SOLVENCY AND FINANCIAL CONDITION REPORT

Solvency II Narrative Report

2018

CRÉDIT AGRICOLE ASSURANCES

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SUMMARY

Crédit Agricole Assurances, a wholly-owned subsidiary of the Crédit Agricole banking group, presents its solvency and financial condition report (SFCR) for 2018 in accordance with Solvency II, which came into effect on 1 January 2016, and more specifically the Pillar 3 public disclosures required under the European capital requirements Directive.

The purpose of the report is to provide a holistic overview of the group's insurance business in a Solvency II environment. The report, together with the various quantitative reporting templates (QRT), provides detailed information about Crédit Agricole Assurances' business operations and performance, the adequacy and appropriateness of its system of governance, the group's risk profile, the valuation differences between its local GAAP and Solvency II balance sheets and an assessment of its solvency. The report was presented to the Audit Committee on 17 April 2019 and signed off by the Board of Directors on 18 April 2019.

Business and performance

Crédit Agricole Assurances is the leading bancassurer in Europe[1] and leading insurer in France[2] based on the amount of written premiums. It is a rounded, diversified insurance company with three core business activities: savings & retirement, death & disability, creditor and group insurance, and property & casualty insurance.

With written premiums of €33.5 billion in 2018 (81.9% in France and 18.1% international), net inflows of €7.3 billion and net earnings of €1.331 billion, Crédit Agricole Assurances has demonstrated its robustness in a competitive environment affected by persistently low interest rates. This performance reflects dynamic business momentum throughout its French and international distribution networks and demonstrates the appropriateness of its integrated bancassurance model built around the branch networks of the Crédit Agricole Regional Banks, LCL and Crédit Agricole Group's banks in Europe.

System of governance

Crédit Agricole Assurances has an appropriate system of governance tailored to its various lines of business and its management methods.

The Board of Directors sets the company's broad business strategy and oversees its implementation. It is responsible at group level for compliance with the legal, regulatory and administrative provisions adopted pursuant to the Solvency II Directive. The Board works closely with Senior Management, which consists of the Chief Executive Officer and the two other key executive officers of Crédit Agricole Assurances, as well as the four key function holders.

This system of governance contributes to achieving Crédit Agricole Assurances strategic objectives and guarantees effective management of risks with regard to their nature, scope and complexity and the regular controls to ensure sound, prudent management of the business.

Risk profile

Crédit Agricole Assurances' risk profile described in section C of this report is derived from the risk map, which is the key tool used to identify the risks to which the group is exposed. Its main risks are market and life underwriting risks due to the size of its savings & retirement business, particularly in France and Italy. Given its risk profile, the standard formula is appropriate for calculating the group's capital requirement. Risks that are not captured in the standard formula are, like each identified risk,

[1] CAA internal source, end of 2017 data
[2] Source: L'Argus de l'assurance, 21 December 2018, end of 2017 data

handled through a risk management and monitoring system that alerts the governance bodies in the event of a deviation from the day-to-day management framework.

Valuation for solvency purposes

The reporting date for Crédit Agricole Assurances group's solvency balance sheet is 31 December.

The solvency balance sheet is based on an economic valuation of assets and liabilities:

a. Assets are measured at the amount for which they could be exchanged between knowledgeable willing parties in an arm’s length transaction;

b. Liabilities are measured at the amount for which they could be transferred or settled between knowledgeable willing parties in an arm’s length transaction.

In most cases, measurement at fair value is permitted under IFRS, in accordance with Solvency II principles. However, some measurement methods such as amortised cost cannot be used to prepare the economic balance sheet.

Capital management

Crédit Agricole Assurances group has a capital management policy in place. It sets out the method of managing, monitoring and overseeing own funds as well as the funding process for Crédit Agricole Assurances and its subsidiaries.

It takes into account the regulatory constraints applicable to insurance undertakings, banking regulations, financial conglomerate regulations and Crédit Agricole Group's own objectives.

At 31 December 2018, eligible own funds totalled €23,064 million and the solvency capital requirement (SCR) amounted to €12,247 million. At 31 December 2018, the minimum capital requirement (MCR) totalled €5,766 million.

Crédit Agricole Assurances group has not applied any transitional measures for calculating its solvency ratio other than the grandfathering clause for subordinated liabilities.

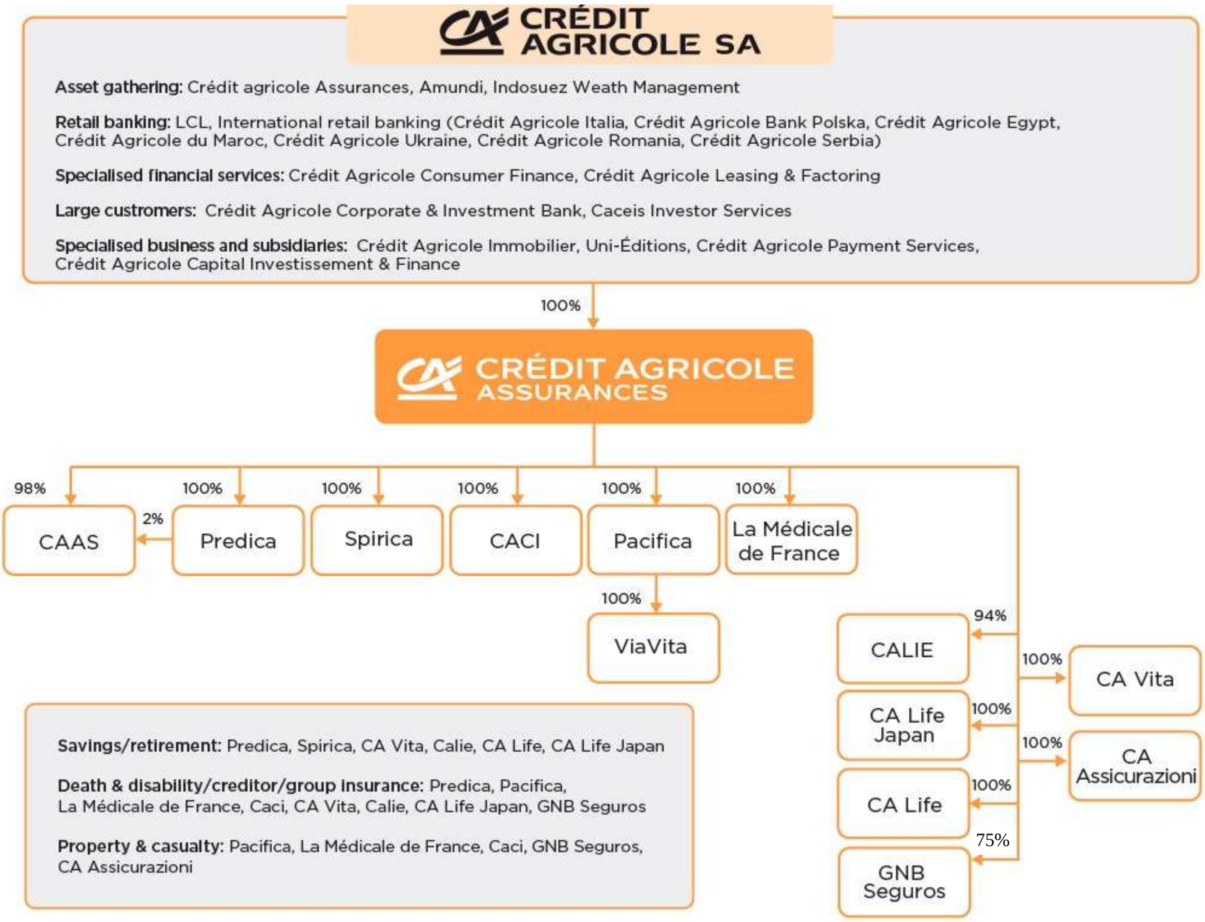
At end-2018, therefore, its solvency ratio was 188% and the MCR ratio was 343%.

A. BUSINESS AND PERFORMANCE

A.1 Business

A.1.1 Scope

Crédit Agricole Assurances, an insurance undertaking with a share capital of €1,490,403,670, head office at 50-56 rue de la Procession, Paris, governed by a Board of Directors, is the holding company for Crédit Agricole Assurances S.A. Group's insurance business and is wholly-owned by Crédit Agricole S.A. The following chart shows Crédit Agricole Assurances group's IFRS consolidation scope.



Crédit Agricole Assurances group is supervised by the *Autorité de Contrôle Prudentiel et de Résolution*, 4 place de Budapest, Paris. Its auditors are PricewaterhouseCoopers Audit, 63 rue de Villiers, Neuilly-sur-Seine, and Ernst and Young, Tour First, 1 place des Saisons, Courbevoie.

A.1.2 General presentation

Crédit Agricole Group is the leading bancassurer in Europe[1] and number one insurer in France[2] based on the amount of written premiums. These positions are based on a full competitive offering adapted to the specific needs of each domestic market and each local partner.

For more than 30 years, the Group has built its success on its ability to meet the needs of its customers and distributors through a high quality offering and a proactive approach to a changing environment. Crédit Agricole Assurances covers all the insurance needs of the Group's customers in France and abroad, through three core business activities: savings & retirement, death & disability, creditor and group insurance, and property & casualty insurance.

- Savings & retirement: Crédit Agricole Assurances is the second largest provider of personal insurance in France based on written premiums[2] and assets under management[3].

  This business covers all savings activities, including participating and unit-linked life insurance products, and pension contracts including the *Plan Epargne Retraite Populaire* (PERP). In France, the group distributes its products primarily to individual, wealth management, farming, small businesses and corporate customers of the Crédit Agricole Regional Banks (nearly 7,000 branches) and LCL (nearly 2,000 locations). In the international markets, Crédit Agricole Assurances operates through Crédit Agricole Group entities in Italy, Luxembourg and Poland, where it continues to export and tailor its bancassurance expertise. It also continues to expand through distribution agreements with outside partners in Italy, Portugal, Japan and Luxembourg. In Italy, a new strategic bancassurance partnership with Italian bank Credito Valtellinese (CreVal) has given Crédit Agricole Assurances exclusive access to CreVal's distribution network for all savings products and some death & disability products. It also works with external partners in targeted geographical areas, such as Japan. In addition, Crédit Agricole Assurances' group is expanding through alternative networks: independent wealth management advisors' platforms and groups, network of 125 general insurance agents organised in 45 regional agencies specialised for health professionals, Internet brokers, private bankers.

- Death & disability, creditor and group insurance: Crédit Agricole Assurances is France's leading provider of individual death & disability insurance[4] and the second largest bancassurer in creditor insurance[5]. Group insurance, a new business launched in 2015, covered some 600,000 people at 1 January 2019.

  This business encompasses death and disability, credit insurance and group health insurance. Through the combined expertise of its various insurance companies in France and abroad, Crédit Agricole Assurances group provides individual and group insurance solutions to its customers.

  - Death & disability products are sold through Crédit Agricole Group's branch networks in France and abroad, as well as a network of general agents dedicated to healthcare professionals and through partnerships with independent financial advisers in France.
  - In creditor insurance, Crédit Agricole Assurances provides its services through some 40 partner consumer finance companies and retail banks in six countries.

  As a reminder, on 22 June 2017, Crédit Agricole Group and CNP Assurances signed an agreement on creditor insurance for the Crédit Agricole Regional Banks network. This agreement followed Crédit Agricole Group's announcement, in its medium-term plan unveiled in March 2016, of its decision to insource the Regional Banks' creditor insurance contracts within its subsidiary Crédit Agricole Assurances. The insourcing of

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[1] CAA internal source, end of 2017 data
[2] Source: L'Argus de l'assurance, 21 December 2018, end of 2017 data
[3] Source: L'Argus de l'assurance, 8 June 2018
[4] Source: L'Argus de l'assurance, 13 April 2018
[5] Source: L'Argus de l'assurance, 11 May 2018

new business was completed in April 2018. CNP Assurances will continue to co-insure 50% of the outstanding contracts until their extinction.

- Property & casualty: Crédit Agricole Assurances is the largest car and home and health bancassureur[1], and the 5th largest property and liability insurer in France[2].

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

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

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

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

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

Crédit Agricole Assurances has three distribution channels:

- Its bancassurance model (87% of 2018 revenue), which distributes personal, property & casualty and credit insurance products through Crédit Agricole Group's branch networks;
- Internal and external Group partnerships (6% of 2018 revenue) for credit and "financial protection" insurance products;
- Non-Group partnerships (7% of 2018 revenue) in countries such as Japan where the group does not have a retail banking operation.

The table below shows a breakdown of Crédit Agricole Assurances' headcount by geographical area:

(in number of employees)	2018	2017	Variation
France	2,674	2,625	2%
International	505	483	5%
Total headcount	**3,179**	**3,108**	**2%**

Headcount on IFRS consolidation scope

[1] Source: L'Argus de l'assurance, 11 May 2018
[2] Source: L'Argus de l'assurance, 21 December 2018

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A.1.3 Significant events of the year and outlook

Crédit Agricole Group is the leading brand of banking and insurance:

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

➢ In France:

Crédit Agricole Assurances remains the largest insurer:

- On 21 December 2018, l'Argus de l'Assurance published a ranking in which Crédit Agricole Assurances is the largest insurer in France;
- This position is based on a premium income of €26.0 billion in France in 2017;

➢ In the International markets:

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

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

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

➢ In Italy:

Crédit Agricole Vita, an Italian life insurance subsidiary of Crédit Agricole Assurances, awarded at the "*Future Bancassurance Awards 2018*":

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

➢ In Property & Casualty:

Protection of farmers' income: Pacifica innovates and announces the launch of the "Income protection" policy:

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

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

➢ Crédit Agricole Assurances rewarded for its engagement in sustainable investment:

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

A.1.4 Intra-group transactions

A.1.4.1 Intra-group transactions within Crédit Agricole Assurances group

The main intra-group transactions within Crédit Agricole Assurances group in 2018 involved the issuance of subordinated notes between Crédit Agricole Assurances and its subsidiaries.

A.1.4.2 Intra-group transactions within Crédit Agricole S.A. Group

Crédit Agricole Assurances is funded mainly by Crédit Agricole Group and on the market.

At the end of 2018, Crédit Agricole Group took up €839 million of perpetual subordinated notes and €1,651 million of redeemable subordinated notes issued by Crédit Agricole Assurances.

In its investment portfolio, Crédit Agricole Assurances holds notes issued by Crédit Agricole Group for a total of €15,168 million, including €9,016 million backing unit-linked contracts.

In its bancassurance business, Crédit Agricole Assurances outsources some functions to other Crédit Agricole Group entities:

- Marketing of insurance contracts is outsourced to the Regional Bank and LCL branch networks in France and abroad, and also to partner networks in the international markets (Cariparma in Italy, Novo Banco in Portugal and CABP in Poland, etc.);
- Administration of life insurance contracts sold by the branch networks is outsourced to the distributors (Regional Banks);
- Asset management is outsourced to the specialised entities in the various markets (Amundi, CA Immobilier, CACEIS, etc.);
- P&C claims in France are managed by Sirca (company created by Pacifica and the Regional Banks).

A.1.5 Information on share capital and ownership

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

Actionnaires	31/12/2018	31/12/2017	31/12/2016
Crédit Agricole S.A.	149,040,361	149,040,361	149,040,361
Autres	6	6	6
Total	**149,040,367**	**149,040,367**	**149,040,367**

At 31 December 2018, Crédit Agricole Assurances S.A.'s share capital comprised 149,040,367 ordinary shares, each with a par value of €10. The shares have never been offered to the public and are not traded on a regulated market. At 31 December 2018, employees did not own any Crédit Agricole Assurances S.A. shares.

Dividend payout in respect of 2018

On 13 December 2018, the Board of Directors decided:

- to pay an interim cash dividend of €569,334,201.94, amounting to €3.82 per share;
- to propose to the General Meeting of Shareholders planned on 18 April 2019, a final dividend of €621,498,330.39, or €4.17 per share. Thus, the total dividend for 2018 amounts to €1,190,831,532.33 globally and €7.99 per share.

A.2 Underwriting performance

At the end of December 2018, Crédit Agricole Assurances reported IFRS written premiums of €33.5 billion, an increase by about 10% compared to 2017 and almost 82% of which was generated in France. The other main countries where Crédit Agricole Assurances operates are Italy, Luxembourg and Poland. In 2018, the low-interest rate environment continued to put pressure on the profitability and solvency of insurance companies. However, in addition to strengthening its reserves, Crédit Agricole Assurances responded by continuing to diversify its product mix towards property and personal protection activities while maintaining sustained growth in unit-linked in savings and retirement. At the end of December, net inflows amounted to 7.3 billion euros, including 5.1 billion euros in unit-linked inflows, an increase by 16% compared with 2017, and an inflow of €2.2 billion on euro-denominated contracts.

A.2.1 Life business

Crédit Agricole Assurances is the second largest life insurance provider in France[1] and number two in contribution to PERP retirement savings plans.[2]

At the end of 2018, the Crédit Agricole Assurances group's life and savings and pensions activities accounted for over 81% of total written premiums, mainly driven by activities in France, Italy and Luxembourg. The tables below show life underwriting performance by line of business on a Solvency II basis and consolidation scope. It does not include investment income, which is discussed in section A.3 Investment Performance.

	31/12/2018				
(in millions of euros)	Profit-sharing insurance	Indexed or unit-linked insurance commitments	Other commitments of (re) life insurance	Other LoB	**Total**
Gross written premiums	18,342	7,585	2,339	1,025	**29,291**
Gross earned premiums	18,342	7,585	2,265	1,029	**29,220**
Gross claims	15,615	3,081	637	533	**19,866**
Variation in gross technical provisions	(3,674)	(409)	(218)	(544)	**(4,846)**
Gross expenses (excluding placement fees)	947	419	1,014	387	**2,768**

	31/12/2017				
(in millions of euros)	Profit-sharing insurance	Indexed or unit-linked insurance commitments	Other commitments of (re) life insurance	Other LoB	**Total**
Gross written premiums	16,474	6,753	2,217	928	**26,372**
Gross earned premiums	16,474	6,753	2,130	920	**26,277**
Gross claims	17,279	1,896	687	459	**20,322**
Variation in gross technical provisions	(5,559)	(6,704)	(202)	(284)	**(12,749)**
Gross expenses (excluding placement fees)	920	381	916	361	**2,579**

[1] Source: L'Argus de l'assurance, 8 June 2018
[2] Source: L'Argus de l'assurance, 21 September 2018

At the end of 2018, life premium income totaled €29,291 million, a growth by 11% compared to the end of 2017, mainly driven by savings and retirement activities. Participating contracts recorded an increase by 11% compared to the end of 2017, representing 63% of written premiums to 18,342 million euros.

Crédit Agricole Assurances also continued to shift its Savings & Retirement mix towards unit-linked business, which contributed by 26% of Crédit Agricole Assurances group's premium income at the end of 2018, to 7,585 million euros, up by 12% compared to the end of 2017.

Moreover, protection business, through products such as work stoppage (disability, invalidity) and death cover, but also funeral and long-term care products, make up the bulk of other life insurance liabilities and continue to grow, with sales up by 5% compared to the end of 2017 to 2,339 million euros.

The cost of benefits paid mainly comprises the profit participation distributed to policyholders and the charge to provisions for participating contracts.

At the end of 2018, the participation provision[1] amounted 9.8 billion euros, an increase by 10% compared to the end of 2017.

A.2.2 Non-life business

Crédit Agricole Assurances is the largest motor and home and health bancassurer[2], and the fourth largest home insurer[3] in France.

The table below shows non-life underwriting performance by line of business on a Solvency II basis and consolidation scope. It illustrates the broad range of property & casualty lines.

[1] Predica scope
[2] Source: L'Argus de l'assurance, 11 May 2018
[3] Source: L'Argus de l'assurance, 13 July 2018

(in millions of euros)	31/12/2018							
	Medical fees	Income protection	Civil liability for the use of motor vehicles	Damage related to the use of motor vehicles	Fire and other property damage	Various pecuniary losses	Other LoB	Total
Gross written premiums	748	510	560	719	1,325	256	164	4,467
Gross earned premiums	732	495	544	695	1,288	235	157	4,328
Gross claims	557	226	461	437	878	32	59	2,762
Variation in gross technical provisions	-	-	(3)	-	(6)	-	-	(11)
Gross expenses (excluding placement fees)	131	203	148	162	361	134	76	1,269

(in millions of euros)	31/12/2017							
	Medical fees	Income protection	Civil liability for the use of motor vehicles	Damage related to the use of motor vehicles	Fire and other property damage	Various pecuniary losses	Other LoB	Total
Gross written premiums	691	484	523	661	1,222	234	149	4,138
Gross earned premiums	673	474	514	634	1,191	226	142	4,021
Gross claims	518	243	469	386	722	29	54	2,513
Variation in gross technical provisions	-	-	3	(1)	-	-	-	1
Gross expenses (excluding	113	196	146	145	361	147	72	1,244

At the end of 2018, non-life written premiums totalled €4,467 million, derived mainly in France. The good underwriting performance was driven by sustained momentum across all lines of business and particularly comprehensive household and motor policies, which are included in Fire and other damage to property, as well as motor vehicle liability policies. They represent almost 60% of the total of revenues at the end of 2018, or 2,604 million euros, an increase by nearly 8% compared to end of 2017.

Fire and other damage to property accounted for 30% of total premiums written and totalled €1,325 million, an increase by 8% compared with 2017. This growth was due mainly to strong business momentum in comprehensive household insurance, with high new business volumes, particularly in France. The level of customer satisfaction of Crédit Agricole Assurances' clients following the management of a claim for a car or property damage amounts 94% at the end of 2018.

Motor vehicle liability premiums written accounted for 29% of total premiums and totalled €1,279 million, an increase by 8% driven by excellent business momentum in Motor products.

Health insurance premiums totalled €748 million, an increase of 8% compared with 2016, driven by strong business in individual health business in France, with a particularly good performance in the supplementary health insurance aid scheme.

The combined ratio in France, which accounts for most of Crédit Agricole Assurances group's business, was 95.5%, a drop by 1.3 points compared to 2017, reflecting good control over operating costs and the cost of claims.

A.3 Investment performance

In 2018, even if economic growth stayed substantially positive in the main regions, important discrepancies have appeared. Supported by the budget stimulus of the Trump administration, the US economy has shown strong performance. It hasn't been the case for the Eurozone, where growth has been disappointing due to internal and external factors. Finally, the situation has worsened gradually in emerging markets, due to the Chinese slowdown and international commercial tensions.

Interest rate markets have experienced low rates on long sovereign bonds, the US 10-year treasury ended the year at 2.6% after a peak at 3.26% early November. The 10 year German bund finished the year 0.2%, below the beginning of the year. In addition, the market deeply revised the interest rate expectations of the FED and the ECB. This enthusiasm for non-risked assets is explained by the fear of investors for the strength of World economy when central banks reduce their support measures. Typically, central banks normalise their monetary policies with different pacing; the FED already started to reduce the size of its balance sheet and stopped QE in December.

Regarding equity markets, 2018 showed a strong negative performance; in local currency, US markets have decreased by 6.3%, the Eurozone by 14.7%, Europe by 13.1% and emerging markets by 12.3% while Japan decreased by 16.8%. The year divided in 4 periods. January has been positive in the wake of 2017, then decrease until March; the US interest rate rise induced a first drop-out, while the White House started working on commercial bilateral imbalances. Then, there was a period of decoupling between the US strong economy supported by the fiscal measures and the rest of the World until October. Then, for the second, long interest rate rise caused a general equity market collapse, including in the US markets, and especially of most visible tech values. The collapse further declined in December, which is rare.

At the end of December 2018, the financial income generated by the investments in Crédit Agricole Assurances' insurance activities amounted to €2,453 million, down €9,244 million or -79% compared to the end 2017. This variation is mainly due to the -6.0 billion euros change in variable capital income adjustments (-3.6 billion euros in 2018 versus +2.4 billion euros in 2017) and the change in fair value of assets recognised at fair value through profit and loss. This amounted to -3.8 billion euros in 2018 (partially offset by the overlay of 2.2 billion euros) against 0.5 billion euros in 2017, but the scope is not directly comparable with the implementation of IFRS 9.

The table below shows net investment income (dividends included) in 2018 on a consolidated IFRS basis.

(in millions of euros)	31/12/2018
Investment income	**7,335**
dividends	**667**
Dividends received on equity instruments at fair value through profit or loss	665
Dividends received on equity instruments recognized in non-recyclable equity	2
Interest products	**5,976**
Interest income on financial assets at amortized cost	189
Interest income on financial assets at fair value through equity	5,029
Accrued and overdue interest on hedging instruments	37
other interests and similar products	722
Other investment income	**692**
Investment expenses	**(370)**
Interest expenses	**(6)**
Interest expense on financial liabilities at amortized cost	-
Accrued and overdue interest on hedging instruments	-
Other interest and similar expenses	(6)
Commission expenses	**(315)**
Other expenses of investments	**(49)**
Capital gains and losses on disposal of investments net of reversals of depreciation and amortization	**41**
Net capital gains and losses on financial assets at amortized cost	**-**
Gains from derecognition of financial assets at amortized cost	-
Losses from derecognition of financial assets at amortized cost	-
Net gains and losses on debt instruments recognized in recyclable equity	**41**
Net gains and losses on the sale of hedging instruments	**-**
Net capital gains and losses on investment properties	**-**
Fair value change in investments recognized at fair value through profit or loss	**(6,702)**
Fair value change in financial assets held for trading	**-**
Fair value change in equity instruments	**(1,451)**
Fair value change of debt instruments that do not meet SPPI criteria	**(1,607)**
Fair value change in assets representing unit-linked contracts	**(3,609)**
Fair value change in financial assets at fair value through option income	**-**
Fair value change of transaction derivative instruments	**(34)**
Result of hedge accounting	**-**
Change in impairments on investments	**(8)**
Change in impairments on healthy assets (Bucket 1 and Bucket 2)	**(7)**
Bucket 1: Losses estimated at the amount of credit losses expected for the next 12 months	(18)
Debt instruments recognized at fair value through recyclable equity	(18)
Debt instruments carried at amortized cost	-
commitments	-
Bucket 2: Losses Measured at the Expected Lifetime Credit Losses	11
Debt instruments recognized at fair value through recyclable equity	11
Debt instruments carried at amortized cost	-
commitments	-
Change in impairments on impaired assets (Bucket 3)	**-**
Bucket 3: Impaired assets	-
Debt instruments recognized at fair value through recyclable equity	-
Debt instruments carried at amortized cost	-

commitments	-
Changes in depreciation on investment properties	**(1)**
Changes in impairments on other assets	**-**
Amount reclassified as gains and losses recognized directly in equity under the overlay approach	**2,157**
TOTAL INVESTMENT INCOME NET OF EXPENSES	**2,453**

	31/12/2017					
(in millions of euros)	Investment income	Investment expenses	Net realized and unrealized gains on net provisions reversal	Variations in fair values	Variations in provisions on investment	**Total**
Assets held at maturity	462	-	-	-	-	**462**
Assets available for sale	5,803	(9)	1,667	(120)	(53)	**7,288**
Assets held for trading purposes	-	-	-	-	-	**-**
Assets at fair value through profit or loss on option	533	-	-	2,879	-	**3,412**
Investment properties	283	(1)	1	-	(1)	**282**
Loans and receivables	164	(22)	-	-	-	**142**
Derivatives	28	(41)	-	243	-	**230**
Investments in associates and joint ventures	130	-	-	-	-	**130**
Other	243	(492)	-	-	-	**(249)**
TOTAL	**7,646**	**(565)**	**1,668**	**3,002**	**(54)**	**11,697**

At end-2018, securitised assets accounted for a minimal proportion of the investment portfolio and revenue from these assets was not material. Most of the securitised assets are held through an SPV invested predominantly in AAA rated securities.

The table below shows gains and losses recognised in other comprehensive income in the 2018 IFRS consolidated financial statements.

(in millions of euros)	31/12/2018
Other comprehensive income on items that may be reclassified subsequently to profit or loss	
Gains and losses on translation adjustments	**1**
Revaluation adjustment of the period	-
Reclassified to profit or loss	-
Other variations	1
Gains and losses on debt instruments at fair value through other comprehensive income that may be reclassified to profit or/and loss	**(740)**
Revaluation adjustment of the period	(4,224)
Reclassified to profit or loss	(30)
Other variations	(3)
Change in deferred participation during the period	3,517
Gains and losses on hedging derivative instruments	**9**
Revaluation adjustment of the period	54
Reclassified to profit or loss	-
Other variations	-
Change in deferred participation during the period	(45)
Reclassification of net gains (losses) of designated financial assets applying the overlay approach	**(356)**
Revaluation adjustment of the period	(2,155)
Reclassified to profit or loss	-
Other variations	(64)
Change in deferred participation during the period	1,863
Pre-tax other comprehensive income on items that may be reclassified to profit or loss on equity-accounted entities	**(1,086)**
Income tax related to items that may be reclassified to profit or loss excluding equity-accounted entities	**-**
Income tax related to items that may be reclassified to profit or loss on equity-accounted entities	**-**
Net other comprehensive income on items that may be reclassified to profit or loss on equity-accounted entities on discontinued operations	**-**
Other comprehensive income on items that may be reclassified subsequently to profit or loss, net of income tax	**(3)**
Other comprehensive income on items that will not be reclassified subsequently to profit or loss	**(724)**
Actuarial gains and losses on post-employment benefits	
Other comprehensive income on financial liabilities attributable to changes in own credit risk	-
Revaluation adjustment of the period	**(11)**
Transfer in reserves	(10)
Other comprehensive income on equity instruments that will not be reclassified to profit or loss	-
Other variations	(1)
Revaluation adjustment of the period	-
Transfer in reserves	**(11)**
Other comprehensive income on items that will not be reclassified to profit or loss on equity-accounted entities	**-**
Income tax related to items that will not be reclassified excluding equity-accounted entities	**3**
Income tax related to items that will not be reclassified on equity-accounted entities	**(2)**
Net other comprehensive income on items that will not be reclassified to profit or loss on equity-accounted entities on discontinued operations	**-**
Other comprehensive income on items that will not be reclassified subsequently to profit or loss, net of income tax	**(11)**
OTHER COMPREHENSIVE INCOME NET OF INCOME TAX	**(735)**

Of which Group share	(734)
Of which non-controlling interests	(1)

A.4 Other income and expense

Other income and expense mainly comprises tax and interest expense on subordinated debt.

B. SYSTEM OF GOVERNANCE

Crédit Agricole Assurances group has an appropriate system of governance tailored to its various business activities and its management methods. This system of governance contributes to achieving its strategic objectives and guarantees sound and prudent management of risks in view of their nature, scope and complexity.

B.1 General information on the system of governance

Crédit Agricole Assurances group, parent company of the insurance group, has a general system of governance based on**:**

- Board of Directors with its specialised Committees (Audit and Accounts Committee, IT strategic and Client process Committee);
- Senior Management with key executive officers;
- Hierarchical structure;
- Matrix structure through committees.

For each entity of Crédit Agricole Assurances Group, the Membership to Crédit Agricole S.A. group is reflected in a structure organised by business line. The reporting lines of the heads of the corresponding functions within the group are direct in the case of Periodic Control, Permanent Control and Risks, Legal Affairs and Compliance departments, and functional in the case of Finance, Communications and Human Resources departments. The heads of these functions report to both Senior Management of the Crédit Agricole Assurances group entity to which they belong and to the head of the Group business line.

Furthermore, some functions are pooled for several entities of Crédit Agricole Assurances group like the Investments, Corporate Communications, Customer Communications, Internal Audit, Human Resources and Purchasing functions.

B.1.1 Role and responsibilities

B.1.1.1Board of Directors

The Board of Directors of Crédit Agricole Assurances, parent company of the insurance group, had eight members at 31 December 2018.

It generally meets five to six times a year. The Board practices the powers attributed by the law and by the articles of association of the company and it notably defines the strategy and the general policies of the company. The Board sets the group's broad business strategy and oversees its implementation. Within the limits of its powers, it runs the day-to-day affairs of the business and deals with all matters within its remit by passing resolutions. It draws up and approves the various reports required and also approves policy. It may perform any inspections or checks it deems appropriate and makes sure of the quality of information provided to shareholders.

It is responsible at group level for compliance with the legal, regulatory and administrative provisions adopted pursuant to the Solvency II Directive. It ensures that an internal assessment of risk and solvency is carried out at group level.

The Board is also responsible for the effectiveness of the risk management system by setting risk appetite and tolerance limits and approving the main risk management policies for the group as a whole.

In this respect, it sets and approves the general organisation of the group, its system of governance and risk management, and its internal control framework. It ensures that these systems are adequate for the nature, scope and complexity of the transaction risks and controls them regularly to make sure that the business is managed on a sound and prudent basis. It is therefore involved in understanding the principal risks encountered by the group and setting relevant limits. It receives regular reports on compliance with those limits. It ensures that the system of risk management is integrated, consistent and effective at group level.

The Board works with Senior Management and the key function holders.

The key function holders report to the Board at least once a year and whenever they believe a particular event needs reporting. The key function holders also attend meetings of the Audit and Accounts Committee, which reports to the Board on its work.

B.1.1.2Board committees

Audit and Accounts Committee

It is composed of two directors. The Censor, the external auditors and any person responsible for reporting or authorised to report issues relating to risk management, audit work, finance and accounting also attend committee meetings. In accordance with the internal rules of procedure, representatives of the Finance and Corporate Secretarial Departments and the four key function holders also attend committee meetings.

The Committee meets at least twice year at the initiative of its Chairman or at the request of the Chairman of the Board or the Chief Executive Officer. The Committee reports on its work at the next Board meeting and informs the Board promptly of any difficulties it encounters.

The Committee insures the follow-up of the process of production of the financial and accounting information by reflecting on the impacts of significant events on accounts. It is also responsible for the follow-up of the proper realization of External Auditors' diligences and ensures the follow-up of the independence of External auditors.

The Audit and Accounts Committee also reviews the effectiveness of internal control and risk management systems (in particular the appropriateness of accounting treatment of significant transactions, major risks, overall consistency, etc.). It notably examines the internal audit plan of Credit Agricole Assurances group.

More generally, the Audit and Accounts Committee monitors all strategic matters that could have a major impact on the group's financial condition at the request of Senior Management, the Committee Chair or the Chairman of the Board.

IT Strategy and Customer Processes Committee

The IT Strategy and Customer processes Committee was created by the Board of Directors on 27 July 2017. The Committee comprises three directors appointed by the Board. Other permanent invitees also attend meetings: they include the chairs of the France Life and Non-Life IT & Customer Processes Committees, internal representatives of Crédit Agricole Assurances Solutions and heads of banking and insurance distributors.

The Committee meets at least twice a year. The agenda is set by the Chairman of the Committee, who reports on its work at the next Board meeting.

The Committee's role is to define guidelines for IT strategy and customer processes to ensure a consistent group-wide approach in these areas.

Ad hoc committees

The Board may create ad hoc committees to deal with specific matters within its remit. These committees conduct their work under the Board's responsibility.

Since 2013, the functions of Crédit Agricole Assurances' Compensation Committee were transferred to the Compensation Committee of Crédit Agricole S.A.

B.1.1.3Senior Management

Pursuant to the provisions of the law, Crédit Agricole Assurances has separated the office of Chairman from that of Chief Executive Officer.

On 31 July 2015, the Board appointed Frédéric Thomas as Chief Executive Officer (key executive officer) effective 1 September 2015. Within the limits of the powers expressly vested by law (or by the company rules and organization) attributed to the general meeting of shareholders and to the Board of Directors, Senior Management has the broadest power to act in the name of the company at all times and in all circumstances, within the limits of its corporate purpose.

Senior Management implements the strategy set by the Board of Directors and reports on its action to the Board. It supervises, manages and runs the risk governance system put in place by the group. It makes strategy proposals to the Board and draws up policies which the Board approves for the group as a whole. It sets effective decision-making procedures, an organisation structure that clearly indicates reporting lines, assigns roles and responsibilities as regards internal control and allocates the appropriate resources.

It is directly involved in the organisation and operation of the risk management and internal control system and makes sure that risk strategies and limits are compatible with the group's financial condition (level of own funds, earnings) and the strategies determined for the group. It ensures that the key information about the entities and group is regularly reported and properly documented, significant irregularities identified and corrective measures taken. It interacts appropriately with the Board committees and the key function holders.

B.1.1.4Key executive officers

The Board of Directors designated Thierry Langreney and Henri Le Bihan, Deputy Chief Executive Officers, as key executive officers on 1 January 2016. The key executive officers make a direct contribution to Senior Management's role and responsibilities (as described above) and meet as required with the Chief Executive Officer to discuss matters in Senior Management committee meetings.

B.1.1.5Executive comitology

The comitology of the Crédit Agricole Assurances Group is structured around:

- A Crédit Agricole Assurances Group Executive Committee,
- A Crédit Agricole Assurances Group Executive Committee which is held alternately with the Crédit Agricole Assurances Group Management Committee,
- Thematic Strategic Committees Crédit Agricole Assurances group.

B.1.1.6Key functions

Crédit Agricole Assurances group has designated four key functions for each entity within the group:

- Risk Management;
- Actuarial;
- Compliance;
- Internal Audit.

One person only is responsible for each of these four key functions (key function holders), who provide Senior Management and the Board of Directors with insight and assistance in running the system of governance. They have the authority and independence required to fulfil their role.

Risk management

The Risk Management function is organised in the same way as Crédit Agricole S.A.'s Risk business line and in accordance with Solvency II requirements.

Role and responsibilities

The Risk Management function is responsible at Crédit Agricole Assurances group level for:

- Developing a "risk" framework including a Crédit Agricole Assurances group risk strategy based on a risk appetite framework approved by the Board of Directors;
- Implementing and overseeing a risk management system (risk identification, measurement, alert system, control, management and reporting, and action plan monitoring);
- Making sure it is consistently applied in the subsidiaries;
- Meeting oversight and communication needs;
- Reporting to governance on risk exposure and its management.

Organisation of the function, reporting lines and relationship with other insurance undertakings

The Risk Management function reports to the Head of Risk Management and Permanent Control, who has a direct reporting line to Crédit Agricole S.A's Risk Department and a functional reporting line to the Chief Executive Officer of Crédit Agricole Assurances.

The Head of Risk Management and Permanent Control is supported by the Heads of Permanent Control and Risks of the entities of Crédit Agricole Assurances. Some of them also play a cross-cutting role in the group for a specific risk area and are then known as a "Lead Risk Adviser". The Head of Permanent Control and Risks of an entity of Crédit Agricole Assurances is hierarchically attached to the Head of Risk Management and Permanent Control of the group, and functionally attached to the Chief Executive Officer of its entity.

The Risk Management function also plays a cross functional role in Crédit Agricole Assurances group in risk areas that require a specific technical expertise. The Risk Management function also draws on other key functions and the internal control systems of the group and the entities.

Actuarial function

Role and responsibilities

The Actuarial function is responsible at Crédit Agricole Assurances group level for:

- Implementing a group system to coordinate and ensure consistency of actuarial practices within the entities;
- Making sure that group prudential technical reserves are reliable and adequate relative to risks and coverage;
- Providing a second opinion on underwriting and reinsurance policies, in particular by making sure that the entities draw up and implement appropriate policies;
- Formally documenting all its work and conclusions in an annual actuarial report for presentation to the Audit and Accounts committee and to the Board of Directors.

Organisation of the function, reporting lines and relationship with other insurance undertakings

Since February 2017, the Actuarial function has reported directly to one of the group's key executives.

The group Actuarial function is based on the principle of subsidiarity. Each subsidiary has a solo Actuarial function commensurate with the scale of its business.

Each entity Actuarial function, which is independent of the operational functions in line with the principle of segregation of tasks, is responsible for:

- Coordinating the calculation of Solvency II technical provisions;
- Ensuring the appropriateness of methodologies, underlying models and assumptions used to calculate Solvency II technical provisions;
- Assessing the adequacy and quality of data used to calculate Solvency II technical provisions;
- Issuing an opinion on the overall underwriting policy and the adequacy of reinsurance arrangements.

The Actuarial functions of the entities liaise with the group Actuarial function to carry out their work and perform controls within the area of their remit.

Compliance function

The Compliance function is organised in the same way as Crédit Agricole S.A.'s Compliance business line and in accordance with Solvency II requirements.

Role and responsibilities

The Compliance function is responsible at Crédit Agricole Assurances group level for:

- Protecting the group against the risk of non-compliance with the laws and regulations applicable to its business, including those compliance areas defined by Crédit Agricole S.A. Group's business line;
- Implementing a clear and consistent method of operation between Crédit Agricole Assurances, its subsidiaries and Crédit Agricole S.A. Group;
- Obtaining a "group" view of compliance risks across the Crédit Agricole Assurances group scope;
- Implementing systems to manage those risks and reporting to the governance bodies.

Organisation of the function, reporting lines and relationship with other insurance undertakings

The Compliance function is organised as follows:

- The Corporate Secretary of Crédit Agricole Assurances is the key function holder for the Compliance function in the French insurance companies. He reports to the Chief Executive Officer;
- The Crédit Agricole Assurances Group Compliance Officer has a functional reporting line to the Corporate Secretary and a direct reporting line to Crédit Agricole Group's Chief Compliance Officer. He is responsible for overseeing the Insurance Compliance business line, which is organised on a hierarchical basis in France and in other countries unless incompatible with local regulations;
- Each subsidiary and the holding company has a compliance department headed by a compliance officer.

The Compliance function may also call on the business lines and other support functions, including the Legal function.

Internal Audit function

Role and responsibilities

The Insurance Audit Department conducts desk and onsite audits across the entire Crédit Agricole Assurances group internal control scope, including its critical service providers. It draws first and foremost on the work performed by the dedicated internal audit units in Italy, Poland and Japan. Its role is to obtain assurance on:

- Proper measurement and management of risks;
- Adequacy and effectiveness of internal control systems;

- Conformity of transactions and compliance with procedures;
- Proper implementation of remedial action decided;
- And to assess the quality and effectiveness of operations.

On the basis of its work, the Insurance Audit department provides Senior Management and the Boards of both the group and its subsidiaries with a professional, independent opinion on the operation and internal control of the group and its entities.

Organisation of the function, reporting lines and relationship with other insurance undertakings

The Head of Internal Audit is the key function holder for the Internal Audit function at the level of Crédit Agricole Assurances group and its French subsidiaries. Furthermore, to guarantee his independence, the Head of Internal Audit reports both to Crédit Agricole Group's Audit Inspection business line and the Chief Executive Officer of Crédit Agricole Assurances group, who is responsible for ensuring that the necessary resources are allocated to the Internal Audit function to fulfil its role.

B.1.2 Material changes in the system of governance during the year

During 2018, no changes within the Board of Directors have been made.

B.1.3 Remuneration policy

Crédit Agricole Assurances group’s remuneration policy is aligned with that of Crédit Agricole S.A. and consistent with its internal structure. Its policy is based on responsible remuneration practices protecting it from excessive risk-taking by its senior executives and employees in the interests of all stakeholders — employees, customers and shareholders.

B.1.3.1General presentation and key components of the remuneration policy for members of the Board of Directors and Senior Management

Board of Directors

Directors’ fees

The aggregate amount of directors' fees is set each year at the Shareholders' Meeting and allocated among the directors and Board observers by decision of the Board. A fixed amount, set by the Board, is allocated to each director and observer per meeting of the Board, Audit and Accounts Committee or any ad hoc Committee attended.

Variable components of remuneration

Directors do not hold any stock options or performance shares. As Crédit Agricole Assurances has no listed equity securities, only debt securities, directors do not receive any share-based variable remuneration.

Executive officers

Crédit Agricole Assurances does pay any remuneration to the Chief Executive Officer in respect of his office, as his remuneration is paid by Crédit Agricole S.A. in accordance with the provisions applicable within the Group. The executive officers are not entitled to any benefits, specific pension arrangements, death and disability insurance or severance benefits of any kind in respect of their office. However, they are "identified persons" (as defined under the heading "Remuneration of identified persons") and their remuneration is structured in such a way as to be aligned to the long-term interests of the company.

General principles

Crédit Agricole Assurances group’s remuneration policy is an integral part of Crédit Agricole S.A.'s remuneration policy. It is set by the group's Senior Management at the proposal of the Human

Resources Department, after review by the Compensation Policy Control Committee. This policy is reviewed and approved each year by Crédit Agricole S.A.'s Board of Directors.

Given the specific nature of its business, its legal entities and national legislation in its countries of operation, the group strives to develop a remuneration system aligned to market practices in order to attract and retain the talent the group needs. Remuneration is based on both individual performance and collective performance of the business lines. The remuneration policy is designed to discourage excessive risk-taking.

Its policy is therefore devised in line with the objectives set by the group while striving to adapt them to the different categories of employee and the specific features of the insurance market.

Governance

The Human Resources Department of Crédit Agricole Assurances provides Crédit Agricole S.A.'s Compensation Committee with the information it needs.

Crédit Agricole Assurances aligns its remuneration policy to the decisions taken by Crédit Agricole S.A.'s Board of Directors after obtaining opinions from its own Compensation Committee and Compensation Policy Control Committee, which comprises representatives of the Risk Management and Permanent Control, Compliance and Human Resources departments.

The Finance Department is also involved in approving the methods used to determine the economic results underlying the variable components of executive pay.

The remuneration policy and its implementation are also audited by the Group's Internal Audit and Inspection Department.

In addition, to comply with regulatory obligations, Crédit Agricole Assurances has set up a compensation policy control committee comprising representatives of the Risk Management and Permanent Control, Compliance and Human Resources Departments.

B.1.3.2 Main components of the remuneration policy for employees and senior executives

Employees

Employees' remuneration is based on the following components:

- Base salary;
- Individual variable remuneration;
- Collective variable compensation;
- Long-term and deferred variable remuneration;
- Peripheral compensation (supplementary pension and health insurance schemes):

Crédit Agricole Assurances benchmarks its practices against those of insurance and reinsurance companies in the French market and aims to position itself within the market median in terms of overall remuneration.

Individual variable remuneration rewards employees for performance and forms an integral part of the annual remuneration package. It is based on a precise assessment of results achieved relative to the specific targets for the year, taking into account how they were achieved.

In response to regulatory requirements both in Europe (Solvency 2) and the United States (the Volcker Rule), a code of conduct is included in the compensation policy so that compensation practices:

- Do not create incentives that might encourage the persons concerned to promote their own interests to the potential detriment of their client;

- Prohibit employees from any recourse to an individual hedging strategy or income protection or liability insurance that could compromise the risk alignment envisaged by variable compensation schemes.

Again in response to Solvency 2 regulatory requirements and to avoid any conflict of interest, the remuneration of key function holders is set independently of that of the business lines they are responsible for overseeing or controlling. Targets set and metrics used to determine their variable remuneration do not include any criteria related to the results and economic performance of entities they are responsible for controlling.

Finally, following the entry into force of the Insurance Distribution Directive, rules of conduct have been completed so that remuneration policies do not hinder the ability of employees to act in the best interests of their clients, nor dissuade them from presenting the information in an unbiased, clear and not misleading way.

Collective variable remuneration rewards employees for Crédit Agricole Assurances group's overall performance. It comprises mandatory profit-sharing and discretionary incentive schemes, plus an employee savings scheme and a group retirement savings scheme.

Senior executives

Individual variable remuneration

Senior executives of Crédit Agricole Assurances benefit from the variable remuneration programme provided by Crédit Agricole S.A. Group — Personal Variable Remuneration (PVR) — based on management by objectives and the achievement of pre-set individual and collective targets on the employee's scope of responsibility.

The programme has been rolled out and adapted to senior executives of Crédit Agricole Assurances, who are also entitled to receive PVR. PVR measures individual performance based on individual and collective targets in four areas:

- Economic results;
- Human capital;
- Internal/external customers;
- Society.

The variable remuneration awarded is also directly impacted by behaviour that fails to respect the fit and proper requirements, compliance rules and procedures and risk limits. Annual variable remuneration is defined as a percentage of base salary which increases in line with the level of responsibility. For all senior executives, regardless of business line or function, a portion of variable remuneration is based on economic targets at group level, increasing in line with responsibility, and the remainder is based on entity targets.

Long-term variable remuneration

The long-term remuneration plan, set up by Crédit Agricole S.A. Group in 2011, is based on share and/or cash awards linked to long-term performance conditions. Shares and/or cash awards linked are definitively vested in an amount of one third per year over a period of three years, provided the performance conditions have been met. Once vested, the shares may also be subject to a lock-up period.

At the end of the deferral period, the performance shares and/or cash awards linked vest according to the level of achievement of demanding sustainable performance conditions, based on the following criteria:

- Crédit Agricole S.A. Group's intrinsic performance;
- Performance of Crédit Agricole S.A. shares relative to a composite index of European banks;
- Societal performance as measured by the FReD index.

If the performance conditions are achieved or exceeded at the end of the vesting period, 100% of the right awarded are deemed to have vested. If the performance conditions are not fully achieved, a discount is applied on a linear basis.

Each performance condition represents one third of the initial award. Executive officers of Crédit Agricole Assurances are eligible for this long-term plan. Awards are set annually at the proposal of Crédit Agricole S.A.'s Chief Executive Officer. During the vesting period, the shares awarded vest at the end of each deferral period provided that the beneficiary is still in service or meets one of the following conditions:

- Internal transfer within the Crédit Agricole Group;
- Retirement;
- Termination for economic reasons at the employer's initiative;
- Incapacity or disability;
- Change of control of the subsidiary;
- Death (the heirs will receive the shares awarded during the vesting period).

<u>Information on the key characteristics of supplemental pension plans</u>

Since 2011, senior executives of Crédit Agricole Assurances have been entitled to various supplemental pension plans, comprising a combination of defined contribution and defined benefit top-up plans:

- Cumulative contributions to the two defined contribution plans (industry plan and company group plan) are equal to 8% of gross salary capped at eight times the Social Security ceiling (5% paid by the employer and 3% by the beneficiary);
- Benefits in the top-up defined benefit plan are determined after deduction of the pension accrued under the defined contribution plans. They are equal to a pension rate of between 0.125% and 0.30% per quarter of service, capped at 120 quarters and 100% of the reference remuneration, provided that the beneficiary is still in service on the vesting date.

The reference remuneration is defined as the average of the three highest gross annual remuneration amounts received in the last 10 years of service with Crédit Agricole entities, defined as fixed remuneration plus variable remuneration capped at 40% and 60% of fixed remuneration depending on the last salary level. In any event, when claimed, the total pension annuity received from all plans is capped at 23 times the annual Social Security ceiling on that date, and 70% of the reference remuneration.

Benefits accrued within the group prior to the current rules are maintained and are aggregated with benefits accruing under the current plans, in particular for calculating the maximum amount of pension payable.

Performance bonus for managerial and non-managerial staff

Performance bonuses are based on a precise assessment of results achieved relative to the specific targets for the year (quantitative assessment), taking into account how they were achieved (qualitative assessment). They do not reward the fulfilment of normal duties.

The extent to which objectives are achieved or exceeded is the key criterion for the award of performance bonuses, plus a qualitative assessment of how the targets were achieved (based on criteria such as autonomy, engagement, uncertainty, general context, etc.), and in light of the consequences for other stakeholders in the company (managers, colleagues, other sectors, etc.).

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The bonus awarded can therefore be tailored to different situations.

The assessment is formally documented in an annual performance appraisal.

In summary, the performance bonus can vary from one employee to another (even within the same category) and from year to year. It is possible that no bonus will be awarded.

Remuneration of identified persons

Identified persons are designated jointly by the Risk Management and Permanent Control, Compliance and Human Resources departments. The process is supervised by Crédit Agricole S.A.'s Compensation Committee. Identified person are employees who can have an impact on the company's risk profile due to their functions, i.e.:

- Key executive officers;
- Members of the Executive Committee;
- Persons responsible for key functions;
- Persons responsible for underwriting activities and business development;
- Persons responsible for investments.

B.1.4 Material transactions with related parties

The principal material transaction identified during 2018 was the 2018 dividend distribution (as presented in section A.1.5). There were no material transactions with members of Senior Management.

B.2 Fit and Proper requirements

A "fit and proper policy for Crédit Agricole Group insurance companies" sets out formal rules for assessing and justifying fitness (individual and collective) and propriety of the relevant persons (Board of Directors, key executive officers and key function holders).

The policy is reviewed annually and revised if warranted by an event such as a change in the rules for assessing and justifying fitness and propriety.

B.2.1 Crédit Agricole Assurances group's Fit and Proper policy

B.2.1.1Fitness

Assessment of fitness

Collective fitness is assessed in the light of the overall skills, knowledge and experience of the Board of Directors. It takes into account the various responsibilities allocated to each of the directors to ensure that the Board has a sufficiently broad range of skills, knowledge and experience to guarantee sound, professional management and supervision of the company.

Assessment of individual fitness:

- For key executive officers and key function holders, the assessment is designed to ensure that their qualifications and experience are commensurate with their role and responsibilities. It also takes into account previous executive experience and all training completed throughout their term of office.
- For directors, the assessment looks at fitness for their allocated responsibilities and the Board's overall skills and experience.

Skills

The individual and collective assessment is based on five areas of skills: insurance, management, finance, accounting and actuarial.

This ensures that the Board has the knowledge and experience required in the insurance and financial markets, the company's business strategy and business models, systems of governance, financial and actuarial analysis and the regulatory framework and requirements for the insurance business. The skills in each area are described in the policy.

B.2.1.2Propriety

The propriety assessment checks that the individual has never been involved in money laundering, bribery and corruption, influence peddling, embezzlement, narcotics trafficking, fiscal fraud, personal bankruptcy, etc. It also checks the person's reputation and integrity.

Anyone found guilty of impropriety in any of those areas is required to cease their activity within one month of the court decision.

The minimum proof of propriety is a clean criminal record or equivalent document issued by a competent judicial or administrative authority.

B.2.1.3Notification to the control authority

The control authority is notified of the names of all key executive officers and key function holders and of any new appointments or re-appointments.

The Legal Department of each entity is responsible for obtaining the information required for notification to the ACPR.

B.2.2 Fit and proper assessment and validation process

B.2.2.1Assessment of fitness

Individual fitness

The assessment is based principally on experience acquired (current function, previous executive experience, etc.) and the assessment principles are based on the following factors:

- Key executive officers and key function holders: assessment of skills in five areas for key executive officers and in their area of responsibility for key function holders, based on qualifications, previous executive experience and training, which are detailed in the applications sent to the ACPR for authorisation of their functions in an insurance undertaking.
- Directors: assessment of skills in the five areas referred to above based on their qualifications, previous directorships, experience and approvals for executive offices held.

To identify qualifications, previous directorships, experience and training, a form entitled "Assessment and Validation of Skills, Experience and Knowledge" is completed for all directors and executive officers.

It was completed by the directors at end-2015, at end-2017 and at end-2018. The rules for analyzing the individual assessment are described in the policy.

Collective fitness

In addition to the individual assessment, a questionnaire entitled "Self-assessment of Solvency II skills" is completed by directors to assess the level of skills expected in each of the five areas referred to above. For existing directors, it is completed once upon implementation of Solvency II. For new directors, it is completed upon appointment.

B.2.2.2Training plan

The results of the skills assessments are analysed to determine any training requirements.

- Key executive officers and key function holders: upon appointment and depending on needs identified, training plans may be proposed and completed on an individual basis.

- Directors: the training plan proposed is the same for all members of a given Board. However, there may be a special focus on some specific aspects at the request of a director to support the collective training plan, or such training can be provided on an individual basis.

B.2.2.3Assessment of propriety

The Corporate Secretarial and Legal departments obtain proof of the propriety of directors, key executive officers and key function holders and check that they have never been subject to any civil or criminal penalties or sanctions.

For this purpose, in addition to providing a clean criminal record or equivalent document, directors, key executive officers and key function holders are required to sign an attestation of propriety.

B.3 Risk management system

B.3.1 Risk management framework

Crédit Agricole Assurances has devised a risk appetite framework to achieve its strategic objectives while controlling and managing its risk appropriately. This framework is based on strategic financial metrics for solvency, earnings and value, which are drilled down into key indicators by risk type, constituting the basis for the group's risk strategy.

The Risk strategy is reviewed once a year and documents the system for managing and monitoring the various risks inherent in the business (financial risk, underwriting risk and operational risk) and, in particular, all related limits and alert thresholds. It is approved, along with the risk appetite framework, by the Board of Directors after a review of the key indicators and limits by Crédit Agricole S.A. Group's Risk Committee (a sub-committee of Crédit Agricole S.A.'s Executive Committee, chaired by its Chief Executive Officer).

Any breach of a limit or alert threshold and the associated remedial measures are reported to Crédit Agricole Assurances' Senior Management or to Crédit Agricole S.A.'s Risk Department if the limits fall under its authority. The risk management framework is supplemented by the own risk and solvency assessment (ORSA) as described below in section B.3.2.

The risk map is the main tool used to identify and measure risks to which each entity and the group as a whole are exposed. It is based on available information sources and existing measurement systems, which are standardised across the Crédit Agricole Assurances group: risk dashboards, operational risk map revised regularly, outcome of permanent controls, reporting of operational incidents and losses, audit findings and analyses from the various business lines.

Apart from identifying the key risk exposures, the Risk Management department monitors risks related to the insurance business on an ongoing basis in liaison with senior management of the business lines and the Legal department. It draws on many sources including economic research, internal reports and external reports published by consulting firms or bodies such as EIOPA, ACPR and FFA.

Financial risk is managed transversally across the group through:

- A set of financial risk documents including risk procedures and policies applicable to management mandates given by Crédit Agricole Assurances group entities to Amundi, Crédit Agricole S.A. Group's asset management company;
- Financial risk analyses and opinions issued for general use, in particular those related to investments made directly by the Investment department at the decision of the Chief Executive Officer in compliance with a set of delegated authorities.

Other risk types are also managed from a group perspective and are coordinated and consolidated at group level (underwriting risk, operational risk). Information security risk and business continuity risk across the group scope are monitored and managed on a centralised basis under the responsibility of the IT and BCP Risk Manager. They are monitored separately on an operational basis, which is also centralised under the responsibility of the CISO (Chief Information Security Officer). The IT and BCP Risk Manager's second review role also extends to security of property and people.

The Executive Committee is informed monthly of risk news and developments through a "Risk flash" and receives the group's Risk dashboard on a quarterly basis, which is used to monitor the group's risk profile and identify any deviations. Financial risk and compliance with the associated consolidated limits are monitored monthly based on a standardised report.

Crédit Agricole Assurances has set up various bodies to manage risks consistently at group level: a twice-monthly risk monitoring committee (RMPC officers discuss alerts flagged for all risk types), monthly financial risk committee and portfolio reviews by asset type (bonds, equities, property, etc.).

In addition, an Insurance Model Committee, run by the Risk Management business line with input from the Actuarial function, validates model methodologies and indicators associated with major risks or risks common to the group as a whole.

B.3.2 Own risk and solvency assessment (ORSA)

The own risk and solvency assessment (ORSA) is organised both at entity level and at group level on a consolidated basis. It is the responsibility of the Risk Management function, with a key contribution from the Actuarial function and Finance department. It is based on the existing risk management system (in particular the Risk strategy).

The ORSA approach is embedded in the group's operations and in the decision-making processes in place at strategic, management and operational level. Thus, the group synchronises its ORSA with its budget preparation process (Medium-Term Plan) and uses the results and analyses to update its risk appetite framework and business line policies in line with budget information and capital planning.

The group ORSA is prepared annually but may be updated more often in the event of a material change in the environment or risk profile. It is based on calculations and information produced by the entities on a solo basis using the standard formula.

Overall consistency is assured through the standard reference framework defined by the group:

- Forward-looking group ORSA guidelines setting out the key points of the methodology;
- Group ORSA scenarios applied by all entities drawn up in line with the group’s consolidated risk profile. However, entities may add specific scenarios to capture material risks at their level, which are not covered by the set of group scenarios;
- A set of metrics shared at group level to provide the minimum common basis of the group dashboard and thus facilitate the risk profile assessment at each level, as well as data aggregation and analysis.

The internal ORSA policy, validated by the Board of Directors, describes the key elements of the ORSA process and the interaction between the group and its subsidiaries.

The 2018 ORSA covered the three regulatory assessments of overall solvency requirement, continuous compliance and appropriateness of the standard formula assumptions for the risk profile. The scenarios used for forward-looking assessments mainly focused on financial stress given the preponderance of financial risk for Crédit Agricole Assurances group, and also considered risks not captured by the standard formula (sovereign stress, reputation stress, etc.). Their aim is to analyse the consequences of challenging conditions such as a significant drop in equities, a correction in the real estate market, a widening of Italy and France spreads, a persistence of low interest rates, a rise in rates associated with repurchase requests on life insurance contracts or an increase in the effects related to annual termination of loan insurance introduced by the Bourquin law. For each of these scenarios, business assumptions were adjusted to take account of probable policyholder behaviour.

This work provides quantitative and qualitative information about the group's funding requirements, which is then used to determine any funding operations that would be required were the scenarios to materialise (commented on in section E. Capital Management). It also helps to identify action drivers should one of the more adverse scenarios develop, the most adverse for the solvency plan being the scenario of tension on sovereigns: shock linked to overheating of the US economy and a social crisis in France, with widening spreads on Italian and French sovereigns coupled with a rise in equity and real estate markets and customer disinterest for life insurance.

B.4 Internal control system

Internal controls are designed to monitor and control operations and risks of all kinds to which the entity is exposed to provide reasonable assurance that the entity operates effectively and efficiently and complies with the applicable laws and regulations.

Crédit Agricole Assurances has an adequate internal control system that meets the following common principles:

- Comprehensive coverage of all business operations, risks and responsibilities of persons involved, with direct Senior Management involvement in the organisation and operation of the internal control system;
- A clear definition of tasks, including effective segregation of underwriting and control functions and a decision-making process based on a set of formal, up-to-date delegated authorities;
- Formal, regularly updated standards and procedures, especially in accounting;
- Risk measurement, monitoring and management systems;
- A system of control encompassing permanent controls embedded in business operations (tier 1) or performed by operational staff not involved in the operations being controlled (tier 2, level 1), or performed by dedicated staff (tier 2, level 2), and periodic controls (tier 3) performed by Group General Inspection or Internal Audit;
- Reporting to Senior Management and the Board on the risk strategy and compliance with limits set, as well as the outcome of internal control and the implementation of associated remedial action.

Permanent control plans comprise:

- local control plans focusing on critical processes and the most material risks identified in the risk map: and
- a level 2.2 "key" control reference manual prepared by Crédit Agricole S.A. Group's Risk Department, covering the quality and proper operation of the risk monitoring and management system

Three separate control functions ensure that the overall internal control system is consistent, effective and complies with the principles described above across the entire Crédit Agricole Assurances internal control scope

- The group Head of Risk Management and Permanent Control, supported by the RMPC officers of the subsidiaries who exercise their role fully in their respective entities;
- The group Compliance Officer, who directly supervises the compliance officers in the international and French subsidiaries;
- Internal audit, which performs audits on a group-wide basis (including the Risk Management and Permanent Control and Compliance functions.

Compliance risk is integrated in the overall permanent control system (risk mapping, local and consolidated control plan), which contributes to effective coordination between the Risk Management and Permanent Control and Compliance functions. They also work with Internal Audit to prepare audit assignments and use the output reports, findings and recommendations to draw up action plans and, as necessary, update the risk map. Careful coordination with the Actuarial function also helps to control technical risks.

In all areas of Compliance managed at Crédit Agricole S.A. Group level through the "FIDES" framework revised in 2017, the Compliance function covers those applicable to insurance business, and more specifically in each entity, those applicable to its own business operations. The framework is drilled down into operational procedures and defines the permanent control plan designed to ensure compliance with the framework and proper management of the compliance risks identified during the risk mapping preparation or revision process. The compliance system, whose purpose is to preserve the group's reputation and avoid the impacts of any violation of the applicable regulations (financial loss, civil, administrative or disciplinary sanctions), also includes training and staff and management awareness actions. The Compliance function issues opinions upon the launch of new products or business activities, which are vetted by the new activity and product committees in each entity, and upon the proposal of new investment projects.

The Actuarial function contributes to the overall effectiveness of the system by reviewing the reliability and the adequacy of the calculation of solvency technical provisions, and expressing “actuarial opinions" on the overall underwriting policy and the reinsurance decisions made. It also contributes to the effective implementation of the risk management system, in particular as regards the modeling of risk underlying the calculation of capital requirements (SCR / MCR) and the ORSA (which is discussed in section B.6 Actuarial function).

The system is managed at group level through coordination committees and also covers the regulatory projects initiated by Crédit Agricole S.A. Group.

Lastly, the group’s Risk Management and Internal Control Committee coordinates the four key functions.

B.5 Internal Audit function

B.5.1 General principle

Internal Audit operates in line with the internal audit policy approved in 2018 by the Boards of Crédit Agricole Assurances and its subsidiaries. This policy, which is fully compliant with the framework set out in the Solvency II Directive, is reviewed annually. It also complies with the principles and standards drawn up by Crédit Agricole S.A. Group's Audit-Inspection business line (LMAI).

The Internal Audit function has been centralised since 2010 in the Crédit Agricole Assurances Internal Audit Department (Insurance Internal Audit). It has 21 employees based in Paris and also draws on the LMAI's resources and methodological standards. Insurance Internal Audit covers the group's entire internal control scope. It is responsible for auditing Crédit Agricole Assurances group subsidiaries in France and is involved in the international network supported where applicable by the local internal audit teams (5 people in total) in Italy (CA Vita, CA Assicurazioni), Japan (CA Life Japan) and Poland (CA T.U.).

Following an audit performed by the *Institut Français de l’Audit et du Contrôle Interne* (IFACI) in May 2015, the Insurance Internal Audit department obtained quality certification for compliance with the requirements of the professional standards and guidance of the Global Institute of Internal Auditors.

B.5.2 Internal audit missions

The Insurance Internal Audit department performs the “Internal Audit Function” for Crédit Agricole Assurances group within the meaning of the Solvency II Directive and the “Periodic Control Function”

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within the meaning of Article 17 of the French decree of 3 November 2014. It conducts desk and onsite audits in all business units within the Crédit Agricole Assurances group scope of internal control (no safe haven). Its scope of intervention thus covers all entities, operations, processes and functions covered by the Crédit Agricole Assurances group's internal control scope in France and the international network. It also covers governance and the activities of the other three key functions within the meaning of Solvency II. Lastly, it covers outsourced critical or important services or other operational tasks within the meaning of the decree of 3 November 2014.

An annual internal audit plan is drawn up based on a risk map covering all operations and the entire system of governance, as well as the expected development in business. At group and subsidiary level, it is part of a broader, longer-term plan that aims to review all operations in full over a maximum period of five years (the frequency may be shorter depending on the risk assessment). The annual audit plan is reviewed annually by the Audit and Accounts Committee and approved by the Board of Directors.

The audits performed by Insurance Internal Audit are assurance assignments as defined by professional standards, not consulting assignments. Their purpose is to assess the appropriateness and effectiveness of the risk management and internal control system, and in particular:

- Correct measurement and management of risks related to the group's business operations (identification, reporting, management, hedging);
- Appropriateness and effectiveness of control systems designed to ensure reliability and accuracy of financial, management and operating data in the audited areas, in compliance with the applicable standards and procedures;
- Proper implementation of remedial action decided (including following audits by the supervisory authorities or Crédit Agricole Group's Inspection-Audit department);
- Assessment of the quality and effectiveness of the organisation structure in general.

These audits provide members of the administrative, management or supervisory bodies (AMSB) of Crédit Agricole Assurances group and its entities, as well as Crédit Agricole Group's Audit Inspection business line, with a professional, independent, objective opinion on the operation, risk management system and internal control system of Crédit Agricole Assurances group entities.

B.6 Actuarial function

The Actuarial function is organised in accordance with Solvency II regulatory requirements. It coordinates and manages the actuarial functions in the entities and is based on the principle of subsidiarity; each Crédit Agricole Assurances group entity organises its actuarial function according to its own specific needs and any local regulatory requirements.

The group Actuarial function bases its conclusions and recommendations on its review of specific group issues (e.g. intra-group reinsurance) and on the reviews performed by the entities' actuarial functions.

Each entity's Actuarial function is responsible for:

- Coordinating the calculation of Solvency II technical provisions;
- Ensuring the appropriateness of methodologies, underlying models and assumptions used to calculate Solvency II technical provisions;
- Assessing the adequacy and quality of data used to calculate Solvency II technical provisions;
- Issuing an opinion on the overall underwriting policy and the adequacy of reinsurance arrangements;
- Contributing to the risk management system, in particular as regards modelling the risks underlying the calculation of capital and ORSA requirements.

The group Actuarial function also submits its annual report to the governing bodies, covering:

- Its coordination with the entities' actuarial functions;
- Its conclusions on the reliability and adequacy of the calculation of technical provisions;
- All work performed by the Actuarial function and its outcome, clearly indicating any deficiencies and issuing recommendations for remedying them.

The role of Crédit Agricole Assurances group's Actuarial function is to:

- Organise quarterly meetings of the actuarial function committee, whose role is to coordinate the work of the group and entity actuarial functions;
- Take part in the key committees forming part of the risk management system.

B.7 Outsourcing

B.7.1 General principles and objective of the group's outsourcing policy

The outsourcing policy:

- Defines what is considered to be outsourcing, particularly with regard to Solvency II requirements;
- Sets out the criteria for classifying a service as critical, as stipulated in the Solvency II Directive and banking regulations;
- Sets the general principles and key stages applying to the outsourcing process;
- Identifies the associated responsibilities;
- Describes the monitoring and control system for outsourcing (including its inclusion in audited operations).

The outsourcing policy, which comprises a set of guidelines, applies to all outsourced activities and functions regardless of the ordering department.

B.7.2 Intra-group outsourcing arrangements

This policy is reviewed and approved each year by the Board of Directors. It is drilled down to the various subsidiaries by the RMPC officers. The outsourcing policies of the subsidiaries are approved by Senior Management of each entity based on their own governance process and signed off by their Board of Directors. Each entity is responsible for its outsourcing decisions across its scope of activity.

The group plays a coordinating role and draws up common principles to supplement the outsourcing policy to ensure a consistent approach at group level to defining the criteria for assessing a new outsourced function and to following up common services.

B.7.3 Critical or important activities

The group outsources one critical or important activity to a Crédit Agricole S.A. Group entity to benefit from its expertise, harness synergies and achieve critical mass. Investment management is outsourced to Amundi (Crédit Agricole S.A. Group's majority-owned asset management company). Leading asset manager in France and Europe, Amundi offers a comprehensive range of products covering all asset classes and the key currencies. This service is shared by several group insurance undertakings and is partially sub-outsourced to CACEIS (asset servicing). The group also outsources its insurance applications development and maintenance to SILCA, Crédit Agricole Group's IT subsidiary.

Lastly, it outsources other functions to Crédit Agricole S.A. Group as presented in section A.1.4 Intra-group transactions.

C. RISK PROFILE

C.1 Introduction

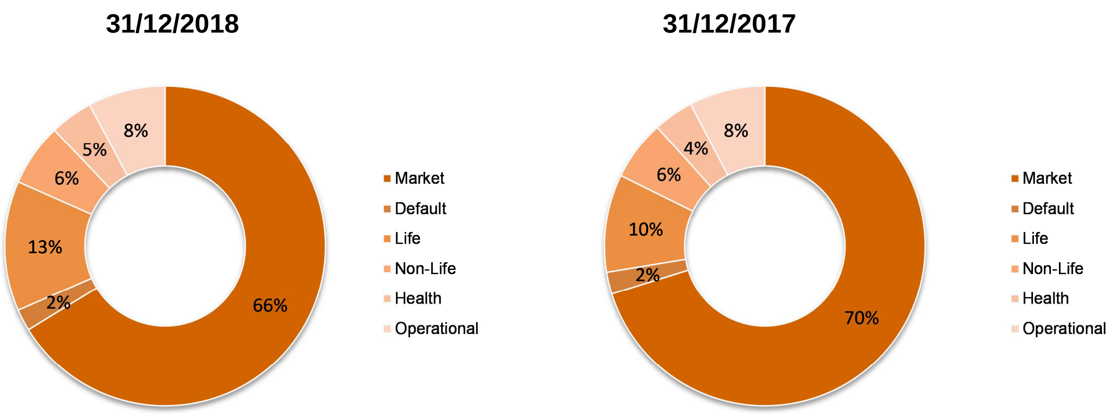
The group's risk profile described in this section is based on the risk map, which is the key tool used to identify and measure the risks to which each entity, and more generally the group, is exposed. The risk profile is used as the basis for assessing the group's capital requirement, which is further developed in section E. Capital management.

Due to the predominance of its savings and retirement activities, Crédit Agricole Assurances Group's main risks are life market and underwriting risks and, to a lesser extent, other technical risks as well as operational risks, all taken into account in the standard Solvency Capital Requirement (SCR) formula. Certain risks, which are not explicitly taken into account in the standard formula (in particular sovereign spread risk, liquidity risk, reputational risk and dependence on the Crédit Agricole Group, the risk of changes in the legal environment and strategic risk), are controlled through a risk management system to alert governance if a deviation from the current management framework should be observed, different policies in and additional evaluations within the framework of the quantitative ORSA.

The solvency capital requirement (SCR) of Crédit Agricole Assurances group for the risks identified at end-2018, amounted to €12,247 million.

The group's risk exposure[1], which represents its risk profile for the purposes of the basic solvency capital requirement (BSCR) before diversification, is largely comprised of capital requirements for market risks (66%), and to a lesser extent, of underwriting risks (24%).

Contribution of standard formula models to the BSCR



The diversification of the activities of Crédit Agricole Assurances group and the measures adopted for a better control of the market SCR are reflected in the evolution of the contribution of the modules of the standard formula to the SCR

C.2 Underwriting risk

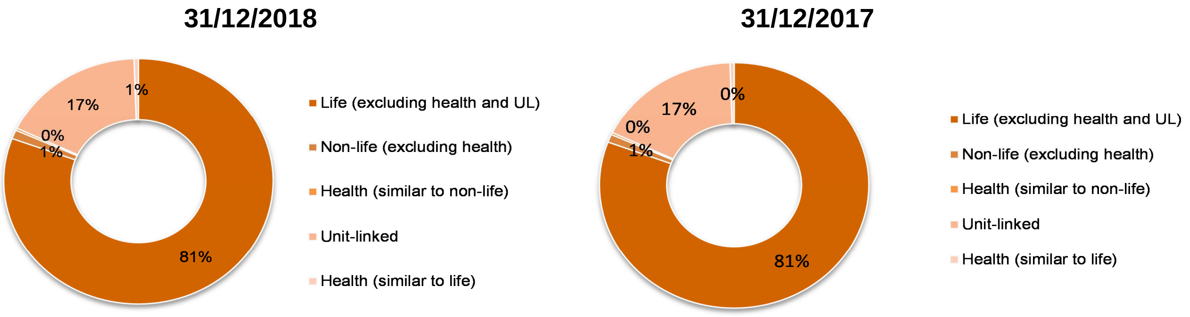
Through its subsidiaries in France and abroad, Crédit Agricole Assurances group operates in the savings & retirement, death & disability, credit insurance and property & casualty segments. At end-2018, underwriting risk exposure represented between 24 and 26% of the group's total risk exposure, with a balanced mix between life and non-life risks:

[1] Risk exposure is defined as the BSCR before diversification, after loss-absorbing capacity of technical provisions and including operational risk

- Between 13 and 14% for life risks;
- Between 6 and 7% for non-life risks;
- 5% for health risks.

The savings & retirement business accounts for the bulk of the group's life best estimate liabilities (BEL), as illustrated by the table below.

BEL net of reinsurance at 31 December 2018



C.2.1 Exposure to principal risks

C.2.1.1Life underwriting risk

The savings & retirement business exposes Crédit Agricole Assurances group to the risk of insufficient loading to cover operating expenses and commissions paid to distributors, mortality and longevity risk, and, most importantly, surrender risk.

In death & disability and creditor insurance, the group is more particularly exposed to biometric risk (longevity, mortality, disability, long-term care) and health risk. “Catastrophe” risk, related to a mortality shock (e.g. a pandemic), would be likely to have an impact on the results of individual or group death & disability insurance. Life underwriting risk is the group’s second largest risk encountered, representing 13% of risk exposure at end-2018. It is naturally more stable than market risk and benefits from better risk diversification. The risk of termination is also to be taken into consideration, particularly following the January 2018 regulatory change concerning the unbundling of the borrowers' insurance (the Bourquin amendment).

C.2.1.2Non-life underwriting risk

Non-life underwriting risk is encountered mainly in property & casualty. The group is particularly exposed to frequency risk and calamity risk originating either from catastrophe risk, especially climate-related, or the occurrence of high-severity individual claims.

Non-life underwriting risk is the group’s fourth largest risk encountered, with a capital requirement representing 6% of risk exposure at end-2018.

C.2.1.3Health underwriting risk

Health underwriting risks are mainly encountered in the credit insurance business for health similar to life, and in health and personal accident insurance for health similar to non-life.

The group is mainly exposed to frequency risk, calamity risk (occurrence of high-severity claims) and biometric risk (incapacity/disability). Health underwriting risk is a secondary risk for the group.

C.2.2 Risk management and mitigation techniques

In life insurance (savings), the main identified risk is surrender risk. This risk is managed through a competitive profit participation policy and prudent financial management, particularly management of reserves.

The surrender rate is monitored at several levels:

- Monthly by the relevant entities to identify any drift due to the economic environment;
- Annually to ensure that surrender rates remain in line with the market average.

In P&C, credit and death & disability insurance, anti-selection and mispricing risks are managed through:

- An appropriate pricing policy;
- The underwriting policy, which is executed by the banking networks and financial partners (for example in death and disability insurance, medical selection, maximum death benefit by product and cumulatively per insured);
- The claims administration policy, which is executed by dedicated units, France or multi-country platforms, or outsourced to local service providers.

The provisioning policy developed within each entity ensures a good control of the related risk. Catastrophe risk and claims risk are mitigated through the reinsurance policy, which aims to protect own funds and contain earnings volatility.

The ratio of claims - reported, settled or provisioned - to earned premiums (claims ratio) is the key indicator for risk monitoring and is compared with the target ratio based on a standard loss experience scenario.

Additional monitoring of extreme risks and provisioning has also been introduced, mainly by comparison against a climate-related claims budget and a high-severity claims budget.

C.2.3 Risk concentration

Life technical provisions are mainly held by Predica, the group's principal life entity in France. Non-life provisions are mainly held by Pacifica, the group's principal non-life entity in France. At 31 December 2018, life, non-life and health business represented, respectively, **55%, 26% and 18%** of underwriting risk exposure, revealing a relatively diversified, but evolving business mix.

Despite the preponderance of savings & retirement liabilities with profit participation in life business, unit-linked liabilities continue to grow rapidly.

In non-life, the group presents a highly diversified business mix, with six main lines of business, which represented almost 92% of written premiums in 2018.

C.2.4 Sensitivity

The main underwriting risk is surrender risk, sensitivity of which is tested indirectly through sensitivity analysis of assets (bond yield curves) or more directly through the disinterest scenario of life insurance, retained for the ORSA's stress scenarios. In the current environment, this stress has not a significant impact on earnings, nor on solvency.

C.3 Market risk

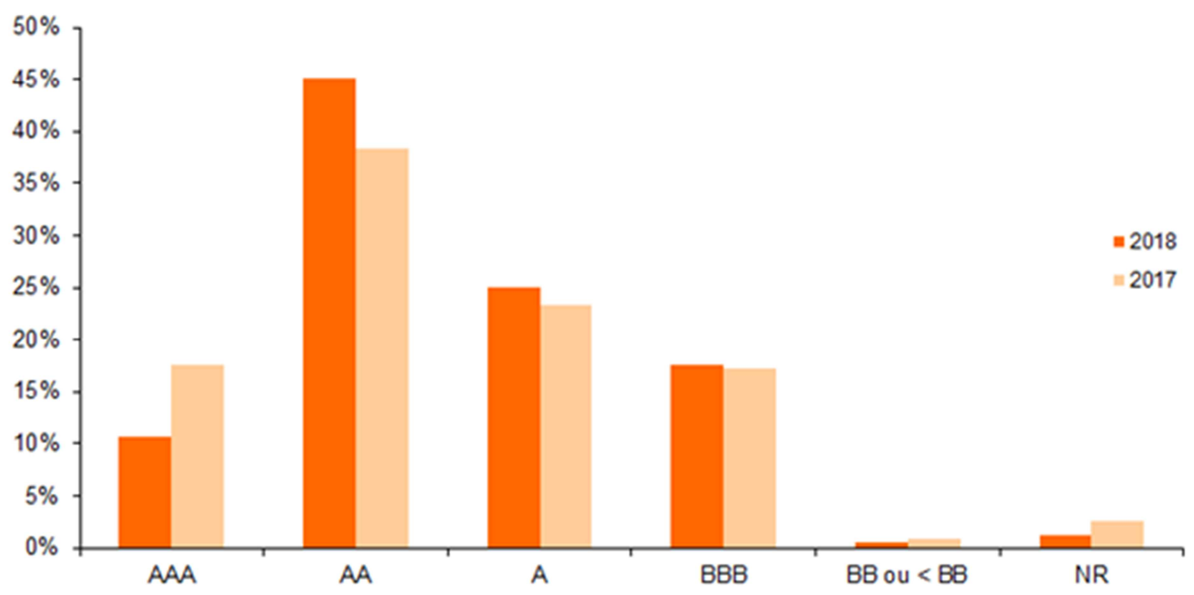
Market risk is dominant for the group due to the very high and growing amount of financial assets held to cover policyholder liabilities in the savings business. At end-2018, market risk represented 70% of total risk exposure. Given the diversification of investments, the sources of market risk are equity risk, spread risk, interest rate risk and property risk.

C.3.1 Risk exposure

In-force participating business amounted to €305,411 million in market value, up €2,993 million over one year, while unit-linked financial investments totalled €57,927 million at end-2018, stable compared to 2017.

The table below shows a breakdown of the group’s total bond portfolio, excluding unit-linked investments, by credit rating.

Bond portfolio exposure



Exposure to sovereign bonds (and government guarantees), which is not included in the standard formula calculation, is mostly concentrated in France and Italy. Exposure to Italian sovereigns is carried mainly by the group's life subsidiary in Italy. Exposure to peripheral Eurozone countries is minimal.

Exposure to exchange rate risk is also minimal due to group's activities and hedging policy. Low exposure to concentration risk results from the group’s policy in terms of issuer diversification, through compliance with concentration limits.

C.3.2 Risk management and mitigation techniques

Crédit Agricole Assurances has a prudent investment policy. It is based on analyses produced by the Investment Department, which take into account the group’s risk appetite framework, and on information from external sources (financial institutions, asset managers, rating agencies). The various risk management and mitigation techniques described below are also based on this principle.

Furthermore, systems are in place to prevent conflicts of interest and ensure a reliable procedure for vetting new types of investment.

C.3.2.1Spread risk

Counterparty risk and the associated spreads are managed through limits on the breakdown of issues between different rating classes.

Issuer risk is analysed and monitored closely by Amundi's Risk teams (portfolio management is outsourced to Amundi). Risk is actively managed through quarterly portfolio reviews that not only review individual issuers but also address issues related to sector, country, the economic environment and identified watch points. When necessary, an issuer can be put on the watch list (which identifies issuers in which entities must not invest) or be subject to a risk divestment programme.

C.3.2.2Interest rate risk

The group uses several techniques to protect against sustainable decreases or increases in interest rates:

- A prudent policy as regards profit participation distributions and setting aside provisions (policyholder participation reserve);
- Hedging programmes via derivative instruments: caps to hedge upward movements in interest rates, floors and swaps to reduce the reinvestment risk in case of a fall in interest rates;
- An appropriate marketing policy: discontinuation of guaranteed minimum return contracts and, in the current persistently low interest rate environment, shifting the business mix towards unit-linked contracts;
- Adjusting duration according to projected outflows of liabilities;
- Managing cash and marketable fixed-income assets with a low impact in terms of losses.

The group and each of its insurance undertakings have indicators and committees to monitor these techniques.

C.3.2.3Diversification asset risk

Overall limits are set for diversification assets and individual limits for each asset class (equities, property, private equity and infrastructure, alternative investments).

These assets, which although likely to generate better returns and provide decorrelation, involve a valuation and accounting provisioning risk (impairment provision), with potential impact on policyholder returns. These assets are therefore constrained both in terms of their share in the total portfolio and in terms of their volatility.

C.3.3 Risk concentration

Concentration risk is controlled through different sets of limits, calibrated according to counterparty type:

- For sovereigns and similar, the group takes into account the country's debt-to-GDP ratio and credit rating;
- For financials and industrials, limits are modulated by rating and supplemented by an issuer group approach;
- For Crédit Agricole Group, the measurement of exposure prudently includes a portion of Crédit Agricole bonds backing unit-linked policies, in order to include the potential carrying risk in the event of a wave of surrenders.

Limit utilisation is monitored monthly and any breaches together with remedial measures taken are reported to the appropriate level.

Given these management measures, exposure to concentration risk is relatively low.

Excluding French government bonds, Crédit Agricole group represents Crédit Agricole Assurances' first risk concentration at 4.2% of regulatory reserves.

Investments in diversification assets also comply with concentration rules on an individual basis and within an asset class (weight of the top 10 exposures, for example for physical property).

C.3.4 Sensitivity

Stress scenarios related to financial risks are drawn up as part of the ORSA process. They provide a forward-looking view, over the projection horizon, of solvency indicators by including the plan assumptions, particularly in terms of dividend payout and funding and by adapting the life-insurance collect to the probable policyholders' behavior in each scenario.

For the 2018 ORSA, the stress scenarios selected with regard to the Crédit Agricole Assurances group risk profile were:

1. a shock related to overheating of the US economy and a social crisis in France, with particular stress on the Italian's sovereign;
2. a creeping crisis, following a "protectionist escalation" leading to a downward revision of global growth prospects and the persistence of low interest rates;
3. a rise in long-term rates and a durably high growth cycle, coupled with a lack of interest in life insurance.

The scenario of "sovereign tensions" would be the most significant for the Crédit Agricole Assurances group's solvency ratio.

Financial sensitivity analyses were also performed on the solvency ratio at 31 December 2018. They included the main risk factors on a stand-alone basis (equities, interest rates, spreads) and then combined.

The assumptions used were as follows:

Stand-alone financial sensitivity

	Shock
Equities	(25)%
Interest rate rise	+ 50 bp
Interest rate fall	- 25 bp
Increase in gouvernment spreads	+ 75 bp
Increase in corporate spreads	+ 75 bp
Increase in equity volatility	25%

"Interest rate fall" combined financial sensitivity

	Shock
Equities	(15)%
Interest rates	- 25 bp
Spread	Govies + 85 bp
	Corporates :AAA et AA +70 bp A: +110 bp, BBB: +140 bp

The solvency ratio of Crédit Agricole Assurances group is sensitive to changes in interest rates and would deteriorate if interest rates were to fall. It is also sensitive to a decrease in equity prices and to an increase of spreads, particularly on sovereign bonds. Consequently, the stress scenario combining a fall in interest rates, a fall in equity prices and widening spreads would be the most adverse for the solvency ratio, even though it would still remain above the regulatory minimum.

C.4 Counterparty risk

C.4.1 Risk exposure

Counterparty default risk is a minor risk as it represented only 2% of risk exposure at end-2018. Sources of counterparty risk are:

- Financial counterparties in the case of derivative financial instruments used for hedging purposes (counterparty's failure to meet its obligations) or bank deposits/cash (failure of bank to meet its obligations);
- Reinsurance counterparties (failure of a reinsurer, preventing it from assuming its portion of the claims);
- Guarantees received.

C.4.2 Risk management and mitigation techniques

C.4.2.1Financial counterparties

Cash is not generally held on current accounts but invested in money market funds.

Derivative instruments on an over-the-counter market, used mainly for prudent hedging of interest rate risk, both upward (caps) and downward (floors, swaps, swaptions, etc.) are contracted with counterparties selected for the quality of their credit rating. As these transactions are backed by collateral contracts, with daily margin calls, the residual counterparty risk is minimal.

C.4.2.2Reinsurance counterparties

Management of reinsurer default risk is based on group internal standards, namely:

- First, contractual agreements with reinsurers that meet a minimum financial robustness condition (A-), compliance with which is monitored throughout the relationship;
- Reinsurer dispersion rules (by treaty) and concentration limits on premiums ceded to a same reinsurer, defined by each of the undertakings that monitor the limits. The group monitors the concentration of total premiums ceded, by reinsurer;
- Securing provisions ceded through standard pledge clauses.

C.4.3 Risk concentration

There were a dozen counterparties in the portfolio of derivative instruments at end-2018.

As regards reinsurers, excluding internal reinsurance, the top five external reinsurers accounted for less than 15% each of reinsured premiums and less than 60% on aggregate.

C.5 Liquidity risk

C.5.1 Risk exposure

Insurance undertakings must be able to cover their liabilities as they become due (benefits, i.e. surrenders and death in life business). The risk is one of having to incur losses in order to meet the liabilities (unfavourable market conditions, benefits shock).

C.5.2 Risk management and mitigation techniques

First, liquidity is an investment selection criterion: majority of securities listed on regulated markets, limits on naturally less liquid assets such as property, private equity, unrated bonds, participating notes and alternative investments.

Second, liquidity management systems are harmonised at group level and are defined by the insurance undertakings as part of their asset-liability management policy, with metrics adapted to various time horizons (short, medium and long term). Life undertakings manage and mitigate their liquidity risk through three mechanisms:

- Long-term liquidity: monitoring of and limits on annual liquidity gaps, estimated on a portfolio run-off basis so as to match asset and liability maturities under normal and stressed conditions (wave of surrenders/deaths);

- Medium-term liquidity: calculation of a "2-year responsiveness" indicator, which measures the capacity to mobilise short or floating-rate assets while limiting the impacts in terms of capital loss. It is compared with a minimum threshold required to absorb a wave of surrenders, set by each insurance undertaking. Faced with the risk of massive redemptions in the event of a sharp rise in interest rates, Crédit Agricole Assurances also uses a liquidity monitoring indicator, a measure of liquidity stress whose assumptions on assets are those of a systemic and global crisis and, on the liabilities, correspond to the parameters defined by the standard Solvency 2 model (pillar 1) and also used by Crédit Agricole Assurances in its ORSA scenarios (pillar 2);
- Short-term liquidity: in case of uncertainty regarding net inflows, minimum one-week and one-month liquidity amounts are set and surrenders monitored daily;

Temporary liquidity management mechanisms have also been tested (Predica's channel for liquefying reserves, repos collateralised by cash or ECB eligible assets) to cope with exceptional circumstances when markets are unavailable.

Non-life undertakings keep liquid or relatively "non-responsive" assets in proportions sufficient to meet a liability shock, given their reinsurance programme.

Life undertakings analyse their liquidity gaps to identify maturities to be addressed in priority or, conversely, avoided (surplus liquidity falling due, with an interest rate risk upon reinvestment). They monitor their responsiveness ratio and liquidity monitoring indicator monthly and compare it with the threshold set, through their reporting dashboard. They also regularly monitor surrender rates and switches between participating and unit-linked funds so that they can swiftly introduce very frequent monitoring should a stress scenario materialise.

C.5.3 Sensitivity

The main life undertakings perform stress tests designed to:

- Simulate a crisis of confidence in a volatile environment (surrender shock on mathematical provisions for contracts classified as less stable coupled with a decrease in asset prices based on the nature, rating and maturity of the assets and a liquidity conversion time of 1 to 6 months);
- On that basis, determine resilience in terms of liquidity, which proved satisfactory.

In addition, it is considered that a reputation problem at Crédit Agricole group level is not likely to jeopardize the solvency of Crédit Agricole Assurances group, despite the bank-insurance model.

C.6 Operational risk

C.6.1 Risk exposure

The capital requirement for operational risk amounted to €1,363 million at end-2018.

The most sensitive recurring risk themes concern poor execution or management of processes (IT processing of unit-linked management) and external fraud.

IT incidents, which can have impacts on processing times and alter data, are generally difficult to evaluate. Attention is also paid to security of assets and people.

Compliance risks are also a major issue, given the sanctions to which they may expose the Group as well as the reputational risk they may incur. They focus on:

- customer relations, in an increasingly stringent regulatory environment (Insurance Distribution Directive, General Data Protection Regulation, Sapin 2 law). In this area, the Crédit Agricole Assurances group is vigilant in ensuring that its products are properly distributed through its networks (Regional Banks, LCL);
- prevention of anti-money laundering and financing of terrorism (fourth Directive in particular);
- regulations on embargoes and international sanctions (OFAC remediation plan);

- compliance with regulations relating to securities for its direct investments (thresholds for example, prevention of insider trading ...).

C.6.2 Risk management and mitigation techniques

Crédit Agricole Assurances group and its subsidiaries have an operational risk management system based on:

- mapping of processes exposed to risk, periodically updated to include organisational changes, new business activities, changes in the cost of risk and audit findings;
- collecting data on operational incidents and losses;
- a monitoring and alert system;
- action plans for risks considered to be material after any mitigation and management mechanisms.

The group applies Crédit Agricole group's general information systems risk management policy. The group and its subsidiaries have each prepared a business continuity plan focusing on essential activities to cover the potential unavailability of information systems, operating premises and staff. These plans meet Crédit Agricole S.A. group standards, including the adoption of the Group's solution for the user fallback site and the IT backup plan based on the shared operating and production environment (Greenfield site). Annual drills are held for both the IT backup plan and the user fallback plan, with users moved to the fallback site.

Information security is based on Crédit Agricole S.A. Group security policies. A three-year programme of security projects (including clearances, intrusion tests, and IT failure), based on Crédit Agricole S.A.'s "CARS" programme to combat cyber-attack threats, is currently being implemented. In parallel, staff awareness campaigns are also being conducted.

The Compliance system in place at Crédit Agricole Assurances and its subsidiaries, including new activity and new product committees, helps to mitigate exposure to compliance risk. Risk management is strengthened through coordination committees.

Crédit Agricole Assurances group also coordinates regulatory projects (Insurance Distribution Directive, General Data Protection Regulation, Sapin 2 law) as well as topics related to the scope of compliance and financial security, the treatment of contracts outstanding settlement or the international actions remediation project (OFAC).

C.6.3 Sensitivity

Sensitivities are not calculated for operational risk.

The impacts are measured in terms of image or financial impacts through the operational risk map, which identifies critical and high-risk processes and the action plans required to improve their management.

C.7 Other material risks

C.7.1 Risk exposure

C.7.1.1Reputational risk

Given its distribution model, which is based principally on Crédit Agricole group’s banking networks, and despite the development of alternative channels, any factor affecting the competitive position, reputation (products launched, marketing) or credit quality of Crédit Agricole group could have an impact on the results of Crédit Agricole Assurances group.

C.7.1.2Risk of developments in the legal environment

As insurance is a highly regulated activity, it can be strongly impacted by changes in standards inherent to legal developments and the legal environment in which companies operate.

In the course of 2019, insurance companies will have to pay particular attention to the following regulatory changes:

- the "PACTE" Act (action plan for the growth and transformation of enterprises), which should come into force in 2019. The new expected provisions include a project for harmonization and promotion of savings / retirement schemes with simplification of measures (pension savings plans as "*Perp*", "*Perco*", "*Madelin*" in particular), their portability during the career with a possible exit in capital, a modernization of the Euro fund in order to favor the financing of the economy by the long-term savings in France, the possibility of transferring contracts within the same insurance company, greater transparency on the fees charged by insurers and the obligation for insurers to offer at least one Socially Responsible Investment (SRI) fund among unit-linked investments;
- IFRS 17, the new insurance contract accounting standard, which is expected to come into effect in 2022, with the objective of allowing investors to obtain up-to-date information on the obligations, risks and performance of the contracts, and increase the transparency of financial reporting while facilitating comparisons within the insurance industry or with entities in other sectors.

C.7.2 Risk management and mitigation

C.7.2.1Reputational risk

Compliance of new products is reviewed by the new activity and new product committees, which review contractual and commercial documentation, training material and sales-aid tools for distributors. The distribution networks are supported by training actions and, more generally, the group has deployed an insurance control approach (life and non-life) in LCL and the Regional Banks, to make sure that the marketing and sales approach is consistent.

Prevention actions in terms of reputation and image also include procedures for managing relations with third parties, in particular the press. There is also a monitoring process designed to detect emerging risk (press, media, social media, comparison sites, forums, etc.) and organise an appropriate response where necessary.

C.7.2.2Risk of developments in the regulatory environment

The Legal and Compliance departments monitor developments in regulations, supported by Crédit Agricole group's monitoring system, in order to anticipate the impacts and prepare for the changes they could entail.

D. VALUATION FOR SOLVENCY PURPOSES

D.1 Introduction

Crédit Agricole Assurances group's solvency balance sheet is prepared as at 31 December, in compliance with article 75 of Solvency II Directive.

D.1.1 Valuation principle

The solvency balance sheet is based on an economic valuation of assets and liabilities:

a. Assets are measured at the amount for which they could be exchanged between knowledgeable willing parties in an arm’s length transaction;

b. Liabilities are measured at the amount for which they could be transferred or settled between knowledgeable willing parties in an arm’s length transaction.

In most cases, measurement at fair value is permitted under IFRS, in accordance with Solvency II principles. However, some measurement methods such as amortised cost cannot be used to prepare the solvency balance sheet.

Assets referred to in paragraph a. above are measured at their economic value based on the following fair value hierarchy:

- Method 1: Quoted prices in an active market for identical assets: a market is considered to be active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm’s length basis between a willing seller and a willing buyer;
- Method 2: Quoted prices in an active market for a similar asset, adjusted to take account of specific characteristics;
- Method 3: If no quoted prices in active markets are available, use of valuation techniques based on a model (mark to model); fair values obtained are compared, extrapolated or calculated as far as possible on the basis of relevant observable inputs. Such techniques may be based on:
  - Transactions in similar assets;
  - Present value of future cash flows generated by the asset;
  - Replacement cost of the asset.

No adjustment for own credit quality is made to the valuation of assets referred to in paragraph b. above.

D.1.2 Method of consolidation

Failing any specific rules defined in the solvency regulations, consolidation methods used are aligned to those used to calculate the consolidated capital requirements. They are based on the nature of the group’s control over entities that may potentially be consolidated and the entity's business:

- Full consolidation for insurance undertakings controlled by Crédit Agricole Assurances;
- Equity method for jointly controlled entities and entities over which Crédit Agricole Assurances has significant influence, and non-insurance undertakings controlled by Crédit Agricole Assurances.

Adjustments are made to harmonise valuation methods used in the separate financial statements of consolidated entities, by reference to principles common to the group.

Intra-group transactions between the companies consolidated by the group are eliminated.

D.1.3 List of entities included in the scope of consolidation

The organisational chart presented in section A.1.1 shows the group's solvency scope of consolidation.

D.1.4 Currency transactions

On the reporting date, assets and liabilities in foreign currencies are translated into euros, the entity's functional currency at the closing rate.

The balance sheets of foreign subsidiaries are translated into euros, the group's presentation currency for the consolidated financial statements, at the closing rate.

D.1.5 Offsetting of assets and liabilities

Crédit Agricole Assurances offsets a financial asset and a financial liability to present a net balance when and only when it has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis or realise the asset and settle the liability simultaneously.

D.1.6 Use of estimates and judgement

The preparation of the financial statements requires the use of estimates, assumptions and judgments to determine the accounting values of assets and liabilities that cannot be obtained directly from other sources. Actual results may differ from these estimates.

Actual results may be influenced by many factors, including:

- Activity in the domestic and international markets;
- The economic and political climate in certain industries or countries;
- Changes in regulations or legislation;
- Policyholder behaviour;
- Demographic change.

D.1.7 Events after the reporting period

Cession of CA Life Greece

The sales contract signed on 7 July 2018 was sent for finalisation at the end of August 2018 to the regulator. On 21 January 2019, the sales process with the identified purchaser was interrupted. Yet, plans to sell remain unchanged and the search for a new buyer for the entity or its portfolios is still in progress, therefore CA Life Greece was maintained in IFRS 5 in the consolidated financial statements as of December, 31 2018.

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D.2 Assets

Comparison of IFRS and Solvency II assets

(in million of euros)	31/12/2018	
	IFRS	S2 Value
Goodwill	872	-
Deferred acquisition costs	1,025	-
Intangible assets	294	-
Deferred tax assets	59	29
Pension benefit surplus	-	-
Property, plant & equipment held for own use	211	302
Property (other than own use)	6,280	8,539
Holdings in related undertakings, including participations	11,669	14,212
Equities	17,048	8,380
Bonds	227,251	227,517
Collective Investments Undertakings	42,823	45,021
Derivatives - assets	1,705	1,705
Deposits other than cash equivalents	38	37
Other investments	-	-
Assets held for index-linked and unit-linked contracts	59,687	57,927
Loans & mortgages	3,150	431
Reinsurance recoverables from:	1,826	1,432
Non-life and health similar to non-life	534	414
Life and health similar to life, excluding health and index-linked and unit-linked	1,288	1,018
Deposits to cedants	496	513
Insurance & intermediaries receivables	2,260	2,136
Reinsurance receivables	139	69
Receivables (trade, not insurance)	4,118	3,653
Own shares (held directly)	-	-
Amounts due in respect of own fund items or initial fund called up but not yet paid in	-	-
Cash and cash equivalents	1,366	1,073
Any other assets, not elsewhere shown	208	292
Total assets	**382,523**	**373,268**

The differences between the IFRS and Solvency II balance sheets stem mainly from:

- Change in scope for -€8,712 million: deconsolidation of non-controlling interests in UL funds for -€ 6,815 million and deconsolidation of CA Life Japan (-€1,719 million);
- Elimination of intangibles: goodwill (-€872 million), software (-€287 million) and deferred acquisition costs (-€1,011 million);
- Remeasurement of financial assets recognised at amortised cost under IFRS: investment property (+€2,757 million).

D.2.1 Intangible assets and deferred costs

Intangible assets are identifiable non-monetary assets without physical substance. An asset is considered to be identifiable when it can be sold or transferred separately, or when it arises from contractual or other legal rights. The principal intangible assets are software, goodwill and deferred acquisition costs.

D.2.1.1Intangible assets (including goodwill)

Goodwill has a nil value in the Solvency II balance sheet.

Intangible assets (other than goodwill) may be recognised in the solvency balance sheet for a non-nil value if they can be sold separately and it can be demonstrated that a quoted price exists in an active market for those assets or similar assets.

If those conditions are met, they are measured at fair value in the solvency balance sheet.

For example, internally-generated software has a nil value in the solvency balance sheet as there is no active market for such an asset.

D.2.1.2 Deferred acquisition costs

Under IFRS, deferred acquisition costs comprise the portion attributable to future years of commissions payable to intermediaries and other internal underwriting expenses.

They are eliminated in the solvency balance sheet.

D.2.2 Property, plant and equipment

Property, plant and equipment are tangible assets which are expected to be used for more than one financial period and are held for:

- Use in the production or supply of goods and services;
- Rental to others;
- Administrative purposes.

They fall into two categories: property held for own use and investment property.

D.2.2.1 Property held for own use

These assets comprise land, buildings and fixtures and fittings used by the company for its operations.

They are measured at amortised cost in the IFRS balance sheet and at fair value in the solvency balance sheet. Fair value corresponds to the appraisal value, which is established every five years and updated annually by an independent appraiser.

D.2.2.2 Investment property

Investment property is held to earn rentals or for capital appreciation or both.

Under solvency rules, investment property is valued at its economic value. Appraisal value may be used as a proxy for economic value.

Under IFRS, investment property is measured as follows:

- At amortised cost when it forms part of a participating fund, in which case it is remeasured for solvency purposes;
- Exceptionally, at fair value when held to back unit-linked insurance contracts, in which case, it is not remeasured for solvency purposes.

Investment property is measured at fair value in the solvency balance sheet. Fair value corresponds to the appraisal value, which is established by an independant appraiser.

D.2.3 Financial instruments

Investments are presented by nature in the solvency balance sheet (investment property, equities, bonds, investment funds, loans, assets backing unit-linked contracts, etc.).

In the IFRS consolidated balance sheet, financial instruments are classified within the three following categories:

- Assets recognised at fair value through profit and loss (FVTPL);

- Assets recognised at amortised cost;
- Assets recognised at fair value through other comprehensive income (FVOCI).

The criteria for classifying and evaluating financial instruments in the IFRS balance sheet depend on the nature of the financial asset, according to how it is qualified:

- Debt instrument (i.e loans and fixed income securities);
- Equity instruments.

The following adjustments are therefore made in the solvency balance sheet depending on the classification of financial assets under IFRS:

- Assets recognised at fair value under IFRS: no adjustment as they are already measured at fair value;
- Assets recognised at amortised cost under IFRS: these investments are remeasured at their economic value.

D.2.3.1Specific case of participations

The fair values used for participations under IFRS may differ from their economic value in the solvency balance sheet.

Under Solvency II, if there are no quoted prices in an active market, participations are valued as follows:

- Participations in an insurance undertaking are valued using the adjusted equity method, which consists of valuing the participation based on the excess of assets over liabilities revalued in accordance with the principles set out in the Solvency II Directive;
- Participations in non-insurance entities are valued using the adjusted equity method based on revalued net assets adjusted for the value of goodwill and other Intangible assets.

D.2.3.2Repos and stock lending

Repos and securities lent are recognised and measured in the same way as they are under IFRS:

- Securities lent and repos are recognised in the solvency balance sheet;
- Funds received in consideration for repo transactions are recorded as a financial liability in a corresponding amount.

Securities borrowed and reverse repos are not recognised in the solvency balance sheet. Funds paid in consideration for reverse repos are recognised in the solvency balance sheet under loans and receivables.

D.2.3.3Investments held for unit-linked contracts

Under IFRS, investments held for unit-linked contracts, where the investment risk is borne by the policyholder, are designated as at fair value through profit or loss in order to avoid the accounting mismatch that would arise from recognising and measuring assets and liabilities on a different basis.

The same rules are applied in the solvency balance sheet.

D.2.4 Technical provisions ceded

The rules for valuing technical provisions ceded are presented in section D.3 on technical provisions.

D.2.5 Deferred taxes

Deferred tax assets are amounts of income taxes recoverable against future taxable profits (other than those already accounted for elsewhere in the solvency balance sheet) in respect of deductible temporary differences, carry forward of unused tax losses and carry forward of unused tax credits.

Deferred tax in the solvency balance sheet results from the difference between the carrying amount of an asset or liability in the solvency balance sheet and its tax base. Deferred tax recognised results from:

- Temporary differences (particularly related to the application of fair value) between the solvency value and the tax base of the asset or liability;
- The carry forward of unused tax credits or tax losses.

An entity's deferred tax assets cannot be used by other group entities.

D.2.6 Cash and cash equivalents

Cash includes cash in hand, debit balances on current bank accounts and short-term deposits.

Cash and cash equivalents are measured at fair value under IFRS and at fair value in the solvency balance sheet.

In practice, given the short-term nature of these instruments, fair value is very close to amortised cost. Accordingly, they are not remeasured for solvency purposes.

D.3 Technical provisions ceded

D.3.1 Summary of technical provisions

The tables below show a breakdown of best estimate technical provisions and a comparison of IFRS and Solvency II technical provisions.

Summary of Solvency II technical provisions

	31/12/2018					
(in million of euros)	Technical provisions – non-life (excluding health)	Technical provisions - health (similar to non-life)	Technical provisions - health (similar to life)	Technical provisions – life (excl health and index- & unit-linked)	Technical provisions – index-linked and unit-linked	**Total**
Gross BEL	3,942	1,040	1,922	254,680	56,321	**317,905**
Ceded BEL	393	21	475	543	-	**1,432**
Net BEL	3,549	1,019	1,447	254,136	56,321	**316,473**
Risk Margin	260	95	293	1,072	970	**2,690**
Total Technical provisions	**3,808**	**1,114**	**1,741**	**255,208**	**57,292**	**319,163**

	31/12/2017					
(in million of euros)	Technical provisions – non-life (excluding health)	Technical provisions - health (similar to non-life)	Technical provisions - health (similar to life)	Technical provisions – life (excl health and index- & unit-linked)	Technical provisions – index-linked and unit-linked	**Total**

Gross BEL	3,538	995	1,783	254,011	56,257	**316,585**
Ceded BEL	319	23	429	548	-	**1,319**
Net BEL	3,219	972	1,355	253,463	56,257	**315,266**
Risk Margin	239	89	243	685	885	**2,142**
Total Technical provisions	**3,458**	**1,062**	**1,598**	**254,148**	**57,142**	**317,408**

Comparison of IFRS and Solvency II technical provisions

	31/12/2018	
(in million of euros)	IFRS	S2 value
Technical provisions – non-life (excluding health)	4,467	3,942
Technical provisions - health (similar to non-life)	1,048	1,040
Technical provisions - health (similar to life)	2,055	1,922
Technical provisions – life (excl health and index- & unit-linked)	257,244	254,680
Technical provisions – index-linked and unit-linked	59,965	56,321
Other technical provisions	-	-
Total Technical provisions	**324,779**	**317,905**

The difference in the IFRS and Solvency II balance sheets is due mainly to the revaluation of technical provisions and change in scope including the deconsolidation of CA Life Japan.

D.3.2 Valuation principle

The value of technical provisions under Solvency II is equal to the sum of best estimate liabilities (BEL) and a risk margin (RM).

BEL are calculated:

- On the basis of market information available on the valuation date;
- Using an objective, reliable approach;
- In compliance with the local regulatory framework.

BEL are calculated gross of reinsurance with no deduction of amounts ceded to reinsurers: ceded BEL are calculated separately.

The risk margin is an estimate of the amount, in addition to BEL, that a third party would expect to receive in order to take over the group's insurance obligations. The risk margin is calculated directly net of reinsurance.

Unlike IFRS provisions, Solvency II provisions are systematically based on the net present value of future cash flows, the valuation of options and financial guarantees (guaranteed rates, profit participation, surrenders, etc.) and include an explicit risk margin.

However, some provisions are valued on an overall basis, with no separate identification of BEL and RM. The amount of such provisions is not material.

D.3.3 Segmentation

Technical provisions are valued on the basis of a best estimate liability per line of business, reflecting the nature of the risks associated with that liability. The legal form of the liability is not necessarily a determining factor in the nature of the risk.

A

B

C

D

E

In addition, if a policy covers insurance liabilities in several lines of business, a best estimate liability does not have to be assigned to each one unless one of them is material.

In segmenting their insurance liabilities, the subsidiaries group their contracts into homogeneous buckets so that the risks of each individual contract are properly reflected: the result is similar to that obtained by calculating best estimate liabilities on a contract-by-contract basis.

D.3.4 Initial recognition

For calculating BEL and RM, liabilities are recognised on the earlier of (i) the date on which Crédit Agricole Assurances becomes a party to the contract that generated the liability or (ii) the date on which the insurance or reinsurance cover begins.

D.3.5 General valuation principles

D.3.5.1Cash flow modelling

Best estimate liabilities gross of reinsurance are calculated as the net present value of probable future benefits paid to policyholders and costs incurred in managing the liabilities until their extinction, less premiums to be received in respect of in-force contracts and any recoveries.

Cash flow projections are based on assumptions regarding policyholder behaviour and senior management decisions. These assumptions include surrender rates, profit participation policy and asset allocation policy.

D.3.5.2Valuation — granularity of projections

Contracts are analysed separately and then, for modelling purposes, grouped into homogeneous risk buckets that appropriately reflect the risks of each contract in the bucket.

The following criteria are used to determine the risk buckets:

- Type of cover;
- Time basis of the cover (for example, management based on year of occurrence/reporting);
- Business type (entity's direct business, acceptances, etc.);
- Currency of claims settlement;
- Type of benefit paid (annuity, etc.).

Homogeneous risk buckets are defined at entity level.

D.3.5.3Valuation – contract boundaries

The contract boundary date is the earliest of the following:

- When the insurer first has a unilateral right to terminate the contract;
- When the insurer first has a unilateral right to reject premiums payable under the contract;
- When the insurer first has a unilateral right to amend the premiums or benefits payable such that the premiums fully reflect the risks.

Premiums paid after the boundary date of an insurance or reinsurance contract and the associated liabilities are not included in the best estimate calculation.

Apart from the above cases, future premiums are not included in the best estimate calculation when a contract:

- Does not provide for indemnification of a specific uncertain event that has a material adverse effect on the insured;
- Does not provide a financial guarantee of benefits.

A
B
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D.3.5.4 Valuation – profit participation

Profit participation is included in the cash flow modelling to calculate the best estimate liability.

Profit participation modelled complies with the local regulatory requirements and is subject to strategic assumptions reviewed by the entities' senior management.

For the French entities, therefore, compliance with the minimum profit participation rule in the projections is verified and documented.

D.3.5.5 Valuation - options and guarantees

Life insurance contracts include options and financial guarantees. The best estimate liability includes their impact if it is material.

A stochastic approach to valuation is used. The main options valued by the group are:

- Surrender option in savings or retirement contracts;
- Minimum guaranteed rates and technical rates;
- Contractual profit participation clauses;
- Floor rate in unit-linked contracts.

D.3.5.6 Valuation – expenses

The cash flow projections used to calculate best estimate liabilities include the following expenses:

- Administrative expenses;
- Investment management expenses;
- Claims management expenses;
- Acquisition expenses.

General overheads incurred in managing insurance liabilities are also included. Expense projections are based on the assumption that the undertaking will write new contracts in the future.

D.3.5.7 Valuation – discounting

Crédit Agricole Assurances uses the yield curve, CRA and VA data provided by EIOPA for valuation purposes, which are defined by currency and by country.

CRA (Credit Risk Adjustment) is an adjustment to take account of credit risk.

VA (Volatility Adjustment) is a counter-cyclical premium that adjusts the risk-free rate for changes in corporate and sovereign spreads. It reduces the impact of changes in spreads on solvency ratio volatility.

The group's solvency would not be threatened should the volatility adjustment no longer be allowed.

Other transitional measures available under Solvency II have not been used by the group.

D.3.6 Risk margin

The risk margin is equal to the cost of the capital requirement for a third party taking over the group’s existing insurance liabilities.

It is calculated by discounting the annual cost of capital equivalent to the reference SCR over the residual life of the liabilities used to calculate best estimate.

The risk margin is calculated on an overall basis for each entity.

D.3.7 Valuation of business ceded

BEL ceded are valued on the same basis as gross BEL in section D.3.5.

Future cash flows ceded are calculated in accordance with the boundaries of the relevant insurance contracts.

When a deposit has been made for cash flows, the amounts ceded are adjusted accordingly to avoid double counting of assets and liabilities relating to the deposit.

Future cash flows ceded are calculated separately for the premium reserve and claims reserve.

D.4 Liabilities other than technical provisions

Comparison of IFRS and Solvency II other liabilities

	31/12/2018	
(in million of euros)	IFRS	S2 value
Provisions other than technical provisions	58	76
Pension benefit obligations	86	17
Deposits from reinsurers	1,052	1,067
Deferred tax liabilities	155	2,037
Derivatives - liabilities	18	18
Debts owed to credit institutions	2,831	1,583
Financial liabilities other than debts owed to credit institutions	8	8
Insurance & intermediaries payables	2,502	2,468
Reinsurance payables	337	112
Payables (trade, not insurance)	31,160	23,988
Subordinated liabilities	5,988	6,354
Any other liabilities, not elsewhere shown	26	174
Total other liabilities	**44,221**	**37,901**

The differences between the IFRS and Solvency II balance sheets stem mainly from:

- The deconsolidation of non-controlling interests in UL funds for -€6,815 million in the line "Payables"
- The deconsolidation of real estate investment scheme for €1,173 million in the line "Debts owed to credit institutions";
- The compensation for current taxes for -€388 million.

D.4.1 Provisions and contingent liabilities

Provisions for liabilities and charges are measured in the same way under IFRS and in the solvency balance sheet. A provision is recognised when the entity has a present obligation (legal or constructive) of uncertain timing and amount, the settlement of which is expected to result in an outflow of resources embodying economic benefits (probability of more than 50%) and the amount of which can be estimated reliably.

Provisions are measured at their economic value based on the net present value of future financial flows.

Contingent liabilities are recognised in the solvency balance sheet if they are material. A contingent liability is material when disclosure of information about its size or its current or potential nature would be likely to influence the decisions or judgement of users, including the supervisory authorities.

The value of contingent liabilities is equal to the expected present value of the future cash flows required to settle the contingent liability over its useful life, determined using the base risk-free rate curve.

D.4.2 Employee benefits obligation

For solvency purposes, the group has valued its employee benefits obligation in accordance with IAS 19, which is consistent with an economic valuation.

The defined benefit plan obligation is presented net of the fair value of plan assets.

D.4.3 Financial liabilities

Under IFRS, the measurement method determines the categories of financial liabilities:

- Financial liabilities measured at amortised cost (general rule);
- Financial liabilities measured at fair value through profit or loss.

Financial liabilities recognised at FVPL are measured at fair value.

The main categories of financial liabilities that have to be remeasured at fair value (excluding impact of changes in own credit risk, i.e. use of risk-free rate prevailing on the closing date and spread at the issue date) are medium- and long-term subordinated debt and senior debt, measured at amortised cost under IFRS:

- Debt issued by Crédit Agricole Assurances and taken up by Crédit Agricole S.A.;
- Debt issued by Crédit Agricole Assurances and taken up by non-Group investors.

The classification used for these financial liabilities is as follows:

- Debt issued by Crédit Agricole Assurances and taken up by Crédit Agricole S.A.: debt instruments;
- Debt issued by Crédit Agricole Assurances and taken up by non-Group investors: equity instruments eligible under Solvency II for the transitional measure allowing them to be classified in Tier 1 own funds during the transitional period and then Tier 2 after that.

For the sake of simplicity, the IFRS value of other financial liabilities (amortised cost) is considered to be an acceptable proxy for Solvency II value, provided that the due date falls within the year following the reporting date. Accordingly, IFRS values are not adjusted in the Solvency II balance sheet.

D.5 Alternative valuation methods

Securities valued using a method other than quoted prices in an active market represent approximately 21% of total assets, mainly comprising intra-group and property-linked securities, as shown on table below.

As there is no active market, an alternative method has been used to minimise valuation uncertainty.

A B C D E

(in million)	31.12.2018	Quoted prices in active markets for identical instruments: level 1	Valuation based on observable data: level 2	Valuation based on unobservable data: level 3
Financial assets held for trading	-	-	-	-
Other financial instruments at fair value through profit or loss				
Equity instruments at fair value through profit or loss	**25,463**	**19,016**	**4,151**	**2,296**
Shares and other variable income securities	17,730	16,723	969	38
Non-consolidated equity investments	7,733	2,293	3,182	2,258
Debt instruments that do not meet SPPI criteria	**57,437**	**33,634**	**19,744**	**4,059**
Loans and receivables	2,692	-	2,692	-
Debt securities	54,745	33,633	17,053	4,059
Public bills and similar securities	156	73	83	-
Bonds and other fixed income securities	12,525	1,741	10,043	741
Mutual funds	42,065	31,820	6,927	3,318
Assets representing unit-linked contracts	**59,643**	**37,221**	**22,418**	**4**
Public bills and similar securities	988	975	13	-
Bonds and other fixed income securities	12,213	1,150	11,063	-
Shares and other variable income	5,161	1,167	3,994	-
Mutual funds	41,281	33,930	7,347	4
Financial assets at fair value through option result	**-**	**-**	**-**	**-**
Loans and receivables	-	-	-	-
Fair value securities by option result	-	-	-	-
Public bills and similar securities	-	-	-	-
Bonds and other fixed income securities	-	-	-	-
Financial assets at fair value through equity	**214,260**	**193,225**	**21,035**	**-**
Equity instruments recognized at fair value through non-recyclable equity	151	26	125	-
Shares and other variable income	-	-	-	-
Non-consolidated equity investments	151	26	125	-
Debt instruments recognized at fair value through recyclable equity	214,109	193,200	20,909	-
Debt securities	214,109	193,200	20,909	-
Public bills and similar securities	61,593	61,584	9	-
Bonds and other fixed income securities	152,517	131,617	20,900	-
Derivatives hedging	**1,705**	**-**	**1,705**	**-**
TOTAL FINANCIAL ASSETS VALOR AT THE RIGHT VALUE	**358,509**	**283,096**	**69,052**	**6,361**
Transfers from Level 1: Quoted prices in active markets for identical instruments			-	-
Transfers from Level 2: Valuation based on observable data		224		702
Transfers from Level 3: Valuation based on unobservable data		-	6	
TOTAL TRANSFERS TO EACH LEVEL		**224**	**6**	**702**

E. CAPITAL MANAGEMENT

E.1 Own funds

E.1.1 Capital management policy

The group has a capital management policy in place. The policy is drilled down to subsidiary level. It sets out the method of managing, monitoring and overseeing own funds as well as the funding process for Crédit Agricole Assurances and its subsidiaries. It is reviewed and approved each year by the Board of Directors.

The capital management policy forms part of the risk appetite framework determined and approved by the Board of Directors.

It takes into account the regulatory constraints applicable to insurance undertakings, banking regulations, financial conglomerate regulations and Crédit Agricole Group's own objectives.

Crédit Agricole Assurances group manages its capital in a way that:

- Complies with regulatory solvency requirements;
- Contributes to optimising capital at Crédit Agricole S.A. Group level;
- Ensures an appropriate allocation of the group’s and its subsidiaries' capital.

The capital allocation policy is adapted to the nature of the risks encountered by all the insurance undertakings. The level of capital relative to the capital requirement for each entity is adapted to its risk profile, business activity (life or non-life), level of maturity and size.

The capital management plan is approved each year by the Board of Directors. It sets out the timetable and nature of financial transactions for the current year and over the medium-term plan horizon (3 years). It is based on the capital management plans of the subsidiaries and the consolidated ORSA results in order to determine what capital or subordinated debt issues may be necessary and to estimate the impact of items of own funds reaching maturity, the dividend policy, the end of transitional measures and any other change in an item of own funds.

The solvency of each subsidiary separately and of the group as a whole is monitored at least quarterly to make sure that Crédit Agricole Assurances complies with the capital management plan, its solvency position relative to the defined zone and permanent coverage of the solvency capital requirement (SCR) and minimum capital requirement (MCR).

E.1.2 Consolidation method

The solvency of the Crédit Agricole Assurances group is calculated on the basis of the consolidation method referred to in Article 230 of Directive 2009/138/EC. The consolidation method for the group's own funds is described in section D1.2 of this report.

E.1.3 Available own funds

E.1.3.1 Breakdown of and evolution in available own funds

The group covers its Solvency II capital requirement mainly through Tier 1 own funds (81%).

All items of own funds are basic own funds as the group does not have any ancillary own funds.

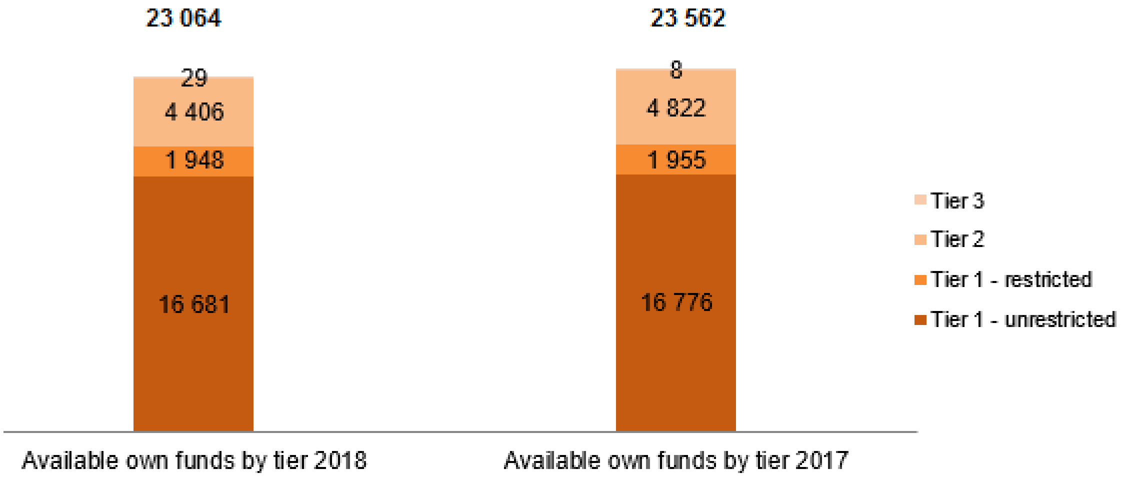
Available own funds at end-2018 totalled €23,064 million.

In accordance with the provisions of Article 95 of Directive 2009/138/EC, items of Crédit Agricole Assurances Group's own funds are classified by tier, according to their level, quality, subordination, loss-absorbency and maturity as described in Section 2, Chapter IV of the Delegated Regulation 2015/35.

The composition of the group's own funds is as follows:

- Tier 1 unrestricted capital amounted to €16,681 million, comprising:
  - ordinary share capital (€1,490 million), share premium (€7,374 million) and
  - reconciliation reserve (€7,844 million) (cf. paragraph E.1.3.3).
- Subordinated liabilities are divided into Tier 1 restricted capital (€1,948 million) and Tier 2 capital (€4,406million).
- Tier 3 capital consists of deferred tax assets available at group level (€29 million).

Breakdown of available own funds by tier (€ millions)



Available own funds decrease by -€498 million compared to 2017 (-2%), including a €-416 million decrease in level 2 equity. This decrease is due to a redemption at the 1st early redemption date of subordinated securities subscribed by Crédit Agricole S.A. for a value of €360 million.

Unrestricted level 1 capital is down by €95 million. The variation of the reconciliation reserve is detailed in section E.1.2.3 Reconciliation reserve.

E.1.3.2 Subordinated liabilities

The capital management policy permits Crédit Agricole Assurances to issue subordinated debt to Crédit Agricole S.A. and external investors.

At 31 December 2018, the group's subordinated debt was valued at €6,354 million under Solvency II, of which 40% was held by Crédit Agricole S.A. Group.

On 29 January 2018, the group issued 30-year maturity subordinated debt of €1 billion nominal to external investors. Those debts are redeemable from the first date of call, 29 January 2028, and bear interest at the annual fixed rate of 2.625% until that date.

Following this debt issue, Crédit Agricole Assurances has redeemed subordinated debts to Crédit Agricole S.A. for an amount of €1 billion at Q1 2018.

In December 2018, Crédit Agricole Assurances also paid in advance an amount of €360 million of redeemable subordinated debt subscribed by Crédit Agricole S.A.

At the end of 2018, the fair value revaluation of subordinated debt in the balance sheet amounted to €336 million, down €15 million compared to 2017, due to the rise in interest rates recorded at the end of the year 2018.

The subordinated debt documentation contains standard contractual clauses and does not provide for any loss-absorbing mechanism. For subordinated debt where the first redemption date has passed, the redemption clause can be exercised annually on the interest payment date.

Subordinated debt eligible for Solvency II own funds under transitional measures amounted to €2,592 million. These instruments, issued before 17 January 2015, are included in own funds and classified as Tier 1 or 2 based on specific criteria for a maximum period of 10 years.

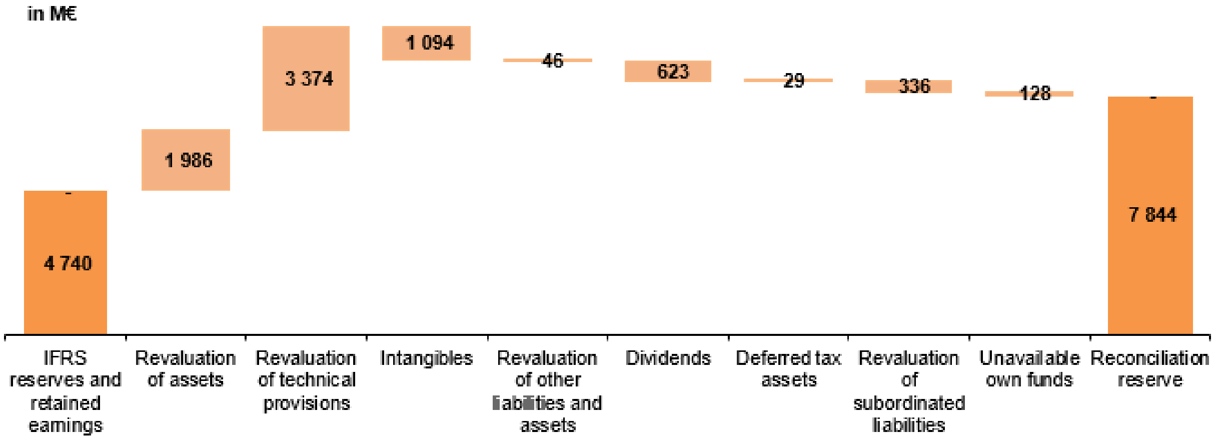
(in millions of euros)	Issuer 1: CAA 2: Other	Transitional measure	Legal maturity	Next call date	Amount
Level 1	1		Perpetual	10/14/2025	777
	1		Perpetual	1/13/2025	1,049
	2		Perpetual	10/16/2019	44
	2		Perpetual	11/19/2019	46
	2		Perpetual	10/9/2019	31
Level 2	1		12/23/2039	12/23/2019	310
	2		12/20/2023		15
	2		12/12/2022	3/12/2019	149
	2		7/24/2023	1/24/2019	169
Sub-Total					2,592
Level 2	1	non	Perpetual	12/13/2022	761
	1	non	6/30/2026		998
	1	non	9/27/2048	9/27/2028	968
	1	non	1/29/2048	1/29/2028	1,036
Sub-Total					3,762
TOTAL					6,354

Subordinated liabilities that do not qualify for transitional measures amounted to €3,762 million. This debt was issued by Crédit Agricole Assurances and classified in Tier 2. It consists of a perpetual subordinated issue and two dated subordinated issues due 30 June 2026, 27 September 2048 and 29 January 2048 respectively.

E.1.3.3 Reconciliation reserve

The reconciliation reserve is a significant constituent of own funds and consists of the following items:

Reconciliation reserve



The reconciliation reserve amounted to €7,844 million at 31 December 2018. It consists of IFRS consolidated reserves (retained earnings, reserves, current year earnings) for €4,740 million, revaluation of balance sheet items for €4,978 million, comprising of the revaluation of:

- investments (excluding technical provisions ceded) for €1,986 million,
- technical provisions for €3,374 million,
- other assets and liabilities for -€46 million,
- subordinated debts for -€336 million.

The main deductions are eliminations of intangible assets for €1,094 million, deduction of the foreseeable dividend for €623 million and deduction of unavailable own funds of €128 million.

The deduction of unavailable own funds consists of items of own funds of group subsidiaries considered to be non-transferable or non-fungible. Own funds of subsidiaries deemed to be unavailable to the group by nature may be included up to the amount of the entity's contribution to the group SCR.

No deduction is made in relation to the excess of own funds over notional SCR in ring-fenced funds.

The reconciliation reserve decreased by -€95 million euros compared to 2017. This decrease is due to:

- A drop by -€205 million euros in reserves and carry forward IFRS net of foreseeable dividends driven by a fall in unrealized gains or losses recognized in other comprehensive income,
- An increase in revaluation of IFRS balance sheet items to the economic value of €136 million euros,
- A decrease of -€25 million euro of adjustments related to the elimination of intangible assets and non-disposable capital at group level.

E.1.3.4 Reconciliation with IFRS equity

Equity as presented in the 2018 IFRS financial statements amounts to €14,999 million. The excess of assets over liabilities in the solvency balance sheet amounts to €17,461 million. The main differences stem from:

- Deduction of subordinated liabilities classified as equity under IFRS for -€1,476 million;
- Elimination of intangible assets for -€1,094 million;
- Fair value remeasurement of financial assets and other assets and liabilities for €1,994 million;
- Fair value remeasurement of technical provisions for €3,374 million;
- Fair value remeasurement of subordinated liabilities for -€336 million.

In addition to the excess of assets over liabilities, available own funds also include subordinated liabilities and amounted to €23,064 million at end-2018.

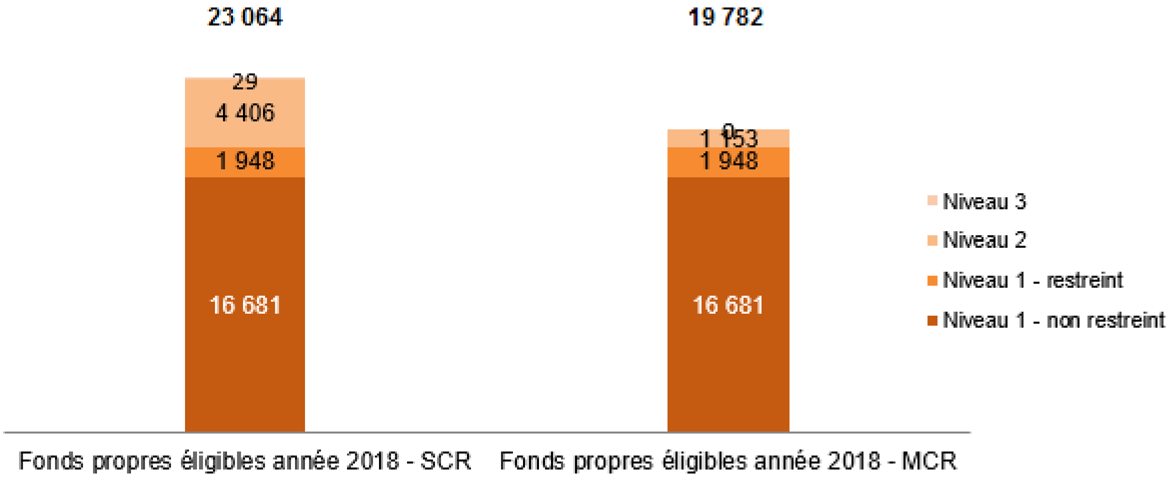
E.1.4 Eligible own funds

Own funds eligible to meet the SCR amounted to €23,064 million at 31 December 2018.

Own funds eligible to meet the MCR amounted to €19,782 million at 31 December 2018.

These own funds consist of the same hedging elements, the difference in these two figures is due to regulatory restrictions. In accordance with Article 82 of the Delegated Acts, Tier 2 capital is restricted to 20% of the MCR and no Tier 3 capital is eligible for MCR coverage.

Breakdown of eligible own funds by tier (€ millions)



At-end 2018, no deductions were made from available own funds and eligible own funds to meet the SCR after application of the eligibility criteria.

E.2 Solvency capital requirement (SCR)

Crédit Agricole Assurances group uses the standard formula set out in the Solvency II Directive to calculate the group's solvency capital requirement (SCR) based on the solvency balance sheet. No transitional measures were applied in calculating the SCR.

In accordance with the values provided by EIOPA, the yield curve used to calculate technical provisions at 31 December 2018 includes a credit risk adjustment (CRA) of -10 bps and a volatility adjustment (VA) of +24 bps.

The SCR thus amounted to €12,247 million at 31 December 2018. The minimum capital requirement (MCR) at group level, calculated as the sum of the MCRs of the insurance subsidiaries in the Solvency II scope of consolidation, amounted to €5,766 million.

Given the preponderance of savings & retirement business, market risk is the principal risk for the group, representing 72% of its total risk exposure. Underwriting risk stems primarily from life business (13%) and, to a lesser extent, from non-life (6%) and health (4%) businesses.

As group entities are exposed to risks of different types in different countries, consolidation leads to a diversification benefit of €847 million at 31 December 2018.

F. ANNEXES – QRTs

The following list of QRTs applicable to the Crédit Agricole Assurances Group is provided in the appendix to this report:

S.02.01.02	Balance Sheet
S.05.01.02	Premiums, claims and expenses by line of business
S.05.02.01	Premiums, claims and expenses by country
S.22.01.22	Impact of measures on long-term guarantees and transitional measures
S.23.01.22	Own funds
S.25.01.22	Solvency capital requirement - for groups using the standard formula
S.32.01.22	Companies within the group scope

S.02.01.02 Balance Sheet

K€		Solvency II value
Assets		**C0010**
Intangible assets	R0030	-
Deferred tax assets	R0040	**28,601**
Pension benefit surplus	R0050	-
Property, plant & equipement held for own use	R0060	**301,681**
Investments (other than assets held for index-linked and unit-linked funds)	R0070	**305,410,692**
Property (other than own use)	R0080	8,539,040
Holdings in related undertakings, including participations	R0090	14,212,172
Equities	R0100	**8,379,971**
Equities - listed	R0110	8,286,656
Equities - unlisted	R0120	93,315
Bonds	R0130	**227,516,613**
Government Bonds	R0140	92,781,761
Corporate Bonds	R0150	130,635,662
Structured notes	R0160	3,910,079
Collateralised securities	R0170	189,112
Collective Investments Undertakings	R0180	**45,020,715**
Derivatives - assets	R0190	**1,705,040**
Deposits other than cash equivalents	R0200	**37,140**
Other investments	R0210	-
Assets held for index-linked and unit-linked contracts	R0220	**57,926,742**
Loans & mortgages	R0230	431,127
Loans on policies	R0240	**359,914**
Loans and mortgages to individuals	R0250	-
Other loans and mortgages	R0260	**71,213**
Reinsurance recoverables from:	R0270	**1,432,039**
Non-life and health similar to non-life	R0280	**413,937**
Reinsurance recoverables from Non-life excluding health	R0290	393,064
Reinsurance recoverables from Health similar to non-life	R0300	20,873
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	**1,018,103**
Reinsurance recoverables from Health similar to life	R0320	474,771
Reinsurance recoverables from Life excluding health and index-linked and unit-linked	R0330	543,331
Reinsurance recoverables from Life index-linked and unit-linked	R0340	-
Deposits to cedants	R0350	**513,006**
Insurance & intermediaries receivables	R0360	**2,136,145**
Reinsurance receivables	R0370	**68,797**
Receivables (trade, not insurance)	R0380	**3,653,253**
Own shares (held directly)	R0390	-
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	-
Cash and cash equivalents	R0410	**1,073,055**
Any other assets, not elsewhere shown	R0420	**292,416**
Total assets	**R0500**	**373,267,554**

K€		Solvency II value
Liabilities		C0010
Technical provisions - non-life	R0510	4,981,993
Technical provisions – non-life (excluding health)	R0520	3,941,905
Technical provisions calculated as a whole – non-life (excluding health)	R0530	-
Best Estimate – non-life (excluding health)	R0540	3,682,388
Risk margin – non-life (excluding health)	R0550	259,517
Technical provisions - health (similar to non-life)	R0560	1,040,088
Technical provisions calculated as a whole - health (similar to non-life)	R0570	-
Best Estimate - health (similar to non-life)	R0580	945,078
Risk margin - health (similar to non-life)	R0590	95,010
Technical provisions - life (excluding index-linked and unit-linked)	R0600	256,601,810
Technical provisions - health (similar to life)	R0610	1,922,077
Technical provisions calculated as a whole - health (similar to life)	R0620	-
Best Estimate - health (similar to life)	R0630	1,628,811
Risk margin - health (similar to life)	R0640	293,266
Technical provisions – life (excl health and index- & unit-linked)	R0650	254,679,734
Technical provisions calculated as a whole – life (excl health and index- & unit-linked)	R0660	-
Best Estimate – life (excl health and index- and unit-linked)	R0670	253,608,042
Risk margin – life (excl health and index- & unit-linked)	R0680	1,071,692
Technical provisions – index-linked and unit-linked	R0690	56,321,479
Technical provisions calculated as a whole – unit-linked and index-linked	R0700	-
Best Estimate – unit-linked and index-linked	R0710	55,351,382
Risk margin – unit-linked and index-linked	R0720	970,097
Contingent liabilities	R0740	-
Provisions other than technical provisions	R0750	76,144
Pension benefit obligations	R0760	17,041
Deposits from reinsurers	R0770	1,066,937
Deferred tax liabilities	R0780	2,036,570
Derivatives - liabilities	R0790	17,810
Debts owed to credit institutions	R0800	1,583,410
Financial liabilities other than debts owed to credit institutions	R0810	8,247
Insurance & intermediaries payables	R0820	2,467,846
Reinsurance payables	R0830	111,942
Payables (trade, not insurance)	R0840	23,987,546
Subordinated liabilities	R0850	6,354,156
Subordinated liabilities not in Basic Own Funds	R0860	-
Subordinated liabilities in Basic Own Funds	R0870	6,354,156
Any other liabilities, not elsewhere shown	R0880	173,501
Total liabilities (incl. Subordinated liabilities in BOF)	**R0900**	**355,806,434**
Excess of assets over liabilities	**R1000**	**17,461,120**

S.05.01.02 Premiums, claims and expenses by line of business

K€		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance
		Business line for: non-life insurance and reinsurance commitments (direct insurance and proportional reinsurance accepted)								
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090
Premiums written										
Premiums written - Gross - Direct Business	R0110	747,982	510,082	138	560,447	719,044	-	1,324,593	185,456	-
Premiums written - Gross - Proportional	R0120	-	-	-	6	-	-	-	-	-
Premiums written - Gross - Non proportional	R0130									
Premiums written - Reinsurers' share	R0140	6,741	20,274	77	15,205	31,534	-	169,732	6,391	-
Premiums written - Net	**R0200**	**741,241**	**489,807**	**61**	**545,249**	**687,509**	**-**	**1,154,861**	**179,064**	**-**
Premiums earned										
Premiums earned - Gross - Direct Business	R0210	732,365	495,259	131	543,706	695,299	-	1,287,867	181,013	-
Premiums earned - Gross - Proportional	R0220	-	-	-	6,144	-	-	-	-	-
Premiums earned - Gross - Non	R0230									
Premiums earned - Reinsurers' share	R0240	6,841	14,763	77	16,233	27,870	-	167,168	6,662	-
Premiums earned - Net	**R0300**	**725,524**	**480,496**	**54**	**533,617**	**667,429**	**-**	**1,120,699**	**174,351**	**-**
Claims incurred										
Claims incurred - Gross - Direct Business	R0310	557,324	225,614	75	461,323	437,460	-	877,582	112,424	-
Claims incurred - Gross - Proportional	R0320	(322)	-	-	2,701	-	-	-	-	-
Claims incurred - Gross - Non proportional	R0330									
Claims incurred - Reinsurers' share	R0340	1,177	6,696	12	35,793	2,865	-	119,879	8,423	-
Claims incurred - Net	**R0400**	**555,824**	**218,919**	**63**	**428,232**	**434,595**	**-**	**757,703**	**104,001**	**-**
Net										
Gross - Direct Business	R0410	(8)	(197)	-	(2,871)	89	-	(5,600)	(2,058)	-
Gross - Proportional reinsurance accepted	R0420	-	-	-	-	-	-	-	-	-
Gross - Non-proportional reinsurance accepted	R0430									
Reinsurers' share	R0440	-	-	-	-	-	-	-	-	-
Net	**R0500**	**(8)**	**(197)**	**-**	**(2,871)**	**89**	**-**	**(5,600)**	**(2,058)**	**-**
Expenses incurred	R0550	132,846	204,338	-	149,122	163,736	-	364,293	54,756	-
Other expenses	R1200	-	-	-	-	-	-	-	-	-
Total expenses	**R1300**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

S.05.01.02 Premiums, claims and expenses by line of business

K€		Business line for: non-life insurance commitments			Line of business for: non-proportional reinsurance accepted				Total
		Legal expenses insurance	Assistance insurance	Miscellaneous financial loss insurance	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport	Non-proportional property reinsurance	
		C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
Premiums written									
Premiums written - Gross - Direct Business	R0110	159,203	4,310	255,954					4,467,209
Premiums written - Gross - Proportional	R0120	2,180	-	655					2,840
Premiums written - Gross - Non proportional reinsurance accepted	R0130				-	-	-	-	-
Premiums written - Reinsurers' share	R0140	-	887	11,596	-	-	-	-	262,438
Premiums written - Net	**R0200**	**161,383**	**3,423**	**245,013**	**-**	**-**	**-**	**-**	**4,207,612**
Premiums earned									
Premiums earned - Gross - Direct Business	R0210	152,541	3,941	235,490					4,327,613
Premiums earned - Gross - Proportional reinsurance accepted	R0220	2,180	-	465					8,788
Premiums earned - Gross - Non proportional reinsurance accepted	R0230				-	-	-	-	-
Premiums earned - Reinsurers' share	R0240	-	1,224	9,835	-	-	-	-	250,673
Premiums earned - Net	**R0300**	**154,721**	**2,717**	**226,120**	**-**	**-**	**-**	**-**	**4,085,729**
Claims incurred									
Claims incurred - Gross - Direct Business	R0310	58,520	328	31,716					2,762,366
Claims incurred - Gross - Proportional reinsurance accepted	R0320	1	-	25					2,405
Claims incurred - Gross - Non proportional reinsurance accepted	R0330				-	-	-	-	-
Claims incurred - Reinsurers' share	R0340	-	294	2,293	-	-	-	-	177,432
Claims incurred - Net	**R0400**	**58,520**	**34**	**29,447**	**-**	**-**	**-**	**-**	**2,587,339**
Net									
Gross - Direct Business	R0410	15	-	(286)					(10,917)
Gross - Proportional reinsurance accepted	R0420	-	-	-					-
Gross - Non-proportional reinsurance accepted	R0430				-	-	-	-	-
Reinsurers' share	R0440	-	-	-	-	-	-	-	-
Net	**R0500**	**15**	**-**	**(286)**	**-**	**-**	**-**	**-**	**(10,917)**
Expenses incurred	R0550	74,546	1,721	134,746	-	-	-	-	1,280,104
Other expenses	R1200								7,321
Total expenses	**R1300**								**1,287,425**

S.05.01.02 Premiums, claims and expenses by line of business

K€		Business Line for: Life Insurance Commitments – Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance obligations	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from NL ins. contracts and relating to ins. obligations other than health ins. obligations	Life reinsurance commitments – Health reinsurance	Life reinsurance	Total
		C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
Premiums written										
Premiums written - Gross	R1410	947,096	18,341,753	7,584,604	2,339,356	-	-	44,877	33,191	29,290,877
Premiums written - Reinsurers' share	R1420	79,886	84,077	61	109,754	-	-	14,093	15,810	303,681
Premiums written - Net	**R1500**	**867,210**	**18,257,675**	**7,584,543**	**2,229,603**	**-**	**-**	**30,784**	**17,381**	**28,987,196**
Premiums earned										
Premiums earned - Gross	R1510	947,968	18,341,756	7,584,604	2,264,669	-	-	47,224	34,192	29,220,414
Premiums earned - Reinsurers' share	R1520	84,834	84,077	61	101,281	-	-	13,200	14,349	297,802
Premiums earned - Net	**R1600**	**863,134**	**18,257,679**	**7,584,543**	**2,163,389**	**-**	**-**	**34,024**	**19,843**	**28,922,612**
Claims incurred										
Claims incurred - Gross	R1610	415,969	15,614,706	3,081,383	637,379	48,614	25,628	19,959	22,420	19,866,058
Claims incurred - Reinsurers' share	R1620	23,148	83,311	-	30,645	3,934	4,471	4,724	6,692	156,925
Claims incurred - Net	**R1700**	**392,821**	**15,531,395**	**3,081,383**	**606,734**	**44,680**	**21,157**	**15,235**	**15,728**	**19,709,133**
Changes in other technical provisions										
Gross	R1710	(173,580)	(3,674,436)	(409,039)	(218,418)	305	(315)	(11,901)	(358,258)	(4,845,641)
Changes in other technical provisions - Reinsurers' share	R1720	29,066	(128)	-	(625)	-	-	6,081	8,055	42,449
Net	**R1800**	**(202,646)**	**(3,674,308)**	**(409,039)**	**(217,793)**	**305**	**(315)**	**(17,982)**	**(366,313)**	**(4,888,090)**
Expenses incurred	R1900	354,327	1,180,293	478,986	1,022,914	4,117	108	15,532		3,080,066
Other expenses	R2500	-	-	-	-	-	-	-	-	61,386
Total expenses	**R2600**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**3,141,452**

S.05.02.01 Premiums, claims and expenses by country

K€		Home country	Top 5 countries (by amount of gross premiums issued) - non-life commitments					Total for top 5 countries and home country
			IT	DE	PL	PT	DK	
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
Premiums written								
Premiums written - Gross - Direct Business	R0110	465,355	3,762,834	147,507	79,620	8,386	3,120	3,855,905
Premiums written - Gross - Proportional reinsurance accepted	R0120	-	8,321	(12)	661	6	-	8,321
Premiums written - Gross - Non proportional reinsurance accepted	R0130	-	-	-	-	-	-	-
Premiums written - Reinsurers' share	R0140	24,140	187,529	34,440	15,082	1,247	-	192,357
Premiums written - Net	**R0200**	**441,215**	**3,583,625**	**113,056**	**65,200**	**7,145**	**3,120**	**3,671,868**
Premiums earned								
Premiums earned - Gross - Direct Business	R0210	467,317	3,651,303	119,608	73,888	7,152	7,496	3,744,766
Premiums earned - Gross - Proportional reinsurance accepted	R0220	-	8,323	100	373	(9)	-	8,323
Premiums earned - Gross - Non proportional reinsurance accepted	R0230	-	-	-	-	-	-	-
Premiums earned - Reinsurers' share	R0240	23,627	184,486	31,074	9,554	1,049	880	189,212
Premiums earned - Net	**R0300**	**443,690**	**3,475,140**	**88,633**	**64,706**	**6,094**	**6,616**	**3,563,878**
Claims incurred								
Claims incurred - Gross - Direct Business	R0310	280,480	2,393,450	41,361	45,254	1,244	605	2,449,546
Claims incurred - Gross - Proportional reinsurance accepted	R0320	-	2,380	35	36	(49)	-	2,380
Claims incurred - Gross - Non proportional reinsurance accepted	R0330	-	-	-	-	-	-	-
Claims incurred - Reinsurers' share	R0340	10,713	145,460	17,967	3,199	86	3	147,602
Claims incurred - Net	**R0400**	**269,767**	**2,250,371**	**23,428**	**42,091**	**1,109**	**602**	**2,304,324**
Net								
Gross - Direct Business	R0410	(2,972)	(6,594)	(1,229)	(129)	3	5	(7,189)
Gross - Proportional reinsurance accepted	R0420	-	-	-	-	-	-	-
Gross - Non-proportional reinsurance accepted	R0430	-	-	-	-	-	-	-
Reinsurers' share	R0440	-	-	-	-	-	-	-
Net	**R0500**	**(2,972)**	**(6,594)**	**(1,229)**	**(129)**	**3**	**5**	**(7,189)**
Expenses incurred	R0550	164,172	1,041,838	62,179	689	5,072	5,504	1,074,672
Other expenses	R1200							1,466
Total expenses	**R1300**							**1,076,138**

S.05.02.01 Premiums, claims and expenses by country

K€		Home country	Business Line for: Life Insurance Commitments					Total
			IT	PL	LU	DE	ES	
		C0220	C0230	C0240	C0250	C0260	C0270	C0280
Premiums written								
Premiums written - Gross	R1410	23,190,301	5,686,342	130,098	97,332	59,141	4,734	6
Premiums written - Reinsurers' share	R1420	257,652	36,734	1,193	-	2,377	-	-
Premiums written - Net	**R1500**	**22,932,649**	**5,649,607**	**128,905**	**97,332**	**56,764**	**4,734**	**6**
Premiums earned								
Premiums earned - Gross	R1510	23,190,117	5,605,434	152,543	97,332	53,081	4,734	6
Premiums earned - Reinsurers' share	R1520	257,815	28,598	3,355	-	2,937	-	-
Premiums earned - Net	**R1600**	**22,932,302**	**5,576,835**	**149,188**	**97,332**	**50,144**	**4,734**	**6**
Claims incurred								
Claims incurred - Gross	R1610	17,774,678	1,817,105	60,192	44,272	9,260	14,283	(5)
Claims incurred - Reinsurers' share	R1620	137,738	10,989	112	-	730	-	-
Claims incurred - Net	**R1700**	**17,636,940**	**1,806,116**	**60,080**	**44,272**	**8,530**	**14,283**	**(5)**
Changes in other technical provisions								
Gross	R1710	(917,472)	(3,400,274)	(19,082)	(44,312)	(87)	11,700	(1)
Changes in other technical provisions - Reinsurers' share	R1720	43,011	2	(436)	-	-	-	-
Net	**R1800**	**(960,483)**	**(3,400,276)**	**(18,646)**	**(44,312)**	**(87)**	**11,700**	**(1)**
Expenses incurred	R1900	2,533,185	419,738	52,220	5,781	41,259	725	25
Other expenses	R2500	-	-	-	-	-	-	-
Total expenses	**R2600**	**-**	**-**	**-**	**-**	**-**	**-**	**25**

S.22.01.22 Impact of measures on long-term guarantees and transitional measures

S.22.01.22 Impact des mesures relatives aux garanties de long terme et des mesures transitoires

K€		Amount with Long Term Guarantee measures and transitionals	Impact of transitional on technical provisions	Impact of transitional on interest rate	Impact of volatility adjustment set to zero	Impact of matching adjustment set to zero
		C0010	C0030	C0050	C0070	C0090
Technical provisions	R0010	317,905,283	-	-	2,034,173	-
Basic own funds	R0020	23,063,795	-	-	(1,271,569)	-
Eligible own funds to meet Solvency Capital Requirement	R0050	23,063,795	-	-	(1,278,993)	-
Solvency Capital Requirement	R0090	12,248,066	-	-	409,439	-

S.23.01.22 Own funds

K€		Total C0010	Tier 1 Unrestricted C0020	Tier 1 Restricted C0030	Tier 2 C0040	Tier 3 C0050
Basic own funds before deduction for participations in other financial sector						
Ordinary share capital (gross of own shares)	R0010	1,490,404	1,490,404		-	
Non-available called but not paid in ordinary share capital at group level	R0020	-	-		-	
Share premium account related to ordinary share capital	R0030	7,374,441	7,374,441		-	
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040	-	-		-	
Total Subordinated mutual member accounts	R0050	-		-	-	-
Non-available subordinated mutual member accounts at group level	R0060	-		-	-	-
Surplus funds	R0070	-	-			
Non-available surplus funds at group level	R0080	-	-			
Total Preference shares	R0090	-		-	-	-
Non-available preference shares at group level	R0100	-		-	-	-
Share premium relating to preference shares	R0110	-		-	-	-
Non-available share premium account related to preference shares at group level	R0120	-		-	-	-
Reconciliation reserve	R0130	7,844,234	7,844,234			
Subordinated liabilities	R0140	6,354,156		1,948,010	4,406,145	-
Non-available subordinated liabilities at group level	R0150	-		-	-	-
An amount equal to the value of net deferred tax assets	R0160	28,739		-	-	28,739
An amount equal to the value of non-available net deferred tax assets at the group level	R0170	-				
Other items approved by supervisory authority as basic own funds not specified above	R0180	-	-	-	-	-
Non available own funds related to other own funds items approved by supervisory authority	R0190	-	-	-	-	-
Minority interests	R0200	(28,179)	(28,188)	-	-	8
Non available minority interests at group level	R0210	-	-	-	-	-

S.23.01.22 Own funds

K€		Total	Tier 1 Unrestricted	Tier 1 Restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Solvency II						
Own funds from fin. stat. not represented by reconc. res. & not meeting criteria to be classifi. as SII own funds	R0220	-	-			
Deductions						
Deductions for participations in other financial undertakings, including non-regulated undertakings carrying out financial activities	R0230	-	-	-	-	-
whereof deducted according to art 228 of the Directive 2009/138/EC	R0240	-	-	-	-	-
Deductions for participations where there is non-availability of information (Article 229)	R0250	-	-	-	-	-
Deduction for participations when using D&A or combination of methods (Article 233)	R0260	-	-	-	-	-
Total of non-available own fund items	R0270	-	-	-	-	-
Total deductions not included in the reconcilation reserve	R0280	-	-	-	-	-
Total basic own funds after deductions	**R0290**	**23,063,795**	**16,680,891**	**1,948,010**	**4,406,145**	**28,748**
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300	-			-	
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310	-			-	
Unpaid and uncalled preferences shares callable on demand	R0320	-			-	-
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	-			-	-
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	-			-	
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	-			-	-
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	-			-	
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	-			-	-
Non available ancillary own funds at group level	R0380	-			-	-
Other ancillary own funds	R0390	-			-	-
Total ancillary own funds	**R0400**	**-**			**-**	**-**

S.23.01.22 Own funds

K€		Total	Tier 1 Unrestricted	Tier 1 Restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Own funds of other financial sectors						
Credit Institutions, investment firms, financial insitutions, altern. investment fund manager, financial institutions	R0410	-	-	-	-	
Institutions for occupational retirement provision	R0420	-	-	-	-	-
Non regulated entities carrying out financial activities	R0430	-	-	-	-	
Total own funds of other financial sectors	R0440	-	-	-	-	-
Own funds when using the D&A, exclusively or in combinantion of method 1						
Own funds aggregated when using the D&A and combination of method - Net	R0450	-	-	-	-	-
Own funds of related undertakings when using the D&A and a combination of method of IGT	R0460	-	-	-	-	-
Total available own funds to meet the SCR	R0520	23,063,795	16,680,891	1,948,010	4,406,145	28,748
Total available own funds to meet the MCR	R0530	23,035,047	16,680,891	1,948,010	4,406,145	
Total eligible own funds to meet the SCR - Group	R0560	23,063,795	16,680,891	1,948,010	4,406,145	28,748
Total eligible own funds to meet the MCR - Group	R0570	19,782,085	16,680,891	1,948,010	1,153,184	
Minimum consolidated Group MCR (Article 230)	**R0610**	**5,765,918**				
Ratio of Eligible own funds to MCR - Group	**R0650**	**343%**				
Total eligible own funds to meet group SCR (incl. OF from other financial sector and from the undertakings incl. D&A)	**R0660**	**23,063,795**	16,680,891	1,948,010	4,406,145	28,748
Group SCR	**R0680**	**12,248,066**				
Ratio of Eligible own funds to SCR including other financial sectors' own funds and capital requirements	**R0690**	**188%**				

S.23.01.22 Own funds

K€		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	17,461,120
Own shares (held directly and indirectly)	R0710	-
Forseeable dividends and distributions	R0720	622,999
Other basic own fund items	R0730	8,865,405
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	-
Other non available own funds	R0750	128,482
Reconciliation reserve	R0760	7,844,234

Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	1,338,962
Expected profits included in future premiums (EPIFP) - Non- life business	R0780	45,704
Total Expected profits included in future premiums (EPIFP)	**R0790**	1,384,666

S.25.01.22 Solvency capital requirement - for groups using the standard formula

S.25.01.22 Capital de solvabilité requis — pour les groupes qui utilisent la formule standard

K€		Gross SCR	Simplifications
		C0110	C0120
Market risk	R0010	30,216,781	
Counterparty default risk	R0020	386,770	
Life underwriting risk	R0030	3,055,557	-
Health underwriting risk	R0040	754,743	-
Non-life underwriting risk	R0050	1,100,033	-
Diversification	R0060	(3,785,888)	
Intangible asset risk	R0070	-	
Basic Solvency Capital Requirement	**R0100**	**31,727,995**	

Operational risk		C0100
Operational risk	R0130	1,363,362
Loss-absorbing capacity of technical provisions	R0140	(18,720,499)
Loss-absorbing capacity of deferred taxes	R0150	(2,428,771)
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	-
Solvency Capital Requirement, excluding capital add-on	R0200	12,248,066
Capital add-on already set	R0210	-
Solvency Capital Requirement	**R0220**	**12,248,066**
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	-
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	11,947,763
Total amount of Notional Solvency Capital Requirements for ring fenced funds (other than those related to business operated in accordance with Art. 4 of Directive 2003/41/EC (transitional)	R0420	305,978
Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	R0430	-
Diversification effects due to RFF nSCR aggregation for article 304	R0440	-

K€		Net solvency capital requirement
Minimum consolidated group solvency capital requirement	R0470	5,765,918
Minimum consolidated group solvency capital requirement		
Capital requirements of other financial sectors (Non-insurance capital requirements) (groups only):	R0500	-
Credit institution & investment firms and financial institutions	R0510	-
Institutions for occupational retirement provision	R0520	-
Non regulated entities carrying out financial activties	R0530	-
Non-controlled participation requirements (groups only)	R0540	-
Capital requirement for residual undertakings	R0550	-
Overall SCR		
SCR for undertakings included via D and A	R0560	-
Solvency Capital Requirement	R0570	12,248,066

S.32.01.22 Companies within the group scope

S.32.01.22 Entreprises dans le périmètre du groupe

Country	Identification code of the undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual / non mutual)	Supervisory authority
C0010	C0020	C0040	C0050	C0060	C0070	C0080
FR	LEI/969500FBH6PTJWMD9L44	VIA VITA	10	SAS	2	ACPR (FR)
FR	SC/0001244266	LA MEDICALE COURTAGE SAS	2	société anonyme	2	ACPR (FR)
GR	SC/0001248296	CA INSURANCE GREECE	2	société anonyme	2	BOG (GR)
FR	LEI/969500K2MUPSI57XK083	Crédit Agricole Assurances (CAA)	5	société anonyme	2	ACPR (FR)
IT	LEI/815600A7946313257924	CA ASSICURAZIONI	2	société en commandite par actions	2	ISVAP (IT)
FR	SC/SYRPI2D1O9WRTS2WX210	Crédit Agricole Créditor Insurance (CACI)	5	société anonyme	2	ACPR (FR)
FR	LEI/969500IXARMKRMXEO315	Spirica	1	société anonyme	2	ACPR (FR)
FR	LEI/96950018S1XWUGVC0E95	PREDICA	4	société anonyme	2	ACPR (FR)
FR	LEI/969500PIORK1D12IOW02	Médicale de France	2	société anonyme	2	ACPR (FR)
FR	LEI/969500P5DCT4287UVL36	PACIFICA	2	société anonyme	2	ACPR (FR)
LU	LEI/222100RHVHGHNBQ4VV91	Crédit Agricole Life Insurance Europe	1	société anonyme	2	COMMASSU (LU)
PT	LEI/549300HM15U8TGYXFP61	GNB SEGUROS (Anciennement BES SEGUROS)	2	société anonyme	2	ISP (PT)
GR	SC/549300PBNQ5382X7W827	Crédit Agricole Life	1	société anonyme	2	BOG (GR)
IT	LEI/815600712E1764BEF578	Crédit Agricole Vita S.p.A.	1	société en commandite par actions	2	ISVAP (IT)
FR	LEI/969500LEVPKCI1SD5J61	FINAREF RISQUES DIVERS	2	société anonyme	2	ACPR (FR)
FR	LEI/969500MC6XO8B7VJKB56	FINAREF VIE	1	société anonyme	2	ACPR (FR)
IE	LEI/635400V9R7Z62LMOVS66	CACI Reinsurance Ltd.	2	société anonyme	2	IFSRA (IE)
IE	SC/LEI/969500TJ5KRTCJQWXH05 /FR/52095	SPACE HOLDING (IRELAND) LIMITED	5	société anonyme	2	IFSRA (IE)
LU	SC/LEI/969500TJ5KRTCJQWXH05 /FR/52096	SPACE LUX	5	société anonyme	2	COMMASSU (LU)
IE	LEI/635400L1YTYKYSKSZB41	CACI LIFE LIMITED	1	société anonyme	2	IFSRA (IE)
IE	LEI/635400THEYDAIONRRP31	CACI NON LIFE LIMITED	2	société anonyme	2	IFSRA (IE)
FR	LEI/969500PJMBSFHYC37989	AEROPORTS DE PARIS	99	société anonyme	2	ACPR (FR)
FR	LEI/969500QZC2Q0TK11NV07	ACCOR SA	99	société anonyme	2	ACPR (FR)
IT	LEI/549300BDV4C410CYAQ76	BANCA PICCOLO CREDITO VALTELLINESE SOCIE	8	société anonyme	2	ISVAP (IT)
FR	LEI/969500B0S40FTUVKD182	STE FONCIERE LYONNAISE	99	société anonyme	2	ACPR (FR)
FR	LEI/969500P8M3W2XX376054	COVIVIO	99	société anonyme	2	ACPR (FR)

FR	LEI/9695003E4MMA10IBTR26	GECINA	99	société anonyme	2	ACPR (FR)
FR	LEI/969500CE0X343D8ALO86	KAUFMAN ET BROAD SA	99	société anonyme	2	ACPR (FR)
FR	LEI/969500WEPS61H6TJM037	KORIAN	99	société anonyme	2	ACPR (FR)
FR	LEI/969500C2C11L0PTGRH11	PATRIMOINE ET COMMERCE	99	société anonyme	2	ACPR (FR)
IT	LEI/8156004C04255952AB77	BENI STABILI SPA	99	société anonyme	2	ISVAP (IT)
FR	LEI/969500ICGCY1PD6OT783	ALTAREA	99	société en commandite par actions	2	ACPR (FR)
FR	LEI/969500UDH342QLTE1M42	ICADE	99	société anonyme	2	ACPR (FR)
FR	LEI/969500JJ71T2DIPDVV84	NEXITY	99	société anonyme	2	ACPR (FR)
FR	SC/0000148383	SOPRESA	10	société anonyme	2	ACPR (FR)
FR	SC/0000155031	CREDIT AGRICOLE ASSURANCES	99	SAS	2	ACPR (FR)
FR	LEI/9695007PF94PN9N3G367	SIPAREX ASSOCIES	99	société anonyme	2	ACPR (FR)
FR	LEI/969500JPC00Y4Z8RE248	INTERFIMO	13	société anonyme	2	ACPR (FR)
FR	SC/0000188071	CENTRE DE TELESURVEILLANCE DU CREDIT AGRICOLE MUTUEL CTCAM	99	société anonyme	2	ACPR (FR)
FR	LEI/969500D688JIO5UESX62	CA GRANDS CRUS	99	SAS	2	ACPR (FR)
FR	LEI/969500N2QX5LGFFZ0I67	COVIVIO HOTELS	99	société en commandite par actions	2	ACPR (FR)
FR	SC/0000201215	PREVISEO OBSEQUES	10	société anonyme	2	ACPR (FR)
FR	LEI/969500JTN8BU5BW6UW36	FREY	99	société anonyme	2	ACPR (FR)
FR	SC/0000277659	S.C.I. IMEFA	99	société anonyme	2	ACPR (FR)
FR	SC/0000366404	SIRCA	8	société mutualiste	1	ACPR (FR)
FR	SC/0000476468	BCA EXPERTISE SAS	10	SAS	2	ACPR (FR)
FR	SC/0000481102	LESICA	99	SAS	2	ACPR (FR)
FR	LEI/969500UX71LCE8MAY492	ELIS	99	société anonyme	2	ACPR (FR)
FR	SC/0000581811	SCI IRIS	99	SAS	2	ACPR (FR)
FR	LEI/969500I1EJGUAT223F44	GIE GENERALE DE SANTE	99	société anonyme	2	ACPR (FR)
FR	LEI/9695002IGHFFM390II90	LOGISTIS	99	société anonyme	2	ACPR (FR)
LU	SC/0000644706	PREDICA INFRASTRUCTURE SA	99	société anonyme	2	COMMASSU (LU)
FR	SC/0000697276	MESSIDOR	99	OPCVM	2	ACPR (FR)
FR	SC/0000704333	SACRA	10	société anonyme	2	ACPR (FR)
FR	SC/0000841926	ROOSEVELT INVESTISSEMENTS	99	FCPR	2	ACPR (FR)
FR	LEI/9695003BX8IQ11OF0V08	IRIS INVEST 2010	99	société anonyme	2	ACPR (FR)
FR	LEI/969500G43Q4BXYKA5119	CAMP INVEST	99	société anonyme	2	ACPR (FR)

FR	SC/0000939372	ARCAPARK	99	société anonyme	2	ACPR (FR)
FR	LEI/213800E3JUSKI6SNH535	ADL PARTICIPATIONS	99	société anonyme	2	ACPR (FR)
FR	LEI/969500J2RDYILVNG7358	VIAREN	10	SAS	2	ACPR (FR)
FR	SC/0000948783	SCI HOLDING DAHLIA	99	OPCVM	2	ACPR (FR)
FR	SC/0000980228	UI CAP SANTE	99	FCPR	2	ACPR (FR)
FR	LEI/969500CHM7M2OBO7ED40	FONDS STRATEGIQUE DE PARTICIPATIONS (F)	99	OPCVM	2	ACPR (FR)
FR	SC/0000989354	DIAPRE	99	SARL	2	ACPR (FR)
FR	SC/0000995274	ASSERCAR	10	SAS	2	ACPR (FR)
FR	LEI/969500UL8E43FQS4NK06	B2 HOTEL INVEST	99	société anonyme	2	ACPR (FR)
FR	SC/0001021259	UI CAP AGRO	99	SAS	2	ACPR (FR)
FR	LEI/969500IGKGSTQ552DI77	COMPARTIMENT PARTICIPATION 2	99	OPCVM	2	ACPR (FR)
FR	SC/0001045404	CAISSE LOCALE CORSOPAR	2	société mutualiste	1	ACPR (FR)
FR	SC/0001055240	PREDICA ENERGIES DURABLES	99	SAS	2	ACPR (FR)
FR	SC/0001058361	SAS CARTE BLANCHE PARTENAIRES	10	SAS	2	ACPR (FR)
FR	SC/0001078595	INFRA FOCH TOPCO	99	société anonyme	2	ACPR (FR)
FR	SC/0001089303	PREDIPARK	99	société anonyme	2	ACPR (FR)
PL	LEI/259400IDRH0AFY9CPR67	CREDIT AGRICOLE TOWARZYSTWO UBEZPIECZEN	2	société anonyme	2	KNF (PL)
LU	SC/0001103488	TIVANA TOPCO SA	99	société anonyme	2	COMMASSU (LU)
LU	SC/0001105347	SCI LOGISTIS LUX	99	société anonyme	2	COMMASSU (LU)
FR	SC/0001105639	SENIOR RESIDENCE NV SAS	99	société anonyme	2	ACPR (FR)
FR	SC/0001105742	SPECIFICA	10	SAS	2	ACPR (FR)
FR	SC/0001105891	ISR COURTAGE	99	société anonyme	2	ACPR (FR)
JP	SC/0001106229	CALI JAPAN	1	corporation limited	2	FSA (JP)
LU	SC/0001106240	CREDIT AGRICOLE RISK INSURANCE	2	société anonyme	2	COMMASSU (LU)
FR	SC/0001106959	SH PREDICA ENERGIES DURABLES	99	SAS	2	ACPR (FR)
FR	LEI/9695004PZ2OQODVK1X02	COMPARTIMENT PARTICIPATION 3	99	OPCVM	2	ACPR (FR)

		Criteria of influence						Inclusion in the scope of Group supervision		Group solvency calculation
Country	Identification code of the undertaking	% capital share	% used for the establishement of accounting consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	YES/NO	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
C0010	C0020	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
FR	LEI/969500FBH6PTJWMD9L44	100%	100%	1.00	-	2	1.00	1	-	3
FR	SC/0001244266	0%	100%	1.00	-	2	-	1.00	-	10
GR	SC/0001248296	100%	100%	1.00	-	2	1.00	1.00	-	10
FR	LEI/969500K2MUPSI57XK083	0%	100%	-	-	-	-	1.00	-	1
IT	LEI/815600A7946313257924	200%	100%	1.00	-	2	2.00	1.00	-	1
FR	SC/SYRPI2D1O9WRTS2WX210	200%	100%	1.00	-	2	2.00	1.00	-	1
FR	LEI/969500IXARMKRMXEO315	200%	100%	1.00	-	2	2.00	1.00	-	1
FR	LEI/96950018S1XWUGVC0E95	200%	100%	1.00	-	2	2.00	1.00	-	1
FR	LEI/969500PIORK1D12IOW02	200%	100%	1.00	-	2	2.00	1.00	-	1
FR	LEI/969500P5DCT4287UVL36	200%	100%	1.00	-	2	2.00	1.00	-	1
LU	LEI/222100RHVHGHNBQ4VV91	94%	94%	-	-	2	0.94	1.00	-	1
PT	LEI/549300HM15U8TGYXFP61	125%	75%	0.50	-	2	1.25	1.00	-	1
GR	SC/549300PBNQ5382X7W827	200%	100%	1.00	-	2	2.00	1.00	-	1
IT	LEI/815600712E1764BEF578	200%	100%	1.00	-	2	2.00	1.00	-	1
FR	LEI/969500LEVPKCI1SD5J61	100%	100%	-	-	2	1.00	1.00	-	1
FR	LEI/969500MC6XO8B7VJKB56	100%	100%	-	-	2	1.00	1.00	-	1
IE	LEI/635400V9R7Z62LMOVS66	100%	100%	1.00	-	2	1.00	1.00	-	1
IE	SC/LEI/969500TJ5KRTCJQWXH05 /FR/52095	100%	100%	-	-	2	1.00	1.00	-	1
LU	SC/LEI/969500TJ5KRTCJQWXH05 /FR/52096	100%	100%	-	-	2	1.00	1.00	-	1
IE	LEI/635400L1YTYKYSKSZB41	100%	100%	1.00	-	2	1.00	1.00	-	1
IE	LEI/635400THEYDAIONRRP31	100%	100%	1.00	-	2	1.00	1.00	-	1
FR	LEI/969500PJMBSFHYC37989	5%	0%	-	-	2	-	1	-	10
FR	LEI/969500QZC2Q0TK11NV07	1%	0%	-	-	2	-	1	-	10

IT	LEI/549300BDV4C410CYAQ76	5%	0%	-	-	2	-	1	-	10
FR	LEI/969500B0S40FTUVKD182	13%	0%	-	-	2	-	1	-	10
FR	LEI/969500P8M3W2XX376054	7%	0%	-	-	2	-	1	-	10
FR	LEI/9695003E4MMA10IBTR26	13%	0%	-	-	2	-	1	-	10
FR	LEI/969500CE0X343D8ALO86	8%	0%	-	-	2	-	1	-	10
FR	LEI/969500WEPS61H6TJM037	23%	0%	-	-	2	-	1	-	10
FR	LEI/969500C2C11L0PTGRH11	20%	0%	-	-	2	-	1	-	10
IT	LEI/8156004C04255952AB77	6%	0%	-	-	2	-	1	-	10
FR	LEI/969500ICGCY1PD6OT783	25%	0%	-	-	2	-	1	-	10
FR	LEI/969500UDH342QLTE1M42	18%	0%	-	-	2	-	1	-	10
FR	LEI/969500JJ71T2DIPDVV84	6%	0%	-	-	2	-	1	-	10
FR	SC/0000148383	50%	0%	1	-	2	1	1	-	10
FR	SC/0000155031	100%	0%	1	-	1	1	1	-	10
FR	LEI/9695007PF94PN9N3G367	4%	0%	-	-	2	-	1	-	10
FR	LEI/969500JPC00Y4Z8RE248	0%	0%	-	-	2	-	1	-	10
FR	SC/0000188071	20%	0%	-	-	2	-	1	-	10
FR	LEI/969500D688JIO5UESX62	22%	0%	-	-	2	-	1	-	10
FR	LEI/969500N2QX5LGFFZ0I67	17%	0%	-	-	2	-	1	-	10
FR	SC/0000201215	100%	0%	1	-	1	1	1	-	10
FR	LEI/969500JTN8BU5BW6UW36	19%	0%	-	-	2	-	1	-	10
FR	SC/0000277659	100%	0%	1	-	1	1	1	-	10
FR	SC/0000366404	2%	0%	-	-	2	-	1	-	10
FR	SC/0000476468	2%	0%	-	-	2	-	1	-	10
FR	SC/0000481102	4%	0%	-	-	2	-	1	-	10
FR	LEI/969500UX71LCE8MAY492	6%	0%	-	-	2	-	1	-	10
FR	SC/0000581811	80%	0%	1	-	1	1	1	-	10
FR	LEI/969500I1EJGUAT223F44	38%	0%	-	-	2	-	1	-	10
FR	LEI/9695002IGHFFM390II90	14%	0%	-	-	2	-	1	-	10
LU	SC/0000644706	100%	0%	1	-	1	1	1	-	10
FR	SC/0000697276	100%	0%	1	-	1	1	1	-	10
FR	SC/0000704333	0%	0%	-	-	2	-	1	-	10
FR	SC/0000841926	100%	0%	1	-	1	1	1	-	10

FR	LEI/9695003BX8IQ11OF0V08	100%	0%	1	-	1	1	1	-	10
FR	LEI/969500G43Q4BXYKA5119	100%	0%	1	-	1	1	1	-	10
FR	SC/0000939372	50%	0%	1	-	1	1	1	-	10
FR	LEI/213800E3JUSKI6SNH535	25%	0%	-	-	2	-	1	-	10
FR	LEI/969500J2RDYILVNG7358	100%	0%	1	-	1	1	1	-	10
FR	SC/0000948783	100%	0%	1	-	1	1	1	-	10
FR	SC/0000980228	100%	0%	1	-	1	1	1	-	10
FR	LEI/969500CHM7M2OBO7ED40	25%	0%	-	-	2	-	1	-	10
FR	SC/0000989354	100%	0%	1	-	1	1	1	-	10
FR	SC/0000995274	51%	0%	1	-	1	1	1	-	10
FR	LEI/969500UL8E43FQS4NK06	40%	0%	-	-	2	-	1	-	10
FR	SC/0001021259	100%	0%	1	-	1	1	1	-	10
FR	LEI/969500IGKGSTQ552DI77	24%	0%	-	-	2	-	1	-	10
FR	SC/0001045404	60%	0%	1	-	1	1	1	-	10
FR	SC/0001055240	100%	0%	1	-	1	1	1	-	10
FR	SC/0001058361	15%	0%	-	-	2	-	1	-	10
FR	SC/0001078595	49%	0%	-	-	2	-	1	-	10
FR	SC/0001089303	100%	0%	1	-	1	1	1	-	10
PL	LEI/259400IDRH0AFY9CPR67	100%	0%	1	-	1	1	1	-	10
LU	SC/0001103488	10%	0%	-	-	2	-	1	-	10
LU	SC/0001105347	16%	0%	-	-	2	-	1	-	10
FR	SC/0001105639	0%	0%	-	-	2	-	1	-	10
FR	SC/0001105742	51%	0%	1	-	1	1	1	-	10
FR	SC/0001105891	100%	0%	1	-	1	1	1	-	10
JP	SC/0001106229	100%	0%	1	-	1	1	1	-	10
LU	SC/0001106240	100%	0%	1	-	1	1	1	-	10
FR	SC/0001106959	100%	0%	1	-	1	1	1	-	10
FR	LEI/9695004PZ2OQODVK1X02	21%	0%	-	-	2	-	1	-	10