# REGISTRATION DOCUMENT
## Annual report 2014

CRÉDIT AGRICOLE
ASSURANCES

Le bon sens a de l'avenir

# Contents

CRÉDIT AGRICOLE ASSURANCES
Le bon sens a de l'avenir

# REGISTRATION DOCUMENT
## ANNUAL REPORT 2014

### Our value lies in our performance

The common sense insurer, Crédit Agricole Assurances covers all customer needs, with offerings dedicated to savings (life insurance, retirement), property protection (property & casualty) and people (health insurance, death & disability and creditor).

From designing its offerings and services to handling claims, Crédit Agricole Assurances must perform and add value for all its customers: individuals, small businesses, corporates, farmers.

Adding value every day means offering the energy and solutions of the 3,500 employees of Crédit Agricole Assurances to support, advise and meet the needs of customers of Crédit Agricole Group.

Along with the appropriate tailored responses, Crédit Agricole Assurances brings the efficiency and performance of one of the largest banking networks in Europe, Crédit Agricole Group. 50,000 advisers are available to our 49 million customers to help them at every stage of their projects. This is also why Crédit Agricole Assurances is now the leading bancassurer in France and Europe.

**No. 1** BANCASSURER IN EUROPE (1)

**No. 2** INSURER IN FRANCE (1)

**€30,3 BILLION** IN REVENUE (2)

**€249 BILLION** IN ASSETS UNDER MANAGEMENT IN SAVINGS AND RETIREMENT PRODUCTS

**3,500** EMPLOYEES

(1) Source: *L'Argus de l'assurance, 10 April 2015.*
(2) *Format in line with French standards.*

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

In accordance with its general regulations and, in particular, Article 212-13 thereof, the French Financial Markets Authority (AMF) registered this registration document under number R.15-061 on 06/08/2015. This document may not be used in the context of any financial operation unless completed by a transaction summary (*«note d'opération»*) in respect of which the AMF has granted a visa. It has been prepared by the issuer and its signatories are liable for its contents.

This registration was carried out after the AMF determined that the document is complete and comprehensible and that the information it contains is coherent, in accordance with the provisions of Article L. 621-8-1-I of the French Monetary and Financial Code. It does not imply that the AMF has verified the accounting and financial information presented herein.

# MESSAGE FROM THE CHAIRMAN AND THE CHIEF EXECUTIVE OFFICER

**Adapting to an environment undergoing profound change** to continue to serve Crédit Agricole Group customers in the best possible way

RAPHAËL APPERT,
Chairman of Crédit Agricole Assurances S.A.

In 2014, Crédit Agricole Assurances performed very well in all its business lines.

The sales drive of the networks, both in France and on the international scene, confirmed that the insurance business is part and parcel of the growth of the Crédit Agricole group. The results also validate the model of integrated bank insurance built jointly around the networks of the regional banks of the Crédit Agricole, of LCL and the group's banks in Europe. With the announcement of a record turnover of €30.3 billion, i.e. an increase of 14.6% over 2013, and a net figure of €9 billion, Crédit Agricole Assurances has proved its strength in difficult times. All our business lines benefited from this increase. Savings/ pensions business increased by 17% over 2013 with a total of €24.2 billion. Assets under management showed an increase of close on 6%, totalling €249 billion. Our health, personal risk and creditor insurance activity recorded a turnover of €3.6 billion, up by 4%, and general insurance €2.4 billion, up by 7%. In this respect, it is worth noting that we exceeded the threshold of ten million policies taken out in France. On the international scene, Italy once again proved to be outstanding with some remarkable figures. We also have excellent prospects for further development in Europe, for example in Poland with the launch of the general insurance business.

As well as these excellent commercial results, Crédit Agricole Assurances benefits from a sound financial structure which contributed considerably to the success of an initial subordinated debt issue to the amount of €750 million in October 2014, followed by a second in January 2015 to the amount of €1 billion. Those operations make it possible to optimise the Group's equity.

Crédit Agricole Assurances is continuing to move forward by taking up today's challenges. In the current period of low interest rates we have to streamline our model and our offers in terms of savings and to explain things clearly to our networks and customers. Diversification in savings is now our prime objective. Given the lasting drop in interest rates, our action must move in two directions. On one hand, we are rapidly developing our activities in the area of personal risk and general insurance, in order to bolster the balance of our business sectors. Significant progress has already been made with the launch of a collective health and personal risk insurance package for companies, micro-enterprises and the self- employed, with a widening of the creditor insurance business and sharper growth in the area of general insurance. On the other hand, the savings model has been revamped to bring the nature of that business into line with the new situation of low interest rates. This transformation can be seen both in the rethinking of our offerings – with the launch of Euro-croissance and Vie Génération policies – and in

JÉRÔME GRIVET,
Chief Executive Officer of Crédit Agricole Assurances S.A.

the implementation of a new kind of sales promotion with the creation of Premundi, a service offered to the regional banks in tandem with Amundi to develop long-term savings solutions.

Finally, we continue to coordinate our activities in the area of third-party distribution, with the creation of UAF Life Patrimoine, resulting from the merger between LifeSide Patrimoine and UAF Patrimoine. Dolcea Vie and Spirica have also merged to form a life insurance company that holds a significant place in alternative distribution channels.

In the area of corporate social and environmental responsibility, Crédit Agricole Assurances, as a signatory of the Principles for Responsible Investment (PRI), takes due account of environmental, social and good governance factors in its investment decisions. Certain sectors take pride of place as far as such social challenges are concerned, in particular in the areas of health, pensions and dependency and in line with the sectors of excellence of the Crédit Agricole group (housing, the environment economy, agriculture and agri- business, health and old age). In 2014, Crédit Agricole Assurances invested over €6 billion in the French economy.

Another major challenge for us is that of keeping up with our customers' new habits of consumption by developing our digital approaches. Insurance must take its proper place as part of the local, multi-channel bank project that is being implemented in line with the specific features of our banks and of our customers. Insurance must act as a booster for this project which aims at offering "the best in banking and in insurance, everywhere and for everyone". We are firmly committed to the digital transformation of our business lines. The digitalisation of our sales and management processes is already in hand in our companies. Some 90% of offers to households for general insurance are available online, as is the case for 79% of the offers in savings. Management-wise, between 15% and 20% of management transactions in our branches have been digitalised. This already represents significant progress but we must go further. There are in fact some 60 digital projects ongoing within Crédit Agricole Assurances, in terms of acquisition, customer loyalty, mobile services or the deployment the digital culture among our colleagues. In this respect, we must pool our energy to the benefit of our customers and of the Group's networks through a coordinated insurance approach. We must also take due account of the impact of the digital world on our organisations and support our staff in the transformation of their business.

Faced with this fast-changing world, we must adapt and diversify our model to continue to provide the Group's customers with the best possible service. We have every confidence in the capability of Crédit Agricole Assurances to shape that transformation with the support of our partner banks, the strength of our economic fundamentals and the commitment of our people.

# 2014 PROFILE

## A DIVERSIFIED INSURER OPERATING IN 3 MAIN BUSINESSES...

| SAVINGS AND RETIREMENT | DEATH & DISABILITY/ HEALTH/CREDITOR | PROPERTY & CASUALTY INSURANCE |
|---|---|---|
| 80%* | 12%* | 8%* |

...driven by **the banking networks** of Crédit Agricole Group...

CRÉDIT AGRICOLE (Poland)

... as well as the Group's **internal and external financial** partners...

...and **direct access** to complementary markets rounding out the structure...

## 3 different distribution models

**93%**
**Bancassurance model**
Distribution of personal insurance, property & casualty and creditors in the Group's banking networks.

**5%**
**Group partnerships**
Distribution of Creditor Insurance and "Financial Protection" products to the Group's financial partners.

**2%**
**Non-Group partnerships**
Presence outside networks belonging to Crédit Agricole Group.
*e.g.*: presence in Japan in partnership with local banks.

* *Percentage of 2014 revenue under French GAAP, as defined on page 15.*

# ...IN FRANCE AND ABROAD...

€30.3 billion* OF WHICH FRANCE 79% (€23.9 billion*) AND ABROAD 21% (€6.4 billion*)

2014 Gross revenues

## Geographic breakdown

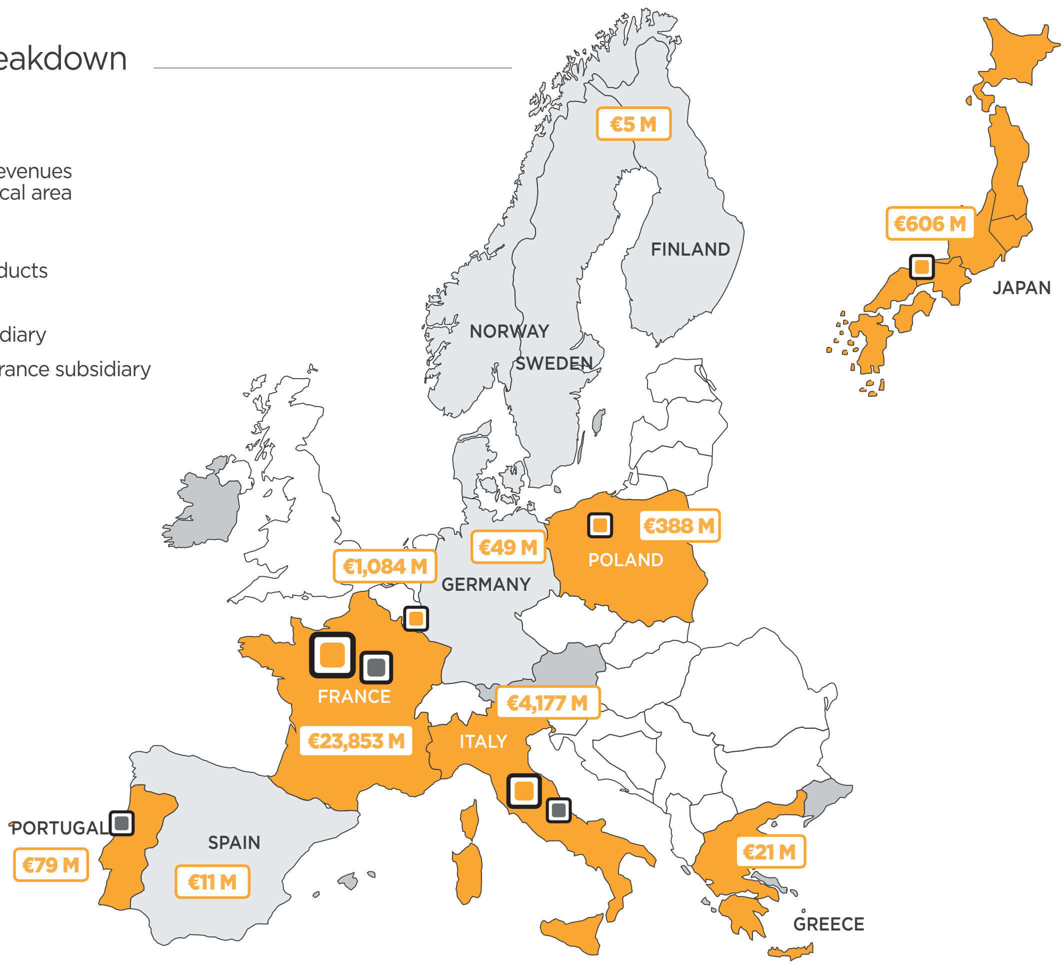
€M 2014 Cumulative gross revenues by country or geographical area

Presence of a subsidiary

Distribution of CACI products

Personal insurance subsidiary

Property & casualty insurance subsidiary




3,500 employees

* French GAAP, as defined on page 15.

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# PRESENTATION OF CRÉDIT AGRICOLE ASSURANCES

# KEY FIGURES

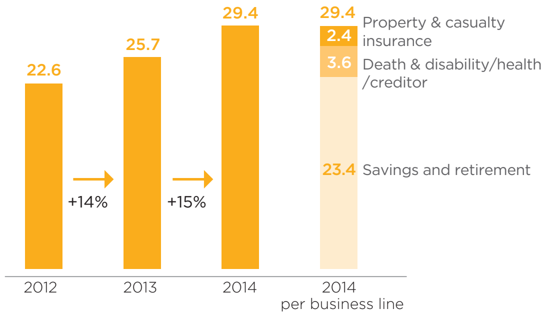
## FINANCIAL INFORMATION

### CHANGE IN GROSS REVENUES BY BUSINESS LINE (IFRS)

| *(in € billions)* | 2014 | 2013 | 13-14 change |
|---|---|---|---|
| Savings and retirement | 23.4 | 20.0 | 17.1% |
| Death & disability/health/creditor | 3.5 | 3.4 | 3.1% |
| Property & casualty insurance | 2.5 | 2.3 | 7.0% |
| **TOTAL** | **29.4** | **25.7** | **14.3%** |

### GROSS REVENUES UNDER IFRS

*(in € billions)*

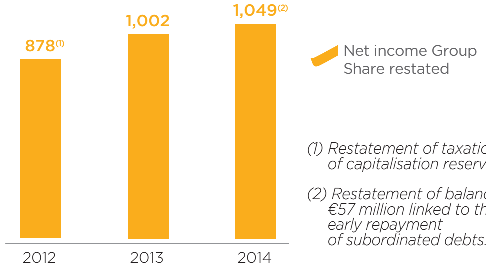



### CHANGE IN OPERATING INCOME AND NET INCOME GROUP SHARE

| *(in € millions)* | 2014 | 2013 | 13-14 change |
|---|---|---|---|
| Operating income | 1,851 | 1,886 | (1.9%) |
| Net income Group Share restated | 1,049(2) | 1,002 | 4.7% |

### OPERATING INCOME AND NET INCOME GROUP SHARE

*(in € millions)*




*(1) Restatement of taxation of capitalisation reserve.*

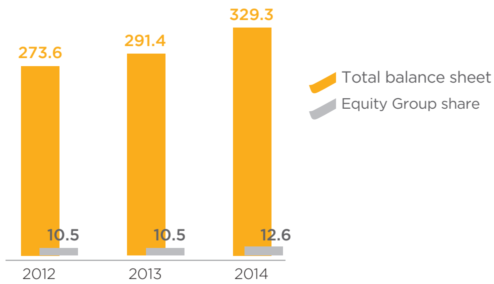
*(2) Restatement of balance of €57 million linked to the early repayment of subordinated debts.*

### CHANGE IN BALANCE SHEET DATA

| *(in € billions)* | 2014 | 2013 | 13-14 change |
|---|---|---|---|
| Total balance sheet | 329.3 | 291.4 | 13.0% |
| Equity Group share | 12.6 | 10.5 | 20.0% |

### BALANCE SHEET DATA

*(in € billions)*

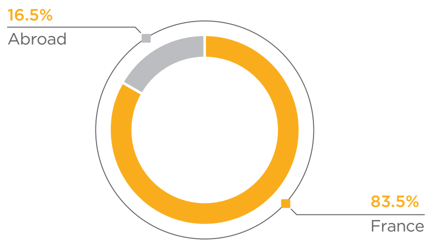



## EXTRA-FINANCIAL INFORMATION

### CHANGE IN NUMBER OF EMPLOYEES BY GEOGRAPHIC AREA

| | 2014 | 2013 | 13-14 change |
|---|---|---|---|
| France | 2,104 | 2,039 | 3.2% |
| Abroad | 416 | 411 | 1.2% |
| Groupe Crédit Agricole Assurances | 2,520 | 2,450 | 2.9% |

### BREAKDOWN OF NUMBER OF EMPLOYEES BY GEOGRAPHIC AREA




**Standard & Poor's rating at 22 September 2014: A, Negative outlook.**

This quality rating shows that the rating agency recognises the financial strength of Crédit Agricole Assurances and its high level of integration in Crédit Agricole S.A. Group.

# INFORMATION CONCERNING THE SHARE CAPITAL AND SHAREHOLDERS

## OWNERSHIP STRUCTURE AT 31 DECEMBER 2014 AND CHANGES OVER THREE YEARS

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

| Shareholders | 31/12/2014 | 31/12/2013 | 31/12/2012 |
|---|---|---|---|
| Crédit Agricole S.A. | 144,875,464 | 124,056,944 | 116,254,292 |
| Other | 6 | 6 | 6 |
| **TOTAL** | **144,875,470** | **124,056,950** | **116,254,298** |

At 31 December 2014, the share capital of Crédit Agricole Assurances S.A. is divided into of 144,875,470 ordinary shares, each with a par value of €10.

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

On 31 December 2014, there was no Crédit Agricole Assurances S.A. employee share ownership plan.

## RECENT CHANGES IN SHARE CAPITAL

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

| Date and type of transaction | Amount of the share capital *(in euros)* | Number of shares |
|---|---|---|
| **Share capital at 31 December 2009** | **1,101,549,210** | **110,154,921** |
| Capital increase | 60,993,770 | 6,099,377 |
| **Share capital at 31 December 2010** | **1,162,542,980** | **116,254,298** |
| **Share capital at 31 December 2011** | **1,162,542,980** | **116,254,298** |
| **Share capital at 31 December 2012** | **1,162,542,980** | **116,254,298** |
| Capital increase | 78,026,520 | 7,802,652 |
| **Share capital at 31 December 2013** | **1,240,569,500** | **124,056,950** |
| Capital increase | 208,185,200 | 20,818,520 |
| **Share capital at 31 December 2014** | **1,448,754,700** | **144,875,470** |

## DIVIDENDS – DISTRIBUTIONS

### Dividends for 2010, 2011 and 2012

- A dividend of €7.78 per share, amounting to a total of €904,458,436.44, was distributed in cash to shareholders for 2010.
- A dividend of €3.25 per share, amounting to a total of €377,826,469, was distributed in cash to shareholders for 2011.
- A dividend of €8.83 per share, amounting to a total of €1,026,525,451.34, was distributed in cash to shareholders for 2012; the dividend was distributed in shares and cash to Crédit Agricole S.A.

### 2013 dividend

On 17 June 2014, the General Meeting of Shareholders voted to pay a total dividend of €941,592,250 for the 2013 financial year, *i.e.* €7.59 per share. This dividend was paid in two instalments: the first, in December 2013, was an interim cash dividend of €457,770,145 as decided by the Board of Directors on 19 December 2013, with the second, in June 2014, representing the balance of €483,822,105.

### 2014 dividend. Interim dividend paid in 2014

On 12 December 2014, the Board of Directors decided to pay an interim cash dividend for 2014 of €445,364,428.96.

| | 2013 | 2012 | 2011 | 2010 |
|---|---|---|---|---|
| **Dividend per share** *(in €)* | 7.59 | 8.83 | 3.25 | 7.78 |
| **Total dividend** *(in € millions)* | 942 | 1,027 | 378 | 904.5 |

### Exceptional distribution of reserves in 2014

Continuing with the policy of optimising the equity capital of Crédit Agricole Group and Crédit Agricole Assurances, the General Meeting of Shareholders of 29 December 2014 decided to proceed with the distribution of €1,542,027,888.50 in total, amounting to €12.43 per share, taken from "Other reserves".

## AUTHORISATIONS TO EFFECT CAPITAL INCREASES

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

| General Meetings Resolutions | Purpose of authorisations to the Board of Directors | Duration, ceilings, limitations | Use made of authorisations in 2014 |
|---|---|---|---|
| General Meeting of Shareholders of 17 June 2014 16th resolution | Increase share capital in one or more transactions at such times as the Board of Directors shall determine, through contributions in cash, to be paid up in cash or by offsetting against claims which are unequivocal, clearly defined and due for payment against the company. | **Ceiling:** The total amount of capital increases may not exceed €500 million. **Term:** One year from the AGM. | None. The capital increase carried out in December 2014 was decided by the AGM of 29 December 2014. |

# 2014 IN 10 SIGNIFICANT EVENTS

## Savings & Pensions

1 **Launch of UAF Life Patrimoine** (link-up between UAF Patrimoine and LifeSide Patrimoine), an open architecture platform for CGPIs.

2 **Merger between Dolcea Vie and Spirica,** which became the insurer of vie de BforBank.

3 **Launch of the first Vie-génération contracts and the first euro-croissance funds** in the market.

## Health / death & disability / creditor

4 **Development of the individual creditor offering** for Regional Banks.

5 **Group insurance:**

- **development of the corporate bancassurance model** with the launch of a new health/death & disability offering and 10 division offerings,
- **launch of a group health offering for professionals/Small businesses.**

## Property & Casualty

6 **La Médicale becomes a 100% subsidiary** of Crédit Agricole Assurances.

7 **Launch of the property and casualty business** in Poland.

8 **Launch of the new multi-risk Agricole offering** and implementation of a trial on changes in revenue protection for farmers (base harvest contract and pasture insurance).

9 **10 million active policies in property and casualty insurance,** up 3.9% from last year.

## Finance

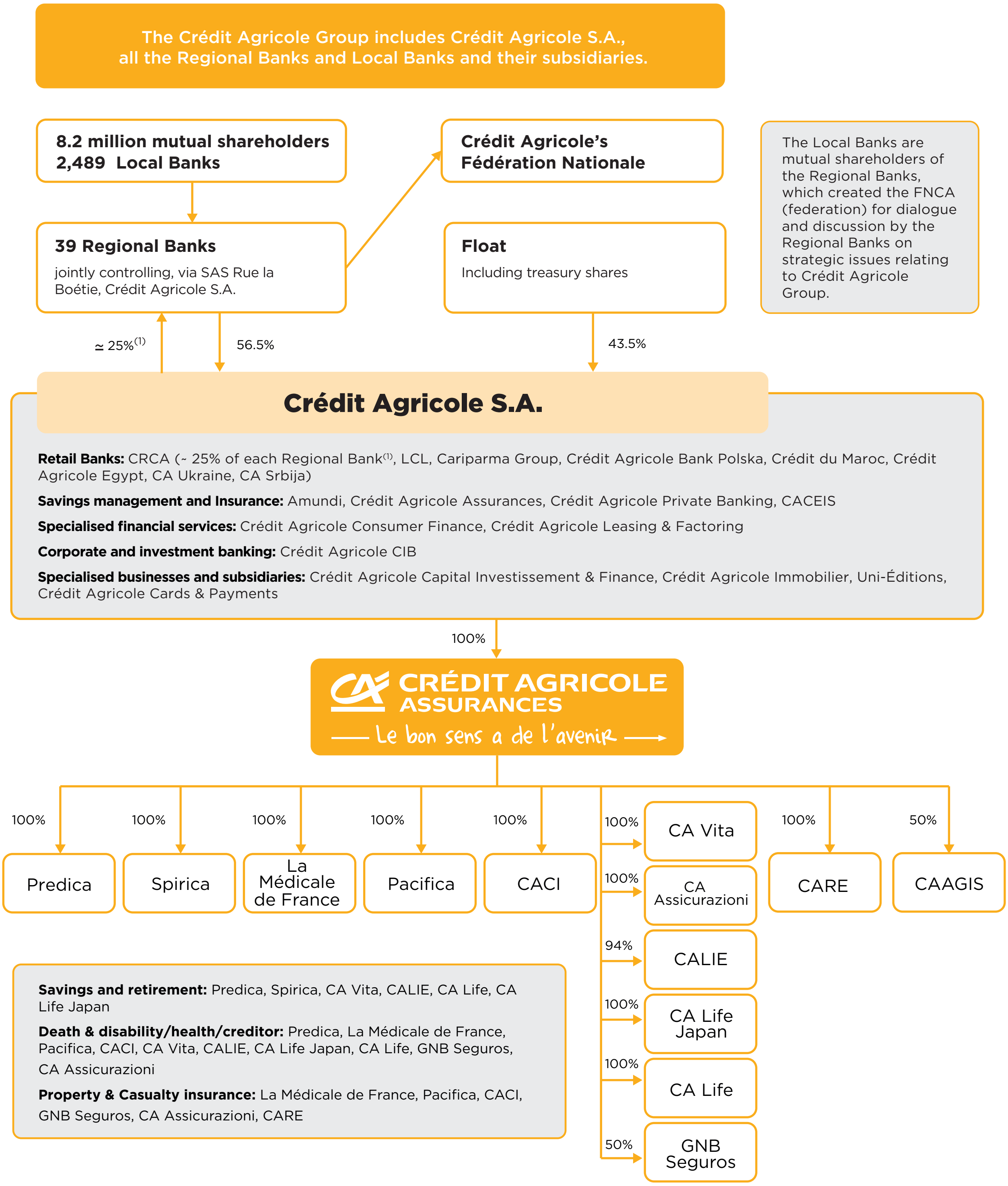
10 **Launch of two undated deeply subordinated bonds at adjustable fixed rates** for a total amount of €1.75 billion.

# COMPANY HISTORY

| | | |
|---|---|---|
| 1986 | **Predica**<br>*Life insurance* | Creation of Predica – natural extension of banking network's savings business into life insurance |
| 1990 | **Pacifica**<br>*Property & Casualty* | Creation of Pacifica – development of Property & Casualty business |
| 2004 | **UAF & La Médicale de France** | Merger with UAF and integration of La Médicale de France and UAF Patrimoine<br>Development of alternative life and non-life networks (Independent Financial Advisors and healthcare professionals) |
| 2008 | **CACI**<br>*Creditor insurance* | Creation of CACI – development of creditor insurance business managed from Dublin in 10 countries |
| 2009 | **Crédit Agricole Assurances** | Creation of Crédit Agricole Assurances CAA holding company of a group including Predica, Pacifica, CACI and international subsidiaries |
| 2010 | **Dolcea Vie**<br>*Life insurance* | Diversification on web: BforBank's life insurance gateway |
| | **Caagis**<br>*IT and back-office platform* | Creation of a single IT anc back-office platform managing 20 million policies |
| 2011 | **Spirica**<br>**LifeSide Patrimoine**<br>*Life insurance* | Diversification and anhanced presence at top of range and on web |
| 2012 | Sale of **Bes Vida** (Portugal), **Bancassurance S.A.L** (Lebannon), Increased ownership of **CA Vita** (Italy) to 100 % | Continued refocusing of businesses internationally in key Group countries:<br>• 2012: sale of Bes Vida and Bancassurance S.A.L. Acquisition of 50% of CA Vita increasing Crédit Agricole Assurances's ownership to 100%<br>• 2014: creation of Crédit Agricole Insurance Poland: develelopment of Property & Casualty business in Poland |
| 2014 | Merger of **Dolcea Vie and Spirica Crédit Agricole Insurance Poland UAF Life Patrimoine** | Simplification of the organisation:<br>• Merger of Dolcea Vie and Spirica<br>• Union of UAF Patrimoine and LifeSide Patrimoine to create UAF Life Patrimoine, a new structure dedicated to independent financial advisors |

# ORGANISATION OF CRÉDIT AGRICOLE GROUP AND CRÉDIT AGRICOLE ASSURANCES

At 31 December 2014.




(1) *Apart from the Caisse Régionale de la Corse. The exact percentage holding in each Regional Bank is listed in Note 12 of the Financial Statements of Crédit Agricole Group.*

The main transactions concluded between related parties, consolidated companies and key executives of Crédit Agricole Assurances Group at 31 December 2014 are described in the section entitled "General framework - information on related parties" of CAA's consolidated financial statements.

# THE BUSINESS LINES OF CRÉDIT AGRICOLE ASSURANCES

## BUSINESS AND ORGANISATION

Crédit Agricole Assurances is the largest bancassurer in Europe and the largest insurance Group in France by premiums *(source: L'Argus de l'assurance – 19 December 2014, data at end-2013).*

Crédit Agricole Assurances Group companies cover all customer insurance needs in France and internationally and develop three major business lines: savings & retirement, death & disability, health, creditor and property & casualty.

## SAVINGS AND RETIREMENT

Crédit Agricole Assurances is the 2nd largest personal insurance provider in France *(source: L'Argus de l'assurance of 19 December 2014)* and the largest in terms of contributions to PERP savings plans *(source: L'Argus de l'assurance – 25 April 2014)*.

Crédit Agricole Assurances Group offers its customers a wide range of policies in order to:

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

In France, it distributes its offerings to individual customers, high net worth customers, farmers, small businesses and corporate customers of the Crédit Agricole Regional Banks and of LCL.

Internationally, Crédit Agricole Assurances is primarily expanding through Crédit Agricole Group entities (Italy, Luxembourg, Poland) to which it exports and tailors its bancassurer expertise. It also teams up with outside partners in targeted regions (Japan in particular).

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

## DEATH & DISABILITY/HEALTH/CREDITOR

Crédit Agricole Assurances is the largest French insurer in the personnal accident cover and long-term care risks segments, and the fifth-largest in death and disability *(source: L'Argus de l'assurance – 23 May 2014)*.

Crédit Agricole Assurance Group is the second-largest health bancassurer in France *(source: L'Argus de l'assurance – 20 June 2014)*.

Crédit Agricole Assurances Group is the second-largest bancassurer in creditor insurance in France *(source: L'Argus de l'assurance – 28 March 2014)*.

Thanks to the combined expertise of its various companies, in France and abroad, Crédit Agricole Assurances Group offers solutions to its customers who want to:

- shield their everyday lives and those of their families from the financial consequences of a serious personal event (death, loss of independence, hospitalisation or injury);
- benefit from innovative and effective top-up health insurance;
- give their employees a top-up health and death & disability insurance policy;
- guarantee the repayment of a loan in the event of disability or unemployment with an insurance offering centred on financial guarantees for consumer finance and property loans.

The death & disability/health offering works through the banking networks of Crédit Agricole Group, in France and abroad, supplemented in metropolitan France by a network of general agents dedicated to health professionals.

Crédit Agricole Assurances offers its creditor insurance services through 32 partners, consumer finance institutions and retail banks, in 10 countries.

# PROPERTY & CASUALTY INSURANCE

Crédit Agricole Assurances is the largest car and home bancassurer *(source: L'Argus de l'assurance of 07 November 2014)* and the 7th largest property and liability insurer in France *(source: L'Argus de l'assurance – 19 December 2014)*.

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

- protection of property (car, home, etc.);
- protection of agricultural and professional property;
- protection of portable electronic home appliances;
- legal protection;
- professional indemnity;
- banking-related (coverage in the event of the theft or loss of payment instruments and their fraudulent use).

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

Internationally, just like its strategy to grow in savings and retirement, Crédit Agricole Assurances is capitalising on the success of its bancassurance model by also deploying its expertise in property & casualty insurance: it opened a new property & casualty entity in Poland in December.

# EVENTS IN 2014

For French insurance groups, and in the forefront of them Crédit Agricole Assurances, 2014 saw the implementation of the regulatory and legislative changes introduced in 2013:

- implementing decrees were published for the euro-croissance and vie-génération policies, paving the way for the marketing of two savings products recommended by the Berger-Lefebvre report. At end-2014, shortly after the publication of these decrees, Crédit Agricole Assurances was the first to offer these new products;
- ahead of the national inter-professional agreement, which opens up group health insurance to all private sector employees from 1 January 2016 and will also lead to the opening up of the corporate death & disability market, Crédit Agricole Assurances undertook a major offensive in group death & disability and health in order to develop the corporate bancassurance model along the lines of its success in the market for individual customers;
- ongoing regulatory publications on the future Solvency 2 regulatory regime in preparation for its coming into force on 1 January 2016. Published in May 2014, the Omnibus 2 directive, which amended the Solvency 2 Framework directive, set out a firm timeline for adoption and certain transitional measures for the coming into force of the future regulatory regime. Crédit Agricole Assurances is adapting its financial management in order to control its capital consumption by optimising its risk/return profile and will be ready for regulatory change in 2016. In addition, in October 2014, Crédit Agricole Assurances successfully completed its inaugural issue of €750 million in subordinated debt onto the market in order to adapt the financial resources and capital structure of the whole bancassurance Group to the new solvency rules resulting from the Basel 3 regulations for the banking sector and Solvency 2 for insurance.

The revenue and collection figures provided below are formatted in line with French standards[1].

In business terms, Crédit Agricole Assurances is holding up well despite the current economic difficulties in France and performed strongly in 2014: premiums totalled €30.3 billion, an increase of 14.6% compared with 2013.

In France, life insurance continues to offer more attractive returns than other secure investments. Crédit Agricole Assurances Group recorded €9 billion in net inflows over the year, including €5.1 billion in France.

Changes in revenues by segment were as follows:

- savings and retirement enjoyed dynamic growth with premiums of €24.2 billion, an increase of 17.3%. This growth was driven by international markets where Crédit Agricole Assurances reported a 62.3% increase, with Italy making a particularly strong contribution;
- for the death & disability/health/creditor segment, 2014 premiums totalled €3.6 billion, 3.6% up on 2013;

*(1) Under French GAAP, gross revenues correspond to gross reinsurance premiums written:*

- *life insurance contracts (including investment contracts corresponding to savings contracts without discretionary profit-sharing) in force during the period, net of cancellation and corrected for premiums to be written for the share to be acquired in subsequent periods;*
- *non-life insurance contracts, excluding taxes, net of cancellations, reductions and rebates, changes in premiums to be written and changes in premiums to be cancelled.*

*Premiums written and adjusted for changes in provisions for unearned premiums make up earned premiums.*

*Under IFRS, the concept of gross revenues is identical to that of gross revenues under French GAAP, with the exception of savings contracts without discretionary profit-sharing, recognised in accordance with IAS 39. They mostly consist of unit-linked contracts without minimum benefit and without the option of switching to an investment vehicle with discretionary profit-sharing features. Premiums received and claims paid, net of costs imposed by the insurer, are thus recognised directly in the balance sheet. Only revenue and expenses related to the acquisition and management of these contracts are recognised as gross revenues.*

*The presentation of gross revenues in line with French standards in the section "Presentation of Crédit Agricole Assurances" complements the presentation of gross revenues under IFRS in the section "Consolidated financial statements" and aims to indicate the total amount of Crédit Agricole Assurances gross deposits.*

- property & casualty insurance premiums continue to enjoy strong growth. They totalled €2.4 billion, 7.1% up on 2013. The combined ratio in France, where Crédit Agricole Assurances Group conducts the bulk of its business, is 96.5%, representing a well-controlled level despite the repeated weather events in 2014.

The figures from the income statement and from the balance sheet, broken down in terms of operational segments, in line with IAS/IFRS are also available in note 5 to the 2014 consolidated financial statements of Crédit Agricole Assurances.

# SOLVENCY

## SOLVENCY 1

To safeguard the interests of policyholders, insurance companies in Crédit Agricole Assurances Group must comply with a minimum solvency ratio in each country in which they operate. At 31 December 2014, Crédit Agricole Assurances subsidiaries were in compliance with these national regulations and met their solvency requirements.

Furthermore, in accordance with the regulations in force, Crédit Agricole Assurances is in compliance with the regulatory requirements in terms of Group solvency.

Eligible equity capital to ensure that this solvency margin is covered is determined by applying the rules of Solvency 1. At 31 December 2014, this totalled €12.5 billion (against €11.9 billion at 31 December 2013) excluding unrealised capital gains and was broken down as follows:

- €7.9 billion in shareholders' equity net of intangibles and other deductions;
- €4.6 billion in subordinated debts.

At end-2014, the solvency margin coverage ratio was 120%, the same as in 2013.

## SOLVENCY 2

Starting from 1 January 2016, European insurers must apply new methods for calculating capital requirements. This will require insurers to be capable of quantifying their risk exposure, then comparing the result obtained in terms of capital with the level of available capital (pillar 1). Insurers must also prove that the structure used is likely to ensure the sound, prudent and efficient management of the organisation (pillar 2). Lastly, expanded regulatory reporting that delivers both quantitative and qualitative information will also be produced in order to attest to the quality of the structure and financial strength of the organisation (pillar 3).

Crédit Agricole Assurances will be ready on 1 January 2016, the date the Directive enters into force, and has already implemented a series of measures, including an adaptation of the balance sheet, with:

- optimisation of asset allocation (investments in diversification assets and unlisted instruments and local authority financing, which bring regular returns and are not volatile; development of strategic investments, interest rate hedging policy);
- consideration of the Solvency 2 criteria when launching new products (development of products offering profitability and diversification to reduce equity demand: death & disability, property & casualty, unit-linked products);
- adaptation of financial resources to the Solvency eligibility criteria, notably via the issues of €750 million and €1 billion, realised respectively in October 2014 and January 2015, which will be recognised in Tier 1 via a grandfathering clause as of 2016.

Furthermore, Crédit Agricole Assurances Group is structuring the governance and risk management of its organisation to comply with Solvency 2 Directive requirements.

Based on the texts available in mid-2015, Crédit Agricole Assurances will be in compliance with the new regulations from the start of 2016, using the standard formula for calculating its capital requirement.

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# ECONOMIC, SOCIAL AND ENVIRONMENTAL INFORMATION

# INTRODUCTION

A subsidiary of Crédit Agricole S.A., Crédit Agricole Assurances (CAA) aims to design insurance offerings for clients, individuals, small businesses and corporates, of its partner banks and brands. Its areas of expertise include personal protection (health, death & disability), protection of property (car, home insurance etc.) and protection of savings and projects (retirement, loans, etc.). For over 25 years, Crédit Agricole Assurances Group has been growing into a complete, diversified and international insurer serving its partners, in step with Crédit Agricole Group's positioning as a universal customer-focused bank. It is France's largest insurer in terms of premiums[1].

In line with the commitments of Crédit Agricole Group, Crédit Agricole Assurances launched a corporate social responsibility (CSR) initiative in all of its entities at the end of 2009: Predica (personal insurance), Pacifica (property & casualty insurance), CACI (Crédit Agricole Creditor Insurance, insurance for creditors), Caagis (Crédit Agricole Assurances Gestion, Informatique et Services), La Médicale (insurance for healthcare professionals) and Spirica (savings-life insurance) and the international subsidiaries.

In accordance with the strategic directions defined by the Executive management, the directions of the Crédit Agricole S.A. Sustainable Development department and the mutualist values of Crédit Agricole Group, Crédit Agricole Assurances has defined its main societal responsibilities according to its different business lines, its history, its positioning and the expectations of its main stakeholders.

The Crédit Agricole Assurances CSR policy covers three priority categories:

- **acting responsibly as an insurer:** its first responsibility is to protect its customers by providing products, advice and a quality service tailored to their expectations, while taking into account new societal issues such as increased life expectancy, exclusion and climate change;
- **acting responsibly as an employer:** as a subsidiary of a mutualist group, Crédit Agricole Assurances attaches particular importance to the development of its employees. This involves improving the quality of work life, equal treatment and promoting diversity;
- **acting responsibly as a company:** in accordance with its operational focus on business ethics, Crédit Agricole Assurances strives to take into account the social and environmental impacts of its operations in its purchasing processes and in managing paper use and waste. It is also a very committed patron.

A member of the French Federation of Insurance Companies, Crédit Agricole Assurances was involved in defining the CSR priorities for the sector, in the form of the French Insurance Association's (AFA) Sustainable Development Charter and sector-specific CSR indicators to measure progress.

Implementation of the Crédit Agricole Assurances CSR strategy is supported by *ad hoc* governance: appointment of a full-time person, establishment of a Steering Committee led by the Crédit Agricole Assurances Chief Executive Officer and made up of directors from all the entities, and the appointment of a network of some 30 CSR correspondents representative of business lines with strong links to CSR (human resources, finance, purchasing, marketing, logistics, etc.). These CSR representatives have been trained in the challenges for the insurance sector by an independent training body.

Crédit Agricole Assurances has signed up to Crédit Agricole S.A. Group's CSR strategy, which is called FReD: F for Fides (trust), R for Respect and D for Demeter. This strategy covers the three dimensions of CSR: Fides for the economic aspect, Respect for the social aspect and Demeter for the environmental aspect. Priority actions are defined using the FReD framework. Within this framework, Crédit Agricole Assurances chose seven priority commitments in 2012, specific to the insurance industry, for the period 2012-2015:

**Economic aspect** (Fides):

- Develop ethical products and services;
- Play a major role in prevention.

**Social aspect** (Respect):

- Support family caregivers;
- Promote human resources management to its stakeholders;
- Engage in dialogue with its stakeholders.

**Environmental aspect** (Demeter):

- Limit its environmental impact;
- Encourage its customers to behave in a more environmentally-friendly way.

In 2012, these priorities were chosen on the basis of:

- a mapping of stakeholders, and another mapping of CSR risks and opportunities, by an external risk specialist;
- a sector benchmark;
- collaborative work with its internal stakeholders.

The scope of the entities covered in this CSR report is the same as the entities with employees which are consolidated within Crédit Agricole Assurances Group, unless indicated otherwise.

(1) *At the end of 2013 (source: L'Argus de l'assurance).*

# ACTING RESPONSIBLY AS AN INSURER TO ITS POLICYHOLDERS

## PROTECTING ITS POLICYHOLDERS

### Listening to its policyholders

The subsidiaries of Crédit Agricole Assurances Group endeavour to implement a quality approach towards their customers, notably by ensuring that their service commitments are adhered to, that complaints are handled competently and by periodically conducting satisfaction surveys to establish a customer satisfaction barometer.

96% of Predica customers questioned (base: 12,500 customers surveyed) were satisfied with the services they received in 2014. The satisfaction rate of the 4,000 individual Pacifica customers questioned after a car or home insurance claim was 93% in 2014.

Within Crédit Agricole Assurances, new products and services are analysed by internal Committees (called "New Products and New Business" (NAP) Committees). These Committees are specific to each entity in France and internationally, and are made up of representatives of the Risks, Legal, Actuarial, Marketing and Compliance functions, amongst others. These approval bodies ensure that the products offered to customers fulfil a real need, that they comply with the Crédit Agricole Group CSR policy and that the tools provided to the distribution networks enable them to effectively fulfil their duty to provide the best possible advice. They ensure that legislative and regulatory provisions are adhered to: comprehensibility of the information provided to customers, suitability of the product for the target customer, prevention of money laundering and terrorism financing, fraud prevention, compliance with internal banking and financial codes of conduct and procedures, etc.

Further, advertising copy and contracts undergo the greatest scrutiny, with an insistence on objectivity and transparency of the documents; for example, the risks, as well as the advantages, must be underlined.

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

- customers and partner networks are regularly involved in designing new products in co-creation workshops, during which their needs are investigated and their reactions to planned new products are analysed;
- customers are also involved in the life of the products *via* their representatives on the governing bodies of insured associations (Predica): in particular, these bodies must approve any changes made to these contracts.

Complaints, along with surveys, are a way of assessing customer satisfaction and, as such, deserve special attention. When dissatisfied, the customer expects a prompt response, clear and transparent information and consideration of his questions with, if necessary, implementation of corrective actions.

In line with recommendation no. 2011-R-05 of 15/12/2011 of the French Regulatory and Resolution Supervisory Authority, a complaints workshop has been held since that date within Crédit Agricole Group to share best practice and discuss the tools in place in the Group's entities. The procedure for processing customer complaints was updated in 2012 so that each business line could improve the existing system, notably in terms of customer information on how complaints are referred for processing, processing times and the existence of a mediation charter.

In France, the Crédit Agricole or LCL banking networks are the main contacts for insurance policy complaints processing. If needed, customers can contact the relevant insurance companies regarding claims handling and, if no agreement has been reached, they may also contact the mediation service of the French Insurance Companies' Federation (FFSA).

In the area of life insurance, Predica has improved its procedures, in particular by introducing a periodic review of the main reasons for complaints. This has led to improvements such as in the information provided to customers and changes to procedures, making them clearer and more explicit. A quarterly Committee monitors complaints processing to ensure that processing time commitments are honoured, and to identify any new causes of complaints and plan corrective action. The Executive management is also informed every six months about significant complaints handling events.

In the area of property & casualty insurance, Pacifica launched a dedicated complaints project in 2014 to improve customer satisfaction. The proposed approach aims to improve:

- the overall outlook of complaints received and processed by Pacifica;
- the quality of complaints processing and related timeframes;
- complaints management *via* the implementation of key performance indicators;
- the use of customer complaints to improve the services.

In the area of creditor insurance and death and disability insurance, CACI has developed and implemented the Respond complaints management tool, which enables monitoring via data extraction (typology and cause of complaints in particular) and produces reports which are submitted to the quarterly Complaints Management Committee. Indicators and regulatory trends and developments are monitored by this Committee to decide on any corrective actions that may be necessary.

The main Crédit Agricole Assurances companies have made a public commitment to honour the timeframes for processing customer complaints. In 2014:

- Predica agreed to a period of 9 working days, and 74% of complaints were processed within this time;

- Pacifica committed to a maximum processing time of 60 working days, and 93% of its complaints were processed in less than 30 days;
- CACI agreed to a maximum period of 30 days, and 87% of its complaints were processed within this time.

The differences in processing times are due to the product types.

## Offering appropriate products

Crédit Agricole Assurances has developed an offering suited to all types of customers: individuals, small businesses, farmers, corporations (only in savings and retirement) in response to the different insurance needs of the customers of its partner banks.

Individual savings insurance offerings are targeted according to the life cycle of the policyholders. The collective savings and retirement offering aims to provide a wide range of financial products to meet different employee needs. In property and casualty insurance (car, home, small businesses, legal protection) and death & disability (health, life crisis, death, inability to work), the range of cover is complete and products can be tailored to meet requirements. In the area of creditor insurance, the offering is evolving: in 2014, CACI launched a new Group creditor insurance offering, which takes into account new risks linked to current lifestyles (*e.g.* better cover for back risks).

Generally speaking, they are intended to be simple and comprehensible, often innovative in terms of financial resources and level of cover ('as new' replacement in home multi-risk for example), by linking services useful to its policyholders to the financial services. Predica's Funeral offering has a wide range of services for both policyholders (collecting essential wishes) and their families (coordination of funeral arrangements). These services are also available for car (e-breakdown service), home multi-risk (repairs in kind) and long-term care insurance (cleaning hours, shopping, etc.). To demonstrate this commitment, an entity dedicated to personal services was set up in 2006.

Distribution networks are trained to identify customer needs using their customer discovery tools. Customers' insurance needs and knowledge of financial mechanisms are assessed. The networks also receive regular training on the offerings, especially when a new offering is launched or there are changes in the offerings. For each new product, Predica and Pacifica produce and circulate a training package for the distribution networks of the Regional Banks of Crédit Agricole and LCL. These packages are designed to give the distributors the necessary resources to understand and explain the features of new products so that they can sell them correctly.

Rolled out in 2014 for life and property & casualty products, an "e-Wheel" tool shared with the customer enables an approach based on exchange, listening, awareness and satisfaction. It helps discover customers' needs so that they can be offered the most appropriate protection. Accessible from the adviser's workstation but also soon as a tablet application, the e-Wheel helps advisers present and explain all personal and property protection options to customers in a completely transparent way. A summary of the products that the customer has selected is provided by email at the end of each interview.

In the LCL network, CACI has rolled out CACI immo, a tool for taking out insurance policies, which aims to better identify customer needs and shorten and improve the efficiency of the process for taking out policies (100% digital).

## Preventing risks

Crédit Agricole Assurances provides several ways to make its customers aware of the risks being taken and covered by insurance policies. Customers are provided with relevant information adapted to their situation, along with protection solutions or specific training.

Crédit Agricole Assurances gives customers different levels of information:

- general prevention advice included in the general terms and conditions of all policies, on the internet in the bank's online customer area, on the "Crédit Agricole insurance policies" and "i-dependence" websites;
- prevention advice adapted to the customer profile, with quotes for home, agriculture multi-risk and small business insurance.

Some customers or themes receive extra support:

- a free post-driving licence course is offered to young drivers, who are especially likely to be involved in road accidents;
- the option to purchase high quality protection equipment at low prices (smoke detectors, fire extinguishers for individuals and small businesses, carbon monoxide detectors, hay probes, etc.), electrical systems checks, a remote surveillance system to prevent theft and remote assistance for the elderly;
- personalised coaching on the i-dependence website for policyholders over 50 and their caregivers, having a long-term care policy;
- support for customers who have claimed for similar events several times. After two claims of the same kind, customers receive personalised advice by letter with an offer for turnkey services suited to the nature of their claim and, if the claims have been for theft, they are sent the contact details of a remote surveillance partner. If the claims have been for electrical damage, they are sent the contact details of a partner to check electrical systems.

Crédit Agricole Assurances supports the Regional Banks in offering fun and educational events to their mutual shareholders on preventing road risks, general accidents or risks of falling for the elderly. These events are held in partnership with specialist prevention associations and providers. In 2014, around 1,200 people took part in these events.

Further, the in-depth medical selection in certain cases enables some policyholders to better take into account their risk factors. Their medical checks are available on demand and available to their GP, and for long-term care cover, Predica has developed a website with quality information on problems linked to long-term care risks, in which videos, simulators and health coaching are provided to policyholders. All assistance policies which complement the range of death & disability cover also include access to preventive health advice, another prevention resource for policyholders.

### Supporting its policyholders and their families in the event of a claim

#### Managing property and casualty claims

For an insurer, managing claims (fire, theft, water damage, hail damage, road accidents etc.) is a major part of its responsibility. Pacifica therefore offers an active, fast service, along with quality customer support. The claims management centres and partner networks involved in this service are in close proximity to the distressed customer and are therefore able to offer a solution tailored to each situation.

In the case of climatic events, Pacifica is able to deal with an increase in the number of urgent situations. In 2014, Pacifica again demonstrated this ability for action, notably in response to a hail situation during the Pentecost weekend and heavy rain at the end of November.

This system satisfies Pacifica customers who had to make a claim as, in 2014, 38% of them said they would recommend their insurer to a family member, friend or colleague.

#### Unregulated contracts

Concerning unregulated life insurance policies, Predica has implemented actions to identify beneficiaries along with the banks of Crédit Agricole Group (Regional Banks and LCL).

These actions apply to some old policies. The names of holders of unregulated policies are matched up with the national identification list of individuals (RNIPP), which records deaths. The search for beneficiaries then takes place in coordination with the bank. These actions also cover new policies for which the greatest care is taken when recording beneficiary clauses. At the same time, Predica launched prevention actions in 2014, recommending to its policyholders that they warn their beneficiaries of the existence of policies which could benefit them in future.

### Observing changes in risk perception in Europe

In 2012, Crédit Agricole Assurances decided to launch the first study into European attitudes to risk, in conjunction with Ipsos market research. This study is open to students and social science researchers, and players on the European stage, such as elected representatives, civil servants, think tank members, opinion leaders and media professionals. The aim is to observe the European state of mind to improve understanding of common points and differences. After an initial study in 2012, Crédit Agricole Assurances asked Ipsos to conduct a second survey, and look at changes in the European attitude to 17 risks: becoming unemployed, falling ill, divorce, being broken into, financial difficulties, etc. Crédit Agricole Assurances thus has an annual barometer to identify changes and link them to the economic and social environment. In 2014, it was posted onto a dedicated website to circulate the findings of this study as widely as possible.

## RESPONDING TO SOCIETAL PRIORITIES

The offering of Crédit Agricole Assurances Group aims to respond to the main societal priorities, both in human and environmental aspects.

### Supporting an ageing population and responding to increased life expectancy

The demographic transformation caused by the increased life expectancy and the drop in the number of working people for each non-working person generates new risks and needs. Increased life expectancy heightens the risk of needing long-term care; the number of elderly people requiring long-term care (according to French government definitions) could reach almost two million by 2030-2040.

#### Long-term care

Faced with these changes and the governmental disengagement, since 2014 Predica has been offering a new range of products to contribute to care and respond to loss of independence. Approved by the French Federation of Insurance Companies, this offering ensures a minimum income of €500 in cases of serious long-term care, in particular to finance personal homecare services or cover part of the costs of living in a care home. This offer also meets the needs of families faced with loss of independence of a loved one, by offering information and guidance services, but also the option to finance a respite care with an allowance of €1,000 per year. Crédit Agricole Assurances' healthcare partners are committed to providing a response within 72 hours and a solution within 30 days, for policyholders looking to go into a care home. This offering also includes a range of services, such as training at home by a nurse in essential carer skills, and special support in seeking a suitable home. At the end of 2013, Predica covered more than 180,000 policyholders for long-term care risks.

#### Intergenerational solidarity

Predica has taken different actions in this area, notably putting into perspective its offering for a population in which four generations live together: developing intergenerational products and offerings, and organising events and business strategies to promote them.

Parents have the option to take out a life insurance policy in their child's name, while he or she is a minor. Grandparents can then make contributions to it as monetary or customary gifts for their grandchildren. Death & disability cover can complete the offering. If the person making the contributions to the life insurance policy dies (parents or grandparents), the insurer will make the remaining payments until the child turns 18.

A partnership with the Biomédecine agency has made death insurance customers aware of organ donation, *via* a communication initiative in conjunction with Biomédecine.

### Individual health

To respond to public health priorities, the Pacifica health offerings for individual customers are ethical and responsible. Therefore, no medical selection takes place, the coordinated healthcare circuit is respected, minimum reimbursements (such as patient contributions to consultations, pharmacy fees and hospital costs) are applied and preventive procedures are covered. To support the increase in life expectancy, Pacifica has also raised the age limit for its products to 75. A wide range of services is also available (support: cleaning services in the case of an accident, repatriation from abroad, a network of eye care specialists, reduction factor for the portion charged to the customer) as well as preventive actions such as free flu vaccinations.

## Responding to climate change and pollution

Pacifica has noted the increased frequency of climatic events in recent years, such as hail, drought and periods of extreme cold. According to experts, the likelihood of these changes being due to increased greenhouse gas emissions generated by human activity is very high. Insurance can help limit these greenhouse gas emissions by encouraging policyholders to behave in a more environmentally-friendly way. It also provides support for high-risk situations.

### Warning about climate change

Pacifica offers car and home insurance solutions which encourage responsible behaviour by its policyholders.

Policyholders who drive less than 5,000 km per year receive a discount of 2% to 12% on their premiums, depending on the age of the vehicle and the number of years it has been owned. If the policy is tied to car loan, the policyholder can also receive a discount of 5% on insurance for vehicles emitting less than 140g/$CO_2$/km. In addition, the excess will be waived for vehicles that emit less than 106g/$CO_2$/km.

Crédit Agricole Assurances introduced insurance cover for renewable energy facilities (solar panels, wind turbines) as part of its comprehensive home insurance policies and comprehensive professional and farming insurance. These offerings also include energy producer civil liability in the event of damage to third parties.

In parallel with this system, and if an eco-PTZ loan (interest-free loan to finance work to improve a building's energy efficiency) is taken out, a 25% reduction is granted on the home multi-risk premium for the first year as an introductory offer to policyholders.

For several years and notably since March 2013 with the launch of the Methane Energy and Nitrogen Autonomy plan, the number of methanation facilities has increased. Insurance for these facilities is indispensable to secure the methanation activity and agriculture. Pacifica has developed an insurance offering covering damage to property (fire, storm-hail-snow, water damage, floods, theft, vandalism, machine breakdowns, electrical damage), lost operations and civil liability for energy providers who resell electricity, heat and gas, and employer gross negligence civil liability (when employees are present).

### Adapting to climate change

In property & casualty insurance, products in the individuals and small businesses range (farmers and other professionals) cover climatic vagaries such as storms, natural disasters and climatic events such as hail or frost. Pacifica also supports farmers coping with the challenges of climate change, by offering insurance for the majority of crops (large-scale farming, vines, arboriculture) against a number of climatic events, including drought, hail, excess rainfall, floods, storms and frost. At 31 December 2014, Pacifica managed almost 20,000 climate insurance policies (harvests and hail).

Crédit Agricole Assurances and Airbus Defence & Space have developed a technical, innovative and robust solution to manage climatic risks for livestock farmers. It is based on a *Hay Production Index* (IPF) which measures by satellite the annual level of hay production in pastures of each of the 36,100 communes in France. This measurement is carried out in an unchanged way over time and has been available since 2003. The index was developed with reference partners, and the system was adjusted with the support of 70 livestock farmers over three years. The index has undergone scientific validation by an independent laboratory, which has led to several scientific communications. This insurance meets the requirements of livestock farmers who opt for the "grass" system, which is less intensive but more exposed to climatic vagaries. In 2014, this insurance solution was rolled out gradually at the Regional Banks of Crédit Agricole.

The damage caused by the Klaus storm in 2009 showed the need to assess and redevelop France's forests, most of which are privately owned. Insurance is a way to protect this heritage as, in the event of storm or fire, it is easier to replant an insured forest than a non-insured forest. Pacifica offers forest insurance to cover forest risks: fire, storm, natural disaster and civil liability. At the end of 2013, such insurance represented a portfolio of over a million insured hectares.

For five years, an active research policy into new agricultural risks (mainly linked to climate change) and the insurance-based responses has been ongoing, in partnership with the université Paris-Dauphine, université de Paris-Ouest Nanterre La Défense and the Europlace Finance Institute. Airbus Defence and Space is also involved, providing its expertise in satellite technology. The Crédit Agricole Grameen foundation is involved in this research work to apply expertise to help developing countries. This research partnership also involves an annual donation of €100,000 to the Europlace Finance Institute.

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### Managing pollution risk

The law of 1 August 2008 creates a new environmental responsibility for corporates based on the "polluter pays" principle. According to the law, the operator must take all prevention and protection measures to avoid all risks. In the event of environmental damage (soil pollution, damage to surface and underground water quality, preservation of species and protected natural habitats), its obligation includes reparation of the damage, the repair of natural habitats, protected areas, species, etc. Pacifica has therefore included cover, at no additional cost, with professional and agricultural multi-risk policies, for the costs of preventing imminent environmental damage. This cover makes it possible to act as a solvent counterparty in the event of environmental damage.

Asbestos is very common in agricultural buildings (built before 1997). When affected by fire or storm damage, the asbestos must be removed to repair or rebuild the construction. Asbestos removal is a costly operation and requires specialist skills. The agricultural and professional multi-risk offerings include unlimited reimbursement of asbestos removal costs following a claimable event.

## Supporting fragile populations

### "Solidarity Policy"

In response to the problems of unemployment and poor housing, many savers want to make meaningful investments while remaining attentive to the yields offered. Crédit Agricole Assurances, *via* its Predica subsidiary, has launched the "Solidarity Policy", the first ethical life insurance policy approved by Finansol. It is an innovative policy which combines savings and social benefits, with:

- an ethical euro investment vehicle specially created for this policy including investments of 5% to 10% of in social enterprises (*Finance et solidarité* investment fund managed by Amundi, Crédit Agricole Group's asset manager). The remainder is managed in the same way as Predica's general assets. Seven ethical unit-linked vehicles, Finansol approved, which meet Finansol's three criteria;
- sharing feature: 2% of charges on fixed payments are deducted from the policy and half of this is paid to a charity;
- every year Predica sends "Solidarity Policy" policyholders a report on the social impact generated by the savings invested in the policy vehicles (number of jobs created or consolidated, number of people housed, number of microcredits granted, etc.).

### Managing assets of protected customers

People subject to a protection regime (minors, judicial protection, full and partial, guardianship) represent a growing part of society and are a population with specific needs and priorities. As part of the asset management work by the partner-distributors of the offers of LifeSide Patrimoine, a subsidiary of Spirica, it proved important to develop different expertise and tools to deal with these specific features correctly, in the interests of these customers.

LifeSide Patrimoine developed a training plan to widen the scope of competence of its employees on this matter, as well as a guide for asset professionals to help them understand the specific needs of these customers. LifeSide Patrimoine has also produced a document so that protected persons, and especially those who support them, can identify the appropriate solutions. The whole approach aims to improve the suitability and personalisation of investment solutions for protected persons.

### Involvement in CMU-C

Pacifica wanted to sign up to the Universal Complementary Sickness Cover (CMU-C) mechanism to support its customers, whatever their situation. It is a free health insurance supplement for the most disadvantaged. It is offered in addition to statutory social security or the CMU and facilitates access to healthcare without paying any up-front or residual costs. It is granted for one year and is means-tested. Not all insurers are willing to manage CMU-C.

### Support for the Passerelle points mechanism of the Regional Banks

In partnership with Crédit Agricole's Regional Banks, Crédit Agricole Assurances has created tools to support Passerelle points advisers at the Regional Banks supporting customers dealing with life crisis (unemployment, divorce, etc.). These tools take the form of cue cards with practical advice on insurance or other related problems (examples: support on the formalities to be completed in the event of death, procedures for reimbursement of care).

### The AERAS agreement

CACI has implemented a specialised service with policies suited to the needs of its customers who benefit from the AERAS agreement (insurance and lending with an aggravated health risk). The review of the AERAS agreement regarding aggravated risks in 2011 resulted in processes and instructions within the Creditor Insurance business line being adapted, in liaison with its banking partners, to take the newly applicable provisions into account.

# INVESTING RESPONSIBLY

As a leading institutional investor and signatory of the PRIs (Principles for Responsible Investment), Crédit Agricole Assurances Group is aware of its responsibilities to the sectors and issuers in which it invests. Crédit Agricole Assurances takes environmental, social and governance (ESG) factors into account when analysing, making and monitoring investment decisions, and implements adapted reporting to measure the progress made. Some sectors are also given priority with regard to the importance of societal issues (health, renewable energies, finance for the economy) and in line with the specialist areas of Crédit Agricole Group (accommodation, environmental economy, agriculture and food-processing industry, health-ageing).

## Euro funds

Issuers who are proven to have repeatedly breached all or some of the ten principles of the UN Global Compact are prohibited from all Crédit Agricole Assurances Group transactions. Likewise, all issuers designing, manufacturing or selling controversial weapons (cluster bombs, etc.) are excluded from investment portfolios.

Within each business sector, Crédit Agricole Assurances Group does not invest in European companies with the worst ESG practices. This non-financial rating is based on research by Amundi, Crédit Agricole Group's asset manager. Amundi produced a benchmark of 37 criteria, reflecting laws and directives in force and texts with universal scope. The weighting of each of these environmental, social or governance criteria was determined in line with the challenges of each business sector.

Furthermore, the Crédit Agricole Assurances investment strategy is one of the areas of excellence of Crédit Agricole Group. Crédit Agricole Assurances also invests in renewable energy by investing in energy infrastructures mainly located in France. At the end of 2014, €93.7 million had been invested in renewable energies. Over €6 billion were invested in the French economy, including over €1.5 billion in non-rated investments (corporates, mortgages, etc.).

Over €1 million are invested in ethical funds which contribute to workplace reintegration, accommodation for people in difficulty, through investments in social enterprises (Habitat et Humanisme, SIFA, Terre de liens, etc.) which mainly operate in France.

## Real estate investment

Crédit Agricole Assurances Group continued to increase the proportion of real estate assets with environmental certification (such as HQE, BREEAM, LEED) in its commercial and office premises. All new programmes from now on include environmental certification.

At the end of 2014, the number of "green" buildings (with environmental certification) represented 29% of the total sq.m. invested in office premises (*i.e.* 280,000 sq.m.) and 11% of the total invested in commercial premises (*i.e.* 33,000 sq.m.).

In 2014, Predica widened the scope of certified buildings with the acquisition of two major office buildings and the restructuring of the rue St Lazare building in the 9th arrondissement of Paris. The 82,000 sq.m. building in Massy has "HQE exceptional" certification, the St Denis building, which covers 43,000 sq.m., (for the Predica share) has "HQE" and "BREEAM Very Good" certifications. The restructured building in rue St Lazare in Paris, which covers 23,000 sq.m., obtained "BREEAM Very Good" certification, and will soon be certified LEED Gold.

## Multi-vehicle life insurance policies

Predica offers unit-linked SRI (socially responsible investments) contracts for most multi-vehicle life insurance policies distributed by all of its networks: Crédit Agricole, LCL, UAF Patrimoine and La Médicale. These unit-linked SRI contracts offer either a thematic approach, or a best-in-class approach. International subsidiaries are also gradually integrating this approach.

Since the launch of SRI unit-linked contracts, several actions have been conducted to promote this type of investment simultaneously to the distribution networks and to customers: production of a communication kit for the networks, network events at key times (sustainable development week, SRI week, ethical finance week), internal awareness-raising (quarterly reporting in the intranet), customer communication on SRI, customer "chats". In 2014, Predica took part in a live tweet organised by Finansol during ethical finance week, which involved live retransmission on social networks of an exchange-debate on ethical finance.

## Financing the real economy

In 2014, in response to strong demand from the government for insurers to meet the financing needs of the real economy, Predica supported two projects responding to this problem: growth/euro-growth products and the "vie-génération" policy. These resources and this policy not only meet an economic need; they allow customers to diversify their investments, and the "vie-génération" policy entitled them to an extra tax benefit.

# ACTING RESPONSIBLY AS AN EMPLOYER TO ITS EMPLOYEES

## METHODOLOGY

The scope of the entities covered is the same as the entities with employees which are consolidated within Crédit Agricole Assurances Group.

Unless stated otherwise:

- data are presented from the employer's viewpoint and not the beneficiary's viewpoint. The difference relates to employees seconded by one entity to another (with no change in the employment contract) who report to their host entity from the beneficiary's viewpoint and to their contracting entity from the employer's viewpoint;
- the population studied is that of the "active" number of employees. The notion of working implies:
  - a legal link *via* a permanent employment contract,
  - or a "standard" fixed-term contract (and international equivalents),
  - being on the payroll and in the job on the final day of the period,
  - working time percentage of 50% or more.

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

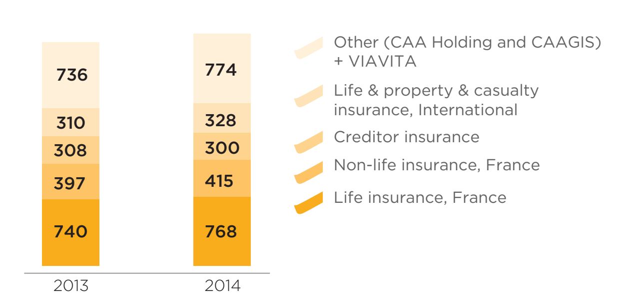
Crédit Agricole Assurances Group as a responsible employer to its employees increased the number of actions in 2014 to promote:

- staff development and employability;
- fairness and diversity;
- quality of work life;
- employee engagement and social dialogue.

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

## THE FACE OF CRÉDIT AGRICOLE ASSURANCES GROUP

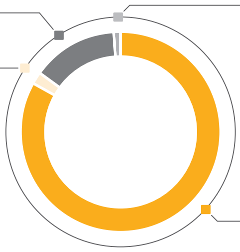
### NUMBER OF EMPLOYEES




To support its development, Crédit Agricole Assurances Group has continued recruiting staff to almost all business lines. The number of employees has increased by over 3% both in France and internationally, bringing the total to 2,586 [(1)] active FTE employees on permanent and fixed-term contracts at the end of 2014.

(1) *Number of employees, from employer viewpoint. This information differs slightly from the information in the Key figures and in note 8 to the consolidated financial statements, which corresponds to the number of FTEs from the beneficiary viewpoint.*

31/12/2014

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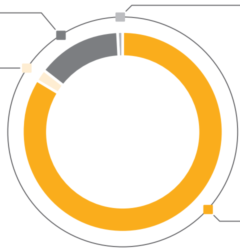



NUMBER OF EMPLOYEES PER TYPE OF CONTRACT

| | 31/12/2014 | | | 31/12/2013 | | |
|---|---|---|---|---|---|---|
| *(in number)* | France | International | Total | France | International | Total |
| Active permanent contract (CDI) employees | 2,049 | 403 | 2,452 | 1,995 | 374 | 2,369 |
| Fixed-term contract (CDD) employees | 101 | 32 | 133 | 91 | 31 | 122 |
| **Total number of active employees** | **2,150** | **435** | **2,585** | **2,086** | **405** | **2,491** |
| Non active permanent contract (CDI) employees | 32 | 6 | 38 | 33 | 3 | 36 |
| **TOTAL EMPLOYEES** | **2,182** | **441** | **2,623** | **2,119** | **408** | **2,527** |
| Coverage: Total France + International | 100.0% | | | 100.0% | | |

# ENCOURAGING AND FACILITATING STAFF DEVELOPMENT AND EMPLOYABILITY

## Career management

The main objectives of career management are to:

- adapt the company's human resources to its current and future needs;
- develop the employability of its staff;
- provide motivating career prospects;
- value and acknowledge the commitment of its employees;
- secure the loyalty of talented staff.

Those involved in career management are:

- the employee, who is the main party involved in his or her professional development;
- the manager, who knows his or her teams best and can develop the professionalism and employability of his or her employees;
- the Human Resources manager (HRM), who provides support, guidance and advice.

Several meetings, described below, are set over the year to support employees:

### Integration

As integration is a key time for individual employee support, most Crédit Agricole Assurances Group entities have integration pathways in place, which include information sessions on Crédit Agricole Group and Crédit Agricole Assurances Group, the handing out of welcome booklets and meetings with HR to review the various HR policies and systems in place.

New employees are also followed-up by their manager and the HRM a few months after taking up their post.

Since autumn 2014, there has been a joint programme across all Crédit Agricole Assurances Group entities to integrate those on work-study contracts. This programme includes a specific integration day (to learn about the working environment and Crédit Agricole Group in a dedicated, innovative and collaborative way), the creation of a community within the corporate social network and support throughout the year. The tutors have received special training or support in most entities.

### Annual review

For Crédit Agricole Assurances Group, the annual performance review is a time for dialogue between the manager and the employee. This process is at the heart of the performance review, career management and mobility mechanism deployed by the entities of Crédit Agricole Assurances Group. The percentage of employees who had annual performance reviews is one of the indicators in the incentive plan criteria for some Crédit Agricole Assurances Group companies and plays a role in the variable compensation of executive managers (Human Capital heading). In 2014, like in the past, the completion rate of annual performance reviews was close to 100% in all Crédit Agricole Assurances Group entities.

To ensure these reviews are conducted professionally, a new training module has been designed for new managers. At the same time, and in order to promote transversality and the sharing of best practice, groups were set up consisting of managers from all Crédit Agricole Assurances Group entities. Finally, a "Review handbook" harmonising all practices, has been made available to staff and managers to enable them to prepare better for the annual performance reviews.

### Individual management

The aim is to enable each employee to develop their skills and boost their performance while receiving support in their professional development aims. The actions that Crédit Agricole Assurances Group worked to implement in 2014 included recruitment, integration, development opportunities, mobility, training programmes and tailored tools.

Around 700 individual management interviews were conducted in 2014. These interviews enable the employee to discuss their professional situation, mobility aims or future career plans with the HRM.

### Employee reviews and Career Committees

Crédit Agricole Assurances Group performs periodic reviews of employees and Career Committees as part of standardised processes involving human resources, and relevant directors and managers. The aim of these bodies is to:

- understand the overall priorities of the management, its social climate, changes that can impact the business lines, etc.;
- define the HR or managerial actions to be taken;
- discuss employees according to three aspects:
  - mobility requests, particularly short-term ones,
  - potential short- or medium-term change and key resources,
  - individual cases (employees undergoing difficulties, etc.).

Organised according to a recently-harmonised mechanism for all Crédit Agricole Assurances Group entities, 38 career reviews or Committees took place in 2014.

## Management development

In addition to the managerial training offerings of IFCAM[(1)] that Crédit Agricole Assurances Group continues offering to its managers, the new Crédit Agricole Group management training offer is also accessible to employees of members of the Management Committees. The main aim of this training, which takes place over five years and involves around 3,000 managers of Crédit Agricole Group, is to promote exchanges and sharing of best managerial practice.

Depending on the managerial issues of each Crédit Agricole Assurances Group entity, more specific training may be provided to develop the managerial skills of the managers (*e.g.*: coach managers or managers developing their teams, etc.).

Prior to the appointment or recruitment of managers, the managerial potential of candidates is assessed (*via* an assessment centre, an external consultant or a HRM) to identify areas for progress. The appointees are then offered individual support to ease them into their new roles.

For senior managers, a standardised appointment process was introduced in 2013 in two Crédit Agricole Assurances Group entities. In 2014, this process continued with the aim of adaptation and deployment in all entities. This system assesses senior managers in several aspects (management, strategic vision, etc.) and determines their areas for development.

## Mobility

In line with the Crédit Agricole S.A. Group policy, Crédit Agricole Assurances favours internal mobility to fill open positions.

Therefore, vacancies are published in a document in the Crédit Agricole Group job market. This new tool, Myjobs, was introduced at the end of 2014. Employees can now schedule alerts so that they can be continuously notified of new vacancies.

In 2014, operatives and the HRM also took part in various "Mobilidays" (special mobility days with various workshops) organised by Crédit Agricole S.A. Group at the Montrouge, Lille and Saint Quentin sites. A special "Mobiliday" on jobs in insurance was held at the end of 2014 at the Crédit Agricole Assurances premises. This session was very successful and was attended by around 300 employees, generating 90 HR interviews. It helped improve awareness of the diversity of jobs within Crédit Agricole Assurances Group.

In 2014, the number of incoming and outgoing internal employee transfers, both with the Crédit Agricole Group and the Crédit Agricole Assurances Group entities, increased sharply, even though 140 of these were a result of the separation of La Médicale which involved the legal transfer of Predica employees who were responsible for this activity.

| | 2014 | 2013 | Scope | 2014 | 2013 |
|---|---|---|---|---|---|
| Intragroup mobility (incoming) | 94 | 72 | Total - France and International | 100.0% | 100.0% |
| Intragroup mobility (outgoing) | 78 | 50 | Total - France and International | 100.0% | 100.0% |
| Mobility within one entity – Active permanent employment contracts | 331 | 89 | Total - France and International | 100.0% | 100.0% |

(1) *Crédit Agricole Mutuel Training Institute.*

## Training

Training is an essential tool for developing individual employee skills essential to their roles and to support career development.

In 2014, Crédit Agricole Assurances Group continued its policy of investing in professional training. The amounts invested were once again significantly higher than the legal minimum. The training expenses of Crédit Agricole Assurances Group were €3.8 million in 2014. A growing number of intra-company training sessions were organised to optimise training expenses and promote exchanges between employees of the various entities.

The number of employees trained represented almost 72% of employees on permanent contracts at the end of the year. On average, each employee trained in 2014 will have received almost 24 hours of training.

| | 2014 (11 months) | | 2013 (11 months) | |
|---|---|---|---|---|
| | Number of employees trained | Number of training hours | Number of employees trained | Number of training hours |
| France | 1,679 | 38,789 | 1,728 | 35,977 |
| International | 291 | 8,576 | 376 | 10,989 |
| **TOTAL** | **1,970** | **47,365** | **2,104** | **46,966** |
| Coverage: France + International + 50 employees | 93.1% | | 89.9% | |

*Figures are from estimates for September to November.*

*2014 was the 1st year of the roll-out of joint training across Crédit Agricole S.A. Group ("shared training base"). This offer covers management, professional efficiency, IT and languages. Intra-company training in these areas is also sought for optimisation and consistency across the organisation.*

*Further, other training specific to jobs and operational issues has been co-designed to suit the needs of each department. They reflect the natural evolution of jobs, reorganisation or transformation projects. They are aimed at groups of employees (business line or unit) and enable teams to boost their level of skills and thus their employability.*

### TRAINING TOPICS

| | 2014 (11 months) | | | | 2013 (11 months) | |
|---|---|---|---|---|---|---|
| *(in number of hours)* | Total | % | France | International | Total | % |
| Knowledge of Crédit Agricole S.A. Group | 983 | 2% | 871 | 112 | 1,460 | 3% |
| Personnel and business management | 8,593 | 18% | 8,053 | 540 | 6,980 | 15% |
| Insurance | 5,245 | 11% | 4,749 | 496 | 6,201 | 13% |
| Banking, law and economics | 811 | 2% | 574 | 237 | 917 | 2% |
| Financial management (accountancy, management control, tax, etc.) | 2,590 | 5% | 2,497 | 93 | 3,871 | 8% |
| Risk | 405 | 1% | 319 | 86 | 249 | 1% |
| Compliance | 1,565 | 3% | 1,451 | 114 | 1,669 | 4% |
| Methods, organisation, quality | 2,314 | 5% | 2,118 | 196 | 2,992 | 6% |
| Purchasing, marketing, distribution | 1,232 | 3% | 1,232 | - | 1,258 | 3% |
| IT, Networks, Telecommunications | 4,180 | 9% | 3,773 | 407 | 4,508 | 10% |
| Office systems, software, business lines, new ICT | 3,589 | 8% | 2,706 | 883 | 4,301 | 9% |
| Foreign languages | 6,295 | 13% | 3,085 | 3,210 | 5,762 | 12% |
| **Health and safety** | **1,440** | **3%** | **883** | **557** | **818** | **2%** |
| Human rights and the environment (sustainable development) | - | 0% | - | - | 49 | 0% |
| Personal development, communication | 6,934 | 15% | 5,324 | 1,610 | 4,473 | 10% |
| Human resources | 1,190 | 3% | 1,155 | 35 | 1,459 | 3% |
| **TOTAL** | **47,365** | **100%** | **38,789** | **8,576** | **46,966** | **100%** |
| Coverage: France + International + 50 employees | 93.1% | | | | 89.9% | |

*Note : The 2013 report did not include training hours for "Heath and safety".*

Additionally, for September to November 2014, the Pacifica figures come from a manual estimate done using paper files, which were not entered into the management tool.

Furthermore, Crédit Agricole Assurances Group has had a joint training centre for all subsidiaries since last September. It enables employees to undertake training in a dedicated space with suitable equipment near to the Paris sites.

# ENSURING FAIRNESS AND PROMOTING DIVERSITY

In all its HR policies, practices and initiatives, Crédit Agricole Assurances Group endeavours to ensure and promote fairness and promote diversity.

In terms of recruitment, most of the Crédit Agricole Assurances Group entities seek to attract diverse profiles with bac + 2 to bac + 5 (high school diploma), people for work-study contracts, interns but also experienced employees. The determining factors are experience, skills and development potential.

## NUMBER OF EMPLOYEES HIRED EXTERNALLY ON PERMANENT EMPLOYMENT CONTRACTS

| *Number* | 2014 | 2013 |
|---|---|---|
| France | 125 | 82 |
| International | 61 | 42 |
| **TOTAL RECRUITS WITH PERMANENT EMPLOYMENT CONTRACTS** | **186** | **124** |
| Coverage: Total France | 100.0% | 100.0% |

## INCOMING PERMANENT CONTRACT (CDI) EMPLOYEES BY REASON

| | 2014 | | | 2013 |
|---|---|---|---|---|
| | Men | Women | Total | Total |
| External recruitment | 65 | 69 | **134** | 84 |
| Consolidation of internships and work-study contracts into active permanent contracts (CDI) | 2 | 2 | **4** | 10 |
| Consolidation of active fixed-term contracts (CDD) into active permanent contracts (CDI) | 16 | 32 | **48** | 30 |
| **Total recruitment** | **83** | **103** | **186** | **124** |
| *Intragroup mobility (incoming)* | *39* | *55* | ***94*** | *72* |
| *Incoming transfers* | *59* | *102* | ***161*** | *37* |
| *Resumed activity* | *12* | *35* | ***47*** | *34* |
| **NUMBER OF ACTIVE PERMANENT CONTRACT (CDI) EMPLOYEES - INCOMING** | **193** | **295** | **488** | **267** |
| Coverage: Total France + International | 100.0% | | | 100.0% |

## RECRUITMENT OF PERMANENT CONTRACT (CDI) EMPLOYEES BY AGE – FRANCE

| | 2014 | | | 2013 |
|---|---|---|---|---|
| | Men | Women | Total | Total |
| age < 25 years | 2 | 10 | **12** | 13 |
| 25 =< age < 35 years | 31 | 46 | **77** | 47 |
| 35 =< age < 45 years | 14 | 13 | **27** | 16 |
| 45 =< age < 50 years | 1 | 3 | **4** | 4 |
| 50 =< age < 55 years | 2 | 1 | **3** | 1 |
| 55 =< age < 60 years | 1 | - | **1** | 1 |
| 60 =< age < 65 years | - | - | **-** | - |
| age >= 65 years | - | - | **-** | - |
| **NUMBER OF ACTIVE PERMANENT CONTRACT (CDI) EMPLOYEES - INCOMING** | **51** | **73** | **124** | **82** |
| Coverage: Total France | 100.0% | | | 100.0% |

### RECRUITMENT OF PERMANENT CONTRACT (CDI) EMPLOYEES BY AGE – INTERNATIONAL

| | 2014 | | | 2013 |
|---|---|---|---|---|
| | Men | Women | Total | Total |
| age < 25 years | 1 | 2 | 3 | 2 |
| 25 =< age < 35 years | 17 | 19 | 36 | 20 |
| 35 =< age < 45 years | 7 | 8 | 15 | 13 |
| 45 =< age < 50 years | 4 | - | 4 | 5 |
| 50 =< age < 55 years | 2 | - | 2 | 1 |
| 55 =< age < 60 years | - | - | - | 1 |
| 60 =< age < 65 years | - | - | - | - |
| age >= 65 years | - | 1 | 1 | - |
| **NUMBER OF ACTIVE PERMANENT CONTRACT (CDI) EMPLOYEES - INCOMING** | **31** | **30** | **61** | **42** |
| Coverage - Total International | 100.0% | | | 100.0% |

### DEPARTURE OF PERMANENT CONTRACT (CDI) EMPLOYEES BY GENDER AND REASON - FRANCE

| | 2014 | | | 2013 |
|---|---|---|---|---|
| | Men | Women | Total | Total |
| Resignation | 13 | 14 | 27 | 29 |
| Retirement | 10 | 15 | 25 | 18 |
| Lay-off | 4 | 4 | 8 | 7 |
| Economic lay-offs (Redundancy plan) | - | - | - | - |
| Voluntary redundancy | 3 | 10 | 13 | 7 |
| Death | 1 | - | 1 | - |
| Other | 1 | 3 | 4 | 2 |
| Intragroup mobility (outgoing) | 27 | 43 | 70 | 45 |
| Outgoing transfers | 59 | 102 | 161 | 34 |
| Discontinued business | 12 | 36 | 48 | 45 |
| **DEPARTURES OF ACTIVE PERMANENT CONTRACT (CDI) EMPLOYEES** | **130** | **227** | **357** | **187** |
| Coverage: Total France | 100.0% | | | 100.0% |

### DEPARTURE OF ACTIVE PERMANENT CONTRACT (CDI) EMPLOYEES BY SEX AND REASON - INTERNATIONAL

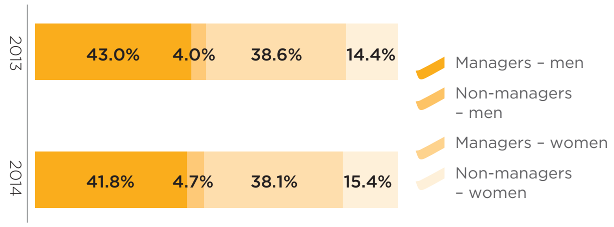
| | 2014 | | | 2013 |
|---|---|---|---|---|
| | Men | Women | Total | Total |
| Resignation | 15 | 12 | **27** | 13 |
| Retirement | - | - | **-** | 2 |
| Lay-off | 3 | 3 | **6** | 2 |
| Economic lay-offs (Redundancy plan) | - | - | **-** | - |
| Voluntary redundancy | - | - | **-** | 2 |
| Death | - | - | **-** | 1 |
| Other | - | 1 | **1** | 5 |
| Intragroup mobility (outgoing) | 5 | 3 | **8** | 5 |
| Outgoing transfers | - | - | **-** | - |
| Discontinued business | 2 | 4 | **6** | 2 |
| **DEPARTURES OF ACTIVE PERMANENT CONTRACT (CDI) EMPLOYEES** | **25** | **23** | **48** | **32** |
| Coverage - Total International | 100.0% | | | 100.0% |

1 2 3 4 5 6 7 8 9

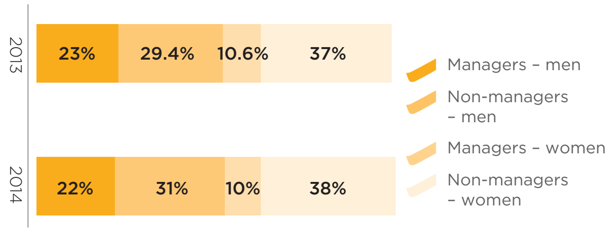
## Gender equality at work

Aware that gender equality and diversity are performance factors for the company, the main French subsidiaries of Crédit Agricole Assurances Group have rolled out a range of policies and actions to secure workplace equality in HR areas: recruitment, training, career management, compensation, etc.

### BREAKDOWN BY GENDER AND EMPLOYEE STATUS – FRANCE




### BREAKDOWN BY GENDER AND EMPLOYEE STATUS – INTERNATIONAL




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

### REPRESENTATION OF WOMEN

| | 2014 | | | | 2013 | |
|---|---|---|---|---|---|---|
| | No. | base | % | Coverage | % | Coverage |
| Among all employees | 1,358 | 2,585 | 52.5% | 100.0% | 52.5% | 99.7% |
| Among permanent contract employees | 103 | 186 | 55.4% | 100.0% | 50.9% | 97.6% |
| Among the Group Executive Committee | 1 | 7 | 14.3% | 100.0% | 0.0% | 100.0% |
| Among the top 10% of highest-earning employees in each subsidiary (fixed compensation) | 60 | 230 | 26.1% | 93.1% | 27.1% | 97.7% |

Coverage: Total France + International (+50 of the highest-earning employees)

### PROMOTIONS

| | 31/12/2014 | | | 31/12/2013 |
|---|---|---|---|---|
| *(in number)* | Men | Women | Total | Total |
| Promotions in the non-manager category | 13 | 45 | 58 | 24 |
| Promotions from non-manager to manager | 4 | 13 | 17 | 9 |
| Promotions in the manager category | 80 | 63 | 143 | 117 |
| **TOTAL PROMOTIONS** | **97** | **121** | **218** | **150** |
| Percentage | 44% | 56% | 100% | |
| Coverage: France +50 employees | 98.5% | | | 95.8% |

Moreover, company-level agreements were signed with the social partners of most of the employer entities of Crédit Agricole Assurances Group. These agreements entail a certain number of commitments in terms of gender balance and diversity, such as:

- guarantee to treat applications equally;
- provision each year of a specific budget to reduce pay differences;
- measures facilitating the return to work after maternity or adoption leave (HR interviews, gradual resumption of duties, option to work part time without career development and compensation being affected);
- keeping the base salary during paternity leave.

In addition to the agreements concluded, Crédit Agricole Assurances Group has developed initiatives to promote the gender balance.

The *Potenti'elles* women's' network, which now has 160 members from all the entities including internationally, and membership of the first federation of inter-company networks in the banking and insurance sector in France *Financi'elles* which has 14 member networks and 6,014 women, supplement these measures.

*Potenti'elles* Assurances conducted a number of initiatives in 2014, either aimed at network members or for all employees; by way of illustration: a conference in June 2014 on the place of men in women's networks, breakfasts at which female directors shared their experiences, themed workshops open to men on "growing your career capital".

As a member of *Financi'elles*, Crédit Agricole Assurances Group took part in the *Financi'elles* barometer to measure the perception of executives on trust and gender balance. The sector results were published in October 2014. Their analysis, presented to the Crédit Agricole Assurances Group Executive Committee, will give rise to an action plan in 2015.

## Employment and integration of people with disabilities

The French subsidiaries of Crédit Agricole Assurances Group are committed to a policy, led by the Crédit Agricole S.A. Group Human Resources department, to promote the acceptance, employment and training/professional development of people with disabilities.

The number of employees with disabilities has almost doubled since last year, from 23 to 41. Four of them have been promoted this year.

Crédit Agricole Assurances Group concluded a partnership for 2014 with a disabled employment centre (dedicated expertise centre which identifies and implements for its customers expert, tailored solutions to employment problems experienced by people with disabilities), as part of a campaign to recruit young people on work-study contracts. An awareness-raising initiative was conducted among HR managers and the HRM.

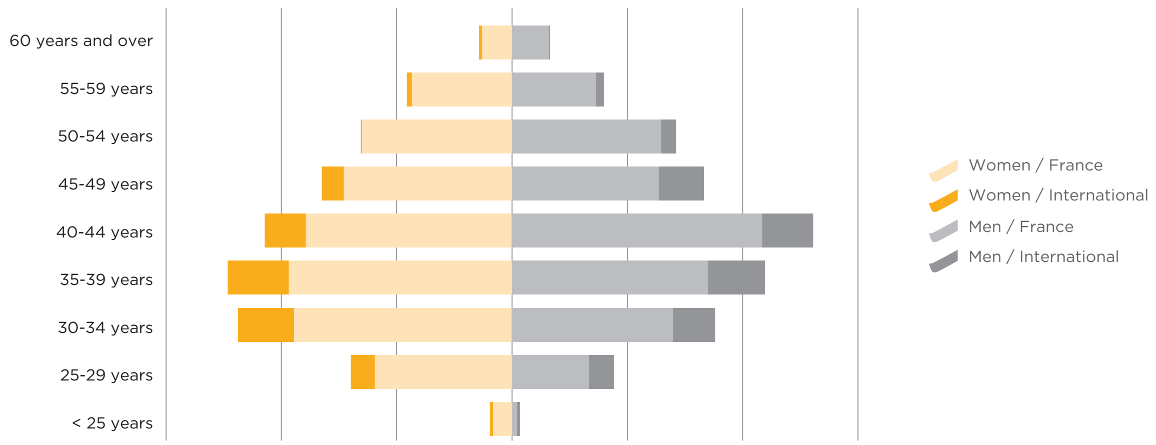
## Equality across age groups

### Older employees

In France, a proactive policy to support older employees has been undertaken within each Crédit Agricole Assurances Group subsidiary, the main objective of which is to retain these employees. The steps frequently taken in this respect by the Crédit Agricole Assurances Group entities in France involve:

- late-career interviews conducted by the HRM. At this time, a summary of the career path and professional plans of employees is made so that an in-depth study can be made of their development options, and training plans can be designed and skills assessments performed, if applicable;
- delivery of specific training sessions for employees aged over 55 on preparing for retirement;
- managing the end of careers and the transition between work and retirement and implementing a system to gradually reduce hours with the option to work part time;
- commitment to professional development for older employees in terms of training;
- development of mentoring to facilitate the transfer of knowledge and skills.

**AGE STRUCTURE**




### Internships and work-study contracts

The policy of pre-recruitment *via* pools of interns and work-study candidates is also an important focus for Crédit Agricole Assurances Group. Crédit Agricole Assurances Group maintained, and even increased, numbers of work-study contracts in 2014.

**INTERNSHIPS AND WORK-STUDY CONTRACTS IN FRANCE**

| Average number of employees over the year | 2014 | 2013 |
|---|---|---|
| Internships | 13.7 | 14.0 |
| Work-study contracts | 100.1 | 92.1 |
| Coverage: Total France | 100.0% | 100.0% |

## Compensation policy: general principles

The Crédit Agricole Assurances Group compensation policy respects objectives of fairness, motivation and competitiveness defined by Crédit Agricole S.A. Group. It is adapted to different employee categories in Crédit Agricole Assurances Group and the specific features of the insurance market.

In most companies, compensation is broken down into:

- a fixed salary, which rewards the employee skills necessary to perform the responsibilities of their positions;
- individual variable compensation, which rewards the employee's performance. This is based on the assessment of the results obtained in relation to the specific objectives for the year;
- collective variable compensation, which rewards the overall performance of the entity.

Some social benefits are added to these compensation components: savings plans (PEE, PERCO), monetisation of time savings accounts, health/death & disability cover, canteen, Group banking offer, etc.

Crédit Agricole Assurances Group compares its practices with those of insurance and reinsurance companies in the French market, thus driving competitiveness in the overall compensation of its employees compared with market practices.

## Variable compensation paid to executive managers

The executive managers of Crédit Agricole Assurances Group benefit from a variable compensation programme rolled out within Crédit Agricole S.A. Group: personal variable compensation, based on management by objectives and the achievement of pre-defined individual and collective targets within an employee's area of responsibility.

This programme has been adapted to senior executives of Crédit Agricole Assurances Group who also receive personal variable compensation.

The variable compensation policy implemented for executive managers and senior managers of the Crédit Agricole Assurances Group aims to:

- correlate compensation levels with actual performance in the long term;
- align the interests of the management and those of the ecosystem of Crédit Agricole S.A. Group by distinguishing individual and collective objectives linking the economic performance of the employee's entity and their non-economic performance (satisfaction of internal and external customers, human capital and individual business-line objectives). Each executive manager, irrespective of their business line or role has part of their economic objectives based on Crédit Agricole S.A. Group criteria; this part depends on their level of responsibility. Another part is correlated with the economic objectives of Crédit Agricole Assurances Group and its related entity.

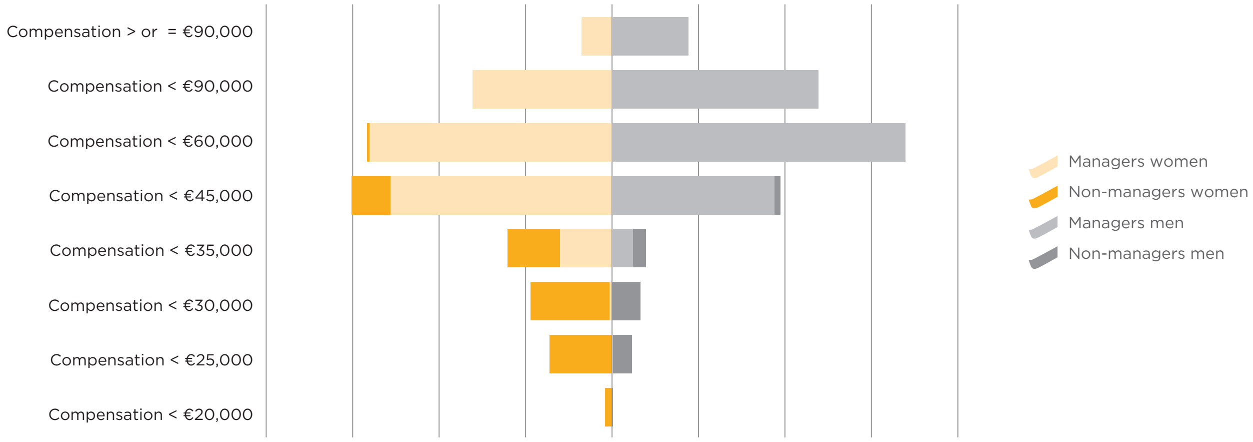
This system leads to a precise calculation of the variable compensation amount.

Furthermore, all employees apart from executive managers and senior managers also benefit from variable compensation, referred to as a performance premium. Its allocation is determined using the individual managerial review, limited overall to an amount calculated in a standardised way (target rates expressed as a % of the eligible employee's salary or target amounts according to the classification of eligible employees).

### AVERAGE MONTHLY BASE SALARIES OF ACTIVE PERMANENT CONTRACT EMPLOYEES IN FRANCE AT THE END OF THE YEAR

| | 2014 | | | 2013 | | |
|---|---|---|---|---|---|---|
| *(in euros)* | Men | Women | Overall | Men | Women | Overall |
| Managers | 5,144 | 4,387 | 4,786 | 5,032 | 4,227 | 4,651 |
| Non-managers | 2,141 | 2,273 | 2,244 | 2,274 | 2,331 | 2,319 |
| **OVERALL** | **4,879** | **3,811** | **4,313** | **4,797** | **3,712** | **4,222** |
| Coverage: France +50 employees | 98.5% | | | 97.1% | | |

#### ANNUAL FIXED SALARY SCALE FOR EMPLOYEES IN FRANCE AT THE END OF DECEMBER 2014




***Coverage: 100%***

*The salaries presented above are the results of weighted averages taking into account workforce structures in 2013 and 2014. They include incoming/outgoing movements and measurements of annual salaries.*

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

| | 31/12/2014 | | | 31/12/2013 | | |
|---|---|---|---|---|---|---|
| | **Overall amount** *(in € thousands)* | **No. of recipients** | **Average amount** *(in €)* | **Overall amount** *(in € thousands)* | **No. of recipients** | **Average amount** *(in €)* |
| Profit-sharing | 6,168 | 1,632 | 3,780 | 4,080 | 1,286 | 3,173 |
| Incentive plans | 9,929 | 2,532 | 3,921 | 11,086 | 2,251 | 4,925 |
| Employer's additional contribution | 2,303 | 2,133 | 1,080 | 2,406 | 1,764 | 1,364 |
| **TOTAL** | **18,400** | | | **17,573** | | |
| Coverage: France +50 employees | 98.5% | | | 95.8% | | |

*Depending on the procedures, almost all eligible employees benefited from a collective variable compensation in 2014 in respect of 2013, of between 10% and 20% of their fixed compensation plus individual variable compensation.*

## IMPROVING THE QUALITY OF WORK LIFE

Crédit Agricole Assurances Group's responsibility is to identify all potential mechanisms for boosting employee commitment and performance, and to reflect on ways of making them as effective as possible.

However, performance management policies are confronted with a number of changes:

- a durably-constrained economic environment in which quantitative margins for manoeuvre are reduced (recruitment, salary increases, etc.);
- increased expectations by employees regarding the quality of their workplace environment. This also has an impact on their level of commitment;
- a priority to attract and retain talent, which requires Crédit Agricole Assurances to work on its ability to set itself apart (employer promise).

This context drives Crédit Agricole Assurances Group to meet its employees' expectations on the quality of workplace relations to boost individual and collective performance.

Therefore, a certain number of actions have been taken in all Crédit Agricole Assurances Group entities on Quality of Life at Work, particularly in the following areas:

- Health and Prevention;
- Work-life balance.

### Health and Prevention

In addition to the flu vaccine and blood donation campaigns, Crédit Agricole Assurances Group held "hearing days" in 2014. This preventive action enabled Crédit Agricole Assurances Group employees to have their hearing tested at work (Paris and Province), either by a hearing aid specialist, or using a machine: 222 tests

1
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were carried out with the specialist, and 225 hearing tests *via* the machine.

Furthermore, and to complement direct actions to promote employment of people with disabilities, Crédit Agricole Assurances Group organised several events as part of disabled employment week on "Nutrition: health and disability". These events resulted in six documents being posted on the intranet, a video and a challenge. A meeting with a nutritionist was also held, and an ESAT (protected workshop) was invited to the premises.

In partnership with the Mutualité Sociale Agricole, Crédit Agricole Assurances Group raised awareness among its employees *via* "Pink October", a strategy to raise awareness of breast cancer prevention.

Moreover, employees from most of the French entities have access to a free, anonymous counselling service.

Spending on safety (including safety training) increased from €1,828,859 in 2013 to €2,696,411 in 2014.

The number of medical visits rose from 746 to 892, and the number of meetings of the HSWCC increased from 33 to 44 in 2014.

**ABSENTEEISM - FRANCE**

| | 2014 | | | 2013 |
|---|---|---|---|---|
| *(in number of calendar days)* | Men | Women | Total | Total |
| Sickness | 4,445 | 11,997 | 16,442 | 15,536 |
| Travel or work accidents | 88 | 271 | 359 | 263 |
| Maternity, paternity and breast feeding | 699 | 9,702 | 10,401 | 10,013 |
| Authorised leave (family events, special leave, etc.) | 1,764 | 2,044 | 3,808 | 2,879 |
| Other reasons | 368 | 574 | 941 | 2,220 |
| **TOTAL** | **7,364** | **24,587** | **31,951** | **30,911** |
| Coverage: France +50 employees | 98.5% | | | 95.8% |

**ABSENTEEISM - INTERNATIONAL**

| | 2014 | | | 2013 |
|---|---|---|---|---|
| *(in number of calendar days)* | Men | Women | Total | Total |
| Sickness | 652 | 656 | 1,309 | 875 |
| Travel or work accidents | - | - | - | - |
| Maternity, paternity and breast feeding | 136 | 957 | 1,094 | 1,168 |
| Authorised leave (family events, special leave, etc.) | 26 | 137 | 163 | 289 |
| Other reasons | 47 | 33 | 80 | 72 |
| **TOTAL** | **861** | **1,784** | **2,644** | **2,403** |
| Coverage: International +50 employees | 66.7% | | | 59.3% |

## Work-life balance

### Work-life balance and part-time work

Crédit Agricole Assurances Group is aware of the need to provide a good work-life balance for its employees, and continues to grant part-time contracts. In 2014, the number of employees working part-time rose from 183 to 193.

**WORK-LIFE BALANCE**

| | 31/12/2014 | | | 31/12/2013 |
|---|---|---|---|---|
| | Managers | Non-managers | Total | Total |
| Part-time employees | 137 | 56 | 193 | 183 |
| Part-time employees as % of total | 8.0% | 12.9% | 9.0% | 8.8% |
| Coverage: France +50 employees | 98.5% | | | 95.8% |

Several remote working pilots took place in 2014, with a view to gradually rolling out this way of working in most of the Crédit Agricole Assurances Group entities.

Crédit Agricole Assurances Group has also implemented tools to help its employees care for family members who have become dependent (help for employee-caregivers):

- information and awareness-raising meetings;
- a practical guide is available, which was created with the involvement of volunteer employees. It contains useful information on help available both inside and outside the company;
- a free Responsage telephone platform to help employees caring for their dependent parents.

Finally, CACI, the creditors' insurance subsidiary, received the CSR customer relations award in the "HR and societal practices" category. This award recognises exemplary social and HR practices by corporates, and is a continuation of the customer relations social responsibility award received in 2013. This award was in recognition of CACI's efforts to adjust working hours to give its employees more independence in the workplace.

# FOSTERING EMPLOYEE ENGAGEMENT AND SOCIAL DIALOGUE

## Social dialogue

Crédit Agricole S.A. Group's social policy aims to promote dialogue and constructive social relations, in order to:

- improve Crédit Agricole S.A. Group's performance and that of its employees;
- build a CSR (corporate social responsibility) approach.

There are three bodies which promote social dialogue within Crédit Agricole S.A. Group: the European Works Council, the Group Committee and the Consultative Committee.

The European Works Council, as the result of an agreement signed in January 2008, does not replace the national social dialogue structure. It is a body for information and dialogue on economic, financial and social matters which, due to their strategic importance, need to be dealt with on a European scale.

The Group Committee, which does not replace the Works Councils existing in the Crédit Agricole Group entities, is made up of representatives of the employees and subsidiaries of Crédit Agricole Group and the Regional Banks.

Finally, the Consultative Committee aims to foster exchange with employee representatives on strategic projects common to several Crédit Agricole Group entities, cross-Group operational aspects and development strategies for each business line.

These three bodies of Crédit Agricole Group can decide on matters concerning Crédit Agricole Assurances Group, but do not replace its own bodies.

Within each French subsidiary of Crédit Agricole Assurances Group, social dialogue takes place *via* several bodies established in accordance with the entity's workforce: The Works Council or the Single Employee Delegation, the Health, Safety and Working Conditions Committee (HSWCC), employee representatives and union representatives.

The Works Council – or the Single Employee Delegation - is notified and consulted on general problems involving the organisation of work, technology, working conditions, organisation of working hours, qualifications and remuneration procedures.

Employee representatives submit individual or collective salary complaints to the company management and ensure the correct application of legal and regulatory provisions and conventions and agreements applicable to the Crédit Agricole Assurances Group entities.

The aim of the HSWCC is to help protect employee health and safety and improve working conditions.

Finally, social dialogue also takes place *via* negotiations between the representative unions and the management of each French subsidiary of Crédit Agricole Assurances Group.

The number of agreements with these different bodies has significantly increased this year. These agreements related to the matters given in the table below.

### AGREEMENTS SIGNED DURING THE YEAR

| | 2014 | | | 2013 |
|---|---|---|---|---|
| *(in number)* | France | International | Total | Total |
| Compensation and benefits | 24 | - | 24 | 21 |
| Training | 1 | 4 | 5 | 5 |
| Employee representative bodies | 6 | - | 6 | 4 |
| Jobs | 2 | - | 2 | 4 |
| Working hours | 7 | - | 7 | 1 |
| Diversity and anti-discrimination | 4 | - | 4 | 4 |
| Other | 4 | - | 4 | 1 |
| **TOTAL** | **48** | **4** | **52** | **40** |
| Coverage: France + International + 50 employees | 93.1% | | | 89.9% |

## Surveys/social barometers

Consulting employees *via* opinion polls and social barometers also helps improve managerial and human resources practices.

These surveys are conducted in France in all entities, sometimes at different times. The results are usually presented at the Management Committee and Works Council meetings. Once analysed, they are used to develop action plans; this usually takes place jointly between operatives and human resources.

## Participatory approach

The various entities of Crédit Agricole Assurances Group organise periodic discussion days with employees and form working groups to define action plans for constant improvement. To do this, the directors of the entities meet to define the "CAA Ambition". The co-development method is being widely applied within the companies.

One example of this is the "ABS" approach, which has been rolled out for all property & casualty insurance teams and involves all employees working in groups to identify ways to improve the way they work and suggest solutions which are now being implemented.

Finally, a company social network was set up in 2014 within Crédit Agricole Assurances Group to encourage communities and facilitate exchange. At the end of 2014, there were 60 communities, and a community manager had been recruited.

# ACTING RESPONSIBLY AS A COMPANY TO SOCIETY

## MANAGING THE ENVIRONMENTAL IMPACTS OF ITS (DIRECT) OPERATIONS

In response to the "Grenelle 2" legislation, Crédit Agricole Assurances would like to state that its operations, which are focused on financial services, do not generate any major direct impact on the environment. The operations and installations do not generate noise and odors; Furthermore, Crédit Agricole Assurances is not aware of any complaints relating to this type of nuisance. Likewise, the company's operations and its use of the ground do not cause any major known threats either to biodiversity or water resources. Land use is limited to the space where the buildings are constructed.

Carbon dioxide is the main greenhouse gas emitted directly by Crédit Agricole Assurances (*via* the use of fossil fuels and electricity). The most harmful waste comes from electronic items, for which recycling is organised. Paper is the main raw material used.

Therefore, Crédit Agricole Assurances has focused its efforts on reporting processes and the environmental management of paper and energy consumption and $CO_2$ emissions. These efforts are focused systematically in two directions: improved operation of the company and awareness-raising among employees.

### Use of resources

#### Paper

As a member of Ecofolio, Crédit Agricole Assurances is committed to Crédit Agricole Group's "Grenelle papier" approach, which is based on two different objectives: increasing responsible paper use and paper recycling, for all paper use (office use, publishing, customer communication).

For this purpose, a network of paper correspondents has been set up within Crédit Agricole Assurances, represented by employees who buy and/or print out paper on the company's behalf. These correspondents have been made aware of the environmental priorities surrounding paper and the commitments of Crédit Agricole Group S.A. In addition to the reporting for which they are responsible, they work to:

- favour the purchase of certified paper (PEFC, FSC, recycled, etc.): at the end of 2014, 100% of the paper used in the offices by our employees was responsibly-sourced;
- promote paperless communication between employees, with the banking and partner networks, and with customers who opt for paperless communications;
- reduce the amount of paper used for business letters by grouping life insurance (Predica) letters with banking letters, and printing on both sides, for business letters (certificates of insurance, death & disability renewal notices, etc.), and for annual statements, along with a reduction in gsm. Employee payslips will also be printed on both sides.

A special effort has been made in the manufacturing of business envelopes at Predica. The paper of the envelope is 100% recycled and made in France. The film window is made with transparent plant material (biodegradable bioplastic from agricultural plant waste), and the envelope is assembled using plant-based glues.

In the offices of the main French subsidiaries, printers are now shared and their default settings are double-sided and black and white. In 2014, the system of using employee badges to operate the photocopiers was being rolled out to coincide with the upgrading of the company's photocopiers. This reduces printing, as only truly useful documents are printed.

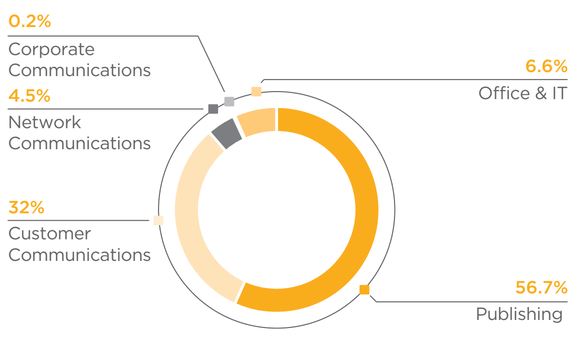
Despite the increasing regulatory obligations in terms of customer communications, Crédit Agricole Assurances has reduced its consumption by over 10% between 2012 and 2014.

Further, the proportion of certified paper, as defined by Crédit Agricole Group (PEFC, FSC, recycled) in purchasing rose from 90% at the end of 2013 to 98% at the end of 2014.

| | |
|---|---|
| 2014 total consumption (in tonnes) | 1,177.4 tonnes |
| Proportion of certified paper | 98% |

*Scope: France (CAA, Predica, Pacifica, CACI, Caagis, La Médicale).*

**BREAKDOWN OF CONSUMPTIONS BY USE (%)**




In 2014, these efforts were recognised by the results of the "PAP 50" survey ordered by the WWF. Crédit Agricole Assurances was ranked sixth (out of 50) in the banking and insurance sector, for its paper consumption, purchasing and recycling practices.

### Energy

The management of the Paris buildings and the operation of Crédit Agricole Assurances Group is the responsibility of Crédit Agricole Immobilier, which monitors and manages the energy consumption of the buildings and contributes to Crédit Agricole Assurances Group's reporting.

For the buildings in the greater Paris region, many actions have been conducted, based on in-depth knowledge of the sites (techniques and occupation types) and the results of the energy audits performed, to better manage energy use, *i.e.*:

- optimisation of lighting timer settings (reduction of time slots), terminals (fan-coil units), air handlers (ventilation), extractors in the car parks, circulation pumps, etc.;
- installation of LED lighting in the car parks of some buildings;
- some equipment made responsive to the outside temperature (example: circulation pumps, different ventilation temperatures depending on the outside temperature, hot air curtain, etc.);
- changes to the temperature settings for hot and cold water;
- installation of innovative equipment to measure electrical signals to better understand the behaviour of the buildings.

In 2014, a monitoring audit confirmed the HQE for buildings in use certification of the Saint Vincent de Paul site in Paris, which was obtained in 2013. This site is used as a pilot site to test new operational and occupant communication practices. In 2014, this building had the lowest final energy consumption ratio in kWh per year and per sq.m. of the greater Paris region sites.

At the Vaison La Romaine site, the fuel-oil boiler has been replaced by a heat pump, except in the event of extreme cold.

Moreover, when workstations were migrated over to Windows 7, an in-depth workstation stand-by system was implemented to limit energy consumption by work stations when not in use.

These measures have contributed to a drop in electricity use of over 23% between 2011[1] and 2014 in the greater Paris region.

| | Consumption (kWh) | Ratio (kWh/m²/year) | Estimated coverage ratio |
|---|---|---|---|
| Electricity | 6,966,000 | 124.5 | 97.6% |
| Steam | 1,980,700 | 51.2 | 93.5% |
| Fuel | 246,130 | 47.5 | 100% |

*Electricity: France sites (Paris, Lille and Vaison).*
*Steam: Paris sites, which are the only ones concerned (excluding rue Falguière site).*
*Fuel oil: Vaison La Romaine site.*
*The coverage ratio of areas is estimated for each indicator. These rates allow for the assessment of the proportion of unreported data (in particular, consumption recognised in rental charges).*

## Waste management

Compartmentalised bins have been installed in Paris offices, so that paper can be separated from other waste. Waste is re-sorted and the paper recovered by Paprec. On the Lille site, an ESAT (work reintegration facility for the disabled) is responsible for collecting and sorting paper.

All ink cartridges are recycled as they are recovered by a service provider from the machines.

Since 2014, computers and laptops at the end of their useful lives have been processed by a company from the adapted sector which ensures they are recycled in accordance with D3E electronic waste standards for defective or obsolete hardware and ensures that working hardware is repurposed or donated (mainly to employees).

A battery collection bin is made available to employees. An electronic waste collection was organised on site for the benefit of an ESAT. Other dangerous waste (fluorescent tubes, LEDs, etc.) is also diverted to regulatory recycling channels.

### Plastic

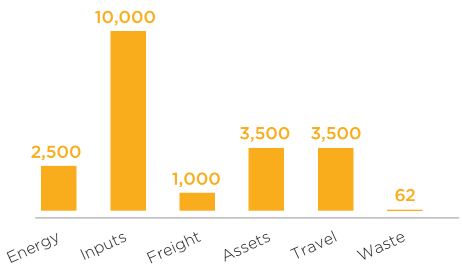
Non-recyclable plastic cups have been removed from coffee machines at the Paris sites. Water bottles have also been removed in favour of water fountains connected to the municipal water network.

Plastic bottle tops are collected on the Paris sites to raise funds for a disabled children's association.

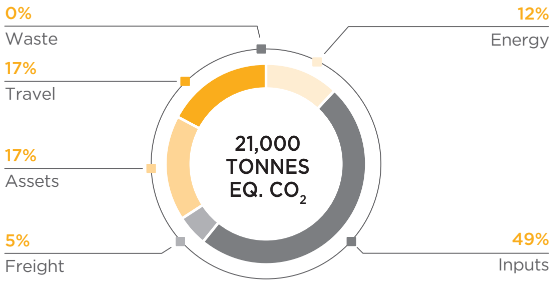
*(1) A year of stabilisation for the greater Paris region sites following successive moves.*

## Greenhouse gas emissions

In 2010, using 2009 data, Crédit Agricole Assurances performed a carbon assessment (bilan carbone®) on the French entities using the Ademe methodology. In 2009, a Crédit Agricole Assurances employee emitted 7.2 tonnes equivalent $CO_2$ of greenhouse gas. By area, the results were as follows[1]:




Carbon assessment (Bilan Carbone®) for Crédit Assurances in 2009 (in tonnes eq. $CO_2$), breakdown by line item




After each carbon assessment, several actions were taken:

- improvement of buildings' energy performance (see energy section);
- transport policy review with:
  - rail travel being favoured and used systematically for some destinations,
  - restricted air travel: authorisation only for journeys of over three hours, first class prohibited, direct flights preferred,
  - integration of greenhouse gas emissions criteria in choice of company car in 2014: the vehicles offered must be clean and have low $CO_2$ emissions (hybrid or electric vehicles, or vehicles which do not emit more than 130g $CO_2$/km);
- installation of videoconferencing equipment on all sites;
- raising awareness among employees by making a film on the results and objectives of the drive to reduce the Crédit Agricole Assurances carbon assessment (*bilan carbone®*) shown on all the entities' intranets.

In 2014, these results were updated and an action plan was launched.

## Raising employee awareness

As part of the awareness-raising policy, a CSR section has been created, which is accessible to most Crédit Agricole Assurances entities from the intranet homepages. It is a source of information about general CSR priorities (presentations, glossary, etc.) and about the Crédit Agricole Assurances approach in particular.

Periodically, all Crédit Agricole Assurances Group employees are invited to conferences led by an external expert on climate and energy issues. A presentation of the FFSA's work on climate change modelling was made for the "product design" and "actuarial" business lines.

An awareness-raising campaign on environmentally-friendly behaviour was organised based on the distribution of stickers (I'm limiting my printing, I regulate the temperature, I turn off lights and my PC, I recycle waste).

In 2014, as part of the HQE for buildings in use application made by the Saint Vincent de Paul site, a building usage guide explaining the improvements made in managing the building was promoted to employees *via* a competition to win a tree, planted as part of a reforestation programme in France (Aube).

*(1) 2009 scope: Predica, CAA corporate entity, Pacifica, La Médicale, Sirca, Caci, Caagis.*

# BUILDING RESPONSIBLE RELATIONSHIPS WITH SUPPLIERS AND SUBCONTRACTORS

Crédit Agricole Assurances, subsidiary of Crédit Agricole S.A. applies and respects the guidelines of Crédit Agricole S.A. Group on the purchasing process and responsible purchasing. Crédit Agricole Assurances Group's purchasing charter, about which an internal Crédit Agricole Assurances procedural note was issued, is one example.

## Being responsible throughout the chain

The Crédit Agricole Assurances responsible purchasing policy is based on the following:

- encouraging responsible supplier relationships;
- assessing its suppliers using their CSR management system and the products and offerings made to Crédit Agricole Assurances Group;
- raising awareness among buyers and suppliers.

## Working with suppliers

To create the conditions for a balanced relationship with its suppliers in an unstable economic context, Crédit Agricole S.A. signed the responsible supplier relations charter at the end of 2010.

This charter is made up of ten commitments for responsible purchasing and a fair and lasting relationship between large customers, SMEs and suppliers more widely, on environmental impacts, financial fairness or reducing the risks of reciprocal dependence.

Crédit Agricole Assurances therefore includes the clause from the economic modernisation law on payment periods in all its contracts.

## Evaluating its suppliers

The vast majority of the suppliers used by Crédit Agricole Assurances are listed on the panels of Crédit Agricole Group. These suppliers, selected at Crédit Agricole Group level, are assessed for CSR matters not only in terms of their CSR management system, but also their own offerings.

Assessment of the supplier's CSR management system has been entrusted to an independent third party expert, Ecovadis. This approach, common to all Crédit Agricole S.A. Group entities, is led by Crédit Agricole S.A. The scoring principle involves sending suppliers a questionnaire based on four themes: environmental, social, ethics and supply chain management. Over 400 suppliers shared by Crédit Agricole S.A. Group entities have now been rated; additional suppliers are being scored.

At the same time, Crédit Agricole Assurances assesses, when relevant to the purchasing family, the CSR quality of the supplier's offering (product or service) by including technical and specific sustainable development criteria in the specifications. The supplier must show that their procedures comply with the stated principles during the whole life cycle of the project and provide documentary evidence of this.

## Raising awareness among buyers and suppliers

Buyers at Crédit Agricole Assurances are made aware of responsible purchasing at meetings led by the Crédit Agricole S.A Purchasing department. They are also involved in the *Trophées Horizon*, a specific sustainable development awards event organised by Crédit Agricole S.A., which acknowledges the most committed suppliers in terms of corporate social responsibility.

# ENSURING ETHICS IN BUSINESS AND TRANSACTIONS

## A committed approach to Compliance

Compliance is adherence to legislative and regulatory provisions specific to banking and financial operations, industry and ethical standards and customs, and the instructions issued by the Executive Committee. Compliance contributes to stakeholder trust (customers, employees, investors, regulators, suppliers, companies) in financial institutions by preventing the risk of judicial, administrative or disciplinary sanctions, major financial loss or reputational damage.

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

The reference texts produced by the Compliance function include:

- the code of conduct adopted by Crédit Agricole Group, translated into ten languages and handed out to each new Crédit Agricole Group employee;
- the Fides compliance-checking programme made up of procedural notes reflecting regulatory developments in terms of compliance.

The Crédit Agricole Assurances Compliance department must also ensure that efficient mechanisms are in place to ensure compliance. To do this, the function:

- advises operatives by giving opinions on transactions for which it is asked to do so;
- takes part in the product marketing process, the design phase and the distribution phase, and issues compliance notices;
- takes part in sales and customer needs analysis strategies to provide them with a suitable offering;
- identifies conflicts of interest in line with the Group conflict of interest policy;
- provides compliance training for employees;
- ensures the correct operation of mechanisms and operations.

The Compliance function uses the following resources:

- risk mapping to evaluate non-compliance risks within Crédit Agricole Group;
- incorporation of compliance standards in the procedures, in partnership with the business lines;
- reporting on compliance risks and actions to assess the implementation of compliance mechanisms within Crédit Agricole Group;
- financial security tools including profiling tools and customer account monitoring tools are used to detect abnormal and/or suspect transactions, surveillance tools are used on international flows for the purposes of freezing assets and respecting embargoes, and information sharing tools are used within Crédit Agricole Group;
- compliance tools, mainly those used to manage employees who hold insider information, and tools to prevent and manage conflicts of interest;
- tools for the respect of shareholding threshold crossings giving access to the capital or voting rights of the companies.

These functions are performed on a full time equivalent (FTE) basis by 24 people within Crédit Agricole Assurances Group.

A training and compliance plan (Fides) is in place at all Crédit Agricole entities in France and internationally. Training in compliance, financial security and fraud prevention takes place in person or *via* e-learning.

At the end of 2014, 83% of Crédit Agricole Assurances Group employees concerned attended the "Fides" general compliance training.

A handbook, "L'Essentiel de Fides", deals with 14 major compliance issues (financial security, advisory duty, conflicts of interest, etc.). This document is available in nine languages, thereby reaching a maximum number of Crédit Agricole Group employees.

The Crédit Agricole S.A. Compliance Management Committee is the keystone of this mechanism, and it oversees the organisation of the function and the implementation of the procedures and training within Crédit Agricole Group. It is made aware of the main conclusions of inspections, any important letters or reports from a supervisory authority regarding French and overseas laws and regulations, malfunctions noted and any follow-up or corrective action taken, as well as new products and activities.

## Prevention of money laundering

Crédit Agricole Group places extreme importance on preventing money laundering, financing of terrorism, and respecting international sanctions (freezing of assets and embargoes).

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

Crédit Agricole Group has taken into account, by overhauling procedures and tools, the new requirements linked to the transposition into national law of the third European directive of 26 October 2005 on preventing the financial system from being used to launder money or finance terrorism. Money laundering risk mapping has been carried out and implemented for all Crédit Agricole Group business lines, to build a vigilance mechanism suited to the risk level identified, both when a business relationship starts and throughout that relationship (constant vigilance). At the start of all business relationships, the required checks on the customer's identity are an initial filter to prevent money laundering. This prevention is based on knowledge of our customers and actual beneficiaries, supported by information searches *via* a specialised database. During the business relationship, vigilance adapted to the risk level takes place. Customer IT profiling tools and tools for detecting unusual transactions help Crédit Agricole Group employees to do this.

Prevention of finance for terrorism and the mechanism for adhering to international sanctions also involves constant screening of customer files, both at the beginning of the business relationship and during it, with the lists of sanctions and the surveillance of international transactions.

The overall mechanism, to prevent both money laundering and the financing of terrorism, and to ensure adherence to international sanctions, is constantly being strengthened, in response to regulatory changes, as is risk evaluation.

Therefore, Crédit Agricole Assurances Group strives to implement training programmes in money laundering and financing of terrorism prevention within its various entities. Over 86% of affected Crédit Agricole Assurances Group employees had been trained in money laundering and financing of terrorism prevention at the end of 2014.

## Fraud prevention

A fraud coordination and prevention unit was set up in September 2008 within the Crédit Agricole S.A. Compliance department to gain an overall insight into the Crédit Agricole Group scope types of fraud (methods of payment, monetary, credit, market activities, insurance, etc.) and to coordinate and lead anti-fraud initiatives implemented in Crédit Agricole Group entities. This unit acts jointly with other concerned supervisory or support functions: permanent control of risks, inspections/audits, legal and security of information and payment systems, as the roles of each are complementary. It is based on the fraud prevention coordination officers appointed within each Crédit Agricole Group entity, which embody and lead the anti-fraud strategy at their level.

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

In addition to the existing operational procedures and principles (selection procedures, separation of tasks, authorisation management for management and payment tools, etc.) Predica's anti-fraud initiative is based on a coordination unit which aims to ensure leadership in this area and gain an overview of proven cases of fraud and attempted fraud. This unit has correspondents in different departments, it centralises reports on their actions and circulates information on fraud attempts or new typologies encountered. Having identified situations which pose a potential fraud risk, a test phase was launched, during 2014, with cash machines and Insurance Back-Office functions. This phase aims to use cases from the result of requests to ensure they pose no fraud risk.

The anti-fraud mechanism has been significantly strengthened within Pacifica, with the acquisition of a dedicated tool which was being rolled out in 2014.

## Corruption prevention

In line with its traditional values, Crédit Agricole Group has taken many measures against corruption. These measures take various forms, such as the anti-money laundering and financing of terrorism mechanism, the fraud prevention mechanism, and internal rules on gifts and benefits, relations with suppliers.

Corruption risks are assessed annually using the operational risks methodology implemented by Crédit Agricole Group since 2004. This process aims to identify the main risks encountered by the various entities, and to assess whether the checks in place reduce them sufficiently.

Employee training on corruption prevention is usually included in the general compliance training module delivered to Crédit Agricole Group employees (e-learning training). At the end of 2014, 77% of Crédit Agricole Assurances Group employees had been made aware of corruption prevention strategies.

## Personal data protection

Crédit Agricole S.A. designs the compliance mechanism for all of its subsidiaries in France based on the principles and obligations issued by the French Computing and Freedoms Commission (CNIL) on personal data protection, as regards its own employees, its customers, or any third party in relation to Crédit Agricole Group companies.

To harmonise the prior formalities with the CNIL, Crédit Agricole S.A. has implemented a sharing and exchange process with Crédit Agricole Group entities, offering them templates for declarations and authorisation requests it makes.

As a general rule, any new information system or application must take into account, from its design, personal data protection and banking secrecy provisions concerning customers or more generally relating to third parties linked to the company.

Regarding insurance more specifically, the CNIL implemented an “Insurance Compliance Pack” in November 2014 in partnership with the relevant professional federations, including the FFSA. This “pack” is designed to adapt and normalise the rules for making prior declarations to the CNIL on the main “Insurance” processes. It enables the insurance industry to develop its use in innovation and in line with the French Computing and Freedoms law and is intended to be a long-term resource which can be adapted to regulatory developments. It is a way of anticipating expected changes with the draft European regulation on personal data protection. It includes five essential CNIL deliberations: two simplified standards and three single Authorisations (AUs).

From the time this “pack” was published, Predica began work to update the declarations. In 2015, Pacifica will begin a review of all personal data processing to ensure it complies with the standards issued by the CNIL in the compliance pack. For creditors' insurance, CACI will review its CNIL declaration policy in response to the new instruments in the new compliance pack.

## Reporting of dysfunctions

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

- detected and then analysed as quickly as possible;
- notified to the operational managers of the Compliance functions at the most appropriate level within each business line;
- monitored and corrected, and its causes eliminated.

The centralisation of reported dysfunction events *via* a feedback process is described in a specific procedure implemented by the Crédit Agricole Group entities. This process measures exposure to non-compliance risk at the highest level of the company. Therefore, as soon as an employee has reasonable grounds to suspect non-compliance or notes the existence of a compliance dysfunction, he or she must notify their line manager, who will inform the Compliance function.

This framework is completed by an alert system, allowing employees, if they observe an anomaly in the usual process of reporting dysfunctions or if they feel under pressure to allow a dysfunction to occur, to notify the entity's Compliance Officer of the situation without going through line management. The employee's identity remains anonymous when the alert is processed. The Compliance Officers of each entity report the state of observed dysfunctions to the Compliance department, which is responsible for informing the Compliance Management Committee. This Committee takes note of the situation and approves proposals aimed at remedying the dysfunction.

# BEING A PATRON COMMITTED TO CAREGIVERS

## Financing community projects in the region

Crédit Agricole Assurances Group is engaged in a policy to sponsor family[(1)] or voluntary caregivers by financing local community projects throughout France. Caregivers play a key role in intergenerational solidarity and any of us could be confronted with this situation.

Crédit Agricole Assurances Group's action mainly involves providing financial support for regional community projects to provide respite, training and psychological support for carers, irrespective of the person needing the care (age, illness, handicap).

This sponsorship policy involves:

- the launch in 2014 for the fourth consecutive year of a call for national projects to help family caregivers. The aim is to finance 15 to 20 community projects every year with an annual budget of €300,000. Projects are selected by a Committee made up of people from Crédit Agricole Group and civil society (doctors, sociologists, etc.). In four years, Crédit Agricole Assurances received over 600 applications thanks to the Regional Banks which promoted the initiative. Since 2010, 80 local projects to help family caregivers have been financed and €1 million distributed;
- a partnership with the French Caregivers' Association to consolidate and develop a network of "Caregiver Cafés" across the country in three years. These cafés are places for information, meetings and discussion. Led by a social worker, they enable non-professional caregivers who are supporting a sick, dependent or disabled family member to exchange advice and share experiences in the presence of a psychologist with specialised expertise. At the end of 2013, there were 52 cafés across the country.

In addition to the sponsorship actions, in 2011 and 2012, Crédit Agricole Assurances Group sponsored a short programme called "La Minute des aidants" shown Monday to Friday on France Télévisions. The aim of this programme is to give practical advice to caregivers and their families to make their daily lives easier.

In 2012, a website, www.etreaidant.com was launched, which provides information for carers about the initiatives of regional associations. It also shows videos of the work these associations do, which is supported by Crédit Agricole Assurances. At the end of 2014, 31 videos had been recorded and posted on the etreaidant website.

## Encouraging public debate on caregivers

With its unique insight into caregivers *via* the work of the associations, in 2014 CAA tasked a sociologist with conducting a quantitative and qualitative study into caregivers' associations. This study had two objectives: to map the associations and understand their work and analyse the results of their work. The study was done on a corpus of around 400 associations which responded to successive calls for caregiver projects.

This study served as the basis for a symposium called *Regards sur la France qui aide*, which was held on 22 May 2014 at the université Paris-Dauphine, with the involvement of associations, experts, representatives and local authorities. Introduced by Michèle Delaunay, member of Parliament for the Gironde and former deputy minister for the elderly and independence, it attracted over 200 people. The results of this study and the documents from this symposium were made public and posted online at www.etreaidant.com (under *colloque*).

(1) *France now has more than 8 million family caregivers. Family caregivers are members of the family or volunteers who give regular assistance, in a non-professional capacity, to a dependent person (elderly, ill, following an accident) in their daily activities.*

# SUPPORTING LOCAL COMMUNITIES IN AREAS WHERE IT IS LOCATED

Since 2011, Crédit Agricole Assurances Group has been financing community projects in which employees of the Crédit Agricole Assurances entities have been actively involved. At the end of 2014, 22 projects has been carried out in three years thanks to a grant of up to €3,000 per project. These projects in the general interest relate to international solidarity and environmental protection and social inclusion. In 2014, an "employee's favourite" prize was launched on the company's social network, allowing employees to vote for a project of their choice to be allocated an additional €3,000.

The *Nos Quartiers ont des Talents* programme was rolled out in all Crédit Agricole Assurances Group entities. This association supports young people with Bac + 4 (high school diploma) level education and over, most of whom come from disadvantaged areas, in finding employment *via* individual sponsorship between experienced managers and young graduates. Since 2008, on a voluntary basis, around 40 employees have been coaching around 100 young graduates looking for work.

Crédit Agricole Assurances Group also organises periodic charity events among employees:

- enterprises in the protected and adapted sector are invited to the Paris sites to promote their know-how (food production, miscellaneous gifts, etc.);
- blood donations (twice a year) for the French blood agency at the Paris and Lille sites;
- end of year toy collections for Secours Populaire;
- collection of funds on 15 June, for the *Journée mondiale contre la faim* (World hunger awareness day) (around €4,000 collected per year, including the company's contribution, for Action Contre La Faim);
- glasses collection to raise funds for the Lyon's Club (250 pairs of glasses);
- clothing collection in 2014 to raise funds for *La cravate solidaire*, an association which supports young people in preparing for job interviews.

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

# CROSS-REFERENCE TABLE

Decree no. 202-557 of 24 April 2012 on the transparency obligations of companies in social and environmental matters – Article R. 225-105-1.

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# REPORT BY ONE OF THE STATUTORY AUDITOR, APPOINTED AS AN INDEPENDENT THIRD PARTY, ON THE CONSOLIDATED ENVIRONMENTAL, LABOUR AND SOCIAL INFORMATION PRESENTED IN THE MANAGEMENT REPORT

*This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

**For the year ended December 31, 2014**

To the Shareholders,

Credit Agricole Assurances
50-56, rue de la Procession
75015 Paris

In our capacity as Statutory Auditor of Crédit Agricole Assurance S.A, appointed as an independent third party and certified by COFRAC under the number 3-1060[1], we hereby report to you on the consolidated environmental, labour and social information presented in the management report, (hereinafter the "CSR Information") for the year ended December 31, 2014 in accordance with Article L.225-102-1 of the French Commercial Code *(Code de commerce)*.

## Responsibility of the company

The Board of Directors is responsible for preparing the company's management report including CSR Information in accordance with the provisions of Article R.225-105-1 of the French Commercial Code and with the 2014 Collection protocols for environmental data and to the Specifications Human Resources data International Perimeter used by the company, (hereinafter the "Guidelines"), available on request from the company's sustainability department head office.

## Independence and quality control

Our independence is defined by regulatory texts, the French code of ethics governing the audit profession and the provisions of Article L.822-11 of the French Commercial Code. We have also implemented a quality control system comprising documented policies and procedures for ensuring compliance with the codes of ethics, professional auditing standards and applicable legal and regulatory texts.

## Responsibility of the Statutory Auditor

On the basis of our work, it is our responsibility to:

- certify that the required CSR Information is presented in the management report or, in the event that any CSR Information is not presented, that an explanation is provided in accordance with the third paragraph of Article R.225-105 of the French Commercial Code (Statement of completeness of CSR Information);
- express limited assurance that the CSR Information, taken as a whole, is, in all material respects, fairly presented in accordance with the Guidelines (Reasoned opinion on the fairness of the CSR Information).

Our work was carried out by a team of 3 people between early December 2014 and mid- February 2015 for a period of about 10 weeks. We used to assist us in achieving our work, our experts in CSR.

We performed the procedures below in accordance with the French professional auditing standards related to labour and environmental information falling within the scope of procedures directly related to the statutory audit engagement (NEP 9090), with the decree dated 13 May 2013 determining the methods under which the independent third party should carry out its work[2] and with ISAE 3000[3] concerning our reasoned opinion on the fairness of the CSR Information.

*(1) Available at www.cofrac.fr*

*(2) Decree of 13 May 2013 determining the conditions in which the independent third party performs its engagement.*

*(3) ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information.*

## 1. Statement of completeness of CSR Information

We conducted interviews with the relevant heads of department to familiarise ourselves with sustainable development policy, according to the impact of the company's activity on labour and the environment, of its social commitments and any action or programmes related thereto.

We compared the CSR Information presented in the management report with the list provided for by Article R.225-105-1 of the French Commercial Code.

For any consolidated Information that was not disclosed, we verified that the explanations provided complied with the provisions of Article R.225-105, paragraph 3 of the French Commercial Code.

We ensured that the CSR Information covers the scope of consolidation, i.e., the company, its subsidiaries as defined by Article L.233-1 and the entities it controls as defined by Article L.233-3 of the French Commercial Code within the limitations set out in the methodological information of the social section and in the chapter "Limit our direct ecologic footprint" of the environmental section of the management report.

Based on this work and given the limitations mentioned above, especially regarding the limited collection rate for environmental data leading to the fact that consolidated environmental data represent only a part of the activities of Crédit Agricole Assurances S.A, we attest to the completeness of the required CSR Information in the management report.

## 2. Reasoned opinion on the fairness of the CSR Information

### NATURE AND SCOPE OF OUR WORK

We conducted around fifty interviews with 16 people responsible for preparing the CSR Information in the departments charged with collecting the information and, where appropriate, the people responsible for the internal control and risk management procedures, in order to:

- assess the suitability of the Guidelines in the light of their relevance, completeness, reliability, impartiality and comprehensibility, and taking good market practice into account when necessary;
- verify the implementation of a data-collection, compilation, processing and control procedure that is designed to produce CSR Information that is exhaustive and consistent, and familiarise ourselves with the internal control and risk management procedures involved in preparing the CRS Information.

We determined the nature and scope of our tests and controls according to the nature and importance of the CSR Information in the light of the nature of the company, the social and environmental challenges of its activities, its sustainable development policy and good market practice.

With regard to the CSR Information that we considered to be the most important (listed in annex):

- at parent entity level, we consulted documentary sources and conducted interviews to substantiate the qualitative information (organisation, policy, action), we followed analytical procedures on the quantitative information and verified, using sampling techniques, the calculations and the consolidation of the data and we verified their consistency and concordance with the other information in the management report;
- at the level of a representative sample of entities constituted by Predica and Pacifica, selected by us by activity, contribution to the consolidated indicators, location and risk analysis, we conducted interviews to ensure that procedures are followed correctly and to identify any undisclosed data, and we performed tests of details, using sampling techniques, in order to verify the calculations made and reconcile the data with the supporting documents. The selected sample represents on average 36% of headcount and between 34% and 40% of quantitative environmental data.

For the other consolidated CSR information, we assessed consistency based on our understanding of the company.

We believe that the sampling methods and sample sizes used, based on our professional judgement, allow us to express limited assurance; a higher level of assurance would have required us to carry out more extensive work. Because of the use of sampling techniques and other limitations intrinsic to the operation of any information and internal control system, we cannot completely rule out the possibility that a material irregularity has not been detected.

### CONCLUSION

Based on our work, no material irregularities came to light that call into question the fact that the CSR Information, taken as a whole, is presented fairly, in all material respects, in accordance with the Guidelines.

Neuilly-sur-Seine and Paris-La Défense, April 3, 2015

One of the Statutory Auditors

PricewaterhouseCoopers Audit

| | |
|---|---|
| **Gérard Courrèges** | **Sylvain Lambert** |
| Partner | Partner of Sustainability Department |

# ANNEX: LIST OF INFORMATION THAT WE CONSIDERED TO BE THE MOST IMPORTANT

Social information:

- Number of employees, including the FTE employees at year-end indicator;
- Breakdown of employees by gender, age and geographic area, including indicators on the workforce at the end of the year by contract type and status, active workforce at the end of the year by activity, active permanent contract workforce at the end of the year by age, average age, years of service, average years of service;
- Hirings and lay-offs, including indicators on incoming and outgoing flows of permanent contract (CDI) employees and internal flows (mobility within an entity);
- Compensation and changes, including the gender equality indicator;
- Absenteeism, including the absenteeism rate indicator;
- Organisation of social dialogue;
- Health and safety conditions;
- Training policies, including indicators on the number of employees trained, number of interns, number of training hours, hours of training for each topic;
- Number of training hours;
- Policy implemented and measures taken to promote gender equality;
- Policy implemented and measures taken to promote the employment and integration of people with disabilities;
- Removing discrimination in terms of employment and occupation.

Environmental information:

- Company organisation to take into account environmental issues;
- Measures to prevent, recycle and dispose of waste;
- Use of raw materials and measures taken to use them more efficiently, including indicators on paper use, responsible paper purchasing;
- Energy consumption and measures taken to improve energy efficiency and the use of renewable energy, including indicators on electricity and natural gas use;
- Greenhouse gas emissions;
- Adaptation to the consequences of climate change.

Societal information:

- Local, economic and social impact on employment and regional development;
- Local, economic and social impact on local populations;
- Conditions for dialogue with stakeholders;
- Partnership or sponsorship actions;
- Application of social and environmental criteria in the procurement policy;
- Magnitude of subcontracting and consideration of subcontractors' and suppliers' societal responsibility;
- Actions taken to prevent corruption;
- Measures taken in favour of consumer health and safety;
- Other actions taken to promote human rights

3

# CORPORATE GOVERNANCE

# REPORT BY THE CHAIRMAN OF THE BOARD OF DIRECTORS

**At the General Meeting of Shareholders of 16 June 2015 on the preparation and organisation of the Board's work and internal control procedures.**

(French Commercial Code, article L. 225-37 and L. 225-68; French Monetary and Financial Code, article L. 621-18-3)

Dear Shareholders,

In addition to the management report prepared by the Board of Directors, I am pleased to present my report on the preparation and organisation of the Board's work and on Crédit Agricole Assurance's internal control and risk management procedures.

It should be noted that this report was prepared on the basis of the work carried out by the Heads of Periodic Controls, Permanent Control, Compliance Control, the Risk Management function, the General Secretariat and the Finance department in particular.

It was finalised on the basis of existing internal documentation and reports on the internal regulatory control system. In addition, regular discussions on internal control and institutional risk took place between the Chairman of the Board of Directors, the Chief Executive Officer, and the heads of the control functions, especially during Board meetings (in particular by means of semi-annual and annual presentations on internal control and risk). Lastly, the draft report was sent to the Audit Committee, which notified the Board of its findings based on work completed within the context of its duty to monitor the effectiveness of the risk management and internal control system.

This report was then presented for approval by the Board of Directors at its meeting of 12 February 2015 and will be published.

## PREPARATION AND ORGANISATION OF THE BOARD'S WORK

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

At the end of 2014, Crédit Agricole Assurances launched an inaugural bond issue on the regulated market in the form of undated subordinated debt. The Company did not adopt a Corporate Governance Code in respect of 2014 as its Board of Directors had not yet ruled on the matter.

On 31 July 2015, the Board of Directors of Crédit Agricole Assurances decided not to adopt a Corporate Governance Code. Crédit Agricole Assurances is wholly owned by Crédit Agricole S.A., a company listed on the CAC40. This means that certain recommendations of the AFEP-MEDEF Code or MIDDLENEXT Code are not adapted to its situation and are therefore not followed by Crédit Agricole Assurances, which nevertheless complies with the general principles of good governance.

The rules applied in addition to legal requirements are described in the Rules of Procedure of the Board of Directors and the Directors' Code of Conduct, the principles of which are described below, on pages 58 and 61 respectively.

### Governance and Board Structure

#### General presentation

##### GENERAL PRESENTATION AND COMPOSITION

Crédit Agricole Assurances is managed by a Board of Directors which has at least three members and at most eighteen members, subject to the exemptions provided by law.

At 31 December 2014, the Board had six members while looking to achieve a gender balance. On the Chairman's recommendation, the Board appointed two non-voting Board Members, one of whom was a woman.

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

The appointment of a director to represent employee shareholders did not apply since no employees hold one or more Crédit Agricole Assurances shares.

The obligation to appoint a director to represent employees did not apply to Crédit Agricole Assurances, since the company does not meet the legal criteria required for this obligation to apply.

All members of the Board of Directors adhere unreservedly to a Directors' Charter (reproduced below) in which they agree to make decisions at all times in the interest of the Company, adhere to their obligation of discretion and confidentiality, ensure that their participation in Board meetings does not cause a conflict of interest either personally or professionally, abstain from deciding and voting on any resolution which would have the effect of authorising any operation whatsoever in which they (or the Company that they represent) have a direct, or indirect, interest, ensure that all important matters relating to the life of the Company are debated and deliberated on by the Board, participate actively in a critical and constructive way in the Board's work and inform themselves of any matter concerning the Company.

##### TERM OF OFFICE OF DIRECTORS AND NON-VOTING BOARD MEMBERS

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

1 2 3 4 5 6 7 8 9

In accordance with the articles of association, renewal of one-third of the directors' terms of office is subject to approval by the Annual General Meeting of Shareholders, while ensuring that those terms to be renewed in any year are not those that were renewed the previous year.

The average age of Crédit Agricole Assurances directors is 56. The company's articles of association provide for an age limit of 65; when a Director exceeds this age, he/she will be deemed to have automatically resigned at the end of the next Ordinary General Meeting of Shareholders.

Non-voting Board Members are appointed by the Board of Directors for a term of three years and may not be reappointed for more than four terms. They may be dismissed by the Board at any time.

Five directors hold one or more international offices or have held such offices over the last five years.

## COMPOSITION OF THE BOARD OF DIRECTORS OF CRÉDIT AGRICOLE ASSURANCES

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

At 31 December 2014, eight people (six Directors and two non-voting Board Members) attended Board meetings.

| Members of the Board | Role on the Board | Offices held | Date of appointment |
|---|---|---|---|
| Raphaël APPERT | Chairman of the Board of Directors | Chief Executive Officer of CRCAM de Centre Est | 30/10/2014 |
| Xavier MUSCA | Director | Deputy Chief Executive Officer – Crédit Agricole S.A. | 07/11/2012 |
| Jérôme BRUNEL | Director | Head of Public Affairs – Crédit Agricole S.A. | 21/07/2009 |
| Bernard DELPIT | Director | Group Finance director – Crédit Agricole S.A. | 05/11/2011 |
| Bernard PACORY | Director | Chairman of CRCAM Nord de France | 17/06/2014 |
| Jean-Pierre VAUZANGES | Director | Chief Executive Officer of CRCAM Ille-et-Vilaine | 30/10/2014 |
| Bruno de LAAGE de MEUX | Non-voting Board Member | Deputy Chief Executive Officer – Crédit Agricole S.A. | 17/02/2011 |
| Elisabeth EYCHENNE | Non-voting Board Member | Chief Executive Officer of CRCAM de Franche-Comté | 05/11/2013 |

In 2014, the Board of Directors underwent a number of changes.

- **Board of Directors' meeting of 13/02/2014:**
  - reappointment of Bruno de LAAGE de MEUX, as a non-voting Board Member on the recommendation of the Board of Directors.
- **General Meeting of Shareholders of 17/06/2014:**
  - ratification of the co-option, decided by the Board of Directors on 30/04/2013, of Pierre DERAJINSKI as director, to replace Guy CHATEAU (retirement);
  - ratification of the co-option, decided by the Board of Directors on 05/11/2013, of Raphaël APPERT as director, to replace Gérard OUVRIER-BUFFET;
  - resignation of François IMBAULT from his position as director (age limit reached);
  - reappointment of Bernard PACORY as director, to replace François IMBAULT;
  - reappointment of Bernard DELPIT as director;
  - reappointment of Xavier MUSCA as director.
- **Board of Directors' meeting of 30/10/2014:**
  - resignation of Pierre DERAJINSKI as director and Chairman of the Board (retirement);
  - appointment of Raphaël APPERT as Chairman of the Board of Directors;
  - co-option of Jean-Pierre VAUZANGES as director, to replace Pierre DERAJINSKI.
- **General Meeting of Shareholders of 29/12/2014:**
  - ratification of the co-option, decided by the Board of Directors on 30/10/2014, of Jean-Pierre VAUZANGES as director.

All offices held by members of the Board of Directors are detailed in the Crédit Agricole Assurances management report.

Since 31 December 2014, Bruno de LAAGE de MEUX, non-voting Board Member, has resigned, effective 3 February 2015. As of 20 July 2015, no replacement had been appointed.

## SEPARATION OF THE OFFICES OF CHAIRMAN OF THE BOARD OF DIRECTORS AND CHIEF EXECUTIVE OFFICER

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

## Role and operation of the Board

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

Attendance of Directors at meetings of the Board of Directors is compensated by the payment of Directors' fees. Each year, its overall budget is set by the General Meeting of Shareholders and its distribution is decided by the Board of Directors. If a Director is repeatedly absent, such as to disrupt the smooth functioning of the Board, the Chairman may ask said Director to tender his resignation (see Rules of Procedure).

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

- it sets out overall corporate strategies as well as general company policies;
- it approves, where appropriate, on the recommendation of the Chief Executive Officer, the resources, structures and plans needed to implement the general strategies and policies set out by it;
- it rules on all corporate administration-related issues referred to it by the Chairman and the Chief Executive Officer;
- it takes decisions on all company operations falling solely within its remit;
- it conducts any inspections or audits that it deems necessary.

On the recommendation of the Chairman, the Board of Directors appointed two non-voting Board Members who attend Board meetings in an advisory capacity. In particular, they ensure compliance with the articles of association and provide the Board with their insights and observations.

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

In particular, the Rules of Procedure govern how the Board's work is organised in Board meetings and in meetings held by its specific Committees (including the Audit and Accounts Committee).

The directors' code of conduct annexed to the Rules of Procedure constitutes a formal reminder of the legislation, regulations and provisions of the articles of association which relate to the prerogatives and responsibilities associated with holding the office of director (attendance, duty of discretion, protection of company interests, avoidance of conflicts of interest, right of information, etc.). The option of consulting a Crédit Agricole S.A. Group Ethics Officer is explicitly mentioned in the directors' code of conduct.

The Rules of Procedure were amended by the Board on 18 February 2010 so that meetings of the Audit and Accounts Committees could be held by means of video conference or other means of telecommunication.

The Rules of Procedure were amended by the Board on 21 April 2011, further to the introduction by Crédit Agricole S.A. of a note of procedure (NP 2010-16), relating to the procedure for reviewing and monitoring investment and divestment projects within Crédit Agricole S.A. Group, which lays down that any investment or divestment project for an amount in excess of €25 million shall be reviewed and validated by Crédit Agricole S.A. central functions.

The Rules of Procedure were amended by the Board of Directors on 5 November 2013, further to the decision to transfer the duties of Crédit Agricole Assurances Compensation Committee to the Crédit Agricole S.A. Compensation Committee.

Article 4 of the Rules of Procedure entitled "Powers of the Chief Executive Officer" was amended by the Board of Directors on 19 December 2013, in accordance with the decision taken by Crédit Agricole S.A.'s Group Risk Management Committee on 3 December 2013 in relation to the mandatory prior approval of any investment or divestment-related decisions taken by the Chief Executive Officer of Crédit Agricole Assurances.

In accordance with the law and the articles of association the Chairman of the Board of Directors represents the Board. He/she organises and directs its work and reports to the General Meeting of Shareholders on its activities. He/she is responsible for the proper operation of the company's entities, and, in particular, ensures that directors are able to fulfil their duties.

As indicated in the Rules of Procedure, reproduced below, the Chairman of the Board of Directors ensures that the directors receive necessary and sufficient information in advance of the meeting to be able to debate the issues in an informed manner. Directors may request documents or information on the Company from the Executive management after notifying the Chairman.

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

### REVIEW OF THE BOARD OF DIRECTORS' WORK DURING 2014

The Board of Directors met six times in 2014, on 13 February, 30 April, 30 July, 16 September, 30 October and 12 December 2014. There was an 80% rate of attendance over the year.

After being reviewed by the Audit and Accounts Committee, the following items were presented to the Board of Directors:

- the annual and half-year financial statements:
  - contributions made by Insurance business to Crédit Agricole S.A. Group's income statement at 31 December 2013, 31 March 2014, 30 June 2014 and 30 September 2014,
  - approval of the 2013 parent company and consolidated financial statements and approval of the consolidated financial statements at 30 June 2014;
- regulatory balance:
  - any change in the company's equity (as well as in the main prudential requirements governing its business activity),
  - the issuance of subordinated bonds,
  - Crédit Agricole Assurances Group MCEV;
- Crédit Agricole Assurances Group's risk strategy and Crédit Agricole Assurances Group's risk limitation system;
- internal control:
  - update on tasks,
  - update on periodic controls,
  - audit plan preparation and progress;

1 2 3 4 5 6 7 8 9

- Audit and Accounts Committee reports;
- approval of regulatory reports.

Other issues reviewed by the Board included:

- business activity of subsidiaries both in France and abroad;
- budget;
  - budget proposal,
  - budget creation;
- financial and investment policy;
- overall Insurance strategy and holding company guidelines:
  - Crédit Agricole Assurances Group's plan to expand into group insurance products,
  - changes to La Médicale de France,
  - organisational changes at UAF Patrimoine/LifeSide Patrimoine;
- update on international operations;
- market research;
- gender equality policy;
- directors' fees.

### "Related-party" agreements

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

Agreements are said to be "related-party" agreements when they are subject to prior authorisation from the Board of Directors.

No related-party agreements were submitted for authorisation by the Board of Directors in 2014.

## Organisation and operation of Committees

On 21 July 2009, the Board of Directors of Crédit Agricole Assurances decided to create an Audit and Accounts Committee.

### Audit and Accounts Committee

The Audit and Accounts Committee shall comprise at least three members, meet a minimum of twice a year on the initiative of its Chairman or at the request of the Chairman of the Board of Directors or the Chief Executive Officer and shall report back to the Board of Directors on its work.

Members of the Board of Directors called upon to sit on the Audit and Accounts Committee are:

- Jean-Pierre VAUZANGES, Chairman of the Committee from 30/10/2014, director, Chief Executive Officer of Caisse Régionale de Crédit Agricole, replacing Raphaël APPERT appointed Chairman of the Board of Directors;
- Jérôme BRUNEL, director, Head of Public Affairs – Crédit Agricole S.A.;
- Bernard DELPIT, director, Group Finance director – Crédit Agricole S.A.;

and additionally, Elisabeth EYCHENNE, non-voting Board Member, Chief Executive Officer of Caisse Régionale de Crédit Agricole, all with expertise in the fields of finance and accounting.

The Secretary General, the Heads of the Finance, Permanent Control and Periodic Control functions as well as the statutory auditors of Crédit Agricole Assurances are regularly invited to attend Committee meetings to report on their work in the fields listed above.

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

The main duties of the Audit and Accounts Committee are:

- to ensure the effectiveness and permanence of the accounting methods adopted for the preparation of the consolidated or parent company financial statements as well as the appropriate accounting treatment of Crédit Agricole Assurances Group material transactions;
- to monitor the process of compiling financial information;
- to ensure compliance with internal control rules set by Crédit Agricole S.A.;
- to check that internal procedures exist for the collection and control of data, thus guaranteeing its reliability;
- to review Crédit Agricole Assurances Group entities' internal audit plan;
- to review the statutory auditors' action plan and monitor the compliance of said statutory auditors with the principle of independence;
- to advise on the reappointment or appointment of statutory auditors;
- to review any issues of a financial or accounting nature which are referred to it by the Chairman of the Board of Directors or the Chief Executive Officer, as well as any conflicts of interest of which it is aware.

The Audit and Accounts Committee met four times in 2014:

- 12 February 2014;
- 30 April 2014;
- 29 July 2014;
- 31 October 2014.

The Committee's attendance rate averaged 75%.

The Committee's work focused, in particular, on reviewing the annual and half-year financial statements prior to their presentation to the Board. The main accounting options with a material impact on the financial statements have been described. The consolidated results, together with the contribution from the main Crédit Agricole Assurances Group subsidiaries, were reviewed in relation to Crédit Agricole Assurances Group and its contribution to Crédit Agricole S.A. Group. The regulatory position as well as the lines of financial communication were presented.

The statutory auditors commented on a document detailing their auditing of approvals of semi-annual and annual financial statements.

The second area of the Committee's work involved internal audit, internal control and dealings with the regulatory authorities and Compliance.

On this basis, the Committee reviewed the 2014 audit plan, the progress of auditing assignments and oversight of recommendations made by the Crédit Agricole Group Control and Audit function and by the Crédit Agricole Assurances Internal Audit function. Crédit Agricole Assurances also follows the recommendations of National Supervisory Authorities.

The Chairman of the Audit and Accounts Committee reported to the Board on the work accomplished by the Committee. During each meeting, he also reported to the Board on the work accomplished in between Committee Meetings.

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

### Compensation Committee

The Board of Directors decided on 5 November 2013, on the recommendation of Crédit Agricole S.A., to transfer the duties of the Compensation Committee of the Crédit Agricole Assurances Board of Directors to the Crédit Agricole S.A. Compensation Committee.

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

Under the articles of association, the Chief Executive Officer has the fullest powers to act in the name of the company in all circumstances and to represent it with respect to third parties.

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

- acquisition or subscription of securities for the purpose of long-term investment and disposals of such securities;
- asset transfers or mergers or partnerships resulting in changes to the legal scope of the business;
- moves to bring in new shareholders of Crédit Agricole Assurances consolidated entities;
- transfers (and disposals) of assets or goodwill;
- any operations that may result in the deferred implementation of the transactions described above.

These do not include operations covered by the day-to-day management of assets backing insurance technical reserves.

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

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

In addition, on 19 December 2013, the Board of Directors decided to impose a new restriction on the powers of the Chief Executive Officer of Crédit Agricole Assurances in relation to investments or divestments in accordance with the decision taken by Crédit Agricole S.A.'s Group Risk Management Committee (See § on the Role and Operation of the Board – Amendment of the Rules of Procedure – article 4).

## Compensation policy for members of the Board of Directors

### Compensation of directors

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

The amount of Director's fees received by Crédit Agricole Assurances Directors in 2014 is detailed in the section "Corporate Governance – Additional information on corporate officers at 31 December 2014" .

### Stock options – bonus shares

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

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

## Compensation policy for Executive Corporate Officers

The office of Chief Executive Officer is performed free of charge for Crédit Agricole Assurances. In fact, it is paid for by Crédit Agricole S.A. in accordance with internal Crédit Agricole S.A. Group provisions

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

## Rules of Procedure of the Board of Directors

- Adopted by the Board on 21/07/2009.
- Article 3 "Duties and Operation of the Audit Committee" amended by the Board on 18/02/2010.
- Article 4 "Power of the Chief Executive Officer" amended by the Board on 21/04/2011.
- Article 3.1 "Compensation Committee" amended by the Board on 05/11/2013.
- Article 4 "Power of the Chief Executive Officer" amended by the Board on 19/12/2013.

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

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

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

## Article 1 – Meetings of the Board of Directors

### MEETINGS OF THE BOARD OF DIRECTORS

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

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

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

### VIDEO CONFERENCING – TELECOMMUNICATIONS

**A)** Directors who are unable to attend a Board meeting in person may inform the Chairman of their intention to take part in said meeting by means of video conferencing or other means of telecommunication enabling said directors to be identified and discussions to be re-broadcast without being edited.

Directors taking part in Board meetings by means of video conferencing or other means of telecommunication shall be deemed to have attended said meetings. The number of directors taking part by means of video conferencing or other means of telecommunication may not, however, exceed more than half the members in attendance.

**B)** Assuming that the number of directors wishing to take part by means of video conferencing or other means of telecommunication is likely to be above the aforementioned limit, only those directors who were first to inform the Chairman of their intention will be deemed to have attended the meeting. The others may participate in discussions but cannot take part in decision-making and do not have the right to vote. They may, however, orally confer the right of representation upon a member of their choice who is physically present at the meeting. There is a limit of one proxy per attending director.

The attendance sheet and the minutes shall list the names of those directors attending the meeting by video conferencing or by other means of telecommunication, stating whether or not they were deemed to have been in attendance.

**C)** In accordance with legal requirements, attendance by video conferencing or other means of telecommunication cannot be accepted for the following decisions:

- appointment or dismissal of the Chairman and setting his/her compensation;
- setting the compensation of, and dismissing, the Chief Executive Officer;
- appointing, dismissing and setting the compensation of Deputy Chief Executive Officers;
- approving annual financial statements and preparing the management report;
- approving consolidated financial statements and preparing the Crédit Agricole Assurances Group management report.

Attendance by video conferencing or by other means of telecommunication can no longer be accepted for the decision to appoint the Chief Executive Officer.

It may also be refused by the Chairman for technical reasons.

## Article 2 – Organisation of the Board's work

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

- it sets out overall corporate strategies as well as general company policies;
- it approves, where appropriate, on the recommendation of the Chief Executive Officer, the resources, structures and plans needed to implement the general strategies and policies set out by it;
- it rules on all corporate administration-related issues referred to it by the Chairman and the Chief Executive Officer;
- it takes decisions on all company operations falling solely within its remit;
- it conducts any inspections or audits that it deems necessary.

The Board of Directors shall consult Crédit Agricole S.A. prior to taking the decision to appoint its Chairman, Chief Executive Officer or one, or more, Deputy Chief Executive Officers.

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

He/she convenes the Board of Directors, sets the agenda for meetings and ensures that directors receive necessary and sufficient information, in advance, so that decisions can be taken in full knowledge of the facts.

The Chairman alone is authorised to ask the Executive Management for documents and information about the company outside of Board meetings.

Directors also have this option subject to prior notification of the Chairman.

## Article 3 – Duties and operation of the Committees

### COMPENSATION COMMITTEE

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

### AUDIT AND ACCOUNTS COMMITTEE

An Audit and Accounts Committee was set up, comprising at least three members appointed by the Board of Directors from amongst those of its members not performing a management role within the company.

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

Meetings are attended by an authorised person charged with reporting on issues relating to finance, risk control, audit work or company accounts.

A quorum exists if two of its members are in attendance.

Members who are unable to attend a Committee meeting in person may inform the Chairman of their intention to take part in said meeting by means of video conferencing or other means of telecommunication which enable said members to be identified and discussions to be re-broadcast without being edited.

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

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

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

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

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

The agenda is set by the Chairman of the Committee.

The Committee reports back on its work at the next Board meeting and informs the Board, without delay, of any difficulties encountered.

The Committee's role is to:

- monitor the process of compiling financial information;
- monitor the effectiveness of the internal control and risk management systems:
  - ensure the appropriate accounting treatment of Crédit Agricole Assurances Group material transactions as well as major risks such as overall consistency and compliance with Crédit Agricole S.A.'s internal audit rules,
  - check that internal procedures exist for the collection and control of data, thus guaranteeing its reliability; review the Crédit Agricole Assurances Group internal audit plan; familiarise itself with Crédit Agricole Assurances Group internal audit programmes;
- ensure the effectiveness and permanence of the accounting methods adopted for the preparation of the consolidated or parent company financial statements;
- monitor the statutory audit of parent company and consolidated financial statements by the Statutory Auditors;
- review the statutory auditors' action plan and monitor the compliance of said statutory auditors with the principle of independence;
- advise on the reappointment or appointment of statutory auditors;
- review any issues of a financial or accounting nature which are referred to it by the Chairman of the Board of Directors or the Chief Executive Officer;
- review any conflicts of interest of which it is aware.

## Article 4 – Powers of the Chief Executive Officer

"The Chief Executive Officer has the fullest powers to act in the name of the company in all circumstances and to represent it with respect to third parties.

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

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

These do not include operations covered by the day-to-day management of assets backing insurance technical reserves.

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

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

Apart from the above, acting on the authority of Crédit Agricole Assurances Group entities, the Chief Executive Officer of Crédit Agricole Assurances implements their investment policy and may, therefore, envisage investments or divestments that concern not only Crédit Agricole Assurances but also several Crédit Agricole Assurances Group entities. This mechanism does not include operations falling within the remit of management duties entrusted by the entities to asset management companies.

Within this context, in accordance with the Board of Directors' decision of 19 December 2013, as soon as Predica is involved in the operation or the overall exposure of the counterparty (existing outstandings plus planned investments) exceeds one of the delegation thresholds (see below), the following prior agreements and consultations are required:

**Nature of the assets 1: Open-ended Mutual Funds and bonds held directly:**

- prior approval from the Chairman and Deputy Chairman of Predica:
  - if it exceeds €150 million;
- prior consultation with the Crédit Agricole S.A. Group Risk Management department:
  - if it exceeds €300 million,
  - from €150 million if managed by the conglomerate, Crédit Agricole Group.

**Nature of the assets 2: Listed shares held directly:**

- prior approval from the Chairman and Deputy Chairman of Predica:
  - if it exceeds €120 million;
- prior consultation with the Crédit Agricole S.A. Group Risk Management department:
  - if it exceeds €300 million,
  - from €120 million if managed by the conglomerate, Crédit Agricole Group.

**Nature of the assets 3: Real estate assets (direct or *via* real estate companies)**

- prior approval from the Chairman and Deputy Chairman of Predica:
  - if it exceeds €120 million;
- prior consultation with the Crédit Agricole S.A. Group Risk Management department:
  - if it exceeds €300 million,
  - from €120 million if managed by the conglomerate, Crédit Agricole Group.

**Nature of the assets 4: Unlisted shares (directly or *via* Mutual Funds)**

- prior approval from the Chairman and Deputy Chairman of Predica:
  - if it exceeds €60 million;
- prior consultation with the Crédit Agricole S.A. Group Risk Management department:
  - if it exceeds €300 million,
  - from €60 million if managed by the conglomerate, Crédit Agricole Group.

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

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

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

## Annex – Directors' code of conduct

*All company directors shall comply unreservedly with the provisions of this code of conduct, annexed to the Board of Directors' Rules of Procedure, of which it forms an integral part.*

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

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

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

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

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

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

In this respect:

- you shall ensure that your attendance at Board meetings is not a source of any conflict of interest either on a personal level or as a result of your professional responsibilities.

  Should you consider yourself unable to fulfil your role on the Board of Directors and/or any specialised Committees of which you are a member, you shall resign;
- you shall abstain from deciding and voting on any resolution intended for the purpose of authorising any operation whatsoever in which you (or the company that you represent) have a direct, or indirect, interest;
- you have the option of consulting the Crédit Agricole S.A. Group Ethics Officer on any ethical issues, even on an *ad hoc* basis;
- you shall ensure that material issues affecting the life of the company are the subject of Board of Directors' decisions sanctioned by formal votes, in particular:
  - appointing of members of the executive body,
  - strategic guidelines resulting in product and market policy choices,
  - presenting the budget,
  - estimating results,
  - presenting the management report,
  - approving the financial statements and allocating profits,
  - presenting resolutions for submission to the General Meeting of Shareholders,
  - reports from any specialised Committees created,
  - material acquisitions or disposals of assets, etc.

  Should you consider it to be necessary for a topic to be debated by the Board of Directors, you are responsible for asking the Chairman of the Board to list said topic on the agenda;
- you shall commit to making an active, critical and constructive contribution to the work of the Board of Directors and of any Committees of which you are a member. Attendance at Board and Committee meetings is the primary condition of this involvement.

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

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

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

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

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

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

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

Holders of shares registered as provided for by law for at least three working days prior to the date of the General Meeting may attend or be represented at the Meeting with no prior formality, by providing proof of their identity. This period may be shortened by decision of the Board of Directors.

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

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

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

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

## Company capital structure

On 31 December 2014, Crédit Agricole Assurances S.A.'s share capital was made up of 144,875,470 ordinary shares, each with a par value of €10.

| | Number of shares | % |
|---|---|---|
| Crédit Agricole S.A. | 144,875,464 | 99.99 |
| Other | 6 | N.M. |
| **TOTAL** | **144,875,470** | **100.00** |

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

On 31 December 2014, there was no Crédit Agricole Assurances S.A. employee share ownership.

# INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES

The internal control system, within Crédit Agricole Group, is defined as the framework designed to manage and control all types of operations and risks and to ensure that all transactions are carried out in a manner that is proper (in compliance with regulations), secure and effective, in accordance with the references listed in item 1 below.

This system and the internal control procedures are, however, inherently limited by technical or human error.

The system is, therefore, characterised by its assigned objectives:

- application of instructions and guidelines determined by Executive Management;
- financial performance through the effective and adequate use of Crédit Agricole Assurances Group's assets and resources, and protection against the risk of loss;
- comprehensive, accurate and ongoing knowledge of the data required to make decisions and manage risks;
- compliance with laws and regulations, professional and ethical codes of conduct and internal standards;
- prevention and detection of fraud and error;
- accuracy and completeness of accounting records and timely production of reliable accounting and financial information.

The systems that have been implemented in this standardised framework already provide the Board, the Executive Management and management, in particular, with a number of resources, tools and reports, allowing for the quality of the internal control systems and their adequacy (permanent and periodic controls, reports on risk monitoring and measurements, corrective action plans, etc.) to be assessed.

Crédit Agricole Assurances Group's three control functions – Permanent Control and Risk Management, Compliance Control and Periodic Controls (internal audit) – totalled 88 FTE at 31/12/2014, including 65 in Permanent Control and Risk Management and Compliance Control functions and 23 in Periodic Controls functions.

Please note that the system implemented by Crédit Agricole Assurances is part of the framework of standards and principles set forth below and adapted and deployed across the various business lines and risks in order to best observe insurance-related and, as the subsidiary of a credit institution, banking-related regulatory requirements.

In addition, Crédit Agricole Assurances continued to adapt its organisation and procedures, as necessary, so as to be in a position to satisfy the new regulatory requirements of the Solvency 2 Directive (effective from 1 January 2016) and implement its three pillars.

## Internal control reference documents

Standards for internal control are in keeping with:

- the provisions of the French Monetary and Financial Code (article L. 511-41);
- CRBF regulation no. 97–02 as amended, relating to internal control in credit institutions and investment companies which was replaced by the Order of 03/11/2014 regarding the internal control of banking sector companies, payment services and investment services subject to French Regulatory and Resolution Supervisory Authority (ACPR) control;
- the AMF general regulations and Basel Committee recommendations on internal control, risk management and solvency.

Furthermore, Crédit Agricole Assurances and its subsidiaries are subject to regulations applicable to insurance companies (Insurance Code in France and its equivalent in other countries where subsidiaries of Crédit Agricole Assurances are established).

These national and international external standards are supplemented by internal standards specific to Crédit Agricole, as well as by procedures and standards specific to Crédit Agricole Assurances and its subsidiaries.

Within this context, Crédit Agricole S.A. issued procedures regarding the organisation of internal control and a body of rules and procedures relating, in particular, to accounting (Crédit Agricole chart of accounts), financial management, risk management and permanent controls. It also adopted, in 2004, a set of procedures to control its compliance with laws and regulations (in particular, in relation to financial security), which have been rolled out by Crédit Agricole Assurances Group entities. This procedural system is regularly updated to take into account regulatory developments and changes in the internal control scope.

An Operating Charter was signed by the main French subsidiaries and by the Crédit Agricole Assurances S.A. holding company with the Risk Management and Permanent Controls function for application to international subsidiaries.

This Charter sets out:

- the scope covered by the Risk Management and Permanent Controls function;
- the organisation of the Risk Management and Permanent Controls function; how responsibilities are divided between the central body (DRG) and operating entities' Risk Management and Permanent Controls Officers (RCPRs);
- exchanges of information within the Risk Management and Permanent Control function between the central DRG and the entities' RCPRs;
- the role of the Risk Management and Permanent Controls function (aims, general organisation, risk management).

## Organisational principles of the internal control system

### Fundamental principles

The organisational principles and components of Crédit Agricole Assurance's internal control system, which are common to all Crédit Agricole Group entities, cover obligations relating to:

- reporting to the decision-making body (risk strategies, risk limits and use of such limits, internal control activity and results);
- the direct involvement of the executive body in the organisation and operation of the internal control system;
- the comprehensive coverage of all business operations and risks, and accountability of all persons involved;
- the clear definition of tasks, effective segregation of the commitment and control functions, formal and up-to-date authorised limits;
- formal, up-to-date standards and procedures, especially in the area of accounting.

These principles are supplemented by:

- systems for measurement, monitoring and control of risk: financial risks (assets/liabilities, counterparty risk, liquidity risk, etc.) insurance business-related techniques, operational risks (transaction processing, IT processing), accounting risks (including the quality of financial and accounting information), non-compliance and legal risks;
- a control system, forming part of a dynamic and corrective process, encompassing permanent controls, which are carried out by the operating units themselves or by dedicated staff, and periodic controls (carried out by the Crédit Agricole Assurances Internal Audit department and the Crédit Agricole S.A. Group Control function).

In addition, across the various business lines, Crédit Agricole Assurances' objectives and strategy are taken into consideration when changes are made to internal control systems *via* Internal Control Committees and NAP (new business and new products) Committees.

### Oversight

#### THE RESPECTIVE HEADS OF THE THREE CONTROL FUNCTIONS

Three separate control functions ensure the consistency and effectiveness of the internal control system and compliance with the principles listed above across the entire Crédit Agricole Assurances scope of internal control.

The Risk Management and Permanent Controls Officer (RCPR) of Crédit Agricole Assurances Group reports to the Crédit Agricole S.A. Group Risk department. The RCPRs in the French and foreign subsidiaries report to the Crédit Agricole Assurances Risk Management and Permanent Controls department.

Compliance Control falls within the scope of the enhanced compliance programme described above. The holding company's Compliance Officer oversees entities' compliance on an international level as well as that of Spirica and LifeSide Patrimoine since mid-October 2011, and La Médicale since mid-2014. The holding company's Compliance Officer as well as the Compliance Officers of other French subsidiaries report, on a functional level, to the Crédit Agricole S.A. Compliance department.

The holding company's Compliance and Permanent Controls and Risk Management functions are exercised within the Group Risk Management and Permanent Controls department. Their coordination is, therefore, assured with compliance risk control incorporated into the overall Permanent Control system (mapping, local and consolidated control plan, action plans).

Periodic control (internal audit) operates as a third level of control across the entire Crédit Agricole Assurances Group. An internal audit charter governs its operation. The Crédit Agricole Assurances Audit director reports to the Crédit Agricole S.A. Group Control and Audit function.

Lastly, the Actuarial function, required by Solvency 2, is in the process of being rolled out within Crédit Agricole Assurances Group and across its component entities.

### CONSOLIDATED INTERNAL CONTROL

In accordance with Crédit Agricole Group principles, the Crédit Agricole Assurances internal control system has a broad scope of application to cover supervision and control of activities and to measure and monitor risks on a consolidated basis.

Each Crédit Agricole Group entity applies this principle to its own subsidiaries such that the internal control system is rolled out using a pyramid structure, thereby ensuring a consistent internal control system throughout the different Crédit Agricole Group entities.

In this way, Crédit Agricole Assurances ensures that there is a satisfactory system operating within each subsidiary carrying risk, as well as identification and consolidated monitoring of activities, risks and the quality of controls within these subsidiaries, particularly with regard to accounting and financial information.

### GROUP INTERNAL CONTROL COMMITTEE

The Crédit Agricole Assurances Group Internal Control Committee meets every six months. It is chaired by the Chief Executive Officer of Crédit Agricole Assurances and its members comprise the Chief Executive Officers of Predica, Pacifica, CACI, Caagis, the Head of International Business, the Head of Crédit Agricole S.A. Group Control and Audit or his/her representative, the Crédit Agricole Assurances Internal Audit director, the Crédit Agricole Assurances Group Risk Management and Permanent Controls director, the Risk Management and Permanent Controls Officers at Crédit Agricole Assurances and at its main subsidiaries as well as their Crédit Agricole Group supervisor, Crédit Agricole S.A. Compliance Control Officers and Compliance Director or his/her representative. It was expanded to include the Head of the Actuarial function in December 2014.

The purpose of this Committee is to reinforce cross-functional actions to be implemented within Crédit Agricole Assurances. It is responsible for reviewing common internal control issues and for ensuring the consistency and effectiveness of internal controls and, in particular:

- comparing the internal control system and the control system implemented;
- reviewing the main risks to which Crédit Agricole Assurances Group entities are exposed, whatever their nature, and changes made to systems for measuring risks and results;
- taking any decisions needed to resolve weaknesses in internal control;
- monitoring the fulfilment of commitments made as a result of internal and external audits;
- deciding on corrective measures to be taken as a result of shortcomings identified by audits as well as by business and internal control reports held by the Heads of the Control functions or by Crédit Agricole Assurances management.

The Internal Audit director acts as the secretary of the Internal Control Committee and prepares the agenda in conjunction with the other participants, drafts the minutes and ensures that the decisions taken by the Committee are implemented.

### ROLE OF THE BOARD OF DIRECTORS

The Board of Directors is informed of the organisation, operation and results of the internal control system. It is involved in understanding the main risks to which the company is exposed. On this basis, it is regularly informed of the overall limits set as acceptable levels of such risks. It is also notified of levels of use of such limits.

Reports on the efficacy of internal control and risk management systems are submitted on a regular basis to Crédit Agricole Assurances governance bodies which are also informed of the main incidents identified.

In addition to the information that it receives on a regular basis, the Board is informed by the Audit and Accounts Committee of the main risks incurred by the company and of significant incidents picked up by internal control and risk management systems.

The Board of Directors approves the holding company's overall organisational structure and its internal control systems. It also approves the organisational structure of Crédit Agricole Assurances Group as well as that of its internal control system.

In addition, it is informed, at least twice a year, by the executive body and the heads of the three control functions, of internal control activities and results, either directly or *via* feedback given to the Audit and Accounts Committee.

The Chairman of the Audit and Accounts Committee reports to the Board on the Committee's work in general and, more particularly, on the Annual Report on internal controls and on risk measurement and monitoring. This is sent to the Board on a regular basis, in accordance with banking regulations and with Crédit Agricole Group principles.

The 2013 annual internal control report was presented to the Audit and Accounts Committed and then to the Board of Directors on 30 April 2014.

The 2014 annual internal control report was presented to the Audit and Accounts Committed and then to the Board of Directors on 30 April 2015.

#### ROLE OF THE AUDIT AND ACCOUNTS COMMITTEE

This Committee is in charge of verifying the clarity of information provided and of assessing the appropriateness of accounting methods used to prepare the consolidated and parent company financial statements as well as the effectiveness of the risk management and internal control system.

As such, it has broad communications powers in respect of all information relating to periodic control, permanent control, including accounting and financial control, and compliance control.

It receives periodic reports on activity management systems and risk measurement.

Committee meetings also include an update on internal audit activities, thereby enabling audits to be monitored as well as the implementation of recommendations made by national supervisory authorities, by the Crédit Agricole S.A. Group Control and Audit function and by the Crédit Agricole Assurances Internal Audit function.

#### ROLE OF THE EXECUTIVE BODY: EXECUTIVE MANAGEMENT

The Chief Executive Officer is directly involved in the organisation and operation of the internal control system. He/she ensures that risk strategies and limits are compatible with the financial position (capital base, earnings) and strategic guidelines set by the decision-making body.

The Chief Executive Officer defines Crédit Agricole Assurances Group general organisation and oversees its implementation by competent staff. In particular, he/she defines roles and responsibilities and allocates adequate resources to the internal control function.

He/she oversees the implementation of risk identification and measurement systems that are appropriate for Crédit Agricole Assurances activities and organisation. He also ensures that all essential information produced by these systems is reported to him on a regular basis.

He ensures that the internal control system's adequacy and effectiveness are permanently monitored. He/she receives information on any failures identified by the internal control system and on proposed corrective measures, particularly within the context of the Internal Control Committee.

## Summary description of the internal control and risk management system

### Risk measurement and supervision

The Insurance business Risk Management and Permanent Controls system is overseen by the Crédit Agricole Assurances Group Risk Management and Permanent Controls Officer (RCPR) reporting hierarchically to the central body of the Crédit Agricole S.A. Group Risk Management and Permanent Controls department (DRG) and functionally to the Chief Executive Officer of Crédit Agricole Assurances. The Crédit Agricole Assurances Group Risk Management and Permanent Controls Officer is responsible, amongst other things, for risk consolidation, ensuring consistency and standardisation within the Crédit Agricole Assurances Group. He/she is assisted by the Risk Management and Permanent Controls Officers at the different entities (including the Crédit Agricole Assurances holding company, corporate entity), who report to him/her on a hierarchical basis and have a fully operational role to play within the respective entities. In accordance with the principle of subsidiarity, both French and international subsidiaries have the necessary means to manage the risks inherent in their specific business activities. Each subsidiary has risk measurement, monitoring and control systems covering all risks (market risks, including liquidity risk, counterparty, insurance and reinsurance technical risks, operational risks, compliance and legal risks) depending on its business activities and its organisation, and incorporates them into its internal control system.

A description of Crédit Agricole Assurances Group's risk exposure is presented in the chapter on risk factors in the management report. Life insurance entities are, more specifically, exposed to market risks of an asset/liability nature due to their savings and retirement activities. Non-life insurance entities are mainly exposed to insurance and reinsurance technical risks.

The organisation and operation of the Insurance Risk Group function is based on a matrix approach which recognises the existence of areas of major risk in certain entities. Financial risks are overseen by a Crédit Agricole Assurances Group Financial Risks advisor, who operates across all entities on behalf of Crédit Agricole Assurances Group to assess financial risk (in an advisory capacity) and define a risk framework (proposal of a Financial Risk Strategy and associated risk policies). Other major risks are also managed using a Crédit Agricole Assurances Group approach, which is based on joint expertise and the sharing of best practices.

The main risk factors mentioned above are managed and monitored both on a consolidated basis, at Crédit Agricole Assurances Group level, and at entity level. An aggregate limits system is formalised in the Insurance Risk Strategy which is reviewed at least annually and submitted for the approval of the Crédit Agricole Assurances Group Risk Management Committee (a sub-committee of Crédit Agricole S.A.'s Executive Committee, chaired by its Chief Executive Officer). This limits system includes, particularly for market risk, Crédit Agricole Assurances Group consolidated limits, set in reference to assets under management (Crédit Agricole Assurances Group total portfolio), on allocations in terms of asset class and risk spreading (by class of rating, by counterparty, by sector, etc.). It is supplemented by overall alert limits and thresholds to manage Predica asset/liability risks. In addition, the technical risks to which the main life insurance (Predica) and non-life insurance entities (Pacifica, CACI) are exposed, are monitored by means of indicators measuring the ratio between claims and premiums, compared against an alert threshold defined by each of the companies. To control counterparty risk in reinsurance programmes, the quality of the reinsurer is subject to a minimum rating criterion.

For their part, individual entities roll out these overall limits as part of a coordinated Crédit Agricole Assurances process. They also have a strict framework of formal risk management policies and procedures: rules for accepting risk when insurance policies are taken out, hedging of technical risks by reinsurance (action thresholds), claims management, decisions based on formal analyses, authorisations, "four-eyes" principle (second reading, two signatures) where justified by amounts or risk levels, rules governing management mandates granted to asset managers etc.

Each entity's risk measurement system is comprehensive. It covers all categories of commitments (on- and off-balance sheet) and positions, and consolidates commitments to companies belonging to the same group, by aggregating all portfolios and identifying risk levels.

These measurements are supplemented by regular assessments based on stress scenarios. Measurement methodologies are documented and justified. They are subject to periodic review so as to check their relevance and adaptation to the risks incurred. It should be noted that a Crédit Agricole Assurances Group Methodology Committee, steered by the Group Risk function was set up at the end of June 2014. The role of the Methodology Committee is to process the methodologies underpinning the models and indicators used to address major risks for the Crédit Agricole Assurances Group or presenting cross-sector challenges for the Crédit Agricole Assurances Group.

Each entity controls the risks to which it is exposed. This oversight takes the form of permanent monitoring of limits that are exceeded and corresponding adjustments to return risk to normal levels and technical and price monitoring in relation to insurance policies, particularly for new or specialised business. In property & casualty insurance, matching the level of provisioning (corresponding to the commitment to pay out for claims made by policyholders) to the real cost of claims, is measured at regular intervals.

For its part, the Crédit Agricole Assurances holding company provides a comprehensive and consolidated view of Insurance business risk by producing a quarterly review of Crédit Agricole Assurances Group risks. More specifically, for financial risks, a monthly report makes it possible to ensure compliance with Crédit Agricole Assurances Group consolidated aggregate limits and to monitor consumption in relation to such limits. The holding company has also put in place bodies to oversee risks at Crédit Agricole S.A. Group level in a consistent manner: a bi-monthly meeting of the Risk Management Committee, a monthly meeting of the Asset Risks Committee, quarterly portfolio reviews with both the Crédit Agricole S.A. Group Risk Management department and with the Amundi Credit Risk teams, within the context of asset management services outsourced to Amundi.

The entities also have their own Risk scorecard. Any anomalies identified, any non-compliant accounting classifications as well as any instances where limits fail to be met, are reported to the entity's appropriate management levels, to Crédit Agricole Assurances and to the Crédit Agricole S.A. Risk Management and Permanent Controls department, depending on the procedures laid down.

Within this context, significant incidents picked up by the application of internal control procedures are the subject of an alert procedure, for which the trigger thresholds associated with each type of risk identified have been scaled by the entities in proportion to their respective size.

At its meeting of 30 April 2014, the Board of Directors of Crédit Agricole Assurances approved the threshold, in terms of financial impact, over which it is informed of a significant incident at Crédit Agricole Assurances or at one of its subsidiaries.

Lastly, the internal operations and procedures control system also aims to ensure that the corrective measures decided upon are implemented within reasonable deadlines. Checks are also made to ensure that the Crédit Agricole S.A. Group compensation policy, and the associated internal controls, have been rolled out, in application of measures relating to the compensation of executive managers and risk-takers within the Crédit Agricole S.A. Group, as defined in regulation 97-02.

With regard to liquidity risk, and in accordance with regulations, the entities have developed specially adapted approaches, aiming to measure their capacity to handle shock situations impacting both their liabilities (increase in non-life insurance benefits, large-scale redemptions of life insurance policies, etc.) and their assets (market deterioration) and likely to impact their cash position.

## Permanent control system

The Crédit Agricole Assurances permanent control system complies with the principle of subsidiarity defined by the Crédit Agricole S.A. Risk Management department. Each subsidiary has its own permanent control system which is based on a set of core operational and specialised controls carried out by dedicated agents.

Within the entity's departments and services, manuals and procedures describe the processes to be implemented as well as related permanent operational controls. These relate, in particular, to compliance with limits, risk strategy and authorisation regulations, the approval of operations and their correct outcome, etc.

The system has been rolled out successfully Group-wide although it is still in the processes of being finalised at some recent direct subsidiaries and at Crédit Agricole Assurances.

Within the context of the implementation of regulation 97-02 on internal control, resources dedicated to last-line permanent control, independent of the operating units, working on the main categories of risk to which the entity is exposed, are grouped together under the authority of the Risk Management and Permanent Controls Officer. A Compliance Control Officer reports to the Risk Management and Permanent Controls Officer or to the Secretary General.

Where control points have not been built into automatic processing systems (blocks on data entries, checks for consistency, etc.), these are defined with the aid of a risk map, which is updated on a yearly basis.

The results are made into formal checklists and are the subject of summary reports, on the one hand, for oversight of the system, in conjunction with the Operational Managers and, on the other, for the attention of the Executive Management within the context, in particular, of the Risk Management and Permanent Controls or Internal Control Committees. The heads of the control functions also receive the main reports issued by the operating departments. Any anomalies picked up by these different methods are the subject of corrective action plans. The internal control report intended for the Board of Directors of Crédit Agricole Assurances and Crédit Agricole S.A. provides an overview of the permanent control results.

This permanent control system will be adapted in line with:

- recent changes within Crédit Agricole Assurances and its subsidiaries (for example, new processes such as the issue of securities by Crédit Agricole Assurances, the launch of group insurance business and the creation of a non-life subsidiary in Poland, etc.);
- changes to information systems at Crédit Agricole Assurances or at some of its subsidiaries;
- compliance with the Solvency 2 Directive (new regulatory reporting).

Within the context of these changes, particular attention is given to maintaining the quality of operations and an adequate internal control system.

## Non-compliance risk control system

The aim of this system is to protect against risks of non-compliance with laws and regulations and internal standards and, in particular, to prevent money laundering and the financing of terrorism and to improve fraud prevention and protection and customer protection. Specific means of managing and monitoring operations were implemented: staff training, adoption of written internal rules, permanent compliance control, fulfilment of reporting obligations to supervisory authorities, etc.

These systems are subject to additional monitoring by the entity's Compliance Control Officer, coordinated by the Crédit Agricole S.A. Compliance department and the Crédit Agricole Assurances Compliance Officer for international and French subsidiaries directly under his/her supervision.

Measures have also been taken to improve customer protection, in particular, with regard to the processing of unpaid, settled contracts (Life Insurance) and compliance with regulatory deadlines and to improve, in line with the networks, the LCB-FT control systems (systems to protect against money laundering and the financing of terrorism). The focus was also placed, more generally, on distribution controls, with the proposal of a control plan for distributors which incorporates compliance issues.

## Internal control system for information systems security and business continuity plans

This system covers information systems and business continuity plans, for which procedures and controls aim to ensure a satisfactory level of security with regard to major risk scenarios (internal/external fraud, widescale virus attack, physical destruction of a production site, inaccessibility of a vital piece of software and its backup, etc.) approved by the Crédit Agricole S.A. Group Security Committee

Security levels are measured every six months and tests are carried out on a regular basis. Any weaknesses identified are the subject of plans for improvements.

In 2014, a "cyber-check up" was conducted to assess the main areas of vulnerability when dealing with cyber attacks and to determine remedial measures.

IT risk management was improved with the hosting of Caagis IT infrastructures on the shared Chartres platform.

The national crisis management system (in which the entities participate *via* their designated crisis officers) is tested every three months.

An Insurance Group function continuity plan initiative, aiming to prevent "compartmentalising" should one of its entities suffer damage, was introduced with cross-business line tests involving both French insurance subsidiaries, IT entities and the distribution network (Regional Banks and LCL). Emergency tests were conducted by simulating, on the one hand, complete loss of the Alembert site and, on the other, the Diderot site.

In addition, within the context of the introduction of the Crédit Agricole Group User Fallback Site (SRU) in the Ile-de-France region (Eversafe SRU pool), on 1 April 2014, the Crédit Agricole Assurances Group switched to the Saint Denis site, with an initial test carried out on this SPU solution in December.

## Internal control systems for accounting and financial information

### ROLES AND RESPONSIBILITIES FOR THE PREPARATION AND PROCESSING OF FINANCIAL INFORMATION

Most published financial information is based on accounting and management data.

The heads of the Finance and Management Control function at the holding company and at its subsidiaries report, respectively, to their line managers within the entities and functionally to the to the Crédit Agricole S.A. Group Chief Financial Officer.

The Crédit Agricole Assurances Group holding company's role is to lead and coordinate management control and the Finance Group function within insurance companies, its subsidiaries. It bases its IT standards and organisation on Crédit Agricole S.A. Group principles, which it adapts and supplements to meet the specific requirements of the insurance sector.

Each subsidiary has the means to ensure the quality of the accounting and management data forwarded to the holding company for consolidation purposes. Subsidiaries shall comply with the following principles: compliance with standards applicable to the Crédit Agricole S.A. Group, consistency of the consolidated financial statements with parent company financial statements approved by its decision-making body, reconciliation of accounting and management reporting figures.

Within the Crédit Agricole Assurances Group, three functions are the main contributors in terms of preparing accounting and financial information for publication: Accounting, Management Control and Financial Communication.

### ACCOUNTING DATA

Each Crédit Agricole Assurances Group entity has responsibility, vis-à-vis the supervisory authorities to which it reports, for its own financial statements, which are approved by its decision-making body. Crédit Agricole Assurances prepares its consolidated financial statements in accordance with Crédit Agricole Group accounting standards, distributed by the Crédit Agricole S.A. Accounting and Consolidation department.

Crédit Agricole Assurances uses accounting and financial information systems which allow it to process data under satisfactory security conditions.

### MANAGEMENT DATA

When published data is not extracted directly from accounting information, the sources and definition of the calculation methods used are generally mentioned so as to make the data easier to understand.

Management data comes from the Management Control function. It may also come from external sources of information (French

Federation of Insurance Companies), particularly for calculating market shares. The management data used by Crédit Agricole Assurances is subject to accounting controls (particularly for data covered by the application of IFRS 7) to ensure that this information is accurately reconciled with accounting data, as well as compliance with management standards set by the executive body and the reliability of management data calculations.

Management data is prepared using calculation methods and methodologies that ensure the comparability of figures over time.

### DESCRIPTION OF THE PERMANENT ACCOUNTING AND FINANCIAL INFORMATION CONTROL SYSTEM

An accounting control charter, covering the entire scope of the holding company, describes the general organisation of the control system, the roles and responsibilities of those conducting the controls and how results are fed back.

Permanent accounting and financial information control objectives are to ensure adequate coverage of major accounting risks that can alter the quality of accounting and financial information in terms of:

- the compliance of data with legal and regulatory requirements and with Crédit Agricole Group standards;
- the reliability and fair presentation of data, making it possible to give a true and fair view of the financial position of Crédit Agricole Assurances and its consolidated entities;
- the security of data preparation and processing procedures, limiting operational risks, with regard to Crédit Agricole Assurances' commitments in terms of published information;
- the prevention of the risk of fraud and accounting irregularities.

To meet these objectives, Crédit Agricole Assurances rolled out general recommendations for the deployment of permanent accounting control within the area of accounting and financial information control. A map of risks appertaining to accounting processes was, therefore, jointly compiled by the Crédit Agricole Assurances Accounting and Permanent Control functions. The alert procedure currently in force at the holding company also covers accounting risks.

Permanent accounting and financial information control (2nd degree control, 2nd level) is provided by the Risk Management and Permanent Controls Officer reporting to the Crédit Agricole Assurances corporate entity Permanent Control function.

Permanent accounting and financial information control is based on risk assessment and accounting process controls managed by operational services:

- 1st degree accounting controls conducted by Operating departments, Back Offices (or, in some cases, by Key Outsourced Accounting Service Providers);
- 2nd degree, level 1 controls exercised by the Accounting and Finance department.

This assessment must enable the Crédit Agricole Assurances accounting and financial information Permanent Controller to draft a controls plan and implement corrective measures so as to improve, if necessary, the financial information preparation and processing system.

The accounting and financial information Permanent Controller reports to the Chief Executive Officer of Crédit Agricole Assurances on a regular basis on the progress of the financial and accounting information permanent control work and the assessment of said permanent control system implemented within the entity.

### RELATIONS WITH THE STATUTORY AUDITORS

In accordance with current professional standards, the statutory auditors perform those procedures they deem appropriate on published financial and accounting information:

- audit of the parent company and consolidated annual financial statements;
- partial audit of interim consolidated financial statements;
- overall review of financial information and materials published.

As part of their statutory duties, the statutory auditors submit the findings of their work to the Crédit Agricole Assurances Board of Directors and Audit Committee.

## Periodic controls (Control and Audit/Audit)

The periodic controls function is responsible for 3rd degree controls across the entire Crédit Agricole Assurances scope of internal control, including Key Outsourced Service Providers, in accordance with CRBF regulation 97-02, as amended.

Periodic controls are provided by a central team in France, the Insurance Audit department, with the support of two dedicated teams in subsidiaries in Italy and Japan. These controls are independent of the operating units. So as to guarantee its independence, the Crédit Agricole Assurances Internal Audit director reports hierarchically to Crédit Agricole S.A. Control and Audit and functionally to the Chief Executive Officer of Crédit Agricole Assurances. This dual reporting line falls within the operating logic of the Audit-Inspection function of Crédit Agricole S.A. and its subsidiaries.

The annual audit plan was prepared using a risk-based approach. It is part of a five-year plan. It is based on a risk map updated on an annual basis. It was prepared by the Crédit Agricole Assurances Audit department in agreement with the Chief Executive Officer of Crédit Agricole Assurances Group and with the Crédit Agricole S.A. Head of Control and Audit. It is presented during the Internal Control Committee and approved by the Audit Committee.

The Crédit Agricole S.A. Control and Audit function provides a 2nd level audit, within the context of the Crédit Agricole Group risk map (critical issues, parent company's systematic audit coverage over the main Crédit Agricole S.A. Group subsidiaries).

Controls are in proportion to the nature and intensity of the risks to which all the activities and entities within the internal control scope are exposed, both in terms of their frequency and the resources allocated.

They are conducted using formal methodologies, in line with the annual plan. They aim to ensure compliance with external and internal rules, risk management, reliability and completeness of information and risk measurement systems. They focus, in particular, on permanent control and compliance control systems.

Satisfactory progress of the audit plan is monitored by the Crédit Agricole Assurances Group Control and Audit function and by the Chief Executive Officer of Crédit Agricole Assurances. The Internal Audit director also systematically presents a summary of the findings of the published audits to the Internal Control Committee and the Audit Committee.

The audits carried out by the audit department, the Crédit Agricole Assurances Group Control and Audit function and all external audits (conducted by supervisory authorities or outside firms) are monitored through a formal system. For every recommendation formulated as a result of these audits, this process ensures the effective implementation of corrective measures, by deadlines agreed with the entity's management at the end of the audit. If necessary, this process leads the Head of the Audit department to fulfil his duty to alert the decision-making body, as required by article 9-1 of regulation 97-02 amended.

In accordance with the organisational procedures common to Crédit Agricole Group entities and described above, and with existing systems and procedures at Crédit Agricole Assurances, the Board of Directors, the Executive Management and the relevant parts of the company are provided with comprehensive information on internal control and exposure to risks, areas of improvement achieved in this area and the status of any corrective measures adopted, as part of a continuous improvement approach. All this information is notably contained in the Annual Report on internal control and risk measurement and monitoring and regular reporting on operations, risks and control.

The Chairman of the Board of Directors of Crédit Agricole Assurances,

Raphaël APPERT

# STATUTORY AUDITORS' REPORT ON THE CHAIRMAN'S REPORT

*This is a free translation into English of a report issued in French and it is provided solely for the convenience of English-speaking users. This report should be read in conjunction with and is construed in accordance with French law and professional standards applicable in France.*

**Statutory auditors' report prepared in accordance with article L. 225-235 of the French commercial code *(Code de commerce)* on the report prepared by the chairman of the board of directors of Crédit Agricole Assurances.**

To the Shareholders,

In our capacity as statutory auditors of Crédit Agricole Assurances and in accordance with article L. 225-235 of the French commercial code *(Code de commerce)*, we hereby report on the report prepared by the chairman of your company in accordance with article L. 225-37 of the French commercial code *(Code de commerce)* for the year ended December 31, 2014.

It is the chairman's responsibility to prepare and submit for the board of directors' approval a report on the internal control and risk management procedures implemented by the company and to provide the other information required by article L. 225-37 of the French commercial *(Code de commerce)* relating to matters such as corporate governance.

Our role is to:

- report on any matters as to the information contained in the chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information, and
- confirm that the report also includes the other information required by article L. 225-37 of the French commercial code *(Code de commerce)*. It should be noted that our role is not to verify the fairness of this other information.

We conducted our work in accordance with professional standards applicable in France.

## Information on the internal control and risk management procedures relating to the preparation and processing of financial information

The professional standards require that we perform procedures to assess the fairness of the information provided in the chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information. These procedures consist mainly in:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the chairman's report is based and of the existing documentation;
- obtaining an understanding of the work involved in the preparation of this information and of the existing documentation;
- determining if any material weaknesses in the internal control procedures relating to the preparation and processing of the accounting and financial information that we would have noted in the course of our work are properly disclosed in the chairman's report.

On the basis of our work, we have no matters to report on the information relating to the company's internal control and risk management procedures relating to the preparation and processing of the accounting and financial information contained in the report prepared by the board of directors in accordance with article L. 225-37 of the French commercial code *(Code de commerce)*.

## Other information

We confirm that the report prepared by the chairman of the board of directors also contains the other information required by article L. 225-37 of the French commercial code *(Code de commerce)*.

Neuilly-sur-Seine and Paris-La Défense, February 24, 2015

The statutory auditors
*French original signed by*

| **PricewaterhouseCoopers Audit** | | **ERNST & YOUNG et Autres** | |
|---|---|---|---|
| Gérard Courrèges | Catherine Pariset | Valérie Meeus | Pierre Planchon |

1 2 3 4 5 6 7 8 9

# ADDITIONAL INFORMATION ON CORPORATE OFFICERS AT 31 DECEMBER 2014

## COMPOSITION OF THE BOARD OF DIRECTORS

| | |
|---|---|
| **Raphaël APPERT** | Chairman of Crédit Agricole Assurances and Pacifica,<br>Chief Executive Officer of the Caisse régionale Centre-Est |
| **Jérôme BRUNEL** | Head of Public Affairs,<br>member of the Executive Committee of Crédit Agricole S.A. |
| **Bernard DELPIT** | Group Chief Financial Officer, member of the Executive Committee of Crédit Agricole S.A. |
| **Elisabeth EYCHENNE** | Non-voting Board Member<br>Chair of Caagis<br>Chief Executive Officer of the Caisse régionale de Franche-Comté |
| **Bruno de LAAGE**(1) | Non-voting Board Member<br>Deputy Chief Executive Officer of Crédit Agricole S.A.,<br>in charge of Retail banking, Payment systems and flows, Crédit Agricole Consumer Finance and Crédit Agricole Leasing et Factoring |
| **Xavier MUSCA** | Deputy Chief Executive Officer of Crédit Agricole S.A., in charge of Retail Banking, insurance and asset management |
| **Bernard PACORY** | Chairman of the Caisse régionale Nord de France |
| **Jean-Pierre VAUZANGES** | Chairman of Predica,<br>Chief Executive Officer of the Caisse régionale Ille-et-Vilaine |

(1) *Resigned on 3 February 2015. As of 20 July 2015, no replacement had been appointed.*

## DIRECTORS' FEES RECEIVED BY DIRECTORS(1) OF CRÉDIT AGRICOLE ASSURANCES

| | Amounts received by directors(1) | |
|---|---|---|
| *(in €)* | **net in 2013**(2) | **net in 2014**(2) |
| **Raphaël APPERT** | 13,970 | 13,970 |
| **Jérôme BRUNEL**(3) | 0 | 0 |
| **Bernard DELPIT**(3) | 0 | 0 |
| **Pierre DERAJINSKI**(4) | 8,890 | 6,350 |
| **François IMBAULT**(5) | 6,350 | 1,270 |
| **Xavier MUSCA**(3) | 0 | 0 |
| **Bernard PACORY**(6) | - | 5,080(2) |
| **Jean-Pierre VAUZANGES**(7) | - | 2,540 |

(1) *Non-voting Board Members do not appear in the above table.*
(2) *After the following deductions from the sums payable to individual beneficiaries residing in France: income tax prepayment (21%) and social contributions (15.50%).*
(3) *Waived their directors' fees in 2013 and 2014.*
(4) *Member of the Board of Directors until 30 October 2014. Replaced by Jean-Pierre VAUZANGES.*
(5) *Until the Ordinary General Meeting of Shareholders of 17 June 2014, replaced by Bernard PACORY.*
(6) *From the Ordinary General Meeting of Shareholders of 17 June 2014, replacing François IMBAULT.*
(7) *From 30 October 2014, by way of co-optation of the Board of Directors, ratified by the General Meeting of Shareholders of 29 December 2014. Term of office renewed by the General Meeting of Shareholders of 16 June 2015.*

# OFFICES HELD BY CORPORATE OFFICERS

At 31 December 2014.

## Raphaël APPERT

**Main office within Crédit Agricole Assurances:**
Director, Chairman since 30 October 2014.

**Business address:**
CR Centre Est
1, rue Pierre Truchis de Lays
69410 CHAMPAGNE AU MONT D'OR

Born in 1961
*(French national)*

First appointment as director:
05/11/2013

Terms of office ends:
2015 OGM

Term of office renewed on 16/06/2015

| OFFICES HELD AT 31/12/2014 | | OTHER OFFICES HELD WITHIN THE PAST FIVE YEARS *(Terms of office ending between 2010 and 2014)* | |
|---|---|---|---|
| **IN CRÉDIT AGRICOLE ASSURANCES GROUP COMPANIES** | | | |
| **Chairman:** | ■ Pacifica (SA) | **Non-voting Board Member:** | ■ CAA (2013) |
| **Director:** | ■ Predica (SA) | | |
| **OTHER** | | | |
| **Chief Executive Officer:** | ■ CR Centre Est (Cooperative company) | **Chairman:** | ■ ATTICA (2011)<br>■ COVERED BONDS (2011)<br>■ CAAGIS (2013) |
| **Chairman:** | ■ Carvest (SAS) | **Director:** | ■ CA HOME LOAN SFH (2012)<br>■ CA SERVICES (2014)<br>■ CA TECHNOLOGIES (2014) |
| **Director:** | ■ AMUNDI GROUP (SA)<br>■ SIPAREX ASSOCIÉS (SA)<br>■ GRAMEEN Crédit Agricole (Fond.)<br>■ CA FINANCEMENT Suisse (SAS)[1]<br>■ CA BANK POLSKA | **Member of the Strategy Committee:** | ■ CARVEST (2012) |
| **Supervisory Board member:** | ■ CA Titres (SNC) | **Member of the Steering Committee of the Financial organisation:** | ■ FNCA (2014) |
| **Rapporteur, Steering and Promotions Committee COP:** | ■ FNCA | | |
| **Member of the Economy & Territory Commission:** | ■ FNCA | | |
| **Member of the Board:** | ■ FNCA | | |

(1) *International mandate.*

## Jérôme BRUNEL

**Main office within Crédit Agricole Assurances:**
Director

**Business address:**
Crédit Agricole S.A.
50, avenue Jean-Jaurès
92120 MONTROUGE

Born in 1954
*(French national)*

First appointment:
OGM 21/07/2009

Term of office ends:
2016 OGM

| OFFICES HELD AT 31/12/2014 | | OTHER OFFICES HELD WITHIN THE PAST 5 YEARS *(Terms of office ending between 2010 and 2014)* |
|---|---|---|
| IN CRÉDIT AGRICOLE ASSURANCES GROUP COMPANIES | | |
| OTHER | | |
| **Chairman of the Board of Director:** | ■ Amundi Actions Euro ISR (SICAV) | |
| **Head of Public Affairs:** | ■ Crédit Agricole S.A. (listed public limited company) | |
| **Member of the Executive Committee:** | ■ Crédit Agricole S.A. (listed public limited company) | |
| **Director:** | ■ CA PRIVATE BANKING (SA) | |
| **Chairman:** | ■ CFPB (Association) | |
| **Member of the Board:** | ■ AFB (Association) | |

## Bernard DELPIT

**Main office within Crédit Agricole Assurances:**
Director

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

Born in 1964
*(French national)*

First appointment:
05/10/2011

Term of office ends:
2017 OGM

| OFFICES HELD AT 31/12/2014 | | OTHER OFFICES HELD WITHIN THE PAST FIVE YEARS *(Terms of office ending between 2010 and 2014)* | |
|---|---|---|---|
| IN CRÉDIT AGRICOLE ASSURANCES GROUP COMPANIES | | | |
| OTHER | | | |
| **Group Chief Financial Officer:** | ■ Crédit Agricole S.A. (listed public limited company) | **Director:** | ■ EMPORIKI BANK (2012)[1] |
| **Member of the Executive Committee:** | ■ Crédit Agricole S.A. (listed public limited company) | **Independent director:** | ■ RENAULT SA (2014) |
| **Director:** | ■ LCL (SA)<br>■ CACEIS (SA) | **Director:** | ■ RENAULT SAS (2014) |

(1) *International mandate.*

## Pierre DERAJINSKI

**Main office within Crédit Agricole Assurances:**
Director, Chairman of the Board until 30 October 2014

**Business address:**
CRCAM Centre Loire
26 Rue Godde
45800 SAINT JEAN DE BRAYE

Born in 1953
*(French national)*

First appointment:
30/04/2013

Term of office ends:
30/10/2014 resignation, replaced by Jean-Pierre VAUZANGES

| OFFICES HELD AT 31/12/2014 | OTHER OFFICES HELD WITHIN THE PAST FIVE YEARS *(Terms of office ending between 2010 and 2014)* | |
|---|---|---|
| **IN CRÉDIT AGRICOLE ASSURANCES GROUP COMPANIES** | | |
| | **Director:** | ■ Pacifica (2014) |
| | **Chairman:** | ■ Predica (2014) |
| **OTHER** | | |
| | **Chief Executive Officer:** | ■ CR Centre Loire (2014) |
| | **Chairman:** | ■ CENTRE LOIRE PROMOTION (2014)<br>■ CENTE LOIRE INVESTISSEMENT(2014)<br>■ LOGEMENT SOCIAL (2014) |
| | **Director:** | ■ Cariparma (2014)[1]<br>■ CA TECHNOLOGIES (2014)<br>■ CA SERVICES (2014)<br>■ Sacam Participations (2014)<br>■ SCICAM (2014)<br>■ SAS LA BOÉTIE (2014) |
| | **Member of the Economy & Territory Commission:** | ■ FNCA (2014) |
| | **Deputy Secretary General of the Board:** | ■ FNCA (2014) |
| | **Chairman of international Federal correspondent banks:** | ■ FNCA (2014) |
| | **Member of the Management Committee:** | ■ GECAM (2014) |
| | **Member of the Steering Committee:** | ■ MULTICANAL (2014) |
| | **Member of the Management Committee:** | ■ UNI EDITIONS (2014) |
| | **Chairman of the Steering Committee:** | ■ UNIVERSITÉ DES ENTREPRISES (2014) |
| | **Member of the Working group:** | ■ SQUARE ÉNERGIE (2014) |
| | **Director:** | ■ EXAPROD (2010)<br>■ ATTICA (2010)<br>■ ANCD (2010) |
| | **Member of the Audit Committee:** | ■ ATTICA (2010) |

(1) *International mandate.*

## Elisabeth EYCHENNE

**Main office within Crédit Agricole Assurances:**
Non-voting Board Member

**Business address:**
CRCAM de Franche-Comté
11, avenue Élisée Cusenier
25084 BESANÇON Cedex 09

Born in 1958
*(French national)*

First appointment:
05/11/2013

Term of office ends:
06/11/2016

| | OFFICES HELD AT 31/12/2014 | OTHER OFFICES HELD WITHIN THE PAST FIVE YEARS *(Terms of office ending between 2010 and 2014)* |
|---|---|---|
| **IN CRÉDIT AGRICOLE ASSURANCES GROUP COMPANIES** | | |
| **Chair:** | ■ CAAGIS (SAS) | |
| **Director:** | ■ Pacifica (SA) | |
| **OTHER** | | |
| **Chief Executive Officer:** | ■ CR de Franche-Comté (Cooperative company) | |
| **Director:** | ■ CA TECHNOLOGIES (GIE)<br>■ CA SERVICES (GIE)<br>■ CA SOLIDARITÉ DÉVELOPPEMENT<br>■ CA FINANCEMENT (Switzerland) (SAS)<br>■ CA TITRES (SNC)<br>■ CA Home Loan SFH<br>■ GIE COPERNIC (GIE) | |
| **Member of the Steering Committee of the internal financial organisation: Member of the Life and Mutualism Commission: Member of the Economy & Territory Commission: Member of the Excellence in Customer Relations Committee: Chair Working Conditions Study Centre** | ■ FNCA | |
| **Director:** | ■ National Association of Senior Executives (ANCD) | |
| **Non-voting Board Member:** | ■ SNCD | |
| **Permanent delegate:** | ■ Amicale du Nord et de l'Est (Friendship Association for the North and West) | |
| **Member of the Management Board:** | ■ UNI EDITIONS (SAS) | |

## François IMBAULT

**Main office within Crédit Agricole Assurances:**
Director

**Business address:**
Crédit Agricole Ile-de-France
26, quai de la Rapée
75012 PARIS

Born in 1948
*(French national)*

First appointment:
09/05/2012

Term of office ends:
2014 OGM, replaced by Bernard PACORY

| OFFICES HELD AT 31/12/2014 | | OTHER OFFICES HELD WITHIN THE PAST FIVE YEARS *(Terms of office ending between 2010 and 2014)* | |
|---|---|---|---|
| **IN CRÉDIT AGRICOLE ASSURANCES GROUP COMPANIES** | | | |
| **Director:** | ■ Pacifica (SA)<br>■ Predica (SA) | | |
| **OTHER** | | | |
| **Chairman:** | ■ CR Ile-de-France (CADIF) (Coop.)<br>■ Domaine de la Sablonnière (SAS)<br>■ SPP Opcalia Services du Monde Rural (Association)<br>■ AGECIF CAMA (Association) | **Member:** | ■ Délégation Fédérale de négociation à la FNCA (2013) |
| **Representative CADIF:** | ■ Société Civile Immobilière Agricole (SCIA) | | |
| **Manager:** | ■ Société Civile Immobilière Bercy Villiot (SCI) | | |
| **Director:** | ■ CACIB (SA)<br>■ CA Private Banking (SA)<br>■ CA Indosuez Private Banking (SA)<br>■ CADIF Mécenat (Endowment fund) | | |
| **Permanent Representative CADIF** | ■ Ad. - SOCADIF | | |
| **Manager:** | ■ Société Civile immobilière Agricole de l'Ile-de-France<br>■ Société Civile Immobilière Bercy Villiot | | |
| **Member:** | ■ CA Senior Executives' Commission<br>■ National Executives' Compensation Commission<br>■ Chairmen's Association (FNCA)<br>■ Economy & Territory Commission (FNCA)<br>■ CCPMA Prévoyance (alternate member) | | |

## Bruno de LAAGE de MEUX

**Main office within Crédit Agricole Assurances:**
Non-voting Board Member

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

Born in 1951
*(French national)*

First appointment:
17/02/2011

Term of office ends:
17/02/2017
Resigned on 03/02/2015.
Not replaced as of 20/07/2015

| OFFICES HELD AT 31/12/2014 | | OTHER OFFICES HELD WITHIN THE PAST FIVE YEARS *(Terms of office ending between 2010 and 2014)* | |
|---|---|---|---|
| **IN CRÉDIT AGRICOLE ASSURANCES GROUP COMPANIES** | | | |
| **Director :** | ■ CACI | | |
| **OTHER** | | | |
| **Deputy Chief Executive Officer, responsible for French retail banking, specialised financial services and payment systems and flows: Member of the Executive Committee: Member of the Executive Management Committee:** | ■ Crédit Agricole S.A. (listed public limited company) | **Chief Executive Officer:** | ■ CRCAM de l'Anjou et du Maine (2010) |
| | | **Chairman:** | ■ BforBank (2010)<br>■ VEGEPOLYS (2011)<br>■ CEDICAM (2011) |
| **Director:** | ■ Crédit Agricole Leasing & Factoring (SA)<br>■ LCL (SA)<br>■ FIRECA (SAS)<br>■ FIA – NET Europe (SA)<br>■ BforBank (SA)<br>■ CA PAIEMENT (SAS)<br>■ CA Card & Payments | **Director:** | ■ GIE Atlantica (2010)<br>■ UNI EXPANSION OUEST (2010)<br>■ Crédit Agricole S.A. (2010)<br>■ Cariparma (2012) (1)<br>■ EMPORIKI BANK (2013) (1)<br>■ Bespar (2014) (1)<br>■ SAS Rue la Boétie (2010) |
| **Chairman:** | ■ CA CONSUMER FINANCE (SA)<br>■ UNI-EDITIONS (SAS) | **Director – Deputy Chairman:** | ■ UBAF (2012)<br>■ Crédit Agricole EGYPT SAE (1) (2012)<br>■ BANCO ESPIRITO SANTO (2014) (1) |
| **Supervisory Board member:** | ■ Fonds de garantie des Dépôts (Association) | **Supervisory Board member:** | ■ CRÉDIT DU MAROC (2012) (1) |
| **Chairman of the Board of Directors:** | ■ Groupement des Cartes bancaires | **Deputy Secretary General:** | ■ FNCA (2010) |

(1) *International mandate.*

## Xavier MUSCA

**Main office within Crédit Agricole Assurances:**
Director

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

Born in 1960
*(French national)*

First appointment:
07/11/2012

Term of office ends:
2017 OGM

| OFFICES HELD AT 31/12/2014 | | OTHER OFFICES HELD WITHIN THE PAST FIVE YEARS *(Terms of office ending between 2010 and 2014)* | |
|---|---|---|---|
| **IN CRÉDIT AGRICOLE ASSURANCES GROUP COMPANIES** | | | |
| **Deputy Chairman – director:** | ■ Predica (SA) | | |
| **PR Crédit Agricole S.A.:** | ■ Pacifica (SA) | | |
| **Director:** | ■ Pacifica (SA)<br>■ CACI (SA) | | |
| **OTHER** | | | |
| **Deputy Chief Executive Officer in charge of International Retail Banking, Asset management and Insurance: Member of the Executive Committee: Member of the Executive Management Committee:** | ■ Crédit Agricole S.A. (listed public limited company) | **Director** | ■ BANCO ESPIRÍTO SANTO (2014) (listed company)<br>■ Bespar (2014) |
| **Director:** | ■ Amundi Group (SA)<br>■ Cariparma (SPA) Italy[1]<br>■ CACEIS (SA)<br>■ CAP GEMINI (listed public limited company) | | |
| **Deputy Chairman – director Egypt[1]:** | ■ Crédit Agricole Egypt (SA) | | |
| **Deputy Chairman:** | ■ UBAF (SA) | | |
| **Deputy Chairman of the Supervisory Board:** | ■ Crédit du Maroc (SA)[1] | | |

(1) *International mandate.*

## Bernard PACORY

**Main office within Crédit Agricole Assurances:**
Director

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

Born in 1953
*(French national)*

First appointment:
2014 OGM, replacing François IMBAULT

Term of office ends:
2017 OGM

| OFFICES HELD AT 31/12/2014 | | OTHER OFFICES HELD WITHIN THE PAST FIVE YEARS (TERMS OF OFFICE ENDING BETWEEN 2010 AND 2014) | |
|---|---|---|---|
| IN CRÉDIT AGRICOLE ASSURANCES GROUP COMPANIES | | | |
| **Director:** | ■ Pacifica (SA) | | |
| OTHER | | | |
| **Chairman:** | ■ CR Nord de France (Cooperative company)<br>■ SOCARENORD (SA) | **Chairman:** | ■ Institut supérieur d'agriculture (2014) |
| **Director:** | ■ CA CARDS PAYMENTS (SA)<br>■ LCL (SA)<br>■ CA IMMOBILIER (SA)<br>■ Nord de France Immobilier (SAS)<br>■ Nord Capital Investissement (SA)<br>■ FIA NET Europe (SA)<br>■ VOIX DU NORD (SA)<br>■ Crédit Agricole Belgique<br>■ FINORPA<br>■ Foncière de l'Érable (SA)<br>■ SEGAM Lille (SAS)<br>■ SOGINORPA Maisons et Cités (SA) | | |
| **Member FNCA:** | ■ Customer Relations Commission<br>■ Health and Ageing Commission<br>■ Housing Committee | | |

## Jean Pierre VAUZANGES

**Main office within Crédit Agricole Assurances:**
Director and Chairman of the Audit and Accounts Committee

**Business address:**
CRCAM Ille-et-Vilaine
4, rue Louis Braille
35040 SAINT-JACQUES-DE-LA-LANDE

Born in 1957
*(French national)*

First appointment:
Co-opted onto the Board on 30/10/2014

Terms of office ends:
2015 OGM
Term of office renewed on 16/06/2015

| OFFICES HELD AT 31/12/2014 | | OTHER OFFICES HELD WITHIN THE PAST FIVE YEARS *(Terms of office ending between 2010 and 2014)* | |
|---|---|---|---|
| **IN CRÉDIT AGRICOLE ASSURANCES GROUP COMPANIES** | | | |
| **Chairman:** | ■ Predica (S.A.) | | |
| **Director:** | ■ Pacifica (S.A.) | | |
| **OTHER** | | | |
| **Chief Executive Officer:** | ■ CR Ille-et-Vilaine (Cooperative company) | **Chief Executive Officer:** | ■ CR Charente Périgord (2014) |
| **Director:** | ■ AGRICA CCPMA Prévoyance (EIG)<br>■ UNI EDITIONS (SAS)<br>■ PLEINCHAMPS (SAS)<br>■ CA TECHNOLOGIES (GIE)<br>■ CA SERVICES (GIE)<br>■ CA SOLIDARITÉ ET DÉVELOPPEMENT (Association)<br>■ CACIB (S.A.)<br>■ CAMCA Assurances (S.A.)<br>■ CAMCA Réassurance (S.A.)<br>■ CAMCA Vie (S.A.)<br>■ CAMCA Mutuelle (SAM) | **Director:** | ■ FIRECA (2014)<br>■ Grand Sud-Ouest capital (2014)<br>■ GIE COMETE (2014) |
| **Member of the Supervisory Committee:** | ■ CAMCA Courtage (SAS) | | |
| **Chairman:** | ■ SQUARE ACHAT (SAS) | | |
| **Deputy Chairman** | ■ ANCD (SAS) | | |
| **Member of the Economy & Territory Commission: Rapporteur, Health and Ageing Committee Member of the NICE Steering Committee: Member of the Agriculture and Food processing Committee:** | ■ FNCA | **Development director: Member of the Executive Committee:** | ■ Regional Banks at Crédit Agricole S.A. (2010)<br>■ Crédit Agricole S.A. (2010) |
| **Member of the Executive Committee:** | ■ Sacam Participations | | |

# INFORMATION ON EXECUTIVES

At 31 December 2014.

## Jérôme GRIVET

**Main office within Crédit Agricole Assurances:**
Chief Executive Officer

**Business address:**
Crédit Agricole Assurances
16/18, boulevard Vaugirard
75015 PARIS

Born in 1962
*(French national)*

First appointment:
01/12/2010

Term of office ends:
2015 OGM
Term of office renewed on 16/06/2015

| OFFICES HELD AT 31/12/2014 | | OTHER OFFICES HELD WITHIN THE PAST FIVE YEARS *(Terms of office ending between 2010 and 2014)* | |
|---|---|---|---|
| **IN CRÉDIT AGRICOLE ASSURANCES GROUP COMPANIES** | | | |
| **Chief Executive Officer:** | ■ Predica (S.A.)<br>■ Crédit Agricole Assurances (S.A.) | **Permanent representative Predica: Director:** | ■ La Médicale de France (2011) |
| **Chairman:** | ■ CA Life Greece (S.A.) (Greece)[1]<br>■ Spirica (S.A.) | **Chairman:** | ■ CAAIH (2011)[1] |
| **Director:** | ■ CAAGIS (SAS)<br>■ Pacifica (S.A.)<br>■ CA VITA (S.A.) (Italy)[1] | **Deputy Chairman:** | ■ BES Vida (2012)[1] |
| **Permanent representative CAA – Director:** | ■ CACI (S.A.) | **Director – Chairman:** | ■ Dolcea Vie (2014) |
| **Non-voting Board Member:** | ■ La Médicale de France (S.A.) | | |
| **OTHER** | | | |
| **Director:** | ■ Korian (listed public limited company)<br>■ Icade (listed public limited company) | **Director:** | ■ CA Chevreux (2010)<br>■ CEDICAM (2010)<br>■ NEWEDGE GROUP (2010)<br>■ UBAF(2010)<br>■ LCL OBLIGATION EURO (2011)<br>■ CA Indosuez Private Banking (2014) |
| **Permanent representative Predica – Director:** | ■ Foncière des regions (listed public limited company) | **Chairman and Chief Executive Officer: Director:** | ■ Mescas (2010) |
| **Permanent representative Predica: Chairman:** | ■ Fonds statégique Participations (SICAV) | **Permanent representative Predica: Supervisory Committee member:** | ■ CAPE (2011) |
| **Non-voting Board Member:** | ■ CA Immobilier (S.A.) | **Deputy Chief Executive Officer – Member of the Executive Committee:** | ■ CACIB (2010) |
| **Member of the Executive Committee:** | ■ Crédit Agricole S.A. (listed public limited company) | **Permanent Representative CA CIB – Director:** | ■ FLETIREC (2010) |
| **Member of the Board and Executive Commission:** | ■ FFSA | **Managing director:** | ■ Stiching CLSA Foundation (2010)<br>■ Crédit Lyonnais Securites Asia CLSA BV (2010 |
| **Member of the Board of Directors – Deputy Chairman:** | ■ FFSAM | **Non-voting Board Member:** | ■ Aéroports de Paris (2014) |
| **Chairman:** | ■ Groupement français des bancassureurs | **Permanent representative Predica: Non-voting Board Member:** | ■ SIPAREX Associés (2014) |

(1) *International mandate.*

**The Board of Directors of Crédit Agricole Assurances meeting on 31 July 2015 appointed Frédéric Thomas as Chief Executive Officer of Crédit Agricole Assurances, replacing Jérôme Grivet, with effect from 1 September 2015.**

# MANAGEMENT BODIES AT 31 DECEMBER 2014

## COMPOSITION OF THE MANAGEMENT COMMITTEE

| | |
|---|---|
| **Jérôme GRIVET**[(1)] | Chief Executive Officer |
| **Jean-Jacques DUCHAMP** | Deputy Chief Executive Officer |
| **Jean-Luc FRANÇOIS** | Head of International Insurance |
| **François BAUDIENVILLE** | Head of Audit |
| **Brigitte CACHON** | Head of Corporate Communications and CSR |
| **Christian COUCHOUD** | Head of Human Resources |
| **Françoise DEBRUS** | Head of Investments |
| **Franck DESAUTY** | Head of Organisation and Project Management |
| **Brigitte DURAND** | Crédit Agricole Assurances Head of Risk Management and Permanent Controls |
| **Grégory ERPHELIN** | Chief Financial Officer |
| **Pierre GUILLEMET** | Head of IT and industrial projects |
| **Pierre GUILLOCHEAU** | Head of Group Insurance |
| **Thierry GUILLOT-TANTAY** | Senior Advisor |
| **Bruno MOATTI** | Head of Risks and Permanent Control |
| **Emmanuelle YANNAKIS** | Secretary General |

## COMPOSITION OF THE EXECUTIVE COMMITTEE

| | |
|---|---|
| **Jérôme GRIVET**[(1)] | Chief Executive Officer of Crédit Agricole Assurances and Predica |
| **Jean-Jacques DUCHAMP** | Deputy Chief Executive Officer of Crédit Agricole Assurances |
| **Bruno CARLES** | Deputy Chief Executive Officer of Predica, in charge of development |
| **Thierry LANGRENEY** | Chief Executive Officer of Pacifica |
| **Henri LE BIHAN** | Chairman of La Médicale, Chief Executive Officer of Caci |
| **Pierre GUILLEMET** | Chief Executive Officer of Caagis |
| **Jean-Luc FRANÇOIS** | Head of International Insurance at Crédit Agricole Assurances |
| **Emmanuelle YANNAKIS** | Secretary General of Crédit Agricole Assurances |

(1) *The Board of Directors of Crédit Agricole Assurances meeting on 31 July 2015 appointed Frédéric Thomas as Chief Executive Officer of Crédit Agricole Assurances, replacing Jérôme Grivet, with effect from 1 September 2015.*

# COMPENSATION POLICY

## CRÉDIT AGRICOLE ASSURANCES COMPENSATION POLICY

### General principles applicable to all Crédit Agricole Assurances employees

As a subsidiary of the Crédit Agricole S.A. Group, the Crédit Agricole Assurances compensation policy shares the aims and objectives listed below:

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

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

The Crédit Agricole Assurances Group compensation policy was, therefore, prepared in support of the objectives defined by the Crédit Agricole S.A. Group whilst still being adapted to different employee categories and the specific features of the Insurance market.

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

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

Crédit Agricole Assurances compares its practices with those of insurance and reinsurance companies in the French market, thus aiming to position the overall compensation of its employees in accordance with market median practice.

#### Basic salary

The basic salary rewards the employee skills necessary to perform the responsibilities of their positions.

A position and, therefore, its associated function, are characterised by a duty and contributions, a level in the organisation and an expected skills and experience profile.

#### Individual Variable Compensation

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

Individual Variable Compensation is based on precise measurement of the results obtained relative to specific annual objectives (how much), taking into account the conditions in which the objectives were achieved (how).

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

Inclusion of these various aspects allows for differentiation between individual performance levels.

#### Collective variable compensation

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

This collective variable compensation is supplemented by a company Savings Plan and a Collective Pension Savings Plan for all employees.

#### Crédit Agricole S.A. employee share ownership

In 2011, a Group-wide bonus share plan was opened to all Crédit Agricole S.A. Group employees, in France and abroad, on a strictly equal basis of no more than 60 shares each.

The plan, created at the same time as the master plan, has features that are specific to a Group-wide plan with, in particular, a lesser value being granted in consideration of the absence of performance conditions at the end of the vesting period.

In November 2013, just over 3,300 Crédit Agricole Assurances Group employees had taken delivery of 60 bonus shares. The 2013 delivery involved three countries (France, Italy and Poland) and included a lock-in period (minimum of two years, in accordance with legislation).

In other countries (just under 200 beneficiaries) the timetable was adapted to the local environment, particularly with regard to local taxation. Delivery will take place in November 2015, with no lock-in period.

### Compensation policy for Crédit Agricole Assurances Executive Managers

Crédit Agricole Assurances implemented the Crédit Agricole S.A. compensation policy drafted for Crédit Agricole S.A. Executive Managers.

These Executive Managers, members of Crédit Agricole Assurances Management teams, are identified and named in accordance with rules defined and set by Crédit Agricole S.A. and incorporate the management levels established by the Crédit Agricole S.A. Group.

The variable compensation policy implemented by Crédit Agricole S.A. for Crédit Agricole S.A. Group Executive Managers is aimed, in particular, at:

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

## Annual variable compensation

The Executive Managers of the Crédit Agricole Assurances Group benefit from a variable compensation programme rolled out within the Crédit Agricole S.A. Group: Personal Variable Compensation (RVP), based on management by objectives and the achievement of pre-defined individual and collective targets within an employee's area of responsibility.

This programme has been adapted to senior executives of Crédit Agricole Assurances who also receive Personal Variable Compensation.

The calculation of individual variable compensation measures individual performance, on the basis of the attainment of individual and collective objectives, in four areas:

### FINANCIAL RESULTS

The creation of shareholder value is assessed on the basis of the nature of the function in question but must be cross-referenced with financial results, levels of investment, risk generated, and the cost of capital and liquidity, all in accordance with the development strategy set for the Crédit Agricole S.A. Group and its business lines.

### HUMAN CAPITAL

The creation of managerial value is assessed according to the ability to attract, develop and retain the employees needed to develop Crédit Agricole S.A. Group through:

- identifying future talent and future managers to enable them to develop and reach their potential;
- developing skills: training, delegation, etc.;
- career management: promotion, internal mobility, etc.;
- motivating teams: information sharing, taking part in projects, etc.

### INTERNAL/EXTERNAL CLIENTS

Value creation for internal or external clients in accordance with guidelines is assessed by measuring satisfaction with services and advice provided

### THE COMPANY

Societal value creation, in line with Crédit Agricole's mutualist and ethical identity, is measured internally (social responsibility, respect for values exceeding legal and financial obligations, etc.) and externally (environmental impact, partnerships with customers, investors, suppliers, ethics, etc.).

The variable compensation paid is also directly impacted by the identification of behaviours which do not comply with the "fit and proper" requirement, with compliance rules and procedures and risk limits.

The amounts of annual variable compensation are calculated as a percentage of base salary. Target bonus increases in line with responsibility levels.

The financial objectives set for each Executive Manager, whatever his/her business line or function, are partly based on Crédit Agricole S.A. Group-wide criteria, commensurate with his/her level of responsibility. The other part is based on the financial objectives of his her entity.

## Long term variable compensation

The Crédit Agricole S.A. Group long-term compensation plan introduced in 2011, takes the form of a stock option plan that is subject to performance conditions, known as "performance shares".

Subject to the attainment of the performance conditions, the shares are vested in thirds on a *prorata* basis over a three-year period.

At the end of the deferral period, the vesting of the shares is linked to the attainment of demanding long-term performance conditions, based on the following criteria:

- Crédit Agricole S.A. Group's intrinsic financial performance;
- the relative performance of Crédit Agricole S.A. shares compared to a composite index of European banks;
- societal performance, measured by the FReD index.

The Chief Executive Officers of Crédit Agricole Assurances are eligible for this long-term plan, with the allocation determined on an annual basis by the Crédit Agricole S.A. Group Chief Executive Officer.

## Supplementary pension schemes

Crédit Agricole Assurances Senior Executives are members of supplementary pension schemes, comprising a combination of defined-contribution plans and a top-up type defined-benefit plan:

- the aggregate contributions to the two defined-contribution supplementary pension plans (the branch scheme and the company scheme), are equal to 8% of gross salary capped at eight times the social security cap (of which 5% is paid by the employer and 3% by the beneficiary);
- the rights to the defined-benefit top-up scheme are determined after the rights paid under the defined contribution plans. These rights, subject to continued employment conditions at retirement, amount to the proceeds of a pension rate of between 0.125% and 0.30% of the reference compensation per quarter of seniority, up to a limit of 120 quarters.

The reference compensation is defined as the average of the highest gross annual compensation for three out of the last ten years of service in Crédit Agricole entities, including both fixed and variable compensation, with the latter capped at between 40% and 60% of fixed compensation, according to the last salary level.

In all cases, at the settlement date, the total retirement annuity of all schemes is capped at twenty-three times the annual social security cap on this date and at 70% of the reference compensation.

## Governance of compensation

As a Crédit Agricole S.A. Group entity, the compensation policies and practices of Crédit Agricole Assurances are governed by the Crédit Agricole S.A. Group.

Crédit Agricole Assurances provides the Crédit Agricole S.A. Compensation Committee with the information it requires to fulfil its role, through the intermediary of the Crédit Agricole Assurances Group Human Resources department.

Crédit Agricole Assurances sets out its compensation policy in accordance with the decisions taken by the Board of Directors of Crédit Agricole S.A., issued after consultation with the Crédit Agricole S.A. Group Compensation Committee and the Compensation Policies Control Committee. This last Committee brings together the Crédit Agricole S.A. Group Risk Management and Permanent Controls department, the Group Compliance department and the Group Human Resources department.

The Crédit Agricole S.A. Group Finance department also validates the terms and conditions for determining the financial results of the variable compensation paid to Executive Managers.

The definition and implementation of the compensation policy is then audited by the Crédit Agricole S.A. Group Control and Audit function.



# COMPENSATION OF EMPLOYEE RISK-TAKERS

As a subsidiary of the Crédit Agricole S.A. Group, Crédit Agricole Assurances falls within the scope of application of regulation 97-02 relating to the internal control of credit institutions and investment companies.

With regard to the new regulatory framework introduced by the "CRDIV" European Directive adopted on 26 June 2013, no Crédit Agricole Assurances employees have been identified as risk-takers.

# INDIVIDUAL COMPENSATION OF EXECUTIVE CORPORATE OFFICERS

Summary of compensation awarded to Crédit Agricole Assurances S.A. corporate officers, required by article L. 225-102-1 of the French Commercial Code,

**Xavier MUSCA,**
Deputy Chief Executive Officer of Crédit Agricole S.A.
Director of Crédit Agricole Assurances

| | 2014 | | 2013 | |
|---|---|---|---|---|
| *(in €)* | Amount awarded in respect of 2014 | Paid in 2014 | Amount awarded in respect of 2013 | Paid in 2013 |
| Fixed compensation | 500,000 | 500,000 | 500,000 | 500,000 |
| Non-deferred variable compensation(1) | 122,400 | 135,000 | 135,000 | 40,800 |
| Variable compensation indexed to the Crédit Agricole S.A. share price | 40,800 | 43,650 | 45,000 | 15,232 |
| Deferred and conditional variable compensation(2) | 244,800 | 43,138 | 270,000 | 0 |
| Exceptional compensation | 0 | 0 | 0 | 0 |
| Directors' fees(3) | 87,614 | 87,614 | 72,590 | 65,287 |
| Benefits in kind | 0 | 0 | 0 | 0 |
| **TOTAL** | **995,614** | **809,402** | **1,022,590** | **621,319** |

**Xavier MUSCA has been Deputy Chief Executive Officer of Crédit Agricole S.A. since 19 July 2012.**

(1) *Awarded for year n and paid in n+1. Non-deferred variable compensation is calculated on the basis of the attainment of targets set on an annual basis by the Board of Directors of Crédit Agricole S.A.*

*It pertains to 50% of economic criteria, including:*

- *15% on the Crédit Agricole S.A. scope (net banking income, net income Group share and cost/income ratio);*
- *35% on the Crédit Agricole Assurances scope (net income Group share for the Insurance division, expenses for Crédit Agricole Assurances, Property & Casualty, Death and Disability and Creditor premiums, net Life Insurance inflows).*

*Non-economic criteria (50%) are broken down into:*

- *development of human capital (measuring the creation of managerial value);*
- *measurement of the creation of value for internal and external customers;*
- *measurement of the creation of societal value, in line with Crédit Agricole S.A.'s mutualist and cooperative identity.*

*Variable compensation consists of two systems:*

- *individual variable compensation, determined according to objectives detailed above, the target amount of which (i.e. the amount when 100% of all objectives are met) amounts to 60% of the annual fixed compensation and can reach a maximum of 90%;*
- *long-term variable compensation, the granting of which is decided on by the Chief Executive Officer of Crédit Agricole S.A. Group on an annual basis, which is capped at 30% of the annual fixed compensation and is determined based on performance measured throughout the year.*

*The sum of this compensation is now handled as follows:*

- *40% is deferred: this portion is acquired in three equal parts in N+1, N+2 and N+3, subject to performance conditions being met (see details below);*
- *10% is paid in cash indexed to the Crédit Agricole S.A. share price. at the end of a six-month holding period, i.e. in September of year N.*
- *The remainder of the variable compensation, i.e. 50%, is non-deferred and is paid in cash in March of year N.*

(2) *Deferred compensation is awarded in Crédit Agricole S.A. shares, the vesting of which is progressively deferred over a period of three years and is conditional on the attainment of three performance targets:*

- *the intrinsic financial performance of Crédit Agricole S.A. defined as growth of the gross operating income of Crédit Agricole S.A.;*
- *the relative performance of Crédit Agricole S.A. shares compared to a composite index of European banks;*
- *the societal performance of Crédit Agricole S.A. measured by the FReD index.*

*The Board of Directors determines the level of achievement for each target, ranging from 0% to 120% of the previously-defined target. For each year, the overall rate of acquisition of deferred and conditional variable compensation is the average of the rates achieved for each target, this average being limited to 100%.*

(3) *Net amounts, after the following deductions from the sums payable to individual beneficiaries residing in France: income tax prepayment (21%) and social contributions (15.50%).*

### Jérôme GRIVET,
Chief Executive Officer of Crédit Agricole Assurances

| | 2014 | | 2013 | |
|---|---|---|---|---|
| (in €) | Amount awarded in respect of 2014 | Paid in 2014 | Amount awarded in respect of 2013 | Paid in 2013 |
| Fixed compensation | 450,000 | 450,000 | 450,000 | 450,000 |
| Non-deferred variable compensation[(1)] | 197,000 | 194,900 | 194,900 | 145,000 |
| Variable compensation indexed to the Crédit Agricole S.A. share price | 43,000 | 43,747 | 45,100 | 32,480 |
| Deferred and conditional variable compensation[(2)] | 190,000 | 245,023 | 211,000 | 83,206 |
| Exceptional compensation | 0 | 0 | 0 | 0 |
| Directors' fees[(3)] | 1,452 | 1,452 | 2,287 | 2,287 |
| Benefits in kind[(4)] | 5,854 | 5,854 | 5,791 | 5,791 |
| **TOTAL** | **885,854** | **939,524** | **906,791** | **716,477** |

*(1) Awarded for year n and paid in n+1. Non-deferred variable compensation is calculated on the basis of the attainment of targets set on an annual basis by the Board of Directors of Crédit Agricole S.A.*

*It pertains to 50% of economic criteria, including:*

- *15% on the Crédit Agricole S.A. scope (net banking income, net income Group share and cost/income ratio);*
- *35% on the Crédit Agricole Assurances scope (net income Group share for the Insurance division, expenses for Crédit Agricole Assurances, Property & Casualty, Death and Disability and Creditor premiums, net Life Insurance inflows).*

*Non-economic criteria (50%) are broken down into:*

- *development of human capital (measuring the creation of managerial value);*
- *measurement of the creation of value for internal and external customers;*
- *measurement of the creation of societal value, in line with Crédit Agricole S.A.'s mutualist and cooperative identity.*

*Variable compensation consists of two systems:*

- *individual variable compensation, determined according to objectives detailed above, the target amount of which (i.e. the amount when 100% of all objectives are met) amounts to 60% of the annual fixed compensation and can reach a maximum of 90%;*
- *long-term variable compensation, the granting of which is decided on by the Chief Executive Officer of Crédit Agricole S.A. Group on an annual basis, which is capped at 30% of the annual fixed compensation and is determined based on performance measured throughout the year.*

*The sum of this compensation is now handled as follows:*

- *40% is deferred: this portion is acquired in three equal parts in N+1, N+2 and N+3, subject to performance conditions being met (see details below);*
- *10% is paid in cash indexed to the Crédit Agricole S.A. share price. at the end of a six-month holding period, i.e. in September of year N.*
- *the remainder of the variable compensation, i.e. 50%, is non-deferred and is paid in cash in March of year N.*

*(2) Deferred compensation is awarded in Crédit Agricole S.A. shares, the vesting of which is progressively deferred over a period of three years and is conditional on the attainment of three performance targets:*

- *the intrinsic financial performance of Crédit Agricole S.A. defined as growth of the gross operating income of Crédit Agricole S.A.;*
- *the relative performance of Crédit Agricole S.A. shares compared to a composite index of European banks;*
- *the societal performance of Crédit Agricole S.A. measured by the FReD index.*

*The Board of Directors determines the level of achievement for each target, ranging from 0% to 120% of the previously-defined target. For each year, the overall rate of acquisition of deferred and conditional variable compensation is the average of the rates achieved for each target, this average being limited to 100%.*

*(3) Net amounts, after the following deductions from the sums payable to individual beneficiaries residing in France: income tax prepayment (21%) and social contributions (15.50%).*

*(4) Provision of a company car.*

4

# 2014 OPERATING AND FINANCIAL REVIEW

# BUSINESS ACTIVITY AND INFORMATION ON THE CRÉDIT AGRICOLE ASSURANCES GROUP

## PRESENTATION OF THE CRÉDIT AGRICOLE ASSURANCES GROUP FINANCIAL STATEMENTS

### Changes to accounting policies and principles

Note 1 to Crédit Agricole Assurances Group's consolidated financial statements at 31 December 2014, entitled "Crédit Agricole Assurances Group accounting policies and principles, assessments and estimates" sets out the regulatory framework as well as comparability with data for the previous financial year.

Pursuant to EC regulation no. 1606/2002, the consolidated financial statements have been prepared in accordance with IAS/IFRS and IFRIC applicable at 31 December 2014 and as adopted by the European Union.

The standards and interpretations are identical to those used and described in the Crédit Agricole Assurances financial statements at 31 December 2013.

### Changes in the scope of consolidation

Notes 11 and 3 to the financial statements present the scope of consolidation and changes thereto, respectively, throughout the financial year.

2014 was marked by the implementation of IFRS 10, which resulted in 172 funds backing unit-linked insurance contracts being entered into the scope of consolidation, which led to a €2.8 billion increase in the size of the balance sheet.

## ECONOMIC AND FINANCIAL ENVIRONMENT

### 2014 balance sheet

In 2014, we saw a sharp contrast between a US economy able to generate self-sustaining growth, and the European and Japanese economies which, despite considerable stimulus – both monetary (Europe), and monetary and fiscal (Japan) – gave a disappointing performance.

It would be an exaggeration to say that the US economy was not shored up by economic policy. Fiscal policy is now neutral, but despite the end of QE, monetary policy remains highly accommodative. Yet it is the upturn in consumer spending, as the job market steadily improves and households pay down debt, which has fuelled much of the rebound in activity. Housing and manufacturing investment is also strong.

The good health of the US economy illustrates once again the country's status as a "final demand-user", because its recovery has received no external support. The Eurozone recovery was disappointing in 2014, with a marked slowdown in Germany in the second and third quarters; in France, activity was hampered all year by the same constraints: high unemployment, poor business profitability and ongoing fiscal adjustment, while the confidence needed for a real recovery remained absent; Italy, contrary to expectation, remains mired in recession. In Japan, the upswing observed at the end of the year after two quarters of contraction is the result of a massive monetary and fiscal injection, and is not yet self-supporting. Finally, emerging countries have recorded virtually stable growth, albeit way short of the boom years, and with marked differences between countries.

In June, the European Central bank (ECB) brought out the heavy artillery, with unprecedented measures: a negative deposit rate of -0.10%, and a "Targeted Longer Term Refinancing Operation" (TLTRO) for the banking sector. By offering attractive financing for banks that are net lenders or (in southern Europe) banks that are slowing the pace of contraction of their balance sheets, the ECB has sought to encourage banks to lend again and, in the medium term, trigger a moderate rise in inflation. The results were disappointing, forcing the ECB to take drastic steps in January 2015, with the announcement of its own quantitative easing programme. The Federal Reserve maintained its policy of tapering injections of liquidity into the economy, although its Chair has had constant reminders of the scars left by the crisis, especially in the labour market, with long-term unemployment still high. As a result, she is trying to avoid any interest rate shock that might jeopardise recovery.

At the end of the year, two developments radically altered the economic environment. Firstly, the slump in oil prices, which slashed exports and fiscal revenues in producer countries, but provided relief in some quarters; secondly, the sharp fall in the euro. These two changes improved 2015 growth prospects a little for European countries, and in particular for France and Italy.

# CRÉDIT AGRICOLE ASSURANCES GROUP CONSOLIDATED RESULTS



## Crédit Agricole Assurances Group results

The breakdown in gross revenues and net income made in this section corresponds to the segment breakdown as presented in note 5 to the Crédit Agricole Assurances consolidated financial statements, in accordance with IFRS 8.

| *(in € millions)* | 2014 | 2013 | Changes *(as a %)* |
|---|---|---|---|
| Earned premiums | 29,300 | 25,675 | 14% |
| Gross revenues or income from other activities | 123 | 94 | 31% |
| Investment income after expenses | 12,576 | 10,745 | 17% |
| Claims paid | (36,559) | (31,207) | 17% |
| Net income (expense) on business ceded to reinsurers | (42) | (103) | (60%) |
| Other current income (expense) | (3,547) | (3,318) | 7% |
| **Operating income** | **1,851** | **1,886** | **(2%)** |
| Financing costs | (376) | (270) | 39% |
| Income tax charge | (479) | (610) | (21%) |
| **Consolidated net income** | **996** | **1,006** | **(1%)** |
| Non-controlling interests | (5) | (4) | 4% |
| **CRÉDIT AGRICOLE ASSURANCES GROUP NET INCOME GROUP SHARE** | **992** | **1,002** | **(1%)** |

During 2014, Crédit Agricole Assurances moved to another stage in optimising its equity and that of Crédit Agricole Group by issuing €750 million in subordinated debt on the market and by repaying €550 million in undated subordinated debt to Crédit Agricole S.A. and Cariparma early, generating the payment of a balance net of tax of €57 million.

After restating this non-recurrent item, Crédit Agricole Assurances net income Group share exceeded €1 billion and was up 4.7% compared to 2013.

Gross revenues increased 14%. These developments are detailed in the paragraph entitled "Gross revenues".

Investment income after expenses rose 17% following, in particular, the remeasurement of investments into fair value (+€1.7 billion compared to 2013), against the backdrop of lower interest rates.

Claims paid were up 17%, in line with changes in net inflows (particularly abroad) and with the policy of strengthening reserves for life insurance, and, in line with portfolio growth for non-life insurance.

The rise in other current income (expense) was mainly related to commissions, which increases with business.

The increase in financing costs is primarily due to the payment to Crédit Agricole S.A. and Cariparma of the balance (€90 million before taxes) associated with the early repayment of undated subordinated debt.

Several reduced-rate transactions made by Crédit Agricole Assurances Group in 2014 decreased tax expenses, which amounted to €479 million at the end of 2014, *i.e.* down €131 million compared to 2013.

### Breakdown of net income (Group share) by business segment

| *(in € millions)* | 2014 | 2013 | Changes *(as a %)* |
|---|---|---|---|
| Life, France | 886 | 831 | 7% |
| Non-life, France | 108 | 98 | 10% |
| International (excluding creditors) | 28 | 49 | (43%) |
| Creditors (France and International) | 39 | 37 | 5% |
| Other | (69) | (13) | n.m. |
| **CRÉDIT AGRICOLE ASSURANCES GROUP** | **992** | **1,002** | **(1%)** |

Crédit Agricole Assurances net income Group share in 2014 breaks down as follows:

- income from life insurance, France: €886 million, up 7%;
- income from non-life insurance, France, which rose from €98 million in 2013 to €108 million in 2014, thanks to a well controlled claims rate against a backdrop of steady growth in premiums;
- income from creditors' insurance was up 5% to €39 million, due to growth in the home loans business;
- income from international insurance (excluding creditors), which reached €28 million. It was impacted by the impairment, in the amount of €14 million, of deferred tax assets of CA LIFE Greece, related to the decision to dissolve the company;
- an "Other" line item for -€69 million. It includes the payment of a €57 million balance net of tax to Crédit Agricole S.A. and Cariparma related to an early repayment of undated subordinated debt following an issue of subordinated undated bonds by Crédit Agricole Assurances.

**GROSS REVENUES BY BUSINESS SEGMENT**

| | IFRS[1] | |
|---|---|---|
| *(in billions of euros)* | **2014** | **2013** |
| Life, France (including intragroup) | 19.5 | 18.5 |
| Non-life, France | 2.8 | 2.6 |
| International (excluding creditors) | 6.1 | 3.6 |
| Creditors (France and International) | 0.9 | 0.9 |
| Other | 0.1 | 0.0 |
| **CRÉDIT AGRICOLE ASSURANCES GROUP** | **29.3** | **25.7** |

(1) *Gross revenues are presented after eliminating intragroup entries.*

IFRS gross revenues for Crédit Agricole Assurances Group reached €29.3 billion at the end of 2014, up 14% compared to 2013, thanks to an increase in life and non-life insurance in France and internationally.

Life insurance premiums in France totalled €19.5 billion, up 6% compared to 2013. Net inflows were up 17% to €5.1 billion.

Crédit Agricole Assurances Group continued growing in the property and liability insurance market with IFRS gross revenues of €2.8 billion, up 5% compared with 2013, in a market that grew 2% (source: FFSA based on estimated data at the end of 2014).

Premiums from creditors' insurance in France and abroad came to €0.95 billion at the end of December 2014, up 2% compared to the end of 2013, driven by home loans.

Subsidiary business abroad (excluding creditors) increased sharply during 2014 (1.7x) and reached €6.1 billion in premiums.

The main contributors were:

- Italy (approximately 60% of premiums abroad), in particular for life insurance whose premiums rose significantly;
- Luxembourg (around 25% of premiums abroad).

A breakdown in premiums by geographic area is available in note 7 to the 2014 Crédit Agricole Assurances consolidated financial statements.

# CRÉDIT AGRICOLE ASSURANCES GROUP CONSOLIDATED BALANCE SHEET

## Assets

| *(in € millions)* | **31/12/2014** | **31/12/2013 restated[1]** | **01.01.2013 restated[1]** |
|---|---|---|---|
| Intangible assets | 1,123 | 1,132 | 1,137 |
| Insurance business investments | 317,685 | 280,539 | 263,089 |
| Share of transferees and retrocessionnaires in liabilities relating to insurance and financial contracts | 1,323 | 1,254 | 1,184 |
| Other assets | 6,239 | 5,836 | 4,145 |
| Cash and cash equivalents | 2,907 | 2,631 | 6,276 |
| **TOTAL ASSETS** | **329,277** | **291,392** | **275,831** |

(1) *Effects from changing accounting policies associated with the application of IFRS 10 are presented in note 1 to the consolidated financial statements.*

Crédit Agricole Assurances Group's insurance investments amounted to €318 billion at 31 December 2014, up 13% compared to 2013.

This growth was primarily driven by an increase in bonds and other fixed income securities, resulting from a volume effect following positive net inflows and positive revaluations due to a decline in bond yields.

These investments comprised 15% investments representing unit-linked contracts/policies, 71% bonds and other fixed income securities, 12% equities and other variable-income securities, 1% investment properties and 1% loans, receivables and derivative instruments.

80% of income from fixed income securities have a financial rating greater than or equal to A.

## Liabilities

| *(in € millions)* | 31/12/2014 | 31/12/2013 restated[1] | 01.01.2013 restated[1] |
|---|---|---|---|
| Crédit Agricole Assurances equity, Group share | 12,556 | 10,511 | 10,504 |
| Minority interests | 34 | 27 | 27 |
| **Total equity** | **12,590** | **10,538** | **10,531** |
| Liabilities related to insurance policies and financial contracts | 285,851 | 256,649 | 245,275 |
| Provisions for risks and expenses | 231 | 158 | 176 |
| Financing debts | 6,238 | 5,839 | 5,281 |
| Other liabilities | 24,367 | 18,208 | 14,568 |
| **TOTAL EQUITY AND LIABILITIES** | **329,277** | **291,392** | **275,831** |

(1) *Effects from changing accounting policies associated with the application of IFRS 10 are presented in note 1 to the consolidated financial statements.*

Crédit Agricole Assurances equity, Group share totalled €12.6 billion at 31 December 2014. This was a €2 billion increase compared to 2013, brought on by:

- a €1.2 billion increase in the AFS reserve, mainly due to a decrease in bond yields;
- the issuance of €750 million in undated subordinated debt in October 2014;
- an exceptional distribution of reserves for €1.5 billion and a capital increase in the same amount, in keeping with the policy to optimise Crédit Agricole Group and Crédit Agricole Assurances equity;
- a €484 million decrease in June 2014 due to the payment of the balance of the 2013 dividend;
- a €445 million decrease in December 2014 following the payment of an interim dividend for 2014;
- a €992 million increase corresponding to 2014 net income.

At December 2014, liabilities related to insurance policies and financial contracts amounted to €285.9 billion and comprised:

- €202.4 billion (*i.e.* 71% of insurance liabilities) in mathematical provisions for life insurance (excluding provisions for profit-sharing);
- €3.0 billion in provisions for profit-sharing;
- liabilities pertaining to unit-linked contracts/policies for €46.5 billion (*i.e.* 16% of insurance liabilities);
- €24.0 billion in provisions for deferred profit-sharing (liability);
- €5.9 billion in non-life technical provisions;
- €4.0 billion in other provisions.

These liabilities are up €29.2 billion, mainly due to positive net inflows recorded in 2014 and to revaluing securities.

Financing debts correspond to subordinated securities issued to Crédit Agricole Group entities and to debts to companies in the banking sector. In 2014, Crédit Agricole Assurances:

- repaid €550 million in undated subordinated debt early, which were underwritten by Crédit Agricole S.A. and Cariparma; and
- issued a short-term €780 million loan to Crédit Agricole S.A. corresponding to a brief need for liquidity, repaid in January 2015.

# RELATED PARTIES

The main transactions concluded between related parties, consolidated companies and key executives of Crédit Agricole Assurances Group at 31 December 2014 are described in the section entitled "General framework – information on related parties" of Crédit Agricole Assurances Group's consolidated financial statements.

# INTERNAL CONTROL

As required by the French Financial Security Act of 1 August 2003, the Chairman of the Board of Directors must report on the preparation and organisation of the Board's work and on the internal control procedures implemented throughout the company, on a consolidated basis in a report accompanying the management report.

This report, which is published in the manner set out by the French Financial Markets Authority (AMF), contains two parts:

- the first part deals with the work of the Board of Directors of Crédit Agricole Assurances Group;
- the second part of the report brings together information on the organisation of the internal control system and control and oversight of risks within Crédit Agricole Assurances Group. In particular, risk management and permanent control systems, non-compliance risk prevention and controls and periodic controls are described in the report.

This report is presented in the section entitled "Corporate governance".

# RECENT TRENDS AND OUTLOOK

## Outlook

At the start of the year, the forecasts for 2015 and 2016, particularly in Europe, were for a continuation of the trend witnessed in 2014 which, overall, proved to be a disappointing year. The same constraints, which had hardly eased at all, only allowed for a very slow recovery. What's more, the possibilities of a downside were very real as a result of mounting geopolitical tensions (the Russian-Ukrainian crisis and its impact on central Europe and Germany, anarchy in Iraq and Libya, etc.), the risk of a hard landing for the Chinese economy (the growth rate being suspected to be increasingly dependent on an opaque financial sector bubble), the risk of too sharp a rise in US long rates which would shatter the key components of the recovery (capacity for household debt, upturn in construction, etc.).

These risks are still very real. Some, like the crisis in Ukraine and, *via* sanctions and counter sanctions, its impact on Russia and the European Union, are even worsening. The recent change of political leadership in Greece was expected but, nevertheless, introduced an additional element of uncertainty for the Eurozone. Three new factors which could, nevertheless, contribute to a return to growth, can no longer be ignored.

The first, and most fragile, is the massive drop in the price of oil, which is currently 60% down on its peak of mid-June 2014, and 35% down on early December. In France, in December, the Insee estimated a potential positive impact on growth of 0.2% resulting from a 30% drop in the price of oil. The outlook is, however, very uncertain, with some analysts anticipating another price drop. There are, moreover, no guarantees that an unforeseen event (geopolitical, for example) will not lead to a return to a price of USD 100/barrel or higher before the end of 2015.

The second and third are partially linked, *i.e.* the drop in the euro and the quantitative easing (QE) announced by the European Central Bank (ECB) in January. This QE was planned but the ECB went beyond expectations both in terms of amounts and duration. One of its clear objectives was to avoid the risk of deflation. Another objective, even if not stated, was to put an end to the overvaluation of the euro. On this point, the ECB reinforced a trend that was already in progress, *i.e.* the EUR/USD exchange rate depreciated substantially, returning to a level not witnessed since the end of 2003. The abundance of cash and, above all, the exchange rate correction, should support investments and exports and may also contribute to slightly better than anticipated growth in 2015. This is not a foregone conclusion, however, as stressed by Mario Draghi. Without the support of the budgetary arm, the power of the monetary arm is diminished. The ECB has come to the end of its mandate. The ball is now, more than ever, in the political court.

Uncertainty has, therefore, increased overall. Unlike the situation a year ago, the risks of deviating from our central scenario, which for the Eurozone and France still involves a modest acceleration in growth, are no longer just on the downside. The start of the year offered hope of a more marked upturn in business.

### For Crédit Agricole Assurances Group

Second-largest insurer in France[1], Crédit Agricole Assurances is continuing its development in an integrated bancassurance model in France and in Europe, with the goal of becoming customers' preferred insurer while growing revenue synergies within Crédit Agricole Group.

Our strategic priorities for 2015 by major business line break down as follows:

- savings and retirement: continue growing credit despite low interest rates. Several levers have been identified: highlight an offering rich in unit-linked contracts as well as euro-croissance and vie-génération contracts launched in 2014, continue to develop inflows *via* alternative channels (Internet and independent financial planners – CGPI) and innovate in our high net worth customer approach;
- death & disability/health/creditor: continue our roll-out of group insurance in the market and continue to improve our top individual death & disability offering;
- property & casualty: increase the products per customer in our networks and maintain our ability to respond to farmers' and professionals' needs through innovation;
- international: develop the bancassurance model in the countries where Crédit Agricole Group operates, similar to the launch of our property and casualty insurance in Poland in late 2014.

(1) *Source: the Argus de l'Assurance, 10 April 2015.*

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# CRÉDIT AGRICOLE ASSURANCES S.A. FINANCIAL STATEMENTS

Crédit Agricole Assurances S.A.'s Financial Statements are prepared using French standards.

## CRÉDIT AGRICOLE ASSURANCES S.A. CONDENSED BALANCE SHEET

### Assets

| *(in € millions)* | 31/12/2014 | 31/12/2013 |
|---|---|---|
| Intangible assets and property, plant & equipment | 10 | 10 |
| Financial assets | 14,197 | 12,833 |
| Current assets | 976 | 1,483 |
| Accruals and deferred income | 4 | 0 |
| **TOTAL ASSETS** | **15,187** | **14,326** |

Total assets rose from €14.3 billion at 31/12/2013 to €15.2 billion at 31/12/2014.

Financial assets increased from €12.8 billion to €14.2 billion at 31 December 2014, *i.e.* a difference of €1,364 million, resulting from:

- capital increases of several subsidiaries following the payment of a portion of the 2013 dividend in shares for a total amount of €258 million;
- internal restructuring, the total impact of which amounted to €225 million;
- increase in accrued interest on investments totalling €853 million, primarily following the decrease in new loans by certain subsidiaries;
- a €27 million increase in loans.

Current assets mostly consisted of investments in short-term investment securities. Its €507 million decrease from 2013 to 2014 is mainly related to financing internal restructuring and dividend payments to Crédit Agricole S.A.

### Liabilities

| *(in € millions)* | 31/12/2014 | 31/12/2013 |
|---|---|---|
| Share capital and reserves | 8,740 | 8,262 |
| Net income/(loss) for the year | 856 | 1,420 |
| Interim dividend (financial year in progress) | (445) | (458) |
| **Total equity** | **9,151** | **9,224** |
| Other equity | 752 | 0 |
| Financing debts | 3,399 | 3,949 |
| Provisions for risks and expenses | 20 | 16 |
| Debt to credit institutions | 1,829 | 1,061 |
| Other liabilities | 36 | 76 |
| **TOTAL EQUITY AND LIABILITIES** | **15,187** | **14,326** |

Changes in equity during 2014 were characterised by:

- the distribution of the €484 million dividend balance in cash for 2013, after paying an interim dividend of €458 million in 2013;
- the payment of a €445 million interim dividend for 2014;
- the distribution of reserves for €1,542 million corresponding to the carry forward account for 2013 (€1,072 million) and to 2013 retained earnings, following a capital increase in cash for €1,542 million, in keeping with the policy to optimise the equity of Crédit Agricole Group and Crédit Agricole Assurances.

Other equity corresponds to an issuance of €750 million in subordinated bonds, which came to €752 million after taking into account issue fees and accrued interest.

The €550 million decrease in financing debts resulted from the repayment of undated subordinated debt which was underwritten by Crédit Agricole S.A., and financed by issuing subordinated debt.

The €768 million increase in debt to credit institutions was due to the implementation of a short-term credit line with Crédit Agricole S.A. to meet a brief need for liquidity related to gradually substituting the existing intragroup debt of certain subsidiaries with new debt underwritten by Crédit Agricole Assurances after raising €750 million from the market.

### Accounts payable by due date

In accordance with article L. 441-6-1 and D. 441-4 of the French Commercial Code, Crédit Agricole Assurances S.A. presents the amounts due to suppliers in its management report.

At 31 December 2014, the balance of these accounts is marginal and amounts to €0.1 million (€0.6 million in 2013). Furthermore, Crédit Agricole Assurances S.A honours its time frames for paying suppliers, which are generally paid within 45 days.

## CRÉDIT AGRICOLE ASSURANCES S.A. CONDENSED INCOME STATEMENT

| *(in € millions)* | **2014** | **2013** | **Changes** *(as a %)* |
|---|---|---|---|
| Operating income | 32 | 17 | 88% |
| Operating expenses | (82) | (60) | 37% |
| **Operating income (1)** | **(50)** | **(43)** | **16%** |
| Financial income | 1,294 | 1,772 | (27%) |
| Financial expenses | (388) | (273) | 42% |
| **Net financial income (2)** | **907** | **1,499** | **(39%)** |
| **Net extraordinary items (3)** | **(1)** | **0** | **n.m.** |
| Income tax and other (4) | 0 | (36) | n.m. |
| **NET INCOME (1)+(2)+(3)+(4)** | **856** | **1,420** | **(40%)** |

The €564 million decrease in net income is related to a schedule change for subsidiary dividend payments:

- the decrease in financial income caused by an exceptionally high level of dividend payments in 2013 because of the payment of interim dividends for 2012 and 2013 in the same year;
- the change in financial expenses is primarily due to the payment of a balance of €90 million following the early repayment of several undated subordinated borrowings to Crédit Agricole S.A. and Cariparma after the issue by Crédit Agricole Assurances of €750 million in subordinated bonds.

Operating income corresponds to operating expenses net of charge-backs.

Net extraordinary items in 2014 was almost zero, as was the amount of tax, because of:

- an amount of dividends received handled in the "parent company/subsidiary" tax regime and which was lower than in 2013;
- the €90 million balance paid to Crédit Agricole S.A. and Cariparma, which decreased taxable income.

# FIVE YEAR FINANCIAL SUMMARY

| *(in €)* | 2010 | 2011 | 2012 | 2013 | 2014 |
|---|---|---|---|---|---|
| **Share capital at the end of the financial year** | **1,162,542,980** | **1,162,542,980** | **1,162,542,980** | **1,240,569,500** | **1,448,754,700** |
| Number of shares outstanding | 116,254,298 | 116,254,298 | 116,254,298 | 124,056,950 | 144,875,470 |
| **Net income & other comprehensive income from transactions** | | | | | |
| Gross revenues excluding taxes | 7,822,749 | 15,159,017 | 13,581,958 | 16,273,692 | 26,592,265 |
| Earnings before tax, depreciation, amortisation and provision expense | 782,397,158 | 942,982,669 | 1,838,427,168 | 1,473,135,821 | 876,018,569 |
| Income tax charge | (19,631,598) | (5,543,432) | (17,729,000) | (35,558,383) | (152,760) |
| Charge to depreciation, amortisation and provisions | (2,037,701) | (421,645,384) | 278,241,413 | (17,981,710) | (18,258,925) |
| Earnings after tax, depreciation, amortisation and provision expense | 760,727,859 | 515,793,853 | 2,098,939,582 | 1,419,595,728 | 856,086,795 |
| Distributed earnings | 904,458,438 | 377,826,450 | 1,026,525,429 | 941,592,251 | 445,364,450 [1] |
| **Earnings per share** | | | | | |
| Earnings after tax but before depreciation, amortisation and provision expense | 6.56 | 8.06 | 15.66 | 11.59 | 6.04 |
| Earnings after tax, depreciation, amortisation and provision expense | 6.54 | 4.44 | 18.05 | 11.44 | 5.91 |
| Dividend per share | 7.78 | 3.25 | 8.83 | 7.59 | 3.07 |
| **Employees** | | | | | |
| Number of employees | 149.30 | 191.88 | 188.69 | 206.00 | 250.00 |
| Total payroll for the financial year | 10,217,117 | 13,635,163 | 14,905,085 | 15,697,969 | 23,680,781 |
| **Cost of benefits paid during the period (costs and social welfare)** | **2,121,855** | **2,648,255** | **2,858,791** | **3,559,903** | **4,239,232** |

*(1) Corresponds to the interim dividend paid in December 2014. The amount of distributed earnings is awaiting approval by the General Meeting of Shareholders convened to vote on the 2014 financial statements.*

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# RISK FACTORS

# RISK FACTORS

Crédit Agricole Assurances would like to draw attention to the risks described below.

The following description of risks is not exhaustive. Other risks and uncertainties which are currently not known or considered minor could significantly impact Crédit Agricole Assurances in the future.

The risks described below are inherent in the nature of Crédit Agricole Assurances Group's business as well as in the economic, political, competitive and regulatory environment in which Crédit Agricole Assurances Group operates.

Considering the numerous possibilities and uncertainties related to these risks, Crédit Agricole Assurances is not always able to precisely quantify the impact of these risks. However, several risk management processes, procedures and controls have been implemented in order to continuously monitor and manage these risks, which, nevertheless, have their limits like any control system and cannot protect with absolute certainty against all of the risks described below or losses liable to be generated.

In addition, if the risks described below lead to quantifiable financial losses and/or a potential material liability, these elements are reflected in the Crédit Agricole Assurance Group consolidated financial statements, in accordance with applicable IFRS accounting standards.

## RISK FACTORS ASSOCIATED WITH THE FINANCIAL MARKETS, WITH THE STRENGTH OF OUR CREDIT RATING AND WITH THE VALUATION OF ASSETS AND OTHER RELATED ASPECTS

### Difficult economic, political and market conditions

International financial market conditions and the economic situation in France, as well as in the other markets in which Crédit Agricole Assurances Group operates, have a notable impact on the Group's business and its operating income. Extreme market events, such as the global financial crisis of 2008 and 2009, have, at certain times, generated and could lead to a lack of liquidity, major market volatility, depreciation in value of all classes of assets, an erosion in investor confidence and the public in general, as well as widening credit spreads. Despite the market stabilisation since the global financial crisis, several factors continue to negatively impact economic conditions and consumer confidence in France as well as in other territories in which Crédit Agricole Assurances Group operates, leading to persistent volatility in the financial markets. These factors include, in particular, concerns regarding the solvency of certain sovereign issuers, particularly in Europe, strengthening or weakening of foreign currencies against the euro, availability and cost of credit, stability and solvency of certain financial and other institutions, risks of inflation or deflation in certain markets, intervention of the Central Bank in financial markets, volatile energy costs, risk of one or more Member States potentially leaving the euro zone and geopolitical problems. These factors could negatively influence liquidity, increase volatility, put more downward pressure on asset prices, rattle confidence and lead to widening credit spreads. A difficult economic climate could also lead to increased unemployment and a considerable decline in business for a large number of sectors and regions. These economic and market factors could have a considerable adverse effect on Crédit Agricole Assurances Group's business, operating income, financial position and liquidity.

Factors such as consumer spending, corporate investment, government spending, regulations, financial market volatility and strength or inflation are likely to impact the commercial and economic environment, and ultimately Crédit Agricole Assurances Group's business and profitability. Demand for Crédit Agricole Assurances Group's financial and insurance products could suffer from the current cyclical downturn characterised by increased unemployment, decreased household income, reduced profits and investment from corporations, as well as a slowdown in consumer spending. Moreover, Crédit Agricole Assurances Group could record a high level of surrenders on some types of policies, lower-than-expected surrender levels on other types of products; and lastly, policyholders could decide to defer payment of their insurance premiums or permanently terminate them. An economic downturn could also result in decreased valuation and performance of Crédit Agricole Assurances Group's securities portfolio, including investments in government or corporate bonds affected by such a downturn, an increase in irrecoverable loans, impairments on goodwill and other long-term assets, limited recoverability of deferred tax assets, fewer new contracts signed and lower renewals as well as higher borrowing costs.

In 2014, Crédit Agricole Assurances Group's life and non-life segments in France accounted for 76% of Crédit Agricole Assurances Group's revenues (IFRS outlook). Given this concentration, a substantial deterioration of the economic climate in France would have a greater impact on Crédit Agricole's operating income and financial position than it would on a group whose business was more internationally diversified.

## Economic and financial disruptions in the European markets

European markets recently experienced heavy disruptions, which impacted economic growth. Initially due to concerns related to certain euro zone countries' ability to refinance their debt securities, these disruptions caused uncertainties regarding, more generally, the short-term economic outlook of European Union countries, as well as the quality of European Union sovereign debtors' debt securities. These disruptions also had indirect repercussions on the financial markets in Europe and across the world.

Since June 2011, the credit ratings of a certain number of European States and large European financial institutions have been downgraded by rating agencies following ongoing uncertainties related to the debt crisis in Europe and the future of the euro, including Crédit Agricole Assurances Group's domestic market in France. The French government's bonds have been downgraded by several ratings agencies since 2011, as well as the credit ratings for bonds issued by French commercial banks, including those of Crédit Agricole S.A. The crisis also had a particularly significant impact in some other European countries where Crédit Agricole Assurances Group operates, including Italy, Portugal and Greece. The continuation, or even aggravation, of the crisis in the euro zone could have a negative impact on Crédit Agricole Assurance Group's operating income or financial position.

## A deterioration in Crédit Agricole Assurances Group's consolidated solvency margin and regulatory requirements with regards to the equity of Crédit Agricole Assurances Group's insurance subsidiaries, largely due to adverse developments in the financial markets and changes in the interpretation of regulations

At the consolidated level, Crédit Agricole Assurances Group is required to calculate a consolidated solvency margin which corresponds to Crédit Agricole Assurances Group's total equity available compared to regulatory equity, in accordance with the applicable French regulation called "Solvency 1". According to the terms of the French regulation, the obligatory solvency margin of Crédit Agricole Assurances Group at the consolidated level must be at least 100%. At 31 December 2014, Crédit Agricole Assurances Group's consolidated solvency margin was 120%, *i.e.* an equity surplus of €2.1 billion on this date: (i) €10.4 billion in obligatory equity and (ii) €12.5 billion in available equity. Crédit Agricole Assurances Group's consolidated solvency margin is sensitive to changes in the financial markets (including interest rate levels, stock market levels and foreign exchange rates) as well as various other factors.

Management ensures that Crédit Agricole Assurances Group's solvency margin is continuously monitored at the consolidated level and that the insurance subsidiaries' are in compliance with capital requirements to ensure not only that they are adhering to regulatory requirements, but also that Crédit Agricole Assurances Group and its subsidiaries are positioned well from a competitive standpoint. Generally speaking, regulatory authorities in the insurance sector have full discretion to interpret, apply and enforce their rules and regulations pertaining to the solvency margin and mandatory equity. During periods of extreme turbulence in financial markets, as we have been experiencing for the past several years, regulators can become more conservative in interpreting, applying and enforcing corresponding rules, for example, by imposing an increase in mandatory reserves for some types of risks, by raising liquidity requirements, by increasing reductions/discounts on certain assets or categories of assets, by using more prudent calculation methods or by adopting any other similar measure that could lead to more stringent regulatory requirements for equity.

In the event of non-compliance with minimum regulatory requirements in terms of equity by Crédit Agricole Assurances Group and/or any of its insurance subsidiaries, regulatory authorities from the insurance sector are fully authorised to require or adopt a certain number of regulatory measures, including limiting or prohibiting the signing of new contracts, prohibiting the payment of dividends, and/or in extreme cases, initiating receivership or insolvency proceedings against a company. Any failure of any of Crédit Agricole Assurances Group's insurance subsidiaries in terms of capital requirements and/or any reduction in its levels of regulatory capital likely to harm its competitive position could lead Crédit Agricole Assurances Group to decide to invest large sums into its insurance subsidiaries – a decision that could impact Crédit Agricole Assurances Group's liquidity position, operating income and financial position. Depending on the type and scope, some regulatory restrictions which prohibit Crédit Agricole Assurances Group from freely transferring surplus equity between its subsidiaries or which otherwise restrict the fungibility of Crédit Agricole Assurances Group's capital resources could compromise the financial position of Crédit Agricole Assurances Group's insurance subsidiaries, which could have negative consequences on the Group and perception of its financial strength. Additional changes to regulations concerning solvency requirements, including the "Solvency 2" regulation, will lead to new amendments to the insurance sector's solvency framework and regulatory regime and associated costs. At this stage, despite some uncertainties being laid to rest since 2013, the impact of these changes remains difficult to assess, but are likely to have consequences on the insurance sector in general and on Crédit Agricole Assurances Group's operating income and financial position.

Rating agencies also take into consideration Crédit Agricole Assurances Group's consolidated solvency margin and its insurance subsidiaries' positions with regards to regulatory capital when assessing Crédit Agricole Assurances Group's financial strength and when issuing credit ratings. Rating agencies can modify their rating models from time to time, which could increase or decrease the amount of capital that Crédit Agricole Assurances Group must hold to keep its current ratings.

Management has put systems in place aiming to ensure that Crédit Agricole Assurances Group's consolidated solvency margin and its insurance subsidiaries' regulatory capital levels remain well above minimum regulatory requirements and at levels that ensure Crédit Agricole Assurances Group and its subsidiaries are positioned well from a competitive standpoint. However, there is no assurance that such plans will achieve their objectives. Any breach of minimum regulatory requirements for capital and maintaining regulatory capital at competitive levels by Crédit Agricole Assurances Group and/or its insurance subsidiaries could have a considerable adverse effect on Crédit Agricole Assurances Group's business, its liquidity, its credit ratings, its operating income and its financial position.

## Losses due to the default of financial institutions, reinsurers and/or other third parties

Debtors of Crédit Agricole Assurances Group, whether they are in cash, in securities or other assets, may not pay or may not honour their commitments. These third parties include issuers from the private and public sectors (or those receiving a guarantee from the government) of which Crédit Agricole Assurances Group holds securities in its investment portfolios (particularly securities backed by mortgage loans and assets, government bonds and other types of marketable securities), reinsurers to which Crédit Agricole Assurances Group has transferred insurance risks, customers, trading counterparties, counterparties to swap agreements and other derivative instrument contracts, other counterparties including financial brokers and intermediaries, commercial banks and investment banks, investment funds, settlement agents, stock markets, clearing houses and other financial institutions. A number of Crédit Agricole Assurances Group's transactions with these third parties expose the Group to credit risk if one of its counterparties defaults.

## Dependence on Crédit Agricole Group entities to distribute its insurance products and other major services

Crédit Agricole Assurances Group mainly relies on banking networks affiliated with Crédit Agricole Group to distribute its products. As a result, any factor affecting the Crédit Agricole Group banks' competitive position, reputation or quality of credit could negatively impact Crédit Agricole Assurances Group's revenue, its reputation and its operating income. Likewise, in the countries in which Crédit Agricole Assurances Group distributes its products primarily through partner banks, factors that could damage the reputation, performance or quality of credit of these banks could have a negative effect on sales of Crédit Agricole Assurances Group products through these channels.

In addition to distributing its products, Crédit Agricole Assurances Group also signed outsourcing agreements with members of Crédit Agricole Group and other third party service providers for some other services necessary for carrying out Crédit Agricole Assurances Group's day-to-day insurance activities. Any default of these third parties could expose Crédit Agricole Assurances Group to significant operational, financial and reputational risks.

## Interest rate and credit spread volatility

Crédit Agricole Assurances Group's exposure to credit spreads is mainly related to market prices and to changes in cash flows, combined with changes in credit spreads. A widening of credit spreads generally leads to a decrease in the value of fixed-income securities held by Crédit Agricole Assurances Group (including derivatives for which Crédit Agricole Assurances Group is exposed to a credit risk) and an increase in income generated by purchasing new fixed-income securities in Crédit Agricole Assurances Group's investment portfolio. Conversely, the tightening of credit spreads generally increases the value of fixed-income securities held by Crédit Agricole Assurances Group and reduces the financial products related to new fixed-income security purchases in Crédit Agricole Assurances Group's investment portfolio.

Changes in interest rates in force could also have a negative effect on Crédit Agricole Assurances Group's business. Crédit Agricole Assurances Group's exposure to interest rate risk is primarily tied to market prices and to changes in cash flows, combined with interest rate fluctuations. Interest rate fluctuations could also negatively impact the value of Crédit Agricole Assurances Group's assets and the Group's ability to make gains or avoid losses when disposing of these assets, which all ultimately affect results.

When interest rates are falling:

- life insurance and savings and retirement products can be relatively more attractive for consumers due to the minimum guarantees associated with these products. This allure leads to a stronger renewal rate of life insurance and savings and retirement policies from one year to another, generating deviations with the duration of the financial asset portfolio;
- Crédit Agricole Assurances Group could be required to raise the amount of provisions for guarantees included in life insurance and savings and retirement policies, these guarantees becoming increasingly attractive for policyholders, to update assumptions for policy surrenders; and
- Crédit Agricole Assurances Group's investment income could fall due to the reduction in interest on Crédit Agricole Assurances Group's fixed-rate investments.

Conversely, when interest rates are rising:

- redemptions of life insurance and savings and retirement policies could rise, with policyholders choosing to decline the protection conferred by an insurance for higher investment returns;
- obtaining liquidities to meet Crédit Agricole Assurances Group's commitments following such redemptions could necessitate liquidating fixed-term investments at a time when the prices of these assets are not favourable, which could lead to investment losses and reduce Crédit Agricole Assurances Group's income;
- increased redemptions could also lead to accelerated depreciation of deferred acquisition costs, which would reduce Crédit Agricole Assurances Group's net income;

- there could be a decline in the estimated fair value of certain fixed-income marketable securities that Crédit Agricole Assurances Group holds in its investment portfolios, leading to a drop in the unrealised gains that Crédit Agricole Assurances Group could obtain, which could have a negative impact on its solvency margin as well as its net income; and
- as an issuer of marketable securities, Crédit Agricole Assurances Group could be required to pay higher interest rates on debt securities that it issues from time to time in financial markets in order to finance its operations or comply with regulatory requirements pertaining to capital, which could increase Crédit Agricole Assurances Group's finance costs and cut into its operating income.

Measures taken by Crédit Agricole Assurances Group to mitigate interest rate risk essentially aim to maintain an investment portfolio with diversified maturities, and a weighted average duration that is approximately equal to the duration of cash flow profiles related to Crédit Agricole Assurances Group's estimated liabilities. Nonetheless, estimating cash flow profiles related to its liabilities could prove to be inaccurate and Crédit Agricole Assurances Group could be forced to liquidate investments early and record a loss to cover its liabilities, if necessary. Even though Crédit Agricole Assurances Group takes measures to manage economic risks associated with investing when interest rates are unstable, Crédit Agricole Assurances Group may not be able to mitigate interest rate risk for its assets in relation to its liabilities.

The current volatility of interest rates and credit spreads, considered individually or with other factors (such as the lack of market liquidity, plummeting share prices and the strengthening or weakening of foreign currencies against the euro and/or structural reforms or other changes pertaining to the euro, the euro zone or the European Union), could have a substantial negative impact on Crédit Agricole Assurances Group's consolidated operating income, its financial position or its cash flows due to losses, impairment and changes in positions relating to unrealised gains and losses.

## Foreign exchange fluctuations

Crédit Agricole Assurances Group publishes its consolidated financial statements in euros. A smaller portion of Crédit Agricole Assurances Group's revenues generated by gross insurance premiums and financial products as well as Crédit Agricole Assurances Group's profits, indemnity claims and other expenses, is denominated in currencies other than the euro. Crédit Agricole Assurances Group commitments are denominated either in euros or in other currencies, in which case they are subject to foreign exchange fluctuations.

While Crédit Agricole Assurances Group seeks to manage its exposure to currency fluctuations through hedging transactions, changes in interest rates could affect Crédit Agricole Assurances Group's operating income, cash flows, its equity and solvency. For example, an appreciation or a depreciation of the euro against some currencies could have a positive or negative impact on Crédit Agricole Assurances Group's operating income. Furthermore, the foreign exchange hedging that it uses to manage foreign exchange risk could influence its cash position.

## A persistent increase in inflation rates

A constant increase in inflation rates in Crédit Agricole Assurances Group's main markets could have several impacts on the Group and could damage its business, its solvency level or even its operating income. For example, continued growth of inflation rates could lead to a rise in interest rates in the market and could lead to the above-mentioned consequences. A substantial and long-term rise in inflation is also traditionally connected with impaired portfolio shareholdings and with stagnated stock market performance in general. Moreover, with regards to certain risks related to property and casualty insurance taken out by our insurance subsidiaries, a long-term rise in inflation could lead to (i) an increase in the amount claimed for insurance claims (the definitive amount paid to settle the amount due for the insurance claim, several years after the guarantee period or after the events from which the claim originated occurred), accompanied by (ii) an under-estimation of reserves corresponding to these insurance claims due to an inability to fully forecast inflation and its effects on the amounts actually paid to policyholders when the policies are put in place, and as a result, (iii) a considerable surplus in the real payments compared to the insurance reserves created, which will be detrimental to Crédit Agricole Assurances Group's operating income. An inability to accurately forecast increases in inflation and pass them on in price forecasts for Crédit Agricole Assurances Group's products could also result in underwriting losses and have a negative effect on the Group's operating income.

## A downgrading of ratings reflecting Crédit Agricole Assurances Group's ability to settle claims and its financial strength

Ratings reflecting a company's ability to settle claims and financial strength have become the most important elements for determining insurance companies' competitive positioning. Ratings agencies review their assessments and methodologies on a regular basis and can thus change their rating at any time. As a result, Crédit Agricole Assurances Group's current rating of "A-" with a negative outlook, issued by Standard & Poor's in September 2014, may not be maintained in the future. A downgrading, or even a potential downgrading of ratings could negatively impact Crédit Agricole Assurances Group, for example, by (i) damaging its competitive position, (ii) causing an inability to distribute new insurance policies, (iii) increasing the surrender or termination rate of existing insurance policies, (iv) increasing the cost of reinsurance, (v) causing an inability to find funding and/or increased finance costs, (vi) causing a necessity to create additional guarantees for some policies, (vii) negatively impacting its relationships with creditors or commercial counterparties, and/or (viii) having a considerable adverse effect on public confidence. Crédit Agricole Assurances Group's business, its liquidity position, its operating income, its revenues as well as its financial position could suffer greatly from each of these possibilities.

### Valuation methodologies, estimates and assumptions subject to different interpretations

Our accounting policies and principles relating to valuing our investments are detailed in note 1.1 of the consolidated financial statements. Some of Crédit Agricole Assurances Group's portfolio assets for which there is not an active market or identifiable market data are valued by using models and methodologies that use estimates, assumptions and considerable discretion from Management. During periods of major market disruptions such as those we have been experiencing over the past several years, a larger percentage of Crédit Agricole Assurances Group's invested assets could be valued by using these models and methodologies following less frequent market transactions or a lack of identifiable market data concerning certain asset classes previously traded actively on liquid markets. Crédit Agricole Assurances Group cannot guarantee that the estimates based on these models or methodologies represent the price at which a security could eventually be sold or at which it could be sold at a specific time. The use of different models, methodologies and/or assumptions could have a substantial impact on the estimated fair value and impact Crédit Agricole Assurances Group's operating income and financial position.

### Crédit Agricole Assurances Group and its management bodies' assessment in determining provisions and impairment of certain investments

The determination of the amount of provisions and impairment according to the accounting policies and principles detailed in note 1.1 of Crédit Agricole Assurances Group's consolidated financial statements varies according to the type of investment and is based on a regular periodic assessment and on estimates of known and inherent risks to various asset classes. With regards to impairment, Management takes a wide range of factors into account and uses its best judgement to assess the reasons for a decrease in fair value estimates of securities and short-term prospects for recovery. For some asset classes, and particularly debt instruments, Management's assessment is based on a series of assumptions and estimates concerning the issuer's transactions and its future profits. The necessity for additional impairment and/or provisions could have a negative impact on Crédit Agricole Assurances Group's consolidated operating income and financial position.

## RISK FACTORS ASSOCIATED WITH THE STRUCTURE OF CRÉDIT AGRICOLE ASSURANCES GROUP, WITH THE NATURE OF ITS BUSINESS, ITS PRODUCTS AND ITS ENVIRONMENT

### Unsuitability of Crédit Agricole Assurances Group's hedging plans

Crédit Agricole Assurances Group uses derivative instruments to hedge certain, but not all, risks, according to guarantees provided to its customers. These hedging techniques aim to reduce the economic impact of an unfavourable change in some of its exposures to guarantees granted, due to fluctuations in stock markets and fixed-income securities, as well as to other factors. In some cases, however, Crédit Agricole Assurances Group may not be able to effectively hedge its risks compared to what it wanted or planned to hedge, or may decide not to hedge certain risks due to insufficient size or lack of liquidity of the derivative instrument markets concerned, or due to hedging costs being too high (following poor market conditions or other factors) or due to the very nature of the risk, which could limit Crédit Agricole Assurances Group's hedging ability, or for other reasons. This could translate into higher losses as well as into unforeseen liquidity needs to guarantee or to pay for certain transactions. Additionally, counterparties used for hedging may not meet their obligations, leading to exposures that are not hedged and losses associated with unsecured positions. Crédit Agricole Assurances Group's hedging programme relies on models based on numerous estimates and assessments from Management. Crédit Agricole Assurances Group's hedging programme may change over time, and there is no guarantee that the reality will not ultimately turn out to be significantly different from the assumptions made by Crédit Agricole Assurances Group, which could negatively impact its operating income and its financial position.

### Crédit Agricole Assurances Group and its management bodies' assessment in determining technical provisions of insurance

The establishment of technical provisions, including the impact of minimum guarantees, is by definition an uncertain process involving assumptions on factors such as the policyholder's behaviour (for example, non-renewal, continuation, etc.), judicial decisions, legal and regulatory developments, social, economic and demographic trends, inflation, returns on investment and other factors, and in the life insurance division, assumptions concerning changes in mortality and morbidity. A change in these assumptions could significantly influence the technical provisions of insurance and underwriting expenses as well as the performance indicators monitored by investors.

## Insufficient provisions for losses in Crédit Agricole Assurances Group's property and casualty division

In accordance with practices in force in the sector and with accounting and regulatory requirements, Crédit Agricole Assurances Group makes provisions for claims and settlement fees for claims connected with the property and casualty division. Provisions do not represent a precise valuation of the corresponding liability, but rather estimates established according to actuarial forecasting techniques on a given date. These estimates are provisions pertaining to probable cost, ultimately, from insurance claim settlement and management, according to an assessment by Crédit Agricole Assurances Group of facts and circumstances known at the time, a review of historical settlement patterns, estimates on trends in terms of severity and frequency of claims, legal principles related to liability and other factors. Crédit Agricole Assurances Group constantly monitors the adequacy of reserves, changes in emerging claims and real claims, compared to assumptions made when the gross reserves were estimated. However, there is no guarantee that the final losses will not be considerably higher than the provisions for claims created by Crédit Agricole Assurances, or that they will not have a considerable adverse effect on operating income.

## Indemnity claims that do not comply with the assumptions used by Crédit Agricole Assurances Group to determine the price of its products and to make its provisions

Crédit Agricole Assurances Group's income largely depends on the balance between indemnity claims and the assumptions used to set the prices of its products and to determine the expenses for liabilities related to technical provisions and insurance claims. Crédit Agricole Assurances Group relies on both its experience and industry data to make estimates on future profits generated by its products, including information used to set prices for insurance products and to determine related actuarial provisions. However, there is no guarantee that the reality will be in line with these estimates or that emerging risks, such as epidemics, will not lead to losses that are not in line with Crédit Agricole Assurances Group assumptions with regards to price setting and creating provisions. If Crédit Agricole Assurances Group's benefits actually paid to policyholders are less favourable than the underlying assumptions initially used to establish provisions for future benefits, or if events or trends lead Crédit Agricole Assurances Group to change underlying assumptions, they could be exposed to commitments that exceed their provisions, which could have a significant adverse effect on its business, its operating income and its financial position.

## An increase in severity or frequency of natural or man-made disasters

Over the past few years, climate changes, including global warming, have increased the unpredictable nature and frequency of natural disasters (notably hurricanes, storms, hail storms, earthquakes, fires, explosions, ice storms and floods); coupled with man-made disasters and basic infrastructure failures (such as acts of terrorism, military actions, breakdowns in electricity as well as telephone and Internet infrastructures), these changes create additional uncertainties about trends and risks for the coming years.

The size of losses due to disasters depends on both the total amount of the risk insured in the area affected by the event and the severity of said event. Most disasters are limited to small geographic areas; however, hurricanes, earthquakes and man-made disasters could cause considerable damage, losses of human lives or damage to property in larger areas, in particular when they are highly populated. Crédit Agricole Assurances Group's life insurance business is also exposed to risk of catastrophic die-off, such as epidemics or other events leading to the loss of many human lives. There were three flu pandemics last century; however, it is impossible to make predictions with regards to probability, date and severity of future epidemics. A serious epidemic could have a major impact on the global economy or on the economies of certain countries or regions, particularly in the transportation, commerce, tourism, healthcare and food sectors, as well as on consumption, global economic output, and lastly, on the financial markets. The effectiveness of actions taken by other involved parties, including government and non-government organizations, to control the spread and severity of such an epidemic could considerably influence losses incurred by Crédit Agricole Assurances Group.

Indemnity claims associated with disasters could lead to significant volatility in Crédit Agricole Assurances Group's financial results and drastically lower its profitability or harm its financial position. In addition, catastrophic events could damage the financial position of issuers of bonds that Crédit Agricole Assurances Group holds in its investment portfolio, leading to impairment of its securities and the financial position of reinsurers, thus increasing the likelihood of reinsurers defaulting on their repayments. Large-scale disasters could also reduce the overall level of economic activity of the countries affected in such a way that Crédit Agricole Assurances Group's business as well as the value of its investments and ability to conclude new contracts could suffer. It may be that an increase in the insured value as a result of inflation or other factors and the geographic concentration of insured people and property leads to larger indemnity claims received by Crédit Agricole Assurances Group for future disasters. Even if Crédit Agricole Assurances Group tried to limit its exposure to disaster risk using volatility management programmes and reinsurance, these efforts do not necessarily eliminate all risks. Disasters could be due to various types of events, including hurricanes, storms, earthquakes, hailstorms, tornadoes, explosions, inclement weather (snow, ice, black ice and blizzards), fire and man-made events such as terrorist attacks. Given their nature, Crédit Agricole Assurances Group cannot predict the impact, timing or the severity of disasters. Furthermore, changes in climate conditions, primarily increased temperatures worldwide, could increase the frequency and severity of natural disasters, such as hurricanes. Although Crédit Agricole Assurances Group strives to limit its exposure to acceptable levels, subject to restrictions imposed by regulatory authorities in the insurance sector, one or more disasters could have a considerable adverse effect on Crédit Agricole Assurances Group's business, operating income and financial position. Crédit Agricole Assurances Group's ability to manage this risk partly depends on its ability to take out reinsurance policies for disasters, whose rates might not be viable from a business standpoint in the future.

### Default of a reinsurer or hike in reinsurance costs

Crédit Agricole Assurances Group concludes reinsurance contracts to limit its risks. Under these contracts, the reinsurers cover part of the insurance claims and related settlement fees for insurance policies taken out by Crédit Agricole Assurances Group. The availability, amount and cost of reinsurance depend on market conditions at that time, in terms of price and available capacity, which are conditions that can vary significantly.

The purpose of reinsurance agreements is to transfer a portion of related losses and expenses to other insurers, but they do not necessarily release Crédit Agricole Assurances Group, the direct insurer, from its obligations with regards to claim settlement. Crédit Agricole Assurances Group is therefore subject to the solvency risk of its reinsurers for recovering amounts due from them. Crédit Agricole Assurances Group signs reinsurance contracts with reinsurers that Crédit Agricole Assurances Group believes to be financially sound, but their position could have deteriorated when it comes to recovery of sums due, several years later. A reinsurer's inability to meet its financial obligations under the terms of a major reinsurance contract could significantly damage Crédit Agricole Assurance Group's business, its financial position and its operating income. In addition, after sending sizeable claims to its reinsurers, Crédit Agricole Assurances Group could have to pay higher reinstatement premiums to keep reinsurance coverage.

The availability, the amount and the cost of reinsurance also depend on the overall economic climate and may vary considerably. In the future, Crédit Agricole Assurances Group may not be able to obtain a reinsurance contract at commercially viable prices. Such a situation could exacerbate risk of loss due to a low level of reinsurance, or negatively impact Crédit Agricole Assurances Group's income statement due to an increase in the cost of reinsurance for activities already reinsured.

### Inadequate or ineffective systems or processes, human factors or external events

Operating risk is inherent to Crédit Agricole Assurances Group's business and can manifest itself in many different ways, including business interruption, unsatisfactory performance or default (including cases of major subcontracting agreements) sales forces, IT system dysfunctions or failures, pirating and/or other unauthorised breaches within Crédit Agricole Assurances Group's websites or information systems, regulatory violations, human errors, employee errors and acts of external fraud. Crédit Agricole Assurances Group also faces operational default risk or interruption of a clearing house, a stock exchange or another financial intermediary that facilitates its securities transactions. These events could lead to financial losses, a decline in its liquidity, an interruption in its business, regulatory sanctions or damage to its reputation.

## RISK FACTORS RELATED TO THE REGULATORY AND COMPETITIVE ENVIRONMENT OF CRÉDIT AGRICOLE ASSURANCES GROUP

### Uncertainties associated with the implementation of the Solvency 2 regulation

Over the past few years, the European Commission (the "Commission") has carried out an in-depth review of the regulatory capital requirements in the insurance sector in conjunction with the Member States to prepare for the implementation of the European Directive of 2009 pertaining to the taking-up and pursuit of the insurance and reinsurance business (Solvency 2), amended in 2014 by Directive 2014/51/EU ("Omnibus 2"). The goal of Solvency 2, whose entry into force is planned for 1 January 2016, is to establish a solvency regime that is better adapted to the risks that insurers encounter, and to build a shared system for all members of the European Union. The new approach will be based on three pillars: (1) Pillar 1 covers quantitative capital requirements, rules for measuring assets and liabilities as well as capital requirements, (2) Pillar 2 covers requirements relating to governance and risk management for insurers as well as the requirement for insurers to carry out internal risk and solvency assessments (Own Risk and Solvency Assessment – "ORSA") and to communicate results to the Supervisory Authority as part of its prudential control procedure and (3) Pillar 3 concerns reporting and transparency requirements. This approach will cover assessments, handling insurance groups, defining capital and the overall level of capital requirements, among other things.

At this stage, there is still a great deal of uncertainty around the interpretation of certain applications before being adopted. There is a persistent risk that the final interpretation adopted will stray away from the initial goal of the Directive (namely, establishing an economic framework) and will result in principles that are more governed by prudence, which could have negative consequences for the Group in several ways, and particularly by potentially requiring a substantial increase in capital requirements needed to support current business activities. Furthermore, the manner in which Solvency 2 will be applied to international groups is still uncertain, and if the different European states do not implement this regulation consistently, it could lead to Crédit Agricole Assurances being at a competitive disadvantage compared to other European or non-European financial groups. Moreover, local supervisors could impose additional capital requirements, which could negatively impact the fungibility of the Group's capital. At this point, we cannot predict if and/or how these uncertainties will be resolved or their potential impact on the insurance sector in general or our financial position or net income, in particular.

### Fierce competition in all of Crédit Agricole Assurances Group's business segments

Competition is fierce between insurance companies in France and in other territories where Crédit Agricole Assurances Group operates. Some of Crédit Agricole Assurances Group's competitors may have more financial or marketing resources or be more well-known than Crédit Agricole Assurances. Mergers seen recently in the global financial services sector have also contributed to improving the competitive positioning of certain companies compared to Crédit Agricole Assurances Group by enabling them to expand their product and service ranges and grow their distribution channels and their access to capital.

Crédit Agricole Assurances Group's competitors include not only other insurance companies, but also mutual fund companies, asset management companies, private equity companies, investment fund companies and commercial and investment banks, many of which are subject to different regulations than those applicable to Crédit Agricole Assurances Group and may be able to offer alternative products or more competitive prices than Crédit Agricole Assurances Group.

Additionally, developing alternative distribution channels for some types of financial or insurance products, particularly *via* the Internet, could increase competition and pressure on margins for certain types of products. Crédit Agricole Assurances Group endeavours to keep premiums at target levels, but competitive market conditions could have a significant adverse impact on Crédit Agricole Assurances Group's market share and financial position. This competitive pressure could cause increased price pressures on several products and services offered by Crédit Agricole Assurances Group as part of its competitors' efforts to gain market share, a situation that could impede marketing certain products at a profit.

### Changes to government policies, regulations or legislation in the countries in which Crédit Agricole Assurances Group operates

Crédit Agricole Assurances Group is subject to an extensive regulatory and oversight system in the various countries in which its French and international insurance subsidiaries operate. Applicable regulations cover a wide range of issues, including licenses and audits, rate setting, business practices, limitations on the type and amount of certain investments, underwriting and claim settlement practices, adequacy of Crédit Agricole Assurances Group's provisions for claims, requirements in terms of equity and surpluses, the insurer's solvency, related-party transactions, the amount of dividends that can be paid. The role of this regulatory and oversight system is primarily to protect the interests of policyholders and not those of investors. The larger and more complex that these regulations become, the more costs to comply with these requirements will increase as well as the risk of not complying with them. If Crédit Agricole Assurances Group does not comply with regulatory provisions or other requirements, it could be subject to penalties, in particular fines or suspension or cancellation of its insurance licenses, which could compromise its ability to remain in business. Furthermore, major regulatory measures against Crédit Agricole Assurances Group could have unfavourable financial consequences, seriously harm its reputation or damage its business prospects.

Crédit Agricole Assurances Group could be particularly impacted by changes in government policies or legislation applicable to companies in the insurance sector. These changes notably include changes to regulations pertaining to price setting and claim payments in certain categories of statutory business activities, deregulation and nationalisation of some categories of business activities, regulation of sales practices, regulations relating to policy conditions and imposing new taxes and levies or increasing existing taxes and levies. Changes to regulations could compromise Crédit Agricole Assurances Group's current and future business, particularly by driving customers to cancel or not renew their policies or by requiring Crédit Agricole Assurances Group to change its product range or provide certain products and services, rethink its technological solutions or other systems, retrain its staff, be subject to higher taxes or incur other fees. It is impossible to say with certainty which changes will be made to governmental policies or legislation in any territory where Crédit Agricole Assurances Group operates and what kind of changes they will be, if any, or in which territories they will occur. Laws or regulations related to insurance, which are adopted or amended, could be more restrictive than the requirements to which Crédit Agricole Assurances Group is currently subject; they could lead to higher costs or slow down Crédit Agricole Assurances Group's growth or otherwise harm its operations.

Likewise, modifying tax legislation in France or in other countries where Crédit Agricole Assurances Group operates could have unfavourable consequences on Crédit Agricole Assurances Group's tax expense or on some of its products, reducing their appeal, in particular those that receive advantageous tax treatment. These changes could, for example, pertain to the taxation of life insurance and savings and retirement products as well as pension plans, which frequently include extensive measures that provide incentive or dissuade people from investing in certain asset classes or product categories.

## Potential amendments to International Financial Reporting Standards as adopted by the European Union

Crédit Agricole Assurances Group's consolidated financial statements are prepared based on definitive IFRS and interpretations of the IFRS Interpretations Committee that are in force as at 31 December 2014, according to the European Union's provisions for adoption ("the standards"). Draft changes to existing standards are being studied by the IASB (international accounting regulator). Some of these amendments could have significant impacts on insurers and other financial institutions, including Crédit Agricole Assurances Group, which prepares its consolidated financial statements in accordance with these standards.

Management cannot predict with certainty the impact of the proposed amendments (or potential future amendments to these standards) while the IASB's work is still in progress. Nevertheless, any significant amendment could impact the company's consolidated net income.

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# RISK FACTORS – QUANTITATIVE AND QUALITATIVE INFORMATION

The information in this section complements note 4 to the consolidated financial statements and is covered in the statutory auditors' report on the consolidated financial statements.

In view of the predominance of its savings and retirement activities, Crédit Agricole Assurances Group is more particularly exposed to financial market risk, mainly asset-liability, notably rate risk, equity market risk, forex risk and liquidity risk. Its financial investments also expose it to counterparty risk. Crédit Agricole Assurances Group also faces a diverse range of insurance risks. Lastly, it is exposed to operational risk, particularly in process execution.

## GOVERNANCE AND ORGANISATION OF RISK MANAGEMENT IN CRÉDIT AGRICOLE ASSURANCES GROUP

The risk governance system in Crédit Agricole Assurances (CAA) Group is based on the following principles:

- it falls within the remit of the "Risk management and Control" functions in Crédit Agricole S.A. Group (CASA). These functions may be organised hierarchically, as in the Risks and Permanent Control function, which is responsible for steering (supervision and prevention) and second-degree control, and in the Internal Audit function, in charge of periodic controls, or as a Group function (Compliance). To meet the requirements of the insurance regulations, the system also includes the Group's actuarial function;
- it is headed up by the CAA holding, which is responsible for the Group's risk management systems, and supervises, based on reporting by subsidiaries, and ensures that subsidiary risk management systems are compliant with standards and Group principles. The holding company draws on the expertise available in the CAA Group to ensure a consistent and overall Group approach covering all risks;
- it is based on the principle of subsidiarity. Each CAA Group entity is responsible for defining and implementing its solo risk management policy, in accordance with CASA principles and rules, the principles and rules for the management of CAA Group, and local regulations for international subsidiaries.

Risk governance falls:

- within the remit of Crédit Agricole Group's governance bodies, in particular Executive Management and the Board of Directors, who hold ultimate responsibility for CAA Group compliance with all applicable statutory and regulatory provisions;
- and on the CAA Executive Committee, which is the primary strategic body of the Group's Executive Management. It is supported by the individual entity Management Committees and the Group Strategy Committees (in particular, the Finance Committee, Internal Control Committee, Risks and Permanent Control Committee and the ALTM Committee);
- four key functions: Risk, Compliance, the Actuarial function, Internal audit, coordinated by the CAA Group Internal Control Committee;
- an internal control system, defined as the framework designed to manage and control all types of operations and risks and to ensure that all transactions are carried out in a manner that is proper (in compliance with regulations), secure and effective;
- the internal process for evaluating CAA Group's solvency and risks (the first Organisational Readiness Self-Assessment (ORSA) was conducted in 2014).

### Organisation of risk management

CAA Group's risks are managed as part of CAA Group's common and uniform risk strategy framework and in accordance with the operating principles of the Insurance risk Group function. Insurance risk is organised along the lines of a matrix structure integrating entity level organisation with Group approaches by type of risk.

The hierarchical reporting line guarantees independence, with a "second pair of eyes" role (to issue a recommendation) to back the operating functions, which manage risks day-to-day, make decisions and exercise first-level controls to ensure their processes are performed properly.

The Risk Management and Permanent Control Officer (RCPR) of Crédit Agricole Assurances Group reports to the Crédit Agricole S.A. Group Risk department. The RCPSs in the French and foreign subsidiaries report to the Crédit Agricole Assurances Risk and Permanent Control department.

### Risk management system

#### At CAA Group level

The Risk management strategy implemented by Crédit Agricole Assurances Group is based on the overall risk-management framework and the global limits and alert thresholds for the range of different risks it is exposed to through the implementation of its business strategy. It is reviewed at least annually and submitted for the approval of the CA S.A. Group Risk Management Committee (a sub-Committee of Crédit Agricole S.A.'s Executive Committee, chaired by its Chief Executive Officer) and then approved by the Crédit Agricole Assurances Board. The CA S.A. Group's Risk Management department is notified of any breaches of alert thresholds or limits and resulting corrective measures. A change to any component of strategy requires the approval of CA S.A.'s Executive Management, informed by the recommendation of CA S.A.'s Risk Management department.

The quarterly Group Risk report, which is updated based on standardised risk management indicators, is used to monitor CAA Group's exposure profile and to identify potential deviations. The financial risks to which CAA Group, is exposed and compliance with the relevant consolidated limits are monitored on a monthly basis in a standardised reporting process.

A Committee meets twice monthly to strengthen risk supervision in CAA Group. In these meetings, the Risk Management and Permanent Control Officers (RCPR) discuss any early warnings observed in all areas of risk, in order to analyse the impacts of these risk events as they occur, to propose oversight measures and to submit a summary to the Crédit Agricole Assurances Executive Committee. More specifically, financial risks are examined in the monthly Committee meeting.

Moreover, Crédit Agricole Assurances has set up a Group-wide Methodology Committee, steered by the Group Risk function. The role of the Methodology Committee is to approve the methodologies underpinning the models and indicators used to address major risks for CAA Group or presenting cross-sector challenges for CAA Group.

Lastly, as part of its oversight role, the Group Risk Management and Permanent Control department of CA. S.A. periodically organises a review of the risk management and control framework, attended by the CAA Chief Executive Officer, Group RCPRs and the main entity RCPRs, to examine current risk issues and developments for the insurance business.

### At the entity level

In accordance with the Group framework, companies define their own processes and systems to measure, supervise and manage risks: risk mapping, process mapping, implementing risk strategy according to their risk appetite, the Crédit Agricole Assurances Group global limits in accordance with a process coordinated by the holding, and supplemented by limits to address their specific risks, as needed.

The entities also draw up formal policies and procedures providing a strict framework for risk management (including the rules for accepting risk when insurance policies are taken out, provisioning and hedging of technical risks by reinsurance, claims management, etc.).

For its international subsidiaries, CAA has drawn up a set of standards for transposition by each entity, which set out the scope and rules for decentralised decision-making.

Operational risk management is supervised in each entity by Committees that meet periodically (investment, ALM, technical, reinsurance, etc.) to monitor developments in the risk position, based on reporting by business lines, to present analyses to support the risk management process, and, if necessary, to draw up proposals for action. Alerts are triggered if limits are breached and notified either to the CA S.A. Group Risk Management department (CAA Group limits), to CAA Executive Management, or to the entity's management. Corrective measures are implemented in response.

The risk management system is examined during meetings of the Risk Management and Permanent Control and/or Internal Control Committees of each subsidiary, in light of the permanent control reports, the analysis of their risk report and the conclusions of periodic controls.

## MARKET RISK

In view of the predominance of savings activities in the French and international (Italy mainly) life insurance subsidiaries, CAA Group is particularly affected by market risks owing to the very large volume of financial assets held to cover policyholder liabilities.

Crédit Agricole Assurances Group is exposed to several types of market risk:

- interest rate risk;
- equity risk;
- foreign exchange risk;
- counterparty risk, both from the point of view of default (bond portfolio issuers, OTC transaction counterparties) and movements in the issuer spread. This risk is detailed in a specific section.

In particular, these risks have an impact on the valuation of portfolio assets and their long term yield, and must be managed closely with matching of liabilities and, particularly in Life Insurance, guarantees granted to policyholders (minimum guaranteed rate, floor guarantee, etc.).

Liquidity risk is monitored specifically.

Hence, the financial policy of CAA Group combines supervision of ALM, based on "risk/yield" analyses and "stress scenarios", to identify the characteristics of the amounts to invest, the requirements and objectives over short/medium and long term horizons, and a market analysis, supported by economic scenarios, to identify opportunities and limitations in terms of the environment and the market. The aim of ALM supervision is to reconcile the objectives of conserving ALM balances, delivering shareholder value, and seeking yield for policyholders.

The Investment department in the CAA holding contributes to formulating and monitoring implementation of the investment policies of CAA Group and of the subsidiaries (taking into account individual ALM requirements and financial objectives), which are submitted to their respective Boards for approval. It is responsible for oversight of the investment management services provided by Amundi (management mandates granted by the companies). Moreover, it makes investments directly (without a mandate) on behalf of CAA Group companies (in real estate in particular), as part of the policy of diversification.

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# INTEREST RATE RISK

## Type of exposure and risk management

Interest rate risk is the risk of a change in the value of the bond portfolio due to upward or downward movements in interest rates.

Crédit Agricole Assurances Group's bond portfolio, excluding unit-linked policies, amounted to €226 billion at 31 December 2014, up from €202 billion at the end of 2013.

Interest rate risk in life insurance companies is intrinsically linked to interactions between assets (financial management) and liabilities (policyholder behaviour). Management of this risk requires an overarching approach combining financial strategy, the constitution of reserves, sales and income policies. CAA's framework for managing interest rate risk sets out the limits on risks and the related governance (ALM Committee, presentation of stress scenarios to the Board of Directors, etc.).

A long term fall in interest rates adversely affects the yield on investments, with a potential impact on the company's results, if the bond portfolio's current yield is not sufficient to meet guaranteed returns and to generate margins on the policy. Risks related to the minimum guaranteed returns in France are handled at regulatory level by means of prudential provisions.

CAA has a range of levers to tackle the risk of falling rates:

- moderation of minimum guaranteed returns: Crédit Agricole Assurances Group ceased issuing policies that feature a minimum guaranteed return greater than zero (since 2000 for the main French life insurance company), so that the average minimum guaranteed return has consistently reduced;
- hedging using bond assets and swaps/swaptions to manage reinvestment risk;
- prudent diversification of investment assets.

Risk arising from an increase in interest rates is primarily related to policyholder behaviour: a gap between the return rate that can be delivered by the insurer (related to bond yields) and the rate expected by policyholders in a high-rate environment, or the rate achieved by other savings vehicles, could result in a wave of early redemptions by policyholders. If the insurer were forced to dispose of assets, notably bonds, with unrealised losses (which would generate losses for the insurer), the yield on the portfolio would be reduced, with the risk of triggering new waves of policy redemptions.

Likewise, CAA implements measures to manage the risk of a rate rise:

- adjustment of duration according to projected outflows of liabilities;
- retention of liquidities or liquid investments with a low risk of loss;
- dynamic management of the investment portfolio and setting aside reserves to provide the capacity to increase the return (capitalisation reserve, and profit-sharing provision);
- caps against a rise in rates: this strategy is designed to offset the lower return delivered by the bond portfolio by additional financial returns generated by these hedging instruments (more than one quarter of the main life insurance company's bond portfolio is hedged);
- building customer loyalty to limit early redemptions.

## Analysis of sensitivity to rate risk

### Technical liabilities

Crédit Agricole Assurances Group's technical liabilities are largely insensitive to rate risks for the following reasons:

- savings provisions (over 90% of technical provisions, excluding unit-linked policies): these technical provisions are based on the pricing rate, which is unchanging over time for any particular policy. As a result, a change in interest rates will have no impact on the value of these commitments;
- property & casualty provisions: these technical provisions are not discounted to present value and changes in interest rate, and therefore have no impact on the value of these commitments;
- mathematical provisions for benefits (personal injury, disability): the discount rate used in calculating these reserves is based on the interest rate in force at the calculation date. Therefore, the size of these commitments varies with interest rates. However, given the small amount of these technical commitments, they represent no significant risk for Crédit Agricole Assurances Group.

### Financial investments

The sensitivity to rate risk of Crédit Agricole Assurances Group's fixed income portfolio, assuming a 100 basis point rise or fall in interest rates, is as follows (net of the impact on deferred policyholder surplus and tax):

| *(in € millions)* | 31/12/2014 | | 31/12/2013 | |
|---|---|---|---|---|
| | Impact on net income | Impact on equity | Impact on net income | Impact on equity |
| 100 bp rise in risk-free rates | (136) | (939) | (39) | (846) |
| 100 bp decline in risk-free rates | 115 | 942 | 26 | 819 |

The impacts presented above take the following elements into account:

- the profit-sharing rate for the entity holding the financial investments;
- the tax rate in force.

Impacts on securities held as available-for-sale financial assets are recognised in equity. Impacts on securities held for trading are recognised in profit or loss.

### Financing debts

Borrowings arranged by Crédit Agricole Assurances mainly pay fixed rates. Interest is therefore largely insensitive to rate changes.

# EQUITY RISK AND RISKS KNOWN AS DIVERSIFICATION ASSETS RISK

## Type of exposure and risk management

Exposure to the equity markets and other so-called diversification assets (private equity and listed or unlisted infrastructures, real estate and alternative management) is intended to capture yield in these markets (notably with a low correlation between real estate and other asset classes), which gives rise to a risk of volatility in terms of valuation and, therefore, of accounting provisioning that may have an impact on the return provided to policyholders (provision for lasting impairment, provision for liquidity risk). To limit this effect, particularly for the life insurance portfolios, allocations are analysed to determine a ceiling for the share of these diversification assets and a maximum volatility level.

Equities and other diversification assets are held directly or *via* dedicated CAA Group UCITS to provide regional diversification, in accordance with the relevant risk policies. Exposure to these assets is managed by a series of limits (by asset class and overall for the diversification) and concentration rules.

The main asset classes making up the total portfolio are presented in note 6.4 to the consolidated financial statements.

## Analysis of sensitivity to equity risk

Crédit Agricole Assurances Group's sensitivity to equity risk, assuming a 10% rise or decline in equity markets, is as follows (impacts are shown net of deferred policyholder surplus and tax):

| | 31/12/2014 | | 31/12/2013 | |
|---|---|---|---|---|
| *(in € millions)* | **Impact on net income** | **Impact on equity** | **Impact on net income** | **Impact on equity** |
| 10% rise in equity markets | 77 | 138 | 59 | 91 |
| 10% decline in equity markets | (83) | (138) | (55) | (91) |

The impacts presented above take the following elements into account:

- the profit-sharing rate for the entity holding the financial investments;
- the tax rate in force.

These sensitivity measurements include the impact of changes in the benchmark equity index on assets measured at fair value, provisions for guaranteed minimum return and provisions for the right to withdraw from unit-linked policies as well as any additional impairment provisions required by a decline in equity markets.

Changes to the fair value of available-for-sale financial assets are recognised in reserves for unrealised gains or losses; all other items are recognised in profit or loss.

# FOREIGN EXCHANGE RISK

Crédit Agricole Assurances' exposure to foreign exchange risk falls into two categories:

- structural exposure: in yen for the CA Life Japan subsidiary, which is partially hedged (net exposure is very limited at JPY 3.8 billion at the end of 2014, the equivalent of €26.5 million) and in PLN for the CA Insurance Poland subsidiary established in July 2014 (PLN 37.8 million, equivalent to €8.9 million), which is not hedged;
- operational foreign exchange exposure arises from a mismatch between the asset's currency and that of its liabilities: CAA Group's global portfolio, representing commitments in euros, is primarily invested in euro-denominated financial instruments. However, to achieve the aim of optimising risk/return, the Group seeks to profit from projected gaps in growth between major regions, using dedicated funds. The general strategy is not to hedge exposure to the currencies

of emerging economies, regardless of the asset class, and, in contrast, to hedge exposure to the currencies of mature countries through forward sales, with the option of limited tactical exposure to a currency. CAA Group's overall foreign exchange exposure is bound by a maximum market value limit relative to the total portfolio, and a sub-limit for emerging currencies.

At the end of 2014, actual exposure was not material (less than 1% of the total portfolio), and was mainly on emerging currencies.

1 2 3 4 5 6 7 8 9

# LIQUIDITY RISK

## Type of exposure and risk management

To be in a position to cover liabilities when due, the companies use a combination of approaches.

On the one hand, liquidity is an investment selection criterion (majority of securities listed on regulated markets, limits on assets in markets that lack depth, such as private equity, unrated bonds, and alternative management, etc.).

On the other hand, systems for managing liquidity are consistent across CAA Group, and are defined by the companies as part of their ALM policy:

- for life insurance companies, in order to ensure a match between the maturities of assets and those of liabilities under normal and stressed conditions (wave of redemptions/deaths), the objective is to ensure liquidity in the long term (monitoring and limiting of annual cash run-off gaps), medium term (so-called "reactivity" ratio), and, in case of uncertainty regarding net inflows, short term (one-week and one-month liquidity, with daily monitoring of redemptions). In exceptional circumstances where markets are unavailable, the Group plans temporary liquidity management approaches (repos with collateral in cash or ECB eligible assets);
- for non-life insurance companies, liquidities or assets that have low reactivity are retained, and the share is calculated to respond to a shock to liabilities.

The "reactivity" ratio measures the ability to mobilise current assets of less than two years or variable-rate assets by limiting the impacts in terms of capital loss; it is measured and compared against a threshold set by each life insurance company.

In the current environment marked by sustained inflows, there is no need to activate the short-term supervision system.

## Maturity profile of the financial investment portfolio

Note 6.7 to the consolidated financial statements presents maturities for the bond portfolio (excluding unit-linked contracts).

## Breakdown in financial liabilities by contractual maturity

Note 6.24 to the consolidated financial statements provides information on the estimated maturities of Crédit Agricole Assurances insurance liabilities (excluding unit-linked contracts whose risk is borne by policyholders).

## Financing

As a holding company, Crédit Agricole Assurances is responsible for subsidiary refinancing enabling them to meet their solvency requirements and operational cash needs. It is refinanced through its shareholder CA S.A., and, since 2014, through issuing subordinated debt directly in the market.

The structure of its financing debts and their breakdown by maturity is shown in note 6.20 to the consolidated financial statements.

# COUNTERPARTY RISK

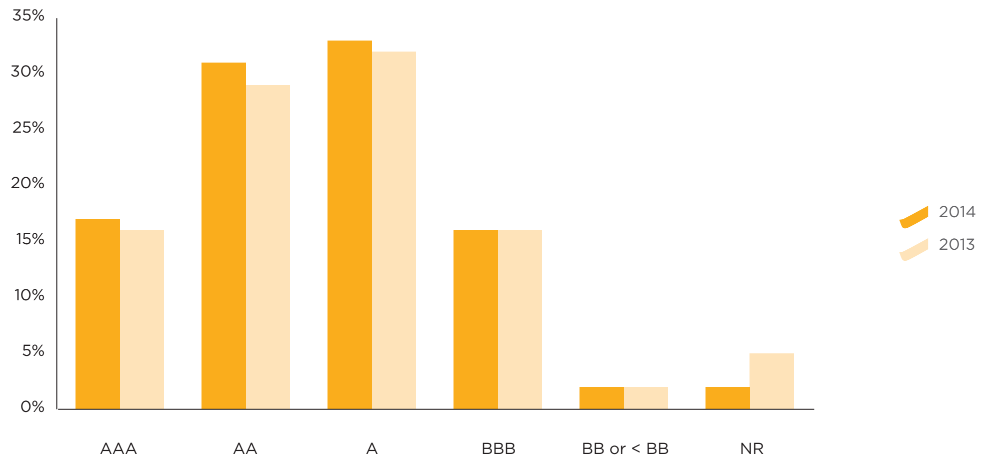
This section only deals with counterparty risk on financial instruments. Exposure to counterparty risk on reinsurers' receivables is covered in the section on insurance risk.

Amundi's risk management teams perform the analysis of counterparty risk for issuers and for OTC market transactions (derivatives) under the mandates granted to them by the insurance companies.

Counterparty risk is contained overall for Crédit Agricole Assurances Group and at portfolio level for each entity in CAA Group, on the basis of limits in terms of ratings, issuer and sector concentration.

Hence, aggregate limits are placed to manage the breakdown of issues between rating classes. The rating used, called "Solvency 2", corresponds to the second best of the three S&P, Moody's and Fitch ratings. The share of "high-yield" issues held directly (including after a rating downgrade that does not affect repayment capacity), or indirectly *via* specialist funds, is subject to strict limits. BB is the minimum rating authorised. In the context of the shift in focus since mid-May 2012 from fixed income to corporate bonds, subject to a maximum exposure limit for the sector, the investment universe was expanded to issuers not rated by an external rating agency, but with an internal CA S.A. investment grade equivalent rating (BBB-) as a minimum requirement, according to a rigorous selection process and in a limited proportion (3% of the portfolio at the end of 2014).

The bond portfolio (excluding unit-linked policies) by credit rating breaks down as follows:




Concentration in a single issuer (equities and interest rate instruments) may not exceed a given percentage of the total portfolio, which is determined according to issuer type and quality. Furthermore, limiting the relative weighting of the top 10 issuers ensures diversification within rating levels A and BBB. Exposure is reviewed quarterly with the Amundi Risk teams and the Risk Management department of Crédit Agricole S.A. Group.

Concentration in sovereign debt and similar is subject to individual limits according to debt-to-GDP ratio and the country's credit rating. For a number of years CAA Group has implemented a policy of reducing exposure to the sovereign debt and similar of weakened Eurozone countries (Greece, Italy, Ireland, Portugal and Spain). Accordingly, CAA no longer holds a position on the Greek sovereign, and retains only marginal Portuguese debt. The Group's exposure to Italian government debt is essentially domestic and is concentrated in its Italian life insurance subsidiary. Residual exposures at end-2014 amounted to €7.6 billion and are detailed in note 6.6 to the consolidated financial statements. Exposure to non-sovereign debt of these weakened companies was managed conservatively and selectively relative to authorised issuers (some Italian and Spanish industry groups).

Cash collateral contracts are used to manage counterparty risk for over-the-counter derivatives used by companies to hedge exposure to rate risk and presented on their balance sheets.

# INSURANCE RISKS

Crédit Agricole Assurances Group is exposed to insurance risk through the insurance business. Such risk primarily relates to the underwriting, valuation of provisions and reinsurance processes.

Each entity implements an approach in collaboration with all the operating departments concerned, as well as Risks, Compliance and Legal Affairs, to manage risks when new insurance products are created or substantial changes are made to the features or an existing product. Products are approved by an *ad hoc* Committee (New Business and New Product Committee).

## Underwriting risk

Underwriting risk takes different forms depending on the nature of the insurance, life or non-life:

### Life insurance underwriting risk

Through its Savings and Death & Disability activities and life insurance guarantees in respect of its creditor insurance, CAA is exposed to biometric risks (longevity, mortality, disability, long-term care risks), loading risk (insufficient loading to cover operating expenses and commission paid to distributors), but most of all to behavioural risk, *i.e.* the risk of early redemption of policies related to rapid interest rate rises or a deterioration in trust in Crédit Agricole Group.

Life insurance technical reserves, recognised in the main by French companies, are chiefly constituted from savings denominated in euro or unit-linked contracts. For the majority of unit-linked contracts, the risk of fluctuation in the value of the underlying is borne directly by the policyholder. Some contracts may include a floor guarantee in the event of the death of the insured. The insurer is thus exposed to a financial risk determined by the value of the unit-linked account and the probability of death of the insured. A technical provision is recognised for this floor guarantee.

In savings, redemption rates are monitored for each life insurance company and at CAA Group level, and compared with the structural redemption rates established on the basis of historic and market data.

For the death and disability activity and yields, the underwriting policy, which specifies the risks covered and the underwriting conditions (target customers, exclusions), and pricing standards (notably the statistical tables established either from national or international statistics or from experience tables) help to control risk in this area.

"Disaster" risk, related to a mortality shock (*e.g.* a pandemic) is liable to have an impact on the results for individual or group death and disability insurance. The French life insurance subsidiary receives BCAC coverage (Bureau Commun des Assurances Collectives), both on group death benefits and individual death and disability benefits, as well as, in part, supplementary coverage of disability risk.

### Non-life insurance underwriting risk

For property & casualty insurance and non-life benefits included in creditor insurance policies, risk arises mainly from poor selection (poor assessment of the characteristics of the risks covered), under-priced premiums, and aggregate or disaster risk.

For distribution partners, underwriting policy defines the framework for accepting risk (to ensure appropriate selection of risks and the spread within the policy portfolio to optimise technical margins). Formal rules and procedures for pricing are also drawn up.

The ratio of claims paid to premiums earned is compared against targets. This claims ratio is the key indicator for monitoring risk and is used to identify priorities for improving the technical result, where necessary.

Concentration risk in non-life insurance relates to an aggregation of liabilities in respect of a single claim, arising from:

- underwriting concentration, in which policies are written by one or more Group entities on the same risk;
- claim concentration, where policies are written by one or more Crédit Agricole Assurances Group entities on risks that are different, but liable to be triggered by a single covered event or the same primary cause.

This type of risk is hedged, first, by a policy of diversifying the risks written in a single region and, second, by reinsurance to limit the financial impact of major events (storms, natural disasters, etc.), under a reinsurance policy (see reinsurance risk below) that incorporates this dimension.

## Provisioning risk

Provisioning risk is the risk of a gap between the provisions set aside and those required to meet liabilities. It may be related to risk valuation (volatility introduced by discount rates, regulatory developments, or new risks for which statistical depth is inadequate, etc.) or to a change in risk factors (population ageing, for example, leading to increased long-term care risks or health issues, stricter laws governing professional civil liability, personal injury compensation, etc.).

The objective of the provisioning policy established in each of the companies is to guarantee a prudent assessment of loadings for past and projected claims to ensure a high probability that the accounting provisions set aside will be sufficient to cover the ultimate load.

The methods used to constitute provisions for property and casualty insurance, on a case-by-case basis according to the products and benefits affected, are documented and the management rules applied by claims managers are set out in the manuals.

The choice of statistical methodology to calculate accounting provisions (including provisions for late payment) is justified at each reporting date.

The local permanent control plan encompasses control of provisioning policy.

The statutory auditors perform an actuarial review of provisions as part of the annual audit.

The breakdown in technical provisions pertaining to life and non-life insurance contracts is presented in note 6.24 to the consolidated financial statements.

## Reinsurance risk

Reinsurance risks are of three types:

- inappropriate reinsurance (insufficient cover or, on the other hand, payment of too high a premium, which erodes technical margins and competitiveness);
- risk of a reinsurer defaulting and not being able to pay their full share of the claims;
- no or virtually no reinsurance on a given activity or guarantee given (reinsurance offer, amounts that can be covered and the cost of cover, depending on market conditions that are liable to vary significantly).

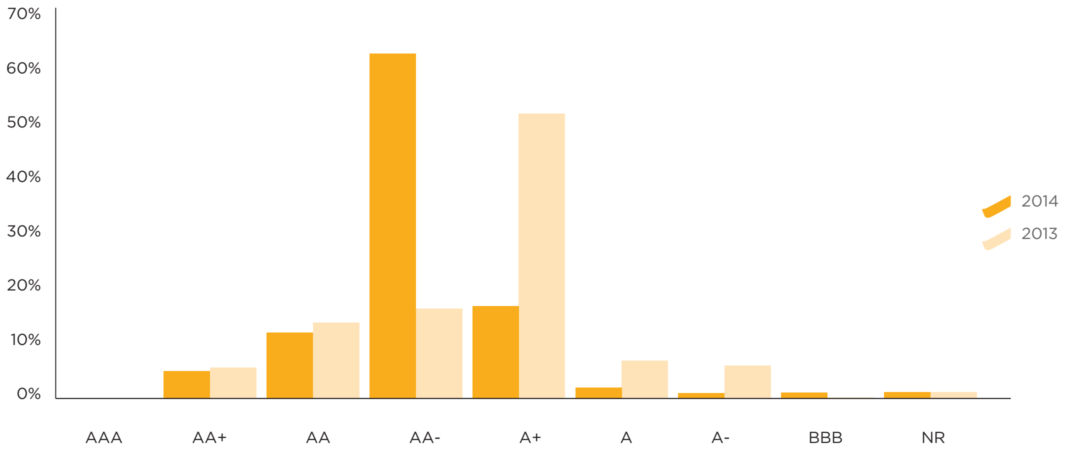
Each company draws up its own reinsurance plan aimed at protecting equity in case of systemic or exceptional events and at limiting volatility in the company's results, based on the principles of CAA Group's strategy for common and uniform risks limitation, namely:

- select reinsurers that meet minimum financial soundness criteria, with reinsurers' ratings monitored at CAA Group level;
- ensure adequate dispersion of premiums across reinsurers;
- monitor the adequacy of reinsurance cover relative to the commitments to policyholders and of results on each reinsurance agreement.

The reinsurance plans are reviewed annually by the Board of Directors in each subsidiary.

Net outstandings ceded to reinsurers (ceded reserves and current accounts with reinsurers net of cash deposits received) totalled €0.5 billion at 31 December 2014, remaining stable year-on-year.

Their breakdown by reinsurer rating is as follows:




## Emerging risks

The Risk Management department is responsible for ongoing monitoring of insurance risk, in cooperation with other business line departments and Legal Affairs.

The Risk Monitoring Committee, which meets twice monthly and is attended by all Risk Management and Permanent Control Officers, is also tasked with anticipating developments in the regulatory and legal environment and identifying emerging risks.

Intelligence data is input from many sources (economic research, internal and external analysis, in particular by consulting firms and research published by the French Regulatory and Resolution Supervisory Authority (ACPR) and the European regulator, EIOPA, etc.).

# OPERATIONAL RISKS

Operational risk is the risk of loss resulting from shortcomings or failure in internal procedures, human error, information systems or external events. It includes non-compliance risk, legal risk and the risks generated by key outsourced services (PSEE).

Crédit Agricole Assurances entities apply Crédit Agricole S.A. Group directives on operational and compliance risk management.

The operational risk management system in each entity, including the holding, is thus comprised of the following components:

- mapping of risk events, periodically updated to include organisational changes, new business and changes in the cost of risk. Mapping is constructed by breaking down activities by process, together with the seven risk categories according to Basel 2 nomenclature. Financial and non-financial impacts (regulatory and image) of actual and potential risk events identified are assessed together with the probability of occurrence, drawing on specific expertise. Internal control is assessed on the basis of the results of controls at the different levels defined in the local control plans and standardised controls defined by the CA S.A. Group Risk Management department) and the findings of periodic controls to highlight the most critical net risks and prioritise action plans to reduce them;
- a process of collecting data on risk-related incidents and operating losses, backed by an early-warning system, is used to monitor identified risks and exploit them to introduce remediation measures and ensure consistency with mapping.

CAA and its subsidiaries have prepared their business continuity plans (BCP) focusing on essential activities in order to cover a failure of information systems, operational sites and personnel. The business continuity plans meet CA S.A. Group standards, with the adoption of the Group's solution for the user fallback site, the IT back-up plan based on the CA S.A. shared IT operating and production site. It is tested on a regular basis. IT system security is an inherent component of the Group's security policies. A three-year programme of security projects (including accreditation, intrusion tests, and IT system failure scenarios) is underway.

A CAA Group-wide general outsourcing and subcontracting policy, describing amongst others the monitoring and control system associated with outsourcing, is being rolled out by Group entities.

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# NON-COMPLIANCE RISK

Non-compliance risk refers to a potential lack of adherence to rules governing financial and banking activities. These rules may be laws, regulations (on securities regarding crossing thresholds and regulatory declarations to the Commission nationale de l'informatique et des libertés – CNIL, etc.), professional or ethical standards, professional codes of conduct for the protection of customers, or efforts to combat money-laundering, corruption or the financing of terrorism. They are an integral part of operational risk mapping within entities.

In each entity, the Compliance Officer is responsible for drawing up procedures transposing the regulatory rules issued by Crédit Agricole S.A.'s Compliance department. The Compliance Officer is also responsible for training and for the dedicated control system aimed at controlling these risks, preventing the risk of fraud, limiting their impact (financial losses, legal, administrative or disciplinary sanctions), and protecting Crédit Agricole Assurances Group's reputation. On the launch of new business activities and the creation of new products, security is enhanced by referral to the New Activities and New Products Committees, established in each entity. These Committees review the contractual and marketing documents for products, as well as the training materials and sales aids intended for distributors.

In all areas of compliance, from the prevention of money laundering and financing of terrorism to protecting customers, the Group has strengthened coordination with distributors (Regional Banks, LCL, other international networks) to define roles and responsibilities and ensure implementation of the controls to guarantee correct application of procedures by all parties.

# LEGAL RISK

Responsibility for legal management, regulatory intelligence and consulting with Business Line departments lies with the companies' Legal Affairs departments.

Insofar as Crédit Agricole Assurances is aware, there are no administrative, court or arbitration proceedings that could have or have had, within the previous 12 months, a substantial effect on the financial position or profitability of the company and/or Crédit Agricole Assurances Group.

As far as Crédit Agricole Assurances is aware, there are no significant disputes to disclose.

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# CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2014

# GENERAL INFORMATION

## PRESENTATION OF CRÉDIT AGRICOLE ASSURANCES GROUP

Crédit Agricole Assurances, a French *Société anonyme* with a Board of Directors, is the Crédit Agricole Group's holding company owning, under the control of Crédit Agricole S.A., the Group's participations in various insurance and reinsurance companies in France and internationally.

The purpose of Crédit Agricole Assurances is to acquire and manage participations in insurance and reinsurance companies without directly acting to provide insurance policies or enter into reinsurance contracts.

Crédit Agricole Assurances Group is regulated by the Autorité de contrôle prudentiel et de résolution.

### Legal information

- Company name: **CREDIT AGRICOLE ASSURANCES**
- Company form: French limited liability company *(Société anonyme)* with a Board of Directors
- Registered offices: 50/56, rue de la Procession – 75015 PARIS
- Share capital €1,448,754,700 (last modified 29 December 2014)
- Place of registration: Tribunal de commerce de Paris
- Company Number: 2004 B 01471

### Insee data

- N° Siren: 451 746 077
- Siret: 451 746 077 00036
- Code N0000AF: 6420Z (Holding company activities)
- Legal Category: 5599 (Société anonyme with a Board of Directors)

### Tax information

- VAT registration number: FR 27 451 746 077 (EU intra-community number)
- VAT regime: Real normal

### Shareholders

Share capital in Crédit Agricole Assurances consists of 144,875,470 shares of €10 each, held by:

- Crédit Agricole S.A.: 99.99%
- Other directors: 0.01%

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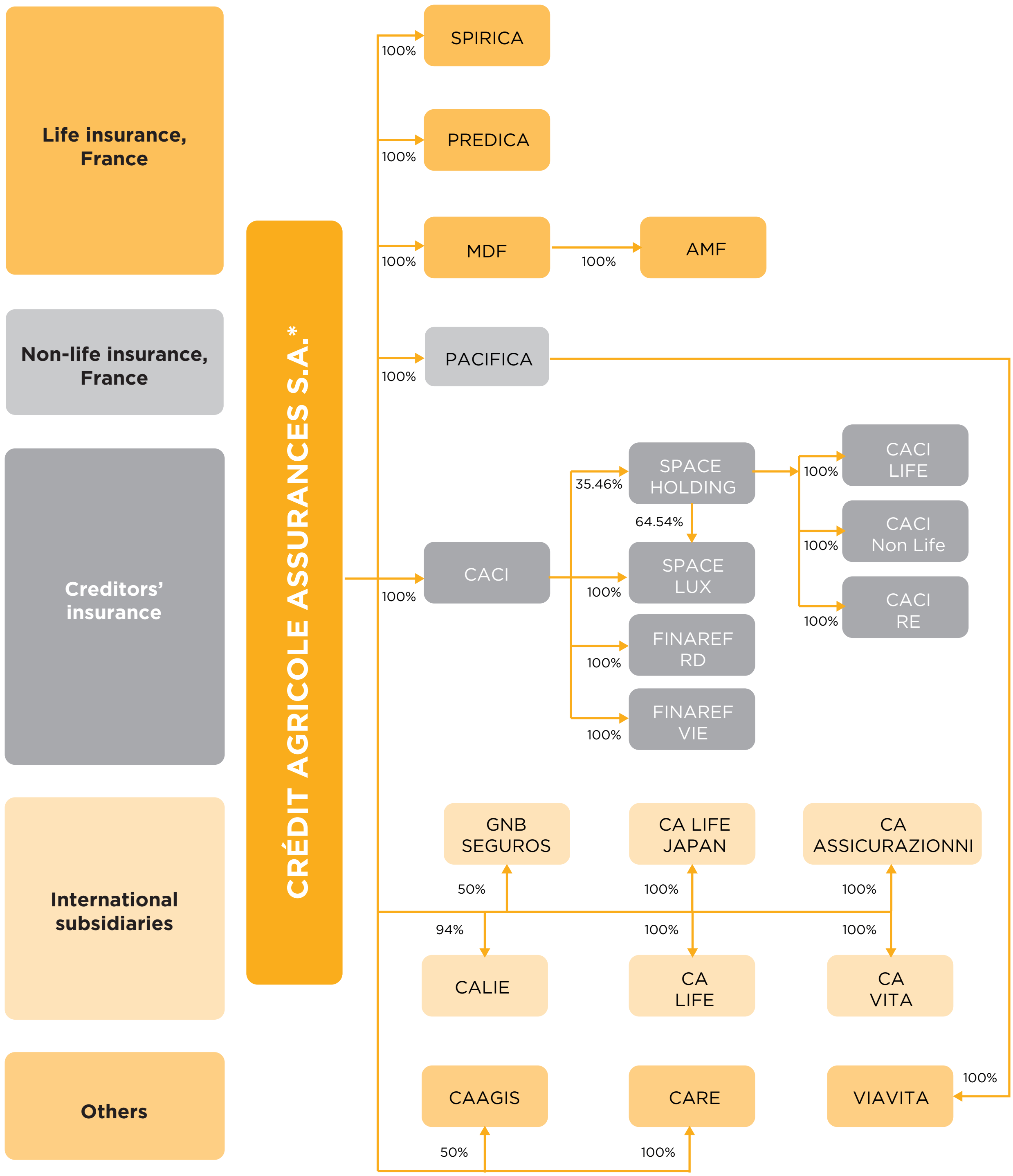
## SIMPLIFIED ORGANISATIONAL STRUCTURE OF CRÉDIT AGRICOLE ASSURANCES GROUP

The diagram below represents the scope of consolidation of the Crédit Agricole Assurances Group, with the exception of consolidated structured entities.




* *The Crédit Agricole Assurances S.A. holding company is presented in "other" under segment information.*

# RELATED PARTY INFORMATION

Parties related to the Crédit Agricole Assurances Group are companies within the Crédit Agricole S.A. Group and the main directors of the Crédit Agricole Assurances Group.

## Relations with the Crédit Agricole Group

The majority of the financing of Crédit Agricole Assurances is provided by the Crédit Agricole Group.

As at 31 December 2014, €2 billion of perpetual subordinated loan notes and €1.8 billion redeemable subordinated loan notes were held by Crédit Agricole S.A.

Within its investment portfolio, the Crédit Agricole Assurances Group holds a total of €22.4 billion of securities issued by the Crédit Agricole Group, including €9.8 billion in assets representing unit-linked contracts.

As part of its bancassurance activities, Crédit Agricole Assurances delegates certain functions to other entities within the Crédit Agricole Group:

- the sale of insurance contracts is carried out through the banking networks of the Regional Banks and LCL in France and abroad and through the networks of international partners (including Cariparma in Italy, Novo Banco in Portugal and CABP in Poland, etc.);
- administrative management of life insurance contracts sold by banking networks is delegated to the distributors (with Regional Banks in turn delegating some elements of this management to Caagis);
- asset management is delegated to specialist entities in various markets (Amundi, CA Immobilier, CACEIS, etc.);
- claims handling in France is managed by SIRCA (a company created by Pacifica and the Regional Banks).

Similarly, retirement benefit obligations of the Crédit Agricole S.A. Group are, in part, covered by collective insurance agreements with Predica. These agreements include the creation of collective investment funds for the purpose of covering retirement bonuses and certain pension schemes, to which contributions are paid by the employer, the management of these funds by the insurance companies and the payment to beneficiaries of bonuses and retirement benefits as set out in the various schemes.

## Relationship between companies consolidated by the Crédit Agricole Group

The list of companies consolidated by the Crédit Agricole Assurances Group is set out in note 11 – Consolidation scope.

Transactions between two fully consolidated companies are completely eliminated.

Intragroup transactions that have been subject to eliminations having an effect on the income statement for the year are presented in note 5 – Segment information.

## Relations with main directors

Information on the compensation paid to the main directors is set out in note 8 – Employee benefits and other compensation.

There are no significant transactions between Crédit Agricole Assurances and its main directors, their families or companies under their control which are not included in the Group's scope of consolidation.

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# CONSOLIDATED FINANCIAL STATEMENT

## BALANCE SHEET ASSETS

| *(in € million)* | Notes | 31/12/2014 | 31/12/2013 Restated[1] | 01/01/2013 Restated[1] |
|---|---|---|---|---|
| Goodwill | Note 6.1 | 872 | 872 | 874 |
| Value of business in-force | Note 6.2 | 9 | 11 | 14 |
| Other intangible assets | Note 6.3 | 242 | 249 | 249 |
| **Intangible assets** | | **1,123** | **1,132** | **1,137** |
| Real estate investments | | 4,084 | 3,493 | 2,968 |
| Unit-linked real estate investments | | - | - | - |
| Financial investments | | 265,704 | 232,922 | 217,680 |
| Unit-linked financial investments | | 46,466 | 43,267 | 41,568 |
| Derivative instruments and separated embedded derivatives | | 1,431 | 857 | 873 |
| **Investments from insurance activities** | **Notes 6.4 to 6.10** | **317,685** | **280,539** | **263,089** |
| **Investments in equity method** | | **-** | **0** | **0** |
| **Share of outward reinsurers and retrocessionaires in liabilities arising from insurance and financial contracts** | **Note 6.11** | **1,323** | **1,254** | **1,184** |
| Operational real estate and other property, plant and equipment | Note 6.12 | 230 | 237 | 246 |
| Deferred acquisition costs | Note 6.13 | 829 | 801 | 790 |
| Deferred participation assets | Note 6.23 | - | 0 | - |
| Deferred tax assets | Note 6.14 | 29 | 41 | 47 |
| Receivables resulting from insurance and inward reinsurance operations | Note 6.15 | 1,969 | 1,619 | 1,556 |
| Receivables resulting from ceded reinsurance operations | Note 6.16 | 72 | 113 | 90 |
| Current income tax assets | | 77 | 9 | 29 |
| Other receivables | Note 6.17 | 3,033 | 3,016 | 1,387 |
| **Other assets** | | **6,239** | **5,836** | **4,145** |
| **Assets held for sale including discontinued operations** | | **-** | **0** | **0** |
| **Cash and cash equivalents** | | **2,907** | **2,631** | **6,276** |
| **TOTAL ASSETS** | | **329,277** | **291,392** | **275,831** |

(1) *The effects of the change of accounting method linked to the application of IFRS 10 are presented in note 1.*

# BALANCE SHEET LIABILITIES

| *(in € millions)* | Notes | 31/12/2014 | 31/12/2013 Restated[(1)] | 01/01/2013 Restated[(1)] |
|---|---|---|---|---|
| Share capital and equivalent | | 1,449 | 1,241 | 1,163 |
| Issue, merger and transfer premium | | 7,167 | 5,833 | 5,391 |
| Gains and losses recognised directly in equity | | 2,386 | 1,140 | 1,170 |
| Retained earnings and other reserves | | 562 | 1,296 | 2,030 |
| Consolidated net income | | 992 | 1,002 | 750 |
| **Group shareholders' equity** | | **12,556** | **10,511** | **10,504** |
| **Minority interests** | | **34** | **27** | **27** |
| **Total shareholders' equity** | | **12,590** | **10,538** | **10,531** |
| **Provisions for risks and charges** | **Note 6.19** | **231** | **158** | **176** |
| Subordinated debts | Note 6.20 | 3,837 | 4,388 | 3,936 |
| Debt to credit institutions | | 2,401 | 1,451 | 1,345 |
| **Financing debt** | | **6,238** | **5,839** | **5,281** |
| Technical liabilities on insurance contracts | | 118,641 | 103,151 | 93,557 |
| Technical liabilities on unit-linked insurance contracts | | 40,729 | 38,371 | 37,093 |
| **Technical liabilities on insurance contracts** | **Note 6.22** | **159,370** | **141,522** | **130,650** |
| Technical liabilities on financial contracts with discretionary participation features | | 96,527 | 99,749 | 99,392 |
| Technical liabilities on financial contracts without discretionary participation features | | 192 | 352 | 360 |
| Technical liabilities on unit-linked financial contracts | | 5,791 | 4,825 | 4,493 |
| **Technical liabilities on financial contracts** | **Note 6.22** | **102,510** | **104,926** | **104,245** |
| **Deferred participation reserve** | **Note 6.23** | **23,971** | **10,201** | **10,380** |
| **Technical liabilities** | | **285,851** | **256,649** | **245,275** |
| Deferred tax liabilities | Note 6.14 | 904 | 453 | 590 |
| Operating debt represented by securities | | - | - | - |
| Operating debt to banking establishments | | 2,224 | 2,219 | 4,402 |
| Liabilities towards holders of units in consolidated mutual funds | | 3,814 | 2,814 | 2,190 |
| Debts arising from insurance or inward reinsurance operations | Note 6.24 | 1,739 | 1,605 | 1,617 |
| Debts arising from ceded reinsurance operations | Note 6.25 | 1,036 | 1,027 | 993 |
| Current income tax liabilities | | 37 | 126 | 178 |
| Derivative instrument liabilities | Note 6.10 | 66 | 8 | 7 |
| Other debts | Note 6.26 | 14,547 | 9,956 | 4,591 |
| **Other liabilities** | | **24,367** | **18,208** | **14,568** |
| **Liabilities held for sale including discontinued operations** | | **-** | **-** | **-** |
| **TOTAL LIABILITIES** | | **329,277** | **291,392** | **275,831** |

(1) *The effects of the change of accounting method linked to the application of IFRS 10 are presented in note 1.*

# CONSOLIDATED INCOME STATEMENT

| *(in € millions)* | Notes | 31/12/2014 | 31/12/2013 |
|---|---|---|---|
| Written premiums | Note 7.1 | 29,377 | 25,701 |
| Change in unearned premiums | | (77) | (26) |
| **Earned premiums** | | **29,300** | **25,675** |
| **Revenue or income from other activities** | **Note 7.1** | **123** | **94** |
| Investment income | | 8,050 | 7,725 |
| Investment expense | | (628) | (250) |
| Gains/(losses) on investment net of reversals of impairment and depreciation | | 1,311 | 1,237 |
| Change in fair value of investments recognised at fair value through profit or loss | | 4,071 | 2,344 |
| Change in investments impairment | | (228) | (311) |
| **Investment income net of expenses** | **Note 7.2** | **12,576** | **10,745** |
| **Claims expenses** | **Note 7.4** | **(36,559)** | **(31,207)** |
| Revenue from reinsurance operations | | 480 | 390 |
| Expenses from reinsurance operations | | (522) | (493) |
| **Result from reinsurance** | **Note 7.7** | **(42)** | **(103)** |
| Contracts acquisition costs | | (1,973) | (1,900) |
| Amortization of portfolio assets and similar | | (2) | (3) |
| Administrative expenses | | (1,305) | (1,195) |
| Other current operating income and expenses | | (267) | (220) |
| Other operating income and expenses | | - | - |
| **Operating income** | **Note 7.5** | **1,851** | **1,886** |
| Financing expenses | Note 6.20 | (376) | (270) |
| Share in income of related companies | | - | - |
| Income tax | Note 7.8 | (479) | (610) |
| Profit/loss after-tax on discontinued operations | | - | - |
| **CONSOLIDATED NET INCOME** | | **996** | **1,006** |
| Minority interests | | 5 | 4 |
| **Net income (Group share)** | | **992** | **1,002** |

# NET INCOME AND OTHER COMPREHENSIVE INCOME

| *(in € millions)* | **31/12/2014** | **31/12/2013** |
|---|---|---|
| **Consolidated net income** | **996** | **1,006** |
| Actuarial gains and losses on post-employment benefits | 3 | - |
| Gains and losses on non-current assets held for sale | - | - |
| Gross shadow accounting of non-recyclable unrealised gains and losses recognised directly in equity | - | - |
| **Gains and losses before tax recognised directly in equity (non-recyclable) excluding affiliates** | **3** | **-** |
| Gains and losses before tax recognised directly in equity (non-recyclable) including affiliates | - | - |
| Tax on non-recyclable gains and losses recognised directly in equity, excluding affiliates | (1) | - |
| Tax on non-recyclable gains and losses at affiliates recognised directly in equity | - | - |
| **Net gains and losses recognised directly in equity (non-recyclable)** | **2** | **-** |
| Foreign exchange adjustments | - | (13) |
| Revaluation of financial assets available for sale | 12,496 | (945) |
| Revaluation of hedging derivatives | 654 | (116) |
| Shadow accounting gross of deferred tax | (11,315) | 966 |
| **Recyclable gains and losses before tax recognised directly in equity, excluding affiliates** | **1,835** | **(107)** |
| Group share of recyclable gains and losses before tax at affiliates recognised directly in equity | - | - |
| Tax on recyclable gains and losses recognised directly in equity, excluding affiliates | (587) | 76 |
| Tax on recyclable gains and losses at affiliates recognised directly in equity | - | - |
| **Net recyclable gains and losses recognised directly in equity** | **1,248** | **(32)** |
| **NET INCOME AND OTHER COMPREHENSIVE INCOME** | **2,246** | **974** |
| Net income and other comprehensive income – Group share | 2,240 | 970 |
| Net income and other comprehensive income – Minority interests | 6 | 4 |

# STATEMENT OF CHANGES IN EQUITY

| | Attributable to equity holders of the parent | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| *(in € millions)* | **Issued capital and equivalent** | **Issue, merger and transfer premium** | **Gains and losses recognised directly in equity** | **Recyclable IAS reserves relating to changes in value via reserves** | **Non-recyclable IAS reserves relating to changes in value via reserves** | **Retained earnings and other reserves** | **Total Group share** | **Minority interests** | **Total consolidated shareholders' equity** |
| **Closing at 31 December 2012** | **1,163** | **5,391** | **1,170** | **1,176** | **(6)** | **2,780** | **10,504** | **27** | **10,531** |
| Gains and losses recognised directly in equity | | - | (35) | (35) | - | | (35) | - | (35) |
| Consolidated net income | - | - | - | - | - | 1,002 | 1,002 | 4 | 1,006 |
| **Net income and other comprehensive income** | **-** | **-** | **(35)** | **(35)** | **-** | **1,002** | **967** | **4** | **971** |
| Dividend payout | 519 | - | - | - | - | (1,484) | (965) | (4) | (969) |
| Capital operations | (442) | 442 | - | - | - | - | - | - | - |
| Change in scope | - | - | - | - | - | 3 | 3 | - | 3 |
| Other changes | - | - | 4 | 4 | - | (2) | 2 | - | 2 |
| **Closing at 31 December 2013** | **1,240** | **5,833** | **1,140** | **1,145** | **(6)** | **2,298** | **10,511** | **27** | **10,538** |
| Gains and losses recognised directly in equity | - | - | 1,248 | 1,246 | 2 | - | 1,248 | 1 | 1,249 |
| Consolidated net income | - | - | - | - | - | 992 | 992 | 5 | 997 |
| **Net income and other comprehensive income** | **-** | **-** | **1,248** | **1,246** | **2** | **992** | **2,240** | **6** | **2,246** |
| Dividend payout | - | - | - | - | - | (2,471) | (2,471) | (4) | (2,475) |
| Capital operations | 209 | 1,334 | - | - | - | (1) | 1,542 | 2 | 1,544 |
| Change in scope | - | - | - | - | - | - | - | - | - |
| Perpetual sub Debt[1] | - | - | - | - | - | 742 | 742 | - | 742 |
| Interest expenses on perpetuel sub debt | - | - | - | - | - | - | - | - | - |
| Other changes | - | - | (1) | (1) | - | (4) | (5) | 4 | (1) |
| **CLOSING AT 31 DECEMBER 2014** | **1,449** | **7,167** | **2,386** | **2,390** | **(4)** | **1,554** | **12,556** | **34** | **12,590** |

(1) *As part of its strengthening of its regulatory equity, on 14 October 2014, Crédit Agricole Assurances issued adjustable fixed rate perpetual subordinated bonds (See note 2: Significant events during the period).*

# CASH FLOW STATEMENT

The cash flow statement is presented according to the indirect method model and in accordance with the presentation recommended by the Autorité des normes comptables in its recommendation No. 2013-R-05 of 7 November 2013.

**Operating activities** represent those activities generating income for Crédit Agricole Assurances.

Tax payments are presented in their entirety under operating activities.

**Investment activities** represent transactions relating to investments and linked to property, plant and equipment and intangible assets. Strategic equity holdings included in "financial assets available for sale" are included in this section.

**Financing activities** result from changes relating to structural financial transactions affecting shareholders' equity and long-term debt.

**Net cash** includes cash at hand, credit and debit balances with banks and accounts (assets and liabilities) and call loans with lending establishments.

| *(in € millions)* | 31/12/2014 | 31/12/2013 |
|---|---|---|
| Cash and cash equivalents | 2,907 | 2,631 |
| Operating debt to banking establishments | (2,224) | (2,219) |
| **CASH AND CASH EQUIVALENTS NET OF CASH LIABILITIES** | **683** | **412** |

| *(in € millions)* | 31/12/2014 | 31/12/2013 |
|---|---|---|
| **Operating income** | **1,852** | **1,887** |
| Gains and losses on investments | (1,251) | (1,237) |
| Net depreciation and amortisation | 89 | 87 |
| Change in deferred acquisition fees | (29) | (13) |
| Change in impairment | 230 | 311 |
| Net allocations to technical liabilities on insurance contracts and financial contracts | 15,383 | 11,563 |
| Net other provisions | 62 | (18) |
| Change in fair value of investments and other financial instruments recognised at fair value through profit or loss (excluding cash and cash equivalent) | (2,702) | (1,905) |
| Other non-cash items included in operating income | 810 | 399 |
| **Correction of items included in operating income that do not correspond to cash flows and reclassification of financing and investment flows** | **12,592** | **9,187** |
| Change in operating receivables and debts | 908 | (1,318) |
| Change in securities given or received under repurchase agreements | 3,402 | 4,727 |
| Net tax payments | (757) | (704) |
| **Cash flow from operating activities** | **17,996** | **13,779** |
| Acquisitions of subsidiaries and joint ventures net of cash acquired | (228) | - |
| Disposals of subsidiaries and joint ventures net of cash transferred | 454 | 105 |
| **Cash flows relating to changes in consolidation scope** | **226** | **105** |
| Cash flows relating to disposals and repayments of financial assets | 74,286 | 71,475 |
| Acquisitions of financial investments (incl. unit-linked) and derivative instruments | (91,057) | (85,537) |
| Acquisitions of investment real estate | (906) | (592) |
| Acquisition and/or issuance of investments and derivative instruments from other activities | - | - |
| **Cash flows relating to changes in financial investments** | **(17,677)** | **(14,654)** |
| Disposals of intangible assets and property plant and equipment | 2 | 4 |
| Acquisitions of intangible assets and property plant and equipment | (74) | (79) |
| **Cash flows relating to acquisitions and disposals of intangible assets and property plant and equipment** | **(72)** | **(75)** |
| **Cash flow from investment activities** | **(17,524)** | **(14,624)** |
| Issues of capital instruments | 2,284 | - |
| Dividend payments | (2,475) | (969) |
| **Cash flows relating to transactions with shareholders and members** | **(191)** | **(969)** |
| Cash generated by issuance of financial debts | 1,006 | 679 |
| Cash allocated to repayment of financial debts | (638) | (46) |
| Expenses relating to financial debts | (377) | (273) |
| **Cash flow from financing activities** | **(10)** | **360** |
| **Net cash flow from financing activities** | **(201)** | **(608)** |
| Opening cash and cash equivalents | 412 | 1,874 |
| **Cash flow from operating activities** | **17,996** | **13,779** |
| **Cash flow from investment activities** | **(17,524)** | **(14,624)** |
| **Cash flow from financing activities** | **(201)** | **(608)** |
| Other non-cash changes | - | - |
| Impact of foreign exchange adjustments on cash and cash equivalents | (2) | (9) |
| **CASH AND CASH EQUIVALENTS** | **683** | **412** |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## Contents

# NOTE 1 Accounting principles and policies applied to the Crédit Agricole Assurances Group, judgments and estimates used

## Applicable standards and comparability

In accordance with regulation (EC) No. 1606/2002, the consolidated financial statements have been prepared in accordance with IAS/IFRS and with the IFRIC interpretations applicable at 31 December 2014, as adopted by the European Union.

These standards and interpretations are available on the European Commission website, at the following address:

http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm.

The standards and interpretations used are identical to those used and described in the financial statement for Crédit Agricole Assurances at 31 December 2013.

They have been completed by the requirements of IFRS as adopted by the European Union at 31 December 2014, whose application became mandatory for the first time in the 2014 financial year.

These cover:

| Standards, Amendments and Interpretations | Date of publication by the European Union | Date of initial application: accounting periods beginning on |
|---|---|---|
| IFRS 10 on consolidated financial statements | 11 December 2012 (EU No. 1254/2012) | 1 January 2014 |
| IFRS 11 on partnerships | 11 December 2012 (EU No. 1254/2012) | 1 January 2014 |
| IFRS 12 on the disclosure of interests in other entities | 11 December 2012 (EU No. 1254/2012) | 1 January 2014 |
| IAS 28 as amended, on investments in associates and joint ventures | 11 December 2012 (EU No. 1254/2012) | 1 January 2014 |
| Amendment of IAS 32 on the presentation of the offsetting of financial assets and financial liabilities | 13/12/2012 (EU No. 1256/2012) | 1 January 2014 |
| Amendments relating to transitional provisions for IFRS 10: Consolidation of financial statements, IFRS 11: partnerships and IFRS 12: disclosure of interests in other entities | 04/04/2013 (EU No. 313/2013)05 | 1 January 2014 |
| Amendment of IFRS 10 and 12 in relation to investment firms | 20/11/2013 (EU No. 1174/2013) | 1 January 2014 |
| Amendment to IAS 36 on recoverable amount disclosures for non-financial assets | 19/12/2013 (EU No. 1374/2013) | 1 January 2014 |
| Amendments to IAS 39 on financial instruments, in relation to the recognition and measurement of the novation of derivatives and continuation of hedge accounting | 19/12/2013 (EU No. 1375/2013) | 1 January 2014 |

Consolidation standards IFRS 10, 11 and 12, and IAS 28 (as amended) came into force on 1 January 2014. They are retrospectively applicable. They require the nature of interests held to be reviewed in light of new control criteria, the change to the consolidation method in cases of joint control and information to be disclosed in the appendices.

IFRS 10 replaces IAS 27 and SIC 12, and sets out a common control framework based on three cumulative criteria:

- the holding of power over the relevant activities of the entity concerned;
- exposure or holding of rights to variable returns; and
- the ability to exercise influence over the amount of the returns.

The main impact of the first application of IFRS 10 was the inclusion within the consolidation scope of 172 funds as at 31 December 2013 and 178 funds at 31 December 2014, all held as underlying vehicles of unit-linked insurance contracts.

Although the investments are made on behalf of the policyholders, Crédit Agricole S.A Group remains directly exposed to variations in the return on the funds. Control is applicable if the concentration rate is deemed to be significant in relative terms.

The inclusion of these funds in the consolidation scope resulted in an increase in the size of the balance sheet of €2.8 billion as at 31 December 2013 and €3.8 billion at 31 December 2014, corresponding to minority interests recognised under "Debt to consolidated UCITS unit holders" on the liabilities side of the balance sheet.

The consolidation of these entities had no impact on income.

IFRS 11 replaces IAS 31 and SIC 13. It describes the methods for exercising joint control through two forms of partnership, joint operation and joint venture.

In a joint operation, the joint participants have rights in the assets, and obligations relating to the entity's liabilities, and must recognise the assets, liabilities, income and costs relating to their interests in the joint venture. Conversely, joint ventures in which joint entrepreneurs share rights in the net assets are no longer consolidated by the proportional method; they are equity method according to IAS 28, as amended. This method results in the share of the participating interest in the joint venture being shown on one line.

The newly applicable consolidation methods (IFRS 10, IFRS 11 and IAS 28) are described in a separate paragraph at the end of this note.

The principle impacts of the new consolidation standards and changes to the consolidation scope are presented in note 3: Changes in the scope of consolidation.

The application of the other provisions did not have a material impact on net income and equity.

The new information to be disclosed under IFRS 12 is listed in the following notes to the financial statements:

- note 11: Consolidation scope;
- note 12: Unconsolidated participating interests and structured entities.

It should also be noted that where early adoption of standards and interpretations adopted by the European Union is optional on an accounting period, the option is not applied by the Group except where specifically stated. For Crédit Agricole Assurances this concerns, in particular:

| Standards, Amendments and Interpretations | Date of publication by the European Union | Date of initial application: accounting periods beginning on |
|---|---|---|
| Interpretation IFRIC 21 on levies | 13/06/2014 (EU No. 634/2014) | 1 January 2015 |
| Amendment concerning annual improvements of the 2011-2013 IFRS cycle, changing the following standards: IFRS 3, IFRS 13, and IAS 40 | 18 December 2014 (EU No. 1361/2014) | 1 January 2015 |

The interpretation of IFRIC 21 provides clarifications on the recognition of levies and other public taxes that fall within the scope of IAS 37, "Provisions, contingent liabilities and contingent assets" (excluding fines and penalties, and excluding taxes on companies governed by IAS 12). In particular, it helps to clarify:

- the date on which these levies must be recognised;
- whether their impact can be spread throughout the financial year or not.

According to these clarifications, the implementation of IFRIC 21 will have the effect of changing the event that triggers recognition of certain levies (shifting the recognition date from one financial year to the next and/or no longer spreading it over the financial year). This therefore applies to the following main taxes in particular:

- systemic tax, ACPR tax, which can no longer be spread over the period;
- solidarity contribution (C3S), the tax on surplus claims provisions of non-life insurance companies, contribution to life insurance guarantee funds for which provisions during the acquisition period of the base are no longer made and recognition is postponed to the next financial year, and not spread out.

The application of IFRIC 21 will not have a material impact on annual income or the financial position.

Standards and interpretations published by the IASB but not yet adopted by the European Union will not take mandatory effect until such adoption and were not therefore applied by the Group at 31 December 2014.

## Presentation format of financial statements

In the absence of a model imposed under IFRS, Crédit Agricole Assurances uses the summary document format (balance sheet, income statement, statement of net income and gains and losses recognised directly in other comprehensive income, table of changes in shareholders' equity, cash flow statement) recommended in ANC recommendation n°2013-05 of 7 November 2013.

This presentation, adopted in 2013, has the following features:

- revenue on contracts without discretionary participation is classified under the heading "Revenue or income on other activities";
- assets and liabilities are listed on the balance sheet in increasing order of liquidity, as this presentation is more relevant for insurance companies than a classification into current and non-current items, as also allowed under IAS 1;
- expenses in the income statement are classified by function rather than by nature. This presentation, which is allowed under IAS 1, is used by a large majority of insurance companies. Information on their analysis by nature is provided in the notes.

## Accounting principles and policies

### USE OF JUDGMENTS AND ESTIMATES IN THE PREPARATION OF FINANCIAL STATEMENTS

The valuations needed to prepare financial statements require the formulation of assumptions and carry risk and uncertainty as to their future materialisation. These serve as the basis for the exercise of judgment, made necessary by the requirement to determine values for assets and liabilities that can not be obtained directly from other sources.

Future materialisation can be affected by a number of factors, notably:

- the activity of national and international markets;
- movements in interest rates and foreign exchange rates;
- economic and political conditions in certain sectors of activity or countries;
- changes in regulations or legislation;
- the behaviour of the policyholders;
- demographic changes.

This list is not exhaustive.

The main balance sheet entries for which valuation requires judgment and the formulation of assumptions are the following:

- goodwill and the values of portfolios acquired, at the time of initial recognition and as part of subsequent impairment tests;
- financial instruments at fair value, including non-consolidated equity participations;
- liabilities on insurance contracts and financial contracts;
- post-employment benefit schemes and other future employment-related benefits;
- stock option plans;
- long-term impairment on available for sale assets and financial assets held to maturity;
- provisions for risks and charges;
- deferred tax assets;
- deferred participation benefits as part of recoverability tests.

Details of the use of judgments and estimates are set out in the relevant paragraphs below.

Annual accounts for Crédit Agricole Assurances are closed on 31 December. They include estimates where information are not available at the closing date. Financial investments are valued at closing prices and transactions carried out in the final month of the period having an impact on income are taken into account.

Exceptionally, a single entity within Crédit Agricole Assurances closes its individual company accounts on a date other than 31 December:

- CA Life Japan, whose closing date is 31 March;
- for this entity, accounts are prepared for a 12 month period to 30 September to be consolidated in Group accounts to 31 December;
- the impact from the difference in closing dates is not material.

### SEGMENT REPORTING

The segmental information presented in the financial statements and notes thereto of Crédit Agricole Assurances reflects the operational business segments. It is based on five business lines: France Life, France Non-Life, Credit Insurance, International and Other, which mainly covers holding company and reinsurance activities.

### INTANGIBLE ASSETS AND DEFERRED EXPENSES

The main intangible assets are goodwill and the value of contract portfolios, recognised as part of a business combination or separately through the transfer of a portfolio, together with software acquired or developed in-house.

#### Goodwill

Goodwill (see "Principles and policies of consolidation") is assumed to have a perpetual value and is not therefore amortised; however, in accordance with IAS 36 it is subject to impairment testing where there are objective indicators of a loss of value and at least once per year.

For the purposes of these impairment tests, each item of goodwill is allocated to the various cash generating units (CGUs) of the Group that will benefit from the advantages expected to accrue from the business combination. CGUs are defined, within the Group's main business segments, as the smallest identifiable grouping of assets and liabilities operating according to its own business model. In practice, Crédit Agricole Assurances has used an entity-based approach.

Under the impairment tests, the carrying amount of each CGU, including that of the goodwill allocated to it, is compared to its recoverable amount.

The recoverable amount of the CGU is defined as the higher of its market value and its value in use. Value in use is calculated as the current value of estimated future cash flows at the CGU, as based on the medium-term plans drawn up for the purposes of its management.

Where the recoverable amount is lower than the carrying amount, an equivalent charge is made for impairment of the goodwill allocated to the CGU. This is irreversible.

#### Value of portfolios of contracts acquired (Value of business in-force)

The fair value of portfolios of insurance contracts acquired separately or as part of a business combination is recognised as an asset on the balance sheet. This corresponds to the present value of estimated future profits generated by the existing contracts at the time of acquisition.

These portfolio values are amortised over the life of the contracts as profits materialise. This amortisation is complemented by annual recoverability tests which take account of experience and changes in valuation hypotheses.

#### Software

Software acquired is recognised at its acquisition cost, less amortisation and depreciation accumulated since the acquisition date.

Software created internally is recognised at its production cost, less amortisation and depreciation accumulated since the date of completion, where these meet the criteria of IAS 38 and in particular where it will generate future economic benefits for the company and where its cost can be assessed in a reliable manner. Only those expenses incurred during the development phase are capitalised; expenses incurred during the research phase are recognised directly in the income statement for the year.

Software is amortised based on its estimated useful life.

Start-up costs are not capitalised and are recognised directly in expenses for the year in which they arise.

#### Deferred acquisition costs for insurance contracts and financial contracts with discretionary participation and costs incurred at the inception of financial contracts without discretionary participation

Variable costs incurred at the inception of life insurance contracts and investment contracts with discretionary participation as part of the creation of new business are recognised as assets on the balance sheet. The acquisition costs thus recognised are amortised over the life of the contracts as profits arise.

The recoverability of such assets are tested together with the liabilities adequacy test (see below, under "Insurance company liabilities"): any share of acquisition costs which, at the closing date, is not considered to be covered by estimated future gross profits is not classified as recoverable and is therefore recognised as an expense, in accordance with the requirements of CRC regulation 2000-05 which applies to contracts within the scope of IFRS 4.

Acquisition costs of non-life insurance contracts are deferred in proportion to the unearned premiums for the year.

For financial contracts without discretionary participation, which are governed by IAS 39, external acquisition costs incurred on underwriting date (at inception) are deferred in accordance with IAS 18. IAS 18 does not allow the deferral of internal acquisition costs.

Symmetrically with the deferral of expenses incurred on the subscription of contracts, unearned commissions are deferred *via* an entry in liabilities.

The recognition pattern is identical to that of deferred acquisition costs on insurance contracts.

For Predica, in the savings business segment, the Group does not recognise deferred acquisition costs, as commissions paid are offset by a part of the premium received from the policyholder.

### PROPERTY, PLANT AND EQUIPMENT

#### Operating and real estate investment

Operating real estate covers the buildings housing the company's services. Real estate investment covers rental property and shares in unlisted real estate companies.

Crédit Agricole Assurances recognises operational and investment property at cost, applying the component method of accounting in accordance with the provisions of IAS 16 and the option set out in IAS 40.

As an exception, as allowed for under IAS 40, real estate assets backing contracts where the financial risk is borne by the policyholder are valued and recognised at fair value, with changes in fair value being recognised in the income statement.

Properties recognised at cost are analysed into four components, each with its own useful life and renewal schedule:

- major works (superstructure and infrastructure);
- secondary works (roofing, coverings, joinery, facades, external woodwork);
- technical installations (heating, ventilation, air conditioning, lifts, electrical systems);
- fixtures and fittings (decoration, wall and floor finishes, etc.).

Technical studies carried out by Crédit Agricole Assurances lead it to use a residual value corresponding to approximately 90% of the major works component. By definition, this residual value is not depreciated; however, if an item of major works were to suffer a significant and lasting loss of value (technological change, change of use, fall in price), impairment would be recognised.

#### Depreciation of property, plant and equipment

Property, plant and equipment are amortised based on their estimated useful life. The depreciation periods used by Crédit Agricole Assurances are specific to each component and are adapted to its nature and, for property, its location:

| Component | Depreciation period |
|---|---|
| Land | Non-depreciable |
| Primary structure | 30 to 80 years |
| Secondary structure | 8 to 40 years |
| Technical installations | 5 to 25 years |
| Fixtures and fittings | 5 to 15 years |
| IT equipment | 4 to 7 years |
| Specialist equipment | 4 to 5 years |

If the net carrying amount of the asset is greater than the recoverable amount, an additional provision for impairment is recognised. The recoverable value, calculated where the property presents indicators of a loss of value, is the lower of fair value and value in use.

For buildings, fair value corresponds to an expert valuation, established at least every five years and updated annually by a suitably qualified independent valuer. This value is recorded in the notes to the financial statements (see note 6.4).

Indicators of a loss of value triggering a calculation of recoverable value are based on qualitative and quantitative information (carrying amount of the building more than 20% higher than valued amount).

### FINANCIAL INSTRUMENTS

Financial assets and liabilities are treated in the financial statements in accordance with the provisions of IAS 39, as adopted by the European Union.

On initial recognition, financial assets are valued at fair value including transaction costs (with the exception of financial instruments recognised at fair value through profit or loss).

After the initial recognition, they are valued in accordance with their classification, either at fair value or at amortised cost using the effective interest rate method:

- The effective interest rate is the rate which exactly discounts future cash receipts or payments over the expected life of the financial instrument or, where appropriate, a shorter period, in order to obtain the net carrying amount of the financial asset or liability;
- IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, on the principal market or the most advantageous market on the measurement date.

## Financial investments

Securities are classified into the four categories of financial assets defined by IAS 39:

- financial assets at fair value through profit or loss by nature or on option;
- financial assets held to maturity;
- financial assets available for sale;
- loans and receivables.

### *Financial assets at fair value through profit or loss by nature or on option*

In accordance with IAS 39, this portfolio includes securities whose classification as assets at fair value through profit or loss results either from a real intention for their use in a transaction (allocation by nature), or on option such as defined by Crédit Agricole Assurances.

Financial assets at fair value through profit or loss by nature are those assets acquired by the company principally for the purpose of selling them in the short term or that are part of a portfolio of assets managed together for the purpose of short-term profit making. A financial asset will be classified as being at fair value through profit or loss if, independently of the reasons for which it was acquired, it is part of a portfolio for which there is evidence of a recent actual pattern of short-term profit taking.

All derivative financial instruments are classified at fair value through profit or loss, except when they are designated as instruments in a cash flow hedge.

Accounting for financial assets at fair value through profit or loss on option may occur, provided the conditions set out in the standard are met, in the following three cases:

- for hybrid instruments containing one or more embedded derivatives;
- with a view to reducing accounting inconsistencies; or
- for managed groups of financial assets or liabilities where the performance is assessed according to the fair value method.

In particular, Crédit Agricole Assurances uses classification at fair value on option for assets backing contracts where the investment risk is borne by the contract holders (unit-linked contracts) in order to avoid a lack of consistency resulting from recognition and valuation of assets and liabilities on a different basis. Changes in liabilities under such contracts reflect changes in the fair value of the corresponding assets and are recorded in the income statement.

Similarly, Crédit Agricole Assurances usually uses this accounting approach to account for hybrid instruments if the characteristics of the derivative are not closely linked to those of the host contract, with embedded derivatives thus not recognised separately at fair value through profit or loss.

Securities classified as assets at fair value through profit or loss are initially recognised at their fair value, excluding transaction costs directly attributable to the acquisition (which are recognised directly in the income statement) but including accrued interests.

They are subsequently valued at fair value and differences in fair value are recognised in the income statement.

This category of securities is not subject to impairment.

### *Financial assets held to maturity*

The category "Financial assets held to maturity" (applicable to securities with defined maturity) is open to securities with fixed or determinable income that the Group has the intention and ability to hold to maturity, other than:

- those which the Group has designated at the time of initial recognition as assets at fair value through profit or loss;
- those which meet the definition of loans and receivables. Therefore debt securities that are not listed in an active market may not be classified as assets held to maturity.

Classification in this category necessarily entails complying with the prohibition on selling the securities before maturity, other than under the exceptions set out in IAS 39. Amongst these exceptions, IAS 39 allows that in the event of a significant deterioration in the credit quality of the issuer, a security classified as held-to-maturity (HTM) may be sold without resulting in the automatic declassification of all other HTM securities held by the Group. A downgrading of a credit rating that could not have been anticipated would constitute an indicator of a significant deterioration of credit quality.

A held-to-maturity security may not be hedged against interest rate risks, as by definition the supposed intention is to hold the asset to maturity independently of changes in its value or in cash flows that might result from changes in interest rates.

Held-to-maturity securities are initially recognised at their acquisition price, including transaction costs directly attributable to the acquisition and accrued interests.

They are subsequently recognised at amortised cost, with amortisation of the premium or discount and transaction charges by the effective interest rate method.

This category of securities is subject to impairment under conditions described in a separate section, "impairment of securities", for securities valued at amortised cost.

### *Loans and receivables*

The "Loans and receivables" category comprises financial assets with fixed or determinable income that are not listed in an active market.

Loans and receivables are initially recognised at their acquisition price, including directly attributable transaction costs and accrued interests.

They are subsequently recognised at amortised cost, with amortisation of the premium or discount and transaction charges by the effective interest rate method.

This category is subject to impairment under conditions described in a separate section, "impairment of securities", for assets valued at amortised cost.

### *Financial assets available for sale*

The category "Financial assets available for sale" is defined by IAS 39 as the applicable classification by default or on option.

Securities classified as assets available for sale are initially recognised at their fair value, including transaction costs directly attributable to the acquisition and accrued interests.

They are subsequently valued at fair value and differences in fair value are recognised as gains and losses directly in other comprehensive income.

In the event of a sale, the unrealised gains and losses recognised in other comprehensive income are transferred (recycled) to the income statement.

Amortisation of premiums/discounts and transaction charges on fixed income securities is recognised through profit and loss using the effective interest rate method.

Accrued interest on assets available for sale is recognised as financial income and recorded as a balance sheet asset on the same line as the fair value of the securities to which it relates.

This category of securities is subject to impairment under conditions described in a separate section, "Impairment of financial investments".

### *Impairment of financial investments*

Impairment must be recognised where there is an objective indicator of loss of value resulting from one or more events occurring after the acquisition of securities other than those at fair value through profit or loss.

For equity securities an objective indicator of loss of value consists of a lasting or significant reduction in the value of the security. For debt securities it consists of a significant worsening of credit risk. Credit, or counterparty, risk is the risk of loss or non-recovery of a loan.

For equity securities, Crédit Agricole Assurances conducts two analyses:

- the first analysis leads to systematic impairment in application of the following quantitative criteria: a fall in value of more than 50% at the closing date, or lastingly observed for more than 3 years;
- the second analysis allows Crédit Agricole Assurances to evaluate the lasting nature of the impairment of other securities held in the portfolio on the basis of indicators of potential impairment. These indicators trigger an analysis on a case-by-case basis based on quantitative criteria (loss of at least 30% of the value of an instrument over a period of 6 consecutive months) and qualitative criteria (financial difficulties at the issuer, short-term prospects, etc.).

For debt securities, impairment criteria take account of the risk of non-repayment. However, a reduction in the credit rating of an issuer represents only an indicator and not an established risk of non-recovery of future cash flows relative to debt instruments.

Depreciation is calculated using the weighted average unit cost method. It is recognised through the income statement in accordance with the following rules:

- for securities recognised at amortised cost, impairment is recognised through profit and loss through the use of a specific account; its amount is calculated as the difference between the recoverable value and the net carrying amount of the securities, and can be reversed if it subsequently improves;
- for assets available for sale, impairment is recognised in the income statement; it corresponds to the cumulative loss (difference between the original carrying amount and the market value of the securities) recognised in other elements of comprehensive income.

In the event of a subsequent increase in the value of debt securities classified as "Assets available for sale", the loss of value previously recognised through profit or loss is reversed in the income statement when circumstances enable it. For equity securities classified as "Assets available for sale", a subsequent increase in fair value relative to the carrying amount is recognised in other comprehensive income, with a loss of value resulting in additional impairment being charged against the asset through profit and loss. The provision for impairment is only reversed when the security is sold.

Crédit Agricole Assurances recognises securities classified as "Securities held to maturity" and "Loans and receivables" on the date of settlement-delivery. Other securities, of whatever type or category, are recognised on the trading date.

### *Temporary acquisition or disposal of securities*

Temporary disposals of securities (security lending/borrowing, repurchase agreements) do not meet the derecognition criteria of IAS 39 (loss of contractual rights, cash flows and/or risks and benefits pertaining to the assets concerned) and are treated as guaranteed financing. Securities loaned or subject to a repurchase agreement are maintained as assets on the balance sheet and, where appropriate, the consideration received, representing the debt to the buyer, is recognised as a liability on the balance sheet by the seller. Securities sold or received under a repurchase agreement are not recognised on the buyer's balance sheet but in the event of a subsequent sale, the buyer recognises the value of its loan to the seller as a liability. Income and expense relating to such transactions are recognised in the income statement on a timely basis, except where assets and liabilities are recorded at fair value through profit or loss.

## Derivative instruments

Derivative instruments are financial assets or liabilities, recognised on the balance sheet at their fair value at the time of the transaction. At each closing date they are valued at fair value, whether they are held for trading purposes or form part of a hedging position.

Revaluation of derivatives on the balance sheet is reflected in the income statement (other than in the specific case of cash flow hedges).

### *Embedded derivatives*

A derivative is a financial instrument whose value varies based on an interest rate, index or other variable and which requires no initial investment or a significantly lower investment than another type of contract seeking to generate the same type of results whose settlement occurs on a future date.

An embedded derivative is that component of a hybrid contract that meets the definition of a derivative product. An embedded derivative must be recognised separately from the host contract if the following three criteria are met:

- the hybrid instrument is not held at fair value through profit or loss;
- when separated from the host contract, the embedded element has the characteristics of a derivative;
- the characteristics of the embedded derivative are not closely linked to those of the host contract.

The main hybrid financial investments held by the Crédit Agricole Assurances Group at 31 December 2014 were certain EMTN and convertible bonds. If the characteristics of the derivative are not closely linked to those of the host contract, Crédit Agricole Assurances has elected to recognise these instruments at fair value through profit or loss, with the result that their embedded derivatives are not treated separately.

### *Hedge accounting*

IAS 39 defines three types of hedging:

- **fair value hedges** provide a hedge against exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment.

Changes in the fair value of the derivative attributable to the hedged risk and in the fair value of the hedged items are recognised (symmetrically) through profit or loss. Any inefficiency in the hedge results in a non-zero impact on the income statement.

Crédit Agricole Assurances uses this type of hedge particularly to cover the risk of currency fluctuations on financial assets denominated in foreign currencies;

- **cash flow hedges** provide a hedge against variability in future cash flows on financial instruments associated with a recognised asset or liability (e.g. all or some future interest payments on variable rate debt) or with a highly probable forecast transaction.

  Changes in the fair value of the derivative are recognised on the balance sheet as a balancing entry to a specific gain and loss account recorded directly in other comprehensive income for the effective portion of the hedge, with any ineffective portion recognised in profit or loss. In the case of forecast transactions, gains or losses on derivative instruments accumulated in other comprehensive income are reclassified in profit or loss when the hedged cash flows occur;

- **net investment hedges** in a foreign currency provide a hedge against the risk of an unfavourable change in its fair value related to the exchange rate risk of a foreign investment in a currency other than the euro.

Changes in the fair value of the derivative related to the effective portion of the hedge are recognised in a conversion differences account in other comprehensive income, and any ineffective portion is recognised in profit or loss.

As part of the creation of a hedging relationship and in order to qualify for hedge accounting, formal documentation of the hedge must be prepared from inception and the effectiveness of the hedge must be demonstrated at the time of inception, for the foreseeable future, and must be assessed retrospectively no less frequently than on every closing date.

### Financial liabilities

Financial liabilities relating to financial contracts without discretionary participation are described in the section on insurance company contracts.

Crédit Agricole Assurances' other financial liabilities are described below.

#### *Distinction between debt and equity*

The distinction between a debt instrument and an equity instrument is based on analysis of the substance of the contractual terms. A debt instrument carries a contractual obligation:

- to transfer cash or another financial asset; or
- to exchange instruments under conditions which are potentially unfavourable.

An equity instrument is defined in IAS 32 as a contract that offers discretionary income that evidences a residual interest in an entity after deducting all of its liabilities (net assets), and is not categorised as a debt instrument.

On 14 October 2014, Crédit Agricole Assurances issued equity instruments (see note 2 Significant announcements during the period).

## DETERMINATION OF FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value of financial instruments is determined in accordance with the provisions of and presented according to the hierarchy set out in IFRS 13.

IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, on the principal market or the most advantageous market on the measurement date.

Where a financial instrument is valued at fair value, the Group considers that the best indication of this is the existence of a quoted price in an active market.

In the absence of such a quoted price, fair value is determined by applying valuation techniques using observable or non-observable data.

Crédit Agricole Assurances incorporates in the fair value of derivatives a measurement of counterparty risk on derivative assets (Credit Value Adjustment, or CVA), and symmetrically, non-execution risk on derivative liabilities (Debit Value Adjustment, or DVA, or own credit risk).

CVA determines potential counterparty losses from the point of view of the Crédit Agricole Group, DVA determines losses relating to the Crédit Agricole Group from the counterparty's point of view.

Calculation of CVA/DVA is based on an estimate of projected losses based on the probability of default and loss in the event of default. The method used maximises the use of observable entry data. It is based mainly on market parameters such as listed, registered CDS (or Single Name CDS) or index-linked CDS in the absence of registered CDS on the counterparty. Under certain circumstances, historic default parameters may be used.

The standard classifies fair value into three levels based on the observability of the inputs used in measurement, as follows:

### Level 1: fair value corresponding to quoted prices (unadjusted) in an active market

Level 1 presents financial instruments directly quoted in an active market for identical assets and liabilities that the entity can access at the measurement date. In particular these include equities and bonds quoted in active markets (such as Bourse de Paris, London Stock Exchange, New York Stock Exchange), units in investment funds quoted in an active market and derivatives contracted for on an organised market, particularly futures.

A market is considered as active if quoted prices are readily and regularly available from an exchange, dealer, broker, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

### Level 2: fair value derived from directly or indirectly observable data other than those included in Level 1

Such data are either directly observable (*i.e.* prices) or indirectly observable (*i.e.* data derived from prices) and generally have the following characteristics: they are not data that are specific to the entity, they are publicly available or accessible and are based on a market consensus.

Level 2 presents:

- equities and bonds quoted in a market considered as inactive, or not quoted in an active market but for which fair value is determined using valuation methods currently used by market participants (such as discounted future cash flows or the Black & Scholes model) based on observable market data;
- Instruments traded 'over-the-counter' which have been valued on the basis of models which use observable market data, that is to say those data which can be obtained on a regular basis from several sources independent of internal sources. For example, the fair value of interest rate swaps is generally determined on the basis of yield curves derived from market interest rates observed at the closing date.

Where the models used are based on standard models and on observable market parameters (such as yield curves or implied volatility surfaces), the margin at inception on the instruments so valued is recognised in profit or loss at the time of initial recognition.

#### Level 3: fair value where a significant number of the parameters used for determination do not meet the criteria of observability

The determination of the fair value of certain complex market instruments not quoted in an active market may be based on assumptions not directly backed by data observable on the market for the same instrument. Such instruments are presented in Level 3.

Crédit Agricole Assurances includes units in venture capital funds and unlisted equity securities mainly under Level 3.

Valuation methods and models for financial instruments presented at Level 2 and Level 3 incorporate all factors generally used by market participants in the calculation of prices. Determination of fair value of these instruments takes account of liquidity risk and counterparty risk.

Absence of a recognised valuation technique to determine the fair value of an equity instrument.

In accordance with the provisions of IAS 39, if no technique can be satisfactorily applied, or if the various techniques used give excessively divergent valuations, the instrument remains valued at cost and classified as "financial assets available for sale" as its fair value can not be determined in a reliable manner. In this case, the Group does not communicate a fair value, in accordance with the recommendations of IFRS 7. This mainly concerns unlisted equity shares in companies for which it is difficult to determine a reliable fair value.

### INVESTMENT INCOME NET OF EXPENSES

This income statement caption includes all income and expense relating to insurance company investments. This is described below.

#### Investment income

This heading includes:

- dividends received on equities and other variable-income securities however classified under IAS 39;
- interest received and accrued on fixed-income securities (AFS and HTM) and loans and receivables;
- amortisation of premiums and discounts on amortisable securities;
- other investment income, notably corresponding to commissions on financial services, rental income from investment properties and foreign exchange gains.

#### Investment expense

This heading shows:

- interest expense on securities sold under a repurchase arrangement;
- investment expense, including directly incurred expenses (commissions on financial services) or expense by designation;
- other investment expense (foreign currency losses);
- Charges and interests relating to issuance of debt instruments.

#### Gains and losses on investments net of reversals of impairment or amortization

This heading records net gains on the disposal of securities held to maturity, securities available for sale, loans and receivables and real estate assets.

#### Change in fair value of investments recognised at fair value through profit or loss

This heading primarily includes the following items:

- positive and negative adjustments (unrealised gains and losses) to assets included in unit-linked contracts;
- other changes in the fair value of assets and liabilities recognised at fair value through profit or loss;
- gains and losses on disposal of financial assets at fair value through profit or loss;
- changes in fair value and income on disposal or termination of derivative instruments not forming part of a fair value or cash flow hedge.

This heading also includes the ineffective portions of fair value, cash flow and net investment.

#### Change in impairment on investments

This heading records increases and reversals in provisions for impairment of securities held to maturity, securities available for sale, loans and receivables and real estate assets.

### OFFSETTING OF FINANCIAL ASSETS AND LIABILITIES

In accordance with IAS 32, Crédit Agricole Assurances offsets a financial asset and a financial liability, presenting a net balance, if and only if it has a legally enforceable right to offset the amounts recognised and if it has the intention of either settling the net amount or simultaneously realising the asset and settling the liability.

Derivatives and repurchase transactions carried out with clearing houses whose operating principles fulfil both the criteria required by IAS 32 are offset on the balance sheet.

This offsetting is shown in table 5, Information on the offsetting of financial assets and financial liabilities

## DERECOGNITION OF FINANCIAL INSTRUMENTS

A financial asset (or group of financial assets) is derecognised in whole or in part:

- when the contractual rights over the cash flows relating to it expire or are transferred or deemed to be transferred because they belong effectively to one or more beneficiaries; and
- when nearly the entirety of the risks and rewards of ownership of the asset are transferred.

In this case, all rights and obligations created or retained under the transfer are accounted for separately as assets and liabilities.

Where contractual rights over cash flows are transferred but only part of the risks and rewards, together with control, is retained, the entity will continue to recognise the financial asset to the extent of its continuing involvement in this asset.

A financial liability is derecognised in whole or in part:

- when it expires; or
- if quantitative and qualitative analysis indicate that it has been substantially changed in the event of restructuring;
- insurance liabilities.

## INSURANCE LIABILITIES

### Contract categories

Contracts issued by the Group's insurance companies can be divided into two main categories:

- insurance contracts and investment contracts with a discretionary participation feature, which are covered by IFRS 4;
- investment contracts with no discretionary participation feature, which are covered by IAS 39.

#### *Insurance contracts*

These are contracts under which the insurer accepts significant insurance risk from another party, the policyholder, by agreeing to compensate the policyholder or another beneficiary if a specified uncertain future event occurs, the insured event affecting adversely the policyholder or another beneficiary.

An insurance risk is defined as a non-financial risk, with financial risks being risks relating to the potential future fluctuation in interest rates, the price of a transferable security, price of a commodity, a currency exchange rate or another non-financial variable that is not specific to one of the parties to the contract (otherwise it would qualify as an insurance risk).

For Crédit Agricole Assurances, for each portfolio of contracts grouped according to uniform characteristics, the significant nature of an insurance risk is analysed on the basis of a representative individual contract. The existence of a scenario (having commercial substance) under which the insurer would be required to pay significant additional benefits, that is to say of an amount that is significantly greater than that of the benefits that would be paid if no insured event occurred, constitutes a significant insurance risk for all contracts of a uniform portfolio, regardless of the likelihood of the scenario arising. Insurance risk may therefore be significant even where the pooling of risk within a portfolio minimises the probability of a significant loss relative to the financial benefits received from the portfolio as a whole.

The main insurance risks are death (benefits paid on death), longevity (benefits paid on continued life, for example annuities), morbidity (benefits paid on injury), incapacity, illness (medical benefits) or unemployment for individuals, together with civil liability and damages to property.

#### *Investment contracts with a discretionary participation feature*

Contracts which do not expose the insurer to a significant insurance risk are classified as investment contracts.

They are classified as investment contracts with a discretionary participation feature if they grant the policyholder the right to receive, in addition to guaranteed benefits, additional benefits:

- that are likely to represent a significant portion of the total contractual benefits;
- whose amount or timing is contractually at the discretion of the insurer;
- and that are contractually based on the performance of a specified pool of contracts or type of contract, the realised and/or unrealised investment returns on a specified pool of assets held by the issuer, or the profit or loss of the company, fund or other entity that issues the contract.

Investment contracts with a discretionary participation feature, are primarily euro-denominated savings contracts. In the event of a multi-fund contract, where the policyholder has the option at any time of transferring all or some of his savings into a euro-denominated fund with discretionary participation (with conditions that do not create an impediment to such a transfer), the Crédit Agricole Assurances Group considers the contract as a whole is a contract with discretionary participation, whether or not this option has been exercised by the policyholder.

#### *Investment contracts with no discretionary participation feature*

Contracts sold by insurance companies which do not fit into either of the above categories are financial contracts without discretionary participation features.

### Accounting for insurance contracts and investment contracts with a discretionary participation feature

As authorised under IFRS 4, insurance contracts and investment contracts with a discretionary participation feature are accounted for using principles adopted by Crédit Agricole Assurances in accordance with French regulations on consolidation (CRC 2000-05), with the exception of specific measures introduced by the standard for equalisation reserves, shadow accounting and liability adequacy tests.

#### *Recognition of revenue on insurance contracts and financial contracts with discretionary participation*

##### Non-life insurance

Technical provisions for non-life insurance contracts include (i) claims reserves which remain to be settled and (ii) reserves related to the acquisition of premiums (primarily unearned premiums reserves), which enable recognition in the income statement for a given year of premiums relative to the risks actually covered during that year and defer recognition of written premiums during the year which concern a period of cover after the year end.

Claims reserves result in part from a case-by-case analysis of reported claims which have not been settled and in part from an estimate of delayed claims for events that have occurred but for which claims have not yet been reported or claims reported the valuation of which may be subject to a subsequent change. These reserves are reduced by projected recoveries to be collected, which are estimated on the basis of recoveries collected over previous years, and increased by a reserve for claims management costs, to cover future costs for the management of claims reported but not closed on the inventory date. Claims provisions are not discounted, with the exception of annuities provisions for incapacity and disability.

Premium and claims reserves may be complemented, where appropriate, by an unexpired risks reserve when unearned premiums do not cover the cost of the claims covered and associated costs for the period covered by such premiums, or a reserve for increasing risks where, for long-term contracts relating to closed groups, the cost of future risk has exceeded the amount of future premiums.

#### Life insurance and financial contracts with discretionary participation features

Technical reserves on life insurance contracts and financial contracts with discretionary participation features correspond to the present value of the commitments of the insurer and the policyholder. Reserves are calculated using actuarial methods including assumptions on premiums, the performance of financial assets, the rate of contract's redemption and changes in general expenses. In the particular case of unit-linked contracts, the value of the deposits recognised as liabilities is based on the value of the financial assets (the investment units) held under the contracts. Revaluations of assets and liabilities on unit-linked contracts are recognised in the income statement, where they cancel each other out.

Where contracts carry a significant risk of mortality (or longevity) they are also calculated with reference to regulatory mortality tables or experience tables, where these are considered more prudent. More particularly, where a minimum guaranteed death benefit is included in a unit-linked contract, guaranteeing the beneficiary at least the initial capital investment irrespective of changes in the value of units held, this is subject to a provision based on an economic method (stochastic scenarios). The mathematical provisions are updated using the technical interest rate (guaranteed minimum interest rate, capped by the regulations).

Where commissions received on premiums, assets managed or withdrawals from financial products are observed to be insufficient to cover future management costs, Crédit Agricole Assurances records a provision for management costs assessed per uniform contract class.

Lastly, a participation reserve is recorded where returns exceeding the guaranteed minimum are allocated, by contract or regulation, to the policyholder or other subscribers to individual or collective contracts but have not been distributed during the accounting period. Where required, this provision is completed by deferred profit participation resulting from the application of the principle of shadow accounting.

#### *Application of shadow accounting and deferred participation*

Insurance contracts and investment contracts with discretionary participation features are subject to "shadow accounting" in accordance with the option available under IFRS 4. Shadow accounting consists in recognising in a deferred participation account the share of positive or negative movements in the financial assets relating to these contracts together with certain consolidation restatements (e.g. elimination of liquidity risk provisions) that, potentially, revert to the policyholder.

In addition, CRC n°2000-05 requires the recognition of deferred participation on a mandatory basis for deferred participation liabilities and to the recoverable amount for deferred participation assets.

This deferred participation is recorded as a liability (technical liabilities on contracts) or an asset, with a balancing entry on the income statement or in other comprehensive income in a similar manner to the unrealised gains or losses on the assets to which it relates.

For Predica savings contracts, deferred participation is determined in two stages:

- by allocating the share of unrealised gains and losses on assets backing insurance or financial contracts with discretionary participation over an historical average of three years;
- secondly, by applying to revaluations relating to insurance contracts with discretionary participation a historical participation rate observed over the preceding three years for amortisable securities, and a participation rate of 100% for other financial assets.

In the case of unrealised losses, a deferred participation asset is only recognised if its imputation, by entity, against future participation is highly probable. This is most notably the case if the deferred participation asset can be deducted from future participation, either directly by deducting it from deferred participation liabilities recognised as a result of gains on future disposals, or indirectly by being recovered from the future sums paid to the policyholder.

Recoverability tests carried out on deferred participation assets are in accordance with the CNC recommendation of 19 December 2008. They are based:

- firstly, on an analysis of the liquidity of the company; these demonstrate the company's ability to mobilise resources to meet its obligations and its ability to hold assets showing an unrealised loss even in the event of a decline in new premium production. The tests are carried out with and without new production;
- secondly, on a comparison between the average value of future benefits valued using an internal model that replicates the management decisions of the company and the value of the asset as a representation of the market value of obligations; this illustrates the ability of the company to honour its obligations.

Lastly, sensitivity tests on the capacity to capitalise the deferred participation asset are also carried out, notably:

- in the event of a uniform 10% increase in policy redemptions applied to the redemption rate resulting from scenarios similar to those drawn up by the Autorité de contrôle prudentiel et de résolution;
- in the event of an additional 10% fall in equity and real estate markets.

1 2 3 4 5 6 7 8 9

### *Liability adequacy test*

In accordance with IFRS 4 Crédit Agricole Assurances ensures at the end of each reporting period that the liabilities of insurance contracts and financial contracts with discretionary participation features (net of deferred acquisition costs and associated intangible assets) are adequate in the light of future estimated cash flows.

The liability adequacy test applied must meet the following minimum criteria set out in the standard:

- consideration of all contractual cash flows and of related cash flows such as commissions and claims handling costs as well as cash flows from embedded options and guarantees;
- if the test shows that liabilities are inadequate, the entire deficiency is recognised by a provision in profit or loss.

The Group's life insurance companies test the adequacy of their liabilities using a stochastic method. The test considers technical reserves on life insurance contracts (excluding unit-linked contracts) grouped into product families with uniform characteristics. The resulting estimates of future cash flows are compared, aggregating all product families, with the sum of the following items: Mathematical reserves + participation reserve + share of unrealised gains and losses attributed to the product families concerned. In the event that the result of the estimates is higher than this total, an additional provision is recognised through profit or loss.

The Group's non-life insurance companies perform an annual test based on best estimates of provisions for claims. This test covers all the provisions for claims outstanding, including provisions for IBNR claims, additional provisions for commutation to annuities and provisions for claims management costs. The analysis is carried out on the basis of data gross of reinsurance, by risk segment and financial year of occurrence.

The best estimate claims provisions are calculated without discounting or prudential margin and correspond to the probable value of expenditure necessary to settle all outstanding claims. They are compared to the provisions for recognised claims, gross of reinsurance. Where the estimates exceed the recognised amounts, an additional provision is recognised through profit or loss.

In addition, where a reserve for insufficiency of premiums is recognised in local accounts (in France an unexpired risk reserve), this is retained in consolidated accounts.

In the specific case of creditor insurance, the adequacy of reserves is tested at the end of each accounting period by comparing reserves recognised with those calculated on the basis of the updated claims/premiums ratio and a margin for risk and uncertainty. This is calculated for each partner.

### *Recognition of revenue on insurance contracts and financial contracts with discretionary participation*

#### (i) Premiums

Revenue on life insurance contracts and investment contracts with discretionary participation corresponds to premiums on contracts in force during the accounting period, net of cancellation and corrected for premiums to be issued for the share to be acquired in subsequent periods.

Revenue on non-life insurance contracts corresponds to premiums issued excluding taxes, gross of reinsurance, net of cancellations, reductions and rebates, changes in premiums to be issued and changes in premiums to be cancelled. Premiums issued adjusted for changes in unearned premiums reserves constitute earned premiums.

#### (ii) Claims expenses

Service charges for insurance contracts and investment contracts with a discretionary participation feature include:

- all benefits where they are the subject of a payment to the beneficiary;
- technical interests and profit participation which may be included in these benefits;
- changes in technical reserves;
- all costs relating to the management and settlement of these benefits.

Service charges on non-life insurance contracts primarily include benefits and costs paid, together with changes in claims reserves. Claims correspond to claims net of recoveries for the period and annuity payments. They also include costs and commissions relating to claims handling and settlement.

### Accounting for investment contracts with no discretionary participation feature

This class of investment contracts are treated as financial liabilities and are covered by IAS 39. They are primarily unit-linked contracts without death benefit payment and without the option of switching to an investment fund with a discretionary participation feature.

In accordance with IAS 39, liabilities relating to these contracts are recognised as deposits. Thus premiums received and benefits paid, net of charges made by the insurer, are recognised directly on the balance sheet. The only items recognised on the income statement are revenue and expenses relating to the acquisition and management of contracts.

Liabilities relating to unit-linked contracts are valued and recognised with references to the value of financial assets (investment units) backing these contracts at the end of the reporting period. Revaluations of assets and liabilities on unit-linked contracts have no effect on the income statement. This rule applies to all unit-linked contracts, whether they qualify as insurance contracts under the terms of IFRS 4 (for example if they include a guaranteed death benefit), investment contracts with discretionary participation feature (for example, in a multi-investment contract, where they include a clause allowing a switch to an investment fund containing a discretionary participation clause), or investment contracts without discretionary participation feature.

### Deferred origination costs, charges and unearned deductions

Origination costs for investment contracts without discretionary participation feature are subject to similar treatment to deferred acquisition costs for life insurance contracts covered by IFRS 4.

Symmetrically with the deferral of expenses incurred on origination of contracts, unearned acquisition commissions received are spread over time *via* an entry in liabilities. These are recognised in income at the same pattern as that of deferred expenses.

### Reinsurance operations

#### *Presentation of direct business and assignments to reinsurance*

Premiums, claims and reserves are recognised gross of assignments to reinsurance. The share of assigned reinsurance, determined based on reinsurance treaties, is identified in the income statement under separate headings for reinsurance assignment income and reinsurance assignment expense.

The share of reserves covered by reinsurance companies is recognised as an asset.

No reinsurance contract is covered by IAS 39.

#### *Accepted reinsurance*

Accepted reinsurance is recognised treaty by treaty on the basis of information provided by the cedants or estimated in the event of receipt of incomplete information. Reinsurance contracts are recognised as direct insurance contracts.

No reinsurance contract incorporates characteristics (such as the absence of a transfer of risk) that would result in them being classified as a financial contract covered by IAS 39.

Securities given or received as collateral for reinsurance operations are recorded on the table of commitments given and received.

## ANALYSIS OF GENERAL EXPENSES BY FUNCTION

In accordance with paragraph 99 of IAS 1 and recommendation No. 2013-R-05 of 7 November 2013, general expenses are analysed by function. Thus consolidated income statement expenses are presented according to the following functions:

- acquisition and similar expense;
- claims handling expense;
- investment management expense;
- administrative expense;
- other technical expense;
- other non-technical expense.

The analysis of expenses by type is presented under the following headings:

- staff costs;
- commissions;
- taxes and duties;
- other.

## PROVISIONS (OTHER THAN FOR INSURANCE ACTIVITIES)

In accordance with IAS 37, Crédit Agricole Assurances identifies obligations (legal or implied) resulting from a past event where it is probable (probability of over 50%) that an outflow of resources will be required to settle the obligation, where the date and amount of such settlement is uncertain but may be estimated with a reasonable degree of reliability. Such estimates are discounted where the effect of doing so is material.

Therefore, Crédit Agricole Assurances creates provisions which cover, in particular:

- operating risks;
- employee benefits (see paragraph below);
- legal claims and risks;
- tax risks.

The valuation of these provisions relies on judgments and corresponds to the directors' best estimate, given the information in their possession at the end of the reporting period.

## EMPLOYEE BENEFITS

In accordance with IAS 19, employee benefits are divided into four categories:

- short-term benefits such as salary, social security contributions, paid holidays, incentives, profit sharing and bonuses, fully payable within twelve months of the end of the reporting period in which the corresponding services were rendered;
- long-term benefits (long-service awards, bonuses and compensation payable more than twelve months after the end of the reporting period);
- termination benefits;
- post-employment benefits, which in turn are classified under the following two headings: defined benefit plans and defined contribution plans.

### Long-term benefits

Long-term benefits are benefits to be paid to employees, other than post-employment benefits and termination benefits that are not payable in their entirety within twelve months of the end of the reporting period in which the corresponding services were rendered.

This particularly concerns bonuses and other deferred compensation paid twelve or more months after the end of the reporting period in which they were acquired, but which are not indexed on equity instruments.

The valuation method is similar to that used by the Group for post-employment benefits in the defined benefit plan category.

### Post-employment benefits

#### *Defined benefit plans*

At the end of each reporting period Crédit Agricole Assurances determines its retirement and associated benefit obligations together with all employment benefits accorded to employees falling into the defined benefit plan category.

In accordance with IAS 19, these obligations are assessed using the projected unit credit method on the basis of actuarial, financial and demographic assumptions. This method consists of allocating to each year of an employee's employment a charge corresponding to the rights acquired over that year. This charge is calculated on the basis of the discounted present value of the future benefit.

Calculations of charges relating to retirement benefits and future employee benefits are established on the basis of assumptions regarding the discount rate, employee turnover rate and changes in salaries and social security costs drawn up by the directors. If the real figures differ from the assumptions used, the charge relating to retirement benefits may increase or reduce in future reporting periods (see note 8).

Discount rates are determined based on the average duration of the obligation, that is to say the unweighted average of durations calculated between the date of valuation and the date of payment weighted for assumptions on employee turnover.

The expected return on plan assets is also estimated by the directors. Estimated returns are based on estimated returns from fixed-income securities including notably bond yields.

The expected return on plan assets is determined on the basis of the discount rates used to measure the defined benefit obligation.

The amount of the provision is equal to:

- the present value of the obligation under the defined benefit plan at the end of the reporting period, calculated according to the actuarial method recommended in IAS 19;
- less, where appropriate, the fair value of the assets held to cover these obligations. Such assets may be represented by an insurance contract taken out with a non-related company. Where the obligation is entirely covered by a contract corresponding exactly, in amount and period, to all or part of the benefits to be paid under the plan, the fair value of this contract is considered to be that of the corresponding obligation, (that is to say the amount of the corresponding actuarial liability). In the particular case where obligations are covered by an insurance contract with a consolidated company, they are not offset in liabilities by the associated assets, which are recognised separately as assets.

For non-covered obligations, a provision to cover termination benefits is recognised as a liability under the heading "Provision". This provision corresponds to the obligations relating to employees of entities within Crédit Agricole Assurances, in service at the end of the reporting period and covered by the Collective Employment Agreement of the Crédit Agricole Group, which came into force on 1 January 2005.

A provision to cover the cost of early departures is also included under the heading "Provisions". This provision covers the present value of the additional cost of various early departure agreements signed by Crédit Agricole Group entities which allow employees reaching the required age to cease their activity.

Lastly, supplementary retirement obligations, which generate obligations for the companies concerned, are the subject of provisions determined on the basis of the actuarial debt representing these obligations. These provisions are also recognised as liabilities on the balance sheet under the heading "Provisions" (see note 8.3).

### *Defined contribution plans*

There are various mandatory retirement plans to which "employer" companies contribute. Plan assets are managed by independent organisations and the contributing companies have no legal or implied obligation to pay additional contributions if the funds do not have sufficient assets to cover all benefits corresponding to services rendered by employees during the year and during prior years. As a result, Crédit Agricole Assurances has no liabilities relating to these plans other than the contributions to be paid for the reporting period in question (see note 8.2).

## SHARE-BASED PAYMENTS

IFRS 2, "Share-based payment", requires the recognition of transactions settled by share-based and similar payments in the income statement and balance sheet of the company. This standard applies to transactions entered into with employees and more precisely:

- equity-settled share-based payment transactions;
- cash-settled share-based payment transactions.

The share-based payment plans allocated to employees of Crédit Agricole Assurances and qualifying under IFRS 2 are primarily of the equity-settled type (stock options, free share allocations, variable compensation with indexed cash settlement or settled with equity).

Allocated options are valued on allocation at their fair value primarily by use of the Black & Scholes model. These are recognised as an expense under the heading "staff costs" with a balancing entry in the equity account over the vesting period, which is 4 years for all current plans.

The expense relative to share allocation plans settled with Crédit Agricole S.A. equity instruments is recognised in the financial statements of the entities employing the plan beneficiaries.

## SUBORDINATED DEBT

Perpetual subordinated debt is classified as either a debt instrument or equity instrument, depending on the substance of the contractual provisions. Securities for which there is no contractual obligation to repay the capital or to return cash are classified as equity.

## CURRENT AND DEFERRED TAXATION

In accordance with IAS 12, tax on income includes all taxes based on income whether current or deferred.

This defines current tax as "the amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) for a period." Taxable profit is the profit (loss) for a period determined in accordance with the rules of the taxation authorities.

The taxation rates and rules applicable for the determination of the tax charge are those in force in each of the countries in which subsidiaries of Crédit Agricole Assurances are based.

Current tax includes all tax on income, payable or recoverable, whose payment is not subject to the completion of future transactions, even if payment is spread over several periods.

Until the tax due has been paid, it must be recognised as a liability. If the amount already paid in respect of the period and the previous periods exceeds the amount due for these periods, the surplus must be recognised as an asset.

In addition, certain transactions conducted by the entity may have tax consequences not taken into account in the determination of current tax. Differences between the carrying amount of an asset or liability and its tax base are defined by IAS 12 as temporary differences.

The standard requires the recognition of deferred tax assets and liabilities in the following cases:

- a deferred tax liability must be recognised for all taxable temporary differences between the carrying amount of an asset or liability and its tax base, except where the deferred tax liability is the result of:
  - the initial recognition of goodwill,
  - the initial recognition of an asset or a liability in a transaction that is not a business combination and affects neither the accounting profit nor the taxable profit (tax loss) on the transaction date;

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- a deferred tax asset must be recognised for all deductible temporary differences between the carrying amount of an asset or liability and its tax base, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be used;
- a deferred tax asset must also be recognised for the carryforward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

The tax rates used are those applicable in each country.

Deferred tax assets and liabilities are not discounted to present value.

If they are taxable, unrealised capital gains on securities do not generate taxable temporary differences between the carrying value on the asset side and the tax base. They do not therefore give rise to the recognition of deferred taxes. Where the securities in question are classified as available for sale, unrealised gains or losses are recognised in equity. Thus the effective tax charge or tax reduction incurred by the entity in relation to these unrealised gains or losses is reclassified by deduction of these entries.

Gains on strategic equity holdings as defined by the French General Tax Code and qualifying for the long-term tax regime are exempt from tax for reporting periods from 1 January 2007 (with the exception of a 12% share of the gain, taxed at the standard tax rate). Unrealised capital gains recognised at the end of the period thus generate a temporary difference, giving rise to a recognition of deferred taxes corresponding to this share.

Current and deferred tax is recognised in profit or loss for the period except to the extent that the tax arises from:

- a transaction or event which is recognised directly in other comprehensive income, in the same or a different period, in which case it is directly credited or debited in other comprehensive income; or
- a business combination, in which case it affects goodwill.

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

- the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
  - the same taxable entity; or
  - different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Tax credits on loan income and securities portfolios, where they are effectively used in the settlement of income tax due for the reporting period, are recognised under the same heading as the income to which they relate. The corresponding tax charge is maintained under the "Tax" heading in the income statement.

However, in view of the legislator's goal of reducing employment costs through the Competitiveness and Employment Tax Credit (*Crédit d'Impôt pour la Compétitivité et l'Emploi* – CICE), Crédit Agricole Assurances has elected to recognise the CICE (under Article 244 *quater* C of the French General Tax Code) as a deduction from staff costs.

### FOREIGN CURRENCY TRANSACTIONS

In accordance with IAS 21, a distinction is made between monetary and non-monetary items.

Monetary items are units of currency held and assets and liabilities to be received or paid in a fixed or determinable number of units of currency.

At the end of the reporting period, monetary assets and liabilities in foreign currencies are translated at the exchange rate on the closing date into the functional currency of the Crédit Agricole Assurances Group, *i.e.* the euro. Foreign exchange differences resulting from this conversion are recognised through profit and loss. There are two exceptions to this rule:

- for available for sale financial assets, only that component of the foreign exchange difference relating to the amortised cost is recognised through profit or loss; the rest is recognised under other items of comprehensive income;
- translation differences on items deemed to be part of a cash flow hedge, or forming part of a net investment in a foreign operation, are recognised in other comprehensive income.

The recognition of non-monetary assets varies according to the nature of these assets:

- assets at historic cost price are valued at the exchange rate on the day of the transaction;
- assets at fair value are measured using the exchange rate on the last day of the financial year.

Translation differences on non-monetary items are recognised:

- through profit and loss if the gain or loss on the non-monetary item is recognised through profit and loss;
- in other comprehensive income if the gain or loss on the non-monetary item is recognised in other comprehensive income.

Impairments on assets denominated in foreign currencies are calculated on a basis converted into euro.

Derivatives put in place to hedge the risk on transactions in foreign currencies are recognised on the balance sheet at fair value at the end of each period.

For the conversion of the financial statements of foreign entities please refer to consolidation principles and policies.

### NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

A non-current asset (or disposal group) is classified as "held for sale" where their carrying amount is recoverable primarily through a transaction rather than through continued use.

For this to be the case the asset (or disposal group) must be available for an immediate sale in its current condition and its sale must be highly probable.

The assets and liabilities concerned are recognised separately on the balance sheet under the headings "non-current assets held for sale" and "debt relating to non-current assets held for sale".

These non-current assets (or disposal groups) classified as held for sale are measured at the lower of their carrying amount and their fair value less costs to sell. In the event of an unrealised loss, an impairment is recognised through profit and loss. In addition, such assets cease to be amortised from the time of their classification as held for sale.

If the fair value of a disposal group less costs to sell is lower than its carrying amount less amortisation of non-current assets, the difference is allocated to other assets in the group of assets held for sale, including financial assets, and recognised in profit or loss for assets held for sale.

Discontinued operations are considered to be any component that has been disposed of or is classified as held for sale and is in one of the following situations:

- it represents a separate major line of business or geographical area of operations;
- it is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- it is a subsidiary acquired exclusively with a view to resale.

The following are presented on a separate line of the income statement:

- net income after tax of discontinued operations up until the date of the sale;
- the profit or loss after tax resulting from the sale or the measurement at fair value less costs to sell of the assets and liabilities constituting discontinued operations.

## Principles and policies of consolidation

The consolidated financial statements include the financial statements of Crédit Agricole Assurances and of all companies over which, in accordance with the provisions of IFRS 10, IFRS 11 and IAS 28, Crédit Agricole Assurances has control or joint control, or exercises significant influence.

### NOTIONS OF CONTROL

In accordance with international standards, all the entities under its control, joint control or significant influence are consolidated, provided that they do not fall within the scope of the above-mentioned exclusions.

Crédit Agricole Assurances has control over an entity if it is exposed to or has a right to the variable returns resulting from its involvement in the entity, and if the power it holds over this entity enables it to influence these returns. In assessing this notion of power, only substantive (voting or contractual) rights are examined. Rights are substantive if their holder is able in practice to exercise them when making a decision concerning the entity's relevant activities.

Control over a subsidiary governed by voting rights is determined by whether the voting rights held confer on Crédit Agricole Assurances the actual capacity to manage the subsidiary's relevant activities. Crédit Agricole Assurances generally controls the subsidiary if it holds, directly or indirectly through subsidiaries, more than half of the existing or potential voting rights of an entity, unless it can be clearly demonstrated that such ownership does not permit it to manage the relevant activities. Crédit Agricole Assurances also has control over an entity if it holds half or less than half of the voting rights, including potential voting rights, of an entity, but in practice has the capacity to manage the relevant business on its own, in particular due to the existence of contractual agreements, the relative amount of voting rights held in comparison to the dispersion of the voting rights held by the other investors, or other facts and circumstances.

Control over a structured entity is not determined by the percentage of voting rights that by nature have no impact on the return generated by the entity. Analysis of control takes contractual agreements into account, and also the involvement and decisions of Crédit Agricole Assurances in the creation of the entity, agreements entered into at the time of its creation and risks incurred by Crédit Agricole Assurances, rights resulting from agreements that confer on the investor the power to manage the relevant activities solely under specific circumstances, as well as other facts or circumstances that indicate that the investor has the possibility of managing the entity's relevant activities. If there is an investment mandate in place, it should be determined whether the manager is acting as an agent (delegated power) or principal (for its own account). Thus, when decisions relating to the entity's relevant activities are to be taken, the indicators to analyse in order to determine whether an entity is acting as agent or principal, are the following: the scope of the decision-making power relating to the delegation of power over the entity to the manager, the remuneration payable under the contractual agreements and also the substantive rights, held by the other parties involved in the entity, that may affect the capacity of the decider, and exposure to the variation in the returns generated by other interests held in the entity.

Joint control is exercised if there is contractual sharing of control over an economic activity. Decisions affecting the entity's relevant activities require unanimous approval by the parties sharing control.

In traditional entities, significant influence results from the power to participate in the financial and operating policy decisions of a company, but without control over those policies. Crédit Agricole Assurances is presumed to have significant influence where it holds, directly or indirectly through subsidiaries, 20% or more of the voting rights in an entity.

### Exclusion from the scope of consolidation

In accordance with the provisions of IAS 28 section 18, minority interests held by private equity firms are excluded from the consolidation scope insofar as they are classified as financial assets at fair value through profit and loss, either by nature or on option.

### CONSOLIDATION METHODS

The consolidation methods are set down respectively by IFRS 10 and IAS 28, as revised. They reflect the nature of the control exercised by Crédit Agricole Assurances over consolidated entities whether or not they are active and whether or not they are incorporated:

- full consolidation for entities under control, including entities with different accounting structures, even if their activity is not an extension of that of Crédit Agricole Assurances;
- the equity method, for entities under significant influence and under joint control.

Full consolidation consists of substituting the assets and liabilities in each subsidiary for the value of shares held. Minority interests in equity and income are recognised separately on the consolidated balance sheet and in the consolidated income statement.

Minority interests are those which do not give control as defined by IFRS 10 and include instruments representing a current interest and which give rights to shares in net assets in the event of liquidation together with other capital instruments issued by the subsidiary which are not owned by the Group.

The equity method substitutes for the value of the shares held the Group's share in equity and income at the subsidiary company.

Changes in the carrying amount of these securities reflect changes in goodwill.

In the event of additional acquisitions or partial disposals, with the maintenance of joint control or significant influence, Crédit Agricole Assurances recognises:

- in the case of an increase in the percentage interest held, additional goodwill;
- in the case of a reduction in the percentage interest held, a gain or loss on disposal/dilution through profit or loss.

### RESTATEMENTS AND ELIMINATION OF INTRAGROUP TRANSACTIONS

Restatements necessary to harmonise the measurement methods of the individual financial statements of the consolidated entities are conducted, with reference to the Group's common principles.

In addition to restatement entries, elimination entries eliminate transactions conducted between companies consolidated by the Group:

- elimination, for fully consolidated entities, of the effect on the consolidated balance sheet and income statement of intragroup transactions, especially intragroup dividends and reinsurance operations;
- elimination of gains or losses generated by transfers of assets between consolidated companies; where necessary, any long-term impairment measured at the time of an internal transfer is recorded.

Transactions conducted with other entities within the Crédit Agricole S.A. Group which do not fall within the scope of consolidation of Crédit Agricole Assurances are not considered as intragroup transactions for the purposes of these consolidated financial statements.

### FOREIGN CURRENCY TRANSLATION OF FOREIGN SUBSIDIARIES

Financial statements of foreign subsidiaries are converted into euros in two stages:

- conversion, where necessary, from the local accounting currency to the functional currency (currency of the main economic environment in which the entity operates) on the historical cost method, with foreign exchange adjustments being fully and immediately recognised in profit or loss;
- conversion from the functional currency to euros, the accounting currency of the Group's consolidated financial statements. Assets and liabilities are converted at the closing exchange rate. Income and expenses on the income statement are converted at the average exchange rate for the period. Foreign exchange adjustments arising on the translation of assets, liabilities and the income statement are recognised in other comprehensive income.

### GOODWILL – BUSINESS COMBINATIONS

#### General principles

Business combinations are treated in accordance with IFRS 3, except in the following cases:

- the combination of entities or activities under common control;
- the combination of distinct entities or activities to form a joint venture;
- the combination of two or more mutual entities;
- the combination of distinct entities or activities to form an entity presenting financial statements by contract alone without transfer of consideration (for example combinations under which distinct entities are combined by contract alone to form a company with a double market listing).

On the date on which control is obtained, the identifiable assets, liabilities and potential liabilities of the acquired entity which meet the recognition criteria of IFRS 3 are recognised at fair value. However, as allowed under IFRS 4 for the acquisition of an insurance company, the liabilities relating to the life insurance contracts or financial contracts with discretionary participation features acquired are retained at their carrying amount on the balance sheet of the acquired entity (after harmonisation with Crédit Agricole Assurances measurement methods if necessary) and the value of these portfolios of contracts is recognised in assets and amortised over the period of payment of profits. This portfolio value represents the present value of future profits on the contracts acquired and corresponds to the difference between the fair value of contracts and their carrying amount.

No restructuring liability is recognised as a liability of the acquired entity unless the latter, at the time of the acquisition, is obliged to carry out this restructuring.

Price adjustment clauses are recognised at fair value, even if their realisation is not probable. Subsequent changes in fair value of the clauses, which have the characteristics of financial debt, are recognised in profit or loss. Only those price adjustment clauses relating to operations where the acquisition of control took place before 31 December 2009 May still be recognised against goodwill, as such transactions were initially recognised under non-revised IFRS 3 (2004).

The share of holdings which do not give control which are instruments representing a current interest and which give rights to shares in net assets in the event of liquidation may be valued, at the option of the acquiring entity, in one of two ways:

- at fair value on the acquisition date;
- at the fair value of the share of identifiable assets and liabilities in the entity acquired.

These option may be exercised on an acquisition-by-acquisition basis.

The balance of holdings not giving control (equity instruments issued by the subsidiary not owned by the Group) must be recognised at fair value on the acquisition date.

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The initial valuation of assets, liabilities and potential liabilities may be modified within a maximum period of twelve months from the date of acquisitions.

Certain transactions relating to the acquired entity are recognised separately from the business combination. This applies in particular to:

- transactions which terminate an existing relationship between the acquired entity and the acquirer;
- transactions which compensate employees or selling shareholders of the entity acquired for future services;
- transactions which compensate the acquired entity or its former shareholders for expenses to be borne by the acquirer.

These separate transactions are generally recognised in profit or loss at the acquisition date.

The consideration transferred on the occasion of a business combination (the acquisition cost) is measured as the total of the fair values transferred by the acquirer, on the date of acquisition in exchange for control of the acquired entity (e.g. cash, equity instruments, etc.).

Costs directly attributable to the combination in question are recognised under expenses, separately from the combination. If the transaction has a very high probability of being completed they are recognised under the heading “Net gains or losses on other assets”, otherwise they are recognised under “Other operating costs”.

The difference between the sum of the acquisition cost, minority interests and the net balance, on the date of acquisition, of identifiable assets acquired and liabilities transferred at fair value is recognised, where it is positive, as an asset on the consolidated balance sheet, under the heading “Goodwill” where the acquired entity is fully consolidated, and under the heading “Investments in equity affiliates” where the acquired entity is consolidated by the equity method. If this difference is negative, it is immediately recognised through profit or loss.

Goodwill is recognised on the balance sheet at its initial value denominated in the currency of the acquired entity and translated at the closing exchange rate.

In the event of a phased acquisition of control, the holding acquired prior to the acquisition of control is measured at fair value through profit or loss at the date of acquisition and goodwill is calculated only once, on the basis of the fair value on the acquisition date of the assets acquired and liabilities transferred.

Subsequent valuation of goodwill is described in the note on accounting principles and methods.

In the event of an increase in Crédit Agricole Assurances’ percentage holding in an entity over which it already exercises exclusive control, the difference between the acquisition cost and the share of net assets acquired is recognised as a reduction in the heading “Consolidated reserves attributable to the Group”. Symmetrically, in the event of a reduction in the percentage share held by the Group in an entity over which it continues to exercise exclusive control, the difference between the sale price and the carrying amount of the related share in net assets sold is also recognised directly in consolidated reserves attributable to the Group. Costs relating to such transactions are recognised in other comprehensive income.

In the event of a loss of control, the result of the disposal is calculated for the entirety of the entity sold and any residual investment retained is recognised on the balance sheet at its fair value on the date of loss of control.

### Combination of entities under common control

This type of combination applies to entities that are already controlled by the Group. In this event, transfers and sales are not recognised at fair value but at their net carrying amount in the consolidated financial statements of the parent on the date of the combination, provided always that such values were established in accordance with IFRS. Existing goodwill in the Group’s accounts at this date is maintained in the same manner as other assets.

This strict application results in the summing of the equity accounts of the entities concerned. If the transaction price is different to the net carrying amount of the entities acquired, this method results in the recognition of the difference directly in consolidated reserves without recognition of any additional goodwill.

The constitution of Crédit Agricole Assurances in 2008, as a result of a restructuring of the insurance businesses of the Crédit Agricole Group, was conducted on this basis.

## NOTE 2 Significant events during the period

### Issuance of subordinated debt

On 14 October 2014, Crédit Agricole Assurances issued a perpetual bond to institutional investors with a par value of €750 million (fixed rate of annual interest of 4.5% until 14 October 2025). This bond was recognised under equity as at 31 December 2014.

Following this issuance, Crédit Agricole Assurances repaid two perpetual subordinated notes to Crédit Agricole S.A. and Cariparma in the amount of €550 million.

# NOTE 3 Changes in the scope of consolidation

The consolidation scope and its changes as at 31 December 2014 are described in detail in note 11 "Consolidation scope". The following transactions had an impact on the consolidation scope:

## Impact analysis of the implementation of IFRS 10

The main impact of the first application of IFRS 10 was the inclusion within the consolidation scope of 172 funds as at 31 December 2013 and 178 funds at 31 December 2014, all held as underlying vehicles of unit-linked insurance contracts.

Although the investments are made on behalf of the policyholders, Crédit Agricole S.A. Group remains directly exposed to variations in the return on the funds. Control is applicable if the concentration rate is deemed to be significant in relative terms.

The inclusion of these funds in the consolidation scope resulted in an increase in the size of the balance sheet of €2.8 billion as at 31 December 2013 and €3.8 billion at 31 December 2014, corresponding to minority interests recognised under "Debt to consolidated UCITS unit holders" on the liabilities side of the balance sheet. The consolidation of these entities had no impact on income.

## Newly consolidated companies

During 2014, 7 UCITS, 2 OPCI and 6 SCI were consolidated either transparently or by the simplified method (recognition at fair value through profit and loss). One SCI left the consolidation scope.

## Mergers & Acquisitions

The Spirica subsidiary absorbed the Dolcea Vie subsidiary, both wholly-owned by Crédit Agricole Assurances Group.

## La Médicale de France

La Médicale de France, formerly a subsidiary of Predica, became a subsidiary of Crédit Agricole Assurances.

## GNB Seguros (formerly BES Seguros)

During the second half of 2014, Crédit Agricole Assurances Group decided to not recognize GNB Seguros, a non-life insurance company in Portugal, as an operation held for sale. This entity is therefore included in the consolidated accounts.

# NOTE 4 Financial management, exposure to risk and management of capital

## Financial management

The Asset Liability Technical Management (ALTM) and Corporate Finance functions of Crédit Agricole Assurances have the responsibility for organising financial flows within the Crédit Agricole Assurances Group, for the definition and implementation of financing rules, the allocation of equity, the management of assets and liabilities and the oversight of prudential ratios.

They define and ensure the consistency of the Crédit Agricole Assurances Group's financial management.

Management of risks is conducted by the Group Risk and Permanent Control department of Crédit Agricole Assurances, in cooperation with the Group Risk Management department of the Crédit Agricole S.A. Group (DRG). This department is responsible for coordinating the management of financial risk, credit risk and the operating risk of subsidiaries.

The description of these systems together with narrative information is included in the management report, in the "Risk factors" chapter, as allowed under IFRS 7. The risk exposures of the Crédit Agricole Assurances Group are presented in the risk factors (management report, section 4).

## Capital management and solvency margins

Applicable regulations for entities within the Crédit Agricole Assurances Group, in France and elsewhere, require that each insurance company maintains a minimum solvency ratio, the main purpose of which is the protection of the policyholder.

At 31 December 2014, the Crédit Agricole Assurances Group and each of its individual subsidiaries met their obligations in the matter of solvency.

The various items considered by the Group as available capital are determined in accordance with the rules applicable under Solvency 1.

As at 31 December 2014, the available capital consisted primarily of the following:

- consolidated shareholders' equity, after deduction of the proposed dividend, but excluding reserves associated with changes in fair value of available-for-sale assets;
- eligible subordinated debt;
- deduction of intangible assets.

The calculation of the adjusted solvency ratio is submitted to the Autorité de contrôle prudentiel et de résolution, which is responsible for the application of these directives in France.

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# NOTE 5 Segment information

In accordance with IFRS 8, the information presented is based on the internal reporting used by the Executive Committee for the management of the Crédit Agricole Assurances Group, the evaluation of performance and the allocation of resources to the operating sectors identified.

The operating sectors presented in internal reporting Correspond to the Group's specialised businesses.

Within Crédit Agricole Assurances, businesses are organised into 5 operating segments.

**"Life – France"** covers the life insurance, savings, retirement, health and provident insurance operations conducted by the French entities of the Group.

**"Non-life – France"** covers mainly motor, household, agricultural and life accident insurance products sold in France.

**"Creditor insurance"** covers creditor insurance activities in France (with the exception of those conducted by Predica which are included in the Life - France segment) and abroad.

**"International"** covers the life and non-life insurance activities conducted outside France.

**"Other"** covers primarily holding company activities and reinsurance.

The geographical analysis of segment information is based on the location of the accounting recognition of activities.

## Income statement by segment

| | 31/12/2014 | | | | | | |
|---|---|---|---|---|---|---|---|
| *(in € millions)* | Life France | Non-life France | International | Creditor Insurance | Other | Intragroup | Total |
| Written premiums | 20,911 | 2,806 | 6,074 | 971 | 50 | (1,435) | 29,377 |
| Change in unearned premiums | (1) | (49) | (2) | (25) | 1 | (1) | (77) |
| **Earned premiums** | **20,910** | **2,757** | **6,071** | **946** | **51** | **(1,435)** | **29,300** |
| Revenue or income from other activities | 43 | 67 | 21 | - | 10 | (18) | 123 |
| **Investment income net of expenses** | **11,765** | **80** | **664** | **35** | **328** | **(296)** | **12,576** |
| **Claims expenses** | **(29,167)** | **(2,004)** | **(6,647)** | **(231)** | **(29)** | **1,519** | **(36,559)** |
| **Net reinsurance income or expense** | **(3)** | **(97)** | **193** | **(18)** | **(5)** | **(112)** | **(42)** |
| Contracts acquisition costs | (800) | (407) | (172) | (631) | (16) | 53 | (1,973) |
| Amortization of portfolio assets and similar | - | - | (2) | - | - | - | (2) |
| Administrative expenses | (1,055) | (183) | (54) | (33) | (1) | 21 | (1,305) |
| Other current operating income and expenses | (150) | (27) | 4 | (5) | (56) | (33) | (267) |
| Other operating income and expenses | - | - | - | - | - | - | - |
| **Operating income** | **1,543** | **186** | **79** | **63** | **281** | **(300)** | **1,851** |
| Financing expenses | (267) | (14) | (14) | (16) | (365) | 300 | (376) |
| Income tax | (390) | (63) | (32) | (9) | 15 | - | (479) |
| **CONSOLIDATED NET INCOME** | **886** | **108** | **32** | **39** | **(69)** | **-** | **996** |
| Minority interests | - | - | (5) | - | - | - | (5) |
| **Net income – Group share** | **886** | **108** | **28** | **39** | **(69)** | **-** | **992** |

| | 31/12/2013 | | | | | | |
|---|---|---|---|---|---|---|---|
| *(in € millions)* | Life France | Non-life France | International | Creditor Insurance | Other | Intragroup | Total |
| Written premiums | 19,564 | 2,638 | 3,639 | 932 | 42 | (1,113) | 25,701 |
| Change in unearned premiums | (1) | (51) | 1 | 26 | 1 | (2) | (26) |
| **Earned premiums** | **19,563** | **2,587** | **3,640** | **958** | **43** | **(1,115)** | **25,675** |
| Revenue or income from other activities | 19 | 72 | 11 | 1 | 9 | (18) | 94 |
| **Investment income net of expenses** | **10,006** | **63** | **617** | **34** | **315** | **(289)** | **10,745** |
| **Claims expenses** | **(26,164)** | **(1,872)** | **(4,117)** | **(216)** | **(24)** | **1,186** | **(31,207)** |
| **Net reinsurance income or expense** | **27** | **(94)** | **113** | **(38)** | **(4)** | **(108)** | **(103)** |
| Contracts acquisition costs | (798) | (400) | (111) | (636) | (9) | 55 | (1,900) |
| Amortization of portfolio assets and similar | - | - | (3) | - | - | - | (3) |
| Administrative expenses | (994) | (131) | (56) | (34) | (1) | 21 | (1,195) |
| Other current operating income and expenses | (76) | (54) | (8) | (5) | (49) | (28) | (220) |
| Other operating income and expenses | - | - | - | - | - | - | - |
| **Operating income** | **1,583** | **171** | **84** | **63** | **281** | **(296)** | **1,886** |
| Financing expenses | (268) | (13) | (13) | (16) | (257) | 296 | (270) |
| Income tax | (483) | (61) | (19) | (11) | (36) | - | (610) |
| **CONSOLIDATED NET INCOME** | **831** | **98** | **53** | **37** | **(13)** | **-** | **1,006** |
| Minority interests | - | - | (4) | - | - | - | (4) |
| **Net income – Group share** | **831** | **98** | **49** | **37** | **(13)** | **-** | **1,002** |

## Balance sheet by segment

| | 31/12/2014 | | | | | | |
|---|---|---|---|---|---|---|---|
| *(in € millions)* | Life France | Non-life France | International | Creditor Insurance | Other | Intragroup | Total |
| Goodwill | 486 | 69 | 37 | 280 | - | - | 872 |
| Value of business in-force | - | - | 9 | - | - | - | 9 |
| Other intangible assets | 150 | 26 | 10 | 33 | 23 | - | 242 |
| **Intangible assets** | **636** | **95** | **56** | **313** | **23** | **-** | **1,123** |
| Real estate investments | 4,028 | 56 | - | - | - | - | 4,084 |
| Unit-linked real estate investment | - | - | - | - | - | - | - |
| Financial investments | 242,662 | 2,853 | 9,790 | 538 | 15,395 | (5,534) | 265,704 |
| Unit-linked financial investments | 39,877 | - | 6,589 | - | - | - | 46,466 |
| Derivative instruments and separated embedded derivatives | 1,431 | - | - | - | - | - | 1,431 |
| **Investments from insurance activities** | **287,998** | **2,909** | **16,379** | **538** | **15,395** | **(5,534)** | **317,685** |
| **Investments in associated undertakings** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| Share of outward reinsurers and retrocessionaires in liabilities arising from insurance and financial contracts | - | - | - | - | - | - | - |
| Reinsurers' share of insurance liabilities | 802 | 205 | 5,414 | 346 | 2 | (5,446) | 1,323 |
| **Reinsurers' share of insurance and financial liabilities** | **802** | **205** | **5,414** | **346** | **2** | **(5,446)** | **1,323** |
| Operational real estate and other property, plant and equipment | 149 | 73 | 2 | 1 | 5 | - | 230 |
| Deferred acquisition costs | 8 | 85 | 9 | 718 | 17 | (8) | 829 |
| Deferred participation assets | - | - | - | - | - | - | - |
| Deferred tax assets | 2 | - | 19 | 1 | 7 | - | 29 |
| Receivables resulting from insurance and inward reinsurance operations | 601 | 1,316 | 84 | 131 | 40 | (203) | 1,969 |
| Receivables resulting from ceded reinsurance operations | - | 21 | 11 | 42 | - | (2) | 72 |
| Current income tax assets | 31 | 1 | 7 | 3 | 35 | - | 77 |
| Other receivables | 2,736 | 42 | 211 | 23 | 56 | (36) | 3,032 |
| **Other assets** | **3,528** | **1,538** | **343** | **919** | **160** | **(249)** | **6,239** |
| **Non current assets held for sale and discontinued operations** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Cash and cash equivalents** | **291** | **1,496** | **1,049** | **38** | **33** | **-** | **2,907** |
| **TOTAL ASSETS** | **293,255** | **6,243** | **23,241** | **2,154** | **15,613** | **(11,229)** | **329,277** |

| | 31/12/2014 | | | | | | |
|---|---|---|---|---|---|---|---|
| *(in € millions)* | Life France | Non-life France | International | Creditor Insurance | Other | Intragroup | Total |
| **Provisions for risks and charges** | **152** | **44** | **5** | **1** | **29** | **-** | **231** |
| Debt to banking establishments | 572 | - | - | 19 | 1,829 | (19) | 2,401 |
| Subordinated debts | 5,201 | 219 | 309 | 215 | 3,400 | (5,507) | 3,837 |
| Liabilities represented by securities | - | - | - | - | - | - | - |
| **Financing debt** | **5,773** | **219** | **309** | **234** | **5,229** | **(5,526)** | **6,238** |
| Technical liabilities on insurance contracts | 108,362 | 3,134 | 5,685 | 1,485 | 92 | (117) | 118,641 |
| Technical liabilities on unit-linked insurance contracts | 34,630 | - | 6,099 | - | - | - | 40,729 |
| **Technical liabilities on insurance contracts** | **142,992** | **3,134** | **11,784** | **1,485** | **92** | **(117)** | **159,370** |
| Technical liabilities on financial contracts with discretionary participation features | 92,562 | - | 9,294 | - | - | (5,329) | 96,527 |
| Technical liabilities on financial contracts without discretionary participation features | - | - | 192 | - | - | - | 192 |
| Technical liabilities on unit-linked financial contracts | 5,235 | - | 556 | - | - | - | 5,791 |
| **Technical liabilities on financial contracts** | **97,797** | **-** | **10,042** | **-** | **-** | **(5,329)** | **102,510** |
| **Deferred participation reserve** | **23,328** | **-** | **643** | **-** | **-** | **-** | **23,971** |
| **Technical liabilities** | **264,117** | **3,134** | **22,469** | **1,485** | **92** | **(5,446)** | **285,851** |
| Deferred tax liabilities | 767 | 56 | 23 | 11 | 47 | - | 904 |
| Operating debt to banking establishments | 748 | 1,472 | - | - | 4 | - | 2,224 |
| Liabilities towards holders of units in consolidated mutual funds | 3,814 | - | - | - | - | - | 3,814 |
| Debts arising from insurance or inward reinsurance operations | 922 | 657 | 80 | 119 | 1 | (40) | 1,739 |
| Debts arising from ceded reinsurance operations | 695 | 86 | 170 | 257 | - | (172) | 1,036 |
| Current income tax liabilities | 1 | 4 | 29 | 3 | - | - | 37 |
| Derivative instrument liabilities | 66 | - | - | - | - | - | 66 |
| Other debts | 13,856 | 289 | 335 | 43 | 68 | (44) | 14,547 |
| **Other liabilities** | **20,869** | **2,564** | **637** | **433** | **120** | **(256)** | **24,367** |
| **Non current liabilities held for sale and discontinued operations** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **TOTAL LIABILITIES EXCEPT SHAREHOLDER'S EQUITY** | **290,911** | **5,961** | **23,420** | **2,153** | **5,470** | **(11,228)** | **316,687** |

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| | 31/12/2013 Restated[1] | | | | | | |
|---|---|---|---|---|---|---|---|
| *(in € millions)* | **Life France** | **Non-life France** | **International** | **Creditor Insurance** | **Other** | **Intragroup** | **Total** |
| Goodwill | 486 | 70 | 37 | 280 | - | - | 872 |
| Value of business in-force | 1 | - | 11 | - | - | - | 11 |
| Other intangible assets | 146 | 27 | 11 | 38 | 27 | - | 249 |
| **Intangible assets** | **633** | **97** | **58** | **317** | **27** | - | **1,132** |
| Real estate investments | 3,447 | 46 | - | - | - | - | 3,493 |
| Unit-linked real estate investment | - | - | - | - | - | - | - |
| Financial investments | 212,864 | 2,357 | 6,959 | 474 | 14,926 | (4,657) | 232,922 |
| Unit-linked financial investments | 37,498 | - | 5,769 | - | - | - | 43,267 |
| Derivative instruments and separated embedded derivatives | 857 | - | - | - | - | - | 857 |
| **Investments from insurance activities** | **254,666** | **2,402** | **12,728** | **474** | **14,926** | **(4,657)** | **280,539** |
| **Investments in associated undertakings** | **-** | **-** | **-** | **-** | **-** | - | **-** |
| Share of outward reinsurers and retrocessionaires in liabilities arising from insurance and financial contracts | - | - | - | - | - | - | - |
| Reinsurers' share of insurance liabilities | - | - | - | - | - | - | - |
| **Reinsurers' share of insurance and financial liabilities** | **710** | **208** | **4,424** | **360** | **2** | **(4,451)** | **1,254** |
| Operational real estate and other property, plant and equipment | 155 | 74 | 1 | 2 | 6 | - | 237 |
| Deferred acquisition costs | 7 | 82 | 7 | 695 | 17 | (9) | 801 |
| Deferred participation assets | - | - | - | - | - | - | - |
| Deferred tax assets | 10 | - | 29 | 1 | 1 | - | 41 |
| Receivables resulting from insurance and inward reinsurance operations | 316 | 1,178 | 6 | 131 | 30 | (43) | 1,619 |
| Receivables resulting from ceded reinsurance operations | 10 | 17 | 18 | 86 | - | (19) | 113 |
| Current income tax assets | - | 1 | 6 | 1 | - | - | 9 |
| Other receivables | 2,745 | 55 | 190 | 26 | 37 | (37) | 3,016 |
| **Other assets** | **3,243** | **1,409** | **257** | **942** | **91** | **(108)** | **5,835** |
| **Non current assets held for sale and discontinued operations** | **-** | **-** | **-** | **-** | **-** | - | **-** |
| **Cash and cash equivalents** | **432** | **1,218** | **915** | **37** | **29** | - | **2,631** |
| **TOTAL ASSETS** | **259,683** | **5,334** | **18,382** | **2,132** | **15,075** | **(9,216)** | **291,392** |

*(1) The effects of the change of accounting method linked to the application of IFRS 10 are presented in note 1.*

| | 31/12/2013 Restated[1] | | | | | | |
|---|---|---|---|---|---|---|---|
| *(in € millions)* | **Life France** | **Non-life France** | **International** | **Creditor Insurance** | **Other** | **Intragroup** | **Total** |
| **Provisions for risks and charges** | **79** | **49** | **4** | **1** | **24** | **-** | **158** |
| Debt to banking establishments | 424 | - | - | 26 | 1,059 | (58) | 1,451 |
| Subordinated debts | 4,364 | 206 | 243 | 214 | 3,950 | (4,589) | 4,388 |
| Liabilities represented by securities | - | - | - | - | - | - | - |
| **Financing debt** | **4,788** | **206** | **243** | **240** | **5,010** | **(4,647)** | **5,839** |
| Technical liabilities on insurance contracts | 93,903 | 2,913 | 4,856 | 1,430 | 73 | (25) | 103,151 |
| Technical liabilities on unit-linked insurance contracts | 32,989 | - | 5,382 | - | - | - | 38,371 |
| **Technical liabilities on insurance contracts** | **126,892** | **2,913** | **10,238** | **1,430** | **73** | **(25)** | **141,522** |
| Technical liabilities on financial contracts with discretionary participation features | 97,492 | - | 6,683 | - | - | (4,426) | 99,749 |
| Technical liabilities on financial contracts without discretionary participation features | - | - | 352 | - | - | - | 352 |
| Technical liabilities on unit-linked financial contracts | 4,393 | - | 432 | - | - | - | 4,825 |
| **Technical liabilities on financial contracts** | **101,885** | **-** | **7,467** | **-** | **-** | **(4,426)** | **104,927** |
| **Deferred participation reserve** | **10,055** | **-** | **146** | **-** | **-** | **-** | **10,201** |
| **Contract-related liabilities** | **238,832** | **2,913** | **17,852** | **1,430** | **73** | **(4,451)** | **256,650** |
| Deferred tax liabilities | 373 | 22 | 11 | 4 | 42 | - | 453 |
| Operating debt to banking establishments | 607 | 1,206 | - | - | 405 | - | 2,219 |
| Liabilities towards holders of units in consolidated mutual funds | 2,814 | - | - | - | - | - | 2,814 |
| Debts arising from insurance and inward reinsurance operations | 886 | 476 | 168 | 128 | - | (54) | 1,605 |
| Debts arising from ceded reinsurance operations | 631 | 82 | 9 | 323 | - | (17) | 1,027 |
| Current income tax liabilities | 77 | 11 | 16 | 4 | 18 | - | 126 |
| Derivative instrument liabilities | 6 | - | 1 | - | - | - | 8 |
| Other debts | 9,455 | 168 | 258 | 45 | 76 | (47) | 9,955 |
| **Other liabilities** | **14,851** | **1,965** | **463** | **504** | **541** | **(118)** | **18,207** |
| **Non current liabilities held for sale and discontinued operations** | - | - | - | - | - | - | **-** |
| **TOTAL LIABILITIES EXCEPT SHAREHOLDER'S EQUITY** | **259,683** | **5,334** | **18,382** | **2,132** | **15,075** | **(9,216)** | **291,392** |

*(1) The effects of the change of accounting method linked to the application of IFRS 10 are presented in note 1.*

# NOTE 6 Notes to the balance sheet

## 6.1 Goodwill

| *(in € millions)* | 31/12/2013 | Increase | Decrease | Loss of value | Foreign exchange adjustments | Other changes | 31/12/2014 |
|---|---|---|---|---|---|---|---|
| **Gross amount** | | | | | | | |
| Life - France | 486 | - | - | - | - | - | 486 |
| Non-life - France | 70 | - | - | - | - | - | 70 |
| International | 36 | - | - | - | - | - | 36 |
| Creditor Insurance | 409 | - | - | - | - | - | 409 |
| Other | - | - | - | - | - | - | - |
| **All** | **1,001** | **-** | **-** | **-** | **-** | **-** | **1,001** |
| **Loss of value** | | | | | | | |
| Life - France | - | - | - | - | - | - | - |
| Non-life - France | - | - | - | - | - | - | - |
| International | - | - | - | - | - | - | - |
| Creditor Insurance | (129) | - | - | - | - | - | (129) |
| Other | - | - | - | - | - | - | - |
| **All** | **(129)** | **-** | **-** | **-** | **-** | **-** | **(129)** |
| **Net value** | | | | | | | |
| Life - France | 486 | - | - | - | - | - | 486 |
| Non-life - France | 70 | - | - | - | - | - | 70 |
| International | 36 | - | - | - | - | - | 36 |
| Creditor Insurance | 280 | - | - | - | - | - | 280 |
| Other | - | - | - | - | - | - | - |
| **All** | **872** | **-** | **-** | **-** | **-** | **-** | **872** |

| (in € millions) | 31/12/2012 | Increase | Decrease | Loss of value | Foreign exchange adjustments | Other changes | 31/12/2013 |
|---|---|---|---|---|---|---|---|
| **Gross amount** | | | | | | | |
| Life - France | 486 | - | - | - | - | - | 486 |
| Non-life - France | 70 | - | - | - | - | - | 70 |
| International | 38 | - | - | - | - | (2) | 36 |
| Creditor Insurance | 409 | - | - | - | - | - | 409 |
| Other | - | - | - | - | - | - | - |
| **All** | **1,003** | **-** | **-** | **-** | **-** | **(2)** | **1,001** |
| **Loss of value** | - | | | | | | |
| Life - France | - | - | - | - | - | - | - |
| Non-life - France | - | - | - | - | - | - | - |
| International | - | - | - | - | - | - | - |
| Creditor Insurance | (129) | - | - | - | - | - | (129) |
| Other | - | - | - | - | - | - | - |
| **All** | **(129)** | **-** | **-** | **-** | **-** | **-** | **(129)** |
| **Net value** | | | | | | | |
| Life - France | 486 | - | - | - | - | - | 486 |
| Non-life - France | 70 | - | - | - | - | - | 70 |
| International | 38 | - | - | - | - | (2) | 36 |
| Creditor Insurance | 280 | - | - | - | - | - | 280 |
| Other | - | - | - | - | - | - | - |
| **All** | **874** | **-** | **-** | **-** | **-** | **(2)** | **872** |

Impairment tests were carried out on goodwill at 1 January 2014, based on the assessment of the value in use of the CAA Group's insurance entities. Value in use was determined by discounting the CGU's future cash flows as presented in the medium-term plans drawn up for the Group's steering requirements. The following assumptions were drawn upon:

- estimated future cash flows: preliminary 3-year data established under the Group's medium-term plan. Preliminary data for more than 5 years may be used for some entities in order to reflect the longer economic cycle of the entities in question;
- the equity capital allocated to the various activities at 31 December 2014 is equal to 100% of the solvency margin for the insurance activities including the economic position in terms of subordinated debts of each entity;
- growth rate: 2%;
- discount rate: interest rates by geographical area are between 8.33% and 12.46%.

At 31 December 2014, goodwill items continued to be justified.

In addition, sensitivity testing carried out shows that a +50 basis point change in discount rates would not result in any significant impairment.

## 6.2 Life insurance companies' policy portfolios

| | 31/12/2014 | | | 31/12/2013 |
|---|---|---|---|---|
| (in € millions) | Gross amount | Amortization | Net value | Net value |
| CA VITA | 38 | (29) | 9 | 10 |
| Spirica | 1 | (1) | - | 1 |
| **VALUE OF PORTFOLIOS** | **39** | **(30)** | **9** | **11** |

## 6.3 Other intangible assets

| *(in € millions)* | 31/12/2013 | Change in scope | Acquisitions/ Depreciation | Disposals/ Decreases | Foreign exchange adjustments | Other changes | 31/12/2014 |
|---|---|---|---|---|---|---|---|
| Distribution right | - | - | - | - | - | - | - |
| Software programs | 698 | - | 7 | (4) | - | 56 | 757 |
| Intangible assets in progress | 40 | - | 64 | (1) | - | (56) | 47 |
| **Gross amount** | **738** | **-** | **71** | **(5)** | **-** | **-** | **804** |
| Impairment on distribution right | - | - | - | - | - | - | - |
| Amortization of software programs | (484) | - | (73) | 4 | - | 6 | (547) |
| Impairment of software programs | (2) | - | (1) | - | - | - | (3) |
| Amortization Intangible assets in progress | (4) | - | (3) | - | - | (6) | (13) |
| Impairment Intangible assets in progress | - | - | - | - | - | - | - |
| **Amortization & impairment** | **(489)** | **-** | **(77)** | **4** | **-** | **-** | **(562)** |
| **OTHER NET INTANGIBLE ASSETS** | **249** | **-** | **(6)** | **(1)** | **-** | **-** | **242** |

| *(in € millions)* | 31/12/2012 | Change in scope | Acquisitions/ Depreciation | Disposals/ Decreases | Foreign exchange adjustments | Other changes | 31/12/2013 |
|---|---|---|---|---|---|---|---|
| Distribution right | - | - | - | - | - | - | - |
| Software programs | 645 | - | 11 | (8) | (2) | 52 | 698 |
| Intangible assets in progress | 28 | - | 65 | (2) | - | (52) | 40 |
| **Gross amount** | **673** | **-** | **76** | **(10)** | **(2)** | **-** | **738** |
| Impairment on distribution right | - | - | - | - | - | - | - |
| Amortization of software programs | (421) | - | (71) | 7 | 1 | - | (484) |
| Impairment of software programs | (1) | - | (1) | - | - | - | (2) |
| Amortization Intangible assets in progress | (2) | - | (1) | - | - | - | (4) |
| Impairment Intangible assets in progress | - | - | - | - | - | - | - |
| **Amortization & impairment** | **(424)** | **-** | **(73)** | **7** | **1** | **-** | **(489)** |
| **OTHER NET INTANGIBLE ASSETS** | **249** | **-** | **3** | **(3)** | **(1)** | **-** | **249** |

## 6.4 Financial investments by type

The fair value of a financial instrument is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The fair value data shown below are estimates made on the reporting date. They are therefore likely to change in subsequent periods due to changes in market conditions or other factors.

| *(in € millions)* | 31/12/2014 Carrying amount | 31/12/2014 Fair value |
|---|---|---|
| Shares and other variable income securities | 24,830 | 24,830 |
| Bonds and other fixed-income securities | 173,690 | 173,690 |
| **Available-for-sale assets** | **198,520** | **198,520** |
| Bonds and other fixed-income securities | 14,144 | 17,357 |
| **Held-to-maturity assets** | **14,144** | **17,357** |
| Shares and other variable income securities | 12,874 | 12,874 |
| Bonds and other fixed-income securities | 37,778 | 37,778 |
| **Financial assets at fair value through profit or loss by nature or by option** | **50,652** | **50,652** |
| Loans and receivables | 2,388 | 2,376 |
| **Financial investments** | **265,704** | **268,905** |
| Real estate investment[1] | 4,084 | 6,158 |
| Derivative instruments | 1,431 | 1,431 |
| **Investments by the general fund (A)** | **271,219** | **276,494** |
| **Unit-liked financial investments** | **46,466** | **46,466** |
| Unit-linked real estate investment[1] | - | - |
| **Total unit-linked investments (B)** | **46,466** | **46,466** |
| **TOTAL INVESTMENTS (A) + (B)** | **317,685** | **322,960** |

(1) *Real estate investment is valued on the basis of expert appraisal.*

| *(in € millions)* | 31/12/2013 Restated[1] Carrying amount | 31/12/2013 Restated[1] Fair value |
|---|---|---|
| Shares and other variable income securities | 18,049 | 18,049 |
| Bonds and other fixed-income securities | 158,419 | 158,419 |
| **Available-for-sale assets** | **176,468** | **176,468** |
| Bonds and other fixed-income securities | 14,341 | 16,245 |
| **Held-to-maturity assets** | **14,341** | **16,245** |
| Shares and other variable income securities | 11,280 | 11,280 |
| Bonds and other fixed-income securities | 28,928 | 28,928 |
| **Financial assets at fair value through profit or loss by nature or by option** | **40,208** | **40,208** |
| Loans and receivables | 1,905 | 1,873 |
| **Financial investments** | **232,922** | **234,794** |
| Real estate investment[2] | 3,493 | 5,527 |
| Derivative instruments | 857 | 857 |
| **Investments by the general fund (A)** | **237,272** | **241,178** |
| Shares and other variable income securities | 26,046 | 26,046 |
| Bonds and other fixed income securities | 17,221 | 17,221 |
| **Unit-liked financial investments** | **43,267** | **43,267** |
| Unit-linked real estate investment[2] | - | - |
| **Total unit-linked investments (B)** | **43,267** | **43,267** |
| **TOTAL INVESTMENTS (A) + (B)** | **280,539** | **284,445** |

(1) *The effects of the change of accounting method linked to the application of IFRS 10 are presented in note 1.*
(2) *Real estate investment is valued on the basis of expert appraisal.*

1 2 3 4 5 6 7 8 9

| *(in € millions)* | 31/12/2014 | 31/12/2013 |
|---|---|---|
| Real estate investment | - | - |
| Shares and other variable income securities | 27,006 | 26,046 |
| Treasury bills and similar securities | 13,169 | 700 |
| Bonds and other fixed income securities | 5,668 | 12,558 |
| Bond funds | 623 | 3,963 |
| **UNIT-LINKED FINANCIAL INVESTMENTS** | **46,466** | **43,267** |

## 6.5 Fair value of assets and liabilities

### MEASUREMENT OF ASSETS AND LIABILITIES RECOGNISED AT FAIR VALUE

Fair value is the price that would be received for selling an asset or paid for the transfer of a liability during a normal transaction between market participants at measurement date. Fair value is defined on the basis of an exit price.

The fair values shown below are estimates made on the reporting date using observable market data wherever possible. They may well change in subsequent periods due to developments affecting market conditions or other factors.

The amounts presented are the best estimate possible of the exit price. It is based on a number of valuation models and assumptions. It is supposed that market participants act in their best economic interests. To the extent that these models contain uncertainties, the fair values shown may not be achieved upon actual sale or immediate settlement of the financial instruments concerned.

With respect to financial instruments, the best estimate consists in the instrument's market price when it is traded in an active market, *i.e.* prices are traded and disseminated.

In the absence of a market and of reliable data, fair value is determined using an appropriate method that is consistent with the valuation methods used in financial markets: market value of a comparable instrument, discounted future cash flows, or valuation models.

The calculations carried out represent best estimates. They are based on a number of valuation models and assumptions. Insofar as these models contain uncertainties, the fair values shown may not be achieved upon actual sale or immediate settlement of the financial instruments concerned.

In the cases where market values have to be estimated, the method used to discount estimated future cash flows is the most widely used.

In application of the amendment to IFRS 7 arising from the regulation no. 2013-R-05 of 7 November 2013, relative to information to be disclosed on financial instruments, the following tables present the fair value of instruments according to the hierarchy based on three levels defined in IFRS 7:

- level 1: fair value corresponding to (unadjusted) quoted prices in an active market;
- level 2: fair value measured using directly or indirectly observable inputs other than those in level 1;
- level 3: fair value that is measured using significant unobservable inputs.

The characteristics of these levels of fair value are described in detail in the paragraph on the determination of the fair value of financial instruments of note 1.

| (in € millions) | 31/12/2014 Prices quoted in active markets for identical instruments: Level 1 | Valuation based on observable data: Level 2 | Valuation based on unobservable data: Level 3 | Total |
|---|---|---|---|---|
| **Available-for-sale assets** | **164,597** | **32,638** | **1,285** | **198,520** |
| Shares and other variable income securities | 19,637 | 4,148 | 1,045 | 24,830 |
| Bonds and other fixed income securities | 144,960 | 28,490 | 240 | 173,690 |
| **Financial assets at fair value through profit or loss by nature or by option** | **36,938** | **10,845** | **2,869** | **50,652** |
| Shares and other variable-income securities | 5,735 | 4,270 | 2,869 | 12,874 |
| Bonds and other fixed-income securities | 31,203 | 6,575 | - | 37,778 |
| **Financial assets at fair value through profit or loss on unit-linked option** | **29,111** | **17,320** | **35** | **46,466** |
| Shares and other variable income securities | 25,773 | 1,233 | - | 27,006 |
| Bonds and other fixed-income securities | 3,338 | 16,087 | 35 | 19,460 |
| Real estate investment | - | - | - | - |
| **Derivative instruments** | **-** | **1,366** | **(1)** | **1,365** |
| **TOTAL ASSETS MEASURED AT FAIR VALUE** | **230,646** | **62,169** | **4,188** | **297,003** |
| Transfers from level 1 | - | 6,038 | - | - |
| Transfers from level 2 | 1,316 | - | - | - |
| Transfers from level 3 | - | 94 | - | - |
| **TOTAL TRANSFERS INTO ALL LEVELS** | **1,316** | **6,132** | **-** | **-** |

| (in € millions) | 31/12/2013 Restated[1] Prices quoted in active markets for identical instruments: Level 1 | Valuation based on observable data: Level 2 | Valuation based on unobservable data: Level 3 | Total |
|---|---|---|---|---|
| **Available-for-sale assets** | **150,983** | **24,434** | **1,050** | **176,468** |
| Shares and other variable income securities | 12,827 | 4,333 | 889 | 18,049 |
| Bonds and other fixed income securities | 138,156 | 20,101 | 161 | 158,419 |
| **Financial assets at fair value through profit or loss by nature or by option** | **26,413** | **11,233** | **2,563** | **40,208** |
| Shares and other variable-income securities | 3,991 | 4,728 | 2,562 | 11,280 |
| Bonds and other fixed-income securities | 22,422 | 6,505 | 1 | 28,928 |
| **Financial assets at fair value through profit or loss on unit-linked option** | **30,185** | **13,023** | **59** | **43,267** |
| Shares and other variable income securities | 25,576 | 470 | - | 26,046 |
| Bonds and other fixed-income securities | 4,609 | 12,553 | 59 | 17,221 |
| Real estate investment | - | - | - | - |
| **Derivative instruments** | **-** | **850** | (1) | **849** |
| **TOTAL ASSETS MEASURED AT FAIR VALUE** | **207,581** | **49,541** | **3,671** | **260,792** |
| Transfers from level 1 | - | 102 | - | |
| Transfers from level 2 | 11 | - | 18 | |
| Transfers from level 3 | - | - | - | |
| **TOTAL TRANSFERS INTO ALL LEVELS** | **11** | **102** | **18** | |

(1) *The effects of the change of accounting method linked to the application of IFRS 10 are presented in note 1.*

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## CHANGES IN BALANCES OF LEVEL 3 ASSETS

The reconciliation between opening and closing balances of financial assets at fair value measured according to level 3 criteria is presented in the following tables.

### Available for sale assets

| *(in € millions)* | Shares and other variable income securities | Bonds and other fixed income securities | Total Available-for-sale assets |
|---|---|---|---|
| Balances at 31 December 2013 | 889 | 161 | 1,050 |
| Gains and losses in the period: | (106) | 21 | (85) |
| • Recognised through profit or loss | (137) | 21 | (116) |
| • Recognised through equity | 31 | - | 31 |
| Purchases in the period | 656 | 88 | 745 |
| Sales in the period | (301) | (30) | (331) |
| Issues in the period | - | - | - |
| Transactions unwound in the period | - | - | - |
| Transfers | (94) | - | (94) |
| • into level 3 | - | - | - |
| • out from level 3 | (94) | - | (94) |
| Change in scope | 1 | - | - |
| **BALANCES AT 31 DECEMBER 2014** | **1,045** | **240** | **1,285** |

### Assets at fair value through profit or loss

| *(in € millions)* | Shares and other variable income securities | Bonds and other fixed income securities | Total assets at fair value through profit or loss by nature or on option |
|---|---|---|---|
| Balances at 31 December 2013 | 2,562 | 1 | 2,563 |
| Gains and losses in the period: | 166 | (1) | 165 |
| • Recognised through profit or loss | 166 | (1) | 165 |
| • Recognised through equity | - | - | - |
| Purchases in the period | 657 | - | 657 |
| Sales in the period | (516) | - | (516) |
| Issues in the period | - | - | - |
| Transactions unwound in the period | - | - | - |
| Transfers | - | - | - |
| • into level 3 | - | - | - |
| • out from level 3 | - | - | - |
| Change in scope | - | - | - |
| **BALANCES AT 31 DECEMBER 2014** | **2,869** | **-** | **2,869** |

## Unit-linked financial assets

| (in € millions) | Shares and other variable income securities | Bonds and other fixed income securities | Total unit-linked financial assets |
|---|---|---|---|
| Balances at 31 December 2013 | - | 59 | 59 |
| Gains and losses in the period: | - | (12) | (12) |
| • Recognised through profit or loss | - | (12) | (12) |
| • Recognised through equity | - | - | - |
| Purchases in the period | - | - | - |
| Sales in the period | - | (12) | (12) |
| Issues in the period | - | - | - |
| Transactions unwound in the period | - | - | - |
| Transfers | - | - | - |
| • into level 3 | - | - | - |
| • out from level 3 | - | - | - |
| Change in scope | - | - | - |
| **BALANCES AT 31 DECEMBER 2014** | **-** | **35** | **35** |

### FAIR VALUE OF REAL ESTATE INVESTMENT BY VALUATION MODEL

| (in € millions) | Estimated market value at 31/12/2014 | Prices quoted in active markets for identical instruments: Level 1 | Valuation based on observable data: Level 2 | Valuation based on non-observable data: Level 3 | Carrying amount at 31/12/2014 |
|---|---|---|---|---|---|
| **Real estate investment not valued at fair value in the balance sheet** | **-** | **-** | **-** | **-** | **-** |
| Real estate investment | 6,158 | - | 6,158 | - | 4,084 |
| **TOTAL REAL ESTATE INVESTMENT WHOSE FAIR VALUE IS DISCLOSED** | **6,158** | **-** | **6,158** | **-** | **4,084** |

| (in € millions) | Estimated market value at 31/12/2013 | Prices quoted in active markets for identical instruments: Level 1 | Valuation based on observable data: Level 2 | Valuation based on non-observable data: Level 3 | Carrying amount at 31/12/2013 |
|---|---|---|---|---|---|
| **Real estate investment not valued at fair value in the balance sheet** | **-** | **-** | **-** | **-** | **-** |
| Real estate investment | 5,527 | - | 5,527 | - | 3,511 |
| **TOTAL REAL ESTATE INVESTMENT WHOSE FAIR VALUE IS DISCLOSED** | **5,527** | **-** | **5,527** | **-** | **3,511** |

### FAIR VALUE OF FINANCIAL ASSETS RECOGNISED AT COST IN THE BALANCE SHEET

| *(in € millions)* | Prices quoted in active markets for identical instruments: Level 1 | Valuation based on observable data: Level 2 | Valuation based on unobservable data: Level 3 | Estimated market value at 31/12/2014 |
|---|---|---|---|---|
| **Loans and receivables** | **-** | **3,935** | **403** | **4,338** |
| Term accounts and loans | - | 203 | 1 | 204 |
| Securities bought under repurchase agreements | - | - | - | - |
| Securities received under repurchase agreements | - | 1,962 | - | 1,962 |
| Subordinated notes | - | - | - | - |
| Other loans | - | 1,770 | 402 | 2,172 |
| Other loans and receivables | - | - | - | - |
| **Customer receivables** | **-** | **79** | **1,962** | **2,041** |
| Receivables arising on direct insurance and inward reinsurance operations | - | 79 | 1,890 | 1,969 |
| Receivables arising on ceded reinsurance operations | - | - | 72 | 72 |
| **Cash and cash equivalents** | **-** | **2,905** | **-** | **2,905** |
| Cash and cash equivalents | - | 2,905 | - | 2,905 |
| **Held-to-maturity financial assets** | **17,357** | **-** | **-** | **17,357** |
| Treasury bills and similar securities | 13,380 | - | - | 13,380 |
| Bonds and other fixed income securities | 3,977 | - | - | 3,977 |
| **TOTAL FINANCIAL ASSETS WHOSE FAIR VALUE IS DISCLOSED** | **17,357** | **6,919** | **2,365** | **26,641** |

| *(in € millions)* | Prices quoted in active markets for identical instruments: Level 1 | Valuation based on observable data: Level 2 | Valuation based on unobservable data: Level 3 | Estimated market value at 31/12/2013 |
|---|---|---|---|---|
| **Loans and receivables** | **-** | **2,834** | **371** | **3,205** |
| Term loans and time deposits | - | 885 | - | 885 |
| Securities bought under repurchase agreements | - | - | - | - |
| Securities received under repurchase agreements | - | 1,332 | - | 1,332 |
| Subordinated notes | - | - | - | - |
| Other loans | - | 617 | 371 | 988 |
| Other loans and receivables | - | - | - | - |
| **Customer receivables** | **-** | **-** | **1,732** | **1,732** |
| Receivables arising on direct insurance and inward reinsurance operations | - | - | 1,619 | 1,619 |
| Receivables arising on ceded reinsurance operations | - | - | 113 | 113 |
| **Cash and cash equivalents** | **-** | **2,624** | **-** | **2,624** |
| Cash and cash equivalents | - | 2,624 | - | 2,624 |
| **Held-to-maturity financial assets** | **16,245** | **-** | **-** | **16,245** |
| Treasury bills and similar securities | 12,590 | - | - | 12,590 |
| Bonds and other fixed income securities | 3,655 | - | - | 3,655 |
| **TOTAL FINANCIAL ASSETS WHOSE FAIR VALUE IS DISCLOSED** | **16,245** | **5,458** | **2,103** | **23,806** |

## FAIR VALUE OF FINANCIAL LIABILITIES RECOGNISED AT COST IN THE BALANCE SHEET

| *(in € millions)* | Prices quoted in active markets for identical instruments: Level 1 | Valuation based on observable data: Level 2 | Valuation based on unobservable data Level 3 | Estimated market value at 31/12/2014 |
|---|---|---|---|---|
| **Financing debt** | **-** | **6,226** | **-** | **6,226** |
| Financing debt owed to banking sector companies | - | 2,398 | - | 2,398 |
| Financing debt represented by securities | - | - | - | - |
| Subordinated debt | - | 3,828 | - | 3,828 |
| **Other financing debt** | **-** | **10,086** | **-** | **10,086** |
| Pledged securities | - | - | - | - |
| Securities given under repurchase agreements | - | 10,086 | - | 10,086 |
| **Due to customers** | **-** | **2,222** | **2,793** | **5,015** |
| Payables arising on direct insurance and inward reinsurance operations | - | (2) | 1,757 | 1,755 |
| Payables arising on ceded reinsurance operations | - | - | 1,036 | 1,036 |
| Operating debt owed to banking sector companies | - | 2,224 | - | 2,224 |
| **TOTAL FINANCIAL LIABILITIES WHOSE FAIR VALUE IS DISCLOSED** | **-** | **18,534** | **2,793** | **21,327** |

| *(in € millions)* | Prices quoted in active markets for identical instruments: Level 1 | Valuation based on observable data: Level 2 | Valuation based on unobservable data Level 3 | Estimated market value at 31/12/2013 |
|---|---|---|---|---|
| **Financing debt** | **-** | **5,825** | **-** | **5,825** |
| Financing debt owed to banking sector companies | - | 1,448 | - | 1,448 |
| Financing debt represented by securities | - | - | - | - |
| Subordinated debt | - | 4,377 | - | 4,377 |
| **Other financing debt** | **-** | **5,962** | **-** | **5,962** |
| Pledged securities | - | - | - | - |
| Securities given under repurchase agreements | - | 5,962 | - | 5,962 |
| **Due to customers** | **-** | **2,219** | **2,625** | **4,844** |
| Payables arising on direct insurance and inward reinsurance operations | - | - | 1,598 | 1,598 |
| Payables arising on ceded reinsurance operations | - | - | 1,027 | 1,027 |
| Operating debt owed to banking sector companies | - | 2,219 | - | 2,219 |
| **TOTAL FINANCIAL LIABILITIES WHOSE FAIR VALUE IS DISCLOSED** | **-** | **14,006** | **2,625** | **16,631** |

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### FINANCIAL LIABILITIES VALUED AT FAIR VALUE

| | 31/12/2014 | | | |
|---|---|---|---|---|
| *(in € millions)* | Total | Prices quoted on active markets for identical instruments: Level 1 | Valuation based on observable data: Level 2 | Valuation based on unobservable data: Level 3 |
| Derivative instruments held for trading | - | - | - | - |
| Hedging derivative instruments | - | - | - | - |
| Financial assets at fair value through profit or loss by option | 3,814 | 3,814 | - | - |
| **TOTAL FINANCIAL LIABILITIES AT FAIR VALUE** | **3,814** | **3,814** | **-** | **-** |
| Transfers from level 1 | - | - | - | - |
| Transfers from level 2 | - | - | - | - |
| Transfers from level 3 | - | - | - | - |
| **TOTAL TRANSFERS TO EVERY LEVEL** | **-** | **-** | **-** | **-** |

| | 31/12/2013 | | | |
|---|---|---|---|---|
| *(in € millions)* | Total | Prices quoted on active markets for identical instruments: Level 1 | Valuation based on observable data: Level 2 | Valuation based on unobservable data: Level 3 |
| Derivative instruments held for trading | - | - | - | - |
| Hedging derivative instruments | - | - | - | - |
| Financial assets at fair value through profit or loss by option | 2,814 | 2,814 | - | - |
| **TOTAL FINANCIAL LIABILITIES AT FAIR VALUE** | **2,814** | **2,814** | - | - |
| Transfers from level 3 | - | - | - | - |
| **TOTAL TRANSFERS TO EVERY LEVEL** | - | - | - | - |

### BOND PORTFOLIO BY TYPE OF ISSUER

| | 31/12/2014 | | | | |
|---|---|---|---|---|---|
| *(in € millions)* | General administrative bodies | Credit institutions | Large corporate | Other | Total |
| Available-for-sale debt instruments | 28,407 | 56,063 | 89,219 | 1 | 173,690 |
| Debt instruments at fair value through profit or loss by option (excluding unit-linked contracts) | 14,332 | 3,328 | 20,118 | - | 37,778 |
| Debt instruments in unit-linked investments | 1,259 | 10,461 | 7,740 | - | 19,460 |
| Financial instruments held to maturity | 11,299 | 2,845 | - | - | 14,144 |
| **TOTAL DEBT INSTRUMENTS** | **55,297** | **72,697** | **117,077** | **1** | **245,072** |

| | 31/12/2013 | | | | |
|---|---|---|---|---|---|
| *(in € millions)* | General administrative bodies | Credit institutions | Large corporate | Other | Total |
| Available-for-sale debt instruments | 34,558 | 58,484 | 65,377 | - | 158,419 |
| Debt instruments at fair value through profit or loss by option (excluding unit-linked contracts) | 6,278 | 5,014 | 17,636 | - | 28,928 |
| Debt instruments in unit-linked investments | 3,189 | 9,490 | 4,543 | - | 17,222 |
| Financial instruments held to maturity | 11,169 | 3,171 | 0 | 0 | 14,340 |
| **TOTAL DEBT INSTRUMENTS** | **55,194** | **76,159** | **87,556** | **-** | **218,909** |

## 6.6 Exposure to sovereign risk

In view of the persistently tough economic context that leads to certain Eurozone countries struggling to keep their public finances under control, Crédit Agricole Assurances Group's exposure to specific European countries is presented below:

Exposure to sovereign debt corresponds to exposure before the impacts of shadow accounting on policyholders' participation.

### EXPOSURE TO SOVEREIGN RISK

| *(in € millions)* | 31/12/2014 | 31/12/2013 Restated |
|---|---|---|
| Germany | 261 | 263 |
| Belgium | 866 | 865 |
| Spain | 835 | 592 |
| United States | 19 | 49 |
| France | 29,878 | 21,229 |
| Greece | - | - |
| Ireland | 632 | 576 |
| Italy | 6,136 | 4,920 |
| Japan | - | - |
| Portugal | 4 | 954 |
| **TOTAL EXPOSURE** | **38,631** | **29,448** |

### Changes between 31 December 2013 and 31 December 2014

| *(in € millions)* | 31/12/2013 | Change in fair value | Recycling of AFS reserves | Related receivables | Maturity dates | Sales net of reversals from provisions | Acquisitions | 31/12/2014 |
|---|---|---|---|---|---|---|---|---|
| Spain | 592 | 231 | - | - | - | (2) | 14 | 835 |
| France | 21,229 | 3,330 | (109) | (24) | (7) | (8,519) | 13,978 | 29,878 |
| Greece | - | - | - | - | - | - | - | - |
| Ireland | 576 | 57 | - | - | - | (1) | - | 632 |
| Italy | 4,920 | 602 | (26) | (1) | (25) | (722) | 1,388 | 6,136 |
| Portugal | 954 | 171 | (55) | (9) | - | (1,070) | 13 | 4 |
| **TOTAL** | **28,271** | **4,391** | **(190)** | **(34)** | **(32)** | **(10,314)** | **15,393** | **37,485** |

| *(in € millions)* | 31/12/2012 | Change in fair value | Recycling of AFS reserves | Related receivables | Maturity dates | Sales net of reversals from provisions | Acquisitions | 31/12/2013 |
|---|---|---|---|---|---|---|---|---|
| Spain | 979 | 114 | (3) | (21) | - | (494) | 17 | 592 |
| France | 15,434 | (444) | (28) | 73 | (121) | (2,082) | 8,393 | 21,229 |
| Greece | - | - | - | - | - | - | - | - |
| Ireland | 1,045 | 70 | (26) | (16) | - | (497) | - | 576 |
| Italy | 4,387 | 178 | 7 | 10 | (21) | (1,717) | 2,076 | 4,920 |
| Portugal | 1,560 | 82 | 90 | (7) | - | (771) | - | 954 |
| **TOTAL** | **23,405** | **-** | **40** | **39** | **(142)** | **(5,561)** | **10,486** | **28,271** |

## 6.7 Maturity schedule of bond portfolio

The following tables show how the bond portfolio breaks down (investments by the insurance activity and other activities), with the exception of investments representative of unit-linked contracts.

| | 31/12/2014 | | | |
|---|---|---|---|---|
| *(in € millions)* | Under 1 year | Between 1 and 5 years | Over 5 years | Total |
| Available-for-sale assets | 5,912 | 45,171 | 122,608 | 173,691 |
| Held-to-maturity assets | 599 | 3,730 | 9,816 | 14,145 |
| Financial assets at fair value through profit or loss by nature or by option | 681 | 5,400 | 31,697 | 37,778 |
| **TOTAL BOND PORTFOLIO (EXCLUDING UNIT-LINKED CONTRACTS)** | **7,192** | **54,301** | **164,121** | **225,614** |

| | 31/12/2013 | | | |
|---|---|---|---|---|
| *(in € millions)* | Under 1 year | Between 1 and 5 years | Over 5 years | Total |
| Available-for-sale assets | 8,071 | 36,512 | 113,836 | 158,419 |
| Held-to-maturity assets | 211 | 4,312 | 9,818 | 14,341 |
| Financial assets at fair value through profit or loss by nature or by option | 413 | 5,799 | 22,716 | 28,928 |
| **TOTAL BOND PORTFOLIO (EXCLUDING UNIT-LINKED CONTRACTS)** | **8,695** | **46,623** | **146,370** | **201,688** |

## 6.8 Provisions for impairment of assets

### PROVISIONS FOR IMPAIRMENT OF FINANCIAL ASSETS

| *(in € millions)* | 31/12/2013 | Change in scope | Increases | Decreases | Foreign exchange adjustments | Other changes | 31/12/2014 |
|---|---|---|---|---|---|---|---|
| **Impairment of held-to-maturity securities** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| Impairment of equities and other variable income securities | (933) | - | (226) | 288 | - | - | (871) |
| Impairment of bonds and other fixed income securities | (200) | - | (1) | 27 | - | - | (174) |
| **Available-for-sale assets** | **(1,133)** | **-** | **(227)** | **315** | **-** | **-** | **(1,045)** |
| Impairment of real estate investment (amortised cost) | - | - | - | - | - | - | - |
| Impairment of loans and receivables | - | - | - | - | - | - | - |
| **Impairment of other financial assets** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **TOTAL IMPAIRMENT** | **(1,133)** | **-** | **(227)** | **315** | **-** | **-** | **(1,045)** |

| *(in € millions)* | 31/12/2012 | Change in scope | Increases | Decreases | Foreign exchange adjustments | Other changes | 31/12/2013 |
|---|---|---|---|---|---|---|---|
| **Impairment of held-to-maturity securities** | **0** | **-** | **-** | **-** | **-** | **-** | **-** |
| Impairment of equities and other variable income securities | (1,354) | - | (306) | 728 | - | - | (933) |
| Impairment of bonds and other fixed income securities | (214) | - | (8) | 22 | - | - | (200) |
| **Available-for-sale assets** | **(1,568)** | **-** | **(314)** | **750** | **-** | **-** | **(1,133)** |
| Impairment of real estate investment (amortised cost)[1] | (15) | 12 | - | 4 | - | - | - |
| Impairment of loans and receivables | - | - | - | - | - | - | - |
| **Impairment of other financial assets** | **(15)** | **12** | **-** | **4** | **-** | **-** | **-** |
| **TOTAL IMPAIRMENT** | **(1,583)** | **12** | **(314)** | **754** | **-** | **-** | **(1,133)** |

(1) *The Change in scope is related to the deconsolidation of the Hypersud subsidiary.*

### REAL ESTATE INVESTMENT (EXCLUDING UNIT-LINKED CONTRACTS)

| *(in € millions)* | 31/12/2013 | Change in scope | Increases | Decreases | Foreign exchange adjustments | Other changes | 31/12/2014 |
|---|---|---|---|---|---|---|---|
| Gross amount | 3,510 | - | 906 | (334) | - | 21 | 4,103 |
| **Depreciation, amortization and impairment** | **(18)** | **-** | **(1)** | **-** | **-** | **-** | **(19)** |
| **NET VALUE OF REAL ESTATE INVESTMENT** | **3,492** | **-** | **905** | **(334)** | **-** | **21** | **4,084** |

| *(in € millions)* | 31/12/2012 | Change in scope[(1)] | Increases | Decreases | Foreign exchange adjustments | Other changes | 31/12/2013 |
|---|---|---|---|---|---|---|---|
| Gross amount | 3,032 | (183) | 592 | (92) | - | 161 | 3,510 |
| **Depreciation, amortization and impairment** | **(64)** | **44** | **(2)** | **4** | **-** | **-** | **(18)** |
| **NET VALUE OF REAL ESTATE INVESTMENT** | **2,968** | **(139)** | **590** | **(88)** | **-** | **161** | **3,492** |

(1) *The Change in scope is related to the deconsolidation of the Hypersud subsidiary.*

## 6.9 Transferred assets not derecognised (IFRS 7.42 A)

### TRANSFERRED ASSETS NOT DERECOGNISED AT 31/12/2014

| | Transferred assets not derecognised in full | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Transferred assets still recognised in full | | | | | | | | | |
| | Transferred assets | | | | | Associated liabilities | | | | |
| **Nature of transferred assets** *(in € millions)* | Carrying amount | o/w securitisation (non-deconsolidating) | o/w securities bought under repurchase agreements | Other[(1)] | Fair value[(2)] | Carrying amount | o/w securitisation (non-deconsolidating) | o/w securities bought under repurchase agreements | Other | Fair value[(2)] |
| **Held for trading** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Designated at fair value through income statement** | **2,605** | **-** | **2,605** | **-** | **2,850** | **2,605** | **-** | **2,605** | **-** | **2,605** |
| **Available for sale** | **5,374** | **-** | **4,913** | **461** | **5,387** | **4,999** | **-** | **4,911** | **87** | **4,999** |
| Equity instruments | 461 | - | - | 461 | 461 | 88 | - | - | 87 | 88 |
| Debt securities | 4,913 | - | 4,913 | - | 4,926 | 4,911 | - | 4,911 | - | 4,911 |
| **Loans and receivables** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **held to maturity** | **2,569** | **-** | **2,569** | **-** | **2,530** | **2,569** | **-** | **2,570** | **-** | **2,569** |
| Debt securities | 2,569 | - | 2,569 | - | 2,530 | 2,569 | - | 2,570 | - | 2,569 |
| **TOTAL FINANCIAL ASSETS** | **10,548** | **-** | **10,087** | **461** | **10,767** | **10,173** | **-** | **10,086** | **87** | **10,173** |
| **TOTAL TRANSFERRED ASSETS** | **10,548** | **-** | **10,087** | **461** | **10,767** | **10,173** | **-** | **10,086** | **87** | **10,173** |

(1) *Securities lent.*

(2) *In the case when the guarantee given by the related parties to the agreement leading to associated liabilities is limited to transferred financial assets (IFRS 7.42D.(d)).*

| Nature of transferred assets (in € millions) | Transferred assets not derecognised in full | | | |
|---|---|---|---|---|
| | Transferred assets still fully recognised | Transferred assets recognised to the extent of the entity's continuing involvement | | |
| | Assets and associated liabilities | | | |
| | Net fair value | Total carrying amount of initial assets prior to transfer | Carrying amount of assets still recognised (continuing involvement) | Carrying amount of associated liabilities |
| Held for trading | - | - | - | - |
| Designated at fair value through income statement | 245 | 245 | - | - |
| Available for sale | 388 | 388 | - | - |
| Equity instruments | 373 | 373 | - | - |
| Debt securities | 15 | 15 | - | - |
| Loans and receivables | - | - | - | - |
| HELD TO MATURITY | (39) | (39) | - | - |
| Total financial assets | 594 | 594 | - | - |
| FINANCE LEASES | - | - | - | - |
| Total transferred assets | 594 | 594 | - | - |

## TRANSFERRED ASSETS NOT DERECOGNISED AT 31/12/2013

| Nature of transferred assets (in € millions) | Transferred assets not derecognised in full | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Transferred assets still recognised in full | | | | | | | | | |
| | Transferred assets | | | | | Associated liabilities | | | | |
| | Carrying amount | o/w securitisation (non-deconsolidating) | o/w securities bought under repurchase agreements | Other[1] | Fair value[2] | Carrying amount | o/w securitisation (non-deconsolidating) | o/w securities bought under repurchase agreements | Other | Fair value[2] |
| Held for trading | - | - | - | - | - | - | - | - | - | - |
| Designated at fair value through income statement | 472 | - | 472 | - | 457 | 472 | - | 472 | - | 472 |
| Available for sale | 4,077 | - | 3,694 | 383 | 3,996 | 3,768 | - | 3,694 | 74 | 3,768 |
| Equity instruments | 383 | - | - | 383 | 383 | 74 | - | - | 74 | 74 |
| Debt securities | 3,694 | - | 3,694 | - | 3,613 | 3,694 | - | 3,694 | - | 3,694 |
| Loans and receivables | - | - | - | - | - | - | - | - | - | - |
| Held to maturity | 1,915 | - | 1,915 | - | 1,869 | 1,915 | - | 1,915 | - | 1,915 |
| Debt securities | 1,915 | - | 1,915 | - | 1,869 | 1,915 | - | 1,915 | - | 1,915 |
| TOTAL FINANCIAL ASSETS | 6,464 | - | 6,081 | 383 | 6,322 | 6,155 | - | 6,081 | 74 | 6,155 |
| TOTAL TRANSFERRED ASSETS | 6,464 | - | 6,081 | 383 | 6,322 | 6,155 | - | 6,081 | 74 | 6,155 |

(1) *Securities lent .*

(2) *In the case when the guarantee given by the related parties to the agreement leading to associated liabilities is limited to transferred financial assets (IFRS 7.42D.(d)).*

| Nature of transferred assets *(in € millions)* | Transferred assets not derecognised in full | | | |
|---|---|---|---|---|
| | Transferred assets still fully recognised | Transferred assets recognised to the extent of the entity's continuing involvement | | |
| | Assets and associated liabilities | | | |
| | Net fair value | Total carrying amount of initial assets prior to transfer | Carrying amount of assets still recognised (continuing involvement) | Carrying amount of associated liabilities |
| **Held for trading** | - | - | - | - |
| **Designated at fair value through income statement** | (15) | (15) | - | - |
| **Available for sale** | 228 | 228 | - | - |
| Equity instruments | 309 | 309 | - | - |
| Debt securities | (81) | (81) | - | - |
| **Loans and receivables** | - | - | - | - |
| **Held to maturity** | (46) | (46) | - | - |
| **TOTAL FINANCIAL ASSETS** | **167** | **167** | **-** | **-** |
| **Finance leases** | - | - | - | - |
| **TOTAL TRANSFERRED ASSETS** | **167** | **167** | **-** | **-** |

## 6.10 Derivative instruments

### HEDGING DERIVATIVE INSTRUMENTS

Derivative financial instruments used in a hedging relationship are designated according to their intended purpose:

- value hedging: fair value hedges modify the risk of changes in the fair value of a fixed-rate instrument caused by movements in interest rates. These hedges transform fixed-rate assets or liabilities into floating-rate items;
- fair value hedges include in particular the hedging of loans, securities, deposits and subordinated fixed-rate debts;
- hedging future earnings: cash flow hedges modify in particular the risk related to variability in cash flows arising from floating-rate financial instruments;
- cash flow hedges include, in particular, the hedging of floating-rate loans and deposits;
- Hedging of net investment in foreign currency: Hedging a net investment in foreign currency changes the risk inherent in exchange-rate fluctuations related to holding assets or liabilities in currencies other than the entity's reference currency.

Each hedging relationship is formally documented with a description of the strategy, the item hedged, the hedging instrument and the method drawn upon to measure effectiveness.

### HEDGING DERIVATIVE INSTRUMENTS

| *(in € millions)* | 31/12/2014 | | 31/12/2013 | |
|---|---|---|---|---|
| | Market value | | Market value | |
| | positive | negative | positive | negative |
| Interest rates | 1,065 | - | - | - |
| Equity | - | - | - | - |
| Foreign exchange | - | 26 | - | 6 |
| Other | - | - | - | - |
| **Fair value hedging** | **1,065** | **26** | **-** | **6** |
| Interest rates | - | - | 411 | - |
| Equity | - | - | - | - |
| Foreign exchange | - | - | - | - |
| Other | - | - | - | - |
| **Hedging of cash flows** | **-** | **-** | **411** | **-** |
| **Hedging of net investment in a foreign country** | **-** | **-** | **-** | **-** |
| **TOTAL HEDGING DERIVATIVE INSTRUMENTS** | **1,065** | **26** | **411** | **6** |

| | 31/12/2014 | | | |
|---|---|---|---|---|
| *(in € millions)* | Under 1 year | Between 1 and 5 years | Over 5 years | Total as market value |
| FRAs | - | - | - | - |
| Interest rate swaps | - | 13 | 1,052 | 1,065 |
| Interest rate options | - | - | - | - |
| Caps, floors, collars | - | - | - | - |
| **Interest rate instruments** | **-** | **13** | **1,052** | **1,065** |
| Equity and index derivatives | - | - | - | - |
| Other | - | - | - | - |
| **Other instruments** | **-** | **-** | **-** | **-** |
| **TOTAL HEDGING DERIVATIVE INSTRUMENTS – FAIR VALUE ASSETS** | **-** | **13** | **1,052** | **1,065** |

| | 31/12/2013 | | | |
|---|---|---|---|---|
| *(in € millions)* | Under 1 year | Between 1 and 5 years | Over 5 years | Total as market value |
| FRAs | - | - | - | - |
| Interest rate swaps | - | 93 | 317 | 410 |
| Interest rate options | - | - | - | - |
| Caps, floors, collars | - | - | - | - |
| **Interest rate instruments** | **-** | **93** | **317** | **410** |
| Equity and index derivatives | - | - | - | - |
| Other | - | - | - | - |
| **Other instruments** | **-** | **-** | **-** | **-** |
| **TOTAL HEDGING DERIVATIVE INSTRUMENTS – FAIR VALUE ASSETS** | **-** | **93** | **317** | **410** |

| | 31/12/2014 | | | |
|---|---|---|---|---|
| *(in € millions)* | Under 1 year | Between 1 and 5 years | Over 5 years | Total market value |
| FRAs | - | - | - | - |
| Interest rate swaps | - | - | - | - |
| Interest rate options | - | - | - | - |
| Caps, floors, collars | - | - | - | - |
| **Interest rate instruments** | **-** | **-** | **-** | **-** |
| Equity and index derivatives | - | - | - | - |
| Other | 26 | - | - | 26 |
| **Other instruments** | **26** | **-** | **-** | **26** |
| **TOTAL HEDGING DERIVATIVE INSTRUMENTS – FAIR VALUE LIABILITIES** | **26** | **-** | **-** | **26** |

| *(in € millions)* | 31/12/2013 Under 1 year | Between 1 and 5 years | Over 5 years | Total market value |
|---|---|---|---|---|
| FRAs | - | - | - | - |
| Interest rate swaps | - | - | - | - |
| Interest rate options | - | - | - | - |
| Caps, floors, collars | - | - | - | - |
| **Interest rate instruments** | **-** | **-** | **-** | **-** |
| Equity and index derivatives | - | - | - | - |
| Other | 6 | - | - | 6 |
| **Other instruments** | **6** | **-** | **-** | **6** |
| **TOTAL HEDGING DERIVATIVE INSTRUMENTS – FAIR VALUE LIABILITIES** | **6** | **-** | **-** | **6** |

## DERIVATIVE INSTRUMENTS HELD FOR TRADING

| | 31/12/2014 | | 31/12/2013 | |
|---|---|---|---|---|
| | Market value | | Market value | |
| *(in € millions)* | positive | negative | positive | negative |
| FRAs | - | - | - | - |
| Interest rate swaps | 1 | - | - | - |
| Interest rate options | 232 | - | 108 | - |
| Caps, floors, collars | 127 | - | 330 | - |
| **Interest rate instruments** | **360** | **-** | **438** | **-** |
| Equity and index derivatives | - | - | - | - |
| Other | 6 | 40 | 9 | 1 |
| **Other instruments** | **6** | **40** | **9** | **1** |
| **TOTAL DERIVATIVE INSTRUMENTS HELD FOR TRADING** | **366** | **40** | **447** | **1** |

| *(in € millions)* | 31/12/2014 Under 1 year | Between 1 and 5 years | Over 5 years | Total market value |
|---|---|---|---|---|
| FRAs | - | - | - | - |
| Interest rate swaps | - | - | 1 | 1 |
| Interest rate options | - | 119 | 113 | 232 |
| Caps, floors, collars | - | 28 | 99 | 127 |
| **Interest rate instruments** | **-** | **147** | **213** | **360** |
| Equity and index derivatives | - | - | - | - |
| Other | - | 6 | - | 6 |
| **Other instruments** | **-** | **6** | **-** | **6** |
| **TOTAL DERIVATIVE INSTRUMENTS HELD FOR TRADING – FAIR VALUE ASSETS** | **-** | **153** | **213** | **366** |

| | 31/12/2013 | | | |
|---|---|---|---|---|
| *(in € millions)* | **Under 1 year** | **Between 1 and 5 years** | **Over 5 years** | **Total market value** |
| FRAs | - | - | - | - |
| Interest rate swaps | - | - | - | - |
| Interest rate options | - | 24 | 84 | 108 |
| Caps, floors, collars | - | 85 | 245 | 330 |
| **Interest rate instruments** | **-** | **109** | **329** | **438** |
| Equity and index derivatives | - | - | - | - |
| Other | 4 | 5 | - | 9 |
| **Other instruments** | **4** | **5** | **-** | **9** |
| **TOTAL DERIVATIVE INSTRUMENTS HELD FOR TRADING – FAIR VALUE ASSETS** | **4** | **114** | **329** | **447** |

| | 31/12/2014 | | | |
|---|---|---|---|---|
| *(in € millions)* | **Under 1 year** | **Between 1 and 5 years** | **Over 5 years** | **Total market value** |
| FRAs | - | - | - | - |
| Interest rate swaps | - | - | - | - |
| Interest rate options | - | - | - | - |
| Caps, floors, collars | - | - | - | - |
| **Interest rate instruments** | **-** | **-** | **-** | **-** |
| Equity and index derivatives | - | - | - | - |
| Other | 40 | - | - | 40 |
| **Other instruments** | **40** | **-** | **-** | **40** |
| **TOTAL DERIVATIVE INSTRUMENTS HELD FOR TRADING – FAIR VALUE LIABILITIES** | **40** | **-** | **-** | **40** |

| | 31/12/2013 | | | |
|---|---|---|---|---|
| *(in € millions)* | **Under 1 year** | **Between 1 and 5 years** | **Over 5 years** | **Total market value** |
| FRAs | - | - | - | - |
| Interest rate swaps | - | - | - | - |
| Interest rate options | - | - | - | - |
| Caps, floors, collars | - | - | - | - |
| **Interest rate instruments** | **-** | **-** | **-** | **-** |
| Equity and index derivatives | - | - | - | - |
| Other | - | 1 | - | 1 |
| **Other instruments** | **-** | **1** | **-** | **1** |
| **TOTAL DERIVATIVE INSTRUMENTS HELD FOR TRADING – FAIR VALUE LIABILITIES** | **-** | **1** | **-** | **1** |

## 6.11 Share held by cedants and retrocessonaires in liabilities relating to insurance contracts and financial contracts

| *(in € millions)* | 31/12/2014 | 31/12/2013 |
|---|---|---|
| Mathematical reserves | - | - |
| Provisions for unearned premiums | 150 | 154 |
| Provisions for claims outstanding | 313 | 292 |
| Other technical reserves | 342 | 316 |
| **Reinsurers' share in non-life insurance reserves** | **805** | **762** |
| Mathematical reserves | 304 | 267 |
| Provisions for unearned premiums | 172 | 192 |
| Provisions for claims outstanding | 40 | 31 |
| Other technical reserves | 2 | 2 |
| Profit-sharing provisions | - | - |
| **Reinsurers' share in life insurance reserves** | **518** | **492** |
| **Reinsurers' share in provisions for financial contracts** | **-** | **-** |
| **TOTAL SHARE HELD BY CEDANTS IN LIABILITIES** | **1,323** | **1,254** |

## 6.12 Operating property and other property, plant and equipment

| *(in € millions)* | 31/12/2013 | Change in scope | Increases | Decreases | Foreign exchange adjustments | Other changes | 31/12/2014 |
|---|---|---|---|---|---|---|---|
| Gross amount | 308 | - | 3 | (5) | - | (1) | 305 |
| Depreciation, amortization and impairment | (71) | - | (10) | 5 | - | 1 | (75) |
| **NET VALUE OF OPERATING PROPERTY AND OTHER PROPERLY, PLANT AND EQUIPMENT** | **237** | **-** | **(7)** | **-** | **-** | **-** | **230** |

| *(in € millions)* | 31/12/2012 | Change in scope | Increases | Decreases | Foreign exchange adjustments | Other changes | 31/12/2013 |
|---|---|---|---|---|---|---|---|
| Gross amount | 307 | - | 3 | (2) | - | - | 308 |
| Depreciation, amortization and impairment | (61) | - | (11) | 1 | - | - | (71) |
| **NET VALUE OF OPERATING PROPERTY AND OTHER PROPERLY, PLANT AND EQUIPMENT** | **246** | **-** | **(8)** | **(1)** | **-** | **-** | **237** |

## 6.13 Net deferred acquisition costs

| *(in € millions)* | 31/12/2014 | 31/12/2013 |
|---|---|---|
| Net deferred acquisition costs and similar on insurance and financial contracts with discretionary participation features | 472 | 448 |
| Rights acquired on financial contracts without discretionary participation features | 5 | 4 |
| **Net deferred acquisition costs and similar on life activities** | **477** | **452** |
| **Deferred acquisition costs on non-life activities** | **352** | **348** |
| **Gross deferred acquisition costs** | **829** | **800** |
| **Provisions for expenses and unearned deductions** | **(10)** | **(10)** |
| **TOTAL DEFERRED ACQUISITION COSTS** | **819** | **790** |

## 6.14 Current and deferred tax assets and liabilities

In accordance with IAS 12, deferred tax assets and liabilities are now offset within a same taxable entity.

| *(in € millions)* | 31/12/2014 | 31/12/2013 |
|---|---|---|
| Current tax | 77 | 9 |
| Deferred tax | 29 | 41 |
| **TOTAL CURRENT AND DEFERRED TAX ASSETS** | **106** | **50** |
| Current tax | 37 | 125 |
| Deferred tax | 904 | 453 |
| **TOTAL CURRENT AND DEFERRED TAX LIABILITIES** | **941** | **578** |

| *(in € millions)* | 31/12/2014 | 31/12/2013 |
|---|---|---|
| **Temporary timing differences** | **205** | **191** |
| Non-deductible expenses | 58 | 49 |
| Non-deductible provisions for risks and charges | 180 | 143 |
| Other temporarydifferences | (33) | (2) |
| **Deferred tax on latent reserves** | **(1,005)** | **(420)** |
| Available-for-sale assets | (8,171) | (3,928) |
| Profit-sharing on AFS reserves | 7,211 | 3,523 |
| Cash flow hedges | (47) | (18) |
| Actuarial gains and losses on post-employment benefits | 2 | 3 |
| **Deferred tax on income and reserves** | **(75)** | **(182)** |
| **TOTAL DEFERRED TAX** | **(875)** | **(412)** |

## 6.15 Receivables arising on direct insurance and inward reinsurance operations

| | 31/12/2014 | | | |
|---|---|---|---|---|
| *(in € millions)* | Under 1 year | Between 1 and 5 years | Over 5 years | Total |
| Receivables due from policyholders | 1,009 | - | 5 | 1,014 |
| Unrecovered written premiums | 8 | 1 | - | 9 |
| Unwritten earned premiums | 215 | - | 1 | 216 |
| Other receivables | 486 | 5 | 10 | 501 |
| Receivables for cash deposited at ceding companies | 72 | 134 | 23 | 229 |
| **TOTAL RECEIVABLES ARISING ON DIRECT INSURANCE AND INWARD REINSURANCE OPERATIONS** | **1,790** | **140** | **39** | **1,969** |

| | 31/12/2013 | | | |
|---|---|---|---|---|
| *(in € millions)* | Under 1 year | Between 1 and 5 years | Over 5 years | Total |
| Receivables due from policyholders | 948 | - | 24 | 973 |
| Unrecovered written premiums | 6 | - | - | 7 |
| Unwritten earned premiums | 26 | - | - | 26 |
| Other receivables | 440 | 6 | 4 | 449 |
| Receivables for cash deposited at ceding companies | 59 | 103 | - | 164 |
| **TOTAL RECEIVABLES ARISING ON DIRECT INSURANCE AND INWARD REINSURANCE OPERATIONS** | **1,479** | **110** | **30** | **1,619** |

## 6.16 Receivables arising on ceded reinsurance operations

| | 31/12/2014 | | | |
|---|---|---|---|---|
| *(in € millions)* | Under 1 year | Between 1 and 5 years | Over 5 years | Total |
| Current accounts – ceding and retroceding companies | 71 | - | 1 | 72 |
| Other receivables from reinsurance operations | - | - | - | - |
| **TOTAL RECEIVABLES ARISING ON CEDED REINSURANCE OPERATIONS** | **71** | **-** | **1** | **72** |

| | 31/12/2013 | | | |
|---|---|---|---|---|
| *(in € millions)* | Under 1 year | Between 1 and 5 years | Over 5 years | Total |
| Current accounts – ceding and retroceding companies | 108 | - | 5 | 113 |
| Other receivables from reinsurance operations | - | - | - | - |
| **TOTAL RECEIVABLES ARISING ON CEDED REINSURANCE OPERATIONS** | **108** | **-** | **5** | **113** |

## 6.17 Other receivables

| *(in € millions)* | 31/12/2014 | 31/12/2013 |
|---|---|---|
| Employees accounts | 1 | 1 |
| Government, social security bodies | 178 | 802 |
| Accrued income | 71 | 63 |
| Sundry debtors | 708 | 437 |
| Other adjustment accounts | 112 | 355 |
| Securities under repurchase agreements | 1,962 | 1,358 |
| **TOTAL** | **3,032** | **3,016** |

## 6.18 Equity

### COMPOSITION OF SHARE CAPITAL AT 31 DECEMBER 2014

At 31 December 2014, equity and voting rights broke down as follows:

| Shareholders | Shares outstanding | % of capital | % of voting rights |
|---|---|---|---|
| Crédit Agricole S.A. | 144,875,464 | 99.99% | 100% |
| Other | 6 | 0.01% | 0% |
| **TOTAL** | **144,875,470** | **100.00%** | **100%** |

The par value of shares is €10. These shares have been fully paid up.

### MOVEMENTS IN CAPITAL OF CRÉDIT AGRICOLE ASSURANCES

On 29 December 2014, the Ordinary General Meeting decided:

- to allocate all retained earnings (€1,543 million) to "Other reserves" and;
- to pay a final dividend of €1,542 million, or €12.43 per share, deducted from "Other reserves".

Following this payment, the Extraordinary General Meeting on 29 December 2014 decided to conduct a capital increase of €1,542 million. The consideration for this contribution was the issue of 20,818,520 new shares with a nominal value of €10 each, with a total issue premium of €1.334 billion.

As at 31 December 2014, the share capital of Crédit Agricole Assurances was €1,449 million consisting of 144,875,470 ordinary shares with a unit value of €10.

### PREFERRED SHARES

Crédit Agricole Assurances has not issued any preferred shares.

### EARNINGS PER SHARE

| | 31/12/2014 | 31/12/2013 |
|---|---|---|
| Net income – Group share *(in € millions)* | 992 | 1,002 |
| Weighted average number of ordinary shares outstanding during the period | 124,228,061 | 120,444,215 |
| **EARNINGS PER SHARE** *(IN €)* | **7.98** | **8.32** |

### DIVIDENDS

- On 17 June 2014, the General Meeting approved the payment of a final 2013 dividend totalling €942 million, or €7.59 per share.
- On 12 December 2014, the Board of Directors decided to pay out an interim dividend of €445 million, or €3.59 per share that, in accordance with the choice made by shareholders, was fully paid in cash.

| | 2014(1) | 2013 | 2012 | 2011 | 2010 |
|---|---|---|---|---|---|
| Net dividend per share *(in €)* | 3.59 | 7.59 | 8.83 | 3.25 | 7.78 |
| Final dividend *(in € millions)* | 445 | 942 | 1,027 | 378 | 905 |

(1) *This dividend will be submitted to the Shareholders' Meeting on 16 June 2015.*

## BREAKDOWN OF GAINS AND LOSSES RECOGNISED DIRECTLY IN EQUITY

| *(in € millions)* | 31/12/2014 | 31/12/2013 |
|---|---|---|
| *Net gains and losses recognised directly in equity that may be subsequently reclassified to profit and loss* | | |
| **Gains and losses on translation adjustments** | **-** | **(10)** |
| Revaluation adjustment in the period | | |
| Reclassified to profit and loss | | |
| Other reclassifications | - | (10) |
| **Gains and losses on available-for-sale assets** | **1,749** | **(94)** |
| Gains and losses on available-for-sale assets before profit-sharing | 12,496 | (948) |
| Revaluation adjustment in the period | 13,583 | (18) |
| Reclassified to profit and loss | (1,084) | (927) |
| Other reclassifications | (3) | (3) |
| Change in deferred profit-sharing in the period | (10,747) | 854 |
| **Gains and losses on hedging derivative instruments** | **86** | **(3)** |
| Gains and losses on hedging derivative instruments before profit-sharing | 655 | (116) |
| Revaluation adjustment in the period | 655 | (122) |
| Reclassified to profit and loss | - | - |
| Other reclassifications | - | 6 |
| Change in deferred profit-sharing in the period | (569) | 113 |
| **Gains and losses on non-current assets held-for-sale** | **-** | **-** |
| Revaluation adjustment in the period | - | - |
| Reclassified to profit and loss | - | - |
| Other reclassifications | - | - |
| Pre-tax gain and losses directly recognised in equity that may be reclassified to profit and loss on equity-accounted entities | - | - |
| Income tax on gain and losses directly recognised in equity that may be reclassified to profit and loss excluding equity-accounted entities | (587) | 77 |
| Income tax on gain and losses directly recognised in equity that may be reclassified to profit and loss on equity-accounted entities | - | - |
| **Gains and losses directly recognised in equity that may be reclassified subsequently to profit and loss** | **1,248** | **(30)** |
| **Gains and losses directly recognised in equity that will not be subsequently reclassified to profit and loss** | | |
| Actuarial gains and losses on post-employment benefits | 3 | - |
| Gains and losses on non-current assets held-for-sale | - | - |
| Pre-tax gains and losses recognised directly in equity that may be reclassified to profit and losses on equity-accounted entities | - | - |
| Income tax related to items that may be reclassified to profit and loss excluding equity-accounted entities | (1) | - |
| Income tax related to items that may be reclassified to profit and loss on equity-accounted entities | - | - |
| **Net gains and losses recognised directly in equity that will not be subsequently reclassified to profit and loss** | **2** | **-** |
| **GAINS AND LOSSES RECOGNISED DIRECTLY IN EQUITY** | **1,250** | **(32)** |
| o/w Group share | 1,248 | (31) |
| o/w Minority interests | - | (1) |

### BREAKDOWN OF TAX IMPACT RELATING TO GAINS AND LOSSES DIRECTLY RECOGNISED IN EQUITY

| | 31/12/2013 | | | | |
|---|---|---|---|---|---|
| *(in € millions)* | **Gross** | **Deferred profit-sharing** | **Tax** | **Net** | **o/w net Group share** |
| *Net gains and losses recognised directly in equity that may be subsequently reclassified to profit and loss* | | | | | |
| Gains and losses on translation adjustments | (8) | - | - | (8) | (8) |
| Gains and losses on available-for-sale assets | 11,765 | (10,228) | (417) | 1,119 | 1,118 |
| Gains and losses on hedging derivative instruments | 412 | (360) | (18) | 34 | 34 |
| Gains and losses on non-current assets held-for-sale | - | - | - | - | - |
| Net gains and losses recognised directly in equity that will not be reclassified to profit and loss excluding equity-accounted entities | 12,169 | (10,588) | (435) | 1,145 | 1,144 |
| **NET GAINS AND LOSSES RECOGNISED DIRECTLY IN EQUITY THAT MAY BE SUBSEQUENTLY RECLASSIFIED TO PROFIT AND LOSS ON EQUITY-ACCOUNTED ENTITIES** | - | - | - | - | - |

| | Variation | | | | |
|---|---|---|---|---|---|
| *(in € millions)* | **Gross** | **Deferred profit-sharing** | **Tax** | **Net** | **o/w net Group share** |
| *Net gains and losses recognised directly in equity that may be subsequently reclassified to profit and loss* | | | | | |
| Gains and losses on translation adjustments | - | - | - | - | - |
| Gains and losses on available-for-sale assets | 12,496 | (10,747) | (559) | 1,191 | 1,190 |
| Gains and losses on hedging derivative instruments | 655 | (569) | (30) | 56 | 56 |
| Gains and losses on non-current assets held-for-sale | - | - | - | - | - |
| Net gains and losses recognised directly in equity that will not be reclassified to profit and loss excluding equity-accounted entities | 13,151 | (11,316) | (589) | 1,247 | 1,246 |
| **NET GAINS AND LOSSES RECOGNISED DIRECTLY IN EQUITY THAT MAY BE SUBSEQUENTLY RECLASSIFIED TO PROFIT AND LOSS ON EQUITY-ACCOUNTED ENTITIES** | - | - | - | - | - |

| | 31/12/2014 | | | | |
|---|---|---|---|---|---|
| *(in € millions)* | **Gross** | **Deferred profit-sharing** | **Tax** | **Net** | **o/w net Group share** |
| *Net gains and losses recognised directly in equity that may be subsequently reclassified to profit and loss* | | | | | |
| Gains and losses on translation adjustments | (8) | - | - | (8) | (8) |
| Gains and losses on available-for-sale assets | 24,261 | (20,975) | (976) | 2,310 | 2,308 |
| Gains and losses on hedging derivative instruments | 1,067 | (929) | (48) | 90 | 90 |
| Gains and losses on non-current assets held-for-sale | - | - | - | - | - |
| Net gains and losses recognised directly in equity that will not be reclassified to profit and loss excluding equity-accounted entities | 25,320 | (21,904) | (1,024) | 2,392 | 2,390 |
| **NET GAINS AND LOSSES RECOGNISED DIRECTLY IN EQUITY THAT MAY BE SUBSEQUENTLY RECLASSIFIED TO PROFIT AND LOSS ON EQUITY-ACCOUNTED ENTITIES** | - | - | - | - | - |

| *(in € millions)* | 31/12/2013 Gross | Deferred profit-sharing | Tax | Net | o/w net Group share |
|---|---|---|---|---|---|
| ***Net gains and losses recognised directly in equity that will not be subsequently reclassified to profit and loss*** | | | | | |
| Actuarial gains and losses on post-employment benefits | (8) | - | 3 | (5) | (5) |
| Gains and losses on non-current assets held-for-sale | - | - | - | - | - |
| **Net gains and losses recognised directly in equity that will not be subsequently reclassified to profit and loss, excluding equity-accounted entities** | **(8)** | **-** | **3** | **(5)** | **(5)** |
| **Net gains and losses recognised directly in equity that will not be subsequently reclassified to profit and loss on equity-accounted entities** | **-** | **-** | **-** | **-** | **-** |
| **Net gains and losses recognised directly in equity that will not be subsequently reclassified to profit and loss** | **(8)** | **-** | **3** | **(5)** | **(5)** |
| **NET GAINS AND LOSSES RECOGNISED DIRECTLY IN EQUITY** | **12,161** | **(10,588)** | **(432)** | **1,140** | **1,139** |

| *(in € millions)* | Variation Gross | Deferred profit-sharing | Tax | Net | o/w net Group share |
|---|---|---|---|---|---|
| ***Net gains and losses recognised directly in equity that will not be subsequently reclassified to profit and loss*** | | | | | |
| Actuarial gains and losses on post-employment benefits | 2 | - | (1) | 1 | 2 |
| Gains and losses on non-current assets held-for-sale | - | - | - | - | - |
| **Net gains and losses recognised directly in equity that will not be subsequently reclassified to profit and loss, excluding equity-accounted entities** | **2** | **-** | **(1)** | **1** | **2** |
| **Net gains and losses recognised directly in equity that will not be subsequently reclassified to profit and loss on equity-accounted entities** | **-** | **-** | **-** | **-** | **-** |
| **Net gains and losses recognised directly in equity that will not be subsequently reclassified to profit and loss** | **2** | **-** | **(1)** | **1** | **1** |
| **NET GAINS AND LOSSES RECOGNISED DIRECTLY IN EQUITY** | **13,153** | **(11,316)** | **(590)** | **1,249** | **1,247** |

| *(in € millions)* | 31/12/2014 Gross | Deferred profit-sharing | Tax | Net | o/w net Group share |
|---|---|---|---|---|---|
| ***Net gains and losses recognised directly in equity that will not be subsequently reclassified to profit and loss*** | | | | | |
| Actuarial gains and losses on post-employment benefits | (6) | - | 2 | (4) | (3) |
| Gains and losses on non-current assets held-for-sale | - | - | - | - | - |
| Net gains and losses recognised directly in equity that will not be subsequently reclassified to profit and loss, excluding equity-accounted entities | (6) | - | 2 | (4) | (3) |
| Net gains and losses recognised directly in equity that will not be subsequently reclassified to profit and loss on equity-accounted entities | - | - | - | - | - |
| **Net gains and losses recognised directly in equity that will not be subsequently reclassified to profit and loss** | **(6)** | **-** | **2** | **(4)** | **(4)** |
| **NET GAINS AND LOSSES RECOGNISED DIRECTLY IN EQUITY** | **25,314** | **(21,904)** | **(1,022)** | **2,389** | **2,386** |

## 6.19 Provisions for risks and charges

| *(in € millions)* | 31/12/2013 | Changes in scope | Allocation | Reversals | Utilisation | Foreign exchange adjustments | Other changes | 31/12/2014 |
|---|---|---|---|---|---|---|---|---|
| Employee benefit | 55 | - | 12 | (2) | (8) | - | (1) | 56 |
| Insurance litigation | 48 | - | - | (14) | - | - | - | 34 |
| Other legal claims | 44 | - | 29 | (11) | (1) | - | (1) | 60 |
| Other provisions for risks and charges | 12 | - | 70 | - | - | - | (1) | 81 |
| **TOTAL** | **158** | **-** | **111** | **(26)** | **(9)** | **-** | **(2)** | **231** |

| *(in € millions)* | 31/12/2012 | Changes in scope | Allocation | Reversals | Utilisation | Foreign exchange adjustments | Other changes | 31/12/2013 |
|---|---|---|---|---|---|---|---|---|
| Employee benefit | 53 | - | 8 | (3) | (3) | - | - | 55 |
| Insurance litigation | 75 | - | 1 | (28) | - | - | - | 48 |
| Other legal claims | 37 | - | 8 | - | - | - | - | 44 |
| Other provisions for risks and charges | 12 | - | 1 | - | - | - | - | 12 |
| **TOTAL** | **176** | **-** | **18** | **(32)** | **(3)** | **-** | **-** | **158** |

## 6.20 Financing debt

### SUBORDINATED DEBT

| | | 31/12/2014 | | | | |
|---|---|---|---|---|---|---|
| *(in € millions)* | Currency | Under 3 months | Between 3 months and 1 year | Between 1 and 5 years | Over 5 years | Total |
| Fixed-term subordinated debt | EUR | - | 3 | - | 1,800 | 1,803 |
| Perpetual subordinated debt | EUR | - | 6 | - | 2,027 | 2,033 |
| **TOTAL** | **EUR** | **1** | **9** | **-** | **3,827** | **3,837** |

| | | 31/12/2013 | | | | |
|---|---|---|---|---|---|---|
| *(in € millions)* | Currency | Under 3 months | Between 3 months and 1 year | Between 1 and 5 years | Over 5 years | Total |
| Fixed-term subordinated debt | EUR | - | 3 | - | 1,800 | 1,804 |
| Perpetual subordinated debt | EUR | - | 7 | - | 2,577 | 2,584 |
| **TOTAL** | **EUR** | **-** | **10** | **-** | **4,377** | **4,388** |

The change in perpetual subordinated debt is explained by the repayment to Crédit Agricole S.A. and Cariparma of two subordinated loan notes totalling €550 million.

### FINANCING CHARGES

| *(in € millions)* | 31/12/2014 | 31/12/2013 |
|---|---|---|
| Redeemable subordinated notes | (87) | (90) |
| Perpetual subordinated notes | (249) | (141) |
| Other financing charges | (40) | (40) |
| **FINANCING CHARGES** | **(376)** | **(271)** |

The changes in funding expenses for the perpetual loan notes relate to the payment of a cash balance of €90 million as part of the repayment of the two subordinated loan notes to Crédit Agricole S.A. and Cariparma.

## 6.21 Information on the offsetting of financial assets and financial liabilities

### OFFSETTING – FINANCIAL ASSETS

| 31/12/2014 | Offsetting effects on financial assets covered by master netting agreement and similar agreements | | | | | |
|---|---|---|---|---|---|---|
| | | | | Other amounts that can be offset under given conditions | | |
| Type of transaction | Gross amounts of recognised assets before any offsetting effect | Gross amounts of recognised liabilities set off in the financial statements | Net amounts of financial assets presented in the financial statements | Gross amounts of financial liabilities covered under master offsetting agreement | Amounts of other financial instruments received as collateral, including security deposit | Net amount after all offsetting effects |
| *(in € millions)* | (a) | (b) | (c) = (a)-(b) | | (d) | (e)=(c) - (d) |
| Derivatives | 1,431 | - | 1,431 | - | 1,372 | 59 |
| Repurchase agreements | 1,962 | - | 1,962 | - | 1,962 | - |
| Securities lent | 465 | - | 465 | - | 465 | - |
| Other financial instruments | - | - | - | - | - | - |
| **TOTAL FINANCIAL ASSETS SUBJECT TO OFFSETTING** | **3,858** | **-** | **3,858** | **-** | **3,799** | **59** |

| 31/12/2013 | Offsetting effects on financial assets covered by master netting agreement and similar agreements | | | | | |
|---|---|---|---|---|---|---|
| | | | | Other amounts that can be offset under given conditions | | |
| Type of transaction | Gross amounts of recognised assets before any offsetting effect | Gross amounts of recognised liabilities set off in the financial statements | Net amounts of financial assets presented in the financial statements | Gross amounts of financial liabilities covered under master offsetting agreement | Amounts of other financial instruments received as collateral, including security deposit | Net amount after all offsetting effects |
| *(in € millions)* | (a) | (b) | (c) = (a)-(b) | | (d) | (e)=(c) - (d) |
| Derivatives | 857 | - | 857 | - | 814 | 43 |
| Repurchase agreements | 1,359 | - | 1,359 | - | 1,332 | 26 |
| Securities lent | 383 | - | 383 | - | 383 | - |
| Other financial instruments | - | - | - | - | - | - |
| **TOTAL FINANCIAL ASSETS SUBJECT TO OFFSETTING** | **2,599** | **-** | **2,599** | **-** | **2,529** | **69** |

OFFSETTING – FINANCIAL LIABILITIES

| 31/12/2014 | Offsetting effects on financial assets covered by master netting agreement and similar agreements | | | | | |
|---|---|---|---|---|---|---|
| | | | | Other amounts that can be offset under given conditions | | |
| Type of transaction | Gross amounts of recognised assets before any offsetting effect | Gross amounts of recognised liabilities set off in the financial statements | Net amounts of financial assets presented in the financial statements | Gross amounts of financial liabilities covered under master offsetting agreement | Amounts of other financial instruments received as collateral, including security deposit | Net amount after all offsetting effects |
| *(in € millions)* | (a) | (b) | (c) = (a)-(b) | | (d) | (e)=(c) - (d) |
| Derivatives | 66 | - | 66 | - | - | 66 |
| Repurchase agreements | 10,086 | - | 10,086 | - | 9,891 | 195 |
| Securities lent | - | - | - | - | - | - |
| Other financial instruments | - | - | - | - | - | - |
| **TOTAL FINANCIAL LIABILITIES SUBJECT TO OFFSETTING** | **10,152** | **-** | **10,152** | **-** | **9,891** | **261** |

| 31/12/2013 | Offsetting effects on financial assets covered by master netting agreement and similar agreements | | | | | |
|---|---|---|---|---|---|---|
| | | | | Other amounts that can be offset under given conditions | | |
| Type of transaction | Gross amounts of recognised assets before any offsetting effect | Gross amounts of recognised liabilities set off in the financial statements | Net amounts of financial assets presented in the financial statements | Gross amounts of financial liabilities covered under master offsetting agreement | Amounts of other financial instruments received as collateral, including security deposit | Net amount after all offsetting effects |
| *(in € millions)* | (a) | (b) | (c) = (a)-(b) | | (d) | (e)=(c) - (d) |
| Derivatives | 8 | - | 8 | - | - | 8 |
| Repurchase agreements | 6,081 | - | 6,081 | - | 5,962 | 119 |
| Securities lent | - | - | - | - | - | - |
| Other financial instruments | - | - | - | - | - | - |
| **TOTAL FINANCIAL LIABILITIES SUBJECT TO OFFSETTING** | **6,089** | **-** | **6,089** | **-** | **5,962** | **127** |

## 6.22 Liabilities relating to insurance and financial contracts

### TECHNICAL LIABILITIES RELATING TO INSURANCE CONTRACTS

The insurance contracts, whose technical liabilities are presented in the table below, are contracts under which the insurer shoulders a significant insurance risk.

| | 31/12/2014 | | |
|---|---|---|---|
| *(in € millions)* | **Before reinsurance** | **Ceded** | **Net of reinsurance** |
| Provisions for unearned premiums | 1,429 | 149 | 1,280 |
| Provisions for claims | 3,072 | 313 | 2,759 |
| Profit-sharing provisions | 3 | - | 2 |
| Provisions for shortfall in liabilities | - | - | - |
| Other provisions | 1,430 | 343 | 1,088 |
| **Technical liabilities relating to non-life insurance contracts** | **5,934** | **805** | **5,129** |
| Provisions for unearned premiums | 799 | 172 | 626 |
| Mathematical reserves | 108,711 | 304 | 108,407 |
| Provisions for claims | 1,726 | 40 | 1,686 |
| Profit-sharing provisions | 1,323 | - | 1,323 |
| Provisions for shortfall in liabilities | 2 | - | 2 |
| Other provisions | 146 | 2 | 144 |
| **Technical liabilities relating to life insurance contracts** | **112,707** | **518** | **112,188** |
| **Technical liabilities relating to insurance contracts when financial risk is borne by the policyholder** | **40,729** | **-** | **40,729** |
| **TOTAL TECHNICAL LIABILITIES RELATING TO INSURANCE CONTRACTS** | **159,370** | **1,323** | **158,046** |

Liabilities relating to insurance contracts net of reinsurance amounted to €158.0 billion at 31 December 2014 versus €140.3 billion at 31 December 2013. This €17.8 billion increase mostly resulted from the increase in life mathematical reserves.

| | 31/12/2013 | | |
|---|---|---|---|
| *(in € millions)* | **Before reinsurance** | **Ceded** | **Net of reinsurance** |
| Provisions for unearned premiums | 1,383 | 153 | 1,230 |
| Provisions for claims | 2,826 | 292 | 2,534 |
| Profit-sharing provisions | 1 | - | 1 |
| Provisions for shortfall in liabilities | - | - | - |
| Other provisions | 1,316 | 316 | 1,000 |
| **Technical liabilities relating to non-life insurance contracts** | **5,526** | **761** | **4,765** |
| Provisions for unearned premiums | 766 | 192 | 574 |
| Mathematical reserves | 93,991 | 267 | 93,724 |
| Provisions for claims | 1,774 | 31 | 1,743 |
| Profit-sharing provisions | 889 | - | 889 |
| Provisions for shortfall in liabilities | - | - | - |
| Other provisions | 205 | 2 | 203 |
| **Technical liabilities relating to life insurance contracts** | **97,625** | **492** | **97,133** |
| **Technical liabilities relating to insurance contracts when financial risk is borne by the policyholder** | **38,371** | **-** | **38,371** |
| **TOTAL TECHNICAL LIABILITIES RELATING TO INSURANCE CONTRACTS** | **141,522** | **1,253** | **140,269** |

### TECHNICAL LIABILITIES RELATING TO FINANCIAL CONTRACTS

Financial contracts, whose technical liabilities are presented in the table below, are contracts that do not expose the insurer to a significant insurance risk. They are governed by IFRS 4 when they include discretionary profit sharing features and by IAS 39 when they do not.

| | 31/12/2014 | | |
|---|---|---|---|
| *(in € millions)* | Before reinsurance | Ceded | Net of reinsurance |
| Mathematical reserves | 93,466 | - | 93,466 |
| Provisions for claims | 1,323 | - | 1,323 |
| Profit-sharing provisions | 1,714 | - | 1,714 |
| Provisions for shortfall in liabilities | 3 | - | 3 |
| Other provisions | 21 | - | 21 |
| **Technical liabilities relating to investment contracts in euros with discretionary participation features** | **96,527** | **-** | **96,527** |
| Mathematical reserves | 192 | - | 192 |
| Provisions for claims | - | - | - |
| Other provisions | - | - | - |
| **Technical liabilities relating to investment contracts in euros without discretionary participation features** | **192** | **-** | **192** |
| Technical liabilities relating to investment contracts where financial risk is borne by the policyholder, with discretionary participation features | 2,901 | - | 2,901 |
| Technical liabilities relating to investment contracts where financial risk is borne by the policyholder, without discretionary participation features | 2,890 | - | 2,890 |
| **Technical liabilities relating to investment contracts where financial risk is borne by the policyholder** | **5,791** | **-** | **5,791** |
| **TOTAL TECHNICAL LIABILITIES RELATING TO FINANCIAL CONTRACTS** | **102,510** | **-** | **102,510** |

| | 31/12/2013 | | |
|---|---|---|---|
| *(in € millions)* | Before reinsurance | Ceded | Net of reinsurance |
| Mathematical reserves | 97,450 | - | 97,450 |
| Provisions for claims | 1,057 | - | 1,057 |
| Profit-sharing provisions | 1,223 | - | 1,223 |
| Provisions for shortfall in liabilities | - | - | - |
| Other provisions | 19 | - | 19 |
| **Technical liabilities relating to investment contracts in euros with discretionary participation features** | **99,749** | **-** | **99,749** |
| Mathematical reserves | 352 | - | 352 |
| Provisions for claims | - | - | - |
| Other provisions | - | - | - |
| **Technical liabilities relating to investment contracts in euros without discretionary participation features** | **352** | **-** | **352** |
| Technical liabilities relating to investment contracts where financial risk is borne by the policyholder, with discretionary participation features | 2,465 | - | 2,465 |
| Technical liabilities relating to investment contracts where financial risk is borne by the policyholder, without discretionary participation features | 2,361 | - | 2,361 |
| **Technical liabilities relating to investment contracts where financial risk is borne by the policyholder** | **4,826** | **-** | **4,826** |
| **TOTAL TECHNICAL LIABILITIES RELATING TO FINANCIAL CONTRACTS** | **104,927** | **-** | **104,927** |

### CHANGES IN GROSS LIFE MATHEMATICAL RESERVES

| | 31/12/2014 | | | |
|---|---|---|---|---|
| *(in € millions)* | Life insurance contracts | Financial contracts with discretionary participation features | Financial contracts without discretionary participation features | Total |
| **Mathematical reserves on life contracts at beginning of period** | **132,362** | **99,914** | **2,713** | **234,989** |
| Premiums | 17,138 | 7,302 | 776 | 25,216 |
| Claims | (4,900) | (11,989) | (713) | (17,602) |
| Increase in contract prices | 3,716 | 2,566 | 323 | 6,605 |
| Changes in provisions relating to technical and actuarial items | (619) | (12) | (2) | (633) |
| Transfers | 1,542 | (1,223) | (15) | 304 |
| Other | 219 | (209) | - | 10 |
| Change in scope | - | - | - | - |
| **MATHEMATICAL RESERVES AT END OF PERIOD** | **149,440** | **96,367** | **3,082** | **248,889** |

| | 31/12/2013 | | | |
|---|---|---|---|---|
| *(in € millions)* | Life insurance contracts | Financial contracts with discretionary participation features | Financial contracts without discretionary participation features | Total |
| **Mathematical reserves on life contracts at beginning of period** | **122,433** | **99,660** | **2,664** | **224,757** |
| Premiums | 14,962 | 5,928 | 524 | 21,414 |
| Claims | (10,032) | (7,487) | (549) | (18,068) |
| Increase in contract prices | 4,499 | 2,485 | 59 | 7,043 |
| Changes in provisions relating to technical and actuarial items | (121) | (8) | 15 | (114) |
| Transfers | 644 | (661) | (1) | (18) |
| Other | 11 | (2) | - | 9 |
| Change in scope | - | - | - | - |
| **MATHEMATICAL RESERVES AT END OF PERIOD** | **132,362** | **99,914** | **2,713** | **234,989** |

### SCHEDULE OF INSURANCE LIABILITIES

The estimated unfolding of Crédit Agricole Assurances' insurance liabilities is presented in the following table. These data relate to insurance contracts and financial contracts with the exception of unit-linked contracts, for which policyholders bear the risk.

| | 31/12/2014 | | | |
|---|---|---|---|---|
| *(in € millions)* | Under 1 year | Between 1 and 5 years | Over 5 years | Total |
| **INSURANCE LIABILITIES** | **23,777** | **43,258** | **148,324** | **215,359** |

| | 31/12/2013 | | | |
|---|---|---|---|---|
| *(in € millions)* | Under 1 year | Between 1 and 5 years | Over 5 years | Total |
| **INSURANCE LIABILITIES** | **21,453** | **42,683** | **139,115** | **203,251** |

These projections are an estimate of the pace at which recognised liabilities will eventuate; therefore they do not match the sums that will be actually paid, partly because of the discounting of recognised provisions, as well as the uncertainty weighing on the assumptions drawn upon.

1 2 3 4 5 6 7 8 9

## 6.23 Net deferred profit-sharing

| *(in € millions)* | 31/12/2014 | 31/12/2013 |
|---|---|---|
| Profit-sharing/Remeasurement of assets at FV through profit or loss | (1,037) | 492 |
| Profit-sharing/Remeasurement of assets at FV through reserves (AFS securities) | (21,908) | (10,593) |
| Profit-sharing/Other adjustments | (1,026) | (100) |
| **NET DEFERRED PROFIT-SHARING** | **(23,971)** | **(10,202)** |

The €13.8 billion change in unrealised deferred profit-sharing is explained by the increase in unrealised gains or losses on bonds.

## 6.24 Payables arising on direct insurance and inward reinsurance

| | 31/12/2014 | | | |
|---|---|---|---|---|
| *(in € millions)* | Under 1 year | Between 1 and 5 years | Over 5 years | Total |
| Fees due | 1,035 | - | - | 1,035 |
| Claims outstanding | 50 | - | 7 | 57 |
| Cash deposits | - | - | - | - |
| Co-insurers | - | - | - | - |
| Other payables on insurance transactions | 308 | 240 | 89 | 637 |
| Expenses charged and unearned deductions | 10 | - | - | 10 |
| **TOTAL PAYABLES ARISING ON DIRECT INSURANCE AND INWARD REINSURANCE OPERATIONS** | **1,403** | **240** | **96** | **1,739** |

| | 31/12/2013 | | | |
|---|---|---|---|---|
| *(in € millions)* | Under 1 year | Between 1 and 5 years | Over 5 years | Total |
| Fees due | 951 | - | - | 951 |
| Claims outstanding | 47 | - | 5 | 51 |
| Cash deposits | - | - | - | - |
| Co-insurers | - | - | - | - |
| Other payables on insurance transactions | 318 | 195 | 81 | 593 |
| Expenses charged and unearned deductions | 10 | - | - | 10 |
| **TOTAL PAYABLES ARISING ON DIRECT INSURANCE AND INWARD REINSURANCE OPERATIONS** | **1,326** | **195** | **85** | **1,605** |

## 6.25 Payables arising on ceded reinsurance operations

| | 31/12/2014 | | | |
|---|---|---|---|---|
| *(in € millions)* | Under 1 year | Between 1 and 5 years | Over 5 years | Total |
| Ceded reinsurance payables | - | - | - | - |
| Reinsurers' current accounts | 217 | 2 | - | 219 |
| Ceded deferred acquisition costs | 138 | - | - | 138 |
| Cash deposits | 41 | 362 | 276 | 679 |
| **TOTAL PAYABLES ARISING ON CEDED REINSURANCE OPERATIONS** | **396** | **364** | **276** | **1,036** |

| | 31/12/2013 | | | |
|---|---|---|---|---|
| *(in € millions)* | **Under 1 year** | **Between 1 and 5 years** | **Over 5 years** | **Total** |
| Ceded reinsurance payables | - | - | - | - |
| Reinsurers' current accounts | 232 | 4 | 1 | 237 |
| Ceded deferred acquisition costs | 159 | - | - | 159 |
| Cash deposits | 49 | 307 | 276 | 631 |
| **TOTAL PAYABLES ARISING ON CEDED REINSURANCE OPERATIONS** | **440** | **311** | **276** | **1,027** |

## 6.26 Other payables

| *(in € millions)* | **31/12/2014** | **31/12/2013** |
|---|---|---|
| Employee accounts | 18 | 19 |
| Government, social security bodies | 153 | 841 |
| Pension benefits | 10,086 | 6,081 |
| Miscellaneous creditors | 4,291 | 3,015 |
| Other payables | - | - |
| **TOTAL OTHER PAYABLES** | **14,547** | **9,956** |

## LOSS RESERVES DEVELOPMENT TABLE – NON LIFE

| *(in € millions)* | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|---|---|---|---|---|---|---|---|---|---|---|
| Provisions for initially handled gross claims | 974 | 1,201 | 1,467 | 1,687 | 1,907 | 2,171 | 2,349 | 2,584 | 2,829 | 3,076 |
| Exchange rate impact at 31 December 2014 | - | - | - | - | - | - | - | - | - | - |
| **Impact of Change in scope of consolidation on 2014** | - | - | - | - | - | - | - | - | - | - |
| **Provisions for initially handled gross claims adjusted for exchange rates and consolidation scope in 2014** | **974** | **1,201** | **1,467** | **1,687** | **1,907** | **2,171** | **2,349** | **2,584** | **2,829** | **3,076** |
| **Cumulative payments at** | - | - | - | - | - | - | - | - | - | - |
| • one year later | 314 | 464 | 521 | 572 | 674 | 750 | 798 | 809 | 897 | - |
| • two years later | 433 | 590 | 664 | 738 | 867 | 973 | 1,031 | 1,073 | - | - |
| • three years later | 508 | 675 | 768 | 849 | 990 | 1,107 | 1,193 | - | - | - |
| • four years later | 562 | 743 | 847 | 927 | 1,081 | 1,205 | - | - | - | - |
| • five years later | 610 | 798 | 903 | 991 | 1,149 | - | - | - | - | - |
| • six years later | 654 | 826 | 948 | 1,044 | - | - | - | - | - | - |
| • seven years later | 682 | 848 | 991 | - | - | - | - | - | - | - |
| • eight years later | 703 | 878 | - | - | - | - | - | - | - | - |
| • nine years later | 723 | - | - | - | - | - | - | - | - | - |
| • ten years later | - | - | - | - | - | - | - | - | - | - |
| **Re-estimated final cost at** | - | - | - | - | - | - | - | - | - | - |
| • one year later | 1,002 | 1,249 | 1,478 | 1,661 | 1,851 | 2,095 | 2,289 | 2,469 | 2,746 | - |
| • two years later | 971 | 1,222 | 1,425 | 1,538 | 1,758 | 1,970 | 2,169 | 2,400 | - | - |
| • three years later | 973 | 1,190 | 1,356 | 1,486 | 1,696 | 1,912 | 2,136 | - | - | - |
| • four years later | 978 | 1,148 | 1,328 | 1,436 | 1,650 | 1,899 | - | - | - | - |
| • five years later | 948 | 1,133 | 1,296 | 1,418 | 1,665 | - | - | - | - | - |
| • six years later | 931 | 1,113 | 1,282 | 1,430 | - | - | - | - | - | - |
| • seven years later | 916 | 1,104 | 1,291 | - | - | - | - | - | - | - |
| • eight years later | 917 | 1,111 | - | - | - | - | - | - | - | - |
| • nine years later | 923 | - | - | - | - | - | - | - | - | - |
| • ten years later | - | - | - | - | - | - | - | - | - | - |
| **INITIAL NET CLAIMS RESERVES IN EXCESS OF RE-ESTIMATED NET CLAIMS RESERVES AS OF 31 DECEMBER 2014** | **51** | **90** | **175** | **257** | **242** | **272** | **214** | **183** | **84** | **3,076** |

The table describing how claims were handled shows changes in provisions for claims outstanding for the non-life activity. La Médicale de France data were included in the triangle as of 2005.

The first line "Provisions for initially handled gross claims" represents the amount of provisions (in the financial year during which the claim occurred and all the previous years) handled at the accounting closing date indicated in the columns.

The line "Provisions for initially handled gross claims adjusted for exchange rates and scope in year Y" shows the same provision as reported in the first line at the exchange rates and consolidation scope of the current year.

The third line "Impact of Change in scope on 2012" is related to the inclusion of CARE data.

The "cumulative payments made" section describes in detail the cumulative amount of payments relating to year Y when the claim occurred and previous years. The second section "re-estimate of final cost" describes in detail the Group's commitment for the year in which the claim occurred and previous years. The estimate of the final cost fluctuates in line with the increasing reliability of information about claims still pending.

The surplus or shortfall in initial provisions in comparison with the re-estimated final cost is the difference between the initial provision and the latest estimate of provisions for claims outstanding.

# NOTE 7 Notes to the income statement

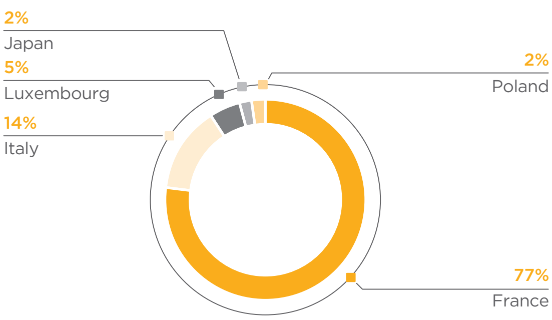
## 7.1 Breakdown of revenue – Revenue by type of line of business

| *(in € millions)* | 31/12/2014 | | |
|---|---|---|---|
| | Gross | Assignments and retrocessions | Net |
| Euro-denominated savings contracts | 19,802 | - | 19,802 |
| Unit-linked savings contracts | 3,123 | (6) | 3,117 |
| Pension | 87 | - | 87 |
| Pension savings plans | 380 | - | 380 |
| **Savings/Pensions** | **23,392** | **(6)** | **23,386** |
| Death insurance | 983 | (104) | 879 |
| Funeral cover | 245 | (60) | 185 |
| Care insurance | 89 | (39) | 50 |
| Personal Accident Cover | 261 | (7) | 254 |
| Health | 609 | (13) | 596 |
| Creditor Insurance – Mortgage loan – Life cover | 670 | (2) | 668 |
| Creditor Insurance – Mortgage loan – Non-life cover | 488 | (43) | 445 |
| Creditor Insurance – Consumer loan – Life cover | 49 | (9) | 40 |
| Creditor Insurance – Consumer loan – Non-life cover | 82 | (24) | 58 |
| **Personal Risks/Health/Creditor Insurance** | **3,476** | **(301)** | **3,175** |
| All risks home insurance | 996 | (133) | 863 |
| Motor | 955 | (38) | 917 |
| Legal protection | 107 | - | 107 |
| Banking protection | 108 | - | 108 |
| Cards and goods | 77 | (2) | 75 |
| Other (incl. reinsurance) | 266 | (15) | 251 |
| **Non-life insurance** | **2,509** | **(188)** | **2,321** |
| **TOTAL WRITTEN PREMIUMS** | **29,377** | **(495)** | **28,882** |
| o/w life insurance written premiums | 25,318 | (181) | 25,137 |
| o/w non-life insurance written premiums | 4,059 | (314) | 3,745 |

| *(in € millions)* | 31/12/2013 Gross | Assignments and vretrocessions | Net |
|---|---|---|---|
| Euro-denominated savings contracts | 17,425 | - | 17,425 |
| Unit-linked savings contracts | 2,205 | - | 2,204 |
| Pension | 59 | - | 59 |
| Pension savings plans | 294 | - | 294 |
| **Savings/Pensions** | **19,982** | **(1)** | **19,982** |
| Death insurance | 905 | (127) | 778 |
| Funeral cover | 225 | (55) | 170 |
| Care insurance | 89 | (33) | 56 |
| Personal Accident Cover | 269 | (9) | 260 |
| Health | 568 | (7) | 561 |
| Creditor Insurance – Mortgage loan – Life cover | 655 | (2) | 653 |
| Creditor Insurance – Mortgage loan – Non-life cover | 537 | (59) | 478 |
| Creditor Insurance – Consumer loan – Life cover | 46 | (4) | 43 |
| Creditor Insurance – Consumer loan – Non-life cover | 79 | (22) | 56 |
| **Personal Risks/Health/Creditor Insurance** | **3,373** | **(318)** | **3,055** |
| All risks home insurance | 936 | (136) | 800 |
| Motor | 906 | (32) | 874 |
| Legal protection | 100 | - | 100 |
| Banking protection | 105 | (1) | 104 |
| Cards and goods | 43 | - | 43 |
| Other (incl. reinsurance) | 254 | (15) | 239 |
| **Non-life insurance** | **2,345** | **(184)** | **2,161** |
| **TOTAL WRITTEN PREMIUMS** | **25,701** | **(503)** | **25,197** |
| o/w life insurance written premiums | 21,821 | (188) | 21,632 |
| o/w non-life insurance written premiums | 3,880 | (315) | 3,565 |

### REVENUE BY GEOGRAPHICAL AREA AT 31/12/2014

The revenue shown includes premiums relating to pure financial contracts (IAS 39 contracts) which are excluded from IFRS revenue.



## 7.2 Investment income net of investment expenses (including dividends)

| *(in € millions)* | 31/12/2014 | | | | | |
|---|---|---|---|---|---|---|
| | Investment income | Investment expenses | Gains and losses on investments net of reversals from provisions | Change in provisions on investments | Change in fair value | Total |
| Held-to-maturity assets | 603 | - | - | - | | 603 |
| Available-for-sale assets | 5,988 | (4) | 1,311 | (227) | - | 7,068 |
| Held-for-trading assets | 1 | | - | | - | 1 |
| Assets at fair value through profit or loss on option | 1,031 | | | | 4,484 | 5,515 |
| Real estate investment | 111 | (3) | - | (1) | | 106 |
| Loans and receivables | 57 | (7) | - | 1 | 185 | 236 |
| Derivative instruments | 12 | (2) | - | | (598) | (588) |
| Other | 247 | (612) | | | | (365) |
| **TOTAL** | **8,050** | **(628)** | **1,311** | **(228)** | **4,071** | **12,576** |

| *(in € millions)* | 31/12/2013 | | | | | |
|---|---|---|---|---|---|---|
| | Investment income | Investment expenses | Gains and losses on investments net of reversals from provisions | Change in provisions on investments | Change in fair value | Total |
| Held-to-maturity assets | 623 | - | - | - | | 623 |
| Available-for-sale assets | 5,828 | (8) | 1,240 | (313) | - | 6,747 |
| Held-for-trading assets | 1 | | - | | - | 1 |
| Assets at fair value through profit or loss on option | 744 | | | | 2,667 | 3,411 |
| Real estate investment | 122 | (1) | (4) | 2 | | 119 |
| Loans and receivables | 42 | (3) | - | - | (100) | (61) |
| Derivative instruments | 11 | (1) | - | | (223) | (213) |
| Other | 354 | (236) | | | | 118 |
| **TOTAL** | **7,725** | **(249)** | **1,236** | **(311)** | **2,344** | **10,745** |

| *(in € millions)* | 31/12/2014 | 31/12/2013 |
|---|---|---|
| Dividends | 1,126 | 801 |
| Interest accrued and outstanding on available-for-sale financial assets | 5,242 | 5,310 |
| Interest accrued and outstanding on financial assets held to maturity | 603 | 623 |
| Interest accrued and outstanding on financial assets at fair value through P&L/fair value through P&L on option | 678 | 488 |
| Interest accrued and outstanding on derivatives | 13 | 11 |
| Other interest and related income | 388 | 492 |
| **Investment income** | **8,050** | **7,725** |
| Interest accrued and outstanding on derivatives | (2) | (1) |
| Other interest and related expenses | (626) | (249) |
| **Investment expense** | **(628)** | **(250)** |

## 7.3 Gains and losses from hedge accounting

| *(in € millions)* | 31/12/2014 Gains | 31/12/2014 Losses | 31/12/2014 Net | 31/12/2013 Gains | 31/12/2013 Losses | 31/12/2013 Net |
|---|---|---|---|---|---|---|
| Changes in fair value of hedged items attributable to hedged risks | 185 | - | 185 | (100) | - | (100) |
| Changes in fair value of hedging derivatives (including terminations of hedges) | - | (186) | (186) | 95 | - | 95 |
| **Fair value hedges** | **185** | **(186)** | **(1)** | **(5)** | **-** | **(5)** |
| Changes in fair value of hedging derivatives – ineffectiveportion | - | - | - | - | - | - |
| **Cash flow hedges** | **-** | **-** | **-** | **-** | **-** | **-** |
| Changes in fair value of hedging derivatives – ineffective portion | - | - | - | - | - | - |
| **Hedges on net investments in operations in a foreign country** | **-** | **-** | **-** | **-** | **-** | **-** |
| Changes in fair value of hedged items | - | - | - | - | - | - |
| **Changes in fair value of hedging derivatives** | **-** | **-** | **-** | **-** | **-** | **-** |
| Fair value hedges of exposure to interest rate risk of financial instruments portfolio | - | - | - | - | - | - |
| **Changes in fair value of hedging instrument – inefficient portion** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Hedges of the exposure of the cash flows of a financial instruments portfolio to interest rate risk** | **-** | **-** | **-** | **-** | **-** | **-** |
| **TOTAL GAINS/LOSSES FROM HEDGE ACCOUNTING** | **185** | **(186)** | **(1)** | **(5)** | **-** | **(5)** |

## 7.4 Claims expense

| | 31/12/2014 | | | | |
|---|---|---|---|---|---|
| *(in € millions)* | Life insurance contracts | Financial contracts related to IFRS 4 | Total life insurance | Non-life insurance contracts | Total |
| Claims expense | (7,595) | (9,103) | (16,697) | (2,373) | (19,070) |
| Change in insurance provisions | (16,861) | 3,063 | (13,799) | (246) | (14,045) |
| Change in provisions for profit-sharing | (438) | (491) | (928) | (1) | (929) |
| Change in provisions for deferred profit-sharing | - | - | (2,455) | - | (2,454) |
| Change in provisions for shortfall in liabilities | (1) | (3) | (5) | - | (5) |
| Change in other technical reserves | 60 | (2) | 59 | (114) | (56) |
| **CLAIMS EXPENSE** | **(24,835)** | **(6,536)** | **(33,825)** | **(2,734)** | **(36,559)** |

| | 31/12/2013 | | | | |
|---|---|---|---|---|---|
| *(in € millions)* | Life insurance contracts | Financial contracts related to IFRS 4 | Total life insurance | Non-life insurance contracts | Total |
| Claims expense | (7,794) | (8,819) | (16,613) | (2,194) | (18,807) |
| Change in insurance provisions | (10,158) | (246) | (10,404) | (246) | (10,650) |
| Change in provisions for profit-sharing | (377) | (438) | (815) | (1) | (816) |
| Change in provisions for deferred profit-sharing | - | - | (788) | - | (788) |
| Change in provisions for shortfall in liabilities | 1 | - | 1 | - | 1 |
| Change in other technical reserves | 2 | - | 2 | (149) | (147) |
| **CLAIMS EXPENSE** | **(18,326)** | **(9,503)** | **(28,617)** | **(2,590)** | **(31,207)** |

## 7.5 Management expenses

### BREAKDOWN BY DESTINATION

| *(in € millions)* | 31/12/2014 | | | | | |
|---|---|---|---|---|---|---|
| | Life | Non-life | International | Creditor Insurance | Other | Total |
| Acquisition costs or similar[(1)] | (766) | (406) | (174) | (642) | (14) | (2,002) |
| Claim management expenses[(2)] | (19) | (181) | (10) | (6) | - | (216) |
| Investment management expenses[(3)] | (35) | (3) | (20) | - | - | (58) |
| Administration expenses | (1,021) | (182) | (52) | (49) | (1) | (1,305) |
| Other technical expenses[(4)] | (68) | (32) | (4) | (5) | - | (109) |
| Other non-technical expenses[(4)] | - | 1 | (1) | - | (116) | (116) |
| **TOTAL MANAGEMENT EXPENSES** | **(1,909)** | **(803)** | **(261)** | **(702)** | **(131)** | **(3,806)** |

(1) *Excluding the change in deferred acquisition costs totalling €297.6 million.*
(2) *Presented in the income statement in the "Claims expense" line.*
(3) *Presented in the income statement in the "Investment expenses" line.*
(4) *Presented in the income statement in the "Other current operating income and expenses" line.*

| *(in € millions)* | 31/12/2013 | | | | | |
|---|---|---|---|---|---|---|
| | Life | Non-life | International | Creditor Insurance | Other | Total |
| Acquisition costs or similar | (767) | (397) | (111) | (628) | (10) | (1,912) |
| Claim management expenses | (15) | (134) | (21) | (8) | - | (177) |
| Investment management expenses | (32) | (6) | (14) | - | - | (52) |
| Administration expenses | (961) | (129) | (55) | (49) | - | (1,195) |
| Other technical expenses | (80) | (50) | (7) | (5) | - | (142) |
| Other non-technical expenses | - | 1 | (1) | - | (108) | (107) |
| **TOTAL MANAGEMENT EXPENSES** | **(1,855)** | **(714)** | **(208)** | **(690)** | **(118)** | **(3,586)** |

### BREAKDOWN BY NATURE

| *(in € millions)* | 31/12/2014 | | | | | |
|---|---|---|---|---|---|---|
| | Life | Non-life | International | Creditor Insurance | Other | Total |
| Staff expenses | (80) | (40) | (26) | (24) | (77) | (247) |
| Fees | (1,632) | (706) | (203) | (648) | (14) | (3,203) |
| Taxes and duties | (98) | (14) | (8) | (4) | (11) | (135) |
| Other | (99) | (43) | (24) | (26) | (29) | (221) |
| **TOTAL MANAGEMENT EXPENSES** | **(1,909)** | **(803)** | **(261)** | **(702)** | **(131)** | **(3,806)** |

| *(in € millions)* | 31/12/2013 | | | | | |
|---|---|---|---|---|---|---|
| | Life | Non-life | International | Creditor Insurance | Other | Total |
| Staff expenses | (82) | (40) | (25) | (24) | (71) | (242) |
| Fees | (1,590) | (621) | (153) | (638) | (10) | (3,011) |
| Taxes and duties | (84) | (12) | (4) | (3) | (13) | (116) |
| Other | (99) | (41) | (27) | (25) | (24) | (216) |
| **TOTAL MANAGEMENT EXPENSES** | **(1,855)** | **(714)** | **(208)** | **(690)** | **(118)** | **(3,586)** |

1 2 3 4 5 6 7 8 9

## 7.6 Fees paid to Statutory Auditors

| (in € millions) | 2014 | | | 2013 | | |
|---|---|---|---|---|---|---|
| | Ernst & Young | PWC | Total | Ernst & Young | PWC | Total |
| Statutory audit and certification of local and consolidated financial statements | 1.8 | 1.6 | 3.4 | 1.7 | 1.5 | 3 |
| Other services | 0.4 | 0.7 | 1.1 | 0.4 | 0.1 | 1 |
| **TOTAL** | **2.2** | **2.3** | **4.5** | **2.1** | **1.6** | **4** |

## 7.7 Net result of ceded reinsurance

| (in € millions) | 31/12/2014 | | | | | |
|---|---|---|---|---|---|---|
| | Life | Non-life | International | Creditor Insurance | Other | Total |
| Premiums ceded and unearned premiums ceded | (128) | (154) | (45) | (189) | (6) | (522) |
| Claims ceded | 89 | 53 | 54 | 50 | - | 246 |
| Other technical reserves ceded | | | | | | |
| Commissions received from reinsurers | 11 | 10 | 66 | 120 | 1 | 208 |
| **NET RESULT OF CEDED REINSURANCE** | **(4)** | **(91)** | **75** | **(17)** | **(5)** | **(42)** |

| (in € millions) | 31/12/2013 | | | | | |
|---|---|---|---|---|---|---|
| | Life | Non-life | International | Creditor Insurance | Other | Total |
| Premiums ceded and unearned premiums ceded | (117) | (150) | (30) | (191) | (5) | (493) |
| Claims ceded | 82 | 50 | 21 | 42 | 2 | 197 |
| Other technical reserves ceded | 50 | - | - | - | - | 50 |
| Commissions received from reinsurers | 10 | 9 | 10 | 114 | - | 143 |
| **NET RESULT OF CEDED REINSURANCE** | **25** | **(91)** | **1** | **(35)** | **(3)** | **(103)** |

## 7.8 Tax charge

### BREAKDOWN OF TOTAL TAX EXPENSE BETWEEN CURRENT AND DEFERRED TAX

| (in € millions) | 31/12/2014 | 31/12/2013 |
|---|---|---|
| Current tax charge | (608) | (666) |
| Deferred tax charge | 129 | 55 |
| **TOTAL TAX CHARGE** | **(479)** | **(611)** |

TAX PROOF

| *(in € millions)* | 31/12/2014 | 31/12/2013 |
|---|---|---|
| **Pre-tax income, goodwill impairment and share of net income of equity-accounted entities** | **1,475** | **1,616** |
| Theoretical tax rate[1] | 38% | 38% |
| **Theoretical tax charge** | **(561)** | **(614)** |
| Impact of permanent differences | 24 | (26) |
| Impact of different tax rates on foreign subsidiaries | 18 | 13 |
| Impact of losses for the year, utilisation of tax loss carryforwards and temporary differences | (15) | (3) |
| Impact of reduced tax rate | 67 | 19 |
| Impact of other items | (12) | - |
| **Effective tax charge** | **(479)** | **(611)** |
| **EFFECTIVE TAX RATE** *(%)* | **32.47%** | **37.81%** |

(1) *The theoretical tax rate is the tax rate applicable under ordinary law (including the additional social contribution and the exceptional contribution to corporate income tax) profits taxable in France at 31 December 2014.*

# NOTE 8 Employee benefits and other compensation

## 8.1 Headcount at year-end

| Full-time equivalent employees | 31/12/2014 | 31/12/2013 |
|---|---|---|
| France | 2,104 | 2,039 |
| International | 416 | 411 |
| **TOTAL** | **2,520** | **2,450** |

## 8.2 Post-employment benefits, defined contribution plans

Employers contribute to a variety of compulsory pension schemes. Plan assets are managed by independent organisations and the contributing companies have no legal or implied obligation to pay additional contributions if the funds do not have sufficient assets to cover all benefits corresponding to services rendered by employees during the year and during prior years. Accordingly, Crédit Agricole S.A. Group companies have no liability in this respect other than their contributions payable.

Within the Group, there are several compulsory defined contribution plans, the main ones being Agirc/Arrco, which are French supplementary retirement plans, and some supplementary plans in place notably within UES Crédit Agricole S.A.:

| | | Number of employees covered[1] | |
|---|---|---|---|
| **Entities** | **Compulsory supplementary pension plans** | **Estimate at 31/12/2014** | **Estimate at 31/12/2013** |
| Predica/CAA/Caagis/Pacifica | Agricultural sector plan | 1,987 | 1,898 |
| CACI | Sector-specific plan | 188 | 212 |
| Predica/CAA/Caagis/Pacifica/CACI | “Article 83” (of the French Tax Code) plan | 72 | 76 |

(1) *Number of employees on the payroll.*

## 8.3 Post employment benefits, defined benefit plans

### CHANGE IN ACTUARIAL LIABILITY

| *(in € millions)* | 31/12/2014 | 31/12/2013 |
|---|---|---|
| **Actuarial liability at beginning of period** | **47** | **44** |
| Foreign exchange adjustment | - | - |
| Current service cost during the period | 3 | 3 |
| Financial cost | 1 | 1 |
| Employee contributions | - | - |
| Benefit plan changes, withdrawals and settlement | - | - |
| Change in scope | (2) | (1) |
| Benefits paid | (1) | (1) |
| Taxes, administrative expenses and bonuses | - | - |
| Actuarial gains or losses related to demographic assumptions | (1) | (2) |
| Actuarial gains or losses related to financial assumptions | (1) | 2 |
| **ACTUARIAL LIABILITY AT END OF PERIOD** | **46** | **46** |

### BREAKDOWN OF CHARGE RECOGNISED IN THE INCOME STATEMENT

| *(in € millions)* | 31/12/2014 | 31/12/2013 |
|---|---|---|
| Service cost | 3 | 3 |
| Net interest income (expense) | 1 | 1 |
| **IMPACT ON INCOME STATEMENT** | **4** | **4** |

### BREAKDOWN OF CHARGE RECOGNISED IN OTHER COMPREHENSIVE INCOME THAT WILL NOT BE RECLASSIFIED TO PROFIT AND LOSS

| *(in € millions)* | 31/12/2014 | 31/12/2013 |
|---|---|---|
| **Revaluation from net liabilities (from net assets)** | - | - |
| Total amount of cumulative actuarial differences in other comprehensive income items that will not be reclassified to profit and loss | (4) | 4 |
| Foreign exchange adjustment | - | - |
| Actuarial gains or losses on assets | - | - |
| Actuarial gains or losses related to demographic assumptions[1] | (1) | (2) |
| Actuarial gains or losses related to financial assumptions[1] | (1) | 2 |
| Adjustments in impact of restriction on assets | - | - |
| **TOTAL ITEMS RECOGNISED IMMEDIATELY IN OTHER COMPREHENSIVE INCOME ITEMS** | **(3)** | **4** |

(1) *o/w actuarial gains/losses related to experience adjustment.*

### CHANGE IN FAIR VALUE OF PLAN ASSETS

| *(in € millions)* | 31/12/2014 | 31/12/2013 |
|---|---|---|
| **Fair value of assets at beginning of period** | **-** | **-** |
| Foreign exchange adjustment | - | - |
| Interests on assets (income) | - | - |
| Actuarial gains or losses | - | - |
| Employer contributions | - | - |
| Employee contributions | - | - |
| Benefit plan changes, withdrawals and settlement | - | - |
| Change in scope | - | - |
| Taxes, administrative expenses and bonuses | - | - |
| Benefits paid out under the plan | - | - |
| **FAIR VALUE OF ASSETS AT END OF PERIOD** | **-** | **-** |

### CHANGE IN FAIR VALUE OF REIMBURSEMENT RIGHTS

| *(in € millions)* | 31/12/2014 | 31/12/2013 |
|---|---|---|
| **Fair value of reimbursement rights at beginning of period** | **1** | **1** |
| Foreign exchange adjustment | - | - |
| Interests on reimbursement rights (income) | - | - |
| Actuarial gains or losses | - | - |
| Employer contributions | - | - |
| Employee contributions | - | - |
| Benefit plan changes, withdrawals and settlement | - | - |
| Change in scope | - | - |
| Taxes, administrative expenses and bonuses | - | - |
| Benefits paid out under the plan | - | - |
| **FAIR VALUE OF REIMBURSEMENT RIGHTS AT END OF PERIOD** | **1** | **1** |

### NET FINANCIAL POSITION

| *(in € millions)* | 31/12/2014 | 31/12/2013 |
|---|---|---|
| Actuarial liability at end of period | 46 | 46 |
| Impact of restriction on assets | - | - |
| Fair value of plan assets | - | - |
| **Net financial position at end of period** | **46** | **46** |

### DEFINED-BENEFIT PLANS: MAIN ACTUARIAL ASSUMPTIONS

| *(in € millions)* | 31/12/2014 | 31/12/2013 |
|---|---|---|
| Dicount rate(1) | 1,66%-2,5% | 2,09%-3,3% |
| Actual return on plan assets and one reimbursement rights | 2,45%-2,7% | 2.7% |
| Expected salary increase rates(2) | 1,5%-3,6% | 1,5%-3,6% |
| Rate of change in medical costs | - | - |

*(1) Discount rates are determined based on the average duration of the obligation, that is to say the unweighted average of durations calculated between the date of valuation and the date of payment weighted for assumptions on employee turnover.*

*(2) Depending on the types of employee concerned (management or non-management grade).*

INFORMATION OF PLAN ASSETS – ASSETS ALLOCATION

| | 31/12/2014 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Eurozone | | | Outside Eurozone | | | All zones | | |
| *(in € millions)* | % | Amount | o/w listed | % | Amount | o/w listed | % | Amount | o/w listed |
| Equities | 9.6% | 2 | 2 | | | | 9.6% | 2 | 2 |
| Bonds | 82.8% | 20 | 20 | | | | 82.8% | 20 | 20 |
| Real estate | 5.9% | 1 | - | | | | 5.9% | 1 | - |
| Other assets | 1.7% | - | - | | | | 1.7% | - | - |

## 8.4 Other employee benefits

Among the various collective variable compensation plans within Crédit Agricole S.A. Group, the Rémunération variable collective (RVC), is a global plan encompassing the discretionary incentive scheme and the compulsory profit-sharing scheme. The amount is calculated in accordance with the company's performance as measured on the basis of Crédit Agricole Assurances' net income attributable to owners of the parent company.

A given level of net income attributable to owners of the parent company will give rise to an entitlement equal to a given percentage of the total payroll.

The amount of the profit-sharing component is calculated in accordance with the standard legal formula and is deducted from the total RVC to obtain the amount of the discretionary incentive entitlement.

Other employee benefits: in France, the Group's main entities pay long-service awards. The amounts vary according to practices and collective bargaining agreements in place.

## 8.5 Share-based payments

Under the authorisations granted by the Extraordinary Shareholders Meeting of 17 May 2006, the Board of Directors of Crédit Agricole S.A. implemented a stock option plan in favour of Crédit Agricole Assurances employees.

This plan lapsed in October 2013 and, to date, has not been renewed.

## 8.6 Senior executive compensation

Senior executives include all members of the Executive Committee of Crédit Agricole Assurances: the Chief Executive Officer of Crédit Agricole Assurances and the Chief Executive Officers of the main subsidiaries and the heads of the Group's core business activities.

Compensation and benefits paid by Crédit Agricole Assurances Group to the members of the Executive Committee in 2014 were as follows:

- short-term benefits: €5.15 million with respect to fixed and variable compensation components including social security expenses and benefits in kind;
- post-employment benefits: no end-of-career benefits were paid but €0.09 million was paid under the supplementary pension plan for Group Senior Executive Officers;
- other long-term benefits: not applicable;
- termination benefits: not applicable;
- share-based payments: not applicable.

Total directors' fees paid to members of Crédit Agricole Assurances Board of Directors in 2014 in consideration for serving as directors of Crédit Agricole Assurances amounted to €68,000.

# NOTE 9 Commitments given and received

| *(in € millions)* | 31/12/2014 | 31/12/2013 |
|---|---|---|
| **Financing commitments** | **-** | **-** |
| Credit institutions | - | - |
| Customers | - | - |
| **Guarantee commitments** | **955** | **760** |
| Credit institutions | 955 | 760 |
| Customers | - | - |
| Other commitments | 282 | 286 |
| Securities pledged | 282 | 254 |
| Other commitments | - | 32 |
| **COMMITMENTS RECEIVED** | **1,237** | **1,046** |

| *(in € millions)* | 31/12/2014 | 31/12/2013 |
|---|---|---|
| **Financing commitments** | **-** | **-** |
| Credit institutions | - | - |
| Customers | - | - |
| **Guarantee commitments** | **79** | **51** |
| Credit institutions | 10 | 10 |
| Customers | 69 | 41 |
| **Other commitments** | **1,810** | **1,232** |
| Pledged securities | | - |
| Securities collateral | 1,810 | 1,232 |
| **Other commitments** | | **-** |
| **COMMITMENTS GIVEN** | **1,889** | **1,283** |

Commitments given mainly consist of pledges of securities given to ceding companies. These pledges are aimed at covering the theoretical commitments accepted by Crédit Agricole Assurances under existing reinsurance treaties.

# NOTE 10 Subsequent events

## Subordinated debt issue

On 13 January 2015 Crédit Agricole Assurances Group issued perpetual subordinated bonds to institutional investors totalling €1 billion. The initial annual coupon is 4.25% until 13 January 2025 and may be revised after that date.

# NOTE 11 Consolidation scope

## Year-end

Annual accounts for Crédit Agricole Assurances are closed on 31 December. A single entity within Crédit Agricole Assurances closes its individual company accounts on a date other than 31 December:

- CA Life Japan, whose closing date is 31 March.

For this entity, accounts are prepared for a 12 month period to 30 September to be consolidated in Group accounts to 31 December. The impact from the difference in closing dates is not material.

## Restrictions on controlled entities

No restrictions of a regulatory, legal or contractual nature limit the ability of Crédit Agricole Assurances Group to access the assets of its subsidiaries and to settle their liabilities.

## Financial support provided to controlled structured entities

No financial support was provided nor is planned with regard to controlled structured entities for the 2014 financial year.

## Breakdown of consolidation scope

| Consolidation scope of Crédit Agricole Assurances Group | Country | Consolidation Method | 31/12/2014 control | 31/12/2014 interest | 31/12/2013 control | 31/12/2013 interest |
|---|---|---|---|---|---|---|
| **Parent company** | | | | | | |
| CRÉDIT AGRICOLE ASSURANCES | France | Full | 100% | 100% | 100% | 100% |
| **Holding companies** | | | | | | |
| CREDIT AGRICOLE CREDITOR INSURANCE | France | Full | 100% | 100% | 100% | 100% |
| SPACE HOLDING | Ireland | Full | 100% | 100% | 100% | 100% |
| SPACE LUX | Luxembourg | Full | 100% | 100% | 100% | 100% |
| **Sociétés d'Assurance** | | | | | | |
| PREDICA | France | Full | 100% | 100% | 100% | 100% |
| LA MÉDICALE DE FRANCE | France | Full | 100% | 100% | 100% | 100% |
| ASSURANCES MUTUELLES FÉDÉRALES | France | Full | 100% | 100% | 100% | 100% |
| PACIFICA | France | Full | 100% | 100% | 100% | 100% |
| CALIE | Luxembourg | Full | 94% | 94% | 94% | 94% |
| SPIRICA | France | Full | 100% | 100% | 100% | 100% |
| GNB SEGUROS (formerly BES SEGUROS) | Portugal | Full | 50% | 50% | 50% | 50% |
| CA VITA | Italy | Full | 100% | 100% | 100% | 100% |
| FINAREF RISQUES DIVERS | France | Full | 100% | 100% | 100% | 100% |
| FINAREF VIE | France | Full | 100% | 100% | 100% | 100% |
| CACI LIFE | Ireland | Full | 100% | 100% | 100% | 100% |
| CACI NON LIFE | Ireland | Full | 100% | 100% | 100% | 100% |
| DOLCEA VIE | France | Non-consolidated | 0% | 0% | 100% | 100% |
| CA LIFE JAPAN | Japan | Full | 100% | 100% | 100% | 100% |
| CA ASSICURAZIONI | Italy | Full | 100% | 100% | 100% | 100% |
| CA LIFE GREECE | Grèce | Full | 100% | 100% | 100% | 100% |
| **Reinsurance companies** | | | | | | |
| CACI REINSURANCE | Ireland | Full | 100% | 100% | 100% | 100% |
| CREDIT AGRICOLE REINSURANCE S.A. | Luxembourg | Full | 100% | 100% | 100% | 100% |
| **Service companies** | | | | | | |
| VIAVITA | France | Full | 100% | 100% | 100% | 100% |
| CAAGIS | France | Full | 50% | 50% | 50% | 50% |
| CACI GESTION | France | Full | 82% | 82% | 79% | 79% |
| **UCITS** | | | | | | |
| FEDERVAL FCP | France | Full | 100% | 100% | 100% | 100% |
| GRD 2 FCP | France | Full | 100% | 100% | 100% | 100% |
| GRD 3 FCP | France | Full | 100% | 100% | 100% | 100% |
| GRD 4 FCP | France | Full | 100% | 100% | 100% | 100% |
| GRD 5 FCP | France | Full | 100% | 100% | 100% | 100% |
| GRD 7 FCP | France | Full | 100% | 100% | 100% | 100% |
| GRD 10 FCP | France | Full | 100% | 100% | 100% | 100% |
| GRD 12 FCP | France | Full | 100% | 100% | 100% | 100% |
| GRD 14 FCP | France | Full | 100% | 100% | 100% | 100% |
| GRD 16 FCP | France | Full | 100% | 100% | 100% | 100% |
| GRD 17 FCP | France | Full | 100% | 100% | 100% | 100% |
| GRD 18 FCP | France | Full | 100% | 100% | 100% | 100% |

| Consolidation scope of Crédit Agricole Assurances Group | Country | Consolidation Method | 31/12/2014 | | 31/12/2013 | |
|---|---|---|---|---|---|---|
| | | | control | interest | control | interest |
| GRD 19 FCP | France | Full | 100% | 100% | 100% | 100% |
| GRD 20 FCP | France | Full | 100% | 100% | 100% | 100% |
| GRD 11 FCP | France | Full | 100% | 100% | 100% | 100% |
| PREDIQUANT A1 FCP | France | Full | 100% | 100% | 100% | 100% |
| PREDIQUANT A2 FCP | France | Full | 100% | 100% | 100% | 100% |
| PREDIQUANT A3 FCP | France | Full | 100% | 100% | 100% | 100% |
| BFT OPPORTUNITÉS FCP | France | Full | 100% | 100% | 100% | 100% |
| CA-EDRAM OPPORTUNITÉS FCP 3DEC | France | Full | 100% | 100% | 100% | 100% |
| FCPR PREDICA 2005 PART A | France | Full | 100% | 100% | 100% | 100% |
| FCPR PREDICA 2006 PART A | France | Full | 100% | 100% | 100% | 100% |
| FCPR PREDICA 2007 A 3DEC | France | Full | 100% | 100% | 100% | 100% |
| FCPR PREDICA 2007 C2 | France | Full | 100% | 100% | 100% | 100% |
| FCPR PREDICA 2008 A1 | France | Full | 100% | 100% | 100% | 100% |
| FCPR PREDICA 2008 COMP BIS A2 | France | Full | 100% | 100% | 100% | 100% |
| FCPR PREDICA 2008 COMPAR TER A3 | France | Full | 100% | 100% | 100% | 100% |
| FCPR ROOSEVELT INVESTISSEMENT PARTS A | France | Full | 100% | 100% | 100% | 100% |
| GRD 1 FCP | France | Full | 100% | 100% | 100% | 100% |
| GRD 8 FCP | France | Full | 100% | 100% | 100% | 100% |
| GRD 9 FCP | France | Full | 97% | 97% | 98% | 98% |
| FCPR PREDICA 2010 A1 | France | Full | 100% | 100% | 100% | 100% |
| FCPR PREDICA 2010 A2 | France | Full | 100% | 100% | 100% | 100% |
| FCPR PREDICA 2010 A3 | France | Full | 100% | 100% | 100% | 100% |
| FCPR PREDICA INFR 2006-2007 A | France | Full | 100% | 100% | 100% | 100% |
| FCPR PREDICA SECONDAIRE I PART A | France | Full | 100% | 100% | 100% | 100% |
| FCPR PREDICA SECONDAIRE I PART B | France | Full | 100% | 100% | 100% | 100% |
| PREDIQUANT OPPORTUNITÉS | France | Full | 100% | 100% | 100% | 100% |
| PREDIQUANT STRATÉGIES | France | Full | 100% | 100% | 100% | 100% |
| FCPR CAA COMPARTIMENT 1 PART A1 | France | Full | 100% | 100% | 100% | 100% |
| FCPR CAA COMPART BIS PART A2 | France | Full | 100% | 100% | 100% | 100% |
| FCPR CAA COMP TER PART A3 | France | Full | 100% | 100% | 100% | 100% |
| FCPR PREDICA SECONDAIRES II A | France | Full | 100% | 100% | 100% | 100% |
| FCPR PREDICA SECONDAIRES II B | France | Full | 100% | 100% | 100% | 100% |
| FCPR UI CAP SANTÉ A | France | Full | 100% | 100% | 100% | 100% |
| CAA FRANCE CROISSANCE 2 A FCPR | France | Full | 100% | 100% | 100% | 100% |
| CAA PRIV. FINANC. COMP. 1 A1 FIC | France | Full | 100% | 100% | 100% | 100% |
| CAA PRIV. FINANC. COMP. 2 A2 FIC | France | Full | 100% | 100% | 100% | 100% |
| FCPR UI CAP AGRO | France | Full | 100% | 100% | 100% | 100% |
| FCPR CAA 2013 | France | Full | 100% | 100% | 100% | 100% |
| FCPR PREDICA SECONDAIRE III A | France | Full | 100% | 100% | 100% | 100% |
| OBJECTIF LONG TERME | France | Full | 100% | 100% | 100% | 100% |
| CAA 2013-A | France | Full | 100% | 100% | 100% | 100% |
| CAA 2013 FCPR B1 | France | Full | 100% | 100% | 100% | 100% |
| CAA 2013 FCPR C1 | France | Full | 100% | 100% | 100% | 100% |
| CAA 2013 FCPR D1 | France | Full | 100% | 100% | 100% | 100% |
| CAA 2013 COMPARTIMENT 5 A5 | France | Full | 100% | 100% | 100% | 100% |

| Consolidation scope of Crédit Agricole Assurances Group | Country | Consolidation Method | 31/12/2014 | | 31/12/2013 | |
|---|---|---|---|---|---|---|
| | | | control | interest | control | interest |
| CAA 2013-3 | France | Full | 100% | 100% | 100% | 100% |
| LRP-CPT JANVIER 2013 .030 13-21 11/1:00 AM | Luxembourg | Full | 84% | 84% | 84% | 84% |
| AMUNDI GRD 22 FCP | France | Full | 100% | 100% | 99% | 99% |
| GRD 13 FCP | France | Full | 100% | 100% | 100% | 100% |
| GRD 21 FCP | France | Full | 100% | 100% | 100% | 100% |
| AMUNDI CORPORATE 3 ANNI | Italy | Full | 100% | 100% | 89% | 89% |
| GRD 23 | France | Full | 100% | 100% | 0% | 0% |
| CAA 2013-2 | France | Full | 100% | 100% | 100% | 100% |
| CAA 2014 COMPARTIMENT 1 PART A1 | France | Full | 100% | 100% | 0% | 0% |
| CAA 2014 INVESTISSMENT PART A3 | France | Full | 100% | 100% | 0% | 0% |
| PREDIPARK | France | Full | 100% | 100% | 0% | 0% |
| FCT CAREPTA - COMPARTIMENT 2014-1 | France | Full | 94% | 94% | 0% | 0% |
| FCT CAREPTA - COMPARTIMENT 2014-2 | France | Full | 100% | 100% | 0% | 0% |
| **Unit-linked funds** | | | | | | |
| LCL PREM. J VIE 2014 | France | Full | 96% | 96% | 0% | 0% |
| LCL TRIPLE H AV J14 | France | Full | 100% | 100% | 0% | 0% |
| TRIANANCE N° 5 C | France | Full | 49% | 49% | 0% | 0% |
| ACTICCIA VIE | France | Full | 99% | 99% | 0% | 0% |
| CAPITOP MONDOB. P 3D | France | Full | 51% | 51% | 51% | 51% |
| ATOUT QUANTEUROL.3D | France | Full | 41% | 41% | 41% | 41% |
| OPTALIS EXPAN.-C-3D | France | Full | 45% | 45% | 44% | 44% |
| OPTALIS DYNAM.-C-3D | France | Full | 93% | 93% | 93% | 93% |
| OPTALIS ÉQUIL.-C-3D | France | Full | 83% | 83% | 83% | 83% |
| OPTAL. SERENITÉ-C-3D | France | Full | 85% | 85% | 85% | 85% |
| OPTALIME FCP 3DEC | France | Full | 100% | 100% | 100% | 100% |
| INDOCAM FLAMME 3DEC | France | Full | 100% | 100% | 100% | 100% |
| CA MASTER PATRIM.3D | France | Full | 84% | 84% | 87% | 87% |
| CA MASTER EUROPE 3D | France | Full | 51% | 51% | 53% | 53% |
| VENDÔME INVEST.3DEC | France | Full | 91% | 91% | 92% | 92% |
| LCL OB. INF. EUR-C-3D | France | Full | 43% | 43% | 46% | 46% |
| GRD IFC 97 3D | France | Full | 100% | 100% | 100% | 100% |
| LCL ORIENTA. DYN. 3D | France | Full | 89% | 89% | 0% | 0% |
| LCL ORIENT. EQUI. | France | Full | 91% | 91% | 0% | 0% |
| LCL ORIENT. PRUD. 3D | France | Full | 92% | 92% | 92% | 92% |
| GRD FCR 99 3DEC | France | Full | 100% | 100% | 100% | 100% |
| OBJECTIF PRUDENCE | France | Full | 84% | 84% | 99% | 99% |
| OBJECTIF DYNAMISME | France | Full | 100% | 100% | 100% | 100% |
| GRD CAR 39 | France | Full | 100% | 100% | 93% | 93% |
| OBJECTIF MÉDIAN | France | Full | 100% | 100% | 100% | 100% |
| INDOS. EUROP. EXP. D | France | Full | 47% | 47% | 56% | 56% |
| ANTINEA | France | Full | 55% | 55% | 57% | 57% |
| MDF 89 | France | Full | 100% | 100% | 100% | 100% |
| ATOUT SERENACTIONS | France | Full | 100% | 100% | 100% | 100% |
| AM. PULSACTIONS 3D | France | Full | 91% | 91% | 91% | 91% |
| LCL ALLOC. EQ. -D-3D | France | Full | 48% | 48% | 50% | 50% |

| Consolidation scope of Crédit Agricole Assurances Group | Country | Consolidation Method | 31/12/2014 | | 31/12/2013 | |
|---|---|---|---|---|---|---|
| | | | control | interest | control | interest |
| LCL ALLOC. DYNAM. 3D | France | Full | 48% | 48% | 50% | 50% |
| AMUN. ACT. EUR. P C 3D | France | Full | 0% | 0% | 57% | 57% |
| VAR FLAMME | France | Full | 100% | 100% | 100% | 100% |
| ATOUT FRANCE-C-3DEC | France | Full | 42% | 42% | 42% | 42% |
| ATOUT EUROPE -C- 3D | France | Full | 81% | 81% | 81% | 81% |
| ATOUT MONDE -C-3DEC | France | Full | 88% | 88% | 88% | 88% |
| FLORISS. DYNAM. 3DEC | France | Full | 100% | 100% | 100% | 100% |
| FLORIS. ÉQUIL. 3DEC | France | Full | 100% | 100% | 100% | 100% |
| FLORISS. EXPAN. 3DEC | France | Full | 100% | 100% | 100% | 100% |
| FLORIS. PRUDEN. 3DEC | France | Full | 100% | 100% | 100% | 100% |
| PROTEIN'VIE 3 3D | France | Full | 100% | 100% | 100% | 100% |
| PULSIA VIE ECHU | France | Full | 0% | 0% | 100% | 100% |
| CPR CONSOM ACT P 3D | France | Full | 57% | 57% | 66% | 66% |
| DOLCEYS 1 ECHU | France | Full | 0% | 0% | 99% | 99% |
| JAYANNE 3DEC | France | Full | 100% | 100% | 100% | 100% |
| RSD 2006 3DEC | France | Full | 100% | 100% | 100% | 100% |
| JAYANNE 2 3DEC | France | Full | 100% | 100% | 100% | 100% |
| ATOUT HORIZ. DUO 3D | France | Full | 75% | 75% | 74% | 74% |
| AMUNDI ACT. MONDE P | France | Full | 60% | 60% | 60% | 60% |
| JAYANNE 3 3DEC | France | Full | 100% | 100% | 100% | 100% |
| DOLCEYS 2 3DEC | France | Full | 99% | 99% | 100% | 100% |
| JAYANNE 4 3DEC | France | Full | 100% | 100% | 100% | 100% |
| RONDEYS 3DEC | France | Full | 100% | 100% | 100% | 100% |
| PIMENTO 3 3DEC | France | Full | 100% | 100% | 100% | 100% |
| LCL MG. FL.0-100 3D | France | Full | 81% | 81% | 81% | 81% |
| LCL MGEST 60 3 DEC | France | Full | 88% | 88% | 88% | 88% |
| INVEST RESP S3 3D | France | Full | 69% | 69% | 71% | 71% |
| JAYANNE 5 3DEC | France | Full | 100% | 100% | 100% | 100% |
| RONDEYS 2 - 3DEC | France | Full | 100% | 100% | 100% | 100% |
| OBJECTIF RDT 1 3DEC | France | Full | 100% | 100% | 100% | 100% |
| OPT. BEST TIM. II 3D | France | Full | 82% | 82% | 83% | 83% |
| PIMENTO 4 3DEC | France | Full | 100% | 100% | 100% | 100% |
| JAYANNE 6 3DEC | France | Full | 100% | 100% | 100% | 100% |
| RONDEYS 3 3DEC | France | Full | 100% | 100% | 100% | 100% |
| JAYANNE 7 3DEC | France | Full | 100% | 100% | 100% | 100% |
| PIMENTO 5 3DEC | France | Full | 100% | 100% | 100% | 100% |
| ATOUT PREM'S ACT.3D | France | Full | 99% | 99% | 99% | 99% |
| OCELIA 3DEC | France | Full | 100% | 100% | 100% | 100% |
| OPTIMANCE ECHU | France | Full | 0% | 0% | 100% | 100% |
| LCL GARA.100 -AV-3D | France | Full | 0% | 0% | 100% | 100% |
| OCELIA 2 3DEC | France | Full | 0% | 0% | 100% | 100% |
| LCL STRAT. 100 3DEC | France | Full | 60% | 60% | 61% | 61% |
| PERSPECTIVE 3DEC | France | Full | 100% | 100% | 100% | 100% |
| LCL SECUR. 100 AV 3D | France | Full | 100% | 100% | 100% | 100% |
| CPR REAX. 0-100 3D | France | Full | 0% | 0% | 94% | 94% |

| Consolidation scope of Crédit Agricole Assurances Group | Country | Consolidation Method | 31/12/2014 | | 31/12/2013 | |
|---|---|---|---|---|---|---|
| | | | control | interest | control | interest |
| CPR R. CIB. 100 P 3D | France | Full | 68% | 68% | 64% | 64% |
| ORIANCE VIE 3D | France | Full | 100% | 100% | 100% | 100% |
| AM. AFD AV.D.P1 3D | France | Full | 64% | 64% | 59% | 59% |
| INDOSUEZ CRESCENDO | France | Full | 47% | 47% | 48% | 48% |
| RAVIE | France | Full | 100% | 100% | 100% | 100% |
| AM.C.EU. ISR -P-3D | France | Full | 61% | 61% | 67% | 67% |
| ENIUM 3D | France | Full | 100% | 100% | 100% | 100% |
| ECOFI MULTI OPP.3D | France | Full | 87% | 87% | 87% | 87% |
| SEVALES 3D | France | Full | 70% | 70% | 69% | 69% |
| LCL FLEX 30 | France | Full | 68% | 68% | 0% | 0% |
| LCL CAPT. 40 VIE 3D | France | Full | 89% | 89% | 99% | 99% |
| AXA EUR. SM. CAP E 3D | France | Full | 19% | 19% | 0% | 0% |
| PREFER. RDM 3D | France | Full | 100% | 100% | 100% | 100% |
| PREF. RDM EXCLUS.3D | France | Full | 100% | 100% | 100% | 100% |
| VEND. DOUBLE OPP.3D | France | Full | 41% | 41% | 41% | 41% |
| CPR SILVER AGE P 3D | France | Full | 45% | 45% | 43% | 43% |
| EMERITE 3D | France | Full | 100% | 100% | 100% | 100% |
| EXPANSIA VIE 3D | France | Full | 100% | 100% | 100% | 100% |
| LCL S. 106 AV (03.10) | France | Full | 100% | 100% | 100% | 100% |
| LCL V. RDM 8 AV 3D | France | Full | 100% | 100% | 100% | 100% |
| VEND. DOUB. OPP. II 3D | France | Full | 46% | 46% | 43% | 43% |
| LCL PERSP. 4.6.8 ANS | France | Full | 0% | 0% | 85% | 85% |
| EXPANSIA VIE 2 FCP | France | Full | 100% | 100% | 100% | 100% |
| FIXEO VIE | France | Full | 0% | 0% | 100% | 100% |
| LCL D. CAPT. JU.10 3D | France | Full | 85% | 85% | 85% | 85% |
| EXPANSIA VIE 3 3D | France | Full | 100% | 100% | 100% | 100% |
| FIXEO VIE 2 3D | France | Full | 0% | 0% | 100% | 100% |
| LCL F.S.AV. (S.10) 3D | France | Full | 100% | 100% | 100% | 100% |
| EMERITE 2 3DEC | France | Full | 100% | 100% | 100% | 100% |
| EXPANSIA VIE 4 3D | France | Full | 100% | 100% | 100% | 100% |
| CPR REFL SOLID P 3D | France | Full | 97% | 97% | 54% | 54% |
| CPR REFL SOLID 3D | France | Full | 97% | 97% | 100% | 100% |
| PARC. RETRAIT. 21 3D | France | Full | 93% | 93% | 94% | 94% |
| PARCOURS RETRAITE 26 | France | Full | 82% | 82% | 65% | 65% |
| PARC. RETRAIT. 31 3D | France | Full | 82% | 82% | 49% | 49% |
| SONANCE VIE 3DEC | France | Full | 100% | 100% | 100% | 100% |
| AUTO. PREM.10 MONET. C | France | Full | 0% | 0% | 98% | 98% |
| OPALIA VIE 3D | France | Full | 100% | 100% | 100% | 100% |
| LCL FSF. AV (F.11)3D | France | Full | 100% | 100% | 100% | 100% |
| IND. CAP EMERG. -C-3D | France | Full | 71% | 71% | 54% | 54% |
| LCL T.H.AV (AV.11) 3D | France | Full | 0% | 0% | 100% | 100% |
| LCL F.S.F.AV.11 3D | France | Full | 100% | 100% | 100% | 100% |
| LCL A.V.11.10/20 3D | France | Full | 0% | 0% | 98% | 98% |
| SONANCE VIE 2 3D | France | Full | 100% | 100% | 100% | 100% |
| OPALIA VIE 2 3D | France | Full | 100% | 100% | 100% | 100% |

| Consolidation scope of Crédit Agricole Assurances Group | Country | Consolidation Method | 31/12/2014 | | 31/12/2013 | |
|---|---|---|---|---|---|---|
| | | | control | interest | control | interest |
| LCL SEC.100 (J.11) 3D | France | Full | 49% | 49% | 49% | 49% |
| SONANCE VIE 3 3D | France | Full | 100% | 100% | 100% | 100% |
| OPALIA VIE 3 3D | France | Full | 100% | 100% | 100% | 100% |
| OPCIMMO -PREM O.-5D | France | Full | 97% | 97% | 89% | 89% |
| OPCIMMO -LCL OP.-5D | France | Full | 95% | 95% | 92% | 92% |
| DNA 0%11-231216 INDX | Luxembourg | Full | 78% | 78% | 78% | 78% |
| CPR RE.S.0-100 P 3D | France | Full | 100% | 100% | 100% | 100% |
| CPR R.ST.0-100E.0-1 | France | Full | 100% | 100% | 100% | 100% |
| SONANCE VIE 4 3D | France | Full | 100% | 100% | 100% | 100% |
| AMUNDI PATRIMOINE C | France | Full | 70% | 70% | 71% | 71% |
| SONANCE VIE 5 3D | France | Full | 100% | 100% | 100% | 100% |
| DNA 0%12-240418 INDX | Luxembourg | Full | 79% | 79% | 84% | 84% |
| DNA 0% 23/07/18 EMTN INDX | Luxembourg | Full | 78% | 78% | 78% | 78% |
| DNA 0% 27/06/18 INDX | Luxembourg | Full | 74% | 74% | 83% | 83% |
| SELECTANCE 2017 3D | France | Full | 100% | 100% | 100% | 100% |
| SONANCE VIE 6 3D | France | Full | 100% | 100% | 100% | 100% |
| DNA 0% 16/10/2020 | Luxembourg | Full | 94% | 94% | 95% | 95% |
| LCL V RDM (N 12) 3D | France | Full | 79% | 79% | 79% | 79% |
| DNA 0% 21/12/20 EMTN | Luxembourg | Full | 71% | 71% | 70% | 70% |
| DNA 0% 21/12/2020 | Luxembourg | Full | 90% | 90% | 96% | 96% |
| SOLIDARITÉ IN SANTÉ | France | Full | 50% | 50% | 48% | 48% |
| SONANCE VIE 7 3D | France | Full | 97% | 97% | 97% | 97% |
| LCL DH 2-4AV M13 3D | France | Full | 100% | 100% | 100% | 100% |
| SONANCE VIE N8 3D | France | Full | 98% | 98% | 99% | 99% |
| TRIANANCE 3 3DEC | France | Full | 0% | 0% | 44% | 44% |
| LCL T HOR AV J13 3D | France | Full | 100% | 100% | 100% | 100% |
| AM GLOB. M MUL ASS P | France | Full | 72% | 72% | 72% | 72% |
| LCL H AV (S13) C 3D | France | Full | 100% | 100% | 100% | 100% |
| SONANCE VIE N9 C 3D | France | Full | 98% | 98% | 98% | 98% |
| LCL DH 2-4AV (N13) 3D | France | Full | 100% | 100% | 100% | 100% |
| AMUNDI B GL COR AEC | Luxembourg | Full | 40% | 40% | 59% | 59% |
| AMUNDI EQ E IN AHEC | Luxembourg | Full | 67% | 67% | 70% | 70% |
| UNIPIERRE ASSURANCE (SCPI) | France | Full | 100% | 100% | 100% | 100% |
| SCI VICQ D'AZIR VELL | France | Full | 100% | 100% | 100% | 100% |
| PREMIUM PLUS 0% 09-17 EMTN | Ireland | Full | 100% | 100% | 100% | 100% |
| PREMIUM PLUS PLC 0% 09-17 IND | Ireland | Full | 99% | 99% | 99% | 99% |
| PREMIUM PLUS PLC 0% 09-17 | Ireland | Full | 100% | 100% | 99% | 99% |
| ATOUT VERT HOR.3DEC | France | Full | 34% | 34% | 0% | 0% |
| BEST BUS MODELS RC | France | Full | 34% | 34% | 0% | 0% |
| INDOS. EURO. PAT. D 3D | France | Full | 0% | 0% | 41% | 41% |
| PIMENTO 2 3DEC | France | Full | 0% | 0% | 100% | 100% |
| AM. AC. MINER. -P-3D | France | Full | 0% | 0% | 0% | 0% |
| CPR ACTIVE US -P- | France | Full | 0% | 0% | 57% | 57% |
| CPR REAX.0-50 3D | France | Full | 0% | 0% | 99% | 99% |
| AM. IDX EURO -P-3D | France | Full | 0% | 0% | 48% | 48% |

| Consolidation scope of Crédit Agricole Assurances Group | Country | Consolidation Method | 31/12/2014 control | 31/12/2014 interest | 31/12/2013 control | 31/12/2013 interest |
|---|---|---|---|---|---|---|
| AM. IDX JAP.-P-3D | France | Full | 0% | 0% | 61% | 61% |
| AM. IDX USA -P-3D | France | Full | 0% | 0% | 86% | 86% |
| LCL A.VI.11 S7.5 3D | France | Full | 0% | 0% | 98% | 98% |
| LCL TR.H.AV (F.11) 3D | France | Full | 0% | 0% | 100% | 100% |
| SOLIDARITÉ P2 3D | France | Full | 0% | 0% | 57% | 57% |
| LCL HO (S12) MON 3D | France | Full | 0% | 0% | 100% | 100% |
| TRIANANCE 2 3D | France | Full | 0% | 0% | 49% | 49% |
| LCL 5 H AV (F 13) 3D | France | Full | 0% | 0% | 100% | 100% |
| LCL DEVELOPPEM. PME C | France | Full | 89% | 89% | 0% | 0% |
| LCL T.H. AV (04/14) C | France | Full | 100% | 100% | 0% | 0% |
| LCL PREMIUM VIE 14 C | France | Full | 97% | 97% | 0% | 0% |
| TRIANANCE N6 C | France | Full | 53% | 53% | 0% | 0% |
| ACTICCIA VIE N2 C | France | Full | 99% | 99% | 0% | 0% |
| AF INDEX EQ USA A4E | Luxembourg | Full | 88% | 88% | 0% | 0% |
| AF INDEX EQ JAPAN AE CAP | Luxembourg | Full | 44% | 44% | 0% | 0% |
| AMUNDI B EU COR AEC | Luxembourg | Full | 24% | 24% | 4% | 4% |
| AM CR 1-3 EU PC 3D | France | Full | 77% | 77% | 0% | 0% |
| LCL ACT. USA ISR 3D | France | Full | 49% | 49% | 39% | 39% |
| ARC FLEXIBOND-D | France | Full | 65% | 65% | 0% | 0% |
| JPM-US S E P-AEURA | Luxembourg | Full | 77% | 77% | 0% | 0% |
| INDOSUEZ FLEXIBLE 100 C | France | Full | 94% | 94% | 0% | 0% |
| ACTIONS 50 3DEC | France | Full | 100% | 100% | 0% | 0% |
| LCL 4 HOR. AV 06/14 | France | Full | 100% | 100% | 0% | 0% |
| LCL ACT. IMMOBI.3D | France | Full | 46% | 46% | 0% | 0% |
| ACTIONS 70 | France | Full | 37% | 37% | 0% | 0% |
| LCL AC. DEV. DU. EURO | France | Full | 43% | 43% | 0% | 0% |
| LCL AC. ÉMERGENTS 3D | France | Full | 48% | 48% | 0% | 0% |
| LCL FDS ECH. MONE.3D | France | Full | 85% | 85% | 0% | 0% |
| VEND. DOUBOPP. IV 3D | France | Full | 42% | 42% | 0% | 0% |
| AMUN TRESO CT PC 3D | France | Full | 77% | 77% | 0% | 0% |
| ARAMIS PATRIM D 3D | France | Full | 56% | 56% | 0% | 0% |
| FONDS AV ECHUS NÂ°2 | France | Full | 99% | 99% | 0% | 0% |
| LCL DOUBLE HORIZON AV (NOV. 2014) | France | Full | 100% | 100% | 0% | 0% |
| LCL TRIPLE HORIZON AV (09 2014) | France | Full | 87% | 87% | 0% | 0% |
| ACTICCIA VIE 3 | France | Full | 100% | 100% | 0% | 0% |
| LCL PREM VIE 2/4 C | France | Full | 99% | 99% | 0% | 0% |
| TRIANANCE 5 ANS | France | Full | 59% | 59% | 0% | 0% |
| CONVERT. EUROP. AE | Luxembourg | Full | 54% | 54% | 0% | 0% |
| CPR RENAISSANCE Japan HP 3D | France | Full | 52% | 52% | 0% | 0% |
| AMUN. TRES. EONIA ISR E FCP 3DEC | France | Full | 30% | 30% | 0% | 0% |
| **OPCI** | | | | | | |
| Nexus1 | Italy | Full | 100% | 100% | 0% | 0% |
| OPCI PREDICA BUREAU | France | Full | 100% | 100% | 100% | 100% |
| OPCI PREDICA HABITATION | France | Full | 100% | 100% | 100% | 100% |
| OPCI PREDICA COMMERCES | France | Full | 100% | 100% | 100% | 100% |

| Consolidation scope of Crédit Agricole Assurances Group | Country | Consolidation Method | 31/12/2014 | | 31/12/2013 | |
|---|---|---|---|---|---|---|
| | | | control | interest | control | interest |
| OPCI CAMP INVEST | France | Full | 69% | 69% | 69% | 69% |
| OPCI IRIS INVEST 2010 | France | Full | 80% | 80% | 80% | 80% |
| OPCI MESSIDOR | France | Full | 94% | 94% | 94% | 94% |
| OPCI CAA KART | France | Full | 100% | 100% | 0% | 0% |
| **Property investment companies** | | | | | | |
| SCI PORTE DES LILAS - FRÈRES FLAVIEN | France | Full | 100% | 100% | 100% | 100% |
| SCI LE VILLAGE VICTOR HUGO | France | Full | 96% | 96% | 96% | 96% |
| SCI BMEDIC HABITATION | France | Full | 100% | 100% | 100% | 100% |
| SCI FÉDÉRALE VILLIERS | France | Full | 100% | 100% | 100% | 100% |
| SCI FEDERCOM | France | Full | 100% | 100% | 100% | 100% |
| SCI FEDERLOG | France | Full | 100% | 100% | 100% | 100% |
| SCI FEDERLONDRES | France | Full | 100% | 100% | 100% | 100% |
| SCI FEDERPIERRE | France | Full | 100% | 100% | 100% | 100% |
| SCI GRENIER VELLEF | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 1 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 100 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 101 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 102 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 103 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 104 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 105 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 107 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 108 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 109 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 11 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 110 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 112 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 113 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 115 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 116 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 117 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 118 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 120 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 121 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 122 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 123 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 126 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 128 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 129 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 13 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 131 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 17 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 18 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 20 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 32 | France | Full | 100% | 100% | 100% | 100% |

| Consolidation scope of Crédit Agricole Assurances Group | Country | Consolidation Method | 31/12/2014 | | 31/12/2013 | |
|---|---|---|---|---|---|---|
| | | | control | interest | control | interest |
| SCI IMEFA 33 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 34 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 35 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 36 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 37 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 38 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 39 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 4 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 42 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 43 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 44 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 47 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 48 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 5 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 51 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 52 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 54 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 57 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 58 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 6 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 60 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 61 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 62 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 63 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 64 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 67 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 68 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 69 | France | Full | 100% | 100% | 100% | 100% |
| SA RESICO | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 72 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 73 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 74 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 76 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 77 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 78 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 79 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 80 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 82 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 84 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 85 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 89 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 91 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 92 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 96 | France | Full | 100% | 100% | 100% | 100% |
| SCI MEDI BUREAUX | France | Full | 100% | 100% | 60% | 60% |

| Consolidation scope of Crédit Agricole Assurances Group | Country | Consolidation Method | 31/12/2014 | | 31/12/2013 | |
|---|---|---|---|---|---|---|
| | | | control | interest | control | interest |
| SCI PACIFICA HUGO | France | Full | 100% | 100% | 100% | 100% |
| SCI FÉDÉRALE PEREIRE VICTOIRE | France | Full | 99% | 99% | 99% | 99% |
| SCI ST AUGUSTIN | France | Full | 0% | 0% | 100% | 100% |
| SCI VAL HUBERT (SCPI) | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 132 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 139 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 22 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 83 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 25 | France | Full | 100% | 100% | 0% | 0% |
| SCI IMEFA 140 | France | Full | 99% | 99% | 0% | 0% |
| SCI IMEFA 8 | France | Full | 100% | 100% | 0% | 0% |
| SCI IMEFA 16 | France | Full | 100% | 100% | 0% | 0% |
| SCI CAMPUS MEDICIS ST DENIS | France | Full | 70% | 70% | 0% | 0% |
| SCI CAMPUS RIMBAUD ST DENIS | France | Full | 70% | 70% | 0% | 0% |
| **Premium Green** | | | | | | |
| PREMIUM GREEN 4.72%12-250927 | Ireland | Full | 79% | 79% | 79% | 79% |
| PREMIUM GREEN TV2027 | Ireland | Full | 76% | 76% | 76% | 76% |
| PREMIUM GR 0% 28 | Ireland | Full | 95% | 95% | 95% | 95% |
| PREMIUM GREEN 4,56%/06-21 | Ireland | Full | 100% | 100% | 100% | 100% |
| PREMIUM GREEN 4,52%/06-21 EMTN | Ireland | Full | 100% | 100% | 100% | 100% |
| PREMIUM GREEN TV 06/22 | Ireland | Full | 100% | 100% | 100% | 100% |
| PREMIUM GREEN TV 06-16 EMTN | Ireland | Full | 100% | 100% | 100% | 100% |
| PREMIUM GREEN TV07-17 EMTN | Ireland | Full | 100% | 100% | 100% | 100% |
| PREMIUM GREEN TV/23/052022 EMTN | Ireland | Full | 100% | 100% | 100% | 100% |
| PREMIUM GREEN PLC 4.30%2021 | Ireland | Full | 100% | 100% | 100% | 100% |
| PREMIUM GREEN 4.33%06-29/10/21 | Ireland | Full | 100% | 100% | 100% | 100% |
| PREMIUM GREEN 4.7% EMTN 08/08/21 | Ireland | Full | 100% | 100% | 100% | 100% |
| PREMIUM GREEN 4.54% 06-13.06.21 | Ireland | Full | 100% | 100% | 100% | 100% |
| PREMIUM GREEN 4.5575%21EMTN | Ireland | Full | 100% | 100% | 100% | 100% |
| PREMIUM GREEN TV 22 | Ireland | Full | 100% | 100% | 100% | 100% |
| PREMIUM GREEN TV07/22 | Ireland | Full | 100% | 100% | 100% | 100% |
| PREMIUM GREEN TV 26/07/22 | Ireland | Full | 100% | 100% | 100% | 100% |
| PREMIUM GREEN TV 07/22 | Ireland | Full | 100% | 100% | 0% | 0% |
| **Branch offices** | | | | | | |
| CALIE EUROPE SUCCURSALE France | France | Full | 100% | 100% | 100% | 100% |
| CALIE EUROPE SUCCURSALE Pologne | Poland | Full | 100% | 100% | 100% | 100% |
| CACI VIE succursale CACI LIFE | France | Full | 100% | 100% | 100% | 100% |
| CACI NON VIE succursale CACI NON LIFE | France | Full | 100% | 100% | 100% | 100% |
| CACI VITA succursale CACI LIFE | Italy | Full | 100% | 100% | 100% | 100% |
| CACI DANNI succursale CACI NON LIFE | Italy | Full | 100% | 100% | 100% | 100% |
| PREDICA-PREVOYANCE DIALOGUE DU CREDIT AGRICOLE, SUCURASAL EN ESPANA | Spain | Full | 100% | 100% | 100% | 100% |

# NOTE 12 Equity holdings and non-consolidated structured entities

## 12.1 Significant investments in non-consolidated companies

These securities, held in the portfolio of available-for-sale financial assets, consist of variable-income securities representing a significant percentage of the share capital of the companies that issued them and are intended to be held for the long term.

This item line amounted to €5.4 billion as at 31 December 2014 compared with €4 billion as at 31 December 2013. As at 31 December 2014, the main non-consolidated equity holdings representing a material balance sheet amount were Korian, Altarea and Holding d'Infrastructure de Transport. The Group's equity holdings in these companies totalled €1.3 billion. These investments represent 24% of the share capital of Korian, 27% of Altarea and 12% of the share capital of Holding d'Infrastructure de Transport.

At 31 December 2014, long-term impairment of non-consolidated equity investments totalled €28 million.

## 12.2 Unconsolidated structured entities

### DISCLOSURES ABOUT THE NATURE AND EXTENT OF INTERESTS HELD

At 31 December 2014, Crédit Agricole Assurances had an interest in certain non-consolidated structured entities, whose main features based on their type of business are presented below.

Crédit Agricole Assurances invests in funds created for cash management purposes in response to investor demand, on the one hand and, on the other, for the purpose of investing insurance premiums received from insurance company customers in compliance with the regulatory provisions set out in the French Insurance Code (Code des assurances). Insurance company investments are used to fulfil commitments to policyholders throughout the insurance contracts' lifetime. Their value and returns are correlated with these commitments.

In this regard, Crédit Agricole Assurances invests in three types of vehicles:

#### UCITS

This category covers standard investment funds, whether or not listed, such as FCPs, SICAVs, FCPRs or similar foreign funds.

#### Real estate

The following are included in the category of non-consolidated structured entities: funds whose underlying assets are in real estate and, in particular, OPCIs, SCPIs or similar foreign funds, etc.

#### Other

The above category covers so-called securitisation funds such as FCCs, FCTs or similar foreign funds, etc.

### INFORMATION ON THE RISKS ASSOCIATED WITH INTERESTS HELD

#### Financial support provided to structured entities

No financial support was provided nor is planned with regard to non-consolidated structured entities for the 2014 financial year.

### Interests in non-consolidated structured entities by type of business

At 31 December 2014, the involvement of Crédit Agricole Assurances in non-consolidated structured entities is shown for all groups of structured entities that are material to Crédit Agricole Assurances in the table below:

| | 31/12/2014 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | UCITS | | | Real estate | | | Others | | |
| | | Maximum loss | | | Maximum loss | | | Maximum loss | |
| *(in € millions)* | Carrying amount in balance sheet | Maximum exposure to loss | Net exposure | Carrying amount in balance sheet | Maximum exposure to loss | Net exposure | Carrying amount in balance sheet | Maximum exposure to loss | Net exposure |
| Financial assets held for trading | - | - | - | - | - | - | - | - | - |
| Financial assets at fair value through profit and loss option | 13,947 | 13,947 | 13,947 | 197 | 197 | 197 | 1,434 | 1,434 | 1,434 |
| Available-for-sale financial assets | 2,725 | 2,725 | 2,725 | 291 | 291 | 291 | 50 | 50 | 50 |
| Loans and receivables | 14 | 14 | 14 | - | - | - | 16 | 16 | 16 |
| Financial assets held to maturity | - | - | - | - | - | - | - | - | - |
| **Total assets recognised to unconsolidated structured entities** | **16,686** | **16,686** | **16,686** | **488** | **488** | **488** | **1,500** | **1,500** | **1,500** |
| Equity instruments | - | - | - | - | - | - | - | - | - |
| Financial liabilities held for trading | - | - | - | - | - | - | - | - | - |
| Financial liabilities at fair value through profit and loss option – Deposits | - | - | - | - | - | - | - | - | - |
| Debt at amortised cost | - | - | - | - | - | - | - | - | - |
| **Total liabilities recognised to unconsolidated structured entities** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Commitments given** | - | - | - | - | - | - | - | - | - |
| Financing commitments | - | - | - | - | - | - | - | - | - |
| Guarantee commitments | - | - | - | - | - | - | - | - | - |
| Others commitments | - | - | - | - | - | - | - | - | - |
| **Maximum exposure to loss of off-balance-sheet commitments (net of provisions) with unconsolidated structured entities** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **BALANCE-SHEET TOTAL TO UNSCONSOLIDATED STRUCTURED ENTITIES** | **130,702** | **-** | **-** | **3,868** | **-** | **-** | **1,601** | **-** | **-** |

No guarantees received or other credit enhancements.

# REPORT OF THE STATUTORY AUDITORS ON THE CONSOLIDATED FINANCIAL STATEMENTS



*This is a free translation into English of the Statutory Auditors' report issued in the French language and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

**(For the year ended December 31, 2014)**

To the Shareholders,

Credit Agricole Assurances
50-56, rue de la Procession
75015 PARIS

In compliance with the assignment entrusted to us by your Annual General Meetings, we hereby report to you, for the year ended December 31, 2014 on:

- the audit of the accompanying consolidated financial statements of Crédit Agricole Assurances;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by The Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

## I - Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2014 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Without qualifying our opinion expressed above, we draw your attention to Note 1 to the consolidated financial statements, under «Applicable standards and comparability,» which presents the impact of new IFRS 10, IFRS 11, IFRS12 and IAS 28 revised.

## II - Justification of our assessments

In accordance with the requirements of article L. 823-9 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matters:

- Your company describes in note 1 to the consolidated financial statements, in the paragraphs "Financial instruments" and "Determination of fair value of financial instruments", the valuation methods applied to financial assets and derivatives. We have assessed the correct implementation of the financial asset valuation methodology, and the consistency of their classification with the documentation prepared by the group;

  We examined the valuation and impairment methodology applied to your financial instruments. We assessed the appropriateness of the financial instruments valuation and impairment process implemented, as well as the information disclosed in the notes related to financial instruments;
- As disclosed in note 1 of the financial statements, your company uses internal models to determine the fair value of some financial instruments which are not quoted on an active market. We examined the control process around the utilized models, the assumptions used and how the risks related to these instruments are considered.
- Certain consolidated statement of financial position items that are specific to the insurance and reinsurance business, in assets and liabilities, are estimated on the basis of statistical and actuarial data, such as technical reserves. We examined the methods and assumptions applied, as well as the resulting valuation. We also assessed the appropriateness of the information disclosed in the notes to the financial statements.

- The goodwill is tested for impairment using the methods described in note 1, paragraph "Intangible assets and deferred expenses" to the consolidated financial statements, as soon as objective loss of value indicators appear, or at least once a year. We examined the impairment test implementation and the main parameters and the assumptions used. We also assessed the appropriateness of the information disclosed in the notes to the financial statements.
- As disclosed in the note 1 to the Financial Statements, your company produces other estimations while preparing the consolidated financial statements. These estimations notably refer to pension and future social benefits, as well as deferred tax assets. We examined the methods and assumptions used. We also assessed the resulting accounting estimates are based on documented methods consistent with the principles disclosed in the note 1 to the Financial Statements.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

## III - Specific verification

As required by law, we have also verified in accordance with professional standards applicable in France the information presented in the Group's management report.

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

Neuilly-sur-Seine and Paris-La Défense, April 16, 2015

The Statutory Auditors

| PricewaterhouseCoopers Audit | | ERNST & YOUNG et Autres | |
|---|---|---|---|
| Gérard Courrèges | Catherine Pariset | Valérie Meeus | Pierre Planchon |

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# CRÉDIT AGRICOLE ASSURANCES INDIVIDUAL STATEMENTS AT 31 DECEMBER 2014

# FINANCIAL STATEMENT OF CRÉDIT AGRICOLE ASSURANCES S.A.

## BALANCE SHEET – ASSET

| *(in € millions)* | Notes | 31/12/2014 Gross | 31/12/2014 Depreciation, amortisation and provisions | 31/12/2014 Net | 31/12/2013 |
|---|---|---|---|---|---|
| **Intangible assets** | **Note 4.1** | **18** | **(9)** | **10** | **10** |
| **Property, plant and equipment** | | **1** | **(1)** | **-** | **-** |
| Equity investments | | 8,960 | (148) | 8,812 | 8,329 |
| Receivables relating to equity investments | | 5,385 | - | 5,385 | 4,505 |
| Other long term financial investments | | | | | |
| **Long-term financial investments** | **Note 4.2** | **14,345** | **(148)** | **14,197** | **12,833** |
| **Non-current assets** | | **14,365** | **(158)** | **14,207** | **12,844** |
| Trade notes and accounts receivables | Note 4.3 | 2 | - | 2 | 1 |
| Other receivables | Note 4.3 | 72 | - | 72 | 34 |
| Marketable securities | Note 4.4 | 906 | - | 906 | 1,451 |
| Cash and cash equivalents | | (2) | - | (2) | (3) |
| Prepaid expenses | | - | - | - | - |
| **Current assets** | | **977** | **-** | **976** | **1,483** |
| **Accruals and prepaid expenses** | | **4** | **-** | **4** | **-** |
| **TOTAL ASSETS** | | **15,345** | **(158)** | **15,187** | **14,326** |

# BALANCE SHEET – EQUITY AND LIABILITIES

| *(in € millions)* | Notes | 31/12/2014 | 31/12/2013 |
|---|---|---|---|
| Share capital | | 1,449 | 1,241 |
| Premiums on share issues, mergers, asset contributions | | 7,167 | 5,833 |
| Statutory reserve | | 124 | 116 |
| Other reserve | | 1 | - |
| Retained earnings | | - | 1,072 |
| Net income/(loss) for the year | | 856 | 1,420 |
| Interim dividend (current year) | | (445) | (458) |
| **Equity** | **Note 4.8** | **9,151** | **9,224** |
| Undated deeply subordinated notes | | 752 | - |
| **Other shareholders'equity** | | **752** | **-** |
| Subordinated debt | | 3,399 | 3,949 |
| **Financing debts** | **Note 4.5** | **3,399** | **3,949** |
| Contingency provisions | | 3 | 2 |
| Loss provisions | | 18 | 14 |
| **Contingency and loss provisions** | **Note 4.7** | **20** | **16** |
| Borrowings from and amounts due to financial institutions | | 1,829 | 1,061 |
| Trade notes and accounts payables | | 8 | 9 |
| Tax, employment and social benefit liabilities | | 18 | 20 |
| Liabilities related to non-current assets and related accounts | | - | 36 |
| Other liabilities | | 9 | 9 |
| **Payables** | **Note 4.3** | **1,864** | **1,135** |
| **Accruals and prepaid income** | | **1** | **2** |
| **TOTAL EQUITY AND LIABILITIES** | | **15,187** | **14,326** |

# INCOME STATEMENT

| *(in € millions)* | Notes | 31/12/2014 | 31/12/2013 |
|---|---|---|---|
| Sales of merchandise | Note 5.1 | 27 | 16 |
| Sales of production | | - | - |
| Releases of depreciation, amortisation and provisions | | 5 | 1 |
| Other revenue | | - | - |
| **Operating revenue (I)** | | **32** | **17** |
| Other purchases and external expenses | | (35) | (21) |
| Taxes, duties and similar payments | | (7) | (7) |
| Wages and salaries | | (24) | (20) |
| Payroll taxes | | (11) | (9) |
| Additions to depreciation, amortisation and provisions on non-current assets | | (2) | (2) |
| Additions to contingency and loss provisions | | (4) | (2) |
| Other expenses | | - | - |
| **Operating expenses (II)** | | **(82)** | **(60)** |
| **Operating income (I + II)** | | **(50)** | **(43)** |
| **Joint transactions (III)** | | **-** | **-** |
| Profit attributed or loss transferred | | - | - |
| Loss borne or profit transferred | | - | - |
| Financial income from equity investments | | 964 | 1,455 |
| Income from other securities and receivables related to non-current assets | | 294 | 288 |
| Other interest and similar income | | 30 | 27 |
| Releases of provisions and expense transfers | | - | - |
| Net proceeds from disposals of marketable securities | | 6 | 2 |
| **Financial income (V)** | | **1,294** | **1,772** |
| Additions to depreciation, amortisation and provisions on financial assets | | (14) | (15) |
| Interest and similar expenses | | (373) | (257) |
| Foreign exchange losses | | - | - |
| Net expense on disposals of marketable securities | | (1) | - |
| **Financial expenses (VI)** | | **(388)** | **(273)** |
| **Net financial income/(expenses) (V + VI)** | **Note 5.2** | **907** | **1,499** |
| **Recurring pre-tax income (I + II + III + V + VI)** | | **857** | **1,456** |
| Non-recurring income from management operations | | 14 | - |
| Non-recurring income from capital transactions | | - | - |
| Releases of provisions and expense transfers | | - | - |
| **Non-recurring income (VII)** | | **14** | **-** |
| Exceptional expenses on management operations | | (14) | (1) |
| Non-recurring expenses on capital transactions | | - | - |
| Non-recurring additions to depreciation, amortisation and provisions | | - | - |
| **Non-recurring expenses (VII)** | | **(14)** | **(1)** |
| **Net non-recurring income/(expenses) (VII + VIII)** | **Note 5.3** | **(1)** | **-** |
| Employee profit sharing (IX) | | - | - |
| Income tax (X) | Note 5.5 | - | (36) |
| **Total income (I + III + V + VII)** | | **1,339** | **1,790** |
| **Total expenses (II + VI + VIII + IX + X)** | | **(483)** | **(370)** |
| **PROFIT OR LOSS** | | **856** | **1,420** |

# NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS

## Contents

Crédit Agricole Assurances S.A.'s purpose consists of acquiring equity interests in any form, administrating, managing, controlling and maximising the value of those equity interests, carrying out investment transactions, studies and more generally all financial, industrial, commercial transactions and transactions involving movable or immovable property, directly or indirectly related to the company's purpose.

The accounting period lasted for 12 months, from 1 January to 31 December 2014.

# NOTE 1 Notable events during the year

On 14 October, Crédit Agricole Assurances S.A. launched an issued fixed, revisable rate perpetual subordinated bonds of €750 million among institutional investors (annual fixed rate of 4.5% until 14 October 2025). This issue enabled the company to redeem perpetual subordinated debt of €550 million.

In April 2014 the company acquired the subsidiary company La Médicale de France previously owned by Predica. In December 2014 it also formed a Polish subsidiary, Crédit Agricole Towarzystwo Ubezpieczeń SA, specialising in non-life insurance.

Its subsidiary companies Dolcea Vie and Spirica also merged.

The General Meeting of 17 June 2014, having acknowledged that the net profit for the 2013 financial year was €1,419,595,727.84 and that the profit carried forward amounted to €1,072,414,130.44, decided to allocate the total sum of €2,492,009,858.28 as follows: distribution of the final dividend in an amount of €484 million in cash to Crédit Agricole S.A. following the interim dividend of €458 million paid in December 2013, and allocation of €8 million to the legal reserve and to carry forward an amount of 1.543 billion.

It also decided to distribute an interim dividend of €445 million payable in cash for the 2014 financial year.

On 29 December 2014, the Annual General Meeting decided to allocate the total profit carried forward to other reserves in an amount of €1.543 billion then the reserves were distributed in an amount of €1.542 billion.

Lastly, the Extraordinary General Meeting, held on 29 December 2014, decided to increase the share capital by €1.542 billion, an increase of €208 million in the nominal capital. The consideration for this contribution was the issue of 20,818,520 new shares with a nominal value of €10 each, with a total issue premium of €1.334 billion. The share capital now amounts to €1.449 billion.

Crédit Agricole Assurances S.A. received €486 million from its subsidiaries as a 2014 interim dividend and an exceptional distribution of reserves.

Crédit Agricole Assurances S.A. was subject to a tax audit for financial years 2008 and 2009 for an insignificant amount. The adjustment was contested in full. Legal proceedings have been initiated.

A tax audit for financial years 2011, 2012 and 2013 financial years also began in September 2014. It was notified was notified in December of a tax adjustment for an insignificant amount for the 2011 financial year.

# NOTE 2 Significant post-balance sheet events

During January 2015, Crédit Agricole Assurances SA a second issued fixed-rate perpetual subordinated securities on the primary market in an amount of €1 billion.

# NOTE 3 Accounting principles and methods

## General principles

The annual financial statements for the financial year ended 31 December 2014 were prepared and presented in accordance with the accounting rules and methods of the 1999 French Chart of Accounts in line with the principle of prudence and in accordance with the following basic assumptions:

- continuity of operations;
- consistency of accounting methods between financial years;
- independence of financial years;

and the general rules for preparing and presenting annual accounts.

The basic method used to value items included in the accounts is the historic cost method.

## Intangible assets

Intangible assets are shown at the cost of production less depreciation and amortisation since their date of completion.

The straight-line method of depreciation is applied over a useful economic life of 3-5 years.

## Tangible fixed assets

Intangible assets are shown at the cost of production less depreciation and amortisation or the amortisation provisions created since their date of completion. The straight-line method of depreciation is applied over a useful economic life of 3 years for IT equipment and 7 years for office equipment.

## Financial assets

The "financial assets" heading includes:

- equity securities acquired or contributed (at the net book value);
- accounts receivable on shareholdings relating to loans granted to subsidiaries.

The impairments recorded on financial assets are due to the comparison between the book value and the entry cost of these assets.

Unrealised capital losses are written off and are not offset against unrealised capital gains.

For entities included in the initial consolidated accounts of Crédit Agricole Assurances, the book value is calculated on the basis of the value in use (discounting of future cash flows) or the percentage of the net equity capital consolidated.

Acquisition costs of financial assets contributed and acquired are shown directly under financial expenses (PCG, Art. 312-10.1).

## Receivables and debts

Loans, other long-term receivables and debts are shown at their nominal value. Long-term receivables were, where applicable, written down to reflect their current value at the end of the financial year.

## Marketable securities

At the end of the financial year, the cost of acquisition of marketable securities is compared with the book value (net asset value) in the case of SICAV and FCP and at the average market price for the last month of the financial year for other securities.

If there is an unrealised capital loss, an impairment of the securities is created for the full amount of the capital loss.

## Conversion difference

Accounts receivable and debts denominated in foreign currencies are converted into euro on the basis of the last exchange rate prior to the end of the financial year.

The differences resulting from this valuation are recorded as a conversion difference under assets (when the difference is an unrealised loss) or under liabilities (when the difference in unrealised gain).

These adjustment accounts do not form part of the results. A provision for foreign exchange risk is created if the unrealised loss arising from the asset conversion difference does not correspond to a change in exchange rate on a hedging transaction.

However, if an unrealised foreign exchange loss is caused by a loan in foreign currencies allocated to hedge foreign exchange risk on fixed assets in the same currency, or of securities representing such fixed assets, a foreign exchange loss is only created in respect of the amount of the risk not hedged.

## Valuation of pension commitments

Crédit Agricole Assurances S.A. accounts for its pension commitments in the form of a provision for risks and charges.

The updating of the pension commitments at 31 December 2014 is based on studies conducted by independent actuaries.

Following the publication by the Autorité des normes comptables (ANC) of recommendation number 2013-02 on accounting for pension commitments and similar benefits under French standards, Crédit Agricole Assurances S.A. decided to apply the new recommendation early with effect from 1 January 2013. The method for accounting for actuarial differences is the recognition in full in the income statement.

## Financial debts

The securities for which there is no contractual obligation to submit cash or another financial asset are treated in the same way as other equity capital. These are perpetual subordinated securities and super-subordinated to securities.

## Financial income and expenses

Financial income and expenses principally include:

- interest on loans taken out (expenses) and loans granted to subsidiaries (income); this interest is calculated in accordance with the contractual conditions of the loans and borrowings;
- dividends and interim dividends received;
- coupons received (income) and, where applicable, realised capital gains and losses on the sale of marketable securities (income or expenses).

## Taxation

The company became part of the tax consolidation group of Crédit Agricole S.A. on 1 January 2007.

According to the Tax Consolidation Convention between Crédit Agricole S.A. and Crédit Agricole Assurances S.A., the tax charge incurred by Crédit Agricole Assurances S.A., in respect of each consolidation period is the same as it would have been if it had been taxed separately.

# NOTE 4 Balance sheet items

## 4.1 Intangible assets

### GROSS VALUE OF INTANGIBLE ASSETS

| *(in € millions)* | Gross, 31/12/2013 | Purchases | Decreases | Transfers | Gross, 31/12/2014 |
|---|---|---|---|---|---|
| Software | 11 | - | - | 1 | 12 |
| Downpayments on intangible assets | 6 | 1 | - | (1) | 6 |
| **INTANGIBLE ASSETS** | **17** | **2** | **-** | **-** | **18** |

### AMORTISATION OF INTANGIBLE ASSETS

| *(in € millions)* | Value at 31/12/2013 | Additions | Releases | Transfers | Value at 31/12/2014 |
|---|---|---|---|---|---|
| Software | 7 | 2 | - | - | 9 |
| **AMORTISATION OF INTANGIBLE ASSETS** | **7** | **2** | **-** | **-** | **9** |

Intangible assets consist mainly of the accounting software required to ensure the efficient operation of Crédit Agricole Assurances S.A., with a net value of €10 million.

## 4.2 Long-term financial investments

### GROSS VALUE OF LONG-TERM FINANCIAL INVESTMENTS

| *(in € millions)* | Gross, 31/12/2013 | Purchases and increases | Disposals and redemptions | Gross, 31/12/2014 |
|---|---|---|---|---|
| Equity securities | 8,465 | 525 | (30) | 8,960 |
| Receivables connected with equity investments | 4,266 | 1,132 | (279) | 5,119 |
| Loans | 239 | 80 | (52) | 266 |
| **LONG-TERM FINANCIAL INVESTMENTS** | **12,969** | **1,737** | **(361)** | **14,345** |

The increase in accounts receivable on shareholdings is explained notably by the receipt of 4 new loans totalling €852 million from Predica, Pacifica, Spirica et La Médicale de France and €280 million in interest accrued to 31/12/2014.

The reduction in accounts receivable on shareholdings corresponds to the payment of interest in an amount of €279 million.

The change in loans is explained mainly by two new loans of €66 million to Cali Europe and CA VITA and by the redemption of three loans in an amount of €39 million.

### ASSETS IMPAIRMENT

| *(in € millions)* | Provisions 31/12/2013 | Additions | Releases, used | Releases, not used | Provisions 31/12/2014 |
|---|---|---|---|---|---|
| Equity securities | 136 | 12 | - | - | 148 |
| Marketable securities | 2 | 1 | (2) | - | 1 |
| **TOTAL IMPAIRMENT** | **138** | **13** | **(2)** | **-** | **149** |

The net book values shown at 1 January 2014 have been subject to impairment tests based on their value in use of the CAA Group insurance companies. The utility value was determined on the basis of the discounting of future cash flows of UGT as in the medium-term plans established for the Group's piloting needs.

The following assumptions were applied:

- estimated future cash flows: preliminary 3-years data established under the Group's medium-term plan. Preliminary data for more than 5 years may be used for some entities in order to reflect the longer economic cycle of such entities in;
- the equity capital allocated to the various activities at 31 December 2014 is equal to 100% of the solvency margin for the insurance activities, including the economic position in terms of subordinated debts of each entity;
- growth rate to infinity: 2%;

- discount rate: interest rates by geographical area are between 8.33% and 12.46%.

Over 2014 financial year, these impairment tests resulted in an impairment charge of €12 billion in respect of CA Life Greece. It is noted that the allocation to the provision for equity securities in 2013 was €12 million.

For other shares, the net book values of the equity securities are the same at the end of 2014.

## 4.3 Receivables and payables by maturity

### RECEIVABLES BY MATURITY

| *(in € millions)* | Gross, 31/12/2014 1 year or less | Gross, 31/12/2014 more than 1 year and less than 5 years | Gross, 31/12/2014 more than 5 years | Gross, 31/12/2014 Total | Gross, 31/12/2013 |
|---|---|---|---|---|---|
| Receivables connected with equity investments | 17 | 23 | 5,346 | 5,385 | 4,505 |
| Trade notes and accounts receivable | 2 | - | - | 2 | 1 |
| Other receivables | 72 | - | - | 72 | 34 |
| Prepaid expenses | - | - | - | - | - |
| **TOTAL RECEIVABLES** | **90** | **23** | **5,346** | **5,458** | **4,540** |

| *(in € millions)* | Gross, 31/12/2013 1 year or less | Gross, 31/12/2013 more than 1 year and less than 5 years | Gross, 31/12/2013 more than 5 years | Gross, 31/12/2013 Total | Gross, 31/12/2012 |
|---|---|---|---|---|---|
| Receivables connected with equity investments | 55 | - | 4,450 | 4,505 | 4,425 |
| Trade notes and accounts receivable | 1 | - | - | 1 | - |
| Other receivables | 34 | - | - | 34 | 20 |
| Prepaid expenses | - | - | - | - | - |
| **TOTAL RECEIVABLES** | **90** | **-** | **4,450** | **4,540** | **4,445** |

Receivables connected with equity investments relate to purchases of subordinated debt issued by subsidiaries.

### PAYABLES BY MATURITY

| *(in € millions)* | Gross, 31/12/2014 1 year or less | Gross, 31/12/2014 more than 1 year and less than 5 years | Gross, 31/12/2014 more than 5 years | Gross, 31/12/2014 Total | Gross, 31/12/2013 |
|---|---|---|---|---|---|
| Subordinated debt | 9 | - | 3,390 | 3,399 | 3,949 |
| Borrowings from and amounts due to financial institutions | 783 | 16 | 1,030 | 1,829 | 1,061 |
| Other payables | 34 | - | - | 34 | 74 |
| **TOTAL PAYABLES** | **826** | **16** | **4,420** | **5,262** | **5,085** |

## 4.4 Book value of marketable securities by type

| *(in € millions)* | 31/12/2014 Carrying amount | 31/12/2014 Fair value | 31/12/2013 Carrying amount | 31/12/2013 Fair value |
|---|---|---|---|---|
| Shares | 29 | 31 | 24 | 23 |
| Bonds | 584 | 608 | 652 | 666 |
| UCITS | 277 | 282 | 759 | 764 |
| Real Estate Investment trusts | 5 | 5 | 5 | 6 |
| **TOTAL** | **894** | **927** | **1,440** | **1,459** |

The portfolio of CAA's marketable securities fell by €546 million compared with 2013. This fall was mainly due to a 63% decrease in the UCITS held.

## 4.5 Receivables from and payables to related companies

Companies related to Crédit Agricole Assurances S.A. are companies belonging to the Crédit Agricole S.A. Group.

### RECEIVABLES FROM RELATED COMPANIES

| *(in € millions)* | Net, 31/12/2014 | Net, 31/12/2013 |
|---|---|---|
| Equity investments | 8,812 | 8,329 |
| Receivables connected with equity investments | 5,385 | 4,505 |
| Trade receivables and related accounts | 2 | 1 |
| Other receivables | 23 | 16 |
| Cash and cash equivalents | (3) | (1) |
| **RECEIVABLES FROM RELATED COMPANIES** | **14,218** | **12,849** |

### PAYABLES TO RELATED COMPANIES

| *(in € millions)* | Gross, 31/12/2014 | Gross, 31/12/2013 |
|---|---|---|
| Borrowings from and amounts due to financial institutions | 1,829 | 1,061 |
| Other borrowings and miscellaneous debt | 3,399 | 3,949 |
| **PAYABLES TO RELATED COMPANIES** | **5,228** | **5,010** |

All subordinated perpetual debt securities are subscribed by Crédit Agricole S.A. and Cariparma.

No transactions between related parties in progress at the balance-sheet date or affecting the period have the characteristics of transactions requiring disclosure under the French order of 29 December 2009, published in the official journal on 21 December 2010 and approving ANC (French accounting standards body) regulations 2010-02 and 2010-03.

## 4.6 Contingency and loss provisions

| *(in € millions)* | Provisions 31/12/2013 | Additions | Releases, used | Releases, not used | Provisions 31/12/2014 |
|---|---|---|---|---|---|
| Provisions for litigation | 2 | 2 | (1) | - | 3 |
| Provisions for pensions | 14 | 3 | - | - | 17 |
| **TOTAL CONTINGENCY AND LOSS PROVISIONS** | **16** | **5** | **(1)** | **-** | **20** |

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## 4.7 Equity

### COMPOSITION OF THE SHARE CAPITAL

At 31 December 2014, Crédit Agricole Assurances S.A.'s share capital was made up of 144,875,470 ordinary shares with par value of €10 each. It was 99.99%-owned by Crédit Agricole S.A.

### CHANGES IN EQUITY

| *(in € millions)* | Share capital | Share premium | Statutory reserve | Other reserve | Retained earnings | Net income/ (loss) for the year | Total equity |
|---|---|---|---|---|---|---|---|
| **31 December 2012** | **1,163** | **5,391** | **116** | **-** | **-** | **2,099** | **8,769** |
| Appropriation of income and dividend payments | 78 | 442 | - | - | 1,072 | (2,099) | (507) |
| 2013 income | - | - | - | - | - | 1,420 | 1,420 |
| Interim dividend (year 2013) | - | - | - | - | - | (458) | (458) |
| **31 December 2013** | **1,241** | **5,833** | **116** | **-** | **1,072** | **962** | **9,224** |
| Capital increase | 208 | - | - | - | - | - | 1,542 |
| Allocation of retained earnings to other reserves | - | 1,334 | - | 1,543 | (1,543) | - | - |
| Appropriation of income and dividend payments | - | - | 8 | (1,542) | 470 | (962) | (2,026) |
| 2014 income | - | - | - | - | - | 856 | 856 |
| Interim dividend (year N) | - | - | - | - | - | (445) | (445) |
| **31 DECEMBER 2014** | **1,449** | **7,167** | **124** | **1** | **-** | **411** | **9,151** |

The General Meeting of 17 June 2014, having acknowledged that the net profit for the 2013 financial year was €1,419,595,727.84 and that the profit carried forward amounted to €1,072,414,130.44, decided to allocate the total sum of €2,492,009,858.28 as follows: distribution of the final dividend in an amount of €484 million in cash to Crédit Agricole S.A. following the interim dividend of €458 million paid in December 2013, and allocation of €8 million to the legal reserve and to carry forward an amount of 1.543 billion.

On 29 December 2014, the Annual General Meeting decided to allocate the total profit carried forward to other reserves in an amount of €1.543 billion then the reserves were distributed in an amount of €1.542 billion.

The Extraordinary General Meeting, held on 29 December 2014, decided to increase the share capital by €1.542 billion. The consideration for this contribution was the issue of 20,818,520 new shares with a nominal value of €10 each with a total issue premium of €1.334 billion.

The share capital now amounts to €1.449 billion.

It also decided to distribute an interim dividend of €445 million payable in cash for the 2014 financial year. The payment of the final dividend due in respect of 2014 financial year either in cash or in shares will be proposed to the shareholders at the General Meeting in 2015.

## 4.8 Other shareholders'equity

| *(in € millions)* | Value as of 31/12/2013 | Issues | Accrued interests | Value as of 31/12/2014 |
|---|---|---|---|---|
| Undated deeply Subordinated Notes (nominal) | - | 745 | - | 745 |
| Accrued interests | - | - | 7 | 7 |
| **TOTAL** | **-** | **745** | **7** | **752** |

On 14 October, Crédit Agricole Assurances S.A. launched an issue of fixed, revisable rate perpetual subordinated bonds of €750 million among institutional investors (annual fixed rate of 4.5% until 14 October 2025). After restatement of the issue expenses, the amount included in the accounts is €745 million

The issue is recorded under "loans and debts with specific conditions". The issue premium is amortised over the period beginning with the issue until the date of first optional redemption on 14 October 2025, *i.e.* 11 years. Issue expenses are spread over the same period.

# NOTE 5 Income statement

## 5.1 Breakdown of revenue

Crédit Agricole Assurances S.A.'s revenue totalled €27 million in 2014 and came from the onward invoicing of expenses.

## 5.2 Net financial income

The financial result amounted to €907 million in 2014 compared with €1.499 billion in 2013. This change was explained by the fall in financial income which results from an exceptionally high level in 2013 due to the payment during that year of interim dividends for the 2012 and 2013 financial years; and by the payment of a balance of €90 million corresponding to the early redemption of several perpetual subordinated securities.

## 5.3 Non-recurring income/expenses

At 31 December 2014, the non-recurring income is -€1 million.

## 5.4 Income and expenses – related companies

The related companies of Crédit Agricole Assurances S.A. are companies which belong to the Crédit Agricole S.A. Group.

### INCOME FROM RELATED COMPANIES

| *(in € millions)* | 31/12/2014 Net value | 31/12/2013 Net value |
|---|---|---|
| Operation income | 27 | 16 |
| Financial income | 1,258 | 1,744 |
| Extraordinary income | - | - |
| **TOTAL** | **1,285** | **1,760** |

### EXPENSES DUE FROM RELATED COMPANIES

| *(in € millions)* | 31/12/2014 Net value | 31/12/2013 Net value |
|---|---|---|
| Operation expenses | 10 | 8 |
| Financial expenses | 377 | 268 |
| Extraordinary expenses | - | - |
| **TOTAL** | **387** | **275** |

## 5.5 Tax charges

| *(in € millions)* | Pre-tax income | Tax due | Net income |
|---|---|---|---|
| Recurring income | 857 | - | 857 |
| Non-recurring short-term income | (1) | - | (1) |
| **REPORTED INCOME** | **856** | **-** | **856** |

The profit on ordinary operations of Crédit Agricole Assurances S.A. is taxed at a rate of 38% due to the increase in the exceptional contribution to income tax.

No tax is payable, on 2014 notably due to the fall in the amount of dividends received and the payment of the balance of €90 million to Crédit Agricole S.A.

A tax provision of €151,000 was posted. A tax audit for the 2011, 2012 and 2013 financial years began in September 2014. An income tax adjustment of €151 million in respect of 2011 financial year was notified in December.

## 5.6 Executive compensation

Crédit Agricole Assurances S.A. paid €81.6 thousand in compensation to members of executive bodies including €13.6 thousand of the social security costs.

## 5.7 Auditors' fees

The amount of statutory audit fees paid in 2014 is included in the "other purchases and external expenses" item in the income statement. The net amount recognised in Crédit Agricole Assurances S.A.'s financial statements with respect to 2014 is presented in Crédit Agricole Assurances' consolidated financial statements.

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# NOTE 6 Off-balance sheet items

| *(in € millions)* | Commitments given | Commitments received |
|---|---|---|
| Guarantee commitments | 69 | - |
| Exceptional reciprocal commitments | - | - |
| Receivables and payables with guarantees | - | - |
| Commitments in respect of pensions and similar obligations | - | - |
| **TOTAL** | **69** | **-** |

In March 2013, the Direction générale des finances publiques requested a guarantee in respect of the tax adjustment contested by Crédit Agricole Assurances S.A. through the Court of Administration. The guarantee was granted through Crédit Agricole S.A. on 22 April 2013. This off balance sheet commitment amounts to €11 million. The notified adjustment was settled during 2014 and the guarantee provided by Crédit Agricole S.A. was not renewed.

In November 2013, Crédit Agricole Assurances S.A. issued a guarantee for New Re to cover the possible collapse of CA Life Japan. This off-balance-sheet commitment amounted to AUD 100 million, *i.e.* €69 million, at 31 December 2014.

# NOTE 7 Other information

## 7.1 Workforce

Crédit Agricole Assurances S.A.'s average headcount breaks down as follows:

| | 31/12/2014 | 31/12/2013 |
|---|---|---|
| Permanent contracts | 221 | 184 |
| Fixed-term contracts | 11 | 4 |
| Work-study contracts | 7 | 7 |
| Work-experience staff | 2 | 2 |
| Expatriates | 8 | 8 |
| Other | 1 | 1 |
| **TOTAL WORKFORCE** | **250** | **206** |

## 7.2 Employee training rights

The total number of training hours corresponding to vested employee training rights stood at 18,202 at 31 December 2014.

## 7.3 Related-party agreements

Pursuant to articles L. 225-38 and following of the French Commercial Code, no related-party agreement was authorised by the Board of Directors in 2014.

## 7.4 Subsidiaries and shareholdings at 31/12/2014

| Name and address | Capital Equity *(in € millions)* | % owned Dividends received *(%)* | Gross value of securities Net value of securities *(in € millions)* | Loans Security | Revenue Income |
|---|---|---|---|---|---|
| PREDICA | 961 | 100% | 6,630 | 4,691 | 18,873 |
| 50-56, rue de la Procession – 75015 Paris | 6,245 | 757 | 6,630 | - | 774 |
| CALI EUROPE | 100 | 94% | 172 | 67 | 1,212 |
| 16, av Pasteur – L2310 Luxembourg | 127 | 8,279 | 172 | - | 11 |
| PACIFICA | 249 | 100% | 345 | 221 | 4,867 |
| 8-10, bd de Vaugirard – 75015 Paris | 434 | 95 | 345 | - | 67 |
| SPIRICA | 68 | 100% | 93 | 60 | 445 |
| 50-56, rue de la Procession – 75015 Paris | 36 | - | 85 | - | (3) |
| GNB SEGUROS | 15 | 50% | 38 | - | 71 |
| Av. C.Bordalo Pinheiro-1070-061 Lisbon – Portugal | 31 | 3 | 38 | - | 7 |
| VERT S.r.l | - | 100% | - | - | - |
| Via universita 1 – 43100 Parma – Italy | 2 | - | - | - | - |
| CA VITA | 144 | 100% | 476 | 197 | 2,213 |
| Via universita 1 – 43100 Parma – Italy | 250 | 34 | 476 | - | 49 |
| CA ASSICURAZIONI | 10 | 100% | 40 | - | 37 |
| Via universita 1 – 43100 Parma – Italy | 11 | - | 40 | - | (1) |
| CARE | 14 | 100% | 78 | 1 | 38 |
| 145 rue de Kiem -L8030-Strassen-Luxembourg | 14 | - | 78 | - | - |
| CACI | 84 | 100% | 634 | 115 | - |
| 50-56, rue de la Procession – 75015 Paris | 620 | 35 | 597 | - | 39 |
| CALI JAPAN | 76 | 100% | 63 | - | - |
| 1-9-2 Higashi shimbashi, Minato- ku, Tokyo 105-0021 – Japan | 39 | - | 63 | - | - |
| CA LIFE | 13 | 100% | 131 | - | 24 |
| 45, rue Mistropolos&Pandrosou – 10656 Athens – Greece | 25 | - | 30 | - | 1 |
| CRÉDIT AGRICOLE INSURANCE | 6 | 100% | 12 | - | 9 |
| 45 rue Mistropolos&Pandrosou – 10656 Athens -Greece | 10 | 2 | 10 | - | 2 |
| LA MÉDICALE DE FRANCE | 2 | 100% | 228 | 27 | 304 |
| 50-56, rue de la Procession – 75015 Paris | 88 | 30 | 228 | - | 13 |
| CRÉDIT AGRICOLE TU SA | - | 100% | 9 | - | - |
| ul. Tęczowa 11 lok. 13, 53 – 601 Wrocław – Poland | - | - | 9 | - | - |
| CARI | 5 | 75% | 4 | - | 11 |
| 74, rue du Merl – L2146 Luxembourg | 6 | - | 4 | - | - |
| CAAGIS | 15 | 50% | 7 | - | 156 |
| 50-56, rue de la Procession – 75015 Paris | 14 | - | 7 | - | - |

The information on capital, equity capital, turnover and profits for the subsidiaries is taken from the latest audited figures at 31/12/2013. Crédit Agricole TU SA was formed during the year and does not have any accounts as yet. Dolcea Vie is no longer included in the table because it has been absorbed by Spirica.

## 7.5 Consolidation

The accounts of Crédit Agricole Assurances S.A. and its subsidiaries are included in the consolidated accounts of Crédit Agricole Assurances Group. They are also included in the consolidated accounts of the Crédit Agricole S.A. Group, Crédit Agricole S.A. being the parent company of Crédit Agricole Assurances S.A.

# STATUTORY AUDITORS' REPORT ON THE PARENT COMPANY FINANCIAL STATEMENTS

*This is a free translation into English of the Statutory Auditors' report issued in the French language and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

**(For the year ended December 31, 2014)**

To the Shareholders,

Credit Agricole Assurances
50-56, rue de la Procession
75015 PARIS

In compliance with the assignment entrusted to us by your Annual General Meetings, we hereby report to you, for the year ended December 31, 2014 on:

- the audit of the accompanying financial statements of Crédit Agricole Assurances;
- the justification of our assessments;
- the specific verification required by law.

These financial statements have been approved by The Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

## I - Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform procedures to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sample techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the assets, liabilities and financial position of the Company as of December 31, 2014 and of the results of its operations for the year ended in accordance with French generally accepted accounting principles.

Without qualifying our opinion expressed above, we draw your attention to note 3 of the financial statement appendix regarding the first application of the ANC recommendation No. 2013-02 concerning the rules of valuation and accounting for pension and similar benefits.

## II - Justification of our assessments

In accordance with the requirements of article L.823-9 of the French Commercial Code *(Code de commerce)* relating to the justification of our assessments, we bring to your attention the following matters:

As part of its financial statements preparation process, your Company has made accounting estimates, in particular regarding the valuation of investments in non-consolidated companies and participating interests, loans and advances granted, other long-term investments and the pension and future employees' benefits provisions. We have examined the assumptions used and verified that these accounting estimates are based on documented methods that comply with the principles set forth in Note 3 to the financial statements.

We have verified the methods used for implementing of impairment testing and the main parameters and assumptions used and we have assured ourselves that the presentation in the notes to the financial statements is appropriate.

These assessments were made as part of our audit of the parent company's financial statements, taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

## III - Specific verification and Information

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information provided in the management report of the Board of Directors, and in the documents addressed to the shareholders with respect to the financial position and the financial statements.

Concerning the information provided in accordance with the requirements of Article L. 225-102-1 of the French Commercial Code *(Code de Commerce)* related to compensations and benefits received by the Directors and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from companies controlling your Company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders or holders of the voting rights has been properly disclosed in the management report.

Neuilly-sur-Seine and Paris-La Défense, April 16, 2015

The Statutory Auditors

| PricewaterhouseCoopers Audit | | ERNST & YOUNG et Autres | |
|---|---|---|---|
| Gérard Courrèges | Catherine Pariset | Valérie Meeus | Pierre Planchon |

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# GENERAL INFORMATION

# MEMORANDUM AND ARTICLES OF ASSOCIATION

## CRÉDIT AGRICOLE ASSURANCES

A French public limited company (*société anonyme*) with share capital of €1,448,754,700, registered with the Paris Trade and company Register under number 451 746 077.

Registered office:

50-56, rue de la Procession, 75015 Paris-France

Telephone: (33) 1 43 23 03 33

## ARTICLES OF ASSOCIATION

The articles of association of Crédit Agricole Assurances, amended on 29 December 2014, are reproduced in full below.

### Article 1-Form

The company was set up in the form of a simplified joint-stock company (*société par actions simplifiée*) under the terms of a private deed dated 15 January 2004.

It was converted into a public company (*société anonyme*) by unanimous decision of the Extraordinary General Meeting of Shareholders of 5 May 2008.

The company continues to exist for owners of existing shares and for shares created subsequently.

It is governed by the legislative and regulatory provisions in force and by these articles of association.

### Article 2 – Purpose

The company's purpose in France and abroad is:

- to take an equity and/or controlling interest mainly in any insurance or reinsurance companies, to carry out research and analysis and to make any investments;
- to manage these holdings and investments;

and to:

- forge and manage significant and long-lasting links of financial solidarity with mutual insurance and reinsurance companies.

All the above directly or indirectly in any form, notably through the creation of companies, new groupings, contributions, mergers, alliances, subscription, purchase or exchange of shares and other rights in any company, undertaking or legal entity already in existence or to be created.

The purpose of the company is also to:

- provide capital advances to ensure the development of companies in which it has a holding;
- provide any services of an administrative, financial or commercial nature and any technical assistance to any insurance or reinsurance company in which the company has a direct or indirect holding;

and, generally, any financial, commercial, industrial, property and capital transactions directly or indirectly attached, in full or in part, to the above purpose or to similar or related purpose in order to promote its expansion or development.

### Article 3-Name

The company name is: "CRÉDIT AGRICOLE ASSURANCES".

### Article 4 – Registered office

The registered office is at 50-56 rue de la Procession, 75015 PARIS.

It may be transferred to any other location in the same department or a neighbouring department by decision of the Board of Directors, subject to the ratification of this decision by the next Ordinary General Meeting of Shareholders. The Board of Directors is thus authorised to amend the articles of association accordingly.

It may be transferred to any other location by virtue of a decision of an Extraordinary General Meeting of Shareholders.

### Article 5-Term

The term of the company remains 99 years from the date of its registration with the Trade and company Register, except in the case of early dissolution or extension.

### Article 6-Contributions

- Following the Extraordinary General Meeting of Shareholders of 18 December 2008, the share capital was increased by €108,454,030, in compensation for the contribution of the shares of the following companies: BES VIDA, BES Seguros, CAAIH, CARE, CARI, EMPORIKI Insurance and CALI Serbie. This contribution was remunerated by the allocation of 10,845,403 shares, each with a par value of €10 and a total issue premium of €650,724,180.

- Following the decision of the General Meeting of 3 June 2010 offering shareholders the option of receiving their dividends in shares, and the recording by the Board of Directors on 7 October 2010 of the final completion of the capital increase, the share capital was increased to €1,162,542,980.00 through the issue of 6,099,377 new shares of the same category, each with a par value of €10.
- Following the decision of the General Meeting of 19 June 2013 offering shareholders the option of receiving their dividends in shares, and the recording by the Board of Directors on 1 August 2013 of the final completion of the capital increase, the share capital was increased to €1,240,569.500.00 through the issue of 7,802,652 new shares of the same category, each with a par value of €10.
- Following the Extraordinary General Meeting of Shareholders of 29 December 2014, the share capital was increased by €208,185,200 through a cash contribution of €1,542,027,776.40. This contribution was remunerated by the allocation of 20,818,520 new shares, each with a par value of €10 and a total issue premium of €1,333,842,576.40.

## Article 7 – Share capital

Share capital is currently set at €1,448,754,700 divided into 144,875,470 fully paid up shares of the same category, each with a par value of €10.

## Article 8 – Form of shares

The shares are in registered form. The materiality of the shares results from their registration in the name of their holder or holders in accounts held for this purpose by the company under the terms and conditions provided by law.

At the shareholder's request, a certificate of registration shall be issued by the company.

## Article 9-Rights and obligations

1. Subject to the rights that may be granted to shares of different categories where created, each share entitles the holder to a portion of the profits and corporate assets in proportion to the portion of share capital it represents. It also entitles the holder to vote and to be represented at General Meetings, under the terms and conditions provided by law and the articles of association.
2. Shareholders shall only be held liable for company losses up to the amount of their contributions. The rights and obligations attached to the share follow ownership of the share. Ownership of a share automatically entails adherence to the articles of association and to the decisions of the General Meeting.
3. Whenever it is necessary to hold several shares to exercise a given right, such as in the case of an exchange, consolidation or allocation of shares, or as a result of an increase or reduction in the share capital, or in the case of a merger or other corporate transaction, the holders of individual shares, or those who do not own the required number of shares, may exercise such rights only if they personally arrange for the consolidation of the shares and purchase or sell the required number of shares where necessary.

## Article 10-Disposal and transfer of shares

- I -

Securities entered in account shall be transmitted *via* transfer between accounts under the terms and conditions provided by law and subject, where applicable, to the provisions listed below.

- II -

Except in the case of transfer to a person appointed as director, any disposal in favour of a non-shareholder relating to full legal title, bare ownership or beneficial interest of shares, subscription and allocation rights must be submitted to the Board of Directors for approval in accordance with the terms and conditions set out below:

II-1. In the event of planned disposal, the assignor must notify the company by extra-judicial document or registered letter with acknowledgement of receipt, indicating the first name, surname and domicile of the assignee, or the company name and registered office in the case of a company, the number of shares it is planned to dispose of and the price offered.

The Board of Directors is bound to notify the assignor within three months whether it accepts or turns down the planned disposal. Failing notification within three months, it shall be deemed to have accepted.

The decision to accept must be taken by a majority of votes of the directors present or represented, with the assignor, if he/she is a director, abstaining from the vote. In accordance with the law and with these articles of association, at least half of the directors in office must be present.

No reasons need be given for the decision and, if turned down, it may not give rise to any form of claim.

The assignor must be notified by registered letter within ten days of the decision. Where the bid is turned down, the assignor shall have eight days to notify the Board whether he/she intends to proceed with the disposal.

II-2. Where the assignor decides to proceed with the disposal, the Board of Directors shall be bound to have the shares acquired by shareholders or third parties, or by the company with a view to effecting a capital reduction within three months of the assignor notifying his/her decision to proceed with the disposal.

To this end, the Board of Directors shall notify the shareholders by registered letter of the planned disposal, inviting them to indicate the number of shares they wish to acquire.

Bids must be sent by the shareholders to the Board of Directors by registered letter with acknowledgement of receipt within fifteen days of receiving the notification. The Board of Directors shall distribute the shares offered between the shareholders in proportion to their equity interest and within the amount of their bids. Where applicable, undistributed shares shall be allocated by the drawing of lots-carried out by the Board of Directors in the presence of bidding shareholders or those duly called to attend-among as many shareholders as there remain shares to allocate.

II-3. Where no bid is sent to the Board of Directors within the above-mentioned deadline, or where the bids do not encompass all of the shares offered, the Board of Directors may have the available shares purchased by a third party, with the Board of Directors responsible for ensuring that said third party is subject to the approval procedure specified in these articles of association.

II-4. The shares may also be purchased by the company.

1 2 3 4 5 6 7 8 9

In this case, the Board shall convene an Extraordinary General Meeting of Shareholders to approve the repurchasing of shares by the company and the corresponding reduction in share capital. This meeting notice must be sent out sufficiently early to ensure compliance with the three-month deadline indicated below.

In all the above cases of purchase or repurchase, the price of the shares is set as indicated below.

II-5. Where not all the shares have been purchased or repurchased within the three-month deadline following the notification of refusal to authorise the disposal, the assignor may make the sale in favour of the original assignee for those shares that he/she is free to sell, subject to any partial bids made as set out above.

This three-month deadline may be extended by order of the Presiding Judge of the Commercial Court ruling in summary proceedings to which the assignor and assignee have been duly called. This order is not open to appeal.

II-6. Where the shares offered are acquired by shareholders or by third parties, the Board of Directors shall notify the assignor of the first name, surname and domicile of the purchaser(s).

The disposal price for the shares and the terms under which the sale of said shares is completed are set at the price offered by the assignee whose bid was turned down in line with the approval application received by the company. Failing agreement on the price, this shall be determined by an expert, in accordance with the provisions of article 1843-4 of the French Civil Code.

The expert's expenses shall be borne equally by the assignor and the purchaser(s).

The company shall send the assignor or unapproved subscriber, by registered letter with acknowledgement of receipt, the documentation necessary to register the transfer of shares and their registration in the name of the purchasers appointed by the Board of Directors.

Where the interested parties fail to return this documentation to the company within 15 days of its being sent, the transfer of shares in the name of the beneficiaries appointed by the Board of Directors shall be automatically registered through the signature of the Chairman of the Board of Directors or by a Chief Executive Officer and by the beneficiary, where applicable. The shareholder's signature is not required. The shareholder shall be advised within eight days of the shares being registered in the name of the purchaser and requested to contact the registered office to receive payment, which shall not accrue interest.

Where, after six months, the shareholder has not withdrawn payment to which he is entitled, the company has the option to transfer the amount to the Caisse des Dépôts et Consignations, after which it shall be discharged of its responsibility in this regard.

II-7. The provisions of this article shall apply in all cases of disposal, either *inter vivos* or as a result of inheritance, liquidation of a marital estate, either free of charge or against payment, including in cases of disposal by public tender pursuant to a court ruling. These provisions shall also apply in cases of capital contributions, partial contributions of assets, mergers or splits.

II-8. In the case of a capital increase in cash, the Board of Directors may decide, in order to facilitate the transactions, to exert its right of approval on the issue of new shares to the non-shareholding subscriber rather than on the disposal of subscription rights.

The non-shareholding subscriber is not required to lodge an approval application; this shall be made implicitly upon receipt by the company of the subscription form. However, he/she must, where applicable, enclose with the form any and all supporting documentation for his/her acquisition of subscription rights.

The time limits imposed by law and by the articles of association in respect of the exercising by the Board of Directors of its right of approval shall run from the date of final completion of the capital increase.

Where approval is refused, the new shares subscribed by the unapproved third party must be repurchased under the above terms and conditions and time limits, at a price equal to the value of the new shares being repurchased, set at the issue price or, failing agreement on the price, by an expert under the terms and conditions provided by law.

II-9. In the event of the allocation of shares of this company following the partition of a third-party company which hold shares in their portfolio, allocations made to persons who not already shareholders shall be subject to the approval set out in this article.

The plan to allocate shares to persons other than shareholders must therefore be submitted for approval by the company liquidator under the terms and conditions set out in this article.

Where the Board of Directors fails to notify the liquidator within three months following the approval application, such approval shall be deemed to have been given.

Where the beneficiaries or a number thereof are refused approval, the liquidator may, within thirty days of the notification of refusal, change the allocations made in order to submit only approved beneficiaries.

Where no beneficiaries are approved, or where the liquidator has not changed his/her planned partition within the deadline stated above, shares allocated to unapproved shareholders must be purchased or repurchased from the company in liquidation under the terms and conditions set out above.

Where not all shares for which approval has been refused have been purchased or repurchased within the deadline stipulated above, the partition may be completed in accordance with the plan presented.

## Article 11-Board of Directors

The company is managed by a Board of Directors which has at least three members and at most eighteen members, subject to the exemptions provided by law.

The age limit for directors is 65. When a director reaches the age of 65, he/she will be deemed to have resigned at the end of the next Ordinary General Meeting of Shareholders.

During the existence of the company, directors are appointed or reappointed by the Ordinary General Meeting of Shareholders; however, in the event of a merger or split, they may be appointed by an Extraordinary General Meeting of Shareholders.

Where one or more directorships become vacant between two General Meetings as a result of death, removal or resignation, the Board of Directors may appoint one or more directors temporarily under the terms and conditions provided by law.

Directors may be removed at any time by the Ordinary General Meeting of Shareholders.

Their term of office is three years maximum and is renewable.

However, a director appointed to replace another director whose term of office has not yet expired shall remain in office only for the balance of his predecessor's term.

Directors may not be elected to more than four consecutive terms.

A director's duties shall terminate at the end of the Ordinary General Meeting of Shareholders called to consider the accounts for the previous financial year that is held during the year in which such director's term expires.

One third of the seats of the directors appointed by the General Meeting of Shareholders (or the nearest whole number, with the last group adjusted as necessary) shall turn over each year at the Annual Ordinary General Meeting of Shareholders so that all seats turn over every three years.

Outgoing directors shall be selected by the drawing of lots for the first and second period of three years and then by order of seniority as director.

If the number of elected directors is increased, lots shall be drawn (if necessary and prior to the first Ordinary General Meeting following the date on which said directors assume their seats) to determine the order in which said seats will turn over. The partial term of the directors selected by the drawing of lots due to the increase in the number of seats to be filled shall be disregarded when determining whether they have reached the four-term limit.

The Annual Ordinary General Meeting of Shareholders may pay the Board of Directors a fixed annual amount for attendance fees, which is posted under operating expenses. The Board shall distribute these attendance fees between its members as it sees fit.

The Board of Directors may also pay exceptional compensation to directors under the terms and conditions provided by law.

## Article 12-Non-voting directors

Upon recommendation from the Chairman, the Board of Directors may appoint one or more non-voting directors.

Non-voting directors shall be notified of and participate at meetings of the Board of Directors in an advisory capacity.

They are appointed for a term of three years and may not be reappointed for more than four terms. They may be dismissed by the Board at any time.

In consideration of services rendered, they may be remunerated as determined by the Board of Directors.

## Article 13 – Deliberations of the Board of Directors

The Board of Directors shall meet as often as the interests of the company so require, upon notice by its Chairman, by any person authorised for that purpose by the Board of Directors, or by at least one-third of its members to address a specific agenda if the last meeting was held more than two months previously.

The Chief Executive Officer may request the Chairman to call a meeting of the Board of Directors to address a specific agenda. The Chairman is bound by requests addressed to him.

Meetings may be held at the registered office or at any other place specified in the meeting notice.

They may be convened by any means, in principle, at least three days in advance. Meeting notices shall indicate precisely which items shall be addressed, it being stipulated that once the Board of Directors' meeting has started the Board is free to discuss any point not explicitly listed on the agenda, in accordance with the law. If all of the directors so agree, notice may be given orally and need not be in advance.

The Board can only validly deliberate if at least half of its members are present.

Decisions are adopted on the basis of a majority vote of those members present or represented. The Chairman of the meeting shall have the casting vote.

Any director may grant a proxy, by letter, telegram, fax or email, to another director (or to the permanent representative of a director that is a legal entity) to represent it at a Board meeting.

Each director may only avail of one such proxy vote per meeting.

In accordance with the legal and regulatory provisions, the Rules of Procedure may provide, for decisions under its remit, that for the purposes of determining a quorum and majority, those shareholders that attend a Board by video conference or by telecommunications media permitting their identification and effective participation shall be counted as present at the meeting.

The Chief Executive Officer shall attend the meetings of the Board of Directors.

At the Chairman's request, employees in positions of responsibility in Crédit Agricole Assurances Group may attend Board meetings.

The directors and any individuals requested to attend Board meetings must exercise discretion with respect to any confidential information described as such by the Chairman of the Board of Directors.

An attendance sheet is kept and signed by all directors taking part in the Board meeting.

Minutes must be drawn up and copies or extracts of the deliberations shall be issued and certified in accordance with the law.

## Article 14 – Powers of the Board of Directors

The Board of Directors determines and ensures compliance with the business focus of the company.

Except for the powers expressly reserved to the General Meeting of Shareholders and within the limits established by the company's purpose, the Board of Directors is responsible for all issues related to the company's operations and business.

In its relations with third parties, the company may be bound by the acts of the Board of Directors which fall outside the company's purpose unless the company can prove that the said third party knew that the act was ultra vires or that it could not have been unaware, in light of the circumstances, that the act was ultra vires. The publication of the articles of association shall not constitute proof thereof.

The Board of Directors carries out such controls and verifications as it sees fit.

Each director shall receive the information necessary to accomplish the Board's duties and may obtain all the documents from Executive management that he/she considers necessary.

The Board may decide to set up various Committees to examine issues raised by itself or its Chairman and render an opinion.

The Board shall be responsible for determining the composition and powers of Committees which do their work under its authority.

## Article 15 – Chairmanship of the Board of Directors

The Board of Directors appoints one of its members as Chairman, for whom it determines the length of office and compensation. The Chairman must be a natural person and his/her term of office cannot exceed his/her term of office as a director.

The Board of Directors may elect one or more Deputy Chairmen from among its members, whose term shall also be established by the Board, but which may not exceed his/her (their) term of office as a director. It may also appoint a secretary, who may or may not be a director.

The Board of Directors may dismiss the Chairman at any time. Any clause to the contrary shall be deemed not to have been written.

In the event of the Chairman's death or temporary inability to attend, the Board of Directors may appoint a director to act as Chairman.

In the event of a temporary inability to attend, this appointment is made for a limited period and is renewable. In the event of death, it shall continue to be valid until such time as a new Chairman is elected.

The Chairman of the Board of Directors represents the Board of Directors. He/she organises and directs the activities thereof and reports to the General Meeting of Shareholders on its activities. He/she is responsible for the proper operation of the company's bodies, and, in particular, ensures that directors are able to fulfil their duties.

When the Chairman reaches the age limit, he/she is deemed to have automatically resigned following the next meeting of the Board of Directors.

## Article 16-Executive management

The company's executive management may be placed under the responsibility of either the Chairman of the Board of Directors or another person appointed by the Board who holds the title of Chief Executive Officer.

The choice between these two methods of exercising executive management is made by the Board of Directors, which must notify shareholders and third parties in accordance with the regulatory conditions.

Decisions of the Board of Directors regarding the choice of method of exercising executive management shall be made by the majority of those directors present or represented. The option retained by the Board of Directors is valid for the period determined in the decision. After this period, the Board of Directors must discuss the methods of exercising general management.

### Chief Executive Officer

The Chief Executive Officer may or may not be appointed from among the directors.

Where the Board of Directors opts to separate the functions of Chairman and Chief Executive Officer, it appoints the Chief Executive Officer, sets his/her term of office, determines his/her compensation and, where applicable, the limitations of his/her powers.

No person over the age of 65 May be appointed Chief Executive Officer. Furthermore, if a Chief Executive Officer reaches this age limit, he/she is deemed to have automatically resigned following the next meeting of the Board of Directors.

The Chief Executive Officer may be dismissed at any time by the Board of Directors. Where the Chief Executive Officer does not take on the functions of Chairman of the Board of Directors, his/her dismissal may give rise to the payment of damages, if the decision to do so is taken without sufficient grounds.

The Chief Executive Officer and Deputy Chief Executive Officers may be re-elected.

The Chief Executive Officer shall enjoy the broadest powers to act in all cases on behalf of the company. He/she exercises his/her authority within the limits of the company's purpose and subject to that authority assigned by law to Meetings of Shareholders and to the Board of Directors.

As part of the internal company organisation, these powers may be limited by the Board of Directors. However, decisions of the Board of Directors that limit the Chief Executive Officer's powers are not binding on third parties.

The Chief Executive Officer represents the company in its relations with third parties. The company shall be bound by those actions of the Chief Executive Officer which are ultra vires unless the company can prove that the said third party knew that the act was ultra vires or that it could not have been unaware, in light of the circumstances, that the act was ultra vires. Publication of the articles of association shall not constitute proof thereof.

### Deputy Chief Executive Officers

At the recommendation of the Chief Executive Officer, the Board of Directors may appoint one or more persons responsible for assisting the Chief Executive Officer, who shall have the title "Deputy Chief Executive Officer" (*Directeur général délégué*). The number of Deputy Chief Executive Officers may not exceed five. The Deputy Chief Executive Officers may be dismissed at any time by the Board of Directors at the recommendation of the Chief Executive Officer.

The age limit applicable to the Chief Executive Officer also apples to Deputy Chief Executive Officers.

Where the Chief Executive Officer steps down from office or is unable to carry out his/her duties, the Deputy Chief Executive Officers shall retain their duties and powers until a new Chief Executive Officer is appointed, unless otherwise decided by the Board.

The Board of Directors determines the compensation of the Chief Executive Officer and of the Deputy Chief Executive Officers.

With the consent of the Chief Executive Officer, the Board of Directors shall determine the scope and term of the authority granted to the Deputy Chief Executive Officers. Deputy Chief Executive Officers shall have the same authority as the Chief Executive Officer with respect to third parties.

The Chief Executive Officer or Deputy Chief Executive Officers may, within the limits set by the legislation in force, delegate such powers as they see fit for one or more specific purposes to any agents, even outside the company, taken individually or grouped together in committees or commissions. These powers may be permanent or temporary and may or may not include the possibility of substitution. The delegations thus granted shall remain in full effect despite the expiry of the term of office of the person who granted them.

## Article 17 – Statutory Auditors

Audits of the accounts shall be exercised in accordance with the law by two statutory auditors appointed by the Ordinary General Meeting of Shareholders; the Meeting shall also appoint two alternate statutory auditors.

The term of office of the statutory auditors shall be six financial years.

Statutory Auditors whose term of office expires may be reappointed.

The statutory auditors may act jointly or separately, but must submit a joint report on the company's accounts. They must submit their report to the Annual Ordinary General Meeting of Shareholders.

## Article 18-General Meetings of Shareholders

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

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

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

Holders of shares registered as provided for by law for at least three working days prior to the date of the General Meeting may attend or be represented at the Meeting with no prior formality, by providing proof of their identity.

This period may be shortened by decision of the Board of Directors.

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

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

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

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

## Article 19 – Financial statements-Determination, allocation and distribution of profit

The financial year begins on 1 January and ends on 31 December.

At the close of each financial year, the financial statements and notes are approved and drawn up in accordance with the legal and regulatory provisions in force.

Earnings for the financial year comprise income for the financial year as recorded on the balance sheet, less general expenses, wages and salaries, reserves and provisions regarding insurance of any nature prescribed by legislation, depreciation of company assets and any provisions for risks.

An amount shall be taken from the distributable earnings as determined in accordance with the law and recorded by the Annual Ordinary General Meeting of Shareholders after approval of the financial statements, to be carried forward or allocated to any general or special reserve fund, as decided by the Ordinary General Meeting of Shareholders.

Where there is any balance, this shall be paid out in proportion to the shares held.

The meeting may also take any amount from the reserve funds at its disposal to make distributions to shareholders, unless the items from which such amount may be taken is expressly indicated. However, dividends are taken as a matter of priority from the distributable earnings for the financial year.

Excluding the case of a capital reduction, no distribution shall be made to shareholders where equity falls or would fall as a result of such distribution below the amount of equity plus any reserves the distribution of which is prohibited by law.

The Ordinary General Meeting of Shareholders may grant each shareholder the option to take payment of all or part of a dividend or to take an interim dividend in cash or shares in accordance with the law.

## Article 20-Dissolution-Liquidation

The company is in liquidation from the moment of its dissolution on any grounds whatsoever, excluding a merger or split.

The meeting shall determine the liquidation procedures and shall appoint one or more liquidators whose powers it shall determine and who shall exercise their powers in accordance with the law.

Any equity remaining after the par value of shares has been reimbursed shall be distributed among the shareholders in the same proportions as their holding in the share capital.

## Article 21 – Disputes

Any disputes arising during the term of the company or during its liquidation, either between the company and its shareholders or between the shareholders themselves, shall be subject to the jurisdiction of the competent courts.

# INFORMATION ON THE COMPANY

## ACQUISITIONS MADE BY CRÉDIT AGRICOLE ASSURANCES OVER THE PAST THREE YEARS

### Completed acquisitions

In April 2012, Crédit Agricole Assurances purchased 50% of the equity of CA VITA from Cariparma, bringing its holding to 100%.

No major acquisitions were made during 2013 and 2014.

### Acquisitions in progress

No new acquisitions were announced after the end of 2014 and for which the management bodies have already made firm commitments.

## NEW PRODUCTS AND SERVICES

The entities of Crédit Agricole Group regularly offer new products and services to customers. Information is available on Crédit Agricole Group websites, especially through press releases on the website www.ca-assurances.com.

## MATERIAL CONTRACTS

Over the last two financial years, neither Crédit Agricole Assurances nor its subsidiaries have entered into any material contracts with third parties giving rise to a major obligation or commitment for the Group as a whole, comprising Crédit Agricole Assurances and its subsidiaries, other than those entered into in the normal course of business.

However, there are major agreements binding Crédit Agricole Assurances, its subsidiaries and Crédit Agricole Group in terms of their business relations. These agreements are set out under related-party disclosures in the consolidated financial statements.

## SIGNIFICANT CHANGES

The financial statements at 31 December 2014 were approved by the Board of Directors at its meeting of 12 February 2015. Since this date, there have been no significant changes in the financial position or business operations of the company and Crédit Agricole Assurances Group.

## PUBLICLY AVAILABLE DOCUMENTS

This document is available on the websites of Crédit Agricole Assurances (http://www.ca-assurances.com/en/investors) and of the French Financial Markets Authority (AMF), (www.amf-france.org).

All regulated information as defined by the AMF (in Title II of Book II of the AMF's general regulations) is available on the company's website: http://www.ca-assurances.com/en/investors.

The articles of association of Crédit Agricole Assurances are reproduced, in full, in this document.

# STATUTORY AUDITORS' REPORT ON RELATED PARTY AGREEMENTS

*This is a free translation into English of the Statutory Auditors' report issued in the French language and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

To the Shareholders,

In our capacity as statutory auditors of your company, we hereby report on certain related party agreements.

We are required to inform you, on the basis of the information provided to us, of the terms and conditions of those agreements indicated to us, or that we may have identified in the performance of our engagement. We are not required to comment as to whether they are beneficial or appropriate or to ascertain the existence of any such agreements. It is your responsibility, in accordance with article R. 225-31 of the French commercial code *(Code de commerce)*, to evaluate the benefits resulting from these agreements prior to their approval.

In addition, we are required, where applicable, to inform you in accordance with article R. 225-31 of the French commercial code *(Code de commerce)* concerning the implementation, during the year, of the agreements already approved by the general meeting of shareholders.

We performed those procedures which we considered necessary to comply with professional guidance issued by the national auditing body *(Compagnie nationale des commissaires aux comptes)* relating to this type of engagement.

## Agreements submitted for approval by the general meeting of shareholders

We hereby inform you that we have not been advised of any agreements authorized in the course of the year to be submitted to the general meeting of shareholders for approval in accordance with article L. 225-38 of the French commercial code *(Code de commerce)*.

## Agreements already approved by the general meeting of shareholders

We hereby inform you that we have not been advised of any agreements already approved to the general meeting of shareholders, whose implementation continued during the year.

Neuilly-sur-Seine and Paris-La Défense, April 16, 2015

The statutory auditors
*French original signed by*

| PricewaterhouseCoopers Audit | | ERNST & YOUNG et Autres | |
|---|---|---|---|
| Gérard Courrèges | Catherine Pariset | Valérie Meeus | Pierre Planchon |

# FEES PAID TO STATUTORY AUDITORS[1]

## BOARD OF AUDITORS OF CRÉDIT AGRICOLE ASSURANCES S.A.[2]

| | Ernst & Young | | | | PricewaterhouseCoopers | | | |
|---|---|---|---|---|---|---|---|---|
| | Amount (excl. VAT) | | % | | Amount (excl. VAT) | | % | |
| *(in € thousands)* | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| **Independent audit, certification, review of parent company and consolidated financial statements** | **1,838** | **1,703** | **78.8%** | **76.9%** | **1,573** | **1,470** | **64.1%** | **83.6%** |
| Crédit Agricole Assurances S.A. | 300 | 232 | 12.9% | 10.5% | 305 | 217 | 12.4% | 12.3% |
| Fully consolidated subsidiaries | 1,538 | 1,471 | 65.9% | 66.4% | 1,268 | 1,253 | 51.7% | 71.3% |
| **Ancillary assignments and services directly linked to the statutory auditors' mission[3]** | **397** | **376** | **17.0%** | **17.0%** | **663** | **138** | **27.0%** | **7.9%** |
| Crédit Agricole Assurances S.A. | 221 | 25 | 9.5% | 1.1% | 229 | 31 | 9.3% | 1.8% |
| Fully consolidated subsidiaries | 176 | 351 | 7.5% | 15.9% | 434 | 107 | 17.7% | 6.1% |
| **Audit sub-total** | **2,235** | **2,079** | **95.8%** | **93.9%** | **2,236** | **1,608** | **91.1%** | **91.5%** |
| **Other services** | **98** | **135** | **4.2%** | **6.1%** | **217** | **151** | **8.9%** | **8.5%** |
| Legal, tax and employee-related | 0 | 2 | 0.0% | 0.1% | 156 | 146 | 6.4% | 8.3% |
| Other | 98 | 133 | 4.2% | 6.0% | 61 | 5 | 2.5% | 0.2% |
| **TOTAL** | **2,333** | **2,214** | **100.0%** | **100.0%** | **2,453** | **1,759** | **100.0%** | **100.0%** |

(1) *These figures include the annual cost of statutory auditors' fees.*
*In accordance with article 222-8 of the AMF's general regulations, this table encompasses fully consolidated subsidiaries (including those subject to IFRS 5 in 2014).*
(2) *Including Crédit Agricole Assurances S.A. fully consolidated subsidiaries audited by the Board of Auditors.*
(3) *According to AMF instruction 2006-10.*

# PERSONS RESPONSIBLE FOR THE REGISTRATION DOCUMENT AND AUDITING THE FINANCIAL STATEMENTS



## PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT

Jérôme Grivet, Chief Executive Officer of Crédit Agricole Assurances.

## STATEMENT OF THE PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT

I hereby certify that, to my knowledge and after all due diligence, the information contained in this registration document is true and accurate and contains no omissions likely to affect the import thereof.

I hereby certify that, to my knowledge, the financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the financial position and results of the company and all entities included in the consolidated group over the relevant periods, and that the information shown in the management report, the various sections of which are listed on page 245 of this document, provides a true and fair view of the business trends, results and financial condition of the company data and all entities included in the consolidated group, together with a description of the main risks and uncertainties that they face.

I have obtained a letter from the statutory auditors, upon completion of their work, in which they state that they have verified the information relating to the financial position and financial statements provided in this registration document and read the document as a whole.

The parent company and consolidated financial statements for the year ended 31 December 2014 as presented in the registration document have been reported on by the statutory auditors, whose reports are provided in pages 213 to 214 and 229 to 230 of this document. These reports contain one observation.

Jérôme Grivet, Chief Executive Officer

Paris, 6 August 2015

# PERSONS RESPONSIBLE FOR AUDITING THE FINANCIAL STATEMENTS

The company's statutory auditors are registered as auditors with the national auditing body (*Compagnie nationale des commissaires aux comptes*) and placed under the authority of the supervisory authority for auditors, (*Haut Conseil du commissariat aux comptes*).

## Statutory auditors

| Statutory auditors | Date of first appointment to office | Expiry of current term of office |
|---|---|---|
| **PricewaterhouseCoopers Audit**<br>63, rue de Villiers<br>92200 Neuilly-sur-Seine<br>represented by Catherine Pariset and Gérard Courrèges[(1)] | 5 May 2008 | 2020 Annual General Meeting of Shareholders |
| **Ernst & Young et Associés**<br>Tour First<br>1, place des Saisons<br>92400 Courbevoie<br>represented by Valérie Meeus and Pierre Planchon[(1)] | 5 May 2008 | 2016 Annual General Meeting of Shareholders |

(1) *Registered with the regional auditing body (Compagnie régionale) of Versailles.*

## Alternate Auditors

| Statutory auditors | Date of first appointment to office | Expiry of current term of office |
|---|---|---|
| **Éric Dupont**[(1)]<br>63, rue de Villiers<br>92208 Neuilly-sur-Seine Cedex | 5 May 2008 | 2020 Annual General Meeting |
| **Olivier Drion**[(1)]<br>Tour First<br>1, place des Saisons<br>92400 Courbevoie | 17 June 2014 | 2016 Annual General Meeting |

(1) *Registered with the regional auditing body (Compagnie régionale) of Versailles.*

# CROSS-REFERENCE TABLES FOR THE REGISTRATION DOCUMENT

## CROSS-REFERENCE TABLE WITH HEADINGS REQUIRED BY EUROPEAN REGULATION 809/2004

The cross-reference table below refers to the main headings required under regulation no. 809/2004 implementing Directive 2003-71/EC and to the pages of this registration document.

| Headings in Appendix 9 of European Regulation No. 806/2004 | Pages |
|---|---|
| **11. Financial information concerning the issuer's assets and liabilities, financial position and profits and losses** | **12-13, 94, 119-230, 238, 246-325** |
| 11.1 Historical annual financial information | 120-212, 216-228, 246-323 |
| 11.2 Financial statements | 119-230 |
| 11.3 Verifications of historical annual financial statements | 213-214, 229-230, 324-325 |
| 11.3.1 Attestation by the Statutory Auditors | 213-214, 229-230, 324-325 |
| 11.3.2 Other information audited by the Statutory Auditors | 50-52, 70, 239 |
| 11.3.3 Unaudited financial information | 4-8, 15 |
| 11.4 Date of latest financial information | 119 |
| 11.4.1 Dates of latest financial information | 119 |
| 11.5 Legal and arbitration proceedings | 117 |
| 11.6 Significant changes in the Group's financial position or business operations | 12-13, 94, 220, 238 |
| **12. Material contracts** | **238, 239** |
| **13. Third party information and statements by experts and declarations of interest** | **Not applicable** |
| 13.1 Information on third parties making statements | Not applicable |
| 13.2 Attestation of reproduction reliability | Not applicable |
| **14. Publicly available documents** | **238** |

# CROSS-REFERENCE TABLE WITH THE INFORMATION REQUIRED BY THE AMF'S GENERAL REGULATIONS UNDER REGULATORY INFORMATION

Regulated information within the meaning of the AMF's general regulations contained in this registration document can be found on the pages shown in the cross-reference table below.

This registration document, published in the form of an Annual Report, includes all components of the 2014 Annual Financial Report referred to in paragraph I of article L. 451-1-2 of the French Monetary and Financial Code and article 222-3 of the general regulations of the French Financial Markets Authority (AMF).

| Information required by the Annual Financial Report | Pages |
|---|---|
| **1. Management report** | **9-10, 14-16, 19-52, 71-87, 90-97, 100-117, 228** |
| 1.1 Analysis of activity, results and financial position | 14-16, 90-97, 228 |
| 1.2 Risk analysis | 100-117 |
| 1.3 Recent changes in capital and list of authorisations to effect capital increases | 9-10 |
| 1.4 Items that may have an impact in the event of a takeover | Non applicable |
| 1.5 Sustainable development and related report of the statutory auditors | 19-52 |
| 1.6 Share buybacks | Non applicable |
| 1.7 Compensation policy (say on pay) | 71-87 |
| **2. Financial statements** | **120-230** |
| 2.1 Parent company financial statements | 216-228 |
| 2.2 Statutory auditors' report on the parent company financial statements | 229-230 |
| 2.3 Consolidated financial statements | 120-212 |
| 2.4 Statutory auditors' report on the consolidated financial statements | 213-214 |
| **3. Statement of person responsible for the registration document** | **241** |

Pursuant to articles 212-13 and 221-1 of the AMF's general regulations, this registration document also contains the following regulatory information:

| Other disclosures required under regulated information | Pages |
|---|---|
| **1. Fees paid to statutory auditors** | **195, 240** |
| **2. Chairman's report on the preparation and organisation of the Board's work and internal control procedures and the statutory auditors' report thereon** | **54-70** |

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# NOTES

# CRÉDIT AGRICOLE ASSURANCES CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2013

## GENERAL INFORMATION

### Presentation of Crédit Agricole Assurances Group

Crédit Agricole Assurances, a *société anonyme* with a Board of Directors, is the Crédit Agricole Group's holding company owning, under the control of Crédit Agricole S.A., the Group's holdings in various insurance and reinsurance companies in France and internationally.

The purpose of Crédit Agricole Assurances is to acquire and manage holdings in insurance and reinsurance companies without directly acting to provide insurance policies or enter into reinsurance contracts.

Crédit Agricole Assurances Group is regulated by the Autorité de contrôle prudentiel.

### Legal information

- Company name: **CRÉDIT AGRICOLE ASSURANCES**
- Company form: French limited liability company *(société anonyme)* with a Board of Directors
- Registered offices: 50/56, rue de la Procession – 75015 PARIS
- Share capital: €1,240,569,500 (last modified 19 June 2013)
- Place of registration: Tribunal de commerce de Paris
- Company Number: 2004 B 01471

### INSEE data

- N° Siren: 451 746 077
- Siret: 451 746 077 00036
- Code N0000AF: 6420Z (Holding company activities)
- Legal Category: 5599 (*société anonyme* with a Board of Directors)

### Tax information

- VAT registration number: FR 27 451 746 077 (EU intra-community number)
- VAT regime: Real normal

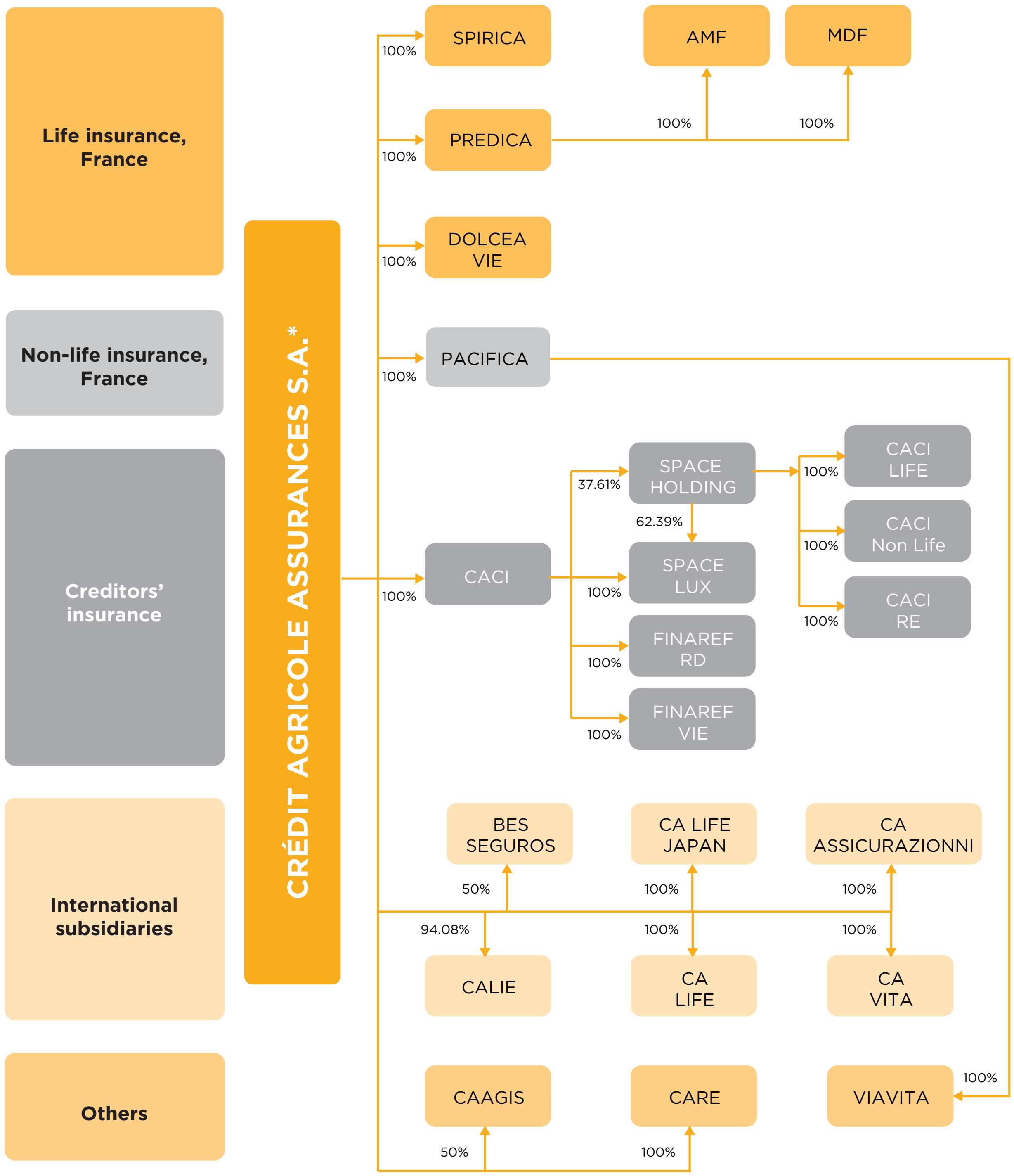
### Shareholders

Share capital in Crédit Agricole Assurances consists of 124,056,950 shares of €10 each, held by:

- Crédit Agricole S.A.: 99.99%
- Other Directors: 0.01%

## Simplified organisational structure of Crédit Agricole Assurances Group

The diagram below represents the scope of consolidation of the Crédit Agricole Assurances Group, with the exception of consolidated structured entities.




* *The Crédit Agricole Assurances S.A. holding company is presented in "other" under segment information.*

## Related party information

Parties related to the Crédit Agricole Assurances Group are companies within the Crédit Agricole S.A. Group and the main Directors of the Crédit Agricole Assurances Group.

### Relations with the Crédit Agricole Group

The majority of the financing of Crédit Agricole Assurances is provided by the Crédit Agricole Group.

At 31 December 2013, €2.6 billion perpetual subordinated loan notes and €1.8 billion redeemable subordinated loan notes were issued to Crédit Agricole S.A.

Within its investment portfolio, the Crédit Agricole Assurances Group holds securities issued by Crédit Agricole S.A. for a total of €20.1 billion.

As part of its bancassurance activities in France, Crédit Agricole Assurances delegates certain functions to other entities within the Crédit Agricole Group:

- the sale of insurance contracts is carried out through the banking networks of the Regional Banks and LCL in France and abroad and through the networks of international partners (including Cariparma in Italy, Bes in Portugal and Lukas Bank in Poland);
- administrative management of life insurance contracts sold by banking networks is delegated to the distributors (with Regional Banks in turn delegating some elements of this management to CAAGIS);
- asset management is delegated to specialist entities in various markets (Amundi, CA Immobilier, CACEIS, etc.);
- claims handling in France is managed by SIRCA (a company created by Pacifica and the Regional Banks).

Similarly, retirement benefit obligations of the Crédit Agricole S.A. Group are, in part, covered by collective insurance agreements with Predica. These agreements include the creation of collective investment funds for the purpose of covering retirement bonuses and certain pension schemes, to which contributions are paid by the employer, the management of these funds by the insurance companies and the payment to beneficiaries of bonuses and retirement benefits as set out in the various schemes.

### Relationship between companies consolidated by the Crédit Agricole Group

The list of companies consolidated by the Crédit Agricole Assurances Group is set out in note 10 – Consolidation scope.

Transactions between two fully consolidated companies are completely eliminated.

Intragroup transactions that have been subject to eliminations having an effect on the income statement for the year are presented in note 4 – Segment information.

### Relations with main Directors

Information on the compensation paid to the main Directors is set out in note 7 – Employee benefits and other compensation.

There are no significant transactions between Crédit Agricole Assurances and its main Directors, their families or companies under their control which are not included in the Group's scope of consolidation.

# CONSOLIDATED FINANCIAL STATEMENTS

## Balance sheet assets

| *(in € millions)* | Notes | 31/12/2013 | 31/12/2012 |
|---|---|---|---|
| Goodwill | Note 5.1 | 872 | 874 |
| Value of business in-force | Note 5.2 | 11 | 14 |
| Other intangible assets | Note 5.3 | 249 | 249 |
| **Intangible assets** | | **1,132** | **1,137** |
| Real estate investments | Note 5.4 | 3,493 | 2,968 |
| Unit-linked real estate investment | Note 5.4 | - | - |
| Financial investments | Note 5.4 | 230,108 | 215,490 |
| Unit-linked financial investments | Note 5.4 | 43,267 | 41,568 |
| Derivative instruments and separated embedded derivatives | Note 5.5 | 857 | 873 |
| **Investments from insurance activities** | | **277,725** | **260,899** |
| **Investments in associated undertakings** | | **-** | **-** |
| **Share of concessionaires and retrocessionaires in liabilities relating to insurance and financial contracts** | **Note 5.6** | **1,254** | **1,184** |
| Operational real estate and other property, plant and equipment | Note 5.7 | 237 | 246 |
| Deferred acquisition costs | Note 5.8 | 801 | 790 |
| Deferred participation assets | Note 5.19 | - | - |
| Deferred tax assets | Note 5.9 | 41 | 47 |
| Receivables resulting from insurance and assumed reinsurance operations | Note 5.10 | 1,619 | 1,556 |
| Receivables resulting from ceded reinsurance operations | Note 5.11 | 113 | 90 |
| Current income tax assets | | 9 | 29 |
| Other receivables | Note 5.12 | 3,016 | 1,387 |
| **Other assets** | | **5,836** | **4,145** |
| **Assets held for sale** | | **-** | **-** |
| **Cash and cash equivalents** | | **2,631** | **6,276** |
| **TOTAL ASSETS** | | **288,578** | **273,641** |

## Balance sheet liabilities

| *(in € millions)* | Notes | 31/12/2013 | 31/12/2012 |
|---|---|---|---|
| Share capital and equivalent | | 1,240 | 1,163 |
| Issue, merger and transfer premium | | 5,833 | 5,391 |
| Gains and losses recognised directly in equity | | 1,140 | 1,170 |
| Retained earnings | | 1,296 | 2,030 |
| Consolidated net income | | 1,002 | 750 |
| **Group shareholders' equity** | | **10,511** | **10,504** |
| **Minority interests** | | **27** | **27** |
| **Total shareholders' equity** | **Note 5.13** | **10,538** | **10,531** |
| **Provisions for risks and charges** | **Note 5.14** | **158** | **176** |
| Subordinated debt | Note 5.15 | 4,388 | 3,936 |
| Debt to banking establishments | | 1,451 | 1,345 |
| **Financial debt** | | **5,839** | **5,281** |
| Technical liabilities on insurance contracts | | 103,151 | 93,557 |
| Technical liabilities on unit-linked insurance contracts | | 38,371 | 37,093 |
| **Technical liabilities on insurance contracts** | **Note 5.17** | **141,522** | **130,650** |
| Technical liabilities on financial contracts with discretionary participation | | 99,749 | 99,392 |
| Technical liabilities on financial contracts without discretionary participation | | 352 | 360 |
| Technical liabilities on unit-linked financial contracts | | 4,825 | 4,493 |
| **Technical liabilities on financial contracts** | **Note 5.17** | **104,926** | **104,245** |
| **Deferred participation reserve** | **Note 5.18** | **10,201** | **10,380** |
| **Contract-related liabilities** | | **256,649** | **245,275** |
| Deferred tax liabilities | Note 5.9 | 453 | 590 |
| Operating debt represented by securities | | - | - |
| Operating debt to banking establishments | | 2,219 | 4,402 |
| Receivables resulting from insurance and assumed reinsurance operations | Note 5.19 | 1,605 | 1,617 |
| Receivables resulting from ceded reinsurance operations | Note 5.20 | 1,027 | 993 |
| Current income tax liabilities | | 126 | 178 |
| Derivative instrument liabilities | Note 5.5 | 8 | 7 |
| Other debts | Note 5.21 | 9,956 | 4,591 |
| **Other liabilities** | | **15,394** | **12,378** |
| **Liabilities of businesses identified for sale or discontinuation** | | **-** | **-** |
| **TOTAL LIABILITIES** | | **288,578** | **273,641** |

## Consolidated income statement

| *(in € millions)* | **Notes** | **31/12/2013** | **31/12/2012** |
|---|---|---|---|
| Gross written premiums | Note 6.1 | 25,701 | 22,563 |
| Change in unearned premiums | Note 6.1 | (26) | (53) |
| **Earned premiums** | **Note 6.1** | **25,675** | **22,510** |
| **Revenue or income from other activities** | **Note 6.1** | **94** | **104** |
| Investment income | Note 6.2 | 7,725 | 7,708 |
| Investment expense | | (250) | (375) |
| Gains/(losses) on investment net of reversals of impairment and depreciation | Note 6.2 | 1,237 | (331) |
| Change in fair value of investments recognised at fair value through profit or loss | Note 6.2 | 2,344 | 5,563 |
| Change in impairment on investments | Note 6.2 | (311) | (330) |
| **Investment income net of expenses** | | **10,745** | **12,035** |
| **Service contract expenses** | **Note 6.4** | **(31,207)** | **(29,580)** |
| Revenue from reinsurance operations | | 390 | 391 |
| Expenses from reinsurance operations | | (493) | (507) |
| **Net reinsurance income or expense** | **Note 6.7** | **(103)** | **(116)** |
| Contracts acquisition costs | Note 6.5 | (1,900) | (1,834) |
| Amortization of portfolio assets and similar | Note 6.5 | (3) | (4) |
| Administrative expense | Note 6.5 | (1,195) | (1,161) |
| Other current operating income and expense | Note 6.5 | (220) | (213) |
| Other operating income and expense | Note 6.5 | - | (191) |
| **Operating income** | | **1,886** | **1,550** |
| Financing expense | Note 5.15 | (270) | (177) |
| Share in income from equity affiliates | | - | - |
| Income tax | Note 6.8 | (610) | (621) |
| **Consolidated net income** | | **1,006** | **752** |
| Minority interests | | 4 | 2 |
| **NET INCOME (GROUP SHARE)** | | **1,002** | **750** |

## Net income and other comprehensive income

| *(in € millions)* | 31/12/2013[1] | 31/12/2012[1] |
|---|---|---|
| **Consolidated net income** | **1,006** | **752** |
| Actuarial gains and losses on post-employment benefits | - | (7) |
| Gains and losses on non-current assets held for sale | - | - |
| Gross shadow accounting of non-recyclable unrealised gains and losses recognised directly in equity | - | - |
| **Gross shadow accounting of non-recyclable unrealised gains and losses recognised directly in equity, excluding affiliates** | **0** | **(7)** |
| Non-recyclable gains and losses at affiliates recognised directly in equity | - | - |
| Tax on non-recyclable gains and losses recognised directly in equity, excluding affiliates | - | 2 |
| Tax on non-recyclable gains and losses at affiliates recognised directly in equity | - | - |
| **Non-recyclable gains and losses recognised directly in equity** | **0** | **(5)** |
| Foreign exchange translation differences | (13) | (7) |
| Revaluation of financial assets available for sale | (945) | 17,064 |
| Revaluation of hedging derivatives | (116) | 120 |
| Shadow accounting gross of deferred tax | 966 | (14,935) |
| **Recyclable gains and losses before tax recognised directly in equity, excluding affiliates** | **(107)** | **2,242** |
| Group share of recyclable gains and losses before tax at affiliates recognised directly in equity | - | - |
| Tax on recyclable gains and losses recognised directly in equity, excluding affiliates | 76 | (723) |
| Tax on recyclable gains and losses at affiliates recognised directly in equity | - | - |
| **Net recyclable gains and losses recognised directly in equity** | **(32)** | **1,519** |
| **NET INCOME AND OTHER COMPREHENSIVE INCOME** | **974** | **2,266** |
| Net income and other comprehensive income, attributable to equity holders of the parent | 970 | 2,218 |
| Net income and other comprehensive income – equity investments not giving control | 4 | 48 |

(1) *Pro forma figures: figures for 2012 and 2013 now include the totality of income (attributable to equity holders of the parent and minority interests).*

## Statement of changes in equity

| *(in € millions)* | Issued capital and equivalent | Issue, merger and transfer premium | Gains and losses recognised directly in equity | Recyclable IAS reserves relating to changes in value via reserves | Non-recyclable IAS reserves relating to changes in value via reserves | Retained earnings | Total Group share | Minority interests | Total consolidated shareholders' equity |
|---|---|---|---|---|---|---|---|---|---|
| | Attributable to equity holders of the parent | | | | | | | | |
| **Closing at 31 December 2011** | **1,163** | **6,975** | **(344)** | **(343)** | **(1)** | **2,589** | **10,383** | **193** | **10,576** |
| Gains and losses recognised directly in equity | - | - | 1,465 | 1,470 | (5) | - | 1,465 | 46 | 1,511 |
| Consolidated net income | - | - | - | - | - | 750 | 750 | 2 | 752 |
| **Net income and other comprehensive income** | **-** | **-** | **1,465** | **1,470** | **(5)** | **750** | **2,215** | **48** | **2,263** |
| Dividend payout | - | (1,584) | - | - | - | (516) | (2,100) | (2) | (2,102) |
| Capital operations | - | - | - | - | - | (1) | (1) | 1 | - |
| Change in scope(1) | - | - | 45 | 45 | - | (42) | 3 | (213) | (210) |
| Other changes | - | - | 4 | 4 | - | - | 4 | - | 4 |
| **Closing at 31 December 2012** | **1,163** | **5,391** | **1,170** | **1,176** | **(6)** | **2,780** | **10,504** | **27** | **10,531** |
| Gains and losses recognised directly in equity | - | - | (35) | (35) | - | - | (35) | - | (35) |
| Consolidated net income | - | - | - | - | - | 1,002 | 1,002 | 4 | 1,006 |
| **Net income and other comprehensive income** | **-** | **-** | **(35)** | **(35)** | **-** | **1,002** | **967** | **4** | **971** |
| Dividend payout | 519 | - | - | - | - | (1,484) | (965) | (4) | (969) |
| Capital operations | (442) | 442 | - | - | - | - | - | - | - |
| Change in scope | - | - | - | - | - | 3 | 3 | - | 3 |
| Other changes | - | - | 4 | 4 | - | (2) | 2 | - | 2 |
| **CLOSING AT 31 DECEMBER 2013** | **1,240** | **5,833** | **1,140** | **1,145** | **(6)** | **2,298** | **10,511** | **27** | **10,538** |

*(1) The change in scope corresponds to:*
- *acquisition of minority interests in CA VITA (€175 million);*
- *disposal of Bes Vida (€38 million).*

## Cash flow statement

The cash flow statement is presented according to the indirect method model and in accordance with the presentation recommended by the Autorité des normes comptables in its recommendation n°2009-R-05 of 2 July 2009.

**Operating activities** represent those activities generating income for Crédit Agricole Assurances.

Tax payments are presented in their entirety under operating activities.

**Investment activities** represent transactions relating to investments and linked to property, plant and equipment and intangible assets. Strategic equity holdings included in "financial assets available for sale" are included in this section.

**Financing activities** result from changes relating to structural financial transactions affecting shareholders' equity and long-term debt.

**Net cash** includes cash at hand, credit and debit balances with banks and accounts (assets and liabilities) and call loans with lending establishments.

| *(in € millions)* | 31/12/2013 | 31/12/2012 |
|---|---|---|
| Cash and cash equivalents | 2,631 | 6,276 |
| Operating debt to banking establishments | (2,219) | (4,402) |
| **CASH AND CASH EQUIVALENTS NET OF CASH LIABILITIES** | **412** | **1,874** |

| *(in € millions)* | 31/12/2013 | 31/12/2012 |
|---|---|---|
| **Operating income** | **1,887** | **1,550** |
| Gains and losses on investments | (1,237) | (717) |
| Net depreciation and amortisation | 87 | 83 |
| Change in deferred acquisition fees | (13) | 11 |
| Change in impairment | 311 | 443 |
| Net allocations to technical liabilities on insurance contracts and financial contracts | 11,563 | 9,038 |
| Net other provisions | (18) | (25) |
| Change in fair value of investments and other financial instruments recognised at fair value through profit or loss (excluding cash and equivalent) | (1,905) | (4,047) |
| Other non-cash items included in operating income | 399 | (913) |
| **Correction of items included in operating income that do not correspond to cash movements and reclassification of financing and investment flows** | **9,187** | **3,873** |
| Change in operating receivables and debt | (1,318) | 1,492 |
| Change in securities given or received under repurchase agreements | 4,727 | (1,665) |
| Net tax payments | (704) | (340) |
| **Cash flow from operating activities** | **13,779** | **4,910** |
| Acquisitions of subsidiaries and joint ventures net of cash acquired | - | - |
| Disposals of subsidiaries and joint ventures net of cash transferred | 105 | (91) |
| **Cash flows relating to changes in consolidation scope** | **105** | **(91)** |
| Cash flows relating to disposals and repayments of financial assets | 71,475 | 89,215 |
| Acquisitions of financial investments (incl. unit-linked) and derivative instruments | (85,537) | (92,603) |
| Acquisitions of investment real estate | (592) | (298) |
| Acquisition and/or issuance of investments and derivative instruments from other activities | - | - |
| **Cash flows relating to changes in financial investments** | **(14,654)** | **(3,686)** |
| Disposals of intangible assets and property plant and equipment | 4 | 21 |
| Acquisitions of intangible assets and property plant and equipment | (79) | (111) |
| **Cash flows relating to acquisitions and disposals of intangible assets and property plant and equipment** | **(75)** | **(90)** |
| **Cash flow from investment activities** | **(14,624)** | **(3,867)** |
| Issues of capital instruments | - | - |
| Dividend payments | (969) | (2,102) |
| **Cash flows relating to transactions with shareholders and members** | **(969)** | **(2,102)** |
| Cash generated by issuance of financial debt | 679 | 2,432 |
| Cash allocated to repayment of financial debt | (46) | (733) |
| Expense relating to financial debt | (273) | (172) |
| **Cash flow from financing activities** | **360** | **1,527** |
| **Net cash flow from financing activities** | **(608)** | **(575)** |
| Opening cash and cash equivalents | 1,874 | 1,408 |
| **Cash flow from operating activities** | **13,779** | **4,910** |
| **Cash flow from investment activities** | **(14,624)** | **(3,867)** |
| **Cash flow from financing activities** | **(608)** | **(575)** |
| Other non-cash *changes* | - | - |
| Impact of translation differences on cash and cash equivalents | (9) | (2) |
| **CASH AND CASH EQUIVALENTS** | **412** | **1,874** |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



## NOTE 1 Accounting principles and policies applied to the Crédit Agricole Assurances Group, judgments and estimates used

### Applicable standards and comparability

In accordance with CE regulation n° 1606/2002, annual financial statements have been prepared in accordance with IFRS and IFRIC interpretations applicable at 31 December 2013 as adopted by the European Union (so-called "carve out" version), and therefore use certain derogations in the application of IAS 39 relating to accounting for macro hedging.

These standards and interpretations are available on the European Commission website, at the following address:

http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm

The standards and interpretations used are identical to those used and described in the financial statement for Crédit Agricole Assurances at 31 December 2012.

They have been completed by the requirements of IFRS as adopted by the European Union at 31 December 2013, whose application became mandatory for the first time in the 2013 financial year.

These cover:

| Standards, Amendments and Interpretations | Date of publication by the European Union | Date of initial application: accounting periods beginning on |
|---|---|---|
| Amendments to IAS 1 relating to the presentation of other comprehensive income, new analysis of other capital | 5 June 2012 (UE n° 475/2012) | 1 July 2013 |
| Amendments to IAS 19 relating to retirement benefits (defined benefit plans) | 5 June 2012 (UE n° 475/2012) | 1 January 2013 |
| IFRS 13 on fair value measurement | 11 December 2012 (UE n° 1255/12) | 1 January 2013 |
| Amendments to IAS 12 relating to deferred taxation – recovery of underlying assets | 11 December 2012 (UE n° 1255/12) | 1 January 2013 |
| Amendment to IFRS 1 on severe hyperinflation | 11 December 2012 (UE n° 1255/12) | 1 January 2013 |
| Amendment to IFRS 7 on disclosures relating to offsetting of financial assets and financial liabilities | 13 December 2012 (UE n° 1256/12) | 1 January 2013 |
| Amendments relating to IFRS annual improvements, 2009-2011 cycle, affecting the following standards: IFRS 1, IAS 1, IAS 16, IAS 32, IAS 34, IFRIC 2 | 27 March 2013 (EU n°301/2013) | 1 January 2013 |

- IFRS 13 provides a general framework for fair value measurement, drawing on a new definition on the basis of an exit price notion, and identifies additional disclosures on fair value measurement to be appended to financial statements.
- The main scope of this standard is the recognition of non-execution risk on derivative liabilities (debit value adjustment, or DVA, or own credit risk) using a symmetrical approach on the measurement of counterparty risk on derivative assets (credit value adjustment, or CVA).
- The impact of the first-time application of IFRS 13 at Crédit Agricole Assurances was not material.
- The application of other new measures in IFRS did not have a material impact on the income or financial position for the period.

In effect:

- the amendment to IAS 1 requires, within gains and losses recognised directly in equity, that a distinction be made between recyclable and non-recyclable items. Implementation of this amendment results in a solely presentational impact;
- the amendment to IAS 19 relates primarily to the requirement to recognise actuarial differences on defined benefit retirement plans as gains and losses directly in equity. As this method was already applied by the Group (having been optional in the previous version of IAS 19), the effects of this amendment were very limited and not material (they are recognised in equity in the financial statements at 31 December 2013);
- the purpose of the amendment to IFRS 7 is to reconcile IFRS offsetting rules, as defined in IAS 32, with US offsetting rules under US GAAP, and requires disclosure of offsetting agreements and arrangements concerning financial assets and liabilities. The result of this amendment is the inclusion of an additional note (note 5.16 "Information on the offsetting of financial assets and liabilities") in the notes to the financial statements at 31 December 2013.

It should also be noted that where early adoption of standards and interpretations adopted by the European Union is optional in an accounting period, the option is not applied by the Group except where specifically stated. For Crédit Agricole Assurances this concerns, in particular:

| Standards, Amendments and Interpretations | Date of publication by the European Union | Date of initial mandatory application: accounting periods beginning on |
|---|---|---|
| IFRS 10 on consolidated financial statements | 11 December 2012 (UE n° 1254/12) | 1 January 2014 |
| IFRS 11 on joint arrangements | 11 December 2012 (UE n° 1254/12) | 1 January 2014 |
| IFRS 12 on disclosure of interests in other entities | 11 December 2012 (UE n° 1254/12) | 1 January 2014 |
| Amendments to IAS 27 on separate financial statements | 11 December 2012 (UE n° 1254/12) | 1 January 2014 |
| Amendments to IAS 28 on investments in associates and joint ventures | 11 December 2012 (UE n° 1254/12) | 1 January 2014 |
| Amendment to IAS 32 on presentation of offsetting of financial assets and financial liabilities | 13 December 2012 (UE n° 1256/12) | 1 January 2014 |
| Amendments relative to transitional arrangements for IFRS 10 “Consolidated financial statements”, IFRS 11 “Joint arrangements” and IFRS 12 “Disclosure of interests in other entities” | 4 April 2013 (UE n° 313/2013) | 1 January 2014 |
| Amendment to IFRS 10 and IFRS 12 relating to investment entities | 20 November 2013 (UE n° 1174/2013) | 1 January 2014 |
| Amendments to IAS 36 relating to recoverable amount disclosures for non-financial assets | 19 December 2013 (EU n°1374/2013) | 1 January 2014 |
| Amendments to IAS 39 on the novation of derivatives and continuation of hedge accounting | 19 December 2013 (UE n° 1375/2013) | 1 January 2014 |

The potential expected consequences of the application of IFRS 10 relate to changes in the scope of consolidation on 1 January 2014, due to the consolidation of the underlying funds of unit-linked investment contracts, where the criteria for control set out in the standard are met.

The consolidation of these funds will result primarily in the recognition of non-controlling interests in the form of a debt at fair value through profit or loss as an option.

Standards and interpretations published by the IASB but not yet adopted by the European Union will not take mandatory effect until such adoption and were not therefore applied by the Group at 31 December 2013.

## Presentation format of financial statements

In the absence of a model imposed under IFRS, Crédit Agricole Assurances uses the summary document format (balance sheet, income statement, statement of net income and gains and losses recognised directly in other comprehensive income, table of changes in shareholders’ equity, cash flow statement) recommended in ANC recommendation n°2013-05 of 7 November 2013.

This presentation, adopted in 2013, has the following features:

- revenue on contracts without discretionary participation is classified under the heading “Revenue or income on other activities”;
- assets and liabilities are listed on the balance sheet in increasing order of liquidity, as this presentation is more relevant for insurance companies than a classification into current and non-current items, as also allowed under IAS 1;
- expenses in the income statement are classified by function rather than by nature. This presentation, which is allowed under IAS 1, is used by a large majority of insurance companies. Information on their analysis by nature is provided in the notes.

## Accounting principles and policies

### USE OF JUDGMENTS AND ESTIMATES IN THE PREPARATION OF FINANCIAL STATEMENTS

The valuations needed to prepare financial statements require the formulation of assumptions and carry risk and uncertainty as to their future materialisation. These serve as the basis for the exercise of judgment, made necessary by the requirement to determine values for assets and liabilities that can not be obtained directly from other sources.

Future materialisation can be affected by a number of factors, notably:

- the activity of national and international markets;
- movements in interest rates and foreign exchange rates;
- economic and political conditions in certain sectors of activity or countries;
- changes in regulations or legislation;
- the behaviour of the policyholders;
- demographic changes.

This list is not exhaustive.

The main balance sheet entries for which valuation requires judgment and the formulation of assumptions are the following:

- goodwill and the values of portfolios acquired, at the time of initial recognition and as part of subsequent impairment tests;
- financial instruments at fair value, including non-consolidated equity holdings;
- liabilities on insurance contracts and financial contracts;
- post-employment benefit schemes and other future employment-related benefits;
- stock option plans;
- lasting impairment on available for sale assets and financial assets held to maturity;
- provisions for risks and charges;
- deferred tax assets;
- deferred profit sharing assets as part of recoverability tests.

Details of the use of judgments and estimates are set out in the relevant paragraphs below.

Annual accounts for Crédit Agricole Assurances are closed on 31 December. They include estimates where information is not available at the closing date. Financial investments are valued at closing prices and transactions carried out in the final month of the period having an impact on income are taken into account.

Exceptionally, a single entity within Crédit Agricole Assurances closes its individual company accounts on a date other than 31 December:

- CA Life Japan, whose closing date is 31 March.

For this entity, accounts are prepared for a 12 month period to 30 September to be consolidated in Group accounts to 31 December. The impact from the difference in closing dates is not material.

### INTANGIBLE ASSETS AND DEFERRED EXPENSES

The main intangible assets are goodwill and value of contracts portfolio, acquired as part of a business combination or separately through the transfer of a portfolio, together with software acquired or developed internally.

#### Goodwill

Goodwill (see "Principles and policies of consolidation") is assumed to have a perpetual value and is not therefore amortised; however, in accordance with IAS 36 it is subject to impairment testing where there are objective indicators of a loss of value and at least once per year.

For the purposes of these impairment tests, each item of goodwill is allocated to the various cash generating units (CGUs) of the Group that will benefit from the advantages expected to accrue from the business combination. CGUs are defined, within the Group's main business segments, as the smallest identifiable grouping of assets and liabilities operating according to its own business model. In practice, Crédit Agricole Assurances has used an entity-based approach.

Under the impairment tests, the carrying amount of each CGU, including that of the goodwill allocated to it, is compared to its recoverable amount.

The recoverable amount of the CGU is defined as the higher of its market value and its value in use. Value in use is calculated as the current value of estimated future cash flows at the CGU, as based on the medium-term plans drawn up for the purposes of its management.

Where the recoverable amount is lower than the carrying amount, an equivalent charge is made for impairment of the goodwill allocated to the CGU. This is irreversible.

#### Value of portfolios of contracts acquired (Value of business in-force)

The fair value of portfolios of insurance contracts acquired separately or as part of a business combination is recognised as an asset on the balance sheet. This corresponds to the present value of estimated future profits generated by the existing contracts at the time of acquisition.

These portfolio values are amortised over the life of the contracts as profits materialise. This amortisation is complemented by annual recoverability tests which take account of experience and changes in valuation hypotheses.

#### Software

Software acquired is recognised at its acquisition cost, less amortisation and depreciation accumulated since the acquisition date.

Software created internally is recognised at its production cost, less amortisation and depreciation accumulated since the date of completion, where these meet the criteria of IAS 38 and in particular where it will generate future economic benefits for the company and where its cost can be assessed in a reliable manner. Only those expenses incurred during the development phase are capitalised; expenses incurred during the research phase are recognised directly in the income statement for the year.

Software is amortised based on its estimated useful life.

Start-up costs are not capitalised and are recognised directly in expenses for the year in which they arise.

#### Deferred acquisition costs for insurance contracts and financial contracts with discretionary participation and costs incurred at the inception of financial contracts without discretionary participation

Variable costs incurred at the inception of life insurance contracts and investment contracts with discretionary participation as part of the creation of new business are recognised as assets on the balance sheet. The acquisition costs thus recognised are amortised over the life of the contracts as profits arise.

The recoverability of such assets are tested in tandem with the test of adequacy of liabilities (see below, under "Insurance company liabilities"): any share of acquisition costs which, at the closing date, is not considered to be covered by estimated future gross profits is not classified as recoverable and is therefore recognised as an expense, in accordance with the requirements of CRC regulation 2000-05 which applies to contracts within the scope of IFRS 4.

Acquisition costs of non-life insurance contracts are deferred in proportion to the unearned premiums for the year.

For financial contracts without discretionary participation, which are governed by IAS 39, external acquisition costs incurred on subscription (at inception) are deferred in accordance with IAS 18. IAS 18 does not allow the capitalisation of internal acquisition costs.

Symmetrically with the deferral of expenses incurred on the subscription of contracts, unearned commissions are deferred *via* an entry in liabilities.

The recognition pattern is identical to that of deferred acquisition costs on insurance contracts.

For Predica, in the savings business segment, the Group does not recognised deferred acquisition costs, with commissions paid offset by commissions received.

#### PROPERTY, PLANT AND EQUIPMENT

##### Operating and real estate investment

Operating real estate covers the buildings housing the company's services. Real estate investment covers rental property and shares in unlisted real estate companies.

Crédit Agricole Assurances recognises real estate investment at cost, applying the component method of accounting in accordance with IAS 16 and the option set out in IAS 40.

As an exception, as allowed for under IAS 40, real estate assets backing contracts where the financial risk is borne by the policyholder are valued and recognised at fair value, with changes in fair value being recognised in the income statement.

Properties recognised at cost are analysed into four components, each with its own useful life and renewal schedule:

- major works (superstructure and infrastructure);
- secondary works (roofing, coverings, joinery, façades, external woodwork);
- technical installations (heating, ventilation, air conditioning, lifts, electrical systems);
- fixtures and fittings (decoration, wall and floor finishes, etc.).

Technical studies carried out by Crédit Agricole Assurances lead it to use a residual value corresponding to approximately 90% of the major works component. By definition, this residual value is not depreciated; however, if an element of major works were to suffer a significant and lasting loss of value (technological change, change of use, fall in price) a provision for depreciation would be recognised.

##### Depreciation of property, plant and equipment

Property, plant and equipment are amortised based on their estimated useful life. The depreciation periods used by Crédit Agricole Assurances are specific to each component and are adapted to its nature and, for property, its location:

| Component | Depreciation period |
|---|---|
| Land | Non-depreciable |
| Primary structure | 30 to 80 years |
| Secondary structure | 8 to 40 years |
| Technical installations | 5 to 25 years |
| Fixtures and fittings | 5 to 15 years |
| IT equipment | 4 to 7 years |
| Specialist equipment | 4 to 5 years |

If the carrying amount of the asset is greater than the recoverable amount an additional provision for impairment is created. The recoverable value, calculated where the property presents indicators of a loss of value, is the lower of fair value and value in use.

For buildings, fair value corresponds to an expert valuation, established at least every five years and updated annually by a suitably qualified independent valuer. This value is recorded in the notes to the financial statements (see note 5.4).

Indicators of a loss of value triggering a calculation of recoverable value are based on qualitative and quantitative information (carrying amount of the building more than 20% higher than valued amount).

#### FINANCIAL INSTRUMENTS

Financial assets and liabilities are treated in the financial statements in accordance with the provisions of IAS 39, as adopted by the European Union.

On initial recognition, financial assets are valued at fair value including transaction costs (with the exception of financial instruments recognised at fair value through profit or loss).

At each closing date they are valued in accordance with their classification, either at fair value or at amortised cost using the effective interest rate method:

- the effective interest rate is the rate which exactly discounts future cash receipts or payments over the expected life of the financial instrument or, where appropriate, a shorter period, in order to obtain the net carrying amount of the financial asset or liability;
- IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, on the principal market or the most advantageous market on the measurement date.

##### Financial investments

Crédit Agricole Assurances recognises securities classified as "Securities held to maturity" and "Loans and receivables" on the date of settlement-delivery. Other securities, of whatever type or category, are recognised on the trading date.

Securities are classified into the four categories of financial assets defined by IAS 39:

- financial assets at fair value through profit or loss by nature or designation;
- financial assets held to maturity;
- financial assets available for sale;
- loans and receivables.

No financial asset at fair value has been reclassified under loans and receivables under the amendment to IAS 39 published in October 2008.

##### *Financial assets at fair value through profit or loss by nature or designation*

In accordance with IAS 39, this portfolio includes securities whose classification as assets at fair value through profit or loss results either from a real intention for their use in a transaction (allocation by nature), or from their designation as such by Crédit Agricole Assurances.

Financial assets at fair value through profit or loss by nature are those assets acquired by the company principally for the purpose of selling them in the short term or that are part of a portfolio of assets managed together for the purpose of short-term profit taking. A financial asset will be classified at being at fair value through profit or loss if, independently of the reasons for which it was acquired, it is part of a portfolio for which there is evidence of a recent actual pattern of short-term profit taking.

All derivative financial instruments are classified at fair value through profit or loss, except when they are designated as instruments in a cash flow hedge.

Accounting for financial assets at fair value through profit or loss by designation may occur, provided the conditions set out in the standard are met, in the following three cases:

- for hybrid instruments containing one or more embedded derivatives;
- with a view to reducing accounting inconsistencies; or
- for managed groups of financial assets or liabilities where the performance is assessed according to the fair value method.

In particular, Crédit Agricole Assurances uses classification at fair value by designation for assets backing contracts where the investment risk is borne by the contract holders (unit-linked contracts) in order to avoid a lack of consistency resulting from recognition and valuation of assets and liabilities on a different basis. Changes in liabilities under such contracts reflect changes in the fair value of the corresponding assets and are recorded in the income statement.

Similarly, this accounting approach is generally used by Crédit Agricole Assurances to account for hybrid instruments, with embedded derivatives not, therefore, recognised separately at fair value through profit or loss.

Securities classified as assets at fair value through profit or loss are initially recognised at their fair value, excluding transaction costs directly attributable to the acquisition (which are recognised directly in the income statement) but including accrued interests.

They are subsequently valued at fair value and differences in fair value are recognised in the income statement.

This category of securities is not subject to depreciation.

### *Financial assets held to maturity*

The category "Financial assets held to maturity" (applicable to securities with defined maturity) is open to securities with fixed or determinable income that the Group has the intention and ability to hold to maturity, other than:

- those which the Group has designated at the time of initial recognition as assets at fair value through profit or loss;
- those which meet the definition of loans and receivables. Therefore debt securities that are not listed in an active market may not be classified as assets held to maturity.

Classification in this category entails the mandatory imperative to respect the requirement not to sell the securities prior to maturity other than under the exceptions set out in IAS 39. Amongst these exceptions, IAS 39 allows that in the event of a significant deterioration in the credit quality of the issuer, a security classified as held-to-maturity (HTM) may be sold without resulting in the automatic declassification of all other HTM securities held by the Group. A downgrading of a credit rating that could not have been anticipated would constitute an indicator of a significant deterioration of credit quality.

A held-to-maturity security may not be hedged against interest rate risks, as by definition the supposed intention is to hold the asset to maturity independently of changes in its value or in cash flows that might result from changes in interest rates.

Held-to-maturity securities are initially recognised at their acquisition price, including transaction costs directly attributable to the acquisition and accrued interests.

They are subsequently recognised under the amortised cost method with amortisation of the premium or discount by the effective interest rate method.

This category of securities is subject to impairment under conditions described in a separate section, "impairment of securities", for securities valued at amortised cost.

### *Loans and receivables*

The "Loans and receivables" category comprises financial assets with fixed or determinable income that are not listed in an active market.

Loans and receivables are initially recognised at their acquisition price, including directly attributable transaction costs and accrued interests.

They are subsequently recognised under the amortised cost method with amortisation of the premium or discount by the effective interest rate method corrected for impairment where appropriate.

This category is subject to impairment under conditions described in a separate section, "impairment of securities", for assets valued at amortised cost.

### *Financial assets available for sale*

The category "Financial assets available for sale" is defined by IAS 39 as the applicable classification by default or designation.

Securities classified as assets available for sale are initially recognised at their fair value, including transaction costs directly attributable to the acquisition and accrued interests.

They are subsequently valued at fair value and differences in fair value are recognised as gains and losses directly in other comprehensive income.

In the event of a sale, the unrealised gains and losses recognised in other comprehensive income are transferred (recycled) to the income statement.

Amortisation of any premium or discount on fixed-income securities is recognised in the income statement using the effective interest rate method.

Accrued interest on assets available for sale is recognised as financial income and recorded as a balance sheet asset on the same line as the fair value of the securities to which it relates.

This category of securities is subject to impairment under conditions described in a separate section, "Impairment of financial investments".

### *Impairment of financial investments*

Impairment must be recognised where there is an objective indicator of loss of value resulting from one or more events occurring after the acquisition of securities other than those at fair value through profit or loss.

For equity securities an objective indicator of loss of value consists of a lasting or significant reduction in the value of the security. For debt securities it consists of a significant worsening of credit risk. Credit, or counterparty, risk is the risk of loss or non-recovery of a loan.

1 2 3 4 5 6 7 8 9

For equity securities, Crédit Agricole Assurances conducts two analyses:

- the first analysis leads to systematic impairment in application of the following quantitative criteria: a fall in value of more than 50% at the closing date, or lastingly observed for more than 3 years;
- the second analysis allows Crédit Agricole Assurances to evaluate the lasting nature of the impairment of other securities held in the portfolio on the basis of indicators of potential impairment. These indicators trigger an analysis on a case-by-case basis based on quantitative criteria (loss of at least 30% of the value of an instrument over a period of 6 consecutive months) and qualitative criteria (financial difficulties at the issuer, short-term prospects, investment horizon for the security, etc.).

For debt securities impairment criteria take account of the risk of non-repayment. However, a reduction in the credit rating of an issuer represents only an indicator and not an established risk of non-recovery of future cash flows relative to debt instruments.

Depreciation is calculated using the weighted average unit cost method. It is recognised through the income statement in accordance with the following rules:

- for securities recognised at amortised cost, depreciation is recognised through the use of a specific account; its amount is calculated by difference between the recoverable value and the net carrying amount of securities and can be reversed in the event of a subsequent improvement;
- for assets available for sale, impairment is recognised in the income statement; it corresponds to the cumulative loss (difference between the carrying amount and the market value of securities) recognised in other elements of comprehensive income.

In the event of a subsequent increase in the value of debt securities, the loss of value previously recognised through profit or loss is reversed in the income statement where circumstances warrant. For equity securities, a subsequent increase in fair value relative to the carrying amount is recognised in other comprehensive income, with a loss of value resulting in additional impairment being charged against the asset through the income statement. The provision for impairment is only reversed when the security is sold.

### *Temporary acquisition or disposal of securities*

Temporary disposals of securities (security lending/borrowing, repurchase agreements) do not meet the derecognition criteria of IAS 39 (loss of contractual rights, cash flows and/or risks and benefits pertaining to the assets concerned) and are treated as guaranteed financing. Securities loaned or subject to a repurchase agreement are maintained as assets on the balance sheet and, where appropriate, the consideration received, representing the debt to the buyer, is recognised as a liability on the balance sheet. Securities sold or received in a repurchase agreement are not recognised on the buyer's balance sheet but in the event of a subsequent sale, the buyer recognises as an asset the value of its loan to the seller. Income and expense relating to such transactions are recognised in the income statement on a time basis, except where assets and liabilities are recorded at fair value through profit or loss.

## Derivative instruments

Derivative instruments are financial assets or liabilities, recognised on the balance sheet at their fair value at the time of the transaction. At each closing date they are valued at fair value, whether they are held for trading purposes or form part of a hedging position.

Revaluation of derivatives on the balance sheet is reflected in the income statement (other than in the specific case of cash flow hedges).

### *Embedded derivatives*

A derivative is a financial instrument whose value varies based on an interest rate, index or other variable and which requires no initial investment or a significantly lower investment than another type of contract seeking to generate the same type of results whose settlement occurs on a future date.

An embedded derivative is that component of a hybrid contract that meets the definition of a derivative product. An embedded derivative must be recognised separately from the host contract if the following three criteria are met:

- the hybrid instrument is not held at fair value through profit or loss;
- when separated from the host contract, the embedded element has the characteristics of a derivative;
- the characteristics of the embedded derivative are not closely linked to those of the host contract.

The main hybrid financial investments held by the Crédit Agricole Assurances Group at 31 December 2013 were certain EMTN and convertible bonds. Crédit Agricole Assurances has elected to recognise these instruments at fair value through profit or loss, with the result that their embedded derivatives are not treated separately.

### *Hedge accounting*

IAS 39 defines three types of hedging:

- **fair value hedges** provide a hedge against exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment.

  Changes in the fair value of the derivative and in the fair value of the hedged items are recognised (symmetrically) through profit or loss. Any inefficiency in the hedge results in a non-zero impact on the income statement.

  Crédit Agricole Assurances uses this type of hedge particularly to cover the risk of currency fluctuations on financial assets denominated in foreign currencies;
- **cash flow hedges** provide a hedge against variability in future cash flows on financial instruments associated with a recognised asset or liability (e.g. all or some future interest payments on variable rate debt) or with a highly probable forecast transaction.

  Changes in the fair value of the derivative are recognised on the balance sheet as a balancing entry to a specific gain and loss account recorded directly in other comprehensive income for the effective portion of the hedge, with any ineffective portion recognised in profit or loss. In the case of forecast transactions, gains or losses on derivative instruments accumulated in other comprehensive income are reclassified in profit or loss when the hedged cash flows occur;

- **hedges of a net investment in a foreign operation** provide a hedge against the risk of an unfavourable change in its fair value related to the exchange rate risk of a foreign investment in a currency other than the euro.

Changes in the fair value of the derivative related to the effective portion of the hedge are recognised in a conversion differences account in other comprehensive income, and any ineffective portion is recognised in profit or loss.

As part of the creation of a hedging relationship and in order to qualify for hedge accounting, formal documentation of the hedge must be prepared from inception and the effectiveness of the hedge must be demonstrated at the time of inception, for the foreseeable future, and must be assessed retrospectively no less frequently than on every closing date.

### Financial liabilities

Financial liabilities relating to financial contracts without discretionary participation are described in the section on insurance company contracts.

Crédit Agricole Assurances' other financial liabilities are described below.

#### *Distinction between debt and equity*

A debt instrument or financial liability carries a contractual obligation:

- to transfer cash or another financial asset;
- to exchange instruments under conditions which are potentially unfavourable.

An equity instrument is defined in IAS 32 as any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities (net assets).

The amendment to IAS 32 adopted by the EU on 21 January 2009 allowed, under certain conditions, the classification as equity instruments of financial instruments previously classified as debt. These financial instruments include:

- instruments issued by the issuer, that are puttable by the holder;
- instruments creating a contractual obligation for the issuing entity to deliver to the holder a pro rata share of net assets on liquidation.

Thus where these conditions are met, units in UCITS issued as liabilities must be classified as equity.

Subordinated financial liabilities issued by Crédit Agricole Assurances are debt instruments.

## DETERMINATION OF FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value of financial instruments is determined in accordance with the provisions of and presented according to the hierarchy set out in IFRS 13.

IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, on the principal market or the most advantageous market on the measurement date.

The Group also applies the recommendations on the valuation of certain types of financial instrument at fair value published by AMF, CNC and ACAM on 15 October 2008.

Where a financial instrument is valued at fair value, the Group considers that the best indication of this is the existence of a quoted price in an active market.

In the absence of such a quoted price, fair value is determined by applying valuation techniques using observable or non-observable data.

Crédit Agricole Assurances incorporates in the fair value of derivatives a measurement of counterparty risk on derivative assets (credit value adjustment, or CVA), and symmetrically, non-execution risk on derivative liabilities (debit value adjustment, or DVA, or own credit risk).

Calculation of CVA/DVA is based on an estimate of projected losses based on the probability of default and loss in the event of default. The method employed is based on market parameters where the counterparty has a quoted credit default swap (CDS) which is directly or indirectly observable, or historical parameters for other counterparties.

CVA determines potential counterparty losses from the point of view of the Crédit Agricole Group, DVA determines losses relating to the Crédit Agricole Group from the counterparty's point of view.

The standard classifies fair value into three levels based on the observability of the inputs used in measurement, as follows:

### Level 1: fair value corresponding to quoted prices (unadjusted) in an active market.

Level 1 presents financial instruments directly quoted in an active market for identical assets and liabilities that the entity can access at the measurement date. In particular these include equities and bonds quoted in active markets (such as Bourse de Paris, London Stock Exchange, New York Stock Exchange), units in investment funds quoted in an active market and derivatives contracted for on an organised market, particularly futures.

A market is considered as active if quoted prices are readily and regularly available from an exchange, dealer, broker, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

### Level 2: fair value derived from directly or indirectly observable data other than those included in Level 1.

Such data are either directly observable (*i.e.* prices) or indirectly observable (*i.e.* data derived from prices) and generally have the following characteristics: they are not data that are specific to the entity, they are publicly available or accessible and are based on a market consensus.

Level 2 presents:

- equities and bonds quoted in a market considered as inactive, or not quoted in an active market but for which fair value is determined using valuation methods currently used by market participants (such as discounted future cash flow or the Black & Scholes model) based on observable market data;
- instruments traded "over-the-counter" which have been valued on the basis of models which use observable market data, that is to say those data which can be obtained on a regular basis from several sources independent of internal sources. For example, the fair value of interest rate swaps is generally determined on the basis of yield curves derived from market interest rates observed at the closing date.

Where the models used are based on standard models and on observable market parameters (such as yield curves or implied volatility surfaces), the margin at inception on the instruments so valued is recognised in profit or loss at the time of initial recognition.

#### Level 3: fair value where a significant number of the parameters used for determination do not meet the criteria of observability.

The determination of the fair value of certain complex market instruments not quoted in an active market may be based on assumptions not directly backed by data observable on the market for the same instrument. Such instruments are presented in Level 3.

These are generally complex interest rate products, equity derivatives or structured credit whose valuation requires, for example, correlation or volatility parameters which are not directly comparable with market data. Crédit Agricole Assurances primarily includes in Level 3 units in venture capital and private equity investment funds.

Valuation methods and models for financial instruments presented at Level 2 and Level 3 incorporate all factors generally used by market participants in the calculation of prices. Determination of fair value of these instruments takes account of liquidity risk and counterparty risk.

Absence of a recognised valuation technique to determine the fair value of an equity instrument.

In accordance with the provisions of IAS 39, if no technique can be satisfactorily applied, or if the various techniques used give excessively divergent valuations, the instrument remains valued at cost and classified as "financial assets available for sale" as its fair value can not be determined in a reliable manner. In this case, the Group does not communicate a fair value, in accordance with the recommendations of IFRS 7. This mainly concerns equity stakes in companies that are not quoted in an active market and for which it is difficult to produce a reliable fair value.

### INVESTMENT INCOME NET OF EXPENSES

This income statement caption includes all income and expense relating to insurance company investments. Details are provided below.

#### Investment income

This heading includes:

- dividends received on equities and other variable-income securities however classified under IAS 39;
- interest received and accrued on fixed-income securities (AFS and HTM) and loans and receivables;
- amortisation of premiums and discounts on amortisable securities;
- other investment income, notably corresponding to commissions on financial services, rental income from investment properties and foreign exchange gains.

#### Investment expense

This heading includes:

- interest expense on securities sold under a repurchase arrangement;
- investment expense, including directly incurred expenses (commissions on financial services) or expense by designation;
- other investment expense (foreign currency losses).

#### Gains and losses on investments net of reversals of impairment or amortisation

This heading records net gains on the disposal of securities held to maturity, securities available for sale, loans and receivables and real estate assets.

#### Change in fair value of investments recognised at fair value through profit or loss

This heading primarily includes the following items:

- positive and negative adjustments (unrealised gains and losses) to assets included in unit-linked contracts;
- other changes in the fair value of assets and liabilities recognised at fair value through profit or loss;
- gains and losses on disposal of financial assets at fair value through profit or loss;
- changes in fair value and income on disposal or termination of derivative instruments not forming part of a fair value or cash flow hedge.

This heading also includes the ineffective portions of fair value, cash flow and net investment in a foreign operation hedges.

#### Change in impairment on investments

This heading records increases and reversals in provisions for impairment of securities held to maturity, securities available for sale, loans and receivables and real estate assets.

### OFFSETTING OF FINANCIAL ASSETS AND LIABILITIES

In accordance with IAS 32, Crédit Agricole Assurances offsets a financial asset and a financial liability, presenting a net balance, if and only if it has a legally enforceable right to offset the amounts recognised and if it has the intention of either settling the net amount or simultaneously realising the asset and settling the liability.

### DERECOGNITION OF FINANCIAL INSTRUMENTS

A financial asset (or group of financial assets) is derecognised in whole or in part:

- when the contractual rights over the cash flows relating to it expire or are transferred or deemed to be transferred because they belong effectively to one or more beneficiaries; and
- when nearly the entirety of the risks and rewards of ownership of the asset are transferred.

In this case, all rights and obligations created or retained under the transfer are accounted for separately as assets and liabilities.

Where contractual rights over cash flows are transferred but only part of the risks and rewards, together with control, is retained, the entity will continue to recognise the financial asset to the extent of its continuing involvement in this asset.

A financial liability is derecognised in whole or in part only when the liability is extinguished.

## INSURANCE LIABILITIES

### Contract categories

Contracts issued by the Group's insurance companies can be divided into two main categories:

- insurance contracts and investment contracts with a discretionary participation feature, which are covered by IFRS 4;
- investment contracts with no discretionary participation feature, which are covered by IAS 39.

#### *Insurance contracts*

These are contracts under which the insurer accepts significant insurance risk from another party, the policyholder, by agreeing to compensate the policyholder or another beneficiary if a specified uncertain future event occurs, the insured event affecting adversely the policyholder or another beneficiary.

An insurance risk is defined as a non-financial risk, with financial risks being risks relating to the potential future fluctuation in interest rates, the price of a transferable security, price of a commodity, a currency exchange rate or another non-financial variable that is not specific to one of the parties to the contract (otherwise it would qualify as an insurance risk).

For Crédit Agricole Assurances, for each portfolio of contracts grouped according to uniform characteristics, the significant nature of an insurance risk is analysed on the basis of a representative individual contract. The existence of a scenario (having commercial substance) under which the insurer would be pay significant additional benefits, that is to say of an amount that is significantly greater than that of the benefits that would be paid if no insured event occurred, constitutes a significant insurance risk for all contracts of a uniform portfolio, regardless of the likelihood of the scenario arising. Insurance risk may therefore be significant even where the pooling of risk within a portfolio minimises the probability of a significant loss relative to the financial benefits received from the portfolio as a whole.

The main insurance risks are death (benefits paid on death), longevity (benefits paid on continued life, for example annuities), morbidity (benefits paid on injury), incapacity, illness (medical benefits) or unemployment for individuals, together with civil liability and damage to property.

#### *Investment contracts with a discretionary participation feature*

Contracts which do not expose the insurer to a significant insurance risk are classified as investment contracts.

They are classified as investment contracts with a discretionary participation feature if they grant the policyholder the right to receive, in addition to guaranteed benefits, additional benefits:

- that are likely to represent a significant portion of the total contractual benefits;
- whose amount or timing is contractually at the discretion of the insurer;
- and that are contractually based on the performance of a specified pool of contracts or type of contract, the realised and/or unrealised investment returns on a specified pool of assets held by the issuer, or the profit or loss of the company, fund or other entity that issues the contract.

Investment contracts with a discretionary participation feature, are primarily euro-based savings contracts. In the event of a multi-fund contract, where the policyholder has the option at any time of transferring all or some of their savings into a euro-based fund with discretionary participation (with conditions that do not create an impediment to such a transfer), the Crédit Agricole Assurances Group considers the contract as a whole is a contract with discretionary participation, whether or not this option has been exercised by the policyholder.

#### *Investment contracts with no discretionary participation feature*

Contracts sold by insurance companies which do not fit into either of the above categories are financial contracts without discretionary participation features.

### Accounting for insurance contracts and investment contracts with a discretionary participation feature

As authorised under IFRS 4, insurance contracts and investment contracts with a discretionary participation feature are accounted for using principles adopted by Crédit Agricole Assurances in accordance with French regulations on consolidation (CRC 2000-05), with the exception of specific measures introduced by the standard for equalisation reserves, shadow accounting and liability adequacy tests.

#### *Recognition of revenue on insurance contracts and financial contracts with discretionary participation*

##### Non-life insurance

Technical provisions for non-life insurance contracts include (i) claims reserves which remain to be settled and (ii) reserves related to the acquisition of premiums (primarily unearned premiums reserves), which enable recognition in the income statement for a given year of premiums relative to the risks actually covered during that year and defer recognition of written premiums during the year which concern a period of cover after the year end.

**(i)** Claims reserves result in part from a case-by-case analysis of reported claims which have not been settled and in part from an estimate of delayed claims for events that have occurred but for which claims have not yet been reported or claims reported the valuation of which may be subject to a subsequent change. These reserves are reduced by projected recoveries to be collected, which are estimated on the basis of recoveries collected over previous years, and increased by a reserves for claims management costs, to cover future costs for the management of claims reported but not closed on the inventory date. Claims provisions are not discounted, with the exception of provisions against annuities for incapacity and disability.

**(Ii)**Premium and claims reserves may be complemented, where appropriate, by a unexpired risks reserve when unearned premiums do not cover the cost of the claims covered and associated costs for the period covered by such premiums, or reserve fir increasing risks where, for long contracts relating to closed groups, the cost of future risk has exceeded the amount of future premiums.

**Life insurance and financial contracts with discretionary participation features**

Technical reserves on life insurance contracts and financial contracts with discretionary participation features correspond to the present value of the commitments of the insurer and the policyholder. Reserves are calculated using actuarial methods including assumptions on premiums, the performance of financial assets, the rate of contract redemption and changes in general expenses. In the particular case of unit-linked contracts, the value of the deposits recognised as liabilities is based on the value of the financial assets (the investment units) held under the contracts. Revaluations of assets and liabilities on unit-linked contracts are recognised in the income statement, where they cancel each other out.

Where contracts carry a significant risk of mortality (or longevity) they are also calculated with reference to regulatory mortality tables or experience tables, where these are considered more prudent. More particularly, where a minimum guaranteed death benefit is included in a unit-linked contract, guaranteeing the beneficiary at least the initial capital investment irrespective of changes in the value of units held, this is subject to a provision based on an economic method (stochastic scenarios). Technical reserves are discounted at the technical interest rate (minimum rate of guaranteed return, capped by regulation).

Where commissions received on premiums, assets managed or withdrawals from financial products are observed to be insufficient to cover future management costs, Crédit Agricole Assurances records a provision for management costs assessed per uniform contract class.

Lastly, a participation reserve is recorded where returns exceeding the guaranteed minimum are allocated, by contract or regulation, to the policyholder or other subscribers to individual or collective contracts but have not been distributed during the accounting period. Where required, this provision is completed by deferred profit participation resulting from the application of the principle of shadow accounting.

### *Application of shadow accounting and deferred participation*

Insurance contracts and investment contracts with discretionary participation features are subject to "shadow accounting" in accordance with the option available under IFRS 4. Shadow accounting consists in recognising in a deferred participation account the share of positive or negative movements in the financial assets relating to these contracts together with certain consolidation restatements (e.g. elimination of liquidity risk provisions) that, potentially, revert to the policyholder.

In addition, CRC n°2000-05 requires the recognition of deferred participation on a mandatory basis for deferred participation liabilities and to the recoverable amount for deferred participation assets.

This deferred participation is recorded as a liability (technical liabilities on contracts) or an asset, with a balancing entry on the income statement or in other comprehensive income in a similar manner to the unrealised gains or losses on the assets to which it relates.

For Predica savings contracts deferred participation is determined in two stages:

- by allocating the share of unrealised gains and losses on assets backing insurance or financial contracts with discretionary participation over an historical average of three years;
- secondly, by applying to revaluations relating to insurance contracts with discretionary participation a historical participation rate observed over the preceding three years for amortisable securities, and a participation rate of 100% for other financial assets.

In the case of unrealised losses, a deferred participation asset is only recognised if its imputation, by entity, against future participation is highly probable. This is most notably the case if the deferred participation asset can be deducted from future participation, either directly by deducting it from deferred participation liabilities recognised as a result of gains on future disposals, or indirectly by being recovered from the future sums paid to the policyholder.

Recoverability tests carried out on deferred participation assets are in accordance with the CNC recommendation of 19 December 2008. They are based:

- firstly, on an analysis of the liquidity of the company; these demonstrate the company's ability to mobilise resources to meet its obligations and its ability to hold assets showing an unrealised loss even in the event of a decline in new premium production. The tests are carried out with and without new production;
- secondly, on a comparison between the average value of future benefits valued using an internal model that replicates the management decisions of the company and the value of the asset as a representation of the market value of obligations; this illustrates the ability of the company to honour its obligations.

Lastly, sensitivity tests on the capacity to capitalise the deferred participation asset are also carried out, notably:

- in the event of a uniform 10% increase in policy redemptions applied to the redemption rate resulting from scenarios similar to those drawn up by the Autorité de contrôle prudentiel (formerly Autorité de contrôle des assurances et des mutuelles);
- in the event of an additional 10% fall in equity and real estate markets.

### *Liability adequacy test*

In accordance with IFRS 4 Crédit Agricole Assurances ensures at the end of each reporting period that the liabilities of insurance contracts and financial contracts with discretionary participation features (net of deferred acquisition costs and associated intangible assets) are adequate in the light of future estimated cash flows.

The liability adequacy test applied must meet the following minimum criteria set out in the standard:

- consideration of all contractual cash flows and of related cash flows such as commissions and claims handling costs as well as cash flows from embedded options and guarantees;

- if the test shows that liabilities are inadequate, the entire deficiency is recognised by a provision in profit or loss.

The Group's life insurance companies test liability adequacy using a stochastic approach. The test considers technical reserves on life insurance contracts (excluding unit-linked contracts) grouped into product families with uniform characteristics. The resulting estimates of future cash flows are compared, aggregating all product families, with the sum of the following items: mathematical reserves + participation reserve + share of unrealised gains and losses attributed to the product families concerned. In the event that the result of the estimates is higher than this total, an additional provision is recognised through profit or loss.

The Group's non-life insurance companies conduct annual testing based on "best estimates" of claims provisions. This test covers all provisions for claims to be paid, including provisions for delayed claims, additional provisions relating to annuity conversion and provisions for claims handling costs. The analysis is carried out on data gross of reinsurance by risk segment and by accounting period of occurrence.

"Best estimates" of claims provisions are calculated without discounting or a risk margin and correspond to the probable value of payments required to settle claims against all insured events that have occurred and not yet been fully settled. These are compared to recognised claims reserves, gross of reinsurance. In the event that estimates are greater than the reserves recognised, an additional reserve is recognised through profit or loss.

In addition, where a reserve for inadequacy of premiums is recognised in local accounts (in France an unexpired risk reserve), this is retained in consolidated accounts.

In the specific case of creditor insurance, the adequacy of reserves is tested at the end of each accounting period by comparing reserves recognised with those calculated on the basis of the updated claims/premiums ratio and a margin for risk and uncertainty. This is calculated separately for each partner.

### *Recognition of revenue on insurance contracts and financial contracts with discretionary participation*

#### (i) Premiums

Revenue on life insurance contracts and investment contracts with discretionary participation corresponds to premiums on contracts in force during the accounting period, net of cancellation and corrected for premiums to be issued for the share to be acquired in subsequent periods.

Revenue on non-life insurance contracts corresponds to premiums issued excluding taxes, gross of reinsurance, net of cancellations, reductions and rebates, changes in premiums to be issued and changes in premiums to be cancelled. Premiums issued adjusted for changes in unearned premiums reserves constitute earned premiums.

#### (ii) Contract service charges

Service charges for insurance contracts and investment contracts with a discretionary participation feature include:

- all benefits where they are the subject of a payment to the beneficiary;
- technical interests and profit participation which may be included in these benefits;
- changes in technical reserves;
- all costs relating to the management and settlement of these benefits.

Service charges on non-life insurance contracts primarily include benefits and costs paid, together with changes in claims reserves. Claims correspond to claims net of recoveries for the period and annuity payments. They also include costs and commissions relating to claims handling and settlement.

### Accounting for investment contracts with no discretionary participation feature

This class of investment contracts are treated as financial liabilities and are covered by IAS 39. They are primarily unit-linked contracts without death benefit payment and without the option of switching to an investment vehicle with a discretionary participation feature.

In accordance with IAS 39, liabilities relating to these contracts are recognised as deposits. Thus premiums received and benefits paid, net of charges made by the insurer, are recognised directly on the balance sheet. The only items recognised on the income statement are revenue and expenses relating to the acquisition and management of contracts.

Liabilities relating to unit-linked contracts are valued and recognised with references to the value of financial assets (investment units) backing these contracts at the end of the reporting period. Revaluations of assets and liabilities on unit-linked contracts have no effect on the income statement. This rule applies to all unit-linked contracts, whether they qualify as insurance contracts under the terms of IFRS 4 (for example if they include a guaranteed death benefit), investment contracts with discretionary participation feature (for example, in a multi-investment contract, where they include a clause allowing a switch to an investment vehicle containing a discretionary participation clause), or investment contracts without discretionary participation feature.

### Deferred origination costs, charges and unearned deductions

Origination costs for investment contracts without discretionary participation feature are subject to similar treatment to deferred acquisition costs for life insurance contracts covered by IFRS 4.

Symmetrically with the deferral of expenses incurred on origination of contracts, unearned acquisition commissions received are spread over time *via* an entry in liabilities. These are recognised in income at the same pattern as that of deferred expenses.

### Reinsurance operations

#### *Presentation of direct business and assignments to reinsurance*

Premiums, claims and reserves are recognised gross of assignments to reinsurance. The share of assigned reinsurance, determined based on reinsurance treaties, is identified in the income statement under separate headings for reinsurance assignment income and reinsurance assignment expense.

The share of reserves covered by reinsurance companies is recognised as an asset.

No reinsurance contract is covered by IAS 39.

### *Assumed reinsurance*

Assumed reinsurance is recognised treaty by treaty on the basis of information provided by the cedants or estimated in the event of receipt of incomplete information. Assumed reinsurance contracts are recognised in the same way as direct insurance contracts.

No reinsurance contract incorporates characteristics (such as the absence of a transfer of risk) that would result in them being classified as a financial contract covered by IAS 39.

Securities given or received as collateral for reinsurance operations are recorded on the table of commitments given and received.

## ANALYSIS OF GENERAL EXPENSES BY FUNCTION

In accordance with paragraph 99 of IAS 1 and recommendation n°2009-R-05 of 2 July 2009, general expenses are analysed by function. Thus consolidated income statement expenses are presented according to the following functions:

- acquisition and similar expense;
- claims handling expense;
- investment management expense;
- administrative expense;
- other technical expense;
- other non-technical expense.

The analysis of expenses by type is presented under the following headings:

- staff costs;
- commissions;
- taxes and duties;
- other.

## PROVISIONS (OTHER THAN FOR INSURANCE ACTIVITIES)

In accordance with IAS 37, Crédit Agricole Assurances identifies obligations (legal or implied) resulting from a past event where it is probable (probability of over 50%) that an outflow of resources will be required to settle the obligation, where the date and amount of such settlement is uncertain but may be estimated with a reasonable degree of reliability. Such estimates are discounted where the effect of doing so is material.

Therefore, Crédit Agricole Assurances creates provisions which cover, in particular:

- operating risks;
- employee benefits (see paragraph below);
- legal claims and risks;
- tax risks.

The valuation of these provisions relies on judgments and corresponds to the Directors' best estimate, given the information in their possession at the end of the reporting period.

## EMPLOYEE BENEFITS

In accordance with IAS 19, employee benefits are divided into four categories:

- short-term benefits such as salary, social security contributions, paid holidays, bonuses, profit sharing and bonuses fully payable within twelve months of the end of the reporting period in which employees rendered the corresponding services;
- long-term benefits (long-service awards, bonuses and compensation payable more than twelve months after the end of the reporting period);
- termination benefits;
- post-employment benefits, which in turn are classified under the following two headings: defined benefit plans and defined contribution plans.

### Long-term benefits

Long-term benefits are benefits to be paid to employees, other than post-employment benefits and termination benefits that are not payable in their entirety within twelve months of the end of the reporting period in which the corresponding services were rendered.

This particularly concerns bonuses and other deferred compensation paid twelve or more months after the end of the reporting period in which they were acquired, but which are not indexed on equity instruments.

The valuation method is similar to that used by the Group for post-employment benefits in the defined benefit plan category.

### Post-employment benefits

#### *Defined benefit plans*

At the end of each reporting period Crédit Agricole Assurances determines its retirement and associated benefit obligations together with all employment benefits accorded to employees falling into the defined benefit plan category.

In accordance with IAS 19, these obligations are assessed using the projected unit credit method on the basis of actuarial, financial and demographic assumptions. This method consists of allocating to each year of an employee's employment a charge corresponding to the rights acquired over that year. This charge is calculated on the basis of the discounted present value of the future benefit.

Calculations of charges relating to retirement benefits and future employee benefits are established on the basis of assumptions regarding the discount rate, employee turnover rate and changes in salaries and social security costs drawn up by the Directors. If the real figures differ from the assumptions used, the charge relating to retirement benefits may increase or reduce in future reporting periods (see note 7).

Discount rates are determined based on the average duration of the obligation, that is to say the unweighted average of durations calculated between the date of valuation and the date of payment weighted for assumptions on employee turnover.

The expected return on plan assets is also estimated by the Directors. Estimated returns are based on estimated returns from fixed-income securities including notably bond yields.

The expected return on plan assets is determined on the basis of the discount rates used to measure the defined benefit obligation.

In accordance with paragraph 16d of IAS 34 relative to "interim financial reporting", Crédit Agricole Assurances presents the impact of "changes in estimates of amounts reported in prior financial years where such changes have a material effect on the interim reporting period considered".

Crédit Agricole Assurances does not apply the optional corridor method and recognises the actuarial differences observed as gains and losses directly in other comprehensive income.

The amount of the provision is equal to:

- the present value of the obligation under the defined benefit plan at the end of the reporting period, calculated according to the actuarial method recommended in IAS 19;
- less, where appropriate, the fair value of the assets held to cover these obligations. Such assets may be represented by an insurance contract taken out with a non-related company. Where the obligation is entirely covered by a contract corresponding exactly, in amount and period, to all or part of the benefits to be paid under the plan, the fair value of this contract is considered to be that of the corresponding obligation, (that is to say the amount of the corresponding actuarial liability). In the particular case where obligations are covered by an insurance contract with a consolidated company, they are not offset in liabilities by the associated assets, which are recognised separately as assets.

For non-covered obligations, a provision to cover termination benefits is recognised as a liability under the heading "Provision". This provision corresponds to the obligations relating to employees of entities within Crédit Agricole Assurances, in service at the end of the reporting period and covered by the Collective Employment Agreement of the Crédit Agricole Group, which came into force on 1 January 2005.

A provision to cover the cost of early departures is also included under the heading "Provisions". This provision covers the present value of the additional cost of various early departure agreements signed by Crédit Agricole Group entities which allow employees reaching the required age to cease their activity.

Lastly, supplementary retirement obligations, which generate obligations for the companies concerned, are the subject of provisions determined on the basis of the actuarial debt representing these obligations. These provisions are also recognised as liabilities on the balance sheet under the heading "Provisions" (see note 7.3).

### *Defined contribution plans*

There are various mandatory retirement plans to which "employer" companies contribute. These funds are managed by independent organisations and the contributing companies have no obligation, legal or implied, to pay additional contributions if the funds do not have sufficient assets to provide all the benefits corresponding to the services rendered by employees during the reporting period and previous periods. As a result, Crédit Agricole Assurances has no liabilities relating to these plans other than the contributions to be paid for the reporting period in question (see note 7.2).

## SHARE-BASED PAYMENTS

IFRS 2, "Share-based payment", requires the recognition of transactions settled by share-based and similar payments in the income statement and balance sheet of the company. This standard applies to transactions entered into with employees and more precisely:

- equity-settled share-based payment transactions;
- cash-settled share-based payment transactions.

The share-based payment plans allocated to employees of Crédit Agricole Assurances and qualifying under IFRS 2 are primarily of the equity-settled type (stock options, free share allocations, variable compensation with indexed cash settlement or settled with equity).

Allocated options are valued on allocation at their fair value primarily by use of the Black & Scholes model. These are recognised as an expense under the heading "staff costs" with a balancing entry in the equity account over the vesting period, which is 4 years for all current plans.

The expense relative to share allocation plans settled with Crédit Agricole S.A. equity instruments is recognised in the financial statements of the entities employing the plan beneficiaries. The impact is recognised in staff costs with a balancing increase in "Consolidated reserves attributable to the Group". See note 7.5.

## CURRENT AND DEFERRED TAXATION

In accordance with IAS 12, tax on income includes all taxes based on income whether current or deferred.

This defines current tax as "the amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) for a period." Taxable profit is the profit (loss) for a period determined in accordance with the rules of the taxation authorities.

The taxation rates and rules applicable for the determination of the tax charge are those in force in each of the countries in which subsidiaries of Crédit Agricole Assurances are based.

Current tax includes all tax on income, payable or recoverable, whose payment is not subject to the completion of future transactions, even if payment is spread over several periods.

In addition, certain transactions conducted by the entity may have tax consequences not taken into account in the determination of current tax. Differences between the carrying amount of an asset or liability and its tax base are defined by IAS 12 as temporary differences.

The standard requires the recognition of deferred tax assets and liabilities in the following cases:

- a deferred tax liability must be recognised for all taxable temporary differences between the carrying amount of an asset or liability and its tax base, except where the deferred tax liability is the result of:
  - the initial recognition of goodwill,
  - the initial recognition of an asset or liability in a transaction which is not a business combination and which affects neither accounting profit nor taxable profit (tax loss) at the time of the transaction;
- a deferred tax asset must be recognised for all deductible temporary differences between the carrying amount of an asset or liability and its tax base, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be used;
- a deferred tax asset must also be recognised for the carryforward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

The tax rates used are those applicable in each country.

Deferred tax assets and liabilities are not discounted.

Unrealised gains on securities, where these are taxable, do not generate taxable temporary differences between the carrying amount and the tax base. They do not, therefore, generate deferred tax assets or liabilities. Where the securities in question are classified as available for sale, unrealised gains or losses are recognised in equity. Thus the effective tax charge or tax reduction incurred by the entity in relation to these unrealised gains or losses is reclassified by deduction of these entries.

Gains on strategic equity holdings as defined by the French General Tax Code and qualifying for the long-term tax regime are exempt from tax for reporting periods from 1 January 2007 (with the exception of a 12% share of the gain, taxed at the standard tax rate). Therefore, unrealised gains recognised in a reporting period generate a temporary difference giving rise to recognition of deferred taxation on this share.

Current and deferred tax is recognised in profit or loss for the period except to the extent that the tax arises from:

- a transaction or event which is recognised directly in other comprehensive income, in the same or a different period, in which case it is directly credited or debited in other comprehensive income; or
- a business combination, in which case it affects goodwill.

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

- the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
  - the same taxable entity, or
  - different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Tax credits on loan income and securities portfolios, where they are effectively used in the settlement of income tax due for the reporting period, are recognised under the same heading as the income to which they relate. The corresponding tax charge is maintained under the "Tax" heading in the income statement.

However, in view of the legislature's goal of reducing employment costs through the Competitiveness and Employment Tax Credit (*crédit d'impôt pour la compétitivité et l'emploi*, or CICE), Crédit Agricole Assurances has elected to recognise CICE (under article 244 *quater* C of the French General Tax Code) as a deduction from staff costs rather than a reduction in tax.

### FOREIGN CURRENCY TRANSACTIONS

In accordance with IAS 21, a distinction is made between monetary and non-monetary items.

Monetary items are units of currency held and assets and liabilities to be received or paid in a fixed or determinable number of units of currency.

At the end of the reporting period, monetary assets and liabilities in foreign currencies are translated at the exchange rate on the closing date into the functional currency of the Crédit Agricole Assurances Group, *i.e.* the euro. Translation difference are recognised in profit or loss. There are two exceptions to this rule:

- for available for sale financial assets, only that component of the translation difference relating to the amortised cost is recognised in profit or loss; the remainder is recognised in other comprehensive income;
- translation differences on items deemed to be part of a cash flow hedge, or forming part of a net investment in a foreign operation, are recognised in other comprehensive income.

The recognition of non-monetary assets varies according to the nature of these assets:

- assets measured in terms of historical cost are translated using the exchange rate at the date of the transaction;
- assets at fair value are translated using the exchange rate on the closing date.

Translation differences on non-monetary items are recognised:

- in profit or loss if the gain or loss on the non-monetary item is recognised in profit or loss;
- in other comprehensive income if the gain or loss on the non-monetary item is recognised in other comprehensive income.

Impairment provisions on assets in foreign currencies are calculated on a basis converted into euros.

Derivative instruments forming part of a hedge of the foreign currency risk of a transaction are recognised in the balance sheet at fair value at the end of the period.

For the conversion of the financial statements of foreign entities please refer to consolidation principles and policies.

### NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

A non-current asset (or disposal group) is classified as "held for sale" where their carrying amount is recoverable primarily through a transaction rather than through continued use.

For this to be the case the asset (or disposal group) must be available for an immediate sale in its current condition and its sale must be highly probable.

The assets and liabilities concerned are recognised separately on the balance sheet under the headings "non-current assets held for sale" and "debt relating to non-current assets held for sale".

These non-current assets (or disposal groups) classified as held for sale are measured at the lower of their carrying amount and their fair value less costs to sell. In the event of an unrealised loss, an impairment loss is recognised in profit or loss. In addition, such assets cease to be amortised from the time of their classification as held for sale.

If the fair value of a disposal group less costs to sell is lower than its carrying amount less amortisation of non-current assets, the difference is allocated to other assets in the group of assets held for sale, including financial assets, and recognised in profit or loss for assets held for sale.

Discontinued operations are considered to be any component that has been disposed of or is classified as held for sale and is in one of the following situations:

- it represents a separate major line of business or geographical area of operations;
- it is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- it is a subsidiary acquired exclusively with a view to resale.

The following are presented on a separate line of the income statement:

- net income after tax of discontinued operations up until the date of the sale;
- the profit or loss after tax resulting from the sale or the measurement at fair value less costs to sell of the assets and liabilities constituting discontinued operations.

## Principles and policies of consolidation

Consolidated financial statements include the financial statements of Crédit Agricole Assurances and of all companies over which, in accordance with the provisions of IAS 27, IAS 28 and IAS 31, Crédit Agricole Assurances has control or exercises significant influence. Control or significant influence is presumed to exist where Crédit Agricole Assurances owns, directly or indirectly, at least 20% of existing voting and potential voting rights that are exercisable or convertible.

### NOTIONS OF CONTROL

All entities under exclusive control, joint control or significant influence are consolidated, on condition that their contribution is judged to be material.

The material nature of the contribution is assessed on the basis of three main criteria, being percentage of total assets, shareholders' equity and consolidated income.

Exclusive control is presumed to exist where Crédit Agricole Assurances owns, directly or indirectly through subsidiaries, more than half of the existing or potential voting rights in an entity, unless, in exceptional circumstances, it can be clearly demonstrated that such ownership does not constitute control. Exclusive control also exists where Crédit Agricole Assurances owns half or less than half of the voting rights, including potential rights, in an entity but has the power to cast the majority of votes at meetings of the Board of Directors or equivalent governing body.

Joint control exists over jointly controlled entities in which two or more venturers are bound by a contractual arrangement establishing joint control.

Significant influence is the power to participate in the financial and operating policy decisions of a company but without control over those policies. Crédit Agricole Assurances is presumed to have significant influence where it holds, directly or indirectly through subsidiaries, 20% or more of the voting rights in an entity.

#### Specific case of special purpose entities

The consolidation of special purpose entities (structures created to manage a transaction or group of similar transactions) and more particularly funds under exclusive control, has been set out in SIC 12. In accordance with this interpretation, a special purpose entity is consolidated when it is in substance controlled by Crédit Agricole Assurances even in the absence of an ownership relationship. In particular this concerns dedicated UCITS (100%-owned).

The determination of control is made in particular with regard to the following circumstances:

- the activities of the special purpose entity are being conducted on behalf of a subsidiary of Crédit Agricole Assurances according to its specific business needs so that this company obtains benefits from the special purpose entity's operation;
- this company has decision-making power to obtain the majority of the benefits of the activities of the special purpose entity or, by setting up an "autopilot" mechanism, the company has delegated these decision-making powers;
- this company has rights to obtain the majority of the benefits of the special purpose entity and therefore may be exposed to risks incident to the activities of the special purpose entity; or
- this company retains the majority of the residual or ownership risks related to the special purpose entity or its assets in order to obtain benefits from its activities.

In accordance with this interpretation, the dedicated UCITS owned by subsidiaries of Crédit Agricole Assurances are consolidated either line by line or using a simplified method consisting of consolidating on a single line the Group's share in the liquidation value of the UCITS. This simplified method is similar to measuring the UCITS as a financial instrument at fair value through profit or loss in accordance with IAS 39.

Dedicated UCITS backing unit-linked units are not consolidated as risks and benefits are carried by the policyholder.

Real estate investment companies (SCI, OPCI, etc.) that are 100%-owned are fully consolidated.

### CONSOLIDATION METHODS

Methods of consolidation are determined in accordance with IAS 27, 28 and 31 respectively. They reflect the nature of the control exercised by Crédit Agricole Assurances over consolidated entities whether or not they are active and whether or not they are incorporated:

- full consolidation for entities under exclusive control, including entities with different accounting structures, even if their activity is not an extension of that of Crédit Agricole Assurances;
- proportionate consolidation for entities under joint control, including entities with different accounting structures, even if their activity is not an extension of that of Crédit Agricole Assurances;
- the equity method for entities under significant influence. In the event that an entity under joint control is consolidated by the equity method, the information is provided in the notes to financial statements.

Full consolidation consists of substituting the assets and liabilities in each subsidiary for the value of shares held. Non-controlling interests in equity and income are recognised separately on the consolidated balance sheet and in the consolidated income statement.

Non-controlling interests are those which do not give control as defined by IAS 27 and include instruments representing a current interest and which give rights to shares in net assets in the event of liquidation together with other capital instruments issued by the subsidiary which are not owned by the Group.

Proportionate consolidation substitutes for the value of the shares in the subsidiary the consolidating company's share of the assets and liabilities and income and expenses of the jointly controlled subsidiary.

The equity method substitutes for the value of the shares held the Group's share in equity and income at the subsidiary company.

Changes in the carrying amount of these securities now reflect changes in goodwill.

In the event of additional acquisitions or partial disposals, with the maintenance of joint control or significant influence, Crédit Agricole Assurances recognises:

- in the case of an increase in the percentage interest held, additional goodwill;
- in the case of a reduction in the percentage interest held, a gain or loss on disposal/dilution through profit or loss.

### RESTATEMENTS AND ELIMINATION OF INTRAGROUP TRANSACTIONS

The restatements necessary to harmonise the measurement methods of the individual financial statements of the consolidated entities, with reference to Group principles, are conducted unless they are considered not material.

In addition to restatement entries, elimination entries eliminate transactions conducted between companies consolidated by the Group:

- elimination of the effect on the consolidated balance sheet and income statement of transactions within the Group, particularly dividend payments and reinsurance operations;
- elimination of gains and losses resulting from the transfer of assets between consolidated companies; where appropriate, impairment losses are recognised should a lasting loss of value be observed at the time of an internal transfer.

As transactions and balances between fully consolidated Group companies are eliminated in full at the end of the period, only those transactions between fully consolidated companies and companies consolidated by the proportionate method, to the amount of the share of third part co-venturers with the Group in the latter, affect the consolidated financial statements of the Group. Transactions conducted with other entities within the Crédit Agricole S.A. Group which do not fall within the scope of consolidation of Crédit Agricole Assurances are not considered as intragroup transactions for the purposes of these consolidated financial statements.

### FOREIGN CURRENCY TRANSLATION OF FOREIGN SUBSIDIARIES

Financial statements of foreign subsidiaries are converted into euros in two stages:

- conversion, where necessary, from the local accounting currency to the functional currency (currency of the main economic environment in which the entity operates) on the historical cost method, with translation differences being fully and immediately recognised in profit or loss;
- conversion from the functional currency to euros, the accounting currency of the Group's consolidated financial statements. Assets and liabilities are converted at the closing exchange rate. Income and expenses on the income statement are converted at the average exchange rate for the period. Translation differences arising on the translation of assets, liabilities and the income statement are recognised in other comprehensive income.

### GOODWILL – BUSINESS COMBINATIONS

#### General principles

Business combinations are treated in accordance with IFRS 3, except in the following cases:

- the combination of entities or activities under common control;
- the combination of distinct entities or activities to form a joint venture;
- the combination of two or more mutual entities;
- the combination of distinct entities or activities to form an entity presenting financial statements by contract alone without transfer of consideration (for example combinations under which distinct entities are combined by contract alone to form a company with a double market listing).

On the date on which control is obtained, the identifiable assets, liabilities and potential liabilities of the acquired entity which meet the recognition criteria of IFRS 3 are recognised at fair value. However, as allowed under IFRS 4 for the acquisition of an insurance company, the liabilities relating to the life insurance contracts or financial contracts with discretionary participation features acquired are retained at their carrying amount on the balance sheet of the acquired entity (after harmonisation with Crédit Agricole Assurances measurement methods if necessary) and the value of these portfolios of contracts is recognised in assets and amortised over the period of payment of profits. This portfolio value represents the present value of future profits on the contracts acquired and corresponds to the difference between the fair value of contracts and their carrying amount.

No restructuring liability is recognised as a liability of the acquired entity unless the latter, at the time of the acquisition, is obliged to carry out this restructuring.

Price adjustment clauses are recognised at fair value, even if their realisation is not probable. Subsequent changes in fair value of the clauses, which have the characteristics of financial debt, are recognised in profit or loss. Only those price adjustment clauses relating to operations where the acquisition of control took place before 31 December 2009 May still be recognised against goodwill, as such transactions were initially recognised under non-revised IFRS 3 (2004).

The share of holdings which do not give control which are instruments representing a current interest and which give rights to shares in net assets in the event of liquidation may be valued, at the option of the acquiring entity, in one of two ways:

- at fair value on the acquisition date;
- at the fair value of the share of identifiable assets and liabilities in the entity acquired.

These option may be exercised on an acquisition-by-acquisition basis.

The balance of holdings not giving control (equity instruments issued by the subsidiary not owned by the Group) must be recognised at fair value on the acquisition date.

The initial valuation of assets, liabilities and potential liabilities may be modified within a maximum period of twelve months from the date of acquisitions.

Certain transactions relating to the acquired entity are recognised separately from the business combination. In particular this concerns:

- transactions which terminate an existing relationship between the acquired entity and the acquirer;
- transactions which compensate employees or selling shareholders in the acquired entity for future services;
- transactions which compensate the acquired entity or its former shareholders for expenses to be borne by the acquirer.

These separate transactions are generally recognised in profit or loss at the acquisition date.

The consideration transferred on the occasion of a business combination (the acquisition cost) is measured as the total of the fair values transferred by the acquirer, on the date of acquisition in exchange for control of the acquired entity (e.g. cash, equity instruments, etc.).

Costs directly attributable to the combination in question are recognised as expense, separately from the combination. If the transaction has a very high probability of being completed they are recognised under the heading "Net gains or losses on other assets", otherwise they are recognised under "Other operating costs".

The difference between the sum of the cost of the acquisition and non-controlling interests and the net balance, on the date of acquisition of identifiable assets acquired and liabilities transferred, at fair value is recognised, where it is positive, as an asset on the consolidated balance sheet, under the heading "Goodwill" where the acquired entity is fully consolidated or proportionately consolidated and under the heading "Investments in associated undertakings" where the acquired entity is consolidated by the equity method. Where the difference is negative, it is immediately recognised in profit or loss.

Goodwill is recognised on the balance sheet at its initial value denominated in the currency of the acquired entity and translated at the closing exchange rate.

In the event of a phased acquisition of control, the holding acquired prior to the acquisition of control is measured at fair value through profit or loss at the date of acquisition and goodwill is calculated only once, on the basis of the fair value on the acquisition date of the assets acquired and liabilities transferred.

Subsequent measurement of goodwill is described in the note on accounting principles and policies.

In the event of an increase in Crédit Agricole Assurances' percentage holding in an entity over which it already exercises exclusive control, the difference between the acquisition cost and the share of net assets acquired is recognised as a reduction in the heading "Consolidated reserves attributable to the Group". Symmetrically, in the event of a reduction in the percentage share held by the Group in an entity over which it continues to exercise exclusive control, the difference between the sale price and the carrying amount of the related share in net assets sold is also recognised directly in consolidated reserves attributable to the Group. Costs relating to such transactions are recognised in other comprehensive income.

In the event of a loss of control, the result of the disposal is calculated for the entirety of the entity sold and any residual investment retained is recognised on the balance sheet at its fair value on the date of loss of control.

### Combination of entities under common control

This type of combination relates to entities which are already controlled by the Group. In this event, transfers and sales are not recognised at fair value but at their net carrying amount in the consolidated financial statements of the parent on the date of the combination, provided always that such values were established in accordance with IFRS. Existing goodwill in the Group's accounts at this date is maintained in the same manner as other assets.

This strict application results in the summing of the equity accounts of the entities concerned. If the transaction price is different to the net carrying amount of the entities acquired, this method results in the recognition of the difference directly in consolidated reserves without recognition of any additional goodwill.

The constitution of Crédit Agricole Assurances in 2008, as a result of a restructuring of the insurance businesses of the Crédit Agricole Group, was conducted on this basis.

## NOTE 2 Changes in the scope of consolidation

The detailed scope of consolidation at 31 December 2013 is shown in note 10.

### Newly consolidated companies at 31 December 2013

During the course of 2013, new UCITS and OPCI real estate investment funds were consolidated either transparently or by the simplified method (recognition at fair value through profit or loss).

### Companies removed from the scope of consolidation at 31 December 2013

La Foncière Hypersud was deconsolidated at 1 January 2013, in application of consolidation thresholds.

# NOTE 3 Financial management, exposure to risk and management of capital

## Financial management

The Asset Liability Technical Management (ALTM) and Corporate Finance functions of Crédit Agricole Assurances have the responsibility for organising financial flows within the Crédit Agricole Assurances Group, for the definition and implementation of financing rules, the allocation of equity, the management of assets and liabilities and the oversight of prudential ratios.

They define and ensure the consistency of the Crédit Agricole Assurances Group's financial management.

Management of risks is conducted by the Group Risk and Permanent Controls department of Crédit Agricole Assurances, in cooperation with the Group Risk Management department of the Crédit Agricole S.A. Group (DRG). This department is responsible for coordinating the management of financial risk, credit risk and the operating risk of subsidiaries.

The description of these systems together with narrative information is included in the management report, in the "Risk factors" chapter, as allowed under IFRS 7. The risk exposures of the Crédit Agricole Assurances Group are presented in the risk factors (management report, section 3).

## Capital management and solvency margins

Applicable regulations for entities within the Crédit Agricole Assurances Group, in France and elsewhere, require that each insurance company maintains a minimum solvency ratio, the main purpose of which is the protection of the policyholder.

At 31 December 2013, the Crédit Agricole Assurances Group and each of its individual subsidiaries met their obligations in the matter of solvency.

The various items considered by the Group as available capital are determined in accordance with the rules applicable under Solvency 1, which have not yet been harmonised in Europe pending the introduction of Solvency 2.

At 31 December 2013, available capital consisted mainly of IFRS equity adjusted by a prudential filter (for instance deducting intangible assets) and subordinated loan notes.

The calculation of the adjusted solvency ratio is submitted to the Autorité de contrôle prudentiel, which is responsible for the application of these directives in France.

In addition, to meet new regulatory requirements, Crédit Agricole Assurances S.A. is coordinating and implementing in its subsidiaries the three pillars of the Solvency 2 project.

# NOTE 4 Segment information

In accordance with IFRS 8, the information presented is based on the internal reporting used by the Executive Committee for the management of the Crédit Agricole Assurances Group, the evaluation of performance and the allocation of resources to the operating sectors identified.

The operating sectors presented in internal reporting Correspond to the Group's specialised businesses.

Within Crédit Agricole Assurances, businesses are organised into 5 operating segments.

**"Life – France"** covers the life insurance, savings, retirement, health and provident insurance operations conducted by the French entities of the Group.

**"Non-life – France"** covers mainly motor, household, agricultural and life accident insurance products sold in France.

**"Creditor insurance"** covers creditor insurance activities in France (with the exception of those conducted by Predica which are included in the Life – France segment) and abroad.

**"International"** covers the life and non-life insurance activities conducted outside France.

**"Other"** covers primarily holding company activities and reinsurance.

The geographical analysis of segment information is based on the location of the accounting recognition of activities.

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## Sector information for the year ended 31 December 2013

| | 31 December 2013 | | | | | | |
|---|---|---|---|---|---|---|---|
| *(in € millions)* | Life France | Non-life France | International | Creditor Insurance | Other | Intragroup | Total |
| Written premiums | 19,564 | 2,638 | 3,639 | 932 | 42 | (1,113) | 25,701 |
| Change in unearned premiums | (1) | (51) | 1 | 26 | 1 | (2) | (26) |
| **Earned premiums** | **19,563** | **2,587** | **3,640** | **958** | **43** | **(1,115)** | **25,675** |
| Revenue or income from other activities | 19 | 72 | 11 | 1 | 9 | (18) | 94 |
| **Investment income net of expenses** | **10,006** | **63** | **617** | **34** | **315** | **(289)** | **10,745** |
| **Contract service charges** | **(26,164)** | **(1,872)** | **(4,117)** | **(216)** | **(24)** | **1,186** | **(31,207)** |
| **Net reinsurance income or expense** | **27** | **(94)** | **113** | **(38)** | **(4)** | **(108)** | **(103)** |
| Policy acquisition costs | (798) | (400) | (111) | (636) | (9) | 55 | (1,900) |
| Amortization of portfolio assets and similar | - | - | (3) | - | - | - | (3) |
| Administrative expense | (994) | (131) | (56) | (34) | (1) | 21 | (1,195) |
| Other current operating income and expense | (76) | (54) | (8) | (5) | (49) | (28) | (220) |
| Other operating income and expense | - | - | - | - | - | - | - |
| **Operating income** | **1,583** | **171** | **84** | **63** | **281** | **(296)** | **1,886** |
| Financing expense | (268) | (13) | (13) | (16) | (257) | 296 | (270) |
| Income tax | (483) | (61) | (19) | (11) | (36) | - | (610) |
| **CONSOLIDATED NET INCOME** | **831** | **98** | **53** | **37** | **(13)** | **-** | **1,006** |
| Equity investments not giving control | - | - | (4) | - | - | - | (4) |
| **NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT** | **831** | **98** | **49** | **37** | **(13)** | **-** | **1,002** |

| | 31 December 2013 | | | | | | |
|---|---|---|---|---|---|---|---|
| *(in € millions)* | Life France | Non-life France | International | Creditor Insurance | Other | Intragroup | Total |
| **TOTAL ASSETS** | **256,871** | **5,334** | **18,382** | **2,132** | **15,075** | **(9,216)** | **288,578** |
| **Contract-related liabilities** | **238,832** | **2,913** | **17,852** | **1,430** | **73** | **(4,451)** | **256,649** |

## Sector information for the year ended 31 December 2012

| | 31 December 2012 | | | | | | |
|---|---|---|---|---|---|---|---|
| *(in € millions)* | **Life France** | **Non-life France** | **International** | **Creditor Insurance** | **Other** | **Intragroup** | **Total** |
| Written premiums | 16,749 | 2,483 | 3,012 | 964 | 49 | (694) | 22,563 |
| Change in unearned premiums | - | (52) | 5 | (5) | 1 | (2) | (53) |
| **Earned premiums** | **16,749** | **2,431** | **3,017** | **959** | **50** | **(696)** | **22,510** |
| Revenue or income from other activities | 29 | 62 | 22 | 2 | 6 | (17) | 104 |
| **Investment income net of expenses** | **11,221** | **70** | **689** | **33** | **205** | **(183)** | **12,035** |
| **Contract service charges** | **(24,774)** | **(1,747)** | **(3,633)** | **(208)** | **(21)** | **803** | **(29,580)** |
| **Net reinsurance income or expense** | **5** | **(89)** | **149** | **(33)** | **(5)** | **(143)** | **(116)** |
| Policy acquisition costs | (745) | (380) | (103) | (643) | (18) | 55 | (1,834) |
| Amortization of portfolio assets and similar | - | - | (4) | - | - | - | (4) |
| Administrative expense | (960) | (121) | (66) | (35) | - | 21 | (1,161) |
| Other current operating income and expense | (48) | (78) | (7) | (5) | (46) | (29) | (213) |
| Other operating income and expense[1] | - | - | (62) | (129) | - | - | (191) |
| **Operating income** | **1,476** | **148** | **2** | **(58)** | **170** | **(188)** | **1,550** |
| Financing expense | (171) | (10) | (13) | (16) | (155) | 188 | (177) |
| Income tax[2] | (549) | (53) | 2 | (7) | (14) | - | (621) |
| **CONSOLIDATED NET INCOME** | **756** | **85** | **(9)** | **(81)** | **1** | **-** | **752** |
| Equity investments not giving control | - | - | (2) | - | - | - | (2) |
| **NET INCOME, ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT** | **756** | **85** | **(11)** | **(81)** | **1** | **-** | **750** |

(1) *In the International Segment, the figure of -€62 million represents the loss on disposal of shares in Bes Vida. In the Creditor Insurance Segment, the figure of -€129 million represents the impairment loss on goodwill in CACI.*
(2) *Includes exit tax for a total of -€125 million in the Life – France segment and -€2 million in Property and casualty – France.*

| | 31 December 2012 | | | | | | |
|---|---|---|---|---|---|---|---|
| *(in € millions)* | **Life France** | **Non-life France** | **International** | **Creditor Insurance** | **Other** | **Intragroup** | **Total** |
| **TOTAL ASSETS** | **245,246** | **4,787** | **16,368** | **2,222** | **13,778** | **(8,760)** | **273,641** |
| Contract-related liabilities | 229,126 | 2,662 | 15,992 | 1,435 | 73 | (4,013) | 245,275 |

# NOTE 5 Notes to the balance sheet

## 5.1 Goodwill

| *(in € millions)* | 31/12/2013 | | | 31/12/2012 |
|---|---|---|---|---|
| | **Gross amount** | **Amortisation** | **Net value** | **Net value** |
| SPIRICA | 3 | - | 3 | 3 |
| PREDICA | 483 | - | 483 | 483 |
| PACIFICA | 70 | - | 70 | 70 |
| BES SEGUROS[(1)] | 17 | - | 17 | 19 |
| CA VITA | 19 | - | 19 | 19 |
| CACI | 409 | (129) | 280 | 280 |
| **TOTAL** | **1,001** | **(129)** | **872** | **874** |

*(1) Goodwill on BES Seguros declined by €2 million due to the exercising of the clawback clause on the shares.*

Impairment tests were carried out on goodwill at 1 January 2013, based on the assessment of the value in use of the CAA Group's insurance entities. Value in use was determined by discounting the CGU's future cash flows as presented in the medium-term plans drawn up for the Group's steering requirements. The following assumptions were drawn upon:

- estimated future cash flows: 3-year forward-looking data drawn up as part of the Group's Medium-Term Plan. Forward-looking data covering more than 5 years can be used for some entities in order to take into account the longest economic cycle of the entities concerned;
- equity allocated to the various business lines corresponded at 31 December 2013 to 100% of the solvency rate for insurance activities by taking into account every entity's economic situation with respect to subordinated debt;
- perpetual growth rate: 2%;
- discount rate: the rate varies according to geographical area, ranging from 9.24% to 14.5%.

At 31 December 2013, goodwill items continued to be justified.

## 5.2 Life insurance companies' policy portfolios

| *(in € millions)* | 31/12/2013 | | | 31/12/2012 |
|---|---|---|---|---|
| | **Gross amount** | **Amortisation** | **Net value** | **Net value** |
| CA VITA | 38 | (28) | 10 | 13 |
| SPIRICA | 1 | - | 1 | 1 |
| **VALUE OF PORTFOLIOS** | **39** | **(28)** | **11** | **14** |

## 5.3 Other intangible assets

| *(in € millions)* | 31/12/2012 | Change in scope | Acquisitions/ Depreciation | Disposals/ Decreases | Translation adjustments | Other changes | 31/12/2013 |
|---|---|---|---|---|---|---|---|
| Distribution right | - | - | - | - | - | - | - |
| Software programs | 645 | - | 11 | (8) | (2) | 52 | 698 |
| Intangible assets in progress | 28 | - | 65 | (2) | - | (52) | 40 |
| **Gross amount** | **673** | **-** | **76** | **(10)** | **(2)** | **-** | **738** |
| Impairment on distribution right | - | - | - | - | - | - | - |
| Amortisation of software programs | (421) | - | (71) | 7 | 1 | - | (484) |
| Impairment of software programs | (1) | - | (1) | - | - | - | (2) |
| Amortisation Intangible assets in progress | (2) | - | (1) | - | - | - | (4) |
| Impairment Intangible assets in progress | - | - | - | - | - | - | - |
| **Depreciation, amortisation & impairment** | **(424)** | **-** | **(73)** | **7** | **1** | **-** | **(489)** |
| **OTHER NET INTANGIBLE ASSETS** | **249** | **-** | **3** | **(3)** | **(1)** | **-** | **249** |

| *(in € millions)* | 31/12/2011 | Change in scope | Acquisitions/ Depreciation | Disposals/ Decreases | Translation adjustments | Other changes | 31/12/2012 |
|---|---|---|---|---|---|---|---|
| Distribution right | - | - | - | - | - | - | - |
| Software programs | 550 | (9) | 34 | - | (1) | 71 | 645 |
| Intangible assets in progress | 47 | - | 72 | (20) | - | (71) | 28 |
| **Gross amount** | **597** | **(9)** | **76** | **(20)** | **(1)** | **-** | **673** |
| Impairment of distribution right | - | - | - | - | - | - | - |
| Amortisation of software programs | (369) | 8 | (60) | - | 1 | - | (421) |
| Impairment of software programs | - | - | (1) | - | - | - | (1) |
| Amortisation Intangible assets in progress | (1) | - | (1) | - | - | - | (2) |
| Impairment Intangible assets in progress | - | - | - | - | - | - | - |
| **Depreciation, amortisation & impairment** | **(371)** | **8** | **(62)** | **-** | **1** | **-** | **(424)** |
| **OTHER NET INTANGIBLE ASSETS** | **226** | **(1)** | **44** | **(20)** | **-** | **-** | **249** |

## 5.4 Financial investments

### INVESTMENTS BY TYPE

The fair value of a financial instrument is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The fair value data shown below are estimates made on the reporting date. They are therefore likely to change in subsequent periods due to changes in market conditions or other factors.

| *(in € millions)* | 31/12/2013 Carrying amount | 31/12/2013 Fair value |
|---|---|---|
| Equities and other variable-income securities | 18,049 | 18,049 |
| Bonds and other fixed-income securities | 158,419 | 158,419 |
| **Available-for-sale assets** | **176,468** | **176,468** |
| Bonds and other fixed-income securities | 14,341 | 16,245 |
| **Held-to-maturity assets** | **14,341** | **16,245** |
| Equities and other variable-income securities | 8,466 | 8,466 |
| Bonds and other fixed-income securities | 28,928 | 28,928 |
| **Financial assets at fair value through profit or loss by nature or by option** | **37,394** | **37,394** |
| Loans and receivables | 1,905 | 1,873 |
| **Financial investments** | **230,108** | **231,980** |
| Real estate investment[1] | 3,493 | 5,527 |
| Derivative instruments | 857 | 857 |
| **General account investments (A)** | **234,458** | **238,364** |
| Equities and other variable-income securities | 26,046 | 26,046 |
| Bonds and other fixed-income securities | 17,221 | 17,221 |
| **Unit-linked financial investments** | **43,267** | **43,267** |
| Unit-linked real estate investment[1] | - | - |
| **Total unit-linked investments (B)** | **43,267** | **43,267** |
| **TOTAL INVESTMENTS (A) + (B)** | **277,725** | **281,631** |

(1) *Real estate investment is valued on the basis of expert appraisal.*

| *(in € millions)* | 31/12/2012 Carrying amount | 31/12/2012 Fair value |
|---|---|---|
| Equities and other variable-income securities | 18,952 | 18,952 |
| Bonds and other fixed-income securities | 144,904 | 144,904 |
| **Available-for-sale assets** | **163,856** | **163,856** |
| Bonds and other fixed-income securities | 14,602 | 17,474 |
| **Held-to-maturity assets** | **14,602** | **17,474** |
| Equities and other variable-income securities | 7,574 | 7,574 |
| Bonds and other fixed-income securities | 28,298 | 28,298 |
| **Financial assets at fair value through profit or loss by kind or on option** | **35,872** | **35,872** |
| Loans and receivables | 1,160 | 1,206 |
| **Financial investments** | **215,490** | **218,408** |
| Real estate investment[1] | 2,968 | 5,106 |
| Derivative instruments | 873 | 873 |
| **General account investments (A)** | **219,331** | **224,387** |
| Equities and other variable-income securities | 25,139 | 25,139 |
| Bonds and other fixed-income securities | 16,429 | 16,429 |
| **Unit-linked financial investments** | **41,568** | **41,568** |
| Unit-linked real estate investment[1] | - | - |
| **Total unit-linked investments (B)** | **41,568** | **41,568** |
| **TOTAL INVESTMENTS (A) + (B)** | **260,899** | **265,955** |

(1) *Real estate investment is valued on the basis of expert appraisal.*

1 2 3 4 5 6 7 8 9

**MEASUREMENT OF ASSETS AND LIABILITIES RECOGNISED AT FAIR VALUE**

Fair value is the price that would be received for selling an asset or paid for the transfer of a liability during a normal transaction between market participants at measurement date. Fair value is defined on the basis of an exit price.

The fair values shown below are estimates made on the reporting date using observable market data wherever possible. They may well change in subsequent periods due to developments affecting market conditions or other factors.

The amounts presented are the best estimate possible of the exit price. It is based on a number of valuation models and assumptions. It is supposed that market participants act in their best economic interests. To the extent that these models contain uncertainties, the fair values shown may not be achieved upon actual sale or immediate settlement of the financial instruments concerned.

With respect to financial instruments, the best estimate consists in the instrument's market price when it is traded in an active market, *i.e.* prices are traded and disseminated.

In the absence of a market and of reliable data, fair value is determined using an appropriate method that is consistent with the valuation methods used in financial markets: market value of a comparable instrument, discounted future cash flows, or valuation models.

The calculations carried out represent best estimates. They are based on a number of valuation models and assumptions. Insofar as these models contain uncertainties, the fair values shown may not be achieved upon actual sale or immediate settlement of the financial instruments concerned.

In the cases where market values have to be estimated, the method used to discount estimated future cash flows is the most widely used.

In application of the amendment to IFRS 7 arising from the regulation of 27 November 2009 (EC no. 1165-2009), relative to information to be disclosed on financial instruments, the following tables present the fair value of instruments according to the hierarchy based on three levels defined in IFRS 7:

- level 1: fair value corresponding to (unadjusted) quoted prices in an active market;
- level 2: fair value measured using directly or indirectly observable inputs other than those in level 1;
- level 3: fair value that is measured using significant unobservable inputs.

The characteristics of these levels of fair value are described in detail in the paragraph on the determination of the fair value of financial instruments of note 1.

| | 31/12/2013 | | | |
|---|---|---|---|---|
| *(in € millions)* | Prices quoted in active markets for identical instruments: Level 1 | Valuation based on observable data: Level 2 | Valuation based on unobservable data: Level 3 | Total |
| **Available-for-sale assets** | **150,983** | **24,434** | **1,050** | **176,468** |
| Equities and other variable-income securities | 12,827 | 4,333 | 889 | 18,049 |
| Bonds and other fixed-income securities | 138,156 | 20,101 | 161 | 158,419 |
| **Financial assets at fair value through profit or loss by kind or by option (excluding unit-linked assets)** | **23,599** | **11,234** | **2,563** | **37,394** |
| Equities and other variable-income securities | 1,177 | 4,728 | 2,562 | 8,466 |
| Bonds and other fixed-income securities | 22,422 | 6,506 | 1 | 28,928 |
| **Financial assets at fair value through profit or loss on unit-linked option** | **30,185** | **13,023** | **59** | **43,267** |
| Equities and other variable-income securities | 25,576 | 470 | - | 26,046 |
| Bonds and other fixed-income securities | 4,609 | 12,553 | 59 | 17,221 |
| Real estate investment | - | - | - | - |
| **Derivative instruments** | **-** | **850** | **(1)** | **849** |
| **TOTAL ASSETS MEASURED AT FAIR VALUE** | **204,767** | **49,541** | **3,671** | **257,978** |
| Transfers from level 1 | - | 102 | - | - |
| Transfers from level 2 | 11 | - | 18 | - |
| Transfers from level 3 | - | - | - | - |
| Total transfers into all levels | 11 | 102 | 18 | - |

| *(in € millions)* | 31/12/2012 Prices quoted in active markets for identical instruments: Level 1 | Valuation based on observable data: Level 2 | Valuation based on unobservable data: Level 3 | Total |
|---|---|---|---|---|
| **Available-for-sale assets** | **136,146** | **26,719** | **990** | **163,856** |
| Equities and other variable-income securities | 13,857 | 4,376 | 719 | 18,952 |
| Bonds and other fixed-income securities | 122,289 | 22,343 | 271 | 144,904 |
| **Financial assets at fair value through profit or loss by kind or by option (excluding unit-linked assets)** | **23,435** | **10,195** | **2,242** | **35,872** |
| Equities and other variable-income securities | 1,223 | 4,110 | 2,241 | 7,574 |
| Bonds and other fixed-income securities | 22,212 | 6,085 | 1 | 28,298 |
| **Financial assets at fair value through profit or loss on a unit-linked option** | **29,137** | **12,369** | **63** | **41,568** |
| Equities and other variable-income securities | 24,840 | 299 | - | 25,139 |
| Bonds and other fixed-income securities | 4,297 | 12,070 | 63 | 16,429 |
| Real estate investment | - | - | - | - |
| **Derivative instruments** | **-** | **868** | **(2)** | **866** |
| **TOTAL ASSETS MEASURED AT FAIR VALUE** | **188,718** | **50,151** | **3,293** | **242,162** |
| Transfers from level 1[1] | | | | |
| Transfers from level 2[1] | - | - | - | - |
| Transfers from level 3[1] | - | - | - | - |
| **TOTAL TRANSFERS INTO EVERY LEVEL** | - | - | - | - |

(1) *Information on transfers is unavailable.*

### CHANGES IN BALANCES OF LEVEL 3 ASSETS

The reconciliation between opening and closing balances of financial assets at fair value measured according to level 3 criteria is presented in the following tables.

#### Available-for-sale assets

| *(in € millions)* | Equities and other variable-income securities | Bonds and other fixed-income securities | Total Available-for-sale assets |
|---|---|---|---|
| **Balances at 31 December 2012** | **719** | **271** | **990** |
| Gains and losses in the period: | 25 | 15 | 39 |
| *Recognised through profit or loss* | *(1)* | *15* | *13* |
| *Recognised through equity* | *26* | *-* | *26* |
| Purchases in the period | 211 | - | 211 |
| Sales in the period | (88) | (125) | (212) |
| Issues in the period | - | - | - |
| Transactions unwound in the period | - | - | - |
| Transfers | 18 | - | 18 |
| *into level 3* | - | - | - |
| *out from level 3* | - | - | - |
| Change in scope | - | - | - |
| **BALANCES AT 31 DECEMBER 2013** | **889** | **161** | **1,050** |

## Assets at fair value through profit or loss

| (in € millions) | Equities and other variable-income securities | Bonds and other fixed-income securities | Total assets at fair value through profit or loss by kind or on option |
|---|---|---|---|
| **Balances at 31 December 2012** | **2,241** | **1** | **2,242** |
| Gains and losses in the period: | 96 | - | 96 |
| *Recognised through profit or loss* | *96* | - | *96* |
| *Recognised through equity* | - | - | - |
| Purchases in the period | 783 | - | 783 |
| Sales in the period | (559) | - | (559) |
| Issues in the period | - | - | - |
| Transactions unwound in the period | - | - | - |
| Transfers | - | - | - |
| *into level 3* | - | - | - |
| *out from level 3* | - | - | - |
| Change in scope | - | - | - |
| **BALANCES AT 31 DECEMBER 2013** | **2,562** | **1** | **2,563** |

## Unit-linked financial assets

| (in € millions) | Equities and other variable-income securities | Bonds and other fixed-income securities | Total unit-linked financial assets |
|---|---|---|---|
| **Balances at 31 December 2012** | **-** | **63** | **63** |
| Gains and losses in the period: | - | 5 | 5 |
| *Recognised through profit or loss* | - | *5* | *5* |
| *Recognised through equity* | - | - | - |
| Purchases in the period | - | - | - |
| Sales in the period | - | (9) | (9) |
| Issues in the period | - | - | - |
| Transactions unwound in the period | - | - | - |
| Transfers | - | - | - |
| *into level 3* | - | - | - |
| *out from level 3* | - | - | - |
| Change in scope | - | - | - |
| **BALANCES AT 31 DECEMBER 2013** | **-** | **59** | **59** |

## Fair value of real estate investment by valuation model

| (in € millions) | Estimated market value at 31/12/2013 | Prices quoted in active markets for identical instruments: Level 1 | Valuation based on observable data: Level 2 | Valuation based on non-observable data: Level 3 | Carrying amount at 31/12/2013 |
|---|---|---|---|---|---|
| Real estate investment not measured at fair value in the balance sheet | | | | | |
| Real estate investment | 5,527 | - | 5,527 | - | 3,511 |
| **TOTAL REAL ESTATE INVESTMENT WHOSE FAIR VALUE IS DISCLOSED** | **5,527** | **-** | **5,527** | **-** | **3,511** |

## Fair value of financial assets recognised at cost in the balance sheet

| *(in € millions)* | Prices quoted in active markets for identical instruments: Level 1 | Valuation based on observable data: Level 2 | Valuation based on non-observable data: Level 3 | Estimated market value at 31 December 2013 |
|---|---|---|---|---|
| **Loans and receivables** | **-** | **2,834** | **371** | **3,205** |
| Term loans and time deposits | - | 885 | - | 885 |
| Securities bought under repurchase agreements | - | - | - | - |
| Securities received under repurchase agreements | - | 1,332 | - | 1,332 |
| Subordinated notes | - | - | - | - |
| Other loans | - | 617 | 371 | 988 |
| Other loans and receivables | - | - | - | - |
| **Customer receivables** | **-** | **-** | **1,732** | **1,732** |
| Receivables arising on direct insurance and inward reinsurance operations | - | - | 1,619 | 1,619 |
| Receivables arising on ceded reinsurance operations | - | - | 113 | 113 |
| **Cash and cash equivalents** | **-** | **2,624** | **-** | **2,624** |
| Cash and cash equivalents | - | 2,624 | - | 2,624 |
| **Held-to-maturity financial assets** | **16,245** | **-** | **-** | **16,245** |
| Treasury bills and similar securities | 12,590 | - | - | 12,590 |
| Bonds and other fixed-income securities | 3,655 | - | - | 3,655 |
| **TOTAL FINANCIAL ASSETS WHOSE FAIR VALUE IS DISCLOSED** | **16,245** | **5,458** | **2,103** | **23,806** |

## Fair value of financial liabilities recognised at cost in the balance sheet

| *(in € millions)* | Prices quoted in active markets for identical instruments: Level 1 | Valuation based on observable data: Level 2 | Valuation based on non-observable data: Level 3 | Estimated market value at 31 December 2013 |
|---|---|---|---|---|
| **Funding debt** | **-** | **5,825** | **-** | **5,825** |
| Funding debt owed to banking sector companies | - | 1,448 | - | 1,448 |
| Funding debt represented by securities | - | - | - | - |
| Subordinated debt | - | 4,377 | - | 4,377 |
| **Other funding debt** | **-** | **5,962** | **-** | **5,962** |
| Pledged securities | - | - | - | - |
| Securities given under repurchase agreements | - | 5,962 | - | 5,962 |
| **Due to customers** | **-** | **2,219** | **2,625** | **4,844** |
| Payables arising on direct insurance and inward reinsurance operations | - | - | 1,598 | 1,598 |
| Payables arising on ceded reinsurance operations | - | - | 1,027 | 1,027 |
| Operating debt owed to banking sector companies | - | 2,219 | - | 2,219 |
| **TOTAL FINANCIAL LIABILITIES WHOSE FAIR VALUE IS DISCLOSED** | **-** | **14,006** | **2,625** | **16,631** |

### EXPOSURE TO SOVEREIGN AND NON-SOVEREIGN RISK IN EUROPEAN COUNTRIES UNDER SUPERVISION

In view of the persistently tough economic context that leads to certain Eurozone countries definitely struggling to keep their public finances under control, Crédit Agricole Assurances Group's exposure to specific European countries is presented below:

Exposure to sovereign debt is presented net of impairment and corresponds to exposure before application of the profit-sharing mechanisms between insurer and policyholder specific to life insurance.

## Exposure to sovereign risk on Greece, Ireland, Portugal, Italy and Spain

| *(in € millions)* | 31/12/2013 | 31/12/2012 |
|---|---|---|
| Greece | - | - |
| Ireland | 576 | 1,045 |
| Portugal | 954 | 1,560 |
| Italy | 4,920 | 4,387 |
| Spain | 592 | 979 |
| **TOTAL EXPOSURE** | **7,042** | **7,971** |

Maturities (excluding trading portfolio)

| *(in € millions)* | Residual maturities | Gross exposure in 2013 | Gross exposure in 2012 |
|---|---|---|---|
| **Greece** | One year | - | - |
| | Two years | - | - |
| | Three years | - | - |
| | Five years | - | - |
| | Ten years | - | - |
| | Over ten years | - | - |
| | **Total Greece** | **-** | **-** |
| **Ireland** | One year | - | 19 |
| | Two years | - | - |
| | Three years | - | - |
| | Five years | - | - |
| | Ten years | 576 | 1,018 |
| | Over ten years | - | 8 |
| | **Total Ireland** | **576** | **1,045** |
| **Portugal** | One year | 3 | 3 |
| | Two years | - | 3 |
| | Three years | - | 4 |
| | Five years | - | 110 |
| | Ten years | 951 | 21 |
| | Over ten years | - | 1,419 |
| | **Total Portugal** | **954** | **1,560** |
| **Italy** | One year | 208 | 235 |
| | Two years | 279 | 342 |
| | Three years | 483 | 372 |
| | Five years | 561 | 644 |
| | Ten years | 2,284 | 1,206 |
| | Over ten years | 1,106 | 1,588 |
| | **Total Italy** | **4,921** | **4,387** |
| **Spain** | One year | - | - |
| | Two years | - | - |
| | Three years | - | - |
| | Five years | - | - |
| | Ten years | 1 | 1 |
| | Over ten years | 590 | 978 |
| | **Total Spain** | **591** | **979** |
| | **TOTAL GENERAL GROSS EXPOSURE** | **7,042** | **7,971** |

*Changes between 31 December 2012 and 31 December 2013*

| **Changes in exposure** *(in € millions)* | **31/12/2012** | **Change in fair value** | **Recycling of available-for-sale reserves** | **Gross exposure** | **Maturity dates** | **Disposals net of provision reversals** | **Acquisitions** | **31/12/2013** |
|---|---|---|---|---|---|---|---|---|
| Greece | - | - | - | - | - | - | - | - |
| Ireland | 1,045 | 70 | (26) | (16) | - | (497) | - | 576 |
| Portugal | 1,560 | 84 | 90 | (7) | - | (771) | - | 954 |
| Italy | 4,387 | 179 | 7 | 10 | (21) | (1,717) | 2,076 | 4,920 |
| Spain | 979 | 113 | (3) | (21) | - | (494) | 17 | 592 |
| **TOTAL** | **7,971** | **446** | **68** | **(34)** | **(21)** | **(3,480)** | **2,093** | **7,042** |

### Exposure to non-sovereign risk on Greece, Ireland, Portugal, Italy, Spain, Cyprus and Hungary

The exposure of Crédit Agricole Assurances Group to non-sovereign risk in European countries under watch is described in detail below. It involves portfolios of debt instruments and loans and receivables due from customers and credit institutions.

Exposures held for trading and off-balance sheet commitments are not included in this analysis. Breakdown by country is by counterparty risk country.

The amounts shown below include the carrying amount of debt instruments classified as available-for-sale financial assets and held-to-maturity financial assets.

| *(in € millions)* | 31/12/2013 Exposure to bonds net of impairment | 31/12/2013 Exposure to other debt instruments net of impairment | 31/12/2013 Net exposure of debt instruments | 31/12/2012 Net exposure of debt instruments |
|---|---|---|---|---|
| **Greece (including Cyprus)** | **-** | **-** | **-** | **-** |
| *Banks* | - | - | - | - |
| *Retail customers* | - | - | - | - |
| *Corporate and large corporate excluding semi-public* | - | - | - | - |
| *Corporate and large corporate semi-public* | - | - | - | - |
| *Local authorities* | - | - | - | - |
| **Ireland** | **265** | **-** | **265** | **332** |
| *Banks* | 195 | - | 195 | 330 |
| *Retail customers* | - | - | - | - |
| *Corporate and large corporate excluding semi-public* | 70 | - | 70 | 2 |
| *Corporate and large corporate semi-public* | - | - | - | - |
| *Local authorities* | - | - | - | - |
| **Italy** | **3,344** | **-** | **3,344** | **3,660** |
| *Banks* | 1,069 | - | 1,069 | 1,760 |
| *Retail customers* | - | - | - | - |
| *Corporate and large corporate excluding semi-public* | 2,275 | - | 2,275 | 1,900 |
| *Corporate and large corporate semi-public* | - | - | - | - |
| *Local authorities* | - | - | - | - |
| **Spain** | **3,902** | **-** | **3,902** | **3,923** |
| *Banks* | 1,639 | - | 1,639 | 2,057 |
| *Retail customers* | - | - | - | - |
| *Corporate and large corporate excluding semi-public* | 1,542 | - | 1,542 | 1,495 |
| *Corporate and large corporate semi-public* | 478 | - | 478 | 155 |
| *Local authorities* | 243 | - | 243 | 216 |
| **Portugal** | **669** | **-** | **669** | **541** |
| *Banks* | 367 | - | 367 | 472 |
| *Retail customers* | - | - | - | - |
| *Corporate and large corporate excluding semi-public* | 262 | - | 262 | 69 |
| *Corporate and large corporate semi-public* | 40 | - | 40 | - |
| *Local authorities* | - | - | - | - |
| **Hungary** | **4** | **-** | **4** | **3** |
| *Banks* | - | - | - | - |
| *Retail customers* | - | - | - | - |
| *Corporate and large corporate excluding semi-public* | 4 | - | 4 | 3 |
| *Corporate and large corporate semi-public* | - | - | - | - |
| *Local authorities* | - | - | - | - |
| **TOTAL** | **8,184** | **-** | **8,184** | **8,459** |

1 2 3 4 5 6 7 8 9

### MATURITY SCHEDULE OF BOND PORTFOLIO

The following tables show how the bond portfolio breaks down (investments by the insurance activity and other activities), with the exception of investments representative of unit-linked contracts.

| *(in € millions)* | 31/12/2013 | | | |
|---|---|---|---|---|
| | Under 1 year | Between 1 and 5 years | Over 5 years | Total |
| Available-for-sale assets | 8,071 | 36,512 | 113,836 | 158,419 |
| Held-to-maturity assets | 211 | 4,312 | 9,818 | 14,341 |
| Financial assets at fair value through profit or loss by nature or by option | 413 | 5,799 | 22,716 | 28,928 |
| **TOTAL BOND PORTFOLIO (EXCLUDING UNIT-LINKED CONTRACTS)** | **8,695** | **46,623** | **146,370** | **201,688** |

| *(in € millions)* | 31/12/2012 | | | |
|---|---|---|---|---|
| | Under 1 year | Between 1 and 5 years | Over 5 years | Total |
| Available-for-sale assets | 9,141 | 35,979 | 99,784 | 144,904 |
| Held-to-maturity assets | 280 | 3,584 | 10,738 | 14,602 |
| Financial assets at fair value through profit or loss by nature or by option | 1,245 | 5,279 | 21,774 | 28,298 |
| **TOTAL BOND PORTFOLIO (EXCLUDING UNIT-LINKED CONTRACTS)** | **10,666** | **44,842** | **132,296** | **187,804** |

### PROVISIONS FOR IMPAIRMENT OF FINANCIAL ASSETS

| *(in € millions)* | 31/12/2012 | Change in scope | Depreciation charges/ Increases | Reversals/ Decreases | Translation adjustments | Other changes | 31/12/2013 |
|---|---|---|---|---|---|---|---|
| **Impairment of held-to-maturity securities** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| Impairment of equities and other variable-income securities | (1,354) | - | (306) | 728 | - | - | (933) |
| Impairment of bonds and other fixed-income securities | (214) | - | (8) | 22 | - | - | (200) |
| **Available-for-sale assets** | **(1,568)** | **-** | **(314)** | **750** | **-** | **-** | **(1,133)** |
| Impairment of real estate investment (amortised cost)[1] | (15) | 12 | - | 4 | - | - | - |
| Impairment of loans and receivables | - | - | - | - | - | - | - |
| **Impairment of other financial assets** | **(15)** | **12** | **-** | **-** | **-** | **-** | **-** |
| **TOTAL IMPAIRMENT** | **(1,583)** | **12** | **(314)** | **754** | **-** | **-** | **(1,133)** |

(1) *The change in scope is related to the deconsolidation of the Foncière Hypersud subsidiary.*

### REAL ESTATE INVESTMENT (EXCLUDING UNIT-LINKED CONTRACTS)

| *(in € millions)* | 31/12/2012 | Change in scope[1] | Depreciation charges/ Increases | Reversals/ Decreases | Translation adjustments | Other changes | 31/12/2013 |
|---|---|---|---|---|---|---|---|
| Gross amount | 3,032 | (183) | 592 | (92) | - | 161 | 3,510 |
| Depreciation, amortisation and impairment | (64) | 44 | (2) | 4 | - | - | (18) |
| **NET VALUE OF REAL ESTATE INVESTMENT** | **2,968** | **(139)** | **590** | **(88)** | **-** | **161** | **3,492** |

(1) *The change in scope is related to the deconsolidation of the Foncière Hypersud subsidiary.*

## TRANSFERRED ASSETS NOT DERECOGNISED (IFRS 7.42 A) AT 31/12/2013

| | Transferred assets not derecognised in full | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Transferred assets still recognised in full | | | | | | | | | |
| | Transferred assets | | | | | Associated liabilities | | | | |
| Nature of transferred assets *(in € millions)* | Carrying amount | o/w securitisation (non-deconsolidating) | o/w securities bought under repurchase agreements | Other[1] | Fair value[2] | Carrying amount | o/w securitisation (non-deconsolidating) | o/w securities bought under repurchase agreements | Other | Fair value[2] |
| Held for trading | - | - | - | - | - | - | - | - | - | - |
| Designated at fair value through income statement | 472 | - | 472 | - | 457 | 472 | - | 472 | - | 472 |
| Available for sale | 4,077 | - | 3,694 | 383 | 3,996 | 3,768 | - | 3,694 | 74 | 3,768 |
| Equity instruments | 383 | - | - | 383 | 383 | 74 | - | - | 74 | 74 |
| Debt securities | 3,694 | - | 3,694 | - | 3,613 | 3,694 | - | 3,694 | - | 3,694 |
| Loans and receivables | - | - | - | - | - | - | - | - | - | - |
| held to maturity | 1,915 | - | 1,915 | - | 1,869 | 1,915 | - | 1,915 | - | 1,915 |
| Debt securities | 1,915 | - | 1,915 | - | 1,869 | 1,915 | - | 1,915 | - | 1,915 |
| **TOTAL FINANCIAL INSTRUMENTS** | **6,464** | **-** | **6,081** | **383** | **6,322** | **6,155** | **-** | **6,081** | **74** | **6,155** |
| **TOTAL TRANSFERRED ASSETS** | **6,464** | **-** | **6,081** | **383** | **6,322** | **6,155** | **-** | **6,081** | **74** | **6,155** |

(1) *Securities lent.*
(2) *In the case when the guarantee given by the related parties to the agreement leading to associated liabilities is limited to transferred financial assets (IFRS 7.42D.(d).*

| | Transferred assets not derecognised in full | | | |
|---|---|---|---|---|
| | Transferred assets still fully recognised | Transferred assets but recognised to the extent of the entity's continuing involvement | | |
| | Assets and associated liabilities | | | |
| Nature of transferred assets *(in € millions)* | Net fair value | Initial total carrying amount of assets prior to transfer | Carrying amount of assets still recognised (continuing involvement) | Carrying amount of associated liabilities |
| Held for trading | - | - | - | - |
| Designated at fair value through income statement | (15) | (15) | - | - |
| Available for sale | 228 | 228 | - | - |
| Equity instruments | 309 | 309 | - | - |
| Debt securities | (81) | (81) | | |
| Loans and receivables | - | - | - | - |
| Held to maturity | (46) | (46) | - | - |
| **TOTAL FINANCIAL ASSETS** | **167** | **167** | **-** | **-** |
| Finance leases | - | - | - | - |
| **TOTAL TRANSFERRED ASSETS** | **167** | **167** | **-** | **-** |

### TRANSFERRED ASSETS NOT DERECOGNISED (IFRS 7.42 A) AT 31/12/2012

| | Transferred assets not derecognised in full | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Transferred assets still recognised in full | | | | | | | | | |
| | Transferred assets | | | | | Associated liabilities | | | | |
| **Nature of transferred assets** *(in € millions)* | Carrying amount | o/w securitisation (non-deconsolidating) | o/w securities bought under repurchase agreements | Other[1] | Fair value[2] | Carrying amount | o/w securitisation (non-deconsolidating) | o/w securities bought under repurchase agreements | Other | Fair value[2] |
| Held for trading | - | - | - | - | - | - | - | - | - | - |
| Designated at fair value through income statement | - | - | - | - | - | - | - | - | - | - |
| Available for sale | 1,423 | - | - | 1,423 | 1,423 | 958 | - | - | 958 | 958 |
| Equity instruments | 1,423 | - | - | 1,423 | 1,423 | 958 | - | - | 958 | 958 |
| Loans and receivables | - | - | - | - | - | - | - | - | - | - |
| Held to maturity | - | - | - | - | - | - | - | - | - | - |
| **TOTAL FINANCIAL INSTRUMENTS** | **1,423** | **-** | **-** | **1,423** | **1,423** | **958** | **-** | **-** | **958** | **958** |
| **TOTAL TRANSFERRED ASSETS** | **1,423** | **-** | **-** | **1,423** | **1,423** | **958** | **-** | **-** | **958** | **958** |

(1) *Securities lent.*
(2) *In the case when the guarantee given by the related parties to the agreement leading to associated liabilities is limited to transferred financial assets (IFRS 7.42D.(d).*

| | Transferred assets not derecognised in full | | | |
|---|---|---|---|---|
| | Transferred assets still fully recognised | Transferred assets but recognised to the extent of the entity's continuing involvement | | |
| | Assets and associated liabilities | | | |
| **Nature of transferred assets** *(in € millions)* | Net fair value | Initial total carrying amount of assets prior to transfer | Carrying amount of assets still recognised (continuing involvement) | Carrying amount of associated liabilities |
| Held for trading | - | - | - | - |
| Designated at fair value through income statement | - | - | - | - |
| Available for sale | 465 | 465 | - | - |
| Equity instruments | 465 | 465 | - | - |
| Loans and receivables | - | - | - | - |
| Held to maturity | - | - | - | - |
| **TOTAL FINANCIAL INSTRUMENTS** | **465** | **465** | **-** | **-** |
| Finance leases | - | - | - | - |
| **TOTAL TRANSFERRED ASSETS** | **465** | **465** | **-** | **-** |

### SIGNIFICANT INVESTMENTS IN NON-CONSOLIDATED COMPANIES

These securities, held in the portfolio of available-for-sale financial assets, consist of variable-income securities representing a significant percentage of the share capital of the companies that issued them and are intended to be held for the long term.

This item line amounted to €4,072 millions at 31 December 2013.

It was composed of a few lines for which the holding rate exceeded 20% but their contribution was not deemed material with respect to possible consolidation in the Group's financial statements.

In 2013, long-term impairment of non-consolidated equity investments totalled €72 million, recognised through profit or loss.

## 5.5 Derivative instruments

### HEDGING DERIVATIVE INSTRUMENTS

Derivative financial instruments used in a hedging relationship are designated according to their intended purpose:

- value hedging: fair value hedges modify the risk of changes in the fair value of a fixed-rate instrument caused by movements in interest rates. These hedges transform fixed-rate assets or liabilities into floating-rate items;
- fair value hedges include in particular the hedging of loans, securities, deposits and subordinated fixed-rate debts;
- hedging future earnings: cash flow hedges modify in particular the risk related to variability in cash flows arising from floating-rate financial instruments;
- cash flow hedges include, in particular, the hedging of floating-rate loans and deposits;
- cash flow hedges include, in particular, the hedging of floating-rate loans and deposits.

Each hedging relationship is formally documented with a description of the strategy, the item hedged and the hedging instrument, and the method drawn upon to measure effectiveness.

HEDGING DERIVATIVE INSTRUMENTS

| | 31/12/2013 | | 31/12/2012 | |
|---|---|---|---|---|
| | Market value | | Market value | |
| *(in € millions)* | positive | negative | positive | negative |
| Interest rates | - | - | - | - |
| Equity | - | - | - | - |
| Change | - | 6 | 32 | - |
| Other | - | - | - | - |
| **Fair value hedging** | **-** | **6** | **32** | **-** |
| Interest rates | 411 | - | 533 | - |
| Equity | - | - | - | - |
| Change | - | - | - | - |
| Other | - | - | - | - |
| **Fair value hedging** | **411** | **-** | **533** | **-** |
| **Hedging of net investment in operations in a foreign country** | **-** | **-** | **-** | **-** |
| **TOTAL HEDGING DERIVATIVE INSTRUMENTS** | **411** | **6** | **565** | **-** |

| | 31/12/2013 | | | |
|---|---|---|---|---|
| *(in € millions)* | Under 1 year | Between 1 and 5 years | Over 5 years | Total as market value |
| FRAs | - | - | - | - |
| Interest rate swaps | - | 93 | 317 | 410 |
| Interest rate options | - | - | - | - |
| Caps, floors, collars | - | - | - | - |
| **Interest rate instruments** | **-** | **93** | **317** | **410** |
| Equity and index derivatives | - | - | - | - |
| Other | - | - | - | - |
| **Other instruments** | **-** | **-** | **-** | **-** |
| **TOTAL HEDGING DERIVATIVE INSTRUMENTS - FAIR VALUE ASSETS** | **-** | **93** | **317** | **410** |

| (in € millions) | 31/12/2012<br>Under 1 year | <br>Between 1 and 5 years | <br>Over 5 years | <br>Total as market value |
|---|---|---|---|---|
| FRAs | - | - | - | - |
| Interest rate swaps | - | 82 | 451 | 533 |
| Interest rate options | - | - | - | - |
| Caps, floors, collars | - | - | - | - |
| **Interest rate instruments** | **-** | **82** | **451** | **533** |
| Equity and index derivatives | - | - | - | - |
| Other | 32 | - | - | 32 |
| **Other instruments** | **32** | **-** | **-** | **32** |
| **TOTAL HEDGING DERIVATIVE INSTRUMENTS – FAIR VALUE ASSETS** | **32** | **82** | **451** | **565** |

| (in € millions) | 31/12/2013<br>Under 1 year | <br>Between 1 and 5 years | <br>Over 5 years | <br>Total market value |
|---|---|---|---|---|
| FRAs | - | - | - | - |
| Interest rate swaps | - | - | - | - |
| Interest rate options | - | - | - | - |
| Caps, floors, collars | - | - | - | - |
| **Interest rate instruments** | **-** | **-** | **-** | **-** |
| Equity and index derivatives | - | - | - | - |
| Other | 6 | - | - | 6 |
| **Other instruments** | **6** | **-** | **-** | **6** |
| **TOTAL HEDGING DERIVATIVE INSTRUMENTS – FAIR VALUE LIABILITIES** | **6** | **-** | **-** | **6** |

| (in € millions) | 31/12/2012<br>Under 1 year | <br>Between 1 and 5 years | <br>Over 5 years | <br>Total market value |
|---|---|---|---|---|
| FRAs | - | - | - | - |
| Interest rate swaps | - | - | - | - |
| Interest rate options | - | - | - | - |
| Caps, floors, collars | - | - | - | - |
| **Interest rate instruments** | **-** | **-** | **-** | **-** |
| Equity and index derivatives | - | - | - | - |
| Other | - | - | - | - |
| **Other instruments** | **-** | **-** | **-** | **-** |
| **TOTAL INSTRUMENTS HEDGING DERIVATIVE INSTRUMENTS – FAIR VALUE LIABILITIES** | **-** | **-** | **-** | **-** |

## DERIVATIVE INSTRUMENTS HELD FOR TRADING

| | 31/12/2013 | | 31/12/2012 | |
|---|---|---|---|---|
| | Market value | | Market value | |
| *(in € millions)* | positive | negative | positive | negative |
| FRAs | - | - | - | - |
| Interest rate swaps | - | - | 1 | 1 |
| Interest rate options | 108 | - | 128 | - |
| Caps, floors, collars | 330 | - | 152 | - |
| **Interest rate instruments** | **438** | **-** | **281** | **1** |
| Equity and index derivatives | - | - | - | - |
| Other | 9 | 1 | 28 | 6 |
| **Other instruments** | **9** | **1** | **28** | **6** |
| **TOTAL DERIVATIVE INSTRUMENTS HELD FOR TRADING** | **447** | **1** | **309** | **7** |

| | 31/12/2013 | | | |
|---|---|---|---|---|
| *(in € millions)* | Under 1 year | Between 1 and 5 years | Over 5 years | Total market value |
| FRAs | - | - | - | - |
| Interest rate swaps | - | - | - | - |
| Interest rate options | - | 24 | 84 | 108 |
| Caps, floors, collars | - | 85 | 245 | 330 |
| **Interest rate instruments** | **-** | **109** | **329** | **438** |
| Equity and index derivatives | - | - | - | - |
| Other | 4 | 5 | - | 9 |
| **Other instruments** | **4** | **5** | **-** | **9** |
| **TOTAL DERIVATIVE INSTRUMENTS HELD FOR TRADING – FAIR VALUE ASSETS** | **4** | **114** | **329** | **447** |

| | 31/12/2012 | | | |
|---|---|---|---|---|
| *(in € millions)* | Under 1 year | Between 1 and 5 years | Over 5 years | Total market value |
| FRAs | - | - | - | - |
| Interest rate swaps | 1 | - | - | 1 |
| Interest rate options | - | 21 | 107 | 128 |
| Caps, floors, collars | - | 71 | 80 | 151 |
| **Interest rate instruments** | **1** | **92** | **187** | **280** |
| Equity and index derivatives | - | - | - | - |
| Other | 24 | 5 | - | 29 |
| **Other instruments** | **24** | **5** | **-** | **29** |
| **TOTAL DERIVATIVE INSTRUMENTS HELD FOR TRADING – FAIR VALUE ASSETS** | **25** | **97** | **187** | **309** |

| (in € millions) | 31/12/2013 Under 1 year | Between 1 and 5 years | Over 5 years | Total market value |
|---|---|---|---|---|
| FRAs | - | - | - | - |
| Interest rate swaps | - | - | - | - |
| Interest rate options | - | - | - | - |
| Caps, floors, collars | - | - | - | - |
| **Interest rate instruments** | **-** | **-** | **-** | **-** |
| Equity and index derivatives | - | - | - | - |
| Other | - | 1 | - | 1 |
| **Other instruments** | **-** | **1** | **-** | **1** |
| **TOTAL DERIVATIVE INSTRUMENTS HELD FOR TRADING – FAIR VALUE LIABILITIES** | **-** | **1** | **-** | **1** |

| (in € millions) | 31/12/2012 Under 1 year | Between 1 and 5 years | Over 5 years | Total market value |
|---|---|---|---|---|
| FRAs | - | - | - | - |
| Interest rate swaps | 1 | 1 | - | 2 |
| Interest rate options | - | - | - | - |
| Caps, floors, collars | - | - | - | - |
| **Interest rate instruments** | **1** | **1** | **-** | **2** |
| Equity and index derivatives | - | - | - | - |
| Other | - | 5 | - | 5 |
| **Other instruments** | **-** | **5** | **-** | **5** |
| **TOTAL DERIVATIVE INSTRUMENTS HELD FOR TRADING – FAIR VALUE LIABILITIES** | **1** | **6** | **-** | **7** |

## 5.6 Share held by cedants and retrocessonaires in liabilities relating to insurance contracts and financial contracts

| (in € millions) | 31/12/2013 | 31/12/2012 |
|---|---|---|
| Mathematical reserves | - | - |
| Provisions for unearned premiums | 154 | 151 |
| Provisions for claims outstanding | 292 | 268 |
| Other technical reserves | 316 | 267 |
| **Reinsurers' share in non-life insurance reserves** | **762** | **686** |
| Mathematical reserves | 267 | 284 |
| Provisions for unearned premiums | 192 | 187 |
| Provisions for claims outstanding | 31 | 26 |
| Other technical reserves | 2 | - |
| Profit-sharing provisions | - | - |
| **Reinsurers' share in life insurance reserves** | **492** | **498** |
| **Reinsurers' share in provisions for financial contracts** | **-** | **-** |
| **TOTAL SHARE HELD BY CEDANTS IN LIABILITIES** | **1,254** | **1,184** |

## 5.7 Operating property and other property, plant and equipment

| (in € millions) | 31/12/2012 | Change in scope | Depreciation charges/ Increases | Reversals/ Decreases | Translation adjustments | Other changes | 31/12/2013 |
|---|---|---|---|---|---|---|---|
| Gross amount | 307 | - | 3 | (2) | - | - | 308 |
| Depreciation, amortisation and impairment | (61) | - | (11) | 1 | - | - | (71) |
| **NET VALUE OF OPERATING PROPERTY AND OTHER PROPERLY, PLANT AND EQUIPMENT** | **246** | **-** | **(8)** | **(1)** | **-** | **-** | **237** |

| (in € millions) | 31/12/2011 | Change in scope | Depreciation charges/ Increases | Reversals/ Decreases | Translation adjustments | Other changes | 31/12/2012 |
|---|---|---|---|---|---|---|---|
| Gross amount | 321 | (17) | 5 | (2) | - | - | 307 |
| Depreciation, amortisation and impairment | (58) | 7 | (11) | 1 | - | - | (61) |
| **NET VALUE OF OPERATING PROPERTY AND OTHER PROPERLY, PLANT AND EQUIPMENT** | **263** | **(9)** | **(7)** | **(1)** | **-** | **-** | **246** |

## 5.8 Net deferred acquisition costs

| (in € millions) | 31/12/2013 | 31/12/2012 |
|---|---|---|
| Net deferred acquisition costs and similar on insurance and financial contracts with discretionary profit-sharing | 448 | 433 |
| Rights acquired on financial contracts without discretionary profit-sharing | 4 | 6 |
| **Net deferred acquisition costs and similar on life activities** | **452** | **439** |
| **Deferred acquisition costs on non-life activities** | **348** | **351** |
| **Gross deferred acquisition costs** | **800** | **790** |
| **Provisions for expenses and unearned deductions** | **(10)** | **(12)** |
| **TOTAL DEFERRED ACQUISITION COSTS** | **790** | **778** |

## 5.9 Deferred taxes

In accordance with IAS 12, deferred tax assets and liabilities are now offset within a same taxable entity.

The deferred tax tables below show a net change of €188 million in the "Accounting/tax mismatch" item mainly accounted for by the reversal of the tax risk provision after the tax audit notice sent to Predica in 2008 was cancelled.

### DEFERRED TAX ASSETS

| (in € millions) | 31/12/2013 | 31/12/2012 |
|---|---|---|
| Accounting/tax mismatch | 50 | 77 |
| IFRS adjustments through reserves | (9) | (22) |
| IFRS adjustments through profit or loss | - | (8) |
| **TOTAL DEFERRED TAX ASSETS** | **41** | **47** |

### DEFERRED TAX LIABILITIES

| (in € millions) | 31/12/2013 | 31/12/2012 |
|---|---|---|
| Accounting/tax mismatch | (141) | (100) |
| IFRS adjustments through reserves | 411 | 480 |
| IFRS adjustments through profit or loss | 183 | 210 |
| **TOTAL DEFERRED TAX LIABILITIES** | **453** | **590** |

## 5.10 Receivables arising on direct insurance and inward reinsurance operations

| | 31/12/2013 | | | |
|---|---|---|---|---|
| *(in € millions)* | Under 1 year | Between 1 and 5 years | Over 5 years | Total |
| Receivables due from policyholders | 948 | - | 24 | 973 |
| Unrecovered written premiums | 6 | - | - | 7 |
| Unwritten earned premiums | 26 | - | - | 26 |
| Other receivables | 440 | 6 | 4 | 449 |
| Receivables for cash deposited at ceding companies | 59 | 103 | - | 164 |
| **TOTAL RECEIVABLES ARISING ON DIRECT INSURANCE AND INWARD REINSURANCE OPERATIONS** | **1,479** | **110** | **30** | **1,619** |

| | 31/12/2012 | | | |
|---|---|---|---|---|
| *(in € millions)* | Under 1 year | Between 1 and 5 years | Over 5 years | Total |
| Receivables due from policyholders | 909 | - | 24 | 933 |
| Unrecovered written premiums | 16 | 1 | - | 17 |
| Unwritten earned premiums | 35 | - | - | 35 |
| Other receivables | 448 | 4 | 6 | 458 |
| Receivables for cash deposited at ceding companies | 42 | 71 | - | 113 |
| **TOTAL RECEIVABLES ARISING ON DIRECT INSURANCE AND INWARD REINSURANCE OPERATIONS** | **1,450** | **76** | **30** | **1,556** |

## 5.11 Receivables arising on ceded reinsurance operations

| | 31/12/2013 | | | |
|---|---|---|---|---|
| *(in € millions)* | Under 1 year | Between 1 and 5 years | Over 5 years | Total |
| Current accounts – ceding and retroceding companies | 108 | - | 5 | 113 |
| Other receivables from reinsurance operations | - | - | - | - |
| **TOTAL RECEIVABLES ARISING ON CEDED REINSURANCE OPERATIONS** | **108** | **-** | **5** | **113** |

| | 31/12/2012 | | | |
|---|---|---|---|---|
| *(in € millions)* | Under 1 year | Between 1 and 5 years | Over 5 years | Total |
| Current accounts – ceding and retroceding companies | 88 | - | 2 | 90 |
| Other receivables from reinsurance operations | - | - | - | - |
| **TOTAL RECEIVABLES ARISING ON CEDED REINSURANCE OPERATIONS** | **88** | **-** | **2** | **90** |

## 5.12 Other receivables

| *(in € millions)* | 31/12/2013 | 31/12/2012 |
|---|---|---|
| Employees | 1 | 1 |
| Government, social security agencies | 802 | 771 |
| Accrued income | 63 | 81 |
| Sundry debtors | 437 | 407 |
| Other adjustment accounts | 355 | 122 |
| Securities under repurchase agreements | 1,358 | 5 |
| **TOTAL** | **3,016** | **1,387** |

## 5.13 Equity

### COMPOSITION OF SHARE CAPITAL AT 31 DECEMBER 2013

At 31 December 2013, equity and voting rights broke down as follows:

| Shareholders | Shares outstanding | % of capital | % of voting rights |
|---|---|---|---|
| Crédit Agricole S.A. | 124,056,944 | 99.99% | 100% |
| Other | 6 | 0.01% | 0% |
| **TOTAL** | **124,056,950** | **100%** | **100%** |

The par value of shares is €10. These shares have been fully paid up.

### MOVEMENTS IN CAPITAL OF CRÉDIT AGRICOLE ASSURANCES

The General Meeting held on 19 June 2013 decided to pay the balance on the 2012 dividend, totalling €519,656,623.20 with the option of receiving it in new shares.

Following of the exercising of the option by CASA, 7,802,652 shares with a par value of €10 each were issued, *i.e.* a contribution to equity breaking down as follows:

- increase in share capital: €78,026,520;
- increase in issue premium: €441,630,103.20.

### PREFERRED SHARES

Crédit Agricole Assurances has not issued any preferred shares.

### EARNINGS PER SHARE

| | 31/12/2013 | 31/12/2012 |
|---|---|---|
| Net income attributable to owners of the parent in the period *(in € millions)* | 1,002 | 750 |
| Weighted average number of ordinary shares outstanding during the period | 120,444,215 | 116,254,298 |
| Earnings per share *(in €)* | 8.32 | 6.45 |

### DIVIDENDS

- On 19 June 2013, the General Meeting approved the payment of a final 2012 dividend totalling €1,027 million, or €8.83 per share.
- The General Meeting on 19 June 2013 authorised the Board of Directors to pay possible interim 2013 dividends, either in cash or in shares.

Accordingly, on 19 December 2013 the Board of Directors decided to pay out an interim dividend of €458 million, or €3.69 per share that, in accordance with the choice made by shareholders, was fully paid in cash.

Shareholders will be asked to choose whether the payment of the balance of the dividend due for financial year 2013 is to be in cash or in shares.

| | 2013 forecast | 2012 | 2011 |
|---|---|---|---|
| Net dividend per share *(in €)* | 7.59 | 8.83 | 3.25 |
| Final dividend *(in € millions)* | 942 | 1,027 | 378 |

## BREAKDOWN OF GAINS AND LOSSES RECOGNISED DIRECTLY IN EQUITY

| *(in € millions)* | 31/12/2013 | 31/12/2012 |
|---|---|---|
| **Net gains and losses recognised directly in equity that may be subsequently reclassified to profit and loss** | | |
| **Gains and losses on translation adjustments** | **(10)** | **(6)** |
| *Revaluation adjustment in the period* | - | - |
| *Reclassified to profit and loss* | - | - |
| *Other reclassifications* | *(10)* | *(6)* |
| **Gains and losses on available-for-sale assets** | **(94)** | **2,368** |
| Gains and losses on available-for-sale assets before profit-sharing | (948) | 17,198 |
| *Revaluation adjustment in the period* | *(18)* | *16,419* |
| *Reclassified to profit and loss* | *(927)* | *645* |
| *Other reclassifications* | *(3)* | *134* |
| Change in deferred profit-sharing in the period | 854 | (14,830) |
| **Gains and losses on hedging derivative instruments** | **(3)** | **16** |
| Gains and losses on hedging derivative instruments before profit-sharing | (116) | 121 |
| *Revaluation adjustment in the period* | *(122)* | *116* |
| *Reclassified to profit and loss* | - | - |
| *Other reclassifications* | *6* | *5* |
| Change in deferred profit-sharing in the period | 113 | (105) |
| **Gains and losses on non-current assets held-for-sale** | **-** | **-** |
| *Revaluation adjustment in the period* | - | - |
| *Reclassified to profit and loss* | - | - |
| *Other reclassifications* | - | - |
| Pre-tax gain and losses directly recognised in equity that may be reclassified to profit and loss on equity-accounted entities | - | - |
| Income tax on gain and losses directly recognised in equity that may be reclassified to profit and loss excluding equity-accounted entities | 77 | (717) |
| Income tax on gain and losses directly recognised in equity that may be reclassified to profit and loss on equity-accounted entities | - | - |
| **Gains and losses directly recognised in equity that may be reclassified subsequently to profit and loss** | **(30)** | **1,660** |
| **Gains and losses directly recognised in equity that will not be subsequently reclassified to profit and loss** | **-** | **-** |
| Actuarial gains and losses on post-employment benefits | - | (7) |
| Gains and losses on non-current assets held-for-sale | - | - |
| Pre-tax gains and losses recognised directly in equity that may be reclassified to profit and losses on equity-accounted entities | - | 2 |
| Income tax related to items that may be reclassified to profit and loss excluding equity-accounted entities | - | - |
| Income tax related to items that may be reclassified to profit and loss on equity-accounted entities | - | - |
| **Net gains and losses recognised directly in equity that will not be subsequently reclassified to profit and loss** | **-** | **(5)** |
| **Gains and losses recognised directly in equity** | **(32)** | **1,655** |
| o/w Group share | (31) | 1,514 |
| o/w non-controlling interests | (1) | 141 |

## BREAKDOWN OF TAX IMPACT RELATING TO GAINS (LOSSES) DIRECTLY RECOGNISED IN EQUITY

| | 31/12/2012 | | | | |
|---|---|---|---|---|---|
| *(in € millions)* | **Gross** | **Deferred profit-sharing** | **Tax** | **Net** | **o/w net Group share** |
| **Net gains and losses recognised directly in equity that may be subsequently reclassified to profit and loss** | | | | | |
| Gains and losses on translation adjustments | 3 | | | 3 | 3 |
| Gains and losses on available-for-sale assets | 12,713 | (11,082) | (493) | 1,138 | 1,137 |
| Gains and losses on hedging derivative instruments | 528 | (473) | (19) | 36 | 36 |
| Gains and losses on non-current assets held-for-sale | - | - | - | - | - |
| **Net gains and losses recognised directly in equity that will not be reclassified to profit and loss excluding equity-accounted entities** | **13,244** | **(11,555)** | **(512)** | **1,177** | **1,176** |
| **Net gains and losses recognised directly in equity that may be subsequently reclassified to profit and loss on equity-accounted entities** | **-** | **-** | **-** | **-** | **-** |

| | Change | | | | |
|---|---|---|---|---|---|
| *(in € millions)* | **Gross** | **Deferred profit-sharing** | **Tax** | **Net** | **o/w net Group share** |
| **Net gains and losses recognised directly in equity that may be subsequently reclassified to profit and loss** | | | | | |
| Gains and losses on translation adjustments | (11) | | | (11) | (11) |
| Gains and losses on available-for-sale assets | (948) | 854 | 76 | (18) | (20) |
| Gains and losses on hedging derivative instruments | (116) | 113 | 1 | (2) | (2) |
| Gains and losses on non-current assets held-for-sale | | | | | - |
| **Net gains and losses recognised directly in equity that may be subsequently reclassified to profit and loss excluding equity-accounted entities** | **(1,075)** | **967** | **77** | **(31)** | **(33)** |
| **Net gains and losses recognised directly in equity that may be subsequently reclassified to profit and loss on equity-accounted entities** | - | - | - | - | **-** |

| | 31/12/2013 | | | | |
|---|---|---|---|---|---|
| *(in € millions)* | **Gross** | **Deferred profit-sharing** | **Tax** | **Net** | **o/w net Group share** |
| **Net gains and losses recognised directly in equity that may be subsequently reclassified to profit and loss** | | | | | |
| Gains and losses on translation adjustments | (8) | | | (8) | (8) |
| Gains and losses on available-for-sale assets | 11,765 | (10,228) | (417) | 1,119 | 1,118 |
| Gains and losses on hedging derivative instruments | 412 | (360) | (18) | 34 | 34 |
| Gains and losses on non-current assets held-for-sale | - | - | - | - | - |
| **Net gains and losses recognised directly in equity that may be subsequently reclassified to profit and loss excluding equity-accounted entities** | **12,169** | **(10,588)** | **(435)** | **1,145** | **1,144** |
| **Net gains and losses recognised directly in equity that may be subsequently reclassified to profit and loss on equity-accounted entities** | **-** | **-** | **-** | **-** | **-** |

| *(in € millions)* | 31/12/2012 Gross | Deferred profit-sharing | Tax | Net | o/w net Group share |
|---|---|---|---|---|---|
| **Net gains and losses recognised directly in equity that will not be subsequently reclassified to profit and loss** | | | | | |
| Actuarial gains and losses on post-employment benefits | (8) | - | 3 | (5) | (6) |
| Gains and losses on non-current assets held-for-sale | - | - | - | - | - |
| **Net gains and losses recognised directly in equity that will not be subsequently reclassified to profit and loss, excluding equity-accounted entities** | **(8)** | **-** | **3** | **(5)** | **(6)** |
| **Net gains and losses recognised directly in equity that will not be subsequently reclassified to profit and loss on equity-accounted entities** | **-** | - | **-** | **-** | **-** |
| **Net gains and losses recognised directly in equity that will not be subsequently reclassified to profit and loss** | **(8)** | **-** | **3** | **(5)** | **(6)** |
| **Net gains and losses recognised directly in equity** | **13,236** | **(11,555)** | **(509)** | **1,172** | **1,170** |

| *(in € millions)* | Change Gross | Deferred profit-sharing | Tax | Net | o/w net Group share |
|---|---|---|---|---|---|
| **Net gains and losses recognised directly in equity that will not be subsequently reclassified to profit and loss** | | | | | |
| Actuarial gains and losses on post-employment benefits | - | - | - | - | - |
| Gains and losses on non-current assets held-for-sale | - | - | - | - | - |
| **Net gains and losses recognised directly in equity that will not be subsequently reclassified to profit and loss, excluding equity-accounted entities** | **-** | **-** | **-** | **-** | **-** |
| **Net gains and losses recognised directly in equity that will not be subsequently reclassified to profit and loss on equity-accounted entities** | **-** | - | **-** | **-** | **-** |
| **Net gains and losses recognised directly in equity that will not be subsequently reclassified to profit and loss** | **-** | - | **-** | **-** | **-** |
| **Net gains and losses recognised directly in equity** | **(1,075)** | **967** | **77** | **(31)** | **(33)** |

| *(in € millions)* | 31/12/2013 Gross | Deferred profit-sharing | Tax | Net | o/w net Group share |
|---|---|---|---|---|---|
| **Net gains and losses recognised directly in equity that will not be subsequently reclassified to profit and loss** | | | | | |
| Actuarial gains and losses on post-employment benefits | (8) | | 3 | (5) | (5) |
| Gains and losses on non-current assets held-for-sale | - | - | - | - | - |
| **Net gains and losses recognised directly in equity that will not be subsequently reclassified to profit and loss, excluding equity-accounted entities** | **(8)** | **-** | **3** | **(5)** | **(5)** |
| **Net gains and losses recognised directly in equity that will not be subsequently reclassified to profit and loss on equity-accounted entities** | **-** | - | **-** | **-** | **-** |
| **Net gains and losses recognised directly in equity that will not be subsequently reclassified to profit and loss** | **(8)** | **-** | **3** | **(5)** | **(5)** |
| **Net gains and losses recognised directly in equity** | **12,161** | **(10,588)** | **(432)** | **1,140** | **1,139** |

## 5.14 Provisions for risks and charges

| *(in € millions)* | 31/12/2012 | Changes in scope | Depreciation charges | Reversals | Utilisation | Translation adjustments | Other changes | 31/12/2013 |
|---|---|---|---|---|---|---|---|---|
| Provisions for litigation and contingency risks | 111 | - | 9 | - | (29) | - | - | 92 |
| Restructuring provisions | - | - | - | - | - | - | - | - |
| Provisions for employee retirement benefits | 53 | - | 7 | (3) | (3) | - | - | 54 |
| Other provisions for risks and charges | 12 | - | 1 | - | - | - | - | 12 |
| **TOTAL** | **177** | **-** | **17** | **(3)** | **(32)** | **-** | **-** | **158** |

| *(in € millions)* | 31/12/2011 | Changes in scope | Depreciation charges | Reversals | Utilisation | Translation adjustments | Other changes | 31/12/2012 |
|---|---|---|---|---|---|---|---|---|
| Provisions for litigation and contingency risks | 293 | (17) | 30 | - | (195) | - | - | 111 |
| Restructuring provisions | - | - | - | - | - | - | - | - |
| Provisions for employee retirement benefits | 45 | - | 13 | (2) | (2) | - | - | 53 |
| Other provisions for risks and charges | 15 | (2) | 1 | (1) | (1) | - | - | 12 |
| **TOTAL** | **353** | **(19)** | **44** | **(3)** | **(198)** | **-** | **-** | **177** |

## 5.15 Funding debt

### SUBORDINATED DEBT

| | | 31/12/2013 | | | | |
|---|---|---|---|---|---|---|
| *(in € millions)* | Currency | Under 3 months | Between 3 months and 1 year | Between 1 and 5 years | Over 5 years | Total |
| Fixed-term subordinated debt | EUR | - | 3 | - | 1,800 | 1,804 |
| Perpetual subordinated debt | EUR | - | 7 | - | 2,577 | 2,584 |
| **TOTAL** | **EUR** | **-** | **10** | **-** | **4,377** | **4,388** |

Crédit Agricole Assurances issued €440 millions subscribed to by Crédit Agricole S.A.

| | | 31/12/2012 | | | | |
|---|---|---|---|---|---|---|
| *(in € millions)* | Currency | Under 3 months | Between 3 months and 1 year | Between 1 and 5 years | Over 5 years | Total |
| Fixed-term subordinated debt | EUR | - | 7 | - | 1,786 | 1,793 |
| Perpetual subordinated debt | EUR | - | 7 | - | 2,136 | 2,143 |
| **TOTAL** | **EUR** | **-** | **14** | **-** | **3,922** | **3,936** |

### FINANCING CHARGES

| *(in € millions)* | 31/12/2013 | 31/12/2012 |
|---|---|---|
| Redeemable subordinated notes | (90) | (67) |
| Perpetual subordinated notes | (141) | (75) |
| Other financing charges | (40) | (35) |
| **FINANCING CHARGES** | **(271)** | **(177)** |

## 5.16 Information on the offsetting of financial assets and financial liabilities

### OFFSETTING – FINANCIAL ASSETS

| 31/12/2013 | Offsetting effects on financial assets covered by master netting agreement and similar agreements | | | | | |
|---|---|---|---|---|---|---|
| | | | | Other amounts that can be offset under given conditions | | |
| **Type of transaction** | **Gross amounts of recognised financial assets before offsetting** | **Gross amounts of recognised financial liabilities set off in the financial statements** | **Net amounts of financial assets presented in the financial statements** | **Gross amounts of financial liabilities covered by master netting agreement** | **Amounts of other financial instruments received as collateral, including security deposit** | **Net amount after all offsetting effects** |
| *(in € millions)* | (a) | (b) | (c) = (a)-(b) | | (d) | (e) = (c) - (d) |
| Derivatives | 857 | - | 857 | - | 814 | 43 |
| Reverse repurchase agreements | 1,359 | - | 1,359 | - | 1,332 | 26 |
| Securities lent | 383 | - | 383 | - | 383 | - |
| Other financial instruments | - | - | - | - | - | - |
| **TOTAL FINANCIAL ASSETS SUBJECT TO OFFSETTING** | **2,599** | **-** | **2,599** | **-** | **2,529** | **69** |

| 31/12/2012 | Offsetting effects on financial assets covered by master netting agreement and similar agreements | | | | | |
|---|---|---|---|---|---|---|
| | | | | Other amounts that can be offset under given conditions | | |
| **Type of transaction** | **Gross amounts of recognised financial assets before offsetting** | **Gross amounts of recognised financial liabilities set off in the financial statements** | **Net amounts of financial assets presented in the financial statements** | **Gross amounts of financial liabilities covered by master netting agreement** | **Amounts of other financial instruments received as collateral, including security deposit** | **Net amount after all offsetting effects** |
| *(in € millions)* | (a) | (b) | (c) = (a)-(b) | | (d) | (e) = (c) - (d) |
| Derivatives | 873 | - | 873 | - | 812 | 61 |
| Reverse repurchase agreements | 5 | - | 5 | | | 5 |
| Securities lent | 1,423 | - | 1,423 | - | 1,423 | - |
| Other financial instruments | - | - | - | - | - | - |
| **TOTAL FINANCIAL ASSETS SUBJECT TO OFFSETTING** | **2,301** | **-** | **2,301** | - | **2,235** | **66** |

## OFFSETTING – FINANCIAL LIABILITIES

| 31/12/2013 | Offsetting effects on financial liabilities covered by master netting agreement and similar agreements | | | | | |
|---|---|---|---|---|---|---|
| | | | | Other amounts that can be offset under given conditions | | |
| **Type of transaction** | **Gross amounts of recognised financial liabilities before offsetting** | **Gross amounts of recognised financial assets set off in the financial statements** | **Net amounts of financial liabilities presented in the financial statements** | **Gross amounts of financial assets covered by master netting agreement** | **Amounts of other financial instruments received as collateral, including security deposit** | **Net amount after all offsetting effects** |
| *(in € millions)* | (a) | (b) | (c) = (a)-(b) | | (d) | (e) = (c) - (d) |
| Derivatives | 8 | - | 8 | - | - | 8 |
| Reverse repurchase agreements | 6,081 | - | 6,081 | - | 5,962 | 119 |
| Securities lent | - | - | - | - | - | - |
| **Other financial instruments** | **-** | **-** | **-** | **-** | **-** | **-** |
| **TOTAL FINANCIAL LIABILITIES SUBJECT TO OFFSETTING** | **6,089** | **-** | **6,089** | **-** | **5,962** | **127** |

| 31/12/2012 | Offsetting effects on financial liabilities covered by master netting agreement and similar agreements | | | | | |
|---|---|---|---|---|---|---|
| | | | | Other amounts that can be offset under given conditions | | |
| **Type of transaction** | **Gross amounts of recognised financial liabilities before offsetting** | **Gross amounts of recognised financial assets set off in the financial statements** | **Net amounts of financial liabilities presented in the financial** | **Gross amounts of financial assets covered by master netting agreement** | **Amounts of other financial instruments received as collateral, including security deposit** | **Net amount after all offsetting effects** |
| *(in € millions)* | (a) | (b) | (c) = (a)-(b) | | (d) | (e) = (c) - (d) |
| Derivatives | 3 | | 3 | | | 3 |
| Reverse repurchase agreements | - | - | - | - | - | - |
| Securities lent | - | - | - | - | - | - |
| **Other financial instruments** | - | - | **-** | - | - | **-** |
| **TOTAL FINANCIAL LIABILITIES SUBJECT TO OFFSETTING** | **3** | **-** | **3** | - | **-** | **3** |

## 5.17 Liabilities relating to insurance and financial contracts

### TECHNICAL LIABILITIES RELATING TO INSURANCE CONTRACTS

The insurance contracts, whose technical liabilities are presented in the table below, are contracts under which the insurer shoulders a significant insurance risk.

| | 31/12/2013 | | |
|---|---|---|---|
| *(in € millions)* | **Before reinsurance** | **Ceded** | **Net of reinsurance** |
| Provisions for unearned premiums | 1,383 | 153 | 1,230 |
| Provisions for claims | 2,826 | 292 | 2,534 |
| Profit-sharing provisions | 1 | - | 1 |
| Provisions for shortfall in liabilities | - | - | - |
| Other provisions | 1,316 | 316 | 1,000 |
| **Technical liabilities relating to non-life insurance contracts** | **5,526** | **761** | **4,765** |
| Provisions for unearned premiums | 766 | 192 | 574 |
| Mathematical reserves | 93,991 | 267 | 93,724 |
| Provisions for claims | 1,774 | 31 | 1,743 |
| Profit-sharing provisions | 889 | - | 889 |
| Provisions for shortfall in liabilities | - | - | - |
| Other provisions | 205 | 2 | 203 |
| **Technical liabilities relating to life insurance contracts** | **97,625** | **492** | **97,133** |
| **Technical liabilities relating to insurance contracts when financial risk is borne by the policyholder** | **38,371** | **-** | **38,371** |
| **TOTAL TECHNICAL LIABILITIES RELATING TO INSURANCE CONTRACTS** | **141,522** | **1,253** | **140,269** |

Liabilities relating to insurance contracts net of reinsurance amounted to €140.2 billion at 31/12/2013 versus €129.5 billion at 31/12/2012. This €10.7 billion increase mostly resulted from the increase in life mathematical reserves.

| | 31/12/2012 | | |
|---|---|---|---|
| *(in € millions)* | **Before reinsurance** | **Ceded** | **Net of reinsurance** |
| Provisions for unearned premiums | 1,364 | 151 | 1,213 |
| Provisions for claims | 2,580 | 268 | 2,312 |
| Profit-sharing provisions | 1 | - | 1 |
| Provisions for shortfall in liabilities | - | - | - |
| Other provisions | 1,167 | 267 | 900 |
| **Technical liabilities relating to non-life insurance contracts** | **5,112** | **686** | **4,426** |
| Provisions for unearned premiums | 760 | 187 | 573 |
| Mathematical reserves | 85,340 | 284 | 85,056 |
| Provisions for claims | 1,579 | 26 | 1,553 |
| Profit-sharing provisions | 512 | - | 512 |
| Provisions for shortfall in liabilities | 2 | - | 2 |
| Other provisions | 252 | 1 | 251 |
| **Technical liabilities relating to life insurance contracts** | **88,445** | **498** | **87,947** |
| **Technical liabilities relating to insurance contracts when financial risk is borne by the policyholder** | **37,093** | **-** | **37,093** |
| **TOTAL TECHNICAL LIABILITIES RELATING TO INSURANCE CONTRACTS** | **130,650** | **1,184** | **129,466** |

### TECHNICAL LIABILITIES RELATING TO FINANCIAL CONTRACTS

Financial contracts, whose technical liabilities are presented in the table below, are contracts that do not expose the insurer to a significant insurance risk. They are governed by IFRS 4 when they include discretionary profit sharing features and by IAS 39 when they do not.

| | 31/12/2013 | | |
|---|---|---|---|
| *(in € millions)* | **Before reinsurance** | **Ceded** | **Net of reinsurance** |
| Mathematical reserves | 97,450 | - | 97,450 |
| Provisions for claims | 1,057 | - | 1,057 |
| Profit-sharing provisions | 1,223 | - | 1,223 |
| Provisions for shortfall in liabilities | - | - | - |
| Other provisions | 19 | - | 19 |
| **Technical liabilities relating to investment contracts in euros with discretionary participation features** | **99,749** | **-** | **99,749** |
| Mathematical reserves | 352 | - | 352 |
| Provisions for claims | - | - | - |
| Other provisions | - | - | - |
| **Technical liabilities relating to investment contracts in euros without discretionary participation features** | **352** | **-** | **352** |
| Technical liabilities relating to investment contracts where financial risk is borne by the policyholder, with discretionary participation features | 2,465 | - | 2,465 |
| Technical liabilities relating to investment contracts where financial risk is borne by the policyholder, without discretionary participation features | 2,361 | - | 2,361 |
| **Technical liabilities relating to investment contracts where financial risk is borne by the policyholder** | **4,826** | **-** | **4,826** |
| **TOTAL TECHNICAL LIABILITIES RELATING TO FINANCIAL CONTRACTS** | **104,927** | **-** | **104,927** |

| | 31/12/2012 | | |
|---|---|---|---|
| *(in € millions)* | **Before reinsurance** | **Ceded** | **Net of reinsurance** |
| Mathematical reserves | 97,471 | - | 97,471 |
| Provisions for claims | 1,116 | - | 1,116 |
| Profit-sharing provisions | 785 | - | 785 |
| Provisions for shortfall in liabilities | - | - | - |
| Other provisions | 20 | - | 20 |
| **Technical liabilities relating to investment contracts in euros with discretionary participation features** | **99,392** | **-** | **99,392** |
| Mathematical reserves | 360 | - | 360 |
| Provisions for claims | - | - | - |
| Other provisions | - | - | - |
| **Technical liabilities relating to investment contracts in euros without discretionary participation features** | **360** | **-** | **360** |
| Technical liabilities relating to investment contracts where financial risk is borne by the policyholder, with discretionary participation features | 2,189 | - | 2,189 |
| Technical liabilities relating to investment contracts where financial risk is borne by the policyholder, without discretionary participation features | 2,304 | - | 2,304 |
| **Technical liabilities relating to investment contracts where financial risk is borne by the policyholder** | **4,493** | **-** | **4,493** |
| **TOTAL TECHNICAL LIABILITIES RELATING TO FINANCIAL CONTRACTS** | **104,245** | **-** | **104,245** |

1 2 3 4 5 6 7 8 9

## CHANGES IN GROSS LIFE MATHEMATICAL RESERVES

| | 31 December 2013 | | | |
|---|---|---|---|---|
| *(in € millions)* | Life insurance contracts | Financial contracts with discretionary participation features | Financial contracts without discretionary participation features | Total |
| **Life mathematical reserves at beginning of period** | **122,433** | **99,660** | **2,664** | **224,757** |
| Premiums | 14,962 | 5,928 | 524 | 21,414 |
| Benefits | (10,032) | (7,487) | (549) | (18,068) |
| Increase in contract prices | 4,499 | 2,485 | 59 | 7,043 |
| Changes in provisions relating to technical and actuarial items | (121) | (8) | 15 | (114) |
| Transfers | 644 | (661) | (1) | (18) |
| Other | 11 | (2) | - | 9 |
| Change in scope | - | - | - | - |
| **Mathematical reserves at end of period** | **132,362** | **99,914** | **2,713** | **234,989** |

| | 31 December 2012 | | | |
|---|---|---|---|---|
| *(in € millions)* | Life insurance contracts | Financial contracts with discretionary participation features | Financial contracts without discretionary participation features | Total |
| **Life mathematical reserves at beginning of period** | **112,938** | **102,601** | **5,901** | **221,440** |
| Premiums | 12,550 | 5,427 | 651 | 18,628 |
| Benefits | (8,476) | (8,708) | (847) | (18,031) |
| Increase in contract prices | 5,521 | 3,045 | 240 | 8,806 |
| Changes in provisions relating to technical and actuarial items | (839) | (20) | (70) | (929) |
| Transfers | 805 | (824) | (35) | (54) |
| Other | (11) | (9) | - | (20) |
| Change in scope[1] | (36) | (1,851) | (3,176) | (5,063) |
| **Mathematical reserves at end of period** | **122,433** | **99,660** | **2,664** | **224,757** |

(1) *The change in scope is related to the disposal of Bes Vida.*

## CHANGE IN PROVISIONS FOR NON-LIFE CLAIMS

| *(in € millions)* | 2004 | 2005[1] | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|---|---|---|---|
| Provisions for initially handled gross claims | 577 | 934 | 1,158 | 1,421 | 1,639 | 1,846 | 2,057 | 2,291 | 2,548 | 2,794 |
| Exchange rate impact at 31 December 2013 | - | - | - | - | - | - | - | - | - | - |
| Impact of change in scope on 2013 | 40 | 40 | 43 | 47 | 51 | 60 | 118 | 59 | 37 | 36 |
| **Provisions for initially handled gross claims adjusted for exchange rates and consolidation scope in 2013** | **618** | **974** | **1,201** | **1,468** | **1,690** | **1,906** | **2,175** | **2,350** | **2,585** | **2,830** |
| **Cumulative payments made** | **40** | **40** | **43** | **47** | **51** | **60** | **50** | **59** | **37** | **36** |
| • one year later | 242 | 313 | 464 | 521 | 573 | 672 | 754 | 800 | 810 | - |
| • two years later | 324 | 432 | 591 | 664 | 739 | 868 | 977 | 1,033 | - | - |
| • three years later | 384 | 508 | 676 | 769 | 850 | 991 | 1,112 | - | - | - |
| • four years later | 419 | 562 | 743 | 847 | 928 | 1,082 | - | - | - | - |
| • five years later | 442 | 610 | 799 | 903 | 992 | - | - | - | - | - |
| • six years later | 462 | 653 | 826 | 949 | - | - | - | - | - | - |
| • seven years later | 477 | 681 | 849 | - | - | - | - | - | - | - |
| • eight years later | 487 | 703 | - | - | - | - | - | - | - | - |
| • nine years later | 494 | - | - | - | - | - | - | - | - | - |
| • ten years later | - | - | - | - | - | - | - | - | - | - |
| **Re-estimated final cost** | | | | | | | | **-** | | **-** |
| • one year later | 640 | 1,000 | 1,246 | 1,468 | 1,653 | 1,849 | 2,087 | 2,286 | 2,457 | - |
| • two years later | 608 | 971 | 1,220 | 1,420 | 1,534 | 1,755 | 1,966 | 2,165 | - | - |
| • three years later | 598 | 972 | 1,189 | 1,352 | 1,482 | 1,695 | 1,910 | - | - | - |
| • four years later | 587 | 978 | 1,147 | 1,325 | 1,435 | 1,653 | - | - | - | - |
| • five years later | 580 | 948 | 1,134 | 1,296 | 1,419 | - | - | - | - | - |
| • six years later | 559 | 930 | 1,114 | 1,283 | - | - | - | - | - | - |
| • seven years later | 559 | 915 | 1,105 | - | - | - | - | - | - | - |
| • eight years later | 558 | 917 | - | - | - | - | - | - | - | - |
| • nine years later | 556 | - | - | - | - | - | - | - | - | - |
| • ten years later | - | - | - | - | - | - | - | - | - | - |
| **SURPLUS (SHORTFALL) IN INITIAL PROVISIONS IN COMPARISON WITH THE RE-ESTIMATED FINAL COST AT 31 DECEMBER 2013** | **62** | **56** | **96** | **185** | **271** | **253** | **264** | **186** | **127** | **2,830** |

(1) *La Médicale de France data were included in the triangle from 2005 onwards, after the company entered the consolidation scope.*

The table describing how claims were handled shows changes in provisions for claims outstanding for the non-life activity. La Médicale de France data were included in the triangle as of 2005.

The first line "Provisions for initially handled gross claims" represents the amount of provisions (in the financial year during which the claim occurred and all the previous years) handled at the accounting closing date indicated in the columns.

The line "Provisions for initially handled gross claims adjusted for exchange rates and scope in year Y" shows the same provision as reported in the first line at the exchange rates and consolidation scope of the current year.

The third line "Impact of change in scope on 2013" is related to the inclusion of CARE data.

The "cumulative payments made" section describes in detail the cumulative amount of payments relating to year Y when the claim occurred and previous years. The second section "re-estimate of final cost" describes in detail the Group's commitment for the year in which the claim occurred and previous years. The estimate of the final cost fluctuates in line with the increasing reliability of information about claims still pending.

The surplus or shortfall in initial provisions in comparison with the re-estimated final cost is the difference between the initial provision and the latest estimate of provisions for claims outstanding.

### SCHEDULE OF INSURANCE LIABILITIES

The estimated unfolding of Crédit Agricole Assurances' insurance liabilities is presented in the following table. These data relate to insurance contracts and financial contracts with the exception of unit-linked contracts, for which policyholders bear the risk.

| (in € millions) | 31/12/2013 | | | |
|---|---|---|---|---|
| | Under 1 year | Between 1 and 5 years | Over 5 years | Total |
| **INSURANCE LIABILITIES** | **21,453** | **42,683** | **139,115** | **203,251** |

| (in € millions) | 31/12/2012 | | | |
|---|---|---|---|---|
| | Under 1 year | Between 1 and 5 years | Over 5 years | Total |
| **INSURANCE LIABILITIES** | **17,598** | **41,685** | **134,025** | **193,308** |

These projections are an estimate of the pace at which recognised liabilities will eventuate; therefore they do not match the sums that will be actually paid, partly because of the discounting of recognised provisions, as well as the uncertainty weighing on the assumptions drawn upon.

## 5.18 Net deferred profit-sharing

| (in € millions) | 31/12/2013 | 31/12/2012 |
|---|---|---|
| Profit-sharing/Remeasurement of assets at FV through profit or loss | 492 | 873 |
| Profit-sharing/Remeasurement of (AFS) assets at FV | (10,593) | (11,559) |
| Profit-sharing/Other adjustments | (101) | 306 |
| **NET DEFERRED PROFIT-SHARING** | **(10,202)** | **(10,380)** |

## 5.19 Payables arising on ceded reinsurance operations

| (in € millions) | 31/12/2013 | 31/12/2012 |
|---|---|---|
| Fees due | 951 | 924 |
| Claims outstanding | 51 | 100 |
| Cash deposits | - | - |
| Co-insurers | - | - |
| Other payables on insurance transactions | 594 | 581 |
| Expenses charged and unearned deductions | 10 | 12 |
| **TOTAL PAYABLES ARISING ON CEDED REINSURANCE OPERATIONS** | **1,605** | **1,617** |

## 5.20 Payables arising on ceded reinsurance operations

| (in € millions) | 31/12/2013 | 31/12/2012 |
|---|---|---|
| Ceded reinsurance payables | - | - |
| Reinsurers' current accounts | 237 | 303 |
| Ceded deferred acquisition costs | 159 | 132 |
| Cash deposits | 631 | 558 |
| **TOTAL PAYABLES ARISING ON CEDED REINSURANCE OPERATIONS** | **1,027** | **993** |

## 5.21 Other payables

| (in € millions) | 31/12/2013 | 31/12/2012 |
|---|---|---|
| Employee creditors | 19 | 22 |
| Government, social security agencies | 841 | 806 |
| Pension benefits | 6,081 | - |
| Miscellaneous creditors | 3,015 | 3,763 |
| Other payables | - | - |
| **TOTAL OTHER PAYABLES** | **9,956** | **4,591** |

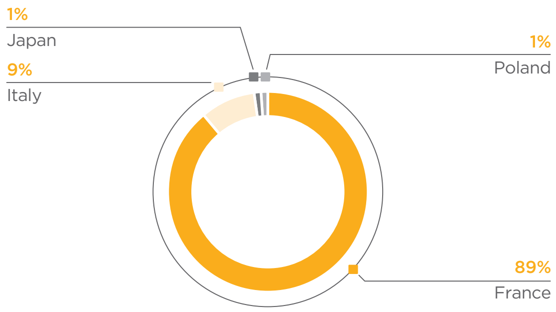
# NOTE 6 Notes to the income statement

## 6.1 Breakdown of revenue – Revenue by type of risk

| | 31/12/2013 | | |
|---|---|---|---|
| *(in € millions)* | **Gross** | **Disposals and retrocessions** | **Net** |
| Automobile | 887 | (25) | 862 |
| Third-party liability | 80 | (8) | 72 |
| Property & casualty | 865 | (114) | 751 |
| Legal protection | 101 | - | 101 |
| Other non-life | 459 | (9) | 450 |
| **Non-life** | **2,392** | **(156)** | **2,236** |
| **Assistance insurance** | **1** | **-** | **-** |
| **Accidents/death/disability** | **538** | **(44)** | **494** |
| **Natural disasters** | **77** | **(26)** | **51** |
| **Credit** | **358** | **(81)** | **277** |
| **Healthcare** | **513** | **(8)** | **505** |
| ***Non-life insurance written premiums*** | ***3,879*** | ***(315)*** | ***3,564*** |
| ***Change in non-life unearned premiums*** | ***(19)*** | ***5*** | ***(14)*** |
| ***Other non-life insurance technical income*** | ***77*** | ***-*** | ***77*** |
| **Non-life revenue** | **3,937** | **(310)** | **3,627** |
| Accidents/death/disability | 1,135 | (117) | 1,018 |
| Collective savings | 62 | - | 62 |
| Individual savings | 19,918 | (1) | 19,917 |
| Provident insurance | 694 | (67) | 627 |
| Other life | 11 | - | 7 |
| ***Life insurance written premiums*** | ***21,820*** | ***(189)*** | ***21,631*** |
| ***Change in unearned life premiums*** | ***(8)*** | ***5*** | ***(3)*** |
| ***Other life insurance technical income*** | ***20*** | ***-*** | ***20*** |
| **Life revenue** | **21,832** | **(184)** | **21,648** |
| **TOTAL REVENUE** | **25,769** | **(494)** | **25,275** |

| *(in € millions)* | 31/12/2012 Gross | Disposals and retrocessions | Net |
|---|---|---|---|
| Automobile | 842 | (32) | 810 |
| Third-party liability | 61 | (6) | 55 |
| Property & casualty | 842 | (90) | 752 |
| Legal protection | 93 | - | 93 |
| Other non-life | 484 | (12) | 472 |
| **Non-life** | **2,322** | **(140)** | **2,182** |
| **Assistance insurance** | **1** | **(1)** | **-** |
| **Provident insurance/Accidents/death/disability** | **511** | **(44)** | **467** |
| **Natural disasters** | **70** | **(39)** | **31** |
| **Credit** | **349** | **(69)** | **280** |
| **Healthcare** | **482** | **(10)** | **472** |
| ***Non-life insurance written premiums*** | ***3,735*** | ***(303)*** | ***3,432*** |
| ***Change in unearned non-life premiums*** | ***(36)*** | ***1*** | ***(35)*** |
| ***Other non-life insurance technical income*** | ***68*** | ***-*** | ***68*** |
| **Non-life revenue** | **3,767** | **(302)** | **3,465** |
| Accidents/death/disability | 1,133 | (105) | 1,028 |
| Collective savings | 80 | - | 80 |
| Individual savings | 16,779 | (44) | 16,735 |
| Provident insurance | 692 | (69) | 623 |
| Other life | 144 | - | 144 |
| ***Life insurance written premiums*** | ***18,828*** | ***(218)*** | ***18,610*** |
| ***Change in unearned life premiums*** | ***(17)*** | ***12*** | ***(5)*** |
| ***Other life insurance technical income*** | ***15*** | ***-*** | ***15*** |
| **Life revenue** | **18,826** | **(206)** | **18,620** |
| **TOTAL REVENUE** | **22,593** | **(508)** | **22,085** |

### REVENUE BY GEOGRAPHICAL AREA AT 31/12/2013



## 6.2 Investment income net of investment expenses (including dividends)

| | 31/12/2013 | | | | | |
|---|---|---|---|---|---|---|
| *(in € millions)* | Investment income | Investment expenses | Capital gains and losses on investments net of provision reversals | Change in provisions on investments | Change in fair value | Total |
| Held-to-maturity assets | 623 | - | - | - | - | 623 |
| Available-for-sale assets | 5,828 | (8) | 1,240 | (313) | - | 6,747 |
| Held-for-trading assets | 1 | - | - | - | - | 1 |
| Assets at fair value through profit or loss by option | 744 | - | - | - | 2,667 | 3,411 |
| Real estate investment | 122 | (1) | (4) | 2 | - | 119 |
| Loans and receivables | 42 | (3) | - | - | (100) | (61) |
| Derivative instruments | 11 | (1) | - | - | (223) | (213) |
| Other | 354 | (236) | - | - | - | 118 |
| **TOTAL** | **7,725** | **(249)** | **1,236** | **(311)** | **2,344** | **10,745** |

| | 31/12/2012 | | | | | |
|---|---|---|---|---|---|---|
| *(in € millions)* | Investment income | Investment expenses | Capital gains and losses on investments net of provision reversals | Change in provisions on investments | Change in fair value | Total |
| Held-to-maturity assets | 763 | - | - | - | - | 763 |
| Available-for-sale assets | 5,839 | (5) | (334) | (312) | - | 5,188 |
| Held-for-trading assets | 2 | - | - | - | 8 | 10 |
| Assets at fair value through profit or loss on option | 652 | - | - | - | 5,589 | 6,241 |
| Real estate investment | 166 | (5) | - | (16) | - | 145 |
| Loans and receivables | 17 | (5) | 3 | (2) | (26) | (13) |
| Derivative instruments | 21 | (3) | - | - | (207) | (189) |
| Other | 248 | (357) | - | - | (1) | (110) |
| **TOTAL** | **7,708** | **(375)** | **(331)** | **(330)** | **5,363** | **12,035** |

## 6.3 Gains (losses) from hedge accounting

| *(in € millions)* | 31/12/2013 Gains | 31/12/2013 Losses | 31/12/2013 Net | 31/12/2012 Gains | 31/12/2012 Losses | 31/12/2012 Net |
|---|---|---|---|---|---|---|
| Changes in fair value of hedged items attributable to hedged risks | (100) | - | (100) | (26) | - | (26) |
| Changes in fair value of hedging derivatives (including terminations of hedges) | 95 | - | 95 | 20 | - | 20 |
| **Fair value hedges** | **(5)** | **-** | **(5)** | **(6)** | **-** | **(6)** |
| Changes in fair value of hedging derivatives – ineffective portion | - | - | - | - | - | - |
| **Cash flow hedges** | **-** | **-** | **-** | **-** | **-** | **-** |
| Changes in fair value of hedging derivatives – ineffective portion | - | - | - | - | - | - |
| **Hedges on net investments in operations in a foreign country** | **-** | **-** | **-** | **-** | **-** | **-** |
| Changes in fair value of hedged items | - | - | - | - | - | - |
| Changes in fair value of hedging derivatives | - | - | - | - | - | - |
| **Fair value hedges of exposure to interest rate risk of financial instruments portfolio** | **-** | **-** | **-** | **-** | **-** | **-** |
| Changes in fair value of hedging instrument – inefficient portion | - | - | - | - | - | - |
| **Hedges of the exposure of the cash flows of a financial instruments portfolio to interest rate risk** | **-** | **-** | **-** | **-** | **-** | **-** |
| **TOTAL GAINS (LOSSES) FROM HEDGE ACCOUNTING** | **(5)** | **-** | **(5)** | **(6)** | **-** | **(6)** |

## 6.4 Claims expense

| *(in € millions)* | 31/12/2013 Life insurance contracts | Financial contracts related to IFRS 4 | Total life insurance | Non-life insurance contracts | Total |
|---|---|---|---|---|---|
| Insurance policy servicing expenses | (7,794) | (8,819) | (16,613) | (2,194) | (18,807) |
| Change in insurance provisions | (10,158) | (246) | (10,404) | (246) | (10,650) |
| Change in provisions for profit-sharing | (377) | (438) | (815) | (1) | (816) |
| Change in provisions for deferred profit-sharing | - | - | (788) | - | (788) |
| Change in provisions for shortfall in liabilities | 1 | - | 1 | - | 1 |
| Change in other technical reserves | 2 | - | 2 | (149) | (147) |
| **CLAIMS EXPENSE[1]** | **(18,326)** | **(9,503)** | **(28,617)** | **(2,590)** | **(31,207)** |

(1) *The €1.6 billion change in claims expense between 2012 and 2013 is mostly accounted for by the decline in buybacks of individual savings products and by the rise in technical reserves resulting from the positive net inflows.*

| *(in € millions)* | 31/12/2012 | | | | |
|---|---|---|---|---|---|
| | Life insurance contracts | Financial contracts related to IFRS 4 | Total life insurance | Non-life insurance contracts | Total |
| Insurance policy servicing expenses | (7,932) | (9,591) | (17,523) | (2,324) | (19,847) |
| Change in insurance provisions | (9,550) | 1,090 | (8,460) | - | (8,460) |
| Change in provisions for profit-sharing | (196) | (236) | (432) | 1 | (431) |
| Change in provisions for deferred profit-sharing | - | - | (677) | - | (677) |
| Change in provisions for shortfall in liabilities | (1) | (2) | (3) | - | (3) |
| Change in other technical reserves | (80) | 1 | (79) | (82) | (161) |
| **CLAIMS EXPENSE** | **(17,759)** | **(8,738)** | **(27,174)** | **(2,405)** | **(29,579)** |

## 6.5 Management expenses

### BREAKDOWN BY DESTINATION

| *(in € millions)* | 31/12/2013 |
|---|---|
| Acquisition costs or similar[(1)] | (1,912) |
| Claim management expenses[(2)] | (178) |
| Investment management expenses[(3)] | (52) |
| Administration expenses | (1,195) |
| Other technical expenses[(4)] | (142) |
| Other non-technical expenses[(4)] | (107) |
| **TOTAL 2013 MANAGEMENT EXPENSES** | **(3,586)** |

(1) *Excluding the change in deferred acquisition costs totalling €11 million.*
(2) *Presented in the income statement on the "Claims expense" line.*
(3) *Presented in the income statement on the "Investment expenses" line.*
(4) *Presented in the income statement on the "Other current operating income and expenses" line.*

| *(in € millions)* | 31/12/2012 |
|---|---|
| Acquisition costs or similar | (1,826) |
| Claim management expenses | (171) |
| Investment management expenses | (39) |
| Administration expenses | (1,161) |
| Other technical expenses | (135) |
| Other non-technical expenses | (110) |
| **TOTAL 2012 MANAGEMENT EXPENSES** | **(3,442)** |

### BREAKDOWN BY NATURE

| *(in € millions)* | 31/12/2013 |
|---|---|
| Staff expenses | (242) |
| Fees | (3,012) |
| Taxes | (116) |
| Other | (216) |
| **TOTAL 2013 MANAGEMENT EXPENSES** | **(3,586)** |

| *(in € millions)* | 31/12/2012 |
|---|---|
| Staff expenses | (241) |
| Fees | (2,906) |
| Taxes | (89) |
| Other | (206) |
| **TOTAL 2012 MANAGEMENT EXPENSES** | **(3,442)** |

## 6.6 Fees paid to Statutory Auditors

| | Ernst & Young | | PWC | |
|---|---|---|---|---|
| *(in € millions)* | 2013 | 2012 | 2013 | 2012 |
| Independent audit, certification, review of parent company and consolidated financial statements | 1.7 | 1.9 | 1.5 | 1.7 |
| Other ancillary assignments and services directly linked to the Statutory Auditors' mission | 0.4 | 0.3 | 0.1 | 0.3 |
| **TOTAL** | **2.1** | **2.2** | **1.6** | **2.0** |

## 6.7 Net income from ceded reinsurance operations

| | 31/12/2013 | | |
|---|---|---|---|
| *(in € millions)* | Life insurance | Non-life insurance | Total |
| Expenses from ceded reinsurance operations | (183) | (310) | (493) |
| Benefits and costs paid (including change in provisions for claims) | 59 | 104 | 163 |
| Other technical reserves ceded | 34 | 50 | 84 |
| Fees received from reinsurers | 78 | 65 | 143 |
| **NET INCOME (EXPENSES) FROM CEDED REINSURANCE OPERATIONS** | **(12)** | **(91)** | **(103)** |

| | 31/12/2012 | | |
|---|---|---|---|
| *(in € millions)* | Life insurance | Non-life insurance | Total |
| Expenses from ceded reinsurance operations | (205) | (302) | (507) |
| Benefits and costs paid (including change in provisions for claims) | 46 | 113 | 159 |
| Other technical reserves ceded | 79 | 29 | 108 |
| Fees received from reinsurers | 67 | 57 | 124 |
| **NET INCOME (EXPENSES) FROM CEDED REINSURANCE OPERATIONS** | **(13)** | **(103)** | **(116)** |

## 6.8 Tax charge

### BREAKDOWN OF TOTAL TAX CHARGE

| *(in € millions)* | 31/12/2013 | 31/12/2012 |
|---|---|---|
| Current tax charge | (666) | (470) |
| Deferred tax charge | 55 | (151) |
| **TOTAL TAX CHARGE** | **(611)** | **(621)** |

#### RECONCILIATION BETWEEN RECOGNISED TAX CHARGE AND CALCULATED THEORETICAL TAX CHARGE

| *(in € millions)* | 31/12/2013 | 31/12/2012 |
|---|---|---|
| **Pre-tax income, goodwill impairment, discontinued operations and share of net income of equity-accounted entities** | **1,616** | **1,502** |
| Theoretical tax rate[1] | 38.00% | 36.10% |
| **Theoretical tax charge** | **(614)** | **(542)** |
| Impact of permanent differences | (26) | - |
| Impact of different tax rates on foreign subsidiaries | 13 | 17 |
| Impact of losses for the year, utilisation of tax loss carryforwards and temporary differences | (3) | 15 |
| Impact of reduced tax rate | 19 | 1 |
| Impact of other items[2] | - | (112) |
| **Effective tax charge** | **(611)** | **(621)** |
| **EFFECTIVE TAX RATE (%)** | **37.81%** | **41.34%** |

(1) *The theoretical tax rate is the tax rate applicable under ordinary law (including the additional social contribution and the exceptional contribution to corporate income tax) profits taxable in France at 31 December 2013.*

(2) *Including the exit tax of €127 million on the insurance capitalisation reserve.*

# NOTE 7 Employee benefits and other compensation

## 7.1 Headcount at year-end

| *Full-time equivalent employees* | 31/12/2013 | 31/12/2012 |
|---|---|---|
| France | 2,039 | 1,999 |
| International | 411 | 405 |
| **TOTAL** | **2,450** | **2,404** |

## 7.2 Post-employment benefits, defined contribution plans

Employers contribute to a variety of compulsory pension schemes. Plan assets are managed by independent organisations and the contributing companies have no legal or implied obligation to pay additional contributions if the funds do not have sufficient assets to cover all benefits corresponding to services rendered by employees during the year and during prior years. Accordingly, Crédit Agricole S.A. Group companies have

no liability in this respect other than their contributions payable.

Within the Group, there are several compulsory defined contribution plans, the main ones being Agirc/Arrco, which are French supplementary retirement plans, and some supplementary plans in place notably within UES Crédit Agricole S.A.:

| | | Number of employees covered[1] | |
|---|---|---|---|
| **Entities** | **Compulsory supplementary pension plans** | **Estimate at 31/12/2013** | **Estimate at 31/12/2012** |
| Predica/CAA/CAAGIS/Pacifica | Agricultural sector plan | 1,898 | 1,948 |
| CACI | Sector-specific plan | 212 | 183 |
| Predica/CAA/CAAGIS/Pacifica/CACI | "Article 83" (of the French Tax Code) plan | 76 | 66 |

(1) *Number of employees on the payroll.*

1 2 3 4 5 6 7 8 9

## 7.3 Post employment benefits, defined benefit plans

### CHANGE IN ACTUARIAL LIABILITY

| *(in € millions)* | 31/12/2013 | 31/12/2012 |
|---|---|---|
| **Actuarial liability at beginning of period** | **44** | **62** |
| Translation adjustment | - | - |
| Current service cost during the period | 3 | 2 |
| Financial cost | 1 | 2 |
| Employee contributions | - | - |
| Benefit plan changes, withdrawals and settlement | - | - |
| Change in scope | (1) | (29) |
| Benefits paid | (1) | - |
| Taxes, administrative expenses and bonuses | - | - |
| Actuarial gains or losses related to demographic assumptions | (2) | 7 |
| Actuarial gains or losses related to financial assumptions | 2 | - |
| **ACTUARIAL LIABILITY AT END OF PERIOD** | **46** | **44** |

### BREAKDOWN OF CHARGE RECOGNISED IN THE INCOME STATEMENT

| *(in € millions)* | 31/12/2013 | 31/12/2012 |
|---|---|---|
| Service cost | 3 | 2 |
| Net interest income (expense) | 1 | 1 |
| Amortisation of actuarial gains or losses | - | - |
| Gains or losses on withdrawals and settlement | - | - |
| Gains or losses on restriction of surpluses | - | - |
| **IMPACT ON INCOME STATEMENT** | **4** | **3** |

### BREAKDOWN OF CHARGE RECOGNISED IN OTHER COMPREHENSIVE INCOME THAT WILL NOT BE RECLASSIFIED TO PROFIT AND LOSS

| *(in € millions)* | 31/12/2013 | 31/12/2012 |
|---|---|---|
| **Revaluation from net liabilities (from net assets)** | | |
| Total amount of cumulative actuarial differences in other comprehensive income items that will not be reclassified to profit and loss | 4 | (3) |
| Translation adjustment | - | - |
| Actuarial gains or losses on assets | - | - |
| Actuarial gains or losses related to demographic assumptions[1] | (2) | 7 |
| Actuarial gains or losses related to financial assumptions[1] | 2 | - |
| Adjustments in impact of restriction on assets | - | - |
| **TOTAL ITEMS RECOGNISED IMMEDIATELY IN OTHER COMPREHENSIVE INCOME ITEMS** | **4** | **4** |

*(1) o/w actuarial gains/losses related to experience adjustment.*

### CHANGE IN FAIR VALUE OF PLAN ASSETS

| *(in € millions)* | 31/12/2013 | 31/12/2012 |
|---|---|---|
| **Fair value of assets at beginning of period** | **-** | **-** |
| Translation adjustment | - | - |
| Interests on assets (income) | - | - |
| Actuarial gains or losses | - | - |
| Employer contributions | - | - |
| Employee contributions | - | - |
| Benefit plan changes, withdrawals and settlement | - | - |
| Change in scope | - | - |
| Taxes, administrative expenses and bonuses | - | - |
| Benefits paid out under the plan | - | - |
| **FAIR VALUE OF ASSETS AT END OF PERIOD** | **-** | **-** |

**Change in fair value of reimbursement rights**

| *(in € millions)* | 31/12/2013 | 31/12/2012 |
|---|---|---|
| **Fair value of reimbursement rights at beginning of period** | **1** | **16** |
| Translation adjustment | - | - |
| Interests on reimbursement rights (income) | - | - |
| Actuarial gains or losses | - | - |
| Employer contributions | - | - |
| Employee contributions | - | - |
| Benefit plan changes, withdrawals and settlement | - | - |
| Change in scope | - | (15) |
| Taxes, administrative expenses and bonuses | - | - |
| Benefits paid out under the plan | - | - |
| **FAIR VALUE OF REIMBURSEMENT RIGHTS AT END OF PERIOD** | **1** | **1** |

### NET POSITION OF ASSETS (LIABILITIES)

| *(in € millions)* | 31/12/2013 | 31/12/2012 |
|---|---|---|
| Actuarial liability at end of period | 46 | 44 |
| Impact of restriction on assets | - | - |
| Fair value of plan assets | - | - |
| **Net position of assets (liabilities) at end of period** | **46** | **44** |
| **Unrecognised past service costs (plan changes)** | **-** | **1** |
| **Net position of (liabilities) assets at end of period published at 31/12/2012** | **-** | **43** |

## 7.4 Other employee benefits

Among the various collective variable compensation plans within Crédit Agricole S.A. Group, the *rémunération variable collective* (RVC), is a global plan encompassing the discretionary incentive scheme and the compulsory profit-sharing scheme. The amount is calculated in accordance with the company's performance as measured on the basis of Crédit Agricole Assurances' net income attributable to owners of the parent company.

A given level of net income attributable to owners of the parent company will give rise to an entitlement equal to a given percentage of the total payroll.

The amount of the profit-sharing component is calculated in accordance with the standard legal formula and is deducted from the total RVC to obtain the amount of the discretionary incentive entitlement.

Other employee benefits: in France, the Group's main entities pay long-service awards. The amounts vary according to practices and collective bargaining agreements in place.

## 7.5 Share-based payments

Under the authorisations granted by the Extraordinary Shareholders Meeting of 17 May 2006, the Board of Directors of Crédit Agricole S.A. implemented a stock option plan in favour of Crédit Agricole Assurances employees.

No new plan was implemented in 2013.

### STOCK OPTION PLAN

| **Crédit Agricole S.A. stock option plan** | **2006** |
|---|---|
| Date of the General Meeting that authorised the plan | 17/05/2006 |
| Date of Crédit Agricole S.A. Board of Directors meeting | 18/07/2006 |
| Date on which options were allocated | 06/10/2006 |
| Term of plan | 7 years |
| Length of lock-up period | 4 years |
| First date on which options could be exercised | 06/10/2010 |
| Expiry date of options | 05/10/2013 |
| Number of beneficiaries within Crédit Agricole Assurances | 42 |
| Number of shares granted within Crédit Agricole Assurances | 237,460 |
| Exercise price | 30.83 |
| Performance-related conditions | No |
| **Conditions in case of departure from Group** | |
| Resignation | loss |
| Dismissal | loss |
| Retirement | retain |
| Death | retain(1) |
| **Number of options** | |
| Allocated to corporate officers(2) | 49,060 |
| Number of shares allocated to 10 largest beneficiaries | 125,386 |
| Valuation method | Black & Sholes |

*(1) Retained if heirs and successors exercise their options within 6 months following death.*

*(2) This table shows the allocations made in favour of the corporate officers in place at 31 December 2012 and not the corporate officers in place at the time when this plan was set up.*

## 7.6 Senior executive compensation

Senior Executives include all members of the Executive Committee, namely the Chief Executive Officer and Deputy Chief Executive Officers of Crédit Agricole Assurances, the Chief Executive Officers of the main subsidiaries and the heads of the Group's core business activities.

Compensation and benefits paid to the members of the Executive Committee in 2013 were as follows:

- short-term benefits: €5.4 million with respect to fixed and variable compensation components including social security expenses and benefits in kind;
- post-employment benefits: no end-of-career benefits were paid but €0.14 million was paid under the supplementary pension plan for Group Senior Executive Officers;
- other long-term benefits: not applicable;
- end-of-career benefits: not applicable;
- share-based payments: not applicable.

Total directors' fees paid to members of Crédit Agricole Assurances Board of Directors in 2013 in consideration for serving as Directors of Crédit Agricole Assurances amounted to €68,000.

# NOTE 8 Commitments given and received

| *(in € millions)* | 31/12/2013 | 31/12/2012 |
|---|---|---|
| Guarantee commitments | 760 | 707 |
| Other commitments received | 286 | 302 |
| **COMMITMENTS RECEIVED** | **1,046** | **1,009** |

| *(in € millions)* | 31/12/2013 | 31/12/2012 |
|---|---|---|
| Securities given as guarantees or pledged | 1,283 | 1,164 |
| Property guarantees | - | 186 |
| Other commitments given | - | - |
| **COMMITMENTS GIVEN** | **1,283** | **1,350** |

Commitments given mainly consist in pledges of securities given to ceding companies. These pledges are aimed at covering the theoretical commitments accepted by Crédit Agricole Assurances under existing reinsurance treaties.

# NOTE 9 Subsequent events

No subsequent event that could materially impact Crédit Agricole Assurances Group's financial statements was recorded.

# NOTE 10 Consolidation scope

| Consolidation scope of Crédit Agricole Assurances Group | Country | Consolidation Method | 31/12/2013 | | 31/12/2012 | |
|---|---|---|---|---|---|---|
| | | | Control | Interest | Control | Interest |
| **Parent company** | | | | | | |
| Crédit Agricole Assurances | France | Parent company | 100% | 100% | 100% | 100% |
| **Holding companies** | | | | | | |
| CRÉDIT AGRICOLE CREDITOR INSURANCE | France | Full | 100% | 100% | 100% | 100% |
| SPACE HOLDING | Ireland | Full | 100% | 100% | 100% | 100% |
| SPACE LUX | Luxembourg | Full | 100% | 100% | 100% | 100% |
| **Insurance companies** | | | | | | |
| PREDICA | France | Full | 100% | 100% | 100% | 100% |
| MÉDICALE DE FRANCE | France | Full | 100% | 100% | 100% | 100% |
| ASSURANCES MUTUELLES FÉDÉRALES | France | Full | 100% | 100% | 100% | 100% |
| PACIFICA | France | Full | 100% | 100% | 100% | 100% |
| CALIE | Luxembourg | Full | 94% | 94% | 94% | 94% |
| SPIRICA | France | Full | 100% | 100% | 100% | 100% |
| BES SEGUROS | Portugal | Full | 50% | 50% | 50% | 50% |
| CA VITA | Italy | Full | 100% | 100% | 100% | 100% |
| FINAREF RISQUES DIVERS | France | Full | 100% | 100% | 100% | 100% |
| FINAREF VIE | France | Full | 100% | 100% | 100% | 100% |
| CACI LIFE | Ireland | Full | 100% | 100% | 100% | 100% |
| CACI NON-LIFE | Ireland | Full | 100% | 100% | 100% | 100% |
| DOLCEA VIE | France | Full | 100% | 100% | 100% | 100% |
| CA LIFE JAPAN | Japan | Full | 100% | 100% | 100% | 100% |
| CA ASSICURAZIONI | Italy | Full | 100% | 100% | 100% | 100% |
| CA LIFE GREECE | Greece | Full | 100% | 100% | 100% | 100% |
| FONCIÈRE HYPERSUD[1] | France | Non-consolidated | 0% | 0% | 51% | 51% |
| **Reinsurance companies** | | | | | | |
| CACI REINSURANCE | Ireland | Full | 100% | 100% | 100% | 100% |
| CRÉDIT AGRICOLE REINSURANCE S.A. | Luxembourg | Full | 100% | 100% | 100% | 100% |
| **Service companies** | | | | | | |
| VIAVITA | France | Full | 100% | 100% | 100% | 100% |
| CAAGIS | France | Full | 50% | 50% | 50% | 50% |
| CACI GESTION | France | Full | 79% | 79% | 79% | 79% |
| **UCITS** | | | | | | |
| FEDERVAL FCP | France | Full | 100% | 100% | 100% | 100% |
| GRD 2 FCP | France | Full | 100% | 100% | 100% | 100% |
| GRD 3 FCP | France | Full | 100% | 100% | 100% | 100% |
| GRD 4 FCP | France | Full | 100% | 100% | 100% | 100% |
| GRD 5 FCP | France | Full | 100% | 100% | 100% | 100% |
| GRD 7 FCP | France | Full | 100% | 100% | 100% | 100% |
| GRD 10 FCP | France | Full | 100% | 100% | 100% | 100% |
| GRD 12 FCP | France | Full | 100% | 100% | 100% | 100% |
| GRD 14 FCP | France | Full | 100% | 100% | 100% | 100% |
| GRD 16 FCP | France | Full | 100% | 100% | 100% | 100% |

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| Consolidation scope of Crédit Agricole Assurances Group | Country | Consolidation Method | 31/12/2013 | | 31/12/2012 | |
|---|---|---|---|---|---|---|
| | | | Control | Interest | Control | Interest |
| GRD 17 FCP | France | Full | 100% | 100% | 100% | 100% |
| GRD 18 FCP | France | Full | 100% | 100% | 100% | 100% |
| GRD 19 FCP | France | Full | 100% | 100% | 100% | 100% |
| GRD 20 FCP | France | Full | 100% | 100% | 100% | 100% |
| GRD 11 FCP | France | Full | 100% | 100% | 100% | 100% |
| PREDIQUANT A1 FCP | France | Full | 100% | 100% | 100% | 100% |

(1) *Hypersud was deconsolidated on 1 January 2013.*

| Consolidation scope of Crédit Agricole Assurances Group | Country | Method | 31/12/2013 | | 31/12/2012 | |
|---|---|---|---|---|---|---|
| | | | Control | Interest | Control | Interest |
| PREDIQUANT A2 FCP | France | Full | 100% | 100% | 100% | 100% |
| PREDIQUANT A3 FCP | France | Full | 100% | 100% | 100% | 100% |
| BFT OPPORTUNITÉS FCP | France | Full | 100% | 100% | 100% | 100% |
| CA-EDRAM OPPORTUNITÉS FCP 3DEC | France | Full | 100% | 100% | 100% | 100% |
| FCPR PREDICA 2005 PART A | France | Full | 100% | 100% | 100% | 100% |
| FCPR PREDICA 2006 PART A | France | Full | 100% | 100% | 100% | 100% |
| FCPR PREDICA 2007 A 3DEC | France | Full | 100% | 100% | 100% | 100% |
| FCPR PREDICA 2007 C2 | France | Full | 100% | 100% | 100% | 100% |
| FCPR PREDICA 2008 A1 | France | Full | 100% | 100% | 100% | 100% |
| FCPR PREDICA 2008 COMP BIS A2 | France | Full | 100% | 100% | 100% | 100% |
| FCPR PREDICA 2008 COMPAR TER A3 | France | Full | 100% | 100% | 100% | 100% |
| FCPR ROOSEVELT INVESTISSEMENT PARTS A | France | Full | 100% | 100% | 100% | 100% |
| GRD 1 FCP | France | Full | 100% | 100% | 100% | 100% |
| GRD 8 FCP | France | Full | 100% | 100% | 95% | 95% |
| GRD 9 FCP | France | Full | 98% | 98% | 98% | 98% |
| FCPR PREDICA 2010 A1 | France | Full | 100% | 100% | 100% | 100% |
| FCPR PREDICA 2010 A2 | France | Full | 100% | 100% | 100% | 100% |
| FCPR PREDICA 2010 A3 | France | Full | 100% | 100% | 100% | 100% |
| FCPR PREDICA INFR 2006-2007 A | France | Full | 100% | 100% | 100% | 100% |
| FCPR PREDICA SECONDAIRE I PART A | France | Full | 100% | 100% | 100% | 100% |
| FCPR PREDICA SECONDAIRE I PART B | France | Full | 100% | 100% | 100% | 100% |
| PREDIQUANT OPPORTUNITÉS | France | Full | 100% | 100% | 99% | 99% |
| PREDIQUANT STRATEGIES | France | Full | 100% | 100% | 100% | 100% |
| FCPR CAA COMPARTIMENT 1 PART A1 | France | Full | 100% | 100% | 100% | 100% |
| FCPR CAA COMPART BIS PART A2 | France | Full | 100% | 100% | 100% | 100% |
| FCPR CAA COMP TER PART A3 | France | Full | 100% | 100% | 100% | 100% |
| FCPR PREDICA SECONDAIRES II A | France | Full | 100% | 100% | 100% | 100% |
| FCPR PREDICA SECONDAIRES II B | France | Full | 100% | 100% | 100% | 100% |
| FCPR UI CAP SANTÉ A | France | Full | 100% | 100% | 100% | 100% |
| CAA FRANCE CROISSANCE 2 A FCPR | France | Full | 100% | 100% | 100% | 100% |
| CAA PRIV. FINANC. COMP. 1 A1 FIC | France | Full | 100% | 100% | 100% | 100% |
| CAA PRIV. FINANC. COMP. 2 A2 FIC | France | Full | 100% | 100% | 100% | 100% |
| FCPR UI CAP AGRO | France | Full | 100% | 100% | 0% | 0% |
| FCPR CAA 2013 | France | Full | 100% | 100% | 0% | 0% |
| FCPR PREDICA SECONDAIRE III A | France | Full | 100% | 100% | 0% | 0% |

| Consolidation scope of Crédit Agricole Assurances Group | Country | Method | 31/12/2013 Control | 31/12/2013 Interest | 31/12/2012 Control | 31/12/2012 Interest |
|---|---|---|---|---|---|---|
| OBJECTIF LONG TERME | France | Full | 100% | 100% | 0% | 0% |
| CAA 2013-A | France | Full | 100% | 100% | 0% | 0% |
| CNP ACP OBLIG | France | Proportionate | 50% | 50% | 0% | 0% |
| CNP ACP 10 FCP | France | Proportionate | 50% | 50% | 0% | 0% |
| CAA 2013-3 | France | Full | 100% | 100% | 0% | 0% |
| LRP-CPT JANVIER 2013 .030 13-21 11/01 A | Luxembourg | Full | 84% | 84% | 0% | 0% |
| AMUNDI GRD 22 FCP | France | Full | 99% | 99% | 0% | 0% |
| GRD 13 FCP | France | Full | 100% | 100% | 0% | 0% |
| GRD 21 FCP | France | Full | 100% | 100% | 0% | 0% |
| AMUNDI CORPORATE 3 ANNI | Italy | Full | 89% | 89% | 0% | 0% |
| **Collective property investment vehicles** | | | | | | |
| OPCI Predica Bureau | France | Full | 100% | 100% | 100% | 100% |
| OPCI PREDICA HABITATION | France | Full | 100% | 100% | 100% | 100% |
| OPCI PREDICA COMMERCES | France | Full | 100% | 100% | 100% | 100% |
| OPCI CAMP INVEST | France | Full | 69% | 69% | 0% | 0% |
| OPCI IRIS INVEST 2010 | France | Full | 80% | 80% | 0% | 0% |
| OPCI MESSIDOR | France | Full | 94% | 94% | 0% | 0% |

| Consolidation scope of Crédit Agricole Assurances Group | Country | Method | 31/12/2013 Control | 31/12/2013 Interest | 31/12/2012 Control | 31/12/2012 Interest |
|---|---|---|---|---|---|---|
| **Property investment companies** | | | | | | |
| SCI PORTE DES LILAS - FRÈRES FLAVIEN | France | Full | 100% | 100% | 100% | 100% |
| SCI LE VILLAGE VICTOR HUGO | France | Full | 96% | 96% | 96% | 96% |
| SCI BAUDIN VELLEFAUX | France | Exit | 0% | 0% | 100% | 100% |
| SCI BMEDIC HABITATION | France | Full | 100% | 100% | 80% | 80% |
| SCI CROIX AU BEAU | France | Exit | 0% | 0% | 100% | 100% |
| SCI FEDALE MIROMESNIL | France | Exit | 0% | 0% | 100% | 100% |
| SCI FÉDÉRALE BARBET DE JOUY | France | Exit | 0% | 0% | 100% | 100% |
| SCI FÉDÉRALE COURNEUVE | France | Exit | 0% | 0% | 99% | 99% |
| SCI FÉDÉRALE GRAMONT | France | Exit | 0% | 0% | 100% | 100% |
| SCI FÉDÉRALE MARIGNAN | France | Exit | 0% | 0% | 100% | 100% |
| SCI FÉDÉRALE VILLIERS | France | Full | 100% | 100% | 100% | 100% |
| SCI FEDERCOM | France | Full | 100% | 100% | 100% | 100% |
| SCI FEDERLOG | France | Full | 100% | 100% | 100% | 100% |
| SCI FEDERLONDRES | France | Full | 100% | 100% | 100% | 100% |
| SCI FEDERLOUVRE | France | Exit | 0% | 0% | 100% | 100% |
| SCI FEDERPIERRE | France | Full | 100% | 100% | 100% | 100% |
| SCI GRENIER VELLEF | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 1 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 10 | France | Exit | 0% | 0% | 100% | 100% |
| SCI IMEFA 100 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 101 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 102 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 103 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 104 | France | Full | 100% | 100% | 100% | 100% |

| Consolidation scope of Crédit Agricole Assurances Group | Country | Method | 31/12/2013 | | 31/12/2012 | |
|---|---|---|---|---|---|---|
| | | | Control | Interest | Control | Interest |
| SCI IMEFA 105 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 107 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 108 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 109 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 11 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 110 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 112 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 113 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 114 | France | Exit | 0% | 0% | 100% | 100% |
| SCI IMEFA 115 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 116 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 117 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 118 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 119 | France | Exit | 0% | 0% | 100% | 100% |
| SCI IMEFA 12 | France | Exit | 0% | 0% | 100% | 100% |
| SCI IMEFA 120 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 121 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 122 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 123 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 125 | France | Exit | 0% | 0% | 100% | 100% |
| SCI IMEFA 126 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 128 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 129 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 13 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 131 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 16 | France | Exit | 0% | 0% | 100% | 100% |
| SCI IMEFA 17 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 18 | France | Full | 100% | 100% | 100% | 100% |

| Consolidation scope of Crédit Agricole Assurances Group | Country | Method | 31/12/2013 | | 31/12/2012 | |
|---|---|---|---|---|---|---|
| | | | Control | Interest | Control | Interest |
| SCI IMEFA 19 | France | Exit | 0% | 0% | 100% | 100% |
| SCI IMEFA 2 | France | Exit | 0% | 0% | 100% | 100% |
| SCI IMEFA 20 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 22 | France | Exit | 0% | 0% | 100% | 100% |
| SCI IMEFA 25 | France | Exit | 0% | 0% | 100% | 100% |
| SCI IMEFA 27 | France | Exit | 0% | 0% | 100% | 100% |
| SCI IMEFA 3 | France | Exit | 0% | 0% | 100% | 100% |
| SCI IMEFA 32 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 33 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 34 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 35 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 36 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 37 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 38 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 39 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 4 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 40 | France | Exit | 0% | 0% | 100% | 100% |
| SCI IMEFA 42 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 43 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 44 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 45 | France | Exit | 0% | 0% | 100% | 100% |
| SCI IMEFA 47 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 48 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 49 | France | Exit | 0% | 0% | 100% | 100% |
| SCI IMEFA 5 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 50 | France | Exit | 0% | 0% | 100% | 100% |
| SCI IMEFA 51 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 52 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 53 | France | Exit | 0% | 0% | 100% | 100% |
| SCI IMEFA 54 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 57 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 58 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 6 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 60 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 61 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 62 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 63 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 64 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 66 | France | Exit | 0% | 0% | 100% | 100% |
| SCI IMEFA 67 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 68 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 69 | France | Full | 100% | 100% | 100% | 100% |
| SA RESICO | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 72 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 73 | France | Full | 100% | 100% | 100% | 100% |

| Consolidation scope of Crédit Agricole Assurances Group | Country | Method | 31/12/2013 | | 31/12/2012 | |
|---|---|---|---|---|---|---|
| | | | Control | Interest | Control | Interest |
| SCI IMEFA 74 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 76 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 77 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 78 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 79 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 8 | France | Exit | 0% | 0% | 100% | 100% |
| SCI IMEFA 80 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 81 | France | Exit | 0% | 0% | 100% | 100% |
| SCI IMEFA 82 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 83 | France | Exit | 0% | 0% | 100% | 100% |
| SCI IMEFA 84 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 85 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 87 | France | Exit | 0% | 0% | 100% | 100% |
| SCI IMEFA 89 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 9 | France | Exit | 0% | 0% | 100% | 100% |
| SCI IMEFA 91 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 92 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 94 | France | Exit | 0% | 0% | 100% | 100% |
| SCI IMEFA 96 | France | Full | 100% | 100% | 100% | 100% |
| SCI MEDI BUREAUX | France | Full | 60% | 60% | 100% | 100% |
| SCI PACIFICA HUGO | France | Full | 100% | 100% | 100% | 100% |
| SCI PETERSBOURG VELLEFAUX | France | Exit | 0% | 0% | 100% | 100% |
| SCI FÉDÉRALE PÉREIRE VICTOIRE | France | Full | 99% | 99% | 99% | 99% |
| SCI SEDAINE VELLEFAUX | France | Exit | 0% | 0% | 100% | 100% |
| SCI ST-AUGUSTIN | France | Full | 100% | 100% | 100% | 100% |
| SCI VAL HUBERT (SCPI) | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 132 | France | Full | 100% | 100% | 100% | 100% |
| SCI IMEFA 139 | France | Full | 100% | 100% | 0% | 0% |

| Consolidation scope of Crédit Agricole Assurances Group | Country | Method | 31/12/2013 | | 31/12/2012 | |
|---|---|---|---|---|---|---|
| | | | Control | Interest | Control | Interest |
| **Premium Green** | | | | | | |
| PREMIUM GREEN 4.72%12-250927 | Ireland | Full | 79% | 79% | 100% | 100% |
| PREMIUM GREEN TV2027 | Ireland | Full | 76% | 76% | 100% | 100% |
| PREMIUM GR 0% 28 | Ireland | Full | 95% | 95% | 0% | 0% |
| PREMIUM GREEN 4.56%/06-21 | Ireland | Full | 100% | 100% | 0% | 0% |
| PREMIUM GREEN 4.52%/06-21 EMTN | Ireland | Full | 100% | 100% | 0% | 0% |
| PREMIUM GREEN TV 06/22 | Ireland | Full | 100% | 100% | 0% | 0% |
| PREMIUM GREEN TV 06-16 EMTN | Ireland | Full | 100% | 100% | 0% | 0% |
| PREMIUM GREEN TV07-17 EMTN | Ireland | Full | 100% | 100% | 0% | 0% |
| PREMIUM GREEN TV/23/052022 EMTN | Ireland | Full | 100% | 100% | 0% | 0% |
| PREMIUM GREEN PLC 4.30%2021 | Ireland | Full | 100% | 100% | 0% | 0% |
| PREMIUM GREEN 4.33%06-29/10/21 | Ireland | Full | 100% | 100% | 0% | 0% |
| PREMIUM GREEN 4.7% EMTN 08/08/21 | Ireland | Full | 100% | 100% | 0% | 0% |
| PREMIUM GREEN 4.54% 06-13.06.21 | Ireland | Full | 100% | 100% | 0% | 0% |
| PREMIUM GREEN 4.5575%21EMTN | Ireland | Full | 100% | 100% | 0% | 0% |
| PREMIUM GREEN TV 22 | Ireland | Full | 100% | 100% | 0% | 0% |
| PREMIUM GREEN TV07/22 | Ireland | Full | 100% | 100% | 0% | 0% |
| PREMIUM GREEN TV 26/07/22 | Ireland | Full | 100% | 100% | 0% | 0% |

# REPORT OF THE STATUTORY AUDITORS ON THE 2013 CONSOLIDATED FINANCIAL STATEMENTS

**(For the year ended December 31, 2013)**

To the Shareholders,

Crédit Agricole Assurances
50-56, rue de la Procession
75015 Paris

*This is a free translation into English of the Statutory Auditors' report issued in the French language and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

In compliance with the assignment entrusted to us by your Annual General Meetings, we hereby report to you, for the year ended December 31, 2013 on:

- the audit of the accompanying consolidated financial statements of Credit Agricole Assurances;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by The Board of Directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

## I - Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2013 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

## II - Justification of our assessments

In accordance with the requirements of article L. 823-9 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matters:

- Your company describes in note 1 to the consolidated financial statements, in the paragraphs "Financial instruments" and "Determination of fair value of financial instruments", the valuation methods applied to financial assets and derivatives. We have assessed the correct implementation of the financial asset valuation methodology, and the consistency of their classification with the documentation prepared by the Group.

  We examined the valuation and impairment methodology applied to your financial instruments. We assessed the appropriateness of the financial instruments valuation and impairment process implemented, as well as the information disclosed in the notes related to financial instruments;
- As disclosed in note 1 of the financial statements, your company uses internal models to determine the fair value of some financial instruments which are not quoted on an active market. We examined the control process around the utilized models, the assumptions used and how the risks related to these instruments are considered.
- Certain consolidated statement of financial position items that are specific to the insurance and reinsurance business, in assets and liabilities, are estimated on the basis of statistical and actuarial data, such as technical reserves. We examined the methods and assumptions applied, as well as the resulting valuation. We also assessed the appropriateness of the information disclosed in the notes to the financial statements.

- The goodwill is tested for impairment using the methods described in note 1, paragraph "Intangible assets and deferred expenses" to the consolidated financial statements, as soon as objective loss of value indicators appear, or at least once a year. We examined the impairment test implementation and the main parameters and the assumptions used. We also assessed the appropriateness of the information disclosed in the notes to the financial statements.
- As disclosed in the note 1 to the Financial Statements, your company produces other estimations while preparing the consolidated financial statements. These estimations notably refer to pension and future social benefits, as well as deferred tax assets. We examined the methods and assumptions used. We also assessed the resulting accounting estimates are based on documented methods consistent with the principles disclosed in the note 1 to the Financial Statements.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

## III - Specific verification

As required by law, we have also verified in accordance with professional standards applicable in France the information presented in the Group's management report.

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

Neuilly-sur-Seine, on May 16, 2014

The statutory auditors

| PricewaterhouseCoopers Audit | | ERNST & YOUNG et Autres |
|---|---|---|
| Gérard Courrèges | Catherine Pariset | Valérie Meeus |

Designed & published by LABRADOR +33 (0)1 53 06 30 80

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Crédit Agricole Assurances, a French limited company with share capital of 1,240,569,500 euros
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