investor;
- exposures in which the Group is sponsor;
- securitisation swap exposures (exchange or interest rate hedges) allocated to securitisation vehicles.

The definitions of the underlined words can be found in the Glossary on page 567.

The proprietary securitisation transactions carried out as part of non-derecognised collateralised financing operations, are not described below. Their impact on the consolidated financial statements is detailed in Note 6.7 to the financial statements "Transferred assets not derecognised or derecognised with on-going involvement".

It should be noted that most securitisation transactions on behalf of European customers involve Ester Finance Titrisation, a wholly owned banking subsidiary of Crédit Agricole CIB, which finances the purchase of receivables and therefore makes Crédit Agricole CIB both sponsor and, *via* Ester Finance Titrisation, originator of these securitisation transactions.

4.3.2. Purpose and strategy

4.3.2.1. PROPRIETARY SECURITISATION TRANSACTIONS

Crédit Agricole S.A. Group's proprietary securitisation transactions are the following:

Collateralised financing transactions

These transactions are designed for the issue of securities and, where appropriate, can be wholly or partially placed with investors, sold under repurchase agreements or kept on the issuer's balance sheet as liquid securities reserves that can be used to manage refinancing. This activity relates to several of the Group's entities, mainly CA Consumer Finance and its subsidiaries(1).

Crédit Agricole S.A. Group's transfer of risks by means of proprietary securitisation transactions are the following:

Active management of Crédit Agricole CIB's financing portfolio

In addition to using credit derivatives (see the "Credit Risks – Use of credit derivatives" section of the "Risk Factors and Pillar 3" chapter), this activity consists of using securitisation to manage the credit risk of the Crédit Agricole CIB corporate financing portfolio, optimise capital allocation, reduce the concentration of outstanding loans to corporates, release resources to contribute to the renewal of the banking portfolio (as part of Crédit Agricole CIB's Distribute to Originate model) and maximise the return on capital. This activity is managed by the financial management teams. The approach used to calculate the risk-weighted exposures on proprietary securitisation positions is the regulatory formula approach. In this business, the Bank does not systematically purchase protection on all tranches, as the management goal is to cover some of the more risky financing portfolio tranches whilst keeping part of the overall risk.

New Securitisations by Crédit Agricole CIB in 2017

In the course of managing the financing portfolio, the financial management teams arranged the synthetic securitisation of a $3 billion portfolio of project and asset financing. This transfer of risks comprises a commitment to reallocate to "green" assets as per the "Green" strategy implemented by Crédit Agricole CIB. A second synthetic securitisation of a €3 billion corporate credit portfolio was arranged in December 2017. This transaction, called VIADUC, with BEI Group also allows a credit enhancement budget to be made available to the Regional Banks for the ultimate benefit of their SME/mid-cap customers and is in line with the (Juncker) European Investment Plan to support the local economy in the regions.

Transaction carried out by FCA Bank in 2017

FCA Bank often uses securitisation transactions to help fund itself. These transactions are part of the "collateralised financing transactions" discussed above.

In December 2017, as part of its ABEST car loan securitisation programme, FCA Bank carried out the ABEST 15 transaction (standard securitisation) in which FCA Bank assigned 95% of the mezzanine and junior tranches (class C, D, E, M1) to third-party investors. This risk transfer transaction enabled FCA Bank to reduce the capital initially allocated to the loan portfolio that was securitised.

4.3.2.2. SECURITISATION TRANSACTIONS CARRIED OUT ON BEHALF OF CUSTOMERS AS ARRANGER, SPONSOR, INTERMEDIARY OR ORIGINATOR

Within Crédit Agricole S.A. Group, only Crédit Agricole CIB carries out securitisation transactions on behalf of customers.

Securitisation transactions on behalf of customers within Global Markets activities allow Crédit Agricole CIB to raise funds or manage a risk exposure on behalf of its customers. When carrying out these activities, Crédit Agricole CIB can act as an originator, sponsor, arranger or investor:

- as a sponsor and arranger, Crédit Agricole CIB structures and manages securitisation programmes that refinance assets of the bank's customers, mainly *via* ABCP (Asset Backed Commercial Paper) programmes, namely LMA in Europe, Atlantic and La Fayette in the United States and ITU in Brazil. These specific entities are protected from Crédit Agricole CIB bankruptcy risk but are consolidated for accounting purposes at Group level since the entry into force on 1 January 2014 of the new IFRS 10 rules. The roles played by Crédit Agricole CIB Group as sponsor of programmes, manager and provider of liquidity lines give it power directly related to the variability of returns of the business. The liquidity facilities protect investors from credit risk and guarantee the liquidity of the programmes;
- as an investor, the Group invests directly in certain securitisation exposures and is a liquidity provider or counterparty of derivative exposures (exchange or interest rate swaps for instance);
- as an arranger, sponsor or originator, Crédit Agricole CIB carries out securitisation transactions on behalf of its customers. At 31 December 2017, there were four active consolidated multi-seller vehicles (LMA, Atlantic, La Fayette and ITU), structured by the Group on behalf of third parties. LMA, Atlantic, La Fayette and ITU are fully supported programmes. This ABCP programme activity finances the working capital requirements of some of the Group's customers by backing short-term financing with traditional assets, such as trade receivables or financial loans. The amount of the assets held by these vehicles and financed

(1) *It should be noted in this respect that in 2015 and 2017 the Crédit Agricole Regional Banks carried out home loan securitisation transactions ("RMBS"); these transactions are outside the scope of Crédit Agricole S.A. Group.*

through the issuance of marketable securities amounted to €24 billion at 31 December 2016 (€25 billion at 31 December 2016).

The default risk on the assets held by these vehicles is borne by the sellers of the underlying receivables through credit enhancement or by insurers for certain types of risk upstream of the ABCP programmes. Crédit Agricole CIB bears the risk through liquidity facilities.

Activities carried out as sponsor

The programme activity was sustained throughout 2017, and the newly securitised outstandings mainly relate to trade receivables and financial loans.

For part of this ABCP programme activity, Crédit Agricole CIB acts as the originator insofar as the structures involve the entity Ester Finance Titrisation, which is a consolidated Group entity.

The amount committed to liquidity facilities granted to LMA, Atlantic, La Fayette and ITU as sponsors was €32 billion at 31 December 2017 (€31 billion at 31 December 2016).

Activities carried out as investor

As part of its sponsor activities, the Group can grant guarantees and liquidity facilities to securitisation vehicles or act as a counterparty for derivatives in *ad hoc* securitisation transactions. These are mainly exchange rate swaps provided to the ABCP programmes and interest rate swaps for some ABS issues. These activities are recorded in the banking portfolio as investor activities.

Moreover, Crédit Agricole CIB may be called upon to directly finance on its balance sheet some securitisation transactions on behalf of its customers (mainly aircraft transactions and vehicle fleet financing) or provide support through a liquidity facility to an issue by special purpose vehicles external to the bank (SPV or ABCP programme not sponsored by the bank). In this case, Crédit Agricole CIB is deemed to be an investor. Overall, this activity represented commitments of €2 billion at 31 December 2017 (€2 billion at 31 December 2016).

Intermediation transactions

Crédit Agricole CIB participates in the structuring and in the placement of securities, backed by client asset pools and to be placed with investors.

In this business, the Bank retains a relatively low risk *via* the possible contribution of back-up lines to securitisation vehicles or *via* a share of the notes issued.

4.3.3. Risk monitoring and recognition

4.3.3.1. RISK MONITORING

The management of risks related to securitisation transactions follows the rules established by the Group, according to which these assets are recorded in the banking portfolio (credit and counterparty risk) or in the trading book (market and counterparty risk).

The development, sizing and targeting of securitisation transactions are periodically reviewed by Portfolio Strategy Committees specific to those activities and the countries to which they relate, as well as in the course of Group Risk Management Committee meetings.

Risks on securitisation transactions are measured against the capacity of the assets transferred over to financing structures to generate sufficient flows to cover the costs, mainly financial, of these structures.

Crédit Agricole CIB's securitisation exposures are treated in accordance with the IRB-securitisation framework approach, *i.e.*:

- Ratings-Based Approach (RBA) for exposures with a public external rating (directly or inferred) from an agency approved by the Committee of European Banking Supervisors (CEBS). The external agencies used are Standard & Poor's, Moody's, Fitch Ratings and Dominion Bond Rating Services (DBRS);
- Internal Assessment Approach (IAA): internal rating methodology approved by Crédit Agricole S.A.'s Standards and Methodology Committee for the main asset classes (particularly trade receivables and car financing) when there are no agency ratings for the exposure under consideration.

  In line with regulations, the internal assessment approaches used by Crédit Agricole CIB replicate the public methodologies of external rating agencies. The latter have two components:

  - a quantitative component that in particular evaluates the enhancement of transactions having regard to historical performances as well as the possible risk of commingling generated by the transaction,
  - a qualitative component that supplements the quantitative approach and that makes it possible, among other things, to evaluate the quality of structures or indeed reporting.

  The internal rating methodologies apply to the securitisation of trade receivables, car loans and dealer financing.

  Stress test parameters are dependent on the rating of securitisations and of the securitised underlyings. For example, for a rating equivalent to AA (on the S&P scale), the stress test parameter for default risk is around 2.25 for trade receivables transactions, usually 3 for car loan securitisation, and for the securitisation of dealer financing, the credit stress scenario is comprised of a number of items including in particular a three notch downgrade in the car manufacturer's rating.

  It should be noted that aside from regulatory calculation purposes, internal ratings are used in the course of the origination process to evaluate the profitability of transactions. Lastly, as regards the management of internal models, an independent unit within Crédit Agricole S.A. Group is responsible for validating internal methodologies. Moreover, regular audits are done by the Control and Audit department to ensure the internal methodologies are relevant. Back-testing and stress testing are also done regularly by the modelling teams;
- Regulatory Formula Approach: in residual cases where there are neither public external ratings nor any possibility of applying the IAA method for exposures with no public external rating.

These ratings cover all types of risks generated by such securitisation transactions: intrinsic risks on receivables (debtor insolvency, payment delays, dilution, offsetting of receivables) or risks on the structuring of transactions (legal risks, risks relating to the receivables collection circuit, risks relating to the quality of information supplied periodically by managers of transferred receivables, other risks related to the seller, etc.).

These critically examined ratings are only a tool for making decisions pertaining to these transactions; such decisions are taken by credit Committees at various levels.

Credit decisions relate to transactions that are reviewed at least once a year by the same Committees. Committee decisions incorporate varying limits according to the evolution of the acquired portfolio (arrears rate, loss rate, rate of sector-based or geographical concentration, rate of dilution of receivables or periodic valuation of assets by independent experts, etc.); non-compliance with these limits may cause the structure to become stricter or place the transaction in early amortisation.

These credit decisions also include, in liaison with the Bank's other credit Committees, an assessment focusing on the risk generated by the sellers of the receivables and the possibility of substituting the manager by a new one in the event of a failure in the management of those receivables.

Like all credit decisions, these decisions include aspects of compliance and "country risk".

At 31 December 2017, of the securitised vehicles, only Ester Finance Titrisation recognised impaired receivables for €143.7 million and associated impairment of €31.6 million. Net of impairment, this entity had €13.5 billion in securitised assets.

The liquidity risk associated with securitisation activities is monitored by the business lines in charge, but also centrally by the Market Risk and Asset and Liability Management departments. The impact of these activities is incorporated into the Internal Liquidity Model indicators, mainly stress scenarios, liquidity ratios and liquidity gaps. The management of liquidity risk at Crédit Agricole CIB is described in more detail in the paragraph entitled "Liquidity and financing risk" of the Risk factors section in this chapter.

The management of structural currency risk with respect to securitisation transactions does not differ from that of the Group's other assets. As regards interest rate risk management, securitised assets are refinanced through *ad hoc* vehicles according to interest rate matching rules similar to those applying to other assets.

For assets managed in run-off mode, each transfer of position is first approved by the Market Risk department.

4.3.3.2. ACCOUNTING POLICIES

As part of securitisation transactions, a derecognition test is carried out pursuant to IAS 39 (the criteria can be found in Note 1.3 to the consolidated financial statements on accounting policies and methods).

In the case of synthetic securitisations, the assets are not derecognised in that they remain under the control of the institution. The assets are still recognised according to their classification and original valuation method (see Note 1.3 to the consolidated financial statements on accounting policies and methods for financial asset classification and valuation methods).

Moreover, investments made in securitisation instruments (cash or synthetic) are recognised according to their classification and the associated valuation method (see Note 1.3 to the consolidated financial statements on accounting policies and methods for financial asset classification and valuation methods).

The securitisation exposures can be classified in the following accounting categories:

- "Loans and receivables": these securitisation exposures are measured following initial recognition at amortised cost based on the effective interest rate and may, if necessary, be impaired;
- "Available-for-sale financial assets": these securitisation exposures are remeasured at fair value on the closing date and any changes in fair value are recognised in other comprehensive income;
- "Financial assets at fair value through profit or loss": these securitisation exposures are remeasured at fair value on the closing date and any changes in fair value are recognised through profit or loss under "Net gains (losses) on financial instruments at fair value through profit or loss".

Gains (losses) on the disposal of these securitisation exposures are recognised in accordance with the rules of the original category of the exposures sold.

Accordingly, for exposures classified under loans and receivables and under available-for-sale financial assets, gains (losses) on disposal are recognised through profit or loss on the "Net gains (losses) on available-for-sale financial assets" item, respectively on the "Gains (losses) on disposal of loans and receivables" and "Gains (losses) on disposal of available-for-sale financial assets" lines.

For exposures classified at market value through profit or loss, gains (losses) on disposal are recognised under "Net gains (losses) on financial instruments at fair value through profit or loss".

4.3.4. Summary of activity on behalf of customers in 2017

Crédit Agricole CIB's Securitisation activity in 2017 was characterised by:

- support of the development of the public ABS market in the United States and in Europe. Crédit Agricole CIB structured and organised the placement (arranger and bookrunner) of a significant number of primary ABS issues on behalf of its major "Financial institution" customers, in particular in the automotive industry and in consumer finance;
- on the ABCP programme market, Crédit Agricole CIB maintained its ranking as one of the leaders in this segment, both in Europe and on the US market. This was achieved *via* the renewal and implementation of new securitisation transactions for trade receivables or financial loans on behalf of its mainly Corporate customers, while ensuring that the profile of risks borne by the Bank remained good. The strategy of Crédit Agricole CIB, focused on the financing of its customers, is well perceived by investors and resulted in financing conditions that remained competitive;
- At 31 December 2017, Crédit Agricole CIB had no early-redemption securitisation transactions. Moreover, Crédit Agricole CIB did not provide any implicit support to securitisation transactions in 2017.

Outside Crédit Agricole CIB, the Group continued to carry out securitisation transactions to help refinance itself, and arranged a first standard securitisation transaction to transfer risks (ABEST 15, FCA Bank).

4.3.5. Exposures

4.3.5.1. EXPOSURE AT DEFAULT TO SECURITISATION TRANSACTION RISKS IN THE BANKING PORTFOLIO THAT GENERATE RISK-WEIGHTED ASSETS

SECURITISATION EXPOSURES IN THE BANKING PORTFOLIO IRB AND STANDARDISED (SEC1)

31/12/2017 *(in millions of euros)*		Bank acting as issuer			Bank acting as agent			Bank acting as investor		
		Standard	Synthetic	Subtotal	Standard	Synthetic	Subtotal	Standard	Synthetic	Subtotal
1	Securitisation vehicles	12,570	4,090	16,660	21,290	-	21,290	1,143	3	1,154
2	Residential real estate loans	-	-	-	50	-	50	108	2	110
3	Commercial real estate loans	-	-	-	7	-	7	-	1	1
4	Credit card loans	-	-	-	100	-	100	-	-	-
5	Leasing	-	-	-	3,479	-	3,479	11	-	11
6	Loans to corporates and SMEs	-	4,090	4,090	-	-	-	421	-	421
7	Personal loans	236	-	236	4,776	-	4,776	56	-	56
8	Trade receivables	12,130	-	12,130	6,230	-	6,230	162	-	162
9	Other assets	204	-	204	6,649	-	6,649	385	-	393
10	Re-securitization	719	6	726	-	-	-	652	-	653
11	**TOTAL 31/12/2017**	**13,289**	**4,096**	**17,385**	**21,290**	**-**	**21,290**	**1,796**	**3**	**1,807**
	Total 31/12/2016	**11,926**	**2,259**	**14,185**	**21,890**	**-**	**21,890**	**1,018**	**2,005**	**3,023**

EXPOSURE AT DEFAULT OF SECURITISATION TRANSACTIONS BY WEIGHTING IRB AND STANDARDISED

31/12/2017 Underlyings *(in millions of euros)*	Securitised EAD				
	SFA	IAA	RBA	Standardised	Total
Securitisation vehicles	5,949	27,675	3,474	2,007	**39,104**
Residential real estate loans	-	-	160	-	**160**
Commercial real estate loans	-	-	8	-	**8**
Credit card loans	-	-	-	100	**100**
Leasing	-	3,346	69	76	**3,491**
Loans to corporates and SMEs	4,090	-	421	-	**4,511**
Personal loans	-	3,605	545	918	**5,068**
Trade receivables	411	17,999	1	111	**18,521**
Other assets	1,448	2,725	2,271	802	**7,245**
Secondary securitisation	-	-	1,378	-	**1,378**
TOTAL	**5,949**	**27,675**	**4,852**	**2,007**	**40,482**

The definitions of the underlined words can be found in the Glossary on page 567.

SECURITISATION EXPOSURES IN THE BANKING PORTFOLIO AND RELATED CAPITAL REQUIREMENTS – BANK ACTING AS ISSUER OR AGENT IRB AND STANDARDISED (SEC3)

	Exposure amount (by risk weighting range)					Exposure amount (by regulatory approach)				RWA (by regulatory approach)				Capital requirement (after cap)			
31/12/2017 *(in millions of euros)*	≤ 20%	> 20% to 50%	> 50% to 100%	> 100% to < 1,250%	1,250%	IRB RBA (including IAA approach)	IRB SFA	SA/ SSFA	1,250%	IRB RBA (including IAA approach)	IRB SFA	SA/ SSFA	1,250%	IRB RBA (including IAA approach)	IRB SFA	SA/ SSFA	1,250%
1 Total exposures	**35,772**	**695**	**1,349**	**100**	**760**	**30,371**	**5,937**	**1,607**	**760**	**3,120**	**496**	**1,180**	**542**	**250**	**40**	**94**	**43**
2 Standard securitisations	31,693	695	1,349	100	742	30,371	1,859	1,607	742	3,120	180	1,180	403	250	14	94	32
3 Of which securitisation	31,693	695	1,349	100	23	30,371	1,859	1,607	23	3,120	180	1,180	287	250	14	94	23
4 Of which underlying retail	4,249	128	684	100	-	4,152	-	1,010	-	341	-	779	-	27	-	62	-
5 Of which wholesale	27,443	567	665	-	23	26,219	1,859	598	23	2,780	180	402	287	222	14	32	23
6 Of which re-securitisation	-	-	-	-	719	-	-	-	719	-	-	-	115	-	-	-	9
7 Of which senior	-	-	-	-	716	-	-	-	716	-	-	-	115	-	-	-	9
8 Of which non-senior	-	-	-	-	3	-	-	-	3	-	-	-	-	-	-	-	-
9 Synthetic securitisations	4,079	-	-	-	17	-	4,079	-	17	-	316	-	140	-	25	-	11
10 Of which securitisation	4,079	-	-	-	11	-	4,079	-	11	-	316	-	138	-	25	-	11
11 Of which underlying retail	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12 Of which wholesale	4,079	-	-	-	11	-	4,079	-	11	-	316	-	138	-	25	-	11
13 Of which re-securitisation	-	-	-	-	6	-	-	-	6	-	-	-	1	-	-	-	-
14 Of whith senior	-	-	-	-	6	-	-	-	6	-	-	-	1	-	-	-	-
15 Of which non-senior	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

SECURITISATION EXPOSURES IN THE BANKING PORTFOLIO AND RELATED CAPITAL REQUIREMENTS – BANK ACTING AS INVESTOR IRB AND STANDARDISED (SEC4)

	Exposure amount (by risk weighting range)					Exposure amount (by regulatory approach)				RWA (by regulatory approach)				Capital requirement (after cap)			
31/12/2017 *(in millions of euros)*	≤ 20%	> 20% to 50%	> 50% to 100%	> 100% to < 1,250%	1,250%	IRB RBA (including IAA approach)	IRB SFA	SA/ SSFA	1,250%	IRB RBA (including IAA approach)	IRB SFA	SA/ SSFA	1,250%	IRB RBA (including IAA approach)	IRB SFA	SA/ SSFA	1,250%
1 Total exposures	**330**	**381**	**10**	**426**	**653**	**755**	**-**	**392**	**653**	**583**	**-**	**208**	**128**	**47**	**-**	**17**	**10**
2 Standard securitisations	328	381	8	426	653	751	-	392	653	581	-	208	128	47	-	17	10
3 Of which securitisation	328	381	8	426	1	751	-	392	1	581	-	208	7	47	-	17	1
4 Of which underlying retail	156	381	8	-	-	156	-	392	-	25	-	208	1	2	-	17	-
5 Of which wholesale	172	-	-	426	-	595	-	-	-	556	-	-	5	45	-	-	-
6 Of which re-securitisation	-	-	-	-	653	-	-	-	653	-	-	-	122	-	-	-	10
7 Of which senior	-	-	-	-	652	-	-	-	652	-	-	-	122	-	-	-	10
8 Of which non-senior	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9 Synthetic securitisations	1	-	2	-	-	3	-	-	-	2	-	-	-	-	-	-	-
10 Of which securitisation	1	-	2	-	-	3	-	-	-	2	-	-	-	-	-	-	-
11 Of which underlying retail	-	-	2	-	-	2	-	-	-	2	-	-	-	-	-	-	-
12 Of which wholesale	1	-	-	-	-	1	-	-	-	-	-	-	-	-	-	-	-
13 Of which re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14 Of whith senior	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15 Of which non-senior	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

TOTAL STANDARD SECURITISED EXPOSURES

(in millions of euros)	31/12/2017	31/12/2016
Standard securitisations	2,459	690
Synthetic securitisations	-	-

The definitions of the underlined words can be found in the Glossary on page 567.

AGGREGATE STANDARD SECURITISATION EXPOSURES HELD OR ACQUIRED (EXPOSURES AT DEFAULT)

(in millions of euros)	31/12/2017	31/12/2016
With external credit rating	**1,003**	**406**
20% weighting	751	-
40% Weighting	-	-
50% Weighting	250	406
100% Weighting	2	-
225% Weighting	-	-
350% Weighting	-	-
650% Weighting	-	-
Weighting = 1,250%	**1**	
Transparency approach	**1,288**	**131**
AGGREGATE SECURITISATION EXPOSURES HELD OR ACQUIRED	**2,292**	**537**

4.3.5.2. EXPOSURE AT DEFAULT OF SECURITISATION TRANSACTION RISKS IN THE TRADING BOOK THAT GENERATE RISK-WEIGHTED ASSETS

Exposure at default of securitisation transactions by role

SECURITISATION EXPOSURES IN THE TRADING BOOK (SEC2)

	31/12/2017 *(in millions of euros)*	**Bank acting as issuer**			**Bank acting as agent**			**Bank acting as investor**		
		Standard	Synthetic	Subtotal	Standard	Synthetic	Subtotal	Standard	Synthetic	Subtotal
1	Securitisation vehicles	-	-	-	-	-	-	65	-	65
2	Residential real estate loans	-	-	-	-	-	-	28	-	28
3	Commercial real estate loans	-	-	-	-	-	-	-	-	-
4	Credit card loans	-	-	-	-	-	-	-	-	-
5	Leasing	-	-	-	-	-	-	-	-	-
6	Loans to corporates and SMEs	-	-	-	-	-	-	-	-	-
7	Personal loans	-	-	-	-	-	-	-	-	-
8	Trade receivables	-	-	-	-	-	-	-	-	-
9	Other assets	-	-	-	-	-	-	37	-	37
10	Re-securitization	-	-	-	-	-	-	31	-	31
11	**TOTAL 31/12/2017**	**-**	**-**	**-**	**-**	**-**	**-**	**96**	**-**	**96**
	Total 31/12/2016	**-**	**-**	**-**	**-**	**-**	**-**	**111**	**-**	**111**

Exposure at default only concerns Standard securitisation.

Exposure at default of securitisation transactions by approach and by weighting

EXPOSURE AT DEFAULT OF SECURITISATION TRANSACTIONS BY APPROACH AND BY WEIGHTING

	31/12/2017			31/12/2016		
Risk weighting tranche *(in millions of euros)*	Long positions	Short positions	Capital requirements	Long positions	Short positions	Capital requirements
EAD subject to weighting	-	-	-	-	-	-
7-10% weightings	35	-	-	23	-	-
12-18% weightings	-	-	-	-	-	-
20-35% weightings	5	-	-	6	-	-
40-75% weightings	-	-	-	2	-	-
100% weightings	4	-	-	5	-	-
150% weightings	-	-	-	-	-	-
200% weightings	-	-	-	-	-	-
225% weightings	-	-	-	-	-	-
250% weightings	4	-	-	5	-	-
300% weightings	-	-	-	-	-	-
350% weightings	-	-	-	-	-	-
425% weightings	4	-	-	6	-	-
500% weightings	-	-	-	-	-	-
650% weightings	-	-	-	-	-	-
750% weightings	-	-	-	-	-	-
850% weightings	-	-	-	-	-	-
1,250% weightings	45	-	7	63	-	10
Internal Assessment Approach	**96**	**-**	**8**	**111**	**-**	**11**
Supervisory Formula Approach	-	-	-	-	-	-
Transparency Approach	-	-	-	-	-	-
NET TOTAL DEDUCTIONS FROM CAPITAL	**-**	**-**	**-**	**-**	**-**	**-**
1,250%/Positions deducted from capital	-	-	-	-	-	-
TRADING BOOK TOTAL	**96**	**-**	**8**	**111**	**-**	**11**

Capital requirements relating to securitisations held or acquired

CAPITAL REQUIREMENTS RELATING TO SECURITISATIONS HELD OR ACQUIRED

	31/12/2017				31/12/2016			
(in millions of euros)	Long positions	Short positions	Total risk-weighted exposures	Capital requirements	Long positions	Short positions	Total risk-weighted exposures	Capital requirements
EAD subject to weighting	**96**	**-**	**48**	**8**	**111**	**-**	**67**	**11**
Securitisation vehicles	65	-	17	-	66	-	23	-
Secondary securitisation	31	-	31	-	45	-	45	-
Deductions	-	-	-	-	-	-	-	-

The definitions of the underlined words can be found in the Glossary on page 567.

4.4. Market risk

4.4.1. Internal model market risk measurement and management methodology

Market risk measurement and management by internal methods are described in the section entitled "Risk factors – Market risk – Market risk measurement and management methodology".

4.4.2. Rules and procedures for valuing the trading book

The rules for valuing the various items in the trading book are described in Note 1.3 to the financial statements, "Accounting policies and principles".

Measurement models are reviewed periodically as described in the section entitled "Risk factors – Market risk – Market risk measurement and management methodology".

4.4.3. Exposure to market risk of the trading book

4.4.3.1. RISK-WEIGHTED EXPOSURE USING THE STANDARDISED APPROACH

RISK-WEIGHTED ASSETS USING THE STANDARDISED APPROACH (MR1)

		31/12/2017		31/12/2016	
(in millions of euros)		RWA	Capital requirements	RWA	Capital requirements
	Outright products				
1	Interest rate risk (general and specific)	797	64	805	64
2	Equity risk (general and specific)	77	6	-	-
3	Foreign exchange risk	3,800	304	-	-
4	Commodity risk	-	-	-	-
	Options				
5	Simplified approach	-	-	-	-
6	Delta-plus method	-	-	-	-
7	Scenario approach	24	2	3	-
8	Securitisation vehicles	95	8	133	11
9	**TOTAL**	**4,793**	**383**	**940**	**75**

4.4.3.2. EXPOSURES USING THE INTERNAL MODELS APPROACH

Risk-weighted assets and capital requirements

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

		31/12/2017		31/12/2016	
(in millions of euros)		RWA	Minimum capital requirements	RWA	Minimum capital requirements
1	**VaR (max. between values a and b)**	**1,056**	**84**	**2,070**	**166**
(a)	Measurement of the previous day's value at risk (VaRt-1)		17		39
(b)	Multiplication factor (mc) x average daily measurements of value at risk in the previous 60 business days (VaRavg)		84		166
2	**SVaR (max. between values a and b)**	**2,523**	**202**	**3,091**	**247**
(a)	Last available measure (SVaRt-1)		44		55
(b)	Multiplication factor (ms) x average daily measurements of stressed value at risk in the previous 60 business days (SVaRavg)		202		247
3	**Incremental risk charge – IRC (higher of values a and b)**	**2,152**	**172**	**1,594**	**127**
(a)	Last available measure		114		77
(b)	12-week average		172		127
4	**Comprehensive risk measure relating to the correlation portfolio – CRM (max. between values a, b and c)**	**-**	**-**	**-**	**-**
(a)	Last available measure		-		-
(b)	12-week average		-		-
(c)	Floor level		-		-
5	**TOTAL**	**5,730**	**458**	**6,755**	**540**

Values resulting from use of internal models

VALUE OF THE TRADING BOOK UNDER THE INTERNAL MODELS APPROACH (IMA) (MR3)

(in millions of euros)		31/12/2017	31/12/2016
1	**VaR (10 days, 99%)**		
2	Maximum value	26	50
3	Average value	21	41
4	Minimum value	16	35
5	Value at end of period	17	39
6	**VaR during periods of stress (10 days, 99%)**		
7	Maximum value	64	72
8	Average value	51	62
9	Minimum value	43	53
10	End of period	44	55
11	**IRC capital requirement (99.9%)**		
12	Maximum value	339	209
13	Average value	132	98
14	Minimum value	88	46
15	Value at end of period	88	59
16	**Capital requirement in respect of CRM (99.9%)**		
17	Maximum value	-	-
18	Average value	-	-
19	Minimum value	-	-
20	Value at end of period	-	-
21	Floor (standardised measurement method)	-	-

The definitions of the underlined words can be found in the Glossary on page 567.

4.5. Global interest rate risk

The nature of interest rate risk, the main underlying assumptions retained and the frequency of interest rate risk measurements are described in the section entitled "Risk factors – Asset/Liability Management – Global interest rate risk".

4.6. Operational risk

4.6.1. Advanced measurement approach

The French Regulatory and Resolution Supervisory Authority (ACPR) has, since 1 January 2008, authorised Crédit Agricole S.A. Group's main entities to use the Advanced Measurement Approach (AMA) to calculate their regulatory capital requirements for operational risk. The Group's other entities use the standardised approach, in accordance with regulations.

The scope of application of the advanced measurement and standardised approaches and a description of the advanced measurement approach methodology are provided in the section entitled "Risk factors – Operational risk – Methodology".

4.6.2. Insurance techniques for reducing operational risk

The insurance techniques used to reduce operational risk are described in the section entitled "Risk factors – Operational risk – Insurance and coverage of operational risks".

5. ASSET ENCUMBRANCE

Medians of the four quarterly end-of-period values over the previous 12 months.

Template A – Encumbered and unencumbered assets

		Carrying amount of encumbered assets		Fair value of encumbered assets		Carrying amount of unencumbered assets		Fair value of unencumbered assets	
			of which notionally elligible EHQLA and HQLA[1][2]		of which notionally elligible EHQLA and HQLA[1][2]		of which EHQLA and HQLA[1][2]		of which EHQLA and HQLA[1][2]
(in millions of euros)		010	030	040	050	060	080	090	100
010	**Assets of the reporting institution**	**77,358**				**1,138,224**			
030	Equity instruments	1,861				6,830			
040	Debt securities	14,944		14,944		107,410		107,410	
050	of which: covered bonds	0		0		792		792	
060	of which: asset-backed securities	0		0		2,703		2,703	
070	of which: issued by general governments	6,512		6,512		62,040		62,040	
080	of which: issued by financial corporations	7,815		7,815		33,113		33,113	
090	of which: issued by non-financial corporations	385		385		8,695		8,695	
120	Other assets	62,515				1,019,728			
121	of which: loans and advances other than loans on demand	43,369				771,174			

(1) Article 2 of Commission Delegated Regulation (EU) 2017/2295 shall apply from 2 January 2019.

(2) EHQLA: Assets of extremely high liquidity and credit quality.
HQLA: Assets of high liquidity and credit quality.

The definitions of the underlined words can be found in the Glossary on page 567.

Template B – Collateral received

		Fair value of encumbered collateral received or own debt securities issued		Unencumbered: Fair value of collateral received or own debt securities issued available for encumbrance	
			of which notionally elligible EHQLA and HQLA[1][2]		of which EHQLA and HQLA[1][2]
(in millions of euros)		010	030	040	060
130	**Collateral received by the reporting institution**	**155,614**		**42,490**	
140	Loans on demand	0		0	
150	Equity instruments	2,978		488	
160	Debt securities	73,314		42,002	
170	of which: covered bonds	27		1,330	
180	of which: asset-backed securities	0		1,319	
190	of which: issued by general governments	68,178		40,282	
200	of which: issued by financial corporations	3,923		880	
210	of which: issued by non-financial corporations	1,220		532	
220	Loans and advances other than loans on demand	79,455		0	
230	Other collateral received	223		0	
240	**Own debt securities issued other than own covered bonds or asset-backed securities**	**0**		**0**	
241	**Own covered bonds and asset-backed securities issued and not yet pledged**			**21,131**	
250	**TOTAL ASSETS, COLLATERAL RECEIVED AND OWN DEBT SECURITIES ISSUED**	**237,405**			

(1) Article 2 of Commission Delegated Regulation (EU) 2017/2295 shall apply from 2 January 2019.

(2) EHQLA: Assets of extremely high liquidity and credit quality.
HQLA: Assets of high liquidity and credit quality.

Template C – Sources of encumbrance

		Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued other than covered bonds and ABSs encumbered
(in millions of euros)		010	030
010	**Carrying amount of selected financial liabilities**	**294,623**	**227,021**
011	of which: Derivatives	111,228	17,678
012	of which: Deposits	125,144	143,997
013	of which: Debt securities issued	52,263	63,171

Model D – Additional descriptive information

Crédit Agricole S.A. monitors and manages the encumbrance level of assets pledged in the Crédit Agricole Group.

The asset encumbrance ratio for Crédit Agricole S.A. Group represented 16.1% at 31 December 2017.

The encumbrance for assets and collateral received for Crédit Agricole S.A. Group mainly covers loans and advances (other than loans on demand). The pledge of receivables due from private customers aims to obtain refinancing under advantageous conditions or to constitute reserves that can easily be made liquid if needed. The policy of Crédit Agricole S.A. aims to both diversify the instruments used to improve resistance to liquidity stress, which could affect individual markets differently, and to limit the share of assets pledged in order to retain good quality assets that can be easily liquidated in the market through existing mechanisms in case of stress.

The sources of asset encumbrance mainly related to loans and advances (other than loans on demand) are as follows:

- covered bonds referred to in article 52 (4), first sub-paragraph, of Directive 2009/65/EC, issued by the following three vehicles:
  - Crédit Agricole Home Loan SFH, pledging the receivables of the Regional Banks and LCL,
  - Crédit Agricole Public Sector SCF, pledging the receivables of Crédit Agricole CIB,

- Crédit Agricole Italia OBG srl, pledging the receivables of Crédit Agricole Italia Group.

  At 31 December 2017, the placed covered bonds amounted to €33.9 billion for a total of €38.8 billion in encumbered underlying assets (and collateral received) thus complying with the contractual and regulatory requirements as well as those of the rating agencies, if applicable, in terms of over-collateralisation.

  At 31 December 2017, the covered bonds retained and not yet pledged as collateral amounted to €1.1 billion for a total of €1.3 billion in unencumbered underlying assets;

- asset-backed securities (ABS) issued during securitisation transactions - as defined in article 4 (1), item 61, of the Regulation (EU) no. 575/2013 - mainly carried out by the CA Consumer Finance Group and its subsidiaries.

  At 31 December 2017, placed asset-backed securities amounted to €7.1 billion for a total of €7.2 billion in encumbered underlying assets.

  At 31 December 2017, asset-backed securities retained and not yet pledged as collateral amounted to €14.1 billion for a total of €14.3 billion of unencumbered underlying assets;

- guaranteed deposits (other than repurchase agreements) mainly associated with funding operations: from the ECB under TLTROs, *via* Crédit Agricole CIB's ESTER securitisation conduit, as well as French or supranational organisations (such as the CDC and EIB).

  At 31 December 2017, guaranteed deposits (other than repurchase agreements) amounted to €47.4 billion for a total of €61.7 billion in encumbered assets and collateral received;

- debt securities (other than covered bonds or ABSs) issued to the Caisse de Refinancement de l'Habitat (CRH) in the form of promissory notes, pledging the collateral received from the Regional Banks and the receivables of LCL.

  At 31 December 2017, these securities amounted to €11.2 billion for a total of €16.9 billion in encumbered assets and collateral received.

As Crédit Agricole S.A. is the central actor in most of these secured financing mechanisms, these levels of encumbrance are broken down at an intragroup level between Crédit Agricole S.A., its subsidiaries and the Crédit Agricole Regional Banks.

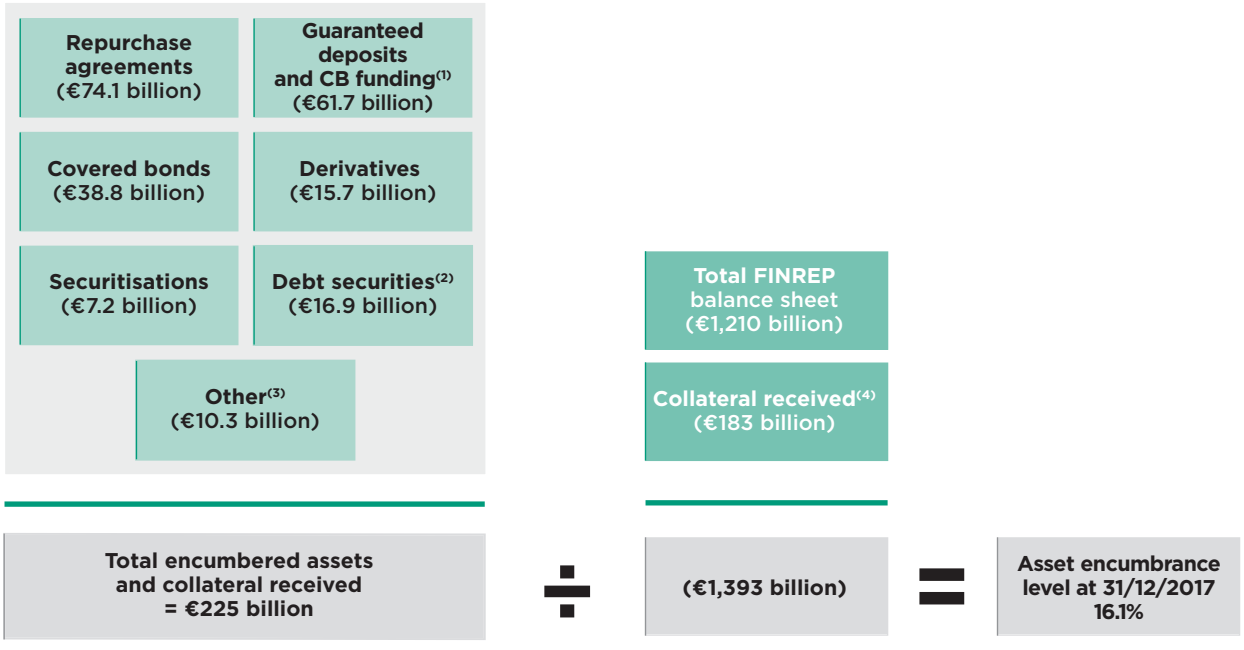
The other main sources of asset encumbrance in the Crédit Agricole Group are:

- repurchase agreements, mainly associated with the activity of Crédit Agricole CIB and mainly encumbering the collateral received comprising debt securities and incidentally, equity instruments. In particular, this source concentrates the majority of encumbrance held in the 2nd significant currency (USD), within the meaning of appendix XVII of the Execution Regulation (EU) no. 680/2014, other than the declaration currency (EUR).

  At 31 December 2017, repurchase agreements amounted to €73.3 billion for a total of €74.1 billion in encumbered assets and collateral received;

- derivatives associated mainly with the OTC derivative activity of Crédit Agricole CIB and encumbering mainly cash as part of margin calls.

  At 31 December 2017, margin calls amounted to €15.7 billion.



(1) Central banks.
(2) Other than covered bonds or ABSs.
(3) Mainly stock lending and borrowing.
(4) Excluding collateral received that could not be encumbered.

The definitions of the underlined words can be found in the Glossary on page 567.

6. LIQUIDITY COVERAGE RATIO

Quantitative information

Scope of the consolidation (consolidated) Currency and units *(in millions of euros)*		Total non-weighted value (average)				Total weighted value (average)			
Quarter ending on		31/03/2017	30/06/2017	30/09/2017	31/12/2017	31/03/2017	30/06/2017	30/09/2017	31/12/2017
Number of data points used to calculate the averages				*12*	*12*			*12*	*12*
High quality liquid assets									
1	Total high quality liquid assets (HQLA)							**179,361**	**180,651**
Cash outflows									
2	**Retail deposits and deposits from small business customers, of which:**			**331,132**	**337,325**			**20,358**	**20,765**
3	Stable deposits			270,690	275,390			13,535	13,769
4	Less stable deposits			60,442	61,936			6,824	6,996
5	**Unsecured wholesale funding**			**202,494**	**207,756**			**108,134**	**109,559**
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks			70,777	74,594			19,702	21,348
7	Non-operational deposits (all counterparties)			116,708	118,872			73,422	73,920
8	Unsecured debt			15,010	14,291			15,010	14,291
9	**Secured wholesale funding**							**15,129**	**15,910**
10	**Additional requirements**			**137,688**	**136,206**			**38,662**	**38,179**
11	Outflows related to derivative exposures and other collateral requirements			13,552	13,112			12,979	12,570
12	Outflows related to loss of funding on debt products			-	-			-	-
13	Credit and liquidity facilities			124,136	123,094			25,683	25,609
14	**Other contractual funding obligations**			**23,385**	**24,282**			**2,592**	**2,579**
15	**Other contingent funding obligations**			**40,811**	**41,478**			**817**	**859**
16	**TOTAL CASH OUTFLOWS**							**185,692**	**187,852**
Cash inflows									
17	**Secured lending (eg reverse repos)**			**114,017**	**114,995**			**12,777**	**13,446**
18	**Inflows from fully performing exposures**			**91,348**	**92,072**			**39,640**	**39,657**
19	**Other cash inflows**			**2,480**	**2,617**			**2,480**	**2,574**
EU-19a	**(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)**								
EU-19b	**(Excess inflows from a related specialised credit institution)**								

5

Scope of the consolidation (consolidated) Currency and units *(in millions of euros)*		Total non-weighted value (average)				Total weighted value (average)			
Quarter ending on		31/03/2017	30/06/2017	30/09/2017	31/12/2017	31/03/2017	30/06/2017	30/09/2017	31/12/2017
20	**TOTAL CASH INFLOWS**			**207,846**	**209,684**			**54,897**	**55,677**
EU-20a	**Fully exempt inflows**			329	329			329	329
EU-20b	**Inflows Subject to 90% Cap**			-	-			-	-
EU-20c	**Inflows Subject to 75% Cap**			184,112	184,219			54,568	55,348
						Total adjusted value			
21	**LIQUIDITY BUFFER**							**179,361**	**180,651**
22	**TOTAL NET CASH OUTFLOWS**							**130,795**	**132,175**
23	**LIQUIDITY COVERAGE RATIO**							**137%**	**137%**

Qualitative information

Concentration of financing and liquidity sources	Crédit Agricole Group S.A. follows a prudent refinancing policy, with a very diversified access to the markets, in terms of investor base and products.
Exposure to derivative instruments and any guarantee calls	Cash outflows for this item mainly materialise the risk associated with increases in margin calls on derivative operations in an unfavourable market scenario, and increases in margin calls following a deterioration in the Group's external rating. At 31 December 2017, total collateral the Group should provide in case of downgrading of its credit rating amounted to €2.7 billion.
Mismatch in currencies in the Liquidity coverage ratio (LCR)	At 31/12/2017, Crédit Agricole S.A. Group covers its net cash outflows by liquid assets denominated in the same currency in the main significant currencies. The extent of residual mismatches observed in certain currencies is considered satisfactory, given the surplus top quality liquid assets available in the other significant currencies, which could easily be converted to cover the requirements, including in a crisis situation.
Description of the level of centralisation in liquidity management and interaction between the Group's units	Crédit Agricole S.A. controls the management of liquidity risk. ● Crédit Agricole S.A.'s cash enables it to meet the main short-term refinancing needs (<= 1 year) of the Regional Banks and subsidiaries. It also coordinates the cash position of the subsidiaries for their additional fundraising. CACIB operates self-sufficiently for the management of its short-term refinancing, in close coordination with Crédit Agricole S.A.'s Cash Management department. ● For long-term refinancing (> 1 year), Crédit Agricole S.A. collects the long-term resource needs, plans refinancing programmes according to these needs and reallocates resources raised to Group entities. The Group's main issuers are: Crédit Agricole S.A., CACIB, CA Consumer Finance and Crédit Agricole Italia.
Other elements in the Liquidity coverage ratio (LCR) calculation not taken into account in the LCR publication method but which the institution considers relevant for its liquidity profile	

The definitions of the underlined words can be found in the Glossary on page 567.

7. COMPENSATION POLICY

The information on the compensation policy required pursuant to EU Regulation 575-2013 (CRR) can be found in chapter 3 of this Registration document.

8. CROSS-REFERENCE TABLE

CROSS-REFERENCE TABLE FOR PILLAR 3 (CRR AND CRD 4)

CRR article	Topic	Reference 2017 Registration document	2017 Registration document
90 (CRD 4)	Return on assets	Key indicators	p. 186
435 (CRR)	1. Risk management policy and objectives	Presentation of committees – corporate governance Main Group level committees dealing with risk – Risk factors	p. 100 to 107 p. 197 to 199
436 (a)(b)	2. Scope of consolidation	Pillar 3 Financial statements note 12.2	p. 243 to 244 and p. 257 to 259 p. 443 to 456
436 (c)(d)(e) (CRR)	2. Scope of consolidation	Unpublished information	
437 (CRR)	3. Equity	Reconciliation of accounting and regulatory capital Details of subordinated debt	p. 252 p. 247 to 248
438 (CRR)	4. Capital requirements	Risk-weighted assets by business line and trends	p. 260 to 261
439 (CRR)	5. Exposure to counterparty credit risk	General presentation of counterparty credit risk – exposures by type of risk Credit risk (all) Counterparty risk (all)	p. 262 to 296
440 (CRR)	6. Capital buffer	Minimum requirements and exposures by geographic area	p. 245 to 246 p. 265
441 (CRR)	7. Indicators of global systemic importance	Communication on the indicators required for globally systemically important banks (G-SIBs) + website	p. 245, A01 and Press release
442 (CRR)	8. Adjustments for credit risk	Default exposures and value adjustments	p. 269 to 271
443 (CRR)	9. Encumbered assets	Asset encumbrance	p. 310 to 312
444 (CRR)	10. Use of ECAIs	Protection providers	p. 296 to 297
445 (CRR)	11. Exposure to market risk	Exposure to market risk of the trading book	p. 307 to 308
446 (CRR)	12. Operational risk	Operational risk	p. 234 to p. 236 and p. 309
447 (CRR)	13. Equity exposures excluding the trading book	Equity exposures in the banking portfolio	p. 263, 298
448 (CRR)	14. Exposure to interest rate risk on positions not included in the trading book	Global interest rate risk – Risk factors	p. 219 to 220 p. 309
449 (CRR)	15. Exposures to securitisation positions	Securitisation – Pillar 3	p. 298 to 306
450 (CRR)	16. Compensation policy	Compensation policy – corporate governance	p. 131 to 157 and 315
451 (CRR)	17. Leverage	Leverage ratio	p. 253 to 255
452 (CRR)	18. Use of the IRB approach to credit risk	Credit risk – internal ratings-based approach	p. 275 to 288
453 (CRR)	19. Use of credit risk mitigation techniques	Credit risk mitigation mechanism	p. 205 p. 296 to 298
454 (CRR)	20. Use of the advanced measurement approaches to operational risk	Operational risk	p. 234 to 236 and p. 309
455 (CRR)	21. Use of internal market risk models	Internal models approach to market risk capital requirements – Pillar 3	p. 307 to 308

Additional elements are presented on the consolidated report on risks available on our website:

www.credit-agricole.com/en/finance/finance/financial-publications

EDTF CROSS-REFERENCE TABLE:

	Recommendation		Registration document 2017			
			Management report and other	Risk factors	Pillar 3	Consolidated financial statements
Introduction	1	Cross-reference table			p. 316	
	2	Terminology and risk measurements, key parameters used		p. 196 to 241	p. 262 and 271 to 286	p. 341 to 352, 359 to 369
	3	Presentation of main risks and/or emerging risks		p. 196 to 241		p. 359 to 369
	4	New regulatory framework for solvency and Group objectives	p. 188 to 190	p. 221 to 225	p. 242 to 247	p. 369
Governance and risk management strategy	5	Organisation of control and risk management	p. 100 to 107 - 165 to 166	p. 196 to 200		
	6	Risk management strategy and implementation	p. 100 to 107, 165 to 166	p. 196 to 241	p. 245 to 257	
	7	Risk mapping by business line			p. 261	
	8	Governance and management of internal credit and market stress tests		p. 196 to 200, 204 to 205, 242		
Capital requirements and risk-weighted assets	9	Minimum capital requirements			p. 245 to 246	
	10a	Breakdown of composition of capital			p. 249 to 251[1]	
	10b	Reconciliation of the balance sheet and prudential balance sheet and accounting equity and regulatory capital			p. 244 to 252, 257 to 259	
	11	Change in regulatory capital			p. 249 to 251,	
	12	Capital trajectory and CRD 4 ratio objectives	p. 188 to 190		p. 245 to 257	
	13	Risk-weighted assets by business line and risk type			p. 260 to 271	
	14	Risk-weighted assets and capital requirements by method and category of exposure		p. 203	p. 260 to 271	
	15	Exposure to credit risk by category of exposure and internal rating		p. 201 to 203, 208	p. 263 to 298	
	16	Changes in risk-weighted assets by risk type			p. 260	
	17	Description of back-testing models and efforts to improve their reliability		p. 210 to 211, 234 to 236	p. 287 to 288	
Liquidity	18	Management of liquidity and cash balance *sheet*		p. 221 to 225	p. 313 to 314	
	19	Asset encumbrance			p. 310 to 312	
	20	Breakdown of financial assets and financial liabilities by contractual maturity			p. 268	p. 367 to 368, 418
	21	Liquidity and financing risk management		p. 221 to 225	p. 313 to 314	
Market risk	22 to 24	Market risk measurement		p. 209 to 218	p. 307 to 308	p. 341 to 352 364 to 366 427 to 441
	25	Market risk management techniques		p. 209 to 218		
Credit risk	26	Maximum exposure, breakdown and diversification of credit risks		p. 201 to 209	p. 262 to 298	p. 359 to 363
	27 and 28	Provisioning policy and risk hedging		p. 208 to 209		p. 342 to 344, 363, 374
	29	Derivative instruments: notional, counterparty risk, offsetting		p. 201 to 205, 209, 213, 216 to 218, 225 to 226, 230 to 231	p. 288 to 298	p. 346, 364 to 366, 399 to 400, 431
	30	Credit risk mitigation mechanisms		p. 205		p. 424 to 425
Other risks	31	Other risks: insurance sector risks, operational risks and legal risks, information systems security and business continuity plans	p. 100 to 107	p. 196 to 199, 226 to 234		p. 369, 381 to 382, 409 to 413
	32	Declared risks and ongoing actions regarding operational and legal risks		p. 234 to 239		p. 410 to 413

(1) Details of debt issues available on the website: www.credit-agricole.com/en/finance/finance/financial-publications

The definitions of the underlined words can be found in the Glossary on page 567.



6 CONSOLIDATED FINANCIAL STATEMENTS

at 31 december 2017 approved by the Crédit Agricole S.A. Board of Directors on 13 February 2018 and subject to approval by the General Meeting of Shareholders on 16 May 2018

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The definitions of the underlined words can be found in the Glossary on page 567.

Crédit Agricole S.A. : Key figures

Net Income Group Share	€3,649 m
• Revenues	€18,634 m
Total assets	€1,550,283 m
• Total customer loans	€360,079 m
• Total customer deposits	€550,746 m
• Total equity	€64,706 m

GENERAL FRAMEWORK

LEGAL PRESENTATION OF THE ENTITY

Since the Extraordinary General Meeting of Shareholders of 29 November 2001, the Company's name has been: **Crédit Agricole S.A.**

Since 1 July 2012, the address of the Company's registered office has been: 12, place des États-Unis, 92127 Montrouge Cedex, France.

Registration number: 784 608 416 Nanterre Trade and Companies Register

NAF code: 6419Z

Crédit Agricole S.A. is a French Public Limited Company (*Société Anonyme*) with a Board of Directors governed by ordinary company law and more specifically by Book II of the French Commercial Code.

Crédit Agricole S.A. is also subject to the provisions of the French Monetary and Financial Code and more specifically Articles L. 512-47 *et seq.* thereof.

Crédit Agricole S.A. was licensed as an authorised lending institution in the mutual and cooperative banks category on 17 November 1984. As such, it is subject to oversight by the banking supervisory authorities, and more particularly by the French Regulatory and Resolution Supervisory Authority (ACPR) and the European Central Bank.

Crédit Agricole S.A. shares are admitted for trading on Euronext Paris. Crédit Agricole S.A. is subject to the prevailing stock market regulations particularly with respect to public disclosure obligations.

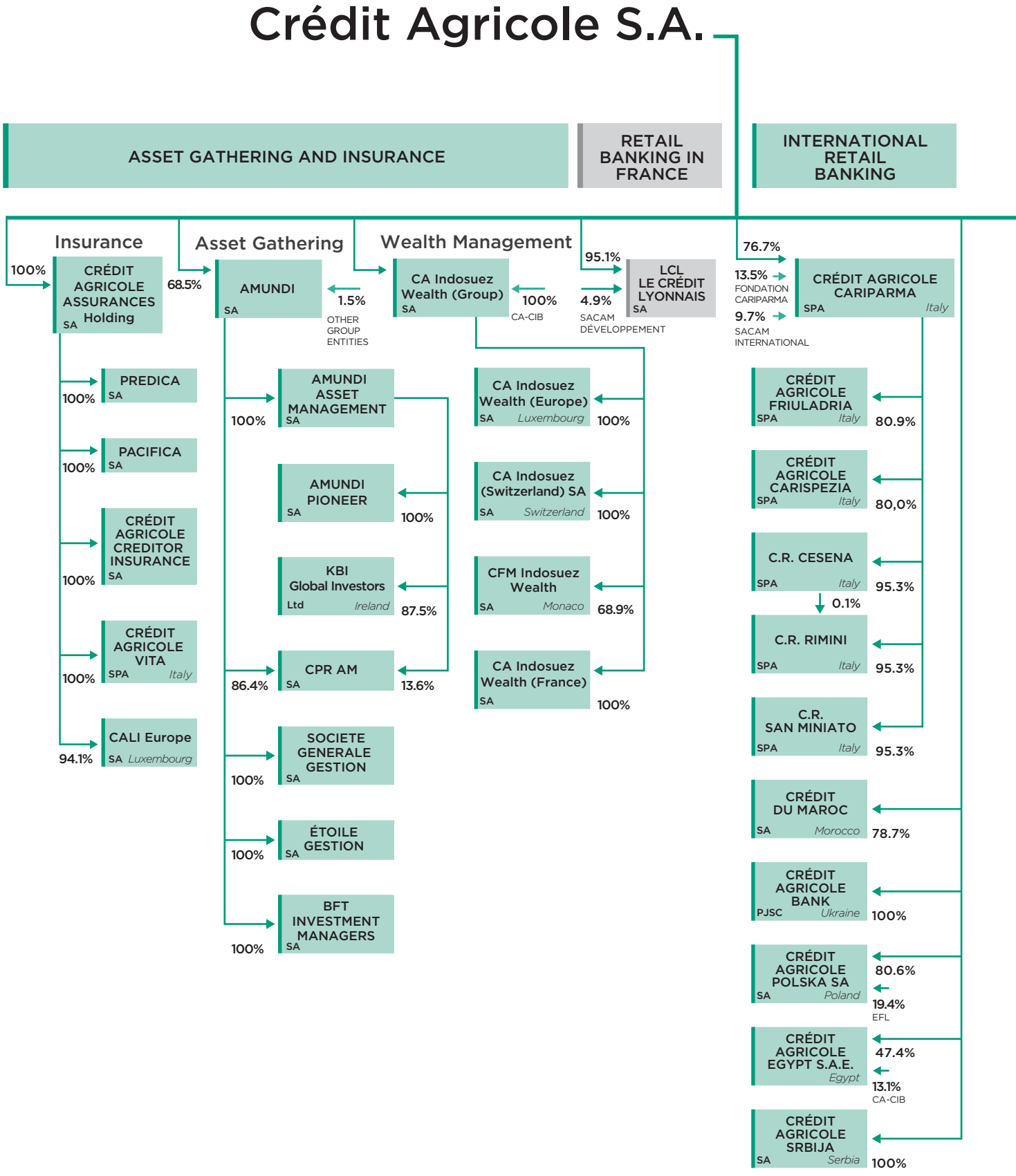
The definitions of the underlined words can be found in the Glossary on page 567.

A bank with mutual roots

SAS Rue La Boétie, which is wholly owned by the Regional Banks, holds the majority of Crédit Agricole S.A.'s share capital. Shares in SAS Rue La Boétie may not be transferred outside the Regional Banks' network. Furthermore, any trading in these shares between Regional Banks is governed by a liquidity agreement that in particular sets out the procedures for determining the transaction price. This encompasses both disposals of shares between the Regional Banks and capital increases at SAS Rue La Boétie.

The *Fédération Nationale du Crédit Agricole* (FNCA) acts as a consultative and representative body, and as a communication forum for the Regional Banks.

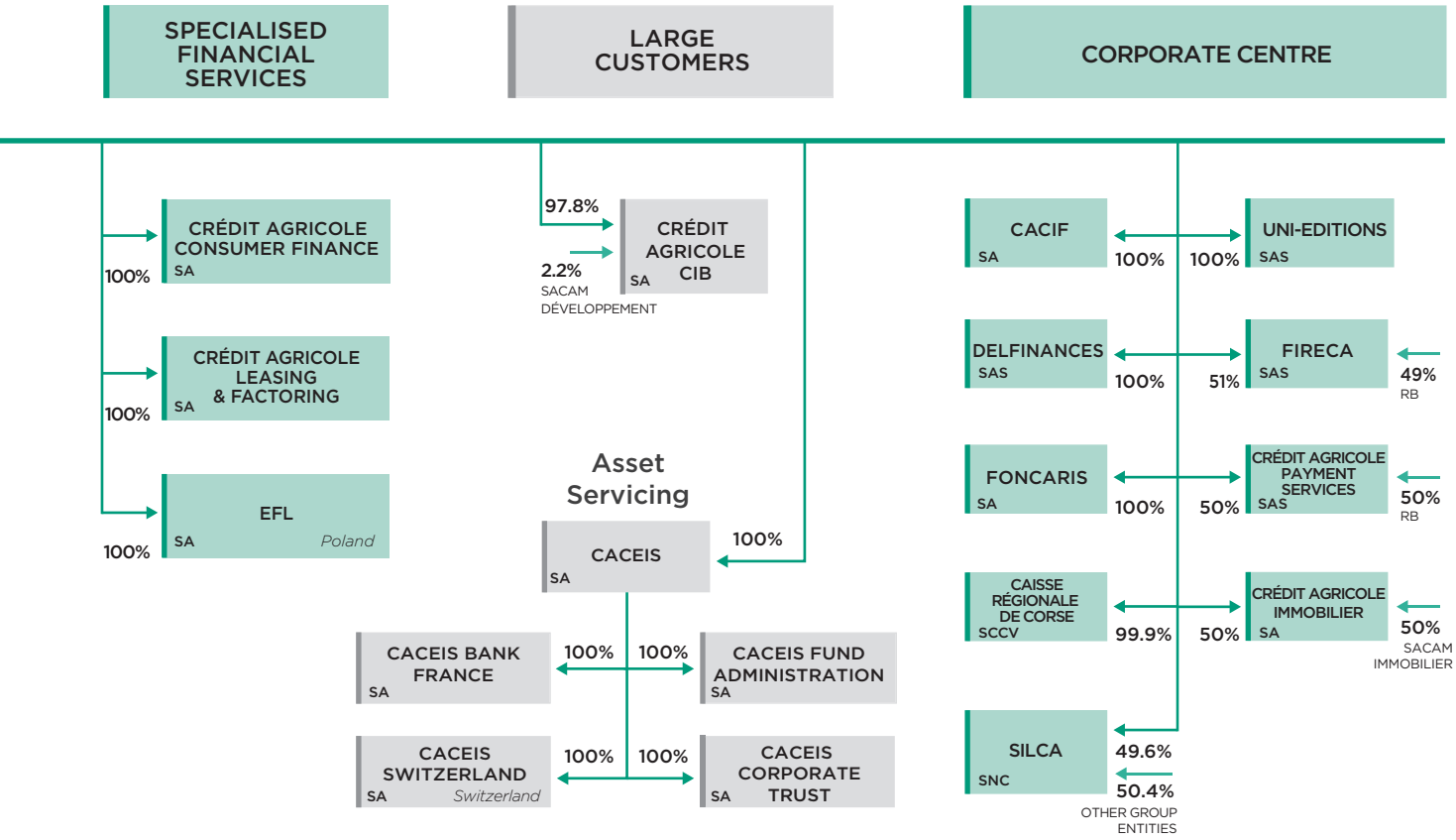
In accordance with the provisions of the French Monetary and Financial Code (Articles L. 511-31 and L. 511-32), as the central body of the Crédit Agricole network, Crédit Agricole S.A. is responsible for exercising administrative, technical and financial control over the institutions affiliated to it in order to maintain a cohesive network (as defined in Article R. 512-18 of the French Monetary and Financial Code) and to ensure their proper functioning and compliance with all regulations and legislation governing them. In that regard, Crédit Agricole S.A. may take all necessary measures notably to ensure the liquidity and solvency of the network as a whole and of each of its affiliated institutions.



(1) Direct % interest held by Crédit Agricole S.A. and its subsidiaries.

The definitions of the underlined words can be found in the Glossary on page 567.

at 31/12/2017 (% of interest)(1)



Financial transactions between Crédit Agricole S.A. and its subsidiaries are subjected to regulated agreement, as the case may be, that are mentioned in the statutory auditors' special report.

Internal mechanisms of Crédit Agricole Group (in particular between Crédit Agricole S.A. and the Regional Banks) are detailed in the paragraph "Internal financing mechanisms", in introduction of the consolidated financial statements.

CRÉDIT AGRICOLE INTERNAL RELATIONS

Internal financing mechanisms

Crédit Agricole has instituted a number of internal financing mechanisms specific to the Group.

Regional Banks' current accounts

Each Regional Bank holds a current account with Crédit Agricole S.A., which records the financial movements resulting from internal financial transactions within the Group. This account, which may be in credit or debit, is presented in the balance sheet under "Crédit Agricole internal transactions – Current Accounts" and integrated on a specific line item, either "Loans and receivables due from credit institutions" or "Due to credit institutions".

Special savings accounts

Funds held in special savings accounts (popular savings passbook accounts (*Livret d'épargne populaire*), sustainable development passbook accounts (*Livret de développement durable*), home purchase savings plans and accounts, popular savings plans, youth passbook accounts (*Livrets Jeunes*) and passbook savings accounts (*Livret A*)) are collected by the Regional Banks on behalf of Crédit Agricole S.A. These funds are required to be transferred to the latter. Crédit Agricole S.A. recognises them on its balance sheet as "Due to customers".

Term deposits and advances

The Regional Banks also collect savings funds (passbook accounts, bonds, warrants, certain term accounts and related accounts, etc.) on behalf of Crédit Agricole S.A. These funds are transferred to Crédit Agricole S.A., and are recognised as such on its balance sheet.

Special savings accounts and time deposits and advances are used by Crédit Agricole S.A. to make "advances" (loans) to the Regional Banks, with a view to funding their medium and long-term loans.

A series of four internal financial reforms has been implemented. These reforms have permitted the transfer back to the Regional Banks, in the form of mirror advances (with maturities and interest rates precisely matching those of the savings funds received) of first 15%, 25%, then 33% and, since 31 December 2001, 50% of the savings resources, which they are free to use at their discretion.

Since 1 January 2004, the financial margins generated by the centralised management of funds collected (and not transferred back *via* mirror advances) are shared by the Regional Banks and Crédit Agricole S.A. and are determined by using replacement models and applying market rates.

Furthermore, 50% of new loans written since 1st January 2004 and falling within the field of application of financial relations between Crédit Agricole S.A. and the Regional Banks may be refinanced in the form of advances negotiated at market rates with Crédit Agricole S.A.

Hence, there are currently two types of advances: advances governed by financial rules from before 1 January 2004 and those governed by the new rules.

Crédit Agricole S.A. may also make additional financing available to the Regional Banks at market rates.

Transfer of Regional Banks' liquidity surpluses

The Regional Banks may use their monetary deposits (demand deposits, non-centralised term deposits and negotiable certificates of deposit) to finance lending to their customers. Surpluses must be transferred to Crédit Agricole S.A. where they are booked as current or term accounts, under "Crédit Agricole internal transactions".

Investment of Regional Banks' surplus capital with Crédit Agricole S.A.

Available surplus capital may be invested with Crédit Agricole S.A. in the form of three to ten-year instruments with the same characteristics of interbank money market transactions in all respects.

Foreign currency transactions

Crédit Agricole S.A. represents the Regional Banks with respect to the Bank of France and centralises their foreign currency transactions.

Medium and long-term notes issued by Crédit Agricole S.A.

These are placed mainly on the market or by the Regional Banks with their customers. They are booked by Crédit Agricole S.A. under liabilities either as "Debt securities" or as "Subordinated debt", depending on the type of security issued.

Hedging of Liquidity and Solvency risks

Under the legal internal financial solidarity mechanism enshrined in Article L. 511-31 of the French Monetary and Financial Code, Crédit Agricole S.A. as a central body, must take all measures necessary to ensure the liquidity and solvency of each affiliated credit institution, as well as the network as a whole. As a result, each member of the network and each affiliated institution benefits from this internal financial solidarity mechanism.

The general provisions of the French Monetary and Financial Code are transposed into internal provisions setting out the operational measures required for this internal financial solidarity mechanism.

During the IPO of Crédit Agricole S.A. in 2001, CNCA (now Crédit Agricole S.A.) signed an agreement with the Regional Banks to govern internal relations within Crédit Agricole Group. The agreement notably provided for the creation of a Fund for Bank Liquidity and Solvency Risks (FRBLS) designed to enable Crédit Agricole S.A. to fulfil its role as central body by providing assistance to any affiliated members that may experience difficulties. The main provisions of this agreement are set out in Chapter III of the Registration document filed by Crédit Agricole S.A. with the Commission des Opérations de Bourse on 22 October 2001 under number R. 01-453. The fund was originally allocated €610 million in assets. At 31 December 2017 it totalled €1,112 million, having been increased by €36 million in the course of the year.

The definitions of the underlined words can be found in the Glossary on page 567.

Moreover, European legislation relating to the resolution of banking crises adopted in 2014 (the BRRD directive transposed into French law by Ordinance 2015-1024 of 20 August 2015, which also brought French law into line with the regulation establishing a Single Resolution Mechanism) introduced a number of significant changes to the regulations applicable to credit institutions.

The new framework, which includes measures to prevent and to resolve banking crises, is intended to preserve financial stability, to ensure the continuity of activities, services and operations of institutions whose failure could significantly impact the economy, to protect depositors and to avoid or limit, as much as possible, the use of public financial support. In this context, the European resolution authorities, including the Single Resolution Board, were granted extensive powers to take all necessary measures in connection with the resolution of all or part of a credit institution or the group to which it belongs.

This resolution framework does not affect the legal internal financial solidarity mechanism enshrined in Article L. 511-31 of the French Monetary and Financial Code, which applies to the Crédit Agricole Network, as defined in Article R. 512-18 of the same Code. Crédit Agricole S.A. considers that, in practice, this mechanism should be implemented prior to any resolution procedure.

The application of the resolution procedure to Crédit Agricole Group would thus mean that the legal internal solidarity mechanism had failed to cope with the bankruptcy of one or more Group affiliates, and hence of the network as a whole. By its very nature it also hinders the monitoring of the conditions for implementing the guarantee of the obligations of Crédit Agricole S.A. granted in 1988 to its third party creditors by the Regional Banks on a joint and several basis, and up to the aggregate amount of their own funds. It should be recalled that this guarantee may be exercised in the event of an asset shortfall at Crédit Agricole S.A. identified in the course of its bankruptcy or dissolution.

In connection with the institution of a resolution procedure, the Single Resolution Board (SRB), should respect the fundamental principle that no creditor must suffer losses in connection with a resolution procedure that are greater than those it would suffer if the entity had been liquidated in a normal insolvency procedure (the "No Creditor Worse Off than on Liquidation" – NCWOL – principle, set forth in Article L. 613-57-I – of the French Monetary and Financial Code, and Article 73 of the BRRD directive). Because this principle must be respected, Crédit Agricole S.A. considers that the existence of the guarantee granted in 1988 by the Regional Banks in favour of the creditors of Crédit Agricole S.A., will have to be taken into account by the SRB, although it is not possible to determine how this will be done.

Specific guarantees provided by the Regional Banks to Crédit Agricole S.A. *(Switch)*

The Switch guarantee mechanism, established on 23 December 2011 and supplemented by an initial addendum signed on 19 December 2013 and twice amended in 2016 on 17 February (amendment no. 2) and 21 July (amendment no. 3) respectively, forms parts of the financial arrangements between Crédit Agricole S.A., as central body, and the mutual network of Crédit Agricole Regional Banks. The most recent amendments to these guarantees took effect retroactively on 1 July 2016, replacing the previous guarantees, and expire on 1 March 2027, subject to total or partial early termination or extension in accordance with the terms of the contract.

With this mechanism, and subject to the upper limit specified in the agreement, the Regional Banks assume, on behalf of Crédit Agricole S.A., regulatory requirements relating to the equity method of accounting for certain equity investments held by Crédit Agricole S.A. They also assume the associated economic risks in the form of compensation, where applicable.

The guarantees allow the transfer of regulatory requirements that henceforth apply to Crédit Agricole S.A.'s equity investments in Crédit Agricole Assurances (CAA), the latter being equity-accounted for regulatory reasons: we are now talking about the Insurance Switch guarantees. They are subject to fixed remuneration covering the present value of the risk and the cost of capital for the Regional Banks.

The effectiveness of the mechanism is secured by cash deposits paid by the Regional Banks to Crédit Agricole S.A. These cash deposits are calibrated to reflect the capital savings for Crédit Agricole S.A., and are compensated at a fixed rate based on conditions prevailing for long-term liquidity.

The Insurance Switch guarantees protect Crédit Agricole S.A. from a decline in the equity-accounted value of these equity investments, subject to payment by the Regional Banks of compensation from the cash deposit. Likewise, if the equity-accounted value later recovers, Crédit Agricole S.A. could return previously paid compensation in accordance with a clawback provision.

In regulatory terms:

- Crédit Agricole S.A. reduces its capital requirements in proportion to the amount of the guarantee provided by the Regional Banks;
- The Regional Banks symmetrically record capital requirements matching those offloaded by Crédit Agricole S.A.

This mechanism, which is neutral at Crédit Agricole Group level, enables the rebalancing of capital allocation between Crédit Agricole S.A. and the Regional Banks.

In accounting terms:

- The guarantees are essentially insurance contracts, due to the existence of an insurance risk as defined by IFRS 4. For the insured, they are treated as a first demand guarantee received and their compensation is recognised in stages as a deduction from the interest margin under Revenues. In the event of a call on guarantees, or following an improvement in fortunes, where applicable, the compensation payment or redemption proceeds would be recognised under cost of risk.
- It should be noted that the Insurance Switch guarantees are triggered on a half-yearly basis and are assessed on the basis of half-yearly changes in the equity-accounted value of the Crédit Agricole Assurances equity investments. At each quarterly closing, the Regional Banks are required to estimate if there is a risk that compensation will be payable and to fund provisions accordingly. On the other hand, Crédit

Agricole, S.A. cannot recognise equivalent income because it is not certain. At each half-yearly close, and if the conditions have been met, Crédit Agricole. S.A. and the Regional Banks recognise on a symmetrical basis the effects of triggering the guarantees (calling or claw-back).

Capital ties between Crédit Agricole S.A. and the Regional Banks

The capital ties between Crédit Agricole S.A. and the Regional Banks are governed by an agreement entered into by the parties prior to Crédit Agricole S.A.'s initial public offering.

Under the terms of this agreement, the Regional Banks exercise their control over Crédit Agricole S.A. through SAS Rue La Boétie, a holding company wholly-owned by them. The purpose of SAS Rue La Boétie is to hold enough shares to ensure that it always owns at least 50% of the share capital and voting rights of Crédit Agricole S.A.

In addition, under the agreement, Crédit Agricole S.A. directly owned approximately 25% of the share capital of each Regional Bank (except for the Caisse Régionale de la Corse which is owned at 99.9%).

Following the transaction to simplify the Group's capital structure on 3 August 2016, the bulk of the cooperative investment certificates (Certificats coopératifs d'investissement or CCIs) and the cooperative associate certificates (Certificats coopératifs d'associés or CCAs) held by Crédit Agricole S.A. were transferred to a holding company ("Sacam Mutualisation") jointly owned by the Regional Banks.

RELATED PARTIES

The related parties of Crédit Agricole S.A. Group are the consolidated companies, including companies accounted for using the equity method, the Group's Senior Executives and the Regional Banks, given the Group's legal structure and due to fact that Crédit Agricole S.A. is the central body of the Crédit Agricole network.

In accordance with the internal financial mechanisms at Crédit Agricole, transactions between Crédit Agricole S.A. and the Regional Banks[(1)] are presented on the balance sheet and income statement as Crédit Agricole internal transactions (Note 4.1 "Interest income and expenses", Note 4.2 "Net fees and commissions", Note 6.5 "Loans and receivables due from credit institutions and due from customers" and Note 6.10 "Due to credit institutions and to customers").

Other shareholders' agreements

Shareholder agreements signed during the year are detailed in Note 2 "Major structural transactions and material events during the period".

Relationships between controlled companies affecting the consolidated balance sheet

A list of Crédit Agricole S.A. Group companies can be found in Note 11 "Scope of consolidation at 31 December 2017". Since the transactions and outstandings at year-end between the Group's fully consolidated companies are eliminated on consolidation, only transactions with companies consolidated by the equity method affect the Group's consolidated financial statements.

The main corresponding outstandings and commitments in the consolidated balance sheet at 31 December 2017 relate to transactions with companies consolidated by the equity method for the following amounts:

- loans and receivables due from credit institutions: €3,799 million;
- loans and receivables due from customers: €2,074 million;
- amounts due to credit institutions: €2,076 million;
- amounts due to customers: €150 million;
- commitments given on financial instruments: €2,369 million;
- commitments received on financial instruments: €994 million.

The transactions entered into with these entities did not have a material effect on the income statement for the period.

(1) Except for the Caisse Régionale de la Corse, which is fully consolidated.

The definitions of the underlined words can be found in the Glossary on page 567.

Management of retirement, early retirement and end-of-career allowances: internal hedging contracts within the Group

As presented in Note 1.3 "Accounting policies and principles", employees are provided with various types of post-employment benefits. These include:

- end-of-career allowances;
- retirement plans, which may be either "defined-contribution" or "defined-benefit" plans.

The liability in this respect is partially funded by collective insurance contracts taken out with Predica, Crédit Agricole Group's life insurance company.

These contracts govern:

- the setting up by the insurance company of mutual funds for investing contributions made by the employer to build up sufficient funds to cover end-of-career allowances or retirement benefits;
- the management of the funds by the insurance company;
- the payment to the beneficiaries of the allowances and of the benefits due under the various plans.

Information on post-employment benefits is provided in Note 7 "Employee benefits and other compensation" in paragraphs 7.3 and 7.4.

Relations with senior management

Detailed information on senior management compensation is provided in paragraph 7.7 of Note 7 "Employee benefits and other compensation", as well as in the "Compensation policy" section, Chapter 3 "Corporate governance" of the Registration document.

There exist no material transactions between Crédit Agricole S.A. and its senior management, their families or the companies they control and which are not included in the Group's scope of consolidation.

CONSOLIDATED FINANCIAL STATEMENTS

The transfer of cooperative investment certificates (Certificats coopératifs d'investissement or CCIs) and cooperative associate certificates (Certificats coopératifs d'associés or CCAs) in the Regional Banks held by Crédit Agricole S.A. to Sacam Mutualisation on 3 August 2006, following the simplification of the Group's capital structure, had an impact on a number of headings of the consolidated financial statements at 31 December 2016: Net income from discontinued operations, Other comprehensive income on items that will not be reclassified to profit and loss from discontinued operations, and Other comprehensive income on items that may be reclassified to profit and loss from discontinued operations.

INCOME STATEMENT

(in millions of euros)	Notes	31/12/2017	31/12/2016
Interest and similar income	4.1	24,704	25,050
Interest and similar expenses	4.1	(12,428)	(13,311)
Fee and commission income	4.2	9,534	8,014
Fee and commission expenses	4.2	(5,729)	(5,168)
Net gains (losses) on financial instruments at fair value through profit or loss	4.3	4,620	2,337
Net gains (losses) on available-for-sale financial assets	4.4-6.4	3,028	2,199
Income on other activities	4.5	32,831	34,976
Expenses on other activities	4.5	(37,926)	(37,244)
Revenues		**18,634**	**16,853**
Operating expenses	4.6	(11,438)	(10,992)
Depreciation, amortisation and impairment of property, plant & equipment and intangible assets	4.7	(765)	(702)
Gross operating income		**6,431**	**5,159**
Cost of risk	4.8	(1,422)	(1,787)
Operating income		**5,009**	**3,372**
Share of net income of equity-accounted entities		728	518
Net gains (losses) on other assets	4.9	6	(52)
Change in value of goodwill	6.18	186	(491)
Pre-tax income		**5,929**	**3,347**
Income tax charge	4.10	(1,732)	(695)
Net income from discontinued operations		20	1,303
Net income		**4,217**	**3,955**
Non-controlling interests	6.22	568	415
NET INCOME GROUP SHARE		**3,649**	**3,540**
Earnings per share *(in euros)*[1]	**6.21**	**1.124**	**1.120**
Diluted earnings per share *(in euros)*[1]	**6.21**	**1.124**	**1.120**

(1) Corresponds to income including net income from discontinued operations.

The definitions of the underlined words can be found in the Glossary on page 567.

NET INCOME AND OTHER COMPREHENSIVE INCOME

(in millions of euros)	Notes	31/12/2017	31/12/2016
Net income		**4,217**	**3,955**
Actuarial gains and losses on post-employment benefits	4.11	4	(127)
Pre-tax other comprehensive income on items that will not be reclassified to profit and loss excluding equity-accounted entities	**4.11**	**4**	**(127)**
Pre-tax other comprehensive income on items that will not be reclassified to profit and loss on equity-accounted entities	**4.11**	**24**	**(9)**
Income tax related to items that will not be reclassified to profit and loss excluding equity-accounted entities	**4.11**	**(28)**	**23**
Income tax related to items that will not be reclassified to profit and loss on equity-accounted entities	**4.11**	**(1)**	**1**
Other comprehensive income on items that will not be reclassified to profit and loss from discontinued operations	**4.11**	**(9)**	**33**
Other comprehensive income on items that will not be reclassified subsequently to profit and loss net of income tax	**4.11**	**(10)**	**(79)**
Gains and losses on translation adjustments	4.11	(683)	(245)
Gains and losses on available-for-sale financial assets	4.11	(530)	158
Gains and losses on hedging derivative instruments	4.11	(356)	(64)
Pre-tax other comprehensive income on items that may be reclassified to profit and loss excluding equity-accounted entities	**4.11**	**(1,569)**	**(151)**
Pre-tax other comprehensive income on items that may be reclassified to profit and loss on equity-accounted entities, Group Share	**4.11**	**(386)**	**39**
Income tax related to items that may be reclassified to profit and loss excluding equity-accounted entities	**4.11**	**355**	**172**
Income tax related to items that may be reclassified to profit and loss on equity-accounted entities	**4.11**	**(16)**	**4**
Other comprehensive income on items that may be reclassified to profit and loss from discontinued operations	**4.11**	**(15)**	**(238)**
Other comprehensive income on items that may be reclassified subsequently to profit and loss net of income tax	**4.11**	**(1,631)**	**(174)**
OTHER COMPREHENSIVE INCOME NET OF INCOME TAX	**4.11**	**(1,641)**	**(253)**
NET INCOME AND OTHER COMPREHENSIVE INCOME		**2,576**	**3,702**
Of which Group share		2,070	3,399
Of which non-controlling interests		506	303

BALANCE SHEET – ASSETS

(in millions of euros)	Notes	31/12/2017	31/12/2016
Cash, central banks	6.1	50,761	28,202
Financial assets at fair value through profit or loss	6.2-6.9	321,404	326,279
Hedging derivative instruments	3.2-3.4	16,435	21,928
Available-for-sale financial assets	6.4-6.7-6.8-6.9	307,058	315,916
Loans and receivables due from credit institutions	3.1-3.3-6.5-6.8-6.9	394,051	382,838
Loans and receivables due from customers	3.1-3.3-6.5-6.8-6.9	360,079	346,254
Revaluation adjustment on interest rate hedged portfolios		5,978	8,190
Held-to-maturity financial assets	6.6-6.7-6.9	20,179	14,354
Current and deferred tax assets	6.13	4,462	3,993
Accruals, prepayments and sundry assets	6.14	36,197	44,373
Non-current assets held for sale and discontinued operations		495	591
Investments in equity-accounted entities	6.15	5,177	7,100
Investment property	6.16	6,196	5,617
Property, plant and equipment	6.17	4,210	3,829
Intangible assets	6.17	2,180	1,583
Goodwill	6.18	15,421	13,185
TOTAL ASSETS		**1,550,283**	**1,524,232**

The definitions of the underlined words can be found in the Glossary on page 567.

BALANCE SHEET – LIABILITIES & EQUITY

(in millions of euros)	Notes	31/12/2017	31/12/2016
Central banks	6.1	3,185	3,857
Financial liabilities at fair value through profit or loss	6.2	227,887	244,008
Hedging derivative instruments	3.2-3.4	13,271	17,890
Due to credit institutions	3.3-6.10	125,590	112,328
Due to customers	3.1-3.3-6.10	550,746	521,828
Debt securities	3.2-3.3-6.11	163,708	159,280
Revaluation adjustment on interest rate hedged portfolios		6,565	9,444
Current and deferred tax liabilities	6.13	3,482	3,101
Accruals, deferred income and sundry liabilities	6.14	40,530	47,917
Liabilities associated with non-current assets held for sale		354	374
Insurance company technical reserves	6.19	320,417	306,658
Provisions	6.20	4,421	4,283
Subordinated debt	3.2-3.3-6.11	25,421	29,327
Total liabilities		**1,485,577**	**1,460,295**
Equity		**64,706**	**63,937**
Equity – Group share		**58,056**	**58,276**
Share capital and reserves		26,749	26,723
Consolidated reserves		24,705	23,481
Other comprehensive income		2,947	4,500
Other comprehensive income on discontinued operations		6	32
Net income/(loss) for the year		3,649	3,540
Non-controlling interests		**6,650**	**5,661**
TOTAL LIABILITIES AND EQUITY		**1,550,283**	**1,524,232**

STATEMENT OF CHANGES IN EQUITY

	Group share				
	Share capital and reserves				
(in millions of euros)	*Share capital*	*Share premium and consolidated reserves*	*Elimination of treasury shares*	*Other equity instruments*	**Total capital and consolidated reserves**
Equity at 1st January 2016	**7,918**	**37,508**	**(147)**	**3,861**	**49,140**
Capital increase	620	979	-	-	1,599
Change in treasury shares held	-	-	15	-	15
Issuance of equity instruments[1]	-	(8)	-	1,150	1,142
Remuneration of equity instrument issues	-	(466)	-	-	(466)
Dividends paid in 2016	-	(1,590)	-	-	(1,590)
Dividends received from Regional Banks and subsidiaries	-	-	-	-	-
Impact of acquisitions/disposals on non-controlling interests	-	(28)	-	-	(28)
Changes due to share-based payments	-	16	-	-	16
Changes due to transactions with shareholders	**620**	**(1,097)**	**15**	**1,150**	**688**
Changes in other comprehensive income	-	-	-	-	-
Share of changes in equity-accounted entities	-	(32)	-	-	(32)
Net income for 2016	-	-	-	-	-
Other changes[2]	-	408	-	-	408
Equity at 31 December 2016	**8,538**	**36,787**	**(132)**	**5,011**	**50,204**
Appropriation of 2016 net income	-	3,540	-	-	3,540
Equity at 1st January 2017	**8,538**	**40,327**	**(132)**	**5,011**	**53,744**
Capital increase	-	-	-	-	-
Change in treasury shares held	-	-	1	-	1
Issuance of equity instruments	-	-	-	(12)	(12)
Remuneration of equity instrument issues	-	(454)	-	-	(454)
Dividends paid in 2017	-	(1,716)	-	-	(1,716)
Dividends received from Regional Banks and subsidiaries	-	-	-	-	-
Impact of acquisitions/disposals on non-controlling interests[3]	-	(54)	-	-	(54)
Changes due to share-based payments	-	13	-	-	13
Changes due to transactions with shareholders	**-**	**(2,211)**	**1**	**(12)**	**(2,222)**
Changes in other comprehensive income	-	-	-	-	-
Share of changes in equity-accounted entities	-	(55)	-	-	(55)
Net income for 2017	-	-	-	-	-
Other changes	-	(13)	-	-	(13)
EQUITY AT 31 DECEMBER 2017	**8,538**	**38,048**	**(131)**	**4,999**	**51,454**

(1) As part of efforts to increase the Group's regulatory capital, Crédit Agricole S.A. issued on 19 January 2016 Additional Tier 1 deeply subordinated perpetual bonds of $1,250 million. The balance of these issues represents €1,142 million, net of issuance costs.

(2) The other changes at 31 December 2016 mainly concern the intra-Group transaction adjustment with respect to the processing of insurance unit-linked investments. This djustment has no significant effect on the Group's indicators and ratios.

The definitions of the underlined words can be found in the Glossary on page 567.

Group share					Non-controlling interests					
Other comprehensive income					Other comprehensive income					
Other comprehensive income on items that may be reclassified to profit and loss	*Other comprehensive income on items that will not be reclassified to profit and loss*	Total other comprehensive income	Net income	Total equity	Capital, associated reserves and income	*Other comprehensive income on items that may be reclassified to profit and loss*	*Other comprehensive income on items that will not be reclassified to profit and loss*	Total other comprehensive income	Total equity	Total consolidated equity
5,151	**(478)**	**4,673**	**-**	**53,813**	**5,548**	**97**	**(23)**	**74**	**5,622**	**59,435**
-	-	-	-	1,599	-	-	-	-	-	1,599
-	-	-	-	15	-	-	-	-	-	15
-	-	-	-	1,142	-	-	-	-	-	1,142
-	-	-	-	(466)	(7)	-	-	-	(7)	(473)
-	-	-	-	(1,590)	(286)	-	-	-	(286)	(1,876)
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	(28)	(6)	-	-	-	(6)	(34)
-	-	-	-	16	2	-	-	-	2	18
-	**-**	**-**	**-**	**688**	**(297)**	**-**	**-**	**-**	**(297)**	**391**
(105)	(69)	(174)	-	(174)	-	(112)	(2)	(114)	(114)	(288)
41	(8)	33	-	1	-	2	-	2	2	3
-	-	-	3,540	3,540	415	-	-	-	415	3,955
-	-	-	-	408	33	-	-	-	33	441
5,087	**(555)**	**4,532**	**3,540**	**58,276**	**5,699**	**(13)**	**(25)**	**(38)**	**5,661**	**63,937**
-	-	-	(3,540)	-	-	-	-	-	-	-
5,087	**(555)**	**4,532**	**-**	**58,276**	**5,699**	**(13)**	**(25)**	**(38)**	**5,661**	**63,937**
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	1	-	-	-	-	-	1
-	-	-	-	(12)	-	-	-	-	-	(12)
-	-	-	-	(454)	(12)	-	-	-	(12)	(466)
-	-	-	-	(1,716)	(298)	-	-	-	(298)	(2,014)
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	(54)	672	-	-	-	672	618
-	-	-	-	13	6	-	-	-	6	19
-	**-**	**-**	**-**	**(2,222)**	**368**	**-**	**-**	**-**	**368**	**(1,854)**
(1,178)	(33)	(1,211)	-	(1,211)	-	(51)	-	(51)	(51)	(1,262)
(391)	23	(368)	-	(423)	4	(11)	-	(11)	(7)	(430)
-	-	-	3,649	3,649	568	-	-	-	568	4,217
-	-	-	-	(13)	111	-	-	-	111	98
3,518	**(565)**	**2,953**	**3,649**	**58,056**	**6,750**	**(75)**	**(25)**	**(100)**	**6,650**	**64,706**

(3) The acquisition of Pioneer Investments on 3 July 2017 was financed for €1,413 million from a capital increase (see Note 2 "Major structural transactions and material events during the period"). The impact of this transaction at 31 December 2017 was €98 million in Shareholder's equity Group share and €817 million in equity – non-controlling interests.

On 22 December 2017, Crédit Agricole S.A. Group completed the €380 million acquisition of the 15% stake formerly held by Natixis in CACEIS, its asset servicing subsidiary, which it now owns outright. The transaction reduced Shareholder's equity Group share by €144 million and non-controlling interests by €236 million.

Crédit Agricole Cariparma acquired 95% of the share capital of the Cesena, Rimini and San Miniato savings banks on 21 December 2017. The acquisition was financed by a €320 million capital increase by Crédit Agricole Cariparma, completed on 21 December 2017, and subscribed by Crédit Agricole S.A. in the amount of €256 million. The impact of these transactions on equity – non-controlling interests was €87 million.

CASH FLOW STATEMENT

The cash flow statement is presented using the indirect method.

Operating activities show the impact of cash inflows and outflows arising from Crédit Agricole S.A. Group's income-generating activities, including those associated with assets classified as held-to-maturity financial assets.

Tax inflows and outflows are included in full within operating activities.

Investment activities show the impact of cash inflows and outflows associated with purchases and sales of investments in consolidated and non-consolidated companies, property, plant and equipment and intangible assets. This section includes strategic equity investments classified as available-for-sale financial assets.

Financing activities show the impact of cash inflows and outflows associated with operations of financial structure concerning equity and long-term borrowing.

The net cash flows attributable to the operating, investment and financing activities **of discontinued operations** are presented on separate lines in the cash flow statement.

Net cash and cash equivalents include cash, debit and credit balances with central banks and debit and credit demand balances with credit institutions.

The definitions of the underlined words can be found in the Glossary on page 567.

(in millions of euros)	Notes	31/12/2017	31/12/2016
Pre-tax income		**5,929**	**3,347**
Net depreciation and impairment of tangible and intangible assets		786	706
Impairment of goodwill and other fixed assets	5.10	(186)	491
Net depreciation charges to provisions		13,614	12,377
Share of net income (loss) of equity-accounted entities		(985)	(627)
Net income (loss) from investment activities		(532)	(343)
Net income (loss) from financing activities		3,214	4,041
Other movements		(5,389)	1,112
Total non-cash and other adjustment items included in pre-tax income		**10,522**	**17,757**
Change in interbank items		5,363	(39,161)
Change in customer items		12,327	(932)
Change in financial assets and liabilities		(4,670)	(7,373)
Change in non-financial assets and liabilities		140	2,935
Dividends received from equity-accounted entities[(1)]		245	551
Tax paid		(1,275)	193
Net change in assets and liabilities used in operating activities		**12,130**	**(43,787)**
Cash provided (used) by discontinued operations		**1**	**(23)**
Total Net cash flows from (used by) operating activities (A)		**28,582**	**(22,706)**
Change in equity investments[(2)]		**(1,523)**	**16,768**
Change in property, plant & equipment and intangible assets		**(1,060)**	**(784)**
Cash provided (used) by discontinued operations		**-**	**-**
Total Net cash flows from (used by) investment activities (B)		**(2,583)**	**15,984**
Cash received from (paid to) shareholders[(3)]		**(1,589)**	**422**
Other cash provided (used) by financing activities[(4)]		**3,654**	**1,699**
Cash provided (used) by discontinued operations		**-**	**1**
Total Net cash flows from (used by) financing activities (C)		**2,065**	**2,122**
Impact of exchange rate changes on cash and cash equivalent (D)		**(1,521)**	**799**
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENT (A + B + C + D)		**26,543**	**(3,801)**
Cash and cash equivalents at beginning of period		**25,532**	**29,333**
Net cash accounts and accounts with central banks*		24,339	32,546
Net demand loans and deposits with credit institutions**		1,193	(3,213)
Cash and cash equivalents at end of period		**52,075**	**25,532**
Net cash accounts and accounts with central banks*		47,566	24,339
Net demand loans and deposits with credit institutions**		4,510	1,193
NET CHANGE IN CASH AND CASH EQUIVALENTS		**26,543**	**(3,801)**

* *Consisting of the net balance of the Cash and central banks item, excluding accrued interest and including cash of entities reclassified as discontinued operations.*

** *Consisting of the balance of Performing current accounts in debit and Performing overnight accounts and advances as detailed in Note 6.5 and Current accounts in credit and overnight accounts and advances as detailed in Note 6.10 (excluding accrued interest).*

(1) Dividends received from equity-accounted entities:
At 31 December 2017, this amount includes dividends paid by Banque Saudi Fransi amounting to €93 million, by Insurance companies for €56 million, by FCA Bank S.p.A. for €50 million, by subsidiaries of Amundi for €15 million, by Wafasalaf for €13 million, by Eurazeo for €13 million and by Crédit Agricole Immobilier for €6 million.

(2) Change in equity investments:
This line shows the net effects on cash of acquisitions and disposals of equity investments.

- *The net impact on Group cash of acquisitions and disposals of consolidated equity investments (subsidiaries and equity-accounted entities) on 31 December 2017 is negative €1,015 billion. The main operations involve the sale of Banque Saudi Fransi for €1,3 billion, Eurazeo for €791 million, Eurosic for €505 million, Crédit Agricole Reinsurance for €186 million, partial sales of Altarea for €52 million and Finasic for €13 million as well as the acquisitions of Pioneer for -€3 billion net of cash acquired, ICADE for -€715 million, the acquisition by Crédit Agricole S.A. of the 15% stake of Natixis in CACEIS for -€380 million, and the acquisition of the Cesena, Rimini and San Miniato savings banks for €320 million net of cash acquired.*
- *Over the same period, the net impact on Group cash of acquisitions and disposals of non-consolidated equity investments came to -€508 million, of which -€523 million from insurance company investments.*

(3) Cash received from (paid to) shareholders:
This amount corresponds to the portion of capital increase subscribed by third parties for €835 million to finance the acquisition of Pioneer Investments.
In addition, €2,480 million in dividends, excluding dividends paid in shares, were paid by Crédit Agricole S.A. Group, which breaks down as:

- *dividends paid by Crédit Agricole S.A. for -€1,716 million;*
- *dividends paid by non-controlled subsidiaries for -€298 million;*
- *and interest, equivalent to dividends, on undated financial instruments treated as equity for -€466 million.*

(4) Other net cash flows from financing activities:
At 31 December 2017, bond issues totalled €24,582 million and redemptions -€14,400 million. Subordinated debt issues totalled €416 million and redemptions -€3,205 million. This line also includes cash flows from interest payments on subordinated debt and bonds for -€3,739 million.

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The definitions of the underlined words can be found in the Glossary on page 567.

NOTE 1 Group accounting policies and principles, assessments and estimates applied

1.1 Applicable standards and comparability

Pursuant to EC Regulation no. 1606/2002, the consolidated financial statements have been prepared in accordance with IAS/IFRS standards and IFRIC interpretations applicable at 31 December 2017 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 2016.

They have been supplemented by the IFRS standards as adopted by the European Union at 31 December 2017 and that must be applied for the first time in 2017. These cover the following:

Standards, amendments or interpretations	Date published by the European Union	Date of first-time mandatory application: financial years from	Applicable in the Group
Amendment to IAS 12 "Income Taxes" Recognition of deferred tax assets for unrealised losses	6 November 2017 (EU 2017/1989)	1 January 2017	Yes
Amendment to IAS 7 "Statement of Cash Flows" Disclosure on liabilities arising from financing activities	6 November 2017 (EU 2017/1990)	1 January 2017	Yes

The application of these texts did not have a material impact on earnings or equity.

Moreover, as long as the early application of standards and interpretations adopted by the European Union is optional for a period, this option is not selected by the Group, unless otherwise stated.

This in particular applies to:

Standards, amendments or interpretations	Date published by the European Union	Date of first-time mandatory application: financial years from	Applicable in the Group
• **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	Yes
• **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	Yes
• **IFRS 16 "Leases"** Replacing IAS 17 on the recognition of leases	31 October 2017 (EU 2017/1986)	1 January 2019	Yes
Amendment to IFRS 15 "Revenue from Contracts with Customers" Clarifications to IFRS 15	31 October 2017 (EU 2017/1987)	1 January 2018	Yes
Amendment to IFRS 4 "Insurance Contracts"/IFRS 9 "Financial Instruments" Optional approaches for insurance undertakings to manage the gap between the application of IFRS 9 and IFRS 4	3 November 2017 (EU 2017/1988)	1 January 2018	Yes

IFRS 15 "REVENUE FROM CONTRACTS WITH CUSTOMERS"

IFRS 15 "Revenue from contracts with customers" will become effective for accounting years opening from 1st January 2018 (in accordance with EU Regulation 2016/1905). The "Clarification to IFRS 15" amendment, which provides further details, comes into effect on the same date (pursuant to EU Regulation 2017/1987).

For the first-time application of this standard, Crédit Agricole Group chose to apply the modified retrospective method, recognising the cumulative effect as of 1 January 2018, with no comparison for 2017, by detailing any impact that the standard could have on the various items in the financial statements being detailed in the notes.

IFRS 15 will replace IAS 11 "Construction contracts" and IAS 18 "Revenue", along with all the related interpretations relating to IFRIC 13 "Customer loyalty programs", 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 brings into a single text the principles for recognising revenue for long-term sales contracts, sales of goods and the provision of services that do not enter in the scope of standards related to financial instruments (IAS 39/IFRS 9), insurance contracts (IFRS 4/IFRS 17) or leases (IAS 17/IFRS 16). It introduces new concepts that may affect the accounting treatment of certain components of revenues.

Based on the findings of the impact assessment carried out in the first half of 2016, the Group considers that the adoption of IFRS 15 will have no material impact on opening equity at 1 January 2018.

IFRS 9 "FINANCIAL INSTRUMENTS"

IFRS 9 "Financial Instruments" will replace IAS 39 "Financial Instruments: Recognition and Measurement". It was adopted by the European Union on 22 November 2016 and published in the Official Journal of the European Union on 29 November 2016. It will be mandatory for accounting years opening from the 1st January 2018. The "Prepayment features with negative compensation" amendment, which provides guidance on the recognition of debt instruments with such features is currently being adopted by the European Union and should come into effect on 1 January 2019 with possible early application from 1 January 2018. Crédit Agricole S.A. Group plans to apply the amendment early in line with the AMF's recommendations.

IFRS 9 sets new principles governing the classification and measurement of financial instruments, impairment of credit risk and hedge accounting, excluding macro-hedging transactions.

The main changes introduced by the standard

Classification and measurement of financial assets

Under IFRS 9, the classification and measurement criteria depend on the nature of the financial asset, namely whether it qualifies as a debt instrument (i.e. loan, advance, credit, bond, fund unit) or an equity instrument (i.e. share).

In the case of debt instruments (loans and fixed or determinable income securities), IFRS 9 tests the business model on one side and contractual terms on other side to classify and measure financial assets.

Three business models:

- the collection only model whose the intention is to collect the contractual cash flows over the life of the asset;
- the mixed model where intention is to collect the contractual cash flows over the life of the asset and to dispose of the assets. Under this model, both the sale of the financial assets and receipt of cash flows are essential; and
- the selling only model where the intention is to dispose of the asset.

The contractual terms ("Solely Payments of Principal & Interest" or "SPPI" test)

This second criterion is applied to the contractual terms of the loan or debt security to finally determine the accounting classification and measurement category to which the instrument belongs.

When the debt instrument has expected cash flows that are not solely payments of principal and interest (i.e. simple rate), its contractual terms are deemed too complex and as a result, the loan or debt security is recognised at fair value through profit or loss regardless of their business model. This involves the instruments that do not satisfy the conditions of the "SPPI" test.

Contractual characteristics (or SPPI) testing combines a set of criteria, examined cumulatively, to establish whether contractual cash flows meet the characteristics of simple financing (principal repayments and interest payments on the remaining amount of principal due).

In simple financing, interest represents the cost of the passage of time, the price of credit and liquidity risk over the period, and other components related to the cost of carrying the asset (e.g. administrative costs).

In some cases, when qualitative analysis of this nature does not allow a conclusion to be made, quantitative analysis (or benchmark testing) is carried out. This additional analysis consists of comparing the contractual cash flows of the asset under review with the cash flows of a benchmark asset.

If the difference between the cash flows of the financial asset and the benchmark asset is considered immaterial, the asset is deemed to be simple financing.

Moreover, specific analysis is conducted when the financial asset is issued by special purpose entities establishing a differentiated order of payment among the holders of the financial assets by contractually linking multiple instruments and creating concentrations of credit risk ("tranches").

Each tranche is assigned a rank of subordination that specifies the order of distribution of cash flows generated by the structured entity.

In this case, the SPPI test requires an analysis of the characteristics of the contractual cash flows of the underlying assets and the credit risk borne by the tranches subscribed under the "look-through" approach.

On the basis of the foregoing criteria:

- a debt instrument is recognised at amortised cost when it is held to collect cash flows that are solely payments of principal and interest "SPPI" compliant;
- a debt instrument is recognised at fair value through other comprehensive income (items that can be reclassified) in the case of a mixed model to collect cash flows and sell where opportunities arise, provided its contractual terms also comprise solely payments of principal and interest "SPPI" compliant;
- a debt instrument that does not qualify for the amortised cost or fair value through other comprehensive income category (items that can be reclassified) is recognised at fair value through profit or loss. The same applies to debt instruments where the business model is selling only. This also includes non-consolidated UCITS units that are debt instruments that fail to satisfy the "SPPI" test regardless of the business model.

In the case of equity instruments (investments such as shares provided these instruments are not held for trading), they must, by default, be recognised at fair value through profit or loss, except in the case of an irrevocable election to classify them at fair value through other comprehensive income that cannot be reclassified. If the option is selected, only dividends received on these instruments will be recognised in the income statement.

In summary, the Group's application of the classification and measurement criteria under IFRS 9 should lead to:

- an increase in assets at fair value through profit or loss, given the reclassification of UCITS and the majority of equity instruments in this category, resulting in increased profit or loss volatility;
- the classification at amortised cost of the vast majority of loans and receivables, provided they pass the SPPI (Solely Payments of Principal and Interest) test;
- the classification of debt instruments at fair value through other comprehensive income (items that can be reclassified) or at amortised cost, depending on the documented business model at the date of initial application.

The definitions of the underlined words can be found in the Glossary on page 567.

Impairment

IFRS 9 introduces a new impairment model that requires the recognition of Expected Credit Losses (ECL) on credit and debt instruments measured at amortised cost or at fair value through other comprehensive income (items that can be reclassified), on loan commitments and financial guarantee contracts that are not recognised at fair value, as well as on lease receivables and trade receivables.

This new ECL approach is designed to anticipate as much as possible the recognition of expected credit losses, whereas under the IAS 39 provisioning model, it is subject to there being objective evidence that an impairment loss has been incurred.

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 formula includes the probability of default, loss given default and exposure at default parameters.

These calculations are broadly based on the internal models used as part of the regulatory framework when existent, but with adjustments to determine an economic ECL. IFRS 9 recommends a Point in Time analysis while having regard to historical loss data and forward looking macro-economic data, whereas the prudential regulation analyses the perspectives Through The Cycle for probability of default and in a downturn for Loss Given Default (LGD).

The accounting approach also requires the recalculation of certain Basel parameters, in particular to eliminate internal recovery costs or floors that are imposed by the regulator in the regulatory calculation of Loss Given Default (LGD).

The new credit risk provisioning model has three stages:

- first stage: upon initial recognition of the financial instrument (credit, debt security, guarantee, etc.), the entity recognises the twelve-month expected credit losses;
- second stage: if the credit quality subsequently significantly deteriorates for a particular portfolio or transaction, the entity recognises the full lifetime expected credit losses;
- third stage: at a later date, once one or more default events have occurred on the transaction or on a counterparty having an adverse effect on the estimated future cash flows, the entity recognises incurred credit losses at maturity.

At the second stage, the monitoring and estimation of the significant deterioration in credit risk can be done on a transaction-by-transaction basis or collectively at portfolio level by grouping financial instruments on the basis of similar credit risk characteristics. The approach calls on a wide range of information, including historical data on observed losses, cyclical and structural adjustments, and loss projections based on reasonable scenarios.

This deterioration depends on the risk level on the date of initial recognition and must be recognised before the transaction is impaired (third stage).

In order to assess the significant deterioration, the Group employs a process built around two levels of analysis:

- the first level is based on absolute and relative criteria and rules applying to all Group entities;
- the second level is linked to local assessment of the qualitative criteria of the risk held by each entity in its portfolios that may result in a tightening of the deterioration criteria defined in the first level (switching a portfolio or sub-portfolio to ECL second stage at maturity).

There is a rebuttable presumption of a significant deterioration in the event of a non-payment for over thirty days. The Group may rebut this presumption on the scope of outstanding amounts for which internal rating systems have been put in place, in particular exposures using the advanced approach, given that all the information incorporated into the rating systems allow for a more detailed assessment than just the non-payment for over thirty days criterion.

In the absence of the internal rating model, the Group will use the absolute threshold of non-payments for over thirty days as the maximum threshold for significant deterioration and classification in second stage.

With respect to the scope of instruments subject to third stage provisioning, the Group will bring the definition of default into line with the one currently used in management for prudential regulation purposes.

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

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

In short, the new provisioning model in IFRS 9 may lead to an increase in the amount of impairment on loans and securities recognised on the balance sheet at amortised cost or at fair value through other comprehensive income (items that can be reclassified), and on off-balance sheet commitments as well as lease receivables and trade receivables.

The change between impairment losses under IAS 39 and impairment losses under IFRS 9 will be recognised in non-recyclable equity.

Hedge accounting

With respect to hedge accounting (excluding fair value macro-hedging transactions), IFRS 9 makes limited changes from IAS 39. The standard's requirements apply to the following scope:

- all micro-hedging transactions; and
- only cash flow macro-hedging transactions.

Fair value macro-hedging transactions for interest rate risk are excluded and may remain subject to IAS 39 (option).

Upon first time application of IFRS 9, there are two possibilities under the standard:

- apply the "hedge accounting" requirements of IFRS 9; or
- continue to apply IAS 39 until application of IFRS 9 for all hedging relationships (at the latest when the fair value macro-hedging for interest rate risk text is adopted by the European Union).

After having carried out a feasibility study in the first half of 2015, the Group decided not to apply this aspect of the standard.

Nevertheless, information must be provided in the notes to the financial statements with increased granularity on risk management and the effects of hedge accounting on the financial statements.

Others requirements relating to first-time application

IFRS 9 allows the early adoption of requirements relating to specific credit risk relating to financial liabilities designated as at fair value through profit or loss, namely the recognition of changes in value attributable to specific credit risk in other comprehensive income (items that cannot be reclassified). The Group will not apply these requirements early. Moreover, the IASB specified the accounting treatment for a non-substantial amendment to the contractual terms and conditions of a debt not resulting in its derecognition. The impact of the amendment is henceforth immediately recognised in profit and loss with keeping of the original effective interest rate.

In addition, the IASB published an amendment to IFRS 4 Insurance contracts to give companies whose business activity is the issue of insurance contracts two possible approaches to limit the effects of the gap between the application of IFRS 9 and the future standard on the measurement of insurance liabilities (IFRS 17). The Group will apply IFRS 9 to its insurance activities using the overlay approach. Under this approach, the entity will reclassify in other comprehensive income the difference between the amount recognised in profit and loss under IFRS 9 and the amount that should have been recognised in profit and loss under IAS 39 for designated financial assets.

Project roll-out within Crédit Agricole Group

In 2015, the Group began taking steps to implement IFRS 9 within the required timeframe, bringing together the Accounting, Finance, Risk and IT functions along with all entities.

Project milestones and achievements to date

In the first half of 2015, work focused on:

- examining the standard's requirements, with particular attention on the changes resulting from the new classification and measurement criteria for financial assets and the overhaul of the credit risk impairment model, which switches from provisioning for incurred credit losses to expected credit losses (ECL);
- the identification of the key questions and of the main areas of accounting interpretation on the basis of the initial high-level assessment of the impact of the standard.

Following this review and assessment phase, the Group launched the project implementation phase in September 2015 by setting out the detailed timelines and road maps of the various areas of work, which were then applied at their level by all Group entities.

In 2016, the main achievements were:

- the standardisation work with identification of the main areas of impact on the financial statements and the definition of the target provisioning through the drafting of a methodological framework shared with the entities;
- methodological work to define the possible options regarding the provision calculation formula, significant deterioration and forward looking, as well as the methodology for calculating the fair value of credit;
- provisional simulations of the impact of the new standard on the financial statements and regulatory capital, in particular to better address the requirements of the European Banking Authority. This work was done in the largest Group entities, on the basis of accounting data at 31 December 2015;
- IT-related work on the major areas of impact on the IT systems, involving the specifications of the Risk and Finance tools and choice of shared tools, namely: a central provisioning tool and, for listed debt securities, a tool to analyse the contractual terms, making it possible to automate the "SPPI" test.

All this implementation work continued in 2017. It incorporated the impact assessment on the basis of the financial statements at 31 December 2016, first and foremost to satisfy the requirements of the European Banking Authority (EBA).

In particular, the Group set out the cross-functional governance applicable to the future provisioning mechanism. This governance will be based on the mechanism put in place to meet the CRR/CRD regulatory prudential requirements. The Group Risk Management department is responsible for defining the Group's organisational and methodological framework and for disseminating it throughout the entities.

Transition

IFRS 9 is applied retrospective with a mandatory effective date of 1 January 2018 by adjusting the opening balance sheet on the date of first-time application, with no restatement of the 2017 comparative financial statements. As a result, the Group does not plan to restate the financial statements presented for comparative purposes with the 2018 financial statements.

IFRS 16 "LEASES"

IFRS 16 "Leases" will supersede IAS 17 and all related interpretations (IFRIC 4 "Determining whether an arrangement contains Lease contract", 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 1 January 2019.

The main change made by IFRS 16 relates to 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.

An impact study on the implementation of the standard in the Crédit Agricole Group was undertaken in the second quarter of 2017. At this stage of the project, the Group remains wholly focussed on defining the key options relating to the interpretation of the standard.

The standards and interpretations published by the IASB at 31 December 2017 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 2017.

This concerns IFRS 17 in particular.

IFRS 17 ("Insurance contracts") will replace IFRS 4. It will apply to reporting periods beginning 1 January 2021 subject to adoption by the European Union. It sets out the new measurement and recognition principles for insurance contract liabilities and evaluation of their profitability, in addition to their presentation. In 2017, scoping work began on the implementation project in

The definitions of the underlined words can be found in the Glossary on page 567.

order to identify the challenges and impacts of the standard on the Group's insurance subsidiaries. This work will continue until the standard comes into effect.

In addition, a number of amendments and two interpretations to existing standards were published by the IASB, which do not significantly impact the Group, which apply subject to their adoption by the European Union. This firstly includes the amendment to IFRS 12 "Disclosure of Interests in Other Entities" applicable from 1 January 2017, amendments to IFRS 2 "Classification and Measurement of Share-based Payment Transactions", to IAS 28 "Investments in Associates and Joint Ventures" and to IAS 40 "Investment property" applicable from 1 January 2018, and a second amendment to IAS 28 "Investments in Associates and Joint Ventures" applicable from 1 January 2019. Secondly, it includes IFRIC 22 "Foreign Currency Transactions and Advance Consideration" applicable from 1 January 2018 and IFRIC 23 "Uncertainty over Income Tax Treatments" applicable from 1 January 2019.

1.2 Presentation of financial statements

In the absence of a required presentation format under IFRS, Crédit Agricole S.A. Group's complete set of financial statements (balance sheet, income statement, statement of comprehensive income, statement of changes in equity and cash flow statement) has been presented in the format set out in ANC Recommendation 2013-04 of 7 November 2013.

1.3 Accounting policies and principles

USE OF ASSESSMENTS AND ESTIMATES TO PREPARE THE FINANCIAL STATEMENTS

Estimates made to draw up the financial statements are by nature based on certain assumptions and involve risks and uncertainties as to whether they will be achieved in the future.

Future results may be influenced by many factors, including:

- activity in domestic and international financial markets;
- fluctuations in interest and foreign exchange rates;
- the economic and political climate in certain industries or countries;
- changes in regulations or legislation.

This list is not exhaustive.

Accounting estimates based on assumptions are principally used in the following assessments:

- financial instruments measured at fair value;
- investments in non-consolidated companies;
- pension schemes and other post-employment benefits;
- stock option plans;
- long-term impairment of available-for-sale financial assets and held-to-maturity financial assets;
- impairment of loans;
- provisions;
- impairment of goodwill;
- deferred tax assets;
- valuation of equity-accounted entities;
- policyholders' deferred profit sharing.

The procedures for the use of assessments or estimates are described in the relevant sections below.

FINANCIAL INSTRUMENTS (IAS 32 AND 39)

Financial assets and liabilities are treated in the financial statements in accordance with IAS 39 as endorsed by the European Commission.

At the time of initial recognition, financial assets and liabilities are measured at fair value including transaction costs (with the exception of financial instruments recognised at fair value through profit or loss). Subsequently, financial assets and liabilities are measured according to their classification, either at fair value or at amortised cost based on the effective interest rate method.

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.

The effective interest rate 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.

Securities

Classification of financial assets

Under IAS 39, securities are divided into four categories:

- financial assets at fair value through profit or loss classified as held for trading or designated at fair value through profit or loss;
- held-to-maturity financial assets;
- loans and receivables;
- available-for-sale financial assets.

Financial assets at fair value through profit or loss classified as held for trading or designated at fair value through profit or loss

According to IAS 39, this portfolio comprises securities that are classified under financial assets at fair value through profit or loss either as a result of a genuine intention to trade them (financial assets held for trading) or of being designated at fair value by Crédit Agricole S.A. Group.

Financial assets at fair value through profit or loss are assets acquired or generated by the enterprise primarily with the aim of disposal in the short term or which are included in a portfolio of financial instruments managed as a unit and with the purpose of making a profit from short term price fluctuations or an arbitrage margin.

Financial assets, provided they meet the conditions specified in the standard, can be designated as at fair value through profit or loss in the following three cases: for hybrid instruments comprising one or more embedded derivatives, where the fair value option would reduce an accounting mismatch or for a group of financial assets under management whose performance is measured at fair value. This method is generally used so that derivatives embedded

in hybrid instruments do not have to be recognised and measured separately.

To this end, Crédit Agricole S.A. Group has designated the following assets at fair value through profit or loss:

- assets backing unit-linked contracts;
- private equity portfolio.

Securities that are classified under financial assets at fair value through profit or loss are recognised at fair value at inception, excluding transaction costs attributable directly to their acquisition (which are taken directly to profit or loss).

They are subsequently carried at fair value and changes in fair value are taken to profit or loss.

No impairment losses are booked for this category of securities.

Outstanding syndication securities held for sale are recognised as financial assets at fair value through profit or loss and are marked to market.

Held-to-maturity financial assets

The category Held-to-maturity financial assets (applicable to securities with fixed maturities) includes securities with fixed or determinable payments that Crédit Agricole S.A. Group has the intention and ability to hold until maturity, other than:

- securities that are initially designated as financial assets at fair value through profit or loss at the time of initial recognition by Crédit Agricole S.A. Group;
- securities that fall into the "Loans and receivables" category. Hence, debt securities that are not traded in an active market cannot be included in the "Held-to-maturity financial assets" category.

Classification as held-to-maturity means that the entity must abide by the prohibition on the sale of securities prior to maturity, except where allowed under IAS 39.

Hedging of interest rate risk for this category of securities is not allowed for hedge accounting under IAS 39.

Held-to-maturity financial assets are initially recognised at acquisition price, including transaction costs that are directly attributable to the acquisition and including accrued interest.

They are subsequently measured at amortised cost with amortisation of any premium or discount and transaction costs using the corrected effective interest rate method.

Impairment rules for this financial asset category are disclosed in the section on "Impairment of securities" for securities measured at amortised cost.

Loans and receivables

Loans and receivables comprise unlisted financial assets that generate fixed or determinable payments.

Securities within the Loans and receivables portfolio are initially recognised at acquisition cost, including transaction costs that are directly attributable to the acquisition and including accrued interest.

They are subsequently measured at amortised cost with amortisation of any premium or discount and transaction costs using the corrected effective interest rate method.

Impairment rules for this financial asset category are disclosed in the section on "Impairment of securities" for securities measured at amortised cost.

Available-for-sale financial assets

IAS 39 defines available-for-sale financial assets as default category or as assets that are designated as available-for-sale.

Available-for-sale financial assets are initially recognised at fair value, including transaction costs that are directly attributable to the acquisition and including accrued interest.

Available-for-sale financial assets are later measured at fair value and subsequent changes in fair value are recorded in other comprehensive income.

If the securities are sold, these changes are transferred to the income statement.

Amortisation of any premiums or discounts and transaction costs on fixed-income securities is recognised in the income statement using the effective interest rate method.

Impairment rules for this financial asset category are disclosed in the section on "Impairment of securities".

Impairment of securities

Impairment shall be booked when there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the securities, other than assets measured as at fair value through profit or loss.

Objective evidence of loss corresponds to a prolonged or significant decline in the value of the security for equity securities or the appearance of significant deterioration in credit risk evidenced by a risk of non-recovery for debt securities.

For equity securities, Crédit Agricole S.A. Group uses quantitative criteria as indicators of potential impairment. These quantitative criteria are mainly based on a loss of 30% or more of the value of the equity instrument over a period of six consecutive months. Crédit Agricole S.A. Group may also take account of other factors such as financial difficulties of the issuer, or short term prospects, etc.

Notwithstanding the above-mentioned criteria, Crédit Agricole S.A. Group recognises an impairment loss when there is a decline in the value of the equity instrument higher than 50% or prolonged over three years.

For debt securities, impairment criteria are the same as for loans and receivables.

Such impairment is only recognised when it translates into a probable loss of all or part of the amount invested:

- for securities measured at amortised cost through the use of an impairment account, the amount of the loss is recognised in the income statement, and may be reversed in case of subsequent improvements;
- for available-for-sale securities, the amount of the aggregate loss is transferred from other comprehensive income to the income statement; in the event of subsequent recovery in the price of the securities, the loss previously transferred to the income statement may be reversed when justified by circumstances for debt instruments.

Recognition date of securities

Crédit Agricole S.A. recognises on the settlement date securities classified as Assets held for trading, Held-to-maturity financial assets, and Loans and receivables. Other securities, regardless of type or classification, are recognised on the trading date.

The definitions of the underlined words can be found in the Glossary on page 567.

Reclassification of financial assets

IAS 39 allows Available-for-sale financial assets to be reclassified as Held-to-maturity financial assets where there is a change in management intention and if the criteria for reclassification as Held-to-maturity are respected.

In accordance with the amendment to IAS 39 as published and adopted by the European Union in October 2008, the following reclassifications are also allowed:

- from the Financial assets held for trading and Available-for-sale financial assets categories to the Loans and receivables category, if the entity now has the intention and ability to hold the financial asset for the foreseeable future or until maturity and if the eligibility criteria for this category are met upon the transfer date (in particular, financial asset not listed in an active market);
- in rare documented circumstances, from Financial assets held for trading to Available-for-sale financial assets or Held-to-maturity financial assets if the eligibility criteria are met upon the transfer date for each category.

The fair value on the date of reclassification becomes the new cost or amortised cost, as applicable, of the reclassified financial asset.

Information on reclassifications made by Crédit Agricole S.A. Group under the terms of the amendment to IAS 39 is provided in Note 9 "Reclassification of financial instruments".

Temporary investments in/disposals of securities

Within the meaning of IAS 39, temporary sales of securities (securities lending/borrowing, repurchase agreements) do not generally fulfil the derecognition conditions of IAS 39 and are regarded as collateralised financing.

Securities lent or sold under repurchase agreements remain on the balance sheet. If applicable, the amounts received, representing the liability to the transferee, are recognised on the liability side of balance sheet by the transferor.

Items borrowed or bought under repurchase agreements are not recognised on the balance sheet of the transferee. A receivable is recognised for the amount paid. If the security is subsequently resold, the transferee records a liability equivalent to the fair value of fulfilling their obligation to return the security received under the agreement.

Revenue and expenses relating to such transactions are posted to profit and loss on a *prorata temporis* basis, except in the case of assets and liabilities recognised at fair value through profit or loss.

Lending operations

Loans are principally allocated to the Loans and receivables category. In accordance with IAS 39, they are initially valued at fair value and subsequently valued at amortised cost using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash payments to the original net loan amount. This rate includes the discounts and any transaction income or costs that are an integral part of the effective interest rate.

Syndication loans held with the aim of disposal in the short term are classified as financial assets held for trading and are marked to market.

Subordinated loans and repurchase agreements (represented by certificates or securities) are included under the various categories of loans and receivables according to counterparty type.

Income calculated based on the effective interest rate is recognised in the balance sheet under accrued interests and in the income statement.

Advances made by Crédit Agricole S.A. to the Regional Banks do not represent a direct risk for Crédit Agricole S.A. with respect to the corresponding customer loans made by the Regional Banks. They do, however, represent a potential indirect risk with respect to the financial strength of the Regional Banks. Crédit Agricole S.A. has not made any provisions for such advances to the Regional Banks.

Impairment of loans

In accordance with IAS 39, loans classified under Loans and receivables are impaired whenever there is objective indication of impairment as a result of one or more loss events occurring after the initial recognition of these loans, such as:

- borrower in serious financial difficulties;
- a breach of contract such as a default on the payment of interest or principal;
- the granting by the lender to the borrower, for economic or legal reasons connected with the borrower's financial difficulties, of a facility that the lender would not have envisaged under other circumstances (loan restructuring);
- increasing probability of bankruptcy or other financial restructuring of the borrower.

Impairment may be individual or collective, or in the form of discounts on loans that have been restructured due to customer default.

Impairment charges and reversals of impairment losses for non-recovery risk are recognised in cost of risk and any increase in the carrying amount of the loan arising from the accretion of the impairment or amortisation of the restructured loan discount is recognised in interest margin.

Impairment losses are discounted and estimated on the basis of several factors, notably business- or sector-related. It is possible that future assessments of the credit risk may differ significantly from current estimates, which may lead to an increase or decrease in the amount of the impairment.

Probable losses in respect off-balance sheet commitments are covered by provisions recognised as liabilities.

Loans individually assessed for impairment

Each loan is first individually assessed for known risk of loss. Projected losses are thus measured by means of individual impairment losses for all types of loans, including collateralised, where there is objective indication of impairment. The amount of impairment losses is the difference between the carrying amount of loans (at amortised cost) and the sum of estimated future flows, discounted at the original effective interest rate.

Possible losses in respect of portfolios of small loans with similar characteristics may be estimated on a statistical basis rather than individually assessed.

Loans collectively assessed for impairment
Statistical and historical customer default experience shows that there is an identified risk of partial uncollectibility of loans not individually impaired. To cover this risk, which cannot by nature be allocated to individual loans, Crédit Agricole S.A. Group takes various collective impairment charges, calculated using models developed on the basis of these statistical data, by way of deduction from asset values. These are determined for each homogenous class of loans displaying similar credit risk characteristics.

Calculation of impairment losses using Basel models
Under Basel regulations, each Crédit Agricole S.A. Group's entity calculates the amount of losses anticipated within one year, using statistical tools and databases, based on a variety of observation criteria that meet the definition of a "loss event" within the meaning of IAS 39.

The amount of impairment is based on the probability of default in each rating class assigned to borrowers, and also on management's experienced judgement.

The amount of this impairment is obtained by applying to the amount of anticipated losses calculated using the Basel models a maturity correction factor designed to take account of the need to record impairment charges for the anticipated losses up to maturity.

Other loans collectively assessed for impairment
Crédit Agricole S.A. Group also sets aside collective impairment charges to cover customer risks that are not allocated to individual loans, such as sector or country at risk impairment losses. These provisions are intended to cover estimated risks based on a sector or geographical analysis for which there is statistical or historical risk of partial non-recovery.

Loan restructuring

Loans restructured due to financial difficulties are loans for which the entity changed the initial financial terms (interest rate, term) for economic or legal reasons connected with the borrower's financial difficulties, in a manner that would not have been considered under other circumstances. They therefore consist of loans that are classified as in default and, since 1 January 2014, performing loans at the date they are restructured.

The reduction of future flows granted to a counterparty, which may notably stem from these flows being postponed as part of the restructuring, results in the recognition of a discount. It represents future loss of cash flow discounted at the original effective interest rate.

It is equal to the difference between:

- the carrying amount of the loan;
- and the sum of theoretical future cash flows from the restructured loan, discounted at the original effective interest rate (defined at the date of the financing commitment).

The loss recognised when a loan is restructured is recorded under cost of risk. Its amortisation then affects the interest margin.

Restructured loans are monitored based on ratings in accordance with Basel rules and are impaired on the basis of the estimated credit risk. They are individually impaired within 30 days of a missed payment.

Restructured loans remain in this category for two years (three years if they were in default when restructured).

Watch list loans

Watch list loans consist of loans for which payment arrears have been recorded but for which no individual impairment has been set aside.

Commercial renegotiations

Renegotiated loans for commercial reasons without financial difficulties of the counterpart with the aim of developing or keeping a commercial relation are derecognised at the date of the renegotiation. The new loans accorded to customers are initially recognised at the same date at fair value and subsequently at the same date at amortised cost using the effective interest rate method according to the conditions of the new contract.

Subsidised loans (IAS 20)

Under French Government measures to support the agricultural and rural sector and to help home buyers, certain Crédit Agricole S.A. Group entities grant subsidised loans at rates fixed by the Government. Consequently, the Government pays these entities the difference between the subsidised lending rate and a predetermined benchmark rate. Accordingly, no discounts are recognised against subsidised loans.

The subsidy system is periodically reviewed by the Government.

In accordance with IAS 20, subsidies received from the Government are recorded under Interest and similar income and spread over the life of the corresponding loans.

Financial liabilities

IAS 39 as endorsed by the European Union recognises three categories of financial liabilities:

- financial liabilities at fair value through profit or loss. Fair value changes on this portfolio are recognised in profit or loss at accounting end-periods;
- financial liabilities designated at fair value through profit or loss. Financial liabilities, provided they meet the conditions specified in the standard, can be designated as at fair value through profit or loss in the following three cases: for hybrid instruments comprising one or more embedded derivatives, where the fair value option would reduce an accounting mismatch or for a group of financial liabilities under management whose performance is measured at fair value. This method is generally used so that derivatives embedded in hybrid instruments do not have to be recognised and measured separately;
- other financial liabilities: this includes other financial liabilities. These liabilities are initially measured at fair value (including transaction income and costs) and subsequently at amortised cost using the effective interest rate method.

The valuation of Group issues recorded at fair value includes the change in own credit risk of the Group.

Securities classified as financial liabilities or equity

Distinction between debt instruments and equity
Securities are classed as debt instruments or equity instruments based on the economic substance of the contractual terms.

The definitions of the underlined words can be found in the Glossary on page 567.

A debt instrument is a contractual obligation to:

- deliver cash or another financial asset; or
- exchange instruments under potentially unfavourable conditions.

An equity instrument is a contract that offers a discretionary return, represents a residual interest in a company's net assets after deducting all liabilities and is not qualified as a debt instrument.

Treasury shares buy-back

Treasury shares (or equivalent derivative instruments, such as stock options) bought back by Crédit Agricole S.A. Group, including shares held to cover stock option plans, do not meet the definition of a financial asset and are deducted from equity. They do not generate any impact on the income statement.

Deposits and savings accounts

All deposits and savings accounts are recorded under the category "Due to customers" in spite of the characteristics of the collection system within Crédit Agricole Group, with deposits originating from the Regional Banks centralised at Crédit Agricole S.A. For the Group, the ultimate counterparty for these deposits is the end customer.

The deposits and savings are initially measured at fair value and subsequently at amortised cost.

Regulated savings products are by nature deemed to be at market rates.

Provisions are taken where necessary against home purchase savings plans and accounts as set out in Note 6.20 "Provisions".

Derivative instruments

Derivative instruments are financial assets or liabilities and are recognised on the balance sheet at fair value at inception of the transaction. At the end of each reporting period, derivatives are measured at fair value, whether they are held for trading purposes or used for hedging.

Any change in the value of derivatives on the balance sheet is recorded in the income statement (except in the special case of a cash flow hedging relationship).

Hedge accounting

Fair value hedges are intended to provide protection from exposure to a change in the fair value of an asset or of a liability that has been recognised, or of a firm commitment that has not been recognised.

Cash flow hedges are intended to provide protection from a change in future cash flows from financial instruments associated with a recognised asset or liability (for example, with all or part of future interest payments on a floating-rate debt) or a projected transaction that is considered to be highly probable.

Hedges of net investments in a foreign operation are intended to provide protection from the risk of an adverse movement in fair value arising from the foreign exchange risks associated with a foreign investment in a currency other than the euro.

Hedges must meet the following criteria in order to be eligible for hedge accounting:

- the hedging instrument and the instrument hedged must be eligible;
- there must be formal documentation from inception, primarily including the individual identification and characteristics of the hedged item, the hedging instrument, the nature of the hedging relationship and the nature of the hedged risk;
- the effectiveness of the hedge must be demonstrated, at inception and retrospectively, by testing at each reporting date.

For interest rate hedges for a portfolio of financial assets or financial liabilities, Crédit Agricole S.A. Group documents the hedging relationship for fair value hedges in accordance with the carve-out version of IAS 39 as endorsed by the European Union.

The Group also documents these hedging relationships based on its gross position in derivative instruments and hedged items.

The effectiveness of the hedging relationships is measured by maturity schedules.

The change in value of the derivative is recorded in the financial statements as follows:

- fair value hedges: the change in value of the derivative is recognised in the income statement symmetrically with the change in value of the hedged item in the amount of the hedged risk. Only the net amount of any ineffective portion of the hedge is recognised in the income statement;
- cash flow hedges: the change in value of the derivative is recognised in the balance sheet through a specific account in other comprehensive income for the effective portion and any eventual ineffective portion of the hedge is recognised in the income statement. Profits or losses on the derivative accrued through other comprehensive income are reclassified in the income statement when the hedged cash flows occur;
- hedges of net investment in a foreign operation: the change in value of the derivative is recognised in the balance sheet in the translation adjustment equity account and any ineffective portion of the hedge is recognised in the income statement.

Where the conditions for benefiting from hedge accounting are no longer met, the following accounting treatment must be applied prospectively:

- fair value hedges: only the hedging instrument continues to be revalued through profit or loss. The hedged item is wholly accounted for according to its classification. For available-for-sale securities, changes in fair value subsequent to the ending of the hedging relationship are recorded in other comprehensive income. For hedged items valued at amortised cost, which were interest rate hedged, the revaluation adjustment is amortised over the remaining life of those hedged items;
- cash flow hedges: the hedging instrument is valued at fair value through profit or loss. The amounts accumulated in other comprehensive income under the effective portion of the hedging remain in other comprehensive income until the hedged element affects profit or loss. For interest rate hedged instruments, income statement is affected according to the payment of interest. The revaluation adjustment is therefore amortised over the remaining life of those hedged items;
- hedges of net investment in a foreign operation: the amounts accumulated in other comprehensive income under the effective portion of the hedging remain in other comprehensive income as long as the net investment is held. The income is recorded once the net investment in a foreign operation exits the scope of consolidation.

Embedded derivatives

An embedded derivative is a component of a hybrid contract that meets the definition of a derivative product. Embedded derivatives must be accounted for separately from the host contract if the following three conditions are met:

- the hybrid contract is not measured at fair value through profit or loss;
- the embedded component taken separately from the host contract has the characteristics of a derivative;
- the characteristics of the derivative are not closely related to those of the host contract.

Determination of the fair value of financial instruments

When determining the fair value of financial instruments observable inputs must be prioritised. It is presented using the hierarchy defined in IFRS 13.

IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants, on the principal or the most advantageous market, at the measurement date.

Fair value applies individually to each financial asset or financial liability. A portfolio exemption may be used where the management and risk monitoring strategy so allow and are appropriately documented. Thus, certain fair value parameters are calculated on a net basis when a group of financial assets and financial liabilities is managed on the basis of its net exposure to market or credit risks. This is notably true of the CVA/DVA calculation.

The Group considers that the best evidence of fair value is reference to quoted prices published in an active market.

When such quoted prices are not available, fair value is established by using valuation techniques based on observable data or unobservable inputs.

Fair value of structured issues

In accordance with IFRS 13, the Group values its structured issues, recognised at fair value, by taking as a reference the issuer spread that specialist participants agree to receive to acquire new Group issues.

Counterparty risk on derivative instruments

Crédit Agricole S.A. Group incorporates into fair value the assessment of counterparty risk for derivative assets (Credit Valuation Adjustment or CVA) and, using a symmetrical treatment, the non-performance risk for derivative liabilities (Debit Valuation Adjustment or DVA or own credit risk).

The CVA makes it possible to determine the expected losses due to the counterparty from the perspective of Crédit Agricole Group, and DVA, the expected losses due to Crédit Agricole Group from the perspective of the counterparty.

The CVA/DVA is calculated on the basis of an estimate of expected losses based on the probability of default and loss given default. The methodology used maximises the use of observable market inputs. It is primarily based on market data such as registered and listed CDS (or Single Name CDS) or index CDS in the absence of registered CDS on the counterparty. In certain circumstances, historical default data may also be used.

Fair value hierarchy

The standard classifies fair value into three levels based on the observability of inputs used in valuation techniques.

Level 1: fair value corresponding to quoted prices (unadjusted) in active markets.

Level 1 is composed of financial instruments that are directly quoted in active markets for identical assets and liabilities that the entity can access at the measurement date. These are stocks and bonds quoted in active markets (such as the Paris Stock Exchange, the London Stock Exchange or the New York Stock Exchange, etc.) and also fund securities quoted in an active market and derivatives traded on an organised market, in particular futures.

A market is regarded as being active if quoted prices are readily and regularly available from an exchange, broker, dealer, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

For financial assets and liabilities with offsetting market risks, Crédit Agricole S.A. Group uses mid-prices as a basis for establishing fair values for the offsetting risk positions. The Group applies the current asking price to open short positions and the current bid price to open long positions.

Level 2: fair value measured using directly or indirectly observable inputs other than those in Level 1.

The inputs used are observable either directly (*i.e.* prices) or indirectly (derived from prices) and generally consist of data from outside the Company, which are publicly available or accessible and based on a market consensus.

Level 2 is composed of:

- stocks and bonds quoted in an inactive market or not quoted in an active market but for which the fair value is established using a valuation methodology usually used by market participants (such as discounted cash flow techniques or the Black & Scholes model) and based on observable market data;
- instruments that are traded over the counter, the fair value of which is measured with models using observable market data, i.e. derived from various independently available external sources which can be obtained on a regular basis. For example, the fair value of interest rate swaps is generally derived from the yield curves of market interest rates as observed at the reporting date.

When the models are consistent notably with standard models based on observable market data (such as interest rate yield curves or implied volatility surfaces), the day one gain or loss resulting from the initial fair value measurement of the related instruments is recognised in profit or loss at inception.

Level 3: fair value that is measured using significant unobservable inputs.

For some complex instruments that are not traded in an active market, fair value measurement is based on valuation techniques using assumptions that cannot be observed on the market for an identical instrument. These instruments are disclosed within Level 3.

The definitions of the underlined words can be found in the Glossary on page 567.

This mainly concerns complex interest rate instruments, equity derivatives, structured credit instruments for which fair value measurement includes, for instance, correlation or volatility inputs that are not directly benchmarkable with market data.

The transaction price is deemed to reflect the fair value at initial recognition, any recognition of day one gain or loss is deferred.

The margin relating to these structured financial instruments is generally recognised through profit or loss over the period during which inputs are deemed unobservable. When market data become "observable", the remaining margin to be deferred is immediately recognised in profit or loss.

Valuation methodologies and models used for financial instruments that are disclosed within Levels 2 and 3 incorporate all factors that market participants would consider in setting a price. They shall be beforehand validated by an independent control. Fair value measurement notably includes both liquidity risk and counterparty risk.

Absence of accepted valuation method to determine equity instruments' fair value

In accordance with IAS 39 principles, if the estimates obtained using the various methods differ excessively, the security is valued at cost and stays recorded under Available-for-sale financial assets. In this case, the Group does not report a fair value, in accordance with the applicable recommendations of IFRS 7. These primarily include equity investments in companies that are not quoted in an active market and whose fair value is complex to measure.

Net gains (losses) on financial instruments

Net gains (losses) on financial instruments at fair value through profit or loss

For financial instruments designated at fair value through profit or loss and financial assets and liabilities held for trading, this heading mainly includes the following income statement items:

- dividends and other revenues from equities and other variable-income securities which are classified under financial assets at fair value through profit or loss;
- changes in fair value of financial assets or liabilities at fair value through profit or loss;
- gains and losses on disposal of financial assets at fair value through profit or loss;
- changes in fair value and gains and losses on disposal or termination of derivative instruments not included in a fair value hedging relationship or cash flow hedge.

This heading also includes the ineffective portion of hedges.

Net gains (losses) on available-for-sale financial assets

For available-for-sale financial assets, this heading mainly includes the following income statement items:

- dividends and other revenues from equities and other variable-income securities which are classified as available-for-sale financial assets;
- gains and losses on disposal of fixed-income and variable-income securities which are classified as available-for-sale financial assets;
- losses in value of variable-income securities;
- net income on disposal or termination of instruments used for fair value hedges of available-for-sale financial assets when the hedged item is sold;
- gains and losses on disposal or termination of loans and receivables and held-to-maturity securities in those cases provided for by IAS 39.

Offsetting of financial assets and financial liabilities

In accordance with IAS 32, Crédit Agricole S.A. Group nets a financial asset and a financial liability and reports the net amount when, and only when, it has a legally enforceable right to offset the amounts reported and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The derivative instruments and the repurchase agreements handled with clearing houses that meet the two criteria required by IAS 32 have been offset on the balance sheet.

The effect of this offsetting is presented in the table in Note 6.12 on the amendment to IFRS 7 on disclosures regarding the offsetting of financial assets and financial liabilities.

Financial guarantees given

A financial guarantee contract is a contract that calls for specific payments to be made by the issuer to reimburse the holder for a loss incurred due to a specified debtor's failure to make a payment when due under the initial or amended terms of a debt instrument.

Financial guarantee contracts are recognised at fair value initially then subsequently at the higher of:

- the amount calculated in accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets"; or
- the amount initially recognised, less any depreciation recognised in accordance with IAS 18 "Revenue".

Financing commitments that are not designated as fair value through profit or loss or not treated as derivative instruments within the meaning of IAS 39 are not recognised on the balance sheet. They are, however, covered by provisions in accordance with IAS 37.

Derecognition of financial instruments

A financial asset (or group of financial assets) is fully or partially derecognised if:

- the contractual rights to the cash flows from the financial asset expire;
- or are transferred or are deemed to have expired or been transferred because they belong de facto to one or more beneficiaries; and substantially all the risks and rewards of the financial asset are transferred.

In this case, any rights or obligations created or retained at the time of transfer are recognised separately as assets and liabilities.

If the contractual rights to the cash flows are transferred but some of the risks and rewards of ownership as well as control are retained, the financial assets continue to be recognised to the extent of the Group's continuing involvement in the asset.

A financial liability is derecognised in full or in part:

- when it is extinguished; or
- when quantitative or qualitative analyses suggest it has undergone a substantial change following restructuring.

PROVISIONS (IAS 37 AND 19)

Crédit Agricole S.A. Group has identified all obligations (legal or constructive) resulting from a past event for which it is probable that an outflow of resources will be required to settle the obligation, and for which the due date or amount of the settlement is uncertain but can be reliably estimated. These estimates are discounted where applicable whenever there is a material impact.

For obligations other than those related to credit risk, Crédit Agricole S.A. Group has set aside general provisions to cover:

- operational risks;
- employee benefits;
- commitment execution risks;
- claims and liability guarantees;
- tax risks;
- risks related to home purchase savings schemes.

The latter provision is designed to cover the Group's obligations in the event of unfavourable moves impacting home purchase savings schemes. These obligations are: i) to pay a fixed interest rate on the savings contract determined at inception for an undefined period of time; and ii) to grant a loan to home purchase savings plan and account savers at a rate fixed at inception of the contract. The provision is calculated for each generation of home purchase savings plan and for all home purchase savings accounts, with no netting of obligations between generations.

The amount of these obligations is calculated taking account notably of:

- subscriber behaviour models, based on assumptions regarding subscriber behaviour drawn from historical experience, which may not necessarily reflect actual trends in future behaviour;
- an estimate of the amount and term of the loans that will be granted in the future, based on historical experience over an extended period of time;
- the yield curve for market rates and reasonably foreseeable trends.

Certain estimates may be made to determine the amount of the following provisions:

- the provision for operational risks, which although subject to examination for identified risks, requires Management to make assessments with regard to incident frequency and the potential financial impact;
- the provision for legal risks, which is based on Management's best estimate in light of the information in its possession at the end of the reporting period.

Detailed information is provided in Note 6.20 "Provisions".

EMPLOYEE BENEFITS (IAS 19)

In accordance with IAS 19, employee benefits are recorded in four categories:

- short-term employee benefits, including salaries, social security contributions, annual leave, profit-sharing and incentive plans and premiums, are defined as those which are expected to be settled within twelve months of the period in which the related services have been rendered;
- long-term employee benefits (long-service awards, variable compensation and premium payable 12 months or more after the end of the period);
- termination benefits;
- post-employment benefits falling into two categories: defined-benefit schemes and defined-contribution schemes.

Long-term employee benefits

Long-term employee benefits are employee benefits other than post-employment benefits or termination benefits but not fully due to employees within twelve months after the end of the period in which the related services have been rendered.

These include, in particular, bonuses and other deferred compensation payable twelve or more months after the end of the period in which they were earned, but which are not share-based.

The measurement method is similar to the one used by the Group for post-employment benefits with defined-benefit plans.

Post-employment benefits

Defined-benefit plans

At each reporting date, Crédit Agricole S.A. Group sets aside reserves to cover its liabilities for retirement and similar benefits and all other employee benefits falling in the category of defined-benefit plans.

In keeping with IAS 19, these commitments are stated based on a set of actuarial, financial and demographic assumptions, and in accordance with the Projected Credit Units method. Under this method, for each year of service, a charge is booked in an amount corresponding to the employee's vested benefits for the period. The charge is calculated based on the discounted future benefit.

Liabilities for retirement and other future employee benefits are based on assumptions made by Management with respect to the discount rate, staff turnover rate and probable increases in salary and social security costs. If the actual figures differ from the assumptions made, the retirement liability may increase or decrease in future years (see Note 7.4 "Post-employment benefits, defined-benefit plans").

Discount rates are determined based on the average term of the commitment, that is, the arithmetical average of the terms calculated between the valuation date and the payment date weighted by employee turnover assumptions.

The anticipated return on plan assets is also estimated by Management. Returns are estimated on the basis of expected returns on fixed income securities, and notably bond yields.

The expected return on plan assets is determined using discount rates applied to measure the defined benefit obligation.

In accordance with IAS 19 revised, all actuarial gains or losses are recognised in other comprehensive income.

The amount of the provision is equal to:

- the present value of the obligation to provide the defined benefits at the end of the reporting period, calculated in accordance with the actuarial method recommended by IAS 19;
- if necessary, reduced by the fair value of the assets allocated to covering these commitments. These may be represented by an eligible insurance policy. In the event that 100% of the obligation is covered by a policy that meets exactly the expense amount payable over the period for all or part of a

The definitions of the underlined words can be found in the Glossary on page 567.

defined-benefit plan, the fair value of the policy is deemed to be the value of the corresponding obligation, i.e. the amount of the corresponding actuarial liability.

For such obligations that are not covered, a provision for retirement benefits is recognised under Provisions on the liabilities side of the balance sheet. This provision is equal to Crédit Agricole S.A. Group's liabilities towards employees in service at financial year-end, governed by the Crédit Agricole Group collective agreement that came into effect on 1 January 2005.

A provision to cover the cost of early retirement commitments is also listed under Provisions. This provision covers the additional discounted cost of the various early retirement agreements signed by Crédit Agricole Group entities under which employees of eligible age may take early retirement.

Lastly, certain Group companies are liable to pay supplementary retirement benefits. A provision is calculated on the basis of the Company's actuarial liability for these benefits. These provisions are also shown on the liabilities side of the balance sheet under Provisions.

Defined contribution plans

Employers contribute to a variety of compulsory pension schemes. Pension schemes assets are managed by independent organisations and the contributing companies have no legal or implied obligation to pay additional contributions if the funds managed do not have sufficient assets to cover all benefits corresponding to services rendered by employees during the year and during prior years. Consequently, Crédit Agricole S.A. Group has no liabilities in this respect other than its on-going contributions.

SHARE-BASED PAYMENTS (IFRS 2)

IFRS 2 on "Share-based payment" requires valuation of share-based payment transactions in the Company's income statement and balance sheet. This standard applies to transactions with employees and more specifically to:

- share-based payment transactions settled in equity instruments;
- share-based payment transactions settled in cash.

Share-based payment plans initiated by Crédit Agricole S.A. Group that are eligible for IFRS 2 are mainly transactions settled in equity instruments (stock options, free share allocation plans, variable compensation settled in indexed cash or in shares, etc.).

Options granted are measured at their fair value on the date of grant primarily using the Black & Scholes model. These options are recognised as a charge under Employee expenses, with a corresponding adjustment to equity, spread over the vesting period (four years for existing plans).

Employee share issues offered to employees as part of the Employee savings plans are also subject to the IFRS 2 standard. Shares may be offered to employees with a maximum discount of 20%. These plans have no vesting period but the shares are subject to a lock-up period of five years. The benefit granted to employees is measured as the difference between the fair value per share acquired taking account of the lock-up period and the purchase price paid by the employee on the subscription date multiplied by the number of shares subscribed.

A more detailed description of the method, existing plans and valuation methods is provided in Note 7.6 "Share-based payments".

The cost of share based payments settled in Crédit Agricole S.A. equity instruments and the cost of share subscriptions are recognised in the financial statements of the entities that employ the plan beneficiaries. The impact is recorded under Employee expenses, with a corresponding increase in Consolidated reserves-Group share.

CURRENT AND DEFERRED TAXES

In accordance with IAS 12, the income tax charge includes all income taxes, whether current or deferred.

IAS 12 defines current tax liability as "the amount of income tax payable (recoverable) in respect of the taxable profit (tax loss) for a reporting period". Taxable income is the profit (or loss) for a given accounting period measured in accordance with the rules determined by the tax authorities.

The applicable rates and rules used to measure the current tax liability are those in effect in each country where the Group's companies are established.

The current tax liability includes all taxes on income, payable or recoverable, for which payment is not subordinated to the completion of future transactions, even if payment is spread over several years.

The current tax liability must be recognised as a liability until it is paid. If the amount that has already been paid for the current year and previous years exceeds the amount due for these years, the surplus must be recognised under assets.

Moreover, certain transactions carried out by the entity may have tax consequences that are not taken into account in measuring the current tax liability. IAS 12 defines a difference between the carrying amount of an asset or liability and its tax base as a temporary difference.

This standard requires that deferred taxes be recognised in the following cases:

- a deferred tax liability should be recognised for any taxable temporary differences between the carrying amount of an asset or liability on the balance sheet and its tax base, unless the deferred tax liability arises from:
  - initial recognition of goodwill,
  - the initial recognition of an asset or a liability in a transaction that is not a business combination and that does not affect either the accounting or the taxable profit (taxable loss) at the transaction date;
- a deferred tax asset should be recognised for any deductible temporary differences between the carrying amount of an asset or liability on the balance sheet and its tax base, insofar as it is deemed probable that a future taxable profit will be available against which such deductible temporary differences can be allocated;
- a deferred tax asset should also be recognised for carrying forward unused tax losses and tax credits insofar as it is probable that a future taxable profit will be available against which the unused tax losses and tax credits can be allocated.

The tax rates applicable in each country are used as appropriate.

Deferred taxes are not discounted.

Taxable unrealised gains on securities do not generate any taxable temporary differences between the carrying amount of the asset and the tax base. As a result, deferred tax is not recognised on these gains. When the relevant securities are classified as available-for-sale securities, unrealised gains and losses are recognised directly through other comprehensive income. The tax charge or saving effectively borne by the entity arising from these unrealised gains or losses is reclassified as a deduction from these gains.

In France long-term capital gains on the sale of equity investments, as defined by the General Tax Code, are exempt from tax as from the tax year commencing on 1 January 2007; with the exception of 12% of long-term capital gains that are taxed at the normally applicable rate. Accordingly, unrealised gains recognised at the end of the year generate a temporary difference requiring the recognition of deferred tax on this share.

Current and deferred tax is recognised in net income for the financial year, unless the tax arises from:

- either a transaction or event that is recognised directly through other comprehensive income, during the same year or during another year, in which case it is directly debited or credited to other comprehensive income;
- or a business combination.

Deferred tax assets and liabilities are offset against each other if, and only if:

- the entity has a legally enforceable right to offset current tax assets against current tax liabilities; and
- the deferred tax assets and liabilities apply to income taxes assessed by the same tax authority:

a) either for the same taxable entity, or

b) for different taxable entities that intend either to settle current tax assets and liabilities on a net basis, or to settle their tax assets and liabilities at the same time during each future financial year in which it is expected that substantial deferred tax assets or liabilities will be paid or recovered.

When tax credits on income from securities portfolios and amounts receivable are effectively used to pay income tax due for the year, they are recognised under the same heading as the income with which they are associated. The corresponding tax charge continues to be recognised under the Income tax charge heading in the income statement.

However, given that the legislative intent when introducing the tax credit for competitiveness and employment (*Crédit d'impôt pour la compétitivité et l'emploi* – CICE) was to reduce employee expenses, Crédit Agricole S.A. Group chose to recognise the CICE (Article 244 *quater* C of the French General Tax Code – CGI) as a reduction in employee expenses.

TREATMENT OF FIXED ASSETS (IAS 16, 36, 38 AND 40)

Crédit Agricole S.A. Group applies component accounting for all of its property, plant and equipment. In accordance with the provisions of IAS 16, the depreciable amount takes account of the potential residual value of property, plant and equipment.

Land is measured at cost less any impairment losses.

Property used in operations, investment property and equipment are measured at cost less accumulated depreciation and impairment losses since the time they were placed in service.

Purchased software is measured at acquisition cost less accumulated depreciation and impairment losses since acquisition.

Proprietary software is measured at cost less accumulated depreciation and impairment losses since completion.

Apart from software, intangible assets are mainly assets acquired during a business combination resulting from contractual rights (e.g. distribution agreement). These were valued on the basis of corresponding future economic benefits or expected service potential.

Fixed assets are depreciated over their estimated useful lives.

The following components and depreciation periods have been adopted by Crédit Agricole S.A. Group following the application of the measures on component accounting for property, plant and equipment. These depreciation periods are adjusted according to the type of asset and its location:

Component	Depreciation period
Land	Not depreciable
Structural works	30 to 80 years
Non-structural works	8 to 40 years
Plant and equipment	5 to 25 years
Fixtures and fittings	5 to 15 years
Computer equipment	4 to 7 years
Special equipment	4 to 5 years

Exceptional depreciation charges corresponding to tax-related depreciation and not to any real impairment in the value of the asset are eliminated in the consolidated financial statements.

Based on available information, Crédit Agricole S.A. Group has concluded that impairment testing would not lead to any change in the existing amount of its fixed assets at the end of the reporting period.

FOREIGN CURRENCY TRANSACTIONS (IAS 21)

In accordance with IAS 21, a distinction is made between monetary and non-monetary items.

On the reporting date, foreign-currency denominated monetary assets and liabilities are translated into Crédit Agricole S.A. Group's functional currency at the closing rate. The resulting translation adjustments are recorded in the income statement. There are two exceptions to this rule:

- for available-for-sale financial assets, only the translation adjustments calculated on amortised cost are taken to the income statement; the balance is recorded in equity;
- translation adjustments on elements designated as cash flow hedges or forming part of a net investment in a foreign entity are recognised in other comprehensive income.

Non-monetary items are treated differently depending on the type of items:

- items at historical cost are measured at the foreign exchange rate on the transaction date;

The definitions of the underlined words can be found in the Glossary on page 567.

- items at fair value are measured at the foreign exchange rate at the end of the reporting period.

Translation adjustments on non-monetary items are recognised:

- in the income statement if the gain or loss on the non-monetary item is recorded in the income statement;
- in other comprehensive income if the gain or loss on the non-monetary item is recorded in other comprehensive income.

FEES AND COMMISSIONS (IAS 18)

Fee and commission income and expenses are recognised in income based on the nature of services with which they are associated:

- fees and commissions that are an integral part of the effective yield on a financial instrument are recognised as an adjustment to the yield on the instrument and included in its effective interest rate;
- when the result from a transaction involving the rendering of services can be estimated reliably, revenue from fees and commissions associated with the transaction is recognised in Fees and commissions by reference to the stage of completion of the transaction at the end of the reporting period:

a) fees and commissions paid or received in consideration for non-recurring services are fully recognised in the income statement.

Fees and commissions payable or receivable that are contingent upon meeting a performance target are recognised only if all the following conditions are met:

i) the amount of fees and commissions can be reliably estimated,

ii) it is probable that the future economic benefits from the services rendered will flow to the Company,

iii) the stage of completion of the service can be reliably estimated, and the costs incurred for the service and the costs to complete it can be reliably estimated;

b) fees and commissions in consideration for on-going services, such as fees and commissions on payment instruments, are recognised in the income statement and spread over the duration of the service rendered.

INSURANCE BUSINESSES (IFRS 4)

Liabilities remain partially valued under French GAAP, as permitted by IAS and IFRS regulations, pending further amendments to the existing standards. Financial assets held by Crédit Agricole S.A. Group's insurance companies have been reclassified into the financial assets categories set out in IAS 39.

The technical reserves of non-life insurance contracts include (i) reserves for claims, to cover the total cost of claims incurred but not yet paid, and (ii) reserves relating to earned premiums (mainly provisions for unearned premiums), allowing for the recognition of premiums relating to risks hedged over the course of a financial year as earnings for said year, and therefore to carry forward the portion of premiums written over the course of the year for a risk hedging period subsequent to the current financial year.

The mathematical provisions of life insurance contracts and financial contracts containing discretionary participation features correspond to the difference between the current value of insurer commitments and policyholder commitments. Provisions are calculated using actuarial methods that include assumptions pertaining to the premiums, the performance of financial assets, contract redemption rates and changes in operating expenses.

Contracts containing discretionary participation features are collectively classified as a liability under insurance company's technical reserves. They are recognised in the same way as insurance contracts. Premiums on these contracts are recognised as income and the increase in obligations to policyholders is recognised as an expense.

Life insurance technical reserves are conservatively estimated based on the technical rates defined in the contracts. Liabilities associated with contracts with or without discretionary participation features or minimum guarantee are measured based on the fair value of the underlying assets or its equivalent at the end of the reporting period and are recorded under financial liabilities.

The financial margin on these policies is taken to profit or loss, after reversal of technical items (premiums, benefits, etc.), according to deposit accounting principles.

Property and casualty insurance policy liabilities are estimated at the end of the reporting period, without applying any discount. Claims management costs associated with technical reserves are charged to a provision in the financial statements at the reporting date.

For non-life insurance contracts, acquisition costs are recognised as and when the premium is earned. For life insurance contracts, directly identifiable acquisition costs are deferred over the profit generation period.

Total expenses related to the insurance business are presented in Note 4.5 "Net income (expenses) on other activities".

As permitted by the extension of local GAAP specified by IFRS 4 and CRC Regulation 2000-05 pertaining to consolidated financial statements for insurance companies, "shadow accounting" is used to account for insurance liabilities for contracts with discretionary participation features. Under this practice, positive or negative valuation differences in the corresponding financial assets that will potentially revert to policyholders are recognised in a "Deferred profit sharing" account.

This policyholders' deferred profit sharing is recognised on the liabilities side of the balance sheet under Insurance company technical reserves or on the asset side with an offsetting entry in the income statement or in the valuation reserve, in the same way as unrealised gains and losses on the underlying assets.

The method used for valuation of deferred policyholders' profit-sharing, resulting from the application of shadow accounting, was changed in 2015.

The rate of deferred policyholders' profit-sharing, previously based on historically observed data, is now valued prospectively on the basis of analysis scenarios consistent with the Company's management policies. It is only updated if it changes significantly.

To determine whether the deferred profit-sharing asset is recoverable, tests are carried out to determine whether any unrealised losses can be applied to future surpluses before testing for liability shortfall in accordance with the CNC recommendation of 19 December 2008.

These tests are based:

- firstly, on liquidity analyses of the Company, which show the company's capacity to access funding sources to meet its obligations and its ability to hold assets with unrealised losses even if new production declines. The tests were performed with and without new production;
- secondly, on a comparison between the average value of future services measured by the internal model replicating the Company's management decisions and the value of the assets representing the obligations at market value. This shows the company's ability to meet its obligations.

Lastly, sensitivity tests on the ability to activate the deferred profit sharing are also carried out:

- in the event of a uniform 10% increase in redemptions applied to redemption rates drawn from scenarios similar to those used by the French Regulatory and Resolution Supervisory Authority;
- in the event of an additional 10% decline in the equity markets.

In accordance with IFRS 4, at each reporting date, the Group also ascertains that insurance liabilities (net of deferred acquisition costs and associated intangible assets) are adequate to meet estimated future cash flows.

The liability adequacy test used to verify this must meet the following minimum requirements, as defined in paragraph 16 of the standard:

- it must consider all future contractual cash flows, including associated management costs, fees and commissions as well as options and guarantees implicit in these contracts;

If the test shows that the liability is inadequate, it is wholly recognised in profit or loss.

LEASES (IAS 17)

As required by IAS 17, leases are analysed in accordance with their substance and financial reality. They are classified as operating leases or finance leases.

Finance lease transactions are treated as an acquisition of a fixed asset by the lessee financed by a loan from the lessor.

In the lessor's financial statements, analysis of the economic substance of the transactions results in the following:

- recognition of a financial receivable from the customer, which is amortised by the lease payments received;
- lease payments are broken down into interest and principal, known as financial amortisation;
- recognition of a net reserve for unrealised gains or losses. This is equal to the difference between:

a) the net lease receivable: amount owed by the lessee, comprising outstanding finance lease receivable and financial amortisation for the period between the most recent instalment and the reporting date,

b) the net carrying amount of the leased fixed assets,

c) the provision for deferred taxes.

In the lessee's financial statements, finance leases are restated such that they are recognised in the same way as if the asset had been purchased on credit, by recognising a financial liability, recording the purchased asset on the balance sheet and depreciating the asset.

In the income statement, the theoretical depreciation charge (the charge that would have been recognised if the asset had been purchased) and the finance expenses (incurred in connection with the financing) are recorded in the place of the lease payments.

For operating leases, the lessee recognises payments as expenses and the lessor records the corresponding income under rents, and the leased assets on its balance sheet.

NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (IFRS 5)

A non-current asset (or a disposal group) is classified as held-for-sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use.

For this to be the case, the asset (or disposal group) must be available for immediate sale in its present condition and its sale must be highly probable.

The relevant assets and liabilities are shown separately on the balance sheet under Non-current assets held-for-sale and discontinued operations and Liabilities associated with non-current assets held-for-sale and discontinued operations.

A non-current asset (or disposal group) classified as held-for-sale is measured at the lower of its carrying amount and fair value less costs of sale. In case of unrealised losses, impairment is recognised in the income statement. Non current assets are no longer amortised when they are reclassified.

If the fair value of a group held for sale less selling costs is less than its carrying amount after impairment of non-current assets, the difference is allocated to other group held for sale assets including the financial assets and is recognised under net income of held-for-sale operations.

A discontinued operation is a component that the Group has either disposed of, or that is classified as held-for-sale, according to the following situations:

- it represents a separate major business line or geographical area of operations;
- it is part of a single coordinated plan to dispose of a separate major business line or geographical area of operations; or
- it is a subsidiary acquired exclusively with a view to resale.

The following are disclosed on a separate line of the income statement:

- the profit or loss from discontinued operations until the date of disposal, net of tax;
- the gain or loss recognised on the disposal or on measurement to fair value less costs of sale of the assets and liabilities constituting the discontinued operations, net of tax.

1.4 Consolidation principles and methods (IFRS 10, IFRS 11 and IAS 28)

SCOPE OF CONSOLIDATION

The consolidated financial statements include the financial statements of Crédit Agricole S.A. and those of all companies over which, in compliance with IFRS 10, IFRS 11 and IAS 28, Crédit Agricole S.A. exercises control, joint control or significant influence.

Definitions of control

In compliance with international accounting standards, all entities under control, under joint control or under significant influence are consolidated, provided that they are not covered by the exclusions below.

Exclusive control over an entity is deemed to exist if Crédit Agricole S.A. is exposed to or entitled to receive variable returns as a result of its involvement with the entity and if the power it holds over this entity allows it to influence these returns. Power in this context means substantive (voting or contractual) rights. Rights are considered substantive if the holder of the rights can in practice exercise them when decisions about the Company's relevant activities are made.

Crédit Agricole S.A. is deemed to control a subsidiary through voting rights when its rights give it the practical ability to direct the subsidiary's relevant activities. Crédit Agricole S.A. is generally

The definitions of the underlined words can be found in the Glossary on page 567.

considered to control a subsidiary when it holds more than half the existing or potential voting rights in an entity, whether directly or indirectly through subsidiaries, except when it can be clearly demonstrated that such ownership does not give it the power to direct its relevant activities. Control is also deemed to exist where Crédit Agricole S.A. holds half or less than half of the voting rights, including potential rights, in an entity but is able in practice to direct its relevant activities at its sole discretion, notably because of the existence of contractual arrangements, the size of its stake in the voting rights compared to those of other investors, or other reasons.

Control of a structured entity is not assessed on the basis of voting rights as these have no effect on the entity's returns. When assessing control, consideration is given not only to contractual arrangements in force but also to whether Crédit Agricole S.A. was involved in creating the entity and what decisions it made at that time, what agreements were made at its inception and what risks are borne by Crédit Agricole S.A., any rights under agreements that give the investor the power to direct relevant activities in specific circumstances only and any other facts or circumstances that indicate the investor can direct the entity's relevant activities. Where there is a management agreement, the extent of decision-making powers granted to the delegated manager and the remuneration accorded by such contractual arrangements are examined to establish whether the manager is in practice acting as an agent (with delegated powers) or as a principal (on their own account).

Furthermore, when decisions on the entity's relevant activities are taken, the indicators used to assess whether an entity is acting as agent or principal are as follows: the extent of the decision-making powers compared to the powers over the entity delegated to the manager, the remuneration provided for under the contractual arrangements, any substantive rights that may affect the decision-making capacity of other parties involved in the entity and the exposure to variable returns of other interests in the entity.

Joint control is deemed to exist when there is a contractual division of control over an economic activity. Decisions affecting the entity's relevant activities require unanimous agreement of the joint controllers.

In traditional entities, significant influence is defined as the power to influence but not control a company's financial and operational policies. Crédit Agricole S.A. is presumed to have significant influence if it owns 20% or more of the voting rights in an entity, whether directly or indirectly through subsidiaries.

Exclusions from the scope of consolidation

In accordance with IAS 28.18 minority interests held by venture capital entities are excluded from the scope of consolidation insofar as they are classified under financial assets at fair value through profit or loss (including financial assets held for trading and financial assets designated at fair value through profit or loss).

CONSOLIDATION METHODS

The methods of consolidation are respectively defined by IFRS 10 and IAS 28 (revised). They depend on the type of control exercised by Crédit Agricole S.A. over the entities that can be consolidated, regardless of activity or whether or not they have legal entity status:

- full consolidation, for controlled entities, including entities with different financial statement structures, even if their business is not an extension of that of Crédit Agricole S.A.;
- the equity method, for the entities over which Crédit Agricole S.A. exercises significant influence and joint control.

Full consolidation consists in substituting for the value of the shares each of the assets and liabilities carried by each subsidiary. The equity and income attributable to non-controlling interests is presented separately in the consolidated balance sheet and income statement.

Non-controlling interests are as defined by IFRS 10 and incorporate instruments representing present ownership interests and that give right to a proportional share of the net assets in the event of liquidation and the other equity instruments issued by the subsidiary and not held by the Group.

The equity method consists in substituting for the value of shares the Group's proportional share of the equity and income of the companies concerned.

The change in the carrying amount of these shares includes changes in goodwill.

In the event of incremental share purchases or partial disposals with continued joint control or significant influence, Crédit Agricole S.A. Group recognises:

- in the case of an increase in the percentage of interest, additional goodwill;
- in the case of a reduction in the percentage of interest, a gain or loss on disposal/dilution in profit or loss.

RESTATEMENTS AND ELIMINATIONS

Where necessary, financial statements are restated to harmonise the valuation methods applied by consolidated companies.

The impact of Group internal transactions on the consolidated balance sheet and income statement is eliminated for fully consolidated entities.

Capital gains or losses arising from intra-Group asset transfers are eliminated; any potential lasting impairment measured at the time of disposal in an internal transaction is recognised.

TRANSLATION OF FOREIGN SUBSIDIARIES' FINANCIAL STATEMENTS (IAS 21)

Financial statements of subsidiaries denominated in foreign currencies are translated into euros in two stages:

- if applicable, the local currency in which the financial statements are prepared is translated into the functional currency (currency of the main business environment of the entity). The translation is made as if the information had been recognised initially in the functional currency (same translation principles as for foreign currency transactions);
- the functional currency is translated into euros, the currency in which the Group's consolidated financial statements are presented. Assets and liabilities are translated at the closing rate. Income and expenses included in the income statement are translated at the average exchange rate for the period. Translation adjustments for assets, liabilities and income statement items are recorded under a specific item in equity. These translation differences are recognised as income during the total or partial transfer of the entity. In the event of the sale of a subsidiary (exclusive control), the reclassification of equity as income takes place only in the event of a loss of control.

BUSINESS COMBINATIONS – GOODWILL

Business combinations are accounted for using the acquisition method in accordance with IFRS 3, except for business combinations under common control (in particular mergers of Regional Banks), which are excluded from the field of application of IFRS 3. Pursuant to IAS 8, these transactions are entered at carrying amount using the pooling of interests method, with reference to US standard ASU805-50 which seems to comply with the IFRS general principles.

On the date of acquisition, the identifiable assets, liabilities and contingent liabilities of the acquired entity which satisfy the conditions for recognition set out in IFRS 3 are recognised at their fair value.

Notably, restructuring liabilities are only recognised as a liability of the acquired entity if, at the date of acquisition, the acquiree is under an obligation to complete the restructuring.

Price adjustment clauses are recognised at fair value even if their application is not probable. Subsequent changes in the fair value of clauses if they are financial liabilities are recognised in the income statement. Only price adjustment clauses relating to transactions where control was obtained at the latest by 31 December 2009 may still be recorded against goodwill, because these transactions were accounted for under IFRS 3 pre revision (2004).

The non-controlling interests that are shares of current interests giving rights to a share of the net assets in the event of liquidation may be measured, at acquirer's choice, in two ways:

- at fair value on the date of acquisition;
- at the share of the identifiable assets and liabilities of the acquired company revalued at fair value.

The option may be exercised at each acquisition.

The balance of interests not allowing control (equity instruments issued by the subsidiary and not held by the Group) should be recognised for its fair value on the date of acquisition.

The initial assessment of assets, liabilities and contingent liabilities may be revised within a maximum period of 12 months after the date of acquisition.

Some transactions relating to the acquired entity are recognised separately from the business combination. This applies primarily to:

- transactions that end an existing relationship between the acquired company and the acquiring company;
- transactions that compensate employees or the selling shareholders of the acquired company for future services;
- transactions whose aim is to have the acquired company or its former shareholders repay expenses borne by the acquirer.

These separate transactions are generally recognised in the income statement at the acquisition date.

The transferred consideration at the time of a business combination (the acquisition cost) is measured as the total of fair values transferred by the acquirer, on the date of acquisition in exchange for control of the acquired entity (for example: cash, equity instruments, etc.).

The costs directly attributable to the business combination shall be recognised as expenses, separately from the business combination. If the transaction has very strong possibilities of occurring, they are recognised under the heading Net gains (losses) on other assets, otherwise they are recognised under the heading Operating expenses.

The difference between the sum of acquisition costs and non-controlling interests and the net balance on the date of acquisition of acquired identifiable assets and liabilities assumed, valued at their fair value, is recognised, when it is positive, in the assets side of the consolidated balance sheet, under the heading Goodwill when the acquired entity is fully consolidated and under the heading Investments in equity-accounted entities when the acquired company is consolidated using the equity method of accounting. Any badwill is recognised immediately through profit or loss.

Goodwill is carried in the balance sheet at its initial amount in the currency of the acquired entity and translated at the closing rate at the end of the reporting period.

When control is taken by stages, the interest held before taking control is revalued at fair value through profit or loss at the date of acquisition and the goodwill is calculated once, using the fair value at the date of acquisition of acquired assets and liabilities taken over.

Goodwill is tested for impairment whenever there is objective evidence of a loss of value and at least once a year.

The choices and assumptions used in assessing the holdings that do not allow control at the date of acquisition may influence the amount of initial goodwill and any impairment resulting from a loss of value.

For the purpose of impairment testing, goodwill is allocated to the Group Cash Generating Units (CGUs) that are expected to benefit from the business combination. The CGUs have been defined within the Group's business lines as the smallest identifiable group of assets and liabilities functioning in a single business model. Impairment testing consists of comparing the carrying amount of each CGU, including any goodwill allocated to it, with its recoverable amount.

The recoverable amount of the CGU is defined as the higher of fair value diminished of selling costs and value in use. The value in use is the present value of the future cash flows of the CGU, as set out in medium-term business plans prepared by the Group for management purposes.

When the recoverable amount is lower than the carrying amount, a corresponding impairment loss is recognised for the goodwill allocated to the CGU. This impairment is irreversible.

In the case of an increase in the percentage ownership interest of the Group in an entity that is already exclusively controlled, the difference between the acquisition cost and the share of net assets acquired is recognised under the item Consolidated reserves, Group share; in the event that the Group's percentage ownership interest in an entity that remains under its exclusive control declines, the difference between the selling price and the carrying amount of the share of net assets sold is also recognised directly under Consolidated reserves, Group share. The expenses arising from these transactions are recognised in equity.

The accounting treatment of sale options granted to minority shareholders is as follows:

- when a sale option is granted to the minority shareholders of a fully consolidated subsidiary, a liability is recognised in the balance sheet; on initial recognition, the liability is measured at the estimated present value of the exercise price of the options granted to the minority shareholders. Against this

The definitions of the underlined words can be found in the Glossary on page 567.

liability, the share of net assets belonging to the minority shareholders concerned is reduced to zero and the remainder is deducted from equity;

- subsequent changes in the estimated value of the exercise price will affect the amount of the liability, offset by an equity adjustment. Symmetrically, subsequent changes in the share of net assets due to minority shareholders are cancelled, offset in equity.

When there is a loss of control, the proceeds from the disposal are calculated on the entirety of the entity sold and any investment share kept is recognised in the balance sheet at its fair value on the date control was lost.

NOTE 2 Major structural transactions and material events during the period

The scope of consolidation and changes to it are shown in detail at the end of the notes in Note 11 "Scope of consolidation at 31 December 2017".

2.1 Tax law changes in France and the United States

ELIMINATION OF THE 3% SURTAX ON DIVIDENDS FOR FRENCH COMPANIES FOLLOWING THE DECISION OF THE FRENCH CONSTITUTIONAL COURT

Following the ruling by the Court of Justice of the European Union on 17 May 2017 that it violated European Directive 2011/96/EU on the common system of taxation applicable in the case of parent companies and subsidiaries of different Member States, the Constitutional Court found the 3% surtax on dividends unconstitutional in its judgement of 6 October 2017, regardless of whether these dividends represent operating profits or dividends of French and foreign subsidiaries.

The 2018 Finance Act thus removed the 3% surtax on dividends from the French General Tax Code. This provision applies to distributions paid out on or after 1 January 2018. The Group also applied for tax relief for prior financial years.

The impact on the Group's net income corresponds to a request for the repayment of €81 million in respect of this surtax (excluding default interest).

FRENCH TAX LAW CHANGES

The first 2017 Amending Finance Act was approved by the French National Assembly on 1 December 2017, followed by the 2018 Finance Act and the second 2017 Amending Finance Act on 21 December 2017. The corporate income tax changes had a significant effect on the financial statements of Crédit Agricole S.A. Group as of 31 December 2017.

Changes to the French corporate income tax rate by 2019/2022

The 2018 Finance Act speeds up the implementation of the reduction in the standard corporate income tax rate for financial years beginning on or after 1 January 2019. For the 2019, 2020, 2021 and 2022 financial years, the maximum standard rate, including the 3.3% social contribution, will be reduced to 32.03%, 28.92%, 27.37% and 25.83%, respectively.

Deferred tax assets and liabilities at 31 December 2017 were measured at the amount that is expected to be paid to or received from the tax authorities having regard to the dates of repayment or the recoverability of the deferred tax bases.

The impact of this law change on the Group's consolidated financial statements is a €61 million decrease of the deferred tax assets through profit and loss.

Extraordinary corporate income tax contributions by large French corporates

Following the striking down as unconstitutional of the 3% surcharge on dividend distributions (see above), the following were introduced for financial years ending from 31 December 2017 to 30 December 2018:

- an extraordinary contribution equal to 15% of the corporate income tax payable (before deduction of relief, tax credits and tax receivables of all kinds) by companies with Revenues of over €1 billion. This extraordinary contribution raises the corporate income tax rate to 39.43%;
- an additional contribution equal to 15% of the corporate income tax payable (before deduction of relief, tax credits and tax receivables of all kinds) by companies with Revenues of over €3 billion. This extraordinary contribution raises the corporate income tax rate to 44.43%.

The impact on the Group's net income is an additional tax charge of -€336 million.

US TAX LAW CHANGES

Change in the US corporate income tax rate from 1 January 2018

Among other features, the US tax reform adopted at the end of December 2017 cuts the tax rate on corporate profits from 35% to 21%.

Applicable from 1 January 2018, this tax cut has an immediate impact on the deferred taxes of the Group's US subsidiaries, primarily pertaining to the Large customers and Asset gathering business lines.

The recognition of the future corporate income tax reduction on the deferred tax assets and liabilities of the Group's US companies had an impact of -€78 million in 2017.

2.2 Main changes in the scope of consolidation

ACQUISITION OF PIONEER INVESTMENTS

On 3 July 2017, Amundi acquired the Pioneer Investments group companies from Pioneer Global Asset Management S.p.A. ("PGAM"), a UniCredit subsidiary, for a cash consideration of €3,539 million, closing the agreement reached on December 2016.

Founded in 1928, Pioneer Investments is an international asset management group active in 27 countries. Pioneer Investments primarily operates in Milan, Boston, Dublin and London and has a significant presence among others in Germany, Austria and the Czech Republic. It had around 1,800 employees on the acquisition date.

This deal created the 8th largest global asset management player in terms of assets under management. The combined entity will service all customer segments with a wide range of products and solutions coupled with unrivalled quality of service and commitment.

The 18 subsidiaries and 12 branches acquired are presented in Note 11 "Scope of consolidation at 31 December 2017". They are all fully consolidated, with the Group having a 68.5% interest.

This acquisition was financed, for €1,413 million, by Amundi's capital increase, completed in March 2017, of which €578 million was subscribed by the Group, available capital of €1,481 million, and the issuance of senior and subordinated debt for €645 million subscribed by Crédit Agricole S.A.

Impact of Amundi's capital increase in the consolidated financial statements of Crédit Agricole S.A.

The Group has sold some of its preferential subscription rights for €65 million. As a result of this dilutive capital increase, Crédit Agricole S.A. Group holds 68,5% of Amundi's equity before restatement of Amundi's treasury shares.

Under IFRS 3 (Revised), changes in an equity interest in a fully consolidated entity, without loss of control, are recognised in equity.

The capital increase and the sale of the preferential subscription rights, considered as transactions between shareholders, are recognised in equity.

This capital increase and the sale of the preferential subscription rights resulted in a €98 million increase in consolidated reserves and a €817 million increase in non-controlling interests.

Other impacts of Pioneer's acquisition on the consolidated financial statements of Crédit Agricole S.A. Group

This acquisition increased the Group's balance sheet by €3.5 billion.

The post-combination balance sheet, prepared as of 3 July 2017, reflects the fair value of the assets acquired and liabilities assumed by the Group, namely €644 million, as well as the assets and liabilities identified in the course of allocating goodwill for €339 million net of deferred taxes and that mainly relate to the distribution agreements pertaining to retail customers in Italy, Germany, Austria and the Czech Republic.

The goodwill from the deal totalled €2.5 billion (see Note 6.18 "Goodwill").

In accordance with IFRS 3 (Revised), the assets acquired and liabilities assumed from the subgroup acquired were identified, classified and measured at fair value at the acquisition date; this process could be finalised within 12 months of the acquisition.

Contribution to the Group's consolidated net income and net income of the combined entity

Pursuant to IFRS 3 (Revised), the following are communicated:

- the Revenues and Net income of Pioneer Investments since the acquisition date, as included in the consolidated income statement at 31 December 2017;
- the Revenues and Net income of the Crédit Agricole S.A. Group for the 2017 financial year, as if Pioneer Investments had been acquired at the beginning of the 2017 financial year.

(in millions of euros)	Contribution of Pioneer Investments since the acquisition	Impact as if Pioneer Investments had been acquired at the beginning of the 2017
Revenues	408	19,060
Net income	106	4,343

ACQUISITION OF THREE ITALIAN SAVINGS BANKS

Following the agreement reached with the Italian Interbank Deposit Protection Fund, on 21 December 2017, Crédit Agricole Cariparma acquired 95% of the share capital of the Cesena, Rimini and San Miniato savings banks for €130 million. Following receipt of all regulatory clearance, these entities were fully consolidated in the financial statements as of 31 December 2017.

In order to fund this deal, on 21 December 2017 Crédit Agricole Cariparma carried out a €320 million capital increase to which Crédit Agricole S.A. subscribed for €256 million.

In accordance with IFRS 3 (Revised), the post-combination balance sheets of these three banks, as of 21 December 2017, reflect the fair value of the assets acquired and liabilities assumed by the Group, namely €538 million. On this basis, badwill totalling €408 million was recognised under "Change in value of goodwill" in the income statement.

The work to identify, classify and measure the assets and liabilities of the companies acquired may be finalised within twelve months of the acquisition.

The contribution of these three banks to the Group's consolidated net income and the net income of the combined entity, excluding the impact of badwill, is not material.

The definitions of the underlined words can be found in the Glossary on page 567.

ACQUISITION BY CRÉDIT AGRICOLE S.A. OF THE 15% STAKE IN CACEIS HELD BY NATIXIS

On 22 December 2017, Crédit Agricole S.A. Group completed the €380 million acquisition of the 15% stake held by Natixis in CACEIS, its asset servicing subsidiary, which it now owns outright.

Under IFRS 3 (Revised), changes in an equity interest in a fully consolidated entity, without taking control, are recognised in equity. The transaction reduced Shareholder's equity Group share by €144 million and Non-controlling interests by €236 million.

ADDITIONAL ACQUISITION OF ICADE SHARES

An Icade shareholder since 2013, Crédit Agricole Assurances increased its 5.6% holding on 19 June 2017 by buying out Groupama's 12.9% stake in the company for a consideration of €715 million.

The transaction is in line with the Insurance business' policy of taking minority stakes in listed property companies. Icade is a property development and investment company that owns tertiary sector property and healthcare facilities and is also involved in office and residential property development when favourable market conditions arise. Icade is a major player of the *Grand Paris* project and in other major French cities.

As a result of the transaction, Crédit Agricole Assurances is now Icade's second-largest shareholder. Accordingly, Icade's shareholding structure is as follows: 39% held by *Caisse des Dépôts et Consignations* and 18.5% by Crédit Agricole Assurances, with a free float of 42.5%.

The equity investment in Icade, recognised in Investments in equity-accounted entities, was valued at €966 million at 31 December 2017.

DISPOSAL BY CRÉDIT AGRICOLE S.A. OF ITS STAKE IN EURAZEO

On 16 June 2017, Crédit Agricole S.A. sold its entire stake in Eurazeo, representing 15.42% of the company's capital, to the Decaux family's investment company, JCDecaux Holding, for a total of €790.5 million.

In parallel, Crédit Agricole S.A. set up a mechanism which offsets the impact of fluctuations in the price of Eurazeo shares, used as collateral for the Crédit Agricole S.A. bonds exchangeable for Eurazeo shares issued in September 2016.

The impact of this transaction on Crédit Agricole S.A.'s net income Group share at 31 December 2017 was +€100 million, including +€103 million recognised in Share of net income of equity-accounted entities, the residual amount corresponding to disposal fees net of tax.

DISPOSAL BY CRÉDIT AGRICOLE CIB OF ITS STAKE IN BANQUE SAUDI FRANSI

On 20 September 2017, out of the 31.1% of Banque Saudi Fransi securities held, Crédit Agricole CIB sold 16.2% to Kingdom Holding Company (KHC) for €1.3 billion. This sale led to a significant loss of influence and the securities retained were remeasured at fair value as part of their reclassification as available-for-sale securities.

The impact of this disposal and the remeasurement of the shares that were retained, net of related Saudi and French taxes, amounted to €102 million, recognised under Share of net income of equity-accounted entities, or €99 million in Net income Group share as at 31 December 2017.

DISPOSAL BY CRÉDIT AGRICOLE ASSURANCES OF ITS STAKE IN EUROSIC

Prior to the transaction, Crédit Agricole Assurances owned 18.3% of the share capital of Eurosic and €70 million in Eurosic subordinated bonds redeemable in shares (OSRA) issued in 2015 and 2016. Eurosic was accounted for under the equity-method in the financial statements of Crédit Agricole S.A. Group.

On 29 August 2017, Crédit Agricole S.A. Group sold 88% of its shares and 100% of its Eurosic OSRA to Gecina for €505 million at a price of €51 per share and per OSRA. On 1 November 2017, the Group sold its remaining securities for €54 million.

In light of the recognition of net income of equity-accounted entities in the Insurance business as Revenues, the disposal and remeasurement of Eurosic shares generated a consolidated capital gain of +€19.7 million net of policyholders' profit sharing and net of tax. The disposal of the Eurosic OSRA generated a capital gain of €2.4 million net of policyholders' profit sharing and net of tax.

SALE OF CARE

CARE, Crédit Agricole S.A. Group's reinsurance company based in Luxembourg and wholly owned by Crédit Agricole Assurances, was classified in Held-for-sale and discontinued operations in the fourth quarter of 2016.

Its sale on 18 May 2017 for a consideration of €186 million generated a capital gain on disposal of €30 million, recognised in Net income from discontinued or held-for-sale operations in the consolidated financial statements at 31 December 2017.

PROPOSED SALE OF BANQUE THEMIS (IFRS 5)

On 22 June 2017, LCL received a binding offer for the sale of Banque Themis, which is consolidated at 95% by Crédit Agricole S.A. Group. This offer is currently before the European supervisory authorities.

In light of the binding offer received, the contribution of Banque Themis to the consolidated financial statements at 31 December 2017 is accounted for in accordance with IFRS 5 on entities held for sale: the balance sheet items are transferred to special headings, namely €156 million under Non-current assets held for sale and discontinued operations and €120 million under Liabilities associated with non-current assets held for sale and discontinued operations. No unrealised loss on disposal is expected.

PROPOSED SALE OF FORSO NORDIC AB (IFRS 5)

Crédit Agricole Consumer Finance (CACF) and Saracen HoldCo AB (HoldCo AB), a holding company wholly owned by FCE (FORD), signed a partnership on 30 June 2008 covering automotive financing activities in Sweden, Denmark, Norway and Finland through a joint venture, Forso Nordic AB, owned 50:50 by HoldCo AB and CACF.

In a registered letter dated 29 May 2017, CACF decided to terminate the agreement, effective from 31 August 2018. On 23 August 2017, HoldCo AB exercised its call option over the shares held by CACF. The exercise of this call option represents a binding and irrevocable promise to buy out all of CACF's stake.

With the conditions for applying IFRS 5 satisfied and the disposal being treated as discontinued operations, the value of the Forso stake was transferred to a separate balance sheet line under Non-current assets held for sale and discontinued operations for €69 million and net income transferred to Net income from discontinued or held-for-sale operations for -€1 million. An unrealised capital loss on disposal of -€15 million was recognised

under the same heading in the consolidated financial statements as of 31 December 2017.

2.3 Impairment losses on goodwill International retail banking – Poland CGU

Impairment testing on goodwill resulted in the write-off of the value of the International retail banking – Poland CGU.

This impairment reflects the significant deterioration in the anticipated financial outlook for CA Polska against the background of an adverse regulatory, competitive and interest rate environment that is lasting longer than previously envisaged.

This impairment impacts Net income Group share by €222 million without affecting the Group's solvency ratio, goodwill being fully deducted, or liquidity, the impairment charge being non-cash in nature.

2.4 Home purchase savings schemes provision

The Home purchase savings schemes provision at 31 December 2017 was impacted by the change in some models. The extension to 18 years of the run-off model for the Home purchase savings plans led to a €125 million reversal, while the change in calculation method for the savings reference rate resulted in a €29 million reversal.

2.5 Cheque Image Exchange litigation

In its ruling handed down on 21 December 2017, the Paris Court of Appeal confirmed a decision by the French Competition Authority (*Autorité de la concurrence* – ADLC), which fined the main French banks in 2010 for colluding to fix the prices and conditions for clearing cheques. In the wake of that ruling, the fine owed by Crédit Agricole Group amounts to €97.5 million.

Following allocation of this fine to the companies in the Group, the impact for Crédit Agricole S.A. Group is -€59.2 million recognised under Revenues.

As the other banks parties to these procedure, LCL and Crédit Agricole have filed on appeal before the French Supreme Court (*Cour de Cassation*).

2.6 Consequences of early redemption of macro-hedged loans

Crédit Agricole S.A. group has performed a detailed analysis of its macro-hedging to take into account the low interest rate environment as well as the impact of early repayments and home loan renegotiations.

The persistence of low rates and the volume of early repayment and renegotiation requests observed during the first half of 2017 led the Group to review the calculation assumptions set for the coming years to determine the impacts on its over-hedging position.

In light of this, a -€2 million impact was recognised in Revenues at 31 December 2017, corresponding to the derecognition of the revaluation of the loan book, initially covered, which was repaid, and the inefficiency relative to the redesignation of hedging instruments.

2.7 Optimising the debt of the Crédit Agricole S.A. group

On 15 May 2017, Crédit Agricole S.A. simultaneous launched buy-back offers in cash in respect of 6 outstanding undated deeply subordinated debt instruments to optimise its own equity structure and at the same time that of the Crédit Agricole Group. The transaction was conducted between 23 May and 16 June 2017 for a nominal amount of €1.2 billion.

Net of the hedging effect, these redemptions generated income of €39 million before tax in the financial statements at 31 December 2017.

The definitions of the underlined words can be found in the Glossary on page 567.

NOTE 3 Financial management, risk exposure and hedging policy

Crédit Agricole S.A.'s Financial Management department is responsible for organising financial flows within Crédit Agricole S.A. Group, defining and implementing refinancing rules, asset and liability management, and managing regulatory prudential ratios. It sets out the principles and ensures a cohesive financial management system throughout the Group.

The Group's management of banking risks is handled by the Group Risk Management and Permanent Controls department.

This department reports to the Chief Executive Officer of Crédit Agricole S.A. and its task is to control credit, financial and operational risks.

A description of these processes and commentary now appear in the chapter on "Risk factors" in the management report, as allowed by IFRS 7 standard. Nonetheless, the accounting breakdowns are still presented in the financial statements.

3.1 Credit risk

(see chapter "Risk factors – Credit Risk")

MAXIMUM EXPOSURE TO CREDIT RISK

An entity's maximum exposure to credit risk is the gross carrying amount, net of any offset amount and any recognised loss of value.

(in millions of euros)	31/12/2017	31/12/2016
Financial assets at fair value through profit or loss (excluding equity securities and assets backing unit-linked contracts)	251,891	267,108
Hedging derivative instruments	16,435	21,928
Available-for-sale financial assets (excluding equity securities)	276,090	286,111
Loans, receivables and security deposits due from credit institutions (excluding Crédit Agricole internal transactions)	106,897	118,065
Loans, receivables and security deposits due from customers	367,814	355,625
Held-to-maturity financial assets	20,179	14,354
Exposure to on-balance sheet commitments (net of impairment losses)	**1,039,306**	**1,063,191**
Financing commitments given (excluding Crédit Agricole internal operations)	149,257	162,409
Financial guarantee commitments given (excluding Crédit Agricole internal operations)	89,600	79,328
Provisions - Financing commitments	(489)	(271)
Exposure to off-balance sheet financing commitments (net of provisions)	**238,368**	**241,466**
MAXIMUM EXPOSURE TO CREDIT RISK	**1,277,674**	**1,304,657**

Guarantees and other credit enhancements amount to:

(in millions of euros)	31/12/2017	31/12/2016
Loans and receivables due from credit institutions (excluding Crédit Agricole internal transactions)	2,533	2,224
Loans and receivables due from customers	178,144	179,529
Financing commitments given (excluding Crédit Agricole internal operations)	18,809	12,525
Guarantee commitments given (excluding Crédit Agricole internal operations)	4,715	6,548

The amounts represent the amounts of guarantees and collateral used in the calculation of capital requirements for the purposes of the solvency ratio. They are valued by the Risk department on the basis of rules drawn up by the Standards and Methodology Committee of Crédit Agricole S.A. Group.

The method used to update this valuation and the frequency at which it is done depends on the nature of the collateral, and is done at least once a year. The amount declared with respect to guarantees received shall be no greater than the amount of assets covered.

BREAKDOWN OF LOAN ACTIVITY BY CUSTOMER TYPE

LOANS AND RECEIVABLES DUE FROM CREDIT INSTITUTIONS AND DUE FROM CUSTOMERS BY CUSTOMER TYPE (EXCLUDING CRÉDIT AGRICOLE INTERNAL TRANSACTIONS)

	31/12/2017				
(in millions of euros)	Gross outstanding	of which gross loans and receivables individually impaired	Individual impairment	Collective impairment	Total
General administration	6,008	102	21	29	**5,958**
Central banks	18,955	-	-	-	**18,955**
Credit institutions	76,027	411	386	-	**75,641**
Large corporates	209,796	9,656	4,996	1,229	**203,571**
Retail customers	154,254	5,528	3,016	689	**150,549**
TOTAL LOANS AND RECEIVABLES DUE FROM CREDIT INSTITUTIONS AND DUE FROM CUSTOMERS	**465,040(1)**	**15,697**	**8,419**	**1,947**	**454,674**

(1) Of which €11,449 million in restructured loans.

	31/12/2016				
(in millions of euros)	Gross outstanding	of which gross loans and receivables individually impaired	Individual impairment	Collective impairment	Total
General administration	6,237	34	22	47	**6,168**
Central banks	14,648	-	-	-	**14,648**
Credit institutions	84,286	472	435	-	**83,851**
Large corporates	206,480	10,600	5,236	1,633	**199,611**
Retail customers	144,342	5,736	3,102	765	**140,475**
TOTAL LOANS AND RECEIVABLES DUE FROM CREDIT INSTITUTIONS AND DUE FROM CUSTOMERS	**455,993(1)**	**16,842**	**8,795**	**2,445**	**444,753**

(1) Of which €12,089 million in restructured loans.

LOANS AND RECEIVABLES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

	31/12/2017
(in thousands of euros)	Carrying amount
General administration	-
Central banks	-
Credit institutions	-
Large corporates	2
Retail customers	-
TOTAL LOANS AND RECEIVABLES DESIGNATED AT FAIR VALUE	**2**
Carrying amount of credit derivatives and similar instruments limiting risk exposure	**-**

COMMITMENTS GIVEN TO CUSTOMERS BY CUSTOMER TYPE

(in millions of euros)	31/12/2017	31/12/2016
Financing commitments given to customers		
General administration	1,938	2,013
Large corporates	106,652	117,601
Retail customers	16,685	18,547
TOTAL LOAN COMMITMENTS	**125,275**	**138,161**
Guarantee commitments given to customers		
General administration	293	1,562
Large corporates	80,126	69,586
Retail customers	1,201	1,568
TOTAL GUARANTEE COMMITMENTS	**81,620**	**72,716**

The definitions of the underlined words can be found in the Glossary on page 567.

DUE TO CUSTOMERS BY CUSTOMER TYPE

(in millions of euros)	31/12/2017	31/12/2016
General administration	15,575	13,923
Large corporates	174,494	165,365
Retail customers	360,677	342,541
TOTAL AMOUNT DUE TO CUSTOMERS	**550,746**	**521,828**

BREAKDOWN OF LOAN ACTIVITY BY GEOGRAPHICAL AREA

LOANS AND RECEIVABLES DUE FROM CREDIT INSTITUTIONS AND DUE FROM CUSTOMERS BY GEOGRAPHICAL AREA (EXCLUDING CRÉDIT AGRICOLE INTERNAL TRANSACTIONS)

	31/12/2017				
(in millions of euros)	Gross outstanding	of which gross loans and receivables individually impaired	Individual impairment	Collective impairment	Total
France (including overseas departments and territories)	240,312	4,671	2,314	562	**237,436**
Other European Union countries	127,014	7,907	3,963	741	**122,310**
Other European countries	14,239	391	283	70	**13,886**
North America	25,931	152	53	246	**25,632**
Central and South America	11,678	964	756	59	**10,863**
Africa and Middle East	17,196	1,164	894	149	**16,153**
Asia-Pacific (ex. Japan)	24,981	429	156	115	**24,710**
Japan	3,575	19	-	5	**3,570**
Supranational organisations	114	-	-	-	**114**
TOTAL LOANS AND RECEIVABLES DUE FROM CREDIT INSTITUTIONS AND DUE FROM CUSTOMERS	**465,040**(1)	**15,697**	**8,419**	**1,947**	**454,674**

(1) Of which €11,449 million in restructured loans.

	31/12/2016				
(in millions of euros)	Gross outstanding	of which gross loans and receivables individually impaired	Individual impairment	Collective impairment	Total
France (including overseas departments and territories)	220,434	4,525	2,451	611	**217,372**
Other European Union countries	122,953	8,303	3,967	830	**118,156**
Other European countries	15,428	558	390	141	**14,897**
North America	27,038	575	87	211	**26,740**
Central and South America	13,216	930	689	243	**12,284**
Africa and Middle East	18,452	1,345	1,009	237	**17,206**
Asia-Pacific (ex. Japan)	23,594	606	202	169	**23,223**
Japan	14,768	-	-	3	**14,765**
Supranational organisations	110	-	-	-	**110**
TOTAL LOANS AND RECEIVABLES DUE FROM CREDIT INSTITUTIONS AND DUE FROM CUSTOMERS	**455,993**(1)	**16,842**	**8,795**	**2,445**	**444,753**

(1) Of which €12,089 million in restructured loans.

COMMITMENTS GIVEN TO CUSTOMERS: GEOGRAPHICAL ANALYSIS

(in millions of euros)	31/12/2017	31/12/2016
Financing commitments given to customers		
France (including overseas departments and territories)	50,489	50,210
Other European Union countries	33,677	38,839
Other European countries	5,094	5,086
North America	19,865	27,696
Central and South America	5,710	4,208
Africa and Middle East	3,545	3,361
Asia-Pacific (ex. Japan)	5,919	6,310
Japan	976	2,451
TOTAL LOAN COMMITMENTS	**125,275**	**138,161**
Guarantee commitments given to customers		
France (including overseas departments and territories)	44,965	38,036
Other European Union countries	16,445	13,209
Other European countries	3,313	3,541
North America	7,502	7,319
Central and South America	1,121	1,160
Africa and Middle East	1,229	1,580
Asia-Pacific (ex. Japan)	4,003	6,178
Japan	3,043	1,693
TOTAL GUARANTEE COMMITMENTS	**81,620**	**72,716**

DUE TO CUSTOMERS: GEOGRAPHICAL ANALYSIS

(in millions of euros)	31/12/2017	31/12/2016
France (including overseas departments and territories)	389,500	365,784
Other European Union countries	100,036	86,625
Other European countries	12,328	12,177
North America	12,704	14,103
Central and South America	5,281	6,995
Africa and Middle East	12,448	13,889
Asia-Pacific (ex. Japan)	10,523	12,596
Japan	7,683	9,441
Supranational organisations	243	218
TOTAL AMOUNT DUE TO CUSTOMERS	**550,746**	**521,828**

The definitions of the underlined words can be found in the Glossary on page 567.

INFORMATION ON WATCH LIST OR INDIVIDUALLY IMPAIRED FINANCIAL ASSETS

ANALYSIS OF WATCH LIST OR INDIVIDUALLY IMPAIRED FINANCIAL ASSETS BY CUSTOMER TYPE

	31/12/2017						
	Payments arrears on watch list loans						
(in millions of euros)	*≤ 90 days*	*> 90 days ≤ 180 days*	*> 180 days ≤ 1 year*	*> 1 year*	*Net carrying amount of watch list financial assets*	Net carrying amount of individually impaired financial assets	Impairment of individually and collectively tested financial assets
Equity instruments	-	-	-	-	-	**1,931**	**1,085**
Debt instruments	-	-	-	-	-	**57**	**244**
General administration	-	-	-	-	-	-	-
Central banks	-	-	-	-	-	-	-
Credit institutions	-	-	-	-	-	1	1
Large corporates	-	-	-	-	-	56	243
Retail customers	-	-	-	-	-	-	-
Loans and advances	**5,096**	**165**	**115**	**108**	**5,485**	**7,278**	**10,366**
General administration	50	3	1	2	55	81	50
Central banks	-	-	-	-	-	-	-
Credit institutions	40	3	2	2	46	25	386
Large corporates	2,170	103	71	78	2,422	4,660	6,225
Retail customers	2,836	56	42	27	2,961	2,512	3,705
TOTAL WATCH LIST OR INDIVIDUALLY IMPAIRED FINANCIAL ASSETS	**5,096**	**165**	**115**	**108**	**5,485**	**9,266**	**11,695**

	31/12/2016						
	Payments arrears on watch list loans						
(in millions of euros)	*≤ 90 days*	*> 90 days ≤ 180 days*	*> 180 days ≤ 1 year*	*> 1 year*	*Net carrying amount of watch list financial assets*	Net carrying amount of individually impaired financial assets	Impairment of individually and collectively tested financial assets
Equity instruments	-	-	-	-	-	**1,951**	**1,168**
Debt instruments	**-**	**-**	**-**	**-**	**-**	**52**	**409**
General administration	-	-	-	-	-	-	-
Central banks	-	-	-	-	-	-	-
Credit institutions	-	-	-	-	-	-	151
Large corporates	-	-	-	-	-	52	258
Retail customers	-	-	-	-	-	-	-
Loans and advances	**5,262**	**134**	**111**	**95**	**5,601**	**8,047**	**11,240**
General administration	47	2	2	1	52	13	69
Central banks	-	-	-	-	-	-	-
Credit institutions	36	3	1	6	46	37	435
Large corporates	2,715	76	59	54	2,904	5,363	6,869
Retail customers	2,463	53	49	33	2,599	2,634	3,867
TOTAL WATCH LIST OR INDIVIDUALLY IMPAIRED FINANCIAL ASSETS	**5,262**	**134**	**111**	**95**	**5,601**	**10,050**	**12,817**

3.2 Market risk

(See chapter on "Risk factors – Market risk")

DERIVATIVE INSTRUMENTS: ANALYSIS BY REMAINING MATURITY

The breakdown of market values of derivative instruments is shown by remaining contractual maturity.

HEDGING DERIVATIVE INSTRUMENTS – FAIR VALUE OF ASSETS

	31/12/2017				31/12/2016
	Derivative instruments by maturity			Total market value	Total market value
(in millions of euros)	*≤ 1 year*	*> 1 year ≤ 5 years*	*> 5 years*		
Interest rate instruments	**1,529**	**6,163**	**8,125**	**15,817**	**20,785**
Interest rate swaps	1,445	6,163	8,124	**15,732**	**20,701**
Interest rate options	-	-	-	**-**	**-**
Caps - floors - collars	84	-	-	**84**	**83**
Other options	-	-	1	**1**	**1**
Currency and gold	**177**	**44**	**73**	**294**	**525**
Currency futures	173	44	73	**290**	**510**
Currency options	4	-	-	**4**	**15**
Other instruments	**74**	**-**	**-**	**74**	**14**
Equity and index derivatives	74	-	-	**74**	**14**
Subtotal	**1,780**	**6,207**	**8,198**	**16,185**	**21,324**
Forward currency transactions	250	-	-	**250**	**604**
TOTAL FAIR VALUE OF HEDGING DERIVATIVES - ASSETS	**2,030**	**6,207**	**8,198**	**16,435**	**21,928**

HEDGING DERIVATIVE INSTRUMENTS – FAIR VALUE OF LIABILITIES

	31/12/2017				31/12/2016
	Derivative instruments by maturity			Total market value	Total market value
(in millions of euros)	*≤ 1 year*	*> 1 year ≤ 5 years*	*> 5 years*		
Interest rate instruments	**1,250**	**3,897**	**7,653**	**12,800**	**17,460**
Interest rate swaps	1,232	3,882	7,653	**12,767**	**17,409**
Interest rate options	-	-	-	**-**	**-**
Caps - floors - collars	16	12	-	**28**	**51**
Other options	2	3	-	**5**	**-**
Currency and gold	**212**	**13**	**8**	**233**	**204**
Currency futures	209	13	8	**230**	**189**
Currency options	3	-	-	**3**	**15**
Other instruments	**35**	**-**	**-**	**35**	**5**
Equity and index derivatives	35	-	-	**35**	**5**
Subtotal	**1,497**	**3,910**	**7,661**	**13,068**	**17,669**
Forward currency transactions	193	10	-	**203**	**221**
TOTAL FAIR VALUE OF HEDGING DERIVATIVES - LIABILITIES	**1,690**	**3,920**	**7,661**	**13,271**	**17,890**

The definitions of the underlined words can be found in the Glossary on page 567.

DERIVATIVE INSTRUMENTS HELD FOR TRADING – FAIR VALUE OF ASSETS

	31/12/2017							31/12/2016
	Exchange-traded			Over-the-counter				
(in millions of euros)	*≤ 1 year*	*> 1 year ≤ 5 years*	*> 5 years*	*≤ 1 year*	*> 1 year ≤ 5 years*	*> 5 years*	Total market value	Total market value
Interest rate instruments	**175**	**1,022**	**1,812**	**7,789**	**18,122**	**48,645**	**77,565**	**107,174**
Futures	168	1,020	1,812	-	-	-	**3,000**	**3,398**
FRAs	-	-	-	258	95	-	**353**	**267**
Interest rate swaps	-	-	-	6,410	14,098	32,905	**53,413**	**73,885**
Interest rate options	-	-	-	486	1,762	14,243	**16,491**	**23,529**
Caps - floors - collars	**-**	**-**	**-**	634	2,167	1,497	**4,298**	**6,074**
Other options	7	2	-	1	-	-	**10**	**21**
Currency and gold	**15**	**-**	**-**	**3,510**	**2,985**	**2,256**	**8,766**	**15,322**
Currency futures	3	-	-	3,046	1,995	1,463	**6,507**	**12,378**
Currency options	12	-	-	464	990	793	**2,259**	**2,944**
Other instruments	**86**	**343**	**605**	**1,511**	**2,896**	**545**	**5,986**	**6,433**
Equity and index derivatives	85	342	605	1,443	2,525	392	**5,392**	**5,670**
Precious metal derivatives	1	-	-	5	-	21	**27**	**7**
Commodities derivatives	-	-	-	-	-	-	**-**	**-**
Credit derivatives	-	-	-	26	367	58	**451**	**704**
Other	-	1	-	37	4	74	**116**	**52**
Subtotal	**276**	**1,365**	**2,417**	**12,810**	**24,003**	**51,446**	**92,317**	**128,929**
Forward currency transactions	-	-	-	11,602	1,762	114	**13,478**	**20,379**
TOTAL FAIR VALUE OF TRANSACTION DERIVATIVES - ASSETS	**276**	**1,365**	**2,417**	**24,412**	**25,765**	**51,560**	**105,795**	**149,308**

DERIVATIVE INSTRUMENTS HELD FOR TRADING – FAIR VALUE OF LIABILITIES

	31/12/2017							31/12/2016
	Exchange-traded			Over-the-counter				
(in millions of euros)	*≤ 1 year*	*> 1 year ≤ 5 years*	*> 5 years*	*≤ 1 year*	*> 1 year ≤ 5 years*	*> 5 years*	Total market value	Total market value
Interest rate instruments	**136**	**821**	**1,396**	**7,923**	**18,027**	**50,859**	**79,162**	**108,792**
Futures	135	795	1,396	-	-	-	**2,326**	**2,672**
FRAs	-	-	-	263	89	-	**352**	**265**
Interest rate swaps	-	-	-	7,152	13,841	34,305	**55,298**	**75,125**
Interest rate options	-	-	-	115	1,686	14,564	**16,365**	**24,212**
Caps - floors - collars	-	-	-	391	2,411	1,990	**4,792**	**6,510**
Other options	1	26	-	2	-	-	**29**	**8**
Currency and gold	**34**	**-**	**-**	**3,577**	**2,280**	**1,885**	**7,776**	**15,396**
Currency futures	-	-	-	2,763	1,991	1,333	**6,087**	**13,035**
Currency options	34	-	-	814	289	552	**1,689**	**2,361**
Other instruments	**93**	**311**	**656**	**725**	**2,565**	**574**	**4,924**	**5,761**
Equity and index derivatives	86	311	656	504	1,970	527	**4,054**	**4,629**
Precious metal derivatives	7	-	-	3	1	16	**27**	**-**
Credit derivatives	-	-	-	203	594	31	**828**	**1,056**
Other	-	-	-	15	-	-	**15**	**76**
Subtotal	**263**	**1,132**	**2,052**	**12,225**	**22,872**	**53,318**	**91,862**	**129,949**
Forward currency transactions	-	-	-	11,988	2,578	81	**14,647**	**18,531**
TOTAL FAIR VALUE OF TRANSACTION DERIVATIVES - LIABILITIES	**263**	**1,132**	**2,052**	**24,213**	**25,450**	**53,399**	**106,509**	**148,480**

DERIVATIVE INSTRUMENTS: TOTAL COMMITMENTS

(in millions of euros)	31/12/2017 Total notional amount outstanding	31/12/2016 Total notional amount outstanding
Interest rate instruments	**10,032,748**	**10,900,592**
Futures	7,295,162	7,676,655
FRAs	670	8,784
Interest rate swaps	1,417,709	1,720,796
Interest rate options	705,566	795,660
Caps - floors - collars	461,944	598,247
Other options	151,697	100,450
Currency and gold	**3,147,371**	**3,982,012**
Currency futures	2,712,825	3,592,037
Currency options	434,546	389,975
Other instruments	**123,232**	**127,641**
Equity and index derivatives	90,188	61,597
Precious metal derivatives	861	2,809
Commodities derivatives	1	3
Credit derivatives	32,182	63,228
Other	-	4
Subtotal	**13,303,351**	**15,010,245**
Forward currency transactions	1,021,771	516,900
TOTAL NOTIONAL AMOUNT	**14,325,122**	**15,527,145**

FOREIGN EXCHANGE RISK

ANALYSIS OF THE CONSOLIDATED BALANCE SHEET BY CURRENCY

	31/12/2017		31/12/2016	
(in millions of euros)	Assets	Liabilities	Assets	Liabilities
EUR	1,278,520	1,298,065	1,234,376	1,253,168
Other European Union currencies	34,076	33,520	33,900	32,576
USD	125,669	125,060	177,610	173,897
JPY	37,725	30,698	29,211	29,254
Other currencies	74,293	62,940	49,135	35,337
TOTAL	**1,550,283**	**1,550,283**	**1,524,232**	**1,524,232**

BREAKDOWN OF BONDS AND SUBORDINATED DEBT BY CURRENCY

	31/12/2017			31/12/2016		
(in millions of euros)	Bonds	Dated subordinated debt	Undated subordinated debt	Bonds	Dated subordinated debt	Undated subordinated debt
EUR	66,797	18,535	1,608	61,385	19,668	1,844
Other European Union currencies	341	544	532	436	740	744
USD	10,022	2,149	794	9,893	2,555	2,294
JPY	5,264	639	-	4,920	721	-
Other currencies	3,752	363	-	3,415	312	165
TOTAL	**86,176**	**22,230**	**2,934**	**80,049**	**23,996**	**5,047**

The definitions of the underlined words can be found in the Glossary on page 567.

3.3 Liquidity and financing risk

(See chapter on "Risk factors – Asset/Liability Management")

LOANS AND RECEIVABLES DUE FROM CREDIT INSTITUTIONS AND DUE FROM CUSTOMERS BY RESIDUAL MATURITY

	31/12/2017					
(in millions of euros)	≤ 3 months	> 3 months up to ≤ 1 year	> 1 year up to ≤ 5 years	> 5 years	Indefinite	Total
Loans and receivables due from credit institutions (including Crédit Agricole internal transactions)	92,041	89,025	143,588	69,782	-	**394,436**
Loans and receivables due from customers (of which finance leases)	91,928	38,308	126,191	109,320	4,312	**370,059**
Total	**183,969**	**127,333**	**269,779**	**179,102**	**4,312**	**764,495**
Impairment						**(10,365)**
TOTAL LOANS AND RECEIVABLES DUE FROM CREDIT INSTITUTIONS AND FROM CUSTOMERS						**754,130**

	31/12/2016					
(in millions of euros)	≤ 3 months	> 3 months up to ≤ 1 year	> 1 year up to ≤ 5 years	> 5 years	Indefinite	Total
Loans and receivables due from credit institutions (including Crédit Agricole internal transactions)	102,130	86,196	123,238	70,983	727	**383,274**
Loans and receivables due from customers (of which finance leases)	86,103	35,067	127,647	104,028	4,213	**357,058**
Total	**188,233**	**121,263**	**250,885**	**175,011**	**4,940**	**740,332**
Impairment						**(11,240)**
TOTAL LOANS AND RECEIVABLES DUE FROM CREDIT INSTITUTIONS AND FROM CUSTOMERS						**729,092**

DUE TO CREDIT INSTITUTIONS AND TO CUSTOMERS BY RESIDUAL MATURITY

	31/12/2017					
(in millions of euros)	≤ 3 months	> 3 months up to ≤ 1 year	> 1 year up to ≤ 5 years	> 5 years	Indefinite	Total
Due to credit institutions (including Crédit Agricole internal transactions)	55,616	13,960	38,252	17,762	-	**125,590**
Due to customers	479,428	36,163	29,575	5,580	-	**550,746**
TOTAL AMOUNT DUE TO CREDIT INSTITUTIONS AND TO CUSTOMERS	**535,044**	**50,123**	**67,827**	**23,342**	**-**	**676,336**

	31/12/2016					
(in millions of euros)	≤ 3 months	> 3 months up to ≤ 1 year	> 1 year up to ≤ 5 years	> 5 years	Indefinite	Total
Due to credit institutions (including Crédit Agricole internal transactions)	51,364	11,475	28,871	20,589	29	**112,328**
Due to customers	442,298	36,505	36,427	5,587	1,011	**521,828**
TOTAL AMOUNT DUE TO CREDIT INSTITUTIONS AND TO CUSTOMERS	**493,662**	**47,980**	**65,298**	**26,176**	**1,040**	**634,156**

DEBT SECURITIES AND SUBORDINATED DEBT

	31/12/2017					
(in millions of euros)	≤ 3 months	> 3 months up to ≤ 1 year	> 1 year up to ≤ 5 years	> 5 years	Indefinite	Total
Debt securities						
Interest bearing notes	61	69	-	-	-	**130**
Money-market instruments	221	1,359	6,306	3,800	-	**11,686**
Negotiable debt instrument	40,331	17,653	3,715	192	-	**61,891**
Bonds	4,693	4,262	32,546	44,675	-	**86,176**
Other debt securities	849	1,206	1,770	-	-	**3,825**
TOTAL DEBT SECURITIES	**46,155**	**24,549**	**44,337**	**48,667**	**-**	**163,708**
Subordinated debt						
Dated subordinated debt	2,141	543	5,483	14,063	-	**22,230**
Undated subordinated debt	67	-	-	-	2,867	**2,934**
Mutual security deposits	-	-	-	-	171	**171**
Participating securities and loans	-	-	-	1	85	**86**
TOTAL SUBORDINATED DEBT	**2,208**	**543**	**5,483**	**14,064**	**3,123**	**25,421**

	31/12/2016					
(in millions of euros)	≤ 3 months	> 3 months up to ≤ 1 year	> 1 year up to ≤ 5 years	> 5 years	Indefinite	Total
Debt securities						
Interest bearing notes	62	78	7	-	-	**147**
Money-market instruments	237	3,282	5,435	6,173	-	**15,127**
Negotiable debt instruments	40,740	16,573	3,390	158	-	**60,861**
Bonds	5,952	8,093	27,885	38,119	-	**80,049**
Other debt securities	865	983	1,248	-	-	**3,096**
TOTAL DEBT SECURITIES	**47,856**	**29,009**	**37,965**	**44,450**	**-**	**159,280**
Subordinated debt						
Dated subordinated debt	815	175	7,394	15,611	-	**23,995**
Undated subordinated debt	91	1	-	-	4,956	**5,048**
Mutual security deposits	-	-	-	-	163	**163**
Participating securities and loans	-	-	-	1	120	**121**
TOTAL SUBORDINATED DEBT	**906**	**176**	**7,394**	**15,612**	**5,239**	**29,327**

FINANCIAL GUARANTEES AT RISK GIVEN BY EXPECTED MATURITY

The amounts presented correspond to the expected amount of the call of financial guarantees at risk, *i.e.* guarantees that have been impaired or are on a watch-list.

	31/12/2017					
(in millions of euros)	≤ 3 months	> 3 months to ≤ 1 year	> 1 year to ≤ 5 years	> 5 years	Indefinite	Total
Financial guarantees given	154	67	-	-	-	**221**

	31/12/2016					
(in millions of euros)	≤ 3 months	> 3 months to ≤ 1 year	> 1 year to ≤ 5 years	> 5 years	Indefinite	Total
Financial guarantees given	105	43	-	-	-	**148**

Contractual maturities of derivative instruments are given in Note 3.2 "Market risk".

The definitions of the underlined words can be found in the Glossary on page 567.

3.4 Cash flow and fair value interest rate and foreign exchange hedging

(See chapter on "Risk factors – Asset/Liability Management")

FAIR VALUE HEDGES

A fair value hedge modifies the risk caused by changes in the fair value of a fixed-rate financial instrument as a result of changes in interest rates. Fair value hedges transform fixed-rate assets or liabilities into floating-rate assets or liabilities.

Items hedged are principally fixed-rate loans, securities, deposits and subordinated debt.

FUTURE CASH FLOW HEDGES

A cash flow hedge modifies the risk related to variability in cash flows arising from floating-rate financial instruments.

Items hedged are principally floating-rate loans and deposits.

HEDGE OF NET INVESTMENT IN FOREIGN CURRENCY

A hedge of a net investment in foreign currency modifies the risk inherent in exchange rate fluctuations connected with foreign currency investments in subsidiaries.

HEDGING DERIVATIVE INSTRUMENTS

	31/12/2017			31/12/2016		
	Market value		Notional	Market value		Notional
(in millions of euros)	*positive*	*negative*	Amount	*positive*	*negative*	Amount
Fair value hedges	**14,627**	**12,997**	**843,951**	**19,810**	**17,652**	**909,682**
Interest rate	14,156	12,687	795,125	18,757	17,359	853,243
Equity instruments	-	-	-	-	-	-
Foreign exchange	471	310	48,826	1,053	293	56,439
Credit	-	-	-	-	-	-
Commodities	-	-	-	-	-	-
Other	-	-	-	-	-	-
Cash flow hedges	**1,783**	**244**	**30,523**	**2,106**	**173**	**32,131**
Interest rate	1,662	112	23,850	2,028	101	26,360
Equity instruments	74	35	159	14	5	191
Foreign exchange	47	97	6,514	64	67	5,580
Credit	-	-	-	-	-	-
Commodities	-	-	-	-	-	-
Other	-	-	-	-	-	-
Hedges of net investments in foreign operations	**25**	**30**	**4,641**	**12**	**65**	**5,612**
TOTAL HEDGING DERIVATIVE INSTRUMENTS	**16,435**	**13,271**	**879,115**	**21,928**	**17,890**	**947,425**

3.5 Operational risks

(See chapter on "Risk factors – Operational risks")

3.6 Capital management and regulatory ratios

Crédit Agricole S.A.'s Financial Management department is responsible for organising financial flows within Crédit Agricole S.A. Group, defining and implementing refinancing rules, asset and liability management, and managing regulatory ratios. It sets out the principles and ensures a cohesive financial management system throughout the Group.

Information on capital management and compliance with regulatory ratios as required by IAS 1 is presented in the Chapter "Risk factors and pillar 3".

The Group's management of banking risks is handled by the Group Risk Management and Permanent Controls department. This department reports to the Chief Executive Officer of Crédit Agricole S.A. and its task is to control credit, financial and operational risks.

A description of these processes and commentary now appear in the chapter on "Risk factors" in the management report, as allowed by IFRS 7 standard. Nonetheless, the accounting breakdowns are still presented in the financial statements.

NOTE 4 Notes to the income statement and other comprehensive income

4.1 Interest income and expenses

(in millions of euros)	31/12/2017	31/12/2016
Interbank transactions	1,617	1,184
Crédit Agricole internal transactions	3,285	3,455
Customer transactions	10,264	10,472
Accrued interest receivable on available-for-sale financial assets	5,971	6,287
Accrued interest receivable on held-to-maturity financial assets	524	547
Accrued interest receivable on hedging instruments	2,285	2,322
Finance leases	710	725
Other interest income	48	58
INTEREST AND SIMILAR INCOME[1]	**24,704**	**25,050**
Interbank transactions	(1,095)	(870)
Crédit Agricole internal transactions	(1,096)	(1,276)
Customer transactions	(5,102)	(5,072)
Debt securities	(3,064)	(3,798)
Subordinated debt	(1,052)	(1,380)
Accrued interest receivable on hedging instruments	(797)	(727)
Finance leases	(194)	(188)
Other interest expense	(28)	-
INTEREST AND SIMILAR EXPENSES	**(12,428)**	**(13,311)**

(1) Including €169 million on receivables impaired individually at 31 December 2017, compared with €149 million at 31 December 2016.

4.2 Net fees and commissions

	31/12/2017			31/12/2016		
(in millions of euros)	Produits	Charges	Net	Produits	Charges	Net
Interbank transactions	218	(40)	178	184	(42)	**142**
Crédit Agricole internal transactions	812	(544)	268	798	(765)	**33**
Customer transactions	1,841	(213)	1,628	1,916	(193)	**1,723**
Securities transactions	44	(69)	(25)	43	(83)	**(40)**
Foreign exchange transactions	37	(38)	(1)	32	(34)	**(2)**
Derivative instruments and other off-balance sheet items	350	(181)	169	265	(167)	**98**
Payment instruments and other banking and financial services	2,142	(3,378)	(1,236)	2,082	(3,287)	**(1,205)**
Mutual funds management, fiduciary and similar operations	4,090	(1,266)	2,824	2,694	(597)	**2,097**
NET FEES AND COMMISSIONS	**9,534**	**(5,729)**	**3,805**	**8,014**	**(5,168)**	**2,846**

The definitions of the underlined words can be found in the Glossary on page 567.

4.3 Net gains (losses) on financial instruments at fair value through profit or loss

(in millions of euros)	31/12/2017	31/12/2016
Dividends received	628	691
Unrealised or realised gains (losses) on assets/liabilities held for trading	1,318	799
Unrealised or realised gains (losses) on assets/liabilities designated at fair value through profit or loss	2,124	562
Net gains (losses) on Foreign exchange transactions and similar financial instruments (excluding gains or losses on hedges of net investments in foreign operations)	580	682
Gains (losses) from hedge accounting	(30)	(397)
NET GAINS (LOSSES) ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS	**4,620**	**2,337**

The impact of Crédit Agricole CIB's issuer spread was an expense of €222 million on revenues at 31 December 2017 versus an expense of €158 million at 31 December 2016.

Analysis of net gains (losses) from hedge accounting:

	31/12/2017		
(in millions of euros)	Gains	Losses	Net
Fair value hedges	**5,402**	**(5,412)**	**(10)**
Change in fair value of hedged items attributable to hedged risks	3,095	(1,970)	**1,125**
Change in fair value of hedging derivatives (including termination of hedges)	2,307	(3,442)	**(1,135)**
Cash flow hedges	**-**	**-**	**-**
Change in fair value of hedging derivatives - ineffective portion	-	-	-
Hedges of net investments in foreign operations	**-**	**-**	**-**
Change in fair value of hedging derivatives - ineffective portion	-	-	**-**
Fair value hedge of the interest rate exposure of a portfolio of financial instruments	**10,903**	**(10,923)**	**(20)**
Change in fair value of hedged items	5,687	(5,157)	**530**
Change in fair value of hedging derivatives	5,216	(5,766)	**(550)**
Cash flow hedge of the interest rate exposure of a portfolio of financial instruments	**1**	**(1)**	**-**
Change in fair value of hedging instrument - ineffective portion	1	(1)	-
TOTAL GAINS (LOSSES) FROM HEDGE ACCOUNTING	**16,306**	**(16,336)**	**(30)**

	31/12/2016		
(in millions of euros)	Gains	Losses	Net
Fair value hedges	**3,370**	**(3,366)**	**4**
Change in fair value of hedged items attributable to hedged risks	1,267	(1,492)	**(225)**
Change in fair value of hedging derivatives (including termination of hedges)	2,103	(1,874)	**229**
Cash flow hedges	**-**	**-**	**-**
Change in fair value of hedging derivatives - ineffective portion	-	-	**-**
Hedges of net investments in foreign operations	**-**	**-**	**-**
Change in fair value of hedging derivatives - ineffective portion	-	-	**-**
Fair value hedge of the interest rate exposure of a portfolio of financial instruments(1)	**25,089**	**(25,490)**	**(401)**
Change in fair value of hedged items	11,585	(13,686)	**(2,101)**
Change in fair value of hedging derivatives	13,504	(11,804)	**1,700**
Cash flow hedge of the interest rate exposure of a portfolio of financial instruments	**-**	**-**	**-**
Change in fair value of hedging instrument - ineffective portion	-	-	**-**
TOTAL GAINS (LOSSES) FROM HEDGE ACCOUNTING	**28,459**	**(28,856)**	**(397)**

(1) Impact of -€381 million related to the early redemption of macro-hedged loans.

4.4 Net gains (losses) on available-for-sale financial assets

(in millions of euros)	31/12/2017	31/12/2016
Dividends received	1,092	1,117
Realised gains (losses) on available-for-sale financial assets[1]	2,025	1,375
Permanent impairment losses on equity investments	(81)	(267)
Gains (losses) on disposal of held-to-maturity financial assets and on loans and receivables	(8)	(26)
NET GAINS (LOSSES) ON AVAILABLE-FOR-SALE FINANCIAL ASSETS	**3,028**	**2,199**

(1) Excluding realised gains or losses on permanently impaired fixed income securities recognised as available-for-sale financial assets mentioned in Note 4.8 "Cost of risk".

4.5 Net income (expenses) on other activities

(in millions of euros)	31/12/2017	31/12/2016
Gains (losses) on fixed assets not used in operations	(1)	(3)
Other net income from insurance activities[1][2]	7,779	8,281
Change in insurance technical reserves[3]	(13,260)	(10,913)
Net income from investment property	280	159
Other net income (expense)	107	208
INCOME (EXPENSE) RELATED TO OTHER ACTIVITIES	**(5,095)**	**(2,268)**

(1) The €502 million decrease in Other net income from insurance activities was mainly due to a fall in net inflows (-€351 million) and an increase in benefits paid in the amount of €179 million.

(2) The share of income of insurance activities and associates as well as the related share of benefits are classified as Other net income from insurance activities (see Note 6.15 "Joint ventures and associates").

(3) The €2,347 million increase in insurance company technical reserves is due in the main to market developments in unit-linked contracts.

4.6 Operating expenses

(in millions of euros)	31/12/2017	31/12/2016
Employee expenses	(6,933)	(6,591)
Taxes other than on income or payroll-related	(763)	(693)
External services and other operating expenses	(3,742)	(3,708)
OPERATING EXPENSES	**(11,438)**	**(10,992)**

The definitions of the underlined words can be found in the Glossary on page 567.

FEES PAID TO STATUTORY AUDITORS

The breakdown of fees paid to Statutory Auditors by firm and type of engagement by fully consolidated Crédit Agricole S.A. Group companies was as follows in 2017:

BOARD OF AUDITORS OF CRÉDIT AGRICOLE S.A. GROUP

	Ernst & Young		PricewaterhouseCoopers		
(in millions of euros excluding taxes)	2017	2016	2017	2016	Total 2017
Independant audit, certification, review of parent company and consolidated financial statements	**17.53**	**14.98**	**14.87**	**11.59**	**32.40**
Issuer	2.19	1.96	2.16	1.92	4.35
Fully consolidated subsidiaries	15.34	13.02	12.71	9.67	28.05
Non audit services[1]	**5.91**	**6.73**	**6.16**	**7.95**	**12.07**
Issuer	0.58	0.95	1.36	1.25	1.94
Fully consolidated subsidiaries	5.33	5.78	4.80	6.70	10.13
TOTAL	**23.44**	**21.71**	**21.03**	**19.54**	**44.47**

(1) Unlike what was reported in 2016, ancillary assignments and services linked directly to the Statutory Auditors' engagement prior to 17 June 2016 have been aggregated with non-audit services, following European audit reform in June 2016.

The total sum of fees paid to PricewaterhouseCoopers Audit, statutory auditor of Crédit Agricole S.A., appearing in the consolidated income statement for the year, amounts to €11.2 million, of which €9 million relates to the certification of the accounts of Crédit Agricole S.A. and its subsidiaries, and €2.2 million relates to non-audit services (comfort letters, agreed-upon procedures, responsibility statements, services relating to social and environmental information, consultations, etc.).

The total sum of fees paid to Ernst & Young & Autres, statutory auditor of Crédit Agricole S.A., appearing in the consolidated income statement for the year, amounts to €10.2 million, of which €9 million relates to the certification of the accounts of Crédit Agricole S.A. and its subsidiaries, and €1.2 million relates to non-audit services (comfort letters, agreed-upon procedures, responsibility statements, review of tax returns, services relating to social and environmental information, consultations, etc.).

OTHER STATUTORY AUDITORS ENGAGED IN THE AUDIT OF FULLY CONSOLIDATED CRÉDIT AGRICOLE S.A. GROUP SUBSIDIARIES

	Mazars		KPMG		Deloitte		Other		Total
(in millions of euros excluding taxes)	2017	2016	2017	2016	2017	2016	2017	2016	2017
Independant audit, certification, review of parent company and consolidated financial statements	**1.31**	**1.15**	**0.29**	**0.28**	**0.14**	**0.08**	**0.34**	**0.35**	**2.08**
Non audit services[1][2]	**0.06**	**0.01**	**0.26**	**0.06**	**-**	**0.01**	**0.02**	**0.02**	**0.34**
TOTAL	**1.37**	**1.16**	**0.55**	**0.34**	**0.14**	**0.09**	**0.36**	**0.37**	**2.42**

(1) Unlike what was reported in 2016, ancillary assignments and services linked directly to the Statutory Auditors' engagement prior to 17 June 2016 have been aggregated with non-audit services, following European audit reform in June 2016.

(2) Non audit services identified in this table correspond to assigments performed by these firms in the companies where they are statutory auditors.

4.7 Depreciation, amortisation and impairment of property, plant & equipment and intangible assets

(in millions of euros)	31/12/2017	31/12/2016
Depreciation charges and amortisation	**(752)**	**(694)**
Property, plant and equipment	(382)	(381)
Intangible assets	(370)	(313)
Impairment losses (reversals)	**(13)**	**(8)**
Property, plant and equipment	(3)	(8)
Intangible assets	(10)	-
DEPRECIATION, AMORTISATION AND IMPAIRMENT OF PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS	**(765)**	**(702)**

4.8 Cost of risk

(in millions of euros)	31/12/2017	31/12/2016
Charge to provisions and impairment losses	**(3,424)**	**(3,861)**
Fixed income available-for-sale financial assets	(1)	-
Loans and receivables	(2,883)	(3,390)
Held-to-maturity financial assets	-	-
Other assets	(27)	(59)
Financing commitments	(265)	(87)
Risks and expenses	(249)	(325)
Reversal of provisions and impairment losses	**2,172**	**2,154**
Fixed income available-for-sale financial assets	183	14
Loans and receivables	1,737	1,883
Held-to-maturity financial assets	-	-
Other assets	18	10
Financing commitments	75	46
Risks and expenses	159	201
Net charge to reversal of impairment losses and provisions	**(1,253)**	**(1,707)**
Realised gains (losses) on impaired fixed income available-for-sale financial assets	(138)	(13)
Bad debts written off, not impaired	(217)	(196)
Recoveries on bad debts written off	233	179
Discounts on restructured loans	(21)	(23)
Losses on financing commitments	-	-
Other losses	(27)	(27)
Other gains	-	-
COST OF RISK	**(1,422)**	**(1,787)**

4.9 Net gains (losses) on other assets

(in millions of euros)	31/12/2017	31/12/2016
Property, plant & equipment and intangible assets used in operations	**5**	**(45)**
Gains on disposals	28	13
Losses on disposals	(23)	(58)
Consolidated equity investments	**12**	**(7)**
Gains on disposals	18	-
Losses on disposals	(6)	(7)
Net income (expense) on combinations	**(11)**	**-**
NET GAINS (LOSSES) ON OTHER ASSETS	**6**	**(52)**

The definitions of the underlined words can be found in the Glossary on page 567.

4.10 Income tax charge

INCOME TAX CHARGE

(in millions of euros)	31/12/2017	31/12/2016
Current tax charge	(1,638)	(253)
Deferred tax charge	(94)	(442)
TAX CHARGE DURING THE PERIOD	**(1,732)**	**(695)**

RECONCILIATION OF THEORETICAL TAX RATE AND EFFECTIVE TAX RATE

AT 31 DECEMBER 2017

(in millions of euros)	Base	Tax rate	Tax
Pre-tax income, goodwill impairment, discontinued operations and share of net income of equity-accounted entities	5,015	34.43%	(1,727)
Impact of permanent differences		(3.23%)	162
Impact of different tax rates on foreign subsidiaries		(2.80%)	140
Impact of losses for the year, utilisation of tax loss carryforwards and temporary differences		1.06%	(53)
Impact of reduced tax rate		(2.51%)	126
Impact of tax rate change[1]		7.84%	(393)
Impact of other items		(0.22%)	11
EFFECTIVE TAX RATE AND TAX CHARGE		**34.57%**	**(1,732)**

(1) The effects of changes in tax law are described in Note 2 "Major structural transactions and material events during the period".

The theoretical tax rate is the standard tax rate (including the additional social contribution) on taxable profits in France at 31 December 2017.

AT 31 DECEMBER 2016

(in millions of euros)	Base	Tax rate	Tax
Pre-tax income, goodwill impairment, discontinued operations and share of net income of equity-accounted entities	3,320	34.43%	(1,143)
Impact of permanent differences		(9.31%)	309
Impact of different tax rates on foreign subsidiaries		(4.06%)	135
Impact of losses for the year, utilisation of tax loss carryforwards and temporary differences		1.60%	(53)
Impact of reduced tax rate		(4.36%)	145
Impact of tax rate change		4.84%	(161)
Impact of other items		(2.20%)	73
EFFECTIVE TAX RATE AND TAX CHARGE		**20.93%**	**(695)**

The theoretical tax rate is the standard tax rate (including the additional social contribution) on taxable profits in France at 31 December 2016.

4.11 Changes in other comprehensive income

BREAKDOWN OF TOTAL OTHER COMPREHENSIVE INCOME

(in millions of euros)	31/12/2017	31/12/2016
Other comprehensive income on items that may be reclassified subsequently to profit and loss		
Gains and losses on translation adjustments	**(683)**	**(245)**
Revaluation adjustment of the period	(683)	(245)
Reclassified to profit and loss	-	-
Other variations	-	-
Gains and losses on available-for-sale financial assets	**(530)**	**158**
Revaluation adjustment of the period	(131)	877
Reclassified to profit and loss	(481)	(735)
Other variations	82	16
Gains and losses on hedging derivative instruments	**(356)**	**(64)**
Revaluation adjustment of the period	(355)	(64)
Reclassified to profit and loss	-	-
Other variations	(1)	-
Pre-tax other comprehensive income on items that may be reclassified to profit and loss on equity-accounted entities	**(386)**	**39**
Income tax related to items that may be reclassified to profit and loss excluding equity-accounted entities	**355**	**172**
Income tax related to items that may be reclassified to profit and loss on equity-accounted entities	**(16)**	**4**
Net other comprehensive income on Items that may be reclassified to profit and loss on equity-accounted entities on discontinued operations	**(15)**	**(238)**
Other comprehensive income on items that may be reclassified subsequently to profit and loss, net of income tax	**(1,631)**	**(174)**
Other comprehensive income on items that will not be reclassified subsequently to profit and loss		
Actuarial gains and losses on post-employment benefits	4	(127)
Other comprehensive income on items that will not be reclassified to profit and loss on equity-accounted entities	24	(9)
Income tax related to items that will not be reclassified excluding equity-accounted entities	(28)	23
Income tax related to items that will not be reclassified on equity-accounted entities	(1)	1
Net other comprehensive income on Items that will not be reclassified to profit and loss on equity-accounted entities on discontinued operations	(9)	33
Other comprehensive income on items that will not be reclassified subsequently to profit and loss, net of income tax	**(10)**	**(79)**
OTHER COMPREHENSIVE INCOME NET OF INCOME TAX	**(1,641)**	**(253)**
Of which Group share	(1,579)	(141)
Of which non-controlling interests	(62)	(112)

The definitions of the underlined words can be found in the Glossary on page 567.

BREAKDOWN OF TAX IMPACTS RELATED TO OTHER COMPREHENSIVE INCOME

	31/12/2016				Changes				31/12/2017			
(in millions of euros)	Gross	Income tax charges	Net of income tax	Net of income tax of which Group Share	Gross	Income tax charges	Net of income tax	Net of income tax of which Group Share	Gross	Income tax charges	Net of income tax	Net of income tax of which Group Share
Other comprehensive income on items that may be reclassified subsequently to profit and loss												
Gains and losses on translation adjustments	185	-	185	270	(678)	(5)	(683)	(657)	(493)	(5)	(498)	(387)
Gains and losses on available-for-sale financial assets	5,023	(1,194)	3,829	3,779	(530)	234	(296)	(279)	4,493	(960)	3,533	3,500
Gains and losses on hedging derivative instruments	981	(313)	668	652	(356)	122	(234)	(225)	625	(191)	434	427
Other comprehensive income on items that may be reclassified to profit and loss excluding equity-accounted entities	**6,189**	**(1,507)**	**4,682**	**4,701**	**(1,564)**	**351**	**(1,213)**	**(1,161)**	**4,625**	**(1,156)**	**3,469**	**3,540**
Other comprehensive income on items that may be reclassified to profit and loss on equity-accounted entities	361	3	364	355	(386)	(16)	(402)	(391)	(25)	(13)	(38)	(36)
Other comprehensive income on Items that may be reclassified to profit and loss on equity-accounted entities on discontinued operations	28	-	28	31	(15)	(1)	(16)	(17)	13	(1)	13	14
Other comprehensive income on items that may be reclassified subsequently to profit and loss	**6,578**	**(1,504)**	**5,074**	**5,087**	**(1,965)**	**334**	**(1,631)**	**(1,569)**	**4,613**	**(1,170)**	**3,444**	**3,518**
Other comprehensive income on items that will not be reclassified subsequently to profit and loss												
Actuarial gains and losses on post-employment benefits	(757)	209	(548)	(523)	4	(28)	(24)	(24)	(753)	181	(572)	(547)
Other comprehensive income on items that will not be reclassified to profit and loss excluding equity-accounted entities	**(757)**	**209**	**(548)**	**(523)**	**4**	**(28)**	**(24)**	**(24)**	**(753)**	**181**	**(572)**	**(547)**
Other comprehensive income on items that will not be reclassified to profit and loss on equity-accounted entities	(35)	3	(32)	(32)	24	(1)	23	23	(11)	2	(9)	(9)
Other comprehensive income on Items that will not be reclassified to profit and loss on equity-accounted entities on discontinued operations	-	-	-	-	(9)	-	(9)	(9)	(9)	-	(9)	(9)
Other comprehensive income on items that will not be reclassified to profit and loss	**(792)**	**212**	**(580)**	**(555)**	**19**	**(29)**	**(10)**	**(10)**	**(773)**	**183**	**(590)**	**(565)**
OTHER COMPREHENSIVE INCOME	**5,786**	**(1,292)**	**4,494**	**4,532**	**(1,946)**	**305**	**(1,641)**	**(1,579)**	**3,840**	**(987)**	**2,854**	**2,953**

NOTE 5 Segment reporting

DEFINITION OF OPERATING SEGMENTS

According to IFRS 8, information disclosed is based on the internal reporting that is used by the Executive Committee to manage Crédit Agricole S.A. Group, to assess performance, and to make decisions about resources to be allocated to the identified operating segments.

Operating segments according to the internal reporting consist of the business lines of the Group.

At 31 December 2017, Crédit Agricole S.A. 's business activities were organised into six operating segments:

- the following five business lines:
  - Asset gathering,
  - French retail banking – LCL,
  - International retail banking,
  - Specialised financial services,
  - Large customers;
- as well as the "Corporate Centre".

PRESENTATION OF BUSINESS LINES

1. Asset gathering

This business line brings together:

- insurance activities (savings solutions and property and casualty insurance):
  - life insurance and personal insurance, conducted mainly by Predica in France and CA Vita in Italy,
  - property & casualty insurance, conducted primarily by Pacifica,
  - creditor insurance, conducted by Crédit Agricole Creditor Insurance and group insurance conducted mainly by Predica in France,
- the asset management activities of the Amundi Group (including operations of Pioneer Investments since July 2017), offering savings solutions for retail clients and investment solutions for institutionals;
- as well as wealth management activities conducted mainly by Crédit Agricole Indosuez Wealth Management subsidiaries (CA Indosuez Switzerland S.A. CA Indosuez Wealth Europe, CFM Indosuez Wealth, CA Indosuez Wealth France).

2. French retail banking - LCL

French retail banking network with a strong presence in urban areas. It is organised into four business lines: retail banking for individual customers, retail banking for small businesses, private banking and corporate banking.

LCL offers a full range of banking products and services, together with asset management, insurance and wealth management products.

It should be noted that Themis Bank's contribution to the consolidated financial statements in the year ended 31 December 2017 is accounted for in accordance with IFRS 5 on entities held for sale.

3. International retail banking

This business line encompasses foreign subsidiaries and investments that are mainly involved in Retail banking.

These subsidiaries and equity investments are primarily located in Europe: with Cariparma Group in Italy, Crédit Agricole Polska in Poland and others in Ukraine and Serbia.

Other subsidiaries operate around the Mediterranean, e.g. Crédit du Maroc and Crédit Agricole Egypt.

Finally, this division also includes banks that are not significant in size.

Foreign consumer credit, leasing and factoring subsidiaries (subsidiaries of Crédit Agricole Consumer Finance, Crédit Agricole Leasing & Factoring and EFL in Poland, etc.) are not included in this segment, but in "Specialised financial services", except Calit in Italy, which is part of Retail banking.

It should be noted that Cassa di Risparmio di Cesena, Cassa di Risparmio di San Miniato and Cassa di Risparmio di Rimini in Italy were consolidated on 21 December 2017.

4. Specialised financial services

Specialised financial services comprises the Group subsidiaries that provide financial products and services to individual customers, small businesses, corporates and local authorities in France and abroad. These include:

- consumer finance companies around Crédit Agricole Consumer Finance in France and through its subsidiaries or partnerships outside France (Agos, CreditPlus Bank, Ribank, Credibom, Interbank Group and FCA Bank). Forso was reclassified under IFRS 5 in the financial statements at 31 December 2017, following the end of the partnership with Ford;
- Specialised financial services for companies such as factoring and lease finance (Crédit Agricole Leasing & Factoring Group, EFL).

5. Large customers

The Large customers division includes the Corporate and Investment bank, which itself consists of two main lines of business most of which are carried out by Crédit Agricole CIB, and Asset servicing for institutions (CACEIS):

- financing activities, which include corporate banking in France and internationally and structured finance. Structured Finance consists of originating, structuring and financing large-scale operations in exporting and investing, often collateralised by physical assets (planes, boats, office buildings, commodities, etc.) and complex and structured credit instruments;
- capital markets and investment banking activities bring together capital market activities (treasury, foreign exchange,

The definitions of the underlined words can be found in the Glossary on page 567.

interest rate derivatives, debt markets), and investment banking activities (mergers and acquisitions consulting and primary equity advisory);

- asset servicing: CACEIS Bank for custody and CACEIS Fund Administration for fund administration.

6. Corporate Centre

This segment mainly encompasses Crédit Agricole S.A. 's central body function, asset and liability management and management of debt connected with acquisitions of subsidiaries or equity investments.

It also includes:

- the results of the private equity business and results of various other Crédit Agricole S.A. Group companies (Uni-éditions, Foncaris, etc.);
- the results from management companies, real-estate companies holding properties used in operations by several business lines and by activities undergoing reorganisation;
- the net impact of tax consolidation for Crédit Agricole S.A. as well as the revaluation of structured debt issued by Crédit Agricole CIB.

5.1 Operating segment information

Transactions between operating segments are effected at arm's length.

Segment assets are determined based on balance sheet elements for each operating segment.

	31/12/2017						
(in millions of euros)	Asset gathering	French retail banking - LCL	International retail banking	Specialised financial services	Large customers	Corporate Centre[1]	Total
Revenues	5,263	3,492	2,482	2,721	5,332	(656)	**18,634**
Operating expenses	(2,708)	(2,442)	(1,557)	(1,407)	(3,239)	(850)	**(12,203)**
Gross operating income	**2,555**	**1,050**	**925**	**1,314**	**2,093**	**(1,506)**	**6,431**
Cost of risk	(25)	(204)	(429)	(440)	(318)	(6)	**(1,422)**
Operating income	**2,530**	**846**	**496**	**874**	**1,775**	**(1,512)**	**5,009**
Share of net income of equity-accounted entities	33	-	-	241	277	177	**728**
Net gains (losses) on other assets	4	6	(12)	(1)	13	(4)	**6**
Change in value of goodwill	-	-	-	-	-	186	**186**
Pre-tax income	**2,567**	**852**	**484**	**1,114**	**2,065**	**(1,153)**	**5,929**
Income tax charge	(646)	(339)	(153)	(229)	(710)	345	**(1,732)**
Net gains (losses) on discontinued operations	21	-	-	(1)	-	-	**20**
Net income	**1,942**	**513**	**331**	**884**	**1,355**	**(808)**	**4,217**
Non-controlling interests	222	25	97	118	48	58	**568**
NET INCOME GROUP SHARE	**1,720**	**488**	**234**	**766**	**1,307**	**(866)**	**3,649**

(1) The Crédit Agricole CIB issuer spread is classified under the Corporate Centre for -€222 million in Revenues, +€76 million in Income tax charge, -€146 million in Net income including -€3 million in Non-controlling interests.

	31/12/2017						
(in millions of euros)	Asset gathering	French retail banking - LCL	International retail banking	Specialised financial services	Large customers	Corporate Centre(1)	Total
Segment assets							-
of which investments in equity-accounted entities	3,044	-	-	1,945	-	188	**5,177**
of which goodwill	6,793	4,772	1,692	1,023	1,141	-	**15,421**
TOTAL ASSETS	**433,163**	**141,932**	**81,350**	**74,613**	**684,938**	**134,287**	**1,550,283**

(in millions of euros)	Asset gathering	French retail banking - LCL	International retail banking	Specialised financial services	Large customers	Corporate Centre[1]	Total
	31/12/2016						
Revenues	4,744	3,117	2,505	2,646	5,190	(1,349)	**16,853**
Operating expenses	(2,156)	(2,539)	(1,557)	(1,384)	(3,187)	(871)	**(11,694)**
Gross operating income	**2,588**	**578**	**948**	**1,262**	**2,003**	**(2,220)**	**5,159**
Cost of risk	(9)	(182)	(454)	(558)	(557)	(27)	**(1,787)**
Operating income	**2,579**	**396**	**494**	**704**	**1,446**	**(2,247)**	**3,372**
Share of net income of equity-accounted entities	28	-	-	208	211	71	**518**
Net gains (losses) on other assets	2	1	-	(2)	1	(54)	**(52)**
Change in value of goodwill	-	-	-	-	-	(491)	**(491)**
Pre-tax income	**2,609**	**397**	**494**	**910**	**1,658**	**(2,721)**	**3,347**
Income tax charge	(773)	(110)	(157)	(210)	(370)	925	**(695)**
Net gains (losses) on discontinued operations	23	-	(3)	-	11	1,272	**1,303**
Net income	**1,859**	**287**	**334**	**700**	**1,299**	**(524)**	**3,955**
Non-controlling interests	169	14	101	91	44	(4)	**415**
NET INCOME GROUP SHARE	**1,690**	**273**	**233**	**609**	**1,255**	**(520)**	**3,540**

(1) The Crédit Agricole CIB issuer spread is classified under the Corporate Centre for -€158 million in Revenues, +€54 million in Income tax charge, -€104 million in Net income including -€2 million in Non-controlling interests.

(in millions of euros)	Asset gathering	French retail banking - LCL	International retail banking	Specialised financial services	Large customers	Corporate Centre	Total
	31/12/2016						
Segment assets							
of which investments in equity-accounted entities	2,095	-	-	1,863	2,302	840	**7,100**
of which goodwill	4,339	4,772	1,909	1,023	1,142	-	**13,185**
TOTAL ASSETS	**407,372**	**131,841**	**64,121**	**75,687**	**715,642**	**129,569**	**1,524,232**

5.2 Segment information: geographical analysis

The geographical analysis of segment assets and results is based on the place where operations are booked for accounting purposes.

(in millions of euros)	31/12/2017 Net income Group Share	31/12/2017 Of which Revenues	31/12/2017 Segment assets	31/12/2017 Of which goodwill	31/12/2016 Net income Group Share	31/12/2016 Of which Revenues	31/12/2016 Segment assets	31/12/2016 Of which goodwill
France (including overseas departments and territories)	1,483	10,089	1,257,683	9,947	1,360	8,656	1,239,657	9,947
Italy	750	2,686	90,973	1,974	450	2,745	74,595	1,700
Other European Union countries	348	2,824	66,582	2,330	683	2,479	76,228	717
Other European countries	113	673	19,483	654	148	684	18,358	702
North America	337	1,053	50,179	442	315	960	57,148	38
Central and South America	8	62	981	-	4	58	1,140	-
Africa and Middle East	312	457	8,595	32	340	513	11,071	36
Asia-Pacific (ex. Japan)	171	475	21,976	23	145	467	21,411	23
Japan	127	315	33,831	19	95	291	24,624	22
TOTAL	**3,649**	**18,634**	**1,550,283**	**15,421**	**3,540**	**16,853**	**1,524,232**	**13,185**

The definitions of the underlined words can be found in the Glossary on page 567.

5.3 Insurance specificities

(See chapter on "Risk factors – Insurance sector risks" on managing this sector risk)

GROSS INCOME FROM INSURANCE ACTIVITIES

(in millions of euros)	31/12/2017	31/12/2016
Written premium	30,426	30,775
Change in unearned premiums	(213)	(173)
Earned premiums	**30,213**	**30,602**
Other operating income	**119**	**105**
Investment income	7,654	7,849
Investment expenses	(565)	(421)
Gains (losses) on disposals of investments net of impairment and amortisation reversals	1,668	894
Change in fair value of investments at fair value through profit or loss	3,002	591
Change in impairment on investments	(54)	(248)
Investment income net of expenses	**11,705**	**8,665**
Claims expenses(1)	**(35,877)**	**(33,373)**
Revenue from reinsurance operations	449	536
Expenses from reinsurance operations	(578)	(603)
Net reinsurance income (expense)	**(129)**	**(67)**
Contract acquisition costs	(1,916)	(2,063)
Amortisation of investment securities and similar	(7)	(1)
Administration costs	(2,142)	(1,746)
Other current operating income (expense)	(180)	(243)
Other operating income (expense)	(7)	(12)
Operating income	**1,779**	**1,867**
Financing expenses	(279)	(226)
Share of net income of associates	-	-
Income tax charge	(357)	(483)
Net income from discontinued operations	21	23
Consolidated net income	**1,164**	**1,181**
Non-controlling interests	**3**	**5**
NET INCOME GROUP SHARE	**1,161**	**1,176**

(1) Including -€22 billion of cost of claims at 31 December 2017 (unchanged from 31 December 2016), -€2 billion of changes in policyholder profit-sharing at 31 December 2017 (unchanged from 31 December 2016) and -€11 billion of changes in technical reserves at 31 December 2017 (-€9 billion at 31 December 2016).

BREAKDOWN OF INSURANCE COMPANY INVESTMENTS

	31/12/2017			31/12/2016		
(in millions of euros)	Carrying amount	Unrealised gains	Unrealised losses	Carrying amount	Unrealised gains	Unrealised losses
Treasury bills and similar securities	45,329	2,706	(74)	35,110	2,598	(91)
Bonds and other fixed income securities	162,257	13,464	(346)	168,131	15,891	(415)
Equities and other equity variable income securities	17,934	2,846	(185)	18,745	1,932	(364)
Non-consolidated equity investments	8,209	2,432	(80)	7,373	1,913	(62)
Total available-for-sale financial assets	**233,729**	**21,448**	**(685)**	**229,359**	**22,335**	**(932)**
Income tax charges		(5,774)	228		(6,506)	299
GAINS AND LOSSES ON AVAILABLE-FOR-SALE FINANCIAL ASSETS RECOGNISED IN OTHER COMPREHENSIVE INCOME (NET OF INCOME TAX)		**15,674**	**(457)**		**15,828**	**(633)**

	31/12/2017		31/12/2016	
(in millions of euros)	Carrying amount	Fair value	Carrying amount	Fair value
Bonds and other fixed income securities	3,069	3,803	3,059	3,934
Treasury bills and similar securities	7,736	9,245	8,039	9,872
Impairment	-	-	-	-
Total held-to-maturity financial assets	**10,805**	**13,048**	**11,098**	**13,806**
Loans and receivables	**7,426**	**7,424**	**6,131**	**6,113**
Investment property	**6,103**	**8,674**	**5,539**	**8,213**

	31/12/2017	31/12/2016
(in millions of euros)	Carrying amount	Carrying amount
Financial assets at fair value through profit or loss classified as held-for-trading or designated at fair value through profit or loss	**107,634**	**97,639**
Assets backing unit-linked contracts	59,635	52,432
Treasury bills and similar securities	3,639	3,718
Bonds and other fixed income securities	27,125	24,787
Equities and other equity variable income securities	15,729	15,008
Derivative instruments	1,506	1,694

	31/12/2017	31/12/2016
(in millions of euros)	Carrying amount	Carrying amount
TOTAL INSURANCE COMPANY INVESTMENTS	**365,697**	**349,765**

NOTE 6 Notes to the balance sheet

6.1 Cash, central banks

	31/12/2017		31/12/2016	
(in millions of euros)	Assets	Liabilities	Assets	Liabilities
Cash	1,441		1,321	
Central banks	49,320	3,185	26,881	3,857
CARRYING AMOUNT	**50,761**	**3,185**	**28,202**	**3,857**

6.2 Financial assets and liabilities at fair value through profit or loss

STRUCTURED ISSUES OF CRÉDIT AGRICOLE CIB

In accordance with IFRS 13, the Group values its structured issues, recognised at fair value, by taking as a reference the issuer spread that specialist participants agree to receive to acquire new Group issues.

The change in issuer spread on structured issues issued by Crédit Agricole CIB, and valued on the basis of the last end-of-period share issue table, generated:

- at 31 December 2017: an expense of -€222 million in Revenues and an expense of -€146 million in Net income;
- at 31 December 2016: an expense of -€158 million in Revenues and an expense of -€104 million in Net income.

The definitions of the underlined words can be found in the Glossary on page 567.

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

(in millions of euros)	31/12/2017	31/12/2016
Financial assets held-for-trading	221,089	239,187
Financial assets designated at fair value through profit or loss	100,315	87,092
CARRYING AMOUNT	**321,404**	**326,279**
Of which lent securities	*884*	*876*

FINANCIAL ASSETS HELD-FOR-TRADING

(in millions of euros)	31/12/2017	31/12/2016
Equity instruments	**3,485**	**2,920**
Equities and other variable income securities	3,485	2,920
Debt securities	**17,250**	**14,471**
Treasury bills and similar securities	12,804	12,010
Bonds and other fixed income securities	4,446	2,461
Loans and advances	**94,559**	**72,488**
Loans and receivables due from customers	1,600	469
Securities bought under repurchase agreements	92,959	72,019
Pledged securities	-	-
Derivative instruments	**105,795**	**149,308**
CARRYING AMOUNT	**221,089**	**239,187**

Securities acquired under repurchase agreements include those that the entity is authorised to use as collateral.

FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

(in millions of euros)	31/12/2017	31/12/2016
Equity instruments	**17,070**	**16,260**
Equities and other variable income securities	17,070	16,260
Debt securities	**83,243**	**70,832**
Assets backing unit-linked contracts	51,600	42,934
Treasury bills and similar securities	3,639	3,718
Bonds and other fixed income securities	28,004	24,180
Loans and advances	**2**	**-**
Loans and receivables due from credit institutions	-	-
Loans and receivables due from customers	2	-
Securities bought under repurchase agreements	-	-
Pledged securities	-	-
CARRYING AMOUNT	**100,315**	**87,092**

FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

(in millions of euros)	31/12/2017	31/12/2016
Financial liabilities held for trading	196,444	212,728
Financial liabilities designated at fair value through profit or loss	31,443	31,280
CARRYING AMOUNT	**227,887**	**244,008**

HELD-FOR-TRADING FINANCIAL LIABILITIES

(in millions of euros)	31/12/2017	31/12/2016
Securities sold short	22,598	19,940
Securities sold under repurchase agreements	67,335	44,306
Debt securities	2	1
Derivative instruments	106,509	148,481
CARRYING AMOUNT	**196,444**	**212,728**

FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

	31/12/2017		31/12/2016	
(in millions of euros)	Fair value on the balance sheet	Difference between carrying amount and due on maturity	Fair value on the balance sheet	Difference between carrying amount and due on maturity
Deposits and subordinated liabilities	**6,037**	**-**	**5,803**	**-**
Deposits from credit institutions	-	-	-	-
Other deposits	6,037	-	5,803	-
Subordinated liabilities	-	-	-	-
Debt securities	**25,406**	**432**	**25,477**	**308**
Other financial liabilities	**-**	**-**	**-**	**-**
TOTAL FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS	**31,443**	**432**	**31,280**	**308**

6.3 Hedging derivative instruments

Detailed information is provided in Note 3.4 on cash flow and fair value hedges, and more particularly with respect to interest rates and foreign exchange rates.

The definitions of the underlined words can be found in the Glossary on page 567.

6.4 Available-for-sale financial assets

(in millions of euros)	31/12/2017 Carrying amount	31/12/2017 Unrealised gains	31/12/2017 Unrealised losses	31/12/2016 Carrying amount	31/12/2016 Unrealised gains	31/12/2016 Unrealised losses
Treasury bills and similar securities	74,346	3,170	(202)	76,973	3,180	(254)
Bonds and other fixed income securities	201,745	13,099	(396)	209,137	15,402	(505)
Equities and other variable income securities	18,690	2,926	(241)	19,346	2,129	(420)
Non-consolidated equity investments	12,277	3,231	(304)	10,460	2,741	(123)
Total available-for-sale securities	**307,058**	**22,426**	**(1,143)**	**315,916**	**23,452**	**(1,302)**
Available-for-sale receivables	-	-	-	-	-	-
Total available-for-sale receivables	**-**	**-**	**-**	**-**	**-**	**-**
Carrying amount of available-for-sale financial assets[1]	**307,058**	**22,426**	**(1,143)**	**315,916**	**23,452**	**(1,302)**
Income tax charge		(5,914)	291		(6,575)	388
GAINS AND LOSSES ON AVAILABLE-FOR-SALE FINANCIAL ASSETS RECOGNISED IN OTHER COMPREHENSIVE INCOME (NET OF INCOME TAX)[2]		**16,512**	**(852)**		**16,877**	**(914)**

(1) The net carrying amount of impaired available-for-sale fixed-income securities is €32 million (€5 million at 31 December 2016) and the net carrying amount of impaired available-for-sale variable-income securities is €1,931 million (€1,953 million at 31 December 2016).

(2) For insurance companies, gains and losses on available-for-sale financial assets recognised in other comprehensive income (net of income tax) are offset by after-tax deferred policyholders' profit-sharing liability of €12,747 million at 31 December 2017 and €12,248 million at 31 December 2016 (see Note 6.19 "Insurance company technical reserves").

6.5 Loans and receivables due from credit institutions and due from customers

LOANS AND RECEIVABLES DUE FROM CREDIT INSTITUTIONS

(in millions of euros)	31/12/2017	31/12/2016
Credit institutions		
Debt securities	**5,203**	**6,367**
Securities not traded in an active market	5,203	6,367
Loans and receivables	**89,779**	**92,567**
Loans and receivables	82,801	71,545
of which performing current accounts in debit	*6,100*	*6,316*
of which performing overnight accounts and advances	*16,411*	*9,785*
Pledged securities	10	13
Securities bought under repurchase agreements	6,227	20,601
Subordinated loans	665	334
Other loans and receivables	77	74
Gross amount	**94,982**	**98,934**
Impairment	(386)	(435)
Net value of loans and receivables due from credit institutions	**94,596**	**98,499**
Crédit Agricole internal transactions		
Debt securities	**-**	**-**
Securities not traded in an active market	-	-
Loans and advances	**299,455**	**284,339**
Current accounts	1,752	1,224
Securities bought under repurchase agreements	2,467	-
Term deposits and advances	294,906	283,085
Subordinated loans	330	30
Loans and receivables within Crédit Agricole	**299,455**	**284,339**
CARRYING AMOUNT	**394,051**	**382,838**

The definitions of the underlined words can be found in the Glossary on page 567.

LOANS AND RECEIVABLES DUE FROM CUSTOMERS

(in millions of euros)	31/12/2017	31/12/2016
Loans and receivables due from customers		
Debt securities	**14,599**	**15,269**
Securities not traded in an active market	14,599	15,269
Loans and receivables	**340,264**	**326,894**
Trade receivables	26,065	23,956
Other customer loans	296,930	285,757
Securities bought under repurchase agreements	3,116	3,460
Subordinated loans	104	105
Insurance receivables	262	376
Reinsurance receivables	515	408
Advances in associates current accounts	128	125
Current accounts in debit	13,144	12,707
Gross amount	**354,863**	**342,163**
Impairment	(9,720)	(10,533)
Net value of loans and receivables due from customers	**345,143**	**331,630**
Finance leases		
Property leasing	5,687	6,015
Equipment leases, operating leases and similar transactions	9,508	8,881
Gross amount	**15,195**	**14,896**
Impairment	(259)	(272)
Net value of lease financing operations	**14,936**	**14,624**
CARRYING AMOUNT	**360,079**	**346,254**

6.6 Held-to-maturity financial assets

(in millions of euros)	31/12/2017	31/12/2016
Treasury bills and similar securities	17,082	11,295
Bonds and other fixed income securities	3,097	3,059
Total	**20,179**	**14,354**
Impairment	-	-
CARRYING AMOUNT	**20,179**	**14,354**

6.7 Transferred assets not derecognised or derecognised with on-going involvement

TRANSFERRED ASSETS NOT DERECOGNISED IN FULL AT 31 DECEMBER 2017

	Transferred assets				
		Transferred assets			
Nature of assets transferred *(in millions of euros)*	*Carrying amount*	*Of which securisation (non-deconsolidating)*	*Of which securities bought under repurchase agreements*	*Of which other[1]*	*Fair value[2]*
Held-for-trading	**13,318**	**-**	**13,318**	**-**	**13,318**
Equity instruments	177	-	177	-	177
Debt securities	13,141	-	13,141	-	13,141
Loans and advances	-	-	-	-	-
Designated at fair value through profit or loss	**2,166**	**-**	**2,166**	**-**	**2,126**
Equity instruments	-	-	-	-	-
Debt securities	2,166	-	2,166	-	2,126
Loans and advances	-	-	-	-	-
Available-for-sale	**18,482**	**-**	**15,742**	**2,740**	**18,288**
Equity instruments	544	-	-	544	544
Debt securities	17,938	-	15,742	2,196	17,744
Loans and advances	-	-	-	-	-
Loans and receivables	**12,700**	**11,463**	**201**	**1,036**	**12,700**
Debt securities	1,237	-	201	1,036	1,237
Loans and advances	11,463	11,463	-	-	11,463
Held-to-maturity	**2,140**	**-**	**2,140**	**-**	**2,125**
Debt securities	2,140	-	2,140	-	2,125
Loans and advances	-	-	-	-	-
Total financial assets	**48,806**	**11,463**	**33,567**	**3,776**	**48,557**
Finance leases	**-**	**-**	**-**	**-**	**-**
TOTAL TRANSFERRED ASSETS	**48,806**	**11,463**	**33,567**	**3,776**	**48,557**

(1) Including securities lending without cash collateral.

(2) When the "counterparty" (counterparties) to the associated liabilities has (have) recourse only to the transferred assets". (IFRS 7.42D (d)).

The definitions of the underlined words can be found in the Glossary on page 567.

still fully recognised					Transferred assets recognised to the extent of the entity's continuing involvement		
Associated liabilities					Assets and associated liabilities			
Carrying amount	*Of which securisation (non-deconsolidating)*	*Of which securities bought under repurchase agreements*	*Of which other[1]*	*Fair value[2]*	*Net fair value*	Initial total carrying amount of assets prior to transfer	Carrying amount of assets still recognised (continuing involvement)	Carrying amount of associated liabilities
12,866	**-**	**12,866**	**-**	**12,866**	**452**	**-**	**-**	**-**
177	-	177	-	177	-	-	-	-
12,689	-	12,689	-	12,689	452	-	-	-
-	-	-	-	-	-	-	-	-
2,166	**-**	**2,166**	**-**	**2,166**	**(40)**	**-**	**-**	**-**
-	-	-	-	-	-	-	-	-
2,166	-	2,166	-	2,166	(40)	-	-	-
-	-	-	-	-	-	-	-	-
15,960	**-**	**15,633**	**327**	**15,960**	**2,328**	**-**	**-**	**-**
327	-	-	327	327	217	-	-	-
15,633	-	15,633	-	15,633	2,111	-	-	-
-	-	-	-	-	-	-	-	-
9,148	**9,037**	**201**	**-**	**9,148**	**3,552**	**-**	**-**	**-**
201	-	201	-	201	1,036	-	-	-
8,947	9,037	-	-	8,947	2,516	-	-	-
2,140	**-**	**2,140**	**-**	**2,140**	**(15)**	**-**	**-**	**-**
2,140	-	2,140	-	2,140	(15)	-	-	-
-	-	-	-	-	-	-	-	-
42,280	**9,037**	**33,006**	**327**	**42,280**	**6,277**	**-**	**-**	**-**
-	**-**	**-**	**-**	**-**	**-**	-	-	-
42,280	**9,037**	**33,006**	**327**	**42,280**	**6,277**	**-**	**-**	**-**

TRANSFERRED ASSETS NOT DERECOGNISED IN FULL AT 31 DECEMBER 2016

Nature of transferred assets (in millions of euros)	Transferred assets				Transferred assets, Fair value[2]
	Carrying amount	Of which securisation (non-deconsolidating)	Of which securities bought under repurchase agreements	Of which other[1]	
Held-for-trading	**5,949**	**-**	**5,949**	**-**	**5,949**
Equity instruments	2	-	2	-	2
Debt securities	5,947	-	5,947	-	5,947
Loans and advances	-	-	-	-	-
Designated at fair value through profit or loss	**2,286**	**-**	**2,286**	**-**	**2,261**
Equity instruments	-	-	-	-	-
Debt securities	2,286	-	2,286	-	2,261
Loans and advances	-	-	-	-	-
Available-for-sale	**17,303**	**-**	**14,609**	**2,694**	**17,299**
Equity instruments	1,024	-	-	1,024	1,024
Debt securities	16,279	-	14,609	1,670	16,275
Loans and advances	-	-	-	-	-
Loans and receivables	**11,948**	**9,252**	**1,377**	**1,319**	**11,948**
Debt securities	2,696	-	1,377	1,319	2,696
Loans and advances	9,252	9,252	-	-	9,252
Held-to-maturity	**875**	**-**	**875**	**-**	**872**
Debt securities	875	-	875	-	872
Loans and advances	-	-	-	-	-
Total financial assets	**38,361**	**9,252**	**25,096**	**4,013**	**38,329**
Finance leases	-	-	-	-	-
TOTAL TRANSFERRED ASSETS	**38,361**	**9,252**	**25,096**	**4,013**	**38,329**

(1) Including securities lending without cash collateral.

(2) When the "counterparty" (counterparties) to the associated liabilities has (have) recourse only to the transferred assets". (IFRS 7.42D (d)).

Securitisations

Consolidated securitisations with external investors are a transfer of assets within the meaning of the amendment to IFRS 7. The Group effectively has an indirect contractual obligation to deliver to external investors the cash flows from assets sold to the securitisation fund (although these assets are recorded in the Group balance sheet through the consolidation of the fund). Receivables assigned to the securitisation fund are used as collateral for investors.

Fully self-subscribed consolidated securitisations do not constitute a transfer of assets within the meaning of IFRS 7.

Crédit Agricole Consumer Finance Securitisations

At 31 December 2017, Crédit Agricole Consumer Finance managed 15 consolidated vehicles for securitisation of retail consumer loans and car dealer financing in Europe. Securitisation transactions carried out within Crédit Agricole Consumer Finance Group are not considered to form part of a deconsolidation transaction under IFRS and have therefore been reintegrated into Crédit Agricole S.A. Group's consolidated financial statements.

The definitions of the underlined words can be found in the Glossary on page 567.

but still fully recognised						Transferred assets, but recognised to the extent of the entity's continuing involvement		
Associated liabilities					Assets and associated liabilities			
Carrying amount	*Of which securisation (non-deconsolidating)*	*Of which securities bought under repurchase agreements*	*Of which other[1]*	*Fair value[2]*	*Net fair value*	Initial total carrying amount of assets prior to transfer	Carrying amount of asset still recognised (continuing involvement)	Carrying amount of associated liabilities
5,850	**-**	**5,850**	**-**	**5,850**	**99**	**-**	**-**	**-**
2	-	2	-	2	-	-	-	-
5,848	-	5,848	-	5,848	99	-	-	-
-	-	-	-	-	-	-	-	-
2,286	**-**	**2,286**	**-**	**2,286**	**(25)**	**-**	**-**	**-**
-	-	-	-	-	-	-	-	-
2,286	-	2,286	-	2,286	(25)	-	-	-
-	-	-	-	-	-	-	-	-
14,898	**-**	**14,517**	**381**	**14,898**	**2,401**	**-**	**-**	**-**
381	-	-	381	381	644	-	-	-
14,517	-	14,517	-	14,517	1,758	-	-	-
-	-	-	-	-	-	-	-	-
7,673	**6,296**	**1,377**	**-**	**7,673**	**4,275**	**-**	**-**	**-**
1,377	-	1,377	-	1,377	1,319	-	-	-
6,296	6,296	-	-	6,296	2,956	-	-	-
875	**-**	**875**	**-**	**875**	**(3)**	**-**	**-**	**-**
875	-	875	-	875	(3)	-	-	-
-	-	-	-	-	-	-	-	-
31,582	**6,296**	**24,905**	**381**	**31,582**	**6,747**	**-**	**-**	**-**
-	-	-	-	-	-	-	-	-
31,582	**6,296**	**24,905**	**381**	**31,582**	**6,747**	**-**	**-**	**-**

The carrying amounts of the relevant assets (net of related liabilities) amounted to €8,364 million at 31 December 2017. They include, in particular, outstanding customer loans with a net carrying amount of €6,419 million. The amount of securities mobilised on the market stood at €6,899 million. The value of securities still available to be mobilised stood at €7,995 million.

Cariparma Securitisations

At 31 December 2017, Cariparma managed four home loan securitisation vehicles. These securitisation transactions are not considered to form part of a deconsolidation transaction under IFRS and have therefore been reintegrated into Crédit Agricole S.A. Group's consolidated financial statements.

The carrying amounts of the relevant assets amounted to €10,850 million at 31 December 2017.

6.8 Impairment deducted from financial assets

(in millions of euros)	31/12/2016	Changes in scope	Depreciation	Reversals and utilisations	Translation adjustment	Transfers in non-current assets held for sale and discontinued operations	Other movements	31/12/2017
Loans and receivables due from credit institutions	435	-	1	(6)	(41)	-	(3)	386
Loans and receivables due from customers	10,533	292	2,878	(3,588)	(322)	-	(73)	9,720
Of which collective impairment	*2,445*	*69*	*291*	*(687)*	*(115)*	-	*(56)*	*1,947*
Finance leases	272	-	180	(194)	-	-	1	259
Held-to-maturity securities	-	-	-	-	-	-	-	-
Available-for-sale financial assets	1,408	117	82	(436)	(12)	-	(1)	1,158
Other financial assets	173	-	29	(43)	(7)	-	(17)	135
TOTAL IMPAIRMENT OF FINANCIAL ASSETS	**12,821**	**409**	**3,170**	**(4,267)**	**(382)**	**-**	**(93)**	**11,658**

(in millions of euros)	01/01/2016	Changes in scope	Depreciation	Reversals and utilisations	Translation adjustment	Transfers in non-current assets held for sale and discontinued operations	Other movements	31/12/2016
Loans and receivables due from credit institutions	467	-	2	(42)	8	-	-	435
Loans and receivables due from customers	10,472	-	3,434	(3,383)	20	-	(10)	10,533
Of which collective impairment	*2,607*	-	*346*	*(479)*	*10*	-	*(39)*	*2,445*
Finance leases	270	-	142	(152)	-	-	12	272
Held-to-maturity securities	-	-	-	-	-	-	-	-
Available-for-sale financial assets	1,793	(2)	267	(501)	(3)	(138)	(8)	1,408
Other financial assets	128	-	66	(26)	4	-	1	173
TOTAL IMPAIRMENT OF FINANCIAL ASSETS	**13,130**	**(2)**	**3,911**	**(4,104)**	**29**	**(138)**	**(5)**	**12,821**

The definitions of the underlined words can be found in the Glossary on page 567.

6.9 Exposure to sovereign risk

The scope of sovereign exposures recorded covers exposures to Governments, but does not include local authorities. Tax debt is excluded from these amounts.

Exposure to sovereign debt corresponds to an exposure net of impairment (carrying amount) presented both gross and net of hedging.

The Group's significant exposure to sovereign risk is as follows:

BANKING ACTIVITY

	Exposures net of impairment							
	Of which banking portfolio							
31/12/2017 *(in millions of euros)*	*Held-to-maturity financial assets*	*Available-for-sale financial assets*	*Financial assets at fair value through profit or loss*	*Loans and receivables*	**Of which trading book (excluding derivatives)**	**Total banking activity before hedging**	**Hedging available-for-sale financial assets**	**Total banking activity after hedging**
Germany	114	266	6	-	-	**386**	-	**386**
Saudi Arabia	-	-	-	542	2	**544**	-	**544**
Belgium	-	3,196	-	-	-	**3,196**	(122)	**3,074**
Brazil	-	7	-	38	86	**131**	-	**131**
China	-	65	-	-	3	**68**	-	**68**
Spain	-	1,463	-	-	-	**1,463**	-	**1,463**
United States	-	151	-	-	617	**768**	(3)	**765**
France	7,018	11,568	-	1,529	-	**20,115**	(859)	**19,256**
Greece	-	-	-	-	-	**-**	-	**-**
Hong-Kong	-	1,044	-	-	38	**1,082**	-	**1,082**
Ireland	-	4	-	-	-	**4**	-	**4**
Italy	2,214	5,210	-	113	64	**7,601**	(187)	**7,414**
Japan	-	2,635	-	255	-	**2,890**	-	**2,890**
Morocco	-	351	-	-	146	**497**	-	**497**
Portugal	-	99	9	-	8	**116**	(2)	**114**
United Kingdom	-	-	-	-	-	**-**	-	**-**
Russia	-	8	-	-	5	**13**	-	**13**
Syria	-	-	-	-	-	**-**	-	**-**
Ukraine	-	32	-	-	-	**32**	-	**32**
Venezuela	-	-	-	4	-	**4**	-	**4**
Yemen	-	-	-	-	-	**-**	-	**-**
TOTAL	**9,346**	**26,099**	**15**	**2,481**	**969**	**38,910**	**(1,173)**	**37,737**

31/12/2016 *(in millions of euros)*	Exposures net of impairment							
	Of which banking portfolio							
	Held-to-maturity financial assets	*Available-for-sale financial assets*	*Financial assets at fair value through profit or loss*	*Loans and receivables*	Of which trading book (excluding derivatives)	Total banking activity before hedging	Hedging available-for-sale financial assets	Total banking activity after hedging
Germany	114	-	1	-	-	**115**	-	**115**
Saudi Arabia	-	-	-	617	-	**617**	-	**617**
Belgium	-	2,383	-	-	-	**2,383**	(168)	**2,215**
Brazil	-	-	-	41	5	**46**	-	**46**
China	-	69	-	-	6	**75**	-	**75**
Spain	-	2,202	-	150	-	**2,352**	(8)	**2,344**
United States	-	177	-	-	25	**202**	(7)	**195**
France	3,142	22,095	1	1,162	-	**26,400**	(1,388)	**25,012**
Greece	-	-	-	-	-	**-**	-	**-**
Hong-Kong	-	1,165	-	-	28	**1,193**	-	**1,193**
Ireland	-	4	-	-	-	**4**	-	**4**
Italy	-	5,368	-	111	-	**5,479**	(286)	**5,193**
Japan	-	3,547	-	639	30	**4,216**	-	**4,216**
Morocco	-	404	-	-	131	**535**	-	**535**
Portugal	-	104	1	-	-	**105**	(5)	**100**
United Kingdom	-	-	-	-	-	**-**	-	**-**
Russia	-	34	-	-	10	**44**	-	**44**
Syria	-	-	-	-	-	**-**	-	**-**
Ukraine	-	23	-	-	-	**23**	-	**23**
Venezuela	-	-	-	4	-	**4**	-	**4**
Yemen	-	-	-	-	-	**-**	-	**-**
TOTAL	**3,256**	**37,575**	**3**	**2,724**	**235**	**43,793**	**(1,862)**	**41,931**

The definitions of the underlined words can be found in the Glossary on page 567.

INSURANCE ACTIVITY

For the insurance activity, exposure to sovereign debt is presented as net of impairment, before hedging, and corresponds to an exposure before application of sharing mechanisms between insurer and policyholder specific to life insurance.

Gross exposure *(in millions of euros)*	**31/12/2017**	**31/12/2016**
Germany	244	247
Saudi Arabia	-	-
Belgium	2,419	2,421
Brazil	1	-
China	-	-
Spain	1,015	1,036
United States	17	14
France	42,029	32,255
Greece	-	-
Hong-Kong	-	-
Ireland	587	612
Italy	5,968	5,994
Japan	11	-
Morocco	-	-
Portugal	3	3
United Kingdom	-	-
Russia	-	-
Syria	-	-
Ukraine	-	-
Venezuela	-	-
Yemen	-	-
TOTAL EXPOSURE	**52,294**	**42,582**

6.10 Due to credit institutions and to customers

DUE TO CREDIT INSTITUTIONS

(in millions of euros)	31/12/2017	31/12/2016
Credit institutions		
Accounts and borrowings	67,123	55,131
Of which current accounts in credit	*7,819*	*7,744*
Of which overnight accounts and deposits	*1,858*	*2,738*
Pledged securities	-	-
Securities sold under repurchase agreements	22,088	24,682
Total	**89,211**	**79,813**
Crédit Agricole internal transactions		
Current accounts in credit	10,109	5,664
Securities sold under repurchase agreements	2,312	-
Term deposits and advances	23,958	26,851
Total	**36,379**	**32,515**
CARRYING AMOUNT	**125,590**	**112,328**

DUE TO CUSTOMERS

(in millions of euros)	31/12/2017	31/12/2016
Current accounts in credit	182,099	160,278
Special savings accounts	275,058	260,579
Other amounts due to customers	*89,768*	*94,451*
Securities sold under repurchase agreements	*1,706*	*4,666*
Insurance liabilities	853	749
Reinsurance liabilities	313	338
Cash deposits received from ceding and retroceding companies against technical insurance commitments	949	767
CARRYING AMOUNT	**550,746**	**521,828**

6.11 Debt securities and subordinated debt

(in millions of euros)	31/12/2017	31/12/2016
Debt securities		
Interest bearing notes	130	147
Money-market instruments	11,686	15,127
Negotiable debt securities	61,891	60,860
Bonds[1]	86,176	80,049
Other debt instruments	3,825	3,097
CARRYING AMOUNT	**163,708**	**159,280**
Subordinated debt		
Dated subordinated debt[2]	22,230	23,996
Undated subordinated debt[3]	2,934	5,047
Mutual security deposits	171	163
Participating securities and loans	86	121
CARRYING AMOUNT	**25,421**	**29,327**

(1) Includes issues of Covered Bonds and issues of senior non-preferred bonds.

(2) Includes issues of dated subordinated notes "TSR".

(3) Includes issues of deeply subordinated notes "TSS" and undated subordinated notes "TSDI".

The definitions of the underlined words can be found in the Glossary on page 567.

At 31 December 2017, deeply subordinated notes issued before CRD 4/CRR came into force totalled €2,416 million, down from €4,507 million at 31 December 2016.

The debt instruments issued by Crédit Agricole S.A. and subscribed for by Crédit Agricole S.A. Group insurance companies were eliminated for euro contracts. They were eliminated for the portion backing unit-linked contracts with financial risk borne by the policyholder.

SUBORDINATED DEBT ISSUES

The issue of subordinated debt plays a part in regulatory capital management while contributing to refinancing all of Crédit Agricole S.A. 's operations.

The Capital Requirements Regulation and Directive (CRD 4/CRR) define the conditions under which subordinated instruments qualify as regulatory capital and set out the terms and conditions for progressive disqualification of older instruments that do not meet these requirements, between 1 January 2014 (effective date of the CRD 4/CRR) and 1 January 2022.

All subordinated debt issuance, whether new or old, is likely to be subject to Bail-in in certain circumstances, particularly in the event of resolution of the issuing bank, in accordance with the Order of 20 August 2015 containing various provisions adapting French legislation to EU law on financial matters, transposing EU Directive of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms (Bank Recovery and Resolution Directive, or BRRD).

Details of the types of subordinated debt issued by Crédit Agricole S.A. and still outstanding are as follows: they comprise undated subordinated debt (issued before CRD 4/CRR came into force), dated subordinated notes "TSR", deeply subordinated notes "TSS" issued before CRD 4/CRR came into force and deeply subordinated notes "TSS" issued after CRD 4/CRR came into force.

Deeply subordinated notes (TSS)

TSS – Volumes issued before CRD 4/CRR came into force

Deeply subordinated notes (TSS) issued by Crédit Agricole S.A. are either fixed or floating-rate and undated (unless they contain a contractually defined early redemption clause and subject to certain conditions). They are senior to Common Equity Tier 1 Capital (CET1), including Crédit Agricole S.A. shares, but subordinated (lower-ranking) to all other more senior subordinated debt (including dated subordinated notes and undated subordinated notes).

Deeply subordinated notes are generally fixed-rate then floating-rate beyond a certain duration and include early repayment options at the discretion of Crédit Agricole S.A. (with certain reserves) beyond this same duration.

The coupons are non-cumulative and payment of a dividend by Crédit Agricole S.A. entails the obligation to pay the coupon on the TSS for a period of one year. However, the coupons may not be paid if Crédit Agricole S.A. experiences a regulatory event, *i.e.*, falls below the legal minimum equity ratio as defined by Pillar 1 or Pillar 2, or if the competent regulator anticipates such an event in the near future.

The notional amount and accrued interest are impaired, up to a maximum of 0.01 of the security's monetary unit if the issuer's total capital ratio falls below a minimum threshold, either contractual or regulatory, or by decision of the competent regulator.

Additional Tier 1 (AT1) TSS issued after CRD 4/CRR came into force

The Additional Tier 1 deeply subordinated notes (AT1 TSS) issued by Crédit Agricole S.A. are consistent with the new CRD 4/CRR rules.

The AT1 TSS issued by Crédit Agricole S.A. are either fixed and/or floating-rate and undated (unless they contain a contractually defined early redemption clause and subject to certain conditions). They are senior to Common Equity Tier 1 Capital (CET1), including Crédit Agricole S.A. shares, but subordinated to all other more senior subordinated debt and rank *pari passu* with TSS issued before CRD 4/CRR came into force.

AT1 TSS are generally fixed-rate but resettable beyond a certain duration and can include early repayment options subject to certain conditions beyond this same duration.

AT1 TSS issued by Crédit Agricole S.A. contain a clause providing for temporary partial impairment of the securities in the event the phased-in Basel 3 Common Equity Tier 1 regulatory ratio of Crédit Agricole Group falls below 7% or the phased-in Basel 3 Common Equity Tier 1 regulatory ratio of Crédit Agricole S.A. falls below 5.125%. They may be impaired up to a maximum of 0.01 of the issue's monetary unit.

Coupons are optional at the discretion of Crédit Agricole S.A. (which may decide on the suspension of interest payments) or at the competent regulator's request, and subject to regulatory limits if distributable amounts are insufficient or the Crédit Agricole Group or Crédit Agricole S.A. Group fails to meet regulatory requirements for total capital (including capital buffers).

Instruments classified as Tier 1 equity instruments (AT1 issued after the entry into force of CRD 4/CRR), recorded in Group equity, are detailed in Note 6.21.

Undated subordinated notes (TSDI) (issued before CRD 4/CRR came into force)

Undated subordinated notes (TSDI) issued by Crédit Agricole S.A. before CRD 4/CRR came into force are usually fixed-rate and pay interest quarterly, on a perpetual basis.

They are only redeemable in the event of Crédit Agricole S.A.'s liquidation (judicial or otherwise), unless they contain a contractually defined early redemption clause and subject to certain conditions (see "Early redemption as part of the conditions for all subordinated note issues (TSDI, TSR or TSS)" below).

Like the dated subordinated notes ("TSR" – see below "Issues of dated subordinated notes (TSR) and contingent capital securities"), they are subordinated securities (principal and interest) in reference to Article L. 228-97 of the French Commercial Code. In particular, the coupon may be suspended if the General Meeting of Shareholders of Crédit Agricole S.A. duly notes that there were no distributable earnings for the relevant financial year.

It should be noted that TSDI have a contractually defined rank senior to Common Equity Tier 1 Capital (CET1), including Crédit Agricole S.A. shares, TSS (deeply subordinated notes), participating notes granted to Crédit Agricole S.A. and participating securities issued by it; they rank *pari passu* with other TDSI and TSR (see below) of the same rank and subordinate to all other more senior debt (notably preferred and non-preferred senior bonds).

Dated subordinated notes (TSR) and contingent capital securities

Dated subordinated notes (TSR) issued by Crédit Agricole S.A. are usually fixed-rate and pay interest on a quarterly or annual basis with a fixed maturity. They may be redeemed prior to maturity under contractually defined conditions and subject to certain conditions.

TSR are issued either on the French market under French law or on the international markets under UK, State of New York (United States) or Japanese law.

TSR differ from preferred and non-preferred senior bonds in terms of their ranking (principal and interest) as contractually defined by the subordination clause with reference to Article L. 228-97 of the French Commercial Code.

In the case of notes issued by Crédit Agricole S.A. , in the event of liquidation (judicial or otherwise), dated subordinated notes (TSR) will be repaid after all other secured and unsecured creditors (including creditors of preferred and non-preferred senior bonds), but before either participating loans provided to Crédit Agricole S.A. , or any participating notes issued by the Bank, as well as any deeply subordinated notes ("TSS", see above "Deeply subordinated notes (TSS)").

Early redemption as part of the conditions for all subordinated note issues (TSDI, TSR or TSS)

The above-mentioned TSDI, TSR or TSS may be the subject of:

- buy-back transactions, either on the market through public takeover bids or exchange offers subject to approval by the competent regulator, where appropriate, and/or at the initiative of Crédit Agricole S.A. , in accordance with the contractual clauses applicable to each issue;
- the exercise of an early redemption option at the initiative of Crédit Agricole S.A. ("call option"), under the conditions and subject to approval by the competent regulator, where appropriate, at the times defined by the contractual terms of the issue, in the event that the issuance agreement for the securities contains such a clause.

SENIOR NON-PREFERRED DEBT ISSUES

The law on transparency, the fight against corruption and the modernisation of the economy (also referred to as the "Sapin 2 Law") was published in the Official Journal on 10 December 2016 and became effective on 11 December, 2016. As part of this law, France created a new category of senior debt -- senior "non-preferred" debt -- meeting the eligibility criteria of the TLAC and MREL ratios (as they are presently defined). This new category of debt is also taken into account in the draft amendment to the Bank Recovery and Resolution Directive (BRRD) published on 23 November, 2016, which points to a harmonisation of banks' creditor ranking.

In the course of a resolution process (likely to occur prior to liquidation), it will be possible to impair senior non-preferred securities in full or in part, or to convert them into equity as part of the bail-in procedure, ahead of other senior debt securities (senior "preferred" debt securities), but only after the full depreciation or the conversion into equity of subordinated instruments. The latter include own funds-related instruments of first category (CET1 and Additional Tier 1) and second category instruments (Tier 2). Only if the impairment or conversion of these instruments is insufficient will senior-non preferred debt securities be used in the bail-in of a particular institution.

In a liquidation event, senior non-preferred securities will be redeemed if there still are funds available, after the repayment of all senior preferred instruments, but ahead of subordinated securities (in particular of dated subordinated notes TSR known as "Tier 2" own funds).

The inaugural issue of these new senior non-preferred debt securities was launched by Crédit Agricole S.A. on 13 December 2016. The outstanding amount of senior non-preferred securities of Crédit Agricole S.A. and Crédit Agricole Group thus stood at €7.6 billion at 31 December 2017, compared to €1.5 billion at 31 December 2016.

COVERED BOND-TYPE ISSUES

In order to increase the amount of medium and long-term financing, the Group issues Covered Bonds through two subsidiaries in France and one subsidiary in Italy:

- Crédit Agricole Home Loan SFH, whose initial issue was launched in January 2009. The total amount outstanding, in euro equivalent, was €25.2 billion at 31 December 2017;
- Crédit Agricole Public Sector SCF, whose initial issue was launched in October 2012. The total amount issued and outstanding was €3 billion at 31 December 2017;
- Cariparma: the total amount issued and outstanding at 31 December 2017 was €7 billion in OBG (covered bonds), including €1.2 billion held at 31 December 2017.

The definitions of the underlined words can be found in the Glossary on page 567.

6.12 Information on the offsetting of financial assets and financial liabilities

OFFSETTING – FINANCIAL ASSETS

Type of financial instruments (in millions of euros)	31/12/2017					
	Offsetting effects on financial assets covered by master netting agreements and similar agreements					
				Other amounts that can be offset under given conditions		
	Gross amounts of recognised financial assets before offsetting	*Gross amounts of recognised financial liabilities set off in the financial statements[4]*	*Net amounts of financial assets presented in the financial statements*	*Gross amounts of financial liabilities covered by master netting agreements*	*Amounts of other financial instruments received as collateral, including security deposits*	*Net amount after all offsetting effects*
Derivatives[1]	187,152	75,436	111,716	89,733	13,567	8,416
Reverse repurchase agreements[2]	71,880	29,647	42,233	19,889	22,284	60
Securities lent[3]	1,948	-	1,948	-	-	1,948
Other financial instruments	-	-	-	-	-	-
TOTAL FINANCIAL ASSETS SUBJECTS TO OFFSETTING	**260,980**	**105,083**	**155,897**	**109,622**	**35,851**	**10,424**

(1) The amount of derivatives subject to offsetting represents 91.40% of the derivatives on the asset side of the balance sheet at the end of the reporting period.

(2) The amount of reverse repurchase agreements subject to offsetting represents 40.31% of the reverse repurchase agreements on the asset side of the balance sheet at the end of the reporting period.

(3) The amount of securities lent subject to offsetting represents 43.00% of the securities lent on the asset side of the balance sheet at the end of the reporting period.

(4) Including margin calls.

Type of financial instrument (in millions of euros)	31/12/2016					
	Offsetting effects on financial assets covered by master netting agreements and similar agreements					
				Other amounts that can be offset under given conditions		
	Gross amounts of recognised financial assets before offsetting	*Gross amounts of recognised financial liabilities set off in the financial statements[4]*	*Net amounts of financial assets presented in the financial statements*	*Gross amounts of financial liabilities covered by master netting agreements*	*Amounts of other financial instruments received as collateral, including security deposits*	*Net amount after all offsetting effects*
Derivatives[1]	263,815	120,346	143,470	119,202	14,821	9,447
Reverse repurchase agreements[2]	62,367	16,374	45,993	17,452	28,491	51
Securities lent[3]	1,423	-	1,423	-	-	1,423
Other financial instruments	-	-	-	-	-	-
TOTAL FINANCIAL ASSETS SUBJECT TO OFFSETTING	**327,606**	**136,720**	**190,886**	**136,654**	**43,311**	**10,921**

(1) The amount of derivatives subject to offsetting represents 83.78% of the derivatives on the asset side of the balance sheet at the end of the reporting period.

(2) The amount of reverse repurchase agreements subject to offsetting represents 47.86% of the reverse repurchase agreements on the asset side of the balance sheet at the end of the reporting period.

(3) The amount of securities lent subject to offsetting represents 32.11% of the securities lent on the asset side of the balance sheet at the end of the reporting period.

(4) Including margin calls.

OFFSETTING – FINANCIAL LIABILITIES

Type of financial instrument (in millions of euros)	31/12/2017					
	Offsetting effects on financial liabilities covered by master netting agreements and similar agreements					
				Other amounts that can be offset under given conditions		
	Gross amounts of recognised financial liabilities before offsetting	Gross amounts of recognised financial assets set off in the financial statements[3]	Net amounts of financial liabilities presented in the financial statements	Gross amounts of financial assets covered by master netting agreements	Amounts of other financial instruments given as guarantee, including security deposits	Net amount after all offsetting effects
Derivatives[1]	192,517	75,444	117,073	89,733	15,595	11,744
Repurchase agreements[2]	72,358	29,647	42,711	19,889	20,264	2,559
Securities borrowed	-	-	-	-	-	-
Other financial instruments	-	-	-	-	-	-
TOTAL FINANCIAL LIABILITIES SUBJECT TO OFFSETTING	**264,875**	**105,091**	**159,784**	**109,622**	**35,859**	**14,303**

(1) The amount of derivatives subject to offsetting represents 97.74% of the derivatives on the liability side of the balance sheet at the end of the reporting period.

(2) The amount of repurchase agreements subject to offsetting represents 46.86% of the repurchase agreements on the liability side of the balance sheet at the end of the reporting period.

(3) Including margin calls.

Type of financial instrument (in millions of euros)	31/12/2016					
	Offsetting effects on financial liabilities covered by master netting agreements and similar agreements					
				Other amounts that can be offset under given conditions		
	Gross amounts of recognised financial liabilities before offsetting	Gross amounts of recognised financial assets set off in the financial statements[3]	Net amounts of financial liabilities presented in the financial statements	Gross amounts of financial assets covered by master netting agreements	Amounts of other financial instruments given as guarantee, including security deposits	Net amount after all offsetting effects
Derivatives[1]	265,872	120,385	145,487	119,202	18,548	7,737
Repurchase agreements[2]	54,481	16,374	38,107	17,452	17,591	3,064
Securities borrowed	-	-	-	-	-	-
Other financial instruments	-	-	-	-	-	-
TOTAL FINANCIAL LIABILITIES SUBJECT TO OFFSETTING	**320,353**	**136,759**	**183,594**	**136,654**	**36,139**	**10,801**

(1) The amount of derivatives subject to offsetting represents 87.45% of the derivatives on the liability side of the balance sheet at the end of the reporting period.

(2) The amount of repurchase agreements subject to offsetting represents 51.73% of the repurchase agreements on the liability side of the balance sheet at the end of the reporting period.

(3) Including margin calls.

The definitions of the underlined words can be found in the Glossary on page 567.

6.13 Current and deferred tax assets and liabilities

(in millions of euros)	31/12/2017	31/12/2016
Current tax	1,490	1,417
Deferred tax	2,972	2,576
TOTAL CURRENT AND DEFERRED TAX ASSETS(1)	**4,462**	**3,993**
Current tax	1,144	788
Deferred tax	2,338	2,313
TOTAL CURRENT AND DEFERRED TAX LIABILITIES	**3,482**	**3,101**

(1) Including a decrease in the deferred tax assets amounts for 2017 of -€61 million due to the finance law enacted in 2018 that progressively brings the tax rate from 34.43% in 2018 to 25.83% from 2022.

Net deferred tax assets and liabilities break down as follows:

(in millions of euros)	31/12/2017	31/12/2016
Temporary timing differences	**1,550**	**1,743**
Non-deductible accrued expenses	279	277
Non-deductible provisions for liabilities and charges	1,871	2,226
Other temporary differences(1)	(600)	(760)
Deferred tax on reserves for unrealised gains or losses	**(793)**	**(1,019)**
Available-for-sale assets	(736)	(735)
Cash flow hedges	(192)	(443)
Gains and losses/Actuarial differences	135	159
Deferred tax on Income	**(123)**	**(461)**
TOTAL DEFERRED TAX	**634**	**263**

(1) The portion of deferred tax related to tax loss carryforwards is €626 million for 2017 compared to €425 million with respect to 2016.

Deferred tax assets are netted on the balance sheet by taxable entity.

In order to assess the level of deferred tax assets to be recognised, Crédit Agricole S.A. takes into account for each company or tax group concerned the dedicated tax status and the earnings projections established during the budgetary process.

6.14 Accrued income and expenses and other assets and liabilities

ACCRUALS, PREPAYMENTS AND SUNDRY ASSETS

(in millions of euros)	31/12/2017	31/12/2016
Other assets	**28,776**	**38,075**
Inventory accounts and miscellaneous	139	129
Sundry debtors[1]	24,824	34,327
Settlement accounts	1,887	1,864
Other insurance assets	281	270
Reinsurers' share of technical reserves	1,645	1,485
Accruals and deferred income	**7,421**	**6,298**
Items in course of transmission	2,640	2,439
Adjustment and suspense accounts	463	828
Accrued income	2,712	2,275
Prepaid expenses	593	375
Other accrual prepayments and sundry assets	1,013	381
CARRYING AMOUNT	**36,197**	**44,373**

(1) Including €40 million in respect of the contribution to the Single Resolution Fund in the form of a security deposit. The Single Resolution Fund may use the security deposit to provide funding unconditionally and at any time.

ACCRUALS, DEFERRED INCOME AND SUNDRY LIABILITIES

(in millions of euros)	31/12/2017	31/12/2016
Other liabilities	**29,411**	**33,713**
Settlement accounts	2,493	2,579
Sundry creditors	26,718	30,967
Liabilities related to trading securities	176	138
Other insurance liabilities	24	29
Accruals and deferred income	**11,119**	**14,204**
Items in course of transmission	3,735	3,087
Adjustment and suspense accounts	307	4,497
Unearned income	1,307	1,375
Accrued expenses	5,049	4,342
Other accruals prepayments and sundry liabilities	721	903
CARRYING AMOUNT	**40,530**	**47,917**

6.15 Joint ventures and associates

FINANCIAL INFORMATION OF JOINT VENTURES AND ASSOCIATES

At 31 December 2017:

- the equity-accounted value of joint ventures totalled €1,797 million (€1,719 million at 31 December 2016);
- the equity-accounted value of associates totalled €3,380 million (€5,381 million at 31 December 2016).

FCA Bank is a joint venture created with the Fiat Chrysler Automobiles Group. In July 2013, Crédit Agricole S.A. , Crédit Agricole Consumer Finance and Fiat Chrysler Automobiles (formerly Fiat Group Automobiles) signed an agreement to extend their 50/50 joint venture until 31 December 2021. Active in 16 European countries, the company manages all financing transactions for car dealers and private customers for the following brands: Fiat, Lancia, Alfa Romeo, Maserati, Chrysler, Jeep, Fiat Professional, Abarth, Ferrari in Europe as well as Jaguar Land Rover in continental Europe. It is key to the development of the Group's automotive joint venture business.

The definitions of the underlined words can be found in the Glossary on page 567.

Material associates and joint ventures are presented in the table below. These are the main joint ventures and associates that make up the "Equity-accounted value on the balance sheet".

	31/12/2017					
(in millions of euros)	% of interest	Equity-accounted value	Market value	Dividends paid to Group's entities	Share of net income[1]	Share of shareholders' equity[2]
Joint ventures						
FCA Bank	50%	1,573	-	50	193	1,270
Others		224	-	5	6	504
Net carrying amount of investments in equity-accounted entities (Joint ventures)		**1,797**			**199**	**1,774**
Associates						
Banque Saudi Fransi[3]	-	-	-	92	173	-
Eurazeo[4]	-	-	-	13	77	-
Icade[5]	18.5%	966	1,123	-	14	597
Altarea	24.7%	544	825	42	83	447
Korian	23.0%	521	547	11	32	484
Ramsay - Générale De Santé	38.4%	435	459	-	22	177
Gac - Sofinco Auto Finance Co.Ltd	50.0%	216	-	-	30	216
SCI Cargo Property Holding[5]	29.9%	171	164	7	1	171
Infra Foch Topco	36.9%	91	168	26	27	(50)
Patrimoine et Commerce[5]	19.9%	68	55	3	18	68
Eurosic[6]	-	-	-	21	56	-
Others	-	367	-	-	51	267
Net carrying amount of investments in equity-accounted entities (Associates)	**-**	**3,380**			**583**	**2,377**
NET CARRYING AMOUNT OF INVESTMENTS IN EQUITY-ACCOUNTED ENTITIES		**5,177**			**783**	**4,151**

(1) The share of income of insurance activities and associates as well as the related share of benefits are classified as Net Banking Income in the income statement.

(2) Shareholders' equity Group share in the financial statements of the joint venture or associate when the joint venture or associate is a sub-group.

(3) Crédit Agricole Banque CIB sold 16.2% of Banque Saudi Fransi on 20 September 2017. The contribution of Banque Sandi Fransi covers the period starting 1 January 2017 to 20 September 2017. The remaining participation has been reclassified in Available-for-sale financial assets.

(4) Crédit Agricole S.A. has sold its entire stake in Eurazeo on 16 June 2017. The contribution of Eurazeo covers the period starting 1 january 2017 to 16 June 2017.

(5) SCI Cargo Property Holding, Icade and Patrimoine et Commerce entered the scope of consolidation under the equity method in 2017.

(6) In connection Gecina and Eurosic merger CAA disposed of all of its Eurosic shares. The company exited the scope of consolidation on 31 December 2017.

(in millions of euros)	31/12/2016 % of interest	Equity-accounted value	Share of market value	Dividends paid to Group's entities	Share of net income[1]	Share of shareholders' equity[2]
Joint ventures						
FCA Bank[3]	50%	14.33	-	63	150	1,132
Others		256	-	5	23	524
Net carrying amount of investments in equity-accounted entities (Joint ventures)		**1,719**			**173**	**1,656**
Associates						
Banque Saudi Fransi	30.4%	2,302	2,459	46	211	2,334
Eurazeo	16.0%	648	597	25	46	616
Ramsay – Générale De Santé	38.4%	412	459	-	14	154
Infra Foch Topco	36.9%	92	168	26	10	(49)
Altarea	26.6%	498	740	39	17	395
Korian	23.7%	490	529	11	10	451
Others		939	-	52	145	814
Net carrying amount of investments in equity-accounted entities (Associates)		**5,381**			**453**	**4,715**
NET CARRYING AMOUNT OF INVESTMENTS IN EQUITY-ACCOUNTED ENTITIES		**7,100**			**626**	**6,371**

(1) The share of income of insurance activities and associates as well as the related share of benefits are classified as Net Banking Income in the income statement.

(2) Shareholders' equity Group share in the financial statements of the joint venture or associate when the joint venture or associate is a sub-group.

(3) Formerly known as FGA Capital.

The market value shown in the table above is the quoted price of the shares on the market at 31 December 2017. This value may not be representative of the selling value since the value in use of equity-accounted entities may be different from the equity-accounted value determined pursuant to IAS 28. Investments in equity-accounted entities were subject to impairment tests, in case of an indication of impairment, using the same methodology as for goodwill.

Condensed financial information for the material associates and joint ventures of Crédit Agricole S.A. Group is shown below:

(in millions of euros)	31/12/2017 Revenues	Net income	Total assets	Total Equity
Joint ventures				
FCA Bank	821	387	27,081	2,540
Associates				
Icade[1]	77	77	10,049	3,864
Altarea	335	335	7,624	2,979
Korian	137	137	6,687	2,097
Ramsay - Générale De Santé	57	57	2,346	502
Gac - Sofinco Auto Finance Co.Ltd	161	59	4,099	873
SCI Cargo Property Holding[1]	4	4	606	593
Infra Foch Topco	72	72	3,081	603
Patrimoine et Commerce[1]	93	93	722	337

(1) SCI Cargo Property Holding, Icade and Patrimoine et Commerce entered the scope of consolidation under the equity method in 2017.

The definitions of the underlined words can be found in the Glossary on page 567.

	31/12/2016			
(in millions of euros)	Revenues	Net income	Total assets	Total Equity
Joint ventures				
FCA Bank	725	301	23,301	2,263
Associates				
Banque Saudi Fransi[1]	1,547	845	51,432	7,503
Eurazeo[2]	1,248	74	8,700	3,852
Ramsay – Générale De Santé	37	37	2,354	438
Infra Foch Topco	28	28	3,049	674
Altarea	64	64	6,872	2,552
Korian	42	42	6,292	1,911

(1) Crédit Agricole Banque CIB sold 16.2% of Banque Saudi Fransi on 20 September 2017.

(2) Net income in the above table corresponds to the sum of the net income of the second half of 2015 and of the first half of 2016.

SIGNIFICANT RESTRICTIONS ON JOINT VENTURES AND ASSOCIATES

Crédit Agricole S.A. Group has the following restrictions:

Regulatory constraints

The subsidiaries of Crédit Agricole S.A. Group are subject to prudential regulation and regulatory capital requirements in their host countries. The minimum equity capital (solvency ratio), leverage ratio and liquidity ratio requirements limit the capacity of these entities to pay dividends or to transfer assets to Crédit Agricole S.A. Group.

Legal constraints

The subsidiaries of Crédit Agricole S.A. Group are subject to legal provisions concerning the distribution of capital and distributable earnings. These requirements limit the ability of the subsidiaries to distribute dividends. In the majority of cases, these are less restrictive than the regulatory limitations mentioned above.

Restriction on assets backing unit-linked contracts for the Insurance business

Assets backing unit-linked contracts of Crédit Agricole S.A. Group are held for the benefit of policyholders. Assets of the insurance subsidiaries of Crédit Agricole S.A. Group are mainly held for satisfying their obligation towards their policyholders. Assets transfers to other entities are possible following the legal conditions. However, in case of a transfer, a part of the profit due to the transfer must be intended for the policyholders.

6.16 Investment properties

(in millions of euros)	31/12/2016	Changes in scope	Increases (acquisitions)	Decreases (disposals and redemptions)	Translation adjustments	Other movements	31/12/2017
Gross amount	5,697	14	1,484	(1,130)	-	218	**6,283**
Amortisation and impairment	(80)	-	(3)	5	-	(9)	**(87)**
NET CARRYING AMOUNT[1]	**5,617**	**14**	**1,481**	**(1,125)**	**-**	**209**	**6,196**

(in millions of euros)	01/01/2016	Changes in scope	Increases (acquisitions)	Decreases (disposals and redemptions)	Translation adjustments	Other movements	31/12/2016
Gross amount	5,473	-	2,296	(2,135)	-	63	**5,697**
Amortisation and impairment	(83)	-	(2)	11	-	(6)	**(80)**
NET CARRYING AMOUNT[1]	**5,390**	**-**	**2,294**	**(2,124)**	**-**	**57**	**5,617**

(1) Including investment property let to third parties.

FAIR VALUE OF INVESTMENT PROPERTIES

The market value of investment property recorded at amortised cost, as valued by "expert appraisers", was €8,845 million at 31 December 2017 compared to €8,364 million at 31 December 2016.

(in millions of euros)		31/12/2017	31/12/2016
Quoted prices in active markets for identical instruments	Level 1	-	-
Valuation based on observable data	Level 2	8,774	8,312
Valuation based on unobservable data	Level 3	71	52
MARKET VALUE		**8,845**	**8,364**

All investment property are recognised at amortised cost in the balance sheet.

6.17 Property, plant & equipment and intangible assets (excluding goodwill)

(in millions of euros)	31/12/2016	Changes in scope	Increases (Acquisitions, business combinations)	Decreases (disposals and redemptions)	Translation adjustments	Other movements	31/12/2017
Property, plant & equipment used in operations							
Gross amount	7,884	319	556	(392)	(72)	105	**8,400**
Amortisation and impairment[1]	(4,055)	(50)	(395)	333	41	(64)	**(4,190)**
CARRYING AMOUNT	**3,829**	**269**	**161**	**(59)**	**(31)**	**41**	**4,210**
Intangible assets							
Gross amount	5,386	737	564	(104)	(14)	(39)	**6,530**
Amortisation and impairment	(3,803)	(176)	(435)	58	11	(5)	**(4,350)**
CARRYING AMOUNT	**1,583**	**561**	**129**	**(46)**	**(3)**	**(44)**	**2,180**

(in millions of euros)	01/01/2016	Changes in scope	Increases (Acquisitions, business combinations)	Decreases (disposals and redemptions)	Translation adjustments	Other movements	31/12/2016
Property, plant & equipment used in operations							
Gross amount	7,918	(29)	386	(417)	(65)	91	**7,884**
Amortisation and impairment[1]	(3,986)	10	(396)	332	29	(44)	**(4,055)**
CARRYING AMOUNT	**3,932**	**(19)**	**(10)**	**(85)**	**(36)**	**47**	**3,829**
Intangible assets							
Gross amount	5,267	-	465	(332)	(12)	(2)	**5,386**
Amortisation and impairment	(3,692)	3	(334)	256	8	(44)	**(3,803)**
CARRYING AMOUNT	**1,575**	**3**	**131**	**(76)**	**(4)**	**(46)**	**1,583**

(1) Including depreciation on fixed assets let to third parties.

The definitions of the underlined words can be found in the Glossary on page 567.

6.18 Goodwill

(in millions of euros)	31/12/2016 Gross	31/12/2016 net	Increases (Acquisitions)	Decreases (Divestments)	Impairment losses during the period	Translation adjustments	Other movements	31/12/2017 Gross	31/12/2017 Net
Asset gathering	**4,339**	**4,339**	**2,537**	**-**	**-**	**(82)**	**-**	**6,793**	**6,793**
of which Insurance	1,214	1,214	-	-	-	-	-	1,214	1,214
of which Asset management	2,318	2,318	2,537[1]	-	-	(24)	-	4,830	4,831
of which international wealth management	807	807	-	-	-	(58)	-	749	749
French retail banking - LCL	**5,263**	**4,772**	**-**	**-**	**-**	**-**	**-**	**5,263**	**4,772**
International retail banking	**3,224**	**1,909**	**-**	**-**	**222**	**4**	**-**	**3,223**	**1,692**
of which Italy	2,872	1,660	-	-	-	-	-	2,872	1,660
of which Poland	213	214	-	-	222	7	-	225	-
of which Ukraine	46	-	-	-	-	-	-	39	-
of which other countries	93	35	-	-	-	(4)	-	86	32
Specialised financial services	**2,714**	**1,023**	**-**	**-**	**-**	**-**	**-**	**2,714**	**1,023**
of which Consumer finance (excl. Agos)	1,692	954	-	-	-	-	-	1,692	954
of which Consumer finance - Agos	569	-	-	-	-	-	-	569	-
of which Factoring	453	69	-	-	-	-	-	453	69
Large customers	**2,367**	**1,142**	**-**	**-**	**-**	**(1)**	**-**	**2,366**	**1,141**
of which Corporate and investment banking	1,712	487	-	-	-	(1)	-	1,711	486
of which Asset servicing	655	655	-	-	-	-	-	655	655
Corporate Centre	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL	**17,907**	**13,185**	**2,537**	**-**	**(222)**	**(80)**	**-**	**20,358**	**15,421**
Group Share	**17,303**	**12,760**	**1,737**	**-**	**(222)**	**(70)**	**(159)[2]**	**18,820**	**14,046**
Non-controlling interests	**604**	**425**	**800**	**-**	**-**	**(9)**	**159[2]**	**1,538**	**1,375**

(1) Impact related to the acquisition of Pioneer Investments.

(2) Due to Amundi's dilutive capital increase related to the acquisition of Pioneer Investments.

DETERMINING THE VALUE IN USE OF THE CGUS

Goodwill was subject to impairment tests based on the assessment of the value in use of the cash generating units (CGU) to which it is associated. The determination of value in use was calculated by discounting the CGUs' estimated future cash flows calculated from activities forecasts over a period over three years (2018-2020) developed for Group management purposes, potentially extrapolated over the 2 following years.

The projected financial trajectories were based on an economic scenario of consolidated growth, with no significant inflationary risk and no financial tensions, on the assumption that central banks will move slowly and gradually to tighten monetary policy:

- economic growth in the Eurozone will be more sustained than in recent years, including in France and Italy; growth will not be inflationary. Nevertheless, this growth will dip after 2018.
- the European Central Bank's very accommodating monetary policy will continue, but it will take gradual steps to tighten policy: short-term rates will not move out of negative territory until the end of the projection period. Long-term rates will continue their very gradual climb.
- the Fed will continue its monetary normalisation policy and the US economy will continue to grow steadily, with no inflationary tensions, ensuring that rates rise slowly with no steepening of the rate curve.
- a slight return to growth is expected in emerging countries but with different outcomes depending on their economic environment: very gradual slowdown in the Chinese economy lasting a number of years, persistent high growth rates in India, an improvement in Brazil and Russia, which are moving out of recession but with relatively low rates of growth.

At 31 December 2017, perpetual growth rates, discount rates and capital allocated rates as a proportion of risk-weighted assets were distributed by business lines as shown in the table below:

In 2017 (for Crédit Agricole S.A. fully consolidated entities)	Perpetual growth rates	Discount rate	Capital allocated
French retail banking - LCL	2.0%	7.7%	9.5%
International retail banking - Italy	2.0%	9.1%	9.5%
International retail banking - others	3.0% to 7.0%	9.5% to 19.0%	9.5%
Specialised financial services	2.0%	7.7% to 8.1%	9.5%
Asset gathering	2.0%	7.7% to 8.6%	9.5% 80% of solvency margin (Insurance)
Large customers	2.0%	8.1% to 9.5%	9.5%

The increase by the European Central Bank (ECB) of regulatory prudential requirements under Pillar 1 and Pillar 2 with effect from 2016 led Crédit Agricole S.A. to gradually raise the level of capital allocated as a percentage of risk-weighted assets for some entities. The new capital requirements announced at the end of 2017 following SREP has made no change to the regulatory prudential requirements under Pillar 2 applied to Crédit Agricole S.A. Nevertheless, for each CGU, including those not subject to Pillar 2 requirements, we applied a capital requirement of 9.5% of risk-weighted assets, which is the higher of the ratio required under the Pillar 2 Requirement and the allocation rate used in 2016 for CGUs that must meet a Pillar 2 requirement. Thus, at 31 December 2017, the capital allocated to all bank CGUs amounted to 9.5% of risk-weighted assets.

The discount rates determined at 31 December 2017 for all business lines reflect the continued low long-term interest rates in Europe and more particularly in France. Equity risk premiums remain stable overall or marginally higher. This has led to a slight decline in the discount rates used relative to end 2016.

The perpetual growth rates at 31 December 2017 were unchanged from those used at 31 December 2016.

SENSITIVITY OF THE VALUATION OF CGUS TO THE MAIN VALUATION PARAMETERS

The sensitivity of the value in use of the CGUs comprising each of the major business segments to the variation of certain valuation parameters is presented in the following table:

	Sensitivity to capital allocated	Sensitivity to discount rates		Sensitivity to cost of risk in the final year	
	+100bp	-50bp	+50bp	-10%	+10%
French retail banking - LCL	(2.6%)	+10.1%	(8.5%)	+2.4%	(2.4%)
International retail banking - Italy	(3.5%)	+6.6%	(5.7%)	+2.4%	(2.4%)
International retail banking - others	(6.2%)	+6.4%	(5.5%)	+7.2%	(7.2%)
Specialised financial services	(5.6%)	+9.7%	(8.2%)	+10.6%	(10.6%)
Asset gathering	(0.5%)	+8.2%	(6.9%)	NS	NS
Large customers	(7.5%)	+7.9%	(6.8%)	+2.4%	(2.4%)

Sensitivity tests were conducted on goodwill Group share with changes in the main valuation parameters applied equally for all CGUs. These tests showed that the French retail banking CGU in France, LCL, affected by the factoring in of persistently low rates, is the most sensitive to the downgraded parameters of the model. In the case of the International retail banking CGU – Poland, inasmuch as goodwill, which amounted to €225 million (gross amount) at 31 December 2017, is impaired in full, the sensitivity tests performed did not naturally lead to envisaging additional impairment.

- With regard to financial parameters:
  - a variation of +50 basis points in discount rates would result in a negative difference between value in use and the carrying amount of approximately €270 million on the LCL-French retail banking CGU,
  - a variation of +100 basis points in the capital allocated would not result in any impairment.
- With regard to operational parameters, these showed that the valuation of CGUs is particularly sensitive to downgraded cost-of-risk assumptions in the terminal year:
  - a variation of +100 basis points in the cost/income ratio in the terminal year would not result in any impairment,
  - while a +10% variation in the cost of risk in the terminal year would only result in a negative difference between value in use and the carrying amount of less than €50 million for the Specialized Financial Services-Consumer Credit excluding Agos CGU.

The definitions of the underlined words can be found in the Glossary on page 567.

6.19 Insurance company technical reserves

BREAKDOWN OF INSURANCE TECHNICAL RESERVES

	31/12/2017				
(in millions of euros)	Life	Non-life	International	Creditor	Total
Insurance contracts	169,685	4,892	16,516	1,773	**192,866**
Investment contracts with discretionary profit-sharing	90,169	-	12,789	-	**102,958**
Investment contracts without discretionary profit-sharing	2,507	-	1,394	-	**3,901**
Deferred participation benefits (liability)	20,978	-	500	-	**21,478**
Total technical reserves	**283,339**	**4,892**	**31,199**	**1,773**	**321,203**
Deferred participation benefits (asset)	-	-	-	-	**-**
Reinsurers' share of technical reserves	(918)	(398)	(59)	(270)	**(1,645)**
NET TECHNICAL RESERVES	**282,421**	**4,494**	**31,140**	**1,503**	**319,558**

	31/12/2016				
(in millions of euros)	Life	Non-life	International	Creditor	Total
Insurance contracts	159,397	4,442	14,314	1,636	**179,789**
Investment contracts with discretionary profit-sharing	91,550	-	12,017	-	**103,567**
Investment contracts without discretionary profit-sharing	2,476	-	1,193	-	**3,669**
Deferred participation benefits (liability)	20,554	-	474	-	**21,028**
Total technical reserves	**273,977**	**4,442**	**27,998**	**1,636**	**308,053**
Deferred participation benefits (asset)	-	-	-	-	**-**
Reinsurers' share of technical reserves	(827)	(342)	(55)	(261)	**(1,485)**
NET TECHNICAL RESERVES	**273,150**	**4,100**	**27,943**	**1,375**	**306,568**

Reinsurers' share in technical reserves and other insurance liabilities is recognised under accruals, prepayments and sundry liabilities. The breakdown of insurance company technical provisions contracts is presented before elimination of emissions in euro and in units of account subscribed by insurance companies.

Deferred policyholders' profit-sharing, before tax, at 31 December 2017 and 31 December 2016 breaks down as follows:

Deferred participation benefits *(in millions of euros)*	**31/12/2017 Deferred participation benefits in liabilities**	**31/12/2016 Deferred participation benefits in liabilities**
Deferred participation on revaluation of held-for-sale securities and hedging derivatives	18,255	18,830
of which deferred participation on revaluation of held-for-sale securities[(1)]	*17,408*	*17,933*
of which deferred participation hedging derivatives	*847*	*897*
Deferred participation on trading securities mark-to-market *adjustment*	443	(323)
Other deferred participation (liquidity risk reserve cancellation)	2,780	2,521
TOTAL	**21,478**	**21,028**

(1) Note 6.4 "Available-for-sale financial assets".

When loadings on premiums or outstandings, or levies on financial income prove to be insufficient to cover future management expenses, Crédit Agricole Group records an overall provision for management in accordance with Article 142-6 of ANC Regulation 2015-11. This is established by segmenting the contract portfolio into homogeneous categories; for each category, forecasts are based on conservative assumptions set out in regulatory texts (e.g. redemption rates, financial rate of return, management cost per unit) and no offsetting is made between deficit categories and profitable categories.

Over the course of 2017, and in the context of persistently low rates, the review of assessment models and assumptions led to a €175 million provision being made.

Of the technical reserves for non-life insurance contracts, the reserve for increasing risks may be required for sickness and disability insurance transactions. This is equal to the difference between the current values of commitments made by the insurer and those made by policyholders in accordance with Article R.343-7, paragraph 5 of the French Insurance Code.

In 2017, an additional provision for increasing risks was made for the long-term care insurance product, in light of the updated assessment assumptions (likelihood of needing long-term care, time spent in long-term care, etc.). This takes the form of an overall provision, separate from the regulatory provision, making it possible to cover, from today, any shortfall in future financial returns that would not be offset by an increase in premiums paid by policyholders, insofar as annual adjustments may be contractually limited. As at 31 December 2017, the provision for increasing long-term care risks stood at €798 million.

6.20 Provisions

(in millions of euros)	31/12/2016	Changes in scope	Depreciation charges	Reversals, amounts used	Reversals, amounts not used	Translation adjustments	Other movements	31/12/2017
Home purchase savings schemes risks	463	-	-	-	(222)	-	-	**241**
Financing commitment execution risks	271	18	265	(7)	(76)	(19)	37	**489**
Operational risks	167	1	32	(120)	(16)	-	(1)	**63**
Employee retirement and similar benefits[1]	1,762	182	187	(227)	(46)	(25)	(1)	**1,832**
Litigation	895	180	400	(122)	(209)	(4)	(1)	**1,139**
Equity investments	6	-	10	(3)	-	-	-	**13**
Restructuring	44	1	-	(8)	(2)	-	-	**35**
Other risks	675	3	131	(96)	(110)	(7)	13	**609**
TOTAL	**4,283**	**385**	**1,025**	**(583)**	**(681)**	**(55)**	**47**	**4,421**

(1) See Notes 7.4 "Post employment benefits" and 7.5 "Other employee benefits".

(in millions of euros)	01/01/2016	Changes in scope	Depreciation charges	Reversals, amounts used	Reversals, amounts not used	Translation adjustments	Other movements	31/12/2016
Home purchase savings schemes risks	380	-	83	-	-	-	-	**463**
Financing commitment execution risks	215	(1)	87	(1)	(46)	17	-	**271**
Operational risks	64	-	127	(10)	(14)	-	-	**167**
Employee retirement and similar benefits	1,719	-	210	(185)	(84)	(3)	105	**1,762**
Litigation	919	1	265	(103)	(156)	(2)	(29)	**895**
Equity investments	6	-	3	-	(2)	-	(1)	**6**
Restructuring	12	3	34	(5)	-	-	-	**44**
Other risks	776	-	191	(158)	(162)	3	25	**675**
TOTAL	**4,091**	**3**	**1,000**	**(462)**	**(464)**	**15**	**100**	**4,283**

At 31 December 2017, employment-related commitments (retirement schemes) and similar benefits included €79 million (€122 million in 2016) of provisions arising from social costs of restructuring plans and the provision for restructuring includes the non-social costs of those plans.

TAX AUDITS

Crédit Agricole S.A. tax audit

Crédit Agricole S.A. underwent a tax audit covering the 2013 financial year. On conclusion of the audit the tax authorities issued a tax adjustment rejecting a tax deduction that was made, following the loss on the disposal of Emporiki Bank securities issued from a capital increase on 28 January 2013, four days prior to the sale of Emporiki Bank to Alpha Bank. The tax authorities dispute the fact that the securities of this subsidiary were treated as investment securities.

This adjustment is being contested. The assessment notice dated 15 March 2017 for an amount of €312 million resulted in a payment, and concurrently, a receivable of the same amount was recorded at 31 December 2017. On 13 January 2017, the National Tax Commission decided that the tax adjustment should be abandoned.

Crédit Agricole S.A. underwent another tax audit covering the years 2014 and 2015. A provision was recognised to cover the estimated risks.

LCL tax audit

In 2010 and 2011, LCL was the object of an audit of accounts covering years 2007, 2008 and 2009, as well as an audit on regulated savings. All the resulting financial consequences have been paid, with only one sanction relating to regulated savings currently the subject of a dispute. It culminated in cancelling the fines in 2017, which were repaid in full during this financial year.

LCL was the object of an audit of accounts in 2015 and 2016, as well as an audit on regulated savings for the 2011, 2012 and 2013 financial years. All adjustments and fines have been paid and the financial consequences were covered by a reversal of the provision constituted for this purpose.

Some adjustments and penalties have been or will be contested. In 2017, LCL challenged the fines imposed under the audit of regulated savings. The challenge led to a full tax credit and full repayment of the fines during the 2017 financial year.

Crédit Agricole CIB Paris tax audit

Crédit Agricole CIB is currently the object of an audit of accounts covering years 2013, 2014 and 2015. Two adjustment notices suspending the limitation period were received in late 2016 and late 2017. Crédit Agricole CIB is challenging the proposed adjustments. A provision has been recognised to cover the estimated risk.

The definitions of the underlined words can be found in the Glossary on page 567.

Merisma tax audit

Merisma, a Crédit Agricole CIB subsidiary, consolidated by Crédit Agricole S.A. Group for tax purposes, has been the object of tax adjustment notices for financial years 2006 to 2010, plus surcharges for abuse of law.

Although still challenged, provisions have been set aside for the adjustments.

Crédit Agricole CIB Milan and London tax audit regarding transfer pricing

Following audits, Crédit Agricole CIB Milan and London respectively received adjustment notices for 2005 to 2012, 2003 to 2006 and 2008 from the Italian and UK tax authorities regarding transfer pricing. Crédit Agricole CIB challenged the proposed adjustments. At the same time, the case has been referred to the competent French - Italian and French - British authorities for all years. A provision was recognised to cover the estimated risk.

CLSA liability guarantee

In 2013 Crédit Agricole S.A. Group sold the CLSA entities to the Chinese group CITICS.

Following tax adjustments made to some CLSA entities in India and the Philippines, CITICS invoked the liability guarantee against Crédit Agricole S.A. Group. Reasoned arguments have been submitted challenging the adjustments. A provision was recognised to cover the estimated risk.

Crédit Agricole Indosuez Wealth (Group)

Crédit Agricole Indosuez Wealth (Group) - formerly Crédit Agricole Private Banking - had two tax audits covering the years 2012 to 2015. All adjustments have been paid.

Crédit Agricole Assurances tax audit

Crédit Agricole Assurances underwent a tax audit covering the years 2008 and 2009. The notified adjustment, for a non-material amount, is currently the subject of a dispute and has been submitted to the Administrative Court of Appeal by the Council of State. It has been paid in full.

Pacifica tax audit

Pacifica underwent a tax audit covering the years 2009 and 2010. A comprehensive settlement notice has been issued. Only one notified adjustment, which is fully provisioned, remains outstanding and is currently the subject of a dispute.

Pacifica was also the object of an audit of accounts covering the years 2013 and 2014. The notified adjustments have been challenged in part and provisions made.

Crédit Agricole Consumer Finance tax audit

Crédit Agricole Consumer Finance is currently the object of an audit of accounts covering years 2014 and 2015. It received an adjustment notice in late 2017. CA Consumer Financing is in discussions with the tax authorities to challenge the adjustments. A provision has been recognised to cover the estimated risk in the 2017 financial statements.

INQUIRIES AND REQUESTS FOR REGULATORY INFORMATION

The main files linked to inquiries and requests for regulatory information are:

Office of Foreign Assets Control (OFAC)

In October 2015, Crédit Agricole S.A. and its subsidiary Crédit Agricole Corporate and Investment Bank (Crédit Agricole CIB) reached agreements with the US and New York authorities that had been conducting investigations regarding US dollar transactions with countries subject to US economic sanctions. The events covered by this agreement took place between 2003 and 2008.

Crédit Agricole CIB and Crédit Agricole S.A. , which cooperated with the US and New York authorities in connection with their investigations, have agreed to pay a total penalty amount of $787.3 million (*i.e.* €692.7 million). The payment of this penalty has been allocated to the pre-existing reserve that had already been taken and, therefore, has not affected the accounts for the second half of 2015.

The agreements with the Board of Governors of the Federal Reserve System (Federal Reserve) and the New-York State Department of Financial Services (NYDFS) are with CASA and Crédit Agricole CIB. The agreement with the Office of Foreign Assets Control (OFAC) of the US Department of the Treasury is with Crédit Agricole CIB. Crédit Agricole CIB also entered into separate deferred prosecution agreements (DPAs) with the United States Attorney's Office for the District of Columbia (USAO) and the District Attorney of the County of New York (DANY), the terms of which are three years. The USAO and DANY have agreed to take no further action against Crédit Agricole CIB, CASA, or any of Crédit Agricole CIB's subsidiaries or affiliates regarding the conduct subject to this investigation if Crédit Agricole CIB complies with its obligations under the DPAs.

Within the framework of the implementation of these agreements, Crédit Agricole continues to strengthen its internal procedures and its compliance programs regarding laws on international sanctions and will continue to cooperate fully with the US and New York authorities regarding this matter, with its home regulators, the European Central Bank and the French Regulatory and Resolution Supervisory Authority (ACPR), and with the other regulators across its worldwide network.

Pursuant to the agreements with NYDFS and the US Federal Reserve, Crédit Agricole's compliance program is subject to regular reviews to evaluate its effectiveness, including a review by an independent consultant appointed by NYDFS for a term of one year and annual reviews by an independent consultant approved by the Federal Reserve.

Euribor/Libor and other indexes

Crédit Agricole S.A. and its subsidiary Crédit Agricole CIB, in their capacity as contributors to a number of interbank rates, have received requests for information from a number of authorities as part of investigations into: (i) the calculation of the Libor (London Interbank Offered Rates) in a number of currencies, the Euribor (Euro Interbank Offered Rate) and certain other market indices; and (ii) transactions connected with these rates and indices. These demands covered several periods from 2005 to 2012.

As part of its cooperation with the authorities, Crédit Agricole S.A. and its subsidiary Crédit Agricole CIB carried out investigations in order to gather the information requested by the various authorities and in particular the American authorities – the DOJ (Department of Justice) and CFTC (Commodity Future Trading Commission) – with which they are in discussions. It is currently not possible to know the outcome of these discussions, nor the date when they will be concluded.

Furthermore, Crédit Agricole CIB is currently under investigation opened by the Attorney General of the State of Florida on both the Libor and the Euribor.

Following its investigation and an unsuccessful settlement procedure, on 21 May 2014, the European Commission sent a notification of grievances to Crédit Agricole S.A. and to Crédit Agricole CIB pertaining to agreements or concerted practices for the purpose and/or effect of preventing, restricting or distorting competition in derivatives related to the Euribor.

In a decision dated 7 December 2016, the European Commission jointly fined Crédit Agricole S.A. and Crédit Agricole CIB €114,654,000 for participating in a cartel in euro interest rate derivatives. Crédit Agricole S.A. and Crédit Agricole CIB are challenging this decision and have asked the European Court of Justice to overturn it.

Additionally, the Swiss competition authority, COMCO, is conducting an investigation into the market for interest rate derivatives, including the Euribor, with regard to Crédit Agricole S.A. and several Swiss and international banks. Moreover, in June 2016 the South Korean competition authority (KFTC) decided to close the investigation launched in September 2015 into Crédit Agricole CIB and the Libor index on various currencies, Euribor and Tibor indices. The KFTC investigation into certain foreign exchange derivatives (ABS-NDF) is ongoing.

Concerning the two class actions in the United States of America in which Crédit Agricole S.A. and Crédit Agricole CIB have been named since 2012 and 2013 along with other financial institutions, both as defendants in one ("Sullivan" for the Euribor) and only Crédit Agricole S.A. as defendant for the other ("Lieberman" for Libor), the "Lieberman" class action is at the preliminary stage that consists in the examination of its admissibility; proceedings are still suspended before the US District Court of New York State. Concerning the"Sullivan" class action, Crédit Agricole S.A. and Crédit Agricole CIB introduced a motion to dismiss the applicants' claim. The US District Court of New York State upheld the motion to dismiss regarding Crédit Agricole S.A. and Crédit Agricole-CIB in first instance. This decision is subject to appeal.

Since 1 July 2016, Crédit Agricole S.A. and Crédit Agricole CIB, together with other banks, are also party to a new class action suit in the United States ("Frontpoint") relating to the SIBOR (Singapore Interbank Offered Rate) and SOR (Singapore Swap Offer Rate) indices. Crédit Agricole S.A. and Crédit Agricole CIB have filed a motion to dismiss. The New York Federal Court, ruling in first instance, granted this request last August 18th, in favor of Crédit Agricole S.A. and Crédit Agricole CIB. Following federal procedure which allows them to do so, the plaintiffs modified the terms of their action to refer the case to the judge again. As a consequence, Crédit Agricole S.A. and Crédit Agricole CIB have submitted a new motion to dismiss, which must be examined by the New York Federal Court soon.

These class actions are civil actions in which the plaintiffs claim that they are victims of the methods used to set the Euribor, Libor, SIBOR and SOR rates, and seek repayment of the sums they allege were unlawfully received, as well as damages and reimbursement of costs and fees paid.

Bonds SSA

Several regulators have demanded information to Crédit Agricole S.A. and to Crédit Agricole CIB for inquiries relating to activities of different banks involved on Bonds SSA market (Supranational, Sub-Sovereign and Agencies). Crédit Agricole CIB is included with other banks in various consolidated class actions before the United States District Court for the Southern District of New York. Crédit Agricole S.A. and Crédit Agricole CIB are included with other banks in two class actions filed in Canada, one before the Ontario Superior Court of Justice and the other before the Federal Court. Through the cooperation with these regulators, Crédit Agricole CIB proceeded to internal inquiries to gather the required information. It is not possible at this stage to predict the outcome of these investigations or class actions or the date on which they will end.

HOME PURCHASE SAVINGS PLAN PROVISION

DEPOSITS COLLECTED IN HOME PURCHASE SAVINGS ACCOUNTS AND PLANS DURING THE SAVINGS PHASE

(in millions of euros)	31/12/2017	31/12/2016
Home purchase savings plans		
Under 4 years old	10,559	41,725
Between 4 and 10 years old	35,755	26,152
Over 10 years old	50,603	25,919
Total home purchase savings plans	**96,917**	**93,796**
Total home purchase savings accounts	**11,560**	**11,380**
TOTAL DEPOSITS COLLECTED UNDER HOME PURCHASE SAVINGS CONTRACTS	**108,478**	**105,175**

Age of plan is determined in accordance with CRC Regulation 2007-01 of 14 December 2007.

Customer deposits outstanding, excluding government subsidies, are based on the carrying amount at the end of November 2017 for the financial statements at 31 December 2017 and at the end of November 2016 for the financial statements at 31 December 2016.

OUTSTANDING LOANS GRANTED TO HOLDERS OF HOME PURCHASE SAVINGS ACCOUNTS AND PLANS

(in millions of euros)	31/12/2017	31/12/2016
Home purchase savings plans	6	10
Home purchase savings accounts	44	66
TOTAL OUTSTANDING LOANS GRANTED UNDER HOME PURCHASE SAVINGS CONTRACTS	**50**	**76**

The definitions of the underlined words can be found in the Glossary on page 567.

PROVISION FOR HOME PURCHASE SAVINGS ACCOUNTS AND PLANS

(in millions of euros)	31/12/2017	31/12/2016
Home purchase savings plans		
Under 4 years old	2	22
Between 4 and 10 years old	20	8
Over 10 years old	219	433
Total home purchase savings plans	**241**	**463**
Total home purchase savings accounts	**-**	**-**
TOTAL PROVISIONS FOR HOME PURCHASE SAVINGS CONTRACTS	**241**	**463**

(in millions of euros)	31/12/2016	Depreciation charges	Reversals	Other movements	31/12/2017
Home purchase savings plans	463	-	(222)	-	241
Home purchase savings accounts	-	-	-	-	-
TOTAL PROVISIONS FOR HOME PURCHASE SAVINGS CONTRACTS	**463**	**-**	**(222)**	**-**	**241**

Age plan is determined based on the date of the midway point in the generation of plans to which they belong.

All of the home purchase savings plans and accounts collected by the Regional Banks are recognised at 100% as liabilities in the consolidated financial statements of Crédit Agricole S.A. Group.

Half of the amount of outstanding loans related to home purchase savings plans and accounts is recognised by Crédit Agricole S.A. Group and the other half by the Regional Banks in the tables above.

The amounts recognised under provisions represent the portion of risk borne by Crédit Agricole S.A. and LCL.

Consequently, the ratio between the provision booked and the outstanding amounts shown on Crédit Agricole S.A. Group's balance sheet is not representative of the level of provisioning for home purchase savings risk.

6.21 Equity

OWNERSHIP STRUCTURE AT 31 DECEMBER 2017

At 31 December 2017, to the knowledge of Crédit Agricole S.A. , the distribution of capital and voting rights is as follows:

Shareholders	Number of shares at 31/12/2017	% of the share capital	% of voting rights
SAS Rue La Boétie	1,611,969,963	56.64%	56.68%
Treasury shares	2,146,133	0.08%	-
Employees (ESOP)	114,039,868	4.01%	4.01%
Public	1,117,948,562	39.27%	39.31%
TOTAL	**2,846,104,526**	**100%**	**100%**

At 31 December 2017, Crédit Agricole S.A. 's share capital stood at €8,538,313,578 divided into 2,846,104,526 fully paid up ordinary shares each with a par value of €3.

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

Concerning Crédit Agricole S.A. stock, a liquidity agreement was signed on 25 October 2006 with Crédit Agricole Cheuvreux S.A., purchased by Kepler, and renamed Kepler Cheuvreux in 2013.

This agreement is automatically renewed every year. So that the operator can conduct the operations stipulated in the agreement with complete independence the agreement has been allocated an amount of €50 million.

To the Company's knowledge, no other shareholder owns 5% or more of the share capital or voting rights, either directly or indirectly or with others.

EARNINGS PER SHARE

	31/12/2017	31/12/2016
Net income Group share during the period (in millions of euros)	3,649	3,540
Net income attributable to undated deeply subordinated securities	(454)	(474)
Net income attributable to holders of ordinary shares	**3,195**	**3,066**
Weighted average number of ordinary shares in circulation during the period	2,843,579,170	2,736,877,451
Adjustment ratio	1.000	1.000
Weighted average number of ordinary shares for calculation of diluted earnings per share	2,843,579,170	2,736,877,451
BASIC EARNINGS PER SHARE *(in euros)*	**1.124**	**1.120**
Basic earnings per share from ongoing activities *(in euros)*	**1.116**	**0.644**
Basic earnings per share from discontinued operations *(in euros)*	**0.008**	**0.476**
DILUTED EARNINGS PER SHARE *(in euros)*	**1.124**	**1.120**
Diluted earnings per share from ongoing activities *(in euros)*	**1.116**	**0.644**
Diluted earnings per share from discontinued operations *(in euros)*	**0.008**	**0.476**

The earnings per share calculation includes the issuance costs and accrued interest on subordinated and deeply subordinated Additional Tier 1 debt issued in 2017 for the amount of -€454 million (-€474 million in 2016).

Taking into consideration the change in the average price of Crédit Agricole S.A. share, all Crédit Agricole S.A. stock option plans are non-dilutive.

Without any dilutive issue by Crédit Agricole S.A. , the basic earnings per share are identical to the diluted earnings per share.

DIVIDENDS

In respect of 2017, Crédit Agricole S.A. 's Board of Directors' Meeting of 13 February 2018 decided to recommend to the General Meeting of Shareholders of 16 May 2018 the payment of a dividend of €0.63 per share in cash, plus a 10% bonus for shares eligible for a loyalty dividend to be paid on 24 May 2018.

This same Meeting will also vote on the removal of the loyalty dividend mechanism from Credit Agricole S.A.'s Articles of Association, in compliance with the request of the European Banking Authority (see note 13.2 Removal of loyalty dividend).

Proposal in respect of the year *(in euros)*	2017	2016	2015	2014	2013
Ordinary dividend	0.63	0.60	0.60	0.35	0.35
Loyalty dividend	0.693	0.660	0.660	0.385	0.385

DIVIDENDS PAID DURING THE REPORTING PERIOD

In respect of 2016, the General Meeting of Shareholders of 24 May 2017 voted to pay a cash dividend of €0.60 per share, with a 10% loyalty bonus for eligible shares.

Dividends amounting to €1,716 million are shown in the statement of changes in equity.

APPROPRIATION OF NET INCOME

The proposed appropriation of net income is set out in the draft resolutions to be presented by the Board of Directors at Crédit Agricole S.A. 's Combined General Meeting on Wednesday 16 May 2018.

Crédit Agricole S.A. Parent company posted net income of €1,564,130,517.42 in 2017.

The Board of Directors proposes that the combined General Meeting of Shareholders agree:

- to record that profit for the year and distributable earnings amount respectively to €1,564,130,517.42 and €15,649,153,031.87, taking into account retained earnings of €14,085,022,514.45;
- to set the ordinary dividend at €0.63 per share, and the loyalty dividend at €0.693 per share, rounded to the lower rounding figure, for shares meeting the eligibility conditions for the loyalty dividend at the date of the actual dividend payment;
- to distribute the dividend paid out of distributable earnings in the amount of €1,803,842,387.11(1);
- to reallocate the undistributed balance of €13,845,310,064.76(1), to retained earnings.

(1) This amount will be adjusted where appropriate to reflect the following events: (a) creation of new shares eligible for dividends before the ex-dividend date, (b) number of treasury shares at ex-dividend date, (c) loss of entitlement to the additional 10% dividend for some registered shares before the payment date.

The definitions of the underlined words can be found in the Glossary on page 567.

UNDATED SUBORDINATED AND DEEPLY SUBORDINATED DEBT

The main issues of undated subordinated and deeply subordinated debt classified in shareholders' equity Group share are :

				At 31 December 2017				
Issue date	Currency	Amount in currency at 31 December 2016 (in millions of units)	Partial repurchases and redemptions (in millions of units)	Amount in currency at 31 December 2017 (in millions of units)	Amount in euros at inception rate (in millions of euros)	Cumulative interests paid Group share (in millions of euros)	Issuance costs net of taxes (in millions of euros)	Shareholders' equity Group share (in millions of euros)
23/01/2014	USD	1,750	-	1,750	1,283	(467)	(8)	808
08/04/2014	GBP	500	-	500	607	(174)	(4)	429
08/04/2014	EUR	1,000	-	1,000	1,000	(241)	(6)	753
18/09/2014	USD	1,250	-	1,250	971	(241)	(6)	724
19/01/2016	USD	1,250	-	1,250	1,150	(174)	(8)	968
Crédit Agricole S.A. Issues					**5,011**	**(1,297)**	**(32)**	**3,682**
14/10/2014	EUR					(101)	(3)	(104)
13/01/2015	EUR					(86)	(3)	(89)
Insurance Issues						**(187)**	**(6)**	**(193)**
Issues subscribed in-house:								
Group share / Non controlling interests effect						19		19
Issues subscribed by Crédit Agricole CIB for currency regulation					(12)			(12)
TOTAL					**4,999**	**(1,465)**	**(38)**	**3,496**

The main issues of undated subordinated and deeply subordinated debt classified in shareholder's equity – Non controlling interests share (insurance) are:

Issue date	Currency	Amount in currency at 31 December 2016 (in millions of units)	Partial repurchases and redemptions (in millions of units)	Amount in currency at 31 December 2017 (in millions of units)	Amount in euros at inception rate (in millions of euros)
14/10/2014	EUR	745	-	745	745
13/01/2015	EUR	1,000	-	1,000	1,000
TOTAL					**1,745**

Changes relating to undated subordinated and deeply subordinated debt affecting shareholders' equity Group share are as follows:

(in millions of euros)	31/12/2017	31/12/2016
Undated deeply subordinated notes		
Interest paid accounted as reserves	(378)	(390)
Income tax savings related to interest paid to security holders recognised in net income	130	134
Issuance costs (net of tax) accounted as reserves	-	(8)
Undated subordinated notes		
Interest paid accounted as reserves	(76)	(76)
Income tax savings related to interest paid to security holders recognised in net income	26	26
Issuance costs (net of tax) accounted as reserves	-	-

6.22 Non-controlling interests

INFORMATION ON SIGNIFICANT NON-CONTROLLING INTERESTS

The table below presents information on the consolidated subsidiaries and structured entities with significant non-controlling interests in relation to the total equity of the Group or of the sub-group level or where the total balance sheet of the entities held by the non-controlling interests is significant.

	31/12/2017				
(in millions of euros)	% of voting rights held by non-controlling interests	% of ownership interests held by non-controlling interests	Net income allocated to non-controlling interests during the reporting period	Accumulated non-controlling interests at the end of the reporting period	Dividends paid to non-controlling interests
Cariparma Group	23%	23%	151	1,397	38
Amundi Group	32%	32%	196	1,960	140
CACEIS Group[1]	-	-	22	-	9
Agos S.p.A.	39%	39%	115	536	67
Others[2]	-	-	84	2,757	45
TOTAL			**568**	**6,650**	**298**

(1) On 22 December 2017, Crédit Agricole S.A. completed the acquisition of the 15% stake in CACEIS held by Natixis and now wholly owns this group.

(2) Of which €1,745 million related to the issuance of Additional Tier 1 undated subordinated bonds realised on 14 October 2014 and 13 January 2015 by Crédit Agricole Assurances, accounted for in equity of non-controlling interests.

	31/12/2016				
(in millions of euros)	% of voting rights held by non-controlling interests	% of ownership interests held by non-controlling interests	Net income allocated to non-controlling interests during the reporting period	Accumulated non-controlling interests at the end of the reporting period	Dividends paid to non-controlling interests
Cariparma Group	23%	23%	56	1,189	48
Amundi Group	26%	26%	143	1,103	89
CACEIS Group	15%	15%	18	219	-
Agos S.p.A.	39%	39%	87	489	66
Others[1]			111	2,661	83
TOTAL			**415**	**5,661**	**286**

(1) Of which €1,745 million related to the issuance of Additional Tier 1 undated subordinated bonds realised on 14 October 2014 and 13 January 2015 by Crédit Agricole Assurances, accounted for in equity of non-controlling interests.

The definitions of the underlined words can be found in the Glossary on page 567.

INDIVIDUAL SUMMARY FINANCIAL INFORMATION ON SIGNIFICANT NON-CONTROLLING INTERESTS

The table below presents summary information on subsidiaries with significant non-controlling interests for Crédit Agricole S.A. Group on the basis of the IFRS financial statements.

	31/12/2017			
(in millions of euros)	Total assets	Revenues	Net income	Net income and other comprehensive income
Cariparma Group	66,596	1,710	616	609
Amundi Group	18,819	2,257	681	590
CACEIS Group	61,573	809	153	289
Agos S.p.A.	17,262	893	294	294
TOTAL	**164,250**	**5,669**	**1,745**	**1,782**

	31/12/2016			
(in millions of euros)	Total assets	Revenues	Net income	Net income and other comprehensive income
Cariparma Group	52,992	1,710	219	125
Amundi Group	13,918	1,677	569	602
CACEIS Group	62,087	750	118	198
Agos S.p.A.	17,078	913	240	240
TOTAL	**146,075**	**5,050**	**1,146**	**1,165**

6.23 Breakdown of financial assets and financial liabilities by contractual maturity

The breakdown of balance sheet financial assets and liabilities is made according to contractual maturity date.

The maturities of derivative instruments held for trading and for hedging correspond to their date of contractual maturity.

Equities and other variable-income securities are by nature without maturity; they are classified "Indefinite".

	31/12/2017					
(in millions of euros)	≤ 3 months	> 3 months up to ≤ 1 year	> 1 year up to ≤ 5 years	> 5 years	Indefinite	Total
Cash, central banks	50,761	-	-	-	-	**50,761**
Financial assets at fair value through profit or loss	98,957	23,786	38,341	72,923	87,397	**321,404**
Hedging derivative instruments	1,501	529	6,207	8,198	-	**16,435**
Available-for-sale financial assets	13,399	21,965	92,233	144,548	34,913	**307,058**
Loans and receivables due from credit institutions	91,686	88,991	143,592	69,782	-	**394,051**
Loans and receivables due from customers	87,703	37,565	124,641	107,346	2,824	**360,079**
Value adjustment on interest rate risk hedged portfolios	5,978	-	-	-	-	**5,978**
Held-to-maturity financial assets	909	1,611	6,543	11,116	-	**20,179**
TOTAL FINANCIAL ASSETS BY MATURITY	**350,894**	**174,447**	**411,557**	**413,913**	**125,134**	**1,475,945**
Central banks	3,185	-	-	-	-	**3,185**
Financial liabilities at fair value through profit or loss	90,162	17,051	44,233	76,441	-	**227,887**
Hedging derivative instruments	1,198	492	3,920	7,661	-	**13,271**
Due to credit institutions	55,616	13,960	38,252	17,762	-	**125,590**
Due to customers	479,428	36,163	29,575	5,580	-	**550,746**
Debt securities	46,155	24,549	44,337	48,667	-	**163,708**
Subordinated debt	2,208	543	5,483	14,064	3,123	**25,421**
Value adjustment on interest rate risk hedged portfolios	6,565	-	-	-	-	**6,565**
TOTAL FINANCIAL LIABILITIES BY MATURITY	**684,517**	**92,758**	**165,800**	**170,175**	**3,123**	**1,116,373**

	31/12/2016					
(in millions of euros)	≤ 3 months	> 3 months up to ≤ 1 year	> 1 year up to ≤ 5 years	> 5 years	Indefinite	Total
Cash, central banks	28,202	-	-	-	-	**28,202**
Financial assets at fair value through profit or loss	85,926	28,160	44,925	94,391	72,877	**326,279**
Hedging derivative instruments	1,942	2,873	6,225	10,888	-	**21,928**
Available-for-sale financial assets	17,675	28,752	86,956	149,077	33,456	**315,916**
Loans and receivables due from credit institutions	101,735	86,156	123,237	70,983	727	**382,838**
Loans and receivables due from customers	81,212	34,381	125,848	102,227	2,586	**346,254**
Value adjustment on interest rate risk hedged portfolios	8,190	-	-	-	-	**8,190**
Held-to-maturity financial assets	666	312	4,296	9,080	-	**14,354**
TOTAL FINANCIAL ASSETS BY MATURITY	**325,548**	**180,634**	**391,487**	**436,646**	**109,646**	**1,443,961**
Central banks	1,957	-	1,900	-	-	**3,857**
Financial liabilities at fair value through profit or loss	72,745	21,118	52,291	97,823	31	**244,008**
Hedging derivative instruments	1,222	1,830	5,486	9,352	-	**17,890**
Due to credit institutions	51,364	11,475	28,871	20,589	29	**112,328**
Due to customers	442,298	36,505	36,427	5,587	1,011	**521,828**
Debt securities	47,856	29,009	37,965	44,450	-	**159,280**
Subordinated debt	906	176	7,394	15,612	5,239	**29,327**
Value adjustment on interest rate risk hedged portfolios	9,444	-	-	-	-	**9,444**
TOTAL FINANCIAL LIABILITIES BY MATURITY	**627,792**	**100,113**	**170,334**	**193,413**	**6,310**	**1,097,962**

The definitions of the underlined words can be found in the Glossary on page 567.

NOTE 7 Employee benefits and other compensation

7.1 Analysis of employee expenses

(in millions of euros)	31/12/2017	31/12/2016
Salaries[1]	(4,720)	(4,503)
Contributions to defined-contribution plans	(376)	(364)
Contributions to defined-benefit plans	(124)	(52)
Other social security expenses	(1,109)	(1,100)
Profit-sharing and incentive plans	(243)	(224)
Payroll-related tax	(361)	(348)
TOTAL EMPLOYEE EXPENSES	**(6,933)**	**(6,591)**

(1) Regarding deferred variable compensation paid to market professionals, the Crédit Agricole S.A. Group booked a charge for share-based payments of €56 million at 31 December 2017 compared to €55 million at 31 December 2016.

7.2 Average headcount and headcount at year-end

Number of employees	Average headcount 31/12/2017	Headcount at year end 31/12/2017	Headcount at year end 31/12/2016
France	36,559	36,210	36,968
International	34,749	37,497	33,862
TOTAL	**71,308**	**73,707**	**70,830**

7.3 Post-employment benefits, defined-contribution plans

"Employers" contribute to a variety of compulsory pension schemes. Plan assets are managed by independent organisations and the contributing companies have no legal or implied obligation to pay additional contributions if the funds do not have sufficient assets to cover all benefits corresponding to services rendered by employees during the year and during prior years. Consequently, Crédit Agricole S.A. Group companies have no liability in this respect other than the contributions payable.

Within the Group, there are several compulsory defined-contribution plans, the main ones being Agirc/Arrco, which are French supplementary retirement plans, and some supplementary plans in place notably within UES Crédit Agricole S.A.

ANALYSIS OF SUPPLEMENTARY PENSION PLANS IN FRANCE

Business Line	Entity	Compulsory supplementary pension plans	Number of employees covered Estimate at 31/12/2017	Number of employees covered Estimate at 31/12/2016
Central Support functions	UES Crédit Agricole S.A.	Agriculture industry plan 1.24%	2,799	2,883
Central Support functions	UES Crédit Agricole S.A.	"Article 83" Group Executive managers plan	198	202
French retail banking	LCL	"Article 83" Group Executive managers plan	338	338
Large customers	Crédit Agricole CIB	"Article 83" type plan	4,561	4,402
Asset gathering and Insurance	CAAS/Pacifica/SIRCA/LA MDF	Agriculture industry plan 1.24%	3,679	3,511
Asset gathering and Insurance	CAAS/Pacifica/CACI/LA MDF	"Article 83" Group Executive managers plan	68	68
Asset gathering and Insurance	CACI/CA Indosuez Wealth (France)/ CA Indosuez Wealth (Group)/Amundi	"Article 83" type plan	2,959	758

7.4 Post-employment benefits, defined-benefit plans

CHANGE IN ACTUARIAL LIABILITY

	31/12/2017			31/12/2016
(in millions of euros)	Eurozone	Outside Eurozone	All Zones	All Zones
Actuarial liability at 31/12/N-1	**1,484**	**1,616**	**3,100**	**3,002**
Translation adjustments	-	(110)	**(110)**	**(87)**
Cost of services rendered during the period	61	37	**98**	**95**
Financial cost	18	28	**46**	**58**
Employee contributions	-	13	**13**	**13**
Benefit plan changes, withdrawals and settlement	(25)	2	**(23)**	**(48)**
Changes in scope	96	-	**96**	**10**
Benefits paid (mandatory)	(92)	(88)	**(180)**	**(128)**
Taxes, administrative expenses, and bonuses	-	-	**-**	**-**
Actuarial (gains)/losses arising from changes in demographic assumptions[1]	19	(12)	**7**	**(55)**
Actuarial (gains)/losses arising from changes in financial assumptions[1]	30	27	**57**	**240**
ACTUARIAL LIABILITY AT 31/12/N	**1,591**	**1,513**	**3,104**	**3,100**

(1) Of which actuarial gains/losses related to experience adjustment.

BREAKDOWN OF NET CHARGE RECOGNISED IN THE INCOME STATEMENT

	31/12/2017			31/12/2016
(in millions of euros)	Eurozone	Outside Eurozone	All Zones	All Zones
Service cost	(36)	(39)	**(75)**	**(47)**
Income/expenses on net interests	(10)	(4)	**(14)**	**(17)**
IMPACT IN PROFIT AND LOSS AT 31/12/N	**(46)**	**(43)**	**(89)**	**(64)**

BREAKDOWN OF INCOME RECOGNISED IN OCI THAT WILL NOT BE RECLASSIFIED TO PROFIT AND LOSS

	31/12/2017			31/12/2016
(in millions of euros)	Eurozone	Outside Eurozone	All Zones	All Zones
Revaluation from net liabilities (from net assets)	-	-	-	-
Total amount of actuarial gains or losses recognised in OCI that will not be reclassified to profit and loss at 31/12/N-1	**391**	**340**	**731**	**619**
Translation adjustment	-	(24)	(24)	1
Actuarial gains/losses on assets	(2)	(57)	(59)	(72)
Actuarial (gains)/(losses) arising from changes in demographic assumptions[1]	19	(12)	7	(55)
Actuarial (gains)/losses arising from changes in financial assumptions[1]	30	27	57	240
Adjustment of assets restriction's impact	(1)	-	(1)	-
IMPACT IN OCI AT 31/12/N	**46**	**(66)**	**(20)**	**114**

(1) Of which actuarial gains/losses related to experience adjustment.

The definitions of the underlined words can be found in the Glossary on page 567.

CHANGE IN FAIR VALUE OF ASSETS

	31/12/2017			31/12/2016
(in millions of euros)	Eurozone	Outside Eurozone	All Zones	All Zones
Fair value of assets at 31/12/N-1	**386**	**1,297**	**1,683**	**1,627**
Translation adjustments	-	(87)	**(87)**	**(88)**
Interests on asset (income)	5	25	**30**	**37**
Actuarial gains/(losses)	-	57	**57**	**73**
Employer contributions	93	27	**120**	**87**
Employee contributions	1	13	**14**	**13**
Benefit plan changes, withdrawals and settlement	-	-	**-**	**-**
Changes in scope	24	-	**24**	**8**
Tax, administrative costs and bonuses	-	-	**-**	**-**
Benefits paid out under the benefit plan	(22)	(68)	**(90)**	**(73)**
FAIR VALUE OF ASSETS AT 31/12/N	**487**	**1,264**	**1,751**	**1,683**

CHANGE IN FAIR VALUE OF REIMBURSEMENT RIGHTS

	31/12/2017			31/12/2016
(in millions of euros)	Eurozone	Outside Eurozone	All Zones	All Zones
Fair value of reimbursement rights at 31/12/N-1	**324**	**-**	**324**	**289**
Translation adjustments	-	-	**-**	**-**
Interests on reimbursement rights (income)	3	-	**3**	**4**
Actuarial gains/(losses)	1	-	**1**	**(1)**
Employer contributions	38	-	**38**	**47**
Employee contributions	-	-	**-**	**-**
Benefit plan changes, withdrawals and settlement	-	-	**-**	**-**
Changes in scope	(2)	-	**(2)**	**2**
Tax, administrative costs and bonuses	-	-	**-**	**-**
Benefits paid out under the benefit plan	(23)	-	**(23)**	**(17)**
FAIR VALUE OF REIMBURSEMENT RIGHTS AT 31/12/N	**341**	**-**	**341**	**324**

NET POSITION

	31/12/2017			31/12/2016
(in millions of euros)	Eurozone	Outside Eurozone	All Zones	All Zones
Closing actuarial liability	**(1,591)**	**(1,513)**	**(3,104)**	**(3,100)**
Impact of asset restriction	-	-	-	-
Fair value of assets at end of period	487	1,264	1,751	1,683
NET POSITION OF ASSETS/(LIABILITIES) AT END OF PERIOD	**(1,104)**	**(249)**	**(1,353)**	**(1,417)**

DEFINED-BENEFIT PLANS: MAIN ACTUARIAL ASSUMPTIONS

	31/12/2017		31/12/2016	
	Eurozone	Outside Eurozone	Eurozone	Off Eurozone
Discount rate(1)	1.21%	1.76%	1.20%	1.85%
Actual return on plan assets and on reimbursement rights	1.37%	6.66%	1.32%	8.39%
Expected salary increase rates(2)	1.36%	1.88%	1.37%	1.87%
Rate of change in medical costs	4.59%	10.00%	4.59%	10.00%

(1) Discount rates are determined as a function of the average duration of the commitment, that is, the arithmetic mean of durations calculated between the assessment date and the payment date weighted by assumptions of staff turnover. The underlying used is the discount rate by reference to the iBoxx AA.

(2) Depending on the employees concerned (managers or non-managers).

INFORMATION OF PLAN ASSETS: ALLOCATION OF ASSETS(1)

	Eurozone			Outside Eurozone			All zones		
(in millions of euros)	%	Amount	of which listed	%	Amount	of which listed	%	Amount	of which listed
Equities	7.5%	61	61	24.7%	312	312	17.9%	373	373
Bonds	45.2%	375	365	49.1%	621	621	47.6%	996	986
Property/Real estate	3.8%	31		7.3%	91		5.9%	122	
Other	43.5%	361		19.0%	240		28.7%	601	

(1) Of which fair value of reimbursement rights.

At 31 December 2017, the sensitivity analysis showed that:

- a 50 basis point increase in discount rates would reduce the commitment by 6.95%;
- a 50 basis point decrease in discount rates would increase the commitment by 7.65%.

The benefits expected to be paid in respect of post-employment plans for 2018 are as follows:

- benefits paid by the employer or by reimbursement rights funds: €85 million (compared to €90 million paid in 2017);
- benefits paid by plan assets: €68 million (compared to €89 million paid in 2017).

Crédit Agricole S.A. 's policy on covering employee benefit obligations reflects local rules on funding post-employment benefits in countries with minimum funding requirements. Overall, commitments arising from the Group's post-employment obligations were 67% covered at 31 December 2017 (including reimbursement rights).

7.5 Other employee benefits

In France, the Group's main entities pay long-service awards. The amounts vary according to practices and collective bargaining agreements in place.

The provisions funded by Crédit Agricole S.A. Group for these other employee benefit obligations amounted to €375 million at 31 December 2017.

The definitions of the underlined words can be found in the Glossary on page 567.

7.6 Share-based payments

7.6.1 STOCK OPTION PLAN

No new plan was implemented in 2017.

7.6.2 DEFERRED VARIABLE COMPENSATION SETTLED EITHER IN SHARES OR IN CASH INDEXED TO THE SHARE PRICE

The deferred variable compensation plans implemented by the Group take two forms:

- equity-settled plans;
- cash-settled plans indexed to the Crédit Agricole S.A. share price.

Since 1 January 2016, all existing and future deferred variable compensation plans are now cash-settled plans indexed to the Crédit Agricole S.A. share price. The impact of the revaluation of the commitment on the basis of the Crédit Agricole S.A. share price, which is not material, was recognised in equity.

This deferred variable compensation is subject to continued employment and a performance condition. It is broken down into thirds that are payable in March 2018, March 2019 and March 2020.

The expense related to these plans is recognised in compensation expenses on a straight-line basis over the vesting period to factor in continued employment, and a liability is recorded in employee expenses, the amount of which is subject to periodical revaluation through profit or loss until the settlement date, depending on the evolution of the share price of Crédit Agricole S.A. and on vesting conditions (continued employment and performance).

7.7 Executive compensation

Senior management includes all members of the Executive Committee, namely the Chief Executive Officer, Deputy Chief Executive Officer, Deputy Chief Executive Officers for the Group's different divisions, Chief Executive Officers of the main subsidiaries and the Heads of the Group's core business activities.

Compensation and benefits paid to the members of the Executive Committee in 2017 were as follows:

- short-term benefits: €26.3 million for fixed and variable compensation (of which €4.1 million paid in share-indexed instruments), including social security expenses and benefits in kind;
- post-employment benefits: €4.5 million for end-of-career allowances and for the supplementary pension plan for Group executive managers;
- other long-term employee benefits: the amount of long-service awards granted was not material;
- employment contract termination indemnities: not material;
- other share-based payment: not applicable.

Total Directors' fees paid to members of Crédit Agricole S.A. 's Board of Directors in 2017 in consideration for serving as Directors of Crédit Agricole S.A. amounted to €839,141.

These amounts included the compensation and benefits paid to the Chief Executive Officer and Deputy Chief Executive Officer of Crédit Agricole S.A.

NOTE 8 Commitments given and received and other guarantees

Financing and guarantee commitments and other guarantees include discontinued operations.

COMMITMENTS GIVEN AND RECEIVED

(in millions of euros)	31/12/2017	31/12/2016
Commitments given		
Financing commitments	**151,071**	**164,999**
Commitments given to credit institutions	25,796	26,838
Commitments given to customers	125,275	138,161
• Confirmed credit lines	103,476	110,761
Documentary credits	*5,129*	*4,803*
Other confirmed credit lines	*98,347*	*105,958*
• Other commitments given to customers	21,799	27,400
Guarantee commitments	**89,694**	**79,464**
Credit institutions	8,074	6,748
• Confirmed documentary credit lines	3,803	2,238
• Other	4,271	4,510
Customers	81,620	72,716
• Property guarantees	2,430	2,395
• Other customer guarantees	79,190	70,321
Commitments received		
Financing commitments	**88,270**	**83,572**
Commitments received from credit institutions	82,305	80,028
Commitments received from customers	5,965	3,544
Guarantee commitments	**249,880**	**248,146**
Commitments received from credit institutions(1)	81,281	74,730
Commitments received from customers	168,599	173,416
• Guarantees received from government bodies or similar institutions	20,056	20,886
• Other guarantees received	148,543	152,530

(1) Of which €9.2 billion for the Switch Insurance guarantee set up on 1 July 2016.

The definitions of the underlined words can be found in the Glossary on page 567.

FINANCIAL INSTRUMENTS GIVEN AND RECEIVED AS COLLATERAL

(in millions of euros)	31/12/2017	31/12/2016
Carrying amount of financial assets provided as collateral (including transferred assets)		
Securities and receivables provided as collateral for the refinancing structures (Banque de France, CRH, etc.)	181,501	181,227
Securities lent	9,534	11,726
Security deposits on market transactions	17,279	26,488
Other security deposits	93,464	-
Securities sold under repurchase agreements	301,778	73,664
TOTAL CARRYING AMOUNT OF FINANCIAL ASSETS PROVIDED AS COLLATERAL	**603,556**	**293,105**
Carrying amount of financial assets received in guarantee		
Other security deposits(1)	3,102	3,102
Fair value of instruments received as reusable and reused collateral		
Securities borrowed	7	5
Securities bought under repurchase agreements	244,590	233,246
Securities sold short	22,594	19,937
TOTAL FAIR VALUE OF INSTRUMENTS RECEIVED AS REUSABLE AND REUSED COLLATERAL	**267,191**	**253,188**

(1) Of which €3.1 billion for the deposits received under the Switch Insurance guarantee, set up on 1 July 2016, amending the previous deposits received since 2 January 2014 in the amount of €8.1 billion.

RECEIVABLES PLEDGED AS COLLATERAL

At 31 December 2017, Crédit Agricole S.A. deposited €81.3 billion of receivables (mainly on behalf of the Regional Banks) for refinancing transactions to the Banque de France, compared to €73.6 billion at 31 December 2016, and €21.5 billion of receivables were deposited directly by subsidiaries.

At 31 December 2017, Crédit Agricole S.A. deposited €13.7 billion of receivables for refinancing transactions to the *Caisse de Refinancement de l'Habitat* on behalf of the Regional Banks, compared to €16.6 billion at 31 December 2016, and €3.2 billion of receivables were deposited directly by LCL.

At 31 December 2017, €1.4 billion of Crédit Agricole CIB receivables had been pledged as collateral for the covered bonds issued by European Secured Notes Issuer (ESNI), a French securitisation company formed by five banks including Crédit Agricole Group.

At 31 December 2017, €39.9 billion of Regional Banks and LCL receivables had been pledged as collateral for the covered bond issues of Crédit Agricole Home Loan SFH, a financial company wholly owned by Crédit Agricole S.A.

These processes, for which there is no transfer of contractual cash flows, do not form part of the asset transfers mentioned in Note 6.7 "Transferred assets not derecognised or derecognised with on-going involvement".

GUARANTEES HELD

Guarantees held and assets received as collateral by Crédit Agricole S.A. Group which it is allowed to sell or to use as collateral are mostly held within Crédit Agricole S.A. for €97 billion and within Crédit Agricole CIB for €117.2 billion. The majority of these are receivables pledged as collateral by the Regional Banks to Crédit Agricole S.A. , the latter acting as the central body with regard to the external refinancing organisations, in order to obtain refinancing. These receivables (property-related, or loans to businesses or local authorities) are selected and rated for their quality and retained on the balance sheet of the Regional Banks.

The majority of these guarantees consist of mortgage liens, collateral or guarantees received, regardless of the quality of the assets guaranteed. They are mainly related to repurchase agreements and securities pledged to guarantee brokerage transactions.

Crédit Agricole S.A. Group policy is to sell seized collateral as soon as possible. Crédit Agricole CIB and Crédit Agricole S.A. had no such assets at 31 December 2017.

NOTE 9 Reclassification of financial instruments

PRINCIPLES APPLIED BY CRÉDIT AGRICOLE S.A. GROUP

Reclassifications outside the categories "Financial assets held for trading" and "Available-for-sale financial assets" were decided and performed in accordance with IAS 39 amended, adopted by the European Union on 15 October 2008. They were entered in the new accounting category at fair value on the reclassification date.

RECLASSIFICATIONS PERFORMED BY CRÉDIT AGRICOLE S.A. GROUP

Pursuant to the amendment to IAS 39 as published and adopted by the European Union on 15 October 2008, in 2017 the Group carried out reclassifications as authorised by this amendment. Information on these and previous reclassifications is shown below.

Nature, justification and amount of reclassifications

No reclassifications were made during 2017 from "Available-for-sale financial assets" and "Financial assets at fair value through profit or loss" to "Loans and receivables".

Reclassifications in prior years concern reclassifications from "Available-for-sale financial assets" and "Financial assets at fair value through profit and loss" to "Loans and receivables".

For assets reclassified during 2017, the table below shows their value on the reclassification date, as well as the value at 31 December 2017 and the value at 31 December 2017 of assets reclassified before this date and still included in the Group's assets at this date:

	Total reclassified assets		Assets reclassified in 2017			Assets reclassified before			
(in millions of euros)	Carrying amount 31/12/2017	Estimated market value at 31/12/2017	Reclassification value	Carrying amount 31/12/2017	Estimated market value 31/12/2017	Carrying amount 31/12/2017	Estimated market value at 31/12/2017	Carrying amount 31/12/2016	Estimated market value 31/12/2016
Financial assets at fair value through profit or loss reclassified as loans and receivables	78	72	-	-	-	78	72	638	629
Available-for-sale financial assets reclassified as loans and receivables	132	132	-	-	-	132	132	139	139
TOTAL RECLASSIFIED ASSETS	**210**	**204**	**-**	**-**	**-**	**210**	**204**	**777**	**768**

CONTRIBUTION OF RECLASSIFIED ASSETS TO NET INCOME SINCE THE RECLASSIFICATION DATE

The contribution of the transferred assets since the date of reclassification to net income for the year includes all gains, losses, income and expenses recognised in profit or loss or in other comprehensive income.

Analysis of the impact of the transferred assets:

	Reclassified assets in 2017		Assets reclassified before					
	Impact at 31/12/2017		Cumulative impact at 31/12/2016		Impact in 2017		Cumulative impact at 31/12/2017	
(in millions of euros)	*Actual income and expenses recognised*	*If asset had been retained in its former category (change in fair value)*	*Actual income and expenses recognised*	*If asset had been retained in its former category (change in fair value)*	*Actual income and expenses recognised*	*If asset had been retained in its former category (change in fair value)*	*Actual income and expenses recognised*	*If asset had been retained in its former category (change in fair value)*
Financial assets at fair value through profit or loss reclassified as loans and receivables	-	-	(38)	(122)	2	-	(36)	(122)
Available-for-sale financial assets reclassified as loans and receivables	-	-	20	20	1	1	21	21
TOTAL RECLASSIFIED ASSETS	**-**	**-**	**(18)**	**(102)**	**3**	**1**	**(15)**	**(101)**

The definitions of the underlined words can be found in the Glossary on page 567.

NOTE 10 Fair value of financial instruments

Fair value is the price that would be received at the sale of an asset or paid to transfer a liability in a standard transaction between market participants at the measurement date.

Fair value is defined on the basis of the exit price.

The fair values shown below are estimates made on the reporting date using observable market data wherever possible. These are subject to change in subsequent periods due to developments in market conditions or other factors.

The calculations represent best estimates. They are based on a number of assumptions. It is assumed that market participants act in their best economic interest.

To the extent that these models contain uncertainties, the fair values shown may not be achieved upon actual sale or immediate settlement of the financial instruments concerned.

The fair value hierarchy of financial assets and liabilities is broken down according to the general observability criteria of the valuation inputs, pursuant to the principles defined under IFRS 13.

Level 1 applies to the fair value of financial assets and liabilities quoted in active markets.

Level 2 applies to the fair value of financial assets and liabilities with observable inputs. This agreement includes market data relating to interest rate risk or credit risk when the latter can be revalued based on Credit Default Swap (CDS) spread. Securities received under repurchase agreements with underlyings quoted in an active market are also included in Level 2 of the hierarchy, as are financial assets with a demand component for which fair value is measured at unadjusted amortised cost.

Level 3 indicates the fair value of financial assets and liabilities with unobservable inputs or for which some data can be revalued using internal models based on historical data. This mainly includes market data relating to credit risk or early redemption risk.

In some cases, market values are close to carrying amounts. This applies primarily to:

- assets or liabilities at variable rates for which interest rate changes do not have a significant influence on the fair value, since the rates on these instruments frequently adjust themselves to the market rates;
- short-term assets or liabilities where we consider the redemption value to be close to the market value;
- demand assets and liabilities;
- transactions for which there are no reliable observable data.

10.1 Fair value of financial assets and liabilities measured at cost

Amounts presented below include accruals and prepayments and are net of impairment.

FINANCIAL ASSETS RECOGNISED AT COST AND MEASURED AT FAIR VALUE ON THE BALANCE SHEET

(in millions of euros)	Value at 31 December 2017	Estimated fair value at 31 December 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
Financial assets not measured at fair value on balance sheet					
Loans and receivables	**754,130**	**776,402**	**-**	**477,833**	**298,569**
Loans and receivables due from credit institutions	**394,051**	**397,722**	**-**	**397,182**	**540**
Current accounts and overnight loans	24,264	24,267	-	24,254	13
Accounts and term deposits	354,809	358,471	-	358,280	191
Pledged securities	10	10	-	-	10
Securities bought under repurchase agreements	8,693	8,693	-	8,693	-
Subordinated loans	995	997	-	704	293
Securities not listed on an active market	5,203	5,207	-	5,174	33
Other loans and receivables	77	77	-	77	-
Loans and receivables due from customers	**360,079**	**378,680**	**-**	**80,651**	**298,029**
Trade receivables	40,909	41,126	-	19,956	21,170
Other customer loans	288,066	305,723	-	44,152	261,571
Securities bought under repurchase agreements	3,116	3,116	-	2,957	159
Subordinated loans	104	104	-	4	100
Securities not listed on an active market	14,428	14,428	-	296	14,132
Insurance receivables	262	262	-	4	258
Reinsurance receivables	516	516	-	42	474
Advances in associates current accounts	128	128	-	12	116
Current accounts in debit	12,550	13,277	-	13,228	49
Held-to-maturity financial assets	**20,179**	**22,229**	**22,209**	**-**	**20**
Treasury bills and similar securities	17,082	18,398	18,398	-	-
Bonds and other fixed Income securities	3,097	3,831	3,811	-	20
TOTAL FINANCIAL ASSETS OF WHICH FAIR VALUE IS DISCLOSED	**774,309**	**798,631**	**22,209**	**477,833**	**298,589**

The definitions of the underlined words can be found in the Glossary on page 567.

(in millions of euros)	Value at 31 December 2016	Estimated fair value at 31 December 2016	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	**729,092**	**755,412**	**-**	**464,363**	**291,049**
Loans and receivables due from credit institutions	**382,838**	**389,757**	**-**	**389,145**	**612**
Current accounts and overnight loans	17,311	17,311	-	17,275	36
Accounts and term deposits	338,095	345,010	-	344,838	172
Pledged securities	13	13	-	-	13
Securities bought under repurchase agreements	20,614	20,614	-	20,614	-
Subordinated loans	364	368	-	74	294
Securities not listed on an active market	6,367	6,367	-	6,270	97
Other loans and receivables	74	74	-	74	-
Loans and receivables due from customers	**346,254**	**365,655**	**-**	**75,218**	**290,437**
Trade receivables	38,469	38,590	-	19,000	19,590
Other customer loans	276,151	294,746	-	39,983	254,763
Securities bought under repurchase agreements	3,460	3,460	-	3,345	115
Subordinated loans	104	105	-	3	102
Securities not listed on an active market	15,101	15,101	-	168	14,933
Insurance receivables	376	376	-	-	376
Reinsurance receivables	408	408	-	2	406
Advances in associates current accounts	125	125	-	11	114
Current accounts in debit	12,060	12,744	-	12,706	38
Held-to-maturity financial assets	**14,354**	**17,044**	**16,378**	**666**	**-**
Treasury bills and similar securities	11,295	13,110	12,444	666	-
Bonds and other fixed Income securities	3,059	3,934	3,934	-	-
TOTAL FINANCIAL ASSETS OF WHICH FAIR VALUE IS DISCLOSED	**743,446**	**772,456**	**16,378**	**465,029**	**291,049**

FINANCIAL LIABILITIES RECOGNISED AT COST AND MEASURED AT FAIR VALUE ON THE BALANCE SHEET

(in millions of euros)	Value at 31 December 2017	Estimated fair value at 31 December 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
Financial liabilities not measured at fair value on balance sheet					
Due to credit institutions	**125,590**	**125,778**	**-**	**124,097**	**1,681**
Current accounts and overnight loans	19,786	19,787	-	19,787	-
Accounts and term deposits	81,404	81,591	-	79,910	1,681
Pledged securities	-	-	-	-	-
Securities sold under repurchase agreements	24,400	24,400	-	24,400	-
Due to customers	**550,746**	**551,114**	**-**	**212,573**	**338,541**
Current accounts in credit	182,099	182,457	-	177,439	5,018
Special savings accounts	275,058	275,059	-	826	274,233
Other amounts due to customers	89,768	89,777	-	32,481	57,296
Securities sold under repurchase agreements	1,706	1,706	-	1,706	-
Insurance liabilities	853	853	-	77	776
Reinsurance liabilities	313	313	-	44	269
Cash deposits received from cedants and retrocessionaires against technical insurance commitments	949	949	-	-	949
Debt securities	**163,708**	**165,896**	**55,361**	**110,335**	**200**
Subordinated debt	**25,421**	**25,508**	**23,353**	**2,046**	**109**
TOTAL FINANCIAL LIABILITIES OF WHICH FAIR VALUE IS DISCLOSED	**865,465**	**868,296**	**78,714**	**449,051**	**340,531**

(in millions of euros)	Value at 31 December 2016	Estimated fair value at 31 December 2016	Quoted prices in active markets for identical Instruments: Level 1	Valuation based on observable data: Level 2	Valuation based on unobservable data: Level 3
Financial liabilities not measured at fair value on balance sheet					
Due to credit institutions	**112,328**	**112,847**	**-**	**112,025**	**822**
Current accounts and overnight loans	16,146	16,146	-	16,146	-
Accounts and term deposits	71,500	72,017	-	71,195	822
Pledged securities	-	-	-	-	-
Securities sold under repurchase agreements	24,682	24,684	-	24,684	-
Due to customers	**521,828**	**521,848**	**-**	**186,472**	**335,376**
Current accounts in credit	160,278	160,278	-	156,858	3,420
Special savings accounts	260,579	260,579	-	846	259,733
Other amounts due to customers	94,451	94,463	-	24,059	70,404
Securities sold under repurchase agreements	4,666	4,674	-	4,674	-
Insurance liabilities	749	749	-	35	714
Reinsurance liabilities	338	338	-	-	338
Cash deposits received from cedants and retrocessionaires against technical insurance commitments	767	767	-	-	767
Debt securities	**159,280**	**160,088**	**27,060**	**132,812**	**216**
Subordinated debt	**29,327**	**28,595**	**26,720**	**1,770**	**105**
TOTAL FINANCIAL LIABILITIES OF WHICH FAIR VALUE IS DISCLOSED	**822,763**	**823,378**	**53,780**	**433,079**	**336,519**

The definitions of the underlined words can be found in the Glossary on page 567.

10.2 Information about financial instruments measured at fair value

VALUATION METHODS

Financial instruments are valued by management information systems and checked by a team that reports to the Risk Management department and is independent from the market operators.

Valuations are based on the following:

- prices or inputs obtained from independent sources and/or validated by the Market Risk department using a series of available sources such as pricing service vendors, market consensus data and brokers;
- models approved by the quantitative teams in the Market Risk department.

The valuation produced for each instrument is a mid-market valuation, which does not take account of the direction of the trade, the bank's aggregate exposure, market liquidity or counterparty quality. Adjustments are then made to the market valuations to incorporate those factors, as well as the potential uncertainties inherent in the models or inputs used.

The main types of valuation adjustments are the following:

Mark-to-market adjustments: these adjustments correct any potential variance between the mid-market valuation of an instrument obtained using internal valuation models and the associated inputs and the valuation obtained from external sources or market consensus data. These adjustments can be positive or negative.

Bid/ask reserves: these adjustments incorporate the bid/ask spread for a given instrument in order to reflect the price at which the position could be reversed. These adjustments are always negative.

Uncertainty reserves: these adjustments constitute a risk premium taken into account by all market participants. These adjustments are always negative.

- input uncertainty reserves seek to incorporate in the valuation of an instrument any uncertainty that might exist as regards one or more of the inputs used;
- model uncertainty reserves seek to incorporate in the valuation of an instrument any uncertainty that might exist due to the choice of model used.

In addition, in accordance with IFRS 13 "Fair value measurement", Crédit Agricole S.A. prices in to the fair value calculated for its OTC derivatives (*i.e.* those traded over the counter) various adjustments linked to the default risk and credit quality (Credit Valuation Adjustment, Debit Valuation Adjustment) and also to future funding costs and benefits (Funding Valuation Adjustment).

Credit Valuation Adjustment (CVA)

The Credit Valuation Adjustment (CVA) is a mark-to-market adjustment that aims to price into the fair value of the OTC derivatives the market value of our counterparties' default risk (risk that amounts due to us are not repaid in the event of default or a deterioration in creditworthiness). This adjustment is calculated per counterparty based on the positive future exposure of the trading portfolio (taking into account any netting or collateral agreements, where such exist) weighted by the probabilities of default (of our counterparties) and losses given default. To the maximum extent possible, the CVA estimation methodology uses observable inputs (probabilities of default are derived in priority directly from listed CDS, proxies of listed CDS and other credit instruments where these are deemed sufficiently liquid). This adjustment is always negative and reduces the fair value of the OTC derivative assets held in the portfolio.

Debit Valuation Adjustment (DVA)

The Debit Valuation Adjustment (DVA) is a mark-to-market adjustment that aims to price into the fair value of OTC derivatives the market value of our own default risk (potential losses to which Crédit Agricole S.A. may expose its counterparties in the event of default or a deterioration in its creditworthiness). This adjustment is calculated for the scope of the transactions covered by a perfect/golden Crédit Agricole S.A. (Credit Support Annex) and on the basis of the negative future exposure of the trading portfolio weighted by (Crédit Agricole S.A.'s) probability of default and losses given default. The calculation aims to factor in the Margin Period of Risk (MPR, calculated as the sum of "collateral contract period" + "estimated time to liquidate the portfolio"). To the maximum extent possible, the DVA estimation methodology uses observable inputs (Crédit Agricole S.A. CDS to determine the probability of default). This adjustment is always positive and reduces the fair value of the OTC derivative liabilities held in the portfolio.

Funding Valuation Adjustment (FVA)

The Funding Valuation Adjustment (FVA) is a mark-to-market adjustment that aims to price into the fair value of OTC derivatives the additional future funding costs and benefits based on ALM (Asset & Liability Management) funding costs. This adjustment is calculated for the scope of the transactions not covered by a CSA (Credit Support Annex), or covered by an imperfect/not golden CSA, and on the basis of the positive and negative future exposures weighted by ALM funding spreads.

BREAKDOWN OF FINANCIAL INSTRUMENTS AT FAIR VALUE BY VALUATION MODEL

Amounts presented below include accruals and prepayments and are net of impairment.

Financial assets measured at fair value

(in millions of euros)	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
Financial assets held for trading	**221,089**	**23,036**	**195,053**	**3,000**
Loans and receivables due from credit institutions	-	-	-	-
Loans and receivables due from customers	1,600	-	-	1,600
Securities bought under repurchase agreements	92,959	-	92,959	-
Pledged securities	-	-	-	-
Securities held for trading	20,735	19,668	945	122
Treasury bills and similar securities	*12,804*	*12,033*	*771*	-
Bonds and other fixed income securities	*4,446*	*4,151*	*173*	*122*
Equities and other equity variable income securities	*3,485*	*3,484*	*1*	-
Derivative instruments	105,795	3,368	101,149	1,278
Financial assets designated at fair value through profit or loss	**100,315**	**76,364**	**19,179**	**4,772**
Loans and receivables due from credit institutions	-	-	-	-
Loans and receivables due from customers	2	-	-	2
Assets backing unit-linked contracts	51,600	38,917	12,677	6
Securities designated at fair value through profit or loss	48,713	37,447	6,502	4,764
Treasury bills and similar securities	*3,639*	*3,617*	*22*	-
Bonds and other fixed income securities	*28,004*	*24,738*	*3,058*	*208*
Equities and other equity variable income securities	*17,070*	*9,092*	*3,422*	*4,556*
Available-for-sale financial assets	**307,058**	**269,028**	**36,192**	**1,838**
Treasury bills and similar securities	74,346	73,803	543	-
Bonds and other fixed income securities	201,745	174,589	26,875	281
Equities and other equity variable income securities[1]	30,967	20,636	8,774	1,557
Available-for-sale receivables	-	-	-	-
Hedging derivative instruments	**16,435**	**4**	**16,431**	**-**
TOTAL FINANCIAL ASSETS MEASURED AT FAIR VALUE	**644,897**	**368,432**	**266,855**	**9,610**

Transfers from level 1: Quoted prices in active markets for identical instruments			119	-
Transfers from level 2: Valuation based on observable data		21		100
Transfers from level 3: Valuation based on unobservable data		8	267	
TOTAL TRANSFERS TO EACH LEVEL		**29**	**386**	**100**

(1) SAS Rue La Boétie shares have been included in Equities and other variable income equity securities in Level 2 for €50 million.

Level 1 to Level 2 transfers involve available-for-sale securities and bonds.

Level 2 to Level 1 transfers mainly involve equities.

Level 2 to Level 3 transfers mainly involve interest rate swaps.

Level 3 to Level 2 transfers mainly involve bonds.

The definitions of the underlined words can be found in the Glossary on page 567.

(in millions of euros)	31/12/2016	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	**239,187**	**19,620**	**217,004**	**2,563**
Loans and receivables due from credit institutions	-	-	-	-
Loans and receivables due from customers	469	-	-	469
Securities bought under repurchase agreements	72,019	-	72,019	-
Pledged securities	-	-	-	-
Securities held for trading	17,391	15,925	1,248	218
Treasury bills and similar securities	*12,010*	*11,134*	*876*	-
Bonds and other fixed income securities	*2,461*	*1,894*	*349*	*218*
Equities and other equity variable income securities	*2,920*	*2,897*	*23*	-
Derivative instruments	149,308	3,695	143,737	1,876
Financial assets designated at fair value through profit or loss	**87,092**	**52,010**	**30,907**	**4,175**
Loans and receivables due from credit institutions	-	-	-	-
Loans and receivables due from customers	-	-	-	-
Assets backing unit-linked contracts	42,934	32,441	10,491	2
Securities designated at fair value through profit or loss	44,158	29,067	10,918	4,173
Treasury bills and similar securities	*3,718*	*3,718*	-	-
Bonds and other fixed income securities	*24,180*	*19,142*	*4,858*	*180*
Equities and other equity variable income securities	*16,260*	*8,095*	*4,172*	*3,993*
Available-for-sale financial assets	**315,916**	**271,078**	**42,400**	**2,438**
Treasury bills and similar securities	76,973	76,512	461	-
Bonds and other fixed income securities	209,137	181,173	27,689	275
Equities and other equity variable income securities[1]	29,806	19,685	7,958	2,163
Available-for-sale receivables	-	-	-	-
Hedging derivative instruments	**21,928**	**3**	**21,908**	**17**
TOTAL FINANCIAL ASSETS MEASURED AT FAIR VALUE	**664,123**	**342,711**	**312,219**	**9,193**

Transfers from level 1: Quoted prices in active markets for identical instruments			9,697	9
Transfers from level 2: Valuation based on observable data		870		260
Transfers from level 3: Valuation based on unobservable data		4	1,372	
TOTAL TRANSFERS TO EACH LEVEL		**874**	**11,069**	**269**

(1) SAS Rue La Boétie shares have been included in Equities and other equity variable income securities in the Level 2 for €47 million.

Level 1 to Level 2 transfers involve available-for-sale securities.

Level 2 to Level 3 transfers mainly involve interest rate derivatives.

Level 3 to Level 2 transfer mainly involve interest rate derivatives.

Financial liabilities measured at fair value

(in millions of euros)	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
Financial liabilities held for trading	**196,444**	**25,045**	**169,802**	**1,597**
Securities sold short	22,598	22,372	226	-
Securities sold under repurchase agreements	67,335	-	67,335	-
Debt securities	2	2	-	-
Due to credit institutions	-	-	-	-
Due to customers	-	-	-	-
Derivative instruments	106,509	2,671	102,241	1,597
Financial liabilities designated at fair value through profit or loss	**31,443**	**6,817**	**19,078**	**5,548**
Hedging derivative instruments	**13,271**	**-**	**13,023**	**248**
TOTAL FINANCIAL LIABILITIES MEASURED AT FAIR VALUE	**241,158**	**31,862**	**201,903**	**7,393**

Transfers from level 1: Quoted prices in active markets for identical instruments			-	3
Transfers from level 2: Valuation based on observable data		-		127
Transfers from level 3: Valuation based on unobservable data		-	2,171	
TOTAL TRANSFERS TO EACH LEVEL		**-**	**2,171**	**130**

Level 2 to Level 3 transfers mainly concern marketable debt securities accounted under the fair value option.

Level 3 to Level 2 transfers mainly concern marketable debt securities accounted under the fair value option.

(in millions of euros)	31/12/2016	Quoted prices in active markets for identical instruments: Level 1	Valuation based on observable data: Level 2	Valuation based on unobservable data: Level 3
Financial liabilities held for trading	**212,728**	**23,199**	**186,319**	**3,210**
Securities sold short	19,940	19,376	504	60
Securities sold under repurchase agreements	44,306	389	43,917	-
Debt securities	1	1	-	-
Due to credit institutions	-	-	-	-
Due to customers	-	-	-	-
Derivative instruments	148,481	3,433	141,898	3,150
Financial liabilities designated at fair value through profit or loss	**31,280**	**6,385**	**16,191**	**8,704**
Hedging derivative instruments	**17,890**	**-**	**17,456**	**434**
TOTAL FINANCIAL LIABILITIES MEASURED AT FAIR VALUE	**261,898**	**29,584**	**219,966**	**12,348**

Transfers from level 1: Quoted prices in active markets for identical instruments			505	9
Transfers from level 2: Valuation based on observable data		-		731
Transfers from level 3: Valuation based on unobservable data		-	808	
TOTAL TRANSFERS TO EACH LEVEL		**-**	**1,313**	**740**

Level 1 to Level 2 transfers mainly involve financial liabilities held for trading.

Level 2 to Level 3 transfer involves negotiable debt securities accounted under the fair value option.

Level 3 to Level 2 transfer involves mainly concern marketable debt securities accounted under the fair value option.

The definitions of the underlined words can be found in the Glossary on page 567.

Financial instruments classified in Level 1

Level 1 comprises all derivatives quoted in an active market (options, futures, etc.), regardless of their underlying (interest rate, exchange rate, precious metals, key stock indices), as well as equities and bonds quoted in an active market.

A market is considered as being active if quoted prices are readily and regularly available from exchange, brokers, dealers, pricing services or regulatory agencies, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Corporate and government and agency bonds that are valued on the basis of prices obtained from independent sources, deemed to be enforceable and updated regularly, are classified in Level 1. This covers the bulk of sovereign and agency bonds and corporate securities held. Issuers whose bonds are not quoted are classified in Level 3.

Financial instruments classified in Level 2

The main financial instruments classified in Level 2 are:

- liabilities designated at fair value through profit or loss;

  Financial liabilities designated at fair value are classified in Level 2 when their embedded derivative is deemed to be classified in Level 2;
- over-the-counter derivatives.

The main OTC derivatives classified in Level 2 are those valued using inputs considered to be observable and where the valuation technique does not generate any significant exposure to a model risk.

Level 2 therefore mainly includes:

- linear derivative products such as interest rate swaps, currency swaps and forward FX. They are valued using simple models widely used in the market, based either on directly observable inputs (foreign exchange rates, interest rates), or inputs derived from observable market prices (currency swaps);
- non-linear vanilla instruments such as caps, floors, swaptions, currency options, equity options and credit default swaps, including digital options. They are valued using simple models widely used in the market, based either on directly observable inputs (foreign exchange rates, interest rates, share prices) or inputs that can be derived from observable market prices (volatilities);
- simple exotic single-underlying instruments such as cancellable swaps, currency baskets of major currencies. They are valued using models that are sometimes slightly more complex but still widely used in the market. The inputs are mainly observable inputs and market prices, obtained notably from brokers and/or market consensus data, which can be used to corroborate internal valuations;
- securities listed on a market deemed inactive and for which independant valuation data are available.

Financial instruments classified in Level 3

Financial instruments classified in Level 3 are those which do not meet the conditions for classification in Level 1 or 2. They are therefore mainly financial instruments with a high model risk whose valuation requires substantial use of unobservable inputs.

The initial margin on all new transactions classified in Level 3 is reserved at the date of initial recognition. It is reintegrated in the profit or loss account either spread over the period during which the inputs are considered to be unobservable or in full on the date when the inputs become observable.

Level 3 therefore mainly comprises:

- Securities;

  Level 3 securities mainly include:
  - unlisted shares or bonds for which no independent valuation is available,
  - ABSs and CLOs for which there are indicative independent quotes but which are not necessarily executable,
  - ABSs, CLOs and super senior and mezzanine CDO tranches where it cannot be demonstrated that the market is active;
- liabilities designated at fair value through profit or loss;

  Financial liabilities designated at fair value are classified in Level 3 when their embedded derivative is deemed to be classified in Level 3.
- over-the-counter derivatives.

Products that are not observable due to the underlying items: some products, which are mostly classified in Level 2, may be considered to fall within Level 3 due to their underlying currency or maturity. An observability table defines the maximum maturity considered to be observable for each instrument/currency pair. Observability is a function of the input's liquidity and the availability of observable sources enabling its valuation.

Level 3 mainly comprises:

- interest rate exposures or very long-dated currency swaps;
- equity exposures, mainly through products traded on shallow option markets or indexed to volatility and long-dated forward or futures contracts;
- exposures to non-linear long-dated products (interest rate or currency) on key currencies/indices. It also includes vanilla options and simple exotic derivatives such as cancellable swaps;
- non-linear exposures to emerging market currencies.

Complex derivatives: complex derivatives are classified in Level 3 as their valuation requires the use of unobservable inputs. The main exposures involved are:

- products whose underlying is the difference between two interest rates, such as options, binary options or exotic products. These products are based on a correlation between the two rates, which is considered to be unobservable due to reduced liquidity. The valuation of these exposures is nonetheless adjusted at the month-end on the basis of correlation levels derived from market consensus data;
- products whose underlying is the forward volatility of an index (Euribor, CMS spread). These products are deemed unobservable as there is significant model risk and their thin liquidity prevents regular accurate estimates of inputs;
- securitisation swaps generating an exposure to the prepayment rate. The prepayment rate is determined on the basis of historical data on similar portfolios. The assumptions and inputs used are checked regularly on the basis of actual prepayments;
- hybrid long-term interest rate/FX products, such as Power Reverse Dual Currency notes, which mainly involve the USD/JPY currency pair or products whose underlying is a basket of currencies. The correlation parameters between interest rates and currencies as well as between the two interest rates are determined using an internal methodology based on historical data. Results are cross-checked against market consensus data to ensure that the overall method is coherent;
- multiple-underlying products generating an exposure to correlations, regardless of the underlyings concerned (interest rates, credit, FX, inflation). This category includes cross-asset products such as dual range, emerging market currency baskets and Credit Default Baskets. Correlations are determined conservatively as a function of the bank's aggregate exposure, based on historical data. If the diversity of correlations is high, exposures to each one remain measured;
- equity correlation and hybrid equity products, whose payoff depends on the relative performance of shares or indices in a basket (a basket which may sometimes include not just equities but other instruments such as indices or commodities). Measurements of these products are sensitive to the correlation between the basket components and may be classified as Level 3 depending on their maturity, hybrid nature and the composition of the underlying basket;
- interest rate derivatives whose coupon is indexed to forward volatility (Vol bonds);
- CDOs based on corporate credit baskets. The valuation model for these products uses both observable inputs (credit default swap (CDS) prices) and unobservable inputs (default correlations). For the least liquid Senior tranches, the Group has introduced valuation inputs that are tailored to its assessment of the intrinsic risk of its exposures. The market risk of the CDO derivatives book was sold to a fund managed by JP Morgan Capital in 2012;
- the market risk on complex equity derivative portfolios was transferred to an external counterparty on 31 December 2013.

For most of these products, the table below shows the valuation techniques and the main unobservable inputs with their value interval.

The definitions of the underlined words can be found in the Glossary on page 567.

AT 31 DECEMBER 2017

Instrument classes	Carrying amount (in millions of euros) Assets	Liabilities	Main product types comprising Level 3	Valuation technique used	Main unobservable inputs	Unobservable data interval
Interest rate derivatives	1,216	1,583	Long-dated cancellable products (*cancellable* zero coupon swaps)	Interest rate options valuation model	Forward *volatility*	
			Options on interest rate differentials		CMS correlations	0%/100%
			Securitisation swaps	Prepayment modelling and discounted future cash flows	Prepayment rate	0%/50%
			Long-dated hybrid interest rate/ exchange rate products (PRDC)	Interest rate/FX hybrid product valuation model	Interest rate/interest rate correlation	50%/80%
					Interest rate/FX correlation	-50%/50%
			Multiple-underlying products (dual range, etc.)	Valuation models for instruments with multiple underlyings	FX/equity correlation	-50%/75%
					FX/FX correlation	-20%/50%
					Interest rate/equity correlation	-25%/75%
					Interest rate/interest rate correlation	-10%/100%
					Interest rate/FX correlation	-75%/75%
Credit derivatives	39	11	CDOs indexed to corporate credit baskets	Correlation projection techniques and expected cash flow modelling	Default correlations	50%/90%

NET CHANGE IN FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE ACCORDING TO LEVEL 3

FINANCIAL ASSETS MEASURED AT FAIR VALUE ACCORDING TO LEVEL 3

		Financial assets held for trading				
			Securities held for trading			
(in millions of euros)	**Total**	**Loans and receivables due from customers**	*Bonds and other fixed income securities*	*Equities and other variable income securities*	**Securities held for trading**	**Derivative instruments**
Opening balance restated (01/01/2017)	**9,193**	**469**	**218**	**-**	**218**	**1,876**
Gains or losses during the period[(1)]	**(742)**	(88)	3	-	3	(438)
Recognised in profit and loss	***(373)***	-	*3*	-	*3*	*(438)*
Recognised in other comprehensive income	***(369)***	*(88)*	-	-	-	-
Purchases	**1,914**	20	5	-	5	146
Sales	**(1,794)**	(335)	(23)	-	(23)	-
Issues	**(3)**	-	-	-	-	-
Settlements	**(372)**	-	(3)	-	(3)	(390)
Reclassifications	**1,614**	1,614	-	-	-	-
Changes associated with scope during the period	**(25)**	(80)	-	-	-	-
Transfers	**(175)**	-	(78)	-	(78)	84
Transfers to Level 3	***100***	-	-	-	-	*100*
Transfers from Level 3	***(275)***	-	*(78)*	-	*(78)*	*(16)*
CLOSING BALANCE (31/12/2017)	**9,610**	**1,600**	**122**	**-**	**122**	**1,278**

(1) Gains and losses recognised through profit or loss on financial instruments held for trading are booked in "Net gains (losses) on financial instruments at fair value through profit or loss".

The definitions of the underlined words can be found in the Glossary on page 567.

Financial assets designated at fair value through profit or loss					Available-for-sale financial assets			
		Securities designated as at fair value through profit or loss						
Assets backing unit-linked contracts	Loans and receivables due from customers	*Bonds and other fixed income securities*	*Equities and other variable income securities*	*Securities designated at fair value through profit or loss*	Treasury bills and similar securities	Bonds and other fixed income securities	Equities and other variable income securities	Hedging derivative instruments
2	**-**	**180**	**3,993**	**4,173**	**-**	**275**	**2,163**	**17**
5	2	28	172	200	-	(9)	(417)	-
5	*2*	*28*	*172*	*200*	-	*(8)*	*(137)*	-
-	-	-	-	-	-	*(1)*	*(280)*	-
2	-	-	1,121	1,121	-	8	612	-
(3)	-	-	(730)	(730)	-	(11)	(692)	-
-	-	-	-	-	-	-	(3)	-
-	-	-	-	-	-	-	21	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	23	32	-
-	-	-	-	-	-	(5)	(159)	(17)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	*(5)*	*(159)*	*(17)*
6	**2**	**208**	**4,556**	**4,764**	**-**	**281**	**1,557**	**-**

FINANCIAL LIABILITIES MEASURED AT FAIR VALUE ACCORDING TO LEVEL 3

(in millions of euros)	Total	Financial liabilities held for trading			Financial liabilities designated at fair value through profit or loss	Hedging derivative instruments
		Securities sold short	Securities sold under repurchase agreements	Derivative instruments		
Opening balance restated (01/01/2017)	**12,348**	**60**	**-**	**3,150**	**8,704**	**434**
Gains or losses during the period[1]	**(1,078)**	(55)	-	(619)	(399)	(5)
Recognised in profit and loss	***(1,078)***	*(55)*	-	*(619)*	*(399)*	*(5)*
Recognised in other comprehensive income	**-**	-	-	-	-	-
Purchases	**69**	-	-	69	-	-
Sales	**(247)**	(5)	-	-	-	(242)
Issues	**854**	-	-	-	793	61
Settlements	**(2,512)**	-	-	(1,059)	(1,453)	-
Reclassifications	**-**	-	-	-	-	-
Changes associated with scope during the period	**-**	-	-	-	-	-
Transfers	**(2,041)**	-	-	56	(2,097)	-
Transfers to Level 3	**130**	-	-	103	27	-
Transfers out of Level 3	***(2,171)***	-	-	*(47)*	*(2,124)*	-
CLOSING BALANCE (31/12/2017)	*7,393*	**-**	**-**	**1,597**	**5,548**	**248**

(1) Gains and losses recognised through profit or loss on financial instruments held for trading are booked in "Net gains (losses) on financial instruments at fair value through profit or loss".

The fair value (and change in fair value) on these products is not representative. These products are essentially hedged by other simpler products that are individually measured based on inputs considered to be observable. The valuations (and their changes) of these hedging instruments, mostly symmetrical to valuations of products measured based on unobservable inputs, are not given in the table of Financial assets and liabilities measured at fair value according to level 3 above.

SENSITIVITY ANALYSIS FOR FINANCIAL INSTRUMENTS MEASURED USING THE LEVEL 3 VALUATION MODEL

The use of unobservable inputs introduces uncertainty, which we have assessed below using a sensitivity calculation on instruments valued using these inputs.

As regards interest rate derivatives, two key inputs are considered to be unobservable and require products valued on this basis to be classified in Level 3: correlation and prepayment rates (*i.e.* early redemption).

Correlation

Many products are sensitive to a correlation input. However, this input is not unique and there are many different types of correlation including:

- forward correlation between two successive indices in the same currency: e.g. 2-year CMS/10-year CMS;
- interest rate/interest rate correlation (different indices): e.g. Libor 3M USD/Libor 3M EUR;
- interest rate/FX correlation (or Quanto): e.g. USD/JPY – USD;
- equity/equity correlation;
- equity/FX correlation;
- equity/interest rate correlation;
- FX/FX correlation.

The biggest source of correlation exposure is, within the Non-Linear business line, the cross asset business.

Prepayment rate

The prepayment rate is the rate of early repayment on securitisation portfolios, whether voluntary or involuntary (default). Exposure to this risk factor may stem from two types of source: direct exposure to these asset classes, or certain "securitisation" swaps, *i.e.* where the variations in their nominal amounts are adjusted automatically to the nominal amount of the underlying portfolio, with no mark-to-market payment. The prepayment rate plays a significant part in their valuation.

The definitions of the underlined words can be found in the Glossary on page 567.

Calculation of impact

With respect to correlation

The results presented below have been obtained by applying the following shocks:

- correlations between successive indices in the same currency (*i.e.* CMS correlations): 3%;
- cross-asset correlations (e.g. Equity/FX or IR/Equity) and between two interest-rate curves in different currencies: 5%.

The result of the stress test is obtained by adding up the absolute values obtained. For each correlation type, we took the absolute values by currency and by book, therefore assuming that the correlations were not correlated among themselves. For the CMS correlations, we considered the various underlyings independently (e.g. 1y10y, 2y10y).

At 29 December 2017, sensitivity to the inputs used in the interest rate derivative models was therefore +/-€5.7 million, with the level down by €1.2 million compared to 31 December 2016 (+/-€6.8 million).

There are no longer any Legacy activities, the transactions having been unwound or transferred to the Euro, Non-Euro and JPY structured books;

The main contributors are now:

- Cross Asset: €1.4 million (vs. €2.0 million at 31 December 2016) with the €0.6 million decline being mainly due to the decline in the interest rate-EUR/GBP exchange rate correlation;
- Structured Non-Euro: €1.4 million (vs. €1.9 million at 31 December 2016) with a decline of €0.5 million as a result of lower interest rate/interest rate correlations;
- Structured Euro: €2.2 million (versus €2.0 million at 31 December 2016);
- Long Term FX: €0.3 million (versus €0.6 million at 31 December 2016).

Contributions from other scopes are immaterial.

With respect to the prepayment rate

Direct exposure to assets comprising a prepayment risk concerns securitisations such as RMBS and CLO and mezzanine CDO tranches. These exposures are marginal. They can be taken into account through sensitivity to a 1 bp change in credit spreads. This sensitivity being very low (< €50K/bp), exposure to prepayment rate is thus considered to be negligible.

The prepayment rate is not an observable market input and the valuation model used for the securitisation swaps is particularly conservative. The valuation used is defined as the lower of the valuation obtained using a very fast prepayment rate and using a very slow prepayment rate. A "normal" variation in the prepayment rate will therefore have no material impact on mark-to-market, no Day One thus being used for these products.

10.3 Estimated impact of inclusion of the margin at inception

(in millions of euros)	31/12/2017	31/12/2016
Deferred margin at 1st January	**69**	**45**
Margin generated by new transactions during the period	20	33
Recognised in net income during the period		
Amortisation and cancelled/reimbursed/matured transactions	(22)	(9)
Effects of inputs or products reclassified as observable during the period	-	-
DEFERRED MARGIN AT THE END OF THE PERIOD	**67**	**69**

NOTE 11 Scope of consolidation at 31 December 2017

11.1 Information on subsidiaries

11.1.1 RESTRICTIONS ON ENTITIES

Crédit Agricole S.A. Group is subject to the following restrictions:

Regulatory constraints

The subsidiaries of Crédit Agricole S.A. Group are subject to prudential regulation and regulatory capital requirements in their host countries. The minimum equity capital (solvency ratio), leverage ratio and liquidity ratio requirements limit the capacity of these entities to pay dividends or to transfer assets to Crédit Agricole S.A. Group.

Legal constraints

The subsidiaries of Crédit Agricole S.A. Group are subject to legal provisions concerning the distribution of capital and distributable earnings. These requirements limit the ability of the subsidiaries to distribute dividends. In the majority of cases, these are less restrictive than the regulatory limitations mentioned above.

Restriction on assets backing unit-linked contracts for the insurance business

Assets backing unit-linked contracts of Crédit Agricole S.A. Group are held for the benefit of policyholders. Assets of the insurance subsidiaries of Crédit Agricole S.A. Group are mainly held for satisfying their obligation towards their policyholders. Assets transfers to other entities are possible following the legal conditions. However, in case of a transfer, a part of the profit due to the transfer must be intended for the policyholders.

Other constraints

Certain subsidiaries of Crédit Agricole S.A., namely Crédit Agricole CIB Algérie, Crédit Agricole Ukraine and Crédit Agricole Serbie, are required to obtain prior approval for the payment of their dividends from their respective prudential authorities (Banque d'Algérie and Banque Nationale d'Ukraine and Banque Nationale de Serbie).

The payment of CA Egypt dividends is subject to a currency translation restriction on the Egyptian pound imposed by the Banque Centrale d'Égypte.

11.1.2 SUPPORT FOR STRUCTURED ENTITIES UNDER GROUP CONTROL

Crédit Agricole CIB has contractual arrangements with some consolidated structured entities that equate to commitments to provide financial support.

To meet its funding needs, Crédit Agricole CIB uses structured debt issuance vehicles to raise cash on financial markets. Securities issued by these entities are fully underwritten by Crédit Agricole CIB. At 31 December 2017, the outstanding volume of these issues was €24 billion compared to €21 billion at 31 December 2016.

As part of its third-party securitisation business, Crédit Agricole CIB provides liquidity lines to its ABCP conduits (see Note 1.1 for more detail). At 31 December 2017, these liquidity lines totalled €32 billion compared to €31 billion at 31 December 2016.

Crédit Agricole S.A. provided no other financial support for any structured entities consolidated at 31 December 2017 and 31 December 2016.

11.1.3 SECURITISATION TRANSACTIONS AND DEDICATED FUNDS

Various Group entities conduct securitisation operations on their own account as part of collateralised refinancing transactions. Depending on the circumstances, these transactions can be wholly or partially placed with investors, sold under repurchase agreements or kept on the issuer's balance sheet as liquid securities reserves that can be used to manage refinancing. Following the IAS 39 decision tree, these transactions are considered to form part of deconsolidating or non-deconsolidating transactions: for non-deconsolidating transactions, the assets are retained on the consolidated balance sheet of Crédit Agricole S.A. Group.

The definitions of the underlined words can be found in the Glossary on page 567.

11.2 Scope of consolidation

Crédit Agricole S.A. Group Scope of consolidation	(1)	(a)	Principal place of business	Country of incorporation (if different from the principal place of business)	Nature of control (b)	% control 31/12/2017	% control 31/12/2016	% interest 31/12/2017	% interest 31/12/2016
French retail banking									
Banking and financial institutions									
Banque Thémis	■	D4	France		S	100.0	100.0	95.1	95.1
Interfimo	■		France		S	99.0	99.0	94.1	94.1
LCL	■		France		S	95.1	95.1	95.1	95.1
LCL succursale de Monaco	■		Monaco	France	B	95.1	95.1	95.1	95.1
Other									
C.L. Verwaltungs und Beteiligungsgesell-schaft GmbH	■		Germany		S	100.0	100.0	95.1	95.1
Crédit Lyonnais Développement Économique (CLDE)	■		France		S	100.0	100.0	95.1	95.1
International retail banking									
Banking and financial institutions									
Arc Broker	■		Poland		S	100.0	100.0	100.0	100.0
CASSA DI RISPARMIO DI CESENA S.P.A.	■	E3	Italy		S	95.3		73.1	
CASSA DI RISPARMIO DI RIMINI S.P.A.	■	E3	Italy		S	95.4		73.2	
CASSA DI RISPARMIO DI SAN MINIATO S.P.A.	■	E3	Italy		S	95.6		73.3	
CREDIT AGRICOLE BANK	■		Ukraine		S	100.0	100.0	100.0	100.0
Crédit Agricole Bank Polska S.A.	■		Poland		S	100.0	100.0	100.0	100.0
Crédit Agricole Banka Srbija a.d. Novi Sad	■		Serbia		S	100.0	100.0	100.0	100.0
Crédit Agricole Cariparma	■		Italy		S	76.7	76.5	76.7	76.5
Crédit Agricole Carispezia S.p.A.	■	D1	Italy		S	80.0	80.0	61.4	61.2
Crédit Agricole Egypt S.A.E.	■		Egypt		S	60.5	60.5	60.2	60.2
Crédit Agricole Friuladria S.p.A.	■	D1	Italy		S	81.3	80.7	62.4	61.7
Crédit Agricole Group Solutions	■		Italy		CSE	100.0	100.0	75.0	74.8
Crédit Agricole Leasing Italia	■		Italy		S	100.0	100.0	80.2	80.0
Crédit Agricole Polska S.A.	■		Poland		S	100.0	100.0	100.0	100.0
Credit Agricole Romania	■		Romania		S	100.0	100.0	100.0	100.0
Credit Agricole Service sp z o.o.	■		Poland		S	100.0	100.0	100.0	100.0
Crédit du Maroc	■		Morocco		S	78.7	78.7	78.7	78.7
Lukas Finanse S.A.	■		Poland		S	100.0	100.0	100.0	100.0
Other									
Crédit du Maroc Succursale de France	■	D4	France	Morocco	B	78.7	78.7	78.7	78.7
IUB Holding	■		France		S	100.0	100.0	100.0	100.0
Spe cialised financial services									
Banking and financial institutions									
Agos	■		Italy		S	61.0	61.0	61.0	61.0
Alsolia	▲		France		A	20.0	20.0	20.0	20.0
Antera Incasso B.V.	■		Netherlands		S	100.0	100.0	100.0	100.0
Crealfi	■		France		S	51.0	51.0	51.0	51.0
Credibom	■		Portugal		S	100.0	100.0	100.0	100.0
Crediet Maatschappij " De Ijssel" B.V.	■		Netherlands		S	100.0	100.0	100.0	100.0
Crédit Agricole Consumer Finance	■		France		S	100.0	100.0	100.0	100.0
Crédit Agricole Consumer Finance Nederland	■		Netherlands		S	100.0	100.0	100.0	100.0
Crédit LIFT	■		France		S	100.0	100.0	100.0	100.0
Creditplus Bank AG	■		Germany		S	100.0	100.0	100.0	100.0
De Kredietdesk B.V.	■		Netherlands		S	100.0	100.0	100.0	100.0
DE NEDERLANDSE VOORSCHOT-BANK BV	■	D1	Netherlands		S	100.0	100.0	100.0	100.0
EFL Services	■		Poland		S	100.0	100.0	100.0	100.0
EUROFACTOR GmbH	■		Germany		S	100.0	100.0	100.0	100.0
Eurofactor Italia S.p.A.	■		Italy		S	100.0	100.0	100.0	100.0
EUROFACTOR NEDERLAND	■		Netherlands	Germany	B	100.0	100.0	100.0	100.0
EUROFACTOR POLSKA S.A.	■		Poland		S	100.0	100.0	100.0	100.0
Eurofactor SA - NV (Benelux)	■		Belgium		B	100.0	100.0	100.0	100.0
Eurofactor S.A. (Portugal)	■		Portugal		S	100.0	100.0	100.0	100.0
Eurofintus Financieringen B.V.	■		Netherlands		S	100.0	100.0	100.0	100.0
FCA Automotive Services UK Ltd	▲		United Kingdom		JV	50.0	50.0	50.0	50.0
FCA Bank	▲		Italy		JV	50.0	50.0	50.0	50.0
FCA Bank Gmbh, Hellenic Branch	▲		Greece		JV	50.0	50.0	50.0	50.0
FCA BANK SPA, IRISH BRANCH	▲	D1	Ireland		JV	50.0	50.0	50.0	50.0
FCA Bank Germany GmbH	▲		Germany		JV	50.0	50.0	50.0	50.0
FCA Bank GmbH	▲		Austria		JV	50.0	50.0	50.0	50.0
FCA Capital Belgium S.A.	▲		Belgium		JV	50.0	50.0	50.0	50.0
FCA Capital Danmark A/S	▲		Denmark		JV	50.0	50.0	50.0	50.0
FCA Capital España EFC S.A.	▲		Spain		JV	50.0	50.0	50.0	50.0
FCA Capital France S.A.	▲		France		JV	50.0	50.0	50.0	50.0
FCA Capital Hellas S.A.	▲		Greece		JV	50.0	50.0	50.0	50.0
FCA Capital IFIC	▲		Portugal		JV	50.0	50.0	50.0	50.0

(1) Consolidation method: ■ *Full* ▲ *Equity Accounted* ● *Parent*

Crédit Agricole S.A. Group Scope of consolidation	(1)	(a)	Principal place of business	Country of incorporation (if different from the principal place of business)	Nature of control (b)	% control 31/12/2017	% control 31/12/2016	% interest 31/12/2017	% interest 31/12/2016
FCA Capital Nederland B.V.	▲		Netherlands		JV	50.0	50.0	50.0	50.0
FCA Capital Norge AS	▲		Norway		JV	50.0	50.0	50.0	50.0
FCA Capital Re Limited	▲		Ireland		JV	50.0	50.0	50.0	50.0
FCA Capital Suisse S.A.	▲		Switzerland		JV	50.0	50.0	50.0	50.0
FCA Capital Sverige	▲		Sweden		JV	50.0	50.0	50.0	50.0
FCA DEALER SERVICES ESPANA SA, Morocco Branch	▲		Morocco	Spain	JV	50.0	50.0	50.0	50.0
FCA Dealer services España, S.A.	▲		Spain		JV	50.0	50.0	50.0	50.0
FCA Dealer Services Portugal S.A.	▲		Portugal		JV	50.0	50.0	50.0	50.0
FCA Dealer Services UK Ltd	▲		United Kingdom		JV	50.0	50.0	50.0	50.0
FCA Fleet Services Uk Ltd	▲		United Kingdom		JV	50.0	50.0	50.0	50.0
FCA GROUP BANK POLSKA S.A.	▲		Poland		JV	50.0	50.0	50.0	50.0
FCA Insurance Hellas S.A.	▲		Greece		JV	50.0	50.0	50.0	50.0
FCA Leasing France	▲		France		JV	50.0	50.0	50.0	50.0
FCA Leasing Polska	▲		Poland		JV	50.0	50.0	50.0	50.0
FCA Leasing GmbH	▲		Austria		JV	50.0	50.0	50.0	50.0
FERRARI FINANCIAL SERVICES GMBH	▲		Germany		JV	50.0	50.0	25.0	25.0
FGA Capital Danmark A/S, Finland Branch	▲		Finland		JV	50.0	50.0	50.0	50.0
Financierings Data Netwerk B.V.	▲		Netherlands		JV	50.0	50.0	50.0	50.0
Finaref Assurances S.A.S.	■		France		S	100.0	100.0	100.0	100.0
Finata Bank N.V.	■		Netherlands		S	100.0	100.0	100.0	100.0
Finata Zuid-Nederland B.V.	■		Netherlands		S	98.1	97.9	98.1	97.9
FORSO Denmark	▲	D4	Denmark		JV	50.0	50.0	50.0	50.0
Forso Finance OY	▲	D4	Finland		JV	50.0	50.0	50.0	50.0
Forso Nordic A.B.	▲	D4	Sweden		JV	50.0	50.0	50.0	50.0
Forso Norge	▲	D4	Norway		JV	50.0	50.0	50.0	50.0
GAC - Sofinco Auto Finance Co.	▲		China		A	50.0	50.0	50.0	50.0
GSA Ltd	■		Mauritius		S	100.0	100.0	100.0	100.0
IDM Finance B.V.	■		Netherlands		S	100.0	100.0	100.0	100.0
IDM Financieringen B.V.	■		Netherlands		S	100.0	100.0	100.0	100.0
IDM lease maatschappij N.V.	■		Netherlands		S	100.0	100.0	100.0	100.0
Iebe Lease B.V.	■		Netherlands		S	100.0	100.0	100.0	100.0
INTERBANK NV	■	D1	Netherlands		S	100.0	100.0	100.0	100.0
INTERMEDIAIRE VOORSCHOTBANK BV	■	D1	Netherlands		S	100.0	100.0	100.0	100.0
Krediet '78 B.V.	■		Netherlands		S	100.0	100.0	100.0	100.0
Leasys	▲		Italy		JV	50.0	50.0	50.0	50.0
LEASYS France S.A.S	▲	D1	France		JV	50.0	50.0	50.0	50.0
LEASYS SPA GERMAN BRANCH	▲	E2	Germany		JV	50.0		50.0	
LEASYS SPA SUCURSAL ESPANA	▲	E 2	Spain		JV	50.0		50.0	
Mahuko Financieringen B.V.	■		Netherlands		S	100.0	100.0	100.0	100.0
Menafinance	▲		France		JV	50.0	50.0	50.0	50.0
Money Care B.V.	■		Netherlands		S	100.0	100.0	100.0	100.0
NL Findio B.V	■		Netherlands		S	100.0	100.0	100.0	100.0
RIBANK NV	■	D1	Netherlands		S	100.0	100.0	100.0	100.0
SMART PREPAID	▲		France		A	49.0	49.0	49.0	49.0
Sofinco Participations	■		France		S	100.0	100.0	100.0	100.0
Ste Européenne de développement d'assurances	■		France		S	100.0	100.0	100.0	100.0
Ste Européenne de développement du financement	■		France		S	100.0	100.0	100.0	100.0
Themis Courtage	▲		Morocco		A	49.0	49.0	49.0	49.0
Ucafleet	▲		France		A	35.0	35.0	35.0	35.0
VoordeelBank B.V.	■		Netherlands		S	100.0	100.0	100.0	100.0
Wafasalaf	▲		Morocco		A	49.0	49.0	49.0	49.0
Lease financing companies									
Auxifip	■		France		S	100.0	100.0	100.0	100.0
Carefleet S.A.	■		Poland		S	100.0	100.0	100.0	100.0
Crédit Agricole Leasing & Factoring	■		France		S	100.0	100.0	100.0	100.0
Crédit Agricole Leasing & Factoring, Sucursal en Espana	■	D1	Spain	France	B	100.0	100.0	100.0	100.0
Crédit du Maroc Leasing et Factoring	■		Morocco		S	100.0	100.0	85.8	85.8
Europejski Fundusz Leasingowy (E.F.L.)	■		Poland		S	100.0	100.0	100.0	100.0
Finamur	■		France		S	100.0	100.0	100.0	100.0
Lixxbail	■		France		S	100.0	100.0	100.0	100.0
Lixxcourtage	■		France		S	100.0	100.0	100.0	100.0
Lixxcredit	■		France		S	100.0	100.0	100.0	100.0
Unifergie	■		France		S	100.0	100.0	100.0	100.0
Investment companies									
Insurance									
ARES Reinsurance Ltd.	■		Ireland		S	100.0	100.0	61.0	61.0
Other									
A-BEST ELEVEN UG	▲	D3	Germany		SJV	50.0		50.0	
A-BEST FIFTEEN	▲	E2	Italy		SJV	50.0		50.0	

(1) Consolidation method: ■ *Full* ▲ *Equity Accounted* ● *Parent*

The definitions of the underlined words can be found in the Glossary on page 567.

Crédit Agricole S.A. Group Scope of consolidation	(1)	(a)	Principal place of business	Country of incorporation (if different from the principal place of business)	Nature of control (b)	% control 31/12/2017	% control 31/12/2016	% interest 31/12/2017	% interest 31/12/2016
A-BEST FOUR	▲	D3	Italy		SJV	50.0		50.0	
A-BEST FOURTEEN	▲	D3	Italy		SJV	50.0		50.0	
A-BEST NINE SRL	▲	D3	Italy		SJV	50.0		50.0	
A-BEST Ten SRL	▲	D3	Italy		SJV	50.0		50.0	
A-BEST THIRTEEN	▲	D3	Spain		SJV	50.0		50.0	
A-BEST TWELVE	▲	D3	Italy		SJV	50.0		50.0	
EFL Finance S.A.	■		Poland		S	100.0	100.0	100.0	100.0
EFL Lease Abs 2017-1 Designated Activity Company	●	E2	Ireland		CSE	100.0		100.0	
ERASMUS FINANCE	▲	D3	Ireland		SJV	50.0		50.0	
FAST THREE SRL	▲	D3	Italy		SJV	50.0		50.0	
FCT GINGKO CLOANS 2013-1	●	D3	France		CSE	100.0		100.0	
FCT GINGKO DEBT CONSO 2015-1	●	D3	France		CSE	100.0		100.0	
FCT GINGKO PERSONAL LOANS 2016-1	●	D3	France		CSE	100.0		100.0	
FCT GINGKO PLOANS 2015-1	●	D3	France		CSE	100.0		100.0	
FCT GINGKO SALES FIN 2014-1	●	D3	France		CSE	100.0		100.0	
FCT GINGKO SALES FINANCE 2015-1	●	D3	France		CSE	100.0		100.0	
FCT GINKGO MASTER REVOLVING LOANS	●	D3	France		CSE	100.0		100.0	
FCT GINKGO SALES FINANCE 2017-1	●	D3	France		CSE	100.0		100.0	
GAC - SOFINCO 2014-01	▲	D3	China		SA	50.0		50.0	
Green FCT Lease	■		France		CSE	100.0	100.0	100.0	100.0
MATSUBA BV	●	D3	Netherlands		CSE	100.0		100.0	
NIXES SEVEN SRL	▲	D3	Netherlands		SJV	50.0		50.0	
NIXES SIX (LTD)	▲	D3	Italy		SJV	50.0		50.0	
OCHIBA 2015 B.V	●	D3	Netherlands		CSE	100.0		100.0	
RETAIL CONSUMER CP GERMANY 2016 UG	●	D3	Germany		CSE	100.0		100.0	
SUNRISE SPV 20 SRL	●	D3	Italy		CSE	100.0		100.0	
SUNRISE SPV 30 SRL	●	D3	Italy		CSE	100.0		100.0	
SUNRISE SRL	●	D3	Italy		CSE	100.0		100.0	
THETIS FINANCE 2015-1	●	D3	Portugal		CSE	100.0		100.0	
Savings management									
Banking and financial institutions									
ABC-CA Fund Management CO	▲		China		A	33.3	33.3	22.8	24.7
AMUNDI	■		France		S	68.6	74.3	68.5	74.1
AMUNDI (UK) Ltd.	■		United Kingdom		S	100.0	100.0	68.5	74.1
AMUNDI ASSET MANAGEMENT	■		France		S	100.0	100.0	68.5	74.1
AMUNDI ASSET MANAGEMENT BELGIUM	■		Belgium		B	100.0	100.0	68.5	74.1
AMUNDI ASSET MANAGEMENT DEUTSCHLAND	■	S4	Germany		B		100.0		74.1
AMUNDI ASSET MANAGEMENT DUBAI BRANCH	■	E2	United Arab Emirates		B	100.0		68.5	
AMUNDI ASSET MANAGEMENT HONG KONG BRANCH	■		Hong Kong		B	100.0	100.0	68.5	74.1
AMUNDI ASSET MANAGEMENT LONDON BRANCH	■		United Kingdom		B	100.0	100.0	68.5	74.1
AMUNDI ASSET MANAGEMENT NEDERLAND	■		Netherlands		B	100.0	100.0	68.5	74.1
Amundi Austria	■		Austria		S	100.0	100.0	68.5	74.1
Amundi Distributors Usa Llc	■	S1	United States		S		100.0		74.1
AMUNDI Finance	■		France		S	100.0	100.0	68.5	74.1
AMUNDI Finance Emissions	■		France		S	100.0	100.0	68.5	74.1
AMUNDI GLOBAL SERVICING	■		Luxembourg		S	100.0	100.0	68.5	74.1
AMUNDI Hellas MFMC S.A.	■		Greece		S	100.0	100.0	68.5	74.1
AMUNDI Hong Kong Ltd.	■		Hong Kong		S	100.0	100.0	68.5	74.1
AMUNDI Iberia S.G.I.I.C S.A.	■		Spain		S	100.0	100.0	68.5	74.1
AMUNDI Immobilier	■		France		S	100.0	100.0	68.5	74.1
AMUNDI India Holding	■		France		S	100.0	100.0	68.5	74.1
AMUNDI Intermédiation	■		France		S	100.0	100.0	68.5	74.1
AMUNDI Issuance	■		France		S	100.0	100.0	68.5	74.1
AMUNDI Japan	■		Japan		S	100.0	100.0	68.5	74.1
AMUNDI Japan Holding	■		Japan		S	100.0	100.0	68.5	74.1
AMUNDI Luxembourg S.A.	■		Luxembourg		S	100.0	100.0	68.5	74.1
AMUNDI Malaysia Sdn Bhd	■		Malaysia		S	100.0	100.0	68.5	74.1
AMUNDI Polska	■		Poland		S	100.0	100.0	68.5	74.1
AMUNDI Private Equity Funds	■		France		S	100.0	100.0	68.5	74.1
AMUNDI Real Estate Italia SGR S.p.A.	■		Italy		S	100.0	100.0	68.5	74.1
AMUNDI SGR S.p.A.	■		Italy		S	100.0	100.0	68.5	74.1
AMUNDI Singapore Ltd.	■		Singapore		S	100.0	100.0	68.5	74.1

(1) Consolidation method: ■ Full ▲ Equity Accounted ● Parent

Crédit Agricole S.A. Group Scope of consolidation	(1)	(a)	Principal place of business	Country of incorporation (if different from the principal place of business)	Nature of control (b)	% control 31/12/2017	% control 31/12/2016	% interest 31/12/2017	% interest 31/12/2016
AMUNDI Smith Breeden	■		United States		S	100.0	100.0	68.5	74.1
AMUNDI Suisse	■		Switzerland		S	100.0	100.0	68.5	74.1
AMUNDI Tenue de Comptes	■		France		S	100.0	100.0	68.5	74.1
AMUNDI USA Inc	■		United States		S	100.0	100.0	68.5	74.1
AMUNDI Ventures	■		France		S	100.0	100.0	68.5	74.1
BFT INVESTMENT MANAGERS	■		France		S	100.0	100.0	68.5	74.1
CA Indosuez (Suisse) S.A. Hong Kong Branch	■		Hong Kong	Switzerland	B	100.0	100.0	97.8	97.8
CA Indosuez (Suisse) S.A. Singapore Branch	■		Singapore	Switzerland	B	100.0	100.0	97.8	97.8
CA Indosuez (Suisse) S.A. Switzerland Branch	■	D3	Switzerland		B	100.0		97.8	
CA Indosuez (Switzerland) S.A.	■		Switzerland		S	100.0	100.0	97.8	97.8
CA Indosuez Finanziaria S.A.	■		Switzerland		S	100.0	100.0	97.8	97.8
CA Indosuez Gestion	■		France		S	100.0	100.0	97.8	97.8
CA Indosuez Wealth (Europe)	■		Luxembourg		S	100.0	100.0	97.8	97.8
CA Indosuez Wealth (Europe) Belgium Branch	■		Belgium	Luxembourg	B	100.0	100.0	97.8	97.8
CA Indosuez Wealth (Europe) Italy Branch	■		Italy	Luxembourg	B	100.0	100.0	97.8	97.8
CA Indosuez Wealth (Europe) Spain Branch	■		Spain	Luxembourg	B	100.0	100.0	97.8	97.8
CA Indosuez Wealth (France)	■		France		S	100.0	100.0	97.8	97.8
CFM Indosuez Wealth	■		Monaco		S	70.1	70.1	67.4	67.4
CPR AM	■		France		S	100.0	100.0	68.5	74.1
Etoile Gestion	■		France		S	100.0	100.0	68.5	74.1
Fund Channel	▲		Luxembourg		JV	50.0	50.0	34.3	37.1
Fund Channel Singapore Branch	▲	E2	Singapore	Luxembourg	JV	50.0		34.3	
Amundi Czech Republic, Investicni Spolecnost, A.S.	■	D1	Czech Republic		S	100.0	100.0	68.5	74.1
KBI Fund Managers Limited	■		Ireland		S	87.5	87.5	68.5	74.1
KBI Global Investors (North America) Limited	■		Ireland		S	87.5	87.5	68.5	74.1
KBI Global Investors Limited	■		Ireland		S	87.5	87.5	68.5	74.1
LCL Emissions	■		France		S	100.0	100.0	68.5	74.1
NH-AMUNDI ASSET MANAGEMENT	▲		South Korea		A	30.0	30.0	20.5	22.2
Amundi Czech Republic Asset Management, A.S.	■	E3; D1	Czech Republic		S	100.0		68.5	
Pioneer Asset Management A.S. Bratislava Branch	■	E3	Slovakia		B	100.0		68.5	
Pioneer Asset Management A.S. Sofia	■	E3	Bulgaria		B	100.0		68.5	
Pioneer Asset Management S.A.	■	E3	Luxembourg		S	100.0		68.5	
Amundi Asset Management S.A.I SA	■	E3 ; D1	Romania		S	100.0		68.5	
Amundi Pioneer Distributor Inc	■	E3 ; D1	United States		S	100.0		68.5	
Pioneer Global Investments (Australia) Pty Limited	■	E3	Australia		S	100.0		68.5	
Pioneer Global Investments (Taiwan) LTD	■	E3	Taiwan		S	100.0		68.5	
Pioneer Global Investments LTD	■	E3	Ireland		S	100.0		68.5	
Pioneer Global Investments LTD Buenos Aires Branch	■	E3	Argentina		B	100.0		68.5	
Pioneer Global Investments LTD Jelling Branch	■	E3	Denmark		B	100.0		68.5	
Pioneer Global Investments LTD London Branch	■	E3	United Kingdom		B	100.0		68.5	
Pioneer Global Investments LTD Madrid Branch	■	E3	Spain		B	100.0		68.5	
Pioneer Global Investments LTD Mexico city Branch	■	E3	Mexico		B	100.0		68.5	
Pioneer Global Investments LTD Paris Branch	■	E3	France		B	100.0		68.5	
Pioneer Global Investments LTD Santiago Branch	■	E3	Chile		B	100.0		68.5	
Amundi Pioneer Institutional Asset Management Inc	■	E3 ; D1	United States		S	100.0		68.5	
Pioneer Invesments Austria GmbH	■	E3	Austria		S	100.0		68.5	
Pioneer Investment Company A.S.	■	E3	Czech Republic		S	100.0		68.5	
Amundi Investment Fund Management Private Limited Company	■	E3 ; D1	Hungary		S	100.0		68.5	
Amundi Pioneer Asset Management Inc	■	E3 ; D1	United States		S	100.0		68.5	
Pioneer Investment Management Limited	■	E3	Ireland		S	100.0		68.5	
Pioneer Investment Management Limited London Branch	■	E3	United Kingdom		B	100.0		68.5	

(1) Consolidation method: ■ *Full* ▲ *Equity Accounted* ● *Parent*

The definitions of the underlined words can be found in the Glossary on page 567.

Crédit Agricole S.A. Group Scope of consolidation	(1)	(a)	Principal place of business	Country of incorporation (if different from the principal place of business)	Nature of control (b)	% control 31/12/2017	% control 31/12/2016	% interest 31/12/2017	% interest 31/12/2016
Pioneer Investment Management Limited Singapore Branch	■	E3	Singapore		B	100.0		68.5	
Pioneer Investment Management Sgr p.A.	■	E3	Italy		S	100.0		68.5	
Amundi Pioneer Asset Management USA Inc	■	E3 ; D1	United States		S	100.0		68.5	
Amundi Deutschland GmbH	■	E3 ; D1	Germany		S	100.0		68.5	
Société Générale Gestion (S2G)	■		France		S	100.0	100.0	68.5	74.1
State Bank of India Fund Management	▲		India		A	37.0	37.0	25.3	27.4
TOBAM	▲		France		A	4.1	4.1	13.7	14.8
TOBAM HOLDING COMPANY	▲		France		A	25.6	25.6	17.5	18.9
Vanderbilt Capital Advisors LLC	■	E3	United States		S	100.0		68.5	
WAFA Gestion	▲		Morocco		A	34.0	34.0	23.3	25.2
Investment companies									
CA Indosuez Wealth (Brazil) S.A. DTVM	■		Brazil		S	100.0	100.0	97.8	97.8
CA Indosuez Wealth (Group)	■		France		S	100.0	100.0	97.8	97.8
Insurance									
ASSUR&ME	■		France		CSE	100.0	100.0	100.0	100.0
CA Assicurazioni	■		Italy		S	100.0	100.0	100.0	100.0
CACI DANNI	■		Italy	Ireland	B	100.0	100.0	100.0	100.0
CACI LIFE LIMITED	■		Ireland		S	100.0	100.0	100.0	100.0
CACI NON LIFE LIMITED	■		Ireland		S	100.0	100.0	100.0	100.0
CACI NON VIE	■		France	Ireland	B	100.0	100.0	100.0	100.0
CACI Reinsurance Ltd.	■		Ireland		S	100.0	100.0	100.0	100.0
CACI VIE	■		France	Ireland	B	100.0	100.0	100.0	100.0
CACI VITA	■		Italy	Ireland	B	100.0	100.0	100.0	100.0
CALIE Europe Succursale France	■		France	Luxembourg	B	100.0	100.0	100.0	100.0
CALIE Europe Succursale Pologne	■		Poland	Luxembourg	B	100.0	100.0	100.0	100.0
Crédit Agricole Assurances (CAA)	■		France		S	100.0	100.0	100.0	100.0
Crédit Agricole Creditor Insurance (CACI)	■		France		S	100.0	100.0	100.0	100.0
Crédit Agricole Life	■	D4	Greece		S	100.0	100.0	100.0	100.0
Crédit Agricole Life Insurance Company Japan Ltd.	■		Japan		S	100.0	100.0	100.0	100.0
Crédit Agricole Life Insurance Europe	■		Luxembourg		S	100.0	100.0	99.9	99.9
Crédit Agricole Reinsurance S.A.	■	D4 ; S2	Luxembourg		S		100.0		100.0
Crédit Agricole Vita S.p.A.	■		Italy		S	100.0	100.0	100.0	100.0
Finaref Risques Divers	■		France		S	100.0	100.0	100.0	100.0
Finaref Vie	■		France		S	100.0	100.0	100.0	100.0
GNB SEGUROS	■		Portugal		S	50.0	50.0	50.0	50.0
Médicale de France	■		France		S	100.0	100.0	100.0	100.0
Pacifica	■		France		S	100.0	100.0	100.0	100.0
Predica	■		France		S	100.0	100.0	100.0	100.0
Predica - Prévoyance Dialogue du Crédit Agricole	■		Spain		B	100.0	100.0	100.0	100.0
Space Holding (Ireland) Limited	■		Ireland		S	100.0	100.0	100.0	100.0
Space Lux	■		Luxembourg		S	100.0	100.0	100.0	100.0
Spirica	■		France		S	100.0	100.0	100.0	100.0
UCITS									
ACACIA	■		France		CSE	100.0	100.0	68.5	74.1
ACAJOU	■		France		CSE	100.0	100.0	68.5	74.1
AGRICOLE RIVAGE DETTE	■		France		CSE	100.0	100.0	100.0	100.0
AMUNDI GRD 24 FCP	■		France		CSE	100.0	100.0	100.0	100.0
Amundi Hk - Green Planet Fund	■	S2	Hong Kong		CSE		99.4		73.6
Amundi Performance Absolue Equilibre	■	S2	France		CSE		100.0		74.1
ARTEMID	■		France		CSE	100.0	100.0	100.0	100.0
BFT opportunité	■		France		CSE	100.0	100.0	100.0	100.0
CA VITA INFRASTRUCTURE CHOICE FIPS c.l.A.	■		France		CSE	100.0	100.0	100.0	100.0
CA VITA PRIVATE DEBT CHOICE FIPS cl.A	■		France		CSE	100.0	100.0	100.0	100.0
CA VITA PRIVATE EQUITY CHOICE	■		France		CSE	100.0	100.0	100.0	100.0
CAA 2013 COMPARTIMENT 5 A5	■		France		CSE	100.0	100.0	100.0	100.0
CAA 2013 FCPR B1	■		France		CSE	100.0	100.0	100.0	100.0
CAA 2013 FCPR C1	■		France		CSE	100.0	100.0	100.0	100.0
CAA 2013 FCPR D1	■		France		CSE	100.0	100.0	100.0	100.0
CAA 2013-2	■		France		CSE	100.0	100.0	100.0	100.0
CAA 2013-3	■		France		CSE	100.0	100.0	100.0	100.0
CAA 2014 COMPARTIMENT 1 PART A1	■		France		CSE	100.0	100.0	100.0	100.0
CAA 2014 INVESTISSMENT PART A3	■		France		CSE	100.0	100.0	100.0	100.0
CAA 2015 COMPARTIMENT 1	■		France		CSE	100.0	100.0	100.0	100.0

(1) Consolidation method: ■ *Full* ▲ *Equity Accounted* ● *Parent*

Crédit Agricole S.A. Group Scope of consolidation	(1)	(a)	Principal place of business	Country of incorporation (if different from the principal place of business)	Nature of control (b)	% control 31/12/2017	% control 31/12/2016	% interest 31/12/2017	% interest 31/12/2016
CAA 2015 COMPARTIMENT 2	■		France		CSE	100.0	100.0	100.0	100.0
CAA 2016	■		France		CSE	100.0	100.0	100.0	100.0
CAA I NFRASTRUCTURE	■		France		CSE	100.0	100.0	100.0	100.0
CAA INFRASTRUCTURE 2017	■	E2	France		CSE	100.0		100.0	
CAA PR FI II C1 A1	■	E1	France		CSE	100.0		100.0	
CAA PRIV.FINANC. COMP1 A1 FIC	■		France		CSE	100.0	100.0	100.0	100.0
CAA PRIV.FINANC. COMP2 A2 FIC	■		France		CSE	100.0	100.0	100.0	100.0
CAA PRIVATE EQUITY 2017	■	D3	France		CSE	100.0		100.0	
CAA PRIVATE EQUITY 2017 BIS	■	D3	France		CSE	100.0		100.0	
CAA PRIVATE EQUITY 2017 FRANCE INVESTISSEMENT	■	D3	France		CSE	100.0		100.0	
CAA PRIVATE EQUITY 2017 MEZZANINE	■	D3	France		CSE	100.0		100.0	
CAA PRIVATE EQUITY 2017 TER	■	D3	France		CSE	100.0		100.0	
CAA SECONDAIRE IV	■		France		CSE	100.0	100.0	100.0	100.0
CA-EDRAM OPPORTUNITES FCP 3DEC	■		France		CSE	100.0	100.0	100.0	100.0
CAREPTA R 2016	■		France		CSE	100.0	100.0	100.0	100.0
CEDAR	■		France		CSE	100.0	100.0	68.5	74.1
Chorial Allocation	■		France		CSE	99.7	99.7	68.2	73.9
CNP ACP 10 FCP	▲		France		SJV	50.2	50.2	50.2	50.2
CNP ACP OBLIG	▲		France		SJV	50.2	50.2	50.2	50.2
CORSAIR 1.52% 25/10/38	■	D3	Luxembourg		CSE	100.0		100.0	
CORSAIR 1.5255% 25/04/35	■		Ireland		CSE	100.0	100.0	100.0	100.0
CORSAIRE FINANCE IRELAND 0.83% 25-10-38	■	D3	Ireland		CSE	100.0		100.0	
CORSAIRE FINANCE IRELAND 1.24 % 25-10-38	■	D3	Ireland		CSE	100.0		100.0	
CORSAIRE FINANCE IRELANDE 0.7% 25-10-38	■	D3	Ireland		CSE	100.0		100.0	
EFFITHERMIE FPCI	■	E2	France		CSE	89.1		89.1	
FCPR CAA 2013	■		France		CSE	100.0	100.0	100.0	100.0
FCPR CAA COMP TER PART A3	■		France		CSE	100.0	100.0	100.0	100.0
FCPR CAA COMPART BIS PART A2	■		France		CSE	100.0	100.0	100.0	100.0
FCPR CAA COMPARTIMENT 1 PART A1	■		France		CSE	100.0	100.0	100.0	100.0

Crédit Agricole S.A. Group Scope of consolidation	(1)	(a)	Principal place of business	Country of incorporation (if different from the principal place of business)	Nature of control (b)	% control 31/12/2017	% control 31/12/2016	% interest 31/12/2017	% interest 31/12/2016
FCPR CAA France croissance 2 A	■		France		CSE	100.0	100.0	100.0	100.0
FCPR PREDICA 2007 A	■		France		CSE	100.0	100.0	100.0	100.0
FCPR PREDICA 2007 C2	■		France		CSE	100.0	100.0	100.0	100.0
FCPR PREDICA 2008 A1	■		France		CSE	100.0	100.0	100.0	100.0
FCPR PREDICA 2008 A2	■		France		CSE	100.0	100.0	100.0	100.0
FCPR PREDICA 2008 A3	■		France		CSE	100.0	100.0	100.0	100.0
FCPR PREDICA SECONDAIRE I A1	■		France		CSE	100.0	100.0	100.0	100.0
FCPR PREDICA SECONDAIRE I A2	■		France		CSE	100.0	100.0	100.0	100.0
FCPR PREDICA SECONDAIRES II A	■		France		CSE	100.0	100.0	100.0	100.0
FCPR PREDICA SECONDAIRES II B	■		France		CSE	100.0	100.0	100.0	100.0
FCPR Roosevelt Investissements	■		France		CSE	100.0	100.0	100.0	100.0
FCPR UI CAP AGRO	■		France		CSE	100.0	100.0	100.0	100.0
FCPR UI CAP SANTE A	■		France		CSE	100.0	100.0	100.0	100.0
FCT BRIDGE 2016-1	■		France		CSE	100.0	100.0	100.0	100.0
FCT CAA – Compartment 2017-1	■	E2	France		CSE	100.0		100.0	
FCT CAREPTA - COMPARTIMENT 2014-1	■		France		CSE	100.0	100.0	100.0	100.0
FCT CAREPTA - COMPARTIMENT 2014-2	■		France		CSE	100.0	100.0	100.0	100.0
FCT CAREPTA - COMPARTIMENT RE-2016-1	■		France		CSE	100.0	100.0	100.0	100.0
FCT CAREPTA - RE 2015 -1	■		France		CSE	100.0	100.0	100.0	100.0
FCT CAREPTA 2-2016	■		France		CSE	100.0	100.0	100.0	100.0
FCT MID CAP 2 05/12/22	■		France		CSE	100.0	100.0	100.0	100.0
FEDERIS CORE EU CR 19 MM	■		France		CSE	43.6	43.6	43.6	43.6
Federval	■		France		CSE	100.0	100.0	100.0	100.0
FPCI Cogeneration France I	■		France		CSE	100.0	100.0	100.0	100.0
Genavent	■		France		CSE	52.3	52.3	35.8	38.7
GRD 44	■	D3	France		CSE	100.0		100.0	
GRD 44 N°3	■	E2	France		CSE	100.0		100.0	
GRD 44 N2	■	D3	France		CSE	100.0		100.0	
GRD 54	■	D3	France		CSE	100.0		100.0	
GRD TOBAM AB A	■	S1	France		CSE		100.0		100.0
GRD01	■	S1	France		CSE		100.0		100.0
GRD02	■		France		CSE	100.0	100.0	100.0	100.0

(1) Consolidation method: ■ Full ▲ Equity Accounted ● Parent

The definitions of the underlined words can be found in the Glossary on page 567.

Crédit Agricole S.A. Group Scope of consolidation	(1)	(a)	Principal place of business	Country of incorporation (if different from the principal place of business)	Nature of control (b)	% control 31/12/2017	% control 31/12/2016	% interest 31/12/2017	% interest 31/12/2016
GRD03	■		France		CSE	100.0	100.0	100.0	100.0
GRD04	■		France		CSE	100.0	100.0	100.0	100.0
GRD05	■		France		CSE	100.0	100.0	100.0	100.0
GRD07	■		France		CSE	100.0	100.0	100.0	100.0
GRD08	■		France		CSE	100.0	100.0	100.0	100.0
GRD09	■		France		CSE	100.0	100.0	100.0	100.0
GRD10	■		France		CSE	100.0	100.0	100.0	100.0
GRD11	■		France		CSE	100.0	100.0	100.0	100.0
GRD12	■		France		CSE	100.0	100.0	100.0	100.0
GRD13	■		France		CSE	100.0	100.0	100.0	100.0
GRD14	■		France		CSE	100.0	100.0	100.0	100.0
GRD16	■		France		CSE	100.0	100.0	100.0	100.0
GRD17	■		France		CSE	100.0	100.0	100.0	100.0
GRD18	■		France		CSE	100.0	100.0	100.0	100.0
GRD19	■		France		CSE	100.0	100.0	100.0	100.0
GRD20	■		France		CSE	100.0	100.0	100.0	100.0
GRD21	■		France		CSE	100.0	100.0	100.0	100.0
GRD23	■		France		CSE	100.0	100.0	100.0	100.0
IAA CROISSANCE INTERNATIONALE	■		France		CSE	100.0	100.0	100.0	100.0
Londres Croissance C16	■		France		CSE	100.0	100.0	68.5	74.1
LRP - CPT JANVIER 2013 0.30 13-21 11/01A	■		Luxembourg		CSE	84.2	84.2	84.2	84.2
OBJECTIF LONG TERME FCP	■		France		CSE	100.0	100.0	100.0	100.0
Peg - Portfolio Eonia Garanti	■		France		CSE	97.2	96.4	66.6	71.4
Predica 2005 FCPR A	■		France		CSE	100.0	100.0	100.0	100.0
Predica 2006 FCPR A	■		France		CSE	100.0	100.0	100.0	100.0
Predica 2006-2007 FCPR	■		France		CSE	93.8	100.0	93.8	100.0
PREDICA 2010 A1	■		France		CSE	100.0	100.0	100.0	100.0
PREDICA 2010 A2	■		France		CSE	100.0	100.0	100.0	100.0
PREDICA 2010 A3	■		France		CSE	100.0	100.0	100.0	100.0
PREDICA SECONDAIRES III	■		France		CSE	100.0	100.0	100.0	100.0
Predicant A1 FCP	■		France		CSE	100.0	100.0	100.0	100.0
Predicant A2 FCP	■		France		CSE	100.0	100.0	100.0	100.0
Predicant A3 FCP	■		France		CSE	100.0	100.0	100.0	100.0
Prediquant Eurocroissance A2	■		France		CSE	100.0	100.0	100.0	100.0
Prediquant opportunité	■		France		CSE	100.0	100.0	100.0	100.0
PREDIQUANT PREMIUM	■	E2	France		CSE	100.0		100.0	
PREDIQUANT STRATEGIES	■		France		CSE	100.0	99.6	100.0	99.6
PREMIUM GR 0% 28	■		Ireland		CSE	100.0	100.0	100.0	100.0
PREMIUM GREEN 0.508% 25-10-38	■	D3	Ireland		CSE	100.0		100.0	
PREMIUM GREEN 0.63% 25-10-38	■	D3	Ireland		CSE	100.0		100.0	
PREMIUM GREEN 1.24% 25/04/35	■		Ireland		CSE	100.0	100.0	100.0	100.0
PREMIUM GREEN 1.531% 25-04-35	■	D3	Ireland		CSE	100.0		100.0	
PREMIUM GREEN 1.55% 25-07-40	■	D3	Ireland		CSE	100.0		100.0	
PREMIUM GREEN 4.52%06-21 EMTN	■		Ireland		CSE	100.0	100.0	100.0	100.0
PREMIUM GREEN 4.54%06-13.06.21	■		Ireland		CSE	100.0	100.0	100.0	100.0
PREMIUM GREEN 4.5575%21 EMTN	■		Ireland		CSE	100.0	100.0	100.0	100.0
PREMIUM GREEN 4.56%06-21	■		Ireland		CSE	100.0	100.0	100.0	100.0
PREMIUM GREEN 4.7% EMTN 08/08/21	■		Ireland		CSE	100.0	100.0	100.0	100.0
PREMIUM GREEN 4.72%12-250927	■		Ireland		CSE	100.0	100.0	100.0	100.0
PREMIUM GREEN PLC 1.095% 25-10-38	■	D3	Ireland		CSE	100.0		100.0	
PREMIUM GREEN PLC 4.30%2021	■		Ireland		CSE	100.0	100.0	100.0	100.0
PREMIUM GREEN TV 06/22	■		Ireland		CSE	100.0	100.0	100.0	100.0
PREMIUM GREEN TV 07/22	■		Ireland		CSE	100.0	100.0	100.0	100.0
PREMIUM GREEN TV 07-22	■		Ireland		CSE	100.0	100.0	100.0	100.0
PREMIUM GREEN TV 22	■		Ireland		CSE	100.0	100.0	100.0	100.0
PREMIUM GREEN TV 26/07/22	■		Ireland		CSE	100.0	100.0	100.0	100.0
PREMIUM GREEN TV06-16 EMTN	■	S1	Ireland		CSE		100.0		100.0
PREMIUM GREEN TV07-17 EMTN	■	S1	Ireland		CSE		100.0		100.0
PREMIUM GREEN TV2027	■		Ireland		CSE	100.0	100.0	100.0	100.0
PREMIUM GREEN TV23/05/2022 EMTN	■		Ireland		CSE	100.0	100.0	100.0	100.0
PREMIUM GREEN4.33% 06-29/10/21	■		Ireland		CSE	100.0	100.0	100.0	100.0
PurpleProtAsset 1.36% 25/10/2038	■	D3	Luxembourg		CSE	100.0		100.0	
PurpleProtAsset 1.093% 20/10/2038	■	D3	Luxembourg		CSE	100.0		100.0	
RED CEDAR	■		France		CSE	100.0	100.0	68.5	74.1
UI CAP SANTE 2	■	E2	France		CSE	100.0		100.0	
Unit-linked funds (Fonds UC)									
71 United-linked funds with a detention rate equal or above 95%	■		France		CSE	≥ 95 %	≥ 95 %	≥ 95 %	≥ 95 %

(1) Consolidation method: ■ *Full* ▲ *Equity Accounted* ● *Parent*

Crédit Agricole S.A. Group Scope of consolidation	(1)	(a)	Principal place of business	Country of incorporation (if different from the principal place of business)	Nature of control (b)	% control 31/12/2017	% control 31/12/2016	% interest 31/12/2017	% interest 31/12/2016
AF EQUI.GLOB. AHE CAP	■		Luxembourg		CSE	91.5	88.3	91.5	88.3
AF INDEX EQ JAPAN AE CAP	■		Luxembourg		CSE	41.8	47.0	41.8	47.0
AF INDEX EQ USA A4E	■		Luxembourg		CSE	84.1	69.3	84.1	69.3
AM AC FR ISR PC 3D	■		France		CSE	50.0	46.2	50.0	46.2
AM.AC.MINER.-P-3D	■		France		CSE	44.1	44.6	44.1	44.6
AMUN TRESO CT PC 3D	■	E1	France		CSE	63.1		63.1	
AMUN.ACT.REST. P-C	■	E1	France		CSE	52.3		52.3	
AMUN.TRES.EONIA ISR E FCP 3DEC	■		France		CSE	90.9	87.6	90.9	84.6
AMUNDI 12 M P	■	S2	France		CSE		79.8		79.8
AMUNDI 3 M P	■	S3	France		CSE		77.6		77.6
AMUNDI ACTIONS FRANCE C 3DEC	■		France		CSE	78.0	50.3	78.0	50.3
AMUNDI AFD AV DURABL P1 FCP 3DEC	■		France		CSE	75.3	72.7	75.3	72.7
AMUNDI CRED.EURO ISR P FCP 3DEC	■	S3	France		CSE		62.0		62.0
AMUNDI EQ E IN AHEC	■		Luxembourg		CSE	45.5	58.6	45.5	58.6
AMUNDI GBL MACRO MULTI ASSET P	■		France		CSE	71.0	71.4	71.0	71.4
AMUNDI HORIZON 3D	■		France		CSE	66.0	65.2	66.0	65.2
AMUNDI KBI ACTIONS C	■	E1	France		CSE	85.3		85.3	
AMUNDI OBLIG EURO C	■		France		CSE	46.1	43.6	46.1	43.6
AMUNDI PATRIMOINE C 3DEC	■		France		CSE	83.7	81.4	83.7	81.4
AMUNDI PULSACTIONS	■		France		CSE	57.8	57.0	57.8	57.0
AMUNDI VALEURS DURAB	■		France		CSE	63.1	52.3	63.1	52.3
ANTINEA FCP	■		France		CSE	65.8	53.9	65.8	53.9
ARAMIS PATRIM D 3D	■		France		CSE	43.1	44.4	43.1	44.4
ARC FLEXIBOND-D	■		France		CSE	55.5	60.7	55.5	60.7
ATOUT EUROPE C FCP 3DEC	■		France		CSE	81.9	81.4	81.9	81.4
ATOUT FRANCE C FCP 3DEC	■		France		CSE	42.1	41.1	42.1	41.1
ATOUT MONDE C FCP 3DEC	■		France		CSE	88.6	87.9	88.6	87.9
ATOUT VERT HORIZON FCP 3 DEC	■		France		CSE	35.6	35.1	35.6	35.1
AXA EUR.SM.CAP E 3D	■		France		CSE	70.1	53.9	70.1	53.9
BNP PAR.CRED.ERSC	■		France		CSE	66.1	64.7	66.1	64.7
CA MASTER EUROPE	■		France		CSE	47.1	47.3	47.1	47.3
CAPITOP MON. C 3DEC	■	E1	France		CSE	45.6		45.6	
CONVERT.EUROP.AE	■	S3	Luxembourg		CSE		59.5		59.5
CPR CONSO ACTIONNAIRE FCP P	■		France		CSE	51.0	49.9	51.0	49.9
CPR CROIS.REA.-P	■		France		CSE	28.7	23.4	28.7	23.4
CPR EUROLAND P 3D	■	S3	France		CSE		50.1		50.1
CPR OBLIG 12 M.P 3D	■		France		CSE	65.8	41.2	65.8	41.2
CPR REFL.RESPO-100 P FCP 3DEC	■		France		CSE	55.3	61.5	55.3	61.5
CPR RENAI.JAP.-P-3D	■		France		CSE	59.4	56.0	59.4	56.0
CPR SILVER AGE P 3DEC	■		France		CSE	45.5	43.2	45.5	43.2
DNA 0% 12-211220	■		Luxembourg		CSE	89.0	92.7	89.0	92.7
DNA 0% 21/12/20 EMTN	■		Luxembourg		CSE	70.7	71.1	70.7	71.1
DNA 0% 23/07/18 EMTN INDX	■		Luxembourg		CSE	78.6	77.5	78.6	77.5
DNA 0% 27/06/18 INDX	■		Luxembourg		CSE	82.1	82.9	82.1	82.9
DNA 0%11-231216 INDX	■	S1	Luxembourg		CSE		77.7		77.7
DNA 0%12-240418 INDX	■		Luxembourg		CSE	79.7	79.9	79.7	79.9
ECOFI MULTI OPPORTUN.FCP 3DEC	■		France		CSE	81.4	87.9	81.4	87.9
EMERITE 2 FCP 3DEC	■	S1	France		CSE		99.9		99.9
FLORIS.EQUIL.3DEC	■	S2	France		CSE		100.0		100.0
FLORIS. PRUDEN.3DEC	■	S2	France		CSE		100.0		100.0
FLORISS. DYNAM.3DEC	■	S2	France		CSE		100.0		100.0
FLORISS. EXPAN.3DEC	■	S2	France		CSE		100.0		100.0
FONDS AV ECHUS N°2	■	S2	France		CSE		97.9		97.9
HMG GLOBETROTTER D	■	S3	France		CSE		57.3		57.3
IND.CAP EMERG.-C-3D	■		France		CSE	88.8	59.6	88.8	59.6
INDO.FLEX.100 -C-3D	■	S2	France		CSE		92.7		92.7
INDOS.EURO.PAT. PD 3D	■		France		CSE	45.0	45.6	45.0	45.6
INVEST RESP S3 3D	■		France		CSE	64.4	62.6	64.4	62.6
LCL 4 HOR. AV 06/14	■	S1	France		CSE		100.0		100.0
LCL 5 HOR.AV 0415 C	■	S1	France		CSE		100.0		100.0
LCL AC.DEV. DU.EURO	■		France		CSE	57.8	49.3	57.8	49.3
LCL AC. EMERGENTS 3D	■		France		CSE	51.5	49.9	51.5	49.9
LCL ACT RES NATUREL	■	E1	France		CSE	59.6		59.6	

(1) Consolidation method: ■ Full ▲ Equity Accounted ● Parent

The definitions of the underlined words can be found in the Glossary on page 567.

Crédit Agricole S.A. Group Scope of consolidation	(1)	(a)	Principal place of business	Country of incorporation (if different from the principal place of business)	Nature of control (b)	% control 31/12/2017	% control 31/12/2016	% interest 31/12/2017	% interest 31/12/2016
LCL ACT.E-U ISR 3D	■	E1	France		CSE	43.2		43.2	
LCL ACT.IMMOBI.3D	■		France		CSE	47.8	75.5	47.8	75.5
LCL ACT.USA ISR 3D	■		France		CSE	52.1	49.7	52.1	49.7
LCL ACTIONS EURO C	■		France		CSE	82.0	68.1	82.0	68.1
LCL ACTIONS MONDE FCP 3 DEC	■	E1	France		CSE	41.9		41.9	
LCL ALLOCATION DYNAMIQUE 3D FCP	■		France		CSE	94.8	94.4	94.8	94.4
LCL AUTOCALL VIE 17	■	E3	France		CSE	90.3		90.3	
LCL D.CAPT.JU.10 3D	■		France		CSE	86.6	84.3	86.6	84.3
LCL DEVELOPPEM. PME C	■		France		CSE	71.3	75.3	71.3	75.3
LCL FDS ECH. MONE.3D	■		France		CSE	82.8	84.6	82.8	84.6
LCL FLEX 30	■		France		CSE	63.5	67.0	63.5	67.0
LCL INVEST.EQ C	■		France		CSE	91.9	91.8	91.9	91.8
LCL INVEST.PRUD.3D	■		France		CSE	90.8	91.6	90.8	91.6
LCL MGEST 60 3DEC	■		France		CSE	84.6	83.9	84.6	83.9
LCL MGEST FL.0-100	■		France		CSE	80.7	81.0	80.7	81.0
LCL OPTIM II VIE 17	■	E3	France		CSE	94.4		94.4	
LCL OPTIM VIE T 17 C	■	E3	France		CSE	94.7		94.7	
LCL PHOENIX VIE 2016	■		France		CSE	93.7	93.7	93.7	93.7
LCL PREMIUM VIE 2015	■		France		CSE	94.8	94.8	94.8	94.8
LCL SEC 100 AV(JUIN08)FCP 3D	■	S1	France		CSE		99.5		99.5
LCL SECU.100(JUIL.11)	■	S2	France		CSE		48.4		48.4
LCL TRIP HORIZ SEP16	■		France		CSE	78.1	78.3	78.1	78.3
LCL VOCATION RENDEMENT NOV 12 3D	■		France		CSE	80.1	79.9	80.1	79.9
OBJECTIF MEDIAN FCP	■		France		CSE	92.5	100.0	92.5	100.0
OPALIA VIE 3DEC	■	S1	France		CSE		99.9		99.9
OPCIMMO LCL SPPICAV 5DEC	■		France		CSE	93.6	93.1	93.6	93.1
OPCIMMO PREM SPPICAV 5DEC	■		France		CSE	93.1	94.9	93.1	94.9
OPTIMIZ BES TIMING II 3DEC	■	S1	France		CSE		87.3		87.3
ORIANCE VIE FCP 3DEC	■	S1	France		CSE		100.0		100.0
PREMIUM PLUS 0% 09-17 EMTN	■	S1	Ireland		CSE		99.9		99.9
PREMIUM PLUS PLC 0% 09-17	■	S1	Ireland		CSE		100.0		100.0
PREMIUM PLUS PLC 0% 09-17 IND	■	S1	Ireland		CSE		99.3		99.3
SOLIDARITE AMUNDI P	■		France		CSE	56.1	47.4	56.1	47.4
SOLIDARITE INITIATIS SANTE	■		France		CSE	86.1	83.9	86.1	83.9
TRIALIS 6 ANS	■		France		CSE	68.3	68.0	68.3	68.0
TRIALIS 6 ANS N2 C	■	S1	France		CSE		61.0		61.0
TRIALIS 6 ANS N3 FCP	■	S4	France		CSE		60.1		60.1
TRIALIS C	■	S4	France		CSE		66.7		66.7
TRIANANCE 6 ANS	■		France		CSE	61.8	61.6	61.8	61.6
TRIANANCE 6 ANS N 4	■	E3	France		CSE	73.4		73.4	
VENDOME INV.FCP 3DEC	■		France		CSE	90.4	91.5	90.4	91.5
Real estate collective investment fund (OPCI)									
Nexus 1	■		Italy		CSE	100.0	100.0	100.0	100.0
OPCI Camp Invest	■		France		CSE	100.0	80.1	100.0	80.1
OPCI ECO CAMPUS SPPICAV	■		France		CSE	100.0	100.0	100.0	100.0
OPCI Immanens	■		France		CSE	100.0	100.0	68.5	74.1
OPCI Immo Emissions	■		France		CSE	100.0	100.0	68.5	74.1
OPCI Iris Invest 2010	■		France		CSE	100.0	80.1	100.0	80.1
OPCI KART	■	S4	France		CSE		100.0		100.0
OPCI MASSY BUREAUX	■		France		CSE	100.0	100.0	100.0	100.0
OPCI Messidor	■		France		CSE	100.0	94.5	100.0	94.5
Predica OPCI Bureau	■		France		CSE	100.0	100.0	100.0	100.0
Predica OPCI Commerces	■		France		CSE	100.0	100.0	100.0	100.0
Predica OPCI Habitation	■		France		CSE	100.0	100.0	100.0	100.0
Non-trading real estate investment company (SCI)									
DS Campus	■	E1	France		CSE	100.0		100.0	
HDP BUREAUX	■		France		S	95.0	95.0	95.0	95.0
HDP HOTEL	■		France		S	95.0	95.0	95.0	95.0
HDP LA HALLE BOCA	■		France		S	95.0	95.0	95.0	95.0
IMEFA 177	■	E1	France		CSE	99.0		99.0	
IMEFA 178	■	E1	France		CSE	99.0		99.0	
IMEFA 179	■	E1	France		CSE	99.0		99.0	
Issy Pont	■	E1	France		CSE	75.0		75.0	
SCI BMEDIC HABITATION	■		France		S	100.0	100.0	100.0	100.0
SCI CAMPUS MEDICIS ST DENIS	■		France		S	70.0	70.0	70.0	70.0
SCI CAMPUS RIMBAUD ST DENIS	■		France		S	70.0	70.0	70.0	70.0
SCI CARGO PROPERTY HOLDING	▲	E1	France		A	29.9		29.9	
SCI FEDERALE PEREIRE VICTOIRE	■		France		S	99.0	99.0	99.0	99.0
SCI FEDERALE VILLIERS	■		France		S	100.0	100.0	100.0	100.0

(1) Consolidation method: ■ Full ▲ Equity Accounted ● Parent

Crédit Agricole S.A. Group Scope of consolidation	(1)	(a)	Principal place of business	Country of incorporation (if different from the principal place of business)	Nature of control (b)	% control 31/12/2017	% control 31/12/2016	% interest 31/12/2017	% interest 31/12/2016
SCI FEDERLOG	■		France		S	99.9	99.9	99.9	99.9
SCI FEDERLONDRES	■		France		S	100.0	100.0	100.0	100.0
SCI FEDERPIERRE	■		France		S	100.0	100.0	100.0	100.0
SCI GRENIER VELLEF	■		France		CSE	100.0	100.0	100.0	100.0
SCI Holding Dahlia	■	E1	France		CSE	100.0		100.0	
SCI IMEFA 001	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 002	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 003	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 004	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 005	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 006	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 008	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 009	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 010	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 011	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 012	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 013	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 016	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 017	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 018	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 020	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 022	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 025	■		France		CSE	100.0	100.0	100.0	100.0
SCI IMEFA 032	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 033	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 034	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 035	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 036	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 037	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 038	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 039	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 042	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 043	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 044	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 047	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 048	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 051	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 052	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 054	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 057	■		France		S	100.0	100.0	100.0	100.0

Crédit Agricole S.A. Group Scope of consolidation	(1)	(a)	Principal place of business	Country of incorporation (if different from the principal place of business)	Nature of control (b)	% control 31/12/2017	% control 31/12/2016	% interest 31/12/2017	% interest 31/12/2016
SCI IMEFA 058	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 060	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 061	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 062	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 063	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 064	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 067	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 068	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 069	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 072	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 073	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 074	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 076	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 077	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 078	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 079	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 080	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 081	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 082	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 083	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 084	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 085	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 089	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 091	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 092	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 096	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 100	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 101	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 102	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 103	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 104	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 105	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 107	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 108	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 109	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 110	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 112	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 113	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 115	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 116	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 117	■		France		S	100.0	100.0	100.0	100.0

(1) Consolidation method: ■ Full ▲ Equity Accounted ● Parent

The definitions of the underlined words can be found in the Glossary on page 567.

Crédit Agricole S.A. Group Scope of consolidation	(1)	(a)	Principal place of business	Country of incorporation (if different from the principal place of business)	Nature of control (b)	% control 31/12/2017	% control 31/12/2016	% interest 31/12/2017	% interest 31/12/2016
SCI IMEFA 118	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 120	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 121	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 122	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 123	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 126	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 128	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 129	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 131	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 132	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 140	■		France		CSE	100.0	99.0	100.0	99.0
SCI IMEFA 148	■		France		S	100.0	99.0	100.0	99.0
SCI IMEFA 149	■		France		S	99.0	99.0	99.0	99.0
SCI IMEFA 150	■		France		S	100.0	99.0	100.0	99.0
SCI IMEFA 155	■		France		S	100.0	99.0	100.0	99.0
SCI IMEFA 156	■		France		S	90.0	90.0	90.0	90.0
SCI IMEFA 157	■		France		S	90.0	90.0	90.0	90.0
SCI IMEFA 158	■		France		S	100.0	99.0	100.0	99.0
SCI IMEFA 159	■		France		S	100.0	99.0	100.0	99.0
SCI IMEFA 164	■		France		S	100.0	99.0	100.0	99.0
SCI IMEFA 169	■		France		S	100.0	99.0	100.0	99.0
SCI IMEFA 170	■		France		S	100.0	99.0	100.0	99.0
SCI IMEFA 171	■		France		CSE	99.0	99.0	99.0	99.0
SCI IMEFA 172	■		France		CSE	99.0	99.0	99.0	99.0
SCI IMEFA 173	■		France		S	99.0	99.0	99.0	99.0
SCI IMEFA 174	■		France		S	99.0	99.0	99.0	99.0
SCI IMEFA 175	■		France		S	99.0	99.0	99.0	99.0
SCI IMEFA 176	■		France		S	99.0	99.0	99.0	99.0
SCI LE VILLAGE VICTOR HUGO	■		France		S	100.0	100.0	100.0	100.0
SCI MEDI BUREAUX	■		France		S	100.0	100.0	100.0	100.0
SCI PACIFICA HUGO	■		France		S	100.0	100.0	100.0	100.0
SCI PORTE DES LILAS - FRERES FLAVIEN	■		France		S	100.0	100.0	100.0	100.0
SCI VALHUBERT	■		France		S	100.0	100.0	100.0	100.0
SCI VAUGIRARD 36-44	■	E1	France		S	100.0		100.0	
Other									
ALTAREA	▲		France		A	24.7	26.6	24.7	26.6
AMUNDI IT Services	■		France		S	99.6	99.6	69.5	74.8
CA Indosuez Wealth (Asset Management)	■		Luxembourg		S	100.0	100.0	97.8	97.8
CACI Gestion	■		France		S	99.0	100.0	99.0	100.0
Crédit Agricole Assurances Solutions	■	E2	France		S	100.0		100.0	
EUROPEAN MOTORWAY INVESTMENTS 1	■		Luxembourg		S	60.0	60.0	60.0	60.0
EUROSIC	▲	S2	France		A		24.3		24.3
FONCIERE HYPERSUD	▲		France		JV	51.4	51.4	51.4	51.4
FREY	▲		France		A	17.9	20.0	17.9	20.0
Icade	▲	E3	France		A	18.5		18.5	
INFRA FOCH TOPCO	▲		France		A	36.9	36.9	36.9	36.9
KORIAN	▲		France		A	23.0	23.7	23.0	23.7
PATRIMOINE ET COMMERCE	▲	E1	France		A	19.9		19.9	
PREDIPARK	■		France		S	100.0	100.0	100.0	100.0
RAMSAY - GENERALE DE SANTE	▲		France		A	38.4	38.4	38.4	38.4
SA RESICO	■		France		S	100.0	100.0	100.0	100.0
SAS Caagis	■	S4	France		S		50.0		50.2
Via Vita	■		France		S	100.0	100.0	100.0	100.0
Large customers									
Banking and financial institutions									
Banco Crédit Agricole Brasil S.A.	■		Brazil		S	100.0	100.0	97.8	97.8
Banque Saudi Fransi - BSF	▲	S2	Saudi Arabia		A		31.1		30.4
CACEIS (Canada) Ltd.	■	D4	Canada		S	100.0	100.0	100.0	85.0
CACEIS (USA) Inc.	■	D4	United States		S	100.0	100.0	100.0	85.0
CACEIS Bank	■		France		S	100.0	100.0	100.0	85.0
CACEIS Bank S.A., Germany Branch	■		Germany		B	100.0	100.0	100.0	85.0
CACEIS Bank, Belgium Branch	■		Belgium		B	100.0	100.0	100.0	85.0
CACEIS Bank, Ireland Branch	■		Ireland		B	100.0	100.0	100.0	85.0
CACEIS Bank, Italy Branch	■		Italy		B	100.0	100.0	100.0	85.0
CACEIS Bank, Luxembourg Branch	■		Luxembourg		B	100.0	100.0	100.0	85.0
CACEIS Bank, Netherlands Branch	■		Netherlands		B	100.0	100.0	100.0	85.0
CACEIS Bank, Switzerland Branch	■		Switzerland		B	100.0	100.0	100.0	85.0
CACEIS Bank, UK Branch	■		United Kingdom		B	100.0	100.0	100.0	85.0
CACEIS Belgium	■		Belgium		S	100.0	100.0	100.0	85.0
CACEIS Corporate Trust	■		France		S	100.0	100.0	100.0	85.0
CACEIS Fund Administration	■		France		S	100.0	100.0	100.0	85.0
CACEIS Ireland Limited	■		Ireland		S	100.0	100.0	100.0	85.0
CACEIS S.A.	■		France		S	100.0	85.0	100.0	85.0

(1) Consolidation method: ■ *Full* ▲ *Equity Accounted* ● *Parent*

Crédit Agricole S.A. Group Scope of consolidation	(1)	(a)	Principal place of business	Country of incorporation (if different from the principal place of business)	Nature of control (b)	% control 31/12/2017	% control 31/12/2016	% interest 31/12/2017	% interest 31/12/2016
CACEIS Switzerland S.A.	■		Switzerland		S	100.0	100.0	100.0	85.0
Crédit Agricole CIB (Belgique)	■		Belgium	France	B	97.8	97.8	97.8	97.8
Crédit Agricole CIB (ABU DHABI)	■		United Arab Emirates	France	B	97.8	97.8	97.8	97.8
Crédit Agricole CIB (Allemagne)	■		Germany	France	B	97.8	97.8	97.8	97.8
Crédit Agricole CIB (Canada)	■		Canada	France	B	97.8	97.8	97.8	97.8
Crédit Agricole CIB (Corée du Sud)	■		South Korea	France	B	97.8	97.8	97.8	97.8
Crédit Agricole CIB (Dubai DIFC)	■		United Arab Emirates	France	B	97.8	97.8	97.8	97.8
Crédit Agricole CIB (Dubai)	■		United Arab Emirates	France	B	97.8	97.8	97.8	97.8
Crédit Agricole CIB (Espagne)	■		Spain	France	B	97.8	97.8	97.8	97.8
Crédit Agricole CIB (Finlande)	■		Finland	France	B	97.8	97.8	97.8	97.8
Crédit Agricole CIB (Hong-Kong)	■		Hong Kong	France	B	97.8	97.8	97.8	97.8
Crédit Agricole CIB (Îles Caïmans)	■	S1	Cayman Islands	France	B		97.8		97.8
Crédit Agricole CIB (Inde)	■		India	France	B	97.8	97.8	97.8	97.8
Crédit Agricole CIB (Italie)	■		Italy	France	B	97.8	97.8	97.8	97.8
Crédit Agricole CIB (Japon)	■		Japan	France	B	97.8	97.8	97.8	97.8
Crédit Agricole CIB (Luxembourg)	■		Luxembourg	France	B	97.8	97.8	97.8	97.8
Crédit Agricole CIB (Miami)	■		United States	France	B	97.8	97.8	97.8	97.8
Crédit Agricole CIB (New-York)	■		United States	France	B	97.8	97.8	97.8	97.8
Crédit Agricole CIB (Royaume-Uni)	■		United Kingdom	France	B	97.8	97.8	97.8	97.8
Crédit Agricole CIB (Singapour)	■		Singapore	France	B	97.8	97.8	97.8	97.8
Crédit Agricole CIB (Suède)	■		Sweden	France	B	97.8	97.8	97.8	97.8
Crédit Agricole CIB (Taipei)	■		Taiwan	France	B	97.8	97.8	97.8	97.8
Crédit Agricole CIB (Vietnam)	■	S1	Vietnam	France	B		97.8		97.8
Crédit Agricole CIB Algérie Bank Spa	■		Algeria		S	100.0	100.0	97.8	97.8
Crédit Agricole CIB AO	■		Russia		S	100.0	100.0	97.8	97.8
Crédit Agricole CIB Australia Ltd.	■		Australia		S	100.0	100.0	97.8	97.8
Crédit Agricole CIB China Ltd.	■		China		S	100.0	100.0	97.8	97.8
Crédit Agricole CIB China Ltd. Chinese Branch	■	D3	China		B	100.0		97.8	
Crédit Agricole CIB S.A.	■		France		S	97.8	97.8	97.8	97.8
Crédit Agricole CIB Services Private Ltd.	■		India		S	100.0	100.0	97.8	97.8
Ester Finance Titrisation	■		France		S	100.0	100.0	97.8	97.8
UBAF	▲		France		JV	47.0	47.0	46.0	46.0
UBAF (Corée du Sud)	▲		South Korea	France	JV	47.0	47.0	46.0	46.0
UBAF (Japon)	▲		Japan	France	JV	47.0	47.0	46.0	46.0
UBAF (Singapour)	▲		Singapore	France	JV	47.0	47.0	46.0	46.0
Stockbrokers									
Credit Agricole Securities (Asia) Limited Hong Kong	■		Hong Kong		S	100.0	100.0	97.8	97.8
Credit Agricole Securities (Asia) Limited Seoul Branch	■		South Korea		B	100.0	100.0	97.8	97.8
Crédit Agricole Securities (USA) Inc	■		United States		S	100.0	100.0	97.8	97.8
Crédit Agricole Securities Asia BV (Tokyo)	■		Japan	Netherlands	B	100.0	100.0	97.8	97.8
Investment companies									
Compagnie Française de l'Asie (CFA)	■		France		S	100.0	100.0	97.8	97.8
Crédit Agricole CIB Air Finance S.A.	■		France		S	100.0	100.0	97.8	97.8
Crédit Agricole CIB Holdings Ltd.	■		United Kingdom		S	100.0	100.0	97.8	97.8
Crédit Agricole Global Partners Inc.	■		United States		S	100.0	100.0	97.8	97.8
Crédit Agricole Securities Asia BV	■		Netherlands		S	100.0	100.0	97.8	97.8
CLTR	■	E1	France		S	100.0		97.8	
Doumer Finance S.A.S.	■		France		S	100.0	100.0	97.8	97.8
Fininvest	■		France		S	98.3	98.3	96.1	96.1
Fletirec	■		France		S	100.0	100.0	97.8	97.8
Igasus LLC	■	E1	United States		S	100.0		97.8	
I.P.F.O.	■		France		S	100.0	100.0	97.8	97.8
Insurance									
CAIRS Assurance S.A.	■		France		S	100.0	100.0	97.8	97.8
Other									
Acieralliage EURO FCC	■	S1	France		CSE		100.0		0.0
Acieralliage USD FCC	■	S1	United States		CSE		100.0		0.0
Atlantic Asset Securitization LLC	■		United States		CSE	100.0	100.0	0.0	0.0
Benelpart	■		Belgium		S	100.0	100.0	95.3	95.3
Calixis Finance	■		France		CSE	100.0	100.0	97.8	97.8
Calliope SRL	■		Italy		CSE	100.0	100.0	97.8	97.8
Clifap	■		France		S	100.0	100.0	97.8	97.8
Crédit Agricole America Services Inc.	■		United States		S	100.0	100.0	97.8	97.8
Crédit Agricole Asia Shipfinance Ltd.	■		Hong Kong		S	100.0	100.0	97.8	97.8
Crédit Agricole CIB Finance (Guernsey) Ltd.	■		Guernsey		CSE	99.9	99.9	97.7	97.7
Crédit Agricole CIB Financial Prod. (Guernsey) Ltd.	■		Guernsey		CSE	99.9	99.9	97.7	97.7

(1) Consolidation method: ■ Full ▲ Equity Accounted ● Parent

The definitions of the underlined words can be found in the Glossary on page 567.

Crédit Agricole S.A. Group Scope of consolidation	(1)	(a)	Principal place of business	Country of incorporation (if different from the principal place of business)	Nature of control (b)	% control 31/12/2017	% control 31/12/2016	% interest 31/12/2017	% interest 31/12/2016
Crédit Agricole CIB Financial Solutions	■		France		CSE	99.7	99.7	97.5	97.5
Crédit Agricole CIB Global Banking	■		France		S	100.0	100.0	97.8	97.8
Crédit Agricole CIB Pension Limited Partnership	■		United Kingdom		CSE	100.0	100.0	97.8	97.8
Crédit Agricole Leasing (USA) Corp.	■		United States		S	100.0	100.0	97.8	97.8
DGAD International SARL	■		Luxembourg		S	100.0	100.0	97.8	97.8
Elipso Finance S.r.l	▲		Italy		SJV	50.0	50.0	48.9	48.9
ESNI (compartiment Crédit Agricole CIB)	■		France		CSE	100.0	100.0	97.8	97.8
Eucalyptus FCT	■		France		CSE	100.0	100.0	0.0	0.0
FCT Cablage FCT	■	S1	France		CSE		100.0		0.0
FIC-FIDC	■		Brazil		CSE	100.0	100.0	97.8	97.8
Financière des Scarabées	■		Belgium		S	100.0	100.0	96.5	96.5
Financière Lumis	■		France		S	100.0	100.0	97.8	97.8
Fundo A De Investimento Multimercado	●	E1	Brazil		CSE	100.0		97.8	
Héphaïstos EUR FCC	■		France		CSE	100.0	100.0	0.0	0.0
Héphaïstos GBP FCT	■		France		CSE	100.0	100.0	0.0	0.0
Héphaïstos Multidevises FCT	■		France		CSE	100.0	100.0	0.0	0.0
Héphaïstos USD FCT	■		France		CSE	100.0	100.0	0.0	0.0
Indosuez Holding SCA II	■		Luxembourg		CSE	100.0	100.0	97.8	97.8
Indosuez Management Luxembourg II	■		Luxembourg		CSE	100.0	100.0	97.8	97.8
Investor Service House S.A.	■		Luxembourg		S	100.0	100.0	100.0	85.0
Island Refinancing SRL	■		Italy		CSE	100.0	100.0	97.8	97.8
ItalAsset Finance SRL	■		Italy		CSE	100.0	100.0	97.8	97.8
La Fayette Asset Securitization LLC	■		United States		CSE	100.0	100.0	0.0	0.0
Lafina	■		Belgium		S	100.0	100.0	95.6	95.6
LMA SA	■		France		CSE	100.0	100.0	0.0	0.0
Merisma	■		France		CSE	100.0	100.0	97.8	97.8
Molinier Finances	■		France		S	100.0	100.0	95.0	95.0
Pacific EUR FCC	■		France		CSE	100.0	100.0	0.0	0.0
Pacific IT FCT	■		France		CSE	100.0	100.0	0.0	0.0
Pacific USD FCT	■		France		CSE	100.0	100.0	0.0	0.0
Partinvest S.A.	■		Luxembourg		S	100.0	100.0	100.0	85.0
Placements et réalisations immobilières (SNC)	■		France		S	100.0	100.0	95.3	95.3
Sagrantino Italy SRL	■		Italy		CSE	100.0	100.0	97.8	97.8
Shark FCC	■		France		CSE	100.0	100.0	0.0	0.0
SNGI	■		France		S	100.0	100.0	97.8	97.8
SNGI Belgium	■		Belgium		S	100.0	100.0	97.8	97.8
Sococlabecq	■		Belgium		S	100.0	100.0	95.6	95.6
Sofipac	■		Belgium		S	98.6	98.6	93.9	93.9
TCB	■		France		S	98.7	98.7	95.3	95.3
Triple P FCC	■		France		CSE	100.0	100.0	0.0	0.0
TSUBAKI ON (FCT)	■	E2	France		CSE	100.0		0.0	
TSUBAKI OFF (FCT)	■	E2	France		CSE	100.0		0.0	
Vulcain EUR FCT	■		France		CSE	100.0	100.0	0.0	0.0
Vulcain Multi-Devises FCT	■	D1	France		CSE	100.0	100.0	0.0	0.0
Vulcain USD FCT	■		France		CSE	100.0	100.0	0.0	0.0
Corporate Centre									
Crédit Agricole S.A.									
Crédit Agricole S.A.	●		France		SA	100.0	100.0	100.0	100.0
Succursale Credit Agricole SA	■		United Kingdom	France	B	100.0	100.0	100.0	100.0
Banking and financial institutions									
Caisse régionale de Crédit Agricole mutuel de la Corse	■		France		S	99.9	99.9	99.9	99.9
CL Développement de la Corse	■		France		S	99.9	99.9	99.9	99.9
Crédit Agricole Home Loan SFH	■		France		CSE	100.0	100.0	100.0	100.0
Foncaris	■		France		S	100.0	100.0	100.0	100.0
Investment companies									
Crédit Agricole Capital Investissement et Finance (CACIF)	■		France		S	100.0	100.0	100.0	100.0
Delfinances	■		France		CSE	100.0	100.0	100.0	100.0
Eurazeo	▲	S2	France		A		23.2		16.0
Sodica	■		France		S	100.0	100.0	100.0	100.0
Other									
CA Grands Crus	■		France		S	77.9	77.9	77.9	77.9
Cariou Holding	■	E1	France		S	50.0		50.0	
Crédit Agricole Agriculture	■	E1	France		S	100.0		100.0	
Crédit Agricole Immobilier	▲		France		JV	50.0	50.0	50.0	50.0
Crédit Agricole Payment Services	■		France		CSE	50.0	50.0	50.3	50.3
Crédit Agricole Public Sector SCF	■		France		CSE	100.0	100.0	100.0	100.0
Crédit Agricole Régions Développement	■	E1	France		S	81.7		81.7	
ESNI (compartiment Crédit Agricole S.A.)	■		France		CSE	100.0	100.0	100.0	100.0
FCT Crédit Agricole Habitat 2015 Compartiment Corse	■		France		CSE	100.0	100.0	99.9	99.9
FCT Crédit Agricole Habitat 2017 Compartiment Corse	■	E2	France		CSE	100.0		100.0	

(1) Consolidation method: ■ Full ▲ Equity Accounted ● Parent

Crédit Agricole S.A. Group Scope of consolidation	(1)	(a)	Principal place of business	Country of incorporation *(if different from the principal place of business)*	Nature of control (b)	% control 31/12/2017	% control 31/12/2016	% interest 31/12/2017	% interest 31/12/2016
FCT Evergreen HL1	■	S1	France		CSE		100.0		100.0
Fia Net Europe	■	S1	Luxembourg		S		50.0		50.0
Finasic	■	S2	France		S		100.0		100.0
FIRECA	■	E1	France		S	51.0		51.0	
IDIA	■		France		S	100.0	100.0	100.0	100.0
S.A.S. Evergreen Montrouge	■		France		CSE	100.0	100.0	100.0	100.0
SCI D2 CAM	▲		France		JV	50.0	50.0	50.0	50.0
SCI Quentyvel	■		France		S	100.0	100.0	100.0	100.0
SILCA	■		France		CSE	100.0	100.0	97.9	93.9
SIS (Société Immobilière de la Seine)	■	S3	France		S		72.9		72.9
SNC Kalliste Assur	■		France		S	100.0	100.0	99.9	99.9
UI Vavin 1	■	S4	France		S		100.0		100.0
Uni-Edition	■		France		S	100.0	100.0	100.0	100.0
Tourism - property development									
Crédit Agricole Immobilier Promotion	▲		France		JV	50.0	50.0	50.0	50.0
Crédit Agricole Immobilier Services	▲		France		JV	50.0	50.0	50.0	50.0
SNC Eole	▲		France		JV	50.0	50.0	50.0	50.0
SO.GI.CO	▲	E3	France		JV	50.0		50.0	

Branches are mentioned in italic.

(a) Scope changes

Inclusions (E) into the scope of consolidation:

E1: Breach of threshold

E2: Creation

E3: Acquisition (including controlling interests)

Exclusions (S) from the scope of consolidation:

S1: Discontinuation of business (including dissolution and liquidation)

S2: Sale to non-Group companies or deconsolidation following loss of control

S3: Deconsolidated due to non-materiality

S4: Merger or takeover

S5: Transfer of all assets and liabilities

Other:

D1: Change of company name

D2: Change in consolidation method

D3: First time listed in the Note on scope of consolidation

D4: IFRS 5 entities

(b) Nature of control

S: Subsidiary

B: *Branch*

CSE: Consolidated structured entity

JV: Joint Venture

SJV: Structured joint venture

JO: Joint operation

A: Associate

SA: Structured associate

(1) Consolidation method: ■ *Full* ▲ *Equity Accounted* ● *Parent*

The definitions of the underlined words can be found in the Glossary on page 567.

NOTE 12 Investments in non-consolidated companies and structured entities

12.1 Information on subsidiaries

This line item amounted to € 12,277 million at 31 December 2017, compared with €10,460 million at 31 December 2016. At 31 December 2017, the main investment in non-consolidated companies where percentage of control is greater than 20% and which have significant value on the balance sheet is Crédit Logement (shares A and B). The Group's investment represents 33% of Crédit Logement's capital and amounts to €613 million but does not confer any significant influence over this entity, which is jointly held by various French banks and companies.

12.1.1 NON-CONSOLIDATED CONTROLLED ENTITIES

Information relating to conventional entities under exclusive control, under joint control and subject to significant influence, and to controlled structured entities not included in the scope of consolidation are available on the Crédit Agricole S.A. Group website at the following address:

https://www.credit-agricole.com/en/finance/finance/financial-publications

12.1.2 MATERIAL NON-CONSOLIDATED EQUITY INVESTMENTS

Material equity investments accounting for a fraction of capital greater than or equal to 10% and not included in the scope of consolidation are presented in a table available online on the Crédit Agricole S.A. Group website at:

https://www.credit-agricole.com/en/finance/finance/financial-publications

12.2 Non-consolidated structured entities

INFORMATION ON THE NATURE AND EXTENT OF INTERESTS HELD

At 31 December 2017, Crédit Agricole S.A. Group entities had interests in certain non-consolidated structured entities, the main characteristics of which are presented below on the basis of their type of activity:

Securitisation

Crédit Agricole S.A. Group, mainly through its subsidiaries in the Large customers business line, is tasked with structuring securitisation vehicles through the purchase of trade or financial receivables. The vehicles fund such purchases by issuing multiple tranches of debt and equity investments, with repayment being linked to the performance of the assets in such vehicles. It invests in and provides liquidity facilities to the securitisation vehicles it has sponsored on behalf of customers.

Asset management

Crédit Agricole S.A. Group, through its subsidiaries in the Asset gathering business line, structures and manages entities on behalf of customers wishing to invest in specific assets in order to obtain the best possible return having regard to the chosen level of risk. Crédit Agricole S.A. Group entities may thus either be required to hold interests in such entities in order to ensure a successful launch or to guarantee the performance of such structures.

Investment funds

Entities in the Crédit Agricole S.A. Group Asset gathering business line invest in companies established to meet investor demand in connection with treasury management and with the investment of insurance premiums received from insurance company customers, in accordance with the regulatory provisions in the French Insurance Code. Insurance company investments cover commitments to policyholders over the life of insurance policies. Their value and returns are correlated to these commitments.

Structured finance

Lastly, Crédit Agricole S.A. Group, *via* its subsidiaries in the Large customers business line, is involved in special purpose asset acquisition entities. These entities may take the form of asset financing companies or lease financing companies. In structured entities, the financing is secured by the asset. The Group's involvement is often limited to the financing or to financing commitments.

Sponsored entities

Crédit Agricole S.A. Group sponsors structured entities in the following instances:

- Crédit Agricole S.A. Group is involved in establishing the entity and that involvement, which is remunerated, is deemed essential for ensuring the proper completion of transactions;
- structuring takes place at the request of Crédit Agricole S.A. Group and it is the main user thereof;
- Crédit Agricole S.A. Group transfers its own assets to the structured entity;
- Crédit Agricole S.A. Group is the manager;
- The name of a subsidiary or of the parent company of Crédit Agricole S.A. Group is linked to the name of the structured entity or of the financial instruments issued by it.

Gross revenues from sponsored entities mainly comprise commissions in securitisation and investment funds, in which Crédit Agricole Assurances and Crédit Agricole CIB do not hold any interests at the reporting date. For Crédit Agricole Assurances they amount to €6 million and for Crédit Agricole CIB €22 million at 31 December 2017.

INFORMATION ON THE RISKS RELATED TO INTERESTS

Financial support for structured entities

In 2017, Crédit Agricole S.A. did not provide financial support to any non-consolidated structured entities.

At 31 December 2017, Crédit Agricole S.A. did not intend to provide financial support to any non-consolidated structured entities.

Risks associated with interests in non-consolidated structured entities

	31/12/2017									
	Securitisation vehicles				Asset management		Investment Funds[1]		Structured finance[1]	
		Maximum loss				Maximum loss		Maximum loss		Maximum loss
(in millions of euros)	*Carrying amount*	*Maximum exposure to losses*	*Guarantees received and other credit enhancements*	*Net exposure*	*Carrying amount*	*Maximum exposure to losses*	*Carrying amount*	*Maximum exposure to losses*	*Carrying amount*	*Maximum exposure to losses*
Financial assets held for trading	238	238	-	238	705	705	390	390	50	50
Financial assets designated at fair value through profit or loss	-	-	-	-	813	813	30,580	30,580	-	-
Available-for-sale financial assets	212	212	22	190	665	665	4,813	4,813	741	741
Loans and receivables	20,580	20,438	-	20,438	-	-	49	49	2,593	2,593
Held-to maturity financial assets	-	-	-	-	-	-	-	-	-	-
Total assets recognised relating to non-consolidated structured entities	**21,030**	**20,888**	**22**	**20,866**	**2,183**	**2,183**	**35,832**	**35,832**	**3,385**	**3,385**
Equity instruments issued	11			-	-		-		-	
Financial liabilities held for trading	133			-	1,416		589		18	
Financial liabilities designated at fair value through profit or loss	-			-	-		-		-	
Liabilities	856			-	-		180		565	
Total liabilities recognised relating to non-consolidated structured entities	**1,000**	**-**	**-**	**-**	**1,416**		**769**		**583**	
Commitments given										
Financing commitments		10,357		10,357				-		625
Guarantee commitments		-		-		21,322		-		417
Others		3		3		-		-		-
Provisions for execution risks - commitments given		-		-		(20)		-		-
Total commitments (net of provision) to non-consolidated structured entities		**10,360**		**10,360**		**21,302**		**_**		**1,043**
TOTAL BALANCE SHEET RELATING TO NON-CONSOLIDATED STRUCTURED ENTITIES	**21,914**				**86,014**		**311,250**		**2,674**	

(1) Non-sponsored structured entities generate no specific risk related to the nature of the entity. Information concerning these exposures is set out in Note 3.1 "Maximum exposure to credit risk" and Note 3.2 "Market risk". These are investment funds in which the Group is not a manager, and structured financing entities in which the Group has only granted a loan.

The definitions of the underlined words can be found in the Glossary on page 567.

	31/12/2016							
	Securitisation vehicles		Asset management		Investment Funds[1]		Structured finance[1]	
(in millions of euros)	*Carrying amount*	*Maximum loss Maximum exposure to losses*	*Carrying amount*	*Maximum loss Maximum exposure to losses*	*Carrying amount*	*Maximum loss Maximum exposure to losses*	*Carrying amount*	*Maximum loss Maximum exposure to losses*
Financial assets held for trading	394	394	885	885	335	335	67	67
Financial assets designated at fair value through profit or loss	-		-	462	17,444	17,444	-	
-	56	56	1,555	1,555	4,187	4,187	92	92
Loans and receivables	16,770	16,770	-	-	171	171	3,461	3,461
Held-to maturity financial assets	-	-	-	-	-	-	-	-
Total assets recognised relating to non-consolidated structured entities	**17,220**	**17,220**	**2,902**	**2,902**	**22,137**	**22,137**	**3,620**	**3,620**
Equity instruments issued	-		-		-		-	
Financial liabilities held for trading	1,099		1,220		609		6	
Financial liabilities designated at fair value through profit or loss			-		-		-	
Liabilities	1,642		-		1,153		646	
Total liabilities recognised relating to non-consolidated structured entities	**2,741**		**1,220**		**1,762**		**652**	
Commitments given								
Financing commitments		13,442		-		9		975
Guarantee commitments		-		17,487		-		222
Others		-		-		-		-
Provisions for execution risks - commitments given		-		(8)		-		-
Total commitments (net of provision) to non-consolidated structured entities		**13,442**		**17,479**		**9**		**1,197**
TOTAL BALANCE SHEET RELATING TO NON-CONSOLIDATED STRUCTURED ENTITIES	**17,401**		**76,484**		**224,029**		**3,809**	

(1) Non-sponsored structured entities generate no specific risk related to the nature of the entity. Information concerning these exposures is set out in Note 3.1 "Maximum exposure to credit risk" and Note 3.2 "Market risk". These are investment funds in which the Group is not a manager, and structured financing entities in which the Group has only granted a loan.

MAXIMUM EXPOSURE TO LOSS RISK

The maximum exposure to loss risk on financial instruments corresponds to the value recognised on the balance sheet, with the exception of option sale derivatives and credit default swaps for which the exposure corresponds to assets for the notional amount and to liabilities for the notional amount less the mark-to-market. The maximum exposure to loss risk on commitments given corresponds to the notional amount and the provision for commitments given in the amount recognised on the balance sheet.

NOTE 13 Events subsequent to 31 December 2017

13.1 Agreement to acquire the majority of the share capital of Banca Leonardo

Indosuez Wealth Management signed an agreement to acquire the majority of the share capital of Banca Leonardo, a leading independent wealth management player in Italy.

This purchase is part of Crédit Agricole's Medium-Term Plan "Strategic Ambition 2020", which provides for targeted acquisitions for the Group's wealth management business. This is a milestone for Indosuez Wealth Management, enabling it to strengthen its presence in Europe by integrating an entity that operates in Crédit Agricole Group's second domestic market.

The transaction, which will be subject to approval by the competent supervisory authorities, should be finalised in the first half of 2018.

13.2 Removal of loyalty dividend

Since its 2011 General Meeting, Crédit Agricole S.A. has had a loyalty dividend mechanism to reward shareholder loyalty, in accordance with the provisions of Article L. 232-14 of the French Commercial Code(1) and Article 31 of its Articles of Association.

Crédit Agricole S.A. announced on 20 December 2017 that it would put a resolution to the General Meeting of Shareholders to be held on 16 May 2018 to remove the loyalty dividend clause from the Articles of Association.

The European Banking Authority (EBA) deemed the payment of a loyalty dividend to be a "preferential distribution" that reached the Capital Requirements Regulation (CRR). The European Central Bank confirmed this decision.

By way of compensation, Crédit Agricole S.A. will pay eligible shareholders an amount equal to one new ordinary share per 26 registered shares giving entitlement to the payment of a loyalty dividend in respect of the 2017 financial year (shares registered in the name of the same shareholder without interruption from 31 December 2015 to the date of payment of the 2017 dividend). Based on the weighted average Crédit Agricole S.A. share price observed over a period of 60 trading days ending at close of trading on 12 February 2018 (€14.55), this compensation amounts to approximately €0.56 per share.

The compensation amount was calculated based on an independent assessment conducted by financial firm, Ledouble. The firm used three main factors to assess the value of the compensation due to eligible shareholders for the removal of the loyalty dividend: the trajectory of future dividends, the estimated average holding period for shares granting entitlement to the loyalty dividend and the discount rate of future cash flows. On 13 February, the Board of Directors set the amount of compensation within the range estimated by Ledouble, €0.45 and €0.63, which balances the interests of those eligible for compensation and the remaining shareholders.

The removal of the loyalty dividend clause from the Articles of Association and the terms of the compensation to be paid will be submitted for the approval of the Special Meeting of eligible shareholders, to be held on 4 April 2018, and for a vote of the shareholders during the Extraordinary General Meeting on 16 May 2018.

(1) Only 6% of ordinary shares are currently eligible for the loyalty dividend, which represented an additional pay-out of €10 million last year

The definitions of the underlined words can be found in the Glossary on page 567.

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

For the year ended 31 December 2017

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report includes information specifically required by European regulations or French law, such as information about the appointment of Statutory Auditors. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders of Crédit Agricole SA,

Opinion

In compliance with the engagement entrusted to us by your General Meeting of Shareholders, we have audited the accompanying consolidated financial statements of Crédit Agricole SA for the year ended 31 December 2017.

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 2017 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are further described in the Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements section of our report.

Independence

We conducted our audit engagement in compliance with the independence rules applicable to us, for the period from 1 January 2017 to the date of our report and in particular we did not provide any non-audit services prohibited by article 5(1) of Regulation (EU) No 537/2014 or the French Code of Ethics (*Code de déontologie*) for Statutory Auditors.

Justification of assessments – Key audit matters

In accordance with the requirements of articles L.823-9 and R.823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to the risks of material misstatement that, in our professional judgement, were of most significance in our audit of the consolidated financial statements, as well as how we addressed those risks.

These matters were addressed as part of our audit of the consolidated financial statements as a whole, and therefore contributed to the opinion we formed as expressed above. We do not provide a separate opinion on specific items of the consolidated financial statements.

Goodwill

Description of risk

Goodwill is tested for impairment at least annually whenever there are indications of impairment. These tests are based on a comparison between the carrying amount of each Cash Generating Unit (CGU) and its value in use. Value in use is determined by discounting the estimated future cash flows of the CGU, as set out in the three-year financial forecasts (2018-2020) prepared for budgetary purposes. These forecasts are derived from the strategic plans submitted for approval to the competent bodies of the concerned entities.

For certain CGUs, these financial forecasts are extended over an additional two reporting periods (2021 and 2022). The percentage of capital allocation is determined by taking into account any specific requirements set by the regulator (in particular for Pillar 2).

We deemed the measurement of goodwill to be a key audit matter. Impairment tests necessarily require management to make decisions as to the key assumptions to use, in particular for determining economic scenarios, financial forecasts and discount rates.

Given the small difference between the value in use and the carrying amount, past performance and their sensitivity to the assumptions used by management, we paid particular attention to the tests conducted on the French retail banking – LCL CGU and the International retail banking – Italy and Poland CGUs. .

The goodwill recognised in the balance sheet totalled a net amount of €15.4 billion, including €4.8 billion relating to French retail banking and €1.7 billion to international retail banking after an impairment of €0.2 billion in 2017 in respect of Poland.

See Notes 2.3 and 6.18 to the consolidated financial statements.

How our audit addressed this risk

We gained an understanding of the procedures implemented by the Group to identify indications of impairment and to assess the need for impairment of goodwill.

We included valuation experts in the audit team to examine the assumptions used to determine the discount rates and the perpetual growth rates used as well as the models used for calculating discounted cash flows.

We tested the calculations and the main assumptions (percentage of capital allocation, discount rate, growth rate, etc.) compared with external sources.

We examined the financial forecasts prepared by the management of each entity concerned and used in the model to:

- check that they had been approved by the competent bodies (Board of Directors or Supervisory Board) of the entities or sub-groups;
- assess the main underlying assumptions, including for the extension of forecasts beyond the three-year period submitted to the entities' competent bodies. These assumptions were assessed in particular in view of the financial forecasts and the actual performance of prior periods;
- conduct sensitivity tests to some of the assumptions (level of capital allocated, discount rate, cost of risk).

We also examined the disclosures provided in the notes to the consolidated financial statements on the results of these impairment tests and the level of sensitivity to the various measurement inputs.

Legal, tax and compliance risks

Description of risk

Crédit Agricole SA is subject to a number of investigations and requests for regulatory information from different regulators. These procedures concern in particular the Euribor/Libor and SSA Bonds matters with authorities from various countries (USA, UK, Switzerland) and the European Union.

A number of tax investigations are also ongoing in some of the countries in which the Group operates.

As stated in Notes 1.3 and 6.20 to the consolidated financial statements, the assessment of risks at the reporting date is based on management's best assessment, in view of the information in its possession.

Deciding whether or not to recognise a provision and the amount of that provision requires the use of judgement, given that it is difficult to assess the outcome of disputes or the final tax impacts of certain structural transactions.

We deemed the measurement of these provisions to be a key audit matter, considering their sensitivity to the assumptions used by management.

The different ongoing investigations or requests for information (Euribor/ Libor, SSA Bonds and other indices) or tax inspections, are presented in Notes 1.3 and 6.20 to the consolidated financial statements.

How our audit addressed this risk

The risk of an outflow of funds is material in a limited number of matters that we monitor on a regular basis.

We gained an understanding of the procedure for measuring these provisions through quarterly exchanges with management and in particular the Legal, Tax and Compliance departments of the Group and its main subsidiaries.

Our work consisted primarily in:

- assessing the main assumptions used to determine provisions based on available information (legal department or advisors of Crédit Agricole SA and Group entities, correspondence from regulators);
- examining the analyses or findings of the bank's legal or tax advisors;
- as regards tax risks in particular, examining, with guidance from the tax specialists included in our audit team, the Group's responses submitted to the relevant authorities, if applicable, as well as the risk estimates carried out by the bank;
- assessing, accordingly, the level of provisioning as at 31 December 2017.

Lastly, we examined the related disclosures provided in the notes to the consolidated financial statements.

The definitions of the underlined words can be found in the Glossary on page 567.

Credit risk pertaining to certain sectors and specific counterparties

Description of risk

Within the Large Customers business line of the Crédit Agricole SA Group, Crédit Agricole CIB, the Group's corporate and investment bank, originates and structures financing for corporates in France and abroad.

Receivables recorded in the balance sheet at amortised cost are impaired where there is an objective indication of impairment resulting from one or more loss events occurring after the loan has been granted. Receivables may be impaired individually or collectively, for a group of exposures with similar characteristics.

The measurement of credit impairments requires judgement to be made and may be complex where the financing is granted to companies operating in economic sectors with an uncertain or deteriorated outlook. We deemed loans granted to companies operating in the shipping, oil and gas industries to be a key audit matter given the complexity in identifying exposures (or homogeneous groups of exposures) where there is a risk of non-recovery and in determining recoverable future flows.

Loans are recorded under Loans and receivables due from credit institutions and from customers, respectively. Impairment charges/reversals of impairment losses are recognised in cost of risk.

Probable losses in respect of off-balance sheet commitments are covered by provisions recognised as liabilities.

See Notes 1.3, 3.1, 4.8, 6.5 and 8 to the consolidated financial statements

How our audit addressed this risk

We examined the procedures implemented by management to identify receivables to be impaired and to measure the amount of impairment recorded. We also tested these procedures by analysing a sample of credit files.

We also examined the main findings of the bank's specialised committees responsible for monitoring sensitive or impaired receivables. In addition, regarding impairments measured on a collective basis, our work consisted in:

- gaining an understanding of methodological changes made to provisioning models;
- examining the analyses carried out by the bank on economic sectors with a deteriorated outlook;
- analysing the provision amount calculated on certain deteriorated economic sectors;
- comparing the collective provision amount calculated with that recognised and examining any adjustments made by management.
- examining the backtesting work used by management to assess the design of collective impairment models.

Regarding impairment measured individually, and based on a sample of credit files, we examined the factors underlying the main assumptions used to assess the expected recovery flows, in particular with regard to the recoverability of collateral.

Specific insurance company technical reserves

Description of risk

Within the Insurance business line of the Crédit Agricole S.A. Group, insurance liabilities are recognised as technical reserves in compliance with French consolidation standards and the applicable regulations, as permitted under IFRS 4.

These technical reserves include certain specific reserves required under the French Insurance Code (Code des assurances), the determination of which necessitates a particular degree of judgement. This concerns the following reserves in particular:

- in an environment of ongoing low interest rates, the overall management expenses reserve established for each homogeneous class of life insurance policies where the management fees charged to policyholders do not cover management expenses;
- the reserve for growing risks of dependence, established where the present value of the insurer's commitments in terms of health or disability cover is higher than the projected contributions of policyholders;
- reserves for late claims relating to non-life insurance policies for which losses have occurred but have not yet been declared or valued.

For these reserves, as for all life and non-life insurance technical reserves, the Group conducts an annual liability adequacy test to ensure that insurance liabilities are adequate to meet estimated future cash flows after projected management fees.

Considering the sensitivity of the above specific reserves and of the liability adequacy test to the different underlying assumptions used (asset yield forecasts, policyholder behaviour, insurer's financial policy, period of independent living or probability of occurrence of a state of dependency, statistical models and expert assessments used for valuing late claims, discount rate, etc.), we deemed specific technical reserves and liability adequacy tests to be a key audit matter.

Net insurance company technical reserves amounted to €319.6 billion as at 31 December 2017.

See Notes 1.3, 4.5, 5.3 and 6.19 to the consolidated financial statements.

How our audit addressed this risk

For the main specific reserves mentioned here and with the guidance of actuaries included in our audit teams, our work consisted in:

- examining the compliance of the methodology applied by the Group to measure these reserves with the applicable regulations;
- gaining an understanding of the control environment relating to the management or valuation of losses, the design of forecast models or stochastic models and the determination of the main assumptions input in the model (asset yield, modelling of fees, redemption rate, mortality tables, projected period of independent living and probability of occurrence of a state of dependency, discount rate, etc.);
- reconciling the main data used for calculating these reserves with the management data;
- analysing certain models or data in the light of market practice, the economic environment and historical data;
- examining the key controls of the IT systems supporting the processing of technical data and accounting entries;
- and, lastly, recalculating certain reserves.

Measurement of derivative financial instruments

Description of risk

Within the Large Customers business line of the Crédit Agricole SA Group, Crédit Agricole CIB originates, sells, structures and trades market products, including derivative financial instruments, for corporates, financial institutions and major issuers.

These derivative financial instruments are financial assets or liabilities and are recognised on the balance sheet at fair value. Any change in the value of derivatives on the balance sheet on the reporting date is recorded in the income statement.

We deemed the measurement of complex derivative financial instruments, and in particular level 3 instruments, to be a key audit matter as it requires judgement from management, in particular as regards:

- the determination of measurement inputs not based on observable market data for a given instrument and the classification of instruments based on the fair value hierarchy of financial assets and liabilities;
- the use of internal and non-standard valuation models;
- the estimate of the main measurement adjustments so as to take account of risks such as counterparty or liquidity risk;
- the analysis of valuation differences, if any, with counterparties noted in connection with margin calls or the disposal of instruments.

Derivative financial instruments at fair value through profit or loss were recorded in the balance sheet under Financial assets or liabilities at fair value through profit or loss for €106 billion and €107 billion, respectively.

See Notes 6.2 and 10 to the consolidated financial statements.

How our audit addressed this risk

We gained an understanding of the processes and controls put in place by the Group and in particular by Crédit Agricole CIB to identify, measure and recognise derivative financial instruments, and specifically level 3 instruments.

We examined key controls such as the independent approval of valuation models and the independent verification of valuation inputs by the Risk Management and Permanent Control department as well as the procedure for recognising these instruments and their accounting classification.

We included specialists in our audit team to carry out independent valuations and analyse the valuations carried out by Crédit Agricole CIB. Our work covered various types of complex derivative financial instruments across the entire fair value hierarchy of financial assets and liabilities.

For the valuation of complex derivative financial instruments using internal models and/or unobservable data, we examined the assumptions, methodologies and models used by the bank to estimate the main valuation adjustments.

We also examined the valuations carried out by Crédit Agricole CIB against the main differences in existing margin calls and losses and/or gains in the event of the disposal of derivative financial instruments.

Management of access rights to IT systems

Description of risk

Individual user access rights to IT systems are granted to different employees of the bank depending on their duties. The management of these authorisations is important since it ensures that (functional and technical) users are authorised to access the applications (and their underlying infrastructure) and to make changes, thus limiting the risk of fraud or error as a result of unauthorised changes to the application settings or underlying data.

The reliability of IT systems is critical for financial institutions given the high volume of transactions processed on a daily basis. In these circumstances, our audit approach relies on certain controls relating to the management of IT systems.

During our work, we noted:

- the use of certain accounts with broader access rights;
- the access by developers or support functions to production databases;
- and the absence, for some applications, of comprehensive audit trails for monitoring accesses and changes.

In this context, the Company has put in place remediation plans.

Given the potential impact on our approach of the quality of controls relating to the management of IT systems, we deemed this point to be a key audit matter.

How our audit addressed this risk

We communicated with management from the start of the reporting period in order to gain an understanding of the remediation plans implemented and their implementation timeframes and thus assess the scope of additional work on our part in terms of verifying the effective implementation of those plans and conducting compensatory tests for any periods or scopes not covered.

For some systems and the related IT infrastructure, we included IT systems specialists in our audit team and implemented additional procedures consisting mainly, depending on the situations and risks identified, in:

- the assessment of the compensatory controls;
- the qualitative and quantitative analysis of access logs;
- reconciliation with independent sources of data,
- an increase in the sample size of our control tests and tests of details (comparison of the characteristics of transactions in databases with external evidence, such as contracts, transaction notices or third-party confirmations);
- data analysis work with the objective of identifying and analysing unusual transactions.

The definitions of the underlined words can be found in the Glossary on page 567.

Verification of the information pertaining to the Group presented in the management report

As required by law and in accordance with professional standards applicable in France, we have also verified 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

We were appointed Statutory Auditors of Crédit Agricole SA by the General Meetings of Shareholders held on 19 May 2004 for PRICEWATERHOUSECOOPERS AUDIT and in 1985 for ERNST & YOUNG et Autres.

As at 31 December 2017, PRICEWATERHOUSECOOPERS AUDIT and ERNST & YOUNG et Autres were in the fourteenth year and the thirty-third year of total uninterrupted engagement, respectively.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for preparing consolidated financial statements presenting a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and for implementing the internal control procedures it deems necessary for the preparation of consolidated financial statements free of material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless it expects to liquidate the company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, any internal audit systems, relating to accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors of Crédit Agricole SA.

Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements

Objective and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free of material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in article L.823-10-1 of the French Commercial Code, our audit does not include assurance on the viability or quality of management of the company.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgement throughout the audit.

They also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of 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;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the consolidated financial statements;
- assess the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;
- evaluate the overall presentation of the consolidated financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. The Statutory Auditors are responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed thereon.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit programme implemented, as well as the results of our audit. We also report any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgement, were of most significance in the audit of the consolidated financial statements and which constitute the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in article 6 of Regulation (EU) No 537-2014, confirming our independence within the meaning of the rules applicable in France, as defined in particular in articles L.822-10 to L.822-14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Audit Committee.

Neuilly-Sur-Seine et Paris-La Défense, 21 March 2018

The Statutory Auditors

PRICEWATERHOUSECOOPERS AUDIT	ERNST & YOUNG et Autres
Anik Chaumartin	Olivier Durand

The definitions of the underlined words can be found in the Glossary on page 567.



7 PARENT COMPANY FINANCIAL STATEMENTS

as at 31 December 2017 approved by the Board of Directors of Crédit Agricole S.A. on 13 February 2018 and submitted for the approval of the Ordinary General Meeting of 16 May 2018

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Parent company financial statements

Key Figures

Net Income	€1,564 m
• Revenues	€1,457 m
Total assets	€555,619 m
• Crédit Agricole internal transactions (assets)	€301,090 m
• Financial investments	€63,423 m
• Equity (excluding FGBR)	€49,094 m

PARENT COMPANY FINANCIAL STATEMENTS

BALANCE SHEET AT 31 DECEMBER 2017

ASSETS

(in millions of euros)	Notes	31/12/2017	31/12/2016
Money market and interbank items		**137,626**	**142,726**
Cash, due from central banks		1,659	2,857
Treasury bills and similar securities	5	15,834	21,160
Loans and receivables due from credit institutions	3	120,133	118,709
Crédit Agricole internal transactions	**3**	**301,090**	**285,622**
Loans and receivables due from customers	**4**	**4,070**	**3,816**
Portfolio securities		**31,346**	**40,514**
Bonds and other fixed income securities	5	31,325	40,507
Equities and other variable income securities	5	21	7
Fixed assets		**63,560**	**62,421**
Equity investments and other long term equity investments	6-7	885	1,182
Investments in subsidiaries and affiliates	6-7	62,538	61,102
Intangible assets	7	24	23
Property, plant & equipment	7	113	114
Due from shareholders – unpaid capital		**-**	**-**
Treasury shares	**8**	**27**	**31**
Accruals, prepayments and sundry assets		**17,900**	**20,196**
Other assets	9	5,087	5,341
Accruals and deferred income	9	12,813	14,855
TOTAL ASSETS		**555,619**	**555,326**

The definitions of the underlined words can be found in the Glossary on page 567.

LIABILITIES AND EQUITY

(in millions of euros)	Notes	31/12/2017	31/12/2016
Money market and interbank items		**91,821**	**85,577**
Due to Central Banks		3	3
Due to credit institutions	11	91,818	85,574
Crédit Agricole internal transactions	**11**	**36,667**	**32,734**
Due to customers	**12**	**237,100**	**237,271**
Debt instruments	**13**	**89,031**	**89,104**
Accruals, deferred income and sundry liabilities		**20,925**	**25,840**
Other liabilities	14	7,382	9,115
Accruals and deferred income	14	13,543	16,725
Provisions and subordinated debt		**29,869**	**34,475**
Provisions	15-16-17	1,334	1,661
Subordinated debt	19	28,535	32,814
Fund for general banking risk (FGBR)	**18**	**1,112**	**1,076**
Equity (excluding FGBR)	**20**	**49,094**	**49,249**
Share capital		8,538	8,538
Share premiums		12,206	12,206
Reserves		12,686	12,624
Revaluation adjustments		-	-
Regulated provisions and investment subsidies		15	17
Retained earnings		14,085	2,045
Net income/(loss) for the year		1,564	13,819
TOTAL LIABILITIES AND EQUITY		**555,619**	**555,326**

7

OFF-BALANCE SHEET AT 31 DECEMBER 2017

(in millions of euros)	Notes	31/12/2017	31/12/2016
COMMITMENTS GIVEN		**20,751**	**22,438**
Financing commitments	27	4,652	6,181
Guarantee commitments	27	16,088	16,257
Commitments on securities	27	11	-
COMMITMENTS RECEIVED		**72,324**	**61,465**
Financing commitments	27	61,214	51,179
Guarantee commitments	27	11,110	10,286
Commitments on securities		-	-

INCOME STATEMENT AT 31 DECEMBER 2017

(in millions of euros)	Notes	31/12/2017	31/12/2016
Interest and similar income	28	11,164	10,446
Interest and similar expenses	28	(12,118)	(12,849)
Income from variable-income securities	29	1,593	3,513
Fee and commission (income)	30	942	941
Fee and commission (expenses)	30	(680)	(869)
Net gains (losses) on trading book	31	443	81
Net gains (losses) on short term investment portfolios and similar	32	139	46
Other banking income	33	16	85
Other banking expenses	33	(42)	(59)
Revenues		**1,457**	**1,335**
Operating expenses	34	(753)	(746)
Depreciation, amortisation and impairment of property, plant & equipment and intangible assets		(9)	(14)
Gross operating income		**695**	**575**
Cost of risk	35	14	(16)
Operating income		**709**	**559**
Net gains (losses) on fixed assets	36	634	13,074
Pre-tax income on ordinary activities		**1,343**	**13,633**
Net extraordinary items		-	-
Income tax charge	37	255	213
Net allocation to FGBR and regulated provisions		(34)	(27)
NET INCOME FOR THE FINANCIAL YEAR		**1,564**	**13,819**

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The definitions of the underlined words can be found in the Glossary on page 567.

NOTE 1 Legal and financial background and significant events in 2017

1.1 Legal and financial background

Crédit Agricole S.A. is a French Public Limited Company (*Société Anonyme*) with share capital of €8,538,314 thousand, divided into 2,846,104,526 shares with a par value of €3 each.

At 31 December 2017, the share capital of Crédit Agricole S.A. was held as follows:

- 56.64% by SAS Rue La Boétie;
- 43.28% free float (including employees).

In addition, Crédit Agricole S.A. held 2,146,133 treasury shares at 31 December 2017, representing 0.08% of its share capital, compared with 2,765,736 treasury shares at 31 December 2016.

Crédit Agricole S.A. coordinates the activities of the Regional Banks, is responsible for exercising administrative, technical and financial control over them and has right of supervision in accordance with the French Monetary and Financial Code. By virtue of its duties as a corporate centre, as confirmed by the Banking Act, it is responsible for ensuring the cohesion and proper functioning of the network, as well as each Regional Bank's compliance with operating standards. It guarantees their liquidity and solvency. Moreover, in 1988, the Regional Banks granted guarantees to third-party creditors of Crédit Agricole S.A. on a joint and several basis up to the aggregate amount of their own funds. This guarantee may be called upon if the assets of Crédit Agricole S.A. are insufficient in bankruptcy or dissolution proceedings.

1.2 Crédit Agricole internal funding mechanisms

Affiliation with the Crédit Agricole network also means being part of a system of financial relationships that operates as described below:

REGIONAL BANKS' CURRENT ACCOUNTS

Each Regional Bank holds a current account with Crédit Agricole S.A., which records the financial movements resulting from internal financial transactions within the Group. This account may be in credit or debit and is presented in the balance sheet under "Crédit Agricole internal transactions – Current accounts".

SPECIAL SAVINGS ACCOUNTS

Funds held in special savings accounts (popular savings plans (*Livret d'épargne populaire*), sustainable development passbook accounts (*Livret de développement durable*), home purchase savings plans and accounts, youth passbook accounts and *Livret A* passbook savings accounts) are collected by the Regional Banks on behalf of Crédit Agricole S.A. These funds are then imperatively transferred to the latter. Crédit Agricole S.A. recognises them on its balance sheet as "Due to customers".

TERM DEPOSITS AND ADVANCES

The Regional Banks also collect savings funds (passbook accounts, bonds, certain term accounts and related accounts, etc.) on behalf of Crédit Agricole S.A. These funds are transferred to Crédit Agricole S.A. and are recognised as such on its balance sheet.

Special savings accounts and term deposits and advances are used by Crédit Agricole S.A. to make "advances" (loans) to the Regional Banks, with a view to funding their medium and long term loans.

A series of four internal financial reforms has been implemented. These reforms have permitted the transfer back to the Regional Banks, in the form of advances of a specific percentage of the savings funds collected by them (first 15%, 25%, then 33% and, lastly, since 31 December 2001, 50%), *via* "mirror advances" with maturities and interest rates precisely matching those of the savings funds received, and which they are free to use at their discretion.

Since 1 January 2004, the financial margins generated by the centralised management of funds collected (and not transferred back *via* mirror advances) are shared by the Regional Banks and Crédit Agricole S.A. and are determined by using replacement models and applying market rates.

Furthermore, 50% of new loans written since 1 January 2004 and falling within the field of application of financial relations between Crédit Agricole S.A. and the Regional Banks may be refinanced in the form of advances negotiated at market rates with Crédit Agricole S.A.

As such, there are currently two types of advances: those governed by the financial rules prior to 1 January 2004 and those governed by the new rules.

Crédit Agricole S.A. may also make additional financing available to the Regional Banks at market rates.

TRANSFER OF REGIONAL BANKS' LIQUIDITY SURPLUSES

The Regional Banks may use their monetary deposits (demand deposits, non-centralised term deposits and negotiable certificates of deposit) to finance lending to their customers. Surpluses must be transferred to Crédit Agricole S.A. where they are booked as current or term accounts, under "Crédit Agricole internal transactions".

INVESTMENT OF REGIONAL BANKS' SURPLUS CAPITAL WITH CRÉDIT AGRICOLE S.A.

Available surplus capital may be invested with Crédit Agricole S.A. in the form of three to ten-year instruments with the same characteristics of interbank money market transactions in all respects.

FOREIGN CURRENCY TRANSACTIONS

Crédit Agricole S.A. represents the Regional Banks with respect to the Bank of France and centralises their foreign currency transactions.

MEDIUM AND LONG TERM NOTES ISSUED BY CRÉDIT AGRICOLE S.A.

These are placed mainly on the market or by the Regional Banks with their customers. They are booked by Crédit Agricole S.A. under liabilities either as "Debt instruments" or "Provisions and subordinated debt", depending on the type of securities issued.

COVERAGE OF LIQUIDITY AND SOLVENCY RISKS

Under the legal internal financial solidarity mechanism enshrined in Article L. 511-31 of the French Monetary and Financial Code, Crédit Agricole S.A. as a central body, must take all measures necessary to ensure the liquidity and solvency of each affiliated credit institution, as well as the network as a whole. As a result, each member of the network and each affiliated institution benefits from this internal financial solidarity mechanism.

The general provisions of the French Monetary and Financial Code are transposed into internal provisions setting out the operational measures required for this internal financial solidarity mechanism.

During the Crédit Agricole S.A. IPO, CNCA (now Crédit Agricole S.A.) signed an agreement in 2001 with the Regional Banks, notably to govern internal relations within Crédit Agricole Group. The agreement notably provided for the creation of a Fund for Bank Liquidity and Solvency Risks (FRBLS), designed to enable Crédit Agricole S.A. to fulfil its role as corporate centre by providing assistance to any affiliated members that may experience difficulties. The main provisions of this agreement are set out in Chapter III of the Crédit Agricole S.A. Registration document filed with the *Commission des Opérations de Bourse* on 22 October 2001 under number R.01-453.

Moreover, European legislation relating to the resolution of banking crises adopted in 2014 (the BRRD directive and the regulation establishing a Single Resolution Mechanism, transposed into French law by Ordinance no. 2015-1024 of 20 August 2015) introduced a number of significant changes to the regulations applicable to credit institutions.

The new framework, which includes measures to prevent and to resolve banking crises, is intended to preserve financial stability, to ensure the continuity of activities, services and operations of institutions whose failure could significantly impact the economy, to protect depositors and to avoid or limit, as much as possible, the use of public financial support. In this context, the Single Resolution Board, the European resolution authority, has been granted extensive powers to take all necessary measures in connection with the resolution of all or part of a credit institution or the group to which it belongs.

This resolution framework does not affect the legal internal financial solidarity mechanism enshrined in Article L. 511-31 of the French Monetary and Financial Code, which applies to the Crédit Agricole network, as defined by Article R. 512-18 of the same Code. Crédit Agricole S.A. considers that, in practice, this mechanism should be implemented prior to any resolution procedure.

The application of the resolution procedure to Crédit Agricole Group would thus mean that the legal internal solidarity mechanism had failed to remedy the deficiency of one or more Group affiliates, and hence of the network as a whole. By its very nature, it also hinders the monitoring of the conditions for implementing the guarantee of the obligations of Crédit Agricole S.A. granted in 1988 to its third party creditors by the Regional Banks on a joint and several basis, and up to the aggregate amount of their own funds.

It should be recalled that this guarantee may be exercised in the event of an asset shortfall at Crédit Agricole S.A. identified in the course of its bankruptcy or dissolution.

In connection with the institution of a resolution procedure, the French Regulatory and Resolution Supervisory Authority (ACPR) must respect the fundamental principle that no creditor should suffer losses in connection with a resolution procedure that are greater than those it would suffer if the entity had been liquidated in a normal insolvency procedure (the "No Creditor Worse Off than in Liquidation" (NCWOL) principle, as laid down in Article L. 613-57-1 of the French Monetary and Financial Code, and Article 73 of the BRRD directive). Because this principle must be complied with, Crédit Agricole S.A. considers that the guarantee granted in 1988 by the Regional Banks to the creditors of Crédit Agricole S.A. will have to be taken into account by the ACPR, although it is not possible to determine how this will be done.

SPECIFIC GUARANTEES PROVIDED BY THE REGIONAL BANKS TO CRÉDIT AGRICOLE S.A. (SWITCH)

Following the simplification of the Group's structure, which resulted in the sale of the CCI/CCA interests held by Crédit Agricole S.A. to Sacam Mutualisation – a company wholly owned by the Regional Banks – Crédit Agricole S.A. no longer holds any of the Regional Banks' share capital (except for four Regional Banks for which Crédit Agricole S.A. retained a small number of CCAs for legal reasons). The transaction was accompanied by the signing of two amendments to the Framework Agreement governing the Switch Guarantee on 17 February 2016 (amendment no. 2) and 21 July 2016 (amendment no. 3) respectively, resulting notably in the end of the guarantee on the CCIs/CCAs.

The modified mechanism took effect on 1 July 2016 and now limits transfers to the Regional Banks to the prudential requirements relating to Crédit Agricole S.A.'s shares in Crédit Agricole Assurances (CAA) within the bounds of a contractual ceiling: we now talk of Switch Insurance.

The effectiveness of the mechanism is secured by cash deposits paid by the Regional Banks to Crédit Agricole S.A. These security deposits are calibrated to show the capital savings generated by Crédit Agricole S.A., and are remunerated at a fixed rate based on conditions prevailing for long term liquidity.

Therefore, the Switch Insurance guarantees protect Crédit Agricole S.A. from a decline in the overall equity-accounted value of these equity investments, subject to payment by the Regional Banks of compensation from the security deposit. Likewise, if the equity-accounted value later recovers, Crédit Agricole S.A. can return previously paid compensation in accordance with a clawback provision.

Guarantees are recognised as off-balance sheet commitments. They are treated as first demand guarantees given, and their compensation is recognised in stages in the interest margin under Revenues. In the event of a call on guarantees, or following a return to better fortune, where applicable, the compensation payment or redemption proceeds would be recognised under Cost of risk.

The definitions of the underlined words can be found in the Glossary on page 567.

It should be noted that the Switch Insurance guarantees are triggered on a half-yearly basis, and assessed on the basis of half-yearly changes in the equity-accounted value of the CAA equity investments. At the close of the quarterly accounts, the Regional Banks are obliged to estimate whether there is a risk of having to pay compensation and to set aside funds to cover the risk if necessary. No income can be recognised in the event of the likely use of clawback provisions, as it is not certain. At the close of the half-yearly accounts, if the conditions are met, the Regional Banks record the effects of triggering the guarantees (call or clawback).

1.3 Significant events in 2017

DISPOSAL BY CRÉDIT AGRICOLE S.A. OF ITS STAKE IN EURAZEO

On 16 June 2017, Crédit Agricole S.A. sold its entire stake in Eurazeo, representing 15.42% of the share capital, to the Decaux family's investment company, JCDecaux Holding, for a total of €790.5 million.

In parallel, Crédit Agricole S.A. set up a mechanism which offsets the impact of fluctuations in the price of Eurazeo shares, used as collateral for the Crédit Agricole S.A. bonds exchangeable for Eurazeo shares issued in September 2016.

The share disposal generated a capital gain of €427 million.

FINANCING OF THE ACQUISITION OF PIONEER INVESTMENTS

On 3 July 2017, Amundi acquired the Pioneer Investments group companies from Pioneer Global Asset Management S.p.A., a subsidiary of UniCredit, for a cash price of €3,539 million, sealing a deal made in December 2016.

Founded in 1928, Pioneer Investments is an international asset management group active in 27 countries. Pioneer Investments primarily operates in Milan, Boston, Dublin and London and has a significant presence in other countries including Germany, Austria and the Czech Republic. It had approximately 1,800 employees on the acquisition date.

This transaction created the 8th largest global asset management player in terms of assets under management. The combined entity allows all customer segments access to a wide range of products and solutions, coupled with unrivalled quality of service and commitment.

To finance this acquisition, Crédit Agricole S.A. sold part of its pre-emptive subscription rights for €65 million. It then subscribed to Amundi's capital increase of March 2017 for an amount of €577 million, and subscribed to senior and subordinated debt issues for an amount of €645 million. Following this capital increase, Crédit Agricole S.A. now holds 68.3% of the share capital of Amundi, compared to 73.86% before the transaction.

CRÉDIT AGRICOLE CARIPARMA CAPITAL INCREASE FOR THE ACQUISITION OF 3 ITALIAN SAVINGS BANKS

Following the agreement reached with the Italian Interbank Deposit Protection Fund, on 21 December 2017, Crédit Agricole Cariparma acquired 95% of the share capital of the Cesena, Rimini and San Miniato savings banks for €130 million.

In order to fund this deal, on 21 December 2017, Crédit Agricole Cariparma carried out a €320 million capital increase to which Crédit Agricole S.A. subscribed for €256 million.

ACQUISITION OF NATIXIS' 15% STAKE IN CACEIS

On 22 December 2017, Crédit Agricole S.A. completed the €380 million acquisition of the 15% stake held by Natixis in CACEIS, its asset servicing subsidiary, which it now owns outright.

REPAYMENT OF THE BANCA INTESA WITHHOLDING TAX

In the second half of 2017, the Italian tax authorities refunded Crédit Agricole S.A. €57 million in withholding tax, including €4.7 million in default interest, deducted from the dividends paid by Banca Intesa to Crédit Agricole S.A. for 2004-2005 and 2007-2008.

OPTIMISING THE DEBT OF THE CRÉDIT AGRICOLE S.A. GROUP

On 15 May 2017, Crédit Agricole S.A. made bids for the simultaneous cash buyback of six series of outstanding undated deeply subordinated notes in order to optimise its own capital base and that of Crédit Agricole Group. The transaction was conducted in May and June 2017 for a total buyback amount of €1.24 billion equivalent.

Net of unwinding the hedges, these buybacks generated income of €39 million before tax in the financial statements at 31 December 2017.

EURO SECURED NOTES ISSUER (ESNI) SECURITISATION VEHICLES OUTSTANDING

The securitisation company, ESNI, held by a number of French banks, is used for the securitisation of private receivables to facilitate trade on the interbank market.

Since 1 January 2017, Crédit Agricole S.A. has had a compartment of its own in ESNI, compartment 006

On 10 October 2017, the securities and borrowing for a nominal amount of €2 billion issued by ESNI compartment 006 were redeemed.

REDEMPTION OF FCT EVERGREEN

On 12 October 2017, the FCT Evergreen securitisation fund – whose objective was to create AAA/Aaa-rated bonds in the balance sheet of Crédit Agricole S.A. based on mortgage-backed loans – was fully redeemed in the amount of €9 billion.

HOME PURCHASE SAVINGS PLAN PROVISION

The Home purchase savings plan provision at 31 December 2017 was notably impacted by changes in various models. The extension to 18 years of the run-off model for the Home purchase savings plan led to an €85 million reversal, while the change in calculation method for the savings reference rate resulted in a €15 million reversal.

EUROPEAN COMMISSION FINE ON INTEREST RATE DERIVATIVES DENOMINATED IN EUROS

On 7 December 2016, the European Commission jointly ordered Crédit Agricole S.A. and Crédit Agricole CIB to pay a fine of €115 million for infringement of the competition rules contained in the Treaty on European Union in the proceeding concerning interest rate derivatives denominated in euros (known as "Euribor").

As the split between Crédit Agricole S.A. and Crédit Agricole CIB was not set in the decision, and as the Group has decided to file an application for annulment before the European Union Tribunal, Crédit Agricole S.A. paid the full amount of the penalty on 3 March 2017, acting in its capacity as the central body and as the guarantor of the liquidity and solvency of all of its affiliates, including Crédit Agricole CIB. This expense was fully covered by a provision and thus had no impact on the net income of Crédit Agricole S.A.

CHEQUE IMAGE EXCHANGE LITIGATION

In its ruling handed down on 21 December 2017, the Paris Court of Appeal confirmed a decision by the French Competition Authority (*Autorité de la Concurrence* – ADLC), which fined the main French banks in 2010 for colluding to fix the prices and conditions for clearing cheques. In the wake of that ruling, the fine owed by Crédit Agricole S.A. amounted to €76 million.

After allocation of the fine to the Regional Banks, the impact for Crédit Agricole S.A. is an expense of €38.3 million recognised in Revenues.

CRÉDIT AGRICOLE S.A. TAX AUDIT

Crédit Agricole S.A. underwent a tax audit covering the 2013 financial year.

The tax authority issued a tax adjustment notice rejecting the tax deduction applied, following the loss on disposal of Emporiki shares resulting from the capital increase carried out on 28 January 2013, four days before Emporiki was sold to Alpha Bank.

The tax authorities dispute the fact that the securities of this subsidiary were treated as investment securities.

This adjustment is being contested. Following the demand for payment of €312 million on 15 March 2017, the amount was paid off and, at the same time, a receivable of the same amount was recognised in the financial statements at 31 December 2017. Concerning this dispute, the National Tax Commission issued a favourable opinion on 13 January 2017, stating that the tax adjustment should be abandoned.

Crédit Agricole S.A. underwent another tax audit covering the 2014 and 2015 financial years. A provision was recognised to cover the estimated risks.

CHANGE IN FRENCH TAX LAW

Elimination of the 3% surtax on dividends for French companies following the decision of the French Constitutional Court

Following the ruling by the Court of Justice of the European Union on 17 May 2017 that the surtax violated European Directive 2011/96/EU on the common system of taxation applicable in the case of parent companies and subsidiaries of different Member States, the French Constitutional Court found the 3% surtax on dividends unconstitutional in its judgement of 6 October 2017, regardless of whether these dividends represent operating profits or dividends of French and foreign subsidiaries.

The 2018 Finance Act thus removed the 3% surtax on dividends from the French General Tax Code. This provision applies to distributions paid out on or after 1 January 2018. The Group also applied for tax relief for financial years 2014 to 2017.

The impact on the net income of Crédit Agricole S.A. stems from the refunds received following the requests for tax relief for the above-mentioned financial years, amounting to €38.9 million (excluding default interest).

Changes in the French Finance Act

The first 2017 Amending Finance Act was approved by the French National Assembly on 1 December 2017, followed by the 2018 Finance Act and the second 2017 Amending Finance Act on 21 December 2017. The corporate income tax changes had a significant impact on the financial statements of Crédit Agricole S.A. Group as of 31 December 2017.

The 2018 Finance Act speeds up the reduction in the standard corporate income tax rate for financial years beginning on or after 1 January 2019. For the 2019, 2020, 2021 and 2022 financial years, the maximum standard rate, including the 3.3% social contribution, will be reduced to 32.03%, 28.92%, 27.37% and 25.83%, respectively.

This modification has no impact on the financial statements under French standards.

Extraordinary corporate income tax contributions by large French corporates

Following the striking down as unconstitutional of the 3% surtax on dividend distributions, the following were introduced for financial years between 31 December 2017 and 30 December 2018:

- an extraordinary contribution equal to 15% of the corporate income tax payable (before deduction of relief, tax credits and tax receivables of all kinds) by companies with gross revenues of over €1 billion. This extraordinary contribution raises the effective tax rate to 39.43%;
- an additional extraordinary contribution equal to 15% of the corporate income tax payable (before deduction of relief, tax credits and tax receivables of all kinds) by companies with gross revenues of over €3 billion. This extraordinary contribution raises the effective tax rate to 44.43%.

The impact on the net income of Crédit Agricole S.A. is an additional tax charge of €141 million.

The definitions of the underlined words can be found in the Glossary on page 567.

1.4 Events after the 2017 financial year

ELIMINATION OF LOYALTY DIVIDENDS

Since its 2011 General Meeting, Crédit Agricole S.A. has had a loyalty dividend mechanism to reward shareholder loyalty, in accordance with the provisions of Article L. 232-14 of the French Commercial Code[1] and Article 31 of its Articles of Association.

Crédit Agricole S.A. announced on 20 December 2017 that it would put a resolution to the General Meeting of Shareholders to be held on 16 May 2018 to remove the loyalty dividend clause from the Articles of Association.

The European Banking Authority (EBA) deemed the payment of a loyalty dividend to be a "preferential distribution" that breached the Capital Requirements Regulation (CRR). The European Central Bank confirmed this decision.

By way of compensation, Crédit Agricole S.A. will pay eligible shareholders holders an amount equal to one new ordinary share per 26 registered shares giving entitlement to the payment of a loyalty dividend in respect of the 2017 financial year (shares registered in the name of the same shareholder without interruption from 31 December 2015 to the date of payment of the 2017 dividend). Based on the weighted average Crédit Agricole S.A. share price observed over a period of 60 trading days ending at close of trading on 12 February 2018 (€14.55), this compensation amounts to approximately €0.56 per share.

The compensation amount was calculated based on an independent assessment conducted by financial firm, Ledouble. The firm used three main factors to assess the value of the compensation due to eligible shareholders for the removal of the loyalty dividend: the trajectory of future dividends, the estimated average holding period for shares granting entitlement to the loyalty dividend and the discount rate of future cash flows. On 13 February, the Board of Directors set the amount of compensation within the range estimated by Ledouble, €0.45 and €0.63, which balances the interests of those eligible for compensation and the remaining shareholders.

The removal of the loyalty dividend clause from the Articles of Association and the terms of the compensation to be paid will be submitted for the approval of the Special Meeting of eligible shareholders, to be held on 4 April 2018, and for a vote of the shareholders during the Extraordinary General Meeting on 16 May 2018.

NOTE 2 Accounting policies and principles

Crédit Agricole S.A. prepares its financial statements in accordance with the accounting principles applicable to banks in France.

The presentation of the financial statements of Crédit Agricole S.A. complies with the provisions of ANC Regulation 2014-07 of 26 November 2014, which, for periods beginning on or after 1 January 2015, combines in a single regulation all accounting standards applicable to credit institutions, pursuant to established law.

Changes in accounting policies and the presentation of the financial statements compared with the previous year relate to the following:

Regulations	Date published by the French government	Date of first-time application: financial years from	Applicable within Crédit Agricole S.A.
ANC Regulation 2015-06 amending ANC Regulation 2014-03 concerning the general plan of accounts.	23 November 2015	1 January 2016	Yes
ANC Regulation 2016-07 amending ANC Regulation 2014-03 concerning the general plan of accounts.	4 November 2016	1 January 2016	Yes

ANC Regulation 2015-06 and 2016-07 had no impact on the income and net equity of Crédit Agricole S.A.

2.1 Loans and financing commitments

Loans and receivables to credit institutions, Crédit Agricole Group entities and customers are governed by Articles 2211-1 to 2251-13 (Part 2 "Accounting Treatment of Credit Risk" of Book II "Special Transactions") of ANC Regulation 2014-07 of 26 November 2014.

They are presented in the financial statements according to their initial term or their nature:

- demand and time deposits for credit institutions;
- current accounts, time loans and advances for Crédit Agricole internal transactions;
- trade receivables and other loans and receivables to customers.

In accordance with regulations, the customers category also includes transactions with financial customers.

Subordinated loans and repurchase agreements (represented by certificates or securities) are included under the various categories of loans and receivables according to counterparty type (interbank, Crédit Agricole, customers).

Amounts receivable are recognised on the balance sheet at face value.

Pursuant to Article 2131-1 of ANC Regulation 2014-07 of 26 November 2014, the fees and commissions received and the marginal transaction costs borne are deferred over the effective term of the loan and are thus included in the outstanding amount of the relevant loan.

Accrued interest is recognised on the balance sheet under the appropriate category of loans and advances and booked to the income statement as interest income.

(1) Only 6% of ordinary shares are currently eligible for the loyalty dividend, which represented an additional pay-out of €10 million last year.

Financing commitments recognised off-balance sheet represent irrevocable commitments to cash advances and guarantee commitments that have not resulted in fund movements.

Advances made by Crédit Agricole S.A. to the Regional Banks do not represent a direct risk for Crédit Agricole S.A. with respect to the corresponding customer loans made by the Regional Banks. They do, however, represent a potential indirect risk with respect to the financial strength of the Regional Banks. Crédit Agricole S.A. has not made any provisions for such advances to the Regional Banks.

The application of Part 2 "Accounting Treatment of Credit Risk" of Book II "Special Transactions" of ANC Regulation 2014-07 of 26 November 2014 has led Crédit Agricole S.A. to account for loans with a risk of non-payment in accordance with the following rules. External and/or internal rating systems are used to help assess whether there is a credit risk.

RESTRUCTURED LOANS

These are loans to counterparties in financial difficulty, such that the credit institution alters their initial characteristics (term, interest rate, etc.) to allow the conterparties to honour the repayment schedule.

They consist of loans classified as in default and performing loans at the date they are restructured.

Restructured loans do not include loans whose characteristics have been renegotiated on a commercial basis with counterparties not showing any insolvency problems.

The reduction of future flows granted to a counterparty, or the postponing of these flows as part of a restructuring, results in the recognition of a discount. It represents future loss of cash flow discounted at the original effective interest rate.

It is equal to the difference between:

- the nominal value of the loans; and
- the sum of theoretical future cash flows from the restructured loan, discounted at the original effective interest rate (defined at the date of the financing commitment).

The discount recognised when a loan is restructured is recorded under cost of risk. Its amortisation then affects the interest margin.

Restructured loans are rated in accordance with Basel rules and are impaired on the basis of the estimated credit risk. They are individually impaired within thirty days of a missed payment.

At 31 December 2017, Crédit Agricole S.A. did not hold any restructured loans.

DOUBTFUL AND IRRECOVERABLE LOANS

Loans and receivables of all kinds, even those which are guaranteed, are classified as doubtful if they carry an identified credit risk arising from one of the following events:

- the loan or advance is at least three months in arrears;
- the borrower's financial position is such that an identified risk exists regardless of whether the loan or advance is in arrears;
- the bank and borrower are in legal proceedings.

For overdrafts, the age of the overdue amount is calculated as from the date on which the borrower has exceeded an authorised limit that the bank has brought to its attention, has been notified that the outstanding overdraft exceeds a limit set by the bank as part of its internal control procedures, or has drawn sums without an overdraft authorisation.

Subject to certain conditions, in lieu of the above criteria, the bank may calculate the age of the overdue amount from the date on which the bank has issued a demand for total or partial repayment of the overdraft by the borrower.

Crédit Agricole S.A. makes the following distinction between irrecoverable loans and doubtful loans:

- doubtful loans:

  All doubtful loans which do not fall into the irrecoverable loans category are classified as doubtful loans;

- irrecoverable loans:

  Irrecoverable loans are those for which the prospects of recovery are highly impaired and which are likely to be written off in time.

In the case of doubtful loans, interest continues to be recognised so long as the receivable is deemed to be doubtful, but is no longer recognised after the loss has been transferred to irrecoverable loans.

IMPAIRMENT RESULTING FROM IDENTIFIED CREDIT

Once a loan is classified as doubtful, an impairment loss is deducted by Crédit Agricole S.A. from the asset in an amount equal to the probable loss. These impairment losses represent the difference between the carrying amount of the receivable and estimated future cash flows discounted at the contractual rate, taking into account the borrower's financial condition, its business prospects and any guarantees, after deducting the cost of enforcing such guarantees.

Possible losses in respect of portfolios of small loans with similar characteristics may be estimated on a statistical basis rather than individually assessed.

Probable losses in respect off-balance sheet commitments are covered by provisions recognised as liabilities.

ACCOUNTING TREATMENT OF IMPAIRMENT LOSSES

Impairment losses and reversals of impairment losses for non-recovery risk on doubtful loans are recognised in cost of risk and any increase in the carrying amount resulting from the reversal of impairment losses as a result of the passage of time is recognised in the interest margin.

PROVISIONS FOR CREDIT RISK NOT INDIVIDUALLY ALLOCATED TO LOANS

Crédit Agricole S.A. also books provisions on the liabilities side of the balance sheet to cover customer risks that are not individually allocated to loans, such as provisions for country risks or sector provisions generally calculated using Basel models. These provisions are designed to cover identified risks for which there is a statistical or historical probability of partial non-recovery against loans classified as performing or not individually impaired.

COUNTRY RISKS

Country risks (or risks on international commitments) consist of "the total amount of unimpaired loans, both on and off-balance sheet, carried by an institution directly or *via* hive-off vehicles, involving private or public debtors residing in the countries identified by the French Regulatory and Resolution Supervisory Authority (ACPR), or where settlement thereof depends on the position of public or private debtors residing in those countries" (French Banking Commission memo dated 24 December 1998).

Where these receivables are not classified as doubtful, they continue to be carried under their original classification.

The definitions of the underlined words can be found in the Glossary on page 567.

WRITE-OFFS

Decisions as to when to write off are taken on the basis of expert opinion. Crédit Agricole S.A. determines this in conjunction with its Risk Management department, having regard to its business knowledge.

2.2 Securities portfolio

The rules on recognition of securities transactions are defined by Articles 2311-1 to 2391-1 (Part 3 "Recognition of Securities Transactions" of Book II "Special Transactions") and Articles 2211-1 to 2251-13 (Part 2 "Accounting Treatment of Credit Risk" of Book II "Special Transactions") of ANC Regulation 2014-07 of 26 November 2014 for the determination of credit risk and the impairment of fixed income securities.

These securities are presented in the financial statements according to their asset class: treasury bills (treasury bonds and similar securities), bonds and other fixed income securities (negotiable debt securities and interbank market instruments), equities and other variable income securities.

They are classified in portfolios defined by regulation (trading, short term investment, long term investment, medium term portfolio, other long term equity investments and investments in subsidiaries and affiliates), depending on the initial intention for holding the securities as identified in the accounting IT system at the time they were acquired.

2.2.1 TRADING SECURITIES

These are securities that were originally:

- bought with the intention of selling them in the near future, or sold with the intention of repurchasing them in the near future;
- or held by the bank as a result of its market-making activity. The classification of these securities as trading securities depends on the effective turnover of the securities and on a significant trading volume taking into account market opportunities.

These securities must be tradable on an active market and resulting market prices must represent real transactions regularly undertaken in the market on an arm's length basis.

Trading securities also include:

- securities bought or sold as part of specialised management of the trading portfolio, including forward financial instruments, securities or other financial instruments that are managed collectively and on which there is an indication of recent short term profit taking;
- securities on which there is a commitment to sell as part of an arbitrage transaction on an organised exchange for financial instruments or similar market.

Except as provided in accordance with Articles 2381-1 to 2381-5 (Part 3 "Recognition of Securities Transactions" of Book II "Special Transactions") of ANC Regulation 2014-07 of 26 November 2014, trading securities may not be reclassified into another accounting category. They continue to be presented and measured as trading securities until they are removed from the balance sheet after being sold, fully redeemed or written off.

Trading securities are recognised on the date they are purchased in the amount of their purchase price, excluding transaction expenses and including accrued interest.

Liabilities relating to securities sold short are recognised on the liabilities side of the seller's balance sheet in the amount of the selling price excluding transaction expenses.

At each reporting date, securities are measured at the most recent market price. The overall amount of differences resulting from price changes is recorded in the income statement under "Net gains (losses) on trading book".

2.2.2 SHORT TERM INVESTMENT SECURITIES

This category consists of securities that do not fall into any other category.

The securities are recorded at purchase price, including transaction expenses.

Crédit Agricole S.A.'s portfolio of short term investment securities consists mostly of bonds denominated in euros and foreign currencies and mutual funds.

Bonds and other fixed income securities

These securities are recognised at acquisition cost including interest accrued at the acquisition date. The difference between the purchase price and the redemption value is spread over the remaining life of the security on an actuarial basis.

Income is recorded in the income statement under "Interest and similar income from bonds and other fixed income securities".

Equities and other variable-income securities

Equities are recognised on the balance sheet at their purchase price including transaction expenses. The associated dividends are recorded as income under "Income from variable-income securities".

Income from mutual funds is recognised when received under the same heading.

At each reporting date, short term investment securities are measured at the lesser acquisition cost and market value. If the current value of an item or a homogeneous set of securities (calculated from market prices at the reporting date, for example) is lower than its carrying amount, an impairment loss is recorded for the unrealised loss without being offset against any gains recognised on other categories of securities. Gains from hedging within the meaning of Article 2514-1 of ANC Regulation 2014-07 of 26 November 2014, in the form of purchases or sales of forward financial instruments, are factored in for the purposes of calculating impairment losses. Potential gains are not recorded.

Impairment intended to take into account counterparty risk and recognised under cost of risk is booked on fixed income securities as follows:

- in the case of listed securities, impairment is based on market value, which intrinsically reflects credit risk. However, if Crédit Agricole S.A. has specific information on the issuer's financial position that is not reflected in the market value, a specific impairment loss is recorded;
- in the case of unlisted securities, impairment is recorded in the same way as on loans and receivables due from customers based on identified probable losses (see Note 2.1 Loans and financing commitments – Impairment resulting from identified credit risk).

Sales of securities are deemed to take place on a first-in, first-out basis.

Impairment losses and reversals and disposal gains or losses on short term investment securities are recorded under "Net gains (losses) on short term investment portfolios and similar" in the income statement.

2.2.3 LONG TERM INVESTMENT SECURITIES

Long term investment securities are fixed income securities with a fixed maturity date that have been acquired or transferred to this category with the manifest intention of holding them until maturity.

This category only includes securities for which Crédit Agricole S.A. has the necessary financial ability to continue holding them until maturity and that are not subject to any legal or other restriction that could interfere with its intention to hold them until maturity.

Long term investment securities are recognised at their purchase price, including acquisition costs and accrued interest.

The difference between the purchase price and the redemption price is spread over the remaining life of the security.

Impairment is not booked for long term investment securities if their market value falls below cost. On the other hand, if the impairment arises from a risk relating specifically to the issuer of the security, impairment is recorded under "Cost of risk", in accordance with Part 2 "Accounting Treatment of Credit Risk" of Book II "Special Transactions" of ANC Regulation 2014-07 of 26 November 2014.

In the case of the sale or reclassification to another category of long term investment securities representing a material amount, the reporting entity is no longer authorised to classify securities previously bought or to be bought as long term investment securities during the current financial year and the two subsequent financial years, in accordance with Article 2341-2 of ANC Regulation 2014-07 of 26 November 2014.

2.2.4 MEDIUM TERM PORTFOLIO SECURITIES

In accordance with Articles 2351-2 to 2352-6 (Part 3 "Recognition of Securities Transactions" of Book II "Special Transactions") of ANC Regulation 2014-07 of 26 November 2014, these securities are "investments made on a normal basis, with the sole aim of securing a capital gain in the medium term, with no intention of investing in the issuer's business on a long term basis or taking an active part in its management".

Securities can only be included in this category if the activity is carried out to a significant extent and on an ongoing basis within a structured framework and gives the reporting entity a recurring return mainly in the form of capital gains on disposals.

Crédit Agricole S.A. meets these conditions and some of its securities can be classified in this category.

Medium term portfolio securities are recorded at purchase price, including transaction expenses.

They are recognised at the end of the reporting period at the lower of historical cost or value in use, which is determined on the basis of the issuer's general outlook and the estimated remaining time horizon for holding the securities.

For listed companies, value in use is generally the average quoted price over a sufficiently long period of time, depending on the estimated time horizon for holding the securities, to mitigate the impact of substantial fluctuations in stock prices.

Impairment losses are booked for any unrealised losses calculated for each line of securities, and are not offset against any unrealised gains. Unrealised losses are recorded under "Net gains or losses on short term investment portfolios" along with impairment losses and reversals on these securities.

Unrealised gains are not recognised.

2.2.5 INVESTMENTS IN SUBSIDIARIES AND AFFILIATES, EQUITY INVESTMENTS AND OTHER LONG TERM EQUITY INVESTMENTS

- Investments in subsidiaries and affiliates are investments in companies that are under exclusive control and that are or are liable to be fully consolidated into a given group that can be consolidated;
- Equity investments are investments (other than investments in subsidiaries and affiliates), of which the long term ownership is judged beneficial to the reporting entity, in particular because it allows it to exercise influence or control over the issuer;
- Other long term equity investments consist of securities held with the intention of promoting long term business relations by creating a special relationship with the issuer, but with no influence on the issuer's management due to the small percentage of voting rights held.

These securities are recognised at purchase price, including transaction expenses.

At the reporting date, the value of these securities is measured individually, based on value in use, and they are recorded on the balance sheet at the lesser of their historical cost or value in use.

Value in use represents the price the reporting entity would be prepared to pay to acquire these securities if it had to buy them having regard to its reasons for holding them.

Value in use may be estimated on the basis of various factors such as the issuer's profitability and prospective profitability, its equity, the economic environment, the average share price in the preceding months or the mathematical value of the security.

When value in use is lower than historical cost, impairment losses are booked for these unrealised gains and are not offset against any unrealised gains.

Impairment losses and reversals and disposal gains or losses on these securities are recorded under "Net gains (losses) on fixed assets".

2.2.6 MARKET PRICE

The market price at which the various categories of securities are measured is determined as follows:

- securities traded on an active market are measured at the latest price;
- if the market on which the security is traded is not or no longer considered active or if the security is unlisted, Crédit Agricole S.A. determines the likely value at which the security concerned would be traded using valuation techniques. Firstly, these techniques take into account

The definitions of the underlined words can be found in the Glossary on page 567.

recent transactions carried out in normal competition conditions. If required, Crédit Agricole S.A. uses valuation techniques commonly used by market participants to price these securities, when it has been demonstrated that these techniques provide reliable estimates of prices obtained in actual market transactions.

2.2.7 RECORDING DATES

Crédit Agricole S.A. records securities classified as long term investment securities on the settlement date. Other securities, regardless of type or classification, are recognised on the trading date.

2.2.8 SECURITIES SOLD/BOUGHT UNDER REPURCHASE AGREEMENTS

Securities sold under repurchase agreements are kept on the balance sheet. The amount received, representing the liability to the buyer, is recorded as a liability.

Securities bought under repurchase agreements are not recorded on the balance sheet, but the amount paid, representing the receivable from the seller, is recorded as an asset on the balance sheet.

Securities sold under repurchase agreements are subject to the accounting principles corresponding to the portfolio from which they originate.

2.2.9 RECLASSIFICATION OF SECURITIES

In accordance with Articles 2381-1 to 2381-5 (Part 3 "Recognition of Securities Transactions" of Book II "Special Transactions") of ANC Regulation 2014-07 of 26 November 2014, the following securities reclassifications are allowed:

- from "trading portfolio" to "long term investment portfolio" or "short term investment portfolio" in the case of exceptional market conditions or, for fixed income securities that are no longer tradable in an active market and if the entity has the intention and ability to hold the securities for the foreseeable future or until maturity;
- from "short term investment portfolio" to "long term investment portfolio" in the case of exceptional market conditions or for fixed income securities that are no longer tradable in an active market.

In April 2017, pursuant to ANC Regulation 2014-07 of 26 November 2014, Crédit Agricole S.A. carried out transfers from "short term investment securities" to "long term investment securities" for a net carrying amount of €1.5 billion.

2.2.10 TREASURY SHARES BUYBACK

Treasury shares bought back by Crédit Agricole S.A., including shares and stock options held to cover stock option plans, are recognised as assets under a specific balance sheet heading.

They may, where necessary, be impaired where the current value is below the purchase price, except for transactions connected with employee free share allocation plans and stock option and share subscription plans as per ANC Regulation 2014-03 of 5 June 2014.

2.3 Fixed assets

Crédit Agricole S.A. applies ANC Regulation 2014-03 of 5 June 2014 relating to the depreciation, amortisation and impairment of assets.

Crédit Agricole S.A. applies component accounting for all of its property, plant and equipment. In accordance with this method, the depreciable base takes account of the potential remaining value of property, plant and equipment.

ANC Regulation 2015-06 changes the way in which technical merger losses are recognised on the balance sheet and monitored in the financial statements. Losses are no longer required to be comprehensively and systematically recognised under "Goodwill"; they must be recognised in the balance sheet depending on asset items to which they are allocated as "Other property, plant & equipment, intangible assets and financial assets, etc.". The loss is amortised, impaired and written off in the same way as the underlying asset.

The acquisition cost of fixed assets includes the purchase price plus any incidental expenses, namely expenses directly or indirectly incurred in connection with bringing the asset into service or "into inventory".

Land is recorded at acquisition cost.

Buildings and equipment are recorded at acquisition cost, less accumulated depreciation, amortisation and impairment losses since the time they were placed in service.

Purchased software is measured at purchase price less accumulated depreciation, amortisation and any impairment losses since acquisition.

Proprietary software is measured at cost less accumulated depreciation, amortisation and impairment losses booked since completion.

Intangible assets other than software, patents and licences are not amortised. They may be subject to impairment.

Fixed assets are depreciated over their estimated useful lives.

The following components and depreciation periods have been adopted by Crédit Agricole S.A. following the application of component accounting for fixed assets. These depreciation periods are adjusted according to the type of asset and its location:

Component	Depreciation period
Land	Not depreciable
Structural works	30 to 80 years
Non-structural works	8 to 40 years
Plant and equipment	5 to 25 years
Fixtures and fittings	5 to 15 years
Computer equipment	4 to 7 years (accelerated or straight-line)
Special equipment	4 to 5 years (accelerated or straight-line)

Based on available information on the value of its fixed assets, Crédit Agricole S.A. has concluded that impairment testing would not lead to any change in the existing depreciable base.

2.4 Amounts due to customers and credit institutions

Amounts due to credit institutions, to Crédit Agricole entities and to customers are presented in the financial statements according to their initial term or their nature:

- demand and time deposits for credit institutions;
- current accounts, time loans and advances for Crédit Agricole internal transactions;
- special savings accounts and other amounts due to customers (notably including financial customers).

Repurchase agreements (represented by certificates or securities) are included under these various headings, according to counterparty type.

Accrued interest on these deposits is recognised under accrued interest and taken to profit and loss.

2.5 Debt securities

Debt securities are presented according to their form: interest-bearing notes, interbank market instruments, negotiable debt securities and bonds, excluding subordinated securities, which are classified in liabilities under "Subordinated debt".

Accrued interest but not yet due is recognised under accrued interest and taken to profit and loss.

Issue or redemption premiums on bonds are amortised over the maturity period of each bond. The corresponding charge is recorded under "Interest and similar expenses on bonds and other fixed income securities".

Redemption premiums can be amortised in two ways:

- based on accrued interest on a *prorata* basis for bonds issued before 1 January 1993, or for those with a redemption premium of less than 10% of the issue price; or
- on an actuarial basis for debt issued after 1 January 1993 with a redemption premium of more than 10% of the issue price.

Crédit Agricole also amortises borrowing expenses in its parent company's financial statements.

Fee and commission expenses on financial services paid to the Regional Banks are recognised as expenses under "Fee and commission expenses".

2.6 Provisions

Crédit Agricole S.A. applies ANC Regulation 2014-03 of 5 June 2014 for the recognition and measurement of provisions.

Provisions include provisions relating to financing commitments, retirement and early retirement liabilities, litigation and various risks.

The provisions also include country risks. All these risks are reviewed quarterly.

Provisions are set aside for country risks following an analysis of the types of transactions, the term of commitments, their form (receivables, securities, market products) as well as country quality.

Crédit Agricole S.A. partially hedges provisions on these foreign currency-denominated receivables by buying foreign currency, to limit the impact of changes in foreign exchange rates on provision levels.

The provision for home purchase savings scheme imbalance risk is designed to cover obligations in the event of unfavourable movements in home purchase savings schemes. These obligations are: i) to pay a fixed rate of interest on the savings contract from inception for an undefined period of time; and ii) to grant a loan to home purchase savings plan savers at a rate fixed at inception of the contract. The provision is calculated for each generation of a home purchase savings plan and for all home purchase savings accounts, with no netting of obligations between generations.

The amount of these obligations is calculated taking account notably of:

- saver behaviour, as well as an estimate of the amount and term of the loans that will be granted in the future. These estimates are based on historical observations over a long period;
- the yield curve for market rates and reasonably foreseeable trends.

This provision is calculated in accordance with Part 6 "Regulated Savings" of Book II "Special Transactions" of ANC Regulation 2014-07 of 26 November 2014.

The measurement of the reserve for legal risks is based on Management's best estimate in light of the information in its possession at the end of the reporting period. Detailed information is provided in Note 15 "Provisions".

2.7 Fund for general banking risk (FGBR)

In accordance with Fourth European Directive and CRBF Regulation 90-02 of 23 February 1990 as amended relating to capital, funds for general banking risks are constituted by Crédit Agricole S.A., at the discretion of its management, to meet any charges or risks relating to banking operations but whose incidence is not certain.

Provisions are released to cover any incidence of these risks during a given period.

2.8 Transactions on forward financial instruments and options

Hedging and market transactions on forward interest rate, foreign exchange or equity instruments are recorded in accordance with the provisions of Part 5 "Financial Futures" of Book II "Special Transactions" of ANC Regulation 2014-07 of 26 November 2014.

Commitments relating to these transactions are recorded off-balance sheet at the par value of the contracts: this amount represents the volume of pending transactions.

Gains or losses relating to these transactions are recorded on the basis of the type of instrument and the strategy used:

HEDGING TRANSACTIONS

Gains or losses realised on hedging transactions (category "b" Article 2522-1 of ANC Regulation 2014-07) are recorded on the income statement symmetrically with the recognition of income and expenses on the hedged item and under the same accounting heading.

Income and expenses relating to forward financial instruments used for hedging and managing Crédit Agricole S.A.'s overall interest rate risk (category "c" Article 2522-1 of ANC Regulation 2014-07) are recorded *prorata temporis* under "Interest and similar income (expenses) – Net gains (losses) on macro-hedging transactions". Unrealised gains and losses are not recorded.

MARKET TRANSACTIONS

Market transactions include:

- isolated open positions (category "a" Article 2522-1 of ANC Regulation 2014-07);
- specialised management of a trading portfolio (category "d" Article 2522 of ANC Regulation 2014-07).

They are measured in reference to their market value on the closing date.

If there is an active market, the instrument is stated at the quoted price on that market. In the absence of an active market, fair value is determined using internal valuation techniques and models.

Instruments

- for isolated open positions traded on organised or similar exchanges, all realised and unrealised gains and losses are recognised;
- for isolated open positions traded over the counter, only unrealised losses are recognised, *via* a provision. Realised gains and losses are taken to profit or loss when the transaction is completed;
- as part of a trading portfolio, all realised and unrealised gains and losses are recognised.

Counterparty risk on derivative instruments

In accordance with ANC Regulation 2014-07 of 26 November 2014, Crédit Agricole S.A. makes a Credit Valuation Adjustment (CVA) to the market value of its derivative assets to reflect counterparty risk. For this reason, Credit Valuation Adjustments are only made to derivatives recognised as isolated open positions and as part of a trading portfolio (derivatives classified in categories "a" and "d" Article 2522-1 of the aforementioned regulation).

The CVA makes it possible to calculate counterparty losses expected by Crédit Agricole S.A.

The CVA is calculated on the basis of an estimate of expected losses based on the probability of default and loss given default. The methodology used maximises the use of observable market inputs.

It is based:

- primarily on market data such as registered and listed CDS (or Single Name CDS) or index-based CDS;
- in the absence of registered CDS on the counterparty, an approximation based on a basket of Single Name CDS of counterparties with the same rating operating in the same sector and located in the same area.

In certain circumstances, historical default data may also be used.

2.9 Foreign currency transactions

Monetary receivables and liabilities denominated in foreign currencies and forward foreign exchange contracts included in off-balance sheet commitments are translated using the exchange rate at the closing date or at the next earlier date.

Income received and expenses paid are recorded at the exchange rate on the transaction date. Accrued income and expenses not yet due are translated at the closing rate.

Capital funds allocated to branches, fixed assets in offices abroad and long term investment securities and equity investments bought in foreign currencies against euros are translated into euros at the transaction date. A provision may be booked if there is a permanent deterioration in exchange rate affecting Crédit Agricole S.A.'s foreign equity interests.

At each reporting date, forward foreign exchange transactions are measured at the relevant forward exchange rate. Recognised gains or losses are recorded on the income statement under "Gains (losses) on trading book – Gains (losses) on foreign currency transactions and similar financial instruments".

Pursuant to the implementation of Part 7 "Recognition of Foreign Currency Transactions" of Book II "Special Transactions" of ANC Regulation 2014-07 of 26 November 2014, Crédit Agricole S.A. has instituted multi-currency accounting to enable it to monitor its currency position and to measure its exposure to foreign exchange risk.

2.10 Consolidation of foreign branches

Branches keep separate accounts that comply with the accounting rules in force in the countries in which they are based.

At each reporting date, the branches' balance sheets and income statements are adjusted according to French accounting rules, converted into euros and integrated with the accounts of their head office after the elimination of intra-group transactions.

The rules for conversion into euros are as follows:

- balance sheet items are translated at the closing rate;
- income and expenses paid and received are recorded at the exchange rate on the transaction date, whereas accrued income and expenses are converted at the closing rate.

Gains or losses resulting from this translation are recorded on the balance sheet under "Accruals, prepayments and sundry assets" or "Accruals, deferred income and sundry liabilities".

2.11 Off-balance sheet commitments

Off-balance sheet items mainly reflect the unused portion of financing commitments and guarantee commitments given and received.

A charge is booked to provisions for commitments given if there is a probability that calling in the commitment will result in a loss for Crédit Agricole S.A.

Reported off-balance sheet items do not mention commitments on forward financial instruments or foreign exchange transactions. Similarly, they do not include commitments received concerning treasury bonds, similar securities and other securities pledged as collateral.

However, these items are detailed in Notes 24, 25 and 26 to the financial statements.

2.12 Employee profit-sharing and incentive plans

Employee profit-sharing is recognised in the income statement in the financial year in which the employees' rights are earned.

Incentive plans are covered by the 21 June 2011 agreement.

The cost of employee profit-sharing and incentive plans is included in "Employee expenses".

2.13 Post-employment benefits

2.13.1 RETIREMENT, EARLY RETIREMENT AND END-OF-CAREER ALLOWANCE COMMITMENTS – DEFINED-BENEFIT PLANS

Since 1 January 2013, Crédit Agricole S.A. has applied ANC recommendation 2013-02 of 7 November 2013 relating to the measurement and recognition of retirement and similar benefit obligations, such recommendation having then been repealed and incorporated in section 4 of chapter II of part III of ANC Regulation 2014-03 of 5 June 2014.

In accordance with this regulation, Crédit Agricole S.A. sets aside provisions to cover its retirement and similar benefit obligations falling within the category of defined-benefit plans.

These obligations are stated on the basis of actuarial, financial and demographic assumptions, and in accordance with the projected unit credit method. Under this method, for each year of service, a charge is booked in an amount corresponding to the employee's vested benefits for the period. The charge is calculated based on the discounted future benefit.

Crédit Agricole S.A. has opted for method 2 which allows in particular for the recognition of gains or losses arising from changes to defined-benefit plans when the curtailment or settlement occurs.

The regulation also allows for the recognition of actuarial gains and losses using the "corridor method" or any other method that results in faster recognition in profit or loss.

Crédit Agricole S.A. elected to immediately recognise the actuarial gains and losses in profit or loss, and accordingly the amount of the provision is equal to:

- the present value of the obligation to provide the defined benefits at the reporting date, calculated in accordance with the actuarial method advised by the regulation;
- less, where applicable, the fair value of plan assets. These may be represented by an eligible insurance policy. In the event that the obligation is fully covered by such a policy, the fair value of the policy is deemed to be the value of the corresponding obligation, *i.e.* the amount of the corresponding actuarial liability.

2.13.2 RETIREMENT PLANS – DEFINED-CONTRIBUTION PLANS

Employers contribute to a variety of compulsory pension schemes. Plan assets are managed by independent organisations and the contributing companies have no legal or implied obligation to pay additional contributions if the funds do not have sufficient assets to cover all benefits corresponding to services rendered by employees during the year and during prior years.

Consequently, Crédit Agricole S.A. has no liabilities in this respect other than the contributions payable for the period ended.

The amount of contributions under the terms of these pension schemes is shown under "Employee expenses".

2.14 Stock options and share subscriptions offered to employees under the Employee Savings Plan

STOCK OPTION PLANS

Stock option plans granted to certain categories of employees are recorded when exercised. Exercise gives rise to either an issue of shares, recorded in accordance with requirements relating to capital increases, or the transfer to employees of treasury shares, previously purchased by Crédit Agricole S.A. and recognised in accordance with the terms set out in the "Treasury shares buyback" section.

SHARE SUBSCRIPTIONS UNDER THE EMPLOYEE SAVINGS PLANS

Share subscriptions offered to employees under the Employee Savings Scheme, with a maximum discount of 20%, do not have a vesting period but are subject to a five-year lock-up period. These share subscriptions are recognised in accordance with requirements relating to capital increases.

2.15 Extraordinary income and expenses

These comprise income and expenses that are extraordinary in nature and relate to transactions that do not form part of Crédit Agricole S.A.'s ordinary activities.

2.16 Income tax charge

In general, only the current tax liability is recognised in the parent company's financial statements.

The tax charge appearing in the income statement is the corporate income tax due in respect of the financial year. It includes the effect of the 3.3% additional social contribution on profits.

When tax credits on income from securities portfolios and amounts receivable are effectively used to pay income tax due for the year, they are recognised under the same heading as the income with which they are associated. The corresponding tax charge continues to be recognised under "Income tax charge" in the income statement.

Crédit Agricole S.A. has had a tax consolidation mechanism in place since 1990. At 31 December 2017, 1,254 entities had signed tax consolidation agreements with Crédit Agricole S.A. Under these agreements, each company that is part of the tax consolidation mechanism recognises in its financial statements the tax that it would have had to pay in the absence of the mechanism.

Given that the legislative intent when introducing the tax credit for competitiveness and employment (*Crédit d'Impôt pour la Compétitivité et l'Emploi* – CICE) was to reduce employee expenses, Crédit Agricole S.A. has chosen to recognise the CICE (Article 244 *quater* C of the French General Tax Code) as a reduction in employee expenses rather than a tax reduction.

The definitions of the underlined words can be found in the Glossary on page 567.

NOTE 3 Loans and receivables due from credit institutions – Analysis by residual maturity

(in millions of euros)	31/12/2017 ≤ 3 months	> 3 months ≤ 1 year	> 1 year ≤ 5 years	> 5 years	Total principal	Accrued interest	Total	31/12/2016 Total
Credit institutions								
Loans and receivables								
• demand	1,628	-	-	-	**1,628**	1	**1,629**	**2,034**
• time	8,480	15,679	64,810	17,009	**105,978**	194	**106,172**	**103,744**
Pledged securities	-	-	-	-	**-**	-	**-**	**-**
Securities bought under repurchase agreements	-	-	-	-	**-**	-	**-**	**1,000**
Subordinated loans	140	165	58	11,954	**12,317**	18	**12,335**	**11,935**
Total	**10,248**	**15,844**	**64,868**	**28,963**	**119,923**	**213**	**120,136**	**118,713**
Impairment							**(3)**	**(4)**
NET CARRYING AMOUNT							**120,133**	**118,709**
Crédit Agricole internal transactions								
Current accounts	1,779	-	-	-	**1,779**	3	**1,782**	**1,211**
Time loans and advances	42,604	79,833	105,932	67,892	**296,261**	223	**296,484**	**284,341**
Securities bought under repurchase agreements	1	2,063	399	-	**2,463**	4	**2,467**	**13**
Subordinated loans	-	-	-	356	**356**	1	**357**	**57**
Total	**44,384**	**81,896**	**106,331**	**68,248**	**300,859**	**231**	**301,090**	**285,622**
Impairment							**-**	**-**
NET CARRYING AMOUNT							**301,090**	**285,622**
TOTAL							**421,223**	**404,331**

NOTE 4 Loans and receivables due from customer

4.1 Loans and receivables due from customers – Analysis by residual maturity

(in millions of euros)	31/12/2017 ≤ 3 months	> 3 months ≤ 1 year	> 1 year ≤ 5 years	> 5 years	Total principal	Accrued interest	Total	31/12/2016 Total
Trade receivables	-	-	-	-	-	-	-	-
Other customer loans	1,435	279	1,314	671	**3,699**	4	**3,703**	**3,530**
Pledged securities	-	-	-	-	**-**	-	**-**	**-**
Current accounts in debit	367	-	-	-	**367**	1	**368**	**287**
Impairment							**(1)**	**(1)**
NET CARRYING AMOUNT							**4,070**	**3,816**

4.2 Loans and receivables due from customers – Analysis by geographic area

(in millions of euros)	31/12/2017	31/12/2016
France (including overseas departments and territories)	2,250	2,339
Other European Union countries	1,809	1,465
Rest of Europe	-	-
North America	7	7
Central and South America	-	-
Africa and Middle East	-	-
Asia-Pacific (ex. Japan)	-	-
Japan	-	-
Non allocated and international organisations	-	-
Total principal	**4,066**	**3,811**
Accrued interest	5	6
Impairment	(1)	(1)
NET CARRYING AMOUNT	**4,070**	**3,816**

4.3 Loans and receivables due from customers – Doubtful loans and impairment losses by geographical area

	31/12/2017					31/12/2016				
(in millions of euros)	Gross outstanding	o/w doubtful loans	o/w irre-coverable loans	Impairment of doubtful loans	Impairment of irrecoverable loans	Gross outstanding	o/w doubtful loans	o/w irre-coverable loans	Impairment of doubtful loans	Impairment of irrecoverable loans
France (including overseas departments and territories)	2,255	1	1	(1)	(1)	2,345	1	1	(1)	(1)
Other European Union countries	1,809	-	-	-	-	1,465	-	-	-	-
Rest of Europe	-	-	-	-	-	-	-	-	-	-
North America	7	-	-	-	-	7	-	-	-	-
Central and South America	-	-	-	-	-	-	-	-	-	-
Africa and Middle East	-	-	-	-	-	-	-	-	-	-
Asia-Pacific (ex. Japan)	-	-	-	-	-	-	-	-	-	-
Japan	-	-	-	-	-	-	-	-	-	-
Non allocated and international organisations	-	-	-	-	-	-	-	-	-	-
TOTAL	**4,071**	**1**	**1**	**(1)**	**(1)**	**3,817**	**1**	**1**	**(1)**	**(1)**

4.4 Loans and receivables due from customers – Analysis by customer type

	31/12/2017					31/12/2016				
(in millions of euros)	Gross outstanding	o/w doubtful loans	o/w irre-coverable loans	Impairment of doubtful loans	Impairment of irrecoverable loans	Gross outstanding	o/w doubtful loans	o/w irre-coverable loans	Impairment of doubtful loans	Impairment of irrecoverable loans
Individual customers	-	-	-	-	-	-	-	-	-	-
Farmers	-	-	-	-	-	-	-	-	-	-
Other small businesses	-	-	-	-	-	-	-	-	-	-
Financial institutions	2,505	-	-	-	-	2,100	-	-	-	-
Corporates	1,563	1	1	(1)	(1)	1,713	1	1	(1)	(1)
Local authorities	3	-	-	-	-	4	-	-	-	-
Other customers	-	-	-	-	-	-	-	-	-	-
TOTAL	**4,071**	**1**	**1**	**(1)**	**(1)**	**3,817**	**1**	**1**	**(1)**	**(1)**

NOTE 5 Trading, short term investment, long term investment and medium term portfolio securities

	31/12/2017					31/12/2016
(in millions of euros)	Trading securities	Short term investment securities	Medium term portfolio securities	Long term investment securities	Total	Total
Treasury bills and similar securities	-	8,776	-	6,927	**15,703**	**21,000**
o/w residual net premium	-	*294*	-	*646*	***940***	***706***
o/w residual net discount	-	*(58)*	-	*(3)*	***(61)***	***82***
Accrued interest	-	75	-	58	**133**	**170**
Impairment	-	(2)	-	-	**(2)**	**(10)**
Net carrying amount	**-**	**8,849**	**-**	**6,985**	**15,834**	**21,160**
Bonds and other fixed income securities[1]						
Issued by public bodies	-	2,784	-	-	**2,784**	**2,578**
Other issuers	-	26,136	-	2,224	**28,360**	**37,827**
o/w residual net premium	-	*245*	-	-	***245***	***316***
o/w residual net discount	-	*(40)*	-	-	***(40)***	***36***
Accrued interest	-	188	-	-	**188**	**267**
Impairment	-	(7)	-	-	**(7)**	**(165)**
Net carrying amount	**-**	**29,101**	**-**	**2,224**	**31,325**	**40,507**
Equities and other variable income securities (including treasury shares)	14	10	-	-	**24**	**10**
Accrued interest	-	-	-	-	**-**	**-**
Impairment	-	(3)	-	-	**(3)**	**(3)**
Net carrying amount	**14**	**7**	**-**	**-**	**21**	**7**
TOTAL	**14**	**37,957**	**-**	**9,209**	**47,180**	**61,674**
Estimated values	**14**	**39,274**	-	**9,344**	**48,632**	**63,803**

(1) Of which €5,908 million of subordinated debt (excluding accrued interest) at 31 December 2017, compared to €6,219 million at 31 December 2016.

5.1 Trading, short term investment, long term investment and medium term portfolio securities (excluding treasury bills) – Breakdown by major category of counterparty

(in millions of euros)	31/12/2017	31/12/2016
Government and central banks (including central governments)	1,669	1,532
Credit institutions	17,652	17,260
Financial institutions	2,884	13,721
Local authorities	1,115	1,046
Corporates, insurance companies and other customers	7,848	6,856
Other and non-allocated	-	-
Total principal	**31,168**	**40,415**
Accrued interest	188	267
Impairment	(10)	(168)
NET CARRYING AMOUNT	**31,346**	**40,514**

5.2 Breakdown of listed and unlisted fixed and variable-income securities

	31/12/2017				31/12/2016			
(in millions of euros)	Bonds and other fixed income securities	Treasury bills and similar securities	Equities and other variable income securities	Total	Bonds and other fixed income securities	Treasury bills and similar securities	Equities and other variable income securities	Total
Fixed income and variable income securities	31,144	15,703	24	**46,871**	40,405	21,000	10	**61,415**
o/w listed securities	*23,011*	*15,703*	-	***38,714***	*34,036*	*21,000*	-	***55,036***
o/w unlisted securities[1]	*8,133*	-	*24*	***8,157***	*6,369*	-	*10*	***6,379***
Accrued interest	188	133	-	**321**	267	170	-	**437**
Impairment	(7)	(2)	(3)	**(12)**	(165)	(10)	(3)	**(178)**
NET CARRYING AMOUNT	**31,325**	**15,834**	**21**	**47,180**	**40,507**	**21,160**	**7**	**61,674**

(1) UCITS break down as follows: Foreign UCITS €5 million in capitalisation UCITS.

BREAKDOWN OF MUTUAL FUNDS BY TYPE AT 31 DECEMBER 2017:

(in millions of euros)	Inventory Value	Net Asset Value
Money market funds	14	-
Bond funds	-	-
Equity funds	5	5
Other funds	2	2
TOTAL	**21**	**7**

The definitions of the underlined words can be found in the Glossary on page 567.

5.3 Treasury bills, bonds and other fixed income securities – Analysis by residual maturity

	31/12/2017							31/12/2016
(in millions of euros)	≤ 3 months	> 3 months ≤ 1 year	> 1 year ≤ 5 years	> 5 years	Total principal	Accrued interest	Total	Total
Bonds and other fixed income securities								
Gross amount	682	3,034	14,623	12,805	**31,144**	188	**31,332**	**40,672**
Impairment	-	-	-	-	**-**	-	**(7)**	**(165)**
NET CARRYING AMOUNT	**682**	**3,034**	**14,623**	**12,805**	**31,144**	**188**	**31,325**	**40,507**
Treasury bills and similar securities								
Gross amount	235	3,814	3,386	8,268	**15,703**	133	**15,836**	**21,170**
Impairment	-	-	-	-	**-**	-	**(2)**	**(10)**
NET CARRYING AMOUNT	**235**	**3,814**	**3,386**	**8,268**	**15,703**	**133**	**15,834**	**21,160**

5.4 Treasury bills, bonds and other fixed income securities – Analysis by geographical area

	31/12/2017		31/12/2016	
(in millions of euros)	Gross outstanding	o/w doubtful loans	Gross outstanding	o/w doubtful loans
France (including overseas departments and territories)	25,367	-	39,103	-
Other European Union countries	17,893	-	18,523	150
Rest of Europe	1,774	-	1,824	-
North America	1,488	-	1,444	-
Central and South America	-	-	-	-
Africa and Middle East	30	-	-	-
Asia-Pacific (ex. Japan)	295	-	511	-
Japan	-	-	-	-
Total principal	**46,847**	**-**	**61,405**	**150**
Accrued interest	321	-	437	-
Impairment	(9)	-	(175)	(150)
NET CARRYING AMOUNT	**47,159**	**-**	**61,667**	**-**

NOTE 6 Equity investments and subsidiaries

			(in millions of original currency)			(in millions of euros)			(in millions of euros)			
			Financial Information			Carrying amounts of securities owned						
Company	Address	Currency	Share capital 31/12/2017	Equity other than share capital 31/12/2017	Percentage of share capital owned (in %) 31/12/2017	Gross amount	Net value	Loans and receivables granted by the Company and not yet paid back	Amount of guarantees and other commitments given by the Company	Revenues or gross revenues (ex VAT) fo the year ended[2]	Net income for last financial year ended 31/12/2017	Dividends received by the Company during the year
Investments whose carrying amount exceeds 1% of Crédit Agricole S.A.'s share capital												
1) Investments in banking related parties (more than 50% owned)												
Banco Bisel	Corrientes 832, 1° Piso Rosario, Provincia De Santa Fe, Argentina	ARS	N.A.	N.A.	99	237	-	N.A.	N.A.	N.A.	N.A.	N.A.
Cariparma	Via Universita n°1, 43121 Parma, Italy	EUR	934	3,866[1]	77	5,342	4,735	834	-	1,366[1]	205[1]	89
Crédit Agricole Srbija	Brace Ribnikara 4-6, 21000 Novi Sad, Republic of Serbia	RSD	8,420	133[1]	100	249	72	159	127	46[1]	2[1]	-
Crédit du Maroc	48-58, boulevard Mohamed V, Casablanca, Morocco	MAD	1,088	2,872[1]	79	377	377	-	69	242[1]	18[1]	7
EFL SA	Pl. Orlat Lwowskich 1, 53 605 Wroclaw, Poland	PLN	674	206[1]	100	352	240	1,009	977	170[1]	18[1]	14
PJSC Crédit Agricole Ukraine	42/4 Pushkinska Street, Kiev 01004, Ukraine	UAH	1,222	445[1]	100	360	67	32	3	116[1]	24[1]	11
Crédit Agricole Polska SA	Pl. Orlat Lwowskich 1, 53 605 Wroclaw, Poland	PLN	1	542[1]	81	542	465	77	-	35[1]	29[1]	-
Crédit Agricole Corporate and Investment Bank	12, place des États-Unis, CS 70052, 92547 Montrouge Cedex	EUR	7,852	2,966[1]	97	19,053	19,053	24,083	110	3,363[1]	682[1]	235
Amundi Group	91-93 boulevard Pasteur, Immeuble Cotentin, 75015 Paris	EUR	504	2,901[1]	68	4,231	4,231	878	2,406	333[1]	299[1]	303
Crédit Agricole Leasing & Factoring	12, place des États-Unis, CS 30002, 92548 Montrouge Cedex	EUR	195	257[1]	100	839	839	17,314	313	140[1]	43[1]	81
Crédit Agricole Consumer Finance	Rue du Bois Sauvage, 91038 Évry Cedex	EUR	554	3,578[1]	100	7,607	7,607	13,943	3,042	954[1]	185[1]	319
Crédit Lyonnais	18, rue de la République, 69002 Lyon	EUR	1,848	1,716[1]	95	10,898	8,698	28,320	408	2,861[1]	355[1]	24
Crédit Agricole Home Loan SFH	12, place des États-Unis, 92127 Montrouge Cedex	EUR	550	3[1]	100	550	550	333	-	4[1]	-	-
Foncaris	12, place des États-Unis, 92127 Montrouge Cedex	EUR	225	358[1]	100	320	320	-	414	26[1]	12[1]	10
Caisse Régionale Corse	1 avenue Napoleon III, BP 308, 20193 Ajaccio	EUR	99	(9)[1]	100	99	99	-	7	70	8[1]	-
2) Investments in banking associates (10 to 50% owned)												
Banco Espirito Santo	Avenida de Libertade 195, 1250 Lisbon, Portugal	EUR	N.A.	N.A.	12	684	-	-	-	N.A.	N.A.	-
Crédit Agricole Egypt SAE	P/O Box 364, 11835 New Cairo, Egypt	EGP	1,244	1,436[1]	47	258	240	25	-	197	64[1]	14
Crédit Logement	50, boulevard Sébastopol, 75003 Paris	EUR	1,260	489[1]	16	215	215	-	-	218	108[1]	17
Caisse de Refinancement de l'habitat	35, rue La Boétie, 75008 Paris	EUR	540	23[1]	24	136	136	-	-	2	-	-

The definitions of the underlined words can be found in the Glossary on page 567.

			(in millions of original currency)			(in millions of euros)				(in millions of euros)		
			Financial Information			Carrying amounts of securities owned						
Company	Address	Currency	Share capital 31/12/2017	Equity other than share capital 31/12/2017	Percentage of share capital owned (in %) 31/12/2017	Gross amount	Net value	Loans and receivables granted by the Company and not yet paid back	Amount of guarantees and other commitments given by the Company	Revenues or gross revenues (ex VAT) fo the year ended[2]	Net income for last financial year ended 31/12/2017	Dividends received by the Company during the year
3) Investments in other subsidiaries and affiliates (more than 50% owned)												
Crédit Agricole Assurances	50-56, rue de la Procession, 75015 Paris	EUR	1,490	7,337[1]	100	10,516	10,516	796	-	37[1]	1,019[1]	261
Crédit Agricole Capital Investissement & Finance	100, boulevard du Montparnasse, 75014 Paris	EUR	688	385[1]	100	1,146	1,146	-	-	23[1]	20[1]	18
Crédit Agricole Immobilier	12, place des États-Unis, 92545 Montrouge Cedex	EUR	125	65[1]	50	91	91	111	-	36[1]	37[1]	6
Delfinances	12, place des États-Unis, 92127 Montrouge Cedex	EUR	151	72[1]	100	171	171	-	-	-	(5)[1]	-
Evergreen Montrouge	12, place des États-Unis, 92127 Montrouge Cedex	EUR	475	(132)[1]	100	475	475	19	-	29[1]	(46)[1]	-
IUB HOLDING	12, place des États-Unis, 92127 Montrouge Cedex	EUR	37	10[1]	100	112	43	-	-	-	(4)[1]	-
CACEIS	1-3, place Valhubert, 75013 Paris	EUR	654	577[1]	100	1,771	1,771	512	4,379	142[1]	326[1]	50
4) Other investments (< 50% owned)												
Deposit Resolution Guarantee Fund	65, rue de la Victoire, 75009 Paris	EUR	-	1[1]	-	190	190	-	-	-	-	-
Investments whose carrying amount is under 1% of Crédit Agricole S.A.'s share capital		EUR				**672**	**555**	**-**	**-**	**-**	**-**	**131**
TOTAL SUBSIDIARIES AND ASSOCIATES						**67,493**	**62,902**	**88,445**	**12,254**	**-**	**-**	**1,590**
Fundable advances and accrued interest		EUR				521	521	-	-	-	-	-
CARRYING AMOUNT						**68,014**	**63,423**	**88,445**	**12,254**	**-**	**-**	**1,590**

(1) Data for 2016.

(2) Refers to revenues for subsidiaries other than the Regional Banks.

Determining the value in use of subsidiaries and equity investments

At the reporting date, the value of these securities is measured individually, based on value in use, and they are recorded on the balance sheet at the lesser of historical cost or this value in use.

Value in use represents the price the reporting entity would be prepared to pay to acquire these securities if it had to buy them having regard to its reasons for holding them. Value in use may be estimated on the basis of various factors such as the issuer's profitability and prospective profitability, its equity, the economic environment, the average share price in the preceding months or the mathematical value of the security.

The value in use of equity investments and subsidiaries was calculated by discounting the subsidiary's estimated future cash flows based on three-year business forecasts (2018-2020) established for Group management purposes, possibly extrapolated for the following two years.

The projected financial trajectories were based on an economic scenario of consolidated growth, with no significant inflationary risk and no financial tensions, on the assumption that central banks will move slowly and gradually to tighten monetary policy:

- Economic growth in the eurozone will be more sustained than in recent years, including in France and Italy; growth will not be inflationary. Nevertheless, this growth will dip after 2018;
- the European Central Bank's very accommodating monetary policy will continue, but it will take gradual steps to tighten policy: short-term rates will not move out of negative territory until the end of the projection period. Long-term rates will continue their very gradual climb;

- the Fed will continue its monetary normalisation policy and the US economy will continue to grow steadily, with no inflationary tensions, ensuring that rates rise slowly with no steepening of the rate curve;
- a slight return to growth is expected in emerging countries but with different outcomes depending on their economic environment: very gradual slowdown in the Chinese economy lasting a number of years, persistent high growth rates in India, an improvement in Brazil and Russia, which are moving out of recession but with relatively low rates of growth.

At 31 December 2017, perpetual growth rates, discount rates and capital allocation rates as a proportion of risk-weighted assets were distributed by business lines as shown in the table below:

IN 2017 (BUSINESS LINES CRÉDIT AGRICOLE S.A. FULLY CONSOLIDATED ENTITIES)

In 2017	Perpetual growth rates	Discount rate	Capital allocated
French retail banking - LCL	2.0%	7.7%	9.5%
International retail banking - Italy	2.0%	9.1%	9.5%
International retail banking - others	3.0% to 7.0%	9.5% to 19.0%	9.5%
Specialised financial services	2.0%	7.7% to 8.1%	9.5%
Asset gathering	2.0%	7.7% to 8.6%	9.5% 80% of solvency margin (Insurance)
Large customers	2.0%	8.1% to 9.5%	9.5%

The increase by the European Central Bank (ECB) of regulatory prudential requirements under Pillar 1 and Pillar 2 with effect from 2016 led Crédit Agricole S.A. to gradually raise the level of capital allocated as a percentage of risk-weighted assets for some entities. The new capital requirements announced at the end of 2017 following SREP did not change the regulatory prudential requirements applicable to Crédit Agricole S.A. under Pillar 2. For all subsidiaries and equity investments, including those not subject to Pillar 2 requirements, we applied a capital requirement of 9.5% of risk-weighted assets, which is the highest ratio required under the Pillar 2 Requirement and the allocation rate used in 2016 for subsidiaries and equity investments that must meet the Pillar 2 requirement.

Thus, at 31 December 2017, the capital allocated to all bank subsidiaries and equity investments amounted to 9.5% of risk-weighted assets.

The discount rates determined at 31 December 2017 for all business lines reflect the continued low long-term interest rates in Europe and more particularly in France. Equity risk premiums remained stable overall or marginally higher. This has led to a slight decline in the discount rates used relative to end-2016.

The perpetual growth rates at 31 December 2017 were unchanged from those used at 31 December 2016.

The definitions of the underlined words can be found in the Glossary on page 567.

6.1 Estimated value of equity investments

	31/12/2017		31/12/2016	
(in millions of euros)	Net carrying amount	Estimated values	Net carrying amount	Estimated values
Investments in subsidiaries and affiliates				
Unlisted securities	61,058	77,230	60,373	70,632
Listed	4,867	9,997	4,328	8,809
Advances available for consolidation	513	513	511	511
Accrued interest	-	-	1	1
Impairment	(3,900)	-	(4,111)	-
NET CARRYING AMOUNT	**62,538**	**87,740**	**61,102**	**79,953**
Equity investments and other long term equity investments				
Equity investments				
Unlisted securities	1,352	1,053	1,326	1,031
Listed	-	-	364	597
Advances available for consolidation	8	8	8	8
Accrued interest	-	-	-	-
Impairment	(691)	-	(691)	-
Sub-total of equity investments	**669**	**1,061**	**1,007**	**1,636**
Other long term equity investments				
Unlisted securities	191	191	150	150
Listed	25	35	25	27
Advances available for consolidation	-	-	-	-
Accrued interest	-	-	-	-
Impairment	-	-	-	-
Sub-total of other long term equity investments	**216**	**226**	**175**	**177**
NET CARRYING AMOUNT	**885**	**1,287**	**1,182**	**1,813**
TOTAL EQUITY INVESTMENTS	**63,423**	**89,027**	**62,284**	**81,766**

	31/12/2017		31/12/2016	
(in millions of euros)	Net carrying amount	Estimated values	Net carrying amount	Estimated values
Total gross amount				
Unlisted securities	62,601	-	61,849	-
Listed	4,892	-	4,717	-
TOTAL	**67,493**	-	**66,566**	-

Estimated values include fundable advances and accrued interest. They are determined based on the value in use of the securities, which is not necessarily the market value.

NOTE 7 Movements in fixed assets

7.1 Financial investments

(in millions of euros)	01/01/2017	Increases (acquisitions)	Decreases (disposals, due date)	Other movements[1]	31/12/2017
Investments in subsidiaries and affiliates					
Gross amount	64,701	1,345	(121)	-	**65,925**
Advances available for consolidation	511	30	(28)	-	**513**
Accrued interest	1	-	(1)	-	**-**
Impairment	(4,111)	(227)	438	-	**(3,900)**
NET CARRYING AMOUNT	**61,102**	**1,148**	**288**	**-**	**62,538**
Equity investments and other long term equity investments					
Equity investments					
Gross amount	1,690	31	(369)	-	**1,352**
Advances available for consolidation	8	-	-	-	**8**
Accrued interest	-	-	-	-	**-**
Impairment	(691)	-	-	-	**(691)**
Sub-total of equity investments	**1,007**	**31**	**(369)**	**-**	**669**
Other long term equity investments					
Gross amount	175	41	-	-	**216**
Advances available for consolidation	-	-	-	-	**-**
Accrued interest	-	-	-	-	**-**
Impairment	-	-	-	-	**-**
Sub-total of other long term equity investments	**175**	**41**	**-**	**-**	**216**
NET CARRYING AMOUNT	**1,182**	**72**	**(369)**	**-**	**885**
TOTAL	**62,284**	**1,220**	**(81)**	**-**	**63,423**

(1) "Other movements" namely include the impact of foreign exchange rate fluctuations on the value of fixed assets accounted for in foreign currencies.

7.2 Intangible assets and property, plant and equipment

(in millions of euros)	01/01/2017	Increases (acquisitions)	Decreases (disposals, due date)	Other movements[1]	31/12/2017
Property, plant & equipment					
Gross amount	147	-	-	-	**147**
Depreciation and impairment	(33)	(1)	-	-	**(34)**
Technical merger losses on property plant and equipment	**-**	**-**	**-**	**-**	**-**
Gross amount	-	-	-	-	**-**
Depreciation and impairment	-	-	-	-	**-**
NET CARRYING AMOUNT	**114**	**(1)**	**-**	**-**	**113**
Intangible assets					
Gross amount	87	9	-	-	**96**
Depreciation and impairment	(64)	(8)	-	-	**(72)**
Technical merger losses on intangible assets	**-**	**-**	**-**	**-**	**-**
Gross amount	-	-	-	-	**-**
Depreciation and impairment	-	-	-	-	**-**
NET CARRYING AMOUNT	**23**	**1**	**-**	**-**	**24**
TOTAL	**137**	**-**	**-**	**-**	**137**

(1) "Other movements" namely include the impact of foreign exchange rate fluctuations on the value of fixed assets accounted for in foreign currencies.

NOTE 8 Treasury shares

	31/12/2017				31/12/2016
(in millions of euros)	Trading securities	Short term investment securities	Fixed assets	Total	Total
Number	1,250,000	896,133	-	**2,146,133**	**2,765,736**
Carrying amounts	17	10	-	**27**	**31**
Market values	17	12	-	**29**	**33**

Par value per share: €3.00

NOTE 9 Accruals, prepayments and sundry assets

(in millions of euros)	31/12/2017	31/12/2016
Other assets[1]		
Financial options bought	5	8
Inventory accounts and miscellaneous	-	-
Miscellaneous debtors[2]	5,081	5,332
Collective management of Livret de développement durable (LDD) savings account securities	-	-
Settlement accounts	1	1
NET CARRYING AMOUNT	**5,087**	**5,341**
Accruals and deferred income		
Items in course of transmission	4,414	4,224
Adjustment accounts	3,489	5,785
Unrealised losses and deferred losses on financial instruments	-	2
Prepaid expenses	1,504	1,285
Accrued income on commitments on forward financial instruments	2,900	2,975
Other accrued income	96	144
Deferred charges	409	437
Other accruals prepayments and sundry assets	1	3
NET CARRYING AMOUNT	**12,813**	**14,855**
TOTAL	**17,900**	**20,196**

(1) Amounts including accrued interest.

(2) Including €30.55 million in respect of the contribution to the Single Resolution Fund in the form of a security deposit. The Resolution Fund may use the security deposit to provide funding unconditionally and at any time.

NOTE 10 Impairment losses deducted from assets

(in millions of euros)	Balance at 01/01/2017	Depreciation changes	Reversals and utilisations	Accretion	Other movements	Balance at 31/12/2017
Cash, money-market and interbank items	14	5	(14)	-	-	**5**
Loans and receivables due from customers	1	1	(1)	-	-	**1**
Securities transactions	168	33	(191)	-	-	**10**
Fixed assets	4,802	228	(438)	-	-	**4,592**
Other assets	66	1	-	-	(2)	**65**
TOTAL	**5,051**	**268**	**(644)**	**-**	**(2)**	**4,673**

The definitions of the underlined words can be found in the Glossary on page 567.

NOTE 11 Due to credit institutions – Analysis by residual maturity

	31/12/2017							31/12/2016
(in millions of euros)	≤ 3 months	> 3 months ≤ 1 year	> 1 year ≤ 5 years	> 5 years	Total principal	Accrued interest	Total	Total
Credit institutions								
Accounts and borrowings:								
• demand	10,147	-	-	-	**10,147**	4	**10,151**	**10,178**
• time	14,166	8,758	30,020	27,490	**80,434**	376	**80,810**	**74,027**
Pledged securities	-	-	-	-	**-**	-	**-**	**-**
Securities bought under repurchase agreements	807	50	-	-	**857**	-	**857**	**1,369**
CARRYING AMOUNT	**25,120**	**8,808**	**30,020**	**27,490**	**91,438**	**380**	**91,818**	**85,574**
Crédit Agricole internal transactions								
Current accounts	10,185	-	-	-	**10,185**	1	**10,186**	**5,846**
Time deposits and advances	922	2,030	9,364	11,619	**23,935**	234	**24,169**	**26,888**
Securities bought under repurchase agreements	-	1,913	399	-	**2,312**	-	**2,312**	**-**
CARRYING AMOUNT	**11,107**	**3,943**	**9,763**	**11,619**	**36,432**	**235**	**36,667**	**32,734**
TOTAL	**36,227**	**12,751**	**39,783**	**39,109**	**127,870**	**615**	**128,485**	**118,308**

NOTE 12 Due to customers

12.1 Due to customers – Analysis by residual maturity

	31/12/2017							31/12/2016
(in millions of euros)	≤ 3 months	> 3 months ≤ 1 year	> 1 year ≤ 5 years	> 5 years	Total principal	Accrued interest	Total	Total
Current accounts in credit	1,108	-	-	-	**1,108**	-	**1,108**	**1,041**
Special savings accounts	184,237	26,937	18,411	1,849	**231,434**	-	**231,434**	**219,607**
• demand	133,468	-	-	-	**133,468**	-	**133,468**	**125,816**
• time	50,769	26,937	18,411	1,849	**97,966**	-	**97,966**	**93,791**
Other amounts due to customers	707	404	2,214	438	**3,763**	502	**4,265**	**16,126**
• demand	245	-	-	-	**245**	-	**245**	**295**
• time	462	404	2,214	438	**3,518**	502	**4,020**	**15,831**
Pledged securities	285	8	-	-	**293**	-	**293**	**497**
CARRYING AMOUNT	**186,337**	**27,349**	**20,625**	**2,287**	**236,598**	**502**	**237,100**	**237,271**

12.2 Due to customers – Analysis by geographical area

(in millions of euros)	31/12/2017	31/12/2016
France (including overseas departments and territories)	234,186	234,365
Other European Union countries	2,412	2,373
Rest of Europe	-	-
North America	-	-
Central and South America	-	-
Africa and Middle East	-	-
Asia-Pacific (ex. Japan)	-	-
Japan	-	-
Non allocated and international organisations	-	-
Total principal	**236,598**	**236,738**
Accrued interest	502	533
CARRYING AMOUNT	**237,100**	**237,271**

12.3 Due to customers – Analysis by customer type

(in millions of euros)	31/12/2017	31/12/2016
Individual customers	199,527	190,368
Farmers	14,634	14,070
Other small businesses	12,810	11,931
Financial institutions	986	12,628
Corporates	2,918	2,268
Local authorities	1,226	1,164
Other customers	4,497	4,309
Total principal	**236,598**	**236,738**
Accrued interest	502	533
CARRYING AMOUNT	**237,100**	**237,271**

NOTE 13 Debt securities

13.1 Debt securities – Analysis by residual maturity

	31/12/2017							31/12/2016
(in millions of euros)	≤ 3 months	> 3 months ≤ 1 year	> 1 year ≤ 5 years	> 5 years	Total principal	Accrued interest	Total	Total
Interest bearing notes								
Money-market instruments	-	622	4,828	3,592	**9,042**	221	**9,263**	**10,468**
Negotiable debt securities[1]	1,431	3,343	46	30	**4,850**	4	**4,854**	**6,288**
Bonds	2,809	1,896	35,179	33,978	**73,862**	1,052	**74,914**	**72,348**
Other debt instruments	-	-	-	-	**-**	-	**-**	**-**
CARRYING AMOUNT	**4,240**	**5,861**	**40,053**	**37,600**	**87,754**	**1,277**	**89,031**	**89,104**

(1) Of which €874 million issued abroad.

13.2 Bonds (by currency of issuance)

	31/12/2017				31/12/2016
(in millions of euros)	Residual maturity ≤ 1 year	Residual maturity > 1 year ≤ 5 years	Residual maturity > 5 years	Outstanding Amount	Outstanding Amount
Euro	**2,909**	**25,152**	**27,831**	**55,892**	**53,227**
Fixed-rate	1,429	19,166	24,867	45,462	43,749
Floating-rate	1,480	5,986	2,964	10,430	9,478
Other European Union currencies	**-**	**293**	**-**	**293**	**304**
Fixed-rate	-	282	-	282	292
Floating-rate	-	11	-	11	12
US Dollar	**1,685**	**5,172**	**3,128**	**9,985**	**9,876**
Fixed-rate	834	3,754	3,128	7,716	6,442
Floating-rate	851	1,418	-	2,269	3,434
Yen	**111**	**3,618**	**1,569**	**5,298**	**4,950**
Fixed-rate	100	2,588	1,569	4,257	3,002
Floating-rate	11	1,030	-	1,041	1,948
Other currencies	**-**	**944**	**1,450**	**2,394**	**1,845**
Fixed-rate	-	944	1,450	2,394	1,822
Floating-rate	-	-	-	-	23
Total principal	**4,705**	**35,179**	**33,978**	**73,862**	**70,202**
Fixed-rate	2,363	26,734	31,014	60,111	55,307
Floating-rate	2,342	8,445	2,964	13,751	14,895
Accrued interest	-	-	-	1,052	2,146
CARRYING AMOUNT	**4,705**	**35,179**	**33,978**	**74,914**	**72,348**

NOTE 14 Accruals, deferred income and sundry liabilities

(in millions of euros)	31/12/2017	31/12/2016
Other liabilities[1]		
Counterparty transactions (trading securities)	-	-
Liabilities relating to stock lending transactions	-	-
Optional instruments sold	-	-
Settlement and negotiation accounts	-	-
Miscellaneous creditors	7,366	9,114
Payments on securities in process	16	1
CARRYING AMOUNT	**7,382**	**9,115**
Accruals and deferred income		
Items in course of transmission	5,787	6,269
Adjustment accounts	3,947	5,338
Unrealised gains and deferred gains on financial instruments	-	-
Unearned income	1,242	1,590
Accrued expenses on commitments on forward financial instruments	2,002	2,975
Other accrued expenses	549	540
Other accruals and deferred income	16	13
CARRYING AMOUNT	**13,543**	**16,725**
TOTAL	**20,925**	**25,840**

(1) Amounts including accrued interest.

NOTE 15 Provisions

(in millions of euros)	Balance at 01/01/2017	Depreciation changes	Reversals, amounts used	Reversals, amounts not used	Other movements	Balance at 31/12/2017
Provisions for employee retirement and similar benefits	320	5	-	(1)	15	**339**
Provisions for other liabilities to employees	7	9	(2)	(1)	-	**13**
Provisions for financing commitment execution risks	92	21	(26)	(9)	(9)	**69**
Provisions for tax disputes[1]	113	35	-	-	-	**148**
Provisions for other litigation	36	-	-	-	-	**36**
Provisions for country risk	-	-	-	-	-	**-**
Provisions for credit risks	-	-	-	-	-	**-**
Provisions for restructuring	-	-	-	-	-	**-**
Provisions for tax[2]	435	19	-	(49)	-	**405**
Provisions on equity investments[3]	-	-	-	-	-	**-**
Provisions for operational risks[4]	115	-	(115)	-	-	**-**
Provisions for home purchase savings scheme imbalance risks	330	-	-	(156)	-	**174**
Other provisions[5]	213	102	(31)	(131)	(3)	**150**
CARRYING AMOUNT	**1,661**	**191**	**(174)**	**(347)**	**3**	**1,334**

(1) Provisions for already notified tax adjustments.

(2) Mainly comprises tax fiabilities due to subsidiaries under the tax consolidation scheme.

(3) Including joint ventures, EIGs, property risks of equity instruments.

(4) Reversal of the provision of €115 million for a fine following the decision of the European Commission in the proceedings relating to "Euribor" euro-denominated interest rate derivatives.

(5) Including provisions for economic interest group investment risks.

Tax audits

CRÉDIT AGRICOLE S.A. TAX AUDIT

Crédit Agricole S.A. underwent a tax audit covering the 2013 financial year. The tax authority issued a tax adjustment notice rejecting the tax deduction applied, following the loss on disposal of Emporiki shares resulting from the capital increase carried out on 28 January 2013, four days before Emporiki was sold to Alpha Bank. The tax authorities dispute the fact that the securities of this subsidiary were treated as investment securities.

This adjustment is being contested. Following the demand for payment of €312 million on 15 March 2017, the amount was paid off and, at the same time, a receivable of the same amount was recognised in the financial statements at 31 December 2017. Concerning this dispute, the National Tax Commission issued a favourable opinion on 13 January 2017, stating that the tax adjustment should be abandoned.

Crédit Agricole S.A. underwent another tax audit covering the 2014 and 2015 financial years. A provision was recognised to cover the estimated risks.

EURIBOR/LIBOR AND OTHER INDICES

Crédit Agricole S.A. and its subsidiary Crédit Agricole CIB, in their capacity as contributors to a number of interbank rates, have received requests for information from a number of authorities as part of investigations into: the calculation of the Libor (London Interbank Offered Rates) in a number of currencies, the Euribor (Euro Interbank Offered Rate) and certain other market indices; and transactions connected with these rates and indices. These requests cover a number of periods running from 2005 to 2012.

As part of its cooperation with the authorities, Crédit Agricole S.A. and its subsidiary Crédit Agricole CIB carried out investigations in order to gather the information requested by the various authorities and in particular the American authorities – the DOJ (Department of Justice) and CFTC (Commodity Future Trading Commission) – with which they are in discussions. It is currently not possible to know the outcome of these discussions, nor the date when they will be concluded.

Furthermore, Crédit Agricole CIB is currently under investigation opened by the Attorney General of the State of Florida on both the Libor and the Euribor.

Following its investigation and an unsuccessful settlement procedure, on 21 May 2014, the European Commission sent a notification of grievances to Crédit Agricole S.A. and to Crédit Agricole CIB pertaining to agreements or concerted practices for the purpose and/or effect of preventing, restricting or distorting competition in derivatives related to the Euribor.

In a decision dated 7 December 2016, the European Commission jointly fined Crédit Agricole S.A. and Crédit Agricole CIB €114,654,000 for participating in a cartel in euro interest rate derivatives. Crédit Agricole S.A. and Crédit Agricole CIB are challenging this decision and have asked the European Court of Justice to overturn it.

Additionally, the Swiss competition authority, COMCO, is conducting an investigation into the market for interest rate derivatives, including the Euribor, with regard to Crédit Agricole S.A. and several Swiss and international banks. Moreover, the investigation initiated in September 2015 by the South Korean competition authority (KFTC) concerning Crédit Agricole CIB regarding the Libor index on various currencies, Euribor and Tibor indices, has been closed by the KFTC in June 2016. The investigation regarding certain derivatives on the foreign exchange markets (ABS-NDF) is still ongoing.

Concerning the two class actions in the United States of America in which Crédit Agricole S.A. and Crédit Agricole CIB have been named since 2012 and 2013 along with other financial institutions, both as defendants in one ("Sullivan" for the Euribor) and only Crédit Agricole S.A. as defendant for the other ("Lieberman" for Libor), the "Lieberman" class action is at the preliminary stage that consists in the examination of its admissibility; proceedings are still suspended before the US District Court of New York State. Concerning the "Sullivan" class action, Crédit Agricole S.A. and Crédit Agricole CIB introduced a motion to dismiss the applicants' claim. The US District Court of New York State upheld the motion to dismiss regarding Crédit Agricole S.A. and Crédit Agricole CIB in first instance. This decision is subject to appeal.

Since 1 July 2016, proceedings have been initiated against Crédit Agricole S.A. and Crédit Agricole CIB, as well as other banks, in a new class action in the United States ("Frontpoint") related to the SIBOR rate (Singapore Interbank Offered Rate) and the SOR rate (Singapore Swap Offer Rate). Crédit Agricole S.A. and Crédit Agricole CIB presented a motion to dismiss the complaint. On 18 August 2017, the US District Court of New York State granted the motion to dismiss filed by Crédit Agricole S.A. and Crédit Agricole CIB. The applicants modified the terms of their action and re-applied to the court, as they are permitted to do under federal procedure. Crédit Agricole S.A. and Crédit Agricole CIB have consequently filed a new motion to dismiss, which is due to be reviewed shortly by the US District Court of New York State.

These class actions are civil actions in which the plaintiffs allege that they are victims of the methods used to set the Euribor, Libor, Sibor and Sor rates, and seek repayment of the sums they allege were unlawfully received, as well as damages and reimbursement of costs and fees incurred.

BONDS SSA

Crédit Agricole S.A. and Crédit Agricole CIB have received requests for information from various authorities in connection with their investigations into the SSA (Supranational, Sub-Sovereign and Agencies) bonds trading activity of a number of banks. Crédit Agricole CIB is a defendant, along with other banks, in several consolidated class actions filed at the Federal District Court for the Southern District of New York. Crédit Agricole S.A. and Crédit Agricole CIB are defendants, along with other banks, in two class actions brought in Canada, one before the Superior Court of Justice in Ontario, and the other before the Federal Court. As part of its cooperation with the authorities concerned, Crédit Agricole CIB has carried out internal investigations in order to gather the information requested. It is not possible at this stage to predict the outcome of these investigations or the class actions, or the date on which they will end.

NOTE 16 Home purchase savings plans

DEPOSITS COLLECTED IN HOME PURCHASE SAVINGS ACCOUNTS AND PLANS DURING THE SAVINGS PHASE

(in millions of euros)	31/12/2017	31/12/2016
Home purchase savings plans		
Under 4 years old	9,547	38,466
Between 4 and 10 years old	33,055	24,478
Over 10 years old	46,074	22,912
Total Home purchase savings plans	**88,676**	**85,856**
Total Home purchase savings accounts	**10,226**	**10,032**
TOTAL DEPOSITS COLLECTED UNDER HOME PURCHASE SAVINGS SCHEMES	**98,902**	**95,888**

PROVISIONS FOR HOME PURCHASE SAVINGS ACCOUNTS AND PLANS

(in millions of euros)	31/12/2017	31/12/2016
Home purchase savings plans		
Under 4 years old	-	-
Between 4 and 10 years old	-	-
Over 10 years old	174	330
Total Home purchase savings plans	**174**	**330**
Total Home purchase savings accounts	**-**	**-**
TOTAL PROVISIONS FOR HOME PURCHASE SAVINGS SCHEMES	**174**	**330**

CHANGES IN PROVISIONS

(in millions of euros)	01/01/2017	Depreciation changes	Reversals	31/12/2017
Home purchase savings plans	330	-	156	174
Home purchase savings accounts	-	-	-	-
TOTAL PROVISIONS FOR HOME PURCHASE SAVINGS SCHEMES	**330**	**-**	**156**	**174**

NOTE 17 Liabilities to employees - Post-employment benefits, defined-benefit plans

CHANGE IN ACTUARIAL LIABILITY

(in millions of euros)	31/12/2017	31/12/2016
Actuarial liability at 31/12/N-1	**319**	**320**
Costs of rendered services during the period	16	14
Financial cost	3	4
Employee contributions	-	-
Benefit plan changes, withdrawals and settlement	-	(8)
Changes in scope	1	2
Early retirement allowances	-	-
Benefits paid (mandatory)	(23)	(16)
Actuarial (gains)/losses	22	3
ACTUARIAL LIABILITY AT 31/12/N	**338**	**319**

BREAKDOWN OF CHARGE RECOGNISED IN THE INCOME STATEMENT

(in millions of euros)	31/12/2017	31/12/2016
Service cost	17	14
Financial cost	3	4
Expected return on assets	-	-
Past service cost	-	-
Net actuarial (gains)/losses	21	3
(Gains)/losses on plan withdrawals and settlements	-	(8)
(Gains)/losses due to asset restriction changes	(3)	(4)
NET CHARGE RECOGNISED IN INCOME STATEMENT	**38**	**9**

CHANGES IN FAIR VALUE OF PLAN ASSETS

(in millions of euros)	31/12/2017	31/12/2016
Fair value of assets/reimbursement rights at 31/12/N-1	**293**	**262**
Expected return on assets	-	-
Actuarial net gains/(losses)(1)	4	4
Employer contributions	34	42
Employee contributions	-	-
Benefit plan changes, withdrawals and settlement	-	-
Changes in scope	1	2
Early retirement allowances	-	-
Benefits paid out under the benefit plan	(22)	(16)
FAIR VALUE OF ASSETS/REIMBURSEMENT RIGHTS AT 31/12/N	**309**	**294**

(1) Interest on reimbursement rights.

NET POSITION

(in millions of euros)	31/12/2017	31/12/2016
Actuarial liability at 31/12/N	**(338)**	**(319)**
Impact of asset restriction	-	-
Fair value of assets at end of period	309	294
NET POSITION (LIABILITIES)/ASSETS AT 31/12/N	**(29)**	**(25)**

NOTE 18 Fund for general banking risk (FRBG)

(in millions of euros)	31/12/2017	31/12/2016
Fund for general banking risk	1,112	1,076
CARRYING AMOUNT	**1,112**	**1,076**

NOTE 19 Subordinated debt – Analysis by residual maturity

	31/12/2017							31/12/2016
(in millions of euros)	≤ 3 months	> 3 months ≤ 1 year	> 1 year ≤ 5 years	> 5 years	Total principal	Accrued interest	Total	Total
Fixed-term subordinated debt	**1,865**	**500**	**5,172**	**12,912**	**20,449**	**295**	**20,744**	**22,429**
Euro	1,865	500	5,172	9,725	**17,262**	255	**17,517**	**18,832**
Other European Union currencies	-	-	-	425	**425**	1	**426**	**441**
Swiss Franc	-	-	-	102	**102**	1	**103**	**113**
US Dollar	-	-	-	2,085	**2,085**	36	**2,121**	**2,412**
Yen	-	-	-	575	**575**	2	**577**	**631**
Other currencies	-	-	-	-	**-**	-	**-**	**-**
Participating securities and loans	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Other subordinated term loans	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Undated subordinated debt(1)	-	-	-	**7,702**	**7,702**	**89**	**7,791**	**10,385**
Euro	**-**	**-**	**-**	2,294	**2,294**	**51**	**2,345**	**2,554**
Other European Union currencies	-	-	-	1,080	**1,080**	18	**1,098**	**1,330**
Swiss Franc	-	-	-	-	**-**	-	**-**	**-**
US Dollar	-	-	-	4,328	**4,328**	20	**4,348**	**6,336**
Yen	-	-	-	-	**-**	-	**-**	**-**
Other currencies	-	-	-	-	**-**	-	**-**	**165**
Frozen current accounts of local banks	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Mutual security deposits	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
NET CARRYING AMOUNT	**1,865**	**500**	**5,172**	**20,614**	**28,151**	**384**	**28,535**	**32,814**

(1) Remaining maturity of perpetual subordinated debt classified by default in > 5 years.

NOTE 20 Changes in equity (before appropriation)

CHANGE IN EQUITY

(in millions of euros)	Share capital	Legal reserve	Statutory reserve	Share premiums, reserves and retained earnings	Translation/ revaluation adjustments	Regulated provisions and investment subsidies	Net income	Total equity
Balance at 31/12/2015	**7,918**	**773**	**436**	**24,831**	**-**	**26**	**1,446**	**35,430**
Dividends paid in respect of 2015	-	-	-	(1,590)	-	-	-	**(1,590)**
Change in share capital	620	-	-	-	-	-	-	**620**
Change in share premiums and reserves	-	19	-	960	-	-	-	**979**
Appropriation of 2015 parent company net income	-	-	-	1,446	-	-	(1,446)	**-**
Retained earnings	-	-	-	-	-	-	-	**-**
Net income/(loss) for 2016	-	-	-	-	-	-	13,819	**13,819**
Other changes	-	-	-	-	-	(9)	-	(9)
Balance at 31/12/2016	**8,538**	**792**	**436**	**25,647**	**-**	**17**	**13,819**	**49,249**
Dividends paid in respect of 2016	-	-	-	(1,717)	-	-	-	**(1,717)**
Change in share capital	-	-	-	-	-	-	-	**-**
Change in share premiums and reserves	-	62	-	(62)	-	-	-	**-**
Appropriation of 2016 parent company net income	-	-	-	13,819	-	-	(13,819)	**-**
Retained earnings	-	-	-	-	-	-	-	**-**
Net income for 2017	-	-	-	-	-	-	1,564	**1,564**
Other changes	-	-	-	-	-	(2)	-	(2)
BALANCE AT 31/12/2017	**8,538**	**854**	**436**	**37,687**	**-**	**15**	**1,564**	**49,094**

The amount of dividends paid by Crédit Agricole S.A. in 2017 amounted to -€1,716.28 million, after the neutralisation of dividends on treasury shares in the amount of €1 million.

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NOTE 21 Composition of capital

(in millions of euros)	31/12/2017	31/12/2016
Equity	49,094	49,249
Fund for general banking risk	1,112	1,076
Subordinated debt and participating securities	28,535	32,814
Mutual security deposits	-	-
TOTAL CAPITAL	**78,741**	**83,139**

NOTE 22 Transactions with subsidiaries and affiliates, and equity investments

(in millions of euros)	Balance at 31/12/2017	Balance at 31/12/2016
Loans and receivables	**399,531**	**393,529**
Credit and other financial institutions	391,681	374,020
Customers	1,735	2,070
Bonds and other fixed income securities	6,115	17,440
Debt	**141,450**	**142,741**
Credit and other financial institutions	140,794	131,136
Customers	656	11,605
Debt securities and subordinated debt	-	-
Commitments given	**12,154**	**18,202**
Financing commitments given to credit institutions	552	4,590
Financing commitments given to customers	-	-
Guarantees given to credit and other financial institutions	3,805	3,288
Guarantees given to customers	7,797	10,323
Securities acquired with repurchase options	-	-
Other commitments given	-	-

NOTE 23 Foreign currency denominated transactions

ANALYSIS OF THE BALANCE SHEET BY CURRENCY

	31/12/2017		31/12/2016	
(in millions of euros)	Assets	Liabilities and Equity	Assets	Equity and Liabilities
Euro	520,385	506,501	514,255	496,590
Other European Union currencies	2,879	2,586	2,511	2,976
Swiss Franc	7,393	4,278	8,361	4,876
US Dollar	14,497	18,983	17,800	23,488
Yen	532	5,907	577	5,613
Other currencies	1,018	954	1,047	1,032
Gross amount	**546,704**	**539,209**	**544,551**	**534,575**
Accruals, prepayments, deferred income and sundry assets and liabilities	13,587	16,410	15,827	20,751
Impairment	(4,672)	-	(5,052)	-
TOTAL	**555,619**	**555,619**	**555,326**	**555,326**

NOTE 24 Foreign exchange transactions, loans and borrowings

	31/12/2017		31/12/2016	
(in millions of euros)	To be received	To be delivered	To be received	To be delivered
Spot foreign exchange transactions	**64**	**64**	**103**	**103**
Foreign currencies	35	33	76	27
Euros	29	31	27	76
Forward currency transactions	**16,329**	**16,430**	**19,596**	**19,004**
Foreign currencies	11,076	6,389	12,983	7,166
Euros	5,253	10,041	6,613	11,838
Foreign currency denominated loans and borrowings	**25**	**37**	**25**	**61**
TOTAL	**16,418**	**16,531**	**19,724**	**19,168**

NOTE 25 Transactions on forward financial instruments

	31/12/2017			31/12/2016
(in millions of euros)	Hedging transactions	Other	Total	Total
Futures and forwards	**570,301**	**273,528**	**843,829**	**881,439**
Exchange-traded[1]	**-**	**-**	**-**	**-**
Interest rate futures	-	-	-	-
Currency forwards	-	-	-	-
Equity and stock index instruments	-	-	-	-
Other futures	-	-	-	-
Over-the-counter[1]	**570,301**	**273,528**	**843,829**	**881,439**
Interest rate swaps	569,370	273,373	**842,743**	**880,204**
Other interest rate forwards	-	-	-	-
Currency forwards	-	155	**155**	**153**
FRAs	-	-	-	-
Equity and stock index instruments	931	-	**931**	**1,082**
Other futures	-	-	-	-
Options	**815**	**-**	**815**	**1,255**
Exchange-traded	**-**	**-**	**-**	**-**
Interest rate futures	-	-	-	-
• Bought	-	-	-	-
• Sold	-	-	-	-
Equity and stock index instruments	-	-	-	-
• Bought	-	-	-	-
• Sold	-	-	-	-
Currency futures	-	-	-	-
• Bought	-	-	-	-
• Sold	-	-	-	-
Over-the-counter	**815**	**-**	**815**	**1,255**
Interest rate swap options	-	-	-	-
• Bought	-	-	-	-
• Sold	-	-	-	-
Other interest rate forwards	-	-	-	-
• Bought	815	-	**815**	**1,255**
• Sold	-	-	-	-
Currency futures	-	-	-	-
• Bought	-	-	-	-
• Sold	-	-	-	-
Equity and stock index instruments	-	-	-	-
• Bought	-	-	-	-
• Sold	-	-	-	-
Other futures	-	-	-	-
• Bought	-	-	-	-
• Sold	-	-	-	-
Credit derivatives	**-**	**-**	**-**	**-**
Credit derivative contracts	-	-	-	-
• Bought	-	-	-	-
• Sold	-	-	-	-
TOTAL	**571,116**	**273,528**	**844,644**	**882,694**

(1) The amounts shown in respect of futures and forwards must correspond to aggregate long and short positions (interest rate swaps and interest rate swap options), or to aggregate purchases and sales of contracts (other contracts).

25.1 Transactions on forward financial instruments – Notional outstanding by residual maturity

	Total 31/12/2017			o/w over-the-counter			o/w exchange traded and equivalent		
(in millions of euros)	≤ 1 year	> 1 year ≤ 5 years	> 5 years	≤ 1 year	> 1 year ≤ 5 years	> 5 years	≤ 1 year	> 1 year ≤ 5 years	> 5 years
Futures	-	-	-	-	-	-	-	-	-
Currency options	-	-	-	-	-	-	-	-	-
Interest rate options	-	-	-	-	-	-	-	-	-
Currency futures	155	-	-	155	-	-	-	-	-
FRAs	-	-	-	-	-	-	-	-	-
Interest *rate* forwards	412,813	211,727	218,203	412,813	211,727	218,203	-	-	-
Caps, Floors, Collars	215	600	-	215	600	-	-	-	-
Interest *rate* forwards	-	-	-	-	-	-	-	-	-
Equity, equity index futures and forwards	76	434	421	76	434	421	-	-	-
Equity and equity index options	-	-	-	-	-	-	-	-	-
Equity, equity index and precious metals derivatives	-	-	-	-	-	-	-	-	-
Credit derivatives	-	-	-	-	-	-	-	-	-
Subtotal	**413,259**	**212,761**	**218,624**	**413,259**	**212,761**	**218,624**	**-**	**-**	**-**
Currency swaps	2,299	13,085	10,297	2,299	13,085	10,297	-	-	-
Forward currency transactions	7,053	25	-	7,053	25	-	-	-	-
Subtotal	**9,352**	**13,110**	**10,297**	**9,352**	**13,110**	**10,297**	**-**	**-**	**-**
TOTAL	**422,611**	**225,871**	**228,921**	**422,611**	**225,871**	**228,921**	**-**	**-**	**-**

	Total 31/12/2016			o/w over-the-counter			o/w exchange traded and equivalent		
(in millions of euros)	≤ 1 year	> 1 year ≤ 5 years	> 5 years	≤ 1 year	> 1 year ≤ 5 years	> 5 years	≤ 1 year	> 1 year ≤ 5 years	> 5 years
Futures	-	-	-	-	-	-	-	-	-
Currency options	-	-	-	-	-	-	-	-	-
Interest rate options	-	-	-	-	-	-	-	-	-
Currency futures	153	-	-	153	-	-	-	-	-
FRAs	-	-	-	-	-	-	-	-	-
Interest *rate* forwards	419,418	218,139	242,647	419,418	218,139	242,647	-	-	-
Caps, Floors, Collars	440	415	400	440	415	400	-	-	-
Interest *rate* forwards	-	-	-	-	-	-	-	-	-
Equity, equity index futures and forwards	-	1,082	-	-	1,082	-	-	-	-
Equity and equity index options	-	-	-	-	-	-	-	-	-
Equity, equity index and precious metals derivatives	-	-	-	-	-	-	-	-	-
Credit derivatives	-	-	-	-	-	-	-	-	-
Subtotal	**420,011**	**219,636**	**243,047**	**420,011**	**219,636**	**243,047**	**-**	**-**	**-**
Currency swaps	6,924	14,169	8,790	6,924	14,169	8,790	-	-	-
Forward currency transactions	8,405	276	36	8,405	276	36	-	-	-
Subtotal	**15,329**	**14,445**	**8,826**	**15,329**	**14,445**	**8,826**	**-**	**-**	**-**
TOTAL	**435,340**	**234,081**	**251,873**	**435,340**	**234,081**	**251,873**	**-**	**-**	**-**

25.2 Forward financial instruments – Fair value

	31/12/2017			31/12/2016		
	Fair value		Notional outstanding	Fair value		Notional outstanding
(in millions of euros)	*Positive*	*Negative*		*Positive*	*Negative*	
Futures	-	-	-	-	-	-
Currency options	-	-	-	-	-	-
Interest rate options	-	-	-	-	-	-
Currency futures	-	-	155	-	-	153
FRAs	-	-	-	-	-	-
Interest rate swaps	15,550	12,989	842,743	20,942	17,740	880,204
Caps, *Floors, Collars*	29	28	815	59	56	1,255
Interest *rate* forwards	-	-	-	-	-	-
Equity, equity index futures and forwards	457	119	931	393	72	1,082
Equity and equity index options	-	-	-	-	-	-
Equity, equity index and precious metals derivatives	-	-	-	-	-	-
Credit derivatives	-	-	-	-	-	-
Subtotal	**16,036**	**13,136**	**844,644**	**21,394**	**17,868**	**882,694**
Currency swaps	197	131	25,681	283	80	29,883
Forward currency transactions	12	16	7,078	63	51	8,717
Subtotal	**209**	**147**	**32,759**	**346**	**131**	**38,600**
TOTAL	**16,245**	**13,283**	**877,403**	**21,740**	**17,999**	**921,294**

NOTE 26 Information on counterparty risk on derivative products

	31/12/2017			31/12/2016		
(in millions of euros)	Fair value	Potential credit risk(1)	Total counterparty risk	Fair value	Potential credit risk(1)	Total counterparty risk
Risk regarding OECD governments, central banks and similar organisations	-	-	**-**	-	-	**-**
Risk regarding OECD financial institutions and similar organisations	16,246	2,701	**18,947**	21,571	6,094	**27,665**
Risk on other counterparties	-	-	**-**	169	270	**439**
Total before impact of netting contracts	**16,246**	**2,701**	**18,947**	**21,740**	**6,364**	**28,104**
Risk on:						
Interest rate, exchange rate and commodities contracts	15,789	2,661	**18,450**	21,347	6,277	**27,624**
Equity and index derivative contracts	457	40	**496**	393	87	**480**
Total before impact of netting contracts	**16,246**	**2,701**	**18,947**	**21,740**	**6,364**	**28,104**
Impact of netting and collateralisation contracts	-	-	**-**	-	-	**-**
TOTAL AFTER IMPACT OF NETTING AND COLLATERALISATION CONTRACTS	**16,246**	**2,701**	**18,947**	**21,740**	**6,364**	**28,104**

(1) Calculated under CRR/CRD 4 regulatory standards.

NOTE 27 Commitments and guarantees given and received

(in millions of euros)	31/12/2017	31/12/2016
Commitments given		
Financing commitments	**4,652**	**6,181**
Commitments given to credit institutions	4,588	5,836
Commitments given to customers	64	345
• Confirmed credit lines	-	-
Documentary credits	-	-
Other confirmed credit lines	-	-
• Other commitments given to customers	64	345
Guarantee commitments	**16,088**	**16,257**
Credit institutions	5,245	3,763
• Confirmed documentary credit lines	-	-
• Other	5,245	3,763
Customers	10,843	12,494
• Property guarantees	-	-
• Other customer guarantees	10,843	12,494
Commitments on securities	**11**	**-**
Securities acquired with repurchase options	-	-
Other commitments to be given	11	-
Commitments received		
Financing commitments	**61,214**	**51,179**
Commitments received from credit institutions	61,214	51,179
Commitments received from customers	-	-
Guarantee commitments	**11,110**	**10,286**
Commitments received from credit institutions	11,108	10,284
Commitments received from customers	2	2
• Guarantees received from government bodies or similar institutions	-	-
• Other guarantees received	2	2
Commitments on securities	**-**	**-**
Securities sold with repurchase options	-	-
Others commitments received	-	-

NOTE 28 Net interest and similar income

(in millions of euros)	31/12/2017	31/12/2016
Interbank transactions	1,909	1,939
Crédit Agricole internal transactions	3,620	3,676
Customer transactions	369	217
Bonds and other fixed income securities	2,083	1,632
Net gains on macro-hedging transactions	506	722
Debt securities	2,547	2,253
Other interest income	130	7
Interest and similar income	**11,164**	**10,446**
Interbank transactions	(1,779)	(2,496)
Crédit Agricole internal transactions	(1,099)	(1,283)
Customer transactions	(4,109)	(4,343)
Net losses on macro-hedging transactions	-	-
Bonds and other fixed income securities	(1,771)	(1,208)
Debt securities	(3,351)	(3,295)
Other interest expense	(9)	(224)
Interest and similar expenses	**(12,118)**	**(12,849)**
NET INTEREST AND SIMILAR INCOME	**(954)**	**(2,403)**

NOTE 29 Income from securities

(in millions of euros)	31/12/2017	31/12/2016
Investment in subsidiaries and affiliates, equity investments and other long term equity investments	1,592	3,513
Short term investment securities and medium term portfolio securities	1	-
Other securities transactions	-	-
TOTAL INCOME FROM VARIABLE-INCOME SECURITIES	**1,593**	**3,513**

NOTE 30 Net fee and commission income

	31/12/2017			31/12/2016		
(in millions of euros)	Income	Expense	Net	Income	Expense	Net
Interbank transactions	89	(18)	71	105	(31)	74
Crédit Agricole internal transactions	814	(546)	268	801	(767)	34
Customer transactions	-	(1)	(1)	-	-	-
Securities transactions	-	-	-	-	-	-
Foreign exchange transactions	-	-	-	-	-	-
Forward financial instruments and other off-balance sheet transactions	-	-	-	-	-	-
Financial services	39	(115)	(76)	35	(71)	(36)
Provisions for fee and commission risks	-	-	-	-	-	-
TOTAL NET FEE AND COMMISSION INCOME	**942**	**(680)**	**262**	**941**	**(869)**	**72**

NOTE 31 Net gains (losses) on trading book

(in millions of euros)	31/12/2017	31/12/2016
Gains (losses) on trading securities	5	3
Net gains (losses) on foreign currency transactions and similar financial instruments	413	53
Gains (losses) on other forward financial instruments	25	25
NET GAINS (LOSSES) ON TRADING BOOK	**443**	**81**

NOTE 32 Gains (losses) on short term investment portfolios and similar

(in millions of euros)	31/12/2017	31/12/2016
Short term investment securities		
Impairment losses	(39)	(26)
Reversals of impairment losses	55	25
Net losses/reversals	**16**	**(1)**
Gains on disposals	124	49
Losses on disposals	(1)	(2)
Net gains (losses) on disposals	**123**	**47**
Net gains (losses) on short term investment securities	**139**	**46**
Medium term portfolio securities	**-**	**-**
Impairment losses	-	-
Reversals of impairment losses	-	-
Net losses/reversals of impairment	**-**	**-**
Gains on disposals	-	-
Losses on disposals	-	-
Net gains (losses) on disposals	**-**	**-**
Net gains (losses) on medium term portfolio securities	**-**	**-**
GAINS (LOSSES) ON SHORT TERM INVESTMENT PORTFOLIOS AND SIMILAR	**139**	**46**

NOTE 33 Other banking income and expenses

(in millions of euros)	31/12/2017	31/12/2016
Other income	4	7
Share of joint ventures	-	-
Charge-backs and expense reclassifications	12	78
Reversals of provisions	-	-
Other banking income	**16**	**85**
Sundry expenses	(32)	(54)
Share of joint ventures	(7)	(5)
Charge-backs and expense reclassifications	(3)	-
Depreciation charges to provisions	-	-
Other banking expenses	**(42)**	**(59)**
TOTAL OTHER BANKING INCOME AND EXPENSES	**(26)**	**26**

NOTE 34 Operating expenses

(in millions of euros)	31/12/2017	31/12/2016
Employee expenses[1]		
Salaries	(213)	(162)
Wages and salaries	(132)	(147)
o/w contributions to defined-contribution post-employment benefit plans	(35)	(35)
Profit-sharing and incentive plans	(22)	(21)
Payroll-related tax	(38)	(36)
Total employee expenses	**(405)**	**(366)**
Charge-backs and reclassification of employee expenses	37	40
Net employee expenses	**(368)**	**(326)**
Administrative expenses [2]		
Taxes other than on income or payroll-related	(29)	(98)
External services, other administrative expenses and regulatory contributions[3]	(441)	(428)
Total administrative expenses	**(470)**	**(526)**
Charge-backs and reclassification of administrative expenses	85	106
Net administrative expenses	**(385)**	**(420)**
OPERATING EXPENSES	**(753)**	**(746)**

(1) At 31 December 2017, the compensation of members of the Board of Directors and Executive Committee paid by Crédit Agricole S.A. amounted to €29 million, of which €4.5 million in post-employment benefits.

(2) Information on fees paid to Statutory Auditors is indicated in the notes to the consolidated financial statements of Crédit Agricole S.A. Group.

(3) Of which €60.67 million in contribution to the Single Resolution Fund.

HEADCOUNT BY CATEGORY

(average number of active employees in proportion to activity)

Employee categories	31/12/2017	31/12/2016
Managers	1,940	2001
Non-managers	227	254
TOTAL	**2,167**	**2,255**
o/w: France	2,148	2,238
Foreign	19	17
o/w: detached employees	152	179

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NOTE 35 Cost of risk

(in millions of euros)	31/12/2017	31/12/2016
Depreciation charges to provisions and impairment	**(34)**	**(167)**
Impairment of doubtful loans and receivables	(1)	-
Other depreciation and impairment losses	(33)	(167)
Reversal of provisions and impairment losses	**331**	**188**
Reversal of impairment losses on doubtful loans and receivables	151	-
Other reversals of provisions and impairment losses	180	188
Change in provisions and impairment	**297**	**21**
Losses on non-impaired irrecoverable loans	-	-
Losses on impaired irrecoverable loans	(172)	(37)
Discounts on restructured loans	-	-
Recoveries on loans written off	4	-
Other losses	(115)	-
Other income	-	-
COST OF RISK	**14**	**(16)**

The definitions of the underlined words can be found in the Glossary on page 567.

NOTE 36 Net gains (losses) on fixed assets

(in millions of euros)	31/12/2017	31/12/2016
Financial investments		
Impairment losses	**(227)**	**(573)**
Long term investment securities	-	-
Investments in subsidiaries and affiliates, equity investments and other long term equity investments	(227)	(573)
Reversals of impairment losses	**438**	**1,362**
Long term investment securities	-	-
Investments in subsidiaries and affiliates, equity investments and other long term equity investments	438	1,362
Net losses/reversals	**211**	**789**
Long term investment securities	-	-
Investments in subsidiaries and affiliates, equity investments and other long term equity investments	211	789
Gains on disposals	**457**	**12,286**
Long term investment securities	-	-
Investments in subsidiaries and affiliates, equity investments and other long term equity investments[1]	457	12,286
Losses on disposals	**(34)**	**(4)**
Long term investment securities	-	-
Investments in subsidiaries and affiliates, equity investments and other long term equity investments	(34)	(4)
Losses on receivables from equity investments	-	-
Net gains (losses) on disposals	**423**	**12,282**
Long term investment securities	-	-
Investments in subsidiaries and affiliates, equity investments and other long term equity investments	423	12,282
Net gains (losses)	**634**	**13,071**
Property, plant & equipment and intangible assets		
Gains on disposals	-	3
Losses on disposals	-	-
Net gains (losses)	**-**	**3**
NET GAINS (LOSSES) ON FIXED ASSETS	**634**	**13,074**

(1) In 2016, Crédit Agricole S.A. sold the CCIs, the CCAs and the mutual shares it held in the Regional Banks (i.e. approximately 25% of the Regional Banks' capital) to Sacam Mutualisation for a sale price of €18.542 billion, generating a capital gain of €12.153 billion excluding transfer costs.

NOTE 37 Income tax charge

(in millions of euros)	31/12/2017	31/12/2016
Income tax charge[1]	260	254
Net provisions for taxes under the tax consolidation scheme	(5)	(41)
NET BALANCE	**255**	**213**

(1) The tax gain mainly consists of the taxes that Crédit Agricole S.A., as head of the tax consolidation group, collected from the subsidiaries included in the tax consolidation scheme.

NOTE 38 Presence in non-cooperative states and territories

At 31 December 2017, Crédit Agricole S.A. had no direct or indirect presence in non-cooperative states or territories within the meaning of Article 238-0 A of the French General Tax Code.

STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report includes information specifically required by European regulations or French law, such as information about the appointment of Statutory Auditors. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders of Crédit Agricole SA,

Opinion

In compliance with the engagement entrusted to us by your General Meeting of Shareholders, we have audited the accompanying financial statements of Crédit Agricole SA for the year ended 31 December 2017.

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 2017 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are further described in the "Responsibilities of the Statutory Auditors relating to the audit of the financial statements" section of our report.

Independence

We conducted our audit engagement in compliance with the independence rules applicable to us for the period from 1 January 2017 to the date of our report and in particular we did not provide any non-audit services prohibited by article 5 of Regulation (EU) No 537/2014 or the French Code of Ethics (*Code de déontologie*) for Statutory Auditors.

Justification of assessments – Key audit matters

In accordance with the requirements of articles L.823-9 and R.823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to the risks of material misstatement that, in our professional judgement, were of most significance in our audit of the financial statements, as well as how we addressed those risks.

These matters were addressed as part of our audit of the financial statements as a whole, and therefore contributed to the opinion we formed as expressed above. We do not provide a separate opinion on specific items of the financial statements.

The definitions of the underlined words can be found in the Glossary on page 567.

Risks concerning the measurement of equity investments and subsidiaries whose valuation requires judgement

Description of risk

Equity investments and subsidiaries are carried at cost and may be impaired based on their value in use, corresponding to the price that the Company would be willing to pay to acquire them in line with its ownership objectives.

The value in use is determined by different aspects, among which profitability and the profitability outlook of the company concerned. In the present case, value in use is determined by discounting the future cash flows generated by the subsidiary, as set out in the three-year financial forecasts (2018-2020) prepared for budgetary purposes. These forecasts are derived from the strategic plans submitted for approval to the competent bodies of the entities concerned.

For certain subsidiaries and investments, these financial forecasts are extended over an additional two reporting periods (2021 and 2022). The percentage of capital allocation is determined by taking into account any specific requirements set by the regulator (in particular for Pillar 2).

We deemed the measurement of equity investments and subsidiaries to be a key audit matter. Determining the value in use necessarily requires management to make decisions as to the key assumptions to use, in particular for determining economic scenarios, financial forecasts and discount rates.

We paid particular attention to the determination of values in use of LCL, Cariparma and CA Polska, given their sensitivity to the assumptions used by management.

Equity investments and subsidiaries recorded in the balance sheet amounted to a net value of €62.9 billion, including €4.6 billion in impairments

See Notes 2.2 and 6 to the financial statements.

How our audit addressed this risk

We gained an understanding of the procedures implemented to determine the value in use and related impairments of equity investments and subsidiaries whose valuations require judgement.

We included valuation experts in the audit team in order to assess the assumptions used to determine the discount rates and the perpetual growth rates included in the models used for calculating discounted cash flows.

We tested the calculations and the main assumptions (percentage of capital allocation, discount rate, growth rate, etc.) compared with external sources.

We examined the financial forecasts prepared by the management of each entity concerned and used in the model to:

- check that they had been approved by the competent bodies (Board of Directors or Supervisory Board) of the entities or sub-groups;
- assess the main underlying assumptions, including for the extension of forecasts beyond the three-year period submitted to the entities' competent bodies. These assumptions were assessed in particular in view of the financial forecasts and contrasted with actual performance in prior periods;
- conduct sensitivity tests to some of the assumptions (level of capital allocated, discount rate, cost of risk).

We also examined the disclosures provided in the notes to the financial statements on the value in use of equity investments and subsidiaries.

Legal, tax and compliance risks

Description of risk

Crédit Agricole SA is subject to a number of investigations and requests for regulatory information from different regulators. These procedures concern in particular the Euribor/Libor and SSA Bonds matters with authorities from various countries (USA, UK, Switzerland) and the European Union.

A number of tax investigations are also ongoing.

As stated in Note 2.6 to the financial statements, the assessment of risks at the reporting date is based on management's best assessment, in view of the information in its possession.

Deciding whether or not to recognise a provision and the amount of that provision requires the use of judgement, given that it is difficult to assess the outcome of ongoing disputes.

We deemed the measurement of these provisions to be a key audit matter, considering their sensitivity to the assumptions used by management.

The different ongoing investigations or requests for information (Euribor/ Libor, SSA Bonds and other indices) or tax inspections, are presented in Notes 1.3 and 15 to the financial statements.

How our audit addressed this risk

The risk of an outflow of funds is material in a limited number of matters that we monitor on a regular basis.

We gained an understanding of the procedure for measuring these provisions through quarterly exchanges with management and in particular the Legal, Tax and Compliance departments.

Our work consisted primarily in:

- assessing the main assumptions used to determine provisions based on available information (documentation of the provisions monitoring committee, legal department or advisors of Crédit Agricole SA, correspondence from regulators);
- examining the analyses or findings of the bank's legal or tax advisors;
- as regards tax risks in particular, examining, with guidance from the tax specialists included in our audit team, the Company's responses submitted to the relevant authorities, if applicable, as well as the risk estimates carried out by the bank.
- assessing, accordingly, the level of provisioning as at 31 December 2017.

Lastly, we examined the related disclosures provided in the notes to the financial statements.

Verification of the management report and of the other documents provided to the shareholders

In accordance with professional standards applicable in France, we have also performed the specific verifications required by French law.

INFORMATION GIVEN IN THE MANAGEMENT REPORT WITH RESPECT TO THE COMPANY'S FINANCIAL POSITION AND THE FINANCIAL STATEMENTS

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.

REPORT ON CORPORATE GOVERNANCE

We attest that the Board of Directors' report on corporate governance sets out the information required by articles L.225-37-3 and L.225-37-4 of the French Commercial Code.

Concerning the information given in accordance with the requirements of article L.225-37-3 of the French Commercial Code relating to remuneration and benefits received by corporate officers and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from companies controlling it or controlled by it. Based on this work, we attest to the accuracy and fair presentation of this information.

OTHER INFORMATION

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Report on other legal and regulatory requirements

APPOINTMENT OF THE STATUTORY AUDITORS

We were appointed Statutory Auditors of Crédit Agricole SA by the General Meetings of Shareholders held on 19 May 2004 for PRICEWATERHOUSECOOPERS AUDIT and in 1985 for ERNST & YOUNG et Autres.

As at 31 December 2017, PRICEWATERHOUSECOOPERS AUDIT and ERNST & YOUNG Audit were in the fourteenth year and the thirty third year of total uninterrupted engagement, respectively.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for preparing financial statements presenting a true and fair view in accordance with French accounting principles, and for implementing the internal control procedures it deems necessary for the preparation of financial statements free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it expects to liquidate the company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, any internal audit systems, relating to accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Responsibilities of the Statutory Auditors relating to the audit of the financial statements

OBJECTIVE AND AUDIT APPROACH

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in article L.823-10-1 of the French Commercial Code, our audit does not include assurance on the viability or quality of management of the company.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgement throughout the audit. They also:

The definitions of the underlined words can be found in the Glossary on page 567.

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of 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;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the financial statements;
- assess the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;
- evaluate the overall presentation of the financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

REPORT TO THE AUDIT COMMITTEE

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit programme implemented, as well as the results of our audit. We also report any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgement, were of most significance in the audit of the financial statements and which constitute the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in article 6 of Regulation (EU) No 537/2014, confirming our independence within the meaning of the rules applicable in France, as defined in particular in articles L.822-10 to L.822 14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Audit Committee.

Neuilly-sur-Seine and Paris La Défense, 21 March 2018

The Statutory Auditors

PRICEWATERHOUSECOOPERS AUDIT	ERNST & YOUNG et Autres
Anik Chaumartin	Olivier Durand



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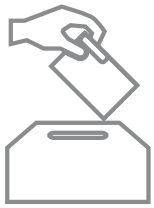
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General Meeting of Shareholders **in Paris**

Wednesday, 16 May 2018, in Paris



Maison de la Mutualité
24 rue Saint-Victor
75005 Paris – France

Agenda and draft resolutions available on the website:

www.credit-agricole/en/finance/finance/individual-shareholders/annual-general-meeting



MEMORANDUM AND ARTICLES OF ASSOCIATION

CRÉDIT AGRICOLE S.A.

A French Company (société anonyme) with share capital of €8,538,313,578

Registered with the Nanterre Trade and Company Registry under number 784 608 416

Registered office:
12, place des États-Unis – 92127 Montrouge Cedex – France
Tel.: +33 (0)1 43 23 52 02

ARTICLES OF ASSOCIATION

Article 1 – Form

Crédit Agricole S.A. (the "Company") is a French company (*"société anonyme"*) with a Board of Directors (*"Conseil d'administration"*) governed by ordinary corporate law, notably Book II of the French Commercial Code.

Crédit Agricole S.A. is also subject to the provisions of the Monetary and Finance Code, in particular Articles L. 512-47 *et seq.*, and those provisions of former Book V of the Rural Code which have not been repealed, and Act No. 88-50 of 18 January 1988 concerning the Reorganisation of the Caisse Nationale de Crédit Agricole as a Mutual Company.

Prior to the Extraordinary General Meeting of 29 November 2001, the Company was called "Caisse Nationale de Crédit Agricole", abbreviated "C.N.C.A."

The Company was born of the transformation of the Caisse Nationale de Crédit Agricole, an *"Établissement Public Industriel et Commercial"*, following the merger of the Mutual Guarantee Fund of the Caisses Régionales de Crédit Agricole Mutuel (the Regional Banks); it continues to hold all of the rights, obligations, guarantees and security interests of those legal entities prior to their transformation; it exercises all rights relating to mortgages granted in favour of the State.

Article 2 – Name

The name of the Company is: CRÉDIT AGRICOLE S.A.

In all deeds and documents of the Company that are intended for third parties, the corporate name shall be immediately preceded or followed by the words *"Société Anonyme"* or the initials "S.A.", *"régie par le livre deuxième du Code de commerce et par les dispositions du Code monétaire et financier"* ("governed by Book II of the French Commercial Code and the provisions of the Monetary and Finance Code") and by the amount of the share capital.

Article 3 – Object

Crédit Agricole S.A. has for object to facilitate and promote the activities and development of the Caisses Régionales de Crédit Agricole Mutuel and the Crédit Agricole Group. In furtherance of this purpose:

1. Crédit Agricole S.A. operates as a central financial institution and ensures that the Group acts as a single financial unit in its dealings with third parties with the object of optimising the financial management of funds and, in return, the allocation of the financial resources so collected.

   Crédit Agricole S.A. collects and manages the excess deposits and savings of the Regional Banks, as well as savings collected by such Banks on its behalf.

   Crédit Agricole S.A. grants facilities to the Regional Banks to permit the funding of their medium and long-term loans. It ensures that the transformation risks pertaining to the Company, its subsidiaries and the Regional Banks are assumed. It implements the mechanisms for guaranteeing transactions by the Caisses Régionales de Crédit Agricole Mutuel. In its own name and on behalf of the companies in the Crédit Agricole Group, Crédit Agricole S.A. negotiates and enters into domestic and international agreements which may affect the credit of the Group. It executes all nation-wide agreements with the State.

2. In France and abroad, Crédit Agricole S.A. performs all types of banking, financial, credit, investment or securities transactions and related services under the Monetary and Finance Code, guaranty, arbitrage, brokerage and commission transactions, whether for its own account or for the account of others, without infringing on the remit of the Caisses Régionales de Crédit Agricole Mutuel.

3. In accordance with the provisions of the Monetary and Finance Code, as the Central Organ of Crédit Agricole Mutuel, Crédit Agricole S.A. ensures the cohesion of the Crédit Agricole Mutuel network, the proper operation of the credit institutions that are a part thereof, and compliance by such institutions with the applicable laws and regulations by exercising administrative, technical and financial supervision thereof; it guarantees the liquidity and solvency of the entire network and all institutions affiliated therewith.

   And, as a general matter, Crédit Agricole S.A. engages in all types of commercial, financial, personal and real property transactions and provides all services directly or indirectly related to its purpose, provided that they are in furtherance thereof.

Article 4 – Registered office

The registered office of the Company is situated at 12 Place des États-Unis, 92127 MONTROUGE Cedex.

Article 5 – Duration

The Company, born out of the transformation described in the last paragraph of Article 1 of these Articles of Association, shall terminate on 31 December 2086 unless extended or dissolved in advance by the Shareholders at an Extraordinary General Meeting.

The definitions of the underlined words can be found in the Glossary on page 567.

Article 6 – Share capital

The share capital of the Company is €8,538,313,578 divided into 2,846,104,526 Ordinary Shares with a par value of €3, all of them paid up in full.

In accordance with the applicable laws and regulations, non-voting Preferred Shares with the rights defined by these Articles of Association may be created and issued pursuant to Articles L. 228-11 *et seq.* of the French Commercial Code.

Several classes of Preferred Shares may be created with different characteristics, with respect, *inter alia,* to (i) their Issue Date; (ii) their Issue Price; and (iii) their Rate. Consequently, the corporate body that shall decide to issue Preferred Shares shall amend this Article 6, "Share capital", accordingly, in order to specify the designation (A,B,C, etc.) and the characteristics of the class issued in this manner, and in particular, those characteristics referred to in items (i) to (iii) above.

For purposes of these Articles of Association:

- **"Ordinary Shares"** means the Ordinary Shares of the Company;
- **"Preferred Shares"** means the non-voting Preferred Shares, regardless of class, that may be issued by the Company and their attached rights, as defined in these Articles of Association;
- **"Shares"** means Ordinary Shares and Preferred Shares collectively;
- **"Meeting"** means any General Meeting or Special Meeting;
- **"General Meeting"** means the General Meeting of Ordinary Shareholders in which Preferred Shareholders may participate;
- **"Extraordinary General Meeting"** means the General Meeting convened to vote on extraordinary business;
- **"Ordinary General Meeting"** means the General Meeting convened to vote on ordinary business;
- **"Special Meeting"** means the Special Meeting of holders of a given class of Preferred Shares;
- **"Issue Date"** means, for a given class of Preferred Shares, the date of issue of the Preferred Shares of the relevant class;
- **"Issue Price"** means, for a given class of Preferred Shares, the Issue Price per Preferred Share in the relevant class, or its par value plus any share premium;
- **"Adjusted Issue Price"** means, for a given class of Preferred Shares, the Issue Price, less any amount that may be paid and/or the value of any asset, as determined by an expert appointed by the Board of Directors (or, failing which, by an order of the Presiding Judge of the Paris Commercial Court ruling in summary proceedings in accordance with Article 1843-4 of the French Civil Code), due for each outstanding Preferred Share in the given class following a capital reduction not due to losses;
- The **"Rate"** means the Rate set by the relevant corporate body at the time of the issue of Preferred Shares and used as a basis for determining the Preferred Dividend, it being specified that this shall equal the average of the 10-year Constant Maturity Treasury (CMT) (yield on a 10-year government bond) (or any other index that may be substituted for the 10-year CMT) over the three business days preceding the date of the decision to issue the shares, plus a margin of no more than 12%.

In the event of a stock split or reverse split applying to Ordinary Shares, the split or reverse split shall also apply to the Preferred Shares under the same conditions and their characteristics shall be adjusted automatically. More specifically, the new dividend rights and the new Adjusted Issue Price of the Preferred Shares belonging to a given class shall be the same as the dividend rights and Adjusted Issue Price, as the case may be, of the given class, in effect before the beginning of the transaction multiplied by the ratio obtained by dividing (i) the number of Preferred Shares in the given class included in the share capital before the transaction by (ii) the number of Preferred Shares in the given class included in the share capital after the transaction.

In the event of a bonus issue of Preferred Shares to the holders of Preferred Shares by the capitalisation of any share premiums and/or of the legal reserve, the characteristics of the Preferred Shares shall be adjusted automatically. More specifically, the new dividend rights and the new Adjusted Issue Price of the Preferred Shares of a given class shall be the same as the dividend rights and Adjusted Issue Price, as the case may be, of the given class, in effect before the beginning of the transaction multiplied by the ratio obtained by dividing (i) the number of Preferred Shares in the given class included in the share capital before the transaction by (ii) the number of Preferred Shares in the given class included in the share capital after the transaction. No adjustment shall be made in the event of an increase in the nominal value by capitalisation of any share premiums and/or of the legal reserve.

Article 7 – Changes in the share capital: capital increases, reductions and redemptions

A. Capital increases

1. The share capital may be increased by any method and in any manner authorised by law.
2. The Extraordinary General Meeting shall have exclusive authority to decide whether to increase the share capital or to authorise such a decision, pursuant to the applicable laws and regulations and subject to the provisions pertaining to payment of the dividend in Shares provided in paragraph 9 of Article 31, "Determination, allocation and distribution of profit" of the Articles of Association.
3. Pursuant to the applicable laws and regulations, holders of Ordinary Shares have a pre-emptive right to subscribe for Shares and securities granting rights to Shares in the Company, in proportion to the quantity of Ordinary Shares that they own.

   The Preferred Shares do not have pre-emptive rights to subscribe to any subsequent issue of Shares and securities granting a right to shares in accordance with the option provided in Article L. 228-11, paragraph 5 of the French Commercial Code.
4. The holders of Preferred Shares shall not benefit from capital increases resulting from a bonus issue of new Shares or by an increase in the nominal amount of Ordinary Shares outstanding resulting from the capitalisation of reserves (other than the legal reserve) or earnings, or the bonus issue of securities granting rights to Shares as part of a bonus issue for Ordinary Shareholders. However, in the event of a capital increase by means of a bonus issue of new Shares or by an increase in the nominal amount of outstanding Ordinary Shares through capitalisation of any share premiums or of the legal reserve, the Ordinary Shareholders and the Preferred Shareholders shall be entitled to subscribe to the capital increase in proportion to their rights to the Notional Capital (as defined in Article 31, "Determination, allocation

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and distribution of profit" of the Articles of Association) and, with respect to the Preferred Shares, up to a maximum of the positive difference between their Adjusted Issue Price and their par value (i.e., the total amount of increases in the nominal value of the Preferred Shares, or the total nominal amount of any new Preferred Shares issued by capitalisation of any share premiums and/or of the legal reserve shall not exceed the product of (i) the positive difference between their Adjusted Issue Price and their par value multiplied by (ii) the number of Preferred Shares outstanding calculated at the date on which the relevant capital increase was effected). If the capital increase is effected by a bonus issue of new Shares, the new Shares awarded for no consideration shall be of the same class as the Shares that entitled the holder to the award of bonus shares.

5. In-kind contributions must be approved by the Extraordinary General Meeting, pursuant to the applicable laws and regulations.

B. Capital reductions

1. Capital reductions are decided or authorised by the Extraordinary General Meeting, which may delegate to the Board of Directors all powers for purposes of carrying out capital reductions. This excludes capital reductions following a Preferred Share buyback effected under the terms of Article 32 of the Articles of Association, "Repurchases of Preferred Shares by the Company", paragraph B, "Option to repurchase Preferred Shares at the Company's initiative", which may be decided by the Board of Directors.
2. Any capital reduction due to losses is allocated to the share capital among the different Shares in proportion to the percentage of share capital they represent.

   Losses shall first be charged against the following accounts, in the following order: 1) retained earnings, 2) distributable reserves, 3) other reserves, 4) statutory reserves, 5) any share premiums, 6) the legal reserve, and 7) equity.
3. The Company may carry out capital reductions for reasons other than losses under the conditions stipulated by laws and regulations, to be allocated among Ordinary Shares and Preferred Shares in the proportions that it shall determine.

C. Redemption of the share capital

The share capital may be redeemed in accordance with Articles L. 225-198 *et seq.* of the French Commercial Code.

Article 8 – Form of Shares

The Shares may be in registered or bearer form, at the holders' election, subject to applicable statutory and regulatory provisions.

They shall be registered in shareholders' accounts on the terms and conditions provided for by law. They may be transferred between accounts.

Article 9 – Declarations regarding reaching thresholds and shareholder identification

A. Declarations regarding reaching thresholds

Without prejudice to the ownership threshold disclosures provided by law and applicable to Ordinary Shares and Preferred Shares, any person or legal entity, acting solely or with others, who directly or indirectly comes into possession of a number of Ordinary Shares representing 1% of the share capital or voting rights must inform the Company, by recorded delivery with advice of delivery, at its registered office, within five days of the date on which the shares enabling such person to reach or breach said threshold were registered, of the total number of Ordinary Shares and the number of voting rights it owns, as well as the total number of securities which may grant rights to the Company's equity in the future, any voting rights which may be attached thereto, and the total number of Preferred Shares it owns.

The said declaration must be renewed as set forth above each time that the number of shares or voting rights attains a multiple of a 1% threshold (through either a purchase or sale of shares) of the total shares or voting rights.

If a Shareholder has not issued the required declarations as set forth above, he shall lose his right to vote on the Ordinary Shares exceeding the level which should have been reported, as provided for by law, if one or more holders of Ordinary Shares representing at least 2% of the shares or voting rights so request during a General Meeting.

B. Shareholder identification

In accordance with applicable laws and regulations, and in order to identify the holders of bearer securities, the Company shall have the right to request at any time, at its expense, that the central custodian of its securities account provide the name, nationality, year of birth or formation, and the address of the holders of securities which provide a present or future right to vote at its General Meetings and Special Meetings, as well as the number of securities held by each and the restrictions, if any, which may apply to the said securities.

Based on the list provided by the central custodian, and subject to the same terms and conditions, the Company shall have the right to request, either from said central custodian or directly from the persons on the list who the Company feels may be acting as intermediaries on behalf of third party, the information regarding said securities holders set forth in the preceding paragraph.

If they are intermediaries, said persons must disclose the identity of the holders of said securities. The information should be provided directly to the financial intermediary that maintains the account and said entity must then transmit the information to the Company or to the central custodian.

For registered securities, the Company shall also have the right at any time to request that the intermediary that has registered on behalf of third parties disclose the identity of the holders of said securities and the number of securities held by each of them.

For so long as the Company feels that certain holders of securities (whether registered or bearer), the identity of which has been provided to it, are holding said securities on behalf of third parties, it shall have the right to request said holders to disclose the identity of the owners of the securities as set forth above and the number of securities held by each of them.

After the information set forth above has been requested, the Company shall have the right to request any legal entity which holds more than one-fortieth of the share capital or voting rights of the Company to disclose to the Company the identity of the persons who directly or indirectly hold more than one-third of the share capital or voting rights (which are exercised at General Meetings) of the said legal entity.

If a person who has been the subject of a request in accordance with the provisions of the present Article 9.B. fails to disclose the requested information within the legally required period or discloses incomplete or incorrect information regarding its capacity or the holders of the securities, or the number of securities held by each of them, the Shares or securities which give rise to present or future rights to the Company's share capital which said person has registered, shall immediately lose their voting rights at any General Meeting or Special Meeting until complete information has been provided. Dividend payments shall also be suspended until that date.

The definitions of the underlined words can be found in the Glossary on page 567.

In addition, in the event that the registered person deliberately misconstrues the above provisions, the court which has territorial jurisdiction over the Company's registered office may, at the request of the Company or of one or more Shareholders holding at least 5% of the share capital, revoke in whole or in part the voting rights regarding which the information was requested and, possibly, the corresponding dividend payment of the Shares, for a period which may not exceed five years.

Article 10 – Voting rights- Indivisibility of the shares - Rights and obligations attached to the Shares

A. Voting rights

The voting rights attached to the Company's Shares are proportional to the share capital that they represent and each Share entitles its holder to one vote. The Company's Shares (including any that might be freely allocated as part of a capital increase via a capitalisation of reserves, profits or issue premiums) do not carry double voting rights in accordance with the last sub-paragraph of article L. 225-123 of the French Commercial Code.

B. Indivisibility of the Shares

The Shares are indivisible with regard to the Company.

Voting rights attached to the Ordinary Shares are exercised by the beneficial owner at Ordinary General Meetings and by the legal owner at Extraordinary General Meetings.

Voting rights attached to the Preferred Shares are exercised by the legal owner at Special Meetings of holders of the relevant class of Preferred Shares.

The joint owners of indivisible Shares are represented at General Meetings or Special Meetings, as the case may be, by one of them or by a single representative. In the event of a dispute, their representative shall be appointed by the Court at the request of the first joint owner to refer this matter to the Court.

The right to the award of new Shares following the capitalisation of reserves, profits or any share premiums belongs to the legal owner, subject to the rights of the beneficial owner.

C. Rights and obligations attached to the Shares

1. Ownership of a Share automatically entails compliance with the Articles of Association and, subject to the stipulations contained in Article 29, "Special Meetings" herein, with resolutions duly adopted by General Meetings.
2. Each Ordinary Share gives the holder the same right of ownership in the Company's assets and profits, as defined in Article 34 "Dissolution - Liquidation" and Article 31 "Determination, allocation and distribution of profit" herein.

   Each Ordinary Share gives the holder the right to attend General Meetings and to vote therein, under the conditions set forth by law and by the Articles of Association. Each Ordinary Share shall give the holder the right to cast one vote at General Meetings. An Ordinary Share does not give the holder the right to attend Special Meetings or to vote therein.
3. Each Preferred Share of the same class gives the holder the same rights to the Company's assets and profits, as defined in Article 34 "Dissolution-Liquidation" and Article 31 "Determination, allocation and distribution of profit" herein.

   Preferred Shares do not give their holders the right to vote at General Meetings.

   Each Preferred Share of a given class gives the holder the right to attend General Meetings and to attend and to vote in Special Meetings of the holders of the relevant class of Preferred Shares, under the conditions stipulated by law and by the Articles of Association. Preferred Shares of a given class do not give the holder the right to attend or to vote in Special Meetings of holders of other classes of Preferred Shares.
4. Whenever it is necessary to hold several Shares to exercise a given right, such as in the case of an exchange, consolidation or allocation of Shares, or as a result of an increase or reduction of the share capital regardless of whether this is due to accumulated losses, or in the case of a merger or other corporate transaction, the holders of individual Shares, or those who do not own the required number of Shares, may exercise such rights only if they personally arrange for the consolidation of the Shares and purchase or sell the required number of Shares or fractional Shares, where necessary.

Article 11 – Board of Directors

1. The Company shall be governed by a Board of Directors composed of between 3 and 21 members, of which:

- at least 3 and no more than 18 directors shall be elected by the General Meeting in accordance with the provisions of Article L. 225-18 of the French Commercial Code;
- one director representing the professional agricultural organisations, shall be appointed in accordance with the provisions of Article L. 512-49 of the Monetary and Finance Code; and
- 2 directors shall be elected by the staff in accordance with Articles L. 225-27 to L. 225-34 of the French Commercial Code.

The following individuals may also attend Board Meetings in an advisory capacity:

- non-voting Board Members appointed in accordance with Article 12 of these Articles of Association; and
- one member of the Works Council designated thereby.

In the event that one of the positions held by the directors elected by the staff or by the director who represents the professional agricultural organisations becomes vacant, the Board Members elected by the General Meeting may validly convene the Board of Directors.

The age limit for directors is 65. When a director reaches the age of 65, he will be deemed to have resigned at the end of the next Ordinary General Meeting of Shareholders.

2. Directors elected by the General Meeting of Shareholders

Directors elected by the General Meeting of Shareholders shall be natural persons or legal entities.

The term of office of directors is three years. However, a director appointed to replace another director whose term of office has not yet expired shall remain in office only for the balance of his predecessor's term.

Directors who are natural persons may not be elected to more than four consecutive terms of office. However, if a director is appointed to replace an outgoing director whose term of office has not yet expired, the director appointed for the remainder of the outgoing director's term may seek a fifth term, for a period not exceeding four consecutive terms of office. He will be deemed to have resigned at the end of the next Ordinary General Meeting following the twelfth anniversary of his first appointment.

A director's duties shall terminate at the end of the Ordinary General Meeting called to consider the accounts for the previous financial year that is held during the year in which such director's term expires.

With the exception of the directors elected by the staff and the director who represents the professional agricultural organisations, one third of the seats of the directors elected 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 Ordinary General Meeting of Shareholders so that all seats turn over every three years.

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 shall be disregarded when determining whether they have reached the four-term limit.

3. Director representing the professional agricultural organisations

The term of office of the director representing the professional agricultural organisations is three years. He may be re-appointed or removed at any time by the authority that appointed him.

4. Directors elected by the staff

The status and procedures for the election of the directors elected by the staff are set out in L. 225-27 *et seq.* of the French Commercial Code in the following provisions:

The term of office of the two directors elected by the staff is three years. Their duties terminate on the third anniversary of the date of their election and the Company shall take all steps necessary to hold a new election within the three-month period prior to the expiration of the term of said directors.

They may not be elected to more than four consecutive terms.

One of the directors is elected by the managerial staff, whilst the other is elected by the other employees of the Company.

In the event that the seat of a director elected by the staff falls vacant as a result of his death, resignation, removal or the termination of his employment contract, his successor shall take office immediately. If there is no successor able to carry out the director's duties, a new election shall be held within three months.

The first ballot of the election of directors by the staff shall be conducted in accordance with the following procedures:

The lists of voters, indicating their respective surnames, given names, dates and places of birth and domiciles, are prepared by the Chief Executive Officer and posted at least five weeks prior to the election date. One list of voters is prepared for each of the two groups. Within fifteen days after the lists are posted, any voter may submit a request to the Chief Executive Officer either that another voter who was omitted be registered, or that another voter who was erroneously registered be removed from the list. Within the same time period, any person whose name was omitted may also submit a request for registration.

The candidates must belong to the group whose votes they are seeking.

In each group of voters, each announcement of a candidacy must specify not only the name of the candidate, but also the name of any successor.

The Chief Executive Officer closes and posts the lists of candidates at least three weeks prior to the election date.

In the absence of a candidate for a given group, the seat of the director representing such group shall remain vacant for the entire term for which it would have been filled.

Results are recorded in minutes which shall be posted no later than three days after voting is closed. The Company shall keep a copy of the minutes in its records.

The organisation of elections and their requirements are determined by the Chief Executive Officer and shall be posted no less than five weeks prior to the date of the election.

Voting procedures are determined by Articles L. 225-28 *et seq.* of the French Commercial Code. Any voter may vote either in person at the locations provided for that purpose, or by mail.

If no candidate for a given group obtains a majority of the votes cast on the first ballot, a second ballot shall be held within fifteen days.

Article 12 – Non-voting Directors

Upon recommendation from the Chairman, the Board of Directors may appoint one or more non-voting directors.

Non-voting directors shall be notified of and participate at meetings of the Board of Directors in an advisory capacity.

They are appointed for a term of three years and may not be reappointed for more than four terms. They may be dismissed by the Board at any time.

In consideration of services rendered, they may be remunerated as determined by the Board of Directors.

Article 13 – Directors' Shares

Each director must own at least one Ordinary Share. If, on the date of his appointment or during his term of office, a director does not own or no longer owns at least one Ordinary Share and fails to correct this situation within three months, he will be deemed to have resigned.

Article 14 – Deliberations of the Board of Directors

1. The Board of Directors shall meet as often as the interests of the Company so require, upon notice by its Chairman, by any person authorised for that purpose by the Board of Directors, or by at least one-third of its members to address a specific agenda if the last meeting was held more than two months previously.

   If necessary, the Chief Executive Officer may request the Chairman to call a meeting of the Board of Directors to address a specific agenda.

   Meetings may be held at the registered office or at any other place specified in the notice of the meeting.

   Generally, notice of a meeting shall be given at least three days in advance by letter or by any other means. However, if all of the directors so agree, notice may be given orally and need not be in advance.

   Notices of meetings shall set forth the principal items of business on the agenda.

2. The physical presence of at least one half of the directors is required for deliberations to be valid.

   At the Chairman's request, employees in positions of responsibility in the group may attend Board Meetings.

   A majority of the votes of the directors present or represented is required for a resolution to pass. Each director has one vote and is not authorised to represent more than one of his fellow directors.

   The Chairman shall have the casting vote in the event of a tie.

   The directors and any individuals requested to attend the Board of Directors' Meetings must exercise discretion with respect to the Board's deliberations and any confidential information and documents described as such by the Chairman of the Board of Directors.

Article 15 – Powers of the Board of Directors

The Board of Directors determines and ensures compliance with the business focus of the Company.

Except for the powers expressly reserved to the General Meeting of Shareholders and within the limits established by the Company's purpose, the Board of Directors is responsible for all issues related to the Company's operations and business. In its relations with third parties, the Company may be bound by the acts of the Board of Directors which fall outside the Company's object unless the Company can prove that the said third party knew that the act was *ultra vires* or that it could not have been unaware, in light of the circumstances, that the act was *ultra vires*. The publication of the Articles of Association shall not constitute proof thereof.

The Board of Directors may conduct any inspections or audits that it deems necessary. Each director shall receive the information necessary to accomplish the Board's duties; management shall furnish to any director those documents that the said director deems necessary or appropriate.

The Board may decide to set up various committees to examine issues raised by itself or its Chairman and render an opinion.

The Board shall be responsible for determining the composition and powers of committees which do their work under its authority.

Article 16 – Chairmanship of the Board of Directors

In accordance with Article L. 512-49 of the Monetary and Finance Code, the Board of Directors shall elect a Chairman from among its members who are directors of a Caisse Régionale de Crédit Agricole Mutuel and shall fix his term of office, which may not exceed his term of office as a director.

The Board of Directors shall elect one or more Vice-Chairmen whose term shall also be established by the Board, but which may not exceed his (their) term of office as a director.

The Chairman of the Board of Directors represents the Board of Directors. He organises and directs the activities thereof and reports to the General Meeting on its activities.

He is responsible for the proper operation of the Company's entities, and, in particular, insures that directors are able to fulfil their duties.

As an exception to the provisions of the last paragraph of Article 11-1, the age limit for serving as Chairman of the Board of Directors is 67. Subject to this age limit, and as an exception to the provisions of Article 11-2, paragraph 3 of the Articles of Association, a serving Chairman may seek a fifth consecutive term of office.

Article 17 – General management

A. Chief Executive Officer

In accordance with Article L. 512-49 of the Monetary and Finance Code, the Board of Directors appoints the Chief Executive Officer of the Company and may terminate his appointment.

The Chief Executive Officer shall enjoy the broadest powers to act in all cases on behalf of the Company. He may exercise his authority within the limits of the Company's object and subject to that authority expressly reserved to General Meetings and to the Board of Directors.

He represents the Company in its relations with third parties.

The Company shall be bound by those actions of the Chief Executive Officer which are *ultra vires* unless the Company can prove that the said third party knew that the act was *ultra vires* or that it could not have been unaware, in light of the circumstances, that the act was *ultra vires*. Publication of the Articles of Association shall not constitute proof thereof.

Provisions of the Articles of Association and decisions of the Board of Directors that limit the Chief Executive Officer's powers are not binding on third parties.

He shall attend the meetings of the Board of Directors.

He shall appoint all employees and fix their compensation.

He may delegate part of his authority to as many individuals as he deems advisable.

B. Deputy Chief Executive Officers

Upon recommendation of the Chief Executive Officer, the Board of Directors 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"*).

There may not be more than five 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 definitions of the underlined words can be found in the Glossary on page 567.

In the event that the Chief Executive Officer ceases or is unable to perform his duties, the Deputy Chief Executive Officers shall continue to perform their duties until the appointment of a new Chief Executive Officer, unless the Board of Directors decides otherwise.

Article 18 – General provision on age limits

Any officer or director who reaches the age limit set by the Articles of Association or the law shall be deemed to have resigned at the close of the Annual General Meeting of Shareholders that follows said anniversary date.

Article 19 – Directors' remuneration

The General Meeting may elect to pay directors' fees. The Board of Directors shall allocate any such fees as it deems fit.

Article 20 – Statutory Auditors

Audits of the accounts shall be exercised in accordance with the law by two Statutory Auditors appointed by the Ordinary General Meeting of Shareholders; the Meeting shall also appoint two alternate Statutory Auditors.

The term of office of the Statutory Auditors shall be six financial years.

Statutory Auditors whose term of office expires may be re-appointed.

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 21 – Shareholders' Meetings

Collective resolutions shall be adopted at General Meetings which are either ordinary or extraordinary depending on the decisions they are called upon to take.

Holders of Preferred Shares are entitled to attend General Meetings but do not have the right to vote therein.

All of the Shareholders in a single class convene in Special Meetings to vote on any modification to the rights attached in that class.

Subject to the provisions of Article 29, "Special Meetings" hereunder, decisions adopted at General Meetings are binding on all Shareholders.

Article 22 – Notice and venue of Shareholders' Meetings

Meetings of Shareholders shall be convened and shall deliberate in accordance with the applicable laws and regulations.

Meetings of Shareholders may be held at the registered office or at any other place specified in the notice of the meeting.

Article 23 – Agenda and minutes of Meetings

The person calling the Meeting shall draft the agenda for the Meeting in accordance with the applicable laws and regulations.

Minutes must be drawn up and copies or extracts of the deliberations shall be issued and certified in accordance with the law.

Article 24 – Access to Meetings - Proxies

A. Access to General Meetings - Proxies

Any Shareholder, regardless of the number of Shares he/she owns, has the right to attend General Meetings, either in person or by proxy, subject to the conditions laid down by law and in these Articles of Association, by providing proof of identity and ownership of the Shares, provided that the Shares have been registered, either in his/her name or in the name of the intermediary registered on his/her behalf, by 12 midnight Paris time, on the second business day before the General Meeting:

- holders of registered Shares must register their shares in the registered share accounts kept in the Company's registers;
- holders of bearer Shares must deposit their Shares in the bearer share accounts held by the authorised intermediary. This entry or filing is evidenced by a certificate of Share ownership delivered by the intermediary or electronically, as applicable.

If an Ordinary Shareholder cannot attend the General Meeting in person or by proxy, he/she may participate in one of the following two ways:

- cast a vote remotely;

  or

- forward a proxy to the Company without naming a proxy holder;

in accordance with the applicable laws and regulations.

B. Access to Special Meetings – Proxies

Any holder of Preferred Shares belonging to a given class, regardless of the number of Preferred Shares he/she owns, has the right to attend Special Meetings of Preferred Shareholders of the class in question, either in person or by proxy, subject to the conditions laid down by law and in these Articles of Association, by providing proof of identity and ownership of the Shares, provided that the Shares have been registered, either in his/her name or in the name of the intermediary registered on his/her behalf, by 12 midnight Paris time, on the second business day before the Special Meeting:

- holders of registered Preferred Shares must register their Shares in the registered share accounts kept in the Company's registers;
- holders of bearer Shares must deposit their shares in the bearer share accounts held by the authorised intermediary. This entry is evidenced by a certificate of share ownership delivered by the intermediary or electronically, as applicable.

If a holder of Preferred Shares cannot attend a Special Meeting in person or by proxy, he/she may participate in one of the following two ways:

- cast a vote remotely;

  or

- forward a proxy to the Company without naming a proxy holder;

in accordance with the applicable laws and regulations.

C. Provisions applicable to all Meetings

If the Shareholder has requested an admission card or a certificate of share ownership, or has cast his/her vote remotely or sent a proxy, he/she may no longer choose to take part in the Meeting in another manner. However, he/she may sell all or part of his/her shares at any time.

If ownership is transferred before 12 midnight CET on the second business day before the Meeting, the Company shall invalidate or make the necessary changes to the remote vote, the proxy, the admission card or the certificate of share ownership, as appropriate. To that end, the authorised intermediary, acting as account holder, shall notify the Company or its agent of such a transfer and forward the necessary information to it.

The authorised intermediary shall not issue a notification of transfer of ownership taking place after 12 midnight CET on the second business day before the Meeting, nor shall the Company take such a transfer into consideration.

Shareholders in the Company who are not domiciled in France may be registered in an account and represented at Meetings by any intermediary that has been registered on their behalf and given a general power of attorney to manage the Shares. When opening its account, however, the intermediary must have declared its status, as an intermediary holding shares on behalf of third parties, to the Company or the financial intermediary acting as account holder, in accordance with the applicable and regulatory provisions.

Following a decision by the Board of Directors published in the notice convening the meeting, Shareholders may participate in Meetings by videoconferencing, or by any other means of telecommunication or remote transmission, including the internet, in accordance with the legal and regulatory provisions in force. The Board of Directors shall determine the terms governing participation and voting, ensuring that the procedures and technologies used meet the technical criteria required to ensure that the Meeting's deliberations are continuously and simultaneously relayed and that the votes are accurately recorded.

Provided that they comply with the relevant deadlines, Shareholders who use the electronic voting form provided on the website set up by the entity in charge of the Meeting's formalities shall be counted as being present or represented at the Meeting. The electronic form may be completed and signed directly online using any procedure, including a username and password combination that has been approved by the Board of Directors and complies with the requirements set out in the first sentence of the second sub-paragraph of Article 1316-4 of the French Civil Code.

A proxy or vote issued before the Meeting using such electronic means and the subsequent acknowledgement of receipt thereof shall be deemed to be irrevocable and enforceable against all parties, it being understood that if the ownership of Shares is transferred before 12 midnight CET on the second business day before the Meeting, the Company shall invalidate or make the necessary changes to the proxy or vote issued before that time and date, as appropriate.

Article 25 – Attendance list - Officers of the Meeting

1. An attendance list setting out the information required by law is kept for each Meeting of Shareholders.

   This list, which must be duly initialled by all Shareholders present or their proxies, and to which are attached all proxy forms given to each of the proxies and any ballots cast remotely, shall be certified as accurate by the officers of the Meeting.

2. The Chairman of the Board, or in his absence a Vice-Chairman or a director expressly authorised for that purpose by the Board of Directors, shall chair Meetings of Shareholders.

   If a Meeting of Shareholders is convened at the request of one or more Statutory Auditors, one of the Statutory Auditors shall chair the Meeting.

   Whenever the person entitled or designated to chair is absent, the Meeting of Shareholders shall elect its Chairman.

   The officers of the Meeting appoint a secretary who needs not be a Shareholder.

   The officers of the Meeting are in charge of verifying, certifying and signing the attendance list, ensuring that the debate is conducted in good order, resolving problems which may arise during the Meeting, checking the ballots cast and verifying that they are not void, and ensuring that minutes of the Meeting are drawn up.

Article 26 – Quorum - Voting - Number of votes

The quorum at General Meetings is calculated on the basis of the total number of Ordinary Shares and the quorum at Special Meetings is calculated on the basis of the total number of Preferred Shares in the relevant class, less those shares not entitled to vote in accordance with the provisions of the law or of the Articles of Association.

In the case of remote voting, only ballots received by the Company prior to the Meeting within the time periods and under the conditions prescribed by the applicable laws and regulations shall be counted.

In the event of a proxy vote without naming a proxy holder, the Chairman shall add a vote in favour of the resolutions presented or approved by the Board of Directors and a vote against all other resolutions.

Except in the special cases provided for by law, each Shareholder at a General Meeting shall have the right to cast as many votes as Ordinary Shares he holds for which all capital calls have been met and each Shareholder at a Special Meeting of a given class shall have the right to cast as many votes as Preferred Shares he holds for which all capital calls have been met.

The Company shall have the right to request from an intermediary registered on behalf of a Shareholder who is not domiciled in France, but which has a general power of attorney to manage the securities of that Shareholder, to provide a list of Shareholders which it represents and whose votes will be exercised at a Meeting.

The votes or proxies exercised by an intermediary which has not disclosed that it is acting in that capacity in accordance with applicable laws and regulations or the Articles of Association, or which has not disclosed the identity of the securities holders, shall not be counted.

Article 27 – Ordinary General Meetings

1. All decisions which do not amend the Articles of Association are taken by the Ordinary General Meeting of Shareholders.

   The Ordinary General Meeting must meet at least once a year within the period prescribed by the applicable laws and regulations to consider and vote on the accounts for the prior financial year.

Its powers include the following:

- to approve, modify or reject the accounts submitted to it;
- to decide on the distribution and allocation of profit in accordance with the Articles of Association;
- to discharge or refuse to discharge directors;
- to appoint and dismiss directors;
- to approve or reject temporary appointments of directors by the Board of Directors;
- to authorise the purchase of Ordinary Shares or Preferred Shares under share buyback programmes established under the conditions stipulated by Articles L. 225-209 *et seq.* of the French Commercial Code (or equivalent regulations applicable as of the date of the relevant transaction);
- to appoint the Statutory Auditors;
- to consider and vote on the special report of the Statutory Auditors concerning transactions subject to prior authorisation by the Board of Directors.

2. The deliberations of the Ordinary General Meeting of Shareholders convened following the first notice shall be valid only if the Ordinary Shareholders present, represented or voting remotely at the Meeting hold, in the aggregate, at least one fifth of all voting Ordinary Shares.

There is no quorum requirement for the Meeting following the second notice.

In order to pass, resolutions require a majority of the votes of the Ordinary Shareholders present, represented or voting remotely.

Article 28 – Extraordinary General Meetings

1. The Extraordinary General Meeting of Shareholders shall have exclusive authority to amend any of the provisions of the Articles of Association. However, it shall not increase the obligations of the Shareholders other than through transactions, duly authorised and carried out, which are the result of an exchange or consolidation of Shares.

2. The deliberations of the Extraordinary General Meeting of Shareholders convened following the first notice shall be valid only if the holders of Ordinary Shares present, represented or voting remotely at the Meeting hold, in the aggregate, at least one fourth of all voting Ordinary Shares, or one fifth of all voting shares following the second notice. If this last quorum is not met, the second Extraordinary General Meeting may be postponed to a date not later than two months after the date for which it was scheduled.

In order to pass, resolutions require a two-thirds majority of the votes of the holders of Ordinary Shares present, represented or voting remotely.

3. Notwithstanding the foregoing provisions, and as permitted by law, an Extraordinary General Meeting which approves a capital increase through the capitalisation of reserves, profits or share premiums shall be subject to the same quorum and majority voting requirements as an Ordinary General Meeting.

Article 29 – Special Meetings

1. All holders of Preferred Shares of the same class are convened in Special Meetings.

Holders of Ordinary Shares do not have the right to attend Special Meetings and have no voting rights therein.

In accordance with the law, the deliberations of Special Meetings convened following the first notice shall be valid only if the holders of Preferred Shares belonging to the class for which the Special Meeting is to be held and present or represented hold, in the aggregate, at least one-third, or, following the second notice, one-fifth of all Preferred Shares with voting rights at Special Meetings, and if it is proposed that the rights attached to those shares be amended. If this last quorum is not met, the second Special Meeting may be postponed to a date not later than two months after the date for which it was scheduled.

In order to pass, resolutions require a two-thirds majority of the votes of the Preferred Shareholders present or represented.

2. Collective resolutions falling under the authority of Ordinary General Meetings or Extraordinary General Meetings are not subject to approval by Special Meetings.

However, in accordance with the provisions of Article L. 225-99 of the French Commercial Code, any collective resolutions falling under the authority of Ordinary General Meetings and amending individual rights attached to one or more classes of Preferred Shares under the Articles of Association shall be final only after they have been approved by the Special Meeting of Preferred Shareholders for each relevant class of Preferred Shares, voting no later than on the date of the General Meeting. Furthermore, in accordance with the provisions of Article L. 228-17 of the French Commercial Code, any proposed merger or demerger of the Company under which the Preferred Shares would not be exchangeable for shares entitling the individual holders to equivalent rights shall be subject to approval by a Special Meeting of such Shareholders.

3. In addition to the aforesaid statutory provisions, the following shall be subject to approval by Special Meetings of the relevant class of Preferred Shareholders:

- any issue of Shares giving the holders access to securities granting a right of priority payment in the event of a Distribution (as defined in paragraph 4, Article 31 "Determination, allocation and distribution of profit" herein) and/or liquidation dividend over the Preferred Shares of the relevant class and/or appropriation of losses below the proportional share that such securities represent in the share capital in the event of a capital reduction for reasons not due to losses; and
- any proposal to reincorporate the Company in another legal form.

For information, it is duly noted that decisions including but not limited to the following shall not be subject to approval by Special Meetings of holders of existing Preferred Shares:

- issues of Ordinary Shares, or issues of a new class of Preferred Shares with characteristics identical to those of the Preferred Shares already issued except for the Issue Price, Issue Date and/or Rate and the consequences of

The definitions of the underlined words can be found in the Glossary on page 567.

these characteristics for the voting rights of Preferred Shares belonging to a given class; and

- Share buybacks and/or cancellations under the terms of (i) buybacks of Preferred Shares by the Company pursuant to Article 32 "Repurchases of Preferred Shares by the Company", paragraph B "Option to repurchase Preferred Shares at the Company's initiative" herein; (ii) Share buyback programmes carried out under the terms and conditions provided by Articles L. 225-209 *et seq.* of the French Commercial Code; and (iii) a public offer to buy Ordinary Shares or any class of Preferred Shares.

Article 30 – Financial year

The financial year shall begin on 1 January and end on 31 December of each year.

Article 31 – Determination, allocation and distribution of profit

1. Five per cent of the profit for a financial year less any accumulated losses shall be posted to the legal reserve until the reserve reaches one-tenth of the share capital.
2. The balance, increased by retained earnings, if any, shall constitute the distributable profit which the Ordinary General Meeting of Shareholders shall:
   - allocate to one or more ordinary or extraordinary, optional reserve accounts, with or without a specific purpose;
   - distribute to the Ordinary Shareholders and to the Preferred Shareholders as a dividend.

   The Ordinary General Meeting may also decide to distribute amounts from reserves distributable by the Shareholders.

   Any Distribution (as defined in paragraph 4 hereinafter) shall be effected under the terms and conditions set out in paragraphs 3 to 9 below.
3. Any Ordinary Shareholders and any Preferred Shareholders who provide proof, at the end of a financial year, that their shares have been registered in their name for at least two years and are still registered in their name on the date the dividend distributed for that financial year is paid shall be entitled to the dividend increase awarded to Ordinary Shares and Preferred Shares registered in the aforesaid manner, which will not exceed 10% of the dividend paid to other Shares, including when the dividend is paid in the form of new Ordinary Shares or Preferred Shares. The increased dividend shall be rounded down to the nearest cent if necessary.

   The number of Shares that are eligible for the increased dividend per shareholder cannot exceed 0.5% of the share capital as at the end of the relevant financial year.

   It is specified that in the event a dividend is paid in Shares, the Shares allocated as payment shall be of the same class as the Shares on which the dividend is paid, and that all these Shares shall immediately be fully fungible with the Shares previously held by the Ordinary Shareholder or the Preferred Shareholder as regards entitlement to the dividend increase.

   However, in the event a dividend is paid in Shares and fractional Shares are allocated, Ordinary Shareholders or Preferred Shareholders satisfying the legal requirements may pay the balance in cash to instead obtain one additional Share.

   The foregoing shall apply for the first time to dividend payments for the financial year ended 31 December 2013 (as determined by the ordinary general meeting to be held in 2014).
4. The Ordinary General Meeting or, in the case of an interim dividend, the Board of Directors, may, for a given financial period, decide to pay or not to pay a dividend to the Ordinary Shareholders and the Preferred Dividend (as defined in paragraph 6.A. of this Article) to the Preferred Shareholders, in order to comply with the Company's prudential requirements, *inter alia*.

   It is hereby specified that in order to pay the Preferred Dividend to the Preferred Shareholders, the Ordinary General Meeting must also have decided to make a Distribution, regardless of the amount, to the Ordinary Shareholders. Preferred Shareholders shall, however, have a right of priority under the terms set out in paragraph 5 of this Article.

   For purposes of this paragraph 4, any payment made to Ordinary Shareholders under a Share buyback shall be deemed to be a Distribution to Ordinary Shareholders and therefore give rise to the payment of the full amount of the Preferred Dividend to the Preferred Shareholders (even if no dividend is paid to Ordinary Shareholders), it being specified that the following shall not be deemed to be a Distribution to Ordinary Shareholders: (i) purchases of Shares under the terms of Share buyback programmes carried out under the conditions stipulated by Articles L. 225-209 *et seq.* of the French Commercial Code (or any equivalent regulations applicable as of the date of the relevant transaction), unless such purchases are effected by means of a public offer to buy shares; and (ii) public offers to buy shares that are tendered to all Ordinary Shareholders and Preferred Shareholders in proportion to their ownership of the share capital. In the event of a share buyback that is deemed to be a Distribution, the Preferred Dividend shall be payable on the Date on which the relevant event occurred, which shall then be deemed to be a "Payment Date" as defined in paragraph 9 of this Article.

   Should there arise a Prudential Event affecting the Company, no Preferred Dividend shall be paid to the Preferred Shareholders (including in the case covered by the foregoing paragraph) and no dividend (including in the form of an interim dividend) shall be paid to the Ordinary Shareholders.

   For purposes of the foregoing paragraph, a **"Prudential Event"** means any one of the following two situations:

   (i) the Company's capital adequacy ratio on a consolidated basis is below the minimum percentage required by applicable banking regulations;

   (ii) the Company has received written notification from the SGCB that its financial position will, in the near future, cause its capital adequacy ratio to fall below the minimum percentage cited in paragraph (i).
5. Any distribution, regardless of form, approved by the Ordinary General Meeting or Extraordinary General Meeting, or, if in the form of an interim dividend, by the Board of Directors, that is charged against any of the equity accounts (profits, including profits based on an interim balance sheet in the case of an interim dividend; retained earnings; reserves; share premiums; or other accounts) (a "Distribution") shall be allocated as follows:

(i) first, to the Preferred Shareholders, up to the amount of the Preferred Dividend (as defined in this Article, in paragraph 6.A. below); and

(ii) the balance, to the Ordinary Shareholders.

Consequently, no Distribution shall be paid to the Ordinary Shareholders in respect of a given financial year if the Preferred Dividend payable to the Preferred Shareholders for such year has not been distributed and paid in full.

A Distribution is allocated to the financial period in respect of which it is paid, except in the case of interim dividends. An interim dividend paid before the General Meeting convened to vote on the financial statements for Year "n" is allocated to Year "n+1". These rules for allocating Distributions apply to all Distributions, whether paid out to Ordinary Shareholders or to Preferred Shareholders in the form of a Preferred Dividend.

6. If the Preferred Dividend in respect of a given year is not distributed, the undistributed amount of the Preferred Dividend shall not be carried forward and the Company shall have no obligation to distribute this amount to the Preferred Shareholders.

6.A. In the event of a Distribution under the terms and conditions set out in paragraphs 4 and 5 of this article, the amount of the dividend (the "Preferred Dividend") payable per Preferred Share of a given class in respect of each financial year to which it is allocated (other than the first year in which a Preferred Dividend is payable to Preferred Shareholders, in the amount determined under the conditions set out in paragraph 6.B. below), shall be calculated by multiplying:

(i) the Rate applicable to the relevant class; by

(ii) the ratio obtained by dividing the Outstanding Amount (as defined in paragraph 6.C.) in the given class by the number of Preferred Shares in the given class outstanding as of the date of the decision to distribute the Dividend.

For purposes of this calculation, the Outstanding Amount shall be determined after taking into account the Reduction of the Outstanding Amount or the Restitution of the Outstanding Amount arising, respectively, from the Net Loss or the Profit (as defined in paragraph 6.C. herein) for the year immediately preceding the year in which the Preferred Dividend is payable.

It is hereby specified that, in the event that a Preferred Dividend is paid before the date of a Reduction of the Outstanding Amount or a Restitution of the Outstanding Amount, the Preferred Dividend shall be deemed to have been determined on a provisional basis (based on the Outstanding Amount calculated on the basis of the last available certified annual consolidated financial statements). The Preferred Dividend shall be recalculated immediately following completion of the Reduction of the Outstanding Amount or the Restitution of the Outstanding Amount. In the event that the Preferred Dividend recalculated in this manner is higher than the Dividend already paid, an additional dividend shall be paid to the Preferred Shareholders on the next date on which a Distribution is paid to the Ordinary Shareholders. Conversely, in the event that the Preferred Dividend recalculated in this manner is lower than the dividend already paid, the Preferred Shareholders shall not be required to refund any amounts, notwithstanding any statutory or regulatory provisions to the contrary.

6.B. In the event that the Initial Meeting decides to distribute a Preferred Dividend, the resulting Preferred Dividend payable per Preferred Share shall be calculated by applying to the amount obtained by multiplying (i) by (ii) as defined in paragraph 6.A. above, the ratio obtained by dividing (a) the number of days elapsed between the period from the Date of Issue (inclusive) and the Payment Date (exclusive) by (b) 365;

where **"Initial Meeting"** means the first General Meeting held after the end of the financial year during which the Preferred Shares are issued and that has approved a Distribution to the Ordinary Shareholders and/or convened to vote on the Company's financial statements for the financial year in which the Preferred Shares are issued.

By exception to the first subparagraph of paragraph 6.B. above, in the event of a distribution of one or more interim dividend(s) to the Ordinary Shareholders before the Initial Meeting, a sum equal to the product of (i) multiplied by (ii) as defined in paragraph 6.A. above shall be paid to the Preferred Shareholders on the date on which the first interim dividend was paid to the Ordinary Shareholders. If this sum is less than the amount indicated in paragraph 6.B. of this Article as calculated on the date of the Initial Meeting and if the Initial Meeting is the Meeting convened to vote on the Company's financial statements for the financial year in which the Preferred Shares are issued and duly noting the payment of one or more interim dividend(s) to the Preferred Shareholders and Ordinary Shareholders, an additional amount equal to the difference, if positive, between the amount indicated in paragraph 6.B. of this Article paid to the Preferred Shareholders and the amount of the first interim dividend already paid to the Ordinary Shareholders shall be paid to the Preferred Shareholders. The said additional amount shall be paid on the day after the date of the Initial Meeting.

6.C. For purposes of these Articles of Association, the **"Outstanding Amount"** means the product obtained by multiplying the outstanding number of Preferred Shares in a given class by the Adjusted Issue Price for the given class, (i) less the amount of each Reduction of the Outstanding Amount (as defined below) applicable to the given class, (ii) plus the amount of each Restitution of the Outstanding Amount (as defined below) applicable to the given class, in each instance from the Date of Issue of the Preferred Shares in the given class.

If consolidated net income – Group share is negative (the **"Loss"**) as reflected in the Company's certified annual consolidated financial statements after taking the Exempt Amount into account (the **"Net Loss"**), the Outstanding Amount applicable to the given class of Preferred Shares shall be reduced by an amount (the **"Reduction of the Outstanding Amount"**) calculated by multiplying (i) the Net Loss and (ii) the Percentage of the Preferred Shares in the Notional Capital of the given class (as defined below) determined on the date of publication of the certified consolidated financial statements reflecting the Loss in question. The Reduction of the Outstanding Amount shall be deemed to have been carried out on the date of publication of the certified consolidated financial statements reflecting the Loss in question.

For purposes of the foregoing paragraph, **"Exempt Amount"** means the difference between (i) the amount of consolidated shareholders' equity - Group share, excluding

The definitions of the underlined words can be found in the Glossary on page 567.

consolidated equity instruments of the Company to which the Preferred Shares are subordinated, as reflected in the Company's certified annual consolidated financial statements, and (ii) the amount of the Notional Capital as reflected in the Company's certified annual consolidated financial statements.

If, following a Reduction of the Outstanding Amount, positive consolidated net income - Group share, as reflected in the Company's certified annual consolidated financial statements, is recognised (a **"Profit"**), the Outstanding Amount applicable to the given class of Preferred Shares shall be increased by an amount (the **"Restitution of the Outstanding Amount"**) calculated by multiplying (i) the Profit and (ii) the Percentage of Preferred Shares in the Notional Capital of the given class determined on the date of publication of the certified consolidated financial statements reflecting the Profit in question.

The Restitution of the Outstanding Amount shall be deemed to have been carried out on the date of publication of the certified consolidated financial statements reflecting the Profit in question after a Reduction of the Outstanding Amount.

Notwithstanding the foregoing, for purposes of calculating the Preferred Dividend payable in respect of a given financial year, the Restitution of the Outstanding Amount, barring prior approval by the SGCB, shall not be taken into account, as indicated above, unless a Preferred Dividend (regardless of the amount thereof) was distributed in respect of the previous two financial years.

In any event, the Outstanding Amount for a given class of Preferred Shares shall be no greater than the product of the outstanding number of Preferred Shares in the given class multiplied by the Adjusted Issue Price for the given class.

The **"Percentage of Preferred Shares in the Notional Capital"** means, for a given class of Preferred Shares, the ratio obtained by dividing the Notional Capital of the Preferred Shares in the given class by the Notional Capital.

Where:

"Notional Capital" means the share capital composed of Ordinary Shares and Preferred Shares, plus the amount of any share premiums and of the legal reserve, based on the Company's accounts at a given date.

"Notional Capital of the Preferred Shares" means, for a given class of Preferred Shares, at a given date:

(i) the product of the number of Preferred Shares in the given class initially issued multiplied by their Issue Price;

(ii) plus, for each new issue of Preferred Shares of the same class or any increase in the par value of the Preferred Shares effected since their issue, the increase in the nominal amount of the share capital and any increase in any corresponding share premiums of any kind; for information, it is duly noted that any issues of Preferred Shares or increases in the par value of Preferred Shares by the capitalisation of any share premiums and/or of the legal reserve shall have no impact on the Notional Capital of the Preferred Shares, as the increase in the share capital is offset by a reduction in any share premiums of any kind and/or in the legal reserve;

(iii) plus a share of any increase in the legal reserve effected since the issuance of the Preferred Shares in proportion to the Percentage of the Preferred Shares in Notional Capital of the given class determined immediately before the given increase in the legal reserve;

(iv) less the sum of any reductions in the Notional Capital to be allocated to the Preferred Shares in the given class since the issuance of the Preferred Shares in the given class, that is, the sum of the following amounts:

(A) an amount equal to the share of capital reductions due to losses, which is to be allocated to the Preferred Shares in the given class,

(B) an amount equal to the product *(x)* of any reduction in the amount of any share premiums and/or of the legal reserve effected as part of a capital reduction due to losses or a loss which is allocated to such accounts, and *(y)* the Percentage of Preferred Shares in the Notional Capital in the given class determined immediately before the given capital reduction due to losses or the allocation of the given loss, and

(C) for capital reductions for a reason other than losses, an amount equal to:

(x) the amount paid, and/or the value of any asset, as determined by an expert appointed by the Board of Directors (failing which, by an order of the Presiding Judge of the Paris Commercial Court ruling in summary proceedings under the terms of Article 1843-4 of the French Civil Code), owing to Preferred Shareholders of the given class and charged against the share capital, any share premiums and/or the legal reserve, and

(y) in the event of a cancellation of Preferred Shares that does not give rise to any payment or allocation of assets to Preferred Shareholders upon cancellation (in case of cancellation of Preferred Shares held in treasury, *inter alia*), the product of the number of cancelled Preferred Shares in the given class multiplied by their Adjusted Issue Price as of the cancellation date.

7. Preferred Shares shall be entitled to the dividend on the first day of the financial year in which they are issued. No Preferred Dividend shall be payable during the said year, except in the event that an interim dividend in respect of the following year is paid to the Ordinary Shareholders.

8. The Preferred Dividend is payable on the date on which Distributions are made or are deemed (in accordance with the second subparagraph of paragraph 4 above) to be made to the Ordinary Shareholders (the **"Payment Date"**).

9. The Ordinary General Meeting may offer each Ordinary Shareholder and each Preferred Shareholder, up to the limits and under the conditions that it shall determine, the option of receiving all or part of the dividend payment, including payment of any Preferred Dividend or interim dividend, either in cash or in Shares to be issued, where the Shares awarded in this case are of the same class as the Shares that entitled the holder to the dividend, that is, in the form of either Ordinary Shares or Preferred Shares of the same class.

Article 32 – Repurchases of Preferred Shares by the Company

A. Share buyback programme and public buyback offer

Having regard to Preferred Shares, and subject to prior approval by the General Meeting, the Board of Directors may, with the authority to further delegate such power pursuant to the applicable laws and regulations, and subject to prior approval by the Secretary General of the French Banking Commission (or any supervisory authority that may come to replace it) (the **"SGCB"**) buy back Preferred Shares and/or Ordinary Shares and, if applicable, cancel such Shares, in the proportions that it shall determine, under the terms of (i) a Share buyback programme carried out under the terms and conditions stipulated by Articles L. 225-209 *et seq.* of the French Commercial Code (or any equivalent regulations applicable as of the date of the relevant transaction) or (ii) any public buyback offer.

B. Option to repurchase Preferred Shares at the Company's initiative

1.1 EXERCISE OF THE PREFERRED SHARE BUYBACK OPTION

1. The Board of Directors may, with the right to further delegate such powers, pursuant to the applicable laws and regulations, buy back Preferred Shares, subject to prior approval by the SGCB, under the terms and conditions set out in this Article in paragraph 1.2, "Cases in which the Company may exercise its option to buy back Preferred Shares".

2. Any buyback notice under the terms of this Article 32.B is irrevocable, it being specified that a buyback notice may be contingent upon there being no objection from the Company's creditors.

3. If the buyback applies to only part of the Preferred Shares, the Preferred Shares will be repurchased from the holders of Preferred Shares of a given class on a proportional basis. In the event that the number of Preferred Shares to be repurchased proportionately is not a whole number, the number of Preferred Shares effectively bought back from the holder shall be the next lower whole number.

4. All Preferred Shares bought back in this manner shall be cancelled as of the buyback date.

5. The reports of the Board of Directors and of the Statutory Auditors stipulated in Article R. 228-19 of the French Commercial Code shall be made available to the Shareholders at the Company's registered office no later than fifteen days following the Board Meeting that carried out the buyback. These reports shall also be brought to the attention of the Shareholders at the next General Meeting.

1.2 CASES IN WHICH THE COMPANY MAY EXERCISE ITS OPTION TO BUY BACK PREFERRED SHARES

Under the conditions set out in paragraph 1.1 "Exercise of the Preferred Share buyback option" of this Article, the Board of Directors may, with the right to further delegate such powers pursuant to the applicable laws and regulations, subject to prior approval by the SGCB, repurchase the Preferred Shares in the following cases:

(i) subject to providing written notice to the Preferred Shareholders of the given class in writing or by a notice published in a daily business and financial news publication with a wide circulation in Paris at least 30 calendar days and no more than 60 calendar days in advance, the Board of Directors may arrange to repurchase, at any time after the tenth anniversary of the Date on which the given Preferred Shares were issued, all or part of the relevant Preferred Shares at the Buyback Amount (as defined in this Article in paragraph 1.3, "Determination of the Buyback Amount in the event that the Company exercises its option to buy back the Preferred Shares") on the date stated in the notice, provided that (i) a Preferred Dividend has been distributed in respect of the last two financial years before the buyback, unless the SGCB waives this condition for the Company, and (ii) the Outstanding Amount applicable to the given class of Preferred Shares is no less than the product of the Adjusted Issue Price of the given class multiplied by the number of outstanding Preferred Shares of the given class;

(ii) if an issue, conversion, merger or demerger is subject to approval by a Special Meeting of Preferred Shareholders belonging to a given class, and if such Special Meeting does not approve such an issue, exchange, merger or demerger under the quorum and majority requirements provided by these Articles of Association, and subject to providing notice to the Preferred Shareholders of the given class in writing or by means of a notice published in a daily business and financial news publication with a wide circulation in Paris at least 30 calendar days and no more than 60 calendar days in advance, the Board of Directors may arrange to repurchase all (and not just part) of the Preferred Shares in the said class at the Buyback Amount (as defined in this Article in paragraph 1.3, "Determination of the Buyback Amount in the event that the Company exercises its option to buy back the Preferred Shares") on the date stated in the notice;

(iii) if, due to a change in French law or regulations, or due to a change in the official application or interpretation thereof that may come into effect after the Date of Issue of the Preferred Shares, the proceeds from the issue of the Preferred Shares ceases to fully qualify as Core Capital (as defined in this Article, in paragraph 1.3, "Determination of the Buyback Amount in the event that the Company exercises its option to buy back the Preferred Shares") and subject to providing notice to the Preferred Shareholders of the given class in writing or by a notice published in a daily business and financial news publication with a wide circulation in Paris at least 30 calendar days and no more than 60 calendar days in advance, the Board of Directors may arrange to repurchase all (and not just part) of the portion of the Preferred Shares (where each class of Preferred Shares shall receive equal treatment based on its pro rate share of the Percentage of Preferred Shares in the Notional Capital applicable thereto) that cease to fully qualify as Core Capital (as defined in this Article, in paragraph 1.3, "Determination of the Buyback Amount in the event that the Company exercises its option to buy back the Preferred Shares"), as of a date stated in the notice which shall not be earlier than the date on which the proceeds from the issue of the Preferred Shares cease to fully qualify as Core Capital (as defined in this Article, in paragraph 1.3, "Determination of the Buyback

The definitions of the underlined words can be found in the Glossary on page 567.

Amount in the event that the Company exercises its option to buy back the Preferred Shares");

(iv) if, due to illegality or to a change in French laws or regulations or in the official application or interpretation thereof that may come into effect after the Date of Issue of Preferred Shares of a given class, and that may result in an unfavourable change in the financial condition of the holders of these Preferred Shares, the Board of Directors may, in order to protect the legitimate interests of the Company and of the holders of such Preferred Shares, and subject to providing notice to the Preferred Shareholders of the given class in writing or by a notice published in a daily business and financial news publication with a wide circulation in Paris at least 30 calendar days and no more than 60 calendar days in advance, arrange to repurchase all (and not just part) of the relevant Preferred Shares at the Buyback Amount (as defined in this Article, in paragraph 1.3, "Determination of the Buyback Amount in the event that the Company exercises its option to buy back the Preferred Shares"), as of a date stated in the notice which shall not be earlier than the effective date of the illegality, of the change in French laws or regulations, or in the official application or interpretation thereof, as the case may be.

1.3 DETERMINATION OF THE BUYBACK AMOUNT IN THE EVENT THAT THE COMPANY EXERCISES ITS OPTION TO BUY BACK THE PREFERRED SHARES

For purposes of this Article 32.B,

- **"Core Capital"** means tier one capital (i) as defined in Article 2 of CRBF (*Comité de la Réglementation Bancaire et Financière*) Regulation 90-02 of 23 February 1990, as amended; or (ii) funds qualified as such by the SGCB, without any upper limit;
- **"Buyback Amount"** means, for each Preferred Share of a given class:

(i) the Adjusted Issue Price applicable to that class,

(ii) plus an amount calculated by multiplying (a) the ratio obtained by dividing the Outstanding Amount applicable to the given class by the number of Preferred Shares of the given class outstanding as of the buyback date, by (b) the Rate and (c) the ratio obtained by dividing the number of days elapsed during the Calculation Period by 365 days;

- **"Calculation Period"** means the period between:

(a) first,

- the Payment Date (inclusive) of the Preferred Dividend paid in respect of Year "n-1" or, if no Preferred Dividend was paid in respect of that year, the anniversary date of the issue in Year "n-1" (inclusive), if:

(x) the Ordinary General Meeting convened to vote on the appropriation of net income for Year "n-1" has not yet been held and a preferred dividend has not been approved for Year "n", or

(y) the Ordinary General Meeting convened to vote on the appropriation of net income for Year "n-1" has been held and a Preferred Dividend has been approved for Year "n" and such Dividend has not yet been paid and will not have been paid as of the buyback date, or

- the Payment Date (inclusive) of the Preferred Dividend in respect of Year "n" or, if no Preferred Dividend is paid in respect of that year, the anniversary date of the issue in Year "n" (inclusive), if:

(x) a Preferred Dividend has been approved for Year "n" and such Dividend has been paid or will be paid as of the buyback date, or

(y) the Ordinary General Meeting convened to vote on the allocation of net income for Year "n-1" has been held and a Preferred Dividend was not approved for Year "n",

(b) second, the buyback date (exclusive), which is deemed to occur during Year "n" for purposes of this paragraph.

As an exception to the foregoing, if the last Preferred Dividend paid in respect of Year "n-1" or Year "n" was paid when an interim dividend was paid, the Calculation Period shall be:

(a) the period between the date of the Ordinary General Meeting convened to vote on the financial statements for the year in respect of which an interim dividend was paid, if the meeting is held before the buyback date, and the buyback date; or

(b) zero, if the Ordinary General Meeting convened to vote on the financial statements for the year in respect of which an interim dividend was paid, is held after the buyback date.

Article 33 – Conversion Of Preferred Shares

1. The Board of Directors may, with the right to further delegate such powers pursuant to the applicable laws and regulations, in the cases and under the conditions set out in paragraph 2 of this Article, convert all (and not just part) of the Preferred Shares of a given class into Ordinary Shares, using a conversion ratio (calculated to three decimal points; the fourth decimal point is rounded to the next nearest decimal point and 0.0005 is rounded to the next highest one-thousandth, that is, to 0.001) (the **"Conversion Ratio"**), determined for the Ordinary Shares, on the basis of the Value of an Ordinary Share (as defined in paragraph 8 of this Article) and for the Preferred Shares, on the basis of the Buyback Amount (as defined in paragraph 1.3, "Determination of the Buyback Amount in the event that the Company exercises its option to buy back the Preferred Shares" of Article 32, "Repurchases of Preferred Shares by the Company" of the Articles of Association).

2. The conversion procedure shall be implemented only if the following two events occur:

- in the case of a merger or demerger requiring approval by a Special Meeting of a given class of Preferred Shareholders, if the Special Meeting does not approve the merger or demerger under the quorum and majority requirements stipulated herein; and
- if the Company has filed for prior SGCB approval of the proposed transaction and not secured such approval in time to carry out the buyback of the given class of Preferred Shares in accordance with subparagraph (ii) of paragraph 1.2, "Cases in which the Company may exercise its option to buy back Preferred Shares" and Article 32 "Repurchases of Preferred Shares by the Company", and inasmuch as the terms and conditions set forth below are met as of the conversion date:

(i) the Extraordinary General Meeting has approved or authorised the conversion, and

(ii) approval for the conversion has been secured from the SGCB.

3. When carrying out the conversion procedure, the Company shall undertake to identify a reasonable way, under then-prevailing market conditions, to enable those Preferred Shareholders who wish to do so to reclassify the Ordinary Shares to which the conversion of their Preferred Shares will entitle them.

4. The holders of the Preferred Shares in the given class shall be notified of the decision to convert their Shares in writing or by a notice published in a daily business and financial news publication with a wide circulation in Paris at least 30 calendar days and no more than 60 calendar days before the effective date of conversion.

5. If the total number of Ordinary Shares to be received by a Preferred Shareholder obtained by applying the Conversion Ratio to the number of Preferred Shares held by the Shareholder is not a whole number, such Shareholder shall receive the next lowest number of Ordinary Shares; in this case, the Shareholder shall receive a sum equal to the fractional Value of the fractional Ordinary Share.

6. Any notice of conversion under the terms of these provisions shall be irrevocable, it being specified that a conversion notice may be subject to certain conditions.

7. All Preferred Shares converted in this manner shall be fully fungible with the Ordinary Shares as of their conversion date.

8. For purposes of this Article, **"Value of an Ordinary Share"** means the greater of the following two values:

(a) the volume-weighted average quoted price of an Ordinary Share on Euronext Paris (or any other exchange that may come to replace it) over the last fifteen trading days following but not including the date of publication of the notice indicated in paragraph 4 above (failing which, the date on which the written notices indicated paragraph 4 above are sent); and

(b) 95% of the volume-weighted average quoted price of the Ordinary Shares on Euronext Paris (or any other exchange that may come to replace it) over the last fifteen trading days preceding but not including the date of publication of the notice indicated in paragraph 4 above (failing which, the date on which the written notices indicated paragraph 4 above are sent).

9. The Board of Directors' reports and Statutory Auditors' reports provided by Article R. 228-18 of the French Commercial Code shall be made available to the Shareholders at the Company's registered office (i) if the Extraordinary General Meeting approves the conversion, no later than the date on which that meeting is convened; or (ii) if the Extraordinary General Meeting delegates its powers to carry out the conversion to the Board of Directors, no later than fifteen days after the meeting at which the Board uses the authority granted to it by the Extraordinary General Meeting. These reports shall also be brought to the attention of the Shareholders at the next General Meeting.

Article 34 – Dissolution - Liquidation

1. The Company shall be in liquidation as from the time that it is dissolved, for any reason whatsoever. Its legal personality shall subsist for purposes of such liquidation and until completion thereof.

The Shares may continue to be traded until liquidation has been completed.

Dissolution of the Company shall be effective as against third parties only as from the date on which the notice of dissolution is published in the Paris Trade and Company Registry.

At the end of the life of the Company or if it is dissolved in advance by an Extraordinary General Meeting of Shareholders, said Meeting shall fix the rules governing liquidation. Voting in accordance with the quorum and majority voting requirements applicable to Ordinary General Meetings, it shall appoint one or more liquidators whose powers it shall determine, and who shall carry out their responsibilities in accordance with the law. Upon appointment of the liquidators, the functions of the directors, the Chairman, the Chief Executive Officer and the Deputy Chief Executive Officers shall cease.

Throughout the duration of liquidation, the General Meeting and the Special Meetings of Shareholders shall continue to exercise the same powers as they did during the life of the Company.

2. The liquidator shall represent the Company. He shall be vested with the broadest powers to dispose of its assets, even informally. He is authorised to pay creditors and distribute the remaining balance.

The General Meeting may authorise the liquidator to continue pending business or to undertake new business for the purpose of the liquidation.

3. In the event of the Company's liquidation, the Preferred Shares shall rank *pari passu* amongst themselves and with the Ordinary Shares as set forth below.

After all of the Company's liabilities have been settled, the Preferred Shares and the Ordinary Shares shall have identical rights to the net assets, proportional to the percentage of Notional Capital represented by each class of Shares, and, with respect to the Preferred Shares in each class, up to the amount of their Adjusted Issue Price (as defined in Article 6, "Share Capital" of the Articles of Association).

The par value of the Ordinary Shares and of the Preferred Shares shall be reimbursed proportional to their share of the Company's share capital, and any liquidation dividend shall be distributed, such that the principle set out in the foregoing paragraph is observed, and, for all of the foregoing, and with respect to the Preferred Shares, up to the Adjusted Issue Price.

Article 35 – Disputes

Courts having jurisdiction under Ordinary law shall resolve any dispute which may arise during the life of the Company or during liquidation following dissolution, either among the Shareholders, the managing and governing bodies and the Company, or among the Shareholders themselves, in connection with corporate business or compliance with the provisions of the Articles of Association.

The definitions of the underlined words can be found in the Glossary on page 567.

INFORMATION ON THE COMPANY

ACQUISITIONS MADE BY CRÉDIT AGRICOLE S.A. OVER THE PAST THREE YEARS

Completed acquisitions

Date	Investments	Financing
10/02/2015	Acquisition of BAWAG P.S.K. Invest by Amundi: BAWAG P.S.K.: Invest becomes a wholly owned subsidiary of Amundi Group.	The Amundi acquisitions that took place between 2015 and 2016 were financed from our own resources.
31/08/2016	Acquisition of KBI by Amundi (acquisition of 87.5% of the company, with the management team holding 12.5%); KBI changed its name to KBI Global Investors.	
19/10/2016	CFM Indosuez Wealth Management signed a cross-referral agreement with HSBC Private Bank to service HSBC customers in Monaco.	The acquisition was financed by own funds generated and retained during the year.
03/07/2017	Amundi finalised the acquisition of 100% of Pioneer Investments.	The acquisition was financed by using Amundi's surplus capital for €1.5 billion, by an Amundi capital increase with pre-emptive subscription rights for €1.4 billion and for the balance by issuing senior and subordinated debt for €0.6 billion.
13/07/2017	Indosuez Wealth Management signs agreement for acquisition of Crédit Industriel et Commercial's private banking operations in Singapore and Hong Kong.	The acquisition was financed by own funds generated and retained during the year.
21/12/2017	Finalisation of the acquisition by Credit Agricole Cariparma of 95.3% of the capital of three Italian savings banks. The preconditions had been met for the acquisition of the three savings banks in Cesena (Cassa di Risparmio di Cesena SpA), Rimini (Cassa di Risparmio di Rimini SpA) and San Miniato (Cassa di Risparmio di San Miniato SpA) from the "Voluntary Scheme" section of Italy's Interbank Deposit Insurance Fund ("Schema Volontario").	The acquisition was financed by own funds generated and retained during the year and by subordinated and non-subordinated medium term notes.
26/12/2017	Crédit Agricole S.A. finalised the acquisition of Natixis' 15% stake in CACEIS, giving it 100% control of the company's capital.	The acquisition was financed by own funds generated and retained during the year and by subordinated and non-subordinated medium-term notes.

N.B.: we cannot disclose certain information about investment amounts without violating confidentiality agreements or revealing information to our rivals that could be detrimental to us.

Acquisitions in progress

On 7 November 2017, Indosuez Wealth Management announced that it had signed a firm agreement for the acquisition of 67.67% of the shares of Banca Leonardo. CA Indosuez Wealth (Europe) will offer to buy out Banca Leonardo's remaining shareholders at the same price and on the same terms so that its stake in Banca Leonardo can ultimately reach 100%.

NEW PRODUCTS AND SERVICES

The entities of the Group regularly offer new products and services to customers. Information is available on the Group's websites, especially through press releases on the website www.credit-agricole.com.

MATERIAL CONTRACTS

In the framework of the IPO of Crédit Agricole S.A. in 2001, CNCA (now Crédit Agricole S.A.) signed an agreement with the Regional Banks aiming to govern internal relations within Crédit Agricole Group. The main provisions of this agreement are set out in Chapter IV of the registration document filed by Crédit Agricole S.A. with the ***Commission des opérations de bourse*** on 22 October 2001 under number R.01-453. The agreement notably provided for the creation of a Fund for Bank Liquidity and Solvency Risks ("FRBLS") designed to enable Crédit Agricole S.A. to fulfil its role as central body by providing assistance to any of the members of the Crédit Agricole network as defined by the French Monetary and Financial Code who would experience difficulties. To allow for changes in the way the FRBLS works following Crédit Agricole Corporate and Investment Bank's affiliation to the Crédit Agricole network, Crédit Agricole S.A. approved new regulations at its 13 December 2011 Board Meeting, which set new rules for the contributions paid by Crédit Agricole S.A. on behalf of its affiliates.

The fund was originally allocated €610 million in assets. At 31 December 2017 it totalled €1,112 million, having been increased by €36 million in the course of the year.

Furthermore, since CNCA's reorganisation as a mutual company in 1988, the Regional Banks have committed to making up any shortfall suffered by creditors should Crédit Agricole S.A. become insolvent or experience similar financial difficulties as a result of a court-supervised liquidation, or once dissolution-related formalities are complete. The Regional Banks' potential commitment under this guarantee is equal to the sum of their share capital and reserves.

Switch guarantee

The Switch mechanism was implemented on 23 December 2011 as part of the financial relationship framework between Crédit Agricole S.A., as central body, and the mutualist network of Crédit Agricole Regional Banks.

It initially enabled the transfer of the regulatory requirements applying to Crédit Agricole S.A.'s interests in the Regional Banks, which were accounted for under the equity method in the consolidated financial statements of Crédit Agricole S.A. before the Eurêka operation was carried out.

By the amendment signed on 19 December 2013, Crédit Agricole S.A. and the Regional Banks decided to extend the guarantee base granted by the Regional Banks to Crédit Agricole S.A. on 23 December 2011 to Crédit Agricole S.A.'s equity investment in Crédit Agricole Assurances (CAA). The new guarantees came into effect on 2 January 2014 and subsequently allowed the transfer of regulatory requirements applying to Crédit Agricole S.A.'s interests both in the Regional Banks (CCI/CCA) and in CAA.

As part of the Group simplification structure Eurêka[1] operation, the Switch guarantee mechanism was amended in 2016 by two amendments, signed respectively on 17 February (amendment no. 2) and 21 July (amendment no. 3).

With these amendments, Crédit Agricole S.A. and the Regional Banks decided: i) to limit the scope of the guarantees previously granted by the Regional Banks to Crédit Agricole S.A. exclusively to Crédit Agricole S.A.'s interest in Crédit Agricole Assurances (CAA), following the transfer of Crédit Agricole S.A.'s interest in the Regional Banks to Sacam Mutualisation; ii) to change the conditions of expiry of the coverage obligation for insurance entities to enable the beneficiary to gradually reduce the guaranteed amount; iii) to replace the quarterly calculation with a half-yearly calculation. The new scope and guarantee terms came into effect on 1 July 2016.

The effectiveness of the mechanism is secured by a security deposit paid by the Regional Banks to Crédit Agricole S.A.

The guarantee transfers to the Regional Banks the risk of a fall in the equity-accounted value of Crédit Agricole S.A.'s interests in CAA.

Indeed, as soon as a drop in value is observed, the guarantee mechanism is activated and Crédit Agricole S.A. receives compensation drawn from the cash security deposit. If the equity-accounted value later recovers, Crédit Agricole S.A. can return previously paid compensation in accordance with a financial recovery clause.

The guarantee expires on 1 March 2027, when it may be extended by tacit consent. The guarantee may be terminated early, under certain circumstances and subject to prior notification of the ACPR.

The guarantee deposit is remunerated at a fixed rate based on conditions prevailing for long term liquidity. The guarantee attracts a fixed remuneration covering the present value of the risk and cost of capital of the Regional Banks.

SIGNIFICANT CHANGES

The financial statements at 31 December 2017 were approved by the Board of Directors at its meeting of 13 February 2018. Since this date, there have been no significant changes in the financial position or business operations of Crédit Agricole S.A. parent company and Group.

(1) Operation "Eurêka" described on page 528 of the 2016 annual report.

The definitions of the underlined words can be found in the Glossary on page 567.

PUBLICLY AVAILABLE DOCUMENTS

This document is available on the websites of Crédit Agricole S.A. (www.credit-agricole.com/en/Investor-and-shareholder) and of the *Autorité des marchés financiers* (AMF), www.amf-france.org.

All regulated information as defined by the AMF (in Title II of Book II of the AMF's General Regulations) is available from the Company's website at www.credit-agricole.com/en/finance/finance/financial-publications. Crédit Agricole S.A. Articles of Association are reproduced, in full, in this document.

GENERAL MEETING OF SHAREHOLDERS OF 16 MAY 2018

The agenda and draft resolutions presented to the Ordinary and Extraordinary General Meeting on Wednesday, 16 May 2018 are available from the website: www.credit-agricole.com/en/finance/finance/individual-shareholders/annual-general-meeting

INFORMATION ON INACTIVE BANK ACCOUNTS

Under articles L. 312-19 and L. 312-20 of the French Monetary and Financial Code, issued by law N° 2014-617 of 13 June 2014 relative to unclaimed assets on inactive bank accounts, named Law Eckert which came into force on 1 January 2016, every credit institutions is required to publish annual information on inactive bank accounts.

At end 2017, Crédit Agricole S.A. registers 12 inactive bank accounts for a total of assets estimated to €23,161,994. No transfer to the Caisse des Dépôts et Consignations has been done.

INFORMATION ON ACCOUNTS PAYABLES AND RECEIVABLES

Under article L. 441-6-1 of the French Commercial Code, companies whose parent company financial statements are certified by a Statutory Auditor are required to disclose in their management report the net amounts due to supplier by due date, in accordance with the terms and conditions set out in article D441-4 of Decree no. 2008-1492.

ACCOUNTS PAYABLE BY DUE DATE

(in millions of euros)	2017	2016
Due	**-**	**-**
Not yet due	**-**	**-**
< 30 days	2	-
> 30 days < 45 days	-	-
> 45 days	-	-
TOTAL	**-**	**-**

ACCOUNTS RECEIVABLE INFORMATION

Compliance with the contractual terms and conditions of accounts receivable is monitored as part of the bank's risk management loans and receivable due from customers are detailed in note 4.1 of the parent company financial statement.

CRÉDIT AGRICOLE S.A. GROUP ENTITIES IN FRANCE AND ABROAD

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

Consolidated entities included in this reporting are the parent company, subsidiaries and branches. Entities classed as discontinued or held-for-sale operations under IFRS 5, as well as entities consolidated using the equity method, are excluded.

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

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

Geographic Location	Revenues excluding intragroup eliminations	Headcount (full time equivalent)	Income before tax	Income tax charge - current[1]	Income tax charge - deferred[1]	Public grants received
France (including Dom Tom)						
France[2]	9,224	36,559	1,571	(760)	29	-
Other EU countries						
Germany	467	1,260	93	(20)	(9)	-
Austria	37	92	10	(4)	1	-
Belgium	55	110	24	(20)	3	-
Bulgaria	(1)	1	(1)	-	-	-
Denmark	-	1	-	-	-	-
Spain	165	246	64	(22)	(26)	-
Finland	9	12	6	(1)	-	-
Greece	-	4	(1)	-	-	-
Hungary	3	9	2	-	-	-
Ireland[3]	182	429	96	(7)	-	-
Italy	2,703	10,704	703	(243)	(35)	-
Luxembourg	703	1,322	451	(80)	-	-
Netherlands	110	348	11	(16)	-	-
Poland	385	5,234	31	(22)	14	-
Portugal	117	450	66	(19)	1	-
Czech Republic	27	71	19	(3)	-	-
Romania	9	288	(5)	-	-	-
United Kingdom	1,085	902	569	(120)	(6)	-
Slovakia	(1)	2	(1)	-	-	-
Sweden	27	39	13	(2)	-	-
Other Europe countries						
Monaco	145	444	44	(4)	-	-
Russia	23	165	5	(1)	-	-
Serbia	36	876	6	-	-	-
Switzerland	328	1,169	68	(23)	4	-
Ukraine	92	2,270	38	(9)	1	-
Guernsey[4]	1	-	-	-	-	-
North America						
Canada	2	10	(1)	-	-	-
United States	1,214	988	554	(148)	(51)	-
Mexico	1	1	-	-	-	-
Central and South America						
Argentina	1	1	-	-	-	-
Brazil	67	129	9	(12)	11	-
Chile	2	2	2	-	-	-
Africa and Middle East						
Algeria	5	25	2	(1)	-	-
Egypt	182	2,333	121	(29)	-	-
United Arabic Emirates	73	89	45	(1)	-	-
Morocco	198	2,486	53	(20)	-	-
Mauritius	3	118	-	-	-	-

Asia and Oceania (excluding Japan)						
Australia	64	31	52	(17)	2	-
China	34	135	6	(4)	-	-
South Korea	43	83	18	(1)	2	-
Hong-Kong	239	627	63	(11)	-	-
India	29	142	(18)	33	(36)	-
Malaysia	6	21	4	(1)	-	-
Singapore	184	552	34	(6)	-	-
Taiwan	31	83	10	-	(2)	-
Vietnam	1	-	4	-	-	-
Japan						
Japan	324	445	175	(44)	3	-
TOTAL	**18,634**	**71,308**	**5,015**	**(1,638)**	**(94)**	**-**

(1) Positive amounts represents a revenue and negative amounts an expense.

(2) Tax policy of Crédit Agricole S.A. is presented on Chapter 2 – economic, social and environmental information

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

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

At 31 December 2017 the Group had the following entities:

ENTITIES

Operation Name	Type of business	Geographic location
ACACIA	AG	France
ACAJOU	AG	France
Acieralliage EURO FCC	LC	France
Acieralliage USD FCC	LC	United States
AF EQUI.GLOB.AHE CAP	AG	Luxembourg
AF INDEX EQ JAPAN AE CAP	AG	Luxembourg
AF INDEX EQ USA A4E	AG	Luxembourg
Agos	SFS	Italy
AGRICOLE RIVAGE DETTE	AG	France
ALTAREA	AG	France
AM AC FR ISR PC 3D	AG	France
AM.AC.MINER.-P-3D	AG	France
AMUN TRESO CT PC 3D	AG	France
AMUN.ACT.REST.P-C	AG	France
AMUN.TRES.EONIA ISR E FCP 3DEC	AG	France
AMUNDI	AG	France
AMUNDI (UK) Ltd.	AG	United Kingdom
AMUNDI 12 M P	AG	France
AMUNDI 3 M P	AG	France
AMUNDI ACTIONS FRANCE C 3DEC	AG	France
AMUNDI AFD AV DURABL P1 FCP 3DEC	AG	France
AMUNDI ASSET MANAGEMENT	AG	France
AMUNDI ASSET MANAGEMENT BELGIUM	AG	Belgium
AMUNDI ASSET MANAGEMENT DEUTSCHLAND	AG	Germany
AMUNDI ASSET MANAGEMENT DUBAI BRANCH	AG	United Arabic Emirates
AMUNDI ASSET MANAGEMENT HONG KONG BRANCH	AG	Hong Kong
AMUNDI ASSET MANAGEMENT LONDON BRANCH	AG	United Kingdom
AMUNDI ASSET MANAGEMENT NEDERLAND	AG	Netherlands
Amundi Asset Management S.A.I SA	AG	Romania
Amundi Austria	AG	Austria
AMUNDI CRED.EURO ISR P FCP 3DEC	AG	France
Amundi Czech Republic Asset Management, A.S.	AG	Czech Republic
Amundi Czech Republic, Investicni Spolecnost, A.S.	AG	Czech Republic
Amundi Deutschland GmbH	AG	Germany
Amundi Distributors Usa Llc	AG	United States
AMUNDI EQ E IN AHEC	AG	Luxembourg
AMUNDI Finance	AG	France
AMUNDI Finance Emissions	AG	France
AMUNDI GBL MACRO MULTI ASSET P	AG	France
AMUNDI GLOBAL SERVICING	AG	Luxembourg
AMUNDI GRD 24 FCP	AG	France

Operation Name	Type of business	Geographic location
AMUNDI Hellas MFMC S.A.	AG	Greece
Amundi Hk - Green Planet Fund	AG	Hong Kong
AMUNDI Hong Kong Ltd.	AG	Hong Kong
AMUNDI HORIZON 3D	AG	France
AMUNDI Iberia S.G.I.I.C S.A.	AG	Spain
AMUNDI Immobilier	AG	France
AMUNDI India Holding	AG	France
AMUNDI Intermédiation	AG	France
Amundi Investment Fund Management Private Limited Company	AG	Hungary
AMUNDI Issuance	AG	France
AMUNDI IT Services	AG	France
AMUNDI Japan	AG	Japan
AMUNDI Japan Holding	AG	Japan
AMUNDI KBI ACTIONS C	AG	France
AMUNDI Luxembourg S.A.	AG	Luxembourg
AMUNDI Malaysia Sdn Bhd	AG	Malaysia
AMUNDI OBLIG EURO C	AG	France
AMUNDI PATRIMOINE C 3DEC	AG	France
Amundi Performance Absolue Equilibre	AG	France
Amundi Pioneer Asset Management Inc	AG	United States
Amundi Pioneer Asset Management USA Inc	AG	United States
Amundi Pioneer Distributor Inc	AG	United States
Amundi Pioneer Institutional Asset Management Inc	AG	United States
AMUNDI Polska	AG	Poland
AMUNDI Private Equity Funds	AG	France
AMUNDI PULSACTIONS	AG	France
AMUNDI Real Estate Italia SGR S.p.A.	AG	Italy
AMUNDI SGR S.p.A.	AG	Italy
AMUNDI Singapore Ltd.	AG	Singapore
AMUNDI Smith Breeden	AG	United States
AMUNDI Suisse	AG	Switzerland
AMUNDI Tenue de Comptes	AG	France
AMUNDI USA Inc	AG	United States
AMUNDI VALEURS DURAB	AG	France
AMUNDI Ventures	AG	France
Antera Incasso B.V.	SFS	Netherlands
ANTINEA FCP	AG	France
ARAMIS PATRIM D 3D	AG	France
Arc Broker	IRB	Poland
ARC FLEXIBOND-D	AG	France
ARES Reinsurance Ltd.	SFS	Ireland
ARTEMID	AG	France
ASSUR&ME	AG	France
Atlantic Asset Securitization LLC	LC	United States

Operation Name	Type of business	Geographic location
ATOUT EUROPE C FCP 3DEC	AG	France
ATOUT FRANCE C FCP 3DEC	AG	France
ATOUT MONDE C FCP 3DEC	AG	France
ATOUT VERT HORIZON FCP 3 DEC	AG	France
Auxifip	SFS	France
AXA EUR.SM.CAP E 3D	AG	France
Banco Crédit Agricole Brasil S.A.	LC	Brazil
Banque Thémis	FRB	France
Benelpart	LC	Belgium
BFT INVESTMENT MANAGERS	AG	France
BFT opportunité	AG	France
BNP PAR.CRED.ERSC	AG	France
C.L. Verwaltungs und Beteiligungsgesellschaft GmbH	FRB	Germany
CA Assicurazioni	AG	Italy
CA Grands Crus	CC	France
CA Indosuez (Suisse) S.A. Hong Kong Branch	AG	Hong Kong
CA Indosuez (Suisse) S.A. Singapore Branch	AG	Singapore
CA Indosuez (Suisse) S.A. Switzerland Branch	AG	Switzerland
CA Indosuez (Switzerland) S.A.	AG	Switzerland
CA Indosuez Finanziaria S.A.	AG	Switzerland
CA Indosuez Gestion	AG	France
CA Indosuez Wealth (Asset Management)	AG	Luxembourg
CA Indosuez Wealth (Brazil) S.A. DTVM	AG	Brazil
CA Indosuez Wealth (Europe)	AG	Luxembourg
CA Indosuez Wealth (Europe) Belgium Branch	AG	Belgium
CA Indosuez Wealth (Europe) Italy Branch	AG	Italy
CA Indosuez Wealth (Europe) Spain Branch	AG	Spain
CA Indosuez Wealth (France)	AG	France
CA Indosuez Wealth (Group)	AG	France
CA MASTER EUROPE	AG	France
CA VITA INFRASTRUCTURE CHOICE FIPS c.l.A.	AG	France
CA VITA PRIVATE DEBT CHOICE FIPS cl.A	AG	France
CA VITA PRIVATE EQUITY CHOICE	AG	France
CAA 2013 COMPARTIMENT 5 A5	AG	France
CAA 2013 FCPR B1	AG	France
CAA 2013 FCPR C1	AG	France
CAA 2013 FCPR D1	AG	France
CAA 2013-2	AG	France
CAA 2013-3	AG	France
CAA 2014 COMPARTIMENT 1 PART A1	AG	France

Operation Name	Type of business	Geographic location
CAA 2014 INVESTISSMENT PART A3	AG	France
CAA 2015 COMPARTIMENT 1	AG	France
CAA 2015 COMPARTIMENT 2	AG	France
CAA 2016	AG	France
CAA INFRASTRUCTURE	AG	France
CAA INFRASTRUCTURE 2017	AG	France
CAA PR FI II C1 A1	AG	France
CAA PRIV.FINANC.COMP.1 A1 FIC	AG	France
CAA PRIV.FINANC.COMP.2 A2 FIC	AG	France
CAA PRIVATE EQUITY 2017	AG	France
CAA PRIVATE EQUITY 2017 BIS	AG	France
CAA PRIVATE EQUITY 2017 FRANCE INVESTISSEMENT	AG	France
CAA PRIVATE EQUITY 2017 MEZZANINE	AG	France
CAA PRIVATE EQUITY 2017 TER	AG	France
CAA SECONDAIRE IV	AG	France
CACEIS (Canada) Ltd.	LC	Canada
CACEIS (USA) Inc.	LC	United States
CACEIS Bank	LC	France
CACEIS Bank S.A., Germany Branch	LC	Germany
CACEIS Bank, Belgium Branch	LC	Belgium
CACEIS Bank, Ireland Branch	LC	Ireland
CACEIS Bank, Italy Branch	LC	Italy
CACEIS Bank, Luxembourg Branch	LC	Luxembourg
CACEIS Bank, Netherlands Branch	LC	Netherlands
CACEIS Bank, Switzerland Branch	LC	Switzerland
CACEIS Bank, UK Branch	LC	United Kingdom
CACEIS Belgium	LC	Belgium
CACEIS Corporate Trust	LC	France
CACEIS Fund Administration	LC	France
CACEIS Ireland Limited	LC	Ireland
CACEIS S.A.	LC	France
CACEIS Switzerland S.A.	LC	Switzerland
CACI DANNI	AG	Italy
CACI Gestion	AG	France
CACI LIFE LIMITED	AG	Ireland
CACI NON LIFE LIMITED	AG	Ireland
CACI NON VIE	AG	France
CACI Reinsurance Ltd.	AG	Ireland
CACI VIE	AG	France
CACI VITA	AG	Italy
CA-EDRAM OPPORTUNITES FCP 3DEC	AG	France
CAIRS Assurance S.A.	LC	France
Caisse régionale de Crédit Agricole mutuel de la Corse	CC	France
CALIE Europe Succursale France	AG	France

Operation Name	Type of business	Geographic location
CALIE Europe Succursale Poland	AG	Poland
Calixis Finance	LC	France
Calliope SRL	LC	Italy
CAPITOP MON. C 3DEC	AG	France
Carefleet S.A.	SFS	Poland
CAREPTA R 2016	AG	France
Cariou Holding	CC	France
CASSA DI RISPARMIO DI CESENA S.P.A.	IRB	Italy
CASSA DI RISPARMIO DI RIMINI S.P.A.	IRB	Italy
CASSA DI RISPARMIO DI SAN MINIATO S.P.A.	IRB	Italy
CEDAR	AG	France
CFM Indosuez Wealth	AG	Monaco
Chorial Allocation	AG	France
CL Développement de la Corse	CC	France
Clifap	LC	France
CLTR	LC	France
CNP ACP 10 FCP	AG	France
CNP ACP OBLIG	AG	France
Compagnie Française de l'Asie (CFA)	LC	France
CONVERT.EUROP.AE	AG	Luxembourg
CORSAIR 1.52% 25/10/38	AG	Luxembourg
CORSAIR 1.5255% 25/04/35	AG	Ireland
CORSAIRE FINANCE IRELAND 0.83% 25-10-38	AG	Ireland
CORSAIRE FINANCE IRELAND 1.24% 25-10-38	AG	Ireland
CORSAIRE FINANCE IRELANDE 0.7% 25-10-38	AG	Ireland
CPR AM	AG	France
CPR CONSO ACTIONNAIRE FCP P	AG	France
CPR CROIS.REA.-P	AG	France
CPR EUROLAND P 3D	AG	France
CPR OBLIG 12 M.P 3D	AG	France
CPR REFL.RESP.0-100 P FCP 3DEC	AG	France
CPR RENAI.JAP.-P-3D	AG	France
CPR SILVER AGE P 3DEC	AG	France
Crealfi	SFS	France
Credibom	SFS	Portugal
Crediet Maatschappij "De Ijssel" B.V.	SFS	Netherlands
Crédit Agricole CIB (Belgique)	LC	Belgium
Crédit Agricole Agriculture	CC	France
Crédit Agricole America Services Inc.	LC	United States
Crédit Agricole Asia Shipfinance Ltd.	LC	Hong Kong
Crédit Agricole Assurances (CAA)	AG	France
Crédit Agricole Assurances Solutions	AG	France
CREDIT AGRICOLE BANK	IRB	Ukraine
Crédit Agricole Bank Polska S.A.	IRB	Poland
Crédit Agricole Banka Srbija a.d. Novi Sad	IRB	Serbia

Operation Name	Type of business	Geographic location
Crédit Agricole Capital Investissement et Finance (CACIF)	CC	France
Crédit Agricole Cariparma	IRB	Italy
Crédit Agricole Carispezia S.p.A.	IRB	Italy
Crédit Agricole CIB (ABU DHABI)	LC	United Arabic Emirates
Crédit Agricole CIB (Allemagne)	LC	Germany
Crédit Agricole CIB (Canada)	LC	Canada
Crédit Agricole CIB (Corée du Sud)	LC	South Korea
Crédit Agricole CIB (Dubai DIFC)	LC	United Arabic Emirates
Crédit Agricole CIB (Dubai)	LC	United Arabic Emirates
Crédit Agricole CIB (Spain)	LC	Spain
Crédit Agricole CIB (Finland)	LC	Finland
Crédit Agricole CIB (Hong-Kong)	LC	Hong Kong
Crédit Agricole CIB (Îles Caïmans)	LC	Cayman Islands
Crédit Agricole CIB (India)	LC	India
Crédit Agricole CIB (Italie)	LC	Italy
Crédit Agricole CIB (Japan)	LC	Japan
Crédit Agricole CIB (Luxembourg)	LC	Luxembourg
Crédit Agricole CIB (Miami)	LC	United States
Crédit Agricole CIB (New-York)	LC	United States
Crédit Agricole CIB (Royaume-Uni)	LC	United Kingdom
Crédit Agricole CIB (Singapour)	LC	Singapore
Crédit Agricole CIB (Sweden)	LC	Sweden
Crédit Agricole CIB (Taipei)	LC	Taiwan
Crédit Agricole CIB (Vietnam)	LC	Vietnam
Crédit Agricole CIB Air Finance S.A.	LC	France
Crédit Agricole CIB Algérie Bank Spa	LC	Algeria
Crédit Agricole CIB AO	LC	Russia
Crédit Agricole CIB Australia Ltd.	LC	Australia
Crédit Agricole CIB China Ltd.	LC	China
Crédit Agricole CIB China Ltd. Chinese Branch	LC	China
Crédit Agricole CIB Finance (Guernsey) Ltd.	LC	Guernsey
Crédit Agricole CIB Financial Prod. (Guernsey) Ltd.	LC	Guernsey
Crédit Agricole CIB Financial Solutions	LC	France
Crédit Agricole CIB Global Banking	LC	France
Crédit Agricole CIB Holdings Ltd.	LC	United Kingdom
Crédit Agricole CIB Pension Limited Partnership	LC	United Kingdom
Crédit Agricole CIB S.A.	LC	France
Crédit Agricole CIB Services Private Ltd.	LC	India
Crédit Agricole Consumer Finance	SFS	France
Crédit Agricole Consumer Finance Nederland	SFS	Netherlands
Crédit Agricole Creditor Insurance (CACI)	AG	France
Crédit Agricole Egypt S.A.E.	IRB	Egypt
Crédit Agricole Friuladria S.p.A.	IRB	Italy

Operation Name	Type of business	Geographic location
Crédit Agricole Global Partners Inc.	LC	United States
Crédit Agricole Group Solutions	IRB	Italy
Crédit Agricole Home Loan SFH	CC	France
Crédit Agricole Leasing & Factoring	SFS	France
Crédit Agricole Leasing & Factoring, Sucursal en Espana	SFS	Spain
Crédit Agricole Leasing (USA) Corp.	LC	United States
Crédit Agricole Leasing Italia	IRB	Italy
Crédit Agricole Life Insurance Company Japan Ltd.	AG	Japan
Crédit Agricole Life Insurance Europe	AG	Luxembourg
Crédit Agricole Payment Services	CC	France
Crédit Agricole Polska S.A.	IRB	Poland
Crédit Agricole Public Sector SCF	CC	France
Crédit Agricole Régions Développement	CC	France
Credit Agricole Romania	IRB	Romania
Credit Agricole Securities (Asia) Limited Hong Kong	LC	Hong Kong
Credit Agricole Securities (Asia) Limited Seoul Branch	LC	South Korea
Crédit Agricole Securities (USA) Inc	LC	United States
Crédit Agricole Securities Asia BV	LC	Netherlands
Crédit Agricole Securities Asia BV (Tokyo)	LC	Japan
Credit Agricole Service sp z o.o.	IRB	Poland
Crédit Agricole Vita S.p.A.	AG	Italy
Crédit Agricole S.A.	CC	France
Crédit du Morocco	IRB	Morocco
Crédit du Morocco Leasing et Factoring	SFS	Morocco
Crédit LIFT	SFS	France
Crédit Lyonnais Développement Économique (CLDE)	FRB	France
Creditplus Bank AG	SFS	Germany
De Kredietdesk B.V.	SFS	Netherlands
DE NEDERLANDSE VOORSCHOTBANK BV	SFS	Netherlands
Delfinances	CC	France
DGAD International SARL	LC	Luxembourg
DNA 0% 12-211220	AG	Luxembourg
DNA 0% 21/12/20 EMTN	AG	Luxembourg
DNA 0% 23/07/18 EMTN INDX	AG	Luxembourg
DNA 0% 27/06/18 INDX	AG	Luxembourg
DNA 0%11-231216 INDX	AG	Luxembourg
DNA 0%12-240418 INDX	AG	Luxembourg
Doumer Finance S.A.S.	LC	France
DS Campus	AG	France
ECOFI MULTI OPPORTUN.FCP 3DEC	AG	France
EFFITHERMIE FPCI	AG	France
EFL Finance S.A.	SFS	Poland
EFL Lease Abs 2017-1 Designated Activity Company	SFS	Ireland
EFL Services	SFS	Poland

Operation Name	Type of business	Geographic location
EMERITE 2 FCP 3DEC	AG	France
ESNI (compartiment Crédit Agricole CIB)	LC	France
ESNI (compartiment Crédit Agricole S.A.)	CC	France
Ester Finance Titrisation	LC	France
Etoile Gestion	AG	France
Eucalyptus FCT	LC	France
EUROFACTOR GmbH	SFS	Germany
Eurofactor Italia S.p.A.	SFS	Italy
EUROFACTOR NEDERLAND	SFS	Netherlands
EUROFACTOR POLSKA S.A.	SFS	Poland
Eurofactor SA - NV (Benelux)	SFS	Belgium
Eurofactor S.A. (Portugal)	SFS	Portugal
Eurofintus Financieringen B.V.	SFS	Netherlands
EUROPEAN MOTORWAY INVESTMENTS 1	AG	Luxembourg
Europejski Fundusz Leasingowy (E.F.L.)	SFS	Poland
EUROSIC	AG	France
FCPR CAA 2013	AG	France
FCPR CAA COMP TER PART A3	AG	France
FCPR CAA COMPART BIS PART A2	AG	France
FCPR CAA COMPARTIMENT 1 PART A1	AG	France
FCPR CAA France croissance 2 A	AG	France
FCPR PREDICA 2007 A	AG	France
FCPR PREDICA 2007 C2	AG	France
FCPR PREDICA 2008 A1	AG	France
FCPR PREDICA 2008 A2	AG	France
FCPR PREDICA 2008 A3	AG	France
FCPR PREDICA SECONDAIRE I A1	AG	France
FCPR PREDICA SECONDAIRE I A2	AG	France
FCPR PREDICA SECONDAIRES II A	AG	France
FCPR PREDICA SECONDAIRES II B	AG	France
FCPR Roosevelt Investissements	AG	France
FCPR UI CAP AGRO	AG	France
FCPR UI CAP SANTE A	AG	France
FCT BRIDGE 2016-1	AG	France
FCT CAA – Compartment 2017-1	AG	France
FCT Cablage FCT	LC	France
FCT CAREPTA - COMPARTIMENT 2014-1	AG	France
FCT CAREPTA - COMPARTIMENT 2014-2	AG	France
FCT CAREPTA - COMPARTIMENT RE-2016-1	AG	France
FCT CAREPTA - RE 2015 -1	AG	France
FCT CAREPTA 2-2016	AG	France
FCT Crédit Agricole Habitat 2015 Compartiment Corse	CC	France
FCT Crédit Agricole Habitat 2017 Compartiment Corse	CC	France
FCT Evergreen HL1	CC	France
FCT GINGKO CLOANS 2013-1	SFS	France
FCT GINGKO DEBT CONSO 2015-1	SFS	France

Operation Name	Type of business	Geographic location
FCT GINGKO PERSONAL LOANS 2016-1	SFS	France
FCT GINGKO PLOANS 2015-1	SFS	France
FCT GINGKO SALES FIN 2014-1	SFS	France
FCT GINGKO SALES FINANCE 2015-1	SFS	France
FCT GINKGO MASTER REVOLVING LOANS	SFS	France
FCT GINKGO SALES FINANCE 2017-1	SFS	France
FCT MID CAP 2 05/12/22	AG	France
FEDERIS CORE EU CR 19 MM	AG	France
Federval	AG	France
Fia Net Europe	CC	Luxembourg
FIC-FIDC	LC	Brazil
Finamur	SFS	France
Financière des Scarabées	LC	Belgium
Financière Lumis	LC	France
Finaref Assurances S.A.S.	SFS	France
Finaref Risques Divers	AG	France
Finaref Vie	AG	France
Finasic	CC	France
Finata Bank N.V.	SFS	Netherlands
Finata Zuid-Nederland B.V.	SFS	Netherlands
Fininvest	LC	France
FIRECA	CC	France
Fletirec	LC	France
FLORIS.EQUIL.3DEC	AG	France
FLORIS.PRUDEN.3DEC	AG	France
FLORISS.DYNAM.3DEC	AG	France
FLORISS.EXPAN.3DEC	AG	France
Foncaris	CC	France
FONCIERE HYPERSUD	AG	France
FONDS AV ECHUS N°2	AG	France
FPCI Cogeneration France I	AG	France
FREY	AG	France
Fundo A De Investimento Multimercado	LC	Brazil
Genavent	AG	France
GNB SEGUROS	AG	Portugal
GRD 44	AG	France
GRD 44 N°3	AG	France
GRD 44 N2	AG	France
GRD 54	AG	France
GRD TOBAM AB A	AG	France
GRD01	AG	France
GRD02	AG	France
GRD03	AG	France
GRD04	AG	France
GRD05	AG	France
GRD07	AG	France
GRD08	AG	France

Operation Name	Type of business	Geographic location
GRD09	AG	France
GRD10	AG	France
GRD11	AG	France
GRD12	AG	France
GRD13	AG	France
GRD14	AG	France
GRD16	AG	France
GRD17	AG	France
GRD18	AG	France
GRD19	AG	France
GRD20	AG	France
GRD21	AG	France
GRD23	AG	France
Green FCT Lease	SFS	France
GSA Ltd	SFS	Mauritius
HDP BUREAUX	AG	France
HDP HOTEL	AG	France
HDP LA HALLE BOCA	AG	France
Héphaïstos EUR FCC	LC	France
Héphaïstos GBP FCT	LC	France
Héphaïstos Multidevises FCT	LC	France
Héphaïstos USD FCT	LC	France
HMG GLOBETROTTER D	AG	France
I.P.F.O.	LC	France
IAA CROISSANCE INTERNATIONALE	AG	France
Icade	AG	France
IDIA	CC	France
IDM Finance B.V.	SFS	Netherlands
IDM Financieringen B.V.	SFS	Netherlands
IDM lease maatschappij N.V.	SFS	Netherlands
Iebe Lease B.V.	SFS	Netherlands
Igasus LLC	LC	United States
IMEFA 177	AG	France
IMEFA 178	AG	France
IMEFA 179	AG	France
IND.CAP EMERG.-C-3D	AG	France
INDO.FLEX.100 -C-3D	AG	France
INDOS.EURO.PAT.PD 3D	AG	France
Indosuez Holding SCA II	LC	Luxembourg
Indosuez Management Luxembourg II	LC	Luxembourg
INFRA FOCH TOPCO	AG	France
INTERBANK NV	SFS	Netherlands
Interfimo	FRB	France
INTERMEDIAIRE VOORSCHOTBANK BV	SFS	Netherlands
INVEST RESP S3 3D	AG	France
Investor Service House S.A.	LC	Luxembourg
Island Refinancing SRL	LC	Italy
Issy Pont	AG	France

Operation Name	Type of business	Geographic location
ItalAsset Finance SRL	LC	Italy
IUB Holding	IRB	France
KBI Fund Managers Limited	AG	Ireland
KBI Global Investors (North America) Limited	AG	Ireland
KBI Global Investors Limited	AG	Ireland
KORIAN	AG	France
Krediet '78 B.V.	SFS	Netherlands
La Fayette Asset Securitization LLC	LC	United States
Lafina	LC	Belgium
LCL	FRB	France
LCL 4 HOR. AV 06/14	AG	France
LCL 5 HOR.AV 0415 C	AG	France
LCL AC.DEV.DU.EURO	AG	France
LCL AC.EMERGENTS 3D	AG	France
LCL ACT RES NATUREL	AG	France
LCL ACT.E-U ISR 3D	AG	France
LCL ACT.IMMOBI.3D	AG	France
LCL ACT.USA ISR 3D	AG	France
LCL ACTIONS EURO C	AG	France
LCL ACTIONS MONDE FCP 3 DEC	AG	France
LCL ALLOCATION DYNAMIQUE 3D FCP	AG	France
LCL AUTOCALL VIE 17	AG	France
LCL D.CAPT.JU.10 3D	AG	France
LCL DEVELOPPEM.PME C	AG	France
LCL Emissions	AG	France
LCL FDS ECH.MONE.3D	AG	France
LCL FLEX 30	AG	France
LCL INVEST.EQ C	AG	France
LCL INVEST.PRUD.3D	AG	France
LCL MGEST 60 3DEC	AG	France
LCL MGEST FL.0-100	AG	France
LCL OPTIM II VIE 17	AG	France
LCL OPTIM VIE T 17 C	AG	France
LCL PHOENIX VIE 2016	AG	France
LCL PREMIUM VIE 2015	AG	France
LCL SEC 100 AV(JUIN08) FCP 3D	AG	France
LCL SECU.100(JUIL.11)	AG	France
LCL succursale de Monaco	FRB	Monaco
LCL TRIP HORIZ SEP16	AG	France
LCL VOCATION RENDEMENT NOV 12 3D	AG	France
Lixxbail	SFS	France
Lixxcourtage	SFS	France
Lixxcredit	SFS	France
LMA SA	LC	France
Londres Croissance C16	AG	France
LRP - CPT JANVIER 2013 0.30 13-21 11/01A	AG	Luxembourg
Lukas Finanse S.A.	IRB	Poland
Mahuko Financieringen B.V.	SFS	Netherlands
MATSUBA BV	SFS	Netherlands
Médicale de France	AG	France
Merisma	LC	France
Molinier Finances	LC	France
Money Care B.V.	SFS	Netherlands
Nexus 1	AG	Italy
NL Findio B.V	SFS	Netherlands
OBJECTIF LONG TERME FCP	AG	France
OBJECTIF MEDIAN FCP	AG	France
OCHIBA 2015 B.V	SFS	Netherlands
OPALIA VIE 3DEC	AG	France
OPCI Camp Invest	AG	France
OPCI ECO CAMPUS SPPICAV	AG	France
OPCI Immanens	AG	France
OPCI Immo Emissions	AG	France
OPCI Iris Invest 2010	AG	France
OPCI KART	AG	France
OPCI MASSY BUREAUX	AG	France
OPCI Messidor	AG	France
OPCIMMO LCL SPPICAV 5DEC	AG	France
OPCIMMO PREM SPPICAV 5DEC	AG	France
OPTIMIZ BES TIMING II 3DEC	AG	France
ORIANCE VIE FCP 3DEC	AG	France
Pacific EUR FCC	LC	France
Pacific IT FCT	LC	France
Pacific USD FCT	LC	France
Pacifica	AG	France
Partinvest S.A.	LC	Luxembourg
PATRIMOINE ET COMMERCE	AG	France
Peg - Portfolio Eonia Garanti	AG	France
Pioneer Asset Management A.S. Bratislava Branch	AG	Slovakia
Pioneer Asset Management A.S. Sofia	AG	Bulgaria
Pioneer Asset Management S.A.	AG	Luxembourg
Pioneer Global Investments (Australia) Pty Limited	AG	Australia
Pioneer Global Investments (Taiwan) LTD	AG	Taiwan
Pioneer Global Investments LTD	AG	Ireland
Pioneer Global Investments LTD Buenos Aires Branch	AG	Argentina
Pioneer Global Investments LTD Jelling Branch	AG	Denmark
Pioneer Global Investments LTD London Branch	AG	United Kingdom
Pioneer Global Investments LTD Madrid Branch	AG	Spain
Pioneer Global Investments LTD Mexico city Branch	AG	Mexico
Pioneer Global Investments LTD Paris Branch	AG	France

Operation Name	Type of business	Geographic location
Pioneer Global Investments LTD Santiago Branch	AG	Chile
Pioneer Invesments Austria GmbH	AG	Austria
Pioneer Investment Company A.S.	AG	Czech republic
Pioneer Investment Management Limited	AG	Ireland
Pioneer Investment Management Limited London Branch	AG	United Kingdom
Pioneer Investment Management Limited Singapore Branch	AG	Singapore
Pioneer Investment Management Sgr p.A.	AG	Italy
Placements et réalisations immobilières (SNC)	LC	France
Predica	AG	France
Predica - Prévoyance Dialogue du Crédit Agricole	AG	Spain
Predica 2005 FCPR A	AG	France
Predica 2006 FCPR A	AG	France
Predica 2006-2007 FCPR	AG	France
PREDICA 2010 A1	AG	France
PREDICA 2010 A2	AG	France
PREDICA 2010 A3	AG	France
Predica OPCI Bureau	AG	France
Predica OPCI Commerces	AG	France
Predica OPCI Habitation	AG	France
PREDICA SECONDAIRES III	AG	France
Predicant A1 FCP	AG	France
Predicant A2 FCP	AG	France
Predicant A3 FCP	AG	France
PREDIPARK	AG	France
Prediquant Eurocroissance A2	AG	France
Prediquant opportunité	AG	France
PREDIQUANT PREMIUM	AG	France
PREDIQUANT STRATEGIES	AG	France
PREMIUM GR 0% 28	AG	Ireland
PREMIUM GREEN 0.508% 25-10-38	AG	Ireland
PREMIUM GREEN 0.63% 25-10-38	AG	Ireland
PREMIUM GREEN 1.24% 25/04/35	AG	Ireland
PREMIUM GREEN 1.531% 25-04-35	AG	Ireland
PREMIUM GREEN 1.55% 25-07-40	AG	Ireland
PREMIUM GREEN 4.52%06-21 EMTN	AG	Ireland
PREMIUM GREEN 4.54%06-13.06.21	AG	Ireland
PREMIUM GREEN 4.5575%21 EMTN	AG	Ireland
PREMIUM GREEN 4.56%06-21	AG	Ireland
PREMIUM GREEN 4.7% EMTN 08/08/21	AG	Ireland
PREMIUM GREEN 4.72%12-250927	AG	Ireland
PREMIUM GREEN PLC 1.095% 25-10-38	AG	Ireland
PREMIUM GREEN PLC 4.30%2021	AG	Ireland
PREMIUM GREEN TV 06/22	AG	Ireland
PREMIUM GREEN TV 07/22	AG	Ireland
PREMIUM GREEN TV 07-22	AG	Ireland
PREMIUM GREEN TV 22	AG	Ireland
PREMIUM GREEN TV 26/07/22	AG	Ireland
PREMIUM GREEN TV06-16 EMTN	AG	Ireland
PREMIUM GREEN TV07-17 EMTN	AG	Ireland
PREMIUM GREEN TV2027	AG	Ireland
PREMIUM GREEN TV23/05/2022 EMTN	AG	Ireland
PREMIUM GREEN4.33%06-29/10/21	AG	Ireland
PREMIUM PLUS 0% 09-17 EMTN	AG	Ireland
PREMIUM PLUS PLC 0% 09-17	AG	Ireland
PREMIUM PLUS PLC 0% 09-17 IND	AG	Ireland
PurpleProtAsset 1,36% 25/10/2038	AG	Luxembourg
PurpleProtAsset 1.093% 20/10/2038	AG	Luxembourg
RAMSAY – GENERALE DE SANTE	AG	France
RED CEDAR	AG	France
RETAIL CONSUMER CP GERMANY 2016 UG	SFS	Germany
RIBANK NV	SFS	Netherlands
S.A.S. Evergreen Montrouge	CC	France
SA RESICO	AG	France
Sagrantino Italy SRL	LC	Italy
SAS Caagis	AG	France
SCI BMEDIC HABITATION	AG	France
SCI CAMPUS MEDICIS ST DENIS	AG	France
SCI CAMPUS RIMBAUD ST DENIS	AG	France
SCI CARGO PROPERTY HOLDING	AG	France
SCI FEDERALE PEREIRE VICTOIRE	AG	France
SCI FEDERALE VILLIERS	AG	France
SCI FEDERLOG	AG	France
SCI FEDERLONDRES	AG	France
SCI FEDERPIERRE	AG	France
SCI GRENIER VELLEF	AG	France
SCI Holding Dahlia	AG	France
SCI IMEFA 001	AG	France
SCI IMEFA 002	AG	France
SCI IMEFA 003	AG	France
SCI IMEFA 004	AG	France
SCI IMEFA 005	AG	France
SCI IMEFA 006	AG	France
SCI IMEFA 008	AG	France
SCI IMEFA 009	AG	France
SCI IMEFA 010	AG	France
SCI IMEFA 011	AG	France
SCI IMEFA 012	AG	France
SCI IMEFA 013	AG	France
SCI IMEFA 016	AG	France
SCI IMEFA 017	AG	France
SCI IMEFA 018	AG	France
SCI IMEFA 020	AG	France

Operation Name	Type of business	Geographic location
SCI IMEFA 022	AG	France
SCI IMEFA 025	AG	France
SCI IMEFA 032	AG	France
SCI IMEFA 033	AG	France
SCI IMEFA 034	AG	France
SCI IMEFA 035	AG	France
SCI IMEFA 036	AG	France
SCI IMEFA 037	AG	France
SCI IMEFA 038	AG	France
SCI IMEFA 039	AG	France
SCI IMEFA 042	AG	France
SCI IMEFA 043	AG	France
SCI IMEFA 044	AG	France
SCI IMEFA 047	AG	France
SCI IMEFA 048	AG	France
SCI IMEFA 051	AG	France
SCI IMEFA 052	AG	France
SCI IMEFA 054	AG	France
SCI IMEFA 057	AG	France
SCI IMEFA 058	AG	France
SCI IMEFA 060	AG	France
SCI IMEFA 061	AG	France
SCI IMEFA 062	AG	France
SCI IMEFA 063	AG	France
SCI IMEFA 064	AG	France
SCI IMEFA 067	AG	France
SCI IMEFA 068	AG	France
SCI IMEFA 069	AG	France
SCI IMEFA 072	AG	France
SCI IMEFA 073	AG	France
SCI IMEFA 074	AG	France
SCI IMEFA 076	AG	France
SCI IMEFA 077	AG	France
SCI IMEFA 078	AG	France
SCI IMEFA 079	AG	France
SCI IMEFA 080	AG	France
SCI IMEFA 081	AG	France
SCI IMEFA 082	AG	France
SCI IMEFA 083	AG	France
SCI IMEFA 084	AG	France
SCI IMEFA 085	AG	France
SCI IMEFA 089	AG	France
SCI IMEFA 091	AG	France
SCI IMEFA 092	AG	France
SCI IMEFA 096	AG	France
SCI IMEFA 100	AG	France
SCI IMEFA 101	AG	France

Operation Name	Type of business	Geographic location
SCI IMEFA 102	AG	France
SCI IMEFA 103	AG	France
SCI IMEFA 104	AG	France
SCI IMEFA 105	AG	France
SCI IMEFA 107	AG	France
SCI IMEFA 108	AG	France
SCI IMEFA 109	AG	France
SCI IMEFA 110	AG	France
SCI IMEFA 112	AG	France
SCI IMEFA 113	AG	France
SCI IMEFA 115	AG	France
SCI IMEFA 116	AG	France
SCI IMEFA 117	AG	France
SCI IMEFA 118	AG	France
SCI IMEFA 120	AG	France
SCI IMEFA 121	AG	France
SCI IMEFA 122	AG	France
SCI IMEFA 123	AG	France
SCI IMEFA 126	AG	France
SCI IMEFA 128	AG	France
SCI IMEFA 129	AG	France
SCI IMEFA 131	AG	France
SCI IMEFA 132	AG	France
SCI IMEFA 140	AG	France
SCI IMEFA 148	AG	France
SCI IMEFA 149	AG	France
SCI IMEFA 150	AG	France
SCI IMEFA 155	AG	France
SCI IMEFA 156	AG	France
SCI IMEFA 157	AG	France
SCI IMEFA 158	AG	France
SCI IMEFA 159	AG	France
SCI IMEFA 164	AG	France
SCI IMEFA 169	AG	France
SCI IMEFA 170	AG	France
SCI IMEFA 171	AG	France
SCI IMEFA 172	AG	France
SCI IMEFA 173	AG	France
SCI IMEFA 174	AG	France
SCI IMEFA 175	AG	France
SCI IMEFA 176	AG	France
SCI LE VILLAGE VICTOR HUGO	AG	France
SCI MEDI BUREAUX	AG	France
SCI PACIFICA HUGO	AG	France
SCI PORTE DES LILAS - FRERES FLAVIEN	AG	France
SCI Quentyvel	CC	France
SCI VALHUBERT	AG	France

Operation Name	Type of business	Geographic location
SCI VAUGIRARD 36-44	AG	France
Shark FCC	LC	France
SILCA	CC	France
SIS (Société Immobilière de la Seine)	CC	France
SNC Kalliste Assur	CC	France
SNGI	LC	France
SNGI Belgium	LC	Belgium
Société Générale Gestion (S2G)	AG	France
Sococlabecq	LC	Belgium
Sodica	CC	France
Sofinco Participations	SFS	France
Sofipac	LC	Belgium
SOLIDARITE AMUNDI P	AG	France
SOLIDARITE INITIATIS SANTE	AG	France
Space Holding (Ireland) Limited	AG	Ireland
Space Lux	AG	Luxembourg
Spirica	AG	France
Ste Européenne de développement d'assurances	SFS	France
Ste Européenne de développement du financement	SFS	France
Succursale Credit Agricole SA	CC	United Kingdom
SUNRISE SPV 20 SRL	SFS	Italy
SUNRISE SPV 30 SRL	SFS	Italy
SUNRISE SRL	SFS	Italy
TCB	LC	France
THETIS FINANCE 2015-1	SFS	Portugal
TRIALIS 6 ANS	AG	France
TRIALIS 6 ANS N2 C	AG	France
TRIALIS 6 ANS N3 FCP	AG	France
TRIALIS C	AG	France
TRIANANCE 6 ANS	AG	France
TRIANANCE 6 ANS N 4	AG	France
Triple P FCC	LC	France
TSUBAKI OFF (FCT)	LC	France
TSUBAKI ON (FCT)	LC	France
UI CAP SANTE 2	AG	France
UI Vavin 1	CC	France
Uni-Edition	CC	France
Unifergie	SFS	France
Vanderbilt Capital Advisors LLC	AG	United States
VENDOME INV.FCP 3DEC	AG	France
Via Vita	AG	France
VoordeelBank B.V.	SFS	Netherlands
Vulcain EUR FCT	LC	France
Vulcain Multi-Devises FCT	LC	France
Vulcain USD FCT	LC	France
71 United-linked funds with a detention rate equal or above 95%	AG	France

FRB: French retail banking
IRB: International retail banking
AG: Asset gathering
SFS: Specialised financial services
LC: Large customers
CC: Corporate Centre

During the year, Crédit Agricole S.A. has not taken any significative stake in companies headquartered in France.

TRANSACTIONS WITH RELATED PARTIES

The main transactions entered into with related parties are disclosed in the consolidated financial statements for the year ended 31 December 2017 in the "General framework – Related parties" section.

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

STATUTORY AUDITORS' SPECIAL REPORT ON RELATED PARTY AGREEMENTS AND COMMITMENTS

This is a free translation into English of a report issued in French. It is provided solely for the convenience of English speaking users. This report should be read and construed in accordance with French law and professional auditing standards applicable in France.

General Meeting of Shareholders to approve the financial statements for the year ended 31 December 2017

To the Shareholders,

In our capacity as Statuatory Auditors of your Company, we hereby report on the agreements and commitments with related parties.

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. We are not required to comment as to whether they are beneficial or appropriate or to ascertain the existence of any other agreements and commitments. It is your responsibility, in accordance with Article R. 225-31 of the French commercial code (Code de commerce), to evaluate the benefits resulting from these agreements and commitments prior to their approval.

In addition, we are required, where applicable, to inform you in accordance with Article R.225-31 of the French commercial code (Code de commerce) on the implementation, during the year, of agreements and commitments previously approved by the General Meeting of Shareholders.

We performed those procedures which we considered necessary to comply with professional guidance issued by the national auditing body (Compagnie Nationale des Commissaires aux Comptes) relating to this type of engagement. These procedures consisted in verifying that the information provided to us is consistent with the documentation from which it has been extracted.

Agreements and commitments submitted for approval by the General Meeting of Shareholders

In accordance with Article R. 225-30 of the French commercial code (Code de commerce), we have been advised of the following agreements and commitments which received an initial approval by your Board of Directors.

1. WITH AMUNDI

Persons concerned

Mrs Talamona and Mr Musca, managing director and Deputy Managing Director of your Company and managing director and Chief Executive Officer of Amundi.

Nature and purpose

The Board of Directors of your company, on its meeting of November 7th 2016, authorized firstly, Amundi, a listed asset management subsidiary of your group, to make a binding offer for the acquisition of the Italian company Pioneer. Secondly, to secure the operation and to guarantee that it was fully financed to the seller, Unicredito Bank, the Board of Directors has also authorized the principle of granting a deficiency guarantee from your company over the capital increase that Amundi might have to put in place to fund this operation.

The funding program for the acquisition of the firm Pioneer for €3.5 billion included:

- the use of Amundi's capital surplus of €1.5 billion;
- a capital increase of €1.4 billion;
- an issuance of redeemable subordinated bonds that will be subscribe by your company.

Amundi's offer has been accepted by the seller on December 12th 2016.

The Board of Director's, on it's meeting of February 14th 2017 has:

- authorized your company to subscribe to the capital increase considered by Amundi, to the maximal extent of €820 million, and to maintain with the other entities of Credit Agricole Group a 70% share in Amundi's capital at the end of the operation;
- authorized your company to enter into the deficiency guarantee, that especially includes :
  - a compensation corresponding to 1.2% of the amount of Amundi's capital increase not covered by the original subscription made by your company, and, if need be, other company of Credit Agricole Group,
  - moreover, it includes the subscription from your company, in the case where the deficiency guarantee shall be infringed, of the capital increase's balance not subscribed by a third party (shareholders or else) at the end of the preferential subscription rights exercise period.

It is specified that the capital increase's authorization, and the required delegations, have been submitted to Amundi's shareholders, gathered at the extraordinary general meeting on January 30th 2017 with Amundi's Board of directors ruling, on February 9th 2017 on the parameters range of the capital increase and on the settlement of the compensation of your company from the deficiency guarantee.

Terms and conditions

At the end of the subscription period, opened from March 17th 2017 to March 31st 2017, after which the deficiency guarantee might have been implemented, the total demand was reckoned at 70.099.352 shares, which equals to a subscription rate of approximately 209%. Your company has subscribed, for its part, in the conditions described which allowed Credit Agricole Group to maintain its 70% share in Amundi's capital.

In this case, the amount of interests received by your company by virtue of the deficiency guarantee was amounted to €9.96 Million.

Motivations for the convention for company

Your board has justified this convention by the following way:

The acquisition of Pioneer by Amundi was an opportunity for Credit Agricole's assets management subsidiary, not only because of the good geographic fit, commercial and expertise input complementarity, but also because of the potential synergies. As the end, with €1.400 billion assets under management, Amundi has become the first asset management company in Europe in the 8th in the world.

The perfomance guarantee authorized by the Board of Directors, by attesting the confidence your company had on the development prospect that this acquisition gave to its subsidiary, provided an additional security to both the seller and the market, contributing to ensure that the operation was successful.

2. WITH CREDIT AGRICOLE CIB

Persons concerned

Messrs Philippe Brassac, François Veverka, Jean-Louis Roveyaz, Mrs Gri, Pourre and Mr Paviet, Directors or executive corporate officers of your Company and Chairman of the Board of Directors, Chief Executive Officer or Directors of Crédit Agricole CIB.

Nature and purpose

By decision of 7 December 2016, the European Commission imposed a fine of € 114,654 million on your company and Crédit Agricole CIB which were considered to be jointly and severally liable after an investigation carried oud by the Commission concluding by agreeing

At the time of the delivery of the judgement, your company announced it would appeal against the decision before the General Court of the European Union. The claim for annulment was filed in on February 17, 2017.

As the appeal did not stay the judgement, your company had to pay the full amount due before March 5, 2017.

Based on an agreement signed with Crédit Agricole CIB, your company accepted to pay the full amount of the penalty on behalf of the two sentenced jointly and severally institutions and sending the fine's payment repartition to the European judicial authorities decision.

At its meeting held on January 20, 2017, the Board of Directors authorized the draft convention between your company and Crédit Agricole CIB under the terms set out below.

Terms and Conditions

In the period for obtaining a court order having the force of res judicata being heard at last instance, your company takes over and pays the amount of € 114,654,000 as part of the penalty.

The final terms and conditions for distributing the final amount of the potential penalty will have to be agreed later by mutual agreement between your company and Crédit Agricole CIB, once a decision having the authority of res judicata will have been adopted.

The agreement was authorized in identical terms by the Board of Directors of Crédit Agricole CIB on February 10, 2017. It represents a formal measure of organization of the joint and several condemnation's distribution, without prejudice to the results of cases lodged.

In accordance with the delegation granted by their respective councils, it was signed on February 27, 2017 by your company's CEO and Crédit Agricole CIB's Chief Executive Officer. The penalty has been paid within the statutory time limit, ie before March 5, 2017.

Motivations for the convention for company

Your Board gave the following reasons:

Since the Commission's decision did not contain any precise details regarding the apportionment of the payment between the contractual parties, it left them to determine conventionally the proportionate share in the penalty assigned to each of them, in accordance with the established case-law of the European Court of Justice.

As both the Board of Directors of your company and Crédit Agricole CIB have reasserted, the penalty's payment as the conclusion of an agreement organizing the distribution between the two institutions cannot in any circumstances be regarded as a part of any admission of guilt from your company and/or Crédit Agricole CIB.

It is recalled that:

- tThe provisional payment of this penalty is in accordance with the missions of your company, which, as a central body, guarantees the liquidity and solvency of all its affiliates, including Crédit Agricole CIB;
- the payment of the fine did not impacted the accounts for the year 2016 given that the recognized provisions.

Persons concerned

Mrs Gri and Mrs Pourre, and Mssrs Brassac, Paviet and Thibault, Directors or executive corporate officers of your Company and Chairman of the Board of Directors, Chief Executive Officer or Directors of Crédit Agricole CIB.

The definitions of the underlined words can be found in the Glossary on page 567.

Nature and purpose

At a meeting held on December 19, 2017, the Board of Directors of your company authorized the transfer of your company's computing activities (MSI) to Global IT (GIT) which ensures the same missions on Crédit Agricole CIB's perimeter.

The transfer of the divested business, which resulted in information and consultation procedures of the personnel's representative bodies will take place on January 1st, 2018.

The transfer itself does not constitute a regulated agreement but, as part of this operation, your company and Crédit Agricole CIB set up a temporary billing and collection order which falls within the scope of paragraph 2 of Article L.225-38 of the French Commercial Code concerning regulated agreements.

To this end, this mandate has been authorized by the Board of Directors during its meeting held on December, 19, 2017, differently from the transfer of activity's global authorization.

Terms and Conditions

During a transition period from six to twelve months from the date of transfer, some Crédit Agricole Groupe entities could benefit from MSI services by signed quotations. Billing and recovery services would be carried out by your company under a billing and collection mandate, which includes, in particular, your company's warranty to Crédit Agricole CIB referring to the recovery, towards the beneficiary entities, of your company's billings in the name of and on behalf of Crédit Agricole CIB.

After this transitional period, Crédit Agricole CIB could decide, if necessary, to execute the services in favour of the other Group entities, through Progica or another Crédit Agricole Group entity, depending on the result of the work carried out during the transitional period, regulatory changes and potential other reorganization carried out within Crédit Agricole Group.

Reasons justifying the merits of the convention for the company

Your Board gave the following reasons:

Through the pooling of the skills and expertise and synergies that should be allowed, this transfer is consistent with the medium-term plan "Ambition Stratégique 2020". It also responds to this plan's policies designed to refocus your company's activities on its normative functions.

The billing and collection order has been set up temporarily in order to facilitate the transfer of the divested business from your company to Crédit Agricole CIB, according to the conditions described above.

Persons concerned

Mrs Gri and Mrs Pourre, and Mssrs Brassac, Paviet and Thibault, Directors or executive corporate officers of your Company and Chairman of the Board of Directors, Chief Executive Officer or Directors of Crédit Agricole CIB.

Nature and purpose

At a meeting held on December 19, 2017, the Board of Directors of your company authorized the transfer of your company's Banking Management Activities (MSI) to Crédit Agricole CIB's Operations & Country COOs.

The operation takes the form of a contract for the sale of a business asset including:

- settlement and correspondence bank activities (or "Correspondent Banking") consisting for DSB in maintaining accounts and providing services related to this account maintenance (notably electronic transfers, cheque clearing etc ...) in favour of Credit Agricole internal and external clients;
- regional banks and other Crédit Agricole group institutions maintaining bank accounts activity;
- the treatment of level 1 alerts activity.

The maintaining of certain accounts opened by regional banks to your company as a central body were excluded from this transfer of activity.

Prior to signing the sale of a business asset contract, information and consultation procedures of the personnel's representative bodies of your company and Crédit Agricole CIB had been carried out.

Terms and conditions

The Board of Directors of your company has therefore authorized the transfer of property of the sold business assets as well as the rights, the risks and use ensuing, with effect from January 1st 2018. To this date, Crédit Agricole CIB will be operating the sold business asset with the human resources (99 co-worker) and the transferred materials.

The transfer of the business asset has been granted end accepted in exchange of the payment of €57.000.

Motivation for the convention for company

Your board has justified this convention by the following way:

The business activity transfer of the DSB must enable a improvement of the level of services, the pooling of the complementary skills while highlighting the expertise of the team, the mutualisation of the tools and a better securisation of the processes. Besides, the fulfilment of this business asset transfer will allow Crédit Agricole CIB to extend its offer to "Correspondent Banking", to widen and modernized de facto its offer in Cash Management, especially toward financial institution, while giving a better legibility for its client on its organization.

The Credit Agricole Group could therefore, adapt itselt better to the new regulatory or market requirements and to the need of future client while reducing costs and optimize future investments

3. WITH REGIONAL BANKS VAL-DE-FRANCE, CENTRE-EST, NORMANDIE, LANGUEDOC, SUD RHÔNE-ALPES, FINISTÈRE, LOIRE HAUTE-LOIRE, SAVOIE, LORRAINE, CHARENTE MARITIME DEUX SÈVRES ET CENTRE LOIRE

Persons concerned

Mr Lefebvre, Mr Appert, Mr Epron, Mrs Flachaire, Mr Gaillard, Mr Kerrien, Mr Ouvrier-Buffet, Mr Piavet, Mrs Talamona, Mr Tercinier and Mr Thibault : Chairman or Directors of your company and Chief Executives or Vice-Presidents of the entities above-mentioned.

Nature and purpose

The Board of Directors of your company, on its meeting of August 2nd 2017, has authorized the signing of additional clauses on the senior loan contract subscribed by the Regional Banks from your company as part of Eurêka operation (August 2016)

Within the Eurêka operation framework, the Regional Banks have benefited from a funding by your company in the following terms:

- Loan for €11billion at a 2.15% fixed-rate for 10 years ;
- A biannual early repayment option effective from the fourth year with notice given 12 months ahead.

The additional clauses on the senior loan agreement was designed to amend the funding structure granted by your company ; your company proposed to the Regional banks to purchase the early repayment option, purchase in the form of a rate decrease in exchange of the settlement of a rescheduling repayments by every Regional Bank.

Terms and conditions

The refund grid proposed to the Regional Banks has been subjected to a fairness certificate from a third cabinet.

The Regional Banks had the choice between keeping the initial funding structure and replacing it by one or several funding for the maturity of their choice in the table below (under the market conditions in effect on July 4th 2017). The yield withdrawal proposed was between 35bp and 56bp, which corresponds to the managing costs valued at 50bp for your company from the beginning.

Maturity	Fixed-rate (*in fine*)
03/08/2020	1.8
03/08/2021	1.64
03/08/2022	1.59
03/08/2023	1.6
03/08/2024	1.67
03/08/2025	1.75
03/08/2026	1.84

The signing of the additional clause took place on October 10th 2017. The total amount proposed to the Regional Banks concerned by the regulatory nature of this agreement is €3.391million.

Motivation for the convention for company

Your board has justified this convention by the following way:

The nature of the early repayment option included in senior loan contract in 2016 lead to a significant sensitivity to the parameters of the market (rate, liquidity, instability) of the rate gap of your company. The high nominal amount of the option required a flexible management, with importnant total cost, valued at €50 million a year at the expense of your company.

For the Regional Banks, the early repayment option wasn't monetized and didn't generate a symmetrical income in the accounts.

In order to eliminate the optional risks and its management cost, your company and the Regional Banks have agreed to proceed to a modification of the funding structure allowed by your company, in the terms described above.

Agreements and commitments already approved by the General Meeting of Shareholders

In accordance with Article R. 225-30 of the French commercial code (Code de commerce), we have been advised that the implementation of the following agreements and commitments which were approved by the General Meeting of Shareholders in prior years continued during the year.

1. WITH THE REGIONAL BANKS OF VAL DE FRANCE, AQUITAINE, CÔTES D'ARMOR, NORMANDIE, LANGUEDOC, SUD RHÔNE-ALPES, FINISTÈRE, LOIRE HAUTE-LOIRE, ANJOU AND MAINE, LORRAINE AND CENTRE LOIRE

Persons concerned

Messrs Lefebvre, Bouin, Andrieu, Epron, Mrs Flachaire, Messrs Gaillard, Kerrien, Ouvrier-Buffet, Roveyaz, Mrs Talamona and Mr Thibault, Chairman of the Board of Directors or Directors of your Company and Chairmen of the Board of Directors or Directors of the Companies mentioned above.

Nature and purpose

The Board of Directors at its meeting on 19 May 2016, authorized the granting of loans, from Crédit Agricole S.A. to the Regional Banks, according to the option selected by the latter parties. Regardless of the option retained by these entities, the average annual interest rate of the operation will be 2.15%.

Upon reviewing the contract of the transaction and notably the terms of article 4.4.42(iii), the Regional Banks may benefit from financing via senior and/or subordinated debt (in varying proportions, by option, and depending on their necessity).

Your Company committed itself to extending a total loan (for all the Regional Banks) of €11 billion in the form selected by the Regional Banks, either 100% senior debt, or a mix of senior and subordinated debt, with a proportion of subordinated debt set at 10%, 20%, 30% or 40%. Considering that the global interest rate (senior + subordinated) is to be maintained at 2.15% per annum, the duration and senior interest rate will decrease proportionately to the increase in subordinated debt.

Terms and Conditions

The loan contracts were signed by Crédit Agricole S.A. and the Regional Banks on 21 July 2016 and were implemented on 3 August 2016. The loans granted by Crédit Agricole S.A. to the Regional Banks were all in the form of senior debt with a ten year maturity, redeemable at maturity or callable bi-annually after the fourth anniversary, given twelve months' notice, and with a 2.15% annual fixed rate.

These loan agreements were amended by the Board of Directors on 2 August 2017, and were signed on 10 October 2017 (see Agreements and commitments already approved by the General Meeting of Shareholders during the year)

The total financing granted to the Regional Banks concerned by the collective nature of these agreements amounts to €3,217 million.

Nature and purpose

The Board of Directors of your Company, in its meeting of 19 Mai 2016, authorised the signature of the amendment n°3 to the guarantee agreement Switch between Crédit Agricole S.A. and Regional Banks.

Within the framework of "Eurêka" operation, the parties have decided to modify some terms and conditions of the Switch Agreement for the Insurance part, under which the Regional Banks ensure Crédit Agricole S.A. against a decrease in the equity value of investments it holds in the share capital of Crédit Agricole Assurances, and to create conditions of restoring the amount of Cash-Pledges related to applicable warranty to CCI/CCA.

This amendment provides the following changes to the Switch warranty arising from the participation of Crédit Agricole S.A. in Crédit Agricole Assurances:

- Credit Agricole S.A. can decide to partially terminate the Switch Assurance mechanism by gradually reducting the amount guaranteed
- Substitution of the quarterly calculation periodicity by a semi-annual periodicity.

Terms and Conditions

The signature of the amendment n°3 to the guarantee agreement Switch took place on 21 July 2016, which effect from 1 July 2016.

The amount of guarantees provided by Regional Banks mentioned below under the Insurance part amounts to €2, 847. 14 million and their guarantee deposits to €963. 76 million as of 31 December 2017.

The compensation paid or to be paid by Crédit Agricole S.A. to Regional Banks responsible mentioned above , for the year ended 31 December 2017 amounts to €90.59 million.

Nature and purpose

The Board of Directors at its meeting on 19 May 2016, authorized the amendment of the collective agreements on taxation between your Company and the Regional Banks.

Previously, the Board had authorized this expansion of tax group, during its meeting on the 21st of January 2010, in accordance witch Article 223 alinea 5 of French Tax code (Code general des impôts), knowing that this extension is mandatory for all Regional Banks subject to corporate income tax at the normal rate and, compulsory for their subsidiaries.This mechanism is limited by an agreement binding the central body and every entities part of the group because of its expansion.

Collective agreements on taxation between Crédit Agricole S.A. and every entities integrated in the group due to its expansion have been signed for an initial period of five years, starting from 1 January 2010, and are renewable, based on a mutual agreement of every entity involved, for additional five-year periods.

The Board renewed this agreement, on the same terms, and for a five-year period starting from the 1st January 2015, during its 15 December 2015 meeting.

These agreements, initially established with a duration of five years starting from the 1st January 2010, stated that half of the tax savings generated by the dividends received by these entities, as well as by the dividends received by your Company Agricole S.A. from these entities, would be allocated to them.

An amendment to these agreements was signed on 21 July 2016, establishing that tax savings generated by the Group through intragroup dividends received by the Regional Banks would be reallocated to these entities.

Terms and Conditions

Total tax saving distributed in respect of the agreements binding your Company and the above mentioned entities was €33.4 million in 2017.

Nature and purpose

The Board of Directors of your company, in its meeting of 19 May 2016, has authorised the signature of the amendment that is designed to modify scoring protocol concluded on le 22 November 2001, which describes the conditions of implementation of preliminary operations to the scoring of the Caisse Nationale de Crédit Agricole "CNCA", and which has been modified by amendment as of 6 May 2009. The amendment modifies the article 4 (CNCA equity investment in Regional Banks capital) of the scoring protocol in order to take account of the achievement of the CCI/CCA's internal reclassification detained by Crédit Agricole S.A. with Sacam Mutualisation.

Terms and Conditions

The signature of the Amendment to the Memorandum took place on 21 July 2016.

2. WITH SACAM MUTUALSATION

Persons concerned

Messrs Lefebvre, Bouin, Andrieu, Epron, Mrs Flachaire, Messrs Gaillard, Kerrien, Ouvrier-Buffet, Roveyaz, Mrs Talamona and Mr Thibault, Chairman of the Board of Directors or Directors of your Company and managers or representatives of the jointly and severally liable partners of Sacam Mutualisation.

Nature and purpose

The Board of Directors of your Company, at its 19 May 2016 meeting, authorized the signing of a collective tax agreement between Crédit Agricole S.A. and Sacam Mutualisation.

This collective agreement was implemented on 21 July 2016. Based on the same mechanism as the collective tax agreement binding Crédit Agricole S.A. and the Regional Banks, the agreement entails that the tax savings, generated within the Group by intragroup dividends received by Sacam Mutualisation, are to be entirely allocated to that entity.

Terms and Conditions

Total tax saving distributed in respect of the agreements binding your Company and SACAM MUTUALISATION amounted €3,8 million in 2017.

3. WITH S.A.S. RUE LA BOÉTIE, S.A.S. SÉGUR, S.A.S. MIROMESNIL, SACAM AVENIR, SACAM DEVELOPPEMENT, SACAM INTERNATIONAL, SACAM PARTICIPATIONS, SACAM FIA-NET EUROPE, SACAM FIRECA, SACAM IMMOBILIER, SACAM MACHINISME AND SACAM ASSURANCE CAUTION

Persons concerned

Messrs Lefebvre, Bouin, Andrieu, Epron, Mrs Flachaire, Messrs Gaillard, Kerrien, Ouvrier-Buffet, Roveyaz, Mrs Talamona and Mr Thibault, Chairman of the Board of Directors or Directors of your Company and Chairmen of the Board of Directors, Vice-Chairman, Partners, Managers or Directors of the Companies mentioned above.

Nature and purpose

The Board of Directors at its meeting on 13 December 2016, authorized the amendment of the collective agreements on taxation between Crédit Agricole S.A. and the aforementioned entities.

The Board of Directors of your Company authorized, during its meeting on 21 January 2010, and renewed at its 15 December 2015 meeting, the collective agreements on taxation binding the above mentioned entities. These agreements, initially established with a duration of five years, stated that half the tax savings generated by the dividends received by these entities, as well as the dividends received by Crédit Agricole S.A. from these entities, would be allocated to them.

These collective agreements were amended, on the same basis as the amendment made on the collective tax agreement with the Regional Banks. Thus, the agreement entails that the tax savings, generated within the Group by intragroup dividends received by the aforementioned entities, are to be entirely allocated to the entities.

Terms and Conditions

Total tax saving distributed in respect of the agreements binding your Company and the aforementioned entities was €17 million in 2017.

4. WITH CREDIT AGRICOLE CIB

Persons concerned

Messrs Brassac, Thibault, Ms Gri, Messrs Paviet, Ververka, and Roveyaz Chief Executive or Directors of your Company and Chairman of the Board of Directors or Directors of Crédit Agricole CIB.

Nature and purpose

The Board of Directors of your Company, at its meeting on 7 November 2016, authorized the amendment of the collective agreements on taxation between Crédit Agricole S.A. and Crédit Agricole CIB.

Crédit Agricole S.A. has had a collective agreement on taxation with Crédit Agricole CIB since 1996; it was renewed on 22 December 2015 for 2015-2019. This collective agreement was amended on 15 November 2016. Its purpose is to define the relations between Crédit Agricole S.A., on one side, and Crédit Agricole CIB and its subsidiaries, on the other, notably concerning the distribution of the tax expenses between the companies and the terms and conditions of the monetization of the deficit related to Crédit Agricole CIB.

The collective agreement on taxation allowed Crédit Agricole CIB to receive the proportion of the Group's tax savings generated by the Group Crédit Agricole for an amount equivalent to the entire deficit of the subgroup Crédit Agricole CIB imputed by Crédit Agricole S.A. as Group's parent company.

The definitions of the underlined words can be found in the Glossary on page 567.

Terms and Conditions

Total tax savings generated by the tax losses of the entire Crédit Agricole CIB subgroup at 31 December 2017 and distributed in respect of the agreements binding Crédit Agricole S.A. and Crédit Agricole CIB was €127,6 million.

Nature and purpose

Following the merging of the corporate and investment banking businesses of Crédit Agricole and Crédit Lyonnais, Crédit Lyonnais made a partial asset transfer to Crédit Agricole Indosuez (which became Calyon and then Crédit Agricole CIB).

In view of the above transaction, it was deemed necessary to increase Crédit Agricole CIB's shareholders' equity. During its meeting on 9 March 2004, the Board of Directors of your Company authorized your Company to carry out a series of transactions aimed at increasing Crédit Agricole CIB's shareholders equity by a total amount of up to €3 billion.

Terms and Conditions

Following this authorization, your Company notably subscribed to an issue of deeply subordinated notes for an amount of $1,730 million. Throughout the year 2014, one of the issuances for the amount of $1,260 million underwent early repayment on 28 February 2014.

The sole remaining $470 million ongoing issuance for the year ended 31 December 2017 generated a total interest of $15.43 million for 2017, excluding default interest.

5. WITH CRÉDIT AGRICOLE CIB, LCL AND WITH THE REGIONAL BANKS OF VAL DE FRANCE, LANGUEDOC AND ANJOU AND MAINE

Persons concerned

Ms Flachaire, Messrs Lefebvre and Gaillard for the financial guarantee agreement and its amendment, Messrs Brassac, Roveyaz, Veverka, Thibault Mrs Gri, Pourre and Mr Paviet for the entire agreements, Chairman of the Board of Directors, Directors or executive corporate officers of your Company and Chairmen of the Board of Directors, Chief Executive Officers or Directors of the Companies mentioned above.

Nature and purpose

To increase or secure the short-term liquidity reserves, that can be used in the refinancing operations of the Eurosystem, the Board of Directors of your Company, at its meeting on 18 December 2012, authorized the creation of a "Fonds Commun de Titrisation" (FCT - Securitisation Fund), allowing the issuance of AAA rated senior bonds, for a total amount of €10 billion, secured by receivables from individuals on residential mortgage loans and owned by Group entities (Regional Banks and LCL).

In this context, the Board authorized the completion by your Company of program documents subject to related party agreements and commitments procedures. The related party agreements and commitments procedures have been signed in April 2013 and this FCT (named "Evergreen HL1") has issued for a total amount of €10 billion in April 2013.

Terms and Conditions

The FTC is being dismantled since the expiracy on 12 October 2017 of the last note issued, reprenseting €9 billion, and the decision of not issuing further notes. Thus, on 31 December 2017, the total amount of the FCT issuances is zero.

Neuilly-sur-Seine and Paris-La Défense, 21 March 2018

The statutory auditors

PRICEWATERHOUSECOOPERS AUDIT	ERNST & YOUNG et Autres
Anik Chaumartin	Olivier Durand

PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT

Mr Philippe Brassac, Chief Executive Officer of Crédit Agricole S.A.

RESPONSIBILITY STATEMENT

I hereby certify that, to my knowledge and after all due diligence, the information contained in this 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 cross-reference table can be found in chapter 8 of this registration document) herewith provides a true and fair view of the business trends, results and financial condition 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, Pricewaterhouse Coopers Audit and Ernst & Young et Autres, 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.

Montrouge, 22 March 2018

The Chief Executive Officer of Crédit Agricole S.A.

Philippe Brassac

STATUTORY AUDITORS

Statutory Auditors

Ernst & Young & Autres	PricewaterhouseCoopers Audit
Company represented by Olivier Durand	Company represented by Anik Chaumartin
1-2, place des Saisons 92400 Courbevoie, Paris - La Défense 1	63, rue de Villiers 92208 Neuilly-sur-Seine
Statutory Auditors, Member, Compagnie régionale des Commissaires aux comptes de Versailles	Statutory Auditors, Member, Compagnie régionale des Commissaires aux comptes de Versailles

The Crédit Agricole S.A. Board of Statutory Auditors remained unchanged in 2011/2012/2013/2014/2015/2016/2017. The signatories remained unchanged in 2011/2012/2013 and 2014, namely Valérie Meeus for Ernst & Young & Autres and Catherine Pariset for PricewaterhouseCoopers Audit. Since 2015, the signatory for Pricewaterhouse Coopers Audit is Anik Chaumartin, replacing Catherine Pariset. In 2017, the signatory for Ernst & Young & Autres is Olivier Durand, replacing Valérie Meeus.

Alternate Statutory Auditors

Picarle et Associés	Pierre Coll
Represented by Denis Picarle	
1-2, place des Saisons 92400 Courbevoie, Paris - La Défense 1	63, rue de Villiers 92208 Neuilly-sur-Seine
Statutory Auditors, Member, Compagnie régionale des Commissaires aux comptes de Versailles	Statutory Auditors, Member, Compagnie régionale des Commissaires aux comptes de Versailles

Ernst & Young & Autres was appointed Statutory Auditor under the name Barbier Frinault et Autres by the Ordinary General Meeting of 31 May 1994. This term of office was renewed for a further six years at the Combined General Meeting of 22 May 2012.

Ernst & Young & Autres is represented by Olivier Durand.

Picarle et Associés was appointed Alternate Statutory Auditor for Ernst & Young & Autres by the Combined General Meeting of 17 May 2006. This mandate was renewed for a further six years at the Combined General Meeting of 22 May 2012.

PricewaterhouseCoopers Audit was appointed Statutory Auditor by the Ordinary General Meeting of 19 May 2004. This term of office was renewed for a further six years at the Combined General Meeting of 22 May 2012.

PricewaterhouseCoopers Audit is represented by Anik Chaumartin.

Pierre Coll was appointed Alternate Statutory Auditor for PricewaterhouseCoopers Audit by the Ordinary General Meeting of 19 May 2004. This mandate was renewed for a further six years by the Combined General Meeting of 22 May 2012.

CROSS-REFERENCE TABLE

The following table indicates the page references corresponding to the main information headings required by EC Regulation 809/2004 (annex I), enacting the terms of the "Prospectus" directive.

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The definitions of the underlined words can be found in the Glossary on page 567.

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N.A.: not applicable.

(1) In accordance with Article 28 of EC Regulation 809/2004 and Article 212-11 of the AMF's General Regulations, the following are incorporated by reference:

- *the annual and consolidated financial statements for the year ended 31 December 2015 and the corresponding Statutory Auditors' Reports, as well as the Group's management report, appearing respectively on pages 454 to 504 and 306 to 451, on pages 505 and 452 to 453 and on pages 186 to 217 of the Crédit Agricole S.A. Registration Document 2015 registered by the AMF on 16 March 2016 under number D.16-0148.*
- *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 456 to 506 and 304 to 452, on pages 507 to 508 and 453 to 454 and on pages 176 to 207 of the Crédit Agricole S.A. Registration Document 2016 registered by the AMF on 21 March 2017 under number D.17-0197*

The sections of the registration documents number D.16-0148 and number D.17-0197 not referred to above are either not applicable to investors or are covered in another part of this registration document.

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 correspondence table below.

This Registration document, which is published in the form of an annual report, includes all components of the **2017 Annual Financial Report** referred to in paragraph I of Article L. 451-1-2 of the French Monetary and Financial Code as well as in Article 222-3 of the AMF's General Regulations and the ordinance 2017-1162 of 12/07/2017 from the Sapin 2 law:

ANNUAL FINANCIAL REPORT

1. Management report

- Analysis of the financial position and earnings — pages 168 to 192
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3. Financial statements

- Parent company financial statements — pages 468 to 519
- Statutory Auditors' Report on the parent company financial statements — pages 520 to 523
- Consolidated financial statements — pages 318 to 460
- Statutory Auditors' Report on the consolidated financial statements — pages 461 to 466

4. Responsibility statement for the document — **page 562**

In accordance with Articles 212-13 and 221-1 of the AMF's General Regulations, this Registration document also includes the following regulated information:

- Annual information report — N.A.
- Fees paid to Statutory Auditors — page 373
- Chairman's report on corporate governance — page 86

The definitions of the underlined words can be found in the Glossary on page 567.

GLOSSARY

ACRONYMS

ACPR
French Prudential and Resolution Supervisory Authority (ACPR)

Afep/Medef
French Business and Employers' Associations

AMF
French financial markets regulation authorities

CSR
Corporate Social Responsibility

EBA
European Banking Authority

ECB
European Central Bank

ESG
Environment, Social, Governance

GOI
Gross Operating Income

IFRS
International Financial Reporting Standards

MSE
Medium-sized Enterprise

MTP
Medium-Term Plan

SME
Small and Medium-sized Enterprise

VSB
Very Small Business

DEFINITIONS

Accretion
A transaction is described as "accretive" when it increases the portion of net asset value (e.g. net book value per share) or earnings (e.g. earnings per share) attributable to each share in the company.

ALM *Asset and Liability Management*
Management of the financial risks borne by an institution's balance sheet (interest rate, currency, liquidity) and its refinancing policy in order to protect the bank's asset value and/or its future profitability.

Asset management
Management of negotiable or other assets, for the manager's own account or for third-party (institutional or retail) investors. In third-party asset management, assets are adapted via funds or in the framework of management mandates. Specialised products are offered to meet the range of customer expectations in terms of geographical and sector diversification, short-term or long-term investing and the desired level of risk.

Assets under management
Operating activity indicator not reflected in the Group's consolidated financial statements, reflecting the assets marketed by the Group, whether they are managed, advised or delegated to an external fund manager. Assets under management are measured for each fund by multiplying net asset value per unit (as calculated by an external appraiser in line with the regulations in force) by the number of units/shares outstanding. Amundi fully consolidates all the assets under management by its joint ventures at 100% and not its share in the joint ventures.

AT1 *Additional Tier 1 capital*
Capital eligible under Basel 3 made up of undated debt instruments without any redemption incentive or obligation. It is subject to a loss absorption mechanism where the CET1 ratio falls below a given threshold, fixed in their prospectus.

Basel 3
New development in the regulatory standards for banks, which replace the previous Basel 2 agreements by increasing the quality and quantity of the minimum capital that banks are required to hold against the risk they take. It also introduces minimum standards for liquidity risk management (quantitative ratios), defines measures attempting to curb the financial system's pro-cyclicality (capital buffers varying according to the economic cycle) and tightens the requirements on institutions considered as systemically important. In the European Union, these regulatory standards were introduced under Directive 2013/36/EU (*CRD 4 - Capital Requirements Directive*) and Regulation (EU) No. 575/2013 (*CRR - Capital Requirements Regulation*).

Benchmark rate
Interest rate set by a country's or currency zone's central bank to regulate economic activity. Principal tool in a central bank's arsenal for fulfilling its role of regulating economic activity, which, for the European Central Bank (ECB) is inflation and, for the US Federal Reserve (Fed), is both inflation and/or stimulation of growth.

CCA *Cooperative Associate Certificate - Certificat coopératif d'associés*
Unlisted securities, which may be traded over the counter and may be issued only by cooperative companies. They may be subscribed by members of the issuing Regional Banks and affiliated Local Banks. They do not carry voting rights but give their holders rights to a share of the net assets and to receive dividends.

CCI *Cooperative Investment Certificate - Certificat coopératif d'investissement)*
Securities quoted on the stock exchange that do not carry voting rights and may be issued only by cooperative companies. They give their holders rights to a share of the net assets and to receive a dividend payment.

Collateral
A transferable asset or a guarantee that provides security for the repayment of a loan, should the recipient of the loan fail to meet their repayment obligations.

Corporate governance
Any mechanism that can be implemented to achieve transparency, equality between shareholders and a balance of powers between management and shareholders. These mechanisms encompass the methods used to formulate and implement strategy, the operation of the Board of Directors, the organisation framework between different governing bodies and the compensation policy for Directors and executive managers.

Cost of risk*
The cost of risk reflects allocations to and reversals from provisions for all banking risks, including credit and counterparty risk (loans, securities, off-balance sheet commitments) and operational risk (litigation), as well as the corresponding losses not covered by provisions.

Cost of risk/outstandings*
Calculated by dividing the cost of risk (over four quarters on a rolling basis) by outstandings (over an average of the past four quarters, beginning of the period).

Cost/income ratio
The cost/income ratio is calculated by dividing operating expenses by revenues, indicating the proportion of revenues needed to cover operating expenses.

Credit rating
Measurement of credit quality in the form of an opinion issued by a rating agency (Standard & Poor's, Moody's, Fitch Ratings, etc.). The rating may apply to a specific issuer (business, government, public-sector authority) and/or specific issues (bonds, securitised notes, secured bonds, etc.). The credit rating may influence an issuer's borrowing terms (interest rate it pays, its access to funding) and its market image (see Rating agency).

Credit spread
Actuarial margin (difference between a bond's yield to maturity and that on a risk-free borrowing with an identical maturity).

CVA *Credit Valuation Adjustment*
Expected loss arising from the risk of a counterparty default which aims at building in the possibility that the full positive market value of instruments may not be recovered. The methodology used to determine the CVA is based largely on the same type of market parameters that market participants use.

Dilution
A transaction is described as "dilutive" when it reduces the portion of net asset value (e.g. net book value per share) or earnings (e.g. earnings per share) attributable to each share in the company.

Dividend
Portion of net income or reserves paid out to shareholders. The Board of Directors proposes the dividend to be voted on by shareholders at the Annual General Meeting, after the financial statements for the relevant financial year have been approved.

Doubtful loan
Loan on which the borrower has fallen behind with the contractually agreed interest payments or capital repayments, or for which there is a reasonable doubt that this could occur.

DVA *Debit Valuation Adjustment*
Symmetrical to the CVA and represents the expected loss from the counterparty's perspective on passive valuations of financial instruments. It reflects the impact of the entity's own credit risk on the valuation of these instruments.

EAD *Exposure at Default*
Exposure at default: this is the Group's exposure should the counterparty default. The EAD includes on- and off-balance sheet exposures. Off-balance sheet exposures are converted into balance sheet equivalents using internal or regulatory conversion factors (draw-down scenarios).

EL *Expected Loss*
Loss likely to be incurred depending on the quality of the counterparty in view of the structure of the transaction and any risk mitigation measures, such as collateral. It is computed by multiplying the exposure at default (EAD) by the probability of default (PD) and by the loss given default (LGD).

EPS *Earnings Per Share**
Net income Group share divided by the average number of shares in issue excluding Treasury shares. It indicates the portion of profit attributable to each share (not the portion of earnings paid out to each shareholder, which is the dividend). It may decrease, assuming the net income Group share remains unchanged, if the number of shares increases (see Dilution).

FCP *Fonds commun de placement - mutual fund*
Type of UCITS that issues units and does not have legal personality. By acquiring units, investors gain co-ownership of the securities, but do not have any voting rights. They are not shareholders. An FCP mutual fund is represented and managed from an administrative, financial and accounting perspective by a single management company, which may delegate these tasks.

FCPE *Fonds commun de placement d'entreprise - corporate mutual fund*
Employee savings vehicle used by companies offering this type of arrangement to their employees. Savers hold units in FCP mutual funds that are allotted in return for their payments and any top-up payments made by their employer (employer contribution).

FinTech *Finance, technology*
A FinTech is a non-banking company which uses information and communication technologies to deliver financial services.

FReD *Fides, Respect, Demeter*
Initiative to implement, manage and measure the progress made by the CSR programme. FReD has 3 pillars with 19 commitments that aim to bolster trust (Fides), grow individuals and the corporate ecosystem (Respect) and protect the environment (Demeter). Every year since 2011, the FReD index has provided a measure of the progress made by the CSR programme being pursued by Credit Agricole S.A. and its subsidiaries. PricewaterhouseCoopers conducts an annual audit of this index.

Free float
Percentage of a listed company's share capital held by non-core shareholders. Non-core shareholders means any shareholders likely to buy or sell the shares at any time without having to worry about the effects of their decision on the control of the business and not bound by a contract limiting their right of disposal (e.g. shareholders' agreement). Shares held by retail investors (including employees) and by SICAV and FCP mutual funds are included in the free float. In contrast, the investment held by a majority shareholder is not included in the free float.

FSB *Financial Stability Board*
The Financial Stability Board's remit is to identify vulnerabilities in the global financial system and establish principles serving as a basis for the regulation and oversight of financial stability. It is made up of the governors, finance ministers and supervisors of G20 countries. Its primary objective is to coordinate at international level the work of the national financial authorities and of the international standard-setters in the regulation and supervision of financial institutions. Founded at the G20 meeting in London in April 2009, the FSB is the successor to the Financial Stability Forum set up by the G7 in 1999.

Goodwill
Amount by which the acquisition cost of a business exceeds the value of the net assets revalued at the time of acquisition. Every year, goodwill has to be tested for impairment, and any reduction in its value is recognised in the income statement.

Green Bonds
Bonds issued by an approved entity (business, local authority or international organisation) to finance an eco-friendly and/or sustainability-driven project or activity. These instruments are often used in connection with the financing of sustainable agriculture, the protection of ecosystems, renewable energy and organic farming.

GRI *Global Reporting Initiative*
An organisation consisting of stakeholders and partners (businesses, audit firms, human rights, environmental protection, labour organisations, and government representatives) which has created a joint framework for the development of sustainability reporting.

Gross Operating Income *(GOI)*
Calculated as revenues less operating expenses (general operating expenses, such as employee expenses and other administrative expenses, depreciation and amortisation).

* *APM indicator*

Home Purchase Saving Plans *(HPSP)*
The home purchase saving plans provision represents the provision set up to serve the remuneration of housing savings plans benefiting from an attractive rate and likely to be closed in the short term by their holders.

HQLA *High Quality Liquid Assets*
Unencumbered high-quality liquid assets that can be converted easily and immediately in private markets into cash in the event of a liquidity crisis.

Impaired loan
Loan which has been provisioned due to a risk of non-repayment.

Institutional investors
Businesses, public-sector bodies and insurance companies involved in securities investment as an example in investing in the shares of listed companies. Pension funds and asset management and insurance companies come under this heading.

Issuer spread
Actuarial margin representing the difference between the actuarial rate of return at which the group can borrow and that of a risk-free loan of identical duration.

LCR *Liquidity Coverage Ratio - 1 month Liquidity Ratio*
This 1-month ratio aims to enhance the short-term resilience of a bank's liquidity risk profile. The LCR obliges banks to hold sufficient risk-free, highly liquid assets to cover outflows (net of inflows) assessed under stressed assumptions, to see it through a crisis period of 30 days without relying on any support from Central banks.

Leverage ratio
A voluntarily simple ratio that is intended to control the size of banks' total assets. The leverage ratio establishes a link between Tier 1 regulatory capital and on-/off-balance sheet assets, after restatement of given items.

LGD *Loss Given Default*
Ratio between the loss experienced on an exposure on a counterparty at default and the size of the exposure at default.

Loan portfolio hedges
The impact of loan portfolio hedges is based on market movements in credit risk hedging and the resulting level of reserves.

MREL - *Minimum Requirement for own funds and Eligible Liabilities*
Ratio defined in the European Bank Recovery and Resolution Directive indicating the minimum requirement for own funds and eligible liabilities that have to be available to absorb losses in the event of resolution (see Chapter 5 on Risk factors and Pillar 3/ Regulatory indicators and ratios).

Mutual shareholders
Holders of mutual shares, which make up the capital of the Local Banks, and the Local Banks own the share capital of the Regional Bank with which they are affiliated. They receive returns in respect of their mutual shares, the interest rate on which is capped by law. The members come together once a year at the Annual General Meeting at which they approve the financial statements of the Local Banks and elect its Directors. Each individual member has one vote at these general meetings, irrespective of the number of mutual shares that she/he owns.

Mutual shares
Portion of the capital of a Local Bank or Regional Bank. Mutual shares receive an annual interest payment. Ownership units are reimbursed at their nominal value and give no right to reserves or to liquidation proceeds.

NBV per share *Net Book Value per share* **/ NTBV per share** *Net Tangible Book Value per share**
One of the methods for calculating the value of a share. This represents the net equity Group share divided by the number of shares in issue at end of period.
Net tangible book value per share represents the tangible net equity Group share after ATI deduction, i.e. after deduction of the Group share in intangible assets and goodwill, divided by the number of shares in issue at end of period except shares held by the Group.

NBV *Net Book Value*
The net book value corresponds to the shareholders' equity share of the group from which the amount of the AT1 issues, the AFS latent reserves and the draft dividend on annual results have been restated.

Net income Group share
Net income/(loss) for the financial year (after corporate income tax). Equal to net income less the share attributable to non-controlling interests in fully consolidated subsidiaries.

NIGS *(Net Income Group Share)* **attributable to ordinary shares – stated***
The net income group share attributable to ordinary shares represents the net income group share which the AT1 coupon has been deducted, including issuing costs before tax.

NIGS *(Net Income Group Share)* **underlying***
The underlying net income group share represents the stated net income group share which specific items have been deducted (i.e. non-recurring or exceptional items)

NPS *Net Promoter Score*
Index measuring how likely customers are to recommend their bank to their family and friends. Based on polling conducted every quarter, this index reflects the number of customers who are critical of, neutral on or willing to promote the bank.

NSFR *Net Stable Funding Ratio - 1 year Liquidity Ratio*
Ratio intended to promote longer-term resilience through the introduction of additional incentives for banks to fund their activities using more stable ressources of finance (namely with longer maturities). This structural liquidity ratio covering a one-year period has been designed to limit the funding of long term assets by short term ressources.

Operating income
Calculated as gross operating income less the cost of risk.

P/E ratio *Price/earnings ratio*
Ratio of the share price to earnings per share. For shareholders, it represents the number of years' earnings needed to recoup their initial investment. It is an indicator used to compare different stocks valorisations within the same sector of activity, for example. A high P/E rating reflects expectations of strong earnings growth or a situation where a company's value is not fully reflected in its earnings (e.g. it may have substantial cash holdings). If a company has a P/E of 15x, it is said to capitalise its earnings 15 times.

Rating agency
Organisation specialised in assessing the solvency of issuers of debt securities, i.e. their ability to honour their repayment obligations (principal repayments and interest payments over the contractual period).

Resolution
Shortened form of "resolution of crises and bank failures". In practice, two types of plan need to be drawn up for every European bank: 1) a preventative recovery plan prepared by the bank's senior managers, and 2) a preventative resolution plan put in place by the competent supervisory authority. Resolution is before bankruptcy of the bank, to plan its ordered dismantling and avoid systemic risk.

Revenues
Difference between banking income (interest income, fee income, capital gains from market activities and other income from banking operations) and banking expenses (interest paid by the bank on its funding sources, fee expenses, capital losses arising on market activities and other expenses incurred by banking operations).

Risk appetite
Level of risk that the Group is willing to assume in pursuit of its strategic objectives. It is determined by type of risk and by business line. It may be stated using either quantitative or qualitative criteria. Establishing the risk appetite is one of the strategic management tools available to the Group's governing bodies.

RoE *Return on Equity**
Indicator measuring the return on equity, calculated by dividing a company's net income by its equity.

* *APM indicator*

RoTE *Return on Tangible Equity**
Measures the return on tangible equity (the bank's net assets restated to eliminate intangibles and goodwill).

RWA *Risk-Weighted Assets*
Assets and risk commitments (loans, etc.) held by a bank weighted by a prudential factor and based on the risk of loss and used, when added together, as the denominator for majors capital ratios.

SICAV *(Société d'investissement to capital variable) - open-ended investment company*
A type of UCITS which enables investors to invest in a portfolio of financial assets without holding them directly and to diversify their investments. It manages a portfolio of stocks or other assets and may specialise in a specific market, an asset class, an investment profile, or a specific sector. From a tax perspective, a SICAV unit is like a share.

Solvency
Measures the ability of a business or an individual to repay its debt over the medium to long term. For a bank, solvency reflects its ability to cope with the losses that its risk profile is likely to trigger. Solvency analysis is not the same as liquidity analysis. The liquidity of a business is its ability to honour its payments in the normal course of its business, to find new funding sources and to achieve a balance at all times between its incomings and outgoings. For an insurance company, solvency is covered by the Solvency 2 Directive, see Solvency 2.

Solvency 2
European directive on insurance and reinsurance undertakings intended to ensure that they comply at all times with their commitments towards policyholders in view of the specific risks incurred by such businesses. It aims to achieve an economic and prospective assessment of solvency based on three pillars – quantitative requirements (Pillar 1), qualitative requirements (Pillar 2) and information for the public and the supervisor (Pillar 3). Adopted in 2014, it was enacted into national law in 2015 and came into force on 1 January 2016.

SRI *Socially Responsible Investing*
Systematic and clearly documented incorporation of environmental, social and governance criteria in investment decisions.

Stress tests
Exercise to study the ramifications on banks' balance sheets, profit and loss and solvency in order to measure their ability to withstand these kinds of situations.

Subordinated notes
Issues made by a company, the returns on and/or redemption of which are contingent upon an event (conditional upon payment of a dividend or achievement of an outcome).

Systemically important bank
Crédit Agricole Group but not Crédit Agricole S.A. appears on the list of the 30 global systemically important banks (G-SIBs) published by the Financial Stability Board (FSB) in November 2012 and updated in November 2016. A systemically important bank has to put in place a basic capital buffer of between 1% and 3.5% in relation to Basel 3 requirements.

TLAC *TLAC ratio - Total Loss Absorbing Capacity*
Designed at the G20's request by the Financial Stability Board. It aims to provide an indication of the loss-absorbing capacity and of the ability to raise additional capital of the systemically important banks (G-SIBs) (see Chapter 5 on Risk factors and Pillar 3/ Indicators and regulatory ratios).

Treasury shares
Shares held by a company in its own capital. Shares held in treasury do not carry a voting right and are not used in EPS calculations as they receive no dividend and have no right to reserves.

TSDI *Undated subordinated notes*
Undated subordinated notes have no specified maturity date, with redemption being at the behest of the issuer beyond a certain date.

TSS *Deeply subordinated notes*
Undated subordinated issue giving rise to perpetual returns. Their perpetual maturity arises from the fact that they do not have a contractual redemption date, with redemption taking place at the option of the issuer. Should the issuer be liquidated, these notes are redeemed after all the other creditors have been repaid.

UCITS *Undertakings for Collective Investment in Transferable Securities*
An UCTIS is a portfolio of negotiable securities (equities, bonds, etc.) managed by professionals (management companies) and held collectively by retail or institutional investors. There are two types of UCITS – SICAVs (open-ended investment companies) and FCPs (mutual investment funds).

VaR *Value-at-Risk*
Synthetic indicator used to track on a day-to-day basis the market risks taken by the Group, particularly in its trading activities (VaR is calculated using a 99% on 10 days-confidence interval, over one day, in line with the regulatory internal model). Reflects the largest exposure obtained after eliminating 1% of the most unfavourable occurrences over a 1-year history.

DATA PER SHARE AND NET TANGIBLE ASSET PROFITABILITY

(€m)		2017	2016
Net income Group share - stated		3,649	3,541
- Interests on AT1, including issuance costs, before tax		(454)	(474)
NIGS attributable to ordinary shares - stated	**[A]**	**3,194**	**3,067**
Average number shares in issue, excluding treasury shares (m)	[B]	2,843.6	2,736.9
Net earnings per share - stated	**[A]/[B]**	**1.12 €**	**1.12 €**
Dividend per share		**0.63 €**	**0.60 €**
Underlying net income Group share (NIGS)		3,925	3,190
Underlying NIGS attributable to ordinary shares	**[C]**	**3,471**	**2,716**
Net earnings per share - underlying	**[C]/[B]**	**1.22 €**	**0.99 €**

(€m)		2017	2016
Shareholder's equity Group share		58,361	58,277
- AT1 issuances		(5 011)	(5,011)
- Unrealised gains and losses on AFS - Group share		(3,500)	(3,779)
- Payout assumption on annual results*		(1,792)	(1 716)
Net book value (NBV), not revaluated, attributable to ordinary sh.	**[D]**	**48,059**	**47,771**
- Goodwill & intangibles** - Group share		(17,672)	(15,479)
Tangible NBV (TNBV), not revaluated attributable to ordinary sh.	**[E]**	**30,387**	**32,292**
Total shares in issue, excluding treasury shares (period end, m)	[F]	2,844.0	2,843.3
NBV per share , after deduction of dividend to pay (€)	**[D]/[F]**	**16.9 €**	**16.8 €**
+ Dividend to pay for the year (€)	**[H]**	**0.63 €**	**0.60 €**
TNBV per share, after deduction of dividend to pay (€)	**[G]=[E]/[F]**	**10.7 €**	**11.4 €**
TNBV per share, before deduction of dividend to pay (€)	**[G]+[H]**	**11.3 €**	**12.0 €**

* *dividend proposed to the Board meeting to be paid.*

** *including goodwill in the equity-accounted entities.*

(€m)		2017	2016
Net income Group share attributable to ordinary shares	[H]	3,194	3,067
Tangible NBV (TNBV), not revaluated attributable to ordinary sh. - avg***	[J]	31,184	31,054
Reported RoTE (%)	**[H]/[J]**	**10.2%**	**9.9%**
Underlying NIGS attributable to ordinary shares (annualised basis)	**[I]**	**3,471**	**2,716**
Underlying ROTE (%)	**[I]/[J]**	**11.1%**	**8.7%**

*** *including assumption of dividend for the current exercise.*

Underlying RoTE (%)

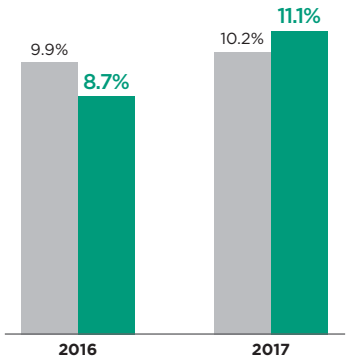


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