CFM INDOSUEZ
WEALTH MANAGEMENT

2019 ANNUAL REPORT

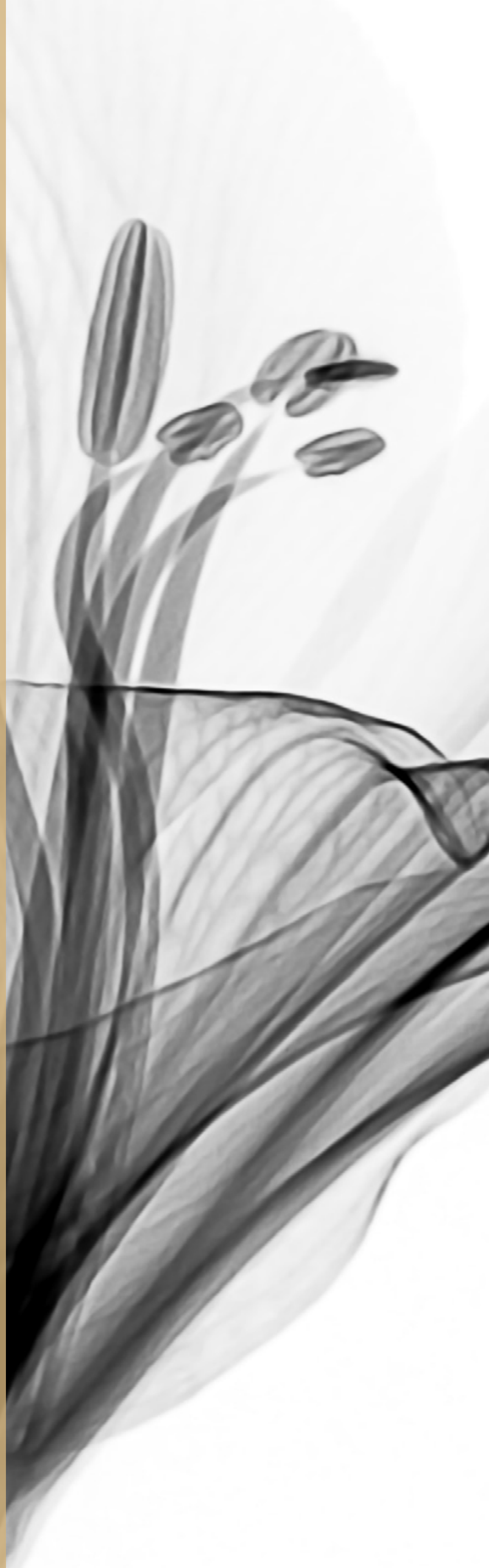
CFM Indosuez Wealth Management

19

CRÉDIT AGRICOLE GROUP

GROWTH & TRANSPARENCY

Growth, transparency, determination, underline the similarities between nature and management of client assets. A self-evident truth, as straightforward as transparency itself. A sensation of graceful strength, luxurious detail, evoked by the spectacular elegance of flowers and plants against a pure and contrasted backdrop. Overexposed or x-rayed to extract the bare essentials, to enhance their breathtaking perfection, these illustrations reveal the determination of existence and evolution, the beauty of growth. Natural assets to be admired, respected, protected and passed on to future generations...



CONTENTS

1 /

Crédit Agricole Group

CLIENT-FOCUSED UNIVERSAL BANKING

Crédit Agricole has rolled out a unique client-focused universal banking model based on the group's complimentary activities. As such, its local networks offer all clients a complete range of banking and non-banking services suited to their needs through all their channels and created with specialised business lines which are leaders in their respective fields —in France as well as internationally.

CRÉDIT AGRICOLE GROUP'S RAISON D'ÊTRE

WORKING EVERY DAY IN THE INTEREST OF OUR CLIENTS AND SOCIETY

Crédit Agricole's aim, is to be a trusted partner to all its clients:

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

The Group is committed to seeking out and protecting its clients' interests in all it does. It advises them with transparency, loyalty and pedagogy.

It places human responsibility at the heart of its model: it is committed to helping all its clients benefit from the best technological practices while guaranteeing them access to competent local teams of men and women who are responsible for all aspects of the client relationship.

10th
Bank Worldwide

1st
Cooperative Worldwide

1st
Bank in France

1st
Insurer in France

1st
European Asset Manager

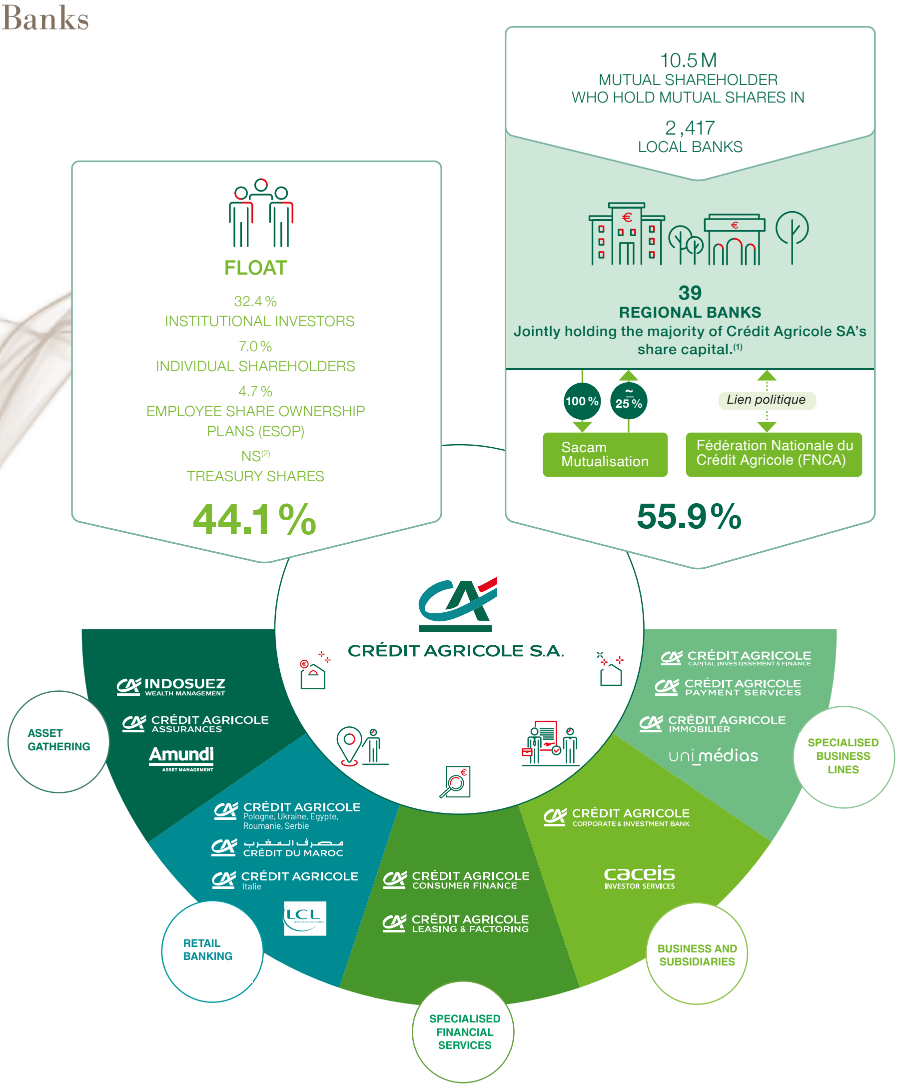
Proud of its cooperative and mutualist identity, **and drawing on a governance representing its clients, Crédit Agricole:**

- **supports the economy, entrepreneurship and innovation in France and abroad:** it is naturally committed to supporting its regions.
- **takes intentional action in societal and environment fields,** by supporting progress and transformations.
- **serves everyone:** from the most modest to the wealthiest households, from local professionals to large international companies.

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

ABOUT CRÉDIT AGRICOLE

The Crédit Agricole Group includes Crédit Agricole SA, as well as Regional Banks, Local Banks and their subsidiaries.

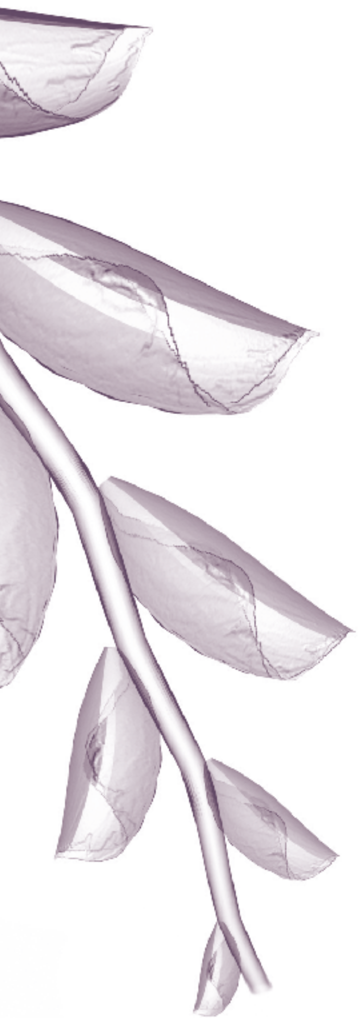


(1) Through SAS Rue La Boétie, the Regional Bank of Corsica, 99.9% owned by Crédit Agricole SA, is a shareholder of Sacam Mutualisation

(2) insignificant.

2/

Indosuez Wealth Management



For 140 years we have advised entrepreneurs and families all over the world, supporting them with expert financial advice and exceptional personal service. Today, we work alongside our clients to help them build, protect and pass on their wealth.
As "Architects of Wealth", we provide our clients with specialist advice and premium services to create appropriate wealth structures and investment solutions. In so doing, we make it possible for our clients to focus on achieving their personal goals while relying on the flawless execution of our traditional Wealth Management services and the financial and banking services provided by the Crédit Agricole group.

Jean-Yves **Hocher**

Chairman
CA Indosuez Wealth
(Group)

Jacques **Prost**

Chief Executive Officer
CA Indosuez Wealth
(Group)

MESSAGE FROM THE GENERAL MANAGEMENT

of Indosuez Wealth Management Group

In 2019, persistently low interest rates, fierce competition from new entrants, the growing presence of Family Offices and the effects of new regulations (MiFID II in Europe, for example) weighed on margins and profits across the Wealth Management market. Also, in a time of technological and societal change, our clients have new needs that we must address immediately: business transformation is no longer an option, but a must.

2019 marked a new phase in our Bank's history as we embraced the Crédit Agricole group's raison d'être, "Working every day in the interest of our clients and society" and we incorporated Crescendo 2022 in our business plan.

Our business plan is aligned with the Crédit Agricole group's corporate project and features strong ambitions in terms of our business development, our positioning amongst clients, as well as our societal impact and human development.

Crescendo 2022 reflects changes in our business model at all levels by:

- proposing an even more comprehensive and relevant range of products and services and improving quality to become our clients' preferred Wealth Management bank,
- accelerating our digital transformation,
- boosting our operational efficiency, in particular through cooperation with Crédit Agricole group's other business lines,
- helping our clientele and employees to adapt to green finance and putting it at the heart of our value proposition,
- building the foundation for balanced and sustainable growth while restoring our profitability.

Many initiatives are already under way and the first achievements are already addressing the major challenges our business is facing around the world. A few examples:

- building on the work undertaken in previous years, we have further strengthened our compliance system which is now one of our competitive advantages,
- all entities now use a shared IT system after France migrated to the S2i system operated by our subsidiary Azqore. Azqore has continued to grow in Asia with the support of Capgemini and is actively contributing to our bank's digital development. They are led by the Innovation and Digital Transformation Division, which was created in 2019,
- we have adopted a single brand in Italy, Indosuez Wealth Management, which means the Indosuez brand is now used around the world.

We have set the ball rolling. 2020 will, of course, be very active. We face many challenges, but we have our shareholder's full backing and boast many advantages, primarily our employees' expertise and energy.

Written on February 11 2020

OUR KEY FIGURES*

Americas Miami · Montevideo · Rio de Janeiro · São Paulo
Middle East Abu Dhabi · Beirut · Dubai
Asia Pacific Hong Kong SAR · Singapore · Noumea
Europe Antwerp · Bilbao · Bordeaux · Brussels · Geneva · Lille · Lugano · Luxembourg · Lyon · Madrid · Marseille · Milan · Monaco · Nantes · Padua · Paris · Rome · San Sebastián · Seville · Toulouse · Turin · Valencia · Zurich

Our presence in

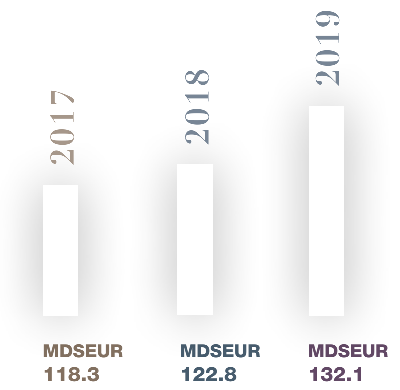
14

countries around the world*

3,160

employees with multiple areas of expertise

* at 31.12.2019



ASSETS UNDER MANAGEMENT (EUR BN)

The assets managed by the Indosuez Wealth Management group increased by 7.6% over one year (+EUR9.3 billion) to EUR132.1 billion at the end of December 2019, an all-time high.

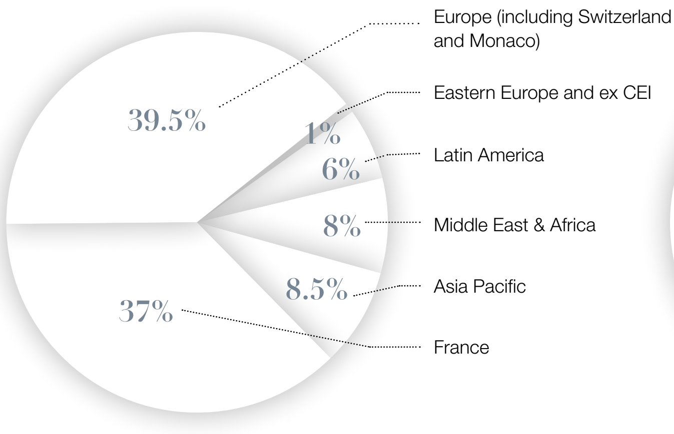
NBI

NBI improved slightly compared to 2018 thanks to sales efforts and the quality of asset management, despite pressure on margins and the impact of negative interest rates.

A cost reduction programme offset adverse exchange rates and inflation and covered digital investments while allowing us to finalise the transformation of our European presence.

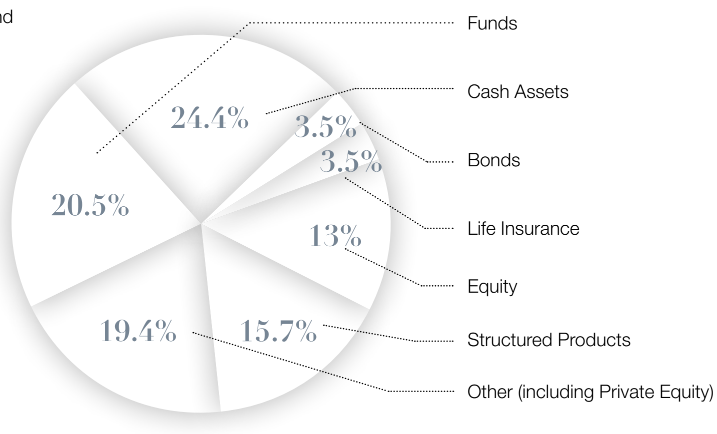
Over the full year, net income Group share stood at EUR66 million, up 13% compared to 2018, with a gradual improvement in profitability after the low point seen at the end of 2018.

GEOGRAPHIC BREAKDOWN BY CLIENT COUNTRY OF RESIDENCE



Good diversification of client assets, bolstered by multiple growth drivers.

ASSET ALLOCATION



Diversified asset allocation, reflecting our ambition of protecting and growing our clients' assets.

AMBITIONS AND FIRST ACHIEVEMENTS

2022 Crescendo INDOSUEZ

A business plan launched in June 2019, structured around 3 flagship projects shared with the Crédit Agricole group and 3 priorities specific to our challenges and our business.

Our raison d'être :

Working every day in the interest of our clients and society

THE GROUP PROJECT

CLIENT-CENTRIC

Our ambitions

Expanding and better promoting our offer via synergies with other Group business lines and innovative concepts

Strengthening our positioning amongst major clients

Improving service quality and client satisfaction, aiming for a seamless service culture

Our first achievements

- Reorganising our Products and Services teams around the world for better cohesion with the sales teams and cooperation with the Crédit Agricole group's other business lines.
- Strengthening our partnerships with the Group's other business lines and retail networks in France and abroad.
- Building a distinctive range of credit services and boosting our expert teams.
- Setting up a new global business unit with Crédit Agricole CIB to support and maximise business development and cross-fertilisation opportunities with family holding companies.
- Appointing of "Customer Champions" responsible for developing a service quality culture and ensuring it is adopted at all levels of our Bank, optimising our client feedback and client satisfaction measurement tools, eliminating "sticking points" to achieve operational excellence.

SOCIETY-DRIVEN

Our ambitions

Developing green products and services: *ESG investment mandates and funds*

Pursuing ***solidarity-based initiatives and supporting social entrepreneurship***

Helping clients and employees adjust and ***triggering a culture shift***

Our first achievements

- Organising green finance events in our locations.
- Creating the Indosuez Objectif Terre fund, an investment fund managed by Indosuez Gestion that aims to offer a specific solution that may, at its level, help limit the harmful effects of human activity on the environment.
- Setting up a range of green structured products with Crédit Agricole CIB.
- Continuing to engage in solidarity actions via the Indosuez Foundations in France and Switzerland, humanitarian leave (Congé Solidaire®) offered in partnership with Planète Urgence, and local initiatives (such as Citizen Days).
- Signing of the National Energy Transition Pact by CFM Indosuez in Monaco.

THE INDOSUEZ PROJECT

PEOPLE-DRIVEN

Our ambitions

Fostering cross-functionality, autonomy and initiative

***Driving the digital transformation** at all levels*

*Promoting **gender diversity***

Our first achievements

- Launching a gender diversity action plan.
- Facilitating mobility (220 Indosuez employees changed positions within the Group in 2019).
- Creating a Digital Academy: training provided on an e-learning platform accessible to all Indosuez employees.
- Integrating young people: mentoring of all new recruits in all major offices and organising work experience for Year 10 students from disadvantaged neighbourhoods in France.
- Appointing "product owners" in charge of strategic digital projects: autonomy, accountability.

ACCELERATING OUR DIGITAL TRANSFORMATION

Our ambitions

*Being **able to build digital solutions** with fast results.*

*Enhancing the **Client Experience**: simplifying the client journey and going paperless in processes/tools.*

Providing training and helping to adapt to new uses

Our first achievements

- Creating a Digital Innovation and Transformation Division to accelerate Indosuez group's digital transformation with initiatives focused on operational teams while maintaining consistency between entities. This includes combining far-reaching projects with "one-shot" initiatives.
- Rolling out strategic digital projects on topics such as CRM, client onboarding, e-/m-banking, the investment proposal.
- Creating Lunch & Learn events, a new scheme in which employees help their colleagues gain new skills.
- Launching a new global website.

BOOSTING OUR OPERATIONAL EFFICIENCY

Our ambitions

Controlling costs

*Increasing **operational synergies***

Capitalising on the digital transformation

Our first achievements

- Continuing the cost control plan launched at the end of 2018.
- Implementing Robotic Process Automation (RPA) for certain repetitive tasks identified by employees.

UPGRADING OUR COMPLIANCE SYSTEM

Our ambitions

Improving KYC (Know Your Client)

Structuring and supporting the international sales strategy

Strengthening the financial security system and preparing for regulatory developments

Our first achievements

- Releasing a Code of Conduct for all our stakeholders.
- Ramping up our anti-fraud due diligence.
- Reinforcing our financial security system.
- Strengthening senior bankers' risk culture focused on compliance values

2019 MACROECONOMIC ANALYSIS

and 2020 Financial Market Outlook

Paul **Wetterwald** Chief Economist
Indosuez Wealth Management

What a difference a year makes! Whereas 2018 ended with a sharp correction in the financial markets, it was an entirely different story in Q4 2019. All asset classes closed at a much better-than-expected year on a high note, posting positive performances across the board. Equities significantly outperformed bonds, with higher-risk bond segments coming out on top. As a general rule, commodity prices were up –especially gold and oil prices.

Not surprisingly, China was unable to escape the downward pull.

Does that mean macroeconomic conditions and the geopolitical environment drastically improved? Answering that question calls for a nuanced analysis.

RESILIENT GROWTH

Global GDP growth weakened over the course of the year, probably steering towards 3% in real terms. However, fears of a recession never materialised.

The No. 1 global economy, the United States, may have slowed from 3% YoY at end-2018 to just over 2% at end-2019, but that did not stop it from turning in a more than respectable performance –roughly doubling that of the euro zone. Meanwhile, the euro-zone more or less managed to stabilise GDP growth at around 1%. Paradoxically, Brexit did not end up causing UK growth to vary significantly from euro zone growth.

Of course, this bird's eye view of macroeconomic performance tends to mask the relatively ubiquitous struggles of the manufacturing sector. In fact, we have to look all the way back to June 2009 to find a lower ISM (Institute for Supply Management , a survey of the business climate in US industry) value than in December 2019. Which is actually fairly paradoxical considering that US protectionist measures were aimed, amongst other things, at giving a shot in the arm to industry, but is understandable considering that globalisation is synonymous with interdependence in production processes.

Not surprisingly, China (nicknamed the "World's Factory", right or wrong) was unable to escape the downward pull. However, looking at official data, its economy posted resilient growth, dipping from 6.4% YoY at end-2018 to around 6% at end-2019. As it stands, more than one-third of global GDP growth was still derived from China.

ROBUST JOB MARKET

Weaker growth did not result in a downturn in the job market in mature economies, either because growth was not significantly weakened or because unemployment is a delayed variable of the economic cycle. In any event, the unemployment rate came out at 3.5% in the United States in November 2019 (a record low since 1969), 7.5% in the euro zone in October 2019 (lowest rate since May 2008), 3.8% in the United Kingdom in October (the last time it was lower was December 1974) and 2.3% in Switzerland (a record low since spring 2002).

We would also point out the structural change at work in China since 2016: the working-age population has been shrinking year after year, simultaneously limiting the need to create jobs and hampering potential growth.

INFLATION AND MONETARY POLICIES

In the US, the CPI rose from 1.9% YoY in December 2018 to 2.1% in November 2019; in the UK it fell from 2.5% to 1.5%; in Japan from 0.7% to 0.5%; in the euro-zone from 1.9% to 1.3% (in December); and in Switzerland from 0.9% to 0.2% (again in December). Setting aside differences in terms of levels or variations, what these figures have in common are that they are all either below or in line with the target set by the central banks in their respective countries. In other words, these institutions have no reason to veer from their accommodative monetary policies.

Situations in emerging countries varied. However, barring the odd exception, monetary policies remained expansionary, particularly as emerging countries appeared to be facing less external risk. More specifically, we would point out China's monetary stimulus measures despite inflation (4.5%) sitting above the 3% target.

Lastly, countries having decided to peg their currency to the USD had the follow the US example. Examples include multiple Middle Eastern countries such as the United Arab Emirates, Qatar and Saudi Arabia. These economies were beset with negative inflation rates throughout 2019, reflecting the relative weakness of their economic activity. The Fed's accommodative stance will help keep key rates low in these countries, although this will not be enough to restore the level of growth that prevailed in 2000-2015.

GEOPOLITICAL ENVIRONMENT, OIL PRICES, FOREX MARKET

Multiple regions showed the emergence of popular discontentment and social unrest. It is tempting to explain these movements away as the result of government inefficiency and/or uneven wealth distribution, but we were unable to demonstrate a strong link between these two factors. Although one might expect countries combining poor government efficiency with lopsided income distribution to deal with protests like these on a regular basis, this is not always the case, as in countries such as Chile. That said, this type of risk needs to be considered at the close of a year that saw the problems surrounding Brexit and the trade war relegated towards the back burner.

Clearly the Middle East remained at the top of the list when it comes to political risk. This was true in 2019 and is likely to be true in 2020 as well. Geographic positioning aside, the strong population growth (averaging 2% per year) and very high percentage of unemployed young adults (generally between 20% and 30%) represent particular challenges. The region is also the centre stage of a complex set of regional and global powers keen on expanding their sphere of influence whenever multi-lateralism shows signs of weakness.

The variable most directly impacted by the factors at play in the Middle East is the price of oil. Trading at \$65/barrel (WTI) on average in 2018, oil averaged just \$57 last year due to the steep drop in late 2018/early 2019. Truth be told, mature economies are much less sensitive to oil prices than they were during the 1970s oil shock. In the US, the percentage of direct household energy usage expenditure has dropped by half. The same cannot be said for non oil-producing emerging countries, whose economies remain highly dependent on energy prices.

More generally speaking, it was the change in uncertainty over geopolitical risk that captured the markets' attention (particularly the forex market) in 2019. In that respect, this past year saw currencies traditionally viewed as safe-haven currencies (Swiss franc, Japanese yen) pick up slightly, but the volatility of various currency pairs tended to remain low.

2020 FINANCIAL MARKET OUTLOOK

It would have been excessive to attribute the poor financial market performances in 2018 to an ailing global economy, and it would be incorrect to attribute the strong performances in 2019 to an economic machine firing on all cylinders. So what kind of picture can we draw for 2020? Yes, the equity markets may look "expensive" after soaring almost 30% in 2019 (MSCI World index, in USD), the higher valuation metrics need to be offset by a more robust profit outlook.

Government bond yields are expected to remain within a relatively tight range centred on end-2019 levels.

2020 is a US presidential election year, one with a highly uncertain outcome and an unpredictable impact on the financial markets. We would simply point out that, until the Donald Trump presidency, the Fed's monetary policy was never apparently influenced by the elections or by the president's membership in either the Democratic or Republican party.

These considerations have in part been challenged by the emergence of Covid-19 (a "black swan" to borrow the expression used by Nassim Taleb), an unpredictable event with extreme consequences. As this document goes to press, it is very difficult to quantify the impact of the coronavirus epidemic. What we can say is it is a negative shock affecting supply (production) and demand alike. On one hand uncertainty over growth is on the rise, and on the other uncertainty over monetary policies is on the decline. Monetary policies are poised to become even more accommodative than initially expected, which should mitigate the adverse impact generated by diminished growth on the financial markets.

Written on 5 March 2020

2020 outlook

CFM INDOSUEZ WEALTH MANAGEMENT

The leading bank in Monaco

As the number-one bank employer in Monaco, CFM Indosuez Wealth Management is the only bank on the market that can offer financial solutions to private investors, businesses, institutions, and professionals.

Created in 1922 by some of Monaco's leading families, some of whom are still stakeholders, CFM Indosuez Wealth Management is a 70%-owned subsidiary of Crédit Agricole Group. This backing by one of the world's top banking groups, paired with our deep roots in Monaco, is an essential guarantee of strength and sustainability for our customers, shareholders, employees, and partners.

Within the group, our Company is fully integrated in the Wealth Management Business, Indosuez Wealth Management.
Our 3,160 experts in Wealth Management, 377 of whom are at CFM Indosuez Wealth Management in Monaco, create customised solutions for our customers in a country where we operate or by multibooking.

Together, they have a single calling:
to help families and entrepreneurs create, cultivate, protect, and pass on their wealth.

3 /

Activity Report

THE ENVIRONMENT IN MONACO IN 2019

"The Principality aims to bring digital technology into the daily life of Monaco citizens and residents and to position itself as a centre of innovation."

Marie-Odile **Joris**

General Secretary

A DYNAMIC AND DIVERSIFIED ECONOMY

Monaco's GDP exceeded €6 billion for the first time in 2018, at €6.09 billion, compared with €5.69 billion in 2017. Adjusted for inflation, this represents an increase of +6.1% in volume terms. After slowing for several years (from +9.6% in 2013 to +3.5% in 2016 and -3.4% in 2017), GDP growth recovered in 2018.

All components of GDP picked up in 2018. The contribution of corporate earnings (EBITDA) increased the most, by 11%, after contracting by 9% in 2017.

The Principality's biggest sectors in terms of GDP are science and technology, administrative and support services, finance and insurance, and real estate. These sectors account for nearly half of total wealth produced (43.9%).

In 2019, Monaco's revenue, excluding the finance and insurance sector, rose slightly against 2018 (+1.1%), despite its contraction over the first six months of the year. However, this increase masks considerable disparities.

Private sector employment figures improved in 2019, with nearly 1,500 more jobs than in the previous year. The number of employers also rose. Monaco had 56,871 jobs in 2019, an increase of 2.6% on 2018, or 1,444 additional jobs. Sixty percent of private sector employees are men and 63.2% are French nationals. The average age of employees is 41.8, and most of them are commuters. The tertiary sector employs almost all private sector employees.

The amount of bank assets has increased sharply over the past twelve months thanks to a sharp rise in deposits (+14%). Outstanding loans also rose by nearly 3%. Net inflows of around €970 million in the last quarter of 2019 led to a slight increase in total assets under management (+0.6%), despite the slightly negative impact of market and currency effects.

Source : IMSEE

THE ENERGY TRANSITION IS UNDER WAY

The Principality of Monaco is committed to reducing its greenhouse gas emissions by 50% by 2030 compared to 1990 levels.

To achieve this target and set the Principality on a course to carbon neutrality by 2050, the national action plan focuses primarily on the three sectors that produce the most greenhouse gases: road transport, waste treatment, and energy use in buildings. These sectors account for about 90% of the country's emissions, with approximately 30% per sector.

To help achieve this goal, HSH the Sovereign Prince has established the Mission for Energy Transition, which manages projects to limit greenhouse gas emissions and develop renewable energy.

THE PRINCIPALITY HAS BEGUN ITS DIGITAL REVOLUTION

Major investments are being made in the digital transition. With €26.9 million invested in 2019 and €45 million earmarked for 2020, ambitious targets have been set for 2022: fibre optic coverage for the whole of Monaco, use of 5G technology, and the launch of the Monegasque cloud architecture.

The Principality aims to bring digital technology into the daily life of Monaco citizens and residents and to position itself as a centre of innovation. To conduct the digital transition in Monaco, an inter-ministerial delegate for the digital transition has been appointed, with an increased budget and a team of 100 people. The three priorities are platforms, services and the digital economy. This strategy will place the digital transition at the centre of the Principality's development.

MONACO AND THE COVID-19 HEALTH CRISIS

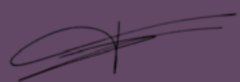
The Prince's Government set out measures to support businesses and workers affected by the health emergency and the resulting lockdown in a press release.

The press release published on 31 March 2020 revealed the extent of the economic and social consequences of the crisis for Monaco. The immediate direct cost was estimated at around 35% of the Principality's tax revenue of €1.3 billion.

However, Monaco has a number of resources including financial reserves of €5.2 billion and its GDP of €6 billion and it expects that the end of the health emergency, which many hope to see in May (with a gradual exit from the crisis), will make up for some of the shortfall.

Jean-Marie **Sander**

Chairman



Mathieu **Ferragut**

Chief Executive Officer

"Our aim is for our Bank to be our clients' preferred Wealth Management bank."

MESSAGE FROM SENIOR MANAGEMENT

2019 was a year of strong results and very tight risk control at CFM Indosuez Wealth Management. We achieved this financial performance against a backdrop of far-reaching change in the international wealth management industry and particularly intense competition in all our growth regions. This success was the result of our strategy, which was unanimously approved by our Board of Directors, whom we would like to thank for their dedication. It was driven by the dynamism, commitment and innovation of the men and women who make up our Bank, and by the changes made in our real estate portfolio.

We purchased a landmark building on Square Gastaud in Monaco, which we had occupied for several years and which houses our trading desk. This acquisition further reinforced our deep-rooted commitment to Monaco, which is reflected in the support we receive from prominent Monegasque families, who hold 30% of our capital. We would like to take this opportunity to thank all of our shareholders for their loyal support, and the Monegasque authorities for their trust and the interest they show in our development.

This year, CFM Indosuez made considerable progress under the Crescendo 2022 business plan, reaffirming our ambitions in terms of sales and client positioning, our impact on society and human development:

- we provided our clients with ever more comprehensive, relevant solutions, enhancing collaboration between our teams in order to improve the quality of our services. Our aim is for our Bank to be our clients' preferred Wealth Management bank.

- we ramped up our transformation, in particular in digital, to bolster our operating efficiency and sales, in coordination with our Group. This included the launch of the My Indosuez mobile app for all our clients. In terms of digital technology, CFM Indosuez's strategy is to use technology and innovation to serve its clients and employees, in order to continuously improve their experience with our Bank.

- we raised awareness of green finance among our clients and employees by promoting its advantages throughout 2019 with a specific strategy drawing on our CFM Environnement Développement Durable investment fund, which was created in 2003 under the impetus of HSH Prince Albert II of Monaco.

- we laid the foundations of balanced, lasting growth while increasing our profitability with a clear, shared vision and growth strategy that is backed by high standards in terms of transparency, the application of regulatory standards, compliance and the quality of advice provided to our clients and partners.

As the Principality's leading employer in banking, we fully adhere to our Group's values and its raison d'être, "Working every day in the interest of our customers and society". In 2019, we repeated the Citizen Days initiative, signed the National Energy Transition Pact in Monaco and sealed a major long-term partnership with the Institut Océanographique de Monaco. This partnership reflects CFM Indosuez's aim to support the work of the Institut Océanographique, which plays an important role in extending Monaco's scientific and cultural influence around the world and boosting its international standing. It marks a new stage in the Bank's societal and environmental commitment.

In 2020, we will pursue our transformation and further strengthen our leadership by continuing our expansion while maintaining a controlled risk profile. To do this, we will draw on our knowledge of our clients and our close ties with them so we can better deliver the service excellence and expertise they expect. With the backing of one of the world's biggest banking groups, our deep roots in Monaco and our ranking as Best Bank in Monaco for the fourth year running (by Global Finance magazine), CFM Indosuez has all the strengths we need to succeed.

WEALTH MANAGEMENT

> "Our excellence in relationship banking was acknowledged with one of the highest net promoter scores in the industry (client survey, Q4 2019)"

After 2018 saw high levels of volatility and negative returns on the financial markets, 2019 was a better year for our wealth management clients, enabling CFM Indosuez Wealth Management to further enhance its expertise. Our discretionary portfolio management mandates and advisory mandates delivered high returns.

In line with the Shaping Indosuez 2020 business plan, we improved our understanding of our clients' expectations with the rollout of CESO questionnaires (Knowledge, Experience, Financial Position and Investment Objectives) in 2019. The Explore and Design advisory agreements were widely promoted among clients wishing to manage their own investments while benefiting from advice from our experts and receiving regular information about the financial markets, including our publications 'Monthly House View' and 'Weekly Investment Ideas', as well as frequent phone calls and e-mails.

The Indosuez Crescendo 2022 business plan produced a pooled network of expertise spanning Indosuez Wealth Management's offices around the world, allowing us to extend our range of products and services.

Our clients' portfolios are now monitored and analysed by both their personal banker and by an investment adviser from the Investment Solutions team who refers to our experts in Investment Management, Capital Markets, Insurance and Wealth Structuring/Financing.

This global approach to our clients' assets and liabilities fully reflects Indosuez Group's brand signature – we are Architects of Wealth.

Grégoire **Faure**

Head of Client Relations

Stéphane **Herpe**

Head of Markets, Marketing and Development

Our new organisational structure allowed us to considerably extend our trading activity, with a record year for structured products, a strong performance by the Indosuez Bonds fund and the Luxembourg insurance advisory agreement (Specialized Insurance Fund) and the expansion of the range of ESG (Environmental, Social and Governance) products.

As investors are showing ever more interest in environmental issues, Crédit Agricole Group has made green finance a major strategic priority through to 2022. It aims to confirm its world leadership in arranging green bonds and to increase the volume of assets invested in securities issued by companies contributing to the preservation of resources or the energy transition to €10 billion. The acknowledgement of these major trends in society will provide Indosuez Wealth Management's entities with major sources of growth in the medium and long term.

A key part of the Crescendo 2022 business plan is the focus on using technological innovation to meet new expectations. The eBanking service, which was well suited to tablets and computers, has been rounded out by a new mobile app, My Indosuez, which is used by a growing number of clients. More broadly, Indosuez Wealth Management is taking great strides to digitalise our processes, which will lead to the rollout of a new CRM solution, a smoother onboarding process and optimised investment proposals.

This will enable CFM Indosuez to pursue its organic growth on its priority markets (Monaco, Pacific, Latin America, France, Switzerland) and to strengthen its position among major clients.

Thanks to the dedication of its 377 employees, CFM Indosuez is, more than ever, recognised by its partners and appreciated by its clients. Our excellence in relationship banking was acknowledged by Global Finance magazine, which named CFM Indosuez Best Bank in Monaco for the fourth year running, and by one of the highest net promoter scores in the industry (client survey, Q4 2019).

In the health, financial, economic and social crisis that is rocking the world in 2020, all our teams are committed to ensuring the continuity of services for all our clients. The strength of Crédit Agricole Group and CFM Indosuez's strong local presence are crucial assets that will allow it to navigate this period while serving its clients' interests.

CORPORATE GOVERNANCE

Unless otherwise specified, the information presented in this chapter refers to the situation at 31 December 2019.

1 / Group structure and shareholders

1.1. GROUP STRUCTURE

CFM Indosuez and its subsidiaries are part of Crédit Agricole Group.

2 / Ownership Structure

CFM Indosuez Wealth is 70.12% owned by Fininvest (a holding company almost wholly owned by Crédit Agricole SA), with the remaining 29.88% owned by various individuals and legal entities (none of whom own more than 10% of the shares).

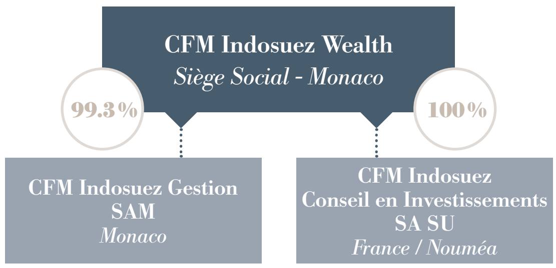
2.1. OPERATING STRUCTURE

CFM Indosuez Wealth SAM is a company incorporated under Monegasque law. Its corporate purpose is, in the Principality of Monaco and abroad, both for itself, for third parties and jointly, to perform any and all banking and financial transactions and, from a more general standpoint, any transactions liable to be carried out by credit institutions under Monegasque law, including insurance brokerage activities, in accordance with applicable laws and regulations.

2.2. SCOPE OF CONSOLIDATION

CFM Indosuez Wealth Group includes the following active companies:

- CFM Indosuez Gestion
- CFM Conseil en Investissement



The management of these entities' activities and their organisational structure are based on the strategy, policies, decisions and general authorisations, rules of operation and best practices set by Crédit Agricole Group and CFM Indosuez Wealth, in accordance with the applicable legal and regulatory requirements.

3 / Regulatory framework

Under agreements between France and Monaco, banking activities are supervised by the French Prudential Supervision and Resolution Authority (ACPR). Monegasque banks are therefore subject to the same prudential regulations as French credit institutions.

However, in Monaco some financial activities enjoy a certain degree of autonomy in specific areas not directly governed by banking regulations and organisational requirements but deemed to be financial activities, such as discretionary portfolio management or the provision of investment services.

These activities are subject to authorisation by the Monaco Financial Activities Supervisory Commission (CCAF) – an independent licensing authority.

The monetary agreement of 29 November 2011 (applied by Sovereign Ordinance no. 3 559 of 5 December 2011) includes a commitment by the Principality of Monaco to apply or adopt measures that are equivalent to certain legal rulings made by the European Union in the area of banking and financial law and for the prevention of money laundering.

4 / Board of Directors

4.1. GENERAL INFORMATION

At 31 December 2019, the Board of Directors of CFM Indosuez Wealth had eight members, appointed by the Ordinary Annual General Meeting for a period of three years (one year for directors over 70 years old).

No Board members sit on CFM Indosuez Wealth's Executive Committee.

Board members are appointed for their integrity and expertise, which are assessed based on their background, knowledge and experience. The suitability of Board members is assessed on an individual and collective basis, with a view to ensuring a diverse range of talents, complementary profiles and balance.
As a whole, the Board of Directors must possess the necessary skills in its key areas of responsibility. Membership requirements follow the rules set by the ACPR (French Prudential Supervision and Resolution Authority).

The Board of Directors has three specialised committees: the Audit and Risk Committees and the Appointments Committee.

pOn their appointment, new directors receive a welcome pack including documents on the governance of corporate bodies, the Bank's charter and the audit and risk control scope.

Directors receive regular training and updates.

4.2. MEMBERS

- Jean-Marie Sander, Chairman of the Board and Director since 20 March 2014,
- Bastien Charpentier, Director since 13 December 2017,
- Michel Cresp, Director since 23 May 2000,
- Jean Delamalle, Director since 16 March 2010,
- Hervé Husson, Director since 7 October 2016,
- Pierre Masclet, Director since 12 December 2019,
- Andrée Samat, Director since 16 March 2010,
- François Veverka, Director since 21 March 2017 and Chairman of the Audit Committee and the Risk Committee.

4.3. ORGANISATION

4.3.1. Functioning of the Board

As a general rule, the Board of Directors meets four times per year and, if necessary, holds special meetings.

The work of the Board is based on files prepared by its Secretary. Its meetings follow a pre-established agenda and are subject to minutes signed by the Chairman and one other director.

The Board functions in accordance with the company's articles of association and its internal rules.

The internal rules set out principles and best practices of corporate governance designed to ensure the quality of Board's work, such as obligations of confidentiality, independence, loyalty and duties in respect of inside information and conflicts of interest. Directors with a conflict of interest must report the conflict and abstain from taking part in decisions.

The Board of Directors met five times in 2019.

4.3.2. Expertise

The Board of Directors is the administrative body in charge of senior management, high-level risk monitoring and the adequacy of the Bank's management control system.

Accordingly, it deals with major issues relating to strategy, general policy, management and the oversight of activities and risks. The Board approves the resources, organisation and planning needed to implement the strategy and general policy, based on proposals made by the Executive Committee, as appropriate. It is also responsible for finance, methods of accounting and financial control based on fixed objectives, the preparation of the annual activity report, the approval of the annual budget and the setting of financial objectives for the year, including equity planning and liquidity risk tolerance. In addition, the Board is responsible for ensuring the adequacy of resources, governance and oversight and that standards are observed (compliance).

It makes decisions on matters related to the Bank's administration referred to it by members of the Executive Committee and other issues brought before it by the specialised committees. Among other things, it decides on changes to the Bank's activities, structures and strategic or real estate investments, such as the creation, acquisition or disposal of subsidiaries and ownership interests, the opening or closing of branches and representative offices, the acquisition or disposal of new businesses and the sale or purchase of buildings. It also makes the necessary decisions regarding legal and regulatory provisions, specifically in the areas of corporate governance, human resources, risk management and internal control.

The Board of Directors delegates some of its tasks to its specialised committees, to the extent allowed by laws and regulations.

These committees meet several times a year, depending on the matters at hand and the opinions requested by the Board.

Their members are appointed by the Board of Directors.

They operate on the basis of files prepared by the General Secretary. They have limited decision-making powers and facilitate the Board's work by providing their opinions.

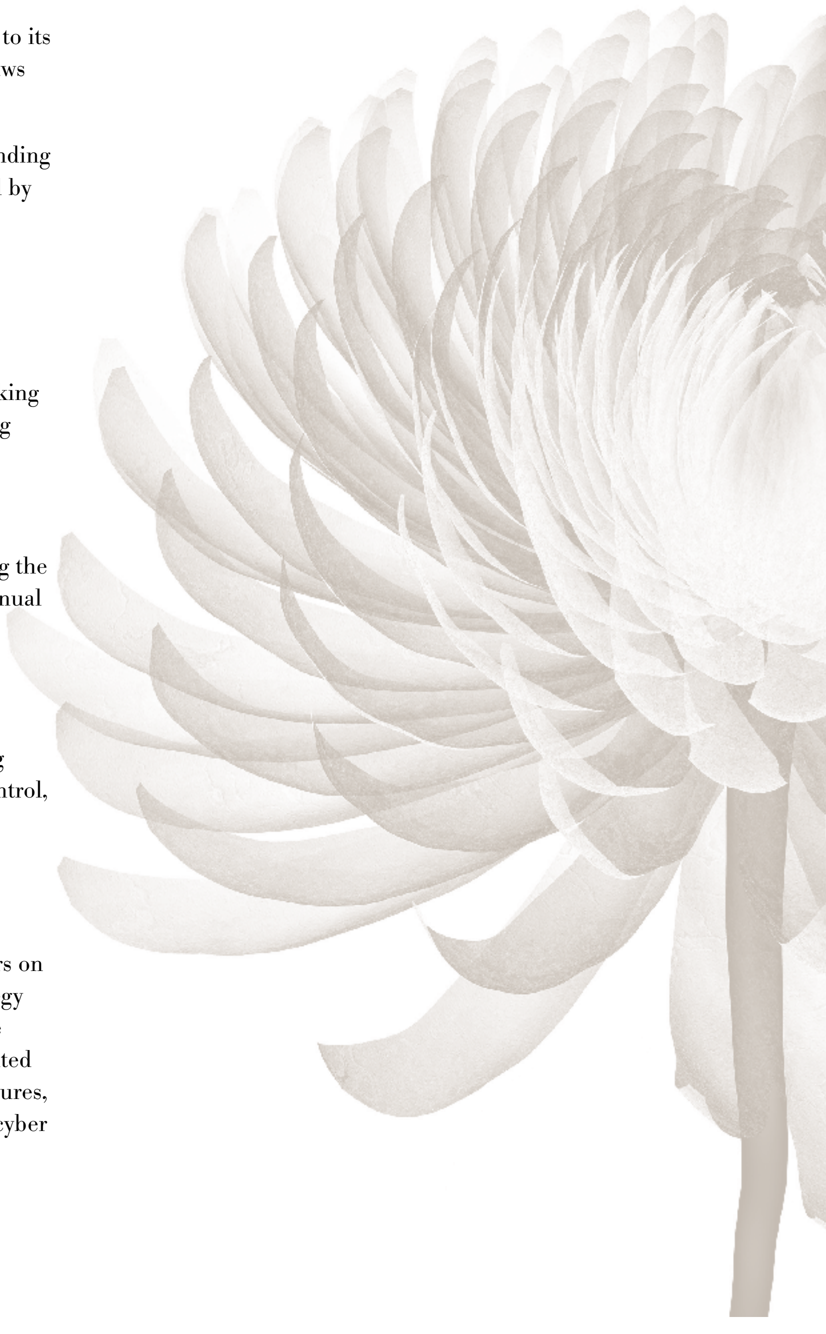
Audit Committee

The Audit Committee is responsible for monitoring the financial reporting process and the audit of the annual financial statements. In particular, without any prejudice to the Board of Directors' remit, it is responsible for the following:
Monitoring, cash management, analysis of profit, foreign exchange activities, analysis of net banking income, monitoring and assessment of internal control, risk management and internal audit systems, monitoring of the work of the Statutory Auditors.

Risk Committee

The Risk Committee advises the Board of Directors on matters pertaining to the entity's overall risk strategy and risk appetite. This includes current and future risks, exposures at risk, non-performing and disputed loans, loan categories, trends in outstanding exposures, market risks, the assessment of operational risks, cyber security risks, IT risks, etc. The Risk Committee assists the Board in assessing how Executive Management and the Chief Risk Officer implement the overall strategy. As a reminder, the Risk Committee has a purely advisory role. It monitors compliance matters, internal/external fraud, KYC and the implementation of MiFID II. It reviews the work of the General Inspection department, monitoring assignments and the application of recommendations.

This description is in no way exhaustive.



4.4. EXECUTIVE COMMITTEE

The members of the Executive Committee are responsible for the operational leadership of business, risk management and monitoring, and ensuring the smooth running of the Bank's activities.

As of 31 December 2019, the Executive Committee had seven members:

- Mathieu Ferragut,
  Chief Executive Officer and Executive Director,
- Vincent Thomas,
  Deputy Chief Executive Officer and number two Executive Director,
- Marie-Odile Joris, General Secretary,
- Ariel Barugel, Head of Human Resources,
- Yves Braccalenti, Head of Development,
- Grégoire Faure, Head of Client Relations,
- Stéphane Herpe, Head of Markets, Marketing and Development.

CONSOLIDATED KEY FIGURES (IFRS)

Consolidated key figures (in € millions)	31/12/2019	31/12/2018	Change in %
Shareholders' equity	350	335	4.5%
Gross operating income	32	28	14.3%
Total assets	6,070	5,923	2.5%
Net income after income tax	49	23	113%
Net banking income	127	120	5.8%

Executive Committee

Front, from left to right: Ariel Barugel, Human Resources division • Vincent Thomas, Finance, IT, Operations and Organisation department • Marie-Odile Joris, General Secretary

Behind, from left to right: Stéphane Herpe, Markets, Marketing and Development department

Mathieu Ferragut, Executive Management • Grégoire Faure, Client Relations department, Yves Braccalenti, Development department

2019 REPORT OF THE BOARD OF DIRECTORS

Following the expansion of our subsidiary CFM Indosuez Gestion, in 2018 for the first time, we published an annual report including separate financial statements for the credit institution CFM Indosuez Wealth Management and consolidated financial statements presented in accordance with IFRS for CFM Indosuez Group, including the asset management and investment advisory subsidiaries in the scope of consolidation.

The 2019 financial statements have been prepared using the same scope as in 2018, applying the applicable IFRS standards. The following table provides a summary of the main items of the consolidated results for 2019 (in millions of euros) and 2018, under IFRS.

2019 AND 2018 CONSOLIDATED RESULTS (IN MILLIONS OF EUROS) UNDER IFRS

	Exercice 2019	Exercice 2018	Change in %
Net banking income	127.4	120.2	+5.9%
Operating expenses	-95.0	-92.0	+3.2%
Gross operating income	**32.4**	**28.3**	**+14.5%**
Cost of risk	-1.3	-1.3	-
Extraordinary items	31.9		N/A
Income tax	-13.8	-4.0	N/A
CFM Indosuez Wealth Group net income	**49.2**	**23.0**	**N/A**
Non-controlling interests	-0.1		
Net income, CFM Indosuez Wealth Group share	**49.1**	**23.0**	

PRESENTATION OF CFM INDOSUEZ WEALTH MANAGEMENT GROUP'S 2019 CONSOLIDATED FINANCIAL STATEMENTS *(under IFRS)*

CFM Indosuez Wealth Management Group's consolidated net banking income for 2019 amounted to €127.4 million, an increase of 5.9% on 2018, driven by brokerage activities and by transactions involving our working capital relating to adjustments to CFM Indosuez's real estate portfolio.

CFM Indosuez Wealth Management Group's operating expenses totalled €95 million in 2019, up by €3 million in relation to 2018, reflecting CFM Indosuez's strategy of ramping up its digital transformation while keeping expenses under control.

Gross operating income came to €32.4 million in 2019, compared to €28.3 million in 2018 as reported, a 14.5% increase.

CFM Indosuez Wealth Management Group's net income, Group share stood at €49.1 million, factoring in the cost of risk (-€1.3 million), extraordinary items due to real estate portfolio adjustments (€31.9 million), the current income tax expense (-€5.9 million) and the provision for deferred taxes (-€7.9 million). By way of comparison, net income, Group share totalled €23 million in 2018.

ACTIVITIES AND RESULTS (CFM INDOSUEZ WEALTH MANAGEMENT SCOPE)

At 31 December 2019, wealth under custody was up 9.5% on the previous year, due to a combination of an extremely positive market effect and strong inflows.

Loans and receivables granted to clients rose by 4.8% compared to 31 December 2018. Amounts due to clients amounted to €5,510 million, an increase of 6.7% over the year.

PRESENTATION OF THE CFM INDOSUEZ WEALTH MANAGEMENT 2019 SEPARATE FINANCIAL STATEMENTS (UNDER FRENCH ACCOUNTING STANDARDS)

CFM Indosuez Wealth parent company/separate financial statements under French accounting standards

The balance sheet total came to €6,026 million at 31 December 2019, up 2% compared to 31 December 2018.

On the assets side, loans granted to clients amounted to €3,432 million, an increase of 5% over the year.

The volume of securities in the portfolio and central bank deposits ensure the overall liquidity coverage ratio (LCR) is observed.

Loans and receivables to credit institutions declined by €152 million to €1,640 million.

On the liabilities side, shareholders' equity totalled €336 million, excluding €4.5 million in funds for general banking risks. The increase in equity between December 2018 and December 2019 (+€32 million) resulted from the rise in income over the period and the appropriation of income for 2018.

Net banking income increased by 23% in relation to 2018 to €122 million, but cannot be compared with the previous year due to extraordinary income recorded in 2019, including €15.7 million in dividends received from our investment management subsidiary.

Operating expenses were up by 4% from the previous year, reflecting CFM Indosuez's policy of ramping up its digital transformation while keeping expenses under control.

CFM Indosuez Wealth Management's separate financial statements show a profit of €57 million in 2019 (after income tax for an amount of €6 million), up sharply on the previous year. This increase partly reflects income from adjustments made to CFM Indosuez's real estate portfolio (+€31.9 million), dividends received from the investment management subsidiary and strong sales activity.

In view of the above, at its meeting on 12 March 2020, the Board of Directors proposed that the Annual General Meeting to be held on 18 May 2020 approve a dividend payout of 70%, or €69.70 per share, compared with €44.44 the previous year. The dividend would be paid from 5 June 2020. This decision reflects both the bank's strong performance overall and the non-recurring transactions impacting our net assets. The Board of Directors proposed that shareholders record the balance in retained earnings, in the amount of €17.1 million.

The Bank's intention to pay a dividend in respect of fiscal year 2019 conflicts with the recommendations made by the European Central Bank (ECB) on 27 March 2020. The ECB has asked banks under its supervision, which include Crédit Agricole SA, and those under the supervision of the ACPR, which is responsible for credit institutions in Monaco, not to pay dividends during the coronavirus crisis and "until at least 1 October 2020".

Accordingly, the Board of Directors of CFM Indosuez Wealth, meeting via video-conference on 5 May 2020, decided to recommend that the Annual General Meeting, initially scheduled for 18 May 2020 but postponed to 19 June 2020, allocate the entire profit for 2019 to retained earnings. The Board of Directors will issue its recommendations for paying dividends to shareholders in the second half of 2020. It could recommend the payment of an extraordinary dividend charged against retained earnings.

The Board of Directors' meeting on 5 May 2020 also authorised the Chairman of the Board of Directors and the Chief Executive Officer to make all necessary changes to the rules regarding how the Annual General Meeting is held and how voting is organised, in accordance with Monegasque legislation adopted in response to the Covid-19 pandemic, and to notify such changes in communications on the CFM Indosuez Wealth website.

The presentation of CFM Indosuez Wealth Management's separate financial statements (under French accounting standards) is amended in light of the above.

Accordingly, and pursuant to the decision described above, we propose the following appropriation of income:

Net income for the year ended 31 December 2019	**€57,068,616**
Retained earnings	**€160,483,014**
Total amount	**€217,551,630**

The total amount to be recorded in retained earnings comes to €217,551,630.

PRESENTATION OF THE SUBSIDIARIES' 2019 SEPARATE FINANCIAL STATEMENTS

Separate financial statements of CFM Indosuez Gestion

The Investment and Advisory business line was transferred from CFM Indosuez Wealth Management to its subsidiary CFM Indosuez Gestion on 1 January 2018.

CFM Indosuez Gestion's net income amounted to €14.8 million in 2019, compared with €16.6 million in 2018.

The meeting of the Board of CFM Indosuez Gestion of 3 April 2020 proposed that the investment management company's Annual General Meeting scheduled to be held on 22 June 2020 pay dividends representing 95% of its net income for the 2019 financial year, amounting to €14.1 million, with the balance taken to retained earnings.

The impact of this dividend payment from the subsidiary to its parent company will be reflected in CFM Indosuez Wealth's financial statements for 2020

Separate financial statements of CFM Indosuez Conseil en Investissement

The net income of CFM Indosuez Conseil en Investissement came to -€0.1 million in 2019. Revenues rose by €0.5 million on the previous year following changes to commission fees paid by CFM Indosuez Wealth (under MiFID II). Expenses were in line with budget forecasts.

On 25 June 2020, the sole shareholder of CFM Indosuez Conseil en Investissement SASU will propose that negative income for the period be charged against retained earnings.

POST-BALANCE SHEET EVENTS NOT LIABLE TO IMPACT THE FINANCIAL STATEMENTS CLOSED ON 31 DECEMBER 2019

The Covid-19 epidemic is expected to have a significant negative impact on the global economy, which will worsen if it is not contained quickly. The epidemic has caused supply and demand shocks, leading to a marked slowdown in activity due to the impact of lockdown measures on consumer spending and caution among economic agents, as well as production difficulties, disruptions to supply chains in some sectors and a drop in investment. This will lead to a sharp decline in growth or technical recession in many countries. The consequences will affect the activities of banks' counterparties and therefore banks themselves.

Crédit Agricole Group, which announced support measures for its business and individual clients during the crisis and which has committed to observe the measures announced by the government, expects to be impacted in terms of its revenue, cost of risk and net income. CFM Indosuez Wealth could also be impacted. It is impossible to predict the extent or length of the impact at this stage.

INTERNAL CONTROL

Presentation of risk exposure and risk management

Internal control system:

The bank adjusts its internal control system to changes in its activity and regulations. The implementation of a formal, exhaustive control system meeting the latest regulatory requirements and Group rules is the main objective of the Permanent Control department.

At CFM Indosuez Wealth Management, the internal control system is applied in accordance with the Order of 3 November 2014 on the internal control of companies active in banking, payment services and investment services and subject to ACPR supervision. The system includes a process for controlling transactions and internal procedures, a structure for accounting and processing information, systems for measuring risks and results, risk monitoring and management systems, an information and documentation system and a process for monitoring flows of cash and securities.

For CFM Indosuez Wealth Management and its subsidiaries, CFM Indosuez Gestion and CFM Conseil en Investissement, the risk management function is organised locally within the Risk and Permanent Control department, which is responsible for the oversight, coordination and supervision of the risk and permanent control system (credit risk, market risk and operational risk). To round out this system, internal control is also performed through periodic controls carried out under the responsibility of the General Inspection department and compliance controls covering in particular onboarding and KYC reviews, financial security, transaction monitoring and approval, compliance and fraud risk monitoring.

The CA CIB Chief Risk Officer (who reports to the ACPR) and the Indosuez Wealth Management Risk & Permanent Control (RPC) department delegate their authority to the Head of the Risk and Permanent Control department to oversee the risk control and supervision system, based on:

- A central system including level 2.1 and 2.2 controls, which are applied by all Group entities, implemented by Indosuez Wealth Management via its main control functions (Legal, Compliance, Finance, Security, Permanent Control, etc.).
- A local system of controls implemented by all operating departments (level 1 and 2.1 controls) and level 2.1 and 2.2 controls performed by the control functions, to complete the scope of the Wealth Management Business Line Common Control Plan.

Most of the results of the controls are centralised and monitored via the IT solution Copilot, which is used by all Group entities. Results classified red or orange, meaning that improvements are needed, are subject to a detailed permanent control analysis and are reported to the Internal Control Committee and the Audit and Risk Committee. An action plan is implemented if necessary. The results achieved in all quarters of 2019 were satisfactory and showed no signs of a major increase in risk.

Information provided to Executive Directors, the Internal Control Committee and the Board of Directors and decisions made in 2019:
Information provided to senior management includes details of outsourced activities, the approval and monitoring of credit risk limits, the results of controls across the entire internal control scope, significant incidents, anomalies detected by the anti-money laundering and counter terrorist financing monitoring and analysis system, and any other significant events relating to permanent risk control, compliance and periodic control, covering both internal and external activities.

The governing body is also provided with details of changes in outstanding loans, ratings and non-performing loans. As well as the reports made by the Risk and Permanent Control department, the Compliance and Ethics function also submits reports to the executive bodies.
The Internal Control Committee met on 5 February, 12 June and 15 October 2019. Reports on internal control, risk measurement and monitoring and the monitoring of cheques for 2019 were submitted to CFM Indosuez Wealth Management's Board of Directors on 12 March 2020.

The half-yearly Internal Control Report was presented to the CFM Indosuez Wealth Management Board of Directors on 3 October 2019 and the 2019 Annual Report and its notes were presented by management at the Internal Control Committee on 12 February 2020 and the Board of Directors' meeting on 12 March 2020.

After CFM Indosuez Wealth Management's total assets exceeded the threshold of €5 billion, the first Audit and Risk Committee meeting was held on 21 March 2018, chaired by François Veverka. In 2019, three committee meetings were held, attended by directors, the Statutory Auditors, the CFM Indosuez General Secretary, the Head of the General Inspection department, and representatives of the Credit Risk, Permanent Control, Finance, Compliance and Fraud functions in turn (on 18 March, 2 October and 11 December).
On 16 May 2019, the Board of Directors approved the new risk appetite chart and limits.

Credit risk:

LCredit risk and counterparty risk is monitored by CFM Indosuez Wealth Management's Risk and Permanent Control department, which reports functionally to the Chief Executive Officer and directly to the Indosuez Wealth Management RPC function.
Counterparty risk is concentrated on the client lending business and is part of the Wealth Management Business Line's risk management strategy approved by the decision-making bodies of CA CIB and Crédit Agricole SA, as set out in Indosuez Wealth Management's Framework Directive on Wealth Management Credit Risk Management (RPC DB 003).
CFM Indosuez Wealth Management is exposed to counterparty risk with respect to natural persons, wealth structures whose beneficial owners are natural persons or

commercial companies related to an entrepreneur client whose activity or decision-making centre is based in Monaco. Any exception to this scope of counterparties requires prior approval by Indosuez Group's Executive Management and its RPC department. Indosuez Group has no risk authorisation for financial institutions (CA CIB process).

The loan approval process is primarily based on the type of transaction, the delegation system, the approval process and the management of collateral. In Wealth Management, lending is traditionally a supplementary activity intended to secure client loyalty and optimise client assets. It is also a strategic part of the overall offering, in particular for ultra-high net worth clients, but it must foster a lasting relationship based on the management of the client's assets.

The selection of transactions depends on the types of loans granted. There are eight different types of loans, covering cash flow requirements, investments in non-real estate assets, investments in specific assets, mortgage loans, business loans, wealth structuring transactions, private equity investments and guarantees and sureties.

The risk measurement and monitoring process includes a review of loans granted at least once per year, a quarterly Substandard Assets Committee, daily monitoring of compliance with limits, and daily and weekly listings sent directly to sales teams to monitor anomalies.

The risk measurement system includes the daily monitoring of collateral lending values, an internal scoring system for wealth management clients and a specific approach for corporate clients, including detailed analysis of balance sheets using the group-wide solution, Anadefi.

Level two counterparty risk monitoring (compliance with limits, monitoring of collateral, etc.) is performed by the Credit Risk Manager, who carries out the controls and reports to CFM Indosuez Wealth Management's Executive Management and the Risk and Permanent Control department.

Provisions set aside to cover credit risk are limited as exposures are well covered by the nature of investments and the type and coverage ratio of guarantees, which allow rapid recovery by enforcing rights to collateral as required. Provisions in the bank's separate financial statements totalled €9.17 million at year-end 2019, compared with €10.4 million a year earlier.

Non-performing and disputed exposures remained under control, at €27.5 million, representing less than 1% of loans recorded in the balance sheet, which increased from €3.28 billion to €3.43 billion at 31 December 2019.

Details of credit risk exposure are provided in Note 3.1 to the consolidated financial statements.

Market risk:

CFM Indosuez Wealth Management's RPC function, through its Market Activity Monitoring (MAM) unit, is responsible for the entire system for measuring, monitoring and controlling market risks, in order to minimise the business lines' cost of risk arising from market risk. This unit has the dual role of monitoring, validating and explaining results (P&L) and risk indicators for all activities generating market risks. It calculates risk indicators and VaR on a daily basis, checks that limits and alert levels are observed, and notifies the relationship managers of any breaches. Breaches are reported to the Group every day, using a specific reporting application.

MAM monitors management performance, and approves the daily and monthly P&L, including provisions and impairment. It performs the monthly Finance-Management data reconciliation and analyses the output. This reconciliation is approved at each monthly Market Risk Committee, whose permanent members are the Finance and Cash Management departments and the MAM unit. MAM is also responsible for monitoring the quality of service of our Cash Management provider under the outsourcing agreement signed with CAIS.

Details of market risk exposure are provided in Note 3.2 to the consolidated financial statements.

Counterparty risk:

The counterparty selection procedure and limits are provided by Indosuez Wealth Management. Lists including "forbidden" counterparties or those with whom business must be restricted (Do Not Deal & Restricted Dealing lists) are also transmitted and applied locally.

Indosuez Wealth Management's Framework Directive on Wealth Management Credit Risk Management (RPC DB 003), which governs the management of credit risk in wealth management activities, sets out the nature and type of eligible counterparties and the financial solutions that may be envisaged, namely:

- Cash flow requirements.
- Financing for investments in real estate assets.
- Financing for specific assets, supported by specialised expertise within the Group.
- Mortgage loans.
- Financing for commercial companies.
- Financing for wealth structuring activities.
- Financing for subscriptions to private equity programmes.
- Conditional commitments.

The Directive also sets out the maximum term and conditions applicable, with delegations of authority

based on the level of risk, the length of the commitment and its profile. The Directive and local policies and procedures define the monitoring rules and the information to be provided to the different stakeholders.
As most of our exposures are backed by collateral, capital requirements are limited and the risk-weighted assets allocated to credit risk are lower than the risk appetite set for the bank's activity.

Foreign exchange risk:

Foreign exchange risk limits are reviewed annually by the CA CIB Market Risk Committee, which includes the Indosuez Wealth Management and CFM Indosuez Wealth Management RPC functions.

The calculation of open positions (equivalent in euros) takes into account all the Bank's foreign exchange positions (spot and forward exposures). CFM Indosuez Wealth Management's foreign exchange risk is hedged by the Cash Management department each day. Open foreign exchange positions held on the Bank's own account are only generated by client-related activities. CFM Indosuez Wealth Management does not hold speculative positions. However, as the group-wide IT solution, S2i, requires invoices to be paid in Swiss francs, a foreign exchange risk may arise when the invoice is paid. This exposure is hedged via the regular purchase of Swiss francs, in line with requirements. This foreign exchange hedging activity and the corresponding trades are presented to the ALM Committee each quarter.

Interest rate risk:

Interest rate risk on all of the Bank's proprietary portfolios is managed with a two-level system overseen by CA CIB's RPC function:

- Sensitivity limits (daily monitoring).
- A Value at Risk (VaR) limit.

Sensitivity limits are set:

- By maturity (< 1 year, 1-3 years, 3-5 years, > 5 years) and
- By currency (EUR, USD, GBP, etc.).

These limits measure the maximum loss that would arise from a 0.01% increase in interest rates applied to all fixed and variable rate products managed by CFM Indosuez Wealth Management.

Value at Risk is calculated using historical fluctuations over a sliding year and shows the loss that could arise with a probability of 99%.

The calculation used is 1-year / 1-day 99% VaR.

This regulatory indicator is calculated directly by CA CIB's software applications and approved by CFM Indosuez Wealth Management's Market Risk unit.

Interest rate risk sensitivity is measured by the Group's tools, GAP and Global View, which compare the following transactions with authorised limits:

- On and off-balance sheet transactions (loans and borrowings, term deposits, securities purchased and issued, lender and borrower swaps).
- Fixed and variable rate transactions.
- Transactions involving the Bank's portfolios.

Liquidity and funding risk:

The liquidity and funding risk management policy applies to the parent company CFM Indosuez Wealth Management according to the standardised approach, without taking into account the subsidiaries, which are not supervised by the ACPR (French Prudential Supervision and Resolution Authority) and whose size and activities are deemed insignificant with regard to the risks under consideration.

Matters relating to cash management (liquidity, funding, limits, etc.) are discussed quarterly in local Cash Management Committee meetings. Additional committees may be organised as required.

Liquidity risk management is monitored through two regulatory ratios: the Liquidity Coverage Ratio (LCR) for liquidity risk for up to 30 days and the Net Stable Funding Ratio (NSFR) for medium- and long-term liquidity risk. These two ratios are derived from the Basel III agreements with an overall internal limit of 100%. They are presented to the Committee.

- LCR: the end-of-month ratios reported to the Banque de France were above 100% over 2019.
  In accordance with the requirements of the Basel Committee on Banking Supervision, the high quality liquid assets (HQLA) portfolio provides a liquidity reserve that can be drawn on extremely quickly, even in the event of a major crisis, to allow the Bank to honour its commitments for at least 30 days, which is the basis of the LCR.
- NSFR: As CFM Indosuez Wealth Management is not a liquidity centre, there are currently no limits on medium to long term (MLT) liquidity. In addition, CFM Indosuez Wealth Management (like other Wealth Management entities) is a net provider of MLT liquidity (its balance sheet shows surplus deposits).

For information purposes, a rough calculation puts our entity's NSFR at between 115% and 120%.

Liquidity risk is also monitored using a table of projected cash flows. This was implemented at CFM Indosuez Wealth Management following a request by the General Secretariat of the ACPR regarding the identification, measurement, management and control of liquidity risk. It follows Group instructions in line with Basel requirements.

Details of liquidity and funding risk exposure are provided in Note 3.3 to the consolidated financial statements.

Fair value hedging of interest rates:

Fair value hedges include the hedging of loans, securities and fixed rate deposits. These hedges convert fixed rate assets or liabilities into variable rate items.

- Micro-hedging policy: assets or liabilities of significant amounts and/or maturities (e.g. long-term loans to clients, etc.) are systematically micro-hedged using swaps.
- Macro-hedging policy: assets or liabilities of amounts that do not reach the feasibility threshold for micro-hedging but which have significant maturities are grouped with similar items and are macro-hedged.

CFM Indosuez Wealth Management's hedging instruments are fair value hedges or cash flow hedges. They are presented in Note 19 to the bank's separate financial statements.

The amounts of cash flow hedges and fair value hedges on interest rate and foreign exchange positions are provided in Note 3.4 to the consolidated financial statements.

Operational risks:

Indosuez Wealth Management Group has produced a group-wide operational risk map, consisting of a list of activities and processes performed by each entity, using a common structure. It applies to the internal control scope of CFM Indosuez Wealth Management and its subsidiaries.

Each area of the operational risk map is reviewed and validated annually by the Head of each Business Line in association with the Permanent Control department.

The cross-divisional mapping of compliance, internal or external fraud and legal risks is also validated annually by Compliance and the Legal department. A summary of the operational risk map and the review progress report are presented annually to the Internal Control Committee, which approves the mapping, the action plan and the results of backtesting. All mapped activities had been approved as of 31 December 2019.

CFM Indosuez Wealth Management's operational risk map for 2019 included 48 areas, 230 processes and 1,220 identified risk events, including 27 significant events (those with a high net risk rating according to the CA CIB risk matrix published in 2018).

A mapping of the risks of corruption and influence peddling was added to the operational risk map in Q4 2019 with the assistance of Deloitte, in accordance with the requirements of the French anti-corruption law, known as the Sapin II law. This map covers six themes and 37 risk events. The net risk was deemed "high" for seven of these events, and "major" for two others.

Each quarter, Permanent Control produces a table of operational risk losses and cases of attempted or actual fraud. It transfers the table to the CA CIB RPC department using the group-wide application, Olimpia, and a summary by risk category is presented to the Internal Control Committee and the Board of Directors. When collecting data, Permanent Control identifies incidents reported in various information channels, whether or not they arise from client complaints, as well as fraud and allocations to and reversals of provisions for disputes. All incidents involving more than €150,000 are immediately reported to the governing and executive bodies. Incidents and cases of fraud in excess of €150,000 that are prevented are individually reported in CA CIB's dedicated application (Olimpia).

In 2019, two incidents with a limited impact were identified.

STATUTORY AUDITORS

New Statutory Auditors must be appointed.

The Board of Directors proposes appointing Didier Mekies (PWC) and François Brych (Mazars) as permanent statutory auditors and Sandrine Arcin as alternate statutory auditor for the 2020, 2021 and 2022 financial years.

BOARD OF DIRECTORS

The Board of Directors asks shareholders to approve the appointment as director of Pierre Masclet, who was co-opted by the Board of Directors at its meeting on 12 December 2019 to replace Jacques Prost for the remainder of his term of office, i.e. until the end of the Annual General Meeting called in 2021 to approve the financial statements for 2020.

In accordance with the articles of association, we propose the appointment of Eric Vial, Chairman of the Crédit Agricole des Savoie regional bank, who was co-opted by the Board of Directors on 12 March 2020 to replace Yves Barsalou, who passed away in September 2019, on the CFM Indosuez Wealth Board of Directors. The Board recommends that Eric Vial be appointed for a period of three years, until the Ordinary Annual General Meeting called in 2024 to approve the financial statements for 2023.

Michel Cresp's term as director is due to expire and will not be renewed. In accordance with the articles of association, we propose the appointment of Bertrand Corbeau, Deputy Chief Executive Officer of Crédit Agricole SA, who was co-opted by the Board of Directors on 12 March 2020 to replace Michel Cresp on the CFM Indosuez Wealth Board of Directors.

The Board recommends that Bertrand Corbeau be appointed for a period of three years, until the Ordinary Annual General Meeting called in 2024 to approve the financial statements for 2023.

TRANSACTIONS PERFORMED BY DIRECTORS OR RELATED PARTIES WITH CFM INDOSUEZ WEALTH MANAGEMENT

In accordance with the provisions of Article 24 of law no. 408 of 20 January 1945, we hereby report on transactions covered in Article 23 of the Sovereign Ordinance of 5 March 1895 conducted between CFM Indosuez Wealth and another Group entity or director, and report on agreements previously authorised in principle that were signed in the company's interest during 2019, as well as on past agreements and commitments consisting in term loans to financial institutions within Crédit Agricole SA Group:

- Signing of two new intragroup outsourcing agreements for trading desk activities with CA Indosuez Wealth Europe and the Global Custody activity, with CACEIS Nyon.
- Cash Management outsourcing agreement with CA Indosuez (Switzerland).
- CFM Indosuez Wealth carried out banking and market transactions with CA CIB and other Group entities including CA Indosuez Wealth (Group) and CA Indosuez (Switzerland) SA.

  The services rendered by these entities and the associated terms of remuneration are recognised in invoices for "Head office expenses", "Cross-border" services, "Investment intelligence", and "Commercial content management".
- CFM Indosuez Wealth continued to apply the outsourcing agreement covering IT services (S2i) and back office services with Azqore (formerly CAPBS).
- CFM Indosuez Wealth continued to provide operational support to CFM Indosuez Gestion and CFM Indosuez Conseil en Investissement SASU.
- CFM Indosuez Wealth used the services of insurance broker Ascoma JH for the management of some its insurance policies.

We ask you to acknowledge that you have been notified of these transactions, in accordance with the provisions of Article 23 of the Sovereign Ordinance of 5 March 1895, and to ratify them as necessary.

We also ask you to renew the terms of office of your directors and grant your company the same authorisation for 2020.

This is the report submitted for your approval further to the observations made by the Statutory Auditors.

DRAFT RESOLUTIONS SUBMITTED TO THE ANNUAL GENERAL MEETING

FIRST RESOLUTION: APPROVAL OF THE SEPARATE FINANCIAL STATEMENTS

The Annual General Meeting, having heard the reports of the Board of Directors and the Statutory Auditors, approves the separate financial statements for the year ending on 31 December 2019 as presented, and the management of the company as described in the reports and the financial statements.
Consequently, the Annual General Meeting grants full discharge to members of the Board of Directors for the performance of their duties during the year ended 31 December 2019.

SECOND RESOLUTION: APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Annual General Meeting, having heard the reports of the Board of Directors and the Statutory Auditors, approves the consolidated financial statements for the year ending on 31 December 2019 as presented, and the management of the company as described in the reports and the financial statements.

Consequently, the Annual General Meeting grants full discharge to members of the Board of Directors for the performance of their duties during the year ended 31 December 2019.

THIRD RESOLUTION: APPROPRIATION OF INCOME

Based on the proposal by the Board of Directors, the Annual General Meeting decides to allocate the profit for the year as follows:

Net income for the year ended 31 December 2019	**€57,068,616**
Retained earnings	**€160,483,014**
Total amount	**€217,551,630**

The total amount to be recorded in retained earnings comes to €217,551,630.

FOURTH RESOLUTION

The Annual General Meeting approves the amount of the fees paid to the Statutory Auditors as shown in expenses for the financial year.

FIFTH RESOLUTION

The Annual General Meeting authorises the Board of Directors to pay an interim dividend for 2020 on the basis of a balance sheet that has been duly certified by the Company's Statutory Auditors before the end of the financial year, if the Board considers it appropriate.

SIXTH RESOLUTION

The Annual General Meeting ratifies the appointment as director of Pierre Masclet, who was co-opted by the Board of Directors at its meeting on 12 December 2019 to replace Jacques Prost for the remainder of his term of office, i.e. until the end of the Annual General Meeting called in 2021 to approve the financial statements for 2020.

SEVENTH RESOLUTION

The Annual General Meeting ratifies the appointment as director of Eric Vial, who was co-opted by the Board of Directors on 12 March 2020, for a period of three years. Eric Vial's term of office will expire at the end of the Annual General Meeting called to vote in 2024 on the financial statements for 2023.

EIGHTH RESOLUTION

The Annual General Meeting ratifies the appointment as director of Bertrand Corbeau, who was co-opted by the Board of Directors on 12 March 2020, for a period of three years. Bertrand Corbeau's term of office will expire at the end of the Annual General Meeting called to vote in 2024 on the financial statements for 2023.

NINTH RESOLUTION

The Annual General Meeting appoints the following Statutory Auditors for the 2020, 2021 and 2022 financial years:

Permanent Statutory Auditors: Didier Mekies (PWC) and François Brych (Mazars)

Substitute Statutory Auditor: Sandrine Arcin

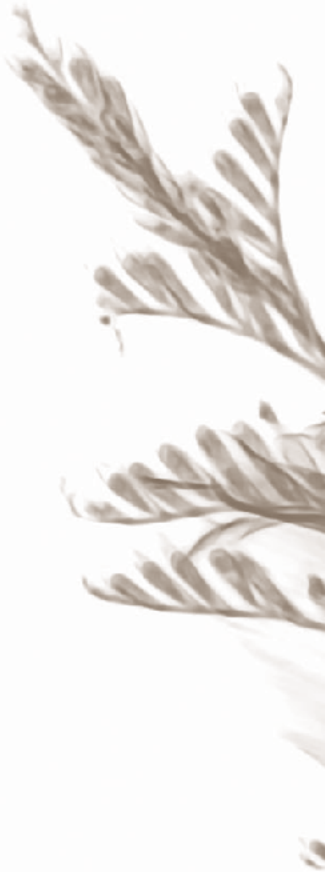
TENTH RESOLUTION

The Annual General Meeting, having heard the reports of the Board of Directors and the Statutory Auditors, takes note of the information provided to it regarding the transactions referred to in Article 23 of the Sovereign Order of 6 March 1895.

It approves these transactions and renews the authorisation to the Directors provided for in Article 23 of the aforementioned Order.

ELEVENTH RESOLUTION

Full powers are conferred to the holder of a copy or extract of these minutes to carry out all legal formalities.



/4

Annual financial statements

CFM Indosuez Wealth Management

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Financial year ending 31 December 2019

Dear Shareholders,

In this report, we provide information on the audit of your Company's consolidated financial statements for the year ending on 31 December 2019, prepared in accordance with IFRS accounting principles.

The consolidated financial statements were approved by your Board of Directors based on the information available, against a backdrop of changing circumstances related to the Covid-19 crisis. These documents were drawn up in the same format and using the same accounting methods as in the previous financial year, and were approved in the circumstances described above. It is our responsibility, based on our audit, to express an opinion on these accounts.

We conducted our audit according to applicable professional standards; those standards require that we plan and perform the audit to obtain reasonable assurance that the consolidated annual accounts are free of material misstatement. An audit consists of verifying, by sampling or other selection methods, the items justifying the amounts and information contained in the consolidated annual financial statements. It also involves assessing the accounting principles used, the significant estimates made and the overall presentation of the accounts. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We hereby certify that the consolidated annual financial statements give a true and fair view of the assets, financial position and results of the group composed of the persons and entities included in the consolidation.

In accordance with the standards of the profession, we have also verified the information related to the Group provided in the report of your Board of Directors.

We have no matters to report as to the fair presentation and the consistency of this information with the consolidated financial statements.

Without prejudice to the opinion expressed above, we draw your attention to the following:
- we observed the changes in accounting methods arising from the first-time application of IFRS 16 on Leases, as described in Note 1 to the consolidated financial statements, "Principles and methods applicable to the Group, judgement and estimates used".
- your company has been affected by the Covid-19 health crisis as a post-closing event; information about this is provided in the Notes to the financial statements and in the report of your Board of Directors. The economic impact of the crisis for your company remains uncertain and cannot be measured accurately at this stage.

Monaco, 15 May 2020

Didier **Mekies**

Statutory Auditor

Sandrine **Arcin**

Statutory Auditor

GENERAL REPORT OF THE STATUTORY AUDITORS

Financial year ending 31 December 2019

Dear Shareholders,

In accordance with the provisions of Article 25 of the Law No. 408 of 20 January 1945, we present you with our report on the general and ongoing assignment that you entrusted to us under the provisions of Article 8 of the aforesaid law, by decision of the Ordinary General Meeting of 18 May 2017 for the fiscal years 2017, 2018 and 2019.

The financial statements and the accompanying notes were approved by the Board of Directors based on the information available, against a backdrop of changing circumstances related to the Covid-19 crisis.

- The balance sheet total amounted to €6,026,467,000
- The income statement showed a net profit of €57,069,000

Our assignment requires us to issue an opinion on the financial statements. To do this, we applied the procedures we considered necessary based on professional practice, and reviewed the transactions performed by your Company during the 2019 financial year, the balance sheet at 31 December 2019, the income statement for the twelve-month period and the notes to the financial statements, closed at this date and presented in accordance with banking regulations.

These documents were drawn up in the same format and using the same accounting methods as in the previous financial year, and were approved in the circumstances described above.
We have verified the various items included in the assets and liabilities as well as the methods used for their valuation and for the discrimination of expenses and income recorded in the income statement.

Our review was performed in accordance with generally accepted accounting audit standards, which require that our work be planned and performed so as to obtain reasonable assurance that the annual accounts do not contain any material misstatements. An accounting review includes the examination, by testing, of evidence of the amounts and information contained in the annual accounts, an assessment of their overall presentation as well as a review of the accounting policies used and the main estimates made by management. We believe that the reviews we performed support our opinion.

In our opinion, the balance sheet at 31 December 2019, the income statement for the 2019 financial year and the notes to the financial statements, submitted for your approval, give a true and fair view, in accordance with legal requirements and professional practice, of the assets and liabilities of your Company as of 31 December 2019 and the transactions and results of the twelve-month period ending on such date.
We have no observations to make regarding the information provided in the report of the Board of Directors on the accounts.
The proposed allocation of income observes legal requirements and the Company's articles of association.
Our review found no breaches of legal and statutory provisions governing the functioning of your Company's management bodies.

Without prejudice to the opinion expressed above, we draw your attention to the fact that your company has been affected by the Covid-19 health crisis as a post-closing event; information about this is provided in the Notes to the financial statements and in the report of your Board of Directors. The economic impact of the crisis for your company remains uncertain and cannot be measured accurately at this stage.

Monaco, 15 May 2020

Didier **Mekies**

Statutory Auditor

Sandrine **Arcin**

Statutory Auditor

SPECIAL REPORT OF THE STATUTORY AUDITORS

Financial year ending 31 December 2019

Dear Shareholders,

In accordance with the provisions of article 24 of Law No 408 of 20 January 1945, we present you with our report on the transactions referred to in Article 23 of the Sovereign Ordinance of 5 March 1895 carried out during 2019 and on the shareholders' meetings held during the same period.

I. Transactions referred to in Article 23 of the Sovereign Order of 5 March 1895

We remind you that these include any undertaking or contract (transaction) comprising a series of successive services (supplies, work) of the same or similar type conducted with or on behalf of the Company and in which a director of your Company has a direct or indirect interest.

The performance of these transactions during the 2019 financial year is described in the special report prepared by the Board of Directors of your Company. We verified the information contained in this report and have no observations to make on this matter.

II. Annual General Meeting held during the period

During the year under review, shareholders met:

On 16 May 2019 to approve the financial statements for the year ending on 31 December 2018.

In this regard, we verified:

- That the relevant legal and statutory provisions regarding the organisation of this Meeting were observed;
- That the approved resolutions were fulfilled.

We did not find any irregularities.

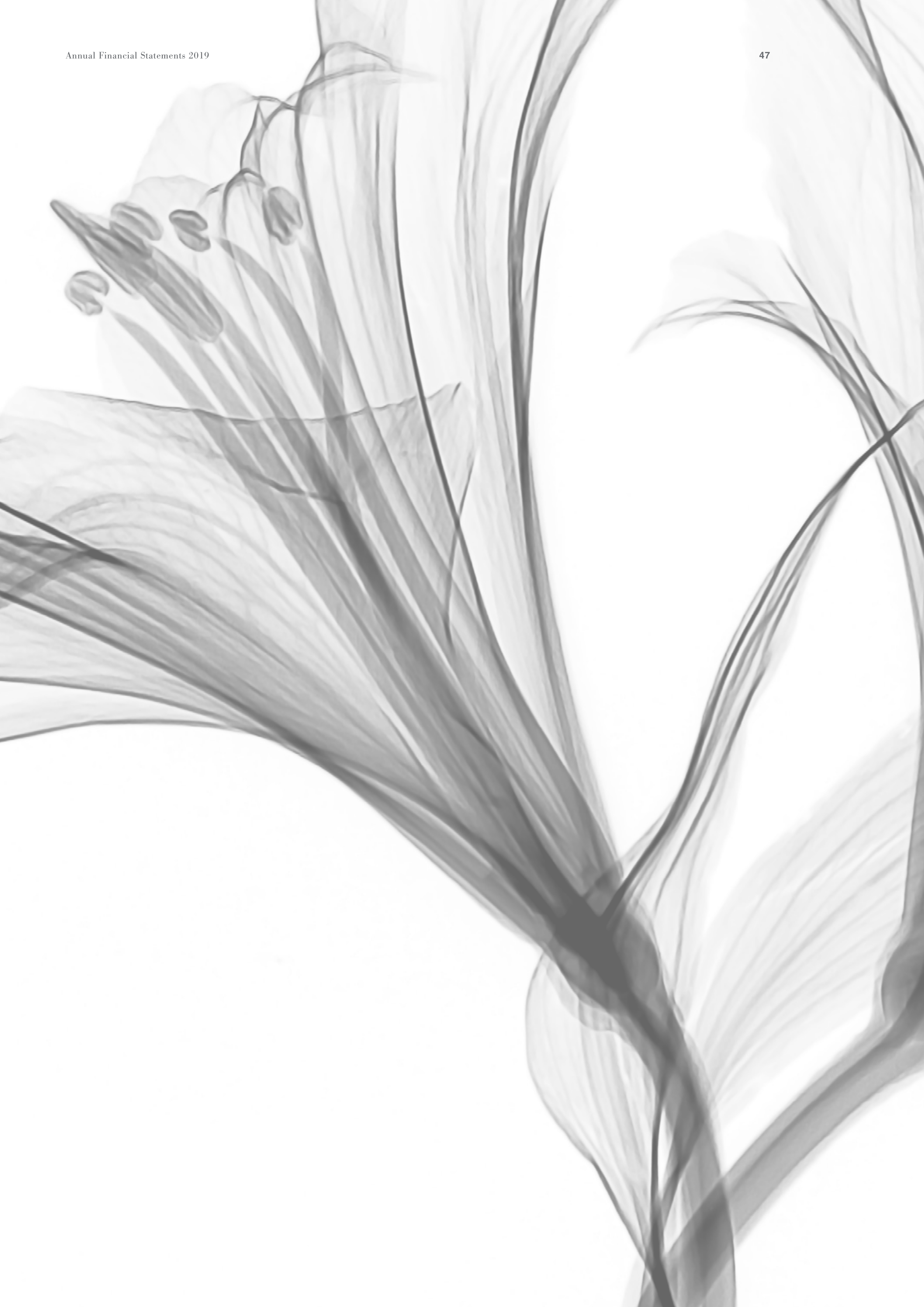
Monaco, 15 May 2020

Didier **Mekies**

Statutory Auditor

Sandrine **Arcin**

Statutory Auditor



CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2019

Consolidated income statement

(in thousands of euros)	NOTES	31/12/2019	31/12/2018
Interest and similar income	4.1	72,343	61,104
Interest and similar expenses	4.1	-25,013	-18,843
Fee and commission income	4.2	71,164	71,149
Fee and commission expenses	4.2	-10,540	-10,015
Net gains or losses on financial instruments at fair value through profit or loss	4.3	18,972	16,499
Net gains or losses on assets / liabilities held for trading		6,830	3,775
Net gains or losses on other assets / liabilities at fair value through profit or loss		12,142	12,724
Net gains or losses on financial instruments at fair value through other comprehensive income	4.4	-87	-213
Net gains or losses on debt instruments recognised in other comprehensive income recyclable to income		-87	-214
Compensation of equity instruments recognised in other comprehensive income not recyclable to income (dividends)		0	1
Net gains or losses resulting from the derecognition of financial assets at amortised cost			
Net gains or losses resulting from the reclassification of financial assets at amortised cost as financial assets at fair value through profit or loss			
Net gains or losses resulting from the reclassification of financial assets at fair value through other comprehensive income as financial assets at fair value through profit or loss			
Income from other activities	4.5	2,383	2,194
Expenses from other activities	4.5	-1,841	-1,630
Reclassification of net gains or losses on financial assets under the overlay approach			
Net banking income		**127,381**	**120,245**
Operating expenses	4.6	-90,567	-89,768
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	4.7	-4,449	-2,187
Gross operating income		**32,365**	**28,290**
Cost of risk	4.8	-1,279	-1,258
Operating income		**31,086**	**27,032**
Share of net income of companies accounted for by the equity method			
Net gains or losses on other assets	4.9	31,878	-16
Changes in the value of goodwill			
Income before tax		**62,964**	**27,016**
Income tax	4.10	-13,791	-4,033
Income after tax from discontinued operations			
Net income		**49,173**	**22,983**
Non-controlling interests		99	0
NET INCOME, GROUP SHARE		**49,074**	**22,983**

Net income and gains and losses recognised directly in other comprehensive income (in thousands of €)

(in thousands of euros)	NOTES	31/12/2019	31/12/2018
Net income		**49,173**	**22,983**
Actuarial gains and losses on post-employment benefits	4.11	-400	227
Gains and losses on financial liabilities attributable to changes in own credit risk			
Gains and losses on equity instruments recognised in other comprehensive income not recyclable to income	4.11	-5,288	23
Gains and losses before tax recognised directly in other comprehensive income not recyclable to income excluding companies accounted for by the equity method	**4.11**	**-5,688**	**250**
Gains and losses before tax recognised directly in other comprehensive income not recyclable to income of companies accounted for by the equity method			
Taxes on gains and losses recognised directly in other comprehensive income not recyclable to income excluding companies accounted for by the equity method			
Taxes on gains and losses recognised directly in other comprehensive income not recyclable to income of companies accounted for by the equity method			
Net gains and losses recognised directly in other comprehensive income not recyclable to income on discontinued operations			
Net gains and losses recognised directly in other comprehensive income not recyclable to income		**-5,688**	**250**
Gains and losses on foreign exchange rate adjustments			
Gains and losses on debt instruments recognised in other comprehensive income recyclable to income	4.11	-29	553
Gains and losses on hedging derivatives	4.11	-3,352	-1,403
Reclassification of net gains or losses on financial assets under the overlay approach			
Gains and losses before tax recognised directly in other comprehensive income recyclable to income excluding companies accounted for by the equity method	**4.11**	**-3,381**	**-850**
Gains and losses before tax recognised directly in other comprehensive income recyclable to income of companies accounted for by the equity method			
Taxes on gains and losses recognised directly in other comprehensive income recyclable to income excluding companies accounted for by the equity method			
Taxes on gains and losses recognised directly in other comprehensive income recyclable to income of companies accounted for by the equity method			
Net gains and losses recognised directly in other comprehensive income recyclable to income on discontinued operations			
Net gains and losses recognised directly in other comprehensive income recyclable to income		**-3,381**	**-850**
NET GAINS AND LOSSES RECOGNISED DIRECTLY IN OTHER COMPREHENSIVE INCOME		**-9,069**	**-600**
NET INCOME AND GAINS AND LOSSES RECOGNISED DIRECTLY IN OTHER COMPREHENSIVE INCOME		**40,104**	**22,383**
o/w Group share		40,005	22,383
o/w non-controlling interests		99	0

(1) Amount of items not recyclable to income transferred to reserves.

Balance sheet assets

(in thousands of euros)	NOTES	31/12/2019	31/12/2018
Cash and amounts due from central banks	6.1	469,216	305,688
Financial assets at fair value through profit or loss	6.2	4,172	5,625
Financial assets held for trading		2,143	3,968
Other financial assets at fair value through profit or loss		2,029	1,657
Hedging derivatives	3.2-3.4	32,293	28,531
Financial assets at fair value through other comprehensive income	6.4	333	214,958
Debt instruments recognised at fair value through other comprehensive income recyclable to income		0	214,655
Equity instruments recognised at fair value through other comprehensive income not recyclable to income		333	303
Financial assets at amortised cost		**5,304,715**	**5,245,321**
Loans and receivables due from credit institutions	3.1-3.3-6.5	1,649,680	1,802,331
Loans and receivables due from clients	3.1-3.3-6.5	3,433,154	3,277,040
Debt securities		221,881	165,950
Revaluation differences on portfolios hedged against interest rate risk		1,120	2,345
Current and deferred tax assets (1)	6.8	13,887	4,798
Accrual accounts and miscellaneous assets	6.9	59,560	64,151
Non-current assets held for sale and discontinued operations			
Investments in companies accounted for by the equity method			
Investment properties	6.10	1,186	1,270
Property, plant and equipment (1)	6.11	142,966	9,913
Intangible assets (1)	6.11	40,169	40,638
Goodwill			
TOTAL ASSETS		**6,069,617**	**5,923,238**

1) See Note 11 “Impact of changes to accounting methods or other events” regarding the impact of the first-time application of IFRS 16 Leases, as of 1 January 2019.

Balance sheet liabilities

(in thousands of euros)	NOTES	31/12/2019	31/12/2018
Amounts due to central banks			
Financial liabilities at fair value through profit or loss	**6.2**	**1,495**	**3,476**
Financial liabilities held for trading		1,495	3,476
Financial liabilities designated at fair value through profit or loss			
Hedging derivatives	3.2-3.4	8,566	10,053
Financial liabilities at amortised cost		**5,573,232**	**5,475,570**
Amounts due to credit institutions	3.3-6.7	63,571	313,797
Amounts due to clients	3.1-3.3-6.7	5,509,661	5,161,773
Debt securities			
Revaluation differences on portfolios hedged against interest rate risk		19,864	13,126
Current and deferred tax liabilities (1)	6.8	27,503	4,363
Accrual accounts and miscellaneous liabilities (1)	6.9	77,462	71,452
Liabilities associated with non-current assets held for sale and discontinued operations			
Technical reserves of insurance companies			
Provisions	6.12	11,843	10,063
Subordinated debt			
Total liabilities		**5,719,965**	**5,588,103**
Shareholders' equity		**349,652**	**335,135**
Shareholders' equity, Group share		**349,546**	**335,135**
Share capital and reserves	6.13	282,308	301,577
Consolidated reserves		18,083	1,425
Gains and losses recognised directly in other comprehensive income		81	9,150
Gains and losses recognised directly in other comprehensive income on discontinued operations			
Income for the year		49,074	22,983
Non-controlling interests		**106**	**0**
TOTAL LIABILITIES		**6,069,617**	**5,923,238**

(1) See Note 11 "Impact of changes to accounting methods or other events" regarding the impact of the first-time application of IFRS 16 Leases, as of 1 January 2019.

Statement of changes in equity

Share capital and reserves					
(in thousands of euros)	Capital	Additional paid-in capital and consolidated reserves	Elimination of treasury stock	Other equity instruments	Total capital and consolidated reserves
Shareholders' equity at 1 January 2018, as reported		**34,953**	**294,039**	**0**	**0**
Impact of new accounting standards (1)			-527		
Shareholders' equity at 1 January 2018, restated		**34,953**	**293,512**	**0**	**0**
Capital increase					
Change in treasury shares					
Issuance / redemption of equity instruments					
Remuneration of equity issues in 2018					
Dividends paid in 2018			-25,464		
Dividends received from subsidiaries					
Impact of acquisitions / sales on non-controlling interests					
Transactions related to payments in shares					
Transactions with shareholders		**0**	**-25,464**	**0**	**0**
Change in gains and losses recognised directly in other comprehensive income		**0**	**0**	**0**	**0**
o/w gains and losses on equity instruments at fair value through other comprehensive income not recyclable to income transferred to reserves					
o/w gains and losses on changes in own credit risk transferred to reserves					
Share of changes in shareholders' equity excluding income of companies accounted for by the equity method					
Income for 2018					
Other changes					
Shareholders' equity at 31 December 2018		**34,953**	**268,048**	**0**	**0**
Appropriation of income for 2018			22,983		
Shareholders' equity at 1 January 2019, as reported		**34,953**	**291,031**	**0**	**0**
Impact of new accounting standards					
Shareholders' equity at 1 January 2019, restated		**34,953**	**291,031**	**0**	**0**
Capital increase					
Change in treasury shares					
Issuance / redemption of equity instruments					
Remuneration of equity issues in 2019					
Dividends paid in 2019			-25,464		
Dividends received from Regional Banks and subsidiaries					
Impact of acquisitions / sales on non-controlling interests					
Transactions related to payments in shares					
Transactions with shareholders		**0**	**-25,464**	**0**	**0**
Change in gains and losses recognised directly in other comprehensive income		**0**	**0**	**0**	**0**
o/w gains and losses on equity instruments at fair value through other comprehensive income not recyclable to income transferred to reserves					
o/w gains and losses on changes in own credit risk transferred to reserves					
Share of changes in shareholders' equity excluding income of companies accounted for by the equity method					
Income for 2019					
Other changes			-130		
Shareholders' equity at 31 December 2019		**34,953**	**265,437**	**0**	**0**

1: Impact on equity of the first-time application of IFRS 9 as of 1 January 2018.

Gains and losses recognised directly in other comprehensive income						
Gains and losses recognised directly in OCI recyclable to income	Gains and losses recognised directly in OCI not recyclable to income	Total gains and losses recognised directly in OCI	Net income	Shareholders' equity, Group share	Shareholders' equity, share of non-controlling interests	Consolidated shareholders' equity
7,962	**2,377**	**10,339**	**0**	**339,331**	**0**	**339,331**
-1,797	1,209	-588		-1,115	0	-1,115
6,165	**3,586**	**9,751**	**0**	**338,216**	**0**	**338,216**
		0		0	0	0
		0		0	0	0
		0		0	0	0
		0		0	0	0
		0		-25,464	0	-25,464
		0		0	0	0
		0		0	0	0
		0		0	0	0
0	**0**	**0**	**0**	**-25,464**	**0**	**-25,464**
-850	**250**	**-600**	**0**	**-600**	**0**	**-600**
		0		0		0
		0		0		0
		0		0	0	0
		0	22,983	22,983	0	22,983
		0		0	0	0
5,315	**3,836**	**9,151**	**22,983**	**335,135**	**0**	**335135**
		0	-22,983	0	0	0
5,315	**3,836**	**9,151**	**0**	**335,135**	**0**	**335,135**
		0		0	0	0
5,315	**3,836**	**9,151**	**0**	**335,135**	**0**	**335135**
		0		0	0	0
		0		0	0	0
		0		0	0	0
		0		0	0	0
		0		-25,464	-104	-25,568
		0		0	0	0
		0		0	0	0
		0		0	0	0
0	**0**	**0**	**0**	**-25,464**	**-104**	**-25,568**
-3,381	**-5,688**	**-9,069**	**0**	**-9,069**	**0**	**-9,069**
		0		0	0	0
		0		0	0	0
		0		0	0	0
		0	49,074	49,074	99	49,173
		0		-130	111	-19
1,934	**-1,852**	**82**	**49,074**	**349,546**	**106**	**349,652**

Cash flow statement

The cash flow statement is presented using the indirect method.

Operating activities represent CFM Indosuez Wealth Group's income-generating activities.

Taxes are presented in full with the operating activities.

Investment activities represent cash flows for the acquisition and sale of interests in consolidated and non-consolidated companies, and property, plant and equipment and intangible assets.

Financing activities reflect changes in financial structure relating to shareholders' equity and long-term borrowings.

The concept of **net cash position** includes cash, accounts receivable from and payable to central banks, as well as asset and liability accounts and demand loans with credit institutions.

Cash flow statement

(in thousands of euros)	31/12/2019	31/12/2018
Income before tax	**62,964**	**27,016**
Net depreciation, amortisation and impairment of property, plant and equipment and intangible assets	4,449	2,187
Impairment of goodwill and other non-current assets		
Net allocations to impairment and provisions	1,518	1,145
Share of net income of companies accounted for by the equity method		
Net income from investment activities	-31,878	16
Net income from financing activities	5	0
Other transactions	3,183	-686
Total non-monetary items included in net income before tax and other adjustments	**-22,723**	**2,662**
Cash flows related to transactions with credit institutions	-251,595	-455,040
Cash flows related to transactions with clients	191,457	-66,623
Cash flows related to other transactions affecting financial assets or liabilities	159,217	839,485
Cash flows related to transactions affecting non-financial assets or liabilities	4,486	-13,928
Dividends received from companies accounted for by the equity method		
Taxes paid	-6,642	-3,579
Net change in assets and liabilities from operating activities	**96,923**	**300,315**
Cash flows from discontinued operations	**0**	**0**
Total net cash flows from operating activities (A)	**137,164**	**329,993**
Cash flows related to equity investments		
Cash flows related to property, plant and equipment and intangible assets	**-101,734**	**-1,966**
Cash flows from discontinued operations		
Total net cash flows from investing activities (B)	**-101,734**	**-1,966**
Cash flows arising from transactions with shareholders (1)	**-25,568**	**-25,464**
Other net cash flows from financing activities	**-5**	
Cash flows from discontinued operations	**0**	**0**
Total cash flows from financing activities (C)	**-25,573**	**-25,464**
Impact of foreign exchange rate changes on cash and cash equivalents (D)	**-49**	**165**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)	**9,808**	**302,728**
Cash and cash equivalents at the start of the year	**572,007**	**269,279**
Net balance of cash accounts and accounts with central banks *	305,414	62,570
Net balance of accounts, demand loans/borrowings with credit institutions **	266,593	206,709
Cash and cash equivalents at the end of the year	**581,815**	**572,007**
Net balance of cash accounts and accounts with central banks *	469,249	305,414
Net balance of accounts, demand loans/borrowings with credit institutions **	112,566	266,593
CHANGE IN NET CASH AND CASH EQUIVALENTS	**9,808**	**302,728**

* Consisting of the net balance of "Cash and amounts due from central banks", excluding accrued interest and including cash from entities reclassified as discontinued operations.
** Consisting of the balance of the items "Performing ordinary accounts receivable" and "Performing accounts and overnight loans" and "Ordinary accounts payable" and "Accounts and overnight borrowings" (excluding accrued interest).

(1) Cash flows arising from transactions with shareholders:
This amount corresponds to dividends paid:
- by the Bank CFM Indosuez Wealth Management (Monaco) to its shareholders further to the decision by the Ordinary Annual General Meeting of 16 May 2019, for €25,464,000
- by subsidiaries to non-controlling interests (minority interests), for €104,000.

NOTES TO THE FINANCIAL STATEMENTS

Note 1 :
Principles and methods applicable to the Group, judgements and estimates used

1.1 APPLICABLE STANDARDS AND COMPARABILITY

Pursuant to Regulation (EC) No. 1606/2002, the consolidated financial statements have been prepared in accordance with IAS/IFRS and IFRIC interpretations applicable on 31 December 2019, as adopted by the European Union (the carve-out version), thus using certain exemptions to the application of IAS 39 for macro-hedge accounting.

These standards are available on the website of the European Commission at the following URL: https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting/financial-reporting_en

The standards and interpretations applied are the same as those used in the Group's financial statements at 31 December 2018. They have been supplemented by the provisions of IFRS as adopted by the European Union on 31 December 2019, the application of which is mandatory for the first time in 2019. These relate to:

Standards, Amendments or Interpretations	Date of publication by the European Union	Date of first application: fiscal year starting on	Applicable to the Group
IIFRS 16 Leases Replaces IAS 17 on Leases and all its related interpretations (IFRIC 4 Determining whether an Arrangement contains a Lease, SIC 15 Operating Leases – Incentives and SIC 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease)	31 October 2017 (UE 2017/1986)	1 January 2019	Yes
Amendment to IAS 19 Employee Benefits Clarifications on the consequences of plan amendment, curtailment or settlement on the measurement of current service cost and net interest	14 March 2019 (UE 2019/402)	1 January 2019	Yes
Amendment to IFRS 9 Financial Instruments Prepayment features with negative compensation	22 March 2018 (UE 2018/498)	1 January 2019(1)	Yes
IFRIC 23 Uncertainty over Income Tax Treatments Clarifications to IAS 12 Income taxes	24 October 2018 (UE 2018/1595)	1 January 2019	Yes (2)

(1) The Group decided to apply the amendment to IFRS 9 in advance as of 1 January 2018.

(2) The application of IFRIC 23 did not have a material impact on the Group's equity at January 1, 2019. There were no reclassifications of provisions for tax risk relating to income tax from Provisions to Current tax liabilities in the balance sheet as of this date.

CFM Indosuez Wealth is publishing its IFRS financial statements in accordance with IFRS 16 Leases for the first time as of 1 January 2019 (see Chapter 1.2, Accounting principles and policies).

IFRS 16 Leases replaces IAS 17 and all its related interpretations (IFRIC 4 Determining whether an Arrangement contains a Lease, SIC 15 Operating Leases – Incentives and SIC 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease).

The main change brought about by IFRS 16 is the lessee accounting model. IFRS 16 requires that lessees record all leases in the balance sheet, recognising a lease liability representing the commitment over the term of the lease, and the right to use the leased asset, amortised over the life of the lease.

For the first-time application of IFRS 16, the Group chose to use the modified retrospective method without restating comparable information, in accordance with paragraph C5(b) of IFRS 16 for contracts previously recorded as operating leases under IAS 17. In accordance with this approach, at 1 January 2019, the Group recorded a lease liability equal to the present value of remaining lease payments and a right-of-use asset representing the amount of the lease liability adjusted, as applicable, by the amount of any prepaid or accrued lease payments that were recognised in the balance sheet immediately before the date of initial application.

The application of IFRS 16 had no impact on shareholders' equity.

At the transition date, the Group chose to apply the following simplified measures allowed by the standard:

- No adjustment for leases with a remaining term of less than twelve months at the date of application. This notably applies to so-called 3/6/9 leases which are automatically renewed as of the date of initial application. In accordance with the IFRIC Update of March 2019 and AMF recommendation 2019-13, the Group did not take into consideration IFRS IC decision of 26 November 2019 regarding the assessment of the IFRS 16 lease term in the financial statements at 31 December 2019, so it can take the time needed to analyse the accounting impacts of this decision during 2020. As a result, the accounting principles and policies applied in the annual financial statements at 31 December 2019 were not impacted.
- No adjustment for leases of low value assets.
- Exclusion of initial direct costs from the valuation of the right-of-use asset.

The Group also opted not to reassess whether or not a contract contains a Lease at the transition date. For contracts set up before the transition date, the Group applied IFRS 16 to contracts identified as being leases under IAS 17 and IFRIC 4.

The discount rate applied to calculate the right-of-use asset and the lease liability is the incremental borrowing rate as of the first-time application of IFRS 16 over the remaining term of the contract at 1 January 2019.

The rights of use recognised as of the date of initial application essentially concern real estate leases (bank branches, office buildings).
The standards and interpretations published by the IASB as of 31 December 2019 but not yet adopted by the European Union are not applicable by the Group. Their application will only become mandatory from the date set by the European Union, and as such they are not applied by the Group at 31 December 2019.
Three amendments to existing standards published by the IASB are pending adoption by the European Union: Amendments to IAS 1/IAS 8 Presentation of Financial Statements, IFRS 3 Business combinations and IFRS 9, IAS 39 and IFRS 7 Financial instruments (with the possibility of early adoption).

IBOR reform

As a user of critical benchmarks, CFM Indosuez Wealth Group is extremely aware of the importance of benchmarks and the implications of the changes being introduced under ongoing reforms.
Crédit Agricole Group's Benchmarks project is overseeing the benchmarks transition for the entire Group and is ensuring that all entities comply with the Benchmarks Regulation (BMR). This project has been implemented among Group entities to prepare all business lines and support clients with the transition to new benchmarks.
It involves identifying and analysing the impact of the reform. In particular, a mapping of all exposures and contracts has been produced to estimate Crédit Agricole Group's consolidated exposure to the reform.
The main indices to which the Group is exposed are:

- EONIA
- Critical benchmarks identified in the BMR: Euribor, Libor USD, Libor GBP, Libor JPY, Libor CHF, Libor EUR, Wibor, Stibor + Hibor

In light of the details available to date, for Eonia contracts, the transition period should end on 3 January 2022. For the other indices, ongoing work does not currently allow an end date to be estimated.
As of 31 December 2019, the mapping shows a nominal amount of hedging instruments affected by the reform of €1,343 billion, USD 201 million and CHF 4 million. The Group will apply the amendments to IFRS 9 published by the IASB on 26 September 2019 while uncertainties regarding the future of these benchmarks continue to impact the amounts and maturities of interest rates.

1.2 ACCOUNTING PRINCIPLES AND POLICIES

Use of judgement and estimates in the preparation of the financial statements

By their nature, the assessments required to prepare the financial statements require the formulation of assumptions and involve risks and uncertainties as to their realisation in the future. Future realisations can be influenced by many factors, including:

- national and international market activities;
- fluctuations in interest rates and foreign exchange rates;
- economic and political conditions in certain business sectors or countries;
- changes in regulations or legislation. These are just a few examples.
- Accounting estimates which require assumptions to be made are mainly used for the following measurements:
- financial instruments measured at fair value;
- pension plans and other future benefits;
- impairment of debt instruments at amortised cost or at fair value through other comprehensive income recyclable to income;
- provisions;
- deferred tax assets.

The procedures for using judgement or estimates are described in the relevant paragraphs below.

Financial instruments (IFRS 9, IAS 39 and IAS 32)

Definitions

IAS 32 defines a financial instrument as any contract that gives rise to a financial asset for one entity and a financial liability or equity instrument for another entity, that is, any contract representing contractual rights or obligations to receive or pay cash or other financial assets. Derivatives are financial assets or liabilities whose value changes in line with the value of an underlying asset, which require little or no initial investment, and which are settled at a future date.
Financial assets and liabilities are treated in the financial statements in accordance with the provisions of IFRS 9 as adopted by the European Union.
IFRS 9 defines the principles for the classification and measurement of financial instruments, impairment due to credit risk and hedge accounting, excluding macro-hedging transactions.
However, it should be noted that CFM Indosuez Wealth Group has made use of the option not to apply the general hedge accounting model under IFRS 9. All hedging relations continue to be recognised in accordance with IAS 39 pending future macro-hedging provisions.

Measurement of financial assets and liabilities:

Initial valuation

On initial recognition, financial assets and liabilities are measured at fair value as defined by IFRS 13.
Fair value as defined in IFRS 13 is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, in the main market or the most advantageous market, at the measurement date.

Subsequent valuation

After initial recognition, financial assets and liabilities are valued according to their classification either at amortised cost or at their fair value as defined by IFRS 13. Derivatives are always valued at fair value. Amortised cost is the amount at which the financial asset or financial liability is measured on initial recognition. CFM Indosuez does not apply the rule of incorporating transaction costs directly attributable to their acquisition or issue, less principal repayments, plus or minus accumulated amortisation of any difference (discount or premium) between the initial amount and the amount at maturity calculated using the effective interest rate method, since the amount is non-material (materiality study conducted on a quarterly basis). The amount recognised for financial assets is adjusted for any impairment losses, if necessary.

Financial assets

Classification and measurement of financial assets

Non-derivative financial assets (debt or equity instruments) are recorded in the balance sheet in accounting categories that determine their accounting treatment and subsequent measurement. These financial assets are classified in one of three categories:
- financial assets at fair value through profit or loss;
- financial assets at amortised cost;
- financial assets at fair value through other comprehensive income.

The criteria for classifying and measuring financial assets depend on the type of asset, whether it is qualified as:
- a debt instrument (i.e. loans and securities with fixed or determinable interest payments); or
- an equity instrument (i.e. equities).

Debt instruments

The classification and measurement of a debt instrument depends on two combined criteria: the business model applied to the portfolio and an analysis of the contractual features of the instrument, unless the fair value option is applied.

The three business models:

The business model reflects the strategy applied by CFM Indosuez Wealth Group for the management of its financial assets in order to achieve its objectives. The business model is specified for a portfolio of assets and does not represent a case-by-case approach for individual financial assets.

There are three business models:
- The Hold to Collect model, the objective of which is to receive contractual cash flows over the lifetime of the assets. This business model does not necessarily involve holding all the assets until they mature, however the sale of such assets is strictly regulated;
- The Hold to Collect and Sell model, the objective of which is to both collect the contractual cash flows and sell the financial asset. The selling of financial assets and the collecting of cash are both essential in this business model; and
- The Other/Sell model, the main objective of which is to sell the assets.
  This mostly concerns portfolios of instruments held to collect cash flows by selling the assets, portfolios whose performance is measured on the basis of their fair value, and portfolios of financial assets held for trading.

When the management strategy applied to the financial assets does not correspond to the Hold to Collect or the Hold to Collect and Sell business models, the financial assets are considered to be managed under an "Other/Sell" business model. This mostly concerns portfolios of instruments held to collect cash flows by selling the assets, portfolios whose performance is measured on the basis of their fair value, and portfolios of financial assets held for trading.

Contractual characteristics
(the Solely Payments of Principal & Interest (SPPI) test):

The SPPI test includes a set of criteria, examined cumulatively, applied to establish whether the contractual cash flows fulfil the characteristics of a simple financial asset (principal repayments and interest payments on the principal amount outstanding).
The test is passed when the loan is eligible only for the repayment of principal and when the payment of interest reflects the time value of money, the credit risk associated with the instrument, the other costs and risks of a conventional loan agreement and a reasonable margin, whether the interest rate is fixed or variable.
In a simple loan agreement, interest is the consideration for the cost of time, the price of credit and liquidity risk over the period, and other components related to the cost of carrying the asset (e.g. administrative costs).
In some cases, when a qualitative analysis is not conclusive, a quantitative analysis (or Benchmark test) is carried out. This additional analysis consists of comparing the contractual cash flows of the assets 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 deemed insignificant, the asset is considered to be an SPPI asset.
The method of accounting for debt instruments resulting from determining the business model and performing the SPPI test can be presented in the form of the diagram below:

Debt instruments		Business model: Hold to Collect	Business model: Hold to Collect and Sell	Business model: Other / Sell
SPPI test	Passed	Amortised cost	Fair value through other comprehensive income recyclable to income	Fair value through profit or loss
	Not passed	Fair value through profit or loss	Fair value through profit or loss	Fair value through profit or loss (SPPI test)

Debt instruments at amortised cost

Debt instruments are measured at amortised cost if they are eligible for the Hold to Collect business model and if they fulfil the SPPI criteria.
They are recorded on the settlement date and their initial valuation also includes accrued coupons and transaction costs.
This category of financial assets is subject to impairment under the conditions described in the paragraph on Provisioning for credit risk.

Debt instruments at fair value through other comprehensive income recyclable to income

Debt instruments are measured at fair value through other comprehensive income recyclable to income if they are eligible for the Hold to Collect and Sell business model and if they fulfil the SPPI criteria.
They are recorded on the trade date and their initial valuation also includes accrued coupons and transaction costs. The amortisation of any premiums / discounts and transaction costs on fixed income securities is recognised in profit or loss. These financial assets are subsequently measured at fair value and changes in fair value are recorded in other comprehensive income recyclable to income, offset against balances outstanding (excluding accrued interest). In the event of sale, these changes are transferred to income.
This category of financial instruments is subject to impairment under the conditions described in the paragraph on Provisioning for credit risk (with no impact on the fair value recorded in the balance sheet).

Debt instruments at fair value through profit or loss

Debt instruments are measured at fair value through profit or loss in the following cases:

- The instruments are classified in portfolios consisting of financial assets held for trading or whose main purpose is their sale;

Financial assets held for trading are assets acquired or generated by the business primarily for the purpose of selling them in the short term or as part of a portfolio of instruments jointly managed for the purpose of obtaining a profit related to short-term price fluctuations or an arbitraging margin. Although contractual cash flows are collected during the time that CFM Indosuez Wealth Group holds the assets, the collection of these contractual cash flows is not essential but incidental.

- The instruments do not meet the SPPI test criteria. This is particularly the case for UCITS;
- The instruments are classified in portfolios that CFM Indosuez Wealth chooses to recognise fair value in order to reduce a difference in accounting treatment in the income statement. In this case, these instruments are designated at fair value through profit or loss.

Financial assets measured at fair value through profit or loss are initially recognised at fair value, excluding transaction costs (which are directly recorded in profit or loss) and including accrued interest. They are subsequently measured at fair value and changes in fair value are recognised in income, under net banking income, offset against balances outstanding.
No impairment is recorded on these financial assets. Debt instruments measured at fair value through profit or loss by default are recorded on the settlement date.
Debt instruments designated at fair value through profit or loss are recorded on the trade date.

Equity instruments

Equity instruments are, by default, recorded at fair value through profit or loss unless they qualify for an irrevocable option for valuation at fair value through other comprehensive income not recyclable to income and provided they are not held for trading purposes.

Equity instruments at fair value through profit or loss

inancial assets measured at fair value through profit or loss are initially recognised at fair value, excluding transaction costs (which are directly recorded in profit or loss). They are recorded on the settlement date.
They are subsequently measured at fair value and changes in fair value are recognised in income, under net banking income, offset against balances outstanding.
No impairment is recorded on these financial assets.

Equity instruments at fair value through other comprehensive income not recyclable to income (irrevocable option)

The irrevocable option to recognise equity instruments at fair value through other comprehensive income not recyclable to income is applied per transaction (line by line) and is effective from the date of initial recognition. These securities are recorded on the trade date.
The initial fair value includes transaction costs.
In subsequent valuations, changes in fair value are recorded in other comprehensive income not recyclable to income. In the event of sale, these changes are not recycled to income; the profit or loss is recognised in other comprehensive income.
Only dividends are recognised in income.

Reclassification of financial assets

In the event of a major change in the business model for the management of financial assets (new business, acquisition of entities, sale or discontinuation of a significant activity), a reclassification of these financial assets is required. The reclassification applies to all the financial assets in the portfolio from the date of reclassification. In other cases, the business model remains unchanged for existing financial assets. If a new business model is identified, it applies prospectively to new financial assets grouped in a new management portfolio.

Temporary purchases or sales of securities

Temporary sales of securities (securities lending, securities sold under repurchase agreements) do not generally qualify for derecognition.
Securities lent or sold under repurchase agreements are kept on the balance sheet. For securities sold under repurchase agreements, the amount received, representing the debt to the purchaser, is recorded as a liability on the balance sheet by the vendor.
Securities borrowed or received under repurchase agreements are not recorded in the purchaser's balance sheet.
For securities received under reverse repurchase agreements, a liability in respect of the vendor is recorded in the purchaser's balance sheet for the amount paid. In the event of the subsequent resale of the security, the purchaser records a liability measured at fair value representing its obligation to return the security received under the agreement.
Income and expenses relating to these transactions are reported in the income statement pro rata, except when assets and liabilities are classified at fair value through profit or loss.

Derecognition of financial assets

A financial asset (or group of financial assets) is derecognised in whole or in part:
- when the contractual rights to the cash flows related to the asset expire;
- or when they are transferred or considered as such because they have one or more beneficial owners and when substantially all the risks and benefits of the financial asset are transferred.

In this case, all rights and obligations created or retained in the transfer are recognised separately in assets and liabilities. When the contractual rights to cash flows are transferred but only a portion of the risks and benefits, as well as control, are retained, the entity continues to recognise the financial asset to the extent of its continuing involvement in that asset.
Financial assets renegotiated for business reasons in the absence of financial difficulties for the counterparty or for the purpose of developing or maintaining a business relationship are derecognised at the renegotiation date. The new loans granted to clients are recorded at such date at their fair value on the renegotiation date. The subsequent accounting treatment will depend on the business model and the SPPI test.

Financial liabilities

Classification and measurement of financial liabilities

On the balance sheet, financial liabilities are classified into two accounting categories:
- financial liabilities at fair value through profit or loss, either by default or as an option;
- financial liabilities at amortised cost.

Financial liabilities at fair value through profit or loss by default

Financial instruments issued primarily for the purpose of being redeemed in the short term, instruments that are part of a portfolio of identified financial instruments that are managed together and which show indications of a recent short-term profit-taking profile, and derivatives (with the exception of certain hedging derivatives) are measured at fair value by default. Changes in the fair value of this portfolio are recognised in profit or loss.

Financial liabilities measured at amortised cost

All other liabilities that can be defined as a financial liability (excluding derivatives) are measured at amortised cost.
This portfolio is initially recorded at fair value (including income and transaction costs) and is subsequently recognised at amortised cost.

Income on client assets

Income on client assets is recognised in Financial liabilities at amortised cost - Amounts due to clients. The initial measurement is made at fair value and the subsequent measurement, at amortised cost.

Reclassification of financial liabilities

The initial classification of financial liabilities is irrevocable. No subsequent reclassification is permitted.

Distinction between debt and equity instruments

The distinction between debt instruments and equity instruments is based on an analysis of the economic substance of the contractual arrangements.
A financial liability is a debt instrument if it includes a contractual obligation:
- to provide another entity with cash, another financial asset or a variable number of equity instruments; or
- to exchange financial assets and liabilities with another entity on potentially unfavourable terms.

An equity instrument is a non-redeemable financial instrument that provides discretionary compensation representing a residual interest in a company after deducting all of its financial liabilities (net assets) and is not considered a debt instrument.

Derecognition and modification of financial liabilities

A financial liability is derecognised in whole or in part:
- upon expiration; or
- when quantitative or qualitative analyses conclude that it has been substantially modified in the event of restructuring.

A substantial change in an existing financial liability is recorded as an expiration of the original financial liability and the recognition of a new financial liability (novation). Any difference between the book value of the expired liabilities and the new liabilities will be recognised immediately in the income statement.

Impairment / Provisioning for credit risk

Scope of application

In accordance with IFRS 9, CFM Indosuez Wealth Group recognises impairment for expected credit losses (ECL) on the following exposures:
- financial assets in the form of debt instruments carried at amortised cost or at fair value through other comprehensive income recyclable to income (loans and receivables, debt securities);
- financing commitments that are not measured at fair value through profit or loss;
- guarantee commitments under IFRS 9 that are not measured at fair value through profit or loss;
- trade receivables generated by transactions under IFRS 15.

Equity instruments (at fair value through profit or loss or at fair value through other comprehensive income not recyclable to income) are not affected by impairment provisions.

Credit risk and impairment/provisioning stages

Credit risk is defined as the risk of loss arising from the default of a counterparty resulting in its inability to meet its commitments to the Group.
The credit risk provisioning process follows a three stage model (the three bucket model):

- 1st stage (Bucket 1): upon initial recognition of the financial instrument (loan, debt security, guarantee, etc.), the entity recognises the expected credit losses over 12 months;
- 2nd stage (Bucket 2): if the credit quality of a given transaction or portfolio deteriorates significantly, the entity recognises lifetime expected credit losses;
- 3rd stage (Bucket 3): when one or more default events involving the transaction or counterparty occur and adversely affect estimated future cash flows, the entity recognises a lifetime credit loss. Subsequently, if the conditions for classifying financial instruments in Bucket 3 are no longer met, the financial instruments are reclassified to Bucket 2 and then Bucket 1 according to subsequent improvements in the quality of the credit risk.

Definition of default

The definition of default for the purposes of expected loss provisioning is identical to that used in management and for regulatory ratio calculations. Thus, a borrower is considered to have defaulted when at least one of the following two conditions is met:

- where payments are past due by more than ninety days, unless special circumstances show that the arrears are due to events unrelated to the debtor's situation;
- if the entity considers it unlikely that the debtor will fully settle its credit obligations without it having to apply measures such as the enforcement of a security.

A loan is deemed to be impaired (Bucket 3) when one or more events having an adverse effect on estimated future cash flows from the financial asset have occurred. Indications of impairment of a financial asset include observable data regarding the following:

- significant financial difficulties for the issuer or borrower;
- a breach of contract, such as a default or overdue payment;
- the granting by the lender(s) to the borrower, for economic or contractual reasons related to the borrower's financial difficulties, of one or more favours that the lender(s) would not have considered in other circumstances;
- an increasing probability of bankruptcy or financial restructuring of the borrower;
- the disappearance of an active market for the financial asset due to financial difficulties;
- the purchase or creation of a financial asset with a large discount, reflecting the credit losses incurred.

It is not necessarily possible to isolate a particular event, as the impairment of the financial asset may result from the combined effect of several events.
The defaulting counterparty will only return to a sound situation after it fully settles late payments and the other elements that caused the default are resolved (lifting of the default for the parent company, removal of an alert which caused the default, etc.).

The notion of expected credit loss (ECL)

The ECL is the present value of probability-weighted estimated credit losses (principal and interest). It is the present value of the difference between contractual cash flows and expected cash flows (including principal and interest).
The ECL approach aims to recognise expected credit losses as soon as possible.

Governance and measurement of ECL

The governance of the IFRS 9 measurement system is based on the organisation set up under the Basel framework. Crédit Agricole Group's Risk department is responsible for defining the methodological framework and overseeing the provisioning system.
The Group relies primarily on the internal rating system and the current Basel processes to generate the IFRS 9 risk parameters needed to calculate expected credit losses. The assessment of changes in credit risk is based on a model that anticipates losses, and extrapolation on the basis of reasonable scenarios. All available, relevant, reasonable and justifiable information, including forward looking information, is used.
The calculation formula incorporates probability of default (PD), loss given default (LGD) and exposure at default (EAD) parameters.
These calculations are largely based on internal models used for prudential monitoring, where they exist, with adjustments to calculate an economic ECL.
IFRS 9 recommends a point in time analysis at the end of the reporting period while taking into account historical loss data and forward looking macro-economic data, while the prudential view is analysed through the cycle for the probability of default and at downturn for the loss given default. The accounting approach also involves recalculating certain Basel parameters, in particular to neutralise internal collection costs or floors imposed by the regulatory authorities for regulatory loss given default calculations.
The methods for calculating expected credit losses are to be assessed according to the types of products: financial instruments and off-balance sheet instruments.
The 12-month expected credit loss is a portion of lifetime expected credit losses, representing the lifetime cash flow shortfall occurring from a default within 12 months of the reporting date (or a shorter period if the financial instrument's expected life is shorter than 12 months), weighted by the probability of default.
The IFRS 9 parameters are measured and updated according to the methodologies defined by the Group and are used to establish an initial level of reference, or shared base, for provisioning.
ECL calculations take into account assets pledged as collateral and other credit enhancements that form an integral part of the instrument's contractual conditions and that the entity does not recognise separately. The estimate of expected cash flow shortfalls on a financial instrument reflects the amount and schedule for enforcing rights to collateral. In accordance with IFRS 9, the recognition of guarantees and collateral does not influence the assessment of a material increase in credit risk, which depends on changes in credit risk relating to the debtor without taking into account such guarantees.
Forward-looking macro-economic data are taken into account in a methodological framework applicable at two levels:

- at the level of the Crédit Agricole Group, in determining a shared framework for taking into account forward looking data in the projection of PD and LGD parameters over the transaction amortisation period;
- at the level of each entity with respect to its own portfolios.

Material increase in credit risk

On each reporting date, all CFM Indosuez Wealth Group entities must measure the increase in credit risk on each financial instrument since initial recognition. Entities classify their transactions by risk category (Buckets) based on this assessment of the change in credit risk.
To determine a significant deterioration in credit risk, CFM Indosuez Wealth Group applies a process with two levels of analysis:
- a first level using relative and absolute rules and criteria, applied to CFM Indosez Wealth Group entities;
- a second level based on an expert appraisal, taking in account local forward looking data, of the risk incurred by each entity on its portfolios – this appraisal may lead to an adjustment of the Group's criteria for reclassifying exposures into Bucket 2 (transfer of portfolio or sub-portfolio to lifetime ECL).

Each financial instrument is monitored for a significant increase in credit risk, except in certain cases. No contagion is required for financial instruments from the same counterparty to be transferred from Bucket 1 to Bucket 2. Monitoring of the material increase in credit risk must cover the primary debtor, without taking into account guarantees, even for transactions guaranteed by the shareholder.
For exposures comprised of small loans with similar characteristics, the review by counterparty may be replaced by a statistical estimate of expected losses.
To measure the material deterioration in credit risk since initial recognition, it is necessary to retrieve the internal rating (from Crédit Agricole Group) and the probability of default applied on initial recognition.
The date of initial recognition refers to the trading date, when the entity becomes a party to the financial instrument's contractual provisions. For financing and guarantee commitments, the date of initial recognition is the date on which the irrevocable commitment is made.
For exposures not covered by an internal rating model, CFM Indosuez Wealth Group uses amounts past due for more than 30 days as the ultimate threshold representing a material increase in credit risk leading to classification in Bucket 2.
For outstanding amounts (with the exception of securities) covered by internal rating systems (in particular exposures monitored by authorised methods), CFM Indosuez Wealth Group considers that all the information included in the rating systems allows for a more relevant assessment than the sole criterion of amounts past due for more than 30 days.
If the material deterioration in credit risk since initial recognition is no longer observed, the asset can be reclassified to 12-month expected credit losses (Bucket 1).
In order to compensate for the fact that certain factors or indicators of a material deterioration are not identifiable at the level of a financial instrument considered separately, the standard allows the assessment of material increases portfolios, groups of portfolios or portions of portfolios of financial instruments.
The establishment of portfolios for an assessment of collective impairment can be based on common characteristics such as:
- the type of instrument;
- the credit risk rating (including the Basel II internal rating for entities with an internal rating system);
- the type of guarantee;
- the date of initial recognition;
- the remaining time to maturity;
- the business sector;
- the geographic location of the borrower;
- the value of the asset securing the financial asset, if this affects the probability of default (for example, in the case of loans secured only by collateral in certain countries, or the loan-to-value ratio);
- the distribution channel, the purpose of the loan, etc.

It is therefore possible to separate instruments showing a material deterioration in credit risk by market (home loans, consumer credit, loans to farmers or professionals, business loans, etc.).
The grouping of financial instruments for the purpose of assessing changes in credit risk on a collective basis may change over time as new information becomes available.
For securities, CFM Indosuez Wealth Group applies an absolute level of credit risk, in accordance with IFRS 9, below which exposures are classified in Bucket 1 and provisioned on the basis of 12-month ECL. Thus, the following rules apply for monitoring a material deterioration in securities:
- securities rated Investment Grade as of the reporting date will be classified in Bucket 1 and provisioned on the basis of 12-month ECL;
- securities rated Non-Investment Grade as of the reporting date will need to be monitored for any significant deterioration in credit risk since initial recognition and be classified in Bucket 2 (lifetime ECL) in the event of a material increase in credit risk.

The relative deterioration must be assessed before default occurs (Bucket 3).

Restructuring due to financial difficulties

Debt instruments restructured due to financial difficulties are those for which CFM Indosuez Wealth Group has modified the initial financial conditions (interest rate, maturity) for economic or legal reasons related to the borrower's financial difficulties with new terms and conditions that would not have been considered in other circumstances. They concern all debt instruments, regardless of the category in which they are classified in respect of the increase in credit risk since initial recognition.
In accordance with the definition given by the European Banking Authority (EBA), provided in the chapter on "Risk factors" in the Crédit Agricole SA Universal Registration Document, loan restructuring corresponds to all changes made to one or more credit agreements and refinancing granted due to financial difficulties experienced by the client.
This notion of restructuring must be assessed at the level of the contract and not at the client level (no contagion).
The definition of loans restructured due to financial difficulties therefore meets two cumulative criteria:
- Contract amendments or debt refinancing;
- A client in a difficult financial situation.

The term "contract amendment" refers to situations in which:
- There is a difference in the borrower's favour between the amended contract and the previous conditions;
- The changes to the contract grant the borrower concerned more favourable terms than other borrowers with a similar risk profile would have been able to obtain from the bank at the same time.

"Refinancing" refers to situations in which a new loan is granted to the client to enable him to partially or fully repay another debt for which he cannot meet the contractual conditions due to his financial situation.
The restructuring of a loan (performing or in default) assumes that there is a known risk of loss (Bucket 3). It is therefore necessary to analyse whether impairment needs to be recognised on the restructured loan (restructuring does not systematically result in impairment or classification as being in default).

The classification as a "restructured loan" is temporary.
As of the restructuring operation, the exposure will maintain this "restructured" status for a period of at least two years if it was deemed to be performing at the time of restructuring or three years if the exposure was in default at the time of restructuring. These periods are extended in the case of certain events, provided for by the Group's standards (new incidents, for example).
As restructured loans are not derecognised, the reduction in future cash flows due from the counterparty or the deferral of these flows over a longer period as part of the restructuring results in the recording of a discount in the cost of risk.
The restructuring discount is equal to the difference between:

- The book value of the receivable;
- And the sum of theoretical future cash flows from the restructured loan, discounted at the original effective interest rate (set when the loan was granted);

If part of the principal is written off, this amount is a loss to be recorded directly in cost of risk.
When the discount is reversed, the portion arising from the effect of the passage of time is recorded in net banking income.

Irrecoverable loans

When a receivable is deemed to be irrecoverable, that is to say that there is more hope of recovering all or part of it, it is derecognised on the balance sheet and the amount deemed irrecoverable is written off as a loss.
The assessment of the period after which it is recorded as a loss is based on expert judgement. Each entity must therefore establish this period based on its activity. Before any loss is recorded, a provision should have been recorded in Bucket 3 (with the exception of assets measured at fair value through profit or loss).
For loans recognised at amortised cost or at fair value through other comprehensive income recyclable to income, the principal amount written off is recorded in cost of risk, while interest is recorded in net banking income.

Derivative financial instruments

Classification and measurement

Derivatives are financial assets or financial liabilities classified by default as derivatives held for trading unless they can be classified as hedging derivatives.
They are recorded on the balance sheet for their initial fair value at the trading date. They are subsequently valued at fair value.
At each reporting date, changes in the fair value of derivatives in the balance sheet are recorded:

- In income, for derivatives held for trading or fair value hedges;
- In other comprehensive income, for cash flow hedges or net investments in foreign operations, for the effective portion of the hedge.

Hedge accounting

General framework

As determined by its parent company, CFM Indosuez Wealth Group does not apply the hedge accounting component of IFRS 9, in accordance with the option offered by the standard. All hedging relationships are therefore documented in accordance with IAS 39 until at the latest the date of application of the text on macro fair value hedges when it is adopted by the European Union. However, the eligibility of financial instruments for hedge accounting under IAS 39 takes into account the principles of classification and measurement of financial instruments under IFRS 9.

Under IFRS 9, and taking into account IAS 39 hedging principles, debt instruments at amortised cost and at fair value through other comprehensive income recyclable to income are eligible for fair value hedging and cash flow hedging.

Documentation

Hedging relationships must adhere to the following principles:

- The purpose of a fair value hedge is to hedge against an exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment attributable to the hedged risk(s) and which may affect the profit/loss (for example, hedging of all or part of changes in fair value due to the interest rate risk on a fixed rate loan);
- The purpose of a cash flow hedge is to hedge against an exposure to changes in the future cash flows of a recognised asset or liability or a highly likely future transaction attributable to the risk(s) hedged and that can or may (in the event of a planned but unrealised transaction) affect the profit/loss (for example, hedging of changes in all or part of future interest payments on variable rate debt).

In the event of a hedging intention, the following conditions must also be met to apply hedge accounting:

- Both the hedging instrument and the hedged instrument must be eligible;
- Documentation must be formalised from the outset, including in particular the individual designation and characteristics of the hedged item, the hedging instrument, the nature of the hedging relationship and the nature of the hedged risk;
- The effectiveness of the hedge must be demonstrated from inception and retrospectively, through tests performed at each balance sheet date.

For interest rate risk hedges of a portfolio of financial assets or financial liabilities, CFM Indosuez Wealth Group applies fair value hedge documentation as permitted by IAS 39 adopted by the European Union (the so-called carve out version). In particular:

- The Group documents these hedging relationships on the basis of a gross position of derivatives and hedged items;
- The effectiveness of these hedging relationships is justified using schedules.

Assessment

Revaluations of derivatives at fair value are recorded as follows:

- fair value hedges: the revaluation of the derivative and of the hedged item up to the hedged risk are recorded in the same manner in the income statement. Only the ineffective portion of the hedge, if any, is recorded for its net amount in income;
- cash flow hedges: the revaluation of the derivative is recognised in the balance sheet in a specific gain and loss account recognised directly in other comprehensive income recyclable to income for the effective portion, while the ineffective portion of the hedge is, where appropriate, recorded in income. Gains or losses on the derivative accumulated in other comprehensive income are then recycled to income when the hedged flows are realised.

When the conditions for 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 income.

The hedged item is fully recognised in accordance with its classification. For debt instruments at fair value through other comprehensive income recyclable to income, changes in fair value after the termination of the hedging relationship are fully

recorded in other comprehensive income. For hedged items measured at amortised cost, which were hedged against interest rate risk, the revaluation difference is amortised over the remaining life of the hedged items;
- cash flow hedges: the hedging instrument is valued at fair value through profit or loss. The amounts accumulated in other comprehensive income in respect of the effective portion of the hedge remain in other comprehensive income until the hedged item affects income. For items that were hedged against interest rate risk, the impact on income is recorded as interest is paid. The revaluation difference is therefore amortised over the remaining life of these hedged items.

Embedded derivatives

An embedded derivative is the component of a hybrid instrument that qualifies as a derivative. This term applies only to financial liabilities and non-financial contracts. Embedded derivatives must be accounted for separately from the host contract if the following three conditions are met:
- the hybrid contract is not measured at fair value through profit or loss;
- when considered separately from the host contract, the embedded item 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

The fair value of financial instruments is determined by maximising the use of observable inputs. It is presented according to the hierarchy defined by 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 orderly transaction between market participants, in the main market or the most advantageous market, at the measurement date. Fair value applies to each financial asset or financial liability on an individual basis. By exception, it can be estimated by portfolio, if permitted by the risk management and monitoring strategy and if it is subject to appropriate documentation. As a result, certain fair value inputs 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 risk.

The Group believes that the best indication of fair value is the use of quoted prices in an active market.
In the absence of such quotations, fair value is determined by the application of valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs.
When a liability is measured at fair value through profit or loss (by default or option), the fair value takes into account the issuer's own credit risk.

Counterparty risk on derivatives

The Group includes counterparty risk in the fair value measurement of derivative financial assets (Credit Valuation Adjustment or CVA) and, under a symmetrical approach, non-performance risk for the fair value measurement of derivative liabilities (Debit Valuation Adjustment or DVA or own credit risk).
The CVA is used to determine expected losses on the counterparty from the Group's point of view; the DVA is used to determine expected losses from the Group from the counterparty's point of view.
The CVA/DVA calculation is based on an estimate of expected losses based on the probability of default and loss given default. The methodology employed maximizes the use of observable inputs. It is primarily based on market inputs such as single name CDS or index CDS in the absence of a registered CDS for the counterparty. Under certain circumstances, historical default inputs may be used.

Fair value hierarchy

The standard classifies fair values into three levels based on the observability of inputs used in the assessment.

- ***Level 1: fair values corresponding to (unadjusted) prices in active markets***

Level 1 includes financial instruments that are directly quoted in active markets for identical assets and liabilities that can be accessed by the entity at the measurement date. These include stocks and bonds quoted on an active market (such as the Paris Stock Exchange, the London Stock Exchange, the New York Stock Exchange, etc.), units of investment funds listed on an active market and derivatives contracted on an organised market, including futures.
A market is considered active if prices are readily and regularly available from a stock exchange, broker, trader, pricing service or regulatory agency and these prices represent actual transactions that regularly occur on the market under normal conditions.
For financial assets and liabilities with offsetting market risks, the Group uses mid-prices as a basis for determining the fair value of these positions. For net short positions, bid prices are used and for net long positions, offer prices are used.

- ***Level 2: fair values calculated using directly or indirectly observable data, other than level 1***

These data are directly observable (i.e. prices) or indirectly observable (derived from price data) and generally meet the following conditions: they are non-entity-specific data that are publicly available/accessible and based on a market consensus.
The following are presented in level 2 of the fair value hierarchy:
- shares and bonds quoted on a market that is considered inactive, or not quoted in an active market, but for which the fair value is determined using a valuation method commonly used by market participants (such as discounted cash flows, the Black & Scholes model) and based on observable market data;
- instruments traded over-the-counter for which valuation is performed with models that use observable market data, i.e. that can be obtained from multiple sources independent of internal sources and on a regular basis. For example, the fair value of interest rate swaps is generally determined using yield curves based on market interest rates prevailing at the reporting date.

When the models used are based particularly on standard models, and on observable market parameters (such as yield curves or implied volatility tables), the initial margin generated on the instruments thus valued is recognised in the income statement from the outset.

- ***Level 3: fair values for which a significant portion of the inputs used for their determination do not meet the observability criteria***

The determination of the fair value of certain complex market instruments not traded in an active market is based on valuation techniques using assumptions that are not supported by observable market data for the same instrument. These products are presented in level 3 in the fair value hierarchy.
These are essentially complex rate products, equity derivatives and structured credit products whose valuation requires, for example, correlation or volatility inputs that are not directly comparable to

market data.
The original transaction price is deemed to reflect the market value and recognition of the initial margin is deferred.
The margin earned on these structured financial instruments is generally recognised in the income statement over the period during which the inputs are deemed unobservable. When market data becomes "observable," the margin remaining to be recognised is immediately taken to income.
The methodologies and valuation models for financial instruments presented in Level 2 and Level 3 incorporate all the factors that market participants use to calculate a price.
They must first be validated by an independent audit. In particular, the calculation of the fair values of these instruments takes into account liquidity risk and counterparty risk.

Offsetting financial assets and liabilities

In accordance with IAS 32, CFM Indosuez Wealth Group offsets a financial asset and a financial liability and presents a net balance if and only if it has a legally enforceable right to offset the amounts recognised and intends to settle the net amount or realise the asset and realise the liability simultaneously.
Derivatives and repurchase agreements traded with clearing houses whose operating principles meet the two criteria established by IAS 32 are offset in the balance sheet.

Net gains or losses on financial instruments

Net gains or losses on financial instruments at fair value through profit or loss
For financial instruments recognised at fair value through profit or loss, this item includes the following items of income:
- Dividends and other income from equities and other variable income securities classified as financial assets at fair value through profit or loss;
- Changes in the fair value of financial assets or financial liabilities measured at fair value through profit or loss;
- Capital gains and losses realised on financial assets at fair value through profit or loss;
- Changes in fair value and income from the sale or termination of derivative instruments that are not subject to a fair value hedging or cash flow hedging relationship.

This item also includes the ineffective portion of hedging transactions.

Net gains or losses on financial instruments at fair value through other comprehensive income
For financial assets recognised at fair value through other comprehensive income, this item includes the following items of income:
- Dividends from equity instruments classified as financial assets at fair value through other comprehensive income not recyclable to income;
- Capital gains and losses and income related to the termination of hedging relationships on debt instruments classified as financial assets at fair value through other comprehensive income recyclable to income;
- Income from the sale or termination of fair value hedges of financial assets measured at fair value through other comprehensive income when the hedged item is sold.

Financing commitments and financial guarantee commitments given

Financing commitments that are not classified as assets measured at fair value through profit or loss or that are not considered to be derivative instruments within the meaning of IFRS 9 are not included in the balance sheet. However, they are subject to provisions in accordance with IFRS 9.
A financial guarantee arrangement is a contract that requires the issuer to make specified payments to reimburse the holder for a loss that it sustains as a result of the default of a specified debtor who fails to make a payment when due according to the initial or amended conditions of a debt instrument.
Financial guarantee contracts are initially measured at fair value and subsequently at the one of the following, whichever is greater:
- the amount of the impairment for credit losses determined in accordance with IFRS 9, or
- the amount initially recognised less, if any, accumulated income recognised in accordance with the principles of IFRS 15 Revenue from Contracts with Customers.

Provisions (IAS 37 and 19)

CFM Indosuez Wealth Group identifies legal or implicit obligations resulting from a past event, in cases in which it is likely that an outflow of resources will be required to settle them, where the timing or amount are uncertain but of which a reliable estimate can be made. These estimates may be updated if the impact is significant.
In respect of non-credit risk obligations, CFM Indosuez Wealth Group has set up provisions that cover:
- employee benefits;
- performance risk on off-balance sheet commitments;
- litigation and liability guarantees.

Commitments are established taking into account, in particular:
- the modelled behaviour of the subscribers, using assumptions of changes in these behaviours, based on historical observations and which may not reflect actual future changes;
- an estimate of the amount and duration of future borrowings based on historical long-term observations;
- the curve of observable rates on the market and reasonably anticipated changes in such rates.

The amount of the following provisions may also be estimated:
- provisions for legal risks resulting from Management's best assessment, taking into account the information in its possession at the end of the financial year.

Detailed information is provided in Note 6.12 "Provisions".

Employee benefits (IAS 19)

In accordance with IAS 19, employee benefits fall into four categories:
- short-term benefits, such as wages, social security contributions, holidays, incentive bonuses, profit-sharing, and bonuses, are those expected to be paid within 12 months of the year in which the services were rendered;
- retirement benefits, which are themselves classified into the two categories described below: defined benefit plans and defined contribution plans;
- long-term benefits (long service awards, bonuses and compensation payable twelve months or more after the fiscal year);
- termination benefits.

Post-employment benefits

Defined benefit plans

At each closing date, CFM Indosuez Wealth Group determines its retirement and similar benefits as well as all the employee benefits granted in respect of defined benefit plans.
In accordance with IAS 19, these commitments are measured based

on a set of actuarial, financial and demographic assumptions and according to the projected unit credit method. This method consists of allocating an expense corresponding to the entitlements earned over the fiscal year for each year of the employee's activity. The calculation of this expense is based on the discounted future benefit. The calculation of employee retirement and future benefit expenses is based on assumptions regarding the discount rate, staff turnover rate and trends in salary and social security contributions developed by Management. If actual figures differ from the assumptions used, the retirement benefit expense may increase or decrease in future years (see Note 7.4 "Retirement benefits, defined benefit plans").
The discount rates are determined according to the average duration of the commitment, i.e. the arithmetical average of the durations calculated between the valuation date and the payment date weighted by turnover assumptions.
The expected rate of return on plan assets is also estimated by Management. The estimated returns are based on the expected return on fixed income securities, in particular bond yields.
The expected return on plan assets is determined based on the discount rates used to measure the defined benefit obligation.
In accordance with revised IAS 19, CFM Indosuez Wealth Group records all recognised actuarial gains and losses directly in other comprehensive income.
The amount of the provision is equal to:

- the present value of the defined benefit obligation as of the balance sheet date, calculated using the actuarial method recommended by IAS 19;
- less, if applicable, the fair value of the assets allocated to cover these commitments.

In respect of these unhedged commitments, a provision to cover retirement benefits is recorded under balance sheet liabilities under Provisions. This provision is equal to the amount of the commitments concerning Crédit Agricole Group employees present at the end of the financial year, covered by CFM Indosuez Wealth Group collective bargaining agreement. A provision to cover the cost of early retirement plans is included in the same Provision account. This provision covers the discounted additional cost of the various early retirement agreements signed by CFM Indosuez Wealth Group entities which allow their employees of the required age to benefit from a dispensation from work.

Defined contribution plans

Companies with employees contribute to various mandatory pension schemes. The funds 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 enough assets to cover all the benefits corresponding to the services rendered by the staff during the fiscal year and prior fiscal years. As a result, CFM Indosuez Wealth Group has no liability other than the contributions payable for the past financial year.

Other long-term benefits

Other long-term benefits are benefits to be paid to employees, other than retirement benefits and termination benefits, but not fully payable within twelve months following the end of the year in which the related services were rendered.

This includes bonuses and other deferred compensation paid twelve months or more after the end of the year in which they were earned, but which are not tied to shares.

The valuation method is similar to that used by the Group for retirement benefits in the defined benefit category.

Current and deferred taxes

In accordance with IAS 12, income tax includes all taxes on income, whether due or deferred. The standard defines the tax payable as the amount of income tax payable (recoverable) for taxable profit (loss) for a financial year. Taxable profit is the profit (or loss) of a given period according to the rules established by tax authorities. The rates and rules applicable to determine the tax payable are those in effect in each country where Group companies are established.
The tax payable includes any income tax, due or receivable, of which the payment is not contingent upon the completion of future transactions, even if the payment is spread over several financial years. The tax payable must be recognised as a liability, insofar as it is not paid. If the amount already paid in respect of the fiscal year and previous fiscal years exceeds the amount due for those fiscal years, the surplus must be recognised as an asset.
In addition, certain transactions carried out by the entity may have tax consequences that are not taken into account in determining the tax payable. The differences between the book value of an asset or liability and its tax base are classified in IAS 12 as temporary differences.
The standard requires the recognition of deferred taxes in the following cases:

- a deferred tax liability must be recognised for all taxable temporary differences between the book value of an asset or liability on the balance sheet and its tax base, except to the extent that the deferred tax liability is generated by the initial recognition of an asset or liability in a transaction that is not a business combination and does not impact accounting profit or taxable profit (tax loss) as of the date of the transaction.
- a deferred tax asset must be recognised for all deductible temporary differences between the book value of an asset or liability in the balance sheet and its tax base, to the extent that it is considered likely that a taxable profit, against which such deductible temporary differences may be offset, will be available;
- a deferred tax asset must also be recognised for the carry forward of tax losses and unused tax credits to the extent that it is likely that future taxable profits will be available against which such tax losses and unused tax credits may be offset.

The tax rates for each country are applied as appropriate.
The calculation of deferred taxes is not discounted.
<u>The Monegasque reinvestment regime (suspension of taxes on capital gains made on the disposal of fixed assets):</u>
Deferred tax liabilities are recognised in accordance with Article 10 of Sovereign Ordinance no. 3 152 dated 19 March 1964:

- capital gains realised by a Monegasque taxpaying company on the sale of operating fixed assets are not included in taxable profits for the year in which they are realised if the company undertakes to reinvest in fixed assets an amount equal to the capital gain plus the cost price of the assets sold within three years of the end of the year in question.
- the capital gains excluded from taxable profits are considered as being allocated to the depreciation of new fixed assets and are deducted from the cost price when calculating depreciation and capital gains realised at a later date. The difference between the book value of the new fixed assets and their taxable value meets the definition of "temporary difference" under IAS 12 and justifies the recognition of a deferred tax liability.

Unrealised capital gains on securities, when they are taxable, do not generate taxable temporary differences between the book value of assets and the tax base. They do not, therefore, give rise to the recognition of deferred taxes. When the relevant securities are classified as financial assets at fair value through other comprehensive

income, unrealised gains and losses are offset against equity. As a result, the tax expense or the actual tax saving borne by the entity on these unrealised gains or losses is reclassified as a deduction from them.
For leases recorded under IFRS 16 where the Group is lessee, a deferred tax liability is recognised for the right to use the asset and a deferred tax asset is recorded for the lease liability.

Current and deferred taxes are recognised in net income for the year unless the tax is generated:

- by a transaction or event that is recognised directly in other comprehensive income, in the same year or in a different year, in which case it is directly debited from or credited to other comprehensive income;
- or from a business combination.

Deferred tax assets and liabilities are offset if, and only if:

- the entity has a legally enforceable right to offset current tax assets and liabilities;
- deferred tax assets and liabilities relate to income taxes levied by the same tax authority:
  a) either on the same taxable entity,
  b) or on different taxable entities that intend to either settle the current tax liabilities and assets on a net basis or realise the assets and settle the liabilities concurrently in each of the following years in which it is expected that significant amounts of deferred tax assets or liabilities will be settled or recovered.

Treatment of non-current assets (IAS 16, 36, 38 and 40)

CFM Indosuez Wealth Group applies the asset component accounting method to all of its property, plant and equipment. In accordance with the provisions of IAS 16, the depreciable base takes into account any residual value of non-current assets.
Land is recorded at acquisition cost, less any impairment.
Operating and investment properties and their fittings and fixtures are recorded at acquisition cost less depreciation and impairment since they entered service.
Purchased software is recognised at acquisition cost less depreciation and impairment recorded since the date of acquisition.
Created software is recognised at cost of production less depreciation and impairment recorded since the date of completion.
In addition to software, intangible non-current assets mainly include assets acquired in business combinations resulting from contractual rights (e.g. distribution agreements). These have been valued according to their future economic benefits or the potential of the expected services.
Non-current assets are amortised according to their estimated useful lives.
CFM Indosuez Wealth Group uses the following depreciation components and periods under the component accounting approach. It should be noted that these depreciation and amortisation periods are adapted to the nature of the buildings and their location:

Component	Depreciation/ Amortisation period
Buildings	30 to 50 years
Fixtures & fittings	6 to 10 years
Furniture & equipment	5 to 10 years
Transportation equipment	5 years
IT equipment	3 years
Software and other intangible non-current assets	1 to 3 years

Based on the information available to CFM Indosuez Wealth on the value of its amortisable assets, it has concluded that impairment tests would not result in changes in the values entered in the balance sheet.

Foreign currency transactions (IAS 21)

Assets and liabilities denominated in foreign currencies are translated into CFM Indosuez Wealth's operating currency, the euro, on the balance sheet date.
In accordance with IAS 21, a distinction is made between monetary and non-monetary items.
Monetary assets and liabilities in foreign currencies are translated at the closing rate. Foreign exchange differences resulting from this translation are recognised in the income statement. This rule has three exceptions:

- for debt instruments measured at fair value through other comprehensive income, the translation difference calculated on the amortised cost is recognised in income; the balance is recorded in other comprehensive income recyclable to income;
- foreign exchange differences on items classified as cash flow hedges or as part of a net investment in a foreign operation are recognised in other comprehensive income recyclable to income;
- for financial liabilities designated at fair value through profit or loss, the foreign exchange differences related to changes in the fair value of own credit risk are recorded in other comprehensive income not recyclable to income.

The accounting treatment of non-monetary items differs according to the accounting treatment applied before their conversion:

- items recorded at historical cost continue to be valued at the exchange rate on the transaction date (historical rate);
- fair value items are converted at the exchange rate at the reporting date.

Foreign exchange differences 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 not recyclable to income if the gain or loss on the non-monetary item is recorded in other comprehensive income not recyclable to income.

Revenue from Contracts with Customers (IFRS 15)

Commission income and expenses are recorded in the income statement according to the type of services to which they relate.
Commissions that are integral to the performance of a financial instrument are accounted for as an adjustment to the compensation of such instrument.For other types of commissions, their recognition in the income statement must reflect the rate at which control over the good or service sold is transferred to the client:

- the result of a transaction associated with the provision of services is recognised under "Commissions" when transferring control of the service to the client if it can be reliably estimated. This transfer may occur as the service is rendered (ongoing service) or on a given date (one-time service);
- Fees for ongoing services (means of payment fees, for example) are recorded in the income statement according to the degree of progress of the service rendered;
- Fees received or paid for one-time services are, in turn, fully recognised in profit or loss when the service is rendered. Commissions payable or receivable subject to the achievement of a performance obligation are recognised at the amount for

which it is highly likely that the income thus recognised will not be subject to a significant downward adjustment when the uncertainty is resolved. This estimate is updated at each closing date. In practice, this condition has the effect of postponing the recognition of certain performance fees until the expiry of the performance valuation period and until they are definitively acquired.

Leases (IFRS 16)

The Group may be lessor or lessee in a lease agreement.

Leases under which the Group is lessor
Leasing transactions are analysed according to their substance and financial reality. They are accounted for as appropriate, either as operating leases or finance leases:

- For operating leases, the lessor records the leased assets under property, plant and equipment in its balance sheet and recognises the lease income on a straight-line basis under "Income from other activities" in the income statement.
- CFM Indosuez Wealth Group does not manage any finance leases.

Leases under which the Group is lessee
Leases are recorded in the balance sheet on the date the leased asset is made available. The lessee recognises an asset in Property, plant and equipment representing the right to use the leased asset over the estimated term of the contract, and a liability for lease payments is recorded in Other liabilities over the same period of time.
The lease term corresponds to the non-cancellable period of the lease, adjusted to reflect (i) any option to extend the lease if the lessee is reasonably certain of exercising such option and (ii) any option to terminate the lease if the lessee is reasonably certain of not exercising such option.
The lease term applied for 3/6/9 commercial leases is generally nine years with an initial non-cancellable period of three years.
The lease term is recognised for an amount equal to the present value of lease payments over the life of the contract. These payments include fixed lease payments, variable lease payments based on an index or a rate and payments the lessee expects to pay in respect of residual value guarantees, purchase options or early termination penalties. Variable payments that do not depend on an index or rate and non-deductible VAT on lease payments are excluded from the liability calculation and are recognised as operating expenses.
The discount rate applied to calculate the right to use the asset and the lease liability is by default the lessee's incremental borrowing rate over the life of the contract as of the date of signing the contract, when the implicit rate cannot be easily determined. The incremental borrowing rate takes into account the structure of lease payments.
The expense corresponding to the lease payments is broken down into interest and principal repayments.
The right to use the leased asset is calculated using the initial value of the lease liability plus any direct initial costs, advance considerations and the cost of restoring the asset. It is amortised over the estimated term of the lease.
The lease liability and the right-of-use asset may be adjusted if the lease agreement is amended, if the lease term is re-estimated or if the lease payments are revised due to the application of indices or rates.
The lessee records deferred taxes for temporary differences between the right-of-use asset and the lease liability.
Under the exception included in the standard, short-term leases (with an initial term of less than twelve months) and leases for low-value assets are not recorded in the balance sheet – the corresponding lease expenses are recognised on a straight-line basis as operating expenses in the income statement.
In accordance with the provisions of the standard, the Group does not apply IFRS 16 to lease agreements for intangible assets.

1.3 CONSOLIDATION PRINCIPLES AND METHODS (IFRS 10, IFRS 11 ET IAS 28)

Consolidation methods

The consolidation methods are established by IFRS 10 and IAS 28, as amended, respectively. They are based on the nature of the control exercised by CFM Indosuez Wealth over entities within the scope of consolidation, regardless of their activity and whether or not they have legal status:

- full consolidation for controlled entities, including entities with different account structures, even if their activity is not in line with that of CFM Indosuez Wealth;
- the equity method, for entities under significant influence and under joint control.

Full consolidation consists of replacing the value of the securities with all of the subsidiary's asset and liability items. The share of non-controlling interests in equity and in income is indicated separately in the consolidated balance sheet and income statement.
The equity method consists of replacing the value of the securities with the Group's share of equity and the profit or loss of the companies concerned.
Since the two consolidated subsidiaries were created by the CFM Indosuez Wealth, no goodwill was recognised.

Consolidation adjustments and eliminations

Consolidation adjustments are made to ensure the consistency of the valuation methods applied by consolidated companies.
The impact on the consolidated balance sheet and income statement of internal Group operations is eliminated for fully consolidated entities. Capital gains or losses from asset sales between consolidated companies are eliminated; any permanent impairment recorded on an internal transfer is recognised.

1.4 SCOPE OF CONSOLIDATION

The consolidated financial statements of CFM Indosuez Wealth Group include:

Company	Location	Registered office	% control		% interest	
			31/12/2019	31/12/2018	31/12/2019	31/12/2018
CFM Indosuez Wealth SAM	Monaco	11, bld Albert 1er - Monaco	Parent company		Parent company	
CFM Indosuez Conseil en Investissement SASU	France	1, Place de la liberté - 06320 CAP D'AIL	100%	100%	100%	100%
CFM Indosuez Gestion SAM	Monaco	11, bld Albert 1er - Monaco	100%	100%	99,3%	100%

In accordance with international accounting standards, all the entities listed above are under the exclusive control of CFM Indosuez Wealth and are therefore fully consolidated.

The accounts of all consolidated companies are kept in euros, with the exception of the New Caledonian branch, whose accounts are kept in XPF and translated into euros at the balance sheet date.

Note 2 :
Main organisational changes and significant events of the period

Restructuring of the real estate portfolio

To adjust and reorganise its real estate portfolio, CFM Indosuez purchased an office building it had occupied for nearly 20 years, for its own use. At the same time, it sold two less strategic properties.

Note 3 :
Financial management, risk exposure and hedging policy

CFM Indosuez Wealth's Finance department is responsible for organising financial flows within CFM Indosuez Wealth Group, defining and implementing refinancing rules, asset and liability management and the management of prudential ratios. It defines the principles and ensures the consistency of the Group's financial management.
Banking risks are managed within the Group by the Risk and Permanent Control department and the Finance department. These departments report to CFM Indosuez Wealth's Executive Management and are respectively responsible for the control and permanent monitoring of credit and operational risks (Risk and Permanent Control) and the control and permanent monitoring of financial and liquidity risks (Finance).

3.1 CREDIT RISK

The monitoring of credit and counterparty risks at CFM Indosuez Wealth Management is carried out by the Risk and Permanent Control department.
Counterparty risk is focused on the client lending business and is part of Wealth Management business line's risk management strategy, approved by the governing bodies of CA CIB and CA SA.
CFM Indosuez Wealth Management is exposed to counterparty risk with respect to natural persons, legal entities, wealth structures whose beneficial owners are natural persons or commercial companies related to an entrepreneur client whose activity or decision-making centre is based in Monaco. Any exception to this scope of counterparties is subject to prior approval by the Indosuez Group Executive Management and its Risk department.

Changes in book values and value adjustments for losses over the period

Value adjustments for losses are impairment losses on assets and provisions on off-balance sheet commitments recognised in net income (cost of risk) in respect of credit risk.
The various impairment stages (Performing assets - Bucket 1 and Bucket 2 and Impaired assets - Bucket 3) are explained in Note 1.2 "Accounting principles and methods", in the chapter on "Financial instruments - Provisioning for credit risk".
The following tables present a reconciliation of the opening and closing balances of the value adjustments for losses recognised in Cost of risk and the associated book values, by accounting category and type of instrument.

Financial assets at amortised cost: Debt securities

(in thousands of euros)	Performing assets: Assets subject to 12-month ECL (Bucket 1) – Gross book value	Performing assets: Assets subject to 12-month ECL (Bucket 1) – Impairment for credit losses	Performing assets: Assets subject to lifetime ECL (Bucket 2) – Gross book value	Performing assets: Assets subject to lifetime ECL (Bucket 2) – Impairment for credit losses	Impaired assets (Bucket 3) – Gross book value	Impaired assets (Bucket 3) – Impairment for credit losses	Total – Gross carrying amount (a)	Total – Impairment for credit losses (b)	Total – Net book value (a) + (b)
At 31 December 2018	166,038	-88	0	0	0	0	166,038	-88	**165,950**
Transfers of assets during their lifetime from one bucket to another									
Transfers from Bucket 1 to Bucket 2									
Transfers from Bucket 2 to Bucket 1									
Transfers to Bucket 3 (1)									
Transfers from Bucket 3 to Bucket 2/Bucket 1									
Total after transfers	**166,038**	**-88**					**166,038**	**-88**	**165,950**
Changes in gross book values and value adjustments for losses	**55,934**	**-3**					**55,934**	**-3**	
New production: purchase, grant, origination, etc. (2)	56,737	-71					56,737	-71	
Derecognition: sale, redemption, expiration, etc.	-803	68					-803	68	
Write-offs									
Changes in cash flows on loans restructured due to financial difficulties									
Changes in credit risk inputs of models over the period									
Changes in the model / methodology									
Scope changes									
Other									
Total	**221,972**	**-91**					**221,972**	**-91**	**221,881**
Changes in book value attributable to specific accounting valuation terms (with no significant impact on the value adjustment) (3)									
At 31 December 2019	**221,972**	**-91**					**221,972**	**-91**	**221,881**
Outstanding amounts of financial assets under contracts that were written off during the period and are still subject to enforcement measures									

(1) Transfers to Bucket 3 correspond to assets initially classified in Bucket 1, which were downgraded directly to Bucket 3 or those downgraded to Bucket 2 and then Bucket 3 during the year.
(2) Originated loans classified in Bucket 2 may include assets initially classified in Bucket 1 which were reclassified to Bucket 2 during the period.
(3) Includes changes in fair value adjustments of micro-hedged instruments, and changes arising from the unwinding of discounts on restructured loans (reversal from net banking income over the residual maturity of the asset).

Financial assets at amortised cost: Loans and receivables due from credit institutions

	Performing assets								
	Assets subject to 12-month ECL (Bucket 1)		Assets subject to lifetime ECL (Bucket 2)		Impaired assets (Bucket 3)		Total		
(in thousands of euros)	Gross book value	Impairment for credit losses	Gross book value	Impairment for credit losses	Gross book value	Impairment for credit losses	Gross book value (a)	Impairment for credit losses (b)	Net book value (a) + (b)
At 31 December 2018	**1,802,462**	**-131**	**-**	**-**	**-**	**-**	**1,802,462**	**-131**	**1,802,331**
Transfers of assets during their lifetime from one bucket to another									
Transfers from Bucket 1 to Bucket 2									
Transfers from Bucket 2 to Bucket 1									
Transfers to Bucket 3 (1)									
Transfers from Bucket 3 to Bucket 2/Bucket 1									
Total after transfers	**1,802,462**	**-131**	**0**	**0**	**0**	**0**	**1,802,462**	**-131**	**1,802,331**
Changes in gross book values and value adjustments for losses	**-152,593**	**-58**					**-152,593**	**-58**	
New production: purchase, grant, origination, etc. (2)	1,639,877	-188					1,639,877	-188	
Derecognition: sale, redemption, expiration, etc.	-1,796,844	130					-1,796,844	130	
Write-offs									
Changes in cash flows on loans restructured due to financial difficulties									
Changes in credit risk inputs of models over the period									
Changes in the model / methodology									
Scope changes									
Other	4,374						4,374		
Total	**1,649,869**	**-189**					**1,649,869**	**-189**	**1,649,680**
Changes in book value attributable to specific accounting valuation terms (with no significant impact on the impairment amount) (3)									
At 31 December 2019	**1,649,869**	**-189**					**1,649,869**	**-189**	**1,649,680**
Outstanding amounts of financial assets under contracts that were written off during the period and are still subject to enforcement measures									

(1) Transfers to Bucket 3 correspond to assets initially classified in Bucket 1, which were downgraded directly to Bucket 3 or those downgraded to Bucket 2 and then Bucket 3 during the year.

(2) Originated loans classified in Bucket 2 may include assets initially classified in Bucket 1 which were reclassified to Bucket 2 during the period.

(3) Includes changes in fair value adjustments of micro-hedged instruments, changes arising from the unwinding of discounts on restructured loans (reversal from net banking income over the residual maturity of the asset), and changes in accrued interest.

Financial assets at amortised cost: Loans and receivables due from clients

	Performing assets						Total		
	Assets subject to 12-month ECL (Bucket 1)		Assets subject to lifetime ECL (Bucket 2)		Impaired assets (Bucket 3)				
(in thousands of euros)	Gross book value	Impairment for credit losses	Gross book value	Impairment for credit losses	Gross book value	Impairment for credit losses	Gross book value (a)	Impairment for credit losses (b)	Net book value (a) + (b)
At 31 December 2018	**3,239,927**	**-738**	**6,712**	**-94**	**41,584**	**-10,351**	**3,288,223**	**-11,183**	**3,277,040**
Transfers of assets during their lifetime from one bucket to another	**-2,005**	**2,005**	**1,101**	**-1,101**	**904**	**-2,316**		**-1,412**	
Transfers from Bucket 1 to Bucket 2	-1,185	185	185	-1,185				0	
Transfers from Bucket 2 to Bucket 1	84	-84	-84	84				0	
Transfers to Bucket 3 (1)	-904	904			904	-2,316		-1,412	
Transfers from Bucket 3 to Bucket 2/Bucket 1									
Total after transfers	**3,237,922**	**1,267**	**7,813**	**-1,195**	**42,488**	**-12,667**	**3,288,223**	**-12,595**	**3,275,628**
Changes in gross book values and value adjustments for losses	**162,532**	**-2,340**	**-3,520**	**1,080**	**-34,520**	**3,452**	**124,492**	**2,192**	
New production: purchase, grant, origination, etc. (2)	1,214,076	-2,483	2,534	-143			1,216,610	-2,626	
Derecognition: sale, redemption, expiration, etc.	-1,051,682	159	-6,056	1,284	-33,487	2,808	-1,091,225	4,251	
Write-offs					-1,033	1,033	-1,033	1,033	
Changes in cash flows on loans restructured due to financial difficulties									
Changes in credit risk inputs of models over the period						-374		-374	
Changes in the model / methodology									
Scope changes									
Other	138	-16	2	-61		-15	140	-92	
Total	**3,400,454**	**-1,073**	**4,293**	**-115**	**7,968**	**-9,215**	**3,412,715**	**-10,403**	**3,402,312**
Changes in book value attributable to specific accounting valuation terms (with no significant impact on the impairment amount) (3)	11,300		-1		19,543		30,842		
At 31 December 2019	**3,411,754**	**-1,073**	**4,292**	**-115**	**27,511**	**-9,215**	**3,443,557**	**-10,403**	**3,433,154**
Outstanding amounts of financial assets under contracts that were written off during the period and are still subject to enforcement measures									

(1) Transfers to Bucket 3 correspond to assets initially classified in Bucket 1, which were downgraded directly to Bucket 3 or those downgraded to Bucket 2 and then Bucket 3 during the year.
(2) Originated loans classified in Bucket 2 may include assets initially classified in Bucket 1 which were reclassified to Bucket 2 during the period.
(3) Includes changes in fair value adjustments of micro-hedged instruments, changes arising from the unwinding of discounts on restructured loans (reversal from net banking income over the residual maturity of the asset), and changes in accrued interest.

Financial assets at fair value through other comprehensive income:Debt securities

(in thousands of euros)	Performing assets						Total	
	Assets subject to 12-month ECL (Bucket 1)		Assets subject to lifetime ECL (Bucket 2)		Impaired assets (Bucket 3)			
	Gross book value	Impairment for credit losses	Gross book value	Impairment for credit losses	Gross book value	Impairment for credit losses	Gross book value	Impairment for credit losses
At 31 December 2018	**214,655**	**-68**		**-18**			**214,655**	**-86**
Transfers of assets during their lifetime from one bucket to another								
Transfers from Bucket 1 to Bucket 2								
Transfers from Bucket 2 to Bucket 1								
Transfers to Bucket 3 (1)								
Transfers from Bucket 3 to Bucket 2/Bucket 1								
Total after transfers	**214,655**	**-68**		**-18**			**214,655**	**-86**
Changes in gross book values and value adjustments for losses	**-214,655**	**68**		**18**			**-214,655**	**86**
Fair value revaluation over the period	-69		-18				-87	
New production: purchase, grant, origination, etc. (2)				-10				-10
Derecognition: sale, redemption, expiration, etc.	-214,585	69	18	28			-214,567	97
Write-offs								
Changes in cash flows on loans restructured due to financial difficulties								
changes in credit risk inputs in models over the period								
Changes in the model / methodology								
Scope changes								
Other	-1	-1					-1	-1
Total	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Changes in book value attributable to specific accounting valuation terms (with no significant impact on the impairment amount)								
At 31 December 2019	**0**	**0**	**0**	**0**			**0**	**0**
Outstanding amounts of financial assets under contracts that were written off during the period and are still subject to enforcement measures								

(1) Transfers to Bucket 3 correspond to assets initially classified in Bucket 1, which were downgraded directly to Bucket 3 or those downgraded to Bucket 2 and then Bucket 3 during the year.

(2) Originated loans classified in Bucket 2 may include assets initially classified in Bucket 1 which were reclassified to Bucket 2 during the period.

Financing commitments

(in thousands of euros)	Performing commitments – Commitments subject to 12-month ECL (Bucket 1) – Amount of commit-ment		Performing commitments – Commitments subject to lifetime ECL (Bucket 2) – Amount of commit-ment		Impaired commitments (Bucket 3) – Amount of commit-ment		Total – Amount of commitment (a)		
	Amount of commit-ment	Impairment for credit losses	Amount of commit-ment	Impairment amount	Amount of commit-ment	Impairment for credit losses	Amount of commitment (a)	Impairment for credit losses (b)	Net amount of commitment (a) + (b)
At 31 December 2018	**868,767**	**-217**		**-28**			**868,767**	**-245**	**868,522**
Transfers of commitments during their lifetime from one bucket to another									
Transfers from Bucket 1 to Bucket 2									
Transfers from Bucket 2 to Bucket 1									
Transfers to Bucket 3 (1)									
Transfers from Bucket 3 to Bucket 2/Bucket 1									
Total after transfers	**868,767**	**-217**		**-28**			**868,767**	**-245**	**868,522**
Changes in commitment amounts and value adjustments for losses	**225,611**	**-100**	**314**	**-314**			**225,925**	**-414**	
New commitments given (2)	712,780	-230	322	-322			713,102	-552	
Expiration of commitments	-489,069	130	-8	8			-489,077	138	
Write-offs									
Changes in cash flows on loans restructured due to financial difficulties									
Changes in credit risk parameters of models over the period									
Changes in the model / methodology									
Scope changes									
Other	1,900						1,900		
At 31 December 2019	**1,094,378**	**-317**	**314**	**342**			**1,094,692**	**-659**	**1,094,033**

(1) Transfers to Bucket 3 correspond to commitments initially classified in Bucket 1, which were downgraded directly to Bucket 3 or to Bucket 2 and then Bucket 3 during the year.

(2) New commitments given classified in Bucket 2 may include commitments initially classified in Bucket 1 which were reclassified to Bucket 2 during the period.

Guarantee commitments

(in thousands of euros)	Performing commitments				Impaired commitments (Bucket 3)		Total		
	Commitments subject to 12-month ECL (Bucket 1)		Commitments subject to lifetime ECL (Bucket 2)						
	Amount of commit-ment	Impairment for credit losses	Amount of commit-ment	Impairment for credit losses	Amount of commit-ment	Impairment for credit losses	Amount of commit-ment (a)	Impairment for credit losses (b)	Net amount of the commit-ment (a) + (b)
At 31 December 2018	**177,024**	**-309**		**-506**			**177,024**	**-815**	**176,209**
Transfers of commitments during their lifetime from one bucket to another									
Transfers from Bucket 1 to Bucket 2									
Transfers from Bucket 2 to Bucket 1									
Transfers to Bucket 3 (1)									
Transfers from Bucket 3 to Bucket 2/ Bucket 1									
Total after transfers	**177,024**	**-309**		**-506**			**177,024**	**-815**	**176,209**
Changes in commitment amounts and value adjustments for losses	**92,900**	**10**	**298**	**298**	**7**		**93,198**	**308**	
New commitments given (2)	159,990	-245	106	-106			160,096	-351	
Expiration of commitments	-67,147	254	-404	404			-67,551	658	
Write-offs									
Changes in cash flows on loans restructured due to financial difficulties									
Changes in credit risk inputs of models over the period									
Changes in the model / methodology									
Scope changes									
Other	57	1	596		7		653	1	
At 31 December 2019	**269,924**	**-299**	**298**	**-208**	**7**	**0**	**270,222**	**-507**	**269,715**

(1) Transfers to Bucket 3 correspond to commitments initially classified in Bucket 1, which were downgraded directly to Bucket 3 or to Bucket 2 and then Bucket 3 during the year.

(2)New commitments given classified in Bucket 2 may include commitments initially classified in Bucket 1 which were reclassified to Bucket 2 during the period.

Maximum credit risk exposure

An entity's maximum credit risk exposure is the book value of exposures, net of any impairment loss recognised and excluding assets held as collateral or other credit enhancements (for example, netting agreements that do not meet the offsetting conditions under IAS 32).
The tables below show the maximum exposures as well as the amount of assets held as collateral and other credit enhancement techniques used to reduce this exposure.
Assets impaired as of the balance sheet date are impaired assets (Bucket 3).

Financial assets not subject to impairment requirements (recognised at fair value through profit or loss)

at 31 December 2019

in thousands of euros)	Maximum credit risk exposure	Credit risk mitigation				
		Assets held as collateral			Other credit enhancement techniques	
		Financial instruments received as collateral	Mortgages	Pledges	Surety bonds and other financial guarantees	Surety bonds and other financial guarantees
Financial assets at fair value through profit or loss (excluding variable income securities and assets representing unit-linked policies)	**4,172**					
Financial assets held for trading	2,143					
Debt instruments that do not meet SPPI criteria	2,029					
Financial assets designated at fair value through profit or loss						
Hedging derivatives	**32,293**					
Total	**36,465**					

Financial assets not subject to impairment requirements (recognised at fair value through profit or loss)

at 31 December 2018

(in thousands of euros)	Maximum credit risk exposure	Credit risk mitigation				
		Assets held as collateral			Other credit enhancement techniques	
		Financial instruments received as collateral	Mortgages	Pledges	Surety bonds and other financial guarantees	Surety bonds and other financial guarantees
Financial assets at fair value through profit or loss (excluding variable income securities and assets representing unit-linked policies)	**5,625**					
Financial assets held for trading	3,968					
Debt instruments that do not meet SPPI criteria	1,657					
Financial assets designated at fair value through profit or loss						
Hedging derivatives	**28,531**					
Total	**34,156**					

Financial assets subject to impairment requirements

at 31 December 2019

in thousands of euros)	Maximum credit risk exposure	Credit risk mitigation				
		Assets held as collateral			Other credit enhancement techniques	
		Financial instruments received as collateral	Mortgages	Pledges	Surety bonds and other financial guarantees	Surety bonds and other financial guarantees
Financial assets at fair value through other comprehensive income recyclable to income						
o/w: impaired assets as of the balance sheet date						
Loans and receivables due from credit institutions						
o/w: impaired assets as of the balance sheet date						
Loans and receivables due from clients						
o/w: impaired assets as of the balance sheet date						
Debt securities						
o/w: impaired assets as of the balance sheet date						
Financial assets at amortised cost	**5,304,715**					
o/w: impaired assets as of the balance sheet date	**18,301**					
Loans and receivables due from credit institutions	1,649,680					
o/w: impaired assets as of the balance sheet date	0					
Loans and receivables due from clients	3,433,154		649,574	2,551,985		
o/w: impaired assets as of the balance sheet date	18,301					
Debt securities	221,881					
o/w: impaired assets as of the balance sheet date	0					
Total	**5,304,715**					
o/w: impaired assets as of the balance sheet date	**18,301**					

at 31 December 2018

in thousands of euros)	Maximum credit risk exposure	Credit risk mitigation				
		Assets held as collateral			Other credit enhancement techniques	
		Financial instruments received as collateral	Mortgages	Pledges	Surety bonds and other financial guarantees	Surety bonds and other financial guarantees
Financial assets at fair value through other comprehensive income recyclable to income	**214,655**					
o/w: impaired assets as of the balance sheet date						
Loans and receivables due from credit institutions						
o/w: impaired assets as of the balance sheet date						
Loans and receivables due from clients						
o/w: impaired assets as of the balance sheet date						
Debt securities	214,655					
o/w: impaired assets as of the balance sheet date						
Financial assets at amortised cost	**5,245,321**					
o/w: impaired assets as of the balance sheet date	**31,233**					
Loans and receivables due from credit institutions	1,802,331					
o/w: impaired assets as of the balance sheet date						
Loans and receivables due from clients	3,277,040		550,203	2,172,597		
o/w: impaired assets as of the balance sheet date	31,233					
Debt securities	165,950					
o/w: impaired assets as of the balance sheet date	0					
Total	**5,459,976**					
o/w: impaired assets as of the balance sheet date	**31,233**					

Off-balance sheet commitments subject to impairment requirements

at 31 December 2019

(in thousands of euros)	Maximum credit risk exposure	Credit risk mitigation				
		Assets held as collateral			Other credit enhancement techniques	
		Financial instruments received as collateral	Mortgages	Pledges	Surety bonds and other financial guarantees	Credit derivatives
Guarantee commitments	**269,722**					
o/w: impaired commitments as of the balance sheet date	7					
Financing commitments	**1,094,033**					
o/w: impaired commitments as of the balance sheet date						
Total	**1,363,755**					
o/w: impaired commitments as of the balance sheet date	7					

Off-balance sheet commitments subject to impairment requirements

at 31 December 2018

(in thousands of euros)	Maximum credit risk exposure	Credit risk mitigation				
		Assets held as collateral			Other credit enhancement techniques	
		Financial instruments received as collateral	Mortgages	Pledges	Surety bonds and other financial guarantees	Credit derivatives
Guarantee commitments	**176,209**					
o/w: impaired commitments as of the balance sheet date	0					
Financing commitments	**868,522**					
o/w: impaired commitments as of the balance sheet date	0					
Total	**1,044,731**					
o/w: impaired commitments as of the balance sheet date	0					

A description of the assets held as collateral is presented in Note 8 "Financing and guarantee commitments and other guarantees".

Modified financial assets

Modified financial assets are assets that were restructured due to financial difficulties. These are receivables for which the entity has modified the initial financial conditions (interest rate, term) for economic or legal reasons related to the borrower's financial difficulties, under terms that would not have been considered in other circumstances. Thus, they include receivables classified as impaired and performing receivables at the time of the restructuring. (A more detailed definition of restructured loans and their accounting treatment is provided in Note 1.2 "Accounting principles and policies", under the chapter on "Financial instruments - Credit risk".) No modified assets were identified.

Concentrations of credit risk

The book values and amounts of the commitments are presented net of impairment and provisions.
Credit risk categories are presented by probability of default intervals. The correspondence between internal ratings and probability of default intervals is described in the chapter on "Risk Management and Pillar III – Credit Risk Management" in the Crédit Agricole SA Universal Registration Document.

Financial assets at amortised cost at 31/12/2019

(in thousands of euros)	Credit risk categories	Book value – Performing assets – Assets subject to 12-month ECL (Bucket 1)	Assets subject to lifetime ECL (Bucket 2)	Impaired assets (Bucket 3)	Total
Retail clients	PD ≤ 0.5%	2,652,677			2,652,677
	0.5% < PD ≤ 2%	162,236	663		162,899
	2% < PD ≤ 20%	8,314	562		8,876
	20% < PD < 100%	459,345	2,125		461,470
	PD = 100%			25,156	25,156
Total retail clients		**3,282,572**	**3,350**	**25,156**	**3,311,078**
Non-retail clients	PD ≤ 0.6%	1,944,953			1,944,953
	0.6% < PD < 12%	56,065	432		56,497
	12% ≤ PD < 100%		510		510
	PD = 100%			2,360	2,360
Total non-retail clients		**2,001,018**	**942**	**2,360**	**2,004,320**
Impairment		-1,353	-115	-9,215	-10,683
Total		**5,282,237**	**4,177**	**18,301**	**5,304,715**

Financial assets at amortised cost at 31/12/2018

(in thousands of euros)	Credit risk categories	Book value – Performing assets – Assets subject to 12-month ECL (Bucket 1)	Assets subject to lifetime ECL (Bucket 2)	Impaired assets (Bucket 3)	Total
Retail clients	PD ≤ 0.5%	3,079,426	5,592		3,085,018
	0.5% < PD ≤ 2%				
	2% < PD ≤ 20%				
	20% < PD < 100%				
	PD = 100%			38,373	38,373
Total retail clients		**3,079,426**	**5,592**	**38,373**	**3,123,391**
Non-retail clients	PD ≤ 0.6%	2,129,001	1,120		2,130,121
	0.6% < PD < 12%				
	12% ≤ PD < 100%				
	PD = 100%			3,211	3,211
Total non-retail clients		**2,129,001**	**1,120**	**3,211**	**2,133,332**
Impairment		-957	-94	-10,351	-11,402
Total		**5,207,470**	**6,618**	**31,233**	**5,245,321**

Financial assets at fair value through other comprehensive income recyclable to income at 31/12/2019

(in thousands of euros)	Credit risk categories	Book value – Performing assets: Assets subject to 12-month ECL (Bucket 1)	Book value – Performing assets: Assets subject to lifetime ECL (Bucket 2)	Book value – Impaired assets (Bucket 3)	Book value – Total
Retail clients	PD ≤ 0.5%				
	0.5% < PD ≤ 2%				
	2% < PD ≤ 20%				
	20% < PD < 100%				
	PD = 100%				
Total retail clients		**0**	**0**	**0**	**0**
Non-retail clients	PD < 0.6%				
	0.6% < PD < 12%				
	12% ≤ PD < 100%				
	PD = 100%				
Total non-retail clients		**0**	**0**	**0**	**0**
Total		**0**	**0**	**0**	**0**

Financial assets at fair value through other comprehensive income recyclable to income at 31/12/2018

(in thousands of euros)	Credit risk categories	Book value – Performing assets: Assets subject to 12-month ECL (Bucket 1)	Book value – Performing assets: Assets subject to lifetime ECL (Bucket 2)	Book value – Impaired assets (Bucket 3)	Book value – Total
Retail clients	PD ≤ 0.5%				
	0.5% < PD ≤ 2%				
	2% < PD ≤ 20%				
	20% < PD < 100%				
	PD = 100%				
Total retail clients					
Non-retail clients	PD ≤ 0.6%	214,655			214,655
	0.6% < PD < 12%				
	12% ≤ PD < 100%				
	PD = 100%				
Total non-retail clients		**214,655**			**214,655**
Total		**214,655**			**214,655**

Financing commitments at 31/12/2019

(in thousands of euros)	Credit risk categories	Amount of commitment – Performing commitments: Commitments subject to 12-month ECL (Bucket 1)	Commitments subject to lifetime ECL (Bucket 2)	Impaired commitments (Bucket 3)	Total
Retail clients	PD ≤ 0.5%	951,146	314		951,460
	0.5% < PD ≤ 2%	13,074			13,074
	2% < PD ≤ 20%	395			395
	20% < PD < 100%	97,344			97,344
	PD = 100%				
Total retail clients		**1,061,959**	**314**		**1,062,273**
Non-retail clients	PD ≤ 0.6%	12,849			12,849
	0.6% < PD < 12%	19,570			19,570
	12% ≤ PD < 100%				
	PD = 100%				
Total non-retail clients		**32,419**			**32,419**
Provisions		**-317**	**-342**		**-659**
Total		**1,094,061**	**-28**		**1,094,033**

Financing commitments at 31/12/2018

(in thousands of euros)	Credit risk categories	Amount of commitment – Performing commitments: Commitments subject to 12-month ECL (Bucket 1)	Commitments subject to lifetime ECL (Bucket 2)	Impaired commitments (Bucket 3)	Total
Retail clients	PD ≤ 0.5%	834,064			834,064
	0.5% < PD ≤ 2%				
	2% < PD ≤ 20%				
	20% < PD < 100%				
	PD = 100%				
Total retail clients		**834,064**			**834,064**
Non-retail clients	PD ≤ 0.6%	34,703			34,703
	0.6% < PD < 12%				
	12% ≤ PD < 100%				
	PD = 100%				
Total non-retail clients		**34,703**			**34,703**
Provisions		**-217**	**-28**		**-245**
Total		**868,550**	**-28**	**0**	**868,522**

Guarantee commitments at 31/12/2019

(in thousands of euros)	Credit risk categories	Amount of commitment			
		Performing commitments			
		Commitments subject to 12-month ECL (Bucket 1)	Commitments subject to lifetime ECL (Bucket 2)	Impaired commitments (Bucket 3	Total
Retail clients	PD ≤ 0.5%	88,892	298		89,190
	0.5% < PD ≤ 2%	17,409			17,409
	2% < PD ≤ 20%	1,031			1,031
	20% < PD < 100%	15,562			15,562
	PD = 100%			7	7
Total retail clients		**122,894**	**298**	**7**	**123,199**
Non-retail clients	PD ≤ 0.6%	103,518			103,518
	0.6% < PD < 12%	43,512			43,512
	12% ≤ PD < 100%				
	PD = 100%				
Total non-retail clients		**147,030**			**147,030**
Provisions		**-299**	**-208**		**-507**
Total		**269,625**	**90**	**7**	**269,722**

Guarantee commitments at 31/12/2018

(in thousands of euros)	Credit risk categories	Amount of commitment			
		Performing commitments			
		Commitments subject to 12-month ECL (Bucket 1)	Commitments subject to lifetime ECL (Bucket 2)	Impaired commitments (Bucket 3	Total
Retail clients	PD ≤ 0.5%	60,871			60,871
	0.5% < PD ≤ 2%				
	2% < PD ≤ 20%				
	20% < PD < 100%				
	PD = 100%				
Total retail clients		**60,871**			**60,871**
Non-retail clients	PD ≤ 0.6%	116,153			116,153
	0.6% < PD < 12%				
	12% ≤ PD < 100%				
	PD = 100%				
Total non-retail clients		**116,153**			**116,153**
Provisions (1)		**-309**	**-506**		**-815**
Total		**176,715**	**-506**	**0**	**176,209**

1) Expected and/or confirmed losses related to off-balance sheet commitments are taken into account as provisions on the liabilities side of the balance sheet.

Concentration of credit risk by type of client

Financial assets at amortised cost by type of client

at 31/12/2019

(in thousands of euros)	Book value			
	Performing assets			
	Assets subject to 12-month ECL (Bucket 1)	Assets subject to lifetime ECL (Bucket 2)	Impaired assets	Total
Government entities	60,552			60,552
Central banks	818			818
Credit institutions	1,810,471			1,810,471
Large corporations	129,177	942	2,360	132479
Retail clients	3,282,572	3,350	25,156	3,311,078
Impairment	-1,353	-115	-9,215	-10,683
Total	**5,282,237**	**4,177**	**18,301**	**5,304,715**

Financial assets at amortised cost by type of client

at 31/12/2018

(in thousands of euros)	Book value			
	Performing assets			
	Assets subject to 12-month ECL (Bucket 1)	Assets subject to lifetime ECL (Bucket 2)	Impaired assets (Bucket 3)	Total
Government entities	65,234			65,234
Central banks	574			574
Credit institutions	1,902,695			1,902,695
Large corporations	160,498	1,120	3,211	164,829
Retail clients	3,079,426	5,592	38,373	3,123,391
Impairment	-957	-94	-10,351	-11,402
Total	**5,207,470**	**6,618**	**31,233**	**5,245,321**

Financial assets at fair value through other comprehensive income recyclable to income by type of client at 31/12/2019

(in thousands of euros)	Book value			
	Performing assets			
	Assets subject to 12-month ECL (Bucket 1)	Assets subject to lifetime ECL (Bucket 2)	Impaired assets (Bucket 3)	Total
Government entities				
Central banks				
Credit institutions				
Large corporations				
Retail clients				
Total	**0**	**0**	**0**	**0**

Financial assets at fair value through other comprehensive income recyclable to income by type of client at 31/12/2018

(in thousands of euros)	Valeur comptable			
	Actifs sains			
	Actifs soumis à une ECL 12 mois (Bucket 1)	Actifs soumis à une ECL à maturité (Bucket 2)	Actifs dépréciés (Bucket 3)	Total
Government entities	60,723			60,723
Central banks				0
Credit institutions	113,386			113,386
Large corporations	40,546			40,546
Retail clients				0
Total	**214,655**	**0**	**0**	**214,655**

Amounts due to clients by type of client

(in thousands of euros)	31/12/2019	31/12/2018
Government entities	11,514	9,029
Companies	795,336	774,319
Individuals	4,702,811	4,378,425
Total amounts due to clients	**5,509,661**	**5,161,773**

Financing commitments by type of client

at 31/12/2019

	Amount of commitment			
	Performing commitments			
(in thousands of euros)	Commitments subject to 12-month ECL (Bucket 1)	Commitments subject to lifetime ECL (Bucket 2)	Impaired commitments (Bucket 3)	Total
Government entities				
Central banks				
Credit institutions				
Large corporations	32,419			32,419
Retail clients	1,061,959	314		1,062,273
Provisions (1)	-317	-342		-659
Total	**1,094,061**	**-28**		**1,094,033**

(1) Expected and/or confirmed losses related to off-balance sheet commitments are taken into account as provisions on the liabilities side of the balance sheet.

Financing commitments by type of client

at 31/12/2018

	Amount of commitment			
	Performing commitments			
(in thousands of euros)	Commitments subject to 12-month ECL (Bucket 1)	Commitments subject to lifetime ECL (Bucket 2)	Impaired commitments (Bucket 3)	Total
Government entities				
Central banks				
Credit institutions				
Large corporations	34,703			34,703
Retail clients	834,064			834,064
Provisions (1)	-217	-28		-245
Total	**868,550**	**-28**	**0**	**868,522**

Guarantee commitments by type of client

at 31/12/2019

(in thousands of euros)	Amount of commitment: Performing commitments: Commitments subject to 12-month ECL (Bucket 1)	Commitments subject to lifetime ECL (Bucket 2)	Impaired commitments (Bucket 3)	Total
Government entities				
Central banks				
Credit institutions	29,746			29,746
Large corporations	117,284			117,284
Retail clients	122,894	298	7	123,199
Provisions (1)	-299	-208		-507
Total	**269,625**	**90**	**7**	**269,722**

(1) Expected and/or confirmed losses related to off-balance sheet commitments are taken into account as provisions on the liabilities side of the balance sheet.

Guarantee commitments by type of client

at 31/12/2018

(in thousands of euros)	Amount of commitment: Performing commitments: Commitments subject to 12-month ECL (Bucket 1)	Commitments subject to lifetime ECL (Bucket 2)	Impaired commitments (Bucket 3)	Total
Government entities				
Central banks				
Credit institutions	28,159			28,159
Large corporations	87,994			87,994
Retail clients	60,871			60,871
Provisions (1)	-309	-506		-815
Total	**176,715**	**-506**	**0**	**176,209**

Concentration by geographical area

Financial assets at amortised cost by geographical at 31/12/2019

(in thousands of euros)	Book value: Performing assets: Assets subject to 12-month ECL (Bucket 1)	Assets subject to lifetime ECL	Actifs dépréciés (Bucket 3)	Total
France (including overseas territories)	1,144,163	1,669	990	1,146,822
Other European Union countries	352,699	399	6,983	360,081
Other countries in Europe	3,421,700	2,207	19,542	3,443,449
North America	82,208			82,208
Central and South America	56,378			56,378
Africa and the Middle East	59,322	17		59,339
Asia and Oceania (excluding Japan)	139,422		1	139,423
Japan	4,025			4,025
Supranational organisations	23,673			23,673
Impairment	-1,353	-115	-9,215	-10,683
Total	**5,282,237**	**4,177**	**18,301**	**5,304,715**

Concentration by geographical area

Financial assets at amortised cost by geographical area at 31/12/2018

(in thousands of euros)	Book value – Performing assets – Assets subject to 12-month ECL (Bucket 1)	Assets subject to lifetime ECL (Bucket 2)	Impaired assets (Bucket 3)	Total
France (including overseas territories)	809,912	584	1,117	811,613
Other European Union countries	484,189		169	484,358
Other countries in Europe	3,629,549	6,128	40,298	3,675,975
North America	38,198			38,198
Central and South America	38,119			38,119
Africa and the Middle East	60,031			60,031
Asia and Oceania (excluding Japan)	127,166			127,166
Japan	21,263			21,263
Supranational organisations	0			0
Impairment	-957	-94	-10,351	-11,402
Total	**5,207,470**	**6,618**	**31,233**	**5,245,321**

Financial assets at fair value through other comprehensive income recyclable to income by geographical area at 31/12/2019

(in thousands of euros)	Book value – Performing assets – Assets subject to 12-month ECL (Bucket 1)	Assets subject to lifetime ECL (Bucket 2)	Impaired assets (Bucket 3)	Total
France (including overseas territories)				
Other European Union countries				
Other countries in Europe				
North America				
Central and South America				
Africa and the Middle East				
Asia and Oceania (excluding Japan)				
Japan				
Supranational organisations				
Total	**0**	**0**	**0**	**0**

Financial assets at fair value through other comprehensive income recyclable to income by geographical area at 31/12/2018

(in thousands of euros)	Book value – Performing assets – Assets subject to 12-month ECL (Bucket 1)	Assets subject to lifetime ECL (Bucket 2)	Impaired assets (Bucket 3)	Total
France (including overseas territories)	79,888			79,888
Other European Union countries	134,758			134,758
Other countries in Europe	9			9
North America				
Central and South America				
Africa and the Middle East				
Asia and Oceania (excluding Japan)				
Japan				
Supranational organisations				
Total	**214,655**	**0**	**0**	**214,655**

Amounts due to clients by geographical area

(in thousands of euros)	31/12/2019	31/12/2018
France (including overseas territories)	290,732	93,793
Other European Union countries	599,574	357,998
Other countries in Europe	4,300,505	4,473,245
North America	4,488	213
Central and South America	36,042	21,467
Africa and the Middle East	190,629	84,659
Asia and Oceania (excluding Japan)	75,456	121,451
Japan	12,235	8,947
Supranational organisations		
Total amounts due to clients	**5,509,661**	**5,161,773**

Financing commitments by geographical area

at 31/12/2019

	Amount of commitment			
	Performing commitments			
(in thousands of euros)	Commitments subject to 12-month ECL (Bucket 1)	Commitments subject to lifetime ECL (Bucket 2)	Impaired commitments (Bucket 3)	Total
France (including overseas territories)	115,925			115,925
Other European Union countries	62,547			62,547
Other countries in Europe	838,278	314		838,592
North America	888			888
Central and South America	24,385			24,385
Africa and the Middle East	24,686			24,686
Asia and Oceania (excluding Japan)	27,669			27,669
Japan				
Supranational organisations				
Provisions (1)	-317	-342		-659
Total	**1,094,061**	**-28**		**1,094,033**

(1) Expected and/or confirmed losses related to off-balance sheet commitments are taken into account as provisions on the liabilities side of the balance sheet.

Financing commitments by geographical area at 31/12/2018

(in thousands of euros)	Amount of commitment			
	Performing commitments			
	Commitments subject to 12-month ECL (Bucket 1)	Commitments subject to lifetime ECL (Bucket 2)	Impaired commitments (Bucket 3)	Total
France (including overseas territories)	54,428			54,428
Other European Union countries	69,129			69,129
Other countries in Europe	698,797			698,797
North America				0
Central and South America	35,099			35,099
Africa and the Middle East	10,333			10,333
Asia and Oceania (excluding Japan)	981			981
Japan				0
Supranational organisations				0
Provisions (1)	-217	-28		-245
Total	**868,550**	**-28**	**0**	**868,522**

Guarantee commitments by geographical area at 31/12/2019

(in thousands of euros)	Amount of commitment			
	Performing commitments			
	Commitments subject to 12-month ECL (Bucket 1)	Commitments subject to lifetime ECL (Bucket 2)	Impaired commitments (Bucket 3)	Total
France (including overseas territories)	8,050			8,050
Other European Union countries	31,851			31,851
Other countries in Europe	221,301	298	7	221,606
North America				
Central and South America	4,632			4,632
Africa and the Middle East	4,085			4,085
Asia and Oceania (excluding Japan)	5			5
Japan				
Supranational organisations				
Provisions (1)	-299	-208		-507
Total	**269,625**	**90**	**7**	**269,722**

Guarantee commitments by geographical area at 31/12/2018

(in thousands of euros)	Amount of commitment			
	Performing commitments			
	Commitments subject to 12-month ECL (Bucket 1)	Commitments subject to lifetime ECL (Bucket 2)	Impaired commitments (Bucket 3)	Total
France (including overseas territories)	10,420			10,420
Other European Union countries	28,655			28,655
Other countries in Europe	131,536			131,536
North America	54			54
Central and South America	1,694			1,694
Africa and the Middle East	4,660			4,660
Asia and Oceania (excluding Japan)	5			5
Japan				0
Supranational organisations				0
Provisions (1)	-309	-506		-815
Total	**176,715**	**-506**	**0**	**176,209**

(1) Expected and/or confirmed losses related to off-balance sheet commitments are taken into account as provisions on the liabilities side of the balance sheet.

Information on financial assets that are past due or individually impaired

Financial assets that are past due or individually impaired by type of client at 31/12/2019

(in thousands of euros)	Assets with no significant increase in credit risk since initial recognition (Bucket 1)			Assets with a significant increase in credit risk since initial recognition but not impaired (Bucket 2)			Impaired assets (Bucket 3)		
	≤ 30 days	> 30 days to ≤ 90 days	Impaired (Bucket 2)	≤ 30 days	> 30 days to ≤ 90 days	> 90 days	≤ 30 days	> 30 days to ≤ 90 days	> 90 days
Debt securities									
Government entities									
Central banks									
Credit institutions									
Large corporations									
Retail clients									
Loans and receivables									**18,276**
Government entities									
Central banks									
Credit institutions									
Large corporations									19
Retail clients									18,257
Total									**18,276**

Financial assets that are past due or individually impaired by type of client at 31/12/2018

(in thousands of euros)	Assets with no significant increase in credit risk since initial recognition (Bucket 1)			Assets with a significant increase in credit risk since initial recognition but not impaired (Bucket 2)			Impaired assets (Bucket 3)		
	≤ 30 days	> 30 days to ≤ 90 days	Impaired (Bucket 2)	≤ 30 days	> 30 days to ≤ 90 days	> 90 days	≤ 30 days	> 30 days to ≤ 90 days	> 90 days
Debt securities									
Government entities									
Central banks									
Credit institutions									
Large corporations									
Retail clients									
Loans and receivables		**130**						**26,892**	**4,258**
Government entities									
Central banks									
Credit institutions									
Large corporations									5
Retail clients		130						26,892	4,253
Total		**130**						**26,892**	**4,258**

3.2 MARKET RISK

CFM Indosuez Wealth Management's market risks function, through its Market Activity Monitoring (MAM) unit, is responsible for the entire system for measuring, monitoring and controlling market risks, in order to minimise the business lines' cost of risk arising from market risk.

This unit has the dual role of monitoring, validating and explaining results (P&L) and risk indicators for all activities generating market risks.

Derivative transactions: breakdown by residual maturity

The breakdown of the market values of derivative instruments is presented by residual contractual maturity.

Hedging derivatives – assets at fair value

	31/12/2019			
	Transaction by maturity			
(in thousands of euros)	≤ 1 year	> 1 year to ≤ 5 years	> 5 years	Total market value
Interest rate instruments	**20,252**	**2,761**	**8,062**	**31,075**
Interest rate swaps	20,252	2,761	8,062	31,075
Interest rate options				
Caps-floors-collars				
Other options				
Currency and gold instruments	**1,218**	**0**	**0**	**1,218**
Forward exchange contracts	1,218			1,218
Currency options				
Other instruments	**0**	**0**	**0**	**0**
Equity and index derivatives				
Total fair value of hedging derivatives - assets	**21,470**	**2,761**	**8,062**	**32,293**

	31/12/2018			
	Transaction by maturity			
(in thousands of euros)	≤ 1 year	> 1 year to ≤ 5 years	> 5 years	Total market value
Interest rate instruments	**6,296**	**14,183**	**4,426**	**24,905**
Interest rate swaps	6,296	14,183	4,426	24,905
Interest rate options				
Caps-floors-collars				
Other options				
Currency and gold instruments	**3,626**	**0**	**0**	**3,626**
Forward exchange contracts	3,626			3,626
Currency options				
Other instruments	**0**	**0**	**0**	**0**
Equity and index derivatives				
Total fair value of hedging derivatives - assets	**9,922**	**14,183**	**4,426**	**28,531**

Hedging derivatives – liabilities at fair value

	31/12/2019			
	Transaction by maturity			
(in thousands of euros)	≤ 1 year	> 1 year to ≤ 5 years	> 5 years	Total market value
Interest rate instruments	**3,618**	**1,663**	**1,814**	**7,095**
Interest rate swaps	3,618	1,663	1,814	7,095
Interest rate options				
Caps-floors-collars				
Other options				
Currency and gold instruments	**1,471**	**0**	**0**	**1,471**
Forward exchange contracts	1,471	0	0	1,471
Currency options				
Other instruments	**0**	**0**	**0**	**0**
Equity and index derivatives				
Total fair value of hedging derivatives - liabilities	**5,089**	**1,663**	**1,814**	**8,566**

	31/12/2018			
	Transaction by maturity			
(in thousands of euros)	≤ 1 year	> 1 year to ≤ 5 years	> 5 years	Total market value
Interest rate instruments	**231**	**4,178**	**1,399**	**5,808**
Interest rate swaps	231	4,178	1,399	5,808
Interest rate options				
Caps-floors-collars				
Other options				
Currency and gold instruments	**4,245**	**0**	**0**	**4,245**
Forward exchange contracts	4,245			4,245
Currency options				
Other instruments	**0**	**0**	**0**	**0**
Equity and index derivatives				
Total fair value of hedging derivatives - liabilities	**4,476**	**4,178**	**1,399**	**10,053**

Trading derivatives - assets at fair value

31/12/2019	Transactions on organised markets			Over-the-counter transactions			
(in thousands of euros)	≤ 1 year	> 1 year to ≤ 5 years	> 5 years	≤ 1 year	> 1 year to ≤ 5 years	> 5 years	Total market value
Interest rate instruments	**0**	**0**	**0**	**0**	**12**	**0**	**12**
Futures							
FRA							
Interest rate swaps					12		12
Interest rate options							
Caps-floors-collars							
Other options							
Currency and gold instruments	**0**	**0**	**0**	**1,665**	**37**	**0**	**1,702**
Forward exchange contracts				483	37		520
Currency options				1,182			1,182
Other instruments	**0**	**0**	**0**	**429**	**0**	**0**	**429**
Equity and index derivatives				429			429
Precious metal derivatives							
Commodity derivatives							
Credit derivatives							
Other							
Total fair value of hedging derivatives - assets	**0**	**0**	**0**	**2,094**	**49**	**0**	**2,143**

31/12/2018	Transactions on organised markets			Over-the-counter transactions			
(in thousands of euros)	≤ 1 year	> 1 year to ≤ 5 years	> 5 years	≤ 1 year	> 1 year to ≤ 5 years	> 5 years	Total market value
Interest rate instruments	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Futures							
FRA							
Interest rate swaps							
Interest rate options							
Caps-floors-collars							
Other options							
Currency and gold instruments	**0**	**0**	**0**	**3,288**	**379**	**0**	**3,667**
Forward exchange contracts				419	379		798
Currency options				2,869			2,869
Other instruments	**0**	**0**	**0**	**301**	**0**	**0**	**301**
Equity and index derivatives				301			301
Precious metal derivatives							
Commodity derivatives							
Credit derivatives							
Other							
Total fair value of hedging derivatives - assets	**0**	**0**	**0**	**3,589**	**379**	**0**	**3,968**

Trading derivatives - liabilities at fair value

	31/12/2019						
	Transactions on organised markets			Over-the-counter transactions			
(in thousands of euros)	≤ 1 year	> 1 year to ≤ 5 years	> 5 years	≤ 1 year	> 1 year to ≤ 5 years	> 5 years	Total market value
Interest rate instruments	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Futures							
FRA							
Interest rate swaps							
Interest rate options							
Caps-floors-collars							
Other options							
Currency and gold instruments	**0**	**0**	**0**	**1,491**	**4**	**0**	**1,495**
Forward exchange contracts				309	4		313
Currency options				1,182			1,182
Other instruments	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Equity and index derivatives							
Precious metal derivatives							
Commodity derivatives							
Credit derivatives							
Other							
Sub-total							**0**
Total fair value of hedging derivatives - liabilities	**0**	**0**	**0**	**1,491**	**4**	**0**	**1,495**

	31/12/2019						
	Transactions on organised markets			Over-the-counter transactions			
(in thousands of euros)	≤ 1 year	> 1 year to ≤ 5 years	> 5 years	≤ 1 year	> 1 year to ≤ 5 years	> 5 years	Total market value
Interest rate instruments	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Futures							
FRA							
Interest rate swaps					5	3	
Interest rate options							
Caps-floors-collars							
Other options							
Currency and gold instruments	**0**	**0**	**0**	**3,209**	**259**	**0**	**3,468**
Forward exchange contracts				340	259		
Currency options				2,869			
Other instruments	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Equity and index derivatives							
Precious metal derivatives							
Commodity derivatives							
Credit derivatives							
Other							
Sub-total	**0**	**0**	**0**				**3,476**
Total fair value of hedging derivatives - liabilities	**0**	**0**	**0**	**0**	**0**	**0**	**3,476**

Derivative transactions: amount of commitments

(in thousands of euros)	31/12/2019 Total notional outstanding amount	31/12/2018 Total notional outstanding amount
Interest rate instruments	**1,748,549**	**2,289,354**
Futures		
FRA		
Interest rate swaps	1,747,836	2,288,491
Interest rate options		
Caps-floors-collars	713	863
Other options		
Currency and gold instruments	**3,398,065**	**5,453,067**
Forward exchange contracts	2,787,809	4,080,129
Currency options	610,256	1,372,938
Other instruments	**151,404**	**68,474**
Equity and index derivatives	151,072	68,474
Precious metal derivatives	332	
Commodity derivatives		
Credit derivatives		
Other		
Total notional amounts	**5,298,018**	**7,810,895**

Foreign exchange risk

Foreign exchange risk limits are reviewed annually by the CA CIB Market Risk Committee, which includes the Indosuez Wealth Management and CFM Indosuez Wealth Management RPC functions.

The calculation of open positions (equivalent in euros) takes into account all the Bank's foreign exchange positions (spot and forward exposures). CFM Indosuez Wealth Management's foreign exchange risk is hedged by the Cash Management department each day. Open foreign exchange positions held on the Bank's own account are only generated by client-related activities. CFM Indosuez Wealth Management does not hold speculative positions. However, as the group-wide IT solution, S2i, requires invoices to be paid in Swiss francs, a foreign exchange risk may arise when the invoice is paid. This exposure is hedged via the regular purchase of Swiss francs, in line with requirements. This foreign exchange hedging activity and the corresponding trades are presented to the ALM Committee each quarter.

3.3 LIQUIDITY AND FUNDING RISK

The liquidity and funding risk management policy applies to the parent company CFM Indosuez Wealth Management according to the standardised approach, without taking into account the subsidiaries, which are not supervised by the ACPR (French Prudential Supervision and Resolution Authority) and whose size and activities are deemed insignificant with regard to the risks under consideration.

Liquidity risk management is monitored through two regulatory ratios: the Liquidity Coverage Ratio (LCR) for liquidity risk for up to 30 days and the Net Stable Funding Ratio (NSFR) for medium- and long-term liquidity risk. These two ratios are derived from the Basel III agreements with an overall internal limit of 100%.

Loans and receivables due from credit institutions and clients by residual maturity at 31/12/2019

(in thousands of euros)	≤ 3 months	> 3 months to ≤ 1 year	> 1 year to ≤ 5 years	> 5 years	Indefinite	Total
Loans and receivables due from credit institutions	1,604,069	45,800				1,649,869
Loans and receivables due from clients (including finance leases)	3,436,810	4,667	1,262	818		3,443,557
Total	**5,040,879**	**50,467**	**1,262**	**818**	**0**	**5,093,426**
Impairment	-10,592					-10,592
Total loans and receivables due from credit institutions and clients	**5,030,287**	**50,467**	**1,262**	**818**	**0**	**5,082,834**

Loans and receivables due from credit institutions and clients by residual maturity at 31/12/2018

(in thousands of euros)	≤ 3 months	> 3 months to ≤ 1 year	> 1 year to ≤ 5 years	> 5 years	Indefinite	Total
Loans and receivables due from credit institutions	1,759,740	34,012		8,710		1,802,462
Loans and receivables due from clients (including finance leases)	1,918,312	229,509	880,928	259,492		3,288,241
Total	**3,678,052**	**263,521**	**880,928**	**268,202**	**0**	**5,090,703**
Impairment						-11,332
Total loans and receivables due from credit institutions and clients	**3,678,052**	**263,521**	**880,928**	**268,202**	**0**	**5,079,371**

Amounts due to credit institutions and clients by residual maturity at 31/12/2019

(in thousands of euros)	≤ 3 months	> 3 months to ≤ 1 year	> 1 year to ≤ 5 years	> 5 years	Indefinite	Total
Amounts due to credit institutions	63,571					63,571
Amounts due to clients	5,421,040	88,621				5,509,661
Total amounts due to credit institutions and clients	**5,484,611**	**88,621**				**5,573,232**

Amounts due to credit institutions and clients by residual maturity at 31/12/2018

(in thousands of euros)	≤ 3 months	> 3 months to ≤ 1 year	> 1 year to ≤ 5 years	> 5 years	Indefinite	Total
Amounts due to credit institutions	313,797					313,797
Amounts due to clients	4,991,340	170,433				5,161,773
Total amounts due to credit institutions and clients	**5,305,137**	**170,433**	**0**	**0**	**0**	**5,475,570**

Financial guarantees at risk by expected maturity

No financial guarantees given were under special monitoring and none were subject to provisions at 31 December 2018 or 2019.

3.4 CASH FLOW AND FAIR VALUE HEDGES ON INTEREST RATES AND FOREIGN EXCHANGE POSITIONS

Fair value hedges include the hedging of loans, securities and fixed rate deposits. These hedges convert fixed rate assets or liabilities into variable rate items.

- Micro-hedging policy: assets or liabilities of significant amounts and/or maturities (e.g. long-term loans to clients, etc.) are micro-hedged by swaps.
- Macro-hedging policy: assets or liabilities of amounts that do not reach the feasibility threshold for micro-hedging but which have significant maturities are grouped with similar items and are macro-hedged.

CFM Indosuez Wealth Management's hedging instruments are fair value hedges or cash flow hedges.

Fair value hedges

Fair value hedges reduce the risk arising from changes in the fair value of a fixed rate instrument caused by fluctuations in interest rates. These hedges convert fixed rate assets or liabilities into variable rate items. Fair value hedges include the hedging of fixed-rate loans, securities, deposits and subordinated debt.

Cash flow hedges

Cash flow hedges modify the risk inherent in the variability of cash flows related to variable rate instruments.
Cash flow hedges include hedges of variable rate loans and deposits.

Hedging derivatives

	31/12/2019			31/12/2018		
	Market value		Notional amount	Market value		Notional amount
(in thousands of euros)	positive	negative		positive	negative	
Fair value hedges	**25,332**	**6,898**	**1,434,505**	**15,791**	**5,400**	**1,333,623**
Interest rates	25,332	6,898	1,434,505	15,791	5,400	1,333,623
Equity instruments						
Currencies						
Credit						
Commodities						
Other						
Cash flow hedges	**6,961**	**1,668**	**783,542**	**12,740**	**4,653**	**854,833**
Interest rates	5,743	197	312,844	9,114	408	626,956
Equity instruments						
Currencies	1,218	1,471	470,698	3,626	4,245	227,877
Credit						
Commodities						
Other						
Hedges of net investments in foreign operations	**0**	**0**		**0**	**0**	**0**
Total hedging derivatives	**32,293**	**8,566**	**2,218,047**	**28,531**	**10,053**	**2,188,456**

Hedging derivatives: breakdown by residual maturity (notional amounts) at 31/12/2019

The breakdown of the notional amounts of derivative instruments is presented by residual contractual maturity.

(in thousands of euros)	Transactions on organised markets			Over-the-counter transactions			Total notional amount
	≤ 1 year	> 1 year to ≤ 5 years	> 5 ans	≤ 1 year	> 1 year to ≤ 5 years	> 5 ans	
Interest rate instruments				**1,383,655**	**195,236**	**168,458**	**1,747,349**
Futures							
FRA							
Interest rate swaps				1,383,655	194,523	168,458	1,746,636
Interest rate options							
Caps-floors-collars					713		713
Other options							
Currency instruments							
Forward foreign exchange transactions							
Currency options							
Other instruments							
Other							
Sub-total				**1,383,655**	**195,236**	**168,458**	**1,747,349**
Forward foreign exchange transactions				470,698			470,698
Total notional amount of hedging derivatives				**1,854,353**	**195,236**	**168,458**	**2,218,047**

Hedging derivatives: breakdown by residual maturity (notional amounts) at 31/12/2018

(in thousands of euros)	Transactions on organised markets			Over-the-counter transactions			Total notional amount
	≤ 1 year	> 1 year to ≤ 5 years	> 5 ans	≤ 1 year	> 1 year to ≤ 5 years	> 5 ans	
Interest rate instruments				**589,182**	**1,220,459**	**150,938**	**1,960,579**
Futures							
FRA							
Interest rate swaps				589,182	1,220,459	150,075	1,959,716
Interest rate options							
Caps-floors-collars						863	863
Other options							
Currency instruments							
Forward foreign exchange transactions							
Currency options							
Other instruments							
Other							
Sub-total				**589,182**	**1,220,459**	**150,938**	**1,960,579**
Forward foreign exchange transactions				227,877			227,877
Total notional amount of hedging derivatives				**817,059**	**1,220,459**	**150,938**	**2,188,456**

Note 3.2 “Market risk - Derivative transactions: breakdown by residual maturity” provides a breakdown of the market values of hedging derivatives by residual contractual maturity.

Fair value hedges

Hedging derivatives at 31/12/2019

(in thousands of euros)	Book value		Changes in fair value over the period (including hedge terminations during the period)	Notional amount
	Assets	Liabilities		
Fair value hedges				
Organised markets				
Interest rates				
Forward instruments				
Options				
Currencies				
Forward instruments				
Options				
Other				
Over-the-counter markets	**679**	**5,185**	**215**	**395,354**
Interest rates	679	5,185	215	395,354
Forward instruments	679	5,185	215	394,641
Options				713
Currencies				
Forward instruments				
Options				
Other				
Total fair value micro-hedges	**679**	**5,185**	**215**	**395,354**
Fair value hedging of the interest rate risk exposure of a portfolio of financial instruments	24,683	1,713	7,964	1,039,151
Total fair value hedges	**25,362**	**6,898**	**8,179**	**1,434,505**

Hedging derivatives at 31/12/2018

(in thousands of euros)	Book value		Changes in fair value over the period (including hedge terminations during the period)	Notional amount
	Assets	Liabilities		
Fair value hedges				
Organised markets				
Interest rates				
Forward instruments				
Options				
Currencies				
Forward instruments				
Options				
Other				
Over-the-counter markets	**10**	**2,861**	**-27**	**382,932**
Interest rates	10	2,861	-13	382,932
Forward instruments	10	2,861	-13	382,069
Options				863
Currencies			-14	
Forward instruments			-14	
Options				
Other				
Total fair value micro-hedges	**10**	**2,861**	**-27**	**382,932**
Fair value hedging of the interest rate risk exposure of a portfolio of financial instruments	15,781	2,539	-1,850	950,691
Total fair value hedges	**15,791**	**5,400**	**-1,877**	**1,333,623**

Changes in the fair value of hedging derivatives are recognised in “Net gains or losses on financial instruments at fair value through profit or loss” in the income statement.

Hedged items

Micro-hedges at 31/12/2019

(in thousands of euros)	Existing hedges: Book value	Existing hedges: o/w cumulative fair value revaluations related to hedging	Terminated hedges: Cumulative fair value revaluations related to hedging to be carried forward	Fair value revaluations over the period related to hedging (including hedge terminations during the period)
Debt instruments recognised at fair value through other comprehensive income recyclable to income				
Interest rates				
Currencies				
Other				
Debt instruments recognised at amortised cost	**396,285**	**2,840**		**-215**
Interest rates	396,285	2,840		-262
Currencies				47
Other				
Total fair value hedges on assets	**396,285**	**2,840**		**-215**
Debt instruments recognised at amortised cost				
Interest rates				
Currencies				
Other				
Total fair value hedges on liabilities				

Micro-hedges at 31/12/2018

(in thousands of euros)	Existing hedges: Book value	Existing hedges: o/w cumulative fair value revaluations related to hedging	Terminated hedges: Cumulative fair value revaluations related to hedging to be carried forward	Fair value revaluations over the period related to hedging (including hedge terminations during the period)
Debt instruments recognised at fair value through other comprehensive income recyclable to income	**210,928**			
Interest rates	210,928			
Currencies				
Other				
Debt instruments recognised at amortised cost	**168,160**	**3,045**		**15**
Interest rates	168,160	3,045		15
Currencies				
Other				
Total fair value hedges on assets	**379,088**	**3,045**	**0**	**15**
Debt instruments recognised at amortised cost				
Interest rates				
Currencies				
Other				
Total fair value hedges on liabilities				

The fair value of the hedged portions of the fair value micro-hedged financial instruments is recognised in the related balance sheet item. Changes in the fair value of hedged portions of fair value micro-hedged financial instruments are recognised in "Net gains or losses on financial instruments at fair value through profit or loss" in the income statement.

Macro-hedges at 31/12/2019

(in thousands of euros)	Book value	Cumulative fair value revaluations related to hedging to be carried forward on terminated hedges
Debt instruments recognised at fair value through other comprehensive income recyclable to income		
Debt instruments recognised at amortised cost		1,120
Total - Assets	**0**	**1,120**
Debt instruments recognised at amortised cost	1,039,151	19,864
Total - Liabilities	**1,039,151**	**20,984**

Macro-hedges at 31/12/2018

(in thousands of euros)	Book value	Cumulative fair value revaluations related to hedging to be carried forward on terminated hedges
Debt instruments recognised at fair value through other comprehensive income recyclable to income		
Debt instruments recognised at amortised cost		2,345
Total - Assets		**2,345**
Debt instruments recognised at amortised cost	950,691	13,126
Total - Liabilities	**950,691**	**13,126**

The fair value of the hedged portions of fair value macro-hedged financial instruments is recorded in the item "Revaluation differences on portfolios hedged against interest rate risk" in the balance sheet. Changes in the fair value of hedged portions of fair value macro-hedged financial instruments are recognised in "Net gains or losses on financial instruments at fair value through profit or loss" in the income statement.

Gains and losses from hedge accounting at 31/12/2019

	Net income (gains and losses from hedge accounting)		
(in thousands of euros)	Change in fair value of hedging instruments (including hedge terminations)	Change in fair value of hedged items (including hedge terminations)	Ineffective portion of hedging
Interest rates	8,179	-8,179	
Currencies			
Other			
Total	**8,179**	**-8,179**	**0**

Gains and losses from hedge accounting at 31/12/2018

	Net income (gains and losses from hedge accounting)		
(in thousands of euros)	Change in fair value of hedging instruments (including hedge terminations)	Change in fair value of hedged items (including hedge terminations)	Ineffective portion of hedging
Interest rates	-1,865	1,865	0
Currencies	0	0	0
Other			
Total	**-1,865**	**1,865**	**0**

Cash flow hedges and hedges of net investments in foreign operations

Hedging derivatives at 31/12/2019

(in thousands of euros)	Book value		Changes in fair value over the period (including hedge terminations during the period)	Notional amount
	Assets	Liabilities		
Cash flow hedges				
Organised markets				
Interest rates				
Forward instruments				
Options				
Currencies				
Forward instruments				
Options				
Other				
Over-the-counter markets	**1,323**	**1,668**	**83**	**692,542**
Interest rates	105	197	58	221,844
Forward instruments	105	197	58	221,844
Options				
Currencies	1,218	1,471	25	470,698
Forward instruments	1,218	1,471	25	470,698
Options				
Other				
Total cash flow micro-hedges	**1,323**	**1,668**	**83**	**692,542**
Cash flow hedging of the interest rate risk exposure of a portfolio of financial instruments	5,638		-1,882	91,000
Cash flow hedging of the currency risk exposure of a portfolio of financial instruments				
Total cash flow macro-hedges	**5,638**	**0**	**-1,882**	**91,000**
Total cash flow hedges	**6,961**	**1,668**	**-1,799**	**783,542**
Hedges of net investments in foreign operations				

Hedging derivatives at 31/12/2018

(in thousands of euros)	Book value		Changes in fair value over the period (including hedge terminations during the period)	Notional amount
	Assets	Liabilities		
Cash flow hedges				
Organised markets	**0**	**0**	**0**	**0**
Interest rates				
Forward instruments				
Options				
Currencies				
Forward instruments				
Options				
Other				
Over-the-counter markets	**3,666**	**4,387**	**-786**	**628,833**
Interest rates	40	142	-742	400,956
Forward instruments	40	142	-742	400,956
Options				
Currencies	3,626	4,245	-44	227,877
Forward instruments	3,626	4,245	-44	227,877
Options				
Other				
Total cash flow micro-hedges	**3,666**	**4,387**	**-786**	**628,833**
Cash flow hedging of the interest rate risk exposure of a portfolio of financial instruments	9,074	266	-740	226,000
Cash flow hedging of the currency risk exposure of a portfolio of financial instruments				
Total cash flow macro-hedges	**9,074**	**266**	**-740**	**226,000**
Total cash flow hedges	**12,740**	**4,653**	**-1,526**	**854,833**
Hedges of net investments in foreign operations				

Changes in the fair value of hedging derivatives are recorded in "Gains or losses recognised directly in other comprehensive income" except for the ineffective portion of the hedging relationship, which is recognised in "Net gains or losses on financial instruments at fair value through profit or loss" in the income statement.

Gains and losses from hedge accounting at 31/12/2019

(in thousands of euros)	Gains and losses recognised directly in OCI recyclable to income		Gains and losses recognised directly in OCI recyclable to income
	Amount of the effective portion of the hedging relationship recognised over the period	Amount of the effective portion of the hedging relationship recognised over the period	Amount of the ineffective portion of the hedging relationship
Cash flow hedges			
Interest rates	-1,824		
Currencies	25		
Other			
Total cash flow hedges	**-1,799**	**0**	**0**
Hedges of net investments in foreign operations			
Total cash flow hedges and hedges of net investments in foreign operations	**-1,799**	**0**	**0**

Gains and losses from hedge accounting at 31/12/2018

(in thousands of euros)	Gains and losses recognised directly in OCI recyclable to income		Gains and losses recognised directly in OCI recyclable to income
	Amount of the effective portion of the hedging relationship recognised over the period	Amount of the effective portion of the hedging relationship recognised over the period	Amount of the ineffective portion of the hedging relationship
Cash flow hedges			
Interest rates	-1,482		
Currencies	-58		
Other			
Total cash flow hedges	**-1,540**	**0**	**0**
Hedges of net investments in foreign operations			
Total cash flow hedges and hedges of net investments in foreign operations	**-1,540**	**0**	**0**

The above items are shown before any deferred taxes.

3.5 OPERATIONAL RISKS

Le groupe Indosuez Wealth Management a mis en œuvre une Indosuez Wealth Management Group has produced a group-wide operational risk map, consisting of a list of activities and processes performed by each entity, using a common structure. It applies to the internal control scope of CFM Indosuez Wealth Management and its subsidiaries.

Each area of the operational risk map is reviewed and validated annually by the Head of each Business Line in association with the Permanent Control department. The cross-divisional mapping of compliance, internal or external fraud and legal risks is also validated annually by Compliance and the Legal department. A summary of the operational risk map and the review progress report are presented annually to the Internal Control Committee, which approves the mapping, the action plan and the results of backtesting.

3.6 CAPITAL MANAGEMENT AND REGULATORY RATIOS

In accordance with European regulation 575/2013 (CRR), CFM Indosuez Wealth Group must comply with solvency and leverage ratio requirements These ratios are managed directly by CA CIB.

Note 4 :

Notes to the income statement and gains and losses recognised directly in other comprehensive income

4.1 INTEREST INCOME AND EXPENSES

(in thousands of euros)	31/12/2019	31/12/2018
On financial assets at amortised cost	**59,098**	**48,313**
Transactions with credit institutions	17,359	8,199
Internal transactions with Crédit Agricole entities		
Transactions with clients	41,487	40,108
Finance leases		
Debt securities	252	6
On financial assets at fair value through other comprehensive income	**-106**	**446**
Transactions with credit institutions		
Transactions with clients		
Debt securities	-106	446
Accrued interest due on hedging instruments	**13,351**	**12,345**
Other interest and similar income		**0**
INTEREST INCOME	**72,343**	**61,104**
On financial liabilities at amortised cost	**-24,165**	**-18,503**
Transactions with credit institutions	-1,907	-549
Internal transactions with Crédit Agricole entities		
Transactions with clients	-22,258	-17,954
Finance leases		
Debt securities		
Subordinated debt		
Accrued interest due on hedging instruments	**-843**	**-340**
Interest and similar expenses	**-5**	**0**
INTEREST EXPENSES	**-25,013**	**-18,843**

4.2 FEE AND COMMISSION INCOME AND EXPENSES

(in thousands of euros)	31/12/2019			31/12/2018		
	Income	Expenses	Net	Income	Expenses	Net
On transactions with credit institutions		-94	-94		-69	-69
On transactions with clients	1,684		1,684	1,635		1,635
On securities transactions	13,409		13,409	10,919		10,919
On foreign exchange transactions	5,065	-1	5,064	4,704	-5	4,699
On derivative transactions and other off-balance sheet transactions	140		140	93		93
On means of payment and other banking and financial services	18,533	-8,647	9,886	18,300	-8,062	10,238
Management of UCITS, trusts and similar activities	32,333	-1,798	30,535	35,498	-1,879	33,619
Total fee and commission income and expenses	**71,164**	**-10,540**	**60,624**	**71,149**	**-10,015**	**61,134**

4.3 NET GAINS OR LOSSES ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

(in thousands of euros)	31/12/2019
Dividends received	
Unrealised or realised gains or losses on assets/liabilities held for trading	6,830
Unrealised or realised gains or losses on equity instruments at fair value through profit or loss	
Unrealised or realised capital gains or losses on debt instruments that do not meet SPPI criteria	393
Net gains or losses on assets representing unit-linked policies	
Unrealised or realised gains or losses on assets/liabilities designated at fair value through profit or loss	
Balance of foreign exchange transactions and similar financial instruments (excluding gains or losses from hedges of net investments in foreign operations)	11,749
Gains or losses from hedge accounting	
Net gains or losses on financial instruments at fair value through profit or loss	**18,972**

(in thousands of euros)	31/12/2018
Dividends received	
Unrealised or realised gains or losses on assets/liabilities held for trading	3,775
Unrealised or realised gains or losses on equity instruments at fair value through profit or loss	
Unrealised or realised capital gains or losses on debt instruments that do not meet SPPI criteria	-177
Net gains or losses on assets representing unit-linked policies	
Unrealised or realised gains or losses on assets/liabilities designated at fair value through profit or loss	
Balance of foreign exchange transactions and similar financial instruments (excluding gains or losses from hedges of net investments in foreign operations)	12,901
Gains or losses from hedge accounting	
Net gains or losses on financial instruments at fair value through profit or loss	**16,499**

The breakdown of gains and losses from hedge accounting is as follows:

	31/12/2019		
(in thousands of euros)	Gains	Losses	Net
Fair value hedges	**0**	**0**	**0**
Changes in fair value of hedged items attributable to the hedged risks			
Changes in fair value of hedging derivatives (including hedge terminations)			
Cash flow hedges	**0**	**0**	**0**
Changes in fair value of hedging derivatives - ineffective portion			
Hedges of net investments in foreign operations	**0**	**0**	**0**
Changes in fair value of hedging derivatives - ineffective portion			
Fair value hedging of the interest rate risk exposure of a portfolio of financial instruments	**8,179**	**-8,179**	**0**
Changes in fair value of hedged items		-8,179	-8,179
Changes in fair value of hedging derivatives	8,179		8,179
Cash flow hedging of the interest rate risk exposure of a portfolio of financial instruments	**0**	**0**	**0**
Changes in the fair value of the hedging instrument - ineffective portion			
Total gains and losses from hedge accounting	**8,179**	**-8,179**	**0**

(in thousands of euros)	31/12/2018 Gains	Losses	Net
Fair value hedges	**0**	**0**	**0**
Changes in fair value of hedged items attributable to the hedged risks			
Changes in fair value of hedging derivatives (including hedge terminations)			
Cash flow hedges	**0**	**0**	**0**
Changes in fair value of hedging derivatives - ineffective portion			
Hedges of net investments in foreign operations	**0**	**0**	**0**
Changes in fair value of hedging derivatives - ineffective portion			
Fair value hedging of the interest rate risk exposure of a portfolio of financial instruments	**1,865**	**-1,865**	**0**
Changes in fair value of hedged items	1,865		1,865
Changes in fair value of hedging derivatives		-1,865	-1,865
Cash flow hedging of the interest rate risk exposure of a portfolio of financial instruments	**0**	**0**	**0**
Changes in the fair value of the hedging instrument - ineffective portion			
Total gains and losses from hedge accounting	**1,865**	**-1,865**	**0**

4.4 NET GAINS OR LOSSES ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

(in thousands of euros)	31/12/2019	31/12/2018
Net gains or losses on debt instruments recognised in other comprehensive income recyclable to income	-87	-214
Compensation of equity instruments recognised in other comprehensive income not recyclable to income (dividends)		1
Net gains or losses on financial instruments at fair value through other comprehensive income	**-87**	**-213**

4.5 NET INCOME AND EXPENSES FROM OTHER ACTIVITIES

(in thousands of euros)	31/12/2019	31/12/2018
Gains or losses on non-operating non-current assets		
Other net income from insurance activities		
Change in technical reserves of insurance companies		
Net income from investment properties		
Other net income (expenses)	542	564
Income (expenses) from other activities	**542**	**564**

4.6 OPERATING EXPENSES

(in thousands of euros)	31/12/2019	31/12/2018
Personnel expenses	-57,219	-56,577
Taxes and statutory contributions	-935	-287
External services and other operating expenses	-32,413	-32,904
Operating expenses	**-90,567**	**-89,768**

4.7 DEPRECIATION, AMORTISATION AND IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

(in thousands of euros)	31/12/2019	31/12/2018
Depreciation and amortisation	**-4,449**	**-2,187**
Property, plant and equipment	-4,140	-2,001
Intangible assets	-309	-186
Allocations to (reversals of) impairment	**0**	**0**
Property, plant and equipment		
Intangible assets		
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	**-4,449**	**-2,187**

(1) o/w €1,566,000 recognised for the amortisation of the right to use leased assets at 31 December 2019.
(2) o/w €0 recognised for allocations (reversals) for the amortisation of the right to use leased assets at 31 December 2019.

4.8 COST OF RISK

(in thousands of euros)	31/12/2019	31/12/2018
Allocations (net of reversals) to impairment for performing assets (Bucket 1 and Bucket 2)	**-378**	**-39**
Bucket 1: Losses measured as the amount of 12-month expected credit losses	**-420**	**2,538**
Debt instruments recognised at fair value through other comprehensive income recyclable to income	69	268
Debt instruments recognised at amortised cost	-398	-124
Off-balance sheet commitments	-91	2,394
Bucket 2: Losses measured as the amount of lifetime expected credit losses	**42**	**-2,577**
Debt instruments recognised at fair value through other comprehensive income recyclable to income	18	-18
Debt instruments recognised at amortised cost	40	122
Off-balance sheet commitments	-16	-2,681
Allocations (net of reversals) to impairment for impaired assets (Bucket 3)	**-713**	**-945**
Debt instruments recognised at fair value through other comprehensive income recyclable to income		
Debt instruments recognised at amortised cost	159	-945
Off-balance sheet commitments		
Other assets		
Risks and expenses	-872	-253
Allocations (net of reversals) to impairment and provisions	**-1,091**	**-1,237**
Realised gains or losses on sales of impaired debt instruments recognised in other comprehensive income recyclable to income		
Realised gains or losses on impaired debt instruments recognised at amortised cost		
Losses on non-impaired irrecoverable loans and receivables	-10	0
Recoveries on loans and receivables		
- recognised at amortised cost		
- recognised in other comprehensive income recyclable to income		
Discounts on restructured loans		
Losses on off-balance sheet commitments		
Other losses	-178	-21
Other income		
Cost of risk	**-1,279**	**-1,258**

4.9 NET GAINS OR LOSSES ON OTHER ASSETS

(in thousands of euros)	31/12/2019	31/12/2018
Operating property, plant and equipment and intangible assets	**31,878**	**-16**
Gains on sales	33,505	
Losses on sales	-1,627	-16
Consolidated equity securities	**0**	
Gains on sales		
Losses on sales		
Net income (expenses) from business combinations	**0**	
Net gains or losses on other assets	**31,878**	**-16**

4.10 TAXES

(in thousands of euros)	31/12/2019	31/12/2018
Current tax expense	-5,936	-4,111
Deferred tax income/expense	-7,855	78
Tax expense for the period	**-13,791**	**-4,033**

4.11 CHANGE IN GAINS AND LOSSES RECOGNISED DIRECTLY IN OTHER COMPREHENSIVE INCOME

The following table shows the breakdown of income and expenses for the period:

Breakdown of gains and losses recognised directly in other comprehensive income

(in thousands of euros)	31/12/2019	31/12/2018
Net gains and losses recognised directly in other comprehensive income recyclable to income		
Gains and losses on foreign exchange rate adjustments	**0**	**0**
Revaluation differences for the period		
Transfers to income		
Other changes		
Gains and losses on debt instruments recognised in other comprehensive income recyclable to income	**-29**	**524**
Revaluation differences for the period	-116	310
Transfers to income	87	214
Other changes		
Gains and losses on hedging derivatives	**-3,352**	**-1539**
Revaluation differences for the period	-3,352	-1539
Transfers to income		
Other changes		
Reclassification of net gains or losses on financial assets under the overlay approach	**0**	**0**
Revaluation differences for the period		
Transfers to income		
Other changes		
Gains and losses before tax recognised directly in other comprehensive income recyclable to income of companies accounted for by the equity method	**0**	
Taxes on gains and losses recognised directly in other comprehensive income recyclable to income excluding companies accounted for by the equity method	**0**	**165**
Taxes on gains and losses recognised directly in other comprehensive income recyclable to income of companies accounted for by the equity method	**0**	
Net gains and losses recognised directly in other comprehensive income recyclable to income on discontinued operations	**0**	
Net gains and losses recognised directly in other comprehensive income recyclable to income	**-3,381**	**-850**
Net gains and losses recognised directly in other comprehensive income not recyclable to income		
Actuarial gains and losses on post-employment benefits	-400	227
Gains and losses on financial liabilities attributable to changes in own credit risk	**0**	**0**
Revaluation differences for the period		
Transfers to reserves		
Other changes		
Gains and losses on equity instruments recognised in other comprehensive income not recyclable to income	**-5,288**	**23**
Revaluation differences for the period	-5,288	23
Transfers to reserves		
Other changes		
Gains and losses before tax recognised directly in other comprehensive income not recyclable to income of companies accounted for by the equity method		
Taxes on gains and losses recognised directly in other comprehensive income not recyclable to income excluding companies accounted for by the equity method		
Taxes on gains and losses recognised directly in other comprehensive income not recyclable to income of companies accounted for by the equity method		
Net gains and losses recognised directly in other comprehensive income not recyclable to income on discontinued operations		
Net gains and losses recognised directly in other comprehensive income not recyclable to income	**-5,688**	**250**
Net gains and losses recognised directly in other comprehensive income	**-9,069**	**-600**
o/w Group share		
o/w non-controlling interests		

Note 5 : Segment information

CFM Indosuez Wealth Group's sole business is wealth management.

Note 6 : Notes to the balance sheet

6.1 CASH AND AMOUNTS DUE FROM CENTRAL BANKS

	31/12/2019		31/12/2018	
(in thousands of euros)	Assets	Liabilities	Assets	Liabilities
Cash	4,972		5,227	
Amounts due from central banks	464,244		300,461	
Balance sheet value	**469,216**	**0**	**305,688**	**0**

6.2 FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at fair value through profit or loss

(in thousands of euros)	31/12/2019	31/12/2018
Financial assets held for trading	2,143	3,968
Other financial assets at fair value through profit or loss	**2,029**	**1,657**
Equity instruments		
Debt instruments that do not meet SPPI criteria	2,029	1,657
Assets representing unit-linked policies		
Financial assets designated at fair value through profit or loss		
Balance sheet value	**4,172**	**5,625**
o/w loaned securities		

Financial assets held for trading

(in thousands of euros)	31/12/2019	31/12/2018
Equity instruments	**0**	**0**
Equities and other variable income securities		
Debt securities	**0**	**0**
Government securities and similar		
Bonds and other fixed income securities		
UCITS		
Loans and receivables	**0**	**0**
Loans and receivables due from credit institutions		
Client receivables		
Securities received under reverse delivery repurchase agreements		
Securities received under reverse repurchase agreements		
Derivatives	**2,143**	**3,968**
Balance sheet value	**2,143**	**3,968**

Debt instruments that do not meet SPPI criteria

(in thousands of euros)	31/12/2019	31/12/2018
Debt securities	**2,029**	**1,657**
Government securities and similar		
Bonds and other fixed income securities		
UCITS	2,029	1,657
Loans and receivables	**0**	**0**
Loans and receivables due from credit institutions		
Client receivables		
Securities received under reverse delivery repurchase agreements		
Securities received under reverse repurchase agreements		
Total debt instruments that do not meet SPPI criteria recorded at fair value through profit or loss	**2,029**	**1,657**

Financial liabilities at fair value through profit or loss

(in thousands of euros)	31/12/2019	31/12/2018
Financial liabilities held for trading	1,495	3,476
Financial liabilities designated at fair value through profit or loss		
Balance sheet value	**1,495**	**3,476**

Financial liabilities held for trading

(in thousands of euros)	31/12/2019	31/12/2018
Securities sold short		
Securities sold under delivery repurchase agreements		
Debt securities		
Derivatives	1,495	3,476
Balance sheet value	**1,495**	**3,476**

6.3 HEDGING DERIVATIVES

Detailed information is provided in Note 3.4 on cash flow and fair value hedges, including interest rate and currency hedges.

6.4 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

at 31/12/2019

(in thousands of euros)	Balance sheet value	Unrealised gains	Unrealised losses
Debt instruments recognised at fair value through other comprehensive income recyclable to income			
Equity instruments recognised at fair value through other comprehensive income not recyclable to income	333	113	
Total	**333**	**113**	**0**

at 31/12/2018

(in thousands of euros)	Balance sheet value	Unrealised gains	Unrealised losses
Debt instruments recognised at fair value through other comprehensive income recyclable to income	214,655		
Equity instruments recognised at fair value through other comprehensive income not recyclable to income	303	85	
Total	**214,958**	**85**	**0**

Debt instruments recognised at fair value through other comprehensive income recyclable to income at 31/12/2019

(in thousands of euros)	Balance sheet value	Unrealised gains	Unrealised losses
Government securities and similar			
Bonds and other fixed income securities			
Total debt securities	**0**	**0**	**0**
Loans and receivables due from credit institutions			
Loans and receivables due from clients			
Total loans and receivables	**0**	**0**	**0**
Total debt instruments recognised at fair value through other comprehensive income recyclable to income	**0**	**0**	**0**
Taxes			
Gains and losses recognised directly in OCI on equity instruments recognised at fair value through other comprehensive income recyclable to income (net of taxes)	**0**	**0**	**0**

Debt instruments recognised at fair value through other comprehensive income recyclable to income at 31/12/2018

(in thousands of euros)	Balance sheet value	Unrealised gains	Unrealised losses
Government securities and similar	9,047		
Bonds and other fixed income securities	205,608		
Total debt securities	**214,655**	**0**	**0**
Loans and receivables due from credit institutions			
Loans and receivables due from clients			
Total loans and receivables	**0**	**0**	**0**
Total debt instruments recognised at fair value through other comprehensive income recyclable to income	**214,655**	**0**	**0**
Taxes			29
Gains and losses recognised directly in OCI on equity instruments recognised at fair value through other comprehensive income recyclable to income (net of taxes)	**0**	**0**	**29**

Equity instruments recognised at fair value through other comprehensive income not recyclable to income at 31/12/2019

Gains and losses recognised directly in other comprehensive income on non-recyclable equity instruments

(in thousands of euros)	Balance sheet value	Unrealised gains	Unrealised losses
Equities and other variable income securities	231	11	
Non-consolidated equity investments	102	102	
Total equity instruments recognised at fair value through other comprehensive income not recyclable to income	**333**	**113**	**0**
Taxes			
Gains and losses recognised directly in OCI on equity instruments recognised at fair value through other comprehensive income not recyclable to income (net of taxes)	**0**	**113**	**0**

Equity instruments recognised at fair value through other comprehensive income not recyclable to income at 31/12/2018

Gains and losses recognised directly in other comprehensive income on equity instruments that cannot be recycled to income

(in thousands of euros)	Balance sheet value	Unrealised gains	Unrealised losses
Equities and other variable income securities	231	13	
Non-consolidated equity investments	72	72	
Total equity instruments recognised at fair value through other comprehensive income not recyclable to income	**303**	**85**	**0**
Taxes			
Gains and losses recognised directly in OCI on equity instruments recognised at fair value through other comprehensive income not recyclable to income (net of taxes)	**0**	**85**	**0**

6.5 FINANCIAL ASSETS AT AMORTISED COST

(in thousands of euros)	31/12/2019	31/12/2018
Loans and receivables due from credit institutions	1,649,680	1,802,331
Loans and receivables due from clients	3,433,154	3,277,040
Debt securities	221,881	165,950
Balance sheet value	**5,304,715**	**5,245,321**

Loans and receivables due from credit institutions

(in thousands of euros)	31/12/2019	31/12/2018
Credit institutions		
Accounts and loans	1,639,321	1,791,740
o/w performing ordinary accounts receivable	93,611	248,034
o/w performing overnight accounts and loans	74,893	324,855
of performing term accounts and loans	1,470,817	1,218,851
Securities received under reverse repurchase agreements		
Securities received under reverse delivery repurchase agreements	10,548	10,722
Subordinated loans		
Other loans and receivables		
Gross amount	**1,649,869**	**1,802,462**
Impairment	-189	-131
Balance sheet value	**1,649,680**	**1,802,331**

Loans and receivables due from clients

(in thousands of euros)	31/12/2019	31/12/2018
Transactions with clients		
Business loans	868	837
Other facilities granted to clients	1,649,437	1,476,066
Securities received under reverse repurchase agreements		
Securities received under reverse delivery repurchase agreements		
Subordinated loans		
Receivables arising from direct insurance activities		
Receivables arising from reinsurance transactions		
Advances to shareholders' current accounts		
Ordinary accounts receivable	1,784,037	1,800,969
Gross amount	**3,434,342**	**3,277,872**
Impairment	-1,188	-832
Net value of loans and receivables due from clients	**3,433,154**	**3,277,040**
Finance leases	**0**	**0**
Real estate finance leases		
Personal property finance leases, operating leases and similar transactions		
Gross amount	**0**	**0**
Impairment		
Net value of finance leases	**0**	**0**
Balance sheet value	**3,433,154**	**3,277,040**

Debt securities

(in thousands of euros)	31/12/2019	31/12/2018
Government securities and similar		
Bonds and other fixed income securities	221,972	166,038
Total	**221,972**	**166,038**
Impairment	-91	-88
Balance sheet value	**221,881**	**165,950**

6.6 SOVEREIGN RISK EXPOSURE

The scope of sovereign exposures includes exposures to government entities, excluding local authorities. Tax receivables are not reported. Exposure to sovereign debt corresponds to exposures net of impairment (balance sheet value) presented both gross and net of hedging.
CFM Indosuez Wealth Group had no particular exposure to sovereign risk at 31 December 2019.
CFM Indosuez Wealth Group's significant exposures to sovereign risk at 31 December 2018 were as follows:

	Exposures net of impairment at 31/12/2018						
	Financial assets at fair value through profit or loss		Financial assets at fair value through OCI recyclable to income	Financial assets at amortised cost	Total banking operations gross of hedging	Hedging	Total banking operations net of hedging
(in thousands of euros)	Financial assets held for trading	Other financial assets at fair value through profit or loss					
Slovakia			9,027		9,027		9,027
TOTAL	**0**	**0**	**9,027**	**0**	**9,027**	**0**	**9,027**

6.7 FINANCIAL LIABILITIES AT AMORTISED COST

(in thousands of euros)	31/12/2019	31/12/2018
Amounts due to credit institutions	63,571	313,797
Amounts due to clients	5,509,661	5,161,773
Debt securities		0
Balance sheet value	**5,573,232**	**5,475,570**

Amounts due to credit institutions

(in thousands of euros)	31/12/2019	31/12/2018
Credit institutions		
Accounts and loans	63,571	313,797
o/w ordinary accounts payable 1	39,579	213,797
o/w overnight deposits and loans 1	23,992	100,000
Securities sold under repurchase agreements		
Securities sold under delivery repurchase agreements		
Balance sheet value	**63,571**	**313,797**

Amounts due to clients

(in thousands of euros)	31/12/2019	31/12/2018
Ordinary accounts payable	4,330,331	4,082,628
Regulated savings accounts		
Other amounts due to clients	1,179,330	1,079,145
Securities sold under delivery repurchase agreements		
Liabilities arising from direct insurance operations		
Liabilities arising from reinsurance transactions		
Liabilities for cash deposits received from cedents and retrocessionaires representing technical commitments under insurance policies		
Balance sheet value	**5,509,661**	**5,161,773**

6.8 CURRENT AND DEFERRED TAX ASSETS AND LIABILITIES

(in thousands of euros)	31/12/2019	31/12/2018
Current taxes	6,110	3,421
Deferred taxes	7,777	1,377
Total current and deferred tax assets	**13,887**	**4,798**
Current taxes	5,932	3,953
Deferred taxes	21,571	410
Total current and deferred tax liabilities	**27,503**	**4,363**

In order to determine the level of deferred tax assets to be recognised, CFM Indosuez Wealth takes into account the applicable tax system and the income projections established during the budget process for each entity or tax group.

The net amount of deferred tax assets and liabilities breaks down as follows:

(in thousands of euros)	31/12/2019 Deferred tax assets	31/12/2019 Deferred tax liabilities	31/12/2018 Deferred tax assets	31/12/2018 Deferred tax liabilities
Temporary accounting-tax temporary differences	**953**	**7,879**	**680**	**47**
Capital gains realised under the tax suspension scheme (Monegasque reinvestment regime)		7,879		
Provisions for non-deductible risks and contingencies	775		680	
Other temporary differences	178			47
Deferred taxes on unrealised reserves	**6,727**	**13,463**	**448**	**283**
Financial assets at fair value through other comprehensive income				
Cash flow hedges	6,727	13,463	448	283
Gains and losses on actuarial differences				
Gains and losses on changes in own credit risk				
Deferred income tax	97	229	249	80
Total deferred taxes	**7,777**	**21,571**	**1,377**	**410**

Deferred taxes are shown in the balance sheet for their net amount by fiscal entity.

6.9 ACCRUAL ACCOUNTS AND MISCELLANEOUS ASSETS AND LIABILITIES

Accrual accounts and miscellaneous assets

(in thousands of euros)	31/12/2019	31/12/2018
Other assets	**49,875**	**50,406**
Inventory and miscellaneous assets	60	136
Miscellaneous receivables	5,223	7,343
Settlement accounts	22	51
Security deposits on market transactions	43,138	39,698
Variable margin paid	1,432	3,178
Accrual accounts	**9,685**	**13,745**
Collection and transfer accounts	62	90
Adjustment and difference accounts		1,320
Income receivable	7,786	9,034
Prepaid expenses	1,712	2,863
Other accrual accounts	125	438
Balance sheet value	**59,560**	**64,151**

Accrual accounts and miscellaneous liabilities

(in thousands of euros)	31/12/2019	31/12/2018
Other liabilities (1)	**35,198**	**29,145**
Settlement accounts	4	2
Miscellaneous payables	13,506	11,399
Lease liabilities (3)	3,337	
Remaining payments to be made on securities		
Initial margin on market transactions	18,351	17,744
Accrual accounts	**42,264**	**42,307**
Collection and transfer accounts (2)		
Adjustment and difference accounts	1,893	
Prepaid expenses		
Expenses payable	37,490	37,117
Other accrual accounts	2,881	5,190
BALANCE SHEET VALUE	**77,462**	**71,452**

(1) The amounts shown include accrued interest.
(2) Net amounts are shown.
(3) See Note 1.1 "Applicable standards and comparability" – IFRS 16 Leases.

6.10 INVESTMENT PROPERTIES

(in thousands of euros)	31/12/2018	01/01/2019	Scope changes	Increases (purchases)	Reductions (sales)	Foreign exchange rate adjustments	Other transactions	31/12/2019
Gross amount	1,270	1,270						1,270
Depreciation, amortisation and impairment				-25			-59	-84
Balance sheet value	**1,270**	**1,270**		**-25**	**0**	**0**	**-59**	**1,186**

(in thousands of euros)	31/12/2017	01/01/2018	Scope changes	Increases (purchases)	Reductions (sales)	Foreign exchange rate adjustments	Other transactions	31/12/2018
Gross amount	1,270	1,270						1,270
Depreciation, amortisation and impairment								
Balance sheet value	**1,270**	**1,270**	**0**	**0**	**0**	**0**	**0**	**1,270**

Fair value of investment properties

The investment property recognised at amortised cost was purchased at the end of 2016 by auction. To date, its market value is greater than its book value.

6.11 PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS (EXCLUDING GOODWILL)

Operating property, plant and equipment include the lessee's rights to use leased assets from 1 January 2019 (see Note 1.1 "Applicable standards and comparability" – IFRS 16 Leases). Depreciation, amortisation and impairment of operating property, plant and equipment include the depreciation of fixed assets provided under operating leases.

(in thousands of euros)	31/12/2018	01/01/2019	Scope changes	Increases (purchases)	Reductions (sales)	Foreign exchange rate adjustments	Other transactions	31/12/2019
Gross amount	49,122	54,086		135,422	-7,353			182155
Depreciation, amortisation and impairment	-39,209	-40,886		-4,115	5,753		59	-39,189
Balance sheet value	**9,913**	**13,200**	**0**	**131,307**	**-1,600**		**59**	**142,966**
Gross amount	56,689	53,819		1,033	-7			54,845
Depreciation, amortisation and impairment	-16,051	-14,374		-309	7			-14,676
Balance sheet value	**40,638**	**39,445**	**0**	**724**	**0**		**0**	**40,169**

(in thousands of euros)	31/12/2017	01/01/2018	Scope changes	Increases (purchases)	Reductions (sales)	Foreign exchange rate adjustments	Other transactions	31/12/2018
Operating property, plant and equipment								
Gross amount	49,805	49,805		80	(763)			49,122
Depreciation, amortisation and impairment	-38,830	-38,830		(2001)	1622			-39,209
Balance sheet value	**10,975**	**10,975**	**0**	**-1,921**	**859**	**0**	**0**	**9,913**
Intangible assets								
Gross amount	55,924	55,924		1027	(266)			56,689
Depreciation, amortisation and impairment	-16,121	-16,121		(186)	264			-16,051
Balance sheet value	**39,803**	**39,803**	**0**	**841**	**-2**	**0**	**0**	**40,638**

6.12 PROVISIONS

(in thousands of euros)	31/12/2018	01/01/2019	Scope changes	Alloca-tions	Reversals used	Reversals not used	Foreign exchange rate adjust-ments	Other transac-tions	31/12/2019
Risks on home savings products									
Performance risk on off-balance sheet commitments	1,060	1,060		903		-796	-1		1,166
Operational risks									0
Employee commitments (pensions) and similar items	4,656	4,656		1,638	-1,256			421	5,459
Miscellaneous litigation	4,347	4,347		899		-27	-1		5,218
Equity investments									
Restructuring									
Other risks									
Total	**10,063**	**10,063**	**0**	**3,440**	**-1,256**	**-823**	**-2**	**421**	**11,843**

(in thousands of euros)	31/12/2017	01/01/2018	Scope changes	Alloca-tions	Reversals used	Reversals not used	Foreign exchange rate adjust-ments	Other transac-tions	31/12/2018
Risks on home savings products									0
Performance risk on off-balance sheet commitments	0	772		3,932	0	-3,645	1	0	1,060
Operational risks									
Employee commitments (pensions) and similar items	4,779	4,779		587	-413	-70	0	-227	4,656
Miscellaneous litigation	4,476	4,476		279	-382	-26	0	0	4,347
Equity investments									
Restructuring									
Other risks									
Total	**9,255**	**10,027**	**0**	**4,798**	**-795**	**-3,741**	**1**	**-227**	**10,063**

6.13 SHAREHOLDERS' EQUITY

At 31 December 2019, CFM Indosuez Wealth Management had 573,000 fully paid up shares with a par value of €61.
Crédit Agricole SA Group owns 70.1% of its share capital. The remainder is owned by institutional investors and individual shareholders, none of whom owns more than 10% of shares.
The dividends paid on each share over the past three years were as follows:

(in euros)	2018	2017	2016
Ordinary dividend per share	44.44	44.44	55.00

6.14 FINANCIAL ASSETS AND LIABILITIES BY CONTRACTUAL MATURITY

The balance of financial assets and liabilities in the balance sheet is broken down by contractual maturity date.
The maturity date of trading and hedging derivatives is their contractual maturity date.
Equities and other variable income securities, by nature, have no contractual maturity. They are classified as "indefinite."

31/12/2019 (in thousands of euros)	< 3 months	> 3 months to ≤ 1 year	> 1 year to ≤ 5 years	> 5 years	Indefinite	Total
Cash and amounts due from central banks	469,216					469,216
Financial assets at fair value through profit or loss	487	1,741	49	1,895		4,172
Hedging derivatives	20,955	515	2,761	8,062		32,293
Financial assets at fair value through other comprehensive income					333	333
Financial assets at amortised cost	5,093,836	121,436	88,625	818		5,304,715
Revaluation differences on portfolios hedged against interest rate risk	1,120					1,120
Total financial assets by maturity	**5,585,614**	**123,692**	**91,435**	**10,775**	**333**	**5,811,849**
Amounts due to central banks						
Financial liabilities at fair value through profit or loss	231	1,260	4			1,495
Hedging derivatives	4,480	609	1,663	1,814		8,566
Financial liabilities at amortised cost	5,484,611	88,621				5,573,232
Subordinated debt						0
Revaluation differences on portfolios hedged against interest rate risk	19,864					19,864
Total financial liabilities by maturity	**5,509,186**	**90,490**	**1,667**	**1,814**		**5,603,157**

31/12/2018 (in thousands of euros)	< 3 months	> 3 months to ≤ 1 year	> 1 year to ≤ 5 years	> 5 years	Indefinite	Total
Cash and amounts due from central banks	305,688					305,688
Financial assets at fair value through profit or loss	3,242	489	379	1,515		5,625
Hedging derivatives	8,800	1,122	14,183	4,426		28,531
Financial assets at fair value through other comprehensive income	107142	107,517		-4	303	214,958
Financial assets at amortised cost	3,699,079	334,723	942,729	268,790		5,245,321
Revaluation differences on portfolios hedged against interest rate risk	2,345					2,345
Total financial assets by maturity	**4,126,296**	**443,851**	**957,291**	**274,727**	**303**	**5,802,468**
Amounts due to central banks						0
Financial liabilities at fair value through profit or loss	3,070	139	264	3		3,476
Hedging derivatives	4,234	242	4,178	1,399		10,053
Financial liabilities at amortised cost	5,305,137	170,433				5,475,570
Subordinated debt						0
Revaluation differences on portfolios hedged against interest rate risk	13,126					13,126
Total financial liabilities by maturity	**5,325,567**	**170,814**	**4,442**	**1,402**	**0**	**5,502,225**

Note 7 : Employee benefits and other compensation

7.1 PERSONNEL EXPENSES

(in thousands of euros)	31/12/2019	31/12/2018
Wages and benefits	42,115	42,202
Contribution to pension schemes (defined contribution plans)	5,993	5,842
Contribution to pension schemes (defined benefit plans)		
Other social security charges	7,898	7,744
Profit-sharing and incentive schemes	1,179	766
Taxes on remuneration	34	23
Total personnel expenses	**57,219**	**56,577**

7.2 AVERAGE AND YEAR-END HEADCOUNT

(in thousands of euros)	Average headcount at 31/12/2019	Headcount at end of period 31/12/2019	Headcount at end of period 31/12/2018
Monaco	384	387	383
Abroad	7	7	4
Total	**391**	**394**	**387**

7.3 RETIREMENT BENEFITS – DEFINED CONTRIBUTION PLANS

Companies with employees contribute to various mandatory pension schemes. The funds 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 enough assets to cover all the benefits corresponding to the services rendered by the staff during the fiscal year and prior fiscal years. As a result, CFM Indosuez Wealth Group entities have no liability in this regard other than the contributions payable.

7.4 RETIREMENT BENEFITS – DEFINED BENEFIT PLANS

	31/12/2019	31/12/2018
(in thousands of euros)	All areas	All areas
Actuarial debt at 31/12 in year N-1	**3,402**	**3,443**
Foreign exchange adjustments		
Cost of services rendered over the fiscal year	202	239
Financial cost	48	47
Employee contributions		
Other significant events		
Scope changes		
Benefits paid by the employer	-69	-99
Taxes, administrative costs and premiums		
Actuarial gains/losses - related to assumptions	421	-228
Actuarial debt at 31/12 in year N	**4,004**	**3,402**

Defined benefit plans: key actuarial assumptions

(in thousands of euros)	31/12/2019	31/12/2018
Discount rate	1.42%	1.31%
Effective rate of return on plan assets and reimbursement rights	0.00%	0.00%
Expected salary increase rate	3.00%	3.00%
Inflation rate	1.75%	1.75%

7.5 OTHER EMPLOYEE BENEFITS

In France and Monaco, the Group's main entities pay long service award bonuses. Amounts vary according to standard practice and collective bargaining agreements in effect.
The provisions established by CFM Indosuez Wealth Group for these other employee benefits totalled €1,455,000 as of 31 December 2019.

Note 8 : Leases

8.1 LEASES UNDER WHICH THE GROUP IS LESSEE

The "Operating property, plant and equipment" line on the balance sheet comprises assets owned outright and leased assets that do not qualify as investment property.

(in thousands of euros)	31/12/2019
Property, plant and equipment owned outright	138,222
Rights of use of leased assets	4,660
Total operating property, plant and equipment	**142,882**

CFM Indosuez Wealth Group also leases IT hardware (photocopiers, computers, etc.) for periods of one to three years. These contracts are for low value assets and/or short-term leases. In accordance with Crédit Agricole Group, CFM Indosuez Wealth has chosen to apply the exemptions allowed under IFRS 16 and not to recognise the right-of-use asset or the lease liability on these contracts in the balance sheet.

Changes in right-of-use assets
CFM Indosuez Wealth Group leases a number of assets, including branches and offices.
Information relating to lease agreements in which CFM Indosuez Wealth Group is lessee is provided below:

(in thousands of euros)	01/01/2019	Scope changes	Increases (purchases)	Reductions (sales)	Foreign exchange rate adjustments	Other transactions	31/12/2019
Real estate							
Gross amount			2,939	-229		4,964	7,674
Depreciation, amortisation and impairment			-1,566	229		-1,677	-3,014
Total real estate			**1,373**			**3,287**	**4,660**
Non-real estate							
Gross amount							0
Depreciation, amortisation and impairment							0
Total non-real estate	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total rights of use	**0**	**0**	**1,373**	**0**	**0**	**3,287**	**4,660**

The amounts shown in the column marked "Other transactions" represent the first-time application of IFRS 16.

Schedule of lease liabilities

	31/12/2019			
(in thousands of euros)	≤ 1 year	> 1 year to ≤ 5 years	> 5 years	Total lease liabilities
Lease liabilities	3,337	-	-	3,337

Breakdown of lease expenses and income

(in thousands of euros)	31/12/2019
Interest expenses on lease liabilities	-5
Total interest and similar expenses (net banking income)	**-5**
Expenses relating to short-term leases	0
Expenses relating to low value leases	0
Expenses relating to variable lease payments excluded from the lease liability calculation	0
Income from subleasing activities on right-of-use assets	0
Gains or losses on lease-back transactions	0
Gains or losses arising from lease amendments	0
Total operating expenses	**0**
Amortisation of the right-of-use asset	-1,566
Total depreciation and amortisation of property, plant and equipment	**-1,566**
Total lease expenses and income	**-1,571**

Breakdown of lease expenses and income

(in thousands of euros)	31/12/2019
Total cash outflows for lease contracts	**1,696**

Note 9 : Financing and guarantee commitments and other guarantees

Commitments given and received

(in thousands of euros)	31/12/2019	31/12/2018
Commitments given		
Financing commitments	**1,094,692**	**868,767**
Commitments to credit institutions		
Commitments to clients	1,094,692	868,767
Confirmed lines of credit	1,094,142	868,537
Letters of credit	171	893
Other confirmed lines of credit	1,093,971	867,644
Other commitments to clients	550	230
Guarantee commitments	**270,229**	**177,024**
Commitments to credit institutions	29,746	28,159
Confirmed letters of credit	34	
Other guarantees	29,712	28,159
General commitments to clients	240,483	148,865
Real estate guarantees	12,400	12,600
Other commitments to clients	228,083	136,265
Commitments relating to securities	**0**	**0**
Securities deliverable		
Commitments received		
Financing commitments	**0**	**0**
Commitments from credit institutions		
Commitments from clients		
Guarantee commitments	**429,816**	**427,212**
Commitments from credit institutions	15,232	5,506
Commitments from clients	414,584	421,706
Guarantees received from government authorities and similar guarantees	411,834	418,956
Other guarantees received	2,750	2,750
Commitments relating to securities	**0**	**0**
Securities receivable		

Financial instruments pledged and received as collateral

(in thousands of euros)	31/12/2019	31/12/2018
Book value of financial assets pledged as collateral (including transferred assets) (1)		
Securities and receivables pledged as collateral for refinancing arrangements (Banque de France, CRH, etc.)		
Loaned securities		
Security deposits on market transactions	41,490	
Other security deposits (3)		
Securities sold under repurchase agreements		
Total book value of financial assets pledged as collateral	**41,490**	**0**
Book value of financial assets received as collateral		
Other security deposits		
Fair value of assets received as collateral that may be and are repledged (2)		
Securities borrowed		
Securities received under reverse repurchase agreements	1,683,876	
Securities sold short		
Total fair value of assets received as collateral that may be and are repledged	**1,683,876**	**0**

Note 10 : Fair value of financial instruments

The fair value is the price that would be received to sell an asset or paid to transfer a liability in a standard arm's length transaction between market participants at the measurement date. The fair value is based on the exit price (notional exit price). The fair value amounts shown below represent the estimates made at the reporting date primarily using observable market data. These may change in other periods due to changing market conditions or other factors. The calculations made represent the best estimate that can be made. 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 involve uncertainties, the fair values used may not materialise during the actual sale or immediate payment of the financial instruments in question.

The fair value hierarchy of financial assets and liabilities is broken down according to the general criteria of observability of the inputs used in the valuation, in accordance with the principles established by IFRS 13.

Level 1 of the hierarchy applies to the fair value of financial assets and liabilities quoted on an active market.

Level 2 of the hierarchy applies to the fair value of financial assets and liabilities for which observable data are available. These include inputs related to interest rate risk or credit risk when this can be reassessed based on Credit Default Swap (CDS) spread prices.

Securities received under reverse repurchase agreements with underlying assets quoted on an active market are also included in level 2, as are financial assets with a demand component for which the fair value is the unadjusted amortised cost.

Level 3 of the hierarchy shows the fair value of financial assets and liabilities for which there are no observable data or for which certain inputs can be re-assessed based on internal models that use historical data. These are primarily related to credit risk or prepayment risk.

In a number of cases, market values are close to the book value. These notably include:

- variable rate assets or liabilities for which changes in interest rates do not have a significant influence on fair value, since the rates of these instruments frequently adjust to market rates;
- instruments traded in a regulated market (e.g. regulated savings products), whose prices are set by the public authorities;
- short-term assets or liabilities for which the redemption value is deemed to be close to market value;
- assets or liabilities repayable on demand;
- transactions for which there are no reliable observable data.

10.1 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES RECOGNISED AT AMORTISED COST

The amounts presented include accrued interest and are net of impairment.

Fair value of financial assets carried in the balance sheet at amortised cost

(in thousands of euros)	Balance sheet value at 31/12/2019	Fair value at 31/12/2019	Prices quoted on active markets for identical instruments Level 1	Valuations based on observable data Level 2	Valuations based on unobservable data Level 3
Debt instruments not measured at fair value on the balance sheet					
Loans and receivables	5,082,834	5,085,273		3,430,431	1,654,842
Loans and receivables due from credit institutions	**1,649,680**	**1,648,380**		**1,648,380**	
Ordinary accounts and overnight loans	168,504	168,619		168,619	
Term accounts and loans	1,470,817	1,469,222		1,469,222	
Securities received under reverse repurchase agreements					
Securities received under reverse delivery repurchase agreements	10,548	10,548		10,548	
Subordinated loans					
Other loans and receivables	-189	-9		-9	
Loans and receivables due from clients	**3,433,154**	**3,436,893**		**1,782,051**	**1,654,842**
Business loans	868	868			868
Other facilities granted to clients	1,648,249	1,648,244			1,648,244
Securities received under reverse repurchase agreements					
Securities received under reverse delivery repurchase agreements					
Subordinated loans					
Receivables arising from direct insurance activities					
Receivables arising from reinsurance transactions					
Advances to shareholders' current accounts					
Ordinary accounts receivable	1,784,037	1,787,781		1,782,051	5,730
Debt securities	**221,881**	**222,464**	**222,464**		
Government securities and similar					
Bonds and other fixed income securities	221,881	222,464	222,464		
Total financial assets o/w the fair value is indicated	**5,304,715**	**5,307,737**	**222,464**	**3,430,431**	**1,654,842**

Fair value of financial assets carried in the balance sheet at amortised cost

(in thousands of euros)	Balance sheet value at 31/12/2018	Fair value at 31/12/2018	Prices quoted on active markets for identical instruments Level 1	Valuations based on observable data Level 2	Valuations based on unobservable data Level 3
Debt instruments not measured at fair value on the balance sheet					
Loans and receivables					
Loans and receivables due from credit institutions	**1,800,961**	**1,800,961**	**0**	**1,800,961**	**0**
Ordinary accounts and overnight loans	572,889	572,889		572,889	
Term accounts and loans	1,217,350	1,217,350		1,217,350	
Securities received under reverse repurchase agreements					
Securities received under reverse delivery repurchase agreements	10,722	10,722		10,722	
Subordinated loans					
Other loans and receivables					
Loans and receivables due from clients	**3,282,001**	**3,282,001**	**0**	**1,806,793**	**1,475,208**
Business loans	1,294	1,294			1,294
Other facilities granted to clients	1,473,914	1,473,914			1,473,914
Securities received under reverse repurchase agreements					
Securities received under reverse delivery repurchase agreements					
Subordinated loans					
Receivables arising from direct insurance activities					
Receivables arising from reinsurance transactions					
Advances to shareholders' current accounts					
Ordinary accounts receivable	1,806,793	1,806,793		1,806,793	
Debt securities	**165,115**	**165,115**	**165,115**	**0**	**0**
Government securities and similar					
Bonds and other fixed income securities	165,115	165,115	165,115		
Total financial assets o/w the fair value is indicated	**5,248,077**	**5,248,077**	**165,115**	**3,607,754**	**1,475,208**

The figures do not include accrued interest or collective provisions.

Fair value of financial liabilities carried in the balance sheet at amortised cost

(in thousands of euros)	Balance sheet value at 31/12/2019	Fair value at 31/12/2019	Prices quoted on active markets for identical instruments Level 1	Valuations based on observable data Level 2	Valuations based on unobservable data Level 3
Financial liabilities not measured at fair value on the balance sheet					
Amounts due to credit institutions	**63,571**	**63,567**		**63,567**	
Ordinary accounts and overnight loans	55,938	55,938		55,938	
Term accounts and loans	7,633	7,629		7,629	
Securities sold under repurchase agreements					
Securities sold under delivery repurchase agreements					
Amounts due to clients	**5,509,661**	**5,509,661**		**5,509,661**	
Ordinary accounts payable	4,330,331	4,330,331		4,330,331	
Regulated savings accounts					
Other amounts due to clients	1,179,330	1,179,330		1,179,330	
Securities sold under delivery repurchase agreements					
Liabilities arising from direct insurance operations					
Liabilities arising from reinsurance transactions					
Liabilities for cash deposits received from cedents and retrocessionaires representing technical commitments under insurance policies					
Debt securities					
Subordinated debt					
Total financial liabilities o/w the fair value is indicated	**5,573,232**	**5,573,228**		**5,573,228**	

(in thousands of euros)	Balance sheet value at 31/12/2018	Fair value at 31/12/2018	Prices quoted on active markets for identical instruments Level 1	Valuations based on observable data Level 2	Valuations based on unobservable data Level 3
Financial liabilities not measured at fair value on the balance sheet					
Amounts due to credit institutions	**313,797**	**313,797**	**0**	**313,797**	**0**
Ordinary accounts and overnight loans	306,361	306,361		306,361	
Term accounts and loans	6,079	6,079		6,079	
Securities sold under repurchase agreements	1,357	1,357		1,357	
Securities sold under delivery repurchase agreements					
Amounts due to clients	**5,158,989**	**5,158,989**		**5,158,989**	
Ordinary accounts payable	4,096,792	4,096,792		4,096,792	
Regulated savings accounts	1,062,024	1,062,024		1,062,024	
Other amounts due to clients	173	173		173	
Securities sold under delivery repurchase agreements					
Liabilities arising from direct insurance operations					
Liabilities arising from reinsurance transactions					
Liabilities for cash deposits received from cedents and retrocessionaires representing technical commitments under insurance policies					
Debt securities					
Subordinated debt					
Total financial liabilities o/w the fair value is indicated	**5,472,786**	**5,472,786**		**5,472,786**	

The figures do not include accrued interest.

10.2 INFORMATION ON FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

Breakdown of financial instruments at fair value by valuation model

Lhe amounts presented include accrued interest and are net of impairment. Financial assets measured at fair value.

(in thousands of euros)	31/12/2019	Prices quoted on active markets for identical instruments Level 1	Valuations based on observable data Level 2	Valuation based on unobservable data Level 3
Financial assets held for trading	**2,143**		**2,143**	
Loans and receivables due from credit institutions				
Client receivables				
Securities received under reverse delivery repurchase agreements				
Securities received under reverse repurchase agreements				
Securities held for trading				
Government securities and similar				
Bonds and other fixed income securities				
UCITS				
Equities and other variable income securities				
Derivatives	2,143		2,143	
Other financial assets recognised at fair value through profit or loss	**2,029**		**2,029**	
Equity instruments at fair value through profit or loss				
Equities and other variable income securities				
Non-consolidated equity investments				
Debt instruments that do not meet SPPI criteria	**2,029**		**2,029**	
Loans and receivables due from credit institutions				
Client receivables				
Debt securities				
Government securities and similar				
Bonds and other fixed income securities				
UCITS	2,029		2,029	
Assets representing unit-linked policies				
Government securities and similar				
Bonds and other fixed income securities				
Equities and other variable income securities				
UCITS				
Financial assets designated at fair value through profit or loss				
Loans and receivables due from credit institutions				
Client receivables				
Securities designated at fair value through profit or loss				
Government securities and similar				
Bonds and other fixed income securities				
Financial assets recognised in other comprehensive income	**333**	**231**		**102**
Equity instruments recognised in other comprehensive income not recyclable to income	333	231		102
Equities and other variable income securities	231	231		
Non-consolidated equity investments	102			102
Debt instruments recognised in other comprehensive income recyclable to income				
Loans and receivables due from credit institutions				
Client receivables				
Debt securities				
Government securities and similar				
Bonds and other fixed income securities				
Hedging derivatives	**32,293**		**32,293**	
TOTAL FINANCIAL ASSETS MEASURED AT FAIR VALUE	**36,798**	**231**	**36,465**	**102**
Transfers from Level 1: Prices quoted on active markets for identical instruments				
Transfers from Level 2: Valuation based on observable data				
Transfers from Level 3: Valuation based on unobservable data				
TOTAL TRANSFERS TO EACH LEVEL				

(in thousands of euros)	31/12/2018	Prices quoted on active markets for identical instruments Level 1	Valuations based on observable data Level 2	Valuation based on unobservable data Level 3
Financial assets held for trading	**3,968**	**0**	**3,968**	**0**
Loans and receivables due from credit institutions				
Client receivables				
Securities received under reverse delivery repurchase agreements				
Securities received under reverse repurchase agreements				
Securities held for trading				
Government securities and similar				
Bonds and other fixed income securities				
UCITS				
Equities and other variable income securities				
Derivatives	3,968		3,968	
Other financial assets recognised at fair value through profit or loss	**1,657**	**1,657**	**0**	**0**
Equity instruments at fair value through profit or loss	**0**	**0**	**0**	**0**
Equities and other variable income securities				
Non-consolidated equity investments				
Debt instruments that do not meet SPPI criteria	**1,657**	**1,657**	**0**	**0**
Loans and receivables due from credit institutions				
Client receivables				
Debt securities	1,657	1,657		
Government securities and similar				
Bonds and other fixed income securities				
UCITS	1,657	1,657		
Assets representing unit-linked policies	**0**	**0**	**0**	**0**
Government securities and similar				
Bonds and other fixed income securities				
Equities and other variable income securities				
UCITS				
Financial assets designated at fair value through profit or loss	**0**			**0**
Loans and receivables due from credit institutions				
Client receivables				
Securities designated at fair value through profit or loss				
Government securities and similar				
Bonds and other fixed income securities				
Financial assets recognised in other comprehensive income	**214,958**	**214,958**	**0**	**0**
Equity instruments recognised in other comprehensive income not recyclable to income	303	303		
Equities and other variable income securities	231	231		
Non-consolidated equity investments	72	72		
Debt instruments recognised in other comprehensive income recyclable to income	**214,655**	**214,655**	**0**	**0**
Loans and receivables due from credit institutions				
Client receivables				
Debt securities	214,655	214,655		
Government securities and similar	9,047	9,047		
Bonds and other fixed income securities	205,608	205,608		
Hedging derivatives	**28,531**	**0**	**28,531**	**0**
TOTAL FINANCIAL ASSETS MEASURED AT FAIR VALUE	**249,114**	**216,615**	**32,499**	**0**
Transfers from Level 1: Prices quoted on active markets for identical instruments				
Transfers from Level 2: Valuation based on observable data				
Transfers from Level 3: Valuation based on unobservable data				
TOTAL TRANSFERS TO EACH LEVEL	**0**	**0**	**0**	**0**

Financial liabilities measured at fair value

(in thousands of euros)	31/12/2019	Prices quoted on active markets for identical instruments Level 1	Valuations based on observable data Level 2	Valuation based on unobservable data Level 3
Financial liabilities held for trading	**1,495**		**1,495**	
Securities sold short				
Securities sold under delivery repurchase agreements				
Debt securities				
Amounts due to credit institutions				
Amounts due to clients				
Derivatives	1,495		1,495	
Financial liabilities designated at fair value through profit or loss				
Hedging derivatives	**8,566**		**8,566**	
Total financial liabilities measured at fair value	**10,061**		**10,061**	
Transfers from Level 1: Prices quoted on active markets for identical instruments				
Transfers from Level 2: Valuation based on observable data				
Transfers from Level 3: Valuation based on unobservable data				
Total transfers to each level				

(in thousands of euros)	31/12/2018	Prices quoted on active markets for identical instruments Level 1	Valuations based on observable data Level 2	Valuation based on unobservable data Level 3
Financial liabilities held for trading	**3,476**	**0**	**3,476**	**0**
Securities sold short				
Securities sold under delivery repurchase agreements				
Debt securities				
Amounts due to credit institutions				
Amounts due to clients				
Derivatives	3,476		3,476	
Financial liabilities designated at fair value through profit or loss	**0**	**0**	**0**	**0**
Hedging derivatives	**10,063**	**0**	**10,063**	**0**
Total financial liabilities measured at fair value	**13,539**	**0**	**13,539**	**0**
Transfers from Level 1: Prices quoted on active markets for identical instruments				
Transfers from Level 2: Valuation based on observable data				
Transfers from Level 3: Valuation based on unobservable data				
Total transfers to each level				

Level 1 instruments

(options, futures, etc.), regardless of the underlying asset (interest rate, currencies, precious metals, main equity indices) and equities and bonds listed on an active market.
A market is considered to be active when prices are readily and regularly available from stock exchanges, brokers, traders, price assessment services or regulatory agencies and such prices represent actual transactions that regularly occur on the market under normal conditions.
Corporate and government and agency bonds whose valuation is based on prices obtained from independent sources that are considered executable and regularly updated are classified as Level 1. Most sovereign bond holdings are classified at this level.

Level 2 instruments

The main products recognised in Level 2 are:
- linear derivatives such as interest rate swaps, currency swaps, and foreign exchange forward contracts. These products are valued using simple models shared by the market, based on parameters that are either directly observable (exchange rate, interest rates) or that can be derived from the market price of observable products (currency swaps);
- non-linear vanilla products such as caps, floors, swaptions, currency options, stock options, credit default swaps, including digital options. These products are valued using simple models that are shared by the market based on parameters that are either directly observable (exchange rate, interest rates, stock prices) or that can be derived from the market price of observable products (volatilities).

Level 3 instruments

Level 3 products are those that do not meet the criteria for classification at level 1 and 2, and are thus mainly products with a high model risk or products whose valuation requires the use of significant unobservable parameters.

Note 11 : Impact of changes to accounting methods or other events

11.1 IMPACT OF IFRS 16 AT 1 JANUARY 2019

BALANCE SHEET ASSETS (in thousands of euros)

(in thousands of euros)	01/01/2019 restated	Impact of IFRS 16	01/01/2019 reported
Cash and amounts due from central banks	305,688		305,688
Financial assets at fair value through profit or loss	5,625		5,625
Financial assets held for trading	3,968		3,968
Other financial assets at fair value through profit or loss	1,657		1,657
Hedging derivatives	28,531		28,531
Financial assets at fair value through other comprehensive income	214,958		214,958
Debt instruments recognised at fair value through other comprehensive income recyclable to income	214,655		214,655
Equity instruments recognised at fair value through other comprehensive income not recyclable to income	303		303
Financial assets at amortised cost	5,245,321		5,245,321
Loans and receivables due from credit institutions	1,802,331		1,802,331
Loans and receivables due from clients	3,277,040		3,277,040
Debt securities	165,950		165,950
Revaluation differences on portfolios hedged against interest rate risk	2,345		2,345
Current and deferred tax assets	4,798		4,798
Accrual accounts and miscellaneous assets	64,151		64,151
Non-current assets held for sale and discontinued operations			
Investments in companies accounted for by the equity method			
Investment properties	1,270		1,270
Property, plant and equipment (1)	13,200	3,287	9,913
Intangible assets (1)	39,445	-1,193	40,638
Goodwill			
Total assets	**5,925,332**	**2,094**	**5,923,238**

BALANCE SHEET ASSETS (in thousands of euros)

(in thousands of euros)	01/01/2019 restated	Impact of IFRS 16	01/01/2019 reported
Amounts due to central banks			
Financial liabilities at fair value through profit or loss	3,476		3,476
Financial liabilities held for trading	3,476		3,476
Financial liabilities designated at fair value through profit or loss			
Hedging derivatives	10,053		10,053
Financial liabilities at amortised cost	5,475,570		5,475,570
Amounts due to credit institutions	313,797		313,797
Amounts due to clients	5,161,773		5,161,773
Debt securities			
Revaluation differences on portfolios hedged against interest rate risk	13,126		13,126
Current and deferred tax liabilities	4,363		4,363
Accrual accounts and miscellaneous liabilities	73,546	2,094	71,452
Liabilities associated with non-current assets held for sale and discontinued operations			
Technical reserves of insurance companies			
Provisions	10,063		10,063
Subordinated debt			
Total liabilities	**5,590,197**	**2,094**	**5,588,103**
Shareholders' equity	**335,135**	**0**	**335,135**
Shareholders' equity, Group share	**335,135**	**0**	**335,135**
Share capital and reserves	301,577		301,577
Consolidated reserves	1,425		1,425
Gains and losses recognised directly in other comprehensive income	9,150		9,150
Gains and losses recognised directly in other comprehensive income on discontinued operations			
Net income (expense) for the period	22,983		22,983
Non-controlling interests			
Total liabilities	**5,925,332**	**2,094**	**5,923,238**

Note 12 : Post-balance sheet events

Post-balance sheet events not liable to impact the financial statements closed on 31 December 2019

The Covid-19 epidemic is expected to have a significant negative impact on the global economy, which will worsen if it is not contained quickly. The epidemic has caused supply and demand shocks, leading to a marked slowdown in activity due to the impact of lockdown measures on consumer spending and caution among economic agents, as well as production difficulties, disruptions to supply chains in some sectors and a drop in investment. This will lead to a sharp decline in growth or technical recession in many countries. The consequences will affect the activities of banks' counterparties and therefore banks themselves. Crédit Agricole Group, which announced support measures for its business and individual clients during the crisis and which has committed to the measures announced by the government, expects to be impacted in terms of its revenue, cost of risk and net income. CFM Indosuez Wealth could also be impacted. It is impossible to predict the extent or length of the impact at this stage.

2019 SEPARATE ACCOUNTS

with financial statements

Balance sheet assets

(in thousands of euros)	NOTES	31/12/2019	31/12/2018
Interbank and similar transactions		**2,108,621**	**2,097,303**
Cash and amounts due from central banks		468,959	305,415
Loans and receivables due from credit institutions	3	1,639,662	1,791,888
Transactions with clients	**4**	**3,432,410**	**3,280,984**
Securities transactions		**232,489**	**391,607**
Bonds and other fixed income securities	5	231,597	390,708
Equities and other variable income securities	6	892	899
Fixed assets		**180,294**	**50,986**
Equity investments and other long-term investments	7	851	608
Investments in affiliates	8	297	297
Intangible assets	9	39,772	39,048
Property, plant and equipment	9	139,374	11,033
Accrual accounts and miscellaneous assets		**72,653**	**81,909**
Other assets	13	53,336	51,560
Accrual accounts	13	19,317	30,349
TOTAL ASSETS		**6,026,467**	**5,902,789**

Balance sheet liabilities

(in thousands of euros)	NOTES	31/12/2019	31/12/2018
Banking and similar transactions		**63,270**	**312,695**
Amounts due to credit institutions	10	63,270	312,695
Amounts due to clients	**11**	**5,523,666**	**5,182,477**
Accrual accounts and miscellaneous liabilities		**86,379**	**88,179**
Other liabilities	14	30,230	27,681
Accrual accounts	14	56,149	60,498
Provisions	**15**	**13,129**	**11,019**
Fund for general banking risks	**16**	**4,471**	**4,471**
Shareholders' equity excluding fund for general banking risks	**17**	**335,552**	**303,947**
Subscribed share capital		34,953	34,953
Additional paid-in capital		311	311
Reserves		82,736	82,736
Retained earnings		160,483	178,514
Income pending approval			
Income for the year		57,069	7,433
TOTAL LIABILITIES		**6,026,467**	**5,902,789**

2 / OFF-BALANCE SHEET ITEMS

(in thousands of euros)	NOTES	31/12/2019	31/12/2018
Commitments given			
Financing commitments	20	1,094,691	868,768
Guarantee commitments	20	253,710	162,545
Commitments relating to securities			
Commitments received			
Financing commitments			
Guarantee commitments	20	2,103,143	2,180,853
Commitments relating to securities			

3 / INCOME STATEMENT FOR THE YEAR 2019

(in thousands of euros)	NOTES	31/12/2019	31/12/2018
Net interest and similar income		**47,637**	**42,704**
Interest and similar income	21	66,441	61,469
Interest and similar expenses	21	-18,804	-18,765
Income from variable income securities	**22**	**15,690**	**29**
Net fees and commissions		**61,482**	**62,870**
Fee and commission income	23	67,060	67,043
Fee and commission expenses	23	-5,578	-4,173
Net income from financial transactions		**18,420**	**17,416**
Gains or losses on trading portfolio transactions	24	18,306	16,753
Gains or losses on investment and similar portfolio transactions	25	114	663
Other net banking operating income		**-20,784**	**-23,354**
Other banking operating income	26	2,384	2,331
Other banking operating expenses	26	-23,168	-25,685
NET BANKING INCOME		**122,445**	**99,666**
Operating expenses	27	-87,296	-84,622
Amortisation and depreciation and impairment of property, plant and equipment and intangible assets	9	-2,848	-2,149
GROSS OPERATING INCOME		**32,302**	**12,896**
Cost of risk	28	-1,174	-1,459
OPERATING INCOME		**31,128**	**11,437**
Gains or losses on long-term investments	29	31,878	-16
CURRENT INCOME BEFORE TAX		**63,005**	**11,421**
Non-recurring income			
Income tax		-5,937	-3,988
NET INCOME FOR THE YEAR		**57,069**	**7,433**

4 / NOTES TO THE ACCOUNTS

Note 1

Accounting principles and policies applied

1.1. Introduction

Les états financiers de CFM Indosuez sont établis en conformité avec la réglementation applicable, dans le cadre des dispositions des conventions franco-monégasques, aux établissements de crédit de la Principauté de Monaco.

1.2. Accounting principles and policies

A) Translation of assets and liabilities denominated in foreign currencies

Assets and liabilities denominated in foreign currencies are translated at the market exchange rates at the balance sheet date.

The income and expenses resulting from these translations, together with the translation differences generated on transactions during the financial year, are recognised in the income statement.

B) Foreign exchange transactions

Spot and forward foreign exchange contracts

Spot foreign exchange contracts are valued at the spot market rate for the currency in question at each balance sheet date.

Forward currency transactions are back-to-back transactions, and the rate used is the spot rate for the currency in question.

Currency options

Currency options are back-to-back transactions entered into on the over-the-counter market.

C) Forward interest rate instruments

Interest rate swaps

These are primarily back-to-back contracts that form part of the asset and liability management process.
The expenses and income relating to these transactions are entered on the income statement on a pro rata basis.

Interest rate options

Interest rate options are back-to-back transactions entered into on the over-the-counter market.

D) Securities

Trading securities

Trading securities are securities purchased on an organised market that is sufficiently liquid, with a view to reselling them within a maximum timeframe of six months from the outset.

Trading securities are valued at their market value. Gains or losses generated are recorded as income or expenses for the year.

Investment securities

Investment securities are financial investments purchased in order to provide a financial return.

A provision is recorded where their market value is lower than The recording of impairment provisions on equity investments is assessed on an individual basis, taking account of their value-in-use and of the economic and financial appraisal of each company concerned.

E) Non-current assets

Property, plant and equipment are recorded at their historical cost and in accordance with the component accounting method; repairs, maintenance and small items are recognised in expenses for the period. Intangible assets include business assets purchased, software, and lease rights, and are shown on the balance sheet at their historical cost.
Business assets purchased and lease rights are not amortised, and are subject to an impairment test.
The depreciation and amortisation charges for other fixed assets are calculated on a straight-line basis.

The depreciation and amortisation periods applied are as follows:

Component	Depreciation/ Amortisation perio
Buildings	30 to 50 years
Fixtures & fittings	6 to 10 years
Furniture & equipment	5 to 10 years
Transportation equipment	5 years
IT equipment	3 years
Software and other intangible non-current assets	1 to 3 years

F) Provisions for client-related risk

Provisions for client-related risk are recorded in accordance with the risk of loss as soon as those risks are known; these provisions are deducted from assets, where they relate to non-performing receivables. In other cases, they are recorded as liabilities.

G) Retirement pensions

Retirement pensions payable under the mandatory pension schemes to which employers and employees contribute are paid by specialised external bodies. The contributions due for the financial year are recognised in the income statement for the period.
The bank raised the provision for retirement benefits to €3,353 million in 2018.

H) Other employee commitments

The bonuses for long-service awards paid to employees are included in personnel expenses.
The provision corresponding to the entitlements earned by staff in connection with these bonuses amounted to €1,222,000 at the end of the financial year.

Note 2
Equivalent value of assets and liabilities in foreign currencies

(in thousands of euros)	31/12/2019	31/12/2018
Total assets in foreign currencies	1,919,972	2,037,305
Total liabilities in foreign currencies	1,919,718	2,034,595

Note 3
Loans and receivables due from credit institutions

(in thousands of euros)	31/12/2019	31/12/2018
Accounts and loans		
demand	168,466	572,844
overnight		
term	1,469,206	1,217,350
accrued interest	1,990	1,694
Total amounts due from credit institutions	**1,639,662**	**1,791,888**
Provisions		
Net amounts due from credit institutions	**1,639,662**	**1,791,888**

Note 4
Client receivables

(in thousands of euros)	31/12/2019	31/12/2018
Principal amounts receivable	3,439,144	3,288,644
Accrued interest	2,482	2,690
Total client receivables	**3,441,626**	**3,291,335**
Provisions	-9,216	-10,350
Net book value	**3,432,410**	**3,280,984**

Note 5
Bonds and other fixed income securities

(in thousands of euros)	31/12/2019	31/12/2018
Bonds and other debt securities	230,441	386,209
Accrued interest	1,254	4,713
Sub-total	**231,695**	**390,921**
Provisions	-98	-214
Net book value	**231,597**	**390,708**

Note 6
Equities and other variable income securities

(in thousands of euros)	31/12/2019	31/12/2018
Investment securities and shares	5	5
Accumulation UCITS	912	913
Sub-total	**917**	**918**
Provisions	-25	-19
Net book value	**892**	**899**

Note 7
Equity investments and other long-term investments

(in thousands of euros)	31/12/2019	31/12/2018
Investments in credit institutions	29	29
Other securities	823	580
Sub-total	**852**	**609**
Provisions	-1	-1
Net book value	**851**	**608**

Note 8
Investments in affiliates

(in thousands of euros)	31/12/2019	31/12/2018
Investments in credit institutions		
Other securities	297	297
Sub-total	**297**	**297**
Provisions		
Net book value	**297**	**297**

The bank holds almost all of the capital of CFM Indosuez Gestion, a Monegasque limited company (société anonyme) with share capital of €150,000.
The bank also holds 100% of the capital of CFM Indosuez Conseil en Investissement, a French single-member simplified joint stock company (société par action simplifiée unipersonnelle) with share capital of €150,000.

Note 9
Non-current assets

(in thousands of euros)	Intangible assets	Property, plant and equipment
Gross value at 1 January 2019	55,059	50,061
Net change during the financial year	797	125,355
Gross value at 31 December 2019	**55,856**	**175,416**
Aggregate depreciation and amortisation at the financial year-end	16,084	36,042
Net value at 31 December 2019	**39,772**	**139,374**
Depreciation and amortisation expense for the 2019 financial year	309	2,539

Property, plant and equipment include the purchase of a real estate asset in the third quarter of 2019.

Note 10
Amounts due to credit institutions

(in thousands of euros)	31/12/2019	31/12/2018
Ordinary accounts payable	32,421	206,422
Term accounts	30,450	106,079
Accrued interest	399	193
Total amounts due to credit institutions	**63,270**	**312,695**

Note 11
Amounts due to clients

(in thousands of euros)	31/12/2019	31/12/2018
Regulated savings accounts	96,751	108,971
Demand accounts	4,247,586	3,994,361
Term accounts	1,165,498	1,062,024
Other accounts	11,436	14,272
Accrued interest	2,395	2,849
Net balance sheet value	**5,523,666**	**5,182,477**

Note 12
Receivables and accrued interest

(in thousands of euros)	31/12/2019	31/12/2018
Interest accrued, not yet received (assets)		
Loans and receivables due from credit institutions	1,990	1,694
Client receivables	2,482	2,690
Bonds and other fixed income securities	1,254	4,713
Total interest included under assets	**5,726**	**9,097**
Interest accrued, not yet paid (liabilities)		
Amounts due to credit institutions	399	193
Amounts due to clients	2,395	2,849
Total interest included under liabilities	**2,794**	**3,042**

Note 13
Other assets and accrual accounts

(in thousands of euros)	31/12/2019	31/12/2018
Other assets		
Miscellaneous receivables	1,125	386
Options purchased	1,183	2,869
Income tax advance	6,000	3,402
Securities settlement accounts	16,110	15,520
Security deposits	28,858	29,247
Other	60	136
Net balance sheet value	**53,336**	**51,560**
Accrual accounts		
Collection accounts	62	90
Foreign currency adjustments	0	1,296
Income receivable	14,805	21,532
Prepaid expenses	1,676	2,818
Other	2,774	4,613
Net balance sheet value	**19,317**	**30,349**
TOTAL	**72,653**	**81,909**

Note 14
Other liabilities and accrual accounts

(in thousands of euros)	31/12/2019	31/12/2018
Other liabilities		
Security deposits	18,108	17,744
Options sold	1,183	2,869
Miscellaneous payables	10,692	7,066
Securities settlement accounts	247	3
Other		
Net balance sheet value	**30,230**	**27,681**
Accrual accounts		
Currency adjustments	1,931	0
Prepaid income	**0**	**0**
Expenses payable	48,808	51,536
Other accrual accounts	5,410	8,962
Net balance sheet value	**56,149**	**60,498**
TOTAL	**86,379**	**88,179**

Note 15
Provisions

(in thousands of euros)	Balance at 31/12/2018	Allocations	Reversals	Foreign exchange rate adjustments	Other transactions	Balance at 31/12/2019
Provision deducted from assets						
Client receivables	**10,350**	**1,331**	**2,481**	**16**		**9,216**
Investment securities	233	123	233			123
Long-term investments	1		0			1
TOTAL	**10,584**	**1,454**	**2,714**	**16**	**0**	**9,340**
Provisions classified under balance sheet liabilities						
Client-related risks	4,319	899				5,218
Employee commitments	4,575	2,014	1,254			5,335
Other allocated provisions	2,125	478	27			2,576
TOTAL	**11,019**	**3,391**	**1,281**	**0**	**0**	**13,129**

Note 16
Fund for general banking risks

(in thousands of euros)	31/12/2019	31/12/2018
Fund for general banking risks	4,471	4,471
Balance sheet value	**4,471**	**4,471**

This amount covers the bank's general, unidentified risks. The fund for general banking risks is considered as equity under current banking regulations.

Note 17
Changes in equity (before distribution and excluding the fund for general banking risks)

(in thousands of euros)	Capital	Additional paid-in capital and reserves	Revaluation difference	Retained earnings	Regulated provisions	Income	Total shareholders' equity
Balance at 31/12/2017	**34,953**	**83,047**	**0**	**177,520**	**0**	**28,295**	**323,815**
Increase / reduction*				-1,837			-1,837
Dividends paid in 2018						-25,464	-25,464
Appropriation of income for 2017				2,831		-2,831	0
Income for the year 2017						7,433	7,433
Balance at 31/12/2018	**34,953**	**83,047**	**0**	**178,514**	**0**	**7,433**	**303,947**
Increase / reduction							0
Dividends paid in 2019				-18,031		-7,433	-25,464
Appropriation of income for 2018							0
Income for the year 2019						57,069	57,069
Balance at 31/12/2019	**34,953**	**83,047**	**0**	**160,483**	**0**	**57,069**	**335,552**

* Reduction of Retained earnings due to the impact of the first-time application of IFRS 9.

Note 18
Breakdown of receivables and payables by residual maturity

(in thousands of euros) Excluding receivables and accrued interest	< 3 months	> 3 months	> 1an ≤ 5 ans	> 5 ans	Total
Loans and receivables due from credit institutions	1,591,872	45,800			1,637,672
Client receivables	3,434,099	5,045			3,439,145
Receivables represented by a security	76,013	70,804	83,624		230,441
Amounts due to credit institutions	62,871				62,871
Amounts due to clients	5,432,650	88,621			5,521,271

* The remaining term is calculated until the next due date and not until maturity

Note 19

Commitments on forward financial instruments: Notional outstanding amounts by residual maturity

	31/12/2019			
(in thousands of euros)	≤ 1 year	from 1 to 5 years	> 5 years	Total
Forward transactions				
Interest rate hedging swaps	**624,741**	**731,959**	**389,936**	**1,746,636**
Global interest rate risk management	297,565	542,521	290,065	**1,130,151**
Other hedging transactions	327,176	189,438	99,871	**616,485**
Interest rate trading swaps				
Trading swaps	0	1,200	0	**1,200**
Forward currency hedging transactions	**470,698**	**0**	**0**	**470,698**
Commitments given	236,688	0	0	**236,688**
Commitments received	234,010	0	0	**234,010**
Forward currency trading transactions	**2,260,761**	**56,350**	**0**	**2,317,110**
Commitments given	1,130,030	28,154		**1,158,184**
Commitments received	1,130,731	28,196		**1,158,927**
Options				
Options purchased	321,150	1,558		322,708
Options sold	321,150	1,558		322,708

Amounts shown are cumulative lending and borrowing positions (interest rate swaps and interest rate swap options), or cumulative contract purchases and sales (other contracts).

Note 20

Off-balance-sheet items

(in thousands of euros)	31/12/2019	31/12/2018
Commitments given	**1,348,401**	**1,031,313**
- Financing commitments:	**1,094,691**	**868,768**
To clients	1,094,691	868,768
- Guarantee commitments:	**253,710**	**162,545**
To credit institutions	15,034	17,094
To clients	238,676	145,452
Commitments received	**2,103,143**	**2,180,853**
- Guarantee commitments:	**2,103,143**	**2,180,853**
From credit institutions	17,981	8,255
From clients	2,085,162	2,172,597

Note 21
Net interest and similar income from transactions

(in thousands of euros)	31/12/2019	31/12/2018
With credit institutions	24,565	20,530
With clients	41,729	40,487
On securities	147	452
Interest and similar income	**66,441**	**61,469**
With credit institutions	3,454	-811
With clients	-22,258	-17,954
On securities		
Interest and similar expenses	**-18,804**	**-18,765**
Net interest and similar income	**47,637**	**42,704**

Note 22
Income from variable income securities

(in thousands of euros)	31/12/2019	31/12/2018
Equity investments and other long-term investments	1	3
Investments in affiliates	15,689	26
Total	**15,690**	**29**

Note 23
Fee and commission income and expenses

	31/12/2019			31/12/2018		
(in thousands of euros)	Income	Expenses	Net	Income	Expenses	Net
On transactions with credit institutions	0	-94	-94	0	-69	-69
On transactions with clients	6,405	-1,388	5,017	5,821	-1,369	4,452
On securities transactions	49,484	-4,096	45,388	49,558	-2,736	46,823
Other	11,171	0	11,171	11,664	0	11,664
Total	**67,060**	**-5,578**	**61,482**	**67,043**	**-4,173**	**62,870**

Note 24
Gains or losses on trading portfolio transactions

(in thousands of euros)	31/12/2019	31/12/2018
On trading securities	6,380	3,500
On foreign currency transactions and similar financial instruments	11,926	13,253
Balance of trading portfolio transactions	**18,306**	**16,753**

Note 25
Gains or losses on investment portfolio transactions

(in thousands of euros)	31/12/2019	31/12/2018
Investment securities		
Net gains	8	-214
Net changes in provisions	106	877
Net amount	**114**	**663**

Note 26
Other banking operating income and expenses

(in thousands of euros)	31/12/2019	31/12/2018
Income		
Share in joint ventures		
Re-invoiced and reclassified expenses	33	121
Miscellaneous banking operating income	2,283	2,142
Other income	68	68
Total income	**2,384**	**2,331**
Expenses		
Share in joint ventures	-1,123	-1,003
Miscellaneous banking operating expenses	-22,045	-24,681
Total expenses	**-23,168**	**-25,685**
Net total	**-20,784**	**-23,354**

Note 27
Operating expenses

(in thousands of euros)		31/12/2019	31/12/2018
Personnel expenses			
Wages and benefits		39,324	39,923
Incentives		1,147	735
Payroll expenses		13,204	12,924
Total personnel expenses		**53,675**	**53,582**
Administrative expenses		**33,621**	**31,040**
o/w Statutory Auditors' fees		165	156
o/w head office expenses *		2,415	2,590
o/w transactions with subsidiaries **		-1,504	-1,107
Total operating expenses		**87,296**	**84,622**

* Since 2017, head office expenses are invoiced by CA Indosuez Wealth (Group) on a yearly basis.
** In 2019, inter-company transactions amounted to €1,504,000 (versus €1,107,000 at 31 December 2018).

Note 28
Cost of risk

(in thousands of euros)		31/12/2019	31/12/2018
Reversals of provisions for contingencies and charges		27	409
Reversals of provisions for non-performing receivables		2,011	444
Miscellaneous income			
Total income		**2,038**	**852**
Provisions for non-performing receivables and other assets		-829	-1,305
Losses on irrecoverable receivables covered by a provision		-1,023	-466
Allocations to provisions for contingencies and charges		-1,360	-540
Miscellaneous expenses			
Total expenses		**-3,212**	**-2,311**
Total		**-1,174**	**-1,459**

Note 29
Gains and losses on fixed assets

(in thousands of euros)		31/12/2019	31/12/2018
Gains on the disposal of property, plant and equipment and intangible assets		33,505	
Losses on the disposal of property, plant and equipment and intangible assets		-1,627	-16
Gains on the disposal of long-term investments			
Allocations to and reversals of provisions for impairment of long-term investments			
Total		**31,878**	**-16**

Note 30
Average headcount

Staff category		31/12/2019	31/12/2018
Executives		309	309
Supervisors		68	76
Employees			
Total		**377**	**385**

Note 31
Encumbered assets

CFM Indosuez monitors and manages the level of its pledged assets.
The total encumbered assets ratio stood at 0% at 31 December 2019.
We have not identified a source of pledged assets that meets the criteria defined by the executive order of 19 December 2014.

Assets

At 31/12/2019 (in millions of euros)	Book value of encumbered assets	Fair value of encumbered assets	Book value of unencumbered assetss	Fair value of unencumbered assets
Assets of the reporting institution	**0.0**	**0.0**	**6,026.5**	**6,083.9**
Capital instruments	0.0	0.0	0.0	0.0
Transactions with clients	0.0	0.0	3,432.4	3,448.7
Securities transactions	0.0	0.0	232.5	251.8
Other assets	0.0	0.0	2,361.6	2,383.3

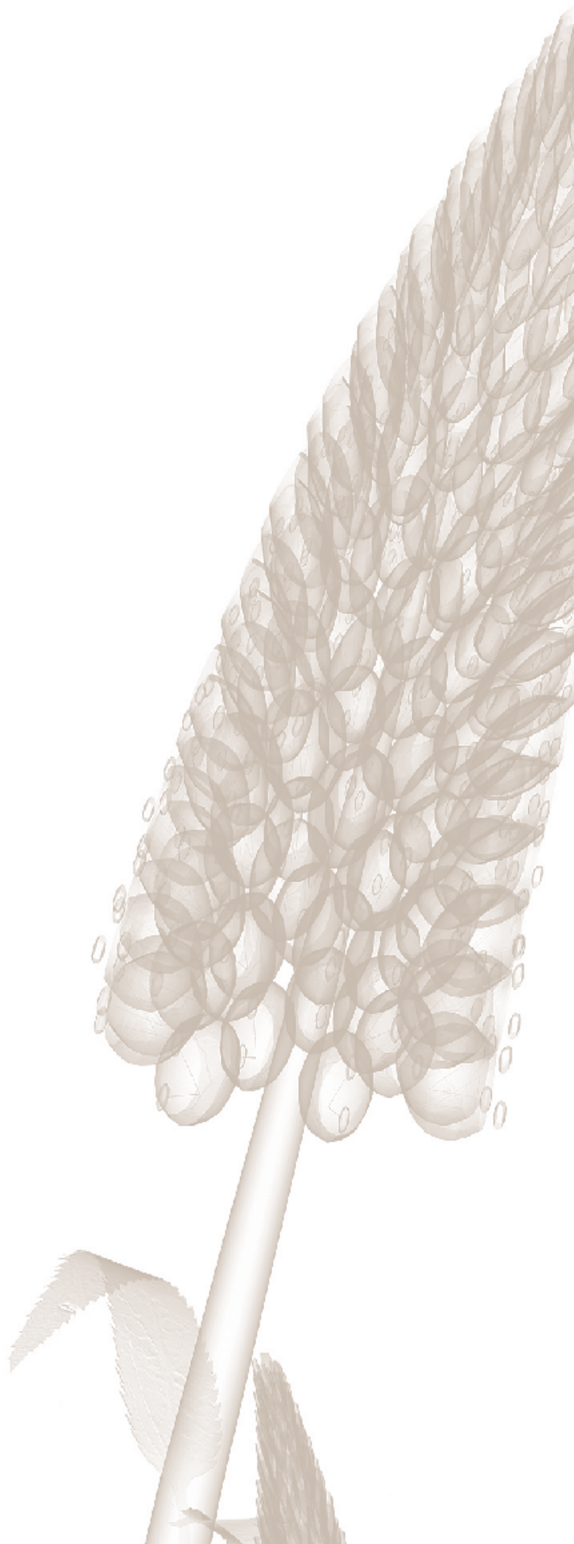
Guarantees received

At 31/12/2019 (in millions of euros)	Fair value of encumbered guarantees received or encumbered own debt securities issued	Fair value of guarantees received or own debt securities issued available to be encumbered
Collateral received from the reporting institution	0	0

Note 32
Post-balance sheet events not liable to impact the financial statements closed on 31 December 2019

The Covid-19 epidemic is expected to have a significant negative impact on the global economy, which will worsen if it is not contained quickly. The epidemic has caused supply and demand shocks, leading to a marked slowdown in activity due to the impact of lockdown measures on consumer spending and caution among economic agents, as well as production difficulties, disruptions to supply chains in some sectors and a drop in investment. This will lead to a sharp decline in growth or technical recession in many countries. The consequences will affect the activities of banks' counterparties and therefore banks themselves. Crédit Agricole Group, which announced support measures for its business and individual clients during the crisis and which has committed to the measures announced by the government, expects to be impacted in terms of its revenue, cost of risk and net income. CFM Indosuez Wealth could also be impacted. It is impossible to predict the extent or length of the impact at this stage.

Our locations



Registered office

11, boulevard Albert 1er
Tel. + 377 93 10 20 00

Branches

Albert 1er

11, boulevard Albert 1er
Tel.+ 377 93 10 20 00

Gastaud
2, rue des Princes
Tel.+ 377 93 10 20 92

Suffren Reymond
11, boulevard Albert 1er
Tel.+ 377 93 10 23 40

Monte-Carlo
31, boulevard Princesse Charlotte
Tel.+ 377 93 10 25 30

Moulins
Europa Résidence
Tel.+ 377 93 10 25 00

Monaco Ville
6, rue Comte Félix Gastaldi
Tel.+ 377 93 10 26 20

The annual Report is published
in French and in English.
In the event of an
inconsistency between
both versions, the original version
in French will prevail.

Design & production:
www.lamanufacture.net