REGISTRATION DOCUMENT 2016

Annual Report

CRÉDIT AGRICOLE ASSURANCES

Contents

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CRÉDIT AGRICOLE ASSURANCES

REGISTRATION DOCUMENT 2016

Annual Report

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. 17-021 on 25 April 2017. 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 comprehensive 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

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

Largest insurer in France[1], Crédit Agricole Assurances grows with a constant wish to adapt to macroeconomic and regulatory environment, for the **benefit of its customers**.

2016 was a year of growth, characterised by an activity oriented towards protection and property & casualty. Up by 1.2% year-on-year to €30.8 billion, the revenue indeed significantly increased in these businesses: it reached €3.6 billion in property & casualty insurance, representing an increase of 5% compared to 2015, and €3.2 billion in death & disability/creditor/group insurance, up by 9%. Regarding savings & retirement, business which is impacted by the environment of persistently law interest rates, Crédit Agricole Assurances generates revenues of €24 billion, basically unchanged from 2015. Assets under management in life insurance amount to €269 billion at end 2016, up by 3.5% year on year.

The **efficiency of the bancassurance integrated model** is thereby once again confirmed, thanks to the power of Crédit Agricole Regional Banks' networks, LCL and Crédit Agricole Group's banks in France and in Europe.

These good performances are for Crédit Agricole Assurances a first step towards reaching the goals set up in the strategic medium-term plan Ambition 2020, initiatied in March 2016 by Crédit Agricole Group. In order to accelerate the diversification of the product-mix, Crédit Agricole Assurances is targeting an increase of 10% in the savings & retirement's assets under management, as well as a rise to 25% of the unit-linked share, a 35% growth of revenues in death & disability/creditor/group insurance and a 27% increase of revenues for property & casualty.

This plan reaffirms and strengthens Crédit Agricole Assurances' full integration within the Crédit Agricole, establishing the insurance Group as one of the leading players identified to **optimise intragroup synergies**: change of scale in creditor insurance business with the insourcing of group insurance contracts for the Regional Banks, enhancing of the growth momentum in all customers segments in property and casualty insurance, becoming a major player in group pension plans thanks in particular to the commercial partnership set up with Amundi in order to offer large companies a global and unique proposal of savings and retirement schemes designed for their employees.

(1) *Sources: La Tribune de l'assurance, 16 November 2016, and L'Argus de l'assurance, 16 December 2016, data at end-2015.*

FRÉDÉRIC THOMAS,
Chief executive officer of Crédit Agricole Assurances

Crédit Agricole Assurances reports sound results and a financial structure: the net income (Group share) amounts to €1.4 billion for the year 2016. The Solvency 2 ratio was 161% at end 2016, reflecting the Group's orientations in terms of activity, investment policies and liabilities structure over the past several years, in order to adapt to the new prudential regulation. In 2016, Crédit Agricole Assurances carried out among others a subordinated bonds new issue of €1 billion on the market so as to finance its activity while maintaining a prudential ratio meeting its ambitions.

Major economic player, Crédit Agricole Assurances deploys its expertise to meet **emerging challenges** the society faces, such as longer life expectancy, retirements and health expenses financing conditions or environmental issues.

As an insurance group, this involves first developing products, which are appropriated to the new needs of customers. In line with Crédit Agricole Group's values, Crédit Agricole Assurances takes on this mission with the two-fold duty of innovating in its offers and keeping its **proximity to customers**.

Crédit Agricole Assurances is also engaged in this societal commitment through the funding of associative projects for family or volunteer caregivers as well as through its support to employed caregivers. In November 2016, Crédit Agricole Assurances was awarded the best arranger for working conditions within the framework of the "Companies and employed caregivers" award, initiated by the advisory firm Alteus in partnership with Agirc-Arrco in order to reward innovative approaches towards employees.

Crédit Agricole Assurances integrates environmental, social and governance factors in its investment analyses and decisions. In particular, the importance of the challenges facing society (health, sustainable energies, the financing of economy) is favored, in line with Crédit Agricole Group's areas of excellence (housing, economics of the environment, agriculture-agribusiness, health-aging).

Finally, Crédit Agricole Assurances' transformation involves taking into account changes in consumption patterns, including a high demand from customers for digitalization of the sales and management processes, while maintaining traditional neighborhood services. Within Ambition 2020, Crédit Agricole Group meets this request through a model which allows every choices: **from 100% human to 100% digital**. Crédit Agricole Assurances is a major actor of this program, which is fully in line with its Customer Project and the achievement of synergies with Crédit Agricole Group.

PROFIL 2016

A GROUP WHICH COVERS ALL ITS CLIENTS' INSURANCE NEEDS

€30.8 billion
2016 GROSS REVENUES

OF WHICH

83% (€25,6 billion)
IN FRANCE

AND

17% (€5,2 billion)
ABROAD

3 WAYS OF DISTRIBUTION

92%

BANCASSURANCE MODEL(1)

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

(Poland)

6%

GROUP PARTNERSHIPS(1)

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

2%

EXTERNAL PARTNERSHIPS(1)

Presence *via* external partnerships.

Example: presence in Japan in partnerships with local banks

(1) As a percentage of total revenue.

VIA ITS 3 MAIN BUSINESS LINES...
... in France and abroad.

78%
SAVINGS/ RETIREMENT[(1)]

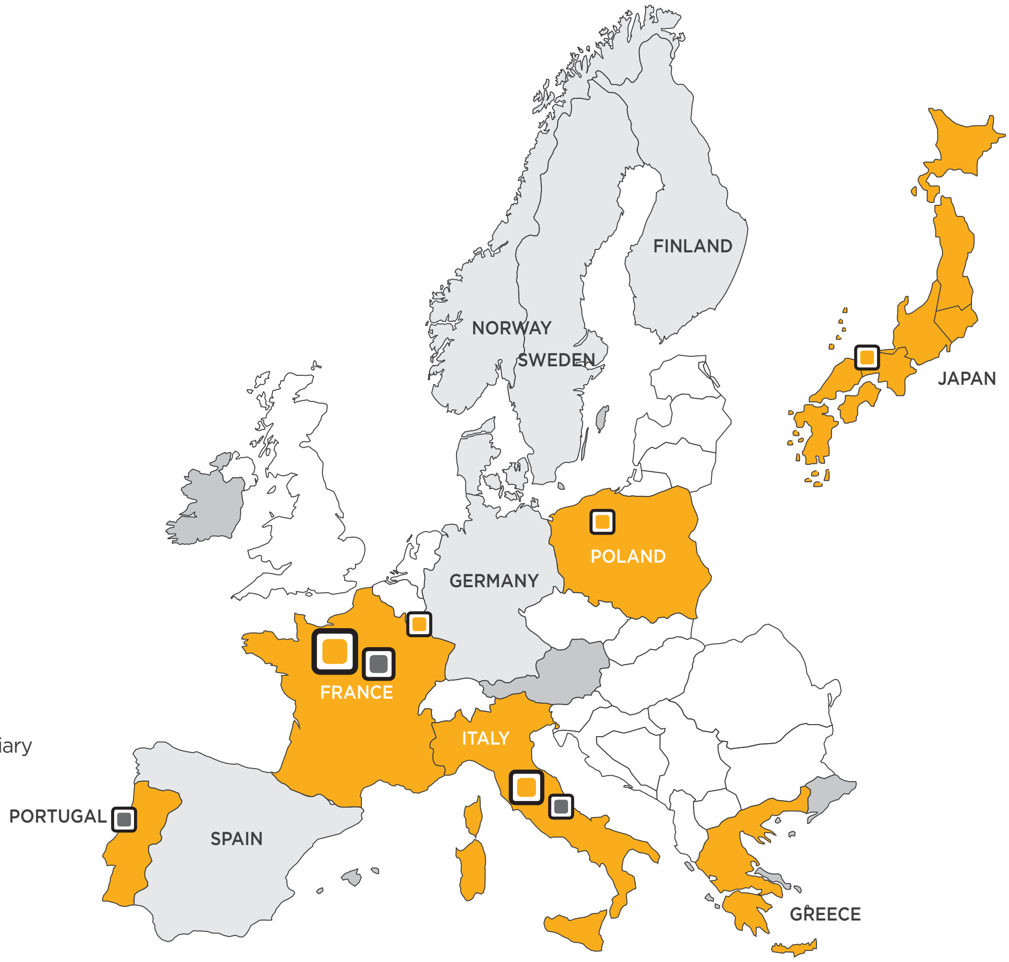
11%
PROPERTY & CASUALTY[(1)]

11%
DEATH & DISABILITY/CREDITOR/ GROUP INSURANCE[(1)]

4,200
EMPLOYEES

GEOGRAPHIC COVERAGE

- Presence of a subsidiary
- Distribution of CACI products
- Personal insurance subsidiary
- Property-casualty insurance subsidiary



RANKINGS

IN EUROPE

No. 1 BANCASSURANCE GROUP[(1)]

No. 8 INSURER[(1)]

IN FRANCE

No. 1 INSURER[(1)(2)]

No. 2 PERSONAL INSURANCE PROVIDER[(1)]

No. 2 CREDITOR INSURER[(3)]

No. 4 IN DEATH AND DISABILITY[(4)]

No. 6 IN CASUALTY AND PROPERTY[(1)]

(1) Source: L'Argus de l'assurance, 16 December 2016, data at end 2015. Crédit Agricole Assurances is considered as a bancassureur because of its membership to Crédit Agricole Group, which includes banking distribution network selling the insurance products.

(2) Source: La Tribune de l'Assurance, 16 November 2016, data at end 2015.

(3) Source: L'Argus de l'assurance, 3 June 2016, data at end 2015.

(4) Source: Étude Jasmin "L'assurance emprunteur en France" 2015.

Key FIGURES 2016

161%

of **Solvency 2** ratio

estimated on 31 December 2016
on the standard formula basis

STANDARD & POOR'S RATING

as at 2 December 2015

A-

stable outlook

SATISFACTION INDEXES

95% IN NON-LIFE INSURANCE
Rate of **SATISFACTION** after a claim in property and casualty

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

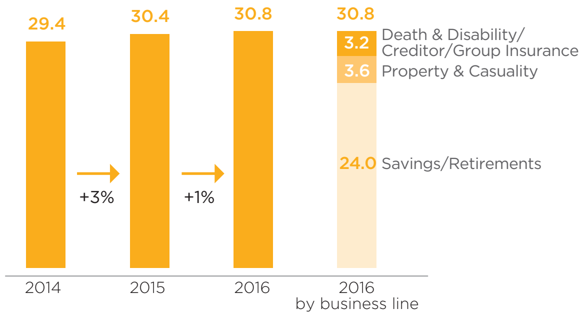
FINANCIAL INFORMATION

CHANGE IN GROSS REVENUES BY BUSINESS LINE (IFRS)

(in € billions)	2015	2016	15-16 change
Savings/Retirements	24.0	24.0	(0.1%)
Property & Casualty	3.4	3.6	4.9%
Death & Disability/Creditor/Group Insurance	3.0	3.2	9.1%
TOTAL	**30.4**	**30.8**	**1.3%**

GROSS REVENUES UNDER IFRS

(in € billions)



CHANGE IN OPERATING INCOME AND NET INCOME GROUP SHARE

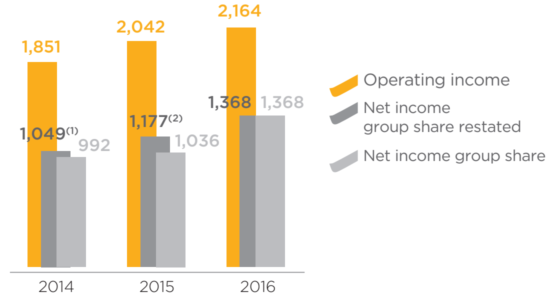
(in € millions)	2015	2016	15-16 change
Operating Income	2,042	2,164	6.0%
Net Income Group share	1,036	1,368	32.0%
Net Income Group share restated	1,177[(1)]	1,368	16.2%

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

(2) *Restatement of two balances for a total of €141 million linked to the early repayment of subordinated debts.*

OPERATING INCOME AND NET INCOME GROUP SHARE

(in € millions)

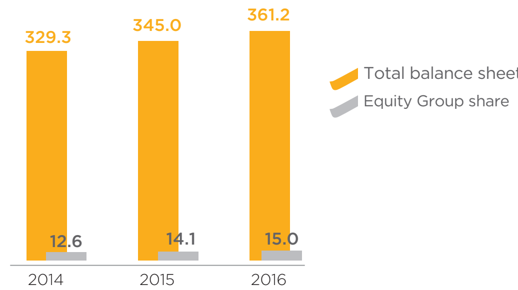


CHANGE IN BALANCE SHEET DATA

(en milliards d'euros)	2015	2016	15-16 change
Total balance sheet	345.0	361.2	4.7%
Equity Group share	14.1	15.0	6.5%

BALANCE SHEET DATAN

(in € billions)



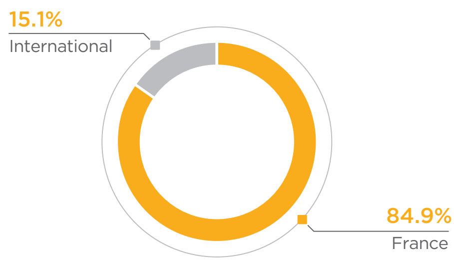
EXTRA-FINANCIAL INFORMATION

BREAKDOWN OF NUMBER OF EMPLOYEES BY GEOGRAPHIC AREA*

	2015	2016	15-16 change
France	2,265	2,531	11.7%
International	403	334	(17.1%)
Crédit Agricole Assurances Group	2,668	2,865	7.4%

* *Note 8 section 1 of the consolidated financial statements.*

BREAKDOWN OF NUMBER OF EMPLOYEES BY GEOGRAPHIC AREA



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PRESENTATION OF CRÉDIT AGRICOLE ASSURANCES

INFORMATION CONCERNING THE SHARE CAPITAL AND SHAREHOLDERS

OWNERSHIP STRUCTURE AT 31 DECEMBER 2016 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	31/12/2016	31/12/2015	31/12/2014
Crédit Agricole S.A.	149,040,361	144,875,464	144,875,464
Other	6	6	6
TOTAL	**149,040,367**	**144,875,470**	**144,875,470**

At 31 December 2016, the share capital of Crédit Agricole Assurances S.A. is divided into of 149,040,367 ordinary shares, each with a par value of €10.

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

On 31 December 2016, 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 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**
Share capital at 31 December 2015	1,448,754,700	144,875,470
Capital increase	**41,648,970**	**4,164,897**
Share capital at 31 December 2016	**1,490,403,670**	**149,040,367**

DIVIDENDS – DISTRIBUTIONS

- A dividend of €7.59 per share, amounting to a total of €941,592,250 was distributed in cash to shareholders for 2013.
- A dividend of €3.59 per share, amounting to a total of €445,364,450.50 was distributed in cash to shareholders for 2014.

  On 29 December 2014, the General Meeting of Shareholders decided to proceed with the distribution of €1,542,027,888.50 in total, amounting to €12.43 per share, taken from “Other reserves”.
- A dividend of €6.72 per share, amounting to a total of €973,753,169.50 was distributed for 2015 in shares and cash to Crédit Agricole S.A. and in cash to other shareholders.

On 6 December 2016, the Board of Directors decided to pay an interim cash dividend of €564,862,990.93, amounting to €3.79 per share for 2016.

On 9 February 2017, the Board of Directors decided to propose to the General Meeting of Shareholders planned on 31 March 2017, which approved it, a final dividend of €1.75 per share, amounting to a total amount of €260,820,642.25 per share for 2016. Thus, the total dividend for 2016 amounts to €825,683,633.18 globally and €5.54 per share.

1

	2016	2015	2014	2013
Dividend per share *(in €)*	5.54	6.72	3.59	7.59
Total dividend *(in € millions)*	826	974	445	942
2014 Distribution per share *(in €)*			12.43	
2014 Distribution Total amount *(in million €)*			1,542	

AUTHORISATIONS TO EFFECT CAPITAL INCREASES

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

General Meetings Resolutions	Purpose of authorizations to the Board of Directors	Duration, ceilings, limitations	Use made of authorizations in 2016
General Meeting of Shareholders of 28 April 2016 14th resolution	Increase share capital in one or more transactions at such times as the Board of Directors shall determine, through contributions in cash, to be paid up in cash or by offsetting against claims which are unequivocal, clearly defined and due for payment against the company.	**Ceiling:** The total amount of capital increases may not exceed €500 million. **Term:** One year from the General Meeting of Shareholders.	None.

MAIN EVENTS 2016

START OF STRATEGIC AMBITION 2020

By early 2016, Crédit Agricole Group launched a 2016-2019 strategic medium term plan, called strategic Ambition 2020.

Within this framework, Crédit Agricole Assurances set up ambitious goals, which are fully oriented towards maximizing intragroup synergies, in terms of activity in its three main business lines as well as in terms of results:

- intensify the growth momentum in all customer segments in property & casualty insurance;
- become the first life insurer in France and a major player in group pension plans;
- scale up the creditor insurance business, insourcing Group insurance contracts for the Regional Banks;
- increase the net income Group share by more than 5% per year on average over the period.

FIRST INNOVATION CHALLENGE FOR CRÉDIT AGRICOLE ASSURANCES

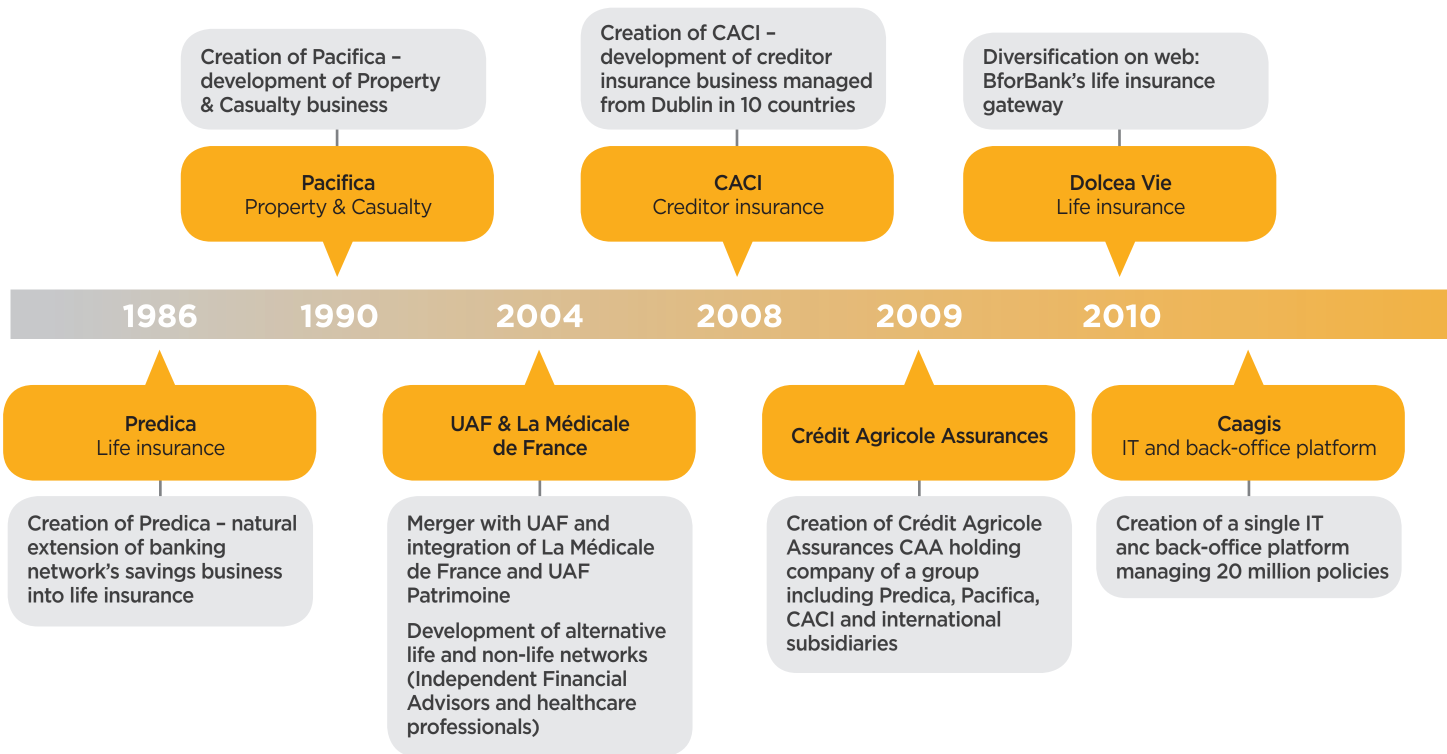
In order to promote the entrepreneurial spirit and acculturate its teams to the use of new technologies, Crédit Agricole Assurances launched the innovation challenge, organised in three key periods between January and April 2016:

- an information and opening phase in order to introduce new uses and technologies to all employees;
- a phase of ideas generation, in order to give participants the opportunity to imagine innovative concepts during creativity workshops;
- an incubation phase, during which the most promising projects in relation with the mobility or economy based on sharing categories are supported to enter into the execution phase.

PARTNERSHIP BETWEEN CRÉDIT AGRICOLE ASSURANCES AND AMUNDI ON SOCIAL PROTECTION AND GROUP RETIREMENT PRODUCTS

On 30 June 2016, the Group presented a new integrated business partnership, which joins Crédit Agricole Assurances and Amundi's strengths in social protection and group retirement products, in order to enrich the Group's offering on group insurances.

On the basis of Amundi's corporate customers file, which covers more than 40% of the SBF 120 index, the two entities are going to propose a packaged offering including employee savings scheme, retirement and health. Through this partnership, Crédit Agricole Assurances intends to double its market share in group retirement products, with an increase from 8% to 16% until the end of 2019.



€1 BILLION ISSUE OF SUBORDINATED BONDS

On 27 September 2016, Crédit Agricole Assurances issued €1 billion subordinated fixed rate resettable bonds maturing in 2048.

The bonds were subscribed by European institutional investors. The quality and diversity of the order book, which was 2.7 times oversubscribed, shows that investors have a positive perception of Crédit Agricole Assurances.

The purpose of this issue is to provide funding for Crédit Agricole Assurances' activity, while maintaining a solvency ratio in line with its ambitions.

CRÉDIT AGRICOLE ASSURANCES, LARGEST INSURER IN FRANCE

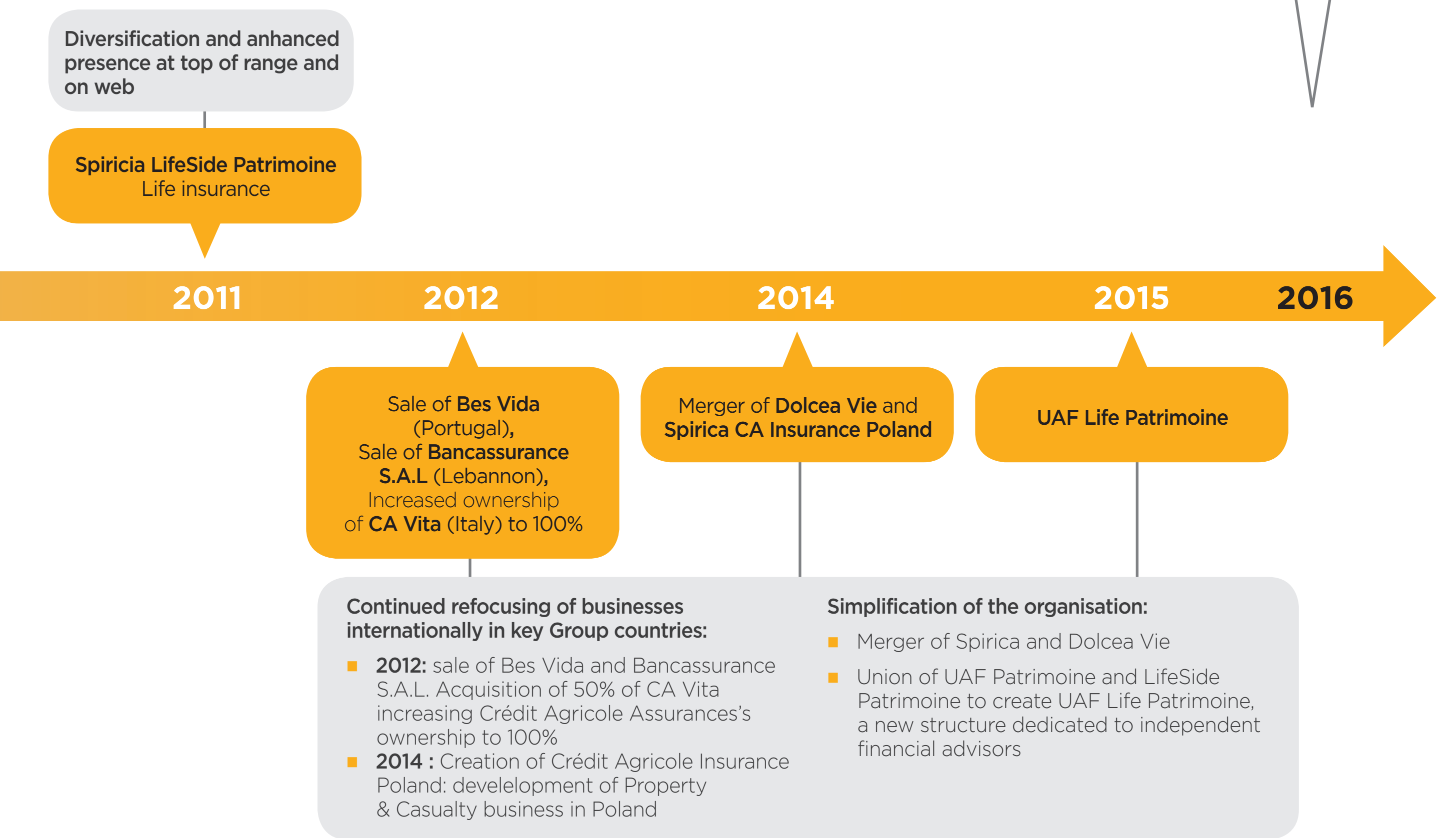
La Tribune de l'assurance and *L'Argus de l'assurance* published, respectively on 16 November and 16 December 2016, a ranking which classifies Crédit Agricole Assurances largest insurer in France.

This ranking is based on gross revenues of €26.2 billion in 2015, up by 5% compared with the previous year, and reflects a more broadly bancassureurs' growth.

CRÉDIT AGRICOLE ASSURANCES, AWARD-WINING COMPANY FOLLOWING ITS COMMITMENTS IN FAVOR OF CAREGIVERS EMPLOYEES

Crédit Agricole Assurances received the first prize for the arrangement of working conditions, which were proposed in the company's innovative agreements in relation with support to its caregivers employees. This award was given in the framework of the first edition of the "Prize Company and Caregivers Employees", which took place at the Ministry of Social Affairs and Health at the end of November. Crédit Agricole Assurances' agreements are structured around three main themes: access to information, prevention and assistance to allow both a care-giving role and professional responsibilities.

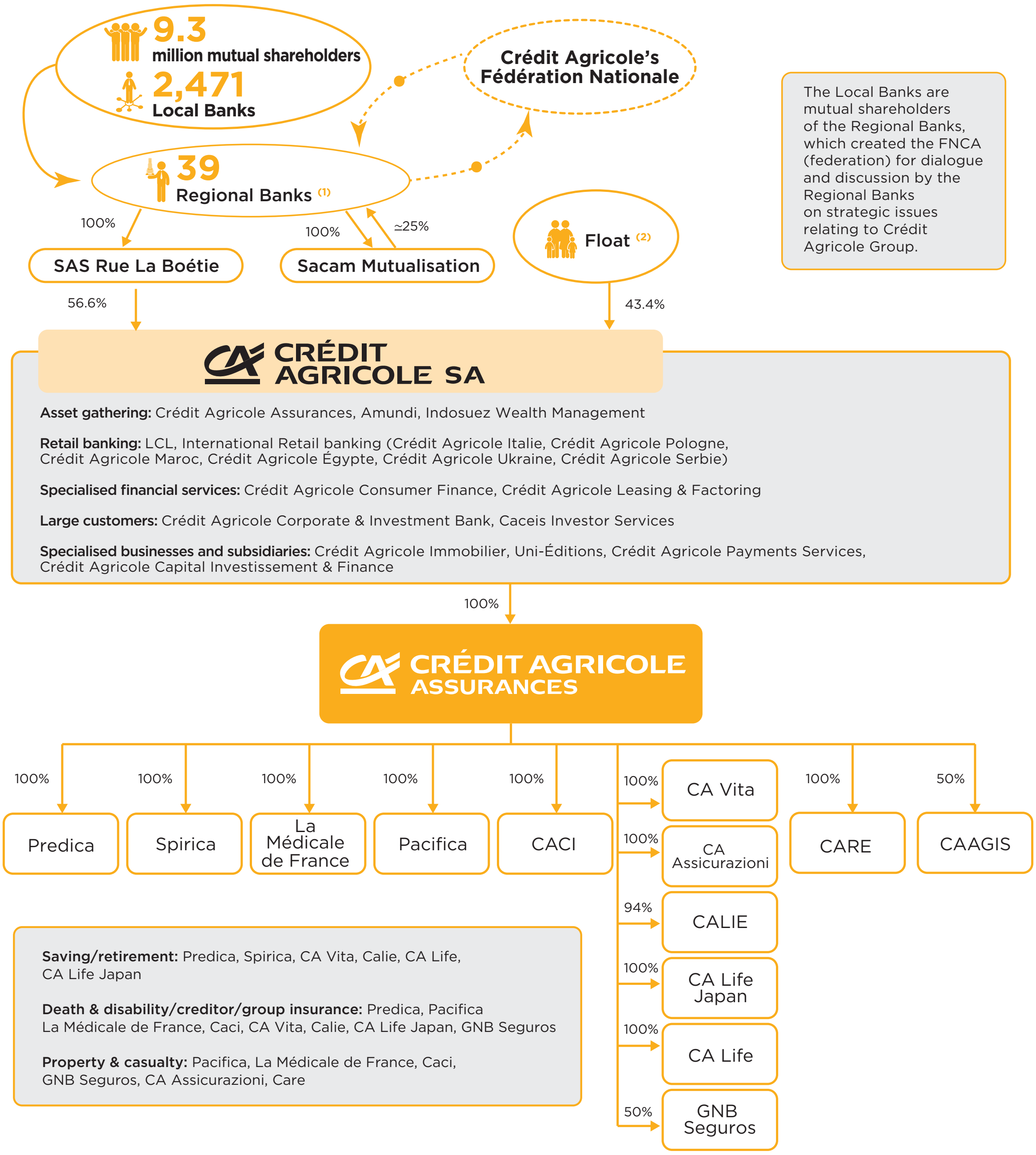
1



ORGANISATION OF CRÉDIT AGRICOLE GROUP AND CRÉDIT AGRICOLE ASSURANCES

At 31 December 2016

The scope of Crédit Agricole Group gathers Crédit Agricole S.A., all the Regional and Local banks, as well as their subsidiaries.



(1) *The Caisse Régionale de la Corse, which is 99.9% owned by Crédit Agricole S.A., is shareholder in Sacam Mutualisation (entity entirely controller by the Regional Banks, which owns the Regional Banks' cooperative certificates held by Crédit Agricole S.A. until the third quarter of 2016).*

(2) *Including treasury shares.*

Capital link — Political link

The main transactions signed between related parties, consolidated companies and key executives of Crédit Agricole Assurances Group at 31 December 2016, are described in the section entitled "General framework – information on related parties" of Crédit Agricole Assurances' consolidated financial statements.

THE BUSINESS LINES OF CRÉDIT AGRICOLE ASSURANCES

BUSINESS AND ORGANISATION

Crédit Agricole Group is the largest bancassureur[1] in Europe and the largest insurance Group in France by premiums (sources: *La Tribune de l'assurance, 16 November 2016*, and *L'Argus de l'assurance, 16 December 2016*, data at end-2015).

These rankings are based on a complete and competitive offer, tailored to the specificities of each national market and each local partner. Crédit Agricole Assurances Group's companies cover all customers' insurance needs in France and abroad, *via* three major business lines: Savings/retirement, Death & disability/creditor/group insurance and Property & casualty.

Crédit Agricole Assurances' strength is also based on its membership in Crédit Agricole Group, thanks to the efficiency and performance of one of the largest banking networks in Europ, Crédit Agricole Group: 50,000 advisors are in relation with 52 million customers around the world, involved in the completion of all their projects.

SAVINGS AND RETIREMENT

Crédit Agricole Assurances is the 2nd largest personal insurance provider in France (source: *L'Argus de l'assurance, 16 December 2016*) as well as in terms of contributions to PERP savings plans (source: *L'Argus de l'assurance, 29 April 2016*).

For 30 years, the Group has built its success on its ability to meet its customers and distributors' needs, thanks to the quality of its offer and to its reactivity towards environment changes.

In a context of historical decrease of bonds rates, the Group has diversified its investment instruments and offers an online management tool, conceived for insurance.

Crédit Agricole Assurances Group proposes to 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 2016, Crédit Agricole Assurances generated €23.3 billion of gross revenues in savings, up by 0.8% compared to 2015.

Retirement represented €0.7 billion of gross revenues. PERP savings plans, for which the Group has a leading position, constitute around 56% of this global amount.

In France, Crédit Agricole Assurances distributes the main part of its offerings to the customers of the Crédit Agricole Regional Banks' 7,007 branches and LCL's 2,078 locations: individual customers, high net worth customers, farmers, small businesses and corporate customers.

As an illustration of its policies' quality, *les Dossiers de l'Épargne* awarded the Label of excellence to several Group's products in 2016: Predirente, La Médicale Sérénité, Mediprat, Espace Liberté 2, Acuity Arborescence Opportunités, Extension retraite additionnelle, Extension fin de carrière, LCL retraite additionnelle, LCL retraite fin de carrière.

Internatonally, Crédit Agricole Assurances is primarily expanding through Crédit Agricole Group entities (Italy, Luxembourg, Poland) to which it exports and tailors its bancassureur[1] expertise. It also teams up with outside partners *via* distribution agreements in targeted regions like Japan or Luxembourg.

In Italy, the Group's second domestic market, Crédit Agricole Assurances' life-insurance company received a prize in Mars 2016 at the Italy Protection Awards for its retirement simulator circulated in mid-2015.

In addition, the Group is expanding through alternative networks: independent wealth management advisors' platforms and groups, network of 122 general insurance agents organized in 45 regional agencies specialized for health professionals, Internet brokers, private bankers.

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

DEATH & DISABILITY/CREDITOR/GROUP INSURANCE

Crédit Agricole Assurances is the 2nd largest French insurer in the long-term care risks segment, the 4th one for death & disability (source: *L'Argus de l'assurance, 3 June 2016*). The Group is the 2nd largest bancassureur[(1)] for creditor insurance in France (source: *L'Argus de l'assurance, 14 April 2017*).

Thanks to the combined expertise of its various companies, in France and abroad, Crédit Agricole Assurances Group offers individual or group 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) through death & disability policies, funeral coverage, long-term care risks segment;
- 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;
- give their employees a top-up health and death & disability insurance policy.

The death & disability offer works through the banking network of Crédit Agricole Group, in France and abroad, supplemented in metropolitan France by a network of general agents dedicated to health professionals and by partnerships with independent wealth management advisors.

In death & disability, Crédit Agricole Assurances' gross revenues amounted to €1.1 billion in 2016.

In the same year, CA and LCL's funeral coverage policies Médiprat, La Médicale Sérénité and Valeur prévoyance multipartenaires were awarded by *les Dossiers de l'Épargne* the Label of excellence.

For creditor insurance, Crédit Agricole Assurances offers its services through 38 partners, consumer finance institutions and retail banks, in 6 countries.

In 2016, the Group's gross revenues in creditor insurance amounted to €2.0 billion.

At end-2015, Crédit Agricole Assurances' Japanese subsidiary was the first insurer in the Japanese market to offer one of its distributors a totally digitalized underwriting process for insurance on property loans.

Group insurance activity reported €156 million of gross revenues in 2016. The number of people covered increased by 120,000 year-on-year.

PROPERTY & CASUALTY INSURANCE

Crédit Agricole Assurances is the largest car and home bancassureur[(1)] (source: *L'Argus de l'assurance, 14 April 2017*), the 2nd largest health bancassureur[(1)] (source: *L'Argus de l'assurance, 14 April 2017*) and the 6th largest property and liability insurer in France (source: *L'Argus de l'assurance, 16 December 2016*).

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

- property and liability insurance (car, home, etc.) to deal with some unexpected events like uncontrolled fire, robberies or bad weather conditions;
- protection of agricultural and professional property;
- innovative and effective top-up health insurance;
- personal accident cover segment in order to control efficiently and safely one's protection, for oneself or for one's family;
- 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);
- for the agricultural market, new harvest comprehensive policy and deployment of the pasture policy.

In 2016, the Group's gross revenues in property & casualty insurance amounted to €3.6 billion.

Crédit Agricole Assurances mainly markets its products to customers of the Regional Banks of Crédit Agricole (network of 7,007 branches with 26,500 insurance professionals and 480 AssurPros specialized on professionals and farmers' markets), of LCL (network of 2,078 branches with 6,000 insurance professionals) and *via* a network of agents for the health professionals sector.

In France, the Group includes moreover 16 claims handling centers and one harvests management center.

In 2016, *les Dossiers de l'Épargne* awarded the Label of excellence to CA and LCL's car, home and personal accident cover insurance policies, LCL's health insurance and Pacifica's professional comprehensive insurance.

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

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

EVENTS IN 2016

2016 was characterized by a changing environment, in which Crédit Agricole Assurances demonstrated its adaptation ability:

- Interest rates reached historically low levels, which weighed on the insurance companies' profitability and solvency. In this context, Crédit Agricole Assurances reoriented its activity, developing death & disability as well as property & casualty, and focusing on unit-linked contracts in savings/retirement. Moreover, Crédit Agricole Assurances continued tailoring its offers, enhancing the achievement of synergies with Crédit Agricole Group: in sourcing of creditor insurance contracts distributed by the Regional Banks, strengthening of the joint commercial/advice service provided by Amundi and Crédit Agricole Assurances in order to cover the whole offer in group insurance;
- the Group anticipated very new regulatory and legislative provisions, which it perfectly integrated in its further development. Thus, Crédit Agricole Assurances has for several years adjusted its commercial policy, assets allocation and financial resources in order to meet the quantitative requirements of the new regulation Solvency 2, which came into effect 1 January 2016; moreover, the Group aligned its governance and risks management with the Directive's recommendations, being even beyond the "four eyes rule" specified by the supervisory authority thanks to three executive directors; Crédit Agricole Assurances is also ready to publish in early 2017 the QRT (Quantitative Reporting Templates), RSR (Regular Supervisory Report) and SFCR (Solvency and Financial Conditions Report) required for financial communication purposes. Furthermore, Crédit Agricole Assurances' reactivity towards the Hamon law, which came into force in 2015, enabled the Group to take advantage of this law, thanks to its bancassureur[1] status, which promotes a higher frequency of relations with customers than the one of others operators (*Les Échos*, 18 February 2016);
- the society is undergoing many changes due, amongst others, to longer life expectancy, mechanisms for retirement and health costs funding, environmental issues. Crédit Agricole Assurances responded to these changes with the offer of appropriate products, as well as with its societal commitment towards family caregivers: in November 2016, Crédit Agricole Assurances was awarded the best arranger for working conditions within the framework of the "Companies and employed caregivers" award, initiated by the advisory firm Alteus in partnership with Agirc-Arrco in order to reward innovative approaches towards employees. The Group responds also to societal challenges through its investment decisions: as a major institutional investor and a signatory of the Principles for Responsible Investment (PRI), Crédit Agricole Assurances takes due account of environmental, social and good governance factors in its investment decisions, while staying fully in line with the specialist areas of Crédit Agricole Group. Finally, the insurer helps limiting the greenhouse gas emissions by encouraging policyholders to behave in a more environmentally-friendly way: as an illustration, Pacifica proposes car and home insurance solutions, which encourage its policyholders to behave responsibly;
- the consumption practices of the customers are changing with, amongst others, a strong appetite for distance selling and advises: to meet these expectations, Crédit Agricole Assurances is largely invested in the digitalization of its sales and management processes.

In business terms, Crédit Agricole Assurances fully integrated the changes in economic conditions and keeps growing selectively, with an activity oriented towards high value-creating businesses.

The total gross revenues amounted to €30.8 billion in 2016, a slight increase compared with 2015.

In savings/retirement, the Group adapted the low rates environment with gross revenues of €24.0 billion in 2016, more or less stable compared with 2015. Unit-linked contracts represented 22.7% of gross inflows.

Net inflows amounted to €5.8 billion over the year, of which €3.1 billion in France.

Gross revenues in property & casualty kept growing at a solid pace. They reached €3.6 billion, up by around 5% compared with 2015.

The combined ratio in France, where the Group conducts most of its business, was 95.9%, showing a good costs and claims rate control.

Gross revenues for death & disability/creditor/group insurance amounted to €3.2 billion in 2016, a growth of around 9% compared with 2015 with a positive contribution of all the businesses.

(1) Crédit Agricole Assurances is called a bancassureur because of its membership in Crédit Agricole Group, whose banking distribution networks market the insurance products.

SOLVENCY

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

In order to meet these new requirements, Crédit Agricole Assurances Group undertook structural changes, which now enable the Group to match perfectly the new regulation:

QUANTITATIVE REQUIREMENTS (PILLAR 1)

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

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

Regulatory capital requirements are measured through two indicators:

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

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

At 31 December 2016, the MCR coverage ratio of Crédit Agricole Assurances amounted to 286%.

At 31 December 2016, the SCR coverage ratio of Crédit Agricole Assurances amounted to 161%, compared with 178% at the end of 2015, a change which comes mainly from the decrease of interest rates.

QUALITATIVE REQUIREMENTS (PILLAR 2)

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

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

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

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

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

Crédit Agricole Assurances Group carries out estimates of its risks and solvency in the framework of the ORSA (Own Risk and Solvency Assessment) and has submitted a report to the supervisory authority every year since 2015; for the year 2016, this report was sent to the supervisory authority during the fourth quarter of 2016. It estimates the overall solvency need, taking into account the specific risk profile, the approved limits of risk tolerance and business strategies. It enables to examine the extent to which the risk profile deviates from the assumptions of the standard formula and to verify the continuous compliance, in the short or longer term, with solvency requirements.

INFORMATION TO THE PUBLIC AND SUPERVISORY AUTHORITY (PILLAR 3)

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

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

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

Crédit Agricole Assurances Group has been working for several months on the achievement of all these financial communication supports, which will be provided within the regulatory timescales, to the supervisory authority regarding the RSR and the global annual QRT, and on the website www.ca-assurances.com regarding the SFCR and the annual QRT intended for the public.

2

ECONOMIC, SOCIAL AND ENVIRONMENTAL INFORMATION

INTRODUCTION

A subsidiary of Crédit Agricole S.A., Crédit Agricole Assurances aims to design insurance offerings for customers, individuals, small businesses and corporations, 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.

In line with the commitments of Crédit Agricole Group, Crédit Agricole Assurances has deployed since 2010 a corporate social responsibility (CSR) initiative in all its entities: 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 de France (insurance for healthcare professionals) and Spirica (savings-life insurance) and the international subsidiaries.

In accordance with the strategic guidelines defined by the Executive Management, the guidelines 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. Moreover, as a leading institutional investor, Crédit Agricole Assurances has a major responsibility regarding the choice of the companies in which it invests;
- **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 (FFA), Crédit Agricole Assurances was involved in defining the CSR priorities for the sector, in the form of the FFA's Sustainable Development Charter and sector-specific CSR indicators to measure progress.

The 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 representing 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 its economic dimension, Respect for its social dimension and Demeter for its environmental dimension. 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:

- **Economic dimension** (Fides):
  - Develop ethical products and services;
  - Play a major role in prevention.
- **Social dimension** (Respect):
  - Support family caregivers;
  - Promote human resources management among its stakeholders;
  - Engage in dialogue with its stakeholders.
- **Environmental dimension** (Demeter):
  - Limit its environmental impact;
  - Encourage its customers to behave in a more environmentally friendly way.

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.

Methodological precisions:

- For social data exposed in the section "acting responsibly as an employer", the scope of the entities covered by this CSR report is the scope of French and international entities which have employees and are consolidated within Crédit Agricole Assurances Group. For the data of the other sections (including environmental), the covered scope is exclusively the one of French entities consolidated within Crédit Agricole Assurances Group, given the smaller rate of employees abroad (16% of the total), divided between several entities with specificities depending on international sites (shared offices for example).
- A protocol of data collection has been written with a view to writing the reporting in question; protocol reviewed by the independant third-party body appointed by Crédit Agricole Assurances.

ACTING AS A RESPONSIBLE INSURER: TOWARDS 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.

95% of Predica customers questioned (base: 9,000 customers surveyed) were satisfied with the services they received in 2016. The satisfaction rate of the 4,500 individual Pacifica customers questioned after a car or home insurance claim was 95% in 2016.

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: clarity 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.

Moreover, advertising copy and contracts undergo the greatest scrutiny, with an emphasis on the 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 examined and their reactions to planned new products are analysed;
- customers are also involved in the life of products *via* their representatives on the governing bodies of associations which have taken out insurance contracts (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, a customer expects a prompt response, clear and transparent information and consideration of his/her questions with, if necessary, implementation of corrective actions.

The procedure for processing customer complaints is regularly updated so that each business line can 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 Federation (FFA).

In the field 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 taking remedial steps such as improving the information provided to customers and changing procedures to make 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 Management Committee is also informed on an annual basis of significant complaints-handling events.

Within the framework of a project devoted to claims in property and casualty launched in 2014, Pacifica has developed keys-indicators to analyze claims; it promotes a better knowledge of clients' expectations, expressed through dissatisfaction. The data thus exploited have been integrated in the changes introduced this year in some contracts, in order to deepen the understanding the policyholders have of their guarantees.

In the field a 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 commitment to honour the time frames for processing customer complaints. In 2016:

- Predica committed to a period of 9 working days, and 47% of complaints were processed within this time frame;
- Pacifica committed to a maximum processing time of 60 working days, and 93% of its complaints were processed in less than 30 days;
- CACI committed to a maximum period of 30 days, and 96% of its complaints were processed within this time frame.

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 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 aim at providing 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: it 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 clear, 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 (cleaning hours, shopping, etc.) insurance.

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.

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 raises the awareness of customers through information provided at different levels:

- general prevention advice included in the general terms and conditions of all policies, online in the bank's online customer area, and 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, with 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;
- proposal of insurance products including the availability of support services, useful as a protection for policyholders and their relatives in case of death, dependency, disability or funerals. All the assistance contracts complete the range of the protections given through death and disability insurance, enabling the access to prevention advices.

Crédit Agricole Assurances supports the Regional Banks in offering fun and educational events to their mutual shareholders on preventing road risks, general accidents, first aid or risks of falling for the elderly. These events are held in partnership with specialist prevention associations and providers. In 2016, around 40,000 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 relatives 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 to be processed. In 2016, Pacifica again demonstrated this ability, notably in response to the numerous successive hail episodes that affected France and the heavy flooding that happened in the Centre and Île-de-France regions at end-May and June.

This system satisfied Pacifica customers who had to make a claim because, as in 2016, 41% of them said they would recommend their insurer to a family member, friend or colleague (*versus* 36% in 2015).

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 with the assistance of genealogists or private investigators, where appropriate.

Furthermore, awareness-raising actions and checks are also implemented for 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.

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 increased life expectancy and reduced numbers of workers 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 with governmental disengagement, Predica has been offering a new range of products to contribute to care and respond to the loss of independence. Approved by the French Federation of Insurance (FFA), this offering ensures a minimum income of €500 in cases of serious long-term care, in particular to finance personal home care services or cover part of the costs of living in a care home. This offer also meets the needs of families faced with the loss of independence of a loved one, by offering information and guidance services, but also the option to finance 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 2016, Predica covered more than 177,000 people insured for long-term care risks.

Intergenerational solidarity

Predica has taken different actions in this field, notably putting into perspective its offering for a population where four generations live together.

Parents thus have the option of taking 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.

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.

Mitigate climate change

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

Since June 2016, Pacifica promotes among others insurance of hybrid and electrical vehicles, offering the franchise in the event of damage for these vehicles as soon as the contract is subscribed. The battery is also insured in the event of robbery or damage, even if it has been rented.

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

As well as 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. In 2015, Pacifica decided to extend the reduction to the PEE loan (energy savings loan). More flexible than an eco-PTZ loan, this loan finances work to save energy, for example insulating walls and glazed surfaces, purchasing a condensation boiler, etc.

For several years and notably since March 2013 with the launch of the Methane Energy and Nitrogen Autonomy plan, the number of methanization facilities has increased. Insurance for these facilities is indispensable to secure the methanization business and agricultural production. Pacifica has developed an insurance offering covering damage to property (fire, storm-hail-snow, water damage, floods, theft, vandalism, machine breakdowns, electrical damage), operational losses 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 like 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 2016, 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 a consistent manner over time and has been available since 2003. The index has undergone scientific validation by an independent laboratory, which has led to several scientific communications. For the third consecutive year, this index was presented by the Scientific Committee set up by the National Climate Risk Management Committee. This pasture insurance meets the requirements of livestock farmers who opt for the "grass" system, which is less intensive but more exposed to climatic vagaries. This offer was rolled out nationally in 2015.

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 protect forest risks: fire, storm, natural disaster and civil liability. At the end of 2016, such insurance represented a portfolio of 1.2 million insured hectares, area that increases continuously each year.

For six years, an active research initiative into new agricultural risks (mainly linked to climate change) and their insurance-based responses has been carried out actively, in partnership with Université Paris-Dauphine, Université de Paris-Ouest Nanterre La Défense and under the aegis of the Europlace Finance Institute. Airbus Defence and Space is also a partner, 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. Two new partners have enhanced the scheme: the IDELE (French *Institut de l'élevage*) and the CNE (French *Confédération nationale de l'élevage*). An additional allocation of 25,000 euros per year during three years has been planned to realise correlation work between field measures implemented in experimental farms and grass growth measures, through fodder production index, on which pasture insurance relies.

Due to its prestigious academic credentials, the research initiative was invited in 2015 by the World Bank to organise a research day on index-based insurance at the "Global index Insurance Conference: Building Innovative Solutions in Agriculture Insurance." At the conference, over 350 participants from all over the world worked on new solutions to manage agricultural risks and highlighted the relevance of index-based insurance.

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 obligations include reparation of damages, and the restoration of protected natural habitats, protected areas and species. 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, poor housing and care for dependent persons and environmental problems, and in order to reduce extreme poverty by creating jobs, 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 multi-vehicle 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% 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 solidarity-based unit-linked products, certified by Finansol;

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 care beneficiaries, tons of waste recycled, 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 UAF LIFE Patrimoine, a subsidiary of Spirica and Predica, it proved important to develop different skills and tools to deal with these specific features correctly, in the interests of these customers.

UAF LIFE Patrimoine thus 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. UAF LIFE Patrimoine has also produced a document so that protected persons, and especially those who support them, can identify the appropriate solutions.

A peer group of partners led by UAF LIFE Patrimoine has also been set up to work on this topic. The whole approach aims to improve the suitability and personalisation of investment solutions for protected persons. The approach has allowed UAF LIFE Patrimoine to set up a solidarity-based savings solution that, *via* personalised support, makes it possible to provide a token of solidarity to associations that work for families living with disability.

Involvement in CMU-C

The Ministry of Health has reformed the supplementary aid scheme for health insurance (ACS – *Aide à la complémentaire santé*). ACS is aid paid by the State that covers all or part of supplementary health insurance contributions. It is allocated according to income and household composition and the amount allocated depends on beneficiary's age.

Since 1 July 2015, around ten sectoral organisations including Pacifica are authorised to offer supplementary healthcare policies specifically dedicated to ACS beneficiaries.

Comprising three options (Initiale Solidaire, Intermédiaire Solidaire and Intégrale Solidaire for the Crédit Agricole network and Primo Solidaire, Plus Solidaire and Prémium Solidaire for the LCL network), the Santé Solidaire Pacifica option offers the following on top of the standards defined by decree: cover for medicines with low SMR *(service médical rendu)*, cover for thermal cures, access to the Carte Blanche Partenaires optical network and many assistance services. Pacifica's supplementary solidarity health insurance was the first offer retained by the Ministry of Health for its cost effectiveness and range of supplementary services.

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 a life crisis (unemployment, divorce, etc.). These tools take the form of cue cards with practical advice on insurance or other related problems (examples: support with 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, financing of the economy) and in line with the specialist areas of Crédit Agricole Group.

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 2016, €243 million had been invested in programs for transition to other sources of energy.

Thus, Crédit Agricole Assurances reinforced its onshore wind partnership in France with ENGIE, first wind power specialist in France (1,700 MW). Through this agreement, wind farms operated by MAÏA EOLIS – representing a total installed capacity of 267 MW – are sold to FEIH, joint company created by ENGIE and Crédit Agricole Assurances. This joint company operates from now on 810 MW of onshore wind installed capacities in France.

Furthermore, as an actor for territorial development, Crédit Agricole Assurances invested nearly €6 billion in financing French players (excluding French OAT and financial companies).

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 now include environmental certification.

At the end of 2016, the number of "green" office buildings (that is with environmental certification) represented 46% of the total sq.m. invested in office premises (*i.e.* 462,000 sq.m.) *i.e.* nearly one million sq.m. of offices.

As an example, in 2016, Crédit Agricole Assurances was delivered a group of buildings of 72,000 sq.m., Ecocampus at Châtillon in France (92), that integrates the most recent building standards. Ecocampus aims at passing the "Very Good" BREEAM certification level and has just passed the "EXCEPTIONNAL" HQE NF-Bâtiments Tertiaires certification level.

Multi-vehicle life insurance policies

Predica also offers socially responsible investment (SRI) unit-linked contracts in some multi-vehicle life insurance products distributed by its networks. 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 among both the distribution networks and customers: creation of an information pack for networks, network activities during industry events (*e.g.* Sustainable Development Week, SRI Week, Social Finance Week), internal awareness-raising (quarterly reporting on the intranet), customer communication on SRI and customer chats.

Financing the real economy

The "vie génération" policy marketed through the main partner networks offers customers the opportunity to invest on unit-linked contracts, that participate in the financing of the economy.

Payments made by customers are invested in instruments devoted for a minimum rate of 33% to small/intermediate companies or to social/intermediate housing. These resources and this policy not only meet an economic need, they also allow customers to diversify their investments while benefiting from an extra tax benefit.

ACTING AS A RESPONSIBLE EMPLOYER: TOWARDS 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 tie in the form of a standard fixed-term or indefinite-term employment contract (or equivalent abroad),
  - being on the payroll and in the job on the final day of the period,
  - working time percentage of 50% or more.

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

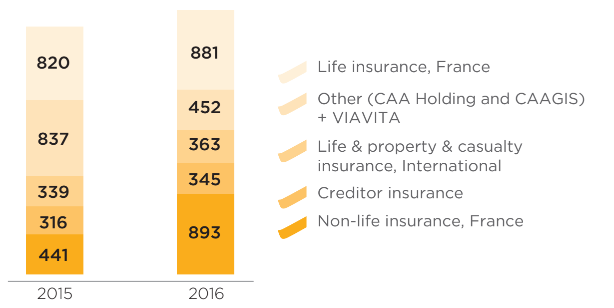
Crédit Agricole Assurances Group, as a responsible employer to its employees, increased the number of actions in 2016 to promote:

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

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



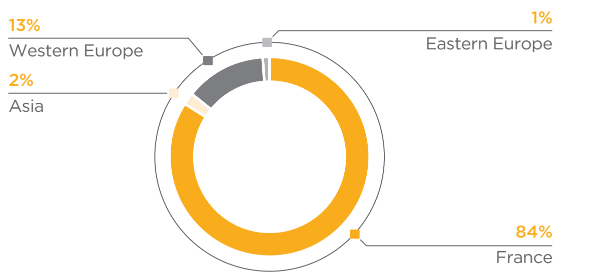
In 2016, to support its development, Crédit Agricole Assurances Group has continued recruiting staff in almost all its business lines, and more specifically:

- setting up a new Premundi sales organisation, pooling the sales forces of Crédit Agricole Assurances and Amundi for the Regional Banks to develop long-term savings solutions together;
- ramping up collective insurance activities;
- continuing the strong expansion of death & disability activities in France and internationally.

The number of employees has increased by nearly 7% both in France and internationally, bringing the headcount to 2,934[1] FTE employees on permanent and fixed-term contracts at the end of 2016.

(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.*

31/12/2016



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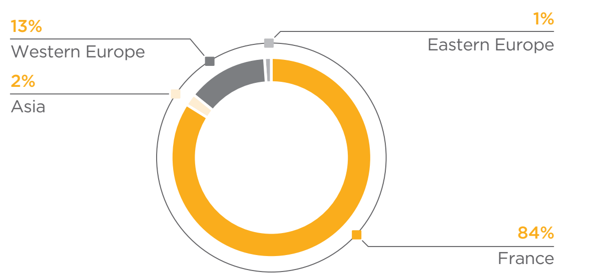


NUMBER OF EMPLOYEES PER TYPE OF CONTRACT

	31/12/2016			31/12/2015		
(in number)	France	International	Total	France	International	Total
Active permanent contract (CDI) employees	2,348	431	2,779	2,200	420	2,620
Fixed-term contract (CDD) employees	125	30	155	111	22	133
Total number of active employees	**2,473**	**461**	**2,934**	**2,311**	**442**	**2,753**
Non active permanent contract (CDI) employees	35	6	41	34	9	43
TOTAL EMPLOYEES	**2,508**	**467**	**2,975**	**2,345**	**451**	**2,796**
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.

In this framework, several kinds of key-times, described below, are organized 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.

New employees are also involved in follow-up sessions with their manager and the HRMs 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.

Almost 90 people have already benefited from this scheme.

Annual review and professional interview

For Crédit Agricole Assurances Group, the annual performance review and the professional interview are times for privileged dialogue between the manager and the employee. This process, that exists in each entity of Crédit Agicole Assurances Group, is at the heart of the performance review, career management and mobility mechanism. 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. In 2016, 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, training is provided to all new managers.

A second key-moment was also introduced in 2016: the professional interview. This is a time devoted between the employee and his manager to discussions relative to his professional evolution, his means of development and training.

In order to give as much support as possible to employees for the preparation of this interview, information meetings were proposed as well as training sessions for managers. Thus, in 2016, more than 430 employees and 240 managers benefited from this support.

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. A devoted career manager supports him in his project.

Thus, around 1,184 individual management interviews were conducted in 2016 with 873 employees. 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 standardized 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 on employees according to a segmentation defined by Crédit Agricole Group.

Organised according to a recently-harmonised mechanism for all Crédit Agricole Assurances Group entities, 25 career reviews or Committees took place in 2016.

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.*: joint development workshops, psycho-social risks, management of elected representatives, etc.).

For senior managers, the standardised appointment process was reviewed in 2015 for roll-out across all entities in 2016. This system assesses senior managers in several dimensions (strategic vision, leadership, management, etc.), determines areas for development with a supporting plan if necessary and takes the appointments into account.

Lastly, 15 senior managers were supported throughout the director career development scheme (a Crédit Agricole Group scheme to enable employees to access director functions) as well as 3 executives for their career development scheme to help them access Deputy Chief Executive Officer functions. This support involved regular meetings with the Head of Talent Management (over forty), personalised support plans (coaching, training), organising placement in Regional Banks, interviews with executives in order to develop their strategic vision, simulated situations, etc.

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 the Crédit Agricole Group job market, the “My Jobs” section accessible to all since the end of 2014. Employees can schedule alerts so that they can be continuously notified of new vacancies.

In March and June 2016, operatives and the HRMs also took part in various “Mobilidays” (special mobility days with presentation of job offers and various workshops and conferences on professions) organised by Crédit Agricole S.A. Group at the Montrouge and Saint-Quentin sites.

Furthermore, following “Mobilidays UGS” pilot organised in Lyon, this scheme built especially for departments specialized in claims management is aimed to be deployed to the whole territory. The aim is to introduce the UGS’ employees Crédit Agricole Group, its businesses, the bulk of local works and to make available for them the tools that will enable them, if they so wish, to conduct a mobility (introduction of advice-tools and flash-interviews with human resources staff are organised during these days).

In 2016, the number of incoming motilities remained stable compared to 2015, namely 40% of the hiring of which 20% were realised through mobilities intra-entities.

	2016	2015	Scope	2016	2015
Intragroup mobility (incoming)	81	98	Total - France and International	100.0%	100.0%
Intragroup mobility (outgoing)	66	75	Total - France and International	100.0%	100.0%
Mobility within one entity - Active permanent employment contracts	51	79	Total - France and International	100.0%	84.0%

(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 2016, Crédit Agricole Assurances Group continued its policy of investing in professional training. The training expenses of Crédit Agricole Assurances Group were almost €4.5 million in 2016.

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 91% of employees on permanent contracts at the end of the year. On average, each employee trained in 2016 will have received almost 20 hours of training.

	2016 (11 months)		2015 (11 months)	
	Number of employees trained	Number of training hours	Number of employees trained	Number of training hours
France	2,239	42,704	2,036	37,416
International	320	8,910	299	8,691
TOTAL	**2,559**	**51,614**	**2,335**	**46,107**
Coverage: France + International + 50 employees	94.0%		94.6%	

NB: figures are from estimates for September to November.

Intra-company training in these areas is 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, or of reorganisation or transformation projects. They are aimed at groups of employees (business lines or units) and enable teams to boost their skills and thus their employability.

TRAINING TOPICS

	2016 (11 months)				2015 (11 months)	
(in number of hours)	Total	%	France	International	Total	%
Knowledge of Crédit Agricole S.A. Group	2,299	4%	2,263	36	1,030	2.2%
Personnel and business management	4,553	9%	3,408	1,145	7,573	16.4%
Insurance	5,899	11%	5,261	638	5,386	11.7%
Banking, law and economics	613	1%	137	476	1,219	2.6%
Financial management (accountancy, management control, tax, etc.)	2,716	5%	2,716	-	3,426	7.4%
Risk	387	1%	235	152	81	0.2%
Compliance	3,304	6%	2,912	392	2,247	4.9%
Methods, organisation, quality	3,940	8%	3,172	768	2,922	6.3%
Purchasing, marketing, distribution	734	1%	734	-	637	1.4%
IT, Networks, Telecommunications	3,793	7%	3,726	67	3,852	8.4%
Office systems, software, business lines, new ICT	4,006	8%	3,628	378	2,818	6.1%
Foreign languages	3,041	6%	404	2,638	4,599	10.0%
Health and safety	**1,348**	**3%**	**1,207**	**141**	**929**	**2.0%**
Human rights and the environment (sustainable development)	-	0%	-	-	14	0.0%
Personal development, communication	11,602	22%	9,732	1,870	8,538	18.5%
Human resources	3,380	7%	3,170	210	838	1.8%
TOTAL	**51,614**	**100%**	**42,704**	**8,910**	**46,107**	**100.0%**
Coverage: France + International + 50 employees	94.0%				94.6%	

NB: there has been an increase in the number of compliance training hours, due to the mandatory roll-out of International Sanctions training among all employees.

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 including those with bac +2 to bac +5 schooling (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	2016	2015
France	239	249
International	68	82
TOTAL RECRUITS WITH PERMANENT EMPLOYMENT CONTRACTS	**307**	**331**
Coverage: Total France	100.0%	100.0%

INCOMING PERMANENT CONTRACT (CDI) EMPLOYEES BY REASON

	2016			2015
	Men	Women	Total	Total
External recruitment	125	130	255	254
Consolidation of internships and work-study contracts into active permanent contracts (CDI)	7	7	14	11
Consolidation of active fixed-term contracts (CDD) into active permanent contracts (CDI)	11	27	38	66
TOTAL RECRUITMENT	**143**	**164**	**307**	**331**
Intragroup mobility (incoming)	41	40	81	98
Incoming transfers	15	15	30	1
Resumed activity	17	50	67	61
NUMBER OF ACTIVE PERMANENT CONTRACT (CDI) EMPLOYEES – INCOMING	**216**	**269**	**485**	**491**
Coverage: Total France + International	100.0%			100.0%

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

	2016			2015
	Men	Women	Total	Total
age < 25 years	12	29	41	23
25 =< age < 35 years	57	78	135	155
35 =< age < 45 years	26	26	52	59
45 =< age < 50 years	1	3	4	6
50 =< age < 55 years	2	3	5	6
55 =< age < 60 years	2	-	2	-
60 =< age < 65 years	-	-	-	-
age >= 65 years	-	-	-	-
NUMBER OF ACTIVE PERMANENT CONTRACT (CDI) EMPLOYEES – INCOMING	**100**	**139**	**239**	**249**
Coverage: Total France	100.0%			100.0%

NB: in accordance with the intergenerational agreements signed in the different entities, the number of young people's recruitment nearly doubled in 2016 and Crédit Agricole Assurances strive to hire seniors.

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

	2016			2015
	Men	Women	Total	Total
age < 25 years	4	3	7	4
25 =< age < 35 years	19	16	35	40
35 =< age < 45 years	16	6	22	34
45 =< age < 50 years	2	-	2	3
50 =< age < 55 years	3	-	3	-
55 =< age < 60 years	-	-	-	1
60 =< age < 65 years	1	-	1	-
age >= 65 years	-	-	-	-
NUMBER OF ACTIVE PERMANENT CONTRACT (CDI) EMPLOYEES – INCOMING	**45**	**25**	**70**	**82**
Coverage: Total International	100.0%			100.0%

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

	2016			2015
	Men	Women	Total	Total
Resignation	23	25	48	46
Retirement	11	12	23	28
Lay-off	5	9	14	14
Economic lay-offs (Redundancy plan)	-	-	-	-
Voluntary redundancy	4	11	15	10
Death	1	1	2	3
Other	4	9	13	11
Intragroup mobility (outgoing)	22	37	59	70
Outgoing transfers	7	8	15	12
Discontinued business	13	38	51	59
DEPARTURES OF ACTIVE PERMANENT CONTRACT (CDI) EMPLOYEES	**90**	**150**	**240**	**253**
Coverage: Total France	100.0%			100.0%

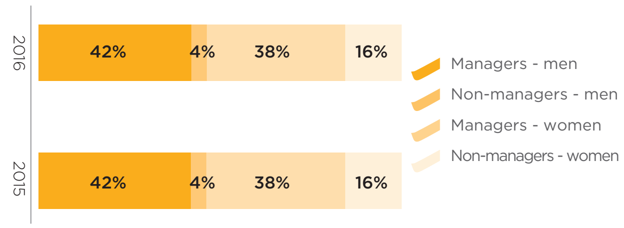
DEPARTURE OF ACTIVE PERMANENT CONTRACT (CDI) EMPLOYEES BY SEX AND REASON – INTERNATIONAL

	2016			2015
	Men	Women	Total	Total
Resignation	17	14	31	42
Retirement	1	-	1	1
Lay-off	2	2	4	6
Economic lay-offs (Redundancy plan)	-	-	-	-
Voluntary redundancy	-	1	1	4
Death	-	-	-	-
Other	-	-	-	3
Intragroup mobility (outgoing)	4	3	7	5
Outgoing transfers	-	-	-	1
Discontinued business	-	8	8	7
DEPARTURES OF ACTIVE PERMANENT CONTRACT (CDI) EMPLOYEES	**24**	**28**	**52**	**69**
Coverage: Total International	100.0%			100.0%

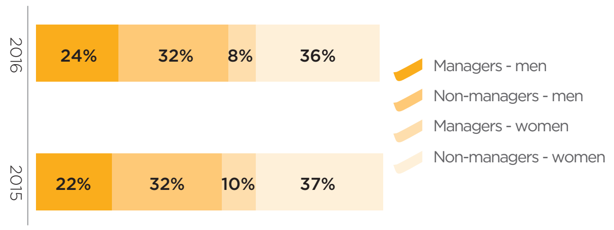
Gender equality at work

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 Human Ressources 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

	2016			2015		
	No.	**Base**	**%**	**No.**	**Base**	**%**
Among all employees	1,535	2,934	52.3%	1446	2753	52.5%
Among permanent contract employees	269	485	55.5%	256	491	52.1%
Among the Group Executive Committee	-	8	0%	-	7	0.0%
Among the top 10% of highest-earning employees in each subsidiary (fixed compensation)	76	262	29%	69	248	27.8%
Coverage: Total France + International (+50 of the highest-earning employees)						

PROMOTIONS

	31/12/2016			31/12/2015
(in number)	**Men**	**Women**	**Total**	**Total**
Promotions in the non-manager category	10	35	45	50
Promotions from non-manager to manager	2	4	6	11
Promotions in the manager category	77	90	167	140
TOTAL PROMOTIONS	**89**	**129**	**218**	**201**
Percentage	40.8%	59.2%	100%	
Coverage: France +50 employees	98.4%			99.9%

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 is committed to encouraging gender equality.

Jointly realized with Crédit Agricole Assurances' results to the 2014 Financi'Elles "trust and gender balance" barometer, the Mixity action plan launched in 2015 continues in 2016 with in particular:

- three workshops designed to raise awareness on stereotypes and decision-making biases, led by a sociologist, were held in January and February 2016: more than fifty human resources' managers and employees took part in these workshops. They have also given each participant the opportunity to propose actions in order to favour mixity;
- seven workshops available for everyone on the theme "all equal on social networks" took place in March and April 2016, with assistance of the mixity-network Potenti'Elles; the target was to understand more easily social networks' usefulness, use them (more specifically LinkedIn and Twitter) to communicate and create one's profile;
- in November 2016, a Mixity event, open to all employees, was organized. After an introduction by the Chief Executive Officer, the conference was conducted in two steps: a presentation of the results obtained from the mixity actions held or to be held, then a roundtable with experts who shed light on the question: "digital technology: mixity accelerator?".

Moreover, in 2016, Crédit Agricole Assurances included in its CSR's indicators a target to increase by 10% the feminization's rate in its management bodies (senior managers and managing executives) by 2018. Indicators relating to mixity and equality at work were set up and will be followed and shared with Crédit Agricole Assurances' Executive Committee members until 2018.

Furthermore, the Potenti'Elles women's network, which now has 150 members from all entities including internationally, continued its work in 2016, with breakfasts involving roles-models guests, a conference about the position women have today, the creation of a Twitter link, etc.

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 a disability increased and stands at 66.

In 2016, the Crédit Agricole Assurances Group concluded a partnership with MOZAIC, a recruitment centre specialising in the employment of disabled people as part of a campaign to recruit young people on work-study contracts.

Furthermore, in the framework of its handicap policy, Crédit Agricole Assurances Group drew upon the expertises of Human Ressources Heads, career managers and claims management department to build an action plan, to be implemented in 2017. The main targets of this action plan are to:

- increase recruitment;
- support employees in continued employment;
- raise employees' awareness throughout the year on the handicap thematic.

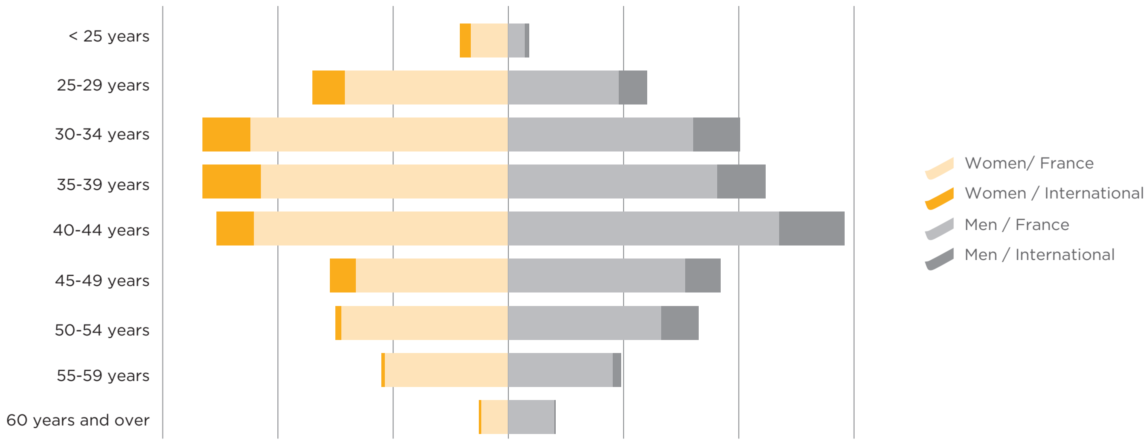
Equality across age groups

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:

- 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 OF EMPLOYEES ON PERMANENT CONTRACTS



Internships and work-study contracts

The policy of pre-recruitment *via* pools of interns and work-study candidates is also an important focus of the Crédit Agricole Assurances Group. Thus Crédit Agricole Assurances Group increased the number of young people hired with almost 45 interns and 110 people on work-study contracts.

Crédit Agricole Assurances Human Ressources department also set up for young people on work-study contracts a work-study day called "Tout se prepare ici", to support them in their business projects, drafting their Curriculum Vitae and preparing for recruitment interviews.

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

At the end of the scheme, tutors are asked to assess participants and the best are systematically interviewed by Human Resources department to offer them permanent or temporary job opportunities within Crédit Agricole Assurances Group as far as possible. The rate of conversion from work-study contracts to permanent and temporary contracts remained stable compared to 2015, at 45% in 2016.

INTERNSHIPS AND WORK-STUDY CONTRACTS IN FRANCE

Average number of employees over the year	2016	2015
Internships	18.1	12.6
Work-study contracts	105.6	103.4
Coverage: Total France	100.0%	100.0%

Compensation policy: description of general principles

The Crédit Agricole Assurances Group compensation policy respects the 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, meals, 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 predefined 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.

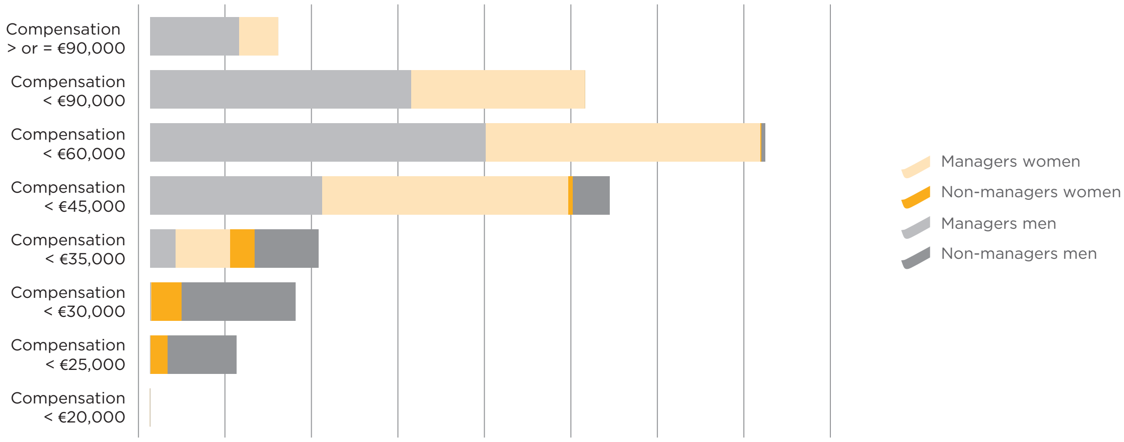
This system leads to a precise calculation of the variable compensation amount.

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

	2016			2015		
(in euros)	Men	Women	Overall	Men	Women	Overall
Managers	5,200	4,464	4,853	5,180	4,425	4,825
Non-managers	2,390	2,441	2,430	2,322	2,425	2,403
OVERALL	**4,974**	**3,923**	**4,419**	**4,949**	**3,890**	**4,390**
Coverage: France + 50 employees	98.4%			99.9%		

ANNUAL FIXED SALARY SCALE FOR EMPLOYEES IN FRANCE AT THE END OF DECEMBER 2016



Coverage: 100%

The salaries presented above are the results of weighted averages taking into account workforce structures in 2015 and 2016. 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

	31/12/2016			31/12/2015		
	Overall amount (in € thousands)	No. of recipients	Average amount (in €)	Overall amount (in € thousands)	No. of recipients	Average amount (in €)
Profit-sharing	11,286	1,621	6,962	5,936	1,746	3,400
Incentive plans	12,187	2,604	4,680	10,820	2,563	4,222
Employer's additional contribution	2,996	2,094	1,431	2,694	1,972	1,366
TOTAL	**26,470**			**19,450**		
Coverage: France + 50 employees	98.4%			99.9%		

Depending on the procedures, almost all eligible employees benefited from a collective variable compensation in 2016 in respect of 2015, 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 events on the theme of stress and sleep disorders prevention in 2016. This preventive action enabled Crédit Agricole Assurances employees to consult doctors, psychologists specialised in sleep disorders and sophrologists at 9 day-long events at their workplace in April, June, September and November during the week-long campaign dedicated to the employment of people with disabilities (SEPH).

During these awareness-raising sessions, theme-based stands were organised along with documentation, mini-conferences, joint workshops and individual interviews offering customised advice.

During the SEPH disability employment campaign, in addition to the conference on stress and sleep disorders, the participation in Handibirds challenge (ludic tool to raise awareness) and the presence of an ESAT (protected workshop) helped raise awareness among employees of disability issues.

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 on 11 and 18 October 2016.

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

Finally, spending on safety (including safety training) increased from €2,937,549 in 2015 to €3,177,140 in 2016.

The number of medical visits rose from 947 in 2015 to 1,050 in 2016, and the number of meetings of the HSWCC increased slightly, rising from 45 in 2015 to 49 in 2016. No occupational disease was detected within Crédit Agricole Assurances Group in 2016.

ABSENTEEISM – FRANCE

	2016			2015
(in number of calendar days)	Men	Women	Total	Total
Sickness	6,907	11,132	18,039	18,666
Travel or work accidents	280	433	713	294
Maternity, paternity and breast feeding	2,474	7,975	10,449	9,808
Authorised leave (family events, special leave, etc.)	3,123	3,946	7,069	4,811
Other reasons	361	360	720	1,011
TOTAL	**13,145**	**23,845**	**36,990**	**34,590**
Coverage: France +50 employees	98.4%			99.9%

There is no seasonal fluctuation over the year.

ABSENTEEISM – INTERNATIONAL

	2016			2015
(in number of calendar days)	Men	Women	Total	Total
Sickness	495	636	1,131	1,309
Travel or work accidents	-	6	6	-
Maternity, paternity and breast feeding	89	2,848	2,937	1,094
Authorised leave (family events, special leave, etc.)	372	549	921	163
Other reasons	15	8	23	80
TOTAL	**971**	**4,047**	**5,018**	**2,644**
Coverage: International +50 employees	70.3%			67.2%

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 2016, the number of employees working part-time rose from 206 in 2015 to 189 in 2016.

WORK-LIFE BALANCE

	31/12/2016			31/12/2015
	Managers	Non-managers	Total	Total
Part-time employees	128	61	189	206
Part-time employees as % of total	6.6%	14.5%	8%	8.9%
Coverage: France + 50 employees	98.4%			99.9%

At the end of the various pilot schemes run at Crédit Agricole Assurances Group, remote working was rolled out to most entities.

Crédit Agricole Assurances Group's main entities signed agreements for employees caregivers. They include:

- information making available:
  - a "Responsage" telephone platform to help employees caring for their dependent parents or children with serious illnesses;
  - an on-line practical guide that deals more particularly with caregivers' health;
  - the assistance of a social worker;
- a support plan to finance personal assistance services with French "Universal Employment Services Cheques" covered at 50% by the company within the limit of €300 per year;
- specific vacations.

So that employees caregivers can have more time, they can be granted vacations, financed by campaigns organised in order to raise rest days offered by Crédit Agricole Assurances' employees. The rest days are granted within the limit of the days raised and can take two forms:

- a caregiver vacation, that gives the opportunity to be off work punctually (within the limit of 10 days per year),
- an exceptional vacation for parents of a child (under the age of 20) who suffers from a particularly serious illness that requires to be off work for a longer duration.

FOSTERING EMPLOYEE ENGAGEMENT AND EMPLOYEE RELATIONS

Employee relations

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

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

There are three bodies which promote employee relations 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 employee relations structure. It is a body for information and dialogue on economic, financial and labour 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, employee relations are managed *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 forms of remuneration.

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, employee relations are also conducted *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 remained stable this year. These agreements cover the topics set out in the table below, in particular the agreement on quality of life in the workplace at Predica, which was signed in 2015 and completed by a protocol signed in 2016, which specifies the actions of prevention health for this very year.

AGREEMENTS SIGNED DURING THE YEAR

	2016			2015
(in number)	France	International	Total	Total
Compensation and benefits	37	-	37	26
Training	-	3	3	8
Employee representative bodies	3	-	3	2
Jobs	1	-	1	-
Working hours	4	-	4	2
Diversity and anti-discrimination	4	-	4	2
Other	15	-	15	8
TOTAL	**64**	**3**	**67**	**48**
Coverage: France + International + 50 employees	100%			94.6%

Employee surveys/barometers

At autumn 2016, the entities of Crédit Agricole Assurances Group participated in the Crédit Agricole Group's survey commitment and recommendation index.

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. The co-development method is being widely applied within the companies.

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

Moreover, within the framework of Assurances 2020 project, 800 employees participated in the collaborative initiatives of the project (workshops, sampling, surveys, etc.).

ACTING AS A RESPONSIBLE COMPANY: TOWARDS SOCIETY

MANAGING THE ENVIRONMENTAL IMPACTS OF ITS 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. Notably, the operations and installations do not generate noise or smell; 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 land do not cause any major known threats either to biodiversity or water resources (more particularly in terms of rejections in the air, in water, in soil). Land use is limited to the space where the buildings are constructed. Water consumption corresponds mainly to employees' consumption and is, as a consequence, considered as having a non-material impact on the resources and on water stress areas.

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 collection and treatment 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 focus systematically on two objectives: 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, bringing together 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, etc.) or recycled paper;
- 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 of GSM. Employee payslips are also printed on both sides.

A special effort has been made in the manufacturing of business envelopes at Predica. The paper of an envelope is 100% recycled, FSC certified 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 2016, the system of using employee badges to operate the photocopiers expanded with the upgrading of the company's photocopiers. This reduces printing, as only truly useful documents are printed.

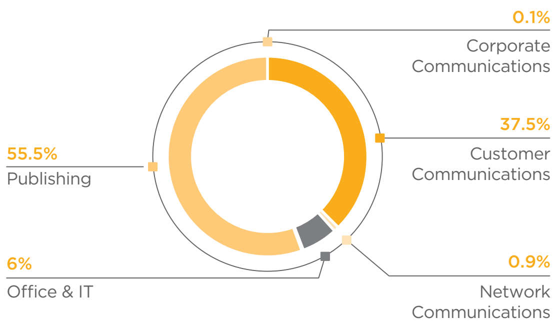
These efforts have managed to reduce employee consumption of office paper from 37 kg per employee and per year in 2014 to 29.7 kg per employee and per year in 2016.

Moreover, the proportion of responsible paper, as defined by Crédit Agricole Group (PEFC, FSC or recycled paper) in purchasing rose from 90% at the end of 2013 to 99% at the end of 2016.

	2016
Total consumption (in tonnes)	1,215 tonnes
Proportion of certified paper	99%

Scope: CAA France

BREAKDOWN OF CONSUMPTIONS BY USE (%)



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

Energy

The management of the operating buildings of Crédit Agricole Assurances Group in Paris 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 processors (ventilation), car park extractors, circulation pumps, *etc.*;
- installation of LED lighting in the car parks of some buildings;
- some equipment made responsive to the outside temperature (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 how the buildings operate.

In 2016, a monitoring audit confirmed the HQE certification for buildings in use at 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. Furthermore, a project of HQE Exploitation certification was initiated in 2016 for our main 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.

	2016			
	Consumption *(kWh)*	**Ratio** *(kWh/m²/year)*	**Estimated coverage ratio**	**Tonnes eq. CO_2**
Electricity	7,104,730	118	93.8%	43
Steam	1,851,850	53	75.9%	414
Fuel	155,721	30	100%	49

Scope: CAA France

The coverage ratio of surface 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).

Crédit Agricole and EDF signed an agreement relative to renewable energy. Expanded in all Crédit Agricole's entities, the agreement plans on the basis of certificates – that energy supplied by EDF to 8,159 Group's sites comes exclusively from renewable energies, hydraulic for most of it, produced in metropolis. Thus, for entities in France, the factor of emission used is 0.006 kg CO_2e/kwh.

Waste management

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

Waste is gathered, re-sorted and valued. On the Lille site, an ESAT (work reintegration facility and service) is responsible for collecting and sorting paper.

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

Computers 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). Other dangerous waste (fluorescent tubes, LEDs, etc.) is also filtered through regulatory recycling channels.

A battery collection bin is made available to employees by Corepile. A D3E waste collection was organised among employees on site for the benefit of an ESAT, for recycling.

In 2015, a cleaning week was organised to encourage employees to empty out their office cupboards. Over three weeks, employees were able to get rid of old papers, folders, boxes, etc. Over a tonne of paper was collected by an ESAT and sent for recovery.

On the Lille site, employees are encouraged to place their used cups, cans and plastic bottles into a recycling container that can recognise, sort and store the waste. Each time a container is inserted in the machine an association receives a micro-donation.

In 2016, on a Parisian site, individual waste bins were removed to be replaced by a selective collecting process, based on a voluntary contribution. This experience, if it proves conclusive, is intended to be applied to all the Parisian sites.

Food waste comes principally from company restaurants, managed under the responsibility of our catering services providers. Crédit Agricole Assurances has not initiated any particular action relative to food waste.

	2016
Paper/cardboard	181 tonnes
Ordinary industrial waste	244 tonnes

Scope: CAA France (excluding Lille and Vaison-la-Romaine sites)

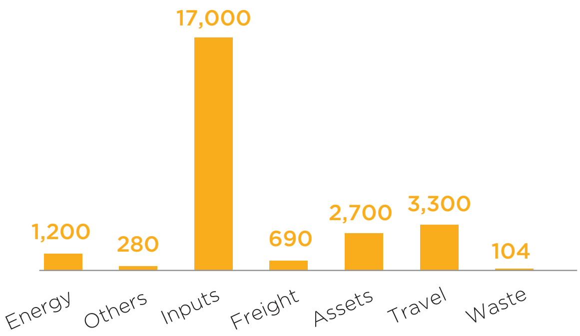
Plastic

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.

Greenhouse gas emissions

In 2015, using 2014 data, Crédit Agricole Assurances performed a carbon assessment (Bilan carbone®) on the French entities using the Ademe methodology. In 2014, a Crédit Agricole Assurances employee emitted 11.8 tonnes of CO_2 equivalent of greenhouse gases.

By line item, the results were as follows:



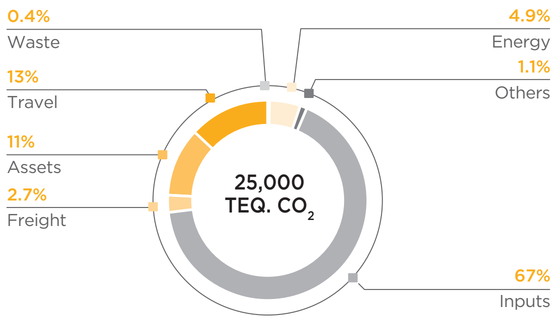
Carbon assessment (Bilan Carbone®) for Crédit Assurances in 2009 (in tonnes eq. CO_2), breakdown by line item. (Scope: CAA France)

After the previous 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 emission 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 2016, following the results of the new carbon assessment, an update of the action plan continued.

Furthermore, works started in 2016 together with Amundi on the calculation of the investment porfolio's carbon imprint.



Scope: CAA France	2016		
	Rail	Air	Total
Distances travelled in thousands of kilometres	5,923	2,640	8,563
CO_2 emissions in tonnes eq. CO_2	267	546	813

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 French FFA'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).

As part of the HQE operation approach at the Saint-Vincent-de-Paul site, a building usage guide explaining the improvements made in managing the building was promoted among employees *via* a competition to win a tree, planted as part of a reforestation programme in France (Aube).

At COP 21, an information campaign on the stakes of COP 21 for the insurance sector was rolled out on the intranets. Furthermore, the Group's first newsletter, launched in December, contained an article on climate change.

An awareness-raising operation on the carbon impact of food was also conducted in the canteen. A flyer explaining the carbon impact of producing various foodstuffs (animal, plant, etc.) was distributed among employees.

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. The Crédit Agricole Assurances Group purchasing charter, about which an internal Crédit Agricole Assurances procedural note was issued, is one example. It includes in particular a detailed description of the basics of the CSR approach in terms of purchasing.

Being responsible throughout the chain

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

- encouraging responsible supplier relations;
- assessing its suppliers on the basis of their CSR management system and the products 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 generally, notably with regard to environmental impact, financial fairness or reducing the risks of reciprocal dependence.

Crédit Agricole Assurances therefore includes in all its contracts:

- the clause from the economic modernisation law on payment periods;
- a clause mentioning a mediator in the event of a dispute;
- a clause on environmental and societal commitments;
- a complete annex dedicated to sustainable development encouraging suppliers to comply with rules relating to:
  - human rights,
  - diversity and working conditions,
  - the environment,
  - business ethics and value chains.

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 of their 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: the environment, social issues, ethics and management of their supply chain. Over 900 suppliers shared by Crédit Agricole S.A. Group entities have now been rated; additional suppliers are currently 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.

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

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.

In 2015, they set up a specific sourcing policy within the Executive Committee with regard to companies in the protected sector. This means that companies in this sector must be prioritised for quotes in four categories of purchases.

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 body. 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 Compliance function, which was deployed within the Group's entities:

- 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.

In order to do so, the Compliance function uses the following resources:

- risk mapping to evaluate non-compliance risks within each entity;
- 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;
- financial security tools including profiling tools and customer account monitoring tools which are used to detect abnormal and/or suspect transactions, surveillance tools which are used to monitor international flows for the purposes of freezing assets and respecting embargoes, and information sharing tools which are used within Crédit Agricole Group;
- compliance tools, mainly those used to manage employees who hold insider information, and tools to prevent and manage conflicts of interest;
- tools 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 33 employees within Crédit Agricole Assurances Group (versus 26 in 2015).

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 2016, 84.7% 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.

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.

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. In this framework, a project to set up the Fourth European Directive relative to preventing the use of the financial system in order to launder money or finance terrorism was initiated within the Group.

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 2016.

International sanctions are one of the most burning current topics and are covered by the Group's businesses. They introduce risks of significant financial and disciplinary sanctions in cases of non-compliance. In October 2015, Crédit Agricole Group signed with the American authorities an agreement relative to a set of penalties imposed on the Group following events that took place between 2003 and 2008. A remedial plan relative to Crédit Agricole Group has been set up since February 2016 for approximately three years. An annual training on the topic of International sanctions has been deployed since 2015 for all employees. It helps in understanding International sanctions, in knowing the different texts in force and in being able to complying these different rules.

Fraud prevention

A process to prevent fraud is deployed in all the entities of Crédit Agricole Group. In 2016, the initiatives taken to counter new forms of organised external fraud, which is backed on increasingly sophisticated techniques, were kept in force. The awareness component proves to be essential to expand diligence measures. In the framework of increasing number of external fraud attempts and of growing complexity in operating methods (particularly *via* cyber criminality), key challenges are from now on financial system players' pro-activity.

A specific training program was created in 2015 for the employees of the insurance activity who are the most concerned in order to raise their awareness about the risk of fraud and its prevention. At end 2016, 82.2% of the identified employees had followed a training relative to fraud prevention. 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 cases of attempted fraud. This unit has correspondents in different departments, it centralises reports on their actions and disseminates information on fraud attempts or new typologies encountered.

The anti-fraud mechanism is being strengthened within Pacifica, with the acquisition of a dedicated tool and the enhancement of fraud data in the information system to enable their use.

Corruption prevention

In line with its traditional values, Crédit Agricole Group considers combating corruption as a major component of good business practices. Measures relative to anti-money laundering, anti-fraud policy, purchasing policy, separated functions policy, avoidance of conflicts of interests or internal rules aimed at regulating presents and benefits, were set up.

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 2016, 75.4% of Crédit Agricole Assurances Group employees had been made aware of corruption prevention strategies.

Protection of personal data

Crédit Agricole Assurances Group designs the compliance mechanism for all of its subsidiaries in France based on the principles and obligations issued by the French Information Technology and Freedoms Commission (CNIL) on personal data protection, as regards its own employees, its customers, or any third party with a relation to Crédit Agricole Assurances' entities. This process forecasts that any processing of individual data must take into account, from its design, personal data protection and professional secrecy provisions concerning customers or more generally relating to third parties linked to the company.

The French National Commission for Information Technology and Civil Liberties (CNIL) established in November 2014 an "Insurance Compliance Pack" in partnership with the relevant professional federations, including the French Insurance Federation (FFA). This "pack" was 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 IT and Freedoms law and adapt to regulatory developments. Crédit Agricole Assurances Group has started, as soon as this "pack" was published, an updating work of declarations.

Crédit Agricole Assurances Group's compliance process aimed also at anticipating the entry into force, in 2018, of an European regulation relative to the protection of individual data, which was adopted in April 2016 and whose sections will be integral part of the process.

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;
- communicated to the Supervisory Authority for what concerns the most important dysfunctions.

The centralisation of reported dysfunction events *via* a feedback process, described in a specific procedure implemented by the Crédit Agricole Group entities, 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 ability, 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 Crédit Agricole S.A.'s 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 home care for dependant people.

Crédit Agricole Assurances Group's work 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 2016, for the sixth 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

(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.*

and civil society (doctors, sociologists, etc.). In six years, Crédit Agricole Assurances received over 800 applications thanks notably to the Regional Banks which promoted the initiative. Since 2010, 124 local projects to help family caregivers have been financed and €1.8 million distributed;

- a partnership with the French Caregivers' Association to consolidate and develop a network of "Caregiver Cafés" across the country over 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. Under this partnership, there are now 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.

A website, www.etreaidant.com, enables caregivers to have information about the initiatives of regional associations. It also shows video reports of the work these associations do, which is supported by Crédit Agricole Assurances. At the end of 2016, 40 videos had been recorded and posted on the etreaidant website.

Furthermore, in 2015 and 2016, Crédit Agricole Assurances lent financial support to the National Caregivers' Day association, which promotes and organises a national caregivers event on 6 October. This Day led to events, which were held in all regions, giving this cause visibility in civil society.

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 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 on the www.etreaidant.com website (in the "colloque" section).

In 2016, Crédit Agricole Assurances continued connecting associations thanks to the organisation of a new meeting, on 22 September, at Paris-Dauphine University in the framework of inter-association meetings organised in the context of workshops led by experts on various issues, like the search for financing, the undertaking of a territorial assessment, the conception of multi-partners projects or the assessment of one's actions.

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 2016, 40 projects had been carried out in three years thanks to a grant of up to €3,000 per project. These general interest projects relate to international solidarity, environmental protection and social inclusion. In 2016, the "employee's favourite" prize was renewed, 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 a Bac +4 (high school diploma) 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, and more specifically in 2016:

- a "vélosolidaires" inter-entities challenge, for the benefit of the French "Restos du Coeur" (€3,000 were collected, including the company's contribution);
- a crowd-funding operation, for the benefit of smallholder farmers, supported by the MiiMOSA crowd-funding platform (€3,500 collected from 40 employees, including the company's contribution);
- on 15 June, a fundraising event in the context of the World Food Day (around €3,000 per year, including the company's contribution in the benefit of Action against Hunger);
- a 145 kg food and hygiene products collection, for the benefit of the French "Restos du Coeur".

Are also regularly organised the following events:

  - invitations of companies in the protected and adapted sector 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,
  - glasses collection to raise funds for the Lyon's Club (1,000 pairs of glasses collected in 2015),
  - clothing collection 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.

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

This is a free translation into English of the report by one of the statutory auditors, appointed as an independent third party, 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 31 December 2016)

To the Shareholders,

Crédit Agricole Assurances

50-56 rue de la Procession

75015 Paris

In our capacity as the statutory auditor of Crédit Agricole Assurances, appointed as an independent third party and certified by COFRAC under number 3-1060 , we hereby report to you on the consolidated labour, environmental and societal information presented in the management report (hereinafter the "CSR Information") for the year ended 31 December 2016, pursuant to 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 a management report including the CSR Information stipulated in Article R. 225-105-1 of the French Commercial Code, and prepared pursuant to the guidelines used by the company, which are composed of the "2016 specification notes" of Crédit Agricole Group for the labour information and the "Crédit Agricole Assurances Group 2016 collection protocol on CSR Information" for the environmental and societal information (hereinafter the "Guidelines"), available on request from the company's registered 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. 822-11-3 of the French Commercial Code (Code de Commerce). We have also implemented a quality control system comprising documented policies and procedures for ensuring compliance with the code 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:

- attest 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 involved nine people and was carried out between October 2016 and February 2017, over a total of about 6 weeks. To help the due completion of our work, we called on our experts in CSR.

We performed the work described below in accordance with the professional standards applicable in France and with the decree of 13 May 2013 establishing the conditions in which the independent third party performs its mission and, for the reasoned opinion on fairness, with international standard ISAE 3000[1].

(1) *ISAE 3000 – Insurance commitments other than audits or reviews of historical financial information.*

1. Statement of completeness of CSR information

NATURE AND SCOPE OF OUR WORK

On the basis of interviews with the individuals in charge of the relevant departments, we reviewed the company's sustainable development strategy with respect to the labour and environmental impacts of its activities and its societal commitments and, where applicable, any initiatives or programmes it has implemented as a result of them.

We compared the CSR Information presented in the management report with the list stipulated by Article R. 225-105-1 of the French Commercial Code (*Code de Commerce*).

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 companies it controls as defined by Article L. 233-3 of the French Commercial Code (Code de Commerce) within the limits stipulated in the "Introduction" section of the chapter 10 of the management report.

CONCLUSION

Based on this work and bearing in mind the limits mentioned above, we attest that the required CSR Information has been disclosed in the management report.

2. Reasoned opinion on the fairness of the CSR Information

NATURE AND SCOPE OF OUR WORK

We conducted around fifteen interviews with about fifteen people responsible for preparing 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 terms of their relevance, completeness, reliability, impartiality and clarity, and taking good practice in the sector into account, where necessary;
- verify that a data-collection, compilation, processing and control procedure has been implemented to ensure the completeness and consistency of CSR Information, and review the internal control and risk management procedures related to the preparation of CSR Information.

We determined the nature and scope of our tests and controls according to the nature and importance of the CSR Information with respect to the characteristics of the company, the labour-related and environmental challenges of its activities, its sustainable development policy and best practices in the field.

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

- at parent entity level, we consulted documentary sources and conducted interviews to substantiate the qualitative information (organization, policies, actions), we applied analytical procedures over the quantitative information and verified, using sampling techniques, the calculation and the consolidation of the data. We also verified that the information was consistent and in accordance with the other information in the management report;
- at the level of a representative sample of entities (Predica and Caagis) selected by us according to their activity, their contribution to the consolidated indicators, their location and a risk analysis, we conducted interviews to ensure that procedures were followed correctly, and we performed detailed tests, 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 the headcount and between 40% and 91% of the quantitative environmental data presented.

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

We also assessed the relevance of explanations given for any information that was not disclosed, either in whole or in part.

We believe that the sampling methods and sample sizes used, based on our professional judgement, allow us to express a limited assurance; a higher level of assurance would have required us to carry out more extensive work. Due to the use of sampling techniques and other limitations intrinsic to the operation of any information and internal control system, we cannot provide absolute assurance that CSR Information disclosed is free of material misstatements.

CONCLUSION

Based on our work, we identified no significant anomaly likely to call into question the fairness of the CSR Information, taken as a whole, and their compliance with the Guidelines.

Neuilly-sur-Seine, 15 March 2017

One of the statutory auditors

French original signed by

PricewaterhouseCoopers Audit

Frédéric Trouillard-Mignen	Anik Chaumartin	Sylvain Lambert
Partner	Partner	Partner of the Sustainability department

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

EMPLOYEE INFORMATION:

- number of employees, including indicator on FTE employees at year-end;
- breakdown of employees by gender, age and geographical region, including indicators on the year-end workforce by contract and status, active year-end workforce by activity, active year-end workforce on permanent contracts by age bracket;
- hirings and lay-offs, including indicators on employees recruited on permanent contracts by reason, on outgoing employees on permanent contracts by gender and reason, on internal mobility;
- compensation and changes, including indicators for average fixed monthly salary at year-end in France, collective variable compensation paid during the year in France, number of promotions by reason;
- absenteeism, including indicator on the number of days of absence by reason;
- organisation of employee relations;
- summary of collective agreements;
- health and safety conditions;
- training policies, including indicators on the number of employees trained;
- number of training hours, including indicator on hours of training for each topic;
- policy implemented and measures taken to promote gender balance, including indicators on the number of women among permanent contract employees, the number of women among the top 10% highest-earning employees;
- policy implemented and measures taken to promote the employment and integration of people with disabilities;
- eliminating 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, and responsible paper purchasing;
- energy consumption and measures taken to improve energy efficiency and the use of renewable energy, including indicators on the consumption of electricity, heating oil and steam;
- greenhouse gas emissions;
- response to the impacts 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 for 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 31 March 2017 on the preparation and organisation of the Board's work and internal control procedures.

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

Ladies and gentlemen,

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 the internal control and risk management procedures set up by Crédit Agricole Assurances.

It should be noted that this report was prepared on the basis of the work carried out by the Secretary General, the Finance department and various heads of key functions, namely Audit, Risk, Compliance and the Actuarial function.

It was finalised on the basis of existing internal documentation and reports available within the establishment under the regulatory internal 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 within the Board of Directors (in particular by means of quarterly presentations on internal control and risk). Finally, the draft report was sent to the Audit Committee and was then presented for approval to the Board of Directors at its meeting of 9 February 2017, prior to publication.

PREPARATION AND ORGANIZATION OF THE BOARD'S WORK

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

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

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

Governance structure and presentation of the Board

Governance structure

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

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

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

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

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

Operation and composition of the Board

At 31 December 2016, the Board was composed of eight members. During the year, the Group kept pursuing its goal of gender parity on the Board. As a result, the Board of Directors of Crédit Agricole Assurances comprises three women directors at end 2016, that is 37.5% of the members.

Since it is wholly owned by Crédit Agricole S.A., the Board of Directors of Crédit Agricole Assurances is 50% composed of Regional Bank executives (the main distribution outlet for the Group's insurance products) and 50% Crédit Agricole S.A. Management. As a result, Crédit Agricole Assurances has no independent directors.

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

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

The obligation to appoint a director representing employees does not apply to Crédit Agricole Assurances, since it already applies to its parent company, Crédit Agricole S.A.

The average age of directors of Crédit Agricole Assurances is 56. The company's articles of association set an age limit of 65; any director who exceeds this limit will be automatically deemed to have resigned at the end of the next Ordinary General Meeting.

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

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

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

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

At 31 December 2016, Crédit Agricole Assurances' Board of Directors consists of eight members and has no non-voting member, since Élisabeth EYCHENNE, non-voting member from 05/11/2013 to 14/06/2016, was appointed director. The eight Board members of Crédit Agricole Assurances are:

Members of the Board	Born in	Nationality	Role on the Board	Offices held	Date of appointment
Raphaël APPERT	1961	French	Chairman of the Board of Directors	Chief Executive Officer of CRCAM de Centre Est	30/10/2014
Élisabeth EYCHENNE	1958	French	Director	Chief Executive Officer of CRCAM de Franche-Comté	14/06/2016
Nicole GOURMELON	1963	French	Director	Chief Executive Officer of CRCAM de Normandie	27/07/2016
Jérôme GRIVET	1962	French	Director	Deputy Chief Executive Officer of Crédit Agricole S.A.	29/10/2015
Isabelle JOB-BAZILLE	1968	French	Director	Chief Economist at Crédit Agricole S.A.	14/06/2016
Xavier MUSCA	1960	French	Director	Deputy Chief Executive Officer of Crédit Agricole S.A.	07/11/2012
Bernard PACORY	1953	French	Director	Chairman of CRCAM Nord de France	17/06/2014
Yves PERRIER	1954	French	Director	Deputy Chief Executive Officer of Crédit Agricole S.A.	29/10/2015

Offices held by each of the directors within the Group or in other companies, whether listed or unlisted, in France or abroad, are given in the management report and in section 3 of the Crédit Agricole Assurances registration document.

During the year 2016, the composition of the Board of Directors underwent a number of changes:

- **General Meeting of Shareholders of 28/04/2016:**
  - ratification of the co-option of Jérôme GRIVET as director, as decided by the Board of Directors of 29/10/2015,
  - ratification of the co-option of Yves PERRIER as director, as decided by the Board of Directors of 29/10/2015, and renewal of his mandate.
- **General Meeting of Shareholders of 14/06/2016:**
  - appointment of Élisabeth EYCHENNE as director,
  - appointment of Isabelle JOB as director and member of the Audit and Accounts Committee.
- **Board of Directors' meeting of 27/07/2016:**
  - the Board of Directors acknowledges the resignation of Jean-Pierre VAUZANGES as member of the Board and President of the Audit and Accounts Committee,
  - co-option of Nicole GOURMELON as member of the Board, to replace Jean-Pierre VAUZANGES,
  - appointment of Élisabeth EYCHENNE as President of the Audit and Accounts Committee and of Nicole GOURMELON as member of the Audit and Accounts Committee.

Details of all offices held by members of the Board of Directors are given in the management report. Additional information on corporate officers can be found in the corporate governance section of the Crédit Agricole Assurances registration document.

All members of the Board of Directors adhere unreservedly to the 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 voting on any resolution which would have the effect of authorising any operation whatsoever in which they 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.

Directors training

In addition to the market researches regularly presented to them, directors attended a training seminar in June 2016 to introduce them to the principles of Solvency 2 and the issues it raises.

Assessment of the Board

During the year, the Board of Directors conducted an assessment of the way it works.

The foregoing underlines that the directors expressed their unanimous satisfaction with regard to the way the Board of Directors and the Audit and Accounts Committee work, as well as concerning their composition and dynamism.

Within the framework of a constructive approach, the directors have expressed a number of suggestions that could improve the common work, including increasing the number of specific insurance training (reinsurance, technical risks, solvency) and measures to ease the organization of the Boards with videoconferencing.

Role and work of the Board

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

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

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

- 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 can appoint a non-voting Board member who attends Board meetings in an advisory capacity. The non-voting Board member is consulted on any question that is listed on the Board's agenda. Hence, beyond his mission of ensuring compliance with the articles of association, he can, after having studied it, give his opinion during the meeting on an item listed on the agenda, in particular an item relative to strategy, activity, growth, operational principles, income, risks governance, the company's accounts.

On 21 July 2009, the Board of Directors of Crédit Agricole Assurances adopted Rules of Procedure which set out the operating procedures for the company's Board and 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 given in this report.

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

The directors' "Code of Conduct" appended to the Rules of Procedure constitutes a formal reminder of the provisions of the laws, regulations and articles of association which relate to the prerogatives and responsibilities associated with holding the office of director (regular attendance, obligation to discretion, protection of the company's 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.

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

WORK OF THE BOARD OF DIRECTORS DURING 2016

The Board of Directors met five times in 2016, on 12 February, 28 April, 27 July, 2 November and 6 December 2016. There was a 75% rate of attendance over the year.

In 2016 the Board of Directors reviewed the following items, in some cases on the basis of the Audit and Accounts Committee's findings:

- the annual and half-year financial statements:
  - contributions made by Insurance business to Crédit Agricole S.A. Group's income statement at 31 December 2015, 31 March 2016, 30 June 2016 and 30 September 2016,
  - closure of the 2015 parent company and consolidated financial statements and approval of the consolidated financial statements at 30 June 2016,
  - European reform of the audit,
  - interim dividend for 2016;
- under Solvency 2 regulations:
  - submission and approval of the reinsurance, subscription and assets-liabilities management policies,
  - presentation of Solvency 2 results at 31 December 2015: ratio at the opening date and sensitivity, risk appetite framework and statement of the Crédit Agricole Assurances Group,
  - regulatory balances:
  - any change in the company's equity (as well as in the main prudential rules governing its business activity),
  - Crédit Agricole Assurances Group's risk strategy and Crédit Agricole Assurances Group's risk limitation system,
  - internal control (permanent and periodic control, preparation and progress of the audit plan, Internal Control Report),
  - key functions (Audit, Risk Management, Compliance, Actuarial Function),
  - new appointments, Annual Report of the Actuarial function, Annual Report of the Audit function, update on current events by the Compliance function;

- regulatory reports:
  - 2015 management report,
  - 2015 Chairman's report,
  - 2015 registration document,
  - 2015 Internal Control report;
  - ORSA (Own Risk and Solvency Assessment) report;
- issuance of subordinated bonds;
- investments:
  - financial and investment policy,
  - investments made;
- compliance: remedial OFAC (Office of Foreign Assets Control) Plan and Volcker regulation;
- business activity of subsidiaries both in France and abroad;
- update on current events abroad;
- 2016 budget and Medium Term Plan 2016-2019;
- overall insurance strategy and holding company guidelines;
- gender parity policy;
- governance:
  - changes within the Board of Directors and Audit Committee,
  - distribution of directors' fees,
  - assessment of the way the Board of Directors works,
  - appointments of the heads of key functions.

"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.

Since the creation of Crédit Agricole Assurances, no agreement falling within the field of application of Article L. 225-38 of the French Commercial Code has had to be previously authorised by the Board, including in 2016.

Presentation of the 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.

On 31 December 2016, members of the Audit and Accounts Committee are:

- Élisabeth EYCHENNE, Chairman of the Committee; director;
- Nicole GOURMELON, director;
- Isabelle JOB-BAZILLE, director;

all having financial and accounting skills.

Representatives from the Finance department, the Secretary General's office, the investments department, the statutory auditors as well as the four heads of key functions (Audit, Risk Management, Compliance, Actuarial Fuction) referred to in Article L. 356-18 of the French Insurance Code have been invited to take part in this Committee.

The working and duties of the Audit and Accounts Committee are laid down by Rules of Procedure approved by the Board of Directors.

The main duties of the Audit and Accounts Committee are:

- to ensure the relevance 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 major operations;
- to monitor the process of compiling financial information;
- to ensure compliance with internal control and risk management rules set by Crédit Agricole S.A.;
- to check that internal procedures exist for the collection and auditing of data, thus ensuring its reliability;
- to review the internal audit plan of Crédit Agricole Assurances Group entities;
- to review the statutory auditors' action plan and monitor the compliance of said statutory auditors with the principle of independence;
- to advise on the appointment or reappointment of the statutory auditors;
- to review any issues of a financial or accounting nature which are submitted 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 2016:

- 11 February 2016;
- 27 April 2016;
- 26 July 2016;
- 27 October 2016.

The Committee's regular attendance rate averaged 100%.

The Committee's work particularly focused on reviewing the annual and half-year financial statements prior to their presentation to the Board. The main accounting options with a significant 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 for the Crédit Agricole Assurances Group and its contribution to the 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 giving details of their auditing of approvals of semi-annual and annual financial statements.

The second area of the Committee's work involved the internal audit, internal control, compliance, actuarial function, dealings with the regulatory authorities. In 2016, this work focused on:

- validation of the 2016 audit plan, monitoring of its progress, any revision and review of the results of the annual audits with follow-up of the implementation of recommendations;

- risks management:
  - examination of the major risks faced by Crédit Agricole Assurances Group, the regular review of aggregate limits set as an acceptable risk level, the levels of use of these limits, management decisions to return to below the limits or the formally approved exemptions if limits are exceeded, and general review of the Internal Control Report,
  - the risks policies approval,
  - the follow-up, for Crédit Agricole Assurances Group, of the solvency ratios,
  - the risks appetite framework and reporting of Crédit Agricole Assurances Group (strategy and follow-up),
  - the ORSA (Own Risk and Solvency Assessment) report approval;
- Compliance issues: activity report (OFAC, market abuse, follow-up Volcker);
- ongoing exchanges with the French Regulatory and Resolution Supervisory Authority (ACPR) (implementation of the ACPR's observations on the readiness of Crédit Agricole Assurances Group for Solvency 2, organisation of the key functions, the ACPR's responsibility for monitoring anti-money-laundering and the prevention of terrorist financing, processing of contracts that have unwound but not yet settled);
- the presentation of the European reform of audit and the approbation by the Committee of the allowed missions and implementation methods;
- the presentation of the actuarial function's Annual Report.

The Chairman of the Audit and Accounts Committee reported to the Board on the work accomplished by the Committee.

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

Compensation Committee

Crédit Agricole Assurances has not got its own Compensation Committee, exclusively composed of members of its Board, and dealing exclusively with its employees and managers' compensation. The management of these topics was indeed devolved, by Board of Directors' decision of 5 November 2013, as proposed by Crédit Agricole S.A., to Crédit Agricole S.A. Compensation Committee.

The roles and responsibilities of Crédit Agricole S.A. Compensation Committee, as well as its composition, meeting frequency and work carried out during the period, are made clear by Crédit Agricole S.A. in its registration document.

For financial year 2016, the Crédit Agricole S.A. Compensation Committee reported the following decisions concerning Crédit Agricole Assurances:

- presentation for information to the Crédit Agricole S.A. Board of Directors on 16/02/2016 of the compensation policy guidelines of Crédit Agricole S.A. Group for financial year 2015. The Compensation Committee noted that the guidelines were consistent with the economic strategy, objectives, values and long-term interests of Crédit Agricole S.A. and its subsidiaries and that it did not encourage risk-taking beyond the level of risk defined by Crédit Agricole S.A. and its subsidiaries;
- on 16/02/2016, presentation for approval to the Crédit Agricole S.A. Board of Directors, of the Group's compensation policy guidelines in order to replace the one formerly approved in 2011;
- on 13/01/2016, the Crédit Agricole S.A. Compensation Committee noted that the variable compensation budget proposed for 2015 took into account the financial condition of Crédit Agricole Assurances and that it reflected sustainable performance consistent with the Crédit Agricole Assurances risk policy;
- on 13/01/2016, the Crédit Agricole S.A. Compensation Committee noted that, for Crédit Agricole Assurances, there were no identified employees due to the exclusion of insurance companies from the scope of Delegated Regulation (EU) No. 604/2014;
- on 19/04/2016, the Crédit Agricole S.A. Compensation Committee was informed that the compensation policy of the Group Crédit Agricole Assurances' entities was updated. This update follows the new requirements established by the Delegated Regulation 2015/35 on the 10 October 2014 that came into effect and was qualified as consistent with the principle of implementation of the Group Crédit Agricole S.A.'s policy;
- on 19/04/2016, the Crédit Agricole S.A. Compensation Committee noted the opinion of the control functions on the deployment and monitoring of the compensation policy in respect of 2015 for Crédit Agricole S.A. and its subsidiaries. The Crédit Agricole S.A. Compensation Committee noted that this opinion had not highlighted any major problems for Crédit Agricole Assurances.

Presentation of the 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 Group Crédit Agricole Assurances;
- moves to bring in new shareholders of Crédit Agricole Assurances consolidated entities;
- contributions (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 covering 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:

- total investment (cost of acquisition and capital increases) over five years in excess of €10 million;
- asset contributions 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 activity, a run-off period of over three years.

Furthermore, on 19 December 2013, the Board of Directors decided to impose a new limit to the powers of the Chief Executive Officer of Crédit Agricole Assurances in relation to investments or divestments in accordance with the decision taken by the Crédit Agricole S.A. Group Risk Management Committee (see paragraph on the Role and Operation of the Board – Amendment of the Rules of Procedure – Article 4).

Compensation policy for members of the Board of Directors

Compensation of the Chairman

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

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.

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

Stock options – bonus shares

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

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

Compensation policy for Executive Corporate Officers

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

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

- an annual fixed compensation that amounts to €400,000;
- an individual variable compensation, with a target of 60% of the fixed compensation and capped to 90% if he overperforms;
- an eligibility for Group Crédit Agricole S.A.'s long term incentive plan.

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

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

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

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

- adopted by the Board on 21/07/2009;
- article 3 "Duties and Operation of the 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;
- article 4 "Power of the Chief Executive Officer" amended by the Board on 12/02/2015;
- article 2 "Organisation of the Board's work" and Article 3 "Duties and operation of the Committees" amended by the Board on 02/12/2015.

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

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

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

Article 3 – Duties and operation of the Committees

COMPENSATION COMMITTEE

By Board of Directors' decision of 5 November 2013, on a proposal from 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 holding a management position within the company.

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

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

A quorum exists if two of its members are 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 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;
- to monitor the effectiveness of the internal control and risk management systems, and specifically:
  - to ensure the appropriate accounting treatment of Crédit Agricole Assurances Group significant transactions as well as major risks, in addition to the overall consistency and compliance with Crédit Agricole S.A.'s internal audit rules,
  - to check that internal procedures exist for the collection and auditing of data, thus ensuring its reliability,
  - to review the Crédit Agricole Assurances Group internal audit plan,
  - to familiarize itself with the Crédit Agricole Assurances Group internal audit programs;
- to ensure the relevance and permanence of the accounting methods adopted for the preparation of the consolidated or parent company financial statements;
- to monitor the statutory audit of parent company and consolidated financial statements by the statutory auditors;
- to review the statutory auditors' action plan and monitor the compliance of said statutory auditors with the principle of independence;
- to advise on the appointment or reappointment of the 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;
- to 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.

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

- acquisition or subscription of securities for the purpose of long-term investment and disposals of such securities (whether majority equity investments or not);
- asset contributions 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;
- contributions (and disposals) of assets or goodwill;
- any operations that may result from the deferred implementation of the transactions described above.

These do not include operations covered by the day-to-day management of assets covering 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:

- total investments (cost of acquisition and capital increases) over five years in excess of €10 million;
- asset contributions or mergers or partnerships resulting in changes to the legal scope of the Group Crédit Agricole Assurances (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 more than three years.

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

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

This mechanism does not include operations falling within the remit of management duties entrusted by the entities to asset management companies, as well as strategic investments linked to the development of bancassurance activities, *i.e.* those that consist in creating branches, spinning off a business, equity participation, or transferring or taking over a business, for which the Chief Executive Officer must seek the prior approval of the Chairman (or Deputy Chairman, where applicable).

TRANSACTIONS INVOLVING INVESTMENTS OTHER THAN IN COLLECTIVE FUNDS

Asset category 1: fixed income

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

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- from €150 million, if exposure is managed by the conglomerate, Crédit Agricole Group.

Asset category 2: listed equities

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

Asset category 3: property assets

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

Asset category 4: unlisted equities

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

TRANSACTIONS INVOLVING INVESTMENTS COLLECTIVE FUNDS

Asset category 1: fixed income

- prior approval from the Chairman and Deputy Chairman of Predica if aggregate exposure exceeds €300 million or if exposure to the asset management company exceeds €750 million;
- prior consultation with the Crédit Agricole S.A. Group Risk Management department if aggregate exposure exceeds €300 million[(1)].

Asset category 2: listed equities

- prior approval from the Chairman and Deputy Chairman of Predica if aggregate exposure exceeds €240 million or if exposure to the asset management company exceeds €600 million;
- prior consultation with the Crédit Agricole S.A. Group Risk Management department if exposure exceeds €300 million[(1)].

Asset category 3: property assets

- prior approval from the Chairman and Deputy Chairman of Predica if aggregate exposure exceeds €240 million or if exposure to the asset management company exceeds €600 million;
- prior consultation with the Crédit Agricole S.A. Group Risk Management department if aggregate exposure exceeds €300 million[(1)].

Asset category 4: unlisted equities

- prior approval from the Chairman and Deputy Chairman of Predica if aggregate exposure exceeds €120 million or if exposure to the asset management company exceeds €300 million;
- prior consultation with the Crédit Agricole S.A. Group Risk Management department if aggregate exposure exceeds €300 million[(1)].

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

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

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

Appendix – directors' code of conduct

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

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

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

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

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

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

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

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

In this respect:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Company capital structure

At 31 December 2016, Crédit Agricole Assurances S.A.'s share capital was composed of 149,040,367 ordinary shares, each with a par value of €10.

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

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

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

On 31 December 2016, there was no Crédit Agricole Assurances S.A. employee share ownership scheme.

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

GOVERNANCE STRUCTURE AND ROLE OF THE CHAIRMAN

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

Law:
The decision shall be taken by the Board of Directors. (L. 225-51-1, al. 2)
AFEP-MEDEF Code of Governance (for information):
"It is the responsibility of each company to decide on the basis of its own specific constraints". (Recommendation 3)
Governance of Crédit Agricole Assurances (provisions beyond the law):
"In accordance with the Act of 15 May 2001 on the new economic regulations and general rules of governance applicable within the Crédit Agricole Group which distinguish between guidance, decision-making and control functions on the one hand, and executive functions on the other, the offices of Chairman and Chief Executive Officer of Crédit Agricole Assurances have been separated". (Governance structure and presentation of the Board – Governance structure – paragraph 2)

Role of the Chairman

Law:
The Chairman schedules and oversees the work of the Board of Directors and reports thereon to the shareholders' meeting. (L. 225-51)
AFEP-MEDEF Code of Governance (for information):
No particular comments on the missions relative to the role of Chairman.
Governance of Crédit Agricole Assurances (provisions beyond the law):
"In accordance with the law and the articles of association the Chairman of the Board of Directors represents the Board. (…) Following consultation with the Chief Executive Officer, the Chairman of the Board of Directors assesses the work carried out during the year and still to be carried out, in particular, when the Board's schedule and meeting agendas are being set". (Governance structure and presentation of the Board – Governance structure)

COMPOSITION AND DIVERSITY OF THE BOARD OF DIRECTORS

Number of directors

Law:
Composed of 3 members at least and of 18 members at most. (L. 225-17 al. 1)
AFEP-MEDEF Code of Governance (for information):
No specific recommendation on the appropriate number.
"The organization of the Board's work, and likewise its membership, must be suited to the shareholder make-up, to the size and nature of each firm's business (…). Each Board is the best judge and its main responsibility is to choose the organizational and operating structure, which the best to carry out its mission". (Recommendation 3)
Governance of Crédit Agricole Assurances (provisions beyond the law):
"Crédit Agricole Assurances, a French public limited company (société anonyme), is managed by a Board of Directors which has at least three members and at most eighteen members, subject to the exemptions provided by law. (…)" (Governance structure and presentation of the Board – Governance structure – paragraph 1)
"At 31 December 2016, the Board was composed of eight members. During the year, the Group kept pursuing its goal of gender parity on the Board. As a result, the Board of Directors of Crédit Agricole Assurances comprises three women directors at end 2016, that is 37.5% of the members". (Operation and composition of the Board – paragraph 1)

Gender balance

Law:
The Board of Directors must be established pursuing a balanced representation between women and men. (L 225-17 al. 2)
- Company whose **shares** are admitted to trading on a regulated market: the proportion of directors of each gender must be at least 20% from the shareholders' meeting of 2014 and 40% from the shareholders' meeting of 2017
- **Large size company:** the proportion of directors of each gender must be at least 40% from the shareholders' meeting of 2017 for all companies with at least 500 employees and €50 million revenues (or whose total balance sheet is equal or above this amount) and from the shareholders' meeting of 2020 for all companies with at least 250 employees and €50 million revenues (or whose total balance sheet is equal or above this amount). (L. 225-18-1)

AFEP-MEDEF Code of Governance (for information):
The proportion of directors of each gender must be at least 40% from the shareholders' meeting of 2016 (Recommendation 6.4)
Governance of Crédit Agricole Assurances (provisions beyond the law):
"At 31 December 2016, the Board was composed of eight members. During the year, the Group kept pursuing its goal of gender parity on the Board. As a result, the Board of Directors of Crédit Agricole Assurances comprises three women directors at end 2016, that is 37.5% of the members". (Governance structure and presentation of the Board – Operation and composition of the Board – paragraph 1)

Directors' age

Law:
The number of directors above the age of 70 May not be more than a third of the number of directors in office. (L. 225-19)
Governance of Crédit Agricole Assurances (provisions beyond the law):
"The average age of directors of Crédit Agricole Assurances is 56. The company's articles of association set an age limit of 65; any director who exceeds this limit will be automatically deemed to have resigned at the end of the next Ordinary General Meeting – Operation and composition of the Board – paragraph 6)

Shares held by directors

Law:
The governing chapters can impose that each director owns a number of Society's shares, which is determined by the governing chapters. (L. 225-25 al. 1)
AFEP-MEDEF Code of Governance (for information):
Directors have to own a significant number of shares.
MIDDLENEXT Code (for information):
The number of shares a director has to own shall be determined by the Board and is indicated in the internal rules.
Governance of Crédit Agricole Assurances (provisions beyond the law):
"Since neither the law nor the articles of association require directors to hold a minimum number of shares, the directors of Crédit Agricole Assurances are not company shareholders". (Governance structure and presentation of the Board – Operation and composition of the Board – paragraph 3)

Directors representing employees shareholders

Law:
If employee shareholding accounts for more than 3% of the share capital, a director representing the employee shareholders is appointed by the shareholders' meeting. (L. 225-23, al. 1)
AFEP-MEDEF Code of Governance (for information):
Recommendation 7.1 confirms the Commercial Code.
Governance of Crédit Agricole Assurances (provisions beyond the law):
"The appointment of a director to represent employee shareholders does not apply since no employee holds one or more Crédit Agricole Assurances shares." (Governance structure and presentation of the Board – Operation and composition of the Board – paragraph 4)

Directors representing employees shareholders

Law:
Obligation for certain companies (with more than 5,000 employees including French affiliates, with more than 10,000 employees in France and abroad) to have an employee director of the company. (L. 225-27-1)
AFEP-MEDEF Code of Governance (for information):
Recommendation 7.2 confirms the Commercial Code.
Governance of Crédit Agricole Assurances (provisions beyond the law):
"The obligation to appoint a director representing employees does not apply to Crédit Agricole Assurances, since it already applies to its parent company, Crédit Agricole S.A." (Governance structure and presentation of the Board – Operation and composition of the Board – paragraph 5)

Advisory Board

Law:
Non-voting Board members are not required
Governance of Crédit Agricole Assurances (provisions beyond the law):
"Non-voting Board members are appointed for a three-year term by the Board of Directors on a proposal from the Chairman. They cannot serve for more than four terms. They may be dismissed by the Board at any time. At 31 December 2016, Crédit Agricole Assurances' Board of Directors consists of eight members and has no non-voting member, since Élisabeth EYCHENNE, non-voting member from 05/11/2013 to 14/06/2016, was appointed director". (Governance structure and presentation of the Board – Operation and composition of the Board)
"On the recommendation of the Chairman, the Board of Directors can appoint a non-voting Board member who attends Board meetings in an advisory capacity. He ensures in particular compliance with the articles of association and gives his contribution and comments to the Board." (Governance structure and presentation of the Board – Role and work of the Board – paragraph 4)

RULES ON THE INDEPENDENCY OF BOARD-MEMBERS, CONFLICTS OF INTEREST AND PLURALITY OF OFFICES

Independent directors

Law:
No legal obligation
AFEP-MEDEF Code of Governance (for information):
controlled companies: one third of the directors has to be independent. (Recommendation 9)
Code MIDDLENEXT (for information):
At least two directors have to be independent (only one if the Board of Directors has at least 5 members).
Governance of Crédit Agricole Assurances (provisions beyond the law):
"Since it is wholly owned by Crédit Agricole S.A., the Board of Directors of Crédit Agricole Assurances is 50% composed of Regional Bank executives (the main distribution outlet for the Group's insurance products) and 50% Crédit Agricole S.A. Management. As a result, Crédit Agricole Assurances has no independent directors". (Governance structure and presentation of the Board – Operation and composition of the Board – paragraph 2)

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

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

List of offices held by directors and Executives

Law:
Mention of the offices held in the management report (L. 225-102-1 al. 4)
Governance of Crédit Agricole Assurances (provisions beyond the law):
List of the offices held for each director (Section 3 Corporate Governance – Information on corporate officers)

Rule governing the number of corporate offices held

Law:
L. 225-21 al. 1/L. 225-77/L. 225-94/L. 225-94-1/L. 225-51-1/L. 225-67
AFEP-MEDEF Code of Governance (for information):
Directors should not agree to hold more than four other directorships in listed corporations, including foreign companies. (Recommendation 19)

OPERATIONS AND ORGANISATION OF THE BOARD (ATTENDANCE, RULES OF PROCEDURE, COMMITTEES)

Number of Board of directors meetings

Law:
The frequency of meetings is not regulated. Only one meeting is compulsory in the year, the one which approves the financial statements. (L 225-36)
AFEP-MEDEF Code of Governance (for information):
Recommendation 11 advocates that the frequency of the meetings is such that they allow for in-depth review and discussion of the matters falling within the Committee's scope.
MIDLLENEXT Code (for information):
Adds a recommendation, which is a minimum of four meetings a year.
Governance of Crédit Agricole Assurances (provisions beyond the law):
"The Board of Directors is convened by its Chairman as often as required by the company's interests and at least four times a year." The Board of Directors met five times in 2016. (Governance structure and presentation of the Board – Role and work of the Board – paragraph 1)

Video Conferencing

Law:
The law gives a capacity.
Governance of Crédit Agricole Assurances (provisions beyond the law):
"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. (...) It may also be refused by the Chairman for technical reasons." (Board of Directors' Rules of Procedure)

Attendance of the directors to the Board

Law:
No legislation requires the attendance of directors to the meetings.
R. 225-19: allows directors to have a representative.
AFEP-MEDEF and MIDLLENEXT Code of Governance (for information):
Insists on attendance (Recommendation 6.1)
Governance of Crédit Agricole Assurances (provisions beyond the law):
"Attendance of directors at meetings of the Board of Directors is compensated by the payment of directors' fees. Each year, its overall budget is set by the General Meeting of Shareholders and its distribution is decided by the Board of Directors. If a director is repeatedly absent, such as to disrupt the smooth functioning of the Board, the Chairman may ask that director to tender his or her resignation (see Rules of Procedure)." (Governance structure and presentation of the Board – Role and work of the Board)
"The Board of Directors met five times in 2016, on 12 February, 28 April, 27 July, 2 November and 6 December 2016. There was a 75% rate of attendance over the year." (Governance structure and presentation of the Board – Role and work of the Board – Work of the Board of Directors during 2016)
"You shall commit to making an active, critical and constructive contribution to the work of the Board of Directors and of any Committees of which you are a member. Attendance at Board and Committee meetings is the primary condition of this involvement." (Directors' code of conduct appended to the Rules of Procedure)

Activity report of the Board's meetings

- Annual and half-year financial statements
- Solvency ratio
- Review of Solvency 2 regulation
- Approval of the management report, Report by the Chairman, Internal Control Report, ORSA Report
- Analyse and review of the subordinated bonds' issues
- Analyse and review of the investments
- Measures associated with OFAC and Volker regulations
- Group's activity
- Budget and 2016-2019 Medium Term Plan
- Overall strategy of the insurance business and orientations of the holding
- Gender equality policy
- Changes in governance
- Self-assessment

Term of office of directors

Law:
The duration of directors' terms of office is set by the by-laws, and may not exceed six years. (L. 225-18 al. 1)
AFEP-MEDEF Code of Governance (for information):
The duration of directors' terms of office is set by the by-laws, and may not exceed four years. (Recommendation 14)
Governance of Crédit Agricole Assurances (provisions beyond the law):
"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." (Governance structure and presentation of the Board – Operation and composition of the Board – paragraph 7)

- Raphael Appert, appointed on 20/10/2014
- Elisasbeth Eychenne, appointed on 14/06/2016
- Nicole Gourmelon, appointed on 27/07/2016
- Jérôme Grivet, appointed on 29/10/2015
- Isabelle Job-Bazille, appointed on 14/06/2016
- Xavier Musca, appointed on 07/11/2012
- Bernard Pacory, appointed on 17/06/2014
- Yves Perrier, appointed on 29/10/2015

Compensation Committee

Law:
The Board of Directors can set up specialized Committees. This is a capacity and not a requirement. (R. 225-29 al. 2)
AFEP-MEDEF Code of Governance (for information):
Recommendation 18
Governance of Crédit Agricole Assurances (provisions beyond the law):
"The management of compensation topics was devolved, by Board of Directors' decision of 5 November 2013, as proposed by Crédit Agricole S.A., to Crédit Agricole S.A. Compensation Committee (...) The Crédit Agricole S.A. Compensation Committee noted that this opinion had not highlighted any major problems for Crédit Agricole Assurances." (Presentation of the Committees – Compensation Committee)

Nomination Committee

Law:
The Board of Directors can set up specialized Committees. This is a capacity and not a requirement. (R. 225-29 al. 2)
AFEP-MEDEF Code of Governance (for information):
Recommendation 17
Governance of Crédit Agricole Assurances (provisions beyond the law):
No nomination Committee

Audit and Accounts Committee

Law:
Companies whose securities are admitted to trading on a regulated market have to set up an Audit and Accounts Committee. (L. 823-19 al. 1)
However, an entity controlled by a company which is itself subject to this requirement is exempted.. (L. 823-20)
AFEP-MEDEF Code of Governance (for information):
Recommendation 16 sets out certain requirements relative to the composition, tasks and operation.
Governance of Crédit Agricole Assurances (provisions beyond the law):
"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. (…)
The Audit and Accounts Committee met four times in 2016:

- 11 February 2016;
- 27 April 2016;
- 26 July 2016;
- 27 October 2016.

The Committee's regular attendance rate averaged 100%." (Presentation of the Committees – Audit and Accounts Committee)

Existence of rules of procedure

Law:
Rules of procedure are not required by law.
AFEP-MEDEF Code of Governance (for information):
Recommendation 31
Governance of Crédit Agricole Assurances (provisions beyond the law):
"The Board of Directors of Crédit Agricole Assurances meeting on 21 July 2009, adopted Rules of Procedure which set out the operating procedures of the company's Board of Directors and Executive Management, while taking account of the separation of the functions of Chairman of the Board and Chief Executive Officer, plus a directors' code of conduct." (Governance structure and presentation of the Board – Role and work of the Board – paragraph 5)
"In particular, the Rules of Procedure set out the way in which the Board's work is organised in Board meetings and in meetings held by its specific Committees (including the Audit and Accounts Committee).
The directors' "Code of Conduct" appended to the Rules of Procedure constitutes a formal reminder of the provisions of the laws, regulations and articles of association which relate to the prerogatives and responsibilities associated with holding the office of director (regular attendance, obligation to discretion, protection of the company's 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.
Since their adoption, the Board of Directors has amended the Rules of Procedure on several occasions: (…)" (Rules of procedure of the Board of Directors)

Directors' code of conduct

AFEP-MEDEF Code of Governance (for information):
Recommendation 20
Governance of Crédit Agricole Assurances (provisions beyond the law):
(See Directors' code of conduct attached to the rules of procedures of the Board of Directors)

Right to be personally informed

Law:
The Chairman or the Chief Executive Officer is bound to disclose to each director all the documents and information required for performance of his or her duties. (L. 225-35 al. 3)
AFEP-MEDEF Code of Governance (for information):
Recommendation 12:

- The rules of procedure should set out the manner in which this right to disclosure is exercised and the related confidentiality duty.
- Importance of providing all relevant information, even critical, at any moment of the company's life, between the Board's meeting if the emergency or importance of the matter so requires.
- Importance of providing directors with information, if they do not have a sufficient knowledge of the company's organization and activity.

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

BOARD ASSESSMENT

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

Law:
No requirement is set down by law.
AFEP-MEDEF Code of Governance (for information):
Recommendation 10 sets out that the Board should periodically review its organisation and functioning. The Board has to make sure that important issues are suitably prepared and debated. He has to measure the actual contribution of each director to the Board's work.
It is recommended that the Board:
- shall organise once year a discussion on how it operates;
- shall carry out a formal evaluation every three years with the assistance of an external consultant;
- shall inform shareholders.

Governance of Crédit Agricole Assurances (provisions beyond the law):
"During the year, the Board of Directors conducted an assessment of the way it works. The foregoing underlines that the directors expressed their unanimous satisfaction with regard to the way the Board of Directors and the Audit and Accounts Committee work, as well as concerning their composition and dynamism. Within the framework of a constructive approach, the directors have expressed a number of suggestions that could improve the common work, including increasing the number of specific insurance training (reinsurance, technical risks, solvency)." (Governance structure and presentation of the Board – Assessment of the Board)

CORPORATE OFFICERS' COMPENSATION

Information on corporate officers' compensation

Law:
L. 225-102-1
AFEP-MEDEF Code of Governance (for information):
Recommendations 23 et 24
Governance of Crédit Agricole Assurances (provisions beyond the law):
Indications in section 3 "Corporate Governance", in the sub-sections "Information on corporate officers – Directors' fees and compensations received" and "Compensation policy – Individual compensation of executive corporate officers."

INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES

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

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

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

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

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

The internal control system is chiefly based on three control functions under banking regulations, namely Permanent Control and Risk Management, Compliance Control and Periodic Control (Internal Audit). At the end of 2016, the staff assigned to these functions for the Crédit Agricole Assurances Group totalled 107 FTE versus 100 FTE at the end of 2015 (+7%), or 49 in the Permanent Control and Risk Management functions, 33 for Compliance Control and 25 in Periodic Control functions. Furthermore, in accordance with the Solvency 2 Directive applicable since 1 January 2016, the Crédit Agricole Assurances Group set up the Actuarial function at the level of the Group and its insurance subsidiaries; it totals 10 FTE. Each of these four key functions (Risk Management, Compliance, Actuarial function, Internal Audit) is headed by a manager appointed by the Executive Management, approved by the Board of Directors and notified to the competent national supervisory authority.

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

In addition, Crédit Agricole Assurances satisfies the new regulatory requirements of the Solvency 2 Directive (effective since 1 January 2016) with its three pillars. thanks to its adaptation over several years of its organisation and procedures, as necessary. Further information on Solvency 2 is given in the "Solvency" section of the "Presentation of Crédit Agricole Assurances", at the beginning of the registration document.

Internal control reference texts

Internal control standards are derived from the regulations applicable to insurance companies (Insurance Code in France and its equivalent in other countries where Crédit Agricole Assurances subsidiaries are based).

In addition, as a subsidiary of a banking group, Crédit Agricole Assurances is subject:

- to the provisions of the French Monetary and Financial Code (Article L. 511-41);
- to the Decree of 3 November 2014 on the internal control of banking, payment services and investment services firms subject to supervision by the French Regulatory and Resolution Supervisory Authority (ACPR);
- to the AMF general regulations and Basel Committee recommendations on internal control, risk management and solvency.

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

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

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

This Charter sets out:

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

The operational framework of the Compliance and Periodic Control functions is similarly organised.

Finally, in December 2015, the Crédit Agricole Assurances Group adopted written policies as required under Solvency 2. These were approved by the Board of Directors of Crédit Agricole Assurances and its subsidiaries in their respective areas. Among these policies, it should be noted that a Crédit Agricole Assurances Group risk management policy exists at the Crédit Agricole Assurances Group level. This serves as a frame of reference for the organisation of the internal control system.

Organisational principles of the internal control system

Fundamental principles

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

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

These principles are supplemented by:

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

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

Oversight

RESPECTIVE RESPONSIBILITIES OF THE BUSINESS LINES WITH CONTROL FUNCTIONS

In terms of banking regulation, three separate control functions ensure the consistency and effectiveness of the internal control system and compliance with the principles listed above over the entire scope of Crédit Agricole Assurances internal control. Their organisation is as follows on 31 Decembre 2016:

- the Risk Management and Permanent Controls Officer (RCPR) of Crédit Agricole Assurances Group has a hierarchical reporting line to the Crédit Agricole S.A. Group Risk department, and a functional reporting line to the Crédit Agricole Assurances Group Executive Management. The RCPRs in the French and foreign subsidiaries have a hierarchical reporting line to Crédit Agricole Assurances' Risk Management and Permanent Controls department, and a functional reporting line to their Executive Management;
- Compliance control falls within the scope of the enhanced compliance program of the Crédit Agricole Group. The holding company Crédit Agricole Assurances' Compliance Officer has a hierarchical reporting line to Crédit Agricole S.A.

Group's Compliance department and a functional reporting line to the Crédit Agricole Assurances Group Executive Management. The compliance head in the subsidiaries have a hierarchical reporting line to Crédit Agricole Assurances' Compliance department and a functional reporting line to their Executive Management.

The Permanent Control system ensures the integration of the control system in general, including non-compliance risks (mapping, local and consolidated control plan, action plans);

- Internal Audit operates as a third level of control throughout the entire Crédit Agricole Assurances Group. Its operation is governed by the internal audit policy of Crédit Agricole Assurances Group, as approved by the Board of Directors, which establishes its independence from operational functions. The Crédit Agricole Assurances Audit director has a hierarchical reporting line to the Crédit Agricole S.A. Group Control and Audit function, and an functional reporting line to the Crédit Agricole Assurances Executive Management.

Finally, Crédit Agricole Assurances Group set up the Actuarial function, required under the Solvency 2, at the level of Crédit Agricole Assurances Group and its insurance subsidiaries. On 31 Decembre 2016, the heads of the Actuarial function for Crédit Agricole Assurances and its subsidiaries, have a hierarchical and a functional reporting lines to their Executive Management.

CONSOLIDATED AND INTERNAL CONTROL

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

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

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

GROUP RISK MANAGEMENT AND INTERNAL CONTROL COMMITTEE

The Risk Management and Internal Control Committee of the Crédit Agricole Assurances Group brings together the four key functions of the Crédit Agricole Assurances Group, as defined by the Solvency 2 Directive. The missions of these functions are specified in the section "Solvency" of the registration document's part 1 "Presentation of Crédit Agricole Assurances".

This Committee meets every six months under the chairmanship of the Chief Executive Officer of Crédit Agricole Assurances. It is comprised of the Chief Executive Officers of the main subsidiaries, the Crédit Agricole Assurances Group Risk Management and Permanent Controls director, the Risk Management and Permanent Controls Officers at the main subsidiaries as well as their Crédit Agricole Group supervisor, Compliance Control Officers of the Crédit Agricole Assurances Group and its main subsidiaries, the Crédit Agricole S.A. Compliance director or his/her representative, the Crédit Agricole Assurances Internal Audit director, and the Head of Crédit Agricole S.A. Group Control and Audit or his/her representative. It was expanded to include the Head of the Crédit Agricole Assurances Group Actuarial function in December 2014.

The purpose of this Committee is to reinforce cross-functional actions to be implemented within the Crédit Agricole Assurances Group. Its role is to review common internal control issues and to ensure the consistency and effectiveness of internal controls and, in particular:

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

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

ROLE OF THE BOARD OF DIRECTORS

The Board of Directors is informed of the organisation, operation and results of the internal control system. It is involved in understanding the main risks to which the company is exposed.

On this basis, it is regularly informed of the overall limits set as acceptable levels of such risks. It is also notified of levels of use of such limits.

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

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

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

In addition, it is informed, at least twice a year, by the executive body and the heads of the three control functions, of internal control activities and results, either directly or *via* feedback given to the Audit and Accounts Committee. In accordance with the Solvency 2 Directive, the heads of the four key functions have direct access to the Board of Directors, to which they present the results of their work at least once a year.

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

ROLE OF THE AUDIT AND ACCOUNTS COMMITTEE

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

As such, it has broad communications powers in respect of all information relating to periodic control, permanent control, including accounting and financial control, and compliance control. Since the beginning of 2016, these communication powers were extended to the Actuarial function.

Accordingly, it receives periodic reports on activity management systems and risk measurement.

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

ROLE OF THE EXECUTIVE BODY: EXECUTIVE MANAGEMENT

The Chief Executive Officer and the two others executive directors appointed under the Solvency 2 Directive are directly involved in the organisation and operation of the internal control system. They ensure that risk strategies and limits are compatible with the financial position (capital base, earnings) and strategic guidelines set by the decision-making body.

The Executive Management defines the general organisation of the Crédit Agricole Assurances Group and oversees its implementation by the relevant staff. In particular, it defines roles and responsibilities and allocates adequate resources to the Internal Control function.

It ensures that the risk identification and measurement systems appropriate for Crédit Agricole Assurances activities and organisation are implemented. It also ensures that all essential information produced by these systems is reported to it on a regular basis.

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

Summary description of the internal control and risk management system

Risk measurement and supervision

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

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

The organisation and operation of the Insurance Risk business line is based on a matrix approach which takes into account the existence of major risk areas in certain entities. Financial risks are monitored by a Crédit Agricole Assurances Group Financial Risks advisor (Predica Risk Management and Permanent Controls Officer), who operates across all entities on behalf of the Crédit Agricole Assurances Group to analyse financial risks (in an advisory capacity) and define a risk framework (proposal of a Financial Risk Strategy and associated risk policies). Other major risks are also managed according to a Crédit Agricole Assurances Group approach, with co-ordination and consolidation given direct impetus by the holding company (technical risks), or by sharing best practices for harmonisation purposes (operational risks). Monitoring and management of IT security and business continuity risks across Crédit Agricole Assurances Group are centralised in the holding company, under the aegis of the ITRM (IT Risk Manager and PCA), and are separated from operational monitoring of those risks, which is under the aegis of the CISO (Chief Information Security Officer), also centralised at the holding company level.

To carry out its strategic orientations, by containing and regulating its risks in a proper manner, CAA Group has implemented a risk appetite framework which has to be observed in 2016. This risk appetite framework, which forms the basis of the Risk Management Strategy, is declined in key indicators by nature of the risks.

The Risk management strategy implemented by Crédit Agricole Assurances Group is based on the overall risk-management framework and the limits and alert thresholds for the range of different risks it is exposed to through the implementation of its business strategy.

It is reviewed and validated, as well as the risk appetite, at least annually, by the Board of Directors of CAA, after review by the Crédit Agricole S.A. Group Risk Management Committee (a sub-Committee of Crédit Agricole S.A.'s Executive Committee, chaired by its CEO) of the main indicators and limits. With regard to limits of their responsibilities, the Crédit Agricole Assurances Executive Management or even the Group's Risk Management of Crédit Agricole S.A. is notified of any breaches of alert thresholds or limits and resulting corrective measures.

The limits system includes, particularly for market risk, Crédit Agricole Assurances Group consolidated limits, set in reference to assets under management (Crédit Agricole Assurances Group total portfolio), on allocations in terms of asset class and risk spreading (by class of rating, by counterparty, by sector, etc.). It is supplemented by alert limits and thresholds to manage Predica asset/liability risks. In addition, the technical risks to which the main life insurance (Predica) and non-life insurance entities (Pacifica, CACI) are exposed, are monitored by means of indicators measuring the ratio between claims and premiums, compared against an alert threshold defined by each of the companies. To control counterparty risk in reinsurance programmes, the quality of the re-insurer is subject to a minimum rating criterion.

Each entity adopts the limits and risk appetite framework of the Crédit Agricole Assurances Group through a process co-ordinated by Crédit Agricole Assurances, taking into account the specificities of life insurance and non-life insurance companies. Furthermore, they have formal risk policies and procedures providing a strict framework for risk management: rules for accepting risk when insurance policies are taken out, hedging of technical risks by reinsurance (action thresholds), claims management, decisions based on formal analyses, authorisations, "four-eyes" principle (second reading, two signatures) where justified by amounts or risk levels, rules governing management mandates granted to asset managers, etc.

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

These measurements are supplemented by regular assessments based on stress scenarios. In this regard, each year, Crédit Agricole Assurances and its subsidiaries conduct the ORSA exercice, a forward-looking assessment of the Medium-Term Plan to analyse changes in their risk profile and solvency, including in negative cases. Prospective assessment can be carried out more often if necessary. The measurement methodologies on which these assessments are based are documented and explained. They are subject to periodic review in order to check their relevance and adaptation to the risks incurred. The Crédit Agricole Assurances Group Methodology Committee, under the responsibility of the Group Risk function, validates the methodologies underpinning the models and indicators used to address major risks for the Crédit Agricole Assurances Group or presenting cross-sector challenges for the Crédit Agricole Assurances Group.

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

On its part, the Crédit Agricole Assurances holding company provides to the governance a comprehensive and consolidated view of the Insurance business risk by producing a Flash-risks dashboard including quarterly review of Crédit Agricole Assurances Group risks, supplemented by monthly risk updates. More specifically, for financial risks, a monthly report makes it possible to ensure compliance with the Crédit Agricole Assurances Group consolidated aggregate limits and to monitor consumption in relation to such limits. The holding company has also set up bodies to oversee risks consistently at Crédit Agricole Assurances Group level: a bi-monthly meeting of the Risk Management Committee, a monthly meeting of the Financial Risks Committee, specialist portfolio reviews (equities, real estate, etc.), quarterly fixed-income portfolio reviews with both the Crédit Agricole S.A. Group Risk Management department and with the Amundi Credit Risk teams, within the context of asset management services outsourced to Amundi.

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

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

The Board of Directors of Crédit Agricole Assurances has approved the threshold, in terms of financial impact, above which it is informed of any significant incident at Crédit Agricole Assurances or one of its subsidiaries, as well as the tolerance threshold for the cost of operational risk over one year under the risk appetite system.

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

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

Financial risks related to the effects of climate change

Crédit Agricole Assurances Group exposure to financial risks related to climate change consequences can be classified, according to the industry's drive, in physical risks and transition risks, knowing that there can also be regulatory risks in the long term.

CSR (Corporate social responsibility) organization is based on a management system headed by a quarterly steering Committee chaired by the Chief Executive Officer of Crédit Agricole Assurances Groups which sets the CSR strategy. The risk function is a member of the steering Committee. The CSR management system is steered by the CSR Responsible within the Group Corporate Communication and CSR Division, and supported by a network of 7 officers and of 36 correspondents in place in the entities.

Direct physical risks are, for instance, the destruction of goods caused by adverse climatic events such as hurricanes, floods or drought, the excess frequency of which can affect the technical results of Crédit Agricole Assurances Property and Casualty business and, besides, cause a decrease in the value of the investments affected by these risks. Moreover, these physical risks can be source of interruptions of the cycle of production of Crédit Agricole Assurances. In front of such a risk, Crédit Agricole Assurances has set in place a business continuity plan as described in the section "Internal control system for the security of information systems and business continuity plans" of the Report by the Chairman of the Board of Directors (Section 3 of the Crédit Agricole Assurances registration document).

In its Property and Casualty business, Crédit Agricole Assurances is exposed, among others, to the disaster risk, in particular climatic risk. The insulation of the climatic effect in the statistical laws used in property and casualty insurance is not easy. The follow-up of this risk is integrated into the monitoring of the insurance technical risk.

The climate effect's isolation in the statistical laws used in property and casualty insurance is uneasy. The monitoring of this risk is included in the monitoring of insurance technical risks. Pacifica, Crédit Agricole Assurances' property and casualty subsidiary, determines annually a climatic risks budget and follows-up disasters due to exceptional climate-related events (floods, storms, droughts) actually recorded during the year, by comparing them with the budget.

The transition to a green economy could impact the business model of some investments and decrease their value. These new risks are taken into account in the investment process of the Investments Division of Crédit Agricole Assurances which tends to integrate also extra-financial criteria into the choice of issuers.

The impacts in terms of image and reputation could result from investments in activities in contradiction with environmental protection policies. As indicated above, the compliance function watches to protect the reputation of Crédit Agricole Assurances Group including in its investments.

The measures taken by Crédit Agricole Assurances to reduce the climatic risks by implementing a low-carbon strategy are developed in the section "economic, social and environmental Information" of the Crédit Agricole Assurances registration document.

In a nutshell, the low carbon strategy concerns two main axes: the reduction of the direct carbon footprint of the functioning of Crédit Agricole Assurances Group (energy consumption, transport) and the consideration of environmental criteria in the investment decisions. As regards the investments, works on the calculation of carbon footprint of the portfolios started in 2016, in association with Amundi.

Besides, Crédit Agricole Assurances Group's offer tries to promote responsible behaviors for its customers through, for instance, fee reduction for the drivers of hybrid or electric vehicles or the insurance of renewable energy installations, in case of disasters in householder's comprehensive insurance policies.

Permanent control system

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

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

The system has now been put into use worldwide, although organisational changes or new activities still require periodic adjustments or additions to be made to the system.

Within the context of the implementation of 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 Officer reports to the Secretary General or to the Chief Executive Officer.

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

The results are made into formal check-lists and are the subject of summary reports, on the one hand, for running the system, in conjunction with the Operational Managers and, on the other, for the attention of the Executive Management within the context, particularly of the Risk Management and Internal Control Committees. The heads of the control functions also receive the main reports issued by the operating departments. Corrective plans of action are set up for any anomalies that these different methods detect.

Non-compliance risk control system

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

These systems are subject to additional monitoring by the Crédit Agricole Assurances' Compliance Officer.

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 conjunction 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.

Crédit Agricole Assurances Compliance also co-ordinates regulatory projects initiated by Crédit Agricole S.A. for the Insurance business line: FATCA, AEOI, Volcker and the OFAC remediation plan.

Internal control system for the security of information systems and business continuity plans

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

Security levels are measured every six months and tests are carried out on a regular basis. Plans are drawn up to improve any weaknesses.

Actions have been taken to secure protection against cyber-attacks.

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

An Insurance Group function continuity plan initiative, aiming at preventing "compartmentalising" should one of its entities suffer damage, was introduced with cross-business line tests involving both French insurance subsidiaries, IT entities and the distribution network (Regional Banks and LCL). Emergency tests were conducted by simulating alternatively a complete loss of each computer centers owned by Crédit Agricole in the Centre region.

In addition, Crédit Agricole Assurances Group uses the Saint-Denis site as a user fall-back site, which is part of the Crédit Agricole Group Eversafe pool of user fall-back sites, and tests it periodically.

Internal control system for accounting and financial information

ROLES AND RESPONSIBILITIES IN THE PREPARATION AND PROCESSING OF FINANCIAL INFORMATION

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

Managers of these functions, who are members of the Finance department of the holding company and its subsidiaries, report to their line manager, the Chief Financial Officer, within their respective entities.

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

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

ACCOUNTING DATA

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

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

MANAGEMENT DATA

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

Management data mainly comes from the Management Control function. It may also come from external sources of information (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, FINANCIAL AND PRUDENTIAL 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 the way in which 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 consolidation scope;
- 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 implemented the general recommendations for the deployment of permanent accounting control within the area of accounting and financial information control. A map of risks pertaining to accounting processes was therefore jointly compiled by the Crédit Agricole Assurances Accounting and the Permanent Control functions. The alert procedure currently in force at the holding company also covers accounting risks.

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

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

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

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

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

Following the entry into force of Solvency 2 since 1 January 2016, the permanent accounting and financial Information control system was extended to the prudential information.

RELATIONS WITH THE 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 the Audit Committee.

Periodic controls (Control and Audit/Audit)

The Periodic Controls function or Internal Audit function, within the meaning of the Solvency 2 Directive, is responsible for third-degree controls throughout the entire Crédit Agricole Assurances scope of internal control, including Key Outsourced Service Providers, in accordance with the Decree of 3 November 2014.

Periodic controls are carried out by a central team in France, the Insurance Audit department, which, on 17 September 2015, was awarded Professional Certification for Internal Audit activities (No. IFACI/2015/0075r, valid until 16 September 2018) by the French Institute of Audit and Internal Control. It is supported by three dedicated teams in subsidiaries in Italy, Poland (property and casualty insurance) and Japan. These controls are independent of the operating units. So as to guarantee its independence, the Crédit Agricole Assurances Internal Audit director reports hierarchically to Crédit Agricole S.A. Control and Audit and functionally to the Chief Executive Officer of Crédit Agricole Assurances. This dual reporting line falls within the operating logic of the Audit-Inspection function of Crédit Agricole S.A. and its subsidiaries.

In accordance with Solvency 2 requirements, the Board of Directors of Crédit Agricole Assurances Group and the Boards of Directors of its insurance subsidiaries approved the appointment of a person responsible for the Internal Audit key function at the Group level and its subsidiaries. Then this appointment was approved by the competent national supervisory authority.

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

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

Controls are in proportion to the nature and intensity of the risks to which all the activities and entities within the 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 at ensuring compliance with external and internal rules, risk management, reliability and completeness of the information and risk measurement systems. They focus, in particular, on permanent control and compliance control systems, as well as the activities of the Actuarial function.

The smooth running of the audit plan is monitored by the Crédit Agricole Assurances Group Control and Audit function and by the Chief Executive Officer of Crédit Agricole Assurances. The Internal Audit director also systematically presents a summary of the findings of the published audits to the Risk Management and Internal Control Committee of the Group and its subsidiaries, as well as to the Audit Committees and, at least once a year, to the Boards of Directors.

The audits carried out by the Audit department, the Crédit Agricole Group Control and Audit function or any external audits (conducted by supervisory authorities) are monitored through a formal system. For every recommendation formulated as a result of these audits, this process ensures the effective implementation of corrective measures, by deadlines agreed with the entity's management at the end of the audit. If necessary, the Head of the Audit department will submit a statutory disclosure to the decision-making body as a result of this process.

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

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

Raphaël Appert

STATUTORY AUDITOR'S 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 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 on the report prepared by the Chairman of the Board of Directors of Crédit Agricole Assurances

(For the financial year ended 31 December 2016)

To the Shareholders,

Crédit Agricole Assurances,

50-56 rue de la Procession

75015 PARIS

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 to you on the report prepared by the Chairman of your company in accordance with Article L. 225-37 of the French Commercial Code for the year ended 31 December 2016.

It is the Chairman's responsibility to prepare and submit to the Board of Directors' approval, a report on 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 in particular 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 on the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information;
- confirm that the report also includes the other information required by Article L. 225-37 of the French Commercial Code. It should be noted that our role is not to verify the fairness of this other information.

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

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

The professional standards require that we perform the necessary 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 may have noted as part of our assignment are properly disclosed in the Chairman's report.

On the basis of our work, we have no matters to report the information relating to the company's internal control and risk management procedures relating to the preparation and processing of the accounting financial and information contained in the report prepared by the Chairman of the Board of Directors in accordance with Article L. 225-37 of the French Commercial Code.

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.

Neuilly-sur-Seine and Paris-La Défense, 15 March 2017

The statutory auditors

French original signed by

PricewaterhouseCoopers Audit		ERNST & YOUNG et Autres	
Frédéric Trouillard-Mignen	Anik Chaumartin	Valérie Meeus	Pierre Planchon

INFORMATION CORPORATE OFFICERS

COMPOSITION OF THE BOARD OF DIRECTORS AT 31 DECEMBER 2016

Raphaël APPERT	Chairman of Crédit Agricole Assurances and Pacifica Chief Executive Officer of Caisse régionale of Centre-Est
Élisabeth EYCHENNE	Chairman of Predica Chief Executive Officer of the Caisse régionale of Franche-Comté
Nicole GOURMELON	Chief Executive Officer of the Caisse régionale of Normandie
Jérôme GRIVET	Deputy Chief Executive Officer of Crédit Agricole S.A., in charge of Group Finance
Isabelle JOB-BAZILLE	Chief Economist at Crédit Agricole S.A.
Xavier MUSCA	Deputy Chief Executive Officer, second executive director of Crédit Agricole S.A.
Bernard PACORY	Chairman of the Caisse régionale Nord de France
Yves PERRIER	Deputy Chief Executive Officer of Crédit Agricole S.A., in charge of Savings, Insurances and Real Estate

DIRECTORS' FEES AND COMPENSATIONS RECEIVED

	Amounts received by directors[1]	
(in €)	**net in 2015**	**net in 2016**
Raphaël APPERT	6,350	7,620
Élisabeth EYCHENNE[2]	-	13,970
Nicole GOURMELON[3]	-	1,270
Jérôme GRIVET[5]	-	-
Isabelle JOB-BAZILLE[2, 5]	-	-
Xavier MUSCA[5]	-	-
Bernard PACORY	6,350	7,620
Yves PERRIER[5]	-	-
Jean-Pierre VAUZANGES[4]	13,970	5,080

(1) *After the following deductions from the sums payable to individual beneficiaries resident in France: income tax prepayment (21%) and social contributions (15.50%).*

(2) *Members of the Board of Directors after being appointed by the general meeting on 14 June 2016.*

(3) *Member of the Board of Directors after being Co-opted by the Board of Directors on 27 July 2016.*

(4) *Member of the Board of Directors until 27 July 2016. Replaced by Nicole GOURMELON.*

(5) *Waived their directors' fees in 2015 and 2016.*

Besides director's fees, these Board-members received the following gross compensations during the year 2016:

	Fixed compensation	Variable compensation		
		non-deferred in cash	**non-deferred in instrument**	**deferred**
• **Jérôme GRIVET**	€480,000	€203,600	€41,710	€136,337
• **Isabelle JOB-BAZILLE**	€200,000	€75,000	€12,900	€27,433
• **Xavier MUSCA** Additional information is available in Crédit Agricole S.A.'s registration document	€700,000	€156,300	€44,806	€149,196
• **Yves PERRIER** Additional information is available in Amundi's registration document	€800,000	€420,000	€152,530	€688,006

BIOGRAPHY OF CORPORATE OFFICERS

Raphaël APPERT

A graduate of the EDHEC business school, Raphaël Appert began his career with Crédit Agricole de Reims in 1983. After spending five years in various divisions of the branch network, then in Marketing and Development, he was appointed Sales director of Crédit Agricole de la Sarthe in 1995. In 1998, he was appointed Finance and Marketing director at Crédit Agricole Anjou et Maine, then four years later by Deputy Chief Executive Officer at Crédit Agricole Centre-Est. After serving as Chief Executive Officer of Crédit Agricole de Val de France Regional Bank from 2005 to 2009, he joined the Executive Management of the Caisse régionale Crédit Agricole de Centre-est on 1 January 2010.

Élisabeth EYCHENNE

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

Nicole GOURMELON

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

Jérôme GRIVET

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

Isabelle JOB-BAZILLE

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

Xavier MUSCA

A graduate of IEP Paris and ENA (1985), Xavier Musca began his career at the Inspectorate-General of Finance in 1985. In 1989 he joined the French Treasury, before being invited to work for the Prime Minister's Office in 1993. Between 2002 and 2004, he was Principal Private Secretary for the French Ministry of the Economy, Finance and Industry. In 2004, he was made Director General of the Treasury, and became Deputy Secretary General of the French President's Office in 2009, in charge of economic affairs, followed by Secretary General in 2011. In 2012, Xavier Musca was appointed Deputy Chief Executive Officer of Crédit Agricole S.A., responsible for international retail banking, asset management and insurance. Since May 2015, Xavier Musca has been Deputy Chief Executive Officer of Crédit Agricole S.A. and is the second executive director.

Bernard PACORY

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

Yves PERRIER

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

Frédéric THOMAS

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

Jean-Pierre VAUZANGES

With a degree in marine engineering, Jean-Pierre Vauzanges began his career in the marine industry. Over the course of his career, he has worked in IT (Computer Vision, Bull), insurance (AGF group and Groupama) and personal and property services (CEO of Mondial Assistance France). In 2004, he joined the Crédit Agricole Group as Deputy Chief Executive Officer of Pacifica. After becoming Chairman of the Management Board of the Eurofactor group, a member of Crédit Agricole S.A., he served as Head of Regional Bank Development. In 2010, he was appointed Chief Executive Officer of the Caisse régionale de Charente-Périgord, followed by that of Ille-et-Vilaine in 2014.

OFFICE HELD BY COROPRATE OFFICERS

In 2016

Raphaël APPERT

Main office within Crédit Agricole Assurances:
Director since 05/11/2013 and Chairman since 30/10/2014

Business address:
CR Centre Est
1, rue Pierre Truchis de Lays
64410 CHAMPAGNE AU MONT D'OR

Born in 1961
(French nationality)

Dates first appointed:
Co-opted by the Board on 05/11/2013 and appointed as Chairmain Chairman on 30/10/2014

Reappointed:
le 16/06/2015

Term of office ends:
2018 AGM

Previous office:
Non-voting Board member from 21/07/2009 to 05/11/2013

OFFICES HELD AT 31/12/2016		OTHER APPOINTMENTS HELD IN THE PAST FIVE YEARS *(Appointments that expired between 2012 and 2016)*	
IN CRÉDIT AGRICOLE COMPANIES			
Chief Executive Officer:	■ CR Centre Est (co-operative society)		
Chairman:	■ Crédit Agricole Assurances (S.A., listed debt securities issuer)[2] ■ Pacifica (S.A.)[2] ■ Carvest (S.A.S.)	**Chairman:**	■ Caagis (2013)[2]
Board-member:	■ Predica (S.A.) ■ Grameen Crédit Agricole (Foundation) ■ CA Financement Suisse (S.A.) ■ CA Bank Polska (S.A.)[1]	**Board-member:**	■ CA Home Loan SFH (2012) ■ CA Services (2014) ■ CA Technologies (2014) ■ Amundi Group (SA listed company) (2015)
		Member of the Supervisory Board:	■ CA Titres (2015)
		Non-voting Board member:	■ Crédit Agricole Assurances (S.A, listed debt securities issuer) (2013)[2]
Member of the FNCA (Fédération nationale de Crédit Agricole):	■ Deputy Secretary General ■ Rapporteur for the Development Orientation Committee ■ Member of the Economy and Territory Commission ■ Member of the Federal Board	**Member of the FNCA (Fédération nationale de Crédit Agricole):**	■ Member of the Financial Organisation Steering Committee (2014)
OTHERS			
Board-member:	■ Siparex Associés (S.A.)		

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

Élisabeth EYCHENNE

Main office within Crédit Agricole Assurances:
Board-member since 14/06/2016 and Chairman of the Audit and Accounts Committee since 27/07/2016

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

Born in 1958
(French nationality)

Dates first appointed:
To the Board on 14/06/2016 and to the Audit and Accounts Committee on 27/07/2016

Term of offices ends:
2019 AGM

Previous office:
Non-voting Board-Member from 05/11/2013 to 14/06/2016

OFFICES HELD AT 31/12/2016		OTHER APPOINTMENTS HELD IN THE PAST FIVE YEARS *(Appointments that expired between 2012 and 2016)*	
IN CRÉDIT AGRICOLE COMPANIES			
Chief Executive Officer:	■ CR de Franche-Comté (co operative society)		
Chairman:	■ Predica (S.A.)[2]	**Chairman:**	■ Caagis (S.A.S.)[2] (2016) ■ CAFCI (CA Franche-Comté ■ Investissements) (S.A.S.)[2] (2016)
Board-member:	■ CA Technologie (economic interest group) ■ Crédit Agricole Assurances (S.A., listed debt securities issuer)[2] ■ Pacifica (S.A.)[2] ■ CA Services (economic interest group) ■ CA Financement (Suisse) (S.A.)[1] ■ CA Home Loan SFH ■ GIE Copernic (economic interest group)	**Board-member:**	■ CA Titres (S.N.C.) (2016) ■ CA Solidarité Développement (Foundation) (2016)
		Non-voting Board member:	■ Crédit Agricole Assurances (S.A., listed debt securities issuer)[2] (2016)
Management Board-member:	■ Uni-Editions (S.A.S.)		
Strategic Committee member:	■ Carvest (S.A.S.)		
Member of the FNCA (Fédération nationale de Crédit Agricole):	■ Member of the international Financial Organisation Steering Committee ■ Member of the Mutual and Life Insurance Commission ■ Sitting Chairman of the Monitoring Centre for Working Conditions ■ Member of the Finance and Risks Commission	**Member of the FNCA (Fédération nationale de Crédit Agricole):**	■ Member of the Economy and Territory Commission (2015) ■ Member of the Multi-channel Retail Banking Committee (2016)
OTHERS			
Board-member:	■ Association Nationale des Cadres Dirigeants		
Non-voting Board member:	■ SNCD	**Permanent delegate:**	■ Amicale du Nord et de l'Est (2015)

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

Nicole GOURMELON

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

Business address:
CRCAM de Normandie
15 esplanade Bruillaud de Laujardière
14050 CAEN Cedex

Born in 1963
(Nationalité française)

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

Term of office ends:
2018 AGM

OFFICES HELD AT 31/12/2016		OTHER APPOINTMENTS HELD IN THE PAST FIVE YEARS *(Appointments that expired between 2012 and 2016)*	
IN CRÉDIT AGRICOLE GROUP COMPANIES			
Chief Executive Officer:	■ CR de Normandie (co-opérative society) ■ Sofinormadie (S.A.S.) (2016)		
Chairman:	■ Britline (S.A.S.)	**Chairman:**	■ CA Normandie Immobilier (SAS) (2016)
Board-member:	■ Crédit Agricole Assurances (S.A., listed debt securities issuer)(2) ■ Caisse locale Eclor (Société coopérative) ■ Adicam (S.A.R.L.) ■ Pacifica (S.A.)(2) ■ Predica (S.A.)(2) ■ Cacib (S.A.)	**Board-member:**	■ CAMCA (Mutuelle) (2016) ■ CA Egypt (S.A.) (2016)(1)
Permanent representative of Sacam Développement, director:	■ LCL (S.A.)		
Permanent representative of CRCAM Normandie, director:	■ Unexo		
		Member of the Supervisory Board:	■ CAMCA Courtage (S.A.S.) (2016)
Member of the FNCA (Fédération nationale du Crédit Agricole):	■ Member of the human ressources Commission ■ Member of the Agriculture and agribusiness Committee ■ Reporting member of the CA's mutual Life and Identity commission ■ Member of the marketing steering Committee	**Member of the FNCA (Fédération nationale du Crédit Agricole):**	■ Membre de la Commission Économie et Territoires (2016)

(1) International appointments.

(2) Crédit Agricole Assurances Group.

Jérôme GRIVET

Main office within Crédit Agricole Assurances:
Board-member since 29/10/2015 and Chief Executive Officer from 01/12/2010 to 31/08/2015

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

Born in 1962
(French nationality)

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

Term of office ends:
2017 AGM

OFFICES HELD AT 31/12/2016		OTHER APPOINTMENTS HELD IN THE PAST FIVE YEARS *(Appointments that expired between 2012 and 2016)*	
IN CRÉDIT AGRICOLE COMPANIES			
Deputy Chief Executive Officer in charge of Group Finance, member of the Executive Committee and Management Committee:	■ Crédit Agricole S.A. (S.A. listed company)	**Chief Executive Officer:**	■ Crédit Agricole Assurances (S.A, listed debt securities issuer)[2] ■ Predica (2015)[2]
		Chairman:	■ Spirica (2015) ■ Dolcea Vie (2014)
		Chairman:	■ CA Life Greece (SA) (2016)[1][2]
		Deputy Chairman:	■ Bes Vida (2012)[2]
Board-member:	■ Crédit Agricole Assurances (S.A., listed debt securities issuer)[2] ■ Caceis (S.A.) ■ Caceis Bank France (S.A.)	**Board-member:**	■ Caagis (2015) ■ Pacifica (2015)[2] ■ CA VITA ■ LCL Obligation Euro (2011) ■ CA Indosuez Private Banking (2014)
Member of the Supervisory Board:	■ Fonds de garantie des dépôts (association loi 1901)	**Permanent representative of Predica, Director: Member of the supervisory Board:**	■ CAPE ■ CA Grands Crus (2015) ■ Siparex Associés (2014)[2]
		Permanent representative of Crédit Agricole Assurances, director:	■ CACI (2015)[2]
		Non-voting Board member:	■ La Médicale de France (2015)[2] ■ CA Immobilier (2015)
OTHERS			
Board-member:	■ Korian (S.A., listed company) ■ Nexity (S.A., listed company)	**Chairman:**	■ Groupement français des bancassureurs (2015)
		Board-member:	■ Icade (S.A., listed company) (2016)
Permanent representative of Predica, director:	■ Foncière des régions (listed company)	**Member of the Board and Executive Committee:**	■ FFSA (2015)
		Permanent representative of Predica, director:	■ Fonds stratégique Participations (SICAV) (2016)
		Deputy Chairman:	■ FFSA (2015)
		Non-voting Board Member:	■ Aéroports de Paris (2014)

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

Isabelle JOB-BAZILLE

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

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

Born in 1968
(French nationanlity)

First appointment:
by the Board on 14/06/2016

Term of office ends:
2019 AGM

	OFFICES HELD AT 31/12/2016	OTHER APPOINTMENTS HELD IN THE PAST FIVE YEARS *(Appointments that expired between 2012 and 2016)*
IN CRÉDIT AGRICOLE COMPANIES		
Member of the extended Executive Committee:	■ Crédit Agricole S.A. (S.A., listed company)	
Chief Economist:	■ Crédit Agricole S.A. (S.A., listed company)	
Board-member:	■ Crédit Agricole Assurances (S.A., listed debt securities issuer)[(2)] ■ Predica (S.A.)[(2)] ■ Mutuelle parisienne de crédit (Caisse locale Paris-Lafayette)	
Co-Chairman:	■ Financi'elles (law 1901 association)	

(1) International appointments.

(2) Crédit Agricole Assurances Group.

Xavier MUSCA

Main office within Crédit Agricole Assurances:
Board-member

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

Born in 1960
(French Nationanlity)

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

Term of office ends:
2017 AGM

OFFICES HELD AT 31/12/2016		OTHER APPOINTMENTS HELD IN THE PAST FIVE YEARS *(Appointments that expired between 2012 and 2016)*	
IN CRÉDIT AGRICOLE COMPANIES			
Deputy Chief Executive Officer, second executive director, member of the Executive Committee, member of the Management Committee:	■ Crédit Agricole S.A. (S.A., listed company)		
Chairman:	■ CA Consumer Finance (S.A.) ■ Amundi Group (S.A., listed company)		
Deputy Chairman, director:	■ Predica (S.A.)[2]	**Deputy Chairman-director:**	■ Crédit Agricole Egypt (2015)[1] ■ Ubaf (2015)
Permanent representative of Crédit-Agricole S.A., director:	■ Pacifica (S.A.)[2]	**Deputy Chairman Supervisory Board:**	■ Crédit du Maroc (2015)[1]
Board-member:	■ Crédit Agricole Assurances (S.A, listed debt securities issuer)[2] ■ Caci (S.A.) ■ Cariparma (SPA) Italy[1]	**Board-member:**	■ Banco Espirito Santo (2014) (listed company) ■ Bespar (2014) ■ Caceis (2015)
OTHERS			
Board-member:	■ Cap Gemini (S.A., listed company)		

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

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Bernard PACORY

Main office within Crédit Agricole Assurances:
Board-member

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

Born in 1953
(French nationanlity)

Date first appointed:
2014 AGM

Term of office ends:
2017 AGM

OFFICES HELD AT 31/12/2016		OTHER APPOINTMENTS HELD IN THE PAST FIVE YEARS *(Appointments that expired between 2012 and 2016)*	
IN CRÉDIT AGRICOLE COMPANIES			
Chairman:	■ CR Nord de France (Société coopérative ■ Foncière de l'Érable (S.A.) ■ Segam Lille (S.A.S.)		
Director:	■ Crédit Agricole Assurances (S.A., listed debt securities issuer)(2) ■ Pacifica (S.A.)(2) ■ CA Cards Payments (S.A.) ■ LCL (S.A.) ■ CA Immobilier (S.A.) ■ Nord de France Immobilier (S.A.S.) ■ Fia Net Europe (S.A.) ■ Finorpa (S.A.S.) ■ CA Polska (S.A.) ■ Nord Capital Investissement (S.A.) ■ Nord Capital Partenaire (S.A.S.)		
Representative of CR Nord de France, Manager:	■ Sainte Croix (S.C.I.)		
OTHERS			
Chairman:	■ Fondation d'entreprise CA Nord de France (SCCV)	**Chairman:**	■ Institut supérieur Agriculture (2014) ■ Socarenord (2015) radiation
Board-member:	■ Voix du Nord (S.A.) ■ Groupe Rossel La Voix (S.A.)		
Permanent representative of CR Nord de France, Board member:	■ Soginorpa Maisons des Cités (S.A.)		
Member of the FNCA (Fédération nationale de Crédit Agricole):	■ Member of the Economy and Territory Commission ■ Healthcare and Ageing Committee ■ Housing Committee	**Member of the FNCA (Fédération nationale de Crédit Agricole):**	■ Customer Relations Committee (2016)

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

Yves PERRIER

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

Business address:
AMUNDI Group
90, boulevard Pasteur
75015 PARIS

Born in 1954
(French nationality)

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

Term of office ends:
2018 AGM

OFFICES HELD AT 31/12/2016		OTHER APPOINTMENTS HELD IN THE PAST FIVE YEARS *(Appointments that expired between 2012 and 2016)*	
IN CRÉDIT AGRICOLE COMPANIES			
Deputy Chief Executive Officer in charge of Savings, Insurance and Real Estate, member of the Executive Committee, member of the Management Committee:	■ Crédit Agricole S.A. (listed company)		
Chairman and Chief Executive Officer:	■ Amundi AM (S.A.)	**Chairman:**	■ Caceis (2015)
Chief Executive Officer, director:	■ Amundi Group (S.A., listed company)	**Board-member:**	■ Euro Securities Partners (2015)
Board-member:	■ Crédit Agricole Assurances (S.A., listed debt securities issuer)[2] ■ Pacifica (S.A.)[2]	**Member Supervisory Board:**	■ Ca Titres (2015)
Permanent representative of Crédit Agricole S.A., Board-member:	■ Predica (S.A.)[2] ■ CA Immobilier (S.A.)		
OTHERS			
Chairman:	■ AFG (Association)	**Chairman:**	■ Société Générale Gestion (2015)
		Board-member:	■ Ciel Group (2015) ■ Maike automotive (S.A.S.) ■ LCH Clearnet (S.A.)[1]

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

Jean-Pierre VAUZANGES

Main office within Crédit Agricole Assurances:
Board-member and Chairman of the Audit and Accounts Committee until 27/07/2016

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

Born in 1957
(French nationality)

Date first appointed: Co-opted by the Board on 30/10/2014

Reappointed: on 16/06/2015

Term of office ends: resigned on 27/07/2016

OFFICES HELD AT 31/12/2016		OTHER APPOINTMENTS HELD IN THE PAST FIVE YEARS *(Appointments that expired between 2012 and 2016)*	
IN CRÉDIT AGRICOLE COMPANIES			
Chief Executive Officer:	■ CR Ille-et-Vilaine (co-operative society)	**Chief Executive Officer:**	■ CR Charente Périgord (2014)
Chairman:	■ Square Habitat (S.A.S.)	**Chairman:**	■ Predica (S.A.)[2] (2016)
Director:	■ Uni-Editions (S.A.S.) ■ Cacib (S.A., listed debt securities issuer) ■ CA Solidarité et Développement (Charity)	**Director:**	■ Fireca (2014) ■ CA Technologies (2015) ■ CA Services (2015) ■ Crédit Agricole Assurances (S.A, listed debt securities issuer)[2] (2016) ■ Pacifica (S.A.)[2] (2016) ■ Camca Assurances (S.A.) (2016) ■ Camca Réassurance (S.A.) (2016) ■ Camca Vie (S.A.) (2016) ■ Camca Mutuelle (S.A.M.) (2016) ■ CA Serbie (S.A.)[1] (2016) ■ Agrica CCPMA Prévoyance (economic interest group) (2016) ■ Pleinchamp (S.A.S) (2016)
		Supervisory Board member:	■ Camca Courtage (S.A.S.) (2016)
Member of the FNCA (Fédération nationale de Crédit Agricole):	■ Economy and Territory Commission ■ Rapporteur for the Healthcare and Ageing Committee ■ Member of the NICE Steering Committee ■ Member of the Agriculture and Food Processing Committee		
Executive Committee member:	■ Sacam Participations		
OTHERS			
Deputy Chairman:	■ ANCD (S.A.S.)		

(1) *International appointments.*

(2) *Crédit Agricole Assurances Group.*

INFORMATION ON EXECUTIVES

At 31 December 2016

Frédéric THOMAS

Main office within Crédit Agricole Assurances:
Chief Executive Officer

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

Born in 1956
(French nationality)

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

Term of office ends:
2018 AGM

OFFICES HELD AT 31/12/2016		OTHER APPOINTMENTS HELD IN THE PAST FIVE YEARS *(Appointments that expired between 2012 and 2016)*	
IN CRÉDIT AGRICOLE COMPANIES			
Executive Committee member:	■ Crédit Agricole S.A. (S.A., listed company)		
Chief Executive Officer:	■ Crédit Agricole Assurances (S.A., listed debt securities issuer)[2] ■ Predica (S.A.)[2]	**Chief Executive Officer:**	■ Caisse régionale Normandie Seine (2015)
		Chairman:	■ Crédit Agricole Technologies et services (2015) ■ Delta (2015) ■ Progica (S.A.S.)[2]
Board-member:	■ Caagis (S.A.S.)[2] ■ Pacifica (S.A.)[2] ■ Spirica (S.A.)[2] ■ CA VITA (SPA)[1][2] ■ CA Indosuez Wealth Management (S.A.) ■ Adicam (S.A.R.L.)	**Board-member:**	■ LCL (S.A, émetteur de titres de créances cotés) (2015) ■ Crédit Agricole Services (2015) ■ Ifcam(2015) ■ Acticam (2015) ■ Cité de l'agriculture (2015) ■ Uni Editions (2015) ■ CA Consumer Finance (2015) ■ CA Leasing & Factoring (2015) ■ NCI Normandie Capital Investissement (2015)
CAA permanent representative, director:	■ Caci (S.A.)[2]	**Representative of CR Normandie Seine:**	■ Uni Expansion Ouest (2015)
		Manager: Permanent representative Predica, member of the Supervisory Board:	■ SCI Montaigne (2015) ■ SEP Normandie Seine (2015) ■ CA Grands crus (S.A.S.) (2016)
Non-voting Board member:	■ La Médicale de France (S.A.)[2] ■ CA Immobilier (S.A.)		
		Member of the FNCA (Fédération nationale de Crédit Agricole):	■ Member of the HR Committee (2015) ■ Deputy Chairman of the SNCD Executive Committee (National Syndicate of Senior Executives) (2015)
OTHERS			
Vice-President:	■ Groupement français des bancassureurs		
Permanent representative of Predica, Chairman:	■ Fonds stratégique Participations (SICAV)		
Board-member:	■ Icade (S.A. cotée)		

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

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MANAGEMENT BODIES AT 31 DECEMBER 2016

COMPOSITION OF THE EXECUTIVE COMMITTEE

Frédéric THOMAS	Chief Executive Officer, executive director of Crédit Agricole Assurances Chief Executive Officer, executive director of Predica
Thierry LANGRENEY	Deputy Chief Executive Officer, executive director of Crédit Agricole Assurances Chief Executive Officer, executive director of Pacifica
Henri LE BIHAN	Deputy Chief Executive Officer, executive director of Crédit Agricole Assurances Deputy Chief Executive Officer, executive director of Predica Chief Executive Officer of Caci Chairman of La Médicale de France
Jean-Jacques DUCHAMP	Deputy Chief Executive Officer of Crédit Agricole Assurances Chairman, executive director of Spirica
Bruno CARLES	Deputy Chief Executive Officer of Predica in charge of development
Grégory ERPHELIN	Chief Financial Officer
Jean-Luc FRANÇOIS	International director
Hichem JABALLAH	Head of Informatics and Industrialisation, Crédit Agricole Assurances' Group Chief Executive Officer of Caagis
Bruno MOATTI	Secretary General

COMPOSITION OF THE MANAGEMENT COMMITEE

Frédéric THOMAS	Chief Executive Officer, executive director of Crédit Agricole Assurances Chief Executive Officer, executive director of Predica
Thierry LANGRENEY	Deputy Chief Executive Officer, executive director of Crédit Agricole Assurances Chief Executive Officer, executive director of Pacifica
Henri LE BIHAN	Deputy Chief Executive Officer, executive director of Crédit Agricole Assurances Deputy Chief Executive Officer, executive director of Predica Chief Executive Officer of Caci Chairman of La Médicale de France
Jean-Jacques DUCHAMP	Deputy Chief Executive Officer of Crédit Agricole Assurances Chairman, executive director of Spirica
Christophe AUBIN	Head of Audit
Christian COUCHOUD	Head of Group Human Resources
Françoise DEBRUS	Chief Investment Officer
Franck DESAUTY	Head of Organisation and Project Management
Brigitte DURAND	Head of Risk and Permanent Control Crédit Agricole Assurances holding
Grégory ERPHELIN	Chief Financial Officer
Jean-Luc FRANÇOIS	International director
Laurent GOULOT	Head of Planning, Orientation and Projects
Hichem JABALLAH	Head of Informatics and Industrialisation, Crédit Agricole Assurances' Group Chief Executive Officer of Caagis
Bruno MOATTI	Secretary General
Caroline NICAISE	Head of Communication, Innovation and CSR
Jean-Michel OLOA	Head of Corporate Insurance & Risk Management
Andrée-Lise RÉMY	Head of Risk and Permanent Control Crédit Agricole Assurances Group

COMPENSATION POLICY

COMPENSATION POLICY OF CRÉDIT AGRICOLE ASSURANCES

General principles applicable to all Crédit Agricole Assurances employees

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

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

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

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

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

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

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

Basic salary

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

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

Individual variable compensation

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

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

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

Individual variable compensation is assessed by precise measurement of the results obtained relative to specific annual objectives (how much), taking into account the conditions in which the objectives were achieved (how).

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

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

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

- do not create incentives that might encourage the persons concerned to promote their own interests to the potential detriment of their client;
- do not encourage speculative trading positions to be taken, where proprietary trading is permitted by law;
- prohibit employees from any recourse to an individual hedging strategy or income protection or liability insurance that could compromise the risk alignment envisaged by variable compensation schemes.

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

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

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

- economic targets are disconnected with the results of the controlled entity, Crédit Agricole Assurances, and based on the results of the immediately upper entity, Crédit Agricole S.A.;

- non-economic targets are set up with respect to the SMART method (Specific, Measurable, Accessible, Realistic and Time-limited). These targets can for instance focus on the quality/reliability of the control procedures under their responsibility.

Collective variable compensation

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

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

Crédit Agricole S.A. employee share ownership

In 2016, in the framework of Crédit Agricole Group's Ambition 2020 Medium Term Plan, the employees of Crédit Agricole Assurances have been given the opportunity to acquire shares of Crédit Agricole S.A. through a capital increase reserved to the Group's employees.

This offer was open to all employees having at least three months service in the Group on the last day of the subscription period. For Crédit Agricole Assurances Group, this offer was open to nearly 3.900 employees in France and 300 abroad.

Compensation policy for executive managers of Crédit Agricole Assurances

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

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

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

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

Individual variable compensation

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

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

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

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

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

ECONOMIC RESULTS

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

HUMAN CAPITAL

The creation of management value is assessed according to the ability to attract, develop and retain the employees necessary for the development of Crédit Agricole S.A. Group by:

- finding and developing talent and future leaders;
- developing skills (training, delegation, etc.);
- managing careers: promotion, internal mobility, etc.;
- motivating teams: sharing information, participating in projects, etc.

INTERNAL AND EXTERNAL CUSTOMERS

Value creation for internal or external customers according to the department is assessed by measuring satisfaction with the services and advice provided.

SOCIETY

The creation of societal value, in line with the mutualist and ethical identity of Crédit Agricole, is measured internally (corporate social responsibility, respect for values other than legal and economic obligations, etc.) and externally (impact on the environment, dealings with partners, customers, investors, suppliers, ethics, etc.).

Conduct that is found to be contrary to fit and proper requirements, compliance rules and procedures and risk limits has a direct impact on the variable compensation awarded.

The amounts of annual variable compensation are calculated as a percentage of base salary. Target bonus increases in line with responsibility levels.

The financial objectives set for each executive manager, irrespective of his/her business line or function, are partly based on Crédit Agricole S.A. Group criteria, commensurate with his/her level of responsibility, and partly on the entity's financial objectives.

Long term variable compensation

The long-term compensation plan set up by Crédit Agricole S.A. Group in 2011 takes the form of a share award and/or cash scheme indexed to long-term performance conditions:

- Crédit Agricole S.A.'s intrinsic economic performance, defined by the evolution of Crédit Agircole S.A.'s gross operating income;
- the relative performance of Crédit Agricole S.A.'s share, compared with a composite index of European banks;

- Crédit Agricole S.A. societal performance, measured by the FReD index.

For each target, the Board of Directors observes a level of achievement included between 0% and 120% of the target the Board defined formerly. Each year, the global rate of acquisition of the deferred and conditional variable compensation is equal to the average of the achievement rate for each target, this average being caped at 100%.

Subject to the fulfilment of the performance conditions, the shares are vested annually in equal proportions over a three-year vesting period.

An additional holding requirement may subsequently be imposed on beneficiaries for a further period.

At the end of the deferred period, the vesting of the shares is linked to the fulfilment of strict long-term performance conditions, on the basis of the following criteria:

- the intrinsic economic performance of Crédit Agricole S.A. Group;
- the relative performance of Crédit Agricole S.A. shares compared to a composite index of European banks;
- societal performance measured by FReD, Crédit Agricole's CSR performance index.

If performance conditions are met or exceeded at the end of the vesting period, 100% of the rights awarded are deemed to have vested.

In the event of partial achievement of performance conditions, a proportional reduction is applied.

Each performance condition accounts for a third of the initial award.

The Chief Executive Officers of Crédit Agricole Assurances are eligible for this long-term plan. The award is determined on an annual basis following a recommendation from the Chief Executive Officer of Crédit Agricole S.A.

Supplementary pension schemes

Since 2011, executive managers of Crédit Agricole Assurances have been eligible for supplementary pension schemes, comprising a combination of defined-contribution plans and a top-up defined-benefit plan:

- the aggregate contributions to the two defined-contribution supplementary pension plans (the branch scheme and the company scheme), are equal to 8% of gross salary capped at eight times the social security cap (of which 5% is paid by the employer and 3% by the beneficiary);
- the rights to the defined-benefit top-up scheme are determined after the rights paid under the defined-contribution plans. Subject to continued employment after retirement, these rights are equal to a pension rate of between 0.125% and 0.30% for every quarter of service (with a maximum limit of 120 quarters) multiplied by the reference compensation.

The reference compensation is defined as the average of the highest gross annual compensation for three out of the last ten years of service in Crédit Agricole entities, including both fixed and variable compensation, with the latter capped at between 40% and 60% of fixed compensation, according to the last salary level.

In all cases, at the settlement date, the total retirement annuity of all schemes is capped at 70% of the reference compensation.

Entitlements that have been accumulated within the Group before the current regulation effective date, are held and, if applicable, cumulative with the rights arising out of the current regulation enforcement, including for the calculation of the payable annuity cap.

Governance of compensation

As a Crédit Agricole S.A. Group entity, the compensation policies and practices of Crédit Agricole Assurances are placed under the governance of Crédit Agricole S.A. Group.

On 5 November 2013, the Board of Directors of Crédit Agricole Assurances decided to transfer the functions of the Compensation Committee to Crédit Agricole S.A.

The Human Resources department of Crédit Agricole Assurances Group provides the Crédit Agricole S.A. Compensation Committee with all the necessary information for that purpose.

Crédit Agricole Assurances thus implements its compensation policy on the basis of decisions adopted by the Board of Directors of Crédit Agricole S.A., in consultation with the Compensation Committee and the Compensation Policy Control Committee of Crédit Agricole S.A. Group. The latter includes the Group Risk Management and Permanent Control department, the Group Compliance department and the Human Resources department of the Crédit Agricole S.A. Group.

The Finance department of Crédit Agricole S.A. Group is also involved in validating procedures for determining the economic results of the variable compensation paid to executive managers.

The definition and implementation of the Compensation Policy are audited by the Crédit Agricole Group S.A. Control and Audit function.

In addition and in order to comply with regulatory requirements, Crédit Agricole Assurances has established a Committee to implement compensation policies; this Committee gathers the Risks Management and Permanent Control department, the Compliance department and the Human Resources department.

The role of this Committee, that involves Control functions in the process of variable compensations review and more precisely the ones relative to identified staff, is to:

- define identification criteria for employee considered as "risk-takers", in a consistent manner within the framework given by the Group for each period, and regulatory requirements specific to Insurance;
- identify and update the list of identified staff;
- coordinate the effective implementation of a risk-behavior control, in accordance with the ongoing procedures and norms;
- validate the review of the process and the reporting to the Group governance bodies, including the information relative to observed risk-behavior individual situation.

COMPENSATION OF IDENTIFIED STAFF

The determination of employees as identified staff is the result of a joint process that involves the the Risks Management and Permanent Control department, the Compliance department and the Human Resources department. This process is under the supervision of the Crédit Agricole S.A. compensations Committee.

In accordance with the Delegated Regulation (EU) 2015/35 of 10 October 2014, the employees considered as "identified staff" include the employees that belong to a category of staff that could have an impact on the risk profile, because of the function they carry out, namely:

- corporate officers and executive directors;
- members of Crédit Agricole Assurances Executive Committee;
- staff holding "key" positions specified in articles 269 to 272 of the Delegated Regulation (EU) 2015/35: risks management, compliance control, internal audit, actuarial function;
- the staff responsible for the underwriting activity and the business development;
- the staff responsible for investments.

The compensation policy of identified staff is specific in terms of variable compensation, 40% of this compensation (60% for the highest compensations) being deffered over three years, subject to performance conditions:

- the deferred share is acquired in one-third tranches: one third during the year N+1, one third during the year N+2 and one third during the year N+3, N being the reference year, provided that the acquisitions conditions are fulfilled (performance conditions);
- the performance conditions are in line with the ones of the long term variation compensation, defined in the chapter "Long term variable compensation" above;
- the differed variable compensation is acquired in the form of shares Crédit Agricole S.A. or instruments indexed to shares Crédit Agricole S.A.;
- the employees involved in this scheme are prohibited from implementing a hedging or insurance strategy (whether on a personal basis or through their employer) with a view to limiting the scope of the statements contained in the compensation system in order to align a portion of the variable compensation with risks taken;
- the total amount of variable compensation attributed to an employee being identified staff can entirely or partially be reduced in function of the actions or risk behavior observed;
- the staff whose variable compensation is below €120,000 is excluded from the scope for the application of these rules relative to deferred compensation.

The compensation paid during the fiscal year to identified staff is the subject of a resolution that is annually submitted to Crédit Agricole S.A.'s General Meeting.

INDIVIDUAL COMPENSATION OF EXECUTIVE CORPORATE OFFICERS

Summary of compensation awarded to Corporate Officers of Crédit Agricole Assurances S.A., required under Article L. 225-102-1 of the French Commercial Code.

Frédéric THOMAS,

Chief Executive Officer of Crédit Agricole Assurances

	2016		2015	
(in €)	Amount awarded in respect of 2016	Paid in 2016	Amount awarded in respect of 2015	Paid in 2015
Fixed compensation	400,000	400,000	133,333	133,333
Non-deferred variable compensation[1]	179,500	57,500	57,500	-
Variable compensation indexed to the Crédit Agricole S.A. share price	35,900	9,890	11,500	-
Deferred and conditional variable compensation[2]	143,600	-	46,000	-
Exceptional compensation	-	-	-	-
Directors' fees[3]	-	-	-	-
Benefits in kind[4]	4,421	4,421	1,474	1,474
TOTAL	**763,421**	**471,811**	**249,807**	**134,807**

(1) Awarded in respect of year n and paid in n+1. Non-deferred variable compensation is calculated on the basis of the achievement of targets set each year by the Board of Directors of Crédit Agricole S.A.

It is 50% composed of financial targets, including:

- *15% covering Crédit Agricole S.A. (revenues, net income Group share, cost/income ratio and return on tangible equity);*
- *35% covering Crédit Agricole Assurances (net income Group share of the Insurance business, Crédit Agricole Assurances expenses, P&C revenues, Death & Disability and Creditor Insurance, Life Insurance net inflows).*

Non-financial targets (50%) are divided between:

- *the development of human capital (measurement of the creation of management value);*
- *measurement of value creation for internal or external customers;*
- *measurement of societal value creation, in line with Crédit Agricole S.A.'s mutualist and ethical identity.*

Variable compensation is composed of two parts:

- *individual variable compensation determined according to the targets detailed above. The target amount, i.e. in the event of 100% achievement of all objectives, corresponds to 60% of annual fixed compensation, potentially rising to a maximum of 90%;*
- *long-term variable compensation, decided annually by the Chief Executive Officer of Crédit Agricole S.A. Group, capped at 30% of the annual fixed compensation and determined with regard to performance measured during the financial year.*

The total compensation is then treated as follows:

- *40% is deferred: this portion vests in three equal amounts in N+1, N+2 and N+3, subject to the fulfilment of performance conditions (see details at next point);*
- *10% is paid in cash indexed to the Crédit Agricole S.A. share price at the end of a six-month holding period, i.e. in September of year N;*
- *the remainder of the non-deferred variable compensation, i.e. 50%, is paid in cash in March of year N.*

(2) Deferred compensation 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.*

For each target, the Board of Directors records a level of achievement between 0% and 120% of the target which it has previously set. Each year, the overall percentage achievement of deferred and conditional variable compensation is the average percentage achieved for each target, capped at 100%.

(3) Net amounts, after the following deductions are made from the sums payable to individual beneficiaries resident in France: income tax prepayment (21%) and social contributions (15.50%). Frédéric Thomas waived his director's fees for the years 2014, 2015 and 2016.

(4) Use of a company car.

RETIREMENT PLANS FOR EXECUTIVE CORPORATE OFFICERS

General principles

Frédéric Thomas, Chief Executive Officer of Crédit Agricole Assurances appointed with effect from 1 September 2015, is not eligible for a pension scheme specific to corporate officers.

Frédéric Thomas, as employee of Crédit Agricole S.A., is member of a general supplementary pension scheme for Crédit Agricole Group executive managers. Crédit Agricole S.A. joined the scheme in January 2010 when it introduced its own pension arrangements adopted by collective company agreement in accordance with Article L. 911-1 of the French Social Security Code.

The plans currently in force are a combination of a defined-contribution plan and a defined-benefit plan. The rights to the top-up defined-benefit plan are determined after the rights paid under the defined-contribution plan:

- contributions to the defined-contribution plan equal. 8% of the gross monthly salary capped at eight times the social security cap (of which 3% is paid by the Executive Corporate Officer);
- on the condition that the beneficiary is a Corporate Officer or an employee when exercising his pension entitlements, additional entitlements under the defined-benefit plan for each year of service represent 1.20% of the reference salary, capped at 36% of the reference salary.

In any event, on liquidation, the total pension is capped, taking into account all company pension schemes and compulsory basic and supplementary schemes, at 70% of the reference compensation under the supplementary pension scheme rules for executive managers of Crédit Agricole S.A.

The rights established by the Group prior to the effective date of the rules in effect are maintained and, if applicable, added to the rights resulting from application of the rules in effect, notably for the calculation of the ceiling for the annuity paid.

The reference salary is defined as the average of the three highest gross annual compensations received during the last 10 years of activity within Crédit Agricole entities, including both fixed compensation and variable compensation, the latter being taken into account up to a ceiling of 60% of fixed compensation.

The supplementary defined-benefit pension scheme in place for Executive Corporate Officers meets the recommendations set out in paragraph 23.2.6 of the AFEP-MEDEF Code and the provisions of Act No. 2015-990 of 6 August 2015 for growth, activity and equal economic opportunities and Article L. 225-42-1 of the French Commercial Code relating to the vesting of conditional annual supplementary defined-benefit pension rights:

- the group of potential beneficiaries is substantially broader than Executive Corporate Officers alone;
- minimum length of service: five years (the Code requires only two years' service);
- progressiveness: proportional to the length of service capped at 120 quarters (30 years), with a vesting rate of between 0.125% and 0.30% per quarter validated, *i.e.* between 0.5% and 1.2% *per annum* (*vs.* a required maximum rate of 3%);
- estimated supplementary pension below the aforementioned ceiling of 45% of fixed and variable compensation due in respect of the reference period;
- obligation for the beneficiary to be a Corporate Officer or salaried executive manager when exercising his or her pension rights.

The Management of this defined-benefit plan is outsourced to an organisation governed by the French Insurance Code.

Funding of the outsourced assets is accomplished *via* annual premiums entirely paid for by the employer and subject to the 24% contribution required by Article L. 137-11 of the French Social Security Code.

Individual rights

Supplementary pension scheme

Frédéric THOMAS,

Chief Executive Officer of Crédit Agricole Assurances

No supplementary retirement benefit is payable to Frédéric Thomas in respect of 2016.

Frédéric Thomas is beneficiary of the supplementary pension scheme for executive managers of Crédit Agricole Group, which supplements the collective and mandatory pension and death & disability schemes.

Up to 31 December 2016, Frédéric Thomas had accrued 34 years and 8 months' employment for the purposes of the supplementary pension schemes of the Crédit Agricole S.A. Group.

In view of this length of service and in accordance with the rules of the supplementary pension scheme of the Crédit Agricole S.A. Group, at 31 December 2016 Frédéric Thomas had reached the maximum defined-benefits vesting rate of 70%, all schemes combined.

Accordingly, the provisions of Article L. 225-42-1 of the French Commercial Code, as amended by Act No. 2015-990 of 6 August 2015 for growth, activity and equal economic opportunities, concerning the application of performance conditions to the annual vesting of supplementary pension rights, do not apply.

In accordance with the provisions of Article L. 225-102-1 of the French Commercial Code, as amended by Act No. 2015-990 of 6 August 2015 for growth, activity and equal economic opportunities, Frédéric Thomas' estimated annual and conditional individual supplementary pension entitlements as at 31 December 2016 break down as:

- a life annuity under a defined-contribution supplementary pension, estimated at €3 thousands gross;
- a life annuity under a defined-benefit supplementary pension, estimated at €340 thousands gross.

The published estimated amounts are the gross amounts before taxes and social security charges applicable at the closing date, particularly income tax payable by individuals and supplementary contributions of 7% and 14%, payable by the beneficiary, which are deducted from the life annuities payable under the defined-benefit supplementary pension plan.

At 31 December 2016, there is no increase of estimated defined-benefits from the defined-benefit supplementary pension scheme (expressed as a percentage of the reference compensation), compared with 31 December 2015.

On this basis, the provisions of Article L. 225-42-1 of the French Commercial Code (Code de Commerce), modified within the framework of French law n° 2015-990 dated 6 August 2015 for growth, activity and equal economic opportunities, limiting the annual growth of conditional rights to 3%, is thus observed.

The uncertain entitlements under the defined-benefit supplementary pension plans are subject to continued employment conditions at retirement.

4

2016 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 2016, 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 2016 and 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 are identical to those used and described in the Crédit Agricole Assurances financial statements at 31 December 2015.

They have been completed by the requirements of IFRS as adopted by the European Union at 31 December 2016, whose application became mandatory for the first time in the 2016 financial year. Details are given in the note 1 to Crédit Agricole Assurances Group's consolidated financial statements at 31 December 2016.

Changes in the scope of consolidation

Note 10 to Crédit Agricole Assurances Group's consolidated financial statements present the scope of consolidation and changes thereto, respectively, throughout the financial year.

ECONOMIC AND FINANCIAL ENVIRONMENT 2016 RESUME

2016 was rich in noteworthy events prompting significant volatility and contrasting trends in the financial markets, without fundamentally altering short-term trajectories in the various economies. 2015 had ended with a slowdown in global economic activity, with large disparities from one area to another: slower growth in China (a slowdown compounded by doubts as to its true extent), fragility in the United States, stagnation in emerging countries but faster growth in Europe. 2016 accordingly began in a feverish climate in the financial markets, against a background of concerns about the solidity of the banking system and more specifically the solvency of some Italian and German banks. Subsequently, two political shocks, both as dreaded they were unforeseen, namely Brexit and the election of Donald Trump, gave the markets a vigorous shake, provoking reactions that were both negative and positive. This was despite the fact that the economic, financial and political implications of these upheavals, both on the economies concerned and those of their partners, were and remain unknown. In early 2016, the outlines of the economic scenario were relatively simple to draw, particularly in the developed world: modest growth and an absence of inflation. But the financial markets feared an unfavorable scenario characterized by a pronounced slowdown in Chinese growth, the uncontrolled impairment of its currency, a fresh plunge in commodity prices, a slowdown in American growth, deflation in the Eurozone and, lastly, a slide by the emerging world into recession. These fears triggered a spike in risk aversion and prompted a desperate search for defensive assets. This resulted in lower yields on US and core Eurozone country debt, with the risk premiums paid by the so-called "peripheral" countries increasing as spreads in the credit markets widened. Significant declines were also registered across equity markets.

However, gradually reassured by the comforting message delivered by the central banks, the markets once again began to look upwards. This episode of market volatility in the first part of 2016 did not fundamentally alter the overall economic picture. To counter financial turmoil and limit its potential to damage the real economy, the Federal Reserve (Fed) and the European Central Bank (ECB) modified their monetary policy strategies. The Fed and the ECB respectively opted for a more cautious and a more flexible policy: the former deferred the increase in the Fed Funds rate, while the latter took vigorous action in March (cutting its three policy rates, broadening the quantitative easing policy and implementing a new series of Targeted Longer-Term Refinancing Operations).

After the return of relative calm in the markets, two very decisive and profoundly unexpected political events upset the second half of 2016. First, at the end of June 2016, a majority of British voters came out in favor of the United Kingdom's exit from the European Union. Taken by surprise, the financial markets reacted strongly, shunning anything that carried the slightest hint of risk. The flight to safety further reduced interest rates on US, Japanese and German government bonds. But, with the exception of the impairment of the British pound, the correction was only shortlived. Then, in November 2016, American voters put Donald Trump into the White House. Turning a deaf ear to talk of geopolitical risks, and ignoring potential trade wars in an already fragile global economic environment, the markets were seduced by the prospect of accelerated growth, driven largely by promises of corporate tax cuts and infrastructure spending. The price of gold fell, equity markets rose, the dollar firmed appreciably, and long-term American and European bond yields tightened. Despite the financial turbulence and multiple uncertainties, the large developed economies have demonstrated resilience. The Eurozone's recovery, driven by strong domestic demand, has been confirmed. In the United States, growth has continued at a slightly slower pace: house-hold consumption and residential investment have remained strong, but productive investment has not recovered, and foreign trade has contributed negatively to growth. Growth is estimated at 1.6% in the Eurozone and the United States alike in 2016. Lastly, in December 2016, the Fed began tightening its monetary policy (25 basis point hike in the Fed Funds rate), while the ECB further relaxed its policy by opting to extend its quantitative easing policy.

CRÉDIT AGRICOLE ASSURANCES GROUP CONSOLIDATED RESULTS

Crédit Agricole Assurances Group results

(in € millions)	**2016**	**2015**	**Changes**
Written premiums	30,775	30,369	1.3%
Change in unearned premiums	(173)	(160)	8.1%
Earned premiums	30,602	30,209	1.3%
Gross revenues or income from other activities	105	137	(23.4%)
Investment income after expenses	8,657	10,000	(13.4%)
Claims paid	(33,373)	(34,523)	(3.3%)
Net income (expense) on business ceded to reinsurers	(67)	(93)	(28.0%)
Other current income (expense)	(3,760)	(3,688)	2.0%
Operating income	**2,164**	**2,042**	**6.0%**
Financing costs	(225)	(402)	(44.0%)
Income tax charge	(588)	(603)	(2.5%)
Profit/loss after-tax on discontinued operations	23	3	x 7,7
Consolidated net income	**1,374**	**1,040**	**32.1%**
Non-controlling interests	6	4	50.0%
CRÉDIT AGRICOLE ASSURANCES GROUP NET INCOME GROUP SHARE	**1,368**	**1,036**	**32.0%**

2016 was a year of resilience in activity, with a slight increase of written premiums (+1.3%) at €30.8 billion. Their changes by lines of businesses are detailed in the paragraph below entitled "gross revenues by business segment".

Investment income after expenses decreased by 13.4% following, in particular, a level of gains on disposals lower than in 2015.

Claims paid were down by 3.3%. The whole decrease results from lower claims paid in life insurance. In non-life business, claims paid were in line with portfolio growth.

The change in other current income (expense) was mainly related to administrative expenses and contracts acquisition costs, which increase with business.

The decrease in financing costs is primarily due to an atypical level in 2015, following the payment to Crédit Agricole S.A. of two cash balances (for a global amount of €179 million before taxes) associated with the early repayment of two subordinated debts.

In 2016, tax expenses amounted to €588 million, down by 2.5% compared to 2015. This decrease is mainly due to the decrease of the tax rate applicable under ordinary law in France that amounted to 34.43% in 2016, compared to 38% in 2015.

The increase of the operating income, combined with the decrease of the financing costs, are the main contributors to the net income Group share's growth of 32.0%; it reached €1.4 billion at end 2016.

The breakdown in gross revenues and net income shown below is done on the same basis as the segment breakdown presented in note 5 to the Crédit Agricole Assurances consolidated financial statements, in accordance with IFRS 8.

BREAKDOWN OF NET INCOME (GROUP SHARE) BY BUSINESS SEGMENT

(in € millions)	2016	2015	Changes
Life, France	1,087	887	22.5%
Non-life, France	156	136	14.7%
Creditors (France and International)	51	33	54.5%
International (excluding creditors)	59	50	18.0%
Other	15	(70)	NS
CRÉDIT AGRICOLE ASSURANCES GROUP	**1,368**	**1,036**	**32.0%**

Crédit Agricole Assurances net income Group share in 2016 breaks down as follows:

- an income of €1,087 billion from life insurance in France, up 22.5% compared with 2015. This increase is notably based on the growth of the financial income, in connection with the investments portfolio;
- an income from non-life insurance in France, that increased from €136 million in 2015 to €155 million in 2016, thanks to a steady growth in revenues, combined with well controlled operating expenses and claims, as illustrated by a combined ratio to 95.9%;
- an income from international insurance activities (excluding creditors), of €59 million, up by 18%. The contributors to this increase are Italy in life and non-life insurance and Japan in life insurance;
- an income from creditors' insurance strongly rising by 54.5% to €51 million. This change comes on the one hand from the activity's growth, mainly in connection with consumer credit, and on the other hand from the financial income's contribution;
- an "Other" line item for €14 million. Its wide change compared with 2015 is principally explained by the extraordinary payment in 2015 of two cash balances to Crédit Agricole S.A. related to an early repayment of subordinated debts *(titres subordonnés à durée indéterminée et titres subordonnés remboursables)* following an issue on the market of subordinated undated bonds.

GROSS REVENUES BY BUSINESS SEGMENT[1]

	IFRS		
(in billions of euros)	2016	2015	Changes
Life, France (including intragroup)	20.7	20.4	1.2%
Non-life, France	3.6	3.3	6.5%
Creditors (France and International)	1.0	1.0	2.6%
International (excluding creditors)	5.5	5.6	(1.8%)
Other	-	0.1	NS
CRÉDIT AGRICOLE ASSURANCES GROUP	**30.8**	**30.4**	**1.2%**

(1) *Gross revenues are presented after eliminating intragroup entries.*

Gross revenues under IFRS reported by Crédit Agricole Assurances Group reached €30.8 billion at end-2016, up by 1.2% compared to 2015, driven by life and non-life insurance businesses in France.

Life insurance premiums in France totalled €20.7 billion, up by 1.2% compared to 2015. Net inflows were down by 27.4% to €3.1 billion.

Crédit Agricole Assurances Group continued to grow in the property and liability insurance market in France, with an amount of €3.6 billion of earned premiums, up by 6.5% compared to 2015.

Premiums from creditors' insurance in and out of France reached €1 billion in 2016, up by 2.6% compared to 2015, driven particularly by consumer credit.

Subsidiaries' business out of France (excluding creditors) slightly decreased in 2016 with €5.5 billion in revenues, a consequence of a less dynamic activity in life insurance, in connection with the law rates' background.

The main contributors to premiums out of France were:

- Italy (around 57% of premiums abroad), in particular for life insurance;
- Luxembourg (around 24% of premiums abroad).

A breakdown in premiums between France and International is available in note 7.1 to Crédit Agricole Assurances Group's consolidated financial statements.

CRÉDIT AGRICOLE ASSURANCES GROUP CONSOLIDATED RESULT

Assets

(in € millions)	31/12/2016	31/12/2015	Changes
Intangible assets	1,147	1,126	1.9%
Insurance business investments	348,580	333,364	4.6%
Including UL financial assets	52,432	49,056	6.9%
Share of transferees and retrocessionnaires in liabilities relating to insurance and financial contracts	1,495	1,394	7.2%
Other assets	8,159	6,794	20.1%
Assets held for sale including discontinued operations	576	400	44.0%
Cash and cash equivalents	1,292	1,970	(34.4%)
TOTAL ASSETS	**361,249**	**345,048**	**4.7%**

Crédit Agricole Assurances Group's insurance investments amounted to €349 billion at 31 December 2016, up by 4.6% compared to 2015.

This growth was primarily driven by an increase in bonds and other fixed income securities, resulting mainly from a volume effect following positive net inflows and from the impact of an appreciation in the securities' valuation.

These investments were splitted as follows: 15% in investments representing unit-linked contracts/policies, 70% in bonds and other fixed income securities, 12% in equities and other variable-income securities, 2% in investment properties and 1% in loans, receivables and derivative instruments.

Around 80% of fixed income securities have a financial rating greater than or equal to A.

Liabilities

(in € millions)	31/12/2016	31/12/2015	Changes
Crédit Agricole Assurances equity, Group share	14,994	14,077	6.5%
Minority interests	34	32	6.3%
Total equity	**15,028**	**14,109**	**6.5%**
Liabilities related to insurance policies and financial contracts	308,012	295,080	4.4%
Including liabilities related to UL	52,518	49,210	6.7%
Provisions for risks and expenses	165	217	(24.0%)
Financing debts	7,045	5,008	40.7%
Other liabilities	30,619	30,275	1.1%
Liabilities held for sale including discontinued operations	380	359	5.8%
TOTAL EQUITY AND LIABILITIES	**361,249**	**345,048**	**4.7%**

Crédit Agricole Assurances Group's equity totaled €15.0 billion at 31 December 2016, a €0.9 billion increase compared to 2015, explained mainly by:

- an increase of €249 million in capital and premiums;
- a rise of €410 million in reserves relating to unrealized gains on available for sale securities. It results principally from the growth in unrealized gains on bonds, linked with the interest rates' decrease;
- a positive impact of approximately €300 million, in connection with the contribution of the 2016 consolidated net income, that is above the dividend paid for the year 2015

Financing debts were mainly subordinated securities issued to Crédit Agricole Group entities or the market and debts to companies in the banking sector. Their increase in 2016 comes mainly from two issues of subordinated bonds by Crédit Agricole Assurances, one subscribed within Crédit Agricole S.A.'s Group and the other on the market, each of an amount of €1 billion.

On 31 December 2016, liabilities related to insurance policies and financial contracts amounts to €308 billion and consist of:

- €216.3 billion (*i.e.* 70% of liabilities related to insurance policies and financial contracts) in technical liabilities for life insurance (excluding provisions for profit-sharing);
- €7.2 billion in provisions for profit-sharing;
- liabilities related to unit-linked contracts/policies for €52.5 billion (*i.e.* 17% of liabilities related to insurance policies and financial contracts);
- €21.0 billion in provisions for deferred profit-sharing (liability);
- €6.9 billion in non-life technical provisions;
- €4.1 billion in other provisions.

These liabilities are up by €12.9 billion, mainly due to the growth of activity in 2016 and, secondly, to the increase of unrealized gains on bonds.

RELATED PARTIES

The main transactions concluded between related parties, consolidated companies and key executives of Crédit Agricole Assurances Group at 31 December 2016 are described in the section entitled "General framework – information on related parties" of Crédit Agricole Assurances Group's consolidated financial statements.

AGREEMENTS BETWEEN AN EXECUTIVE, MEANINGFUL SHARHOLDER AND A SUBSIDIARY

No agreement that falls within the article L. 225-102-1 last paragraph of the French Commercial Code has been signed in 2016.

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

As 2017 gets underway, it is important to draw the outlines of a "fundamental" economic scenario in the context of an uncertain and potentially anxiety-provoking political environment, thereby isolating the most obvious risks. Donald Trump may have an aggressive stance in terms of external trade, but only a fraction of the protectionist measures he advocates is ever likely to be implemented. Big changes in tariffs are unlikely. While the funding of a vast infrastructure program is far from settled, President Trump's tax policy as a candidate can be expected to give rise to complex horse-trading, and is likely to be revised downwards. However, fiscal policy is likely to take an expansionary turn. Furthermore, Brexit is not likely to derail the economic scenario: Brexit is only a major problem in that it reflects European political issues; whatever happens, its implementation will be a long process. Stellar in the United States and honorable in the Eurozone, growth is seen as relying on the tireless support of consumers, who are continuing to benefit – to varying degrees, of course – from improvement in the labor market, purchasing power gains and positive wealth effects.

Real growth of 2.3% is forecast in the United States in 2017. The unemployment rate is now below most estimates of its "natural" level of around 4.5-5%. The economy is moving towards full employment, resulting in upward pressure on wages, even though pay increases were slow to take shape, supporting household incomes. Household consumption is expected to remain solid, acting as the main driver of growth in 2017. However, business investment is expected to grow only slightly, and net exports are likely to weigh on growth: the strong dollar and weak growth abroad are dampening US exports at a time when consumer spending is driving imports. The Eurozone, meanwhile, despite the gradual weakening of past support factors (impairment of the euro, weak commodity prices) is projected to grow by 1.5% in 2017. A gradual rebalancing of the sources of growth is emerging: growth is slowing slightly, while remaining above its long-term "potential" trend rate of approximately 1%. Rising commodity prices are easing deflationary pressures and reducing gains in household purchasing power. But they offer businesses better pricing power, which should help boost margins and investment.

This scenario has put long-term interest rates on an upward curve. Gently sloping in the Eurozone, where the ECB, accommodative and active, is still guiding yields for the core countries. Steeper in the US, where the Fed is poised to tighten monetary policy in an environment of accelerating nominal growth. In the United States, expansionary fiscal measures and improving nominal growth prospects are pushing up long-term interest rates, an increase that the markets have already largely priced in since the US elections.

In the Eurozone, interest rates are still subject to the influence of the ECB. The economic improvement, the influence of US rates and the tapering or progressive reduction of bond purchases by the ECB from 2018 (at the earliest) will result in higher yields for the core countries. Increases will be slow given the ECB's mechanism and activism, which prevents an abrupt and lasting upturn. We see 10-year rates closing 2017 at around 2.7% in the US and 0.8% in Germany. Finally, nominal growth and long-term interest rates, diverging monetary policy trends and potential political risks in Europe are a recipe for a moderate appreciation by the dollar.

However, if the scenario of much more expansionary fiscal policy were to materialize in the United States, it would swiftly propel America's nominal growth rate well above trend (2% in real terms, plus a trend inflation rate of 2%). Faster growth of this nature could result in a more significant rise in US long-term rates, triggering a steep appreciation by the dollar and a more aggressive monetary policy from the Fed, especially from 2018. In 2017, the Eurozone is unlikely to be affected by the direct transmission of the US risks to the real economy. Transmission is more likely to come from financial channels: tighter financial and monetary conditions in the United States, resulting in upward pressure on European interest rates compounded by strong pressure from its own political risks (elections in France and in Germany). And it will be up to the ECB alone to bear the heavy task of ensuring minimal visibility, managing interest rates and calming anxious and volatile markets by maintaining an extremely accommodative policy.

For Crédit Agricole Assurances Group

Largest insurer in France[1], Crédit Agricole Assurances keeps growing for the customers' satisfaction, with the support of the Crédit Agricole Group's distribution networks in France and in Europe, through an integrated bancassurance model.

In accordance with the strategic lines presented in March 2016, when Crédit Agricole Group initiated its medium term plan Ambitions 2020, Crédit Agricole Assurances focused on unit-linked policies, death & disability and property & casualty, thus fostering the evolution of its product-mix.

Moreover, 2016 was a starting point for new synergies within Crédit Agricole Group with, amongst others, the implementation of a partnership in social protection and group retirement services between Crédit Agricole Assurances and Amundi or the decision to in-source creditor insurance policies distributed by the Crédit Agricole Regional Banks. Synergies' increase is also based on the sharing of skills within the Group with the implementation of skills as well as a consulting and sales assistance plat-form for banking advisors, for instance within the framework of Premundi, support proposed jointly with Amundi for long-term savings solutions.

Subsequent events

No material event occurred between the end of the reporting period (31/12/2016) and the date of approval by the Board of Directors.

(1) *Sources: La Tribune de l'assurance, 16 November 2016, and L'Argus de l'assurance, 16 December 2016, data at end-2015.*

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)	31/12/2016	31/12/2015
Intangible assets and property, plant & equipment	7	9
Financial assets	15,791	13,714
Current assets	1,426	1,265
Accruals and deferred income	22	9
TOTAL ASSETS	**17,247**	**14,998**

Total assets increased from €15.0 billion at end-2015 to €17.2 billion at end-2016.

The 15.1% growth in the financial assets from €13.7 billion at end-2015 to €15.8 billion at end-2016, was related:

- for the main part, to a €2 billion increase in receivables relating to equity investments, following the granting by Crédit Agricole Assurances of new subordinated loans to several subsidiaries;
- to a lesser extent, to a €92 million increase in equity investments, which results from capital increases carried out by Crédit Agricole Assurances in some subsidiaries.

Current assets mostly consisted of marketable securities. They grew by €161 million from 2015 to 2016. This 12.7% increase was mainly driven by investments in bonds.

Liabilities

(in € millions)	31/12/2016	31/12/2015
Share capital and reserves	9,392	9,152
Net income/(loss) for the year	1,019	966
Interim dividend (financial year in progress)	(565)	(475)
Total equity	**9,846**	**9,642**
Other equity	1,745	1,745
Financing debts	4,428	2,396
Provisions for risks and expenses	29	26
Debt to credit institutions	1,143	1,137
Other liabilities	57	52
TOTAL EQUITY AND LIABILITIES	**17,247**	**14,998**

Changes in equity in 2016 were driven by:

- the payment of a €565 million interim dividend for 2016;
- an increase by €249 million of the share capital and premiums.

Other equity, which accounts for €1.8 billion, refers to two subordinated bonds of €750 million and €1 billion issued in 14 October 2014 and 13 January 2015 respectively.

The €2 billion increase in financing debts resulted from the issue of two redeemable subordinated debts of €1 billion each in 2016.

Debt to credit institutions are almost stable between 2015 and 2016. They were subscribed at a level of €1 billion within the Group Crédit Agricole S.A.

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 2016, the balance of these accounts amounted to €1.1 million including VAT, that is to say the same level as in 2015, and to €0.9 million before taxes. As indicated in the table below, this balance is composed of invoices which are in arrears for 90%, the complement being distributed between payment due dates in January and February 2017.

Crédit Agricole Assurances S.A generally paid its suppliers within 62 days in 2016.

	Article D. 441 I.-1: received unpaid invoices at year-end which are in arrears						**Article D. 441 I.-2: issued unpaid invoices at year-end which are in arrears**					
	0 day	**1 to 30 days**	**31 to 60 days**	**61 to 90 days**	**91 days and more**	**Total (1 day and more)**	**0 day**	**1 to 30 days**	**31 to 60 days**	**61 to 90 days**	**91 days and more**	**Total (1 day and more)**
(A) Late payments' instalments												
Cumulative number of corresponding invoices	16					13	33					33
Cumulative amount of corresponding invoices ex.taxes *(millions of euros)*	0.1	0.0	0.0	0.0	0.8	0.8	7.0	0.0	0.0	0.0	2.0	3.0
Percentage of the total amount of the fiscal year purchases ex. taxes	0%	0%	0%	0%	2%	2%						
Percentage of the fiscal year total premiuns ex. taxes							16%	0%	0%	1%	5%	6%
(B) Invoices excluded from (A) relatives to contentious or unrecognized liabilities and receivables												
Number of excluded invoices	-	-	-	-	-	-	-	-	-	-	-	-
Total amount of excluded invoices	-	-	-	-	-	-	-	-	-	-	-	-
(C) Délais de paiement de référence utilisés (contractuel ou délai légal – article L. 441-6 ou article L. 443-1 du Code de commerce)												
Délais de paiement utilisés pour le calcul des retards de paiement	• Délais contractuels: • Délais légaux: 60 jours						• Délais contractuels: • Délais légaux: 60 jours					

	Article D. 441 -II: received invoices for which a late payment occured during the year						**Article D. 441 -II: issued invoices for which a late payment occured during the year**					
	0 day	**1 to 30 days**	**31 to 60 days**	**61 to 90 days**	**91 days and more**	**Total (1 day and more)**	**0 day**	**1 to 30 days**	**31 to 60 days**	**61 to 90 days**	**91 days and more**	**Total (1 day and more)**
(A) Late payments' instalments												
Cumulative number of corresponding invoices	3,226					1,218	129					139
Cumulative amount of corresponding invoices ex.taxes *(millions of euros)*	31	7	2	2	5	16	18	9	1	5	1	16
Percentage of the total amount ex.taxes of the invoices received in the year	64%	14%	5%	5%	10%	34%						
Percentage of the total amount ex.taxes of the invoices issued in the year							42%	20%	2%	11%	3%	36%
(B) Invoices excluded from (A) relatives to contentious or unrecognized liabilities and receivables												
Number of excluded invoices	-	-	-	-	-	-	-	-	-	-	-	-
Total amount of excluded invoices	-	-	-	-	-	-	-	-	-	-	-	-
(C) References terms of payment used (contractual or legal terms – article L. 441-6 or article L. 443-1 of the French Commercial Code)												
Terms of payment used to calculate the late payments	• Contractual terms: • Legal terms: 60 days						• Contractual terms: • Legal terms: 60 days					

CRÉDIT AGRICOLE ASSURANCES S.A. CONDENSED INCOME STATEMENT

(in € millions)	2016	2015	Changes
Operating income	37	31	19.4%
Operating expenses	(112)	(94)	19.1%
Operating income (1)	**(75)**	**(62)**	**21.0%**
Financial income	1,404	1,539	(8.8%)
Financial expenses	(307)	(502)	(38.8%)
Net financial income (2)	**1,097**	**1,037**	**5.8%**
Net extraordinary items (3)	**-**	**(13)**	**(100.0%)**
Income tax and other (4)	(3)	4	NS
NET INCOME (1) + (2) + (3) + (4)	**1,019**	**966**	**5.5%**

At end-2016, Crédit Agricole Assurance S.A. reported a net income of €1,019 million up by 5.5% yoy driven by an increase of the net financial income:

- the financial income decreases by 8.8%. This evolution results principally from extraordinary financial income in 2015 following the payment of a cash balance by Predica related to early repayment of intragroup subordinated debts;
- the 38.8% decrease in financial expenses is mainly due to the payment of two balance payments of €179 million following the early repayment of undated subordinated debts to Crédit Agricole S.A. after the issue by Crédit Agricole Assurances of €1 billion in subordinated bonds.

The change in operating income corresponds to operating expenses net of charge-backs.

In 2015 Crédit Agricole Assurances S.A. reported negative net extraordinary items of -€13 million explained by an litigation linked to a tax assessment relating to the fiscal year 2008.

FIVE YEAR FINANCIAL SUMMARY

(in €)	2012	2013	2014	2015	2016
Share capital at the end of the financial year	**1,162,542,980**	**1,240,569,500**	**1,448,754,700**	**1,448,754,700**	**1,490,403,670**
Number of shares outstanding	116,254,298	124,056,950	144,875,470	144,875,470	149,040,367
Net income & other comprehensive income from transactions					
Gross revenues excluding taxes	13,581,958	16,273,692	26,592,265	25,516,615	28,419,191
Earnings before tax, depreciation, amortization and provision expense	1,838,427,168	1,473,135,821	876,018,569	1,004,557,767	1,037,236,933
Income tax charge	(17,729,000)	(35,558,383)	(152,760)	4,450,746	(2,973,082)
Charge to depreciation, amortization and provisions	278,241,413	(17,981,710)	(18,258,925)	(43,244,820)	(15,767,075)
Earnings after tax, depreciation, amortization and provision expense	2,098,939,582	1,419,595,728	856,086,795	965,763,692	1,018,555,404
Distributed earnings	1,026,525,429	941,592,251	445,364,450	973,753,170	564,862,991 (1)
Earnings per share					
Earnings after tax but before depreciation, amortization and provision expense	15.66	11.59	6.04	6.96	6.94
Earnings after tax, depreciation, amortization and provision expense	18.05	11.44	5.91	6.67	6.83
Dividend per share	8.83	7.59	3.59	6.72	3.79
Employees					
Number of employees	179.36	196.07	241.80	269.17	302.43
Total payroll for the financial year	16,766,076	18,216,162	22,850,437	25,861,975	28,709,906
Cost of benefits paid during the period (costs and social welfare)	**7,714,519**	**8,861,133**	**11,010,889**	**12,388,157**	**13,663,221**

(1) *Corresponds to the interim dividend paid in December 2016.*

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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 as minor could significantly impact Crédit Agricole Assurances in the future.

The risks described below are inherent in the nature of Crédit Agricole Assurances Group's business as well as in the economic, political, competitive and regulatory environment in which Crédit Agricole Assurances Group operates.

Considering the numerous possibilities and uncertainties related to these risks, Crédit Agricole Assurances is not always able to precisely quantify the impact of these risks. However, several risk management processes, procedures and controls have been implemented in order to continuously monitor and manage these risks, which, nevertheless, have their limits like any control system and cannot protect with absolute certainty against all of the risks described below or losses liable to be generated.

In addition, if the risks described below lead to quantifiable financial losses and/or a potential material liability, these elements are reflected in the Crédit Agricole Assurance Group consolidated financial statements, in accordance with applicable IFRS accounting standards.

RISK FACTORS ASSOCIATED WITH THE FINANCIAL MARKETS, WITH THE STRENGTH OF OUR CREDIT RATING AND WITH THE VALUATION OF ASSETS AND OTHER RELATED ASPECTS

General economic, market and political conditions

The Group's business and operating income are materially affected by conditions in the global financial markets and by economic conditions in France and the other markets where the Group operates. Extreme market events, such as the global financial crisis during 2008 and 2009, have at times led, and could in the future lead to a lack of liquidity, highly volatile markets, a steep depreciation in asset values across all classes, an erosion of investor and public confidence, and a widening of credit spreads. Although markets have stabilized since the global financial crisis, a wide variety of factors continue to negatively impact economic conditions and consumer confidence in France and in the other jurisdictions where the Group does business and contribute to continuing volatility in financial markets. These factors include, among others, concerns over the creditworthiness of certain sovereign issuers, particularly in Europe, the impact of the decision of the United Kingdom to leave the European Union, the strengthening or weakening of foreign currencies against the Euro, the availability and cost of credit, the stability and solvency of certain financial institutions and other companies, the risk of future inflation as well as deflation in certain markets, the intervention of the Central Bank in financial markets, volatile energy costs, and geopolitical issues. These factors may adversely affect liquidity, increase volatility, decrease asset prices, erode confidence and lead to wider credit spreads. Difficult economic conditions could also result in increased unemployment and a severe decline in business across a wide range of industries and regions. These market and economic factors could have a material adverse effect on Crédit Agricole Assurances Group's businesses, operating income, financial condition and liquidity.

Factors such as consumer spending, business investment, government spending, regulation, the volatility and strength of the capital markets or inflation all affect the business and economic environment and, ultimately, Crédit Agricole Assurances Group's activities and the profitability of its business. In an economic downturn characterized by higher unemployment, lower family income, lower corporate earnings, lower business investment and consumer spending, the demand for the Group's financial and insurance products could be adversely affected. In addition, Crédit Agricole Assurances Group may experience an elevated incidence of lapses or surrenders on certain types of policies, lower surrender rates than anticipated on other types of products and the Group's policyholders may choose to defer paying insurance premiums or stop paying insurance premiums altogether. Adverse economic conditions could also lead to declines in the valuation and performance of Crédit Agricole Assurances Group's investment portfolio, including investments in obligations of adversely affected sovereign or corporate issuers, increased credit losses, impairments of goodwill and other long-lived assets, limitations on the recoverability of deferred tax assets, a decline in new business levels and renewals and higher borrowing costs.

In 2016, the Group's life and non-life segments in France accounted for 79% of Crédit Agricole Assurances Group's revenues (IFRS outlook). Given this concentration, a significant deterioration in French economic conditions would have a greater impact on Crédit Agricole Assurances Group's operating income and financial condition than would be the case for a group with more internationally diversified activities.

Economic and financial conditions in Europe

European countries have recently experienced significant disruptions that have affected economic growth. Initially originated by concerns regarding the ability of certain countries in the euro zone to refinance their debt obligations, these disruptions have created uncertainty more generally regarding the near term economic prospects of countries in the European Union, as well as the quality of debt obligations of sovereign debtors in the European Union. There has also been an indirect impact on financial markets in Europe and worldwide.

In recent years, a number of European sovereigns and major European financial institutions have been downgraded by credit rating agencies in light of the continuing uncertainty stemming from the European debt crisis and future of the Euro, including France, Crédit Agricole Assurances Group's domestic market, The country saw its sovereign obligations downgraded by certain rating agencies in 2011, 2012, 2013, 2014 and 2015, in some cases resulting in the mechanical downgrading of the credit rating by the same agencies of French commercial banks debt issues, including those of the Issuer's parent, Crédit Agricole S.A. S&P currently rates France's sovereign obligations "AA" with a "negative outlook." In addition, the crisis has had a particularly strong impact in certain other European countries where Crédit Agricole Assurances Group operates, including Italy and Portugal. Continuing or worsening of the euro-zone crisis could have a material adverse effect on Crédit Agricole Assurances Group's operating income or financial condition.

Solvency capital ratios of Crédit Agricole Assurances Group and its insurance subsidiaries

Under the Solvency 2 Directive requirements that went into effect on 1 January 2016, Crédit Agricole Assurances Group is required to maintain eligible own funds sufficient to meet solvency capital requirements, calculated in the manner set forth in the applicable rules, which permit calculation based on either a standard formula or an internal model approved by the regulator. Crédit Agricole Assurances Group has chosen the standard approach based on a formula and assumptions proposed by the European Insurance and Occupational Pensions Authority (EIOPA), without taking advantage of any transitional measures.

The Group's solvency capital ratios are sensitive to capital market conditions (including the level of interest rates, the level of equity markets and foreign exchange impacts) as well as a variety of other factors.

Management monitors the solvency capital ratios of Crédit Agricole Assurances Group and its insurance subsidiaries on an on-going basis both for regulatory compliance purposes and to ensure that the Group and its subsidiaries are appropriately positioned from a competitive point of view. Insurance regulators generally have broad discretion in interpreting, applying and enforcing their rules and regulations with respect to solvency and regulatory capital requirements. During periods of extreme financial market turmoil of the type the market has experienced over the recent years, regulators may become more conservative in the interpretation, application and enforcement of these rules which may involve them, for example, imposing increased reserving requirements for certain types of risks, greater liquidity requirements, higher discounts/"haircuts" on certain assets or asset classes, more conservative calculation methodologies or taking other similar measures which may significantly increase regulatory capital requirements.

In the event of a failure by Crédit Agricole Assurances Group and/or any of its insurance subsidiaries to meet the applicable regulatory capital requirements, insurance regulators have broad authority to require or take various regulatory actions including limiting or prohibiting the issuance of new business, prohibiting payment of dividends, and/or, in extreme cases, putting a company into rehabilitation or insolvency proceedings. A failure of any of Crédit Agricole Assurances Group's insurance subsidiaries to meet their regulatory capital requirements and/or a reduction in the level of their regulatory capital that may negatively impact their competitive position may also result in Crédit Agricole Assurances Group deciding to inject significant amounts of new capital into its insurance subsidiaries which could adversely affect Crédit Agricole Assurances Group's liquidity position, operating income and financial position. Regulatory restrictions that inhibit Crédit Agricole Assurances Group's ability to freely move excess capital among its subsidiaries or which otherwise restrict fungibility of the Group's capital resources may, depending on the nature and extent of the restrictions, adversely affect the capital position of the Group's operating insurance subsidiaries which may have a consequent negative impact on Crédit Agricole Assurances Group and the perception of its financial strength. Additional regulatory developments regarding solvency requirements, including further implementing measures under the Solvency II Directive or changes resulting from further efforts by EIOPA to harmonize implementation of the Solvency II Directive, may lead to further changes in the insurance industry's solvency framework and prudential regime as well as associated costs. It is difficult to predict how the regulations resulting from such initiatives and proposals will affect the insurance industry generally or Crédit Agricole Assurances Group's operating income, financial condition and liquidity.

Rating agencies also take into account Crédit Agricole Assurances Group's consolidated capital requirements and the regulatory capital position of its insurance subsidiaries in assessing the Group's financial strength and credit ratings. Rating agencies may, from time to time, make changes to their internal models that may increase or decrease the amount of capital Crédit Agricole Assurances Group must hold in order to maintain its current ratings.

Management has developed various contingency plans designed to ensure that the Group's consolidated capital and the regulatory capital levels of its insurance subsidiaries remain well in excess of regulatory minimum requirements and at levels that leave the Group and its subsidiaries well positioned from a competitive point of view. There can be no assurance, however, that these plans will be effective to achieve their objectives and any failure by Crédit Agricole Assurances Group and/or its insurance subsidiaries to meet minimum regulatory capital requirements and to maintain regulatory capital at competitive levels could have a material adverse effect on the Group's business, liquidity, credit ratings, operating income and financial position.

Losses due to defaults by financial institution counterparties, reinsurers and/or other third parties

Third parties that owe Crédit Agricole Assurances Group money, securities or other assets may not pay or perform under their obligations. These parties include private sector and government (or government-backed) issuers whose securities Crédit Agricole Assurances Group holds in the Group's investment portfolios (including mortgage-backed, asset-backed, government bonds and other types of securities), borrowers under mortgages and other loans that the Group extends, reinsurers to which the Group has ceded insurance risks, customers, trading counterparties, counterparties under swap and other derivative contracts, other counterparties including brokers and dealers, commercial and investment banks, hedge funds, other investment funds, clearing agents, market exchanges, clearing houses and other financial institutions. Many of Crédit Agricole Assurances Group's transactions with these third parties expose the Group to credit risk in the event of default of the Group's counterparty.

Dependence on Crédit Agricole Group entities to distribute its insurance products and other major services

Crédit Agricole Assurances Group relies primarily on the networks of banks affiliated with the Crédit Agricole Group to distribute its products. As a result, factors affecting the competitive position, reputation or credit quality of the banks in the Crédit Agricole Group could have an adverse effect on Crédit Agricole Assurances Group's revenues, reputation and operating income. Similarly, in countries where the Crédit Agricole Assurances Group distributes its products primarily through other partner banks, factors affecting the reputation, performance or credit quality of those banks could have an adverse impact on sales of the Group's products through those channels.

In addition to the distribution of its products, Crédit Agricole Assurances Group has also entered into contractual outsourcing arrangements with members of the Crédit Agricole Group and other third-party service providers for a certain other services required in connection with the day-to-day operation of Crédit Agricole Assurances Group's insurance businesses. Deficiencies in the performance of outsourced services may expose Crédit Agricole Assurances Group to significant operational, financial and reputational risk.

Crédit Agricole Assurances' reliance on its affiliates to provide it with important services may give rise to conflicts of interest. Failure to manage these conflicts of interest appropriately could have a material adverse effect on the Group's reputation, revenues or operating income.

Interest rate and credit spread volatility

Crédit Agricole Assurances Group's exposure to credit spreads is mainly related to market prices and to changes in cash flows, combined with changes in credit spreads. A widening of credit spreads generally leads to a decrease in the value of fixed-income securities held by Crédit Agricole Assurances Group (including derivatives for which Crédit Agricole Assurances Group is exposed to a credit risk) and an increase in income generated by purchasing new fixed-income securities in Crédit Agricole Assurances Group's investment portfolio. Conversely, the tightening of credit spreads generally increases the value of fixed-income securities held by Crédit Agricole Assurances Group and reduces the financial products related to new fixed-income security purchases in Crédit Agricole Assurances Group's investment portfolio.

Changes in interest rates in force could also have a negative effect on Crédit Agricole Assurances Group's business. Crédit Agricole Assurances Group's exposure to interest rate risk is primarily tied to market prices and to changes in cash flows, combined with interest rate fluctuations. Interest rate fluctuations could also negatively impact the value of Crédit Agricole Assurances Group's assets and the Group's ability to make gains or avoid losses when disposing of these assets, which all ultimately affect results.

When interest rates are falling:

- life insurance, savings and retirement products may be relatively more attractive to consumers due to minimum guarantees in these products, resulting in increased premium payments on products with flexible premium features, and a higher percentage of insurance policies and retirement and savings contracts remaining in force from year-to-year, creating asset liability duration mismatches;
- Crédit Agricole Assurances Group may be required to increase provisions for guarantees included in life insurance, retirement and savings contracts, as the guarantees become more valuable to policy holders and surrender and lapse assumptions require updating; and
- Crédit Agricole Assurances Group's earnings may decrease due to a decline in interest earnings on the Group's fixed income investments.

Conversely, when interest rates are rising:

- surrenders of life insurance policies and retirement savings contracts may increase as policyholders choose to forego insurance protection and seek higher investment returns;
- obtaining cash to satisfy these obligations following such surrenders may require Crédit Agricole Assurances Group to liquidate fixed maturity investments at a time when market prices for those assets are depressed because of increases in interest rates which may result in realized investment losses and decrease Crédit Agricole Assurances Group's net income;
- accelerated surrenders may also cause the Group to accelerate amortization of deferred contracts acquisition costs, which would reduce Crédit Agricole Assurances Group's net income;
- Crédit Agricole Assurances Group's fee income may decrease due to a decline in the value of account balances invested in fixed income funds;
- there may be a decrease in the estimated fair value of certain fixed income securities Crédit Agricole Assurances Group holds in the Group's investment portfolios, resulting in reduced levels of unrealized capital gains available to the Group, which could negatively impact the Group's solvency margin position and net income; and
- Crédit Agricole Assurances Group may be required, as an issuer of securities, to pay higher interest rates on debt securities the Group issues in the financial markets from time

to time to finance the Group's operations or its regulatory capital requirements, which would increase the Group's interest expenses and reduce the Group's operating income.

Crédit Agricole Assurances Group's mitigation efforts with respect to interest rate risks are primarily focused on maintaining an investment portfolio with diversified maturities that has a weighted average duration that is approximately equal to the duration of the Group's estimated liability cash flow profile. However, the Group's estimate of the liability cash flow profile may be inaccurate and Crédit Agricole Assurances Group may be forced to liquidate investments prior to maturity at a loss in order to cover the liability. Although the Group takes measures to manage the economic risks of investing in a changing interest rate environment, the Group may not be able to mitigate the interest rate risk of the Group's assets relative to the Group's liabilities.

Ongoing volatility in interest rates and credit spreads, individually or in tandem with other factors (such as lack of market liquidity, declines in equity prices and the strengthening or weakening of foreign currencies against the Euro, and/or structural reforms or other changes made to the Euro, the Eurozone or the European Union), could have a material adverse effect on the Group's consolidated results of operations, financial position or cash flows through realized losses, impairments, and changes in unrealized gains and loss positions.

Fluctuations in currency exchange rates

Crédit Agricole Assurances Group publishes its consolidated financial statements in Euros. A portion of the Group's insurance written premiums and financial services revenues, as well as the Group's benefits, claims and other deductions were denominated in currencies other than the Euro. The Group's obligations are denominated either in Euro or other currencies, the value of which is subject to foreign currency exchange rate fluctuations.

While Crédit Agricole Assurances Group seeks to manage its exposure to foreign currency fluctuations through hedging, fluctuations in the exchange rates may have a significant impact on the Group's results of operations, cash flows, shareholders' equity and solvency. For example, a strengthening or weakening of the Euro against the US Dollar and/or certain other currencies may adversely affect the Group's results of operations and the price of its securities. In addition, the currency hedges used by the Group to manage foreign exchange rate risk may significantly impact its cash position.

Sustained increase in the inflation rate in the Group's principal markets

A sustained increase in the inflation rate in Crédit Agricole Assurances Group's principal markets could have multiple impacts on the Group and may negatively affect the Group's business, solvency position and operating income. For example, a sustained increase in the inflation rate may result in an increase in market interest rates, with the consequences noted above. A significant and sustained increase in inflation has historically also been associated with decreased prices for equity securities and sluggish performance of equity markets generally. In addition, in the context of certain property and casualty risks underwritten by impact the Group's insurance subsidiaries a sustained increase in inflation may result in (i) claims inflation (*i.e.* an increase in the amount ultimately paid to settle claims several years after the policy coverage period or event giving rise to the claim), coupled with (ii) an underestimation of corresponding claims reserves at the time of establishment due to a failure to fully anticipate increased inflation and its effect on the amounts ultimately payable to policyholders, and, consequently, (iii) actual claims payments significantly exceeding associated insurance reserves which would negatively impact the Group's operating income. A failure to accurately anticipate higher inflation and factor it into the Group's product pricing assumptions may also underwriting losses which would negatively impact the Group's operating income.

Downgrade in Crédit Agricole Assurances Group's claims paying ability and credit strength ratings

Claims paying ability and credit strength ratings are important factors in establishing the competitive position of insurance companies. Rating agencies review their ratings and rating methodologies on a recurring basis and may change their ratings at any time. Consequently, Crédit Agricole Assurances Group's current ratings may not be maintained in the future. A downgrade or the potential for a downgrade of the Group's ratings could have a variety of negative impacts including (i) damaging the Group's competitive position, (ii) negatively impacting the Group's ability to underwrite new insurance policies, (iii) increasing the levels of surrenders and termination rates of the Group's in-force policies, (iv) increasing cost of obtaining reinsurance, (v) negatively impacting the Group's ability to obtain financing and/or increasing the Group's cost of financing, (vi) triggering additional collateral requirements under certain agreements to which the Group is party, (vii) harming the Group's relationships with creditors or trading counterparties and/or (viii) adversely affecting public confidence in the Group. Any of these developments could have a material adverse effect on the Group's business, liquidity position, operating income, revenues and financial condition.

Valuation methodologies, estimations and assumptions

The accounting policies and principles relating to valuing Crédit Agricole Assurances Group's investments are detailed in note 1 of the consolidated financial statements, which are included in Crédit Agricole Assurances' registration document. Certain of the Group's investment assets, for which there is no active trading market or other observable market data, are valued using models and methodologies that involve estimates, assumptions and significant management judgment. During periods of market disruption, a larger portion of the Group's investment assets may be valued using these models and methodologies as a result of less frequent trading or less observable market data with respect to certain asset classes that were previously actively traded in liquid markets. There can be no assurance that the Group's valuations on the basis of these models and methodologies represent the price for which a security may ultimately be sold or for which it could be sold at any specific point in time. Use of different models, methodologies and/or assumptions may have a material impact on the estimated fair value amounts and could have a material adverse effect on the Group's results of operations and financial condition.

Determination of the amount of allowances and impairments taken on the Group's investments

The determination of the amount of allowances and impairments under the accounting policies and principles detailed in note 1 of Crédit Agricole Assurances Group's consolidated financial statements (which are included in Crédit Agricole Assurances' registration document) varies by investment type and is based upon the Group's periodic evaluation and assessment of known and inherent risks associated with the respective asset class. In considering impairments, management considers a wide range of factors and uses its best judgment in evaluating the cause of the decline in the estimated fair value of the security and the prospects for near-term recovery. For certain asset classes, particularly debt instruments, management's evaluation involves a variety of assumptions and estimates about the operations of the relevant issuer and its future earnings potential. The need for additional impairments and/or allowances may have a material adverse effect on the Group's consolidated results of operations and financial position.

RISK FACTORS ASSOCIATED WITH THE STRUCTURE OF CRÉDIT AGRICOLE ASSURANCES GROUP, THE NATURE OF ITS BUSINESS, ITS PRODUCTS AND ITS ENVIRONMENT

Hedging programs

Crédit Agricole Assurances Group uses derivatives to hedge certain, but not all, risks under guarantees provided to the Group's clients. These hedging techniques are designed to reduce the economic impact of unfavorable changes to certain of the Group's exposures under the guarantees due to movements in the equity and fixed income markets and other factors. In certain cases, however, the Group may not be able to effectively hedge the Group's risks as intended or expected or may choose not to hedge certain risks because the derivative market(s) in question may not be of sufficient size or liquidity, the cost of hedging may be too expensive (as a result of adverse market conditions or otherwise), the nature of the risk itself may limit the Group's ability to effectively hedge or for other reasons. This may result in higher realized losses and unanticipated cash needs to collateralize or settle transactions. In addition, hedging counterparties may fail to perform their obligations, resulting in unhedged exposures and losses on positions that are not collateralized. The operation of the Group's hedging program is based on models involving numerous estimates and management judgments. The Group's hedging program may change in time and there can be no assurance that ultimate actual experience will not differ materially from the Group's assumptions, which could adversely impact Crédit Agricole Assurances Group's operating income and financial condition.

Assumptions used to determine the appropriate level of insurance reserves

The establishment of insurance reserves, including the impact of minimum guarantees, is inherently uncertain processes involving assumptions about factors such as policyholder behavior (*e.g.* lapses, persistency, etc.), court decisions, changes in laws and regulations, social, economic and demographic trends, inflation, investment returns and other factors, and, in the life insurance business, assumptions concerning mortality and morbidity trends. The use of different assumptions about these factors could have a material effect on insurance reserves and underwriting expenses as well as performance indicators followed by investors.

Insufficient loss reserves for property & casualty and international insurance business

In accordance with industry practices and accounting and regulatory requirements, Crédit Agricole Assurances Group establishes reserves for claims and claims expenses related to the Group's property and casualty and international insurance businesses. Reserves do not represent an exact calculation of liability, but instead represent estimates, generally using actuarial projection techniques at a given accounting date. These reserve estimates are expectations of what the ultimate settlement and administration of claims will cost based on the Group's assessment of facts and circumstances then known, review of historical settlement patterns, estimates of trends in claims severity, frequency, legal theories of liability and other factors. No assurance can be given that ultimate losses will not materially exceed Crédit Agricole Assurances Group's claims reserves and have a material adverse effect on the Group's operating income.

Claims experienced could be inconsistent with the assumptions used to price the products and establish the reserves

Crédit Agricole Assurances Group's earnings depend significantly upon the extent to which the Group's actual claims experience is consistent with the assumptions the Group uses in setting the prices for the Group's products and establishing the liabilities for obligations for technical provisions and claims. The Group uses both its own experience and industry data to develop estimates of future policy benefits, including information used in pricing the insurance products and establishing the related actuarial liabilities.

However, there can be no assurance that actual experience will match these estimates and emerging risks such as pandemic diseases could result in loss experience inconsistent with the Group's pricing and reserving assumptions. To the extent that the Group's actual benefits paid to policyholders are less favorable than the underlying assumptions used in initially establishing the future policy benefit reserves, or events or trends cause Crédit Agricole Assurances Group to change the underlying assumptions, the Group may be exposed to greater than expected liabilities, which may have a material adverse effect on the Group's business, operating income and financial condition.

The Group's insurance operations are exposed to the risk of catastrophic events. The extent of losses from a catastrophe is a function of both the total amount of insured exposure in the area affected by the event and the severity of the event. Most catastrophes are restricted to small geographic areas; however, hurricanes, earthquakes, man-made catastrophes may produce significant damage or loss of life or property damage in larger areas, especially those that are heavily populated. Similarly, the Group's life insurance operations are exposed to the risk of catastrophic mortality, such as a pandemic or other event that causes a large number of deaths. Significant influenza pandemics have occurred three times in the last century; however, the likelihood, timing, and severity of a future pandemic cannot be predicted. A significant pandemic could have a major impact on the global economy or the economies of particular countries or regions, including travel, trade, tourism, the health system, food supply, consumption, overall economic output and, eventually, on the financial markets. The effectiveness of external parties, including governmental and non-governmental organizations, in combating the spread and severity of such a pandemic could have a material impact on the losses experienced by the Group.

Claims resulting from catastrophic events could cause substantial volatility in the Group's financial results and could materially reduce its profitability or harm its financial condition. In addition, catastrophic events could harm the financial condition of issuers of obligations the Group holds in its investment portfolio, resulting in impairments to these obligations, and the financial condition of its reinsurers, thereby increasing the probability of default on reinsurance recoveries. Large-scale catastrophes may also reduce the overall level of economic activity in affected countries which could hurt the Group's business and the value of its investments or ability to write new business. It is possible that increases in the value, caused by the effects of inflation or other factors, and geographic concentration of insured lives or property, could increase the severity of claims the Group receives from future catastrophic events. Although the Group takes efforts to limit its exposure to catastrophic risks through volatility management and reinsurance programs, these efforts do not eliminate all risk. Catastrophes can be caused by various events, including hurricanes, windstorms, earthquakes, hail, tornadoes, explosions, severe winter weather (including snow, freezing water, ice storms and blizzards), fires and man-made events such as terrorist attacks. Due to their nature, the Group cannot predict the incidence, timing and severity of catastrophes. In addition, changing climate conditions, primarily rising global temperatures, may increase the frequency and severity of natural catastrophes such as hurricanes.

While the Group attempts to limit its exposure to acceptable levels, subject to restrictions imposed by insurance regulatory authorities, a catastrophic event or multiple catastrophic events could have a material adverse effect on the Group's business, results of operations and financial condition. The Group's ability to manage this risk depends in part on its ability to obtain catastrophe reinsurance, which may not be available at commercially acceptable rates in the future.

Increases in the severity or frequency of natural or man-made disasters

Over the past several years, changing weather patterns and climatic conditions, including global warming, have added to the unpredictability and frequency of natural disasters (including hurricanes, windstorms, hailstorms, earthquakes, fires, explosions, freezes and floods) and, together with man- made disasters and core infrastructure failures (including acts of terrorism, military actions, power grid and telephone/internet infrastructure failures), created additional uncertainty as to future trends and exposures. If Crédit Agricole Assurances Group is unable to successfully manage its exposure to these risks, it could experience significant losses that could adversely affect its operating income.

Default of a reinsurer or increased reinsurance costs

Crédit Agricole Assurances Group enters into reinsurance contracts to limit its risk. Under these arrangements, other reinsurers assume a portion of the claims and related expenses in connection with insurance policies the Group writes. The availability, amount and cost of reinsurance depend on prevailing market conditions, in terms of price and available capacity, which may vary significantly.

While the purpose of reinsurance agreements is to transfer a portion of losses and related expenses to other insurers, they do not eliminate the requirement for the Group, the direct insurer, to settle claims. In this regard, Crédit Agricole Assurances Group is thus subject to the solvency risk of its reinsurers at the time that sums due are recovered from them. Although the Group initially places its reinsurance with reinsurers that Crédit Agricole Assurances Group believes to be financially stable, this may change adversely by the time recoveries are due which could be many years later. A reinsurer's failure to make payment under the terms of a significant reinsurance contract would have a material adverse effect on the Group's businesses, financial condition and results of operations. In addition, after making large claims on the Group's reinsurers, the Group may have to pay substantial reinstatement premiums to continue reinsurance cover.

Furthermore, the availability, amount and cost of reinsurance depend on overall current economic conditions and may vary considerably. In the future, Crédit Agricole Assurances Group may be unable to obtain reinsurance at commercially reasonable prices, thus increasing its risk of loss due to lower levels of reinsurance, or its income statement could be adversely affected by the increased cost of reinsurance for its already-reinsured activities.

Inadequate or failed processes or systems, human factors or external events

Operational risk is inherent in Crédit Agricole Assurances Group's business and can manifest itself in various ways, including business interruption, poor vendor performance or default (including under significant outsourcing arrangements), information systems malfunctions or failures, hacking incidence and/or other unauthorized intrusions into the Group's websites and/or information systems, regulatory breaches, human errors, employee misconduct, and external fraud. Crédit Agricole Assurances Group also faces the risk of operational failure or termination of any of the clearing agents, exchanges, clearing houses or other financial intermediaries the Group uses to facilitate securities transactions. These events can potentially result in financial loss, impairment to the Group's liquidity, a disruption of the Group's businesses, regulatory sanctions or damage to the Group's reputation.

Strong integration within Crédit Agricole Group

Crédit Agricole Assurances is strongly integrated within Crédit Agricole Group. It therefore follows that:

- there are many cross competences between the different entities, more specifically in terms of governance. As an illustration, several corporate officers of Crédit Agricole Assurances are also corporate officers of Crédit Agricole's Regional Banks or of Crédit Agricole S.A. and its affiliates;
- there is no Compensation Committee within Crédit Agricole Assurances. By Board of Directors' decision of 5 November 2013, compensation items are devolved to Crédit Agricole S.A. Compensation Committee;
- several lines of businesses have a hierarchical reporting line to Crédit Agricole S.A., which initiates written procedures followed by Crédit Agricole Assurances.

RISK FACTORS ASSOCIATED WITH THE REGULATORY AND COMPETITIVE ENVIONMENT OF CRÉDIT AGRICOLE ASSURANCES GROUP

Launch of the Solvency 2 regulation since 1 January 2016

Over the past few years, the European Commission (the "Commission") has carried out an in-depth review of the regulatory capital requirements in the insurance sector in conjunction with the Member States to prepare for the implementation of the European Directive of 2009 pertaining to the taking-up and pursuit of the insurance and reinsurance business (Solvency 2), amended in 2014 by Directive 2014/51/EU ("Omnibus 2"). The goal of Solvency 2, launched since 1 January 2016, is to establish a solvency regime that is better adapted to the risks that insurers encounter, and to build a shared system for all members of the European Union. 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. Additional information on the Solvency 2 regulation is available at the end of the registration document's first section "Presentation of Crédit Agricole Assurances".

Under the Solvency 2 Directive, this level of capital requirements is strongly impacted by the introduction of the market value for assets and of the fair-value valuation for liabilities, which challenges the insurer's regulatory indicators of wealth with the markets' variations.

Concerning eligible capital, the best quality of own funds is partly constituted by the reconciliation reserve, the amount of which is very much connected with market's fluctuations. As a consequence, a high level of equity market volatility can induce a weakness in an initially adequate solvency position.

Fierce competition in all Crédit Agricole Assurances Group's business segments

There is substantial competition among general insurance companies in France and the other jurisdictions in which the Group does business. Some the Group's competitors may benefit from greater financial and marketing resources or name recognition than the Group. The recent consolidation in the global financial services industry has also enhanced the competitive position of some of the Group's competitors compared to Crédit Agricole Assurances Group by broadening the range of their products and services, and increasing their distribution channels and their access to capital.

Crédit Agricole Assurances Group's competitors include not only other insurance companies, but also mutual fund companies, asset management firms, private equity firms, hedge funds and commercial and investment banks, many of which are regulated differently than the Group is and may be able to offer alternative products or more competitive pricing than Crédit Agricole Assurances Group.

In addition, development of alternative distribution channels for certain types of insurance and securities products, including through the internet, may result in increasing competition as well as pressure on margins for certain types of products. While Crédit Agricole Assurances Group seeks to maintain premium rates at targeted levels, the effect of competitive market conditions may have a material adverse effect on the Group's market share and financial condition. These competitive pressures could result in increased pricing pressures on a number of the Group's products and services, particularly as competitors seek to win market share, which could harm the Group's ability to market certain products profitably.

Strategic risks arising from an incorrect consideration of industry changes or adverse business decisions

A lack of anticipation or perception of industry changes as well as adverse business decisions can have a material negative impact (immediate or prospective) on Crédit Agricole Assurances Group's earnings or capital, materializing a strategic risk. As illustrations, there are for instance:

- significant operations on the Group's scope, including mergers and acquisitions;
- changes in the product offering and the customer segmentation;
- evolutions relative to the distribution model (new partnerships, digitalization of the sales processes among others).

Given the nature of these risks, they are not subject to a capital charge but the Group watches over them very closely in order to anticipate them so as to manage them quickly and efficiently.

Reputational risk in case of events, internal or external, which have a negative impact on the way the company is perceived

Reputation appears as a strategic item for Crédit Agricole Assurances' development (recruitment and retention of customers or employees, access to markets, relations with regulatory authorities…) and valuation.

Reputational risk can find its source in the direct and indirect consequences of an internal risk (operational risk leading to an accident, financial risk…) as well as in an external event (press onslaught, natural disaster of an unanticipated scale…). Moreover, Crédit Agricole Assurances' membership in a large Group increases the potential sources of reputational risk, since an event affecting another entity of the Group can have consequences on the insurance business.

Reputational risks are finally increased by the use of the new communication's means, the e-reputation being today an omnipresent item: blogs, social networks, spontaneous opinions gathering on line, consumers surveys.

Crédit Agricole Assurances Group is particularly exposed to the reputational risk when developing and selling new products. Investments made by Crédit Agricole Assurances Group, as well as a failure of the control system can also trigger reputational risk.

Within this framework, Crédit Agricole Assurances implements a reputation risk management system based on:

- prevention, *via* procedures to manage relations with third parties, especially with media;
- detection, valuation and risk monitoring in the business departments, integrated in the global internal control management system of each entity, under the supervision of the risk-management function, and in coordination with the compliance function. As an illustration, the creation of new products is secured by New Activities and new Products Committees (CONAP), which review the contractual and commercial documentation, the training materials and sales support tools for distributors. The distribution networks are assisted *via* training activities. The processing of claims is organised to meet the supervisors' requirements. Litigation files are closely monitored. The Unit-Linked's performance are regularly reviewed. In a sustained low interest rates environment, the CONAP of Crédit Agricole Assurances Group's main life-insurance company set out principles in order to implement more diversification in its customers' portfolio;
- a process of control for the distribution of insurance products (life and non-life), which was deployed in 2015 within the distributing banks – Regional Banks and LCL- in order to have an homogeneous system to control commercialisation, the emphasis being placed in 2016 on the quality of the controls reported to Crédit Agricole Assurances;
- vigilance in order to prevent the risk emergence (daily panorama of press including national, regional and specialised press as well as websites, media or not); daily oversight of social networks, blogs, comparators and forums which mention Crédit Agricole Assurances Group or one of its entities; preparation of the adequate answer if a risk of reputation or image is detected for Crédit Agricole Assurances Group;
- crisis management if the risk is confirmed.

Changes in government policies, regulation or legislation in the countries where Crédit Agricole Assurances Group operates

Crédit Agricole Assurances Group is subject to an extensive regulation and supervision in the various jurisdictions in which its French and international insurance subsidiaries do business. Applicable regulations relate to a range of matters, including licensing and examination, rate setting, trade practices, policy reforms, limitations on the nature and amount of certain investments, underwriting and claims practices, mandated participation in shared markets and guarantee funds, adequacy of the Group's claims provisions, capital and surplus requirements, insurer solvency, transactions between affiliates, the amount of dividends that may be paid and underwriting standards. Such regulation and supervision is primarily for the benefit and protection of policyholders and not for the benefit of investors. In some cases, regulation in one country may affect business operations in another country. As the amount and complexity of these regulations increase, so will the cost of compliance and the risk of non-compliance. If the Group does not meet regulatory or other requirements, the Group may suffer penalties including fines, suspension or cancellation of its insurance licenses which could adversely affect the Group's ability to do business. In addition, significant regulatory action against Crédit Agricole Assurances Group could have material adverse financial effects, cause significant reputational harm or harm the Group's business prospects.

In addition, Crédit Agricole Assurances Group may be adversely affected by changes in government policy or legislation applying to companies in the insurance industry. These include possible changes in regulations covering pricing and benefit payments for certain statutory classes of business, the deregulation and nationalization of certain classes of business, the regulation of selling practices, the regulations covering policy terms and the imposition of new taxes and assessments or increases in existing taxes and assessments. Regulatory changes may affect the Group's existing and future businesses by, for example, causing customers to cancel or not renew existing policies or requiring the Group to change its range of products or to provide certain products and services, redesign its technology or other systems, retrain its staff, pay increased tax or incur other costs. It is not possible to determine what changes in government policy or legislation will be adopted in any jurisdiction in which the Group operates and, if so, what form they will take or in what jurisdictions they may occur. Insurance laws or regulations that are adopted or amended may be more restrictive than the Group's current requirements, may result in higher costs or limit the Group's growth or otherwise adversely affect the Group's operations.

Similarly, changes to the tax laws in France or in other countries where Crédit Agricole Assurances Group operates may have adverse consequences either on some the Group products and reduce their attractiveness, especially those that currently receive favorable tax treatment, or on the Group's own tax expense. Examples of such changes include the tax treatment of life insurance savings products and retirement savings plans, which frequently provide important tax incentives or disincentives to investing in some asset classes or product categories.

Potential amendments to International Financial Reporting Standards as adopted by the European Union

Crédit Agricole Assurances Group's consolidated financial statements are prepared based on definitive IFRS and interpretations of the IFRS Interpretations Committee that are in force as at 31 December 2016, 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.

In particular, information is provided in this section on the adoption of IFRS 9 Financial Instruments and its consequences.

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 insurance risks. Lastly, it is exposed to operational risk, particularly in process execution.

GOVERNANCE AND ORGANIZATION OF RISK MANAGEMENT WITHIN CRÉDIT AGRICOLE ASSURANCES

The risk governance system in Crédit Agricole Assurances Group is based on the following principles:

- it forms parts of the "Risk management and Control" functions in Crédit Agricole S.A. Group. 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). In accordance with the insurance regulation, the system also includes the Group's actuarial function;
- it is headed up by the Crédit Agricole Assurances 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 Crédit Agricole Assurances Group entity is responsible for defining and implementing its solo risk management policy, in accordance with Crédit Agricole S.A. principles and rules, the principles and rules for the management of Crédit Agricole Assurances Group, and local regulations for international subsidiaries.

Risk governance is based on:

- the governance bodies, in particular Executive Management composed of the Chief Executive Officer (CEO) and the second executive officers, and the Board of Directors, who hold ultimate responsibility for Crédit Agricole Assurances Group compliance with all applicable statutory and regulatory provisions;
- Crédit Agricole Assurances Executive Committee, which is the primary strategic body of the Group's Executive Management. It is supported by the individual entity Management Committees and the Group Strategy Committees (in particular, the Finance Committee, the Risks and Internal Control Committee, and the ALTM Committee);
- the four key functions are: Risk, Compliance, the Actuarial function, Internal audit. Each of them is embodied by a representative who has been appointed by the CEO, approved by the Board of Directors and notified to the competent national supervisory authority. The coordination of the four key functions is ensured by Crédit Agricole Assurances Group Risks and Internal Control Committee. The heads of the key functions have a direct access to the Board of Directors to whom they introduce the results of their activity at least once a year.
- an internal control system, defined as the framework designed to manage and control all types of operations and risks and to ensure that all transactions are carried out in a manner that is proper (in compliance with regulations), secure and effective. Crédit Agricole Assurances risks policies are validated by the Board of Directors.
- the internal process for evaluating Crédit Agricole Assurances Group's solvency and risks (preparatory ORSA exercises conducted in 2014 and 2015). The forward-looking assessments, based on the medium plan horizon, allow us to analyse the consequences of adverse situations on the control indicators of the Group and take the necessary measures in case of need.

Organisation of risk management

The risks management framework of Crédit Agricole Assurances Group is monitored by CAA Group's Head of Risks and Permanent Control (RCPR) who represents CAA Group's Risks function. He reports functionally to CAA's CEO and hierarchically to the Group Chief Risk Officer (CRO) of Crédit Agricole S.A. He relies on the RCPR of each local entity who report directly to him. Insurance risk is organised along the lines of a matrix structure integrating entity level organisation with Group approaches by type of risk.

The hierarchical reporting line guarantees independence, with a "second glance" role (to issue an opinion) to back the operating functions, which manage risks on a daily basis, make decisions and exercise first-level controls to ensure their processes are performed properly.

Risk management system

At Crédit Agricole Assurances Group level

To carry out its strategic orientations, by containing and regulating its risks in a proper manner, Crédit Agricole Assurances Group has implemented a risk appetite which has to be observed. This risk appetite, which forms the basis of the Risk Management Strategy, is declined in key indicators by nature of the risks

The Risk management strategy implemented by Crédit Agricole Assurances Group is based on the overall risk-management framework and the limits and alert thresholds for the range of different risks it is exposed to through the implementation of its business strategy. It is reviewed and validated, as well as the risk appetite, at least annually, by the Board of Directors of Crédit Agricole Assurances, after review by the Crédit Agricole S.A. Group Risk Management Committee (a sub-Committee of Crédit Agricole S.A.'s Executive Committee, chaired by its CEO) of the main indicators and limits. With regard to limits of their responsibilities, the Crédit Agricole Assurances Executive Management or even the Group's Risk Management of Crédit Agricole S.A. is notified of any breaches of alert thresholds or limits and resulting corrective measures.

The quarterly Group Risk report, supplemented by a monthly reporting on financial risks, which is updated based on standardised risk management indicators, is used to monitor Crédit Agricole Assurances Group's exposure profile and to identify potential deviations.

Any crossing of the tolerance threshold of one of the indicators of the appetite matrix is reported to the Board of Directors which is also regularly informed about the respect of the appetite framework.

Crédit Agricole Assurances holding has implemented the representatives which allow the monitoring of the Risks, in a consistent manner, at the Group level: a Risks Supervisory Committee which meets twice a month, a monthly Financial Risks Committee, assets reviews portfolio and the lasts developments are presented on a monthly basis to the Executive Committee (risks flash).

Moreover, Crédit Agricole Assurances has set up a Group-wide Methodology Committee, steered by the Group Risk function. The role of the Methodology Committee is to approve the methodologies underpinning the models and indicators used to address major risks for Crédit Agricole Assurances Group or presenting cross-sector challenges for Crédit Agricole Assurances Group.

Lastly, as part of its oversight role, the Group Risk Management and Permanent Control department of Crédit Agricole S.A. periodically organizes a review of the risk management and control framework, attended by the Crédit Agricole Assurances 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 and process mapping, adaptation of the risk appetite matrix and, the Crédit Agricole Assurances Group limits in accordance with a process coordinated by the holding, taking into account the life and non-life companies' features.

The entities also draw up formal policies and procedures providing a strict framework for risk management (including the rules for accepting risk when insurance policies are taken out, provisioning and hedging of technical risks by reinsurance, claims management, etc.).

For its international subsidiaries, Crédit Agricole Assurances has drawn up a set of standards 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 main incidents (such as breaches of limits) occurred and notified either to the Crédit Agricole S.A. Group Risk Management department (CAA Group limits), to Crédit Agricole Assurances Executive Management, or to the entity's management. Corrective measures are implemented in response.

The risk management system is examined during meetings of the Risk Management and Internal Control Committees of each subsidiary, in light of the permanent control reports, the analysis of their risk 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, Crédit Agricole Assurances Group is particularly affected by market risks owing to the very large volume of financial assets held to cover policyholder liabilities.

The market risk is the risk of loss, arising from fluctuations relative to the prices of financial instruments, which compose a portfolio.

Crédit Agricole Assurances Group is exposed to several types of market risk:

- interest rate risk;
- equity risk;
- foreign exchange risk;
- counter-party risk, both from the point of view of default (bond portfolio issuers, OTC transaction counterparties) and movements in the issuer spread. This risk is detailed in a specific section.

In particular, these risks have an impact on the valuation of portfolio assets and their long term yield, and must be managed closely with matching of liabilities and, particularly in Life Insurance, guarantees granted to policyholders (minimum guaranteed rate, floor guarantee, etc.).

Liquidity risk is monitored specifically.

Hence, the financial policy of Crédit Agricole Assurances Group 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 Crédit Agricole Assurances holding contributes to formulating and monitoring implementation of the investment policies of Crédit Agricole Assurances Group and of the subsidiaries (taking into account individual ALM requirements and financial objectives), which are submitted to their respective Boards for approval. 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.

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 unitlinked policies, amounted to €243 billion at 31 December 2016, up from €233 billion at the end of 2015.

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. Crédit Agricole Assurances' framework for managing interest rate risk sets out the limits on risks and the related governance (ALM Committee, presentation of stress scenarios to the Board of Directors, etc.).

The risk of a decrease affects the life-insurance activity in so far as a context of low interest rates weighs on the profitability of Crédit Agricole Assurances: as it leads to a situation where the yield on the securities entering the portfolio are lower than the rates served on life insurance policies. Risks related to the minimum guaranteed returns in France are handled at regulatory level by means of prudential provisions.

Crédit Agricole Assurances has a range of levers to tackle the risk of falling rates:

- no issue of policies that feature a minimum guaranteed return greater than zero (since 2000 for the main French life insurance company), so that the average minimum guaranteed return has consistently reduced;
- moderation of profit sharing;
- hedges using bond assets and swaps/swaptions to manage reinvestment risk;
- adaptation to the very low rates environment of the assets/liabilities management and of the investments policies;
- prudent diversification of investment assets;
- adaptation of the sales policy, with in particular measures to reallocate inflows towards unit-linked policies.

Crédit Agricole Assurances is exposed to a risk arising from an increase in interest rates related to policyholder behavior: a gap between the return rate that can be delivered by the insurer (related to bond yields) and the rate expected by policyholders in a high-rate environment, or the rate achieved by other savings vehicles, could result in a wave of early redemptions by policyholders. If the insurer were forced to dispose of assets, notably bonds, with unrealized losses (which would generate losses for the insurer), the yield on the portfolio would be reduced, with the risk of triggering new waves of policy redemptions.

Thus, Crédit Agricole Assurances implements measures to manage the risk of a rate rise:

- adjustment of duration according to projected outflows of liabilities;
- retention of liquidities or liquid investments with a low risk of loss;
- dynamic management of the investment portfolio and setting aside reserves to provide the capacity to increase the return (capitalisation reserve, and profit-sharing provision);
- 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.

Crédit Agricole Assurances Group's dashboard, submitted to the Executive Committee and the Audit and Accounts Committee, includes indications in order to monitor the nature of this risk: average minimum guaranteed rate, coverage rate of bond portfolio, allocation to reserve funds…

Analysis of sensitivity to rate risk

Technical liabilities

Crédit Agricole Assurances Group's technical liabilities are largely insensitive to rate risks for the following reasons:

- savings provisions (over 90% of technical provisions, excluding unit-linked policies): these technical provisions are based on the pricing rate, which is unchanging over time for any particular policy. As a result, a change in interest rates will have no impact on the value of these commitments;
- property & casualty provisions: these technical provisions are not discounted to present value and changes in interest rate, and therefore have no impact on the value of these commitments;
- mathematical provisions for benefits (personal injury, disability): the discount rate used in calculating these reserves is based on the interest rate in force at the calculation date. Therefore, the size of these commitments varies with interest rates. However, given the small amount of these technical commitments, they represent no significant risk for Crédit Agricole Assurances Group.

Financial investments

The sensitivity to rate risk of Crédit Agricole Assurances Group's fixed income portfolio provides an assessment of a rates change's impact. It assumes a 100 basis point rise or fall in interest rates, as follows (net of the impact on deferred policyholder surplus and tax):

(in € millions)	31/12/2016 Impact on net income	31/12/2016 Impact on equity	31/12/2015 Impact on net income	31/12/2015 Impact on equity
100 bp rise in risk-free rates	(44)	(1,403)	(79)	(1,263)
100 bp decline in risk-free rates	75	1,386	115	1,247

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 ASSET RISK

Type of exposure and risk management

Exposure to the equity markets and other so-called diversification assets (private equity and listed or unlisted infrastructures, real estate and alternative management) is intended to capture yield in these markets (notably with a low correlation between real estate and other asset classes). The market risk relative to shares and other diversification assets is defined as a risk of volatility in terms of valuation and, therefore, of accounting provisioning that may have an impact on the return provided to policyholders (provision for lasting impairment, provision for liquidity risk). To limit this effect, particularly for the life insurance portfolios, allocations are analysed to determine a ceiling for the share of these diversification assets and a maximum volatility level.

Equities and other diversification assets are held directly or *via* dedicated Crédit Agricole Assurances Group UCITS to provide regional diversification, in accordance with the relevant risk policies. Exposure to these assets is managed by a series of limits (by asset class and overall for the diversification) and concentration rules.

Compliance with these limits is monitored on a monthly basis.

The main asset classes making up the total portfolio are presented in note 6.4 and the fair value of financial assets and liabilities recognized at cost in the balance sheet in note 6.5.1 of the consolidated financial statements, included in Crédit Agricole Assurances' registration document.

Analysis of sensitivity to equity risk

A quantified assessment of equity risk can be expressed by the sensitivity achieved assuming a 10% rise or decline in equity markets, is as follows (impacts are shown net of deferred policyholder surplus and tax):

(in € millions)	31/12/2016 Impact on net income	31/12/2016 Impact on equity	31/12/2015 Impact on net income	31/12/2015 Impact on equity
10% rise in equity markets	40	179	33	124
10% decline in equity markets	(45)	(179)	(38)	(124)

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

The foreign exchange risk may be defined as a risk of loss in relation with the fluctuations of the exchange rate of each currency compared to euro. Regarding Crédit Agricole Assurances, this risk is very marginal as shown by the sensitivity to foreign exchange risks, assuming a 10% rise of decline in each currency against euro, is as follows (impacts are presented net of deferred policyholder surplus and tax):

	31/12/2016		31/12/2015	
(in € millions)	Impact on net income	Impact on equity	Impact on net income	Impact on equity
Exchange rate sensitivity on financial instruments: +10% of each currency compared to euro	(16)	18	(14)	15
Exchange rate sensitivity on financial instruments: -10% of each currency compared to euro	13	(15)	11	(12)

Crédit Agricole Assurances' exposure to foreign exchange risk falls into two categories:

- a limited structural exposure: in yen for the CA Life Japan subsidiary, with a coverage ratio of 88.3% (limited net exposure at JPY 885 million at the end of 2016, the equivalent of €7 million) and in PLN for the CA Insurance Poland subsidiary with a coverage ratio of 90.7% (net exposure of PLN 3.1 million, equivalent to €0.7 million);
- operational foreign exchange exposure arises from a mismatch between the asset's currency and that of its liabilities: Crédit Agricole Assurances Group's global portfolio, representing commitments in euros, is primarily invested in euro-denominated financial instruments. However, to achieve the aim of optimising risk/return, the Group seeks to profit from projected gaps in growth between major regions, using dedicated funds.

The general strategy is not to hedge exposure to the currencies of emerging economies, regardless of the asset class, and, in contrast, to hedge exposure to the currencies of mature countries through forward sales, with the option of limited tactical exposure to a currency. Crédit Agricole Assurances Group's overall foreign exchange exposure is bound by a maximum market value limit relative to the total portfolio, and a sub-limit for emerging currencies.

The effective exposure, measured monthly, is compared to the limits. At the end of 2016, it was not material (0.32% of the total portfolio), and was mainly on emerging currencies.

LIQUIDITY RISK

Type of exposure and risk management

Regarding Crédit Agricole Assurances, the liquidity risk corresponds mainly to its ability to meet its current liabilities.

With this purpose, the companies use a combination of approaches.

On the one hand, liquidity is an investment selection criterion (majority of securities listed on regulated markets, limits on assets in markets that lack depth, such as private equity, unrated bonds, and alternative management, etc.).

On the other hand, systems for managing liquidity are consistent across Crédit Agricole Assurances Group, and are defined by the companies as part of their ALM policy:

- for life insurance companies, 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 European Central Bank eligible assets);
- for non-life insurance companies, liquidities or assets that have low reactivity are retained, and the share is calculated to respond to a shock to liabilities.

The "reactivity" ratio measures the ability to mobilise current assets of less than two years or variable-rate assets by limiting the impacts in terms of capital loss; it is measured and compared against a threshold set by each life insurance company. 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 Crédit Agricole Assurances Group's consolidated financial statements presents maturities for the bond portfolio (excluding unit-linked contracts).

Breakdown in financial liabilities by contractual maturity

Note 6.23 to Crédit Agricole Assurances Group's consolidated financial statements provides information on the estimated maturities of Crédit Agricole Assurances insurance liabilities (excluding unit-linked contracts whose risk is borne by policyholders).

Financing

As a holding company, Crédit Agricole Assurances is responsible for subsidiary refinancing enabling them to meet their solvency requirements and operational cash needs. It is refinanced through its shareholder Crédit Agricole S.A., and, since 2014, through issuing subordinated debt directly in the market.

The structure of its financing debts and their breakdown by maturity is shown in note 6.21 to Crédit Agricole Assurances Group's consolidated financial statements.

COUNTERPARTY RISK

The counterparty risk is the loss risk linked to the default of an issuer. This risk is reflected for debt securities by the decrease of their value.

This section only deals with counterparty risk on financial instruments. Exposure to counterparty risk on reinsurers' receivables is covered in the section on insurance risk.

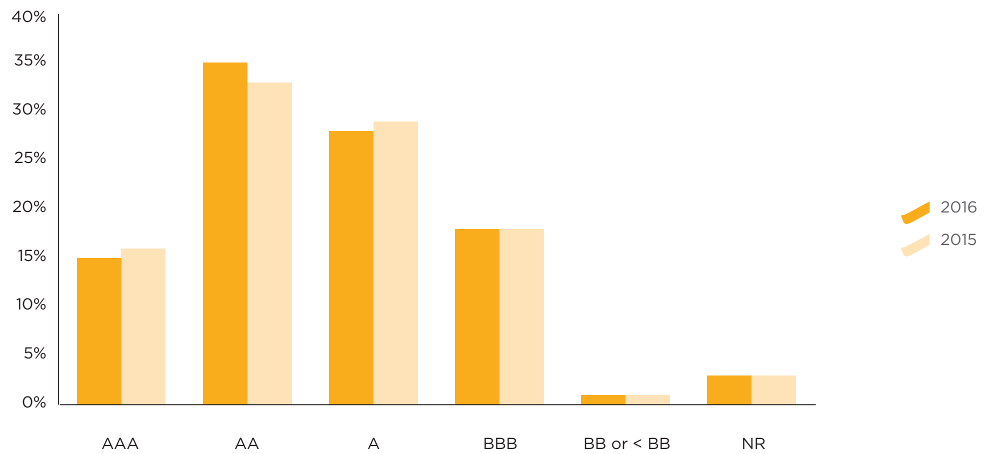
Amundi's risk management teams perform the analysis of counterparty risk for issuers and for OTC market transactions (derivatives) under the mandates granted to them by the insurance companies.

Counterparty risk is contained overall for Crédit Agricole Assurances Group and at portfolio level for each entity in Crédit Agricole Assurances Group, on the basis of limits in terms of ratings, issuer and sector concentration.

Hence, aggregate limits are placed to manage the breakdown of issues between rating classes. The rating used, called "Solvency 2", corresponds to the second best of the three S&P, Moody's and Fitch ratings. The share of "high-yield" issues held directly (including after a rating downgrade that does not affect repayment capacity), or indirectly *via* specialist funds, is subject to strict limits. BB is the minimum rating authorised. In the context of the shift in focus since mid-May 2012 from fixed income to corporate bonds, subject to a maximum exposure limit for the sector, the investment universe was expanded to issuers not rated by an external rating agency, but with an internal Crédit Agricole S.A. investment grade equivalent rating (BBB-) as a minimum requirement, according to a rigorous selection process and in a limited proportion (less than 4% of the portfolio at the end of 2016).

The breakdown of the bond portfolio by credit rating is a good indication of its creditworthiness.

The bond portfolio (excluding unit-linked policies) by credit rating breaks down as follows:



Concentration in a single issuer (equities and interest rate instruments) may not exceed a given percentage of the total portfolio, which is determined according to issuer type and quality. Furthermore, limiting the relative weighting of the top 10 issuers ensures diversification within rating levels A and BBB. Exposure is reviewed quarterly with the Amundi Risk teams and the Risk Management department of Crédit Agricole S.A. Group.

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, Crédit Agricole Assurances 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, Crédit Agricole Assurances 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-2015 amounted to €7.8 billion and are detailed in note 6.6 to the consolidated financial statements. Exposure to non-sovereign debt of these weakened countries was managed in a conservative and selective manner relative to the 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, Crédit Agricole Assurances is exposed to biometric risks (longevity, mortality, disability, long-term care risks), loading risk (insufficient loading to cover operating expenses and commission paid to distributors), but most of all to behavioural risk, *i.e.* the risk of early redemption of policies related to rapid interest rate rises or a deterioration in trust in Crédit Agricole Group.

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 Crédit Agricole Assurances Group level, and compared with the structural redemption rates established on the basis of historic and market data.

For the death and disability activity and yields, the underwriting policy, which specifies the risks covered and the underwriting conditions (target customers, exclusions), and pricing standards (notably the statistical tables established either from national or international statistics or from experience tables) help to control risk in this area.

"Disaster" risk, related to a mortality shock (*e.g.* a pandemic) is liable to have an impact on the results for individual or group death and disability insurance. The French life insurance subsidiary receives BCAC coverage *(Bureau commun des assurances collectives)*, both on group death benefits and individual death and disability benefits, as well as, in part, supplementary coverage of disability risk.

Non-life insurance underwriting risk

For property & casualty insurance and non-life guarantees included in creditor insurance policies, the underwriting risk can be defined as the risk that the earned premiums are not sufficient compared to the claims outstanding. Crédit Agricole Assurances is mainly exposed to frequency and exceptional risk arising either from disaster risk, mainly climate risk, or the occurrence of expensive individual claims.

For distribution partners, underwriting policy defines the framework for accepting risk (to ensure appropriate selection of risks and the spread within the policy portfolio to optimize technical margins). Formal rules and procedures for pricing are also drawn up.

The ratio of claims paid to premiums earned is compared against targets. This claims ratio is the key indicator for monitoring risk and is used to identify priorities for improving the technical result, where necessary.

Concentration risk in non-life insurance relates to an aggregation of liabilities in respect of a single claim, arising from:

- underwriting concentration, in which policies are written by one or more Group entities on the same risk;
- claim concentration, where policies are written by one or more Crédit Agricole Assurances Group entities on risks that are different, but liable to be triggered by a single covered event or the same primary cause.

This type of risk is hedged, first, by a policy of diversifying the risks written in a single region and, second, by reinsurance to limit the financial impact of major events (storms, natural disasters, etc.), under a reinsurance policy (see reinsurance risk below) that incorporates this dimension.

Provisioning risk

Provisioning risk is the risk of a gap between the provisions set aside and those required to meet liabilities. It may be related to risk valuation (volatility introduced by discount rates, regulatory developments, or new risks for which statistical depth is inadequate, etc.) or to a change in risk factors (population ageing, for example, leading to increased long-term care risks or health issues, stricter laws governing professional civil liability, personal injury compensation, etc.).

The objective of the provisioning policy established in each of the companies is to guarantee a prudent assessment of loadings for past and projected claims to ensure a high probability that the accounting provisions set aside will be sufficient to cover the ultimate load.

The methods used to constitute provisions for property and casualty claims, on a case-by-case basis according to the products and guarantees affected, are documented and the management rules applied by claims managers are set out in the manuals.

The choice of statistical methodology to calculate accounting provisions (including provisions for late payment) is justified at each reporting date.

The local permanent control plan encompasses control of provisioning policy.

The statutory auditors perform an actuarial review of provisions as part of the annual audit.

The breakdown in technical provisions pertaining to life and non-life insurance contracts is presented in note 6.24 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).

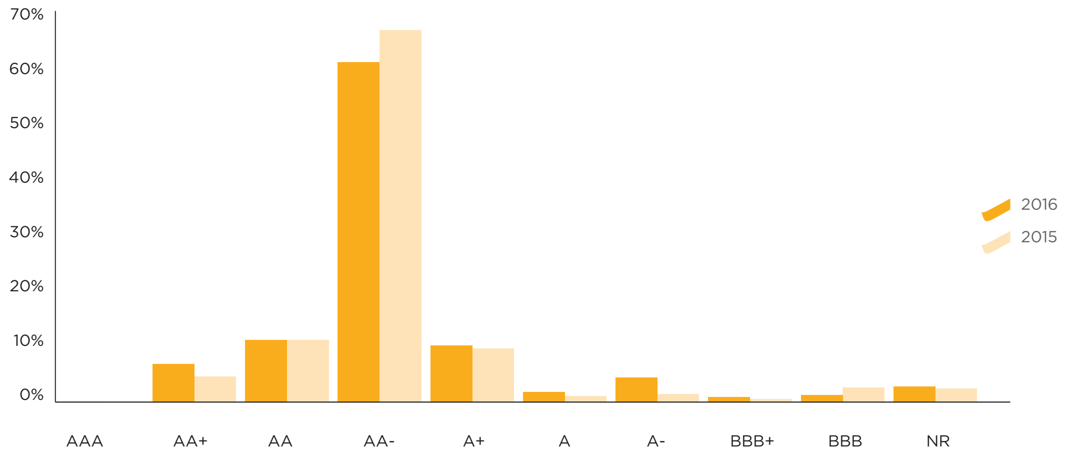
Each company draws up its own reinsurance plan aimed at protecting equity in case of systemic or exceptional events and at limiting volatility in the company's results, based on the principles of Crédit Agricole Assurances Group's strategy for common and uniform risks limitation, namely:

- select reinsurers that meet minimum financial soundness criteria, with reinsurers' ratings monitored at Crédit Agricole Assurances Group level;
- ensure adequate dispersion of premiums across reinsurers;
- monitor the adequacy of reinsurance cover relative to the commitments to policyholders and of results on each reinsurance agreement.

The reinsurance plans are reviewed annually by the Board of Directors in each subsidiary.

Net outstandings ceded to reinsurers (ceded reserves and current accounts with reinsurers net of cash deposits received) totalled €0.5 billion at 31 December 2016, remaining roughly 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 Crédit Agricole S.A. Group Risk Management department and the findings of periodic controls to highlight the most critical net risks and prioritise action plans to reduce them;

- a process of collecting data on risk-related incidents and operating losses, backed by an early-warning system, is used to monitor identified risks and exploit them to introduce remediation measures and ensure consistency with mapping. The amount of collected losses is compared every quarter to a yearly defined alert threshold.

Crédit Agricole Assurances and its subsidiaries have prepared their business continuity plans (BCP) focusing on essential activities in order to cover a failure of information systems, operational sites and personnel. The business continuity plans meet Crédit Agricole S.A. Group standards, with the adoption of the Group's solution for the user fallback site, the IT back-up plan based on the Crédit Agricole S.A. shared IT operating and production site. It is tested on a regular basis. IT system security is an inherent component of the Group's security policies. A threeyear programme of security projects (including accreditation, intrusion tests, and IT system failure scenarios) is underway.

A Crédit Agricole Assurances Group-wide general outsourcing and subcontracting policy, describing amongst others the monitoring and control system associated with outsourcing, is being rolled out by Group entities.

NON-COMPLIANCE RISK

Non-compliance risk refers to a potential lack of adherence to rules governing financial and banking activities. These rules may be laws, regulations (on Solvency 2 regulation, 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.

The monitoring at the Group level is conducting *via* the coordinating representatives and covers regulatory projects launched by the Crédit Agricole S.A. Group (such as FACTA, Volcker…).

In all areas of compliance, from the prevention of money laundering and financing of terrorism to protecting customers, the Group has strengthened coordination with distributors (Regional Banks, LCL, other international networks) to define roles and responsibilities and ensure implementation of the controls to guarantee correct application of procedures by all parties.

Crédit Agricole Assurances Group has enhanced its organization and its risk management system to be Solvency II compliant, after modalities précised in the section "Corporate governance" of Crédit Agricole Assurances' registration document.

LEGAL RISK

Responsibility for legal management, regulatory intelligence and consulting with Business Line departments lies with the companies' Legal Affairs departments.

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 2016

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: **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: €1,490,403,670 (last modified 27 July 2016)
- Place of registration: Tribunal de commerce de Paris
- Company Number: 2004 B 01471

Insee data

- N° Siren: 451 746 077
- Siret: 451 746 077 00036
- Code NAF: 6420Z (Holding company activities)
- Legal Category: 5599 (*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

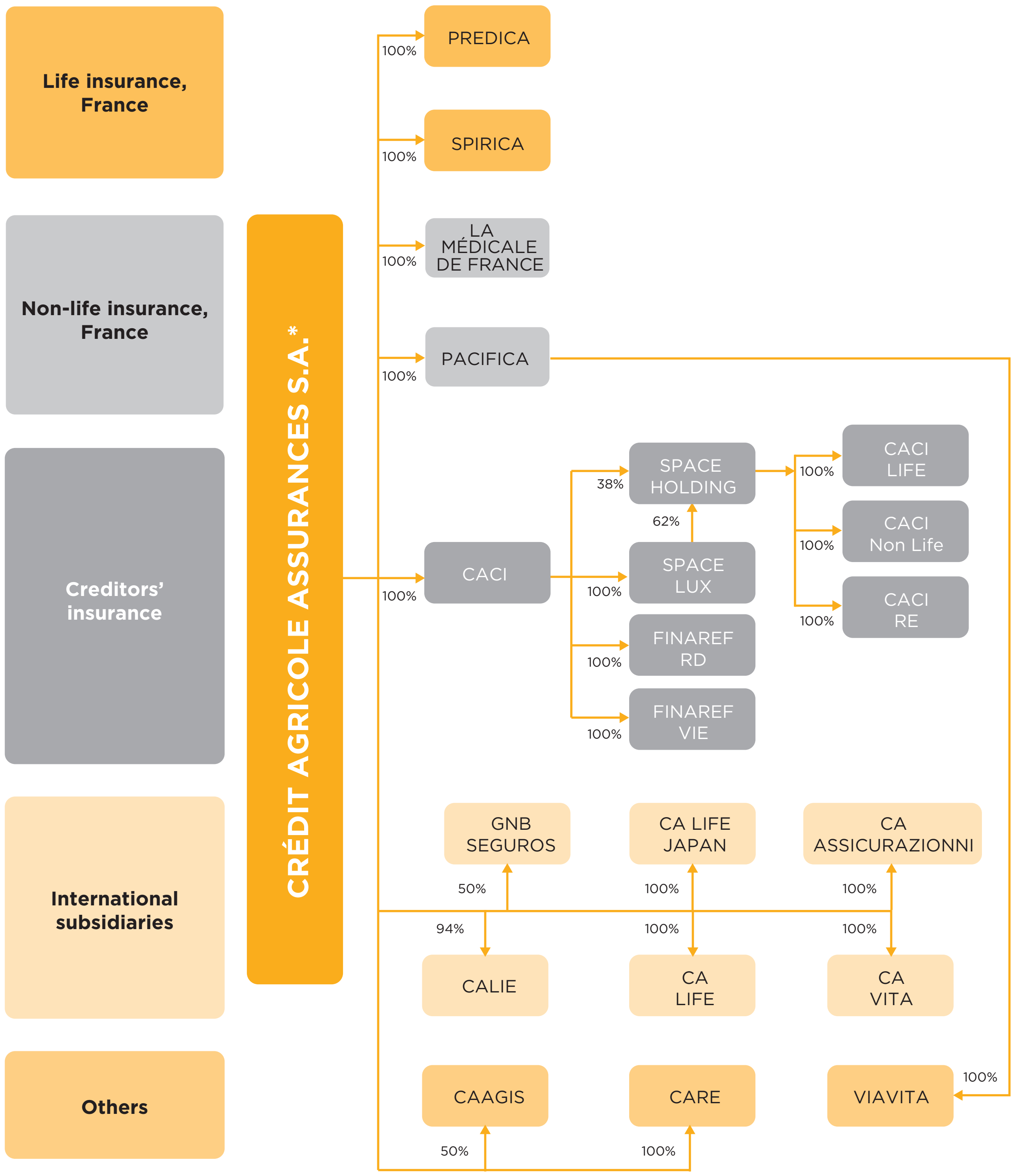
Shareholders

Share capital in Crédit Agricole Assurances consists of 149,040,367 shares of €10 each, held by:

- Crédit Agricole S.A: 99.99%
- Other directors: 0.01%

SIMPLIFIED ORGANISATIONAL STRUCTURE OF CRÉDIT AGRICOLE OF ASSURANCES GROUP

The diagram below represents the scope of consolidation of the Crédit Agricole Assurances Group, with the exception of consolidated structured entities, associates, joint ventures and property investment companies.



* *The Crédit Agricole Assurances S.A. holding company is presented in "other" under segment information.*

RELATED PARTIES INFORMATION

Parties related to the Crédit Agricole Assurances Group are companies within the Crédit Agricole S.A. Group and the main directors of the Crédit Agricole Assurances Group.

Relations with the Crédit Agricole Group

The majority of the financing of Crédit Agricole Assurances is provided by the Crédit Agricole Group.

As at 31 December 2016, €1.2 billion of perpetual subordinated loan notes and €2.7 billion redeemable subordinated loan notes were held by Crédit Agricole Group.

Within its investment portfolio, the Crédit Agricole Assurances Group holds a total of €18.5 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 Assurances Group

The list of companies consolidated by the Crédit Agricole Assurances Group is set out in note 10 – Consolidation scope.

Transactions between two fully consolidated companies are completely eliminated.

Intragroup transactions that have been subject to eliminations having an effect on the income statement for the year are presented in note 5 – Segment information.

Relations with main directors

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.

CONSOLIDATED FINANCIAL STATEMENT

BALANCE SHEET ASSETS

(€ million)	Notes	31/12/2016	31/12/2015
Goodwill	Note 6.1	872	872
Value of business in-force	Note 6.2	7	8
Other intangible assets	Note 6.2	268	246
Intangible assets		**1,147**	**1,126**
Investment property	Note 6.3	5,539	5,299
Unit-linked investment property	Note 6.3	-	-
Financial investments	Note 6.4	286,863	275,621
Unit-linked financial investments	Note 6.4	52,432	49,056
Derivative instruments and separated embedded derivatives	Note 6.10	1,819	1,544
Investments in associates and joint ventures	Note 6.11	1,927	1,844
Investments from insurance activities	Notes 6.3 to 6.11	**348,580**	**333,364**
Reinsurers' share in liabilities arising from insurance and financial contracts	Note 6.12	**1,495**	**1,394**
Operating property and other property, plant and equipment	Note 6.13	221	224
Deferred acquisition costs	Note 6.14	907	872
Deferred participation assets	Note 6.24	-	-
Deferred tax assets	Note 6.15	32	26
Receivables resulting from insurance and inward reinsurance operations	Note 6.16	1,955	2,348
Receivables resulting from ceded reinsurance operations	Note 6.17	77	56
Current income tax assets	Note 6.15	190	18
Other receivables	Note 6.18	4,777	3,250
Other assets		**8,159**	**6,794**
Assets held for sale including discontinued operations[1]		**576**	**400**
Cash and cash equivalents		**1,292**	**1,970**
TOTAL ASSETS		**361,249**	**345,048**

(1) *Application of IFRS 5 in 2015 for CA Life Greece entity and in 2016 for CA Life Greece and CARE entities.*

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BALANCE SHEET LIABILITIES

(€ million)	Notes	31/12/2016	31/12/2015
Share capital and equivalent		1,490	1,449
Issue, merger and transfer premium		7,375	7,167
Gains and losses recognised directly in equity		2,782	2,341
Retained earnings and other reserves		1,979	2,084
Consolidated net income		1,368	1,036
Group shareholders' equity	Note 6.19	**14,994**	**14,077**
Non-controlling interests		34	32
Total shareholders' equity		**15,028**	**14,109**
Provisions	Note 6.20	**165**	**217**
Subordinated debts	Note 6.21	4,853	2,834
Debt to credit institutions		2,192	2,174
Financing debt		**7,045**	**5,008**
Technical liabilities on insurance contracts		134,658	124,537
Technical liabilities on unit-linked insurance contracts		45,092	42,600
Technical liabilities on insurance contracts	Note 6.23	**179,750**	**167,137**
Technical liabilities on financial contracts with discretionary participation features		99,729	101,888
Technical liabilities on financial contracts without discretionary participation features		81	132
Technical liabilities on unit-linked financial contracts		7,426	6,610
Technical liabilities on financial contracts	Note 6.23	**107,236**	**108,630**
Deferred participation reserve	Note 6.24	**21,026**	**19,313**
Technical liabilities		**308,012**	**295,080**
Deferred tax liabilities	Note 6.15	477	534
Operating debt represented by securities		-	-
Operating debt to banking establishments		64	69
Liabilities towards holders of units in consolidated mutual funds		5,803	7,248
Debts arising from insurance or inward reinsurance operations	Note 6.25	1,880	2,159
Debts arising from ceded reinsurance operations	Note 6.26	1,115	1,059
Current income tax liabilities		42	21
Derivative instrument liabilities	Note 6.10	71	2
Other debts	Note 6.27	21,167	19,183
Other liabilities		**30,619**	**30,275**
Liabilities held for sale including discontinued operations[1]		**380**	**359**
TOTAL LIABILITIES		**361,249**	**345,048**

(1) *Application of IFRS 5 in 2015 for CA Life Greece entity and in 2016 for CA Life Greece and CARE entities.*

CONSOLIDATED INCOME STATEMENT

(€ million)	Notes	31/12/2016	31.12.2015
Written premiums	Note 7.1	30,775	30,369
Change in unearned premiums		(173)	(160)
Earned premiums		**30,602**	**30,209**
Revenue or income from other activities		**105**	**137**
Investment income		7,840	8,230
Investment expense		(420)	(315)
Gains/(losses) on investment net of reversals of impairment and depreciation		894	1,746
Change in fair value of investments recognised at fair value through profit or loss		591	582
Change in investments impairment		(248)	(243)
Investment income net of expenses	Note 7.2	**8,657**	**10,000**
Claims expenses	Note 7.4	**(33,373)**	**(34,523)**
Revenue from reinsurance operations		536	434
Expenses from reinsurance operations		(603)	(527)
Result from reinsurance	Note 7.7	**(67)**	**(93)**
Contracts acquisition costs		(2,063)	(2,046)
Amortization of value of business in-force and similar		(1)	(1)
Administrative expenses		(1,441)	(1,382)
Other current operating income and expenses		(243)	(242)
Other operating income and expenses		(12)	(17)
Operating income	Note 7.5	**2,164**	**2,042**
Financing expenses	Note 6.21	(225)	(402)
Income tax	Note 7.8	(588)	(603)
Profit/loss after-tax on discontinued operations[1]		23	3
CONSOLIDATED NET INCOME		**1,374**	**1,040**
Non-controlling interests		6	4
Net income (Group share)		**1,368**	**1,036**

(1) *Application of IFRS 5 in 2015 for CA Life Greece entity and in 2016 for CA Life Greece and CARE entities.*

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NET INCOME AND OTHER COMPREHENSIVE INCOME

(€ million)	31/12/2016	31.12.2015
Consolidated net income	**1,374**	**1,040**
Actuarial gains and losses on post-employment benefits	(2)	(8)
Gross shadow accounting related to unrealised items that will not be reclassified to profit and loss	-	-
Pre-tax other comprehensive income on items that will not be reclassified to profit and loss excluding associates and joint ventures	**(2)**	**(8)**
Pre-tax other comprehensive income on items that will not be reclassified to profit and loss on associates and joint ventures	-	-
Income tax related to items that will not be reclassified to profit and loss excluding associates and joint ventures	-	3
Income tax related to items that will not be reclassified to profit and loss on associates and joint ventures	-	-
Other comprehensive income on items that will not be reclassified to profit and loss from discontinued operations	**-**	**-**
Other comprehensive income on items that will not be reclassified subsequently to profit and loss net of income tax	**(2)**	**(6)**
Foreign exchange differences	1	5
Revaluation of financial assets available for sale	1,951	(4,749)
Revaluation of hedging derivatives	135	(45)
Shadow accounting gross of deferred tax	(1,738)	4,751
Pre-tax other comprehensive income on items that may be reclassified to profit and loss excluding associates and joint ventures	**349**	**(38)**
Pre-tax other comprehensive income on items that may be reclassified to profit and loss on associates and joint ventures, Group Share	(11)	4
Income tax related to items that may be reclassified to profit and loss excluding associates and joint ventures	101	(20)
Income tax related to items that may be reclassified to profit and loss on associates and joint ventures	3	(1)
Other comprehensive income on items that may be reclassified to profit and loss from discontinued operations	**1**	**15**
Other comprehensive income on items that may be reclassified subsequently to profit and loss net of income tax	**443**	**(40)**
OTHER COMPREHENSIVE INCOME NET OF INCOME TAX	**441**	**(46)**
NET INCOME AND OTHER COMPREHENSIVE INCOME	**1,815**	**994**
Net income and other comprehensive income – Group share	1,809	991
Net income and other comprehensive income – Non-controlling interests	6	3

STATEMENT OF CHANGES IN EQUITY

	Group share									
(€ million)	Issued capital and equivalent	Issue, merger and transfer premium	Other comprehensive income	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	Non-controlling interests	Total consolidated shareholders' equity
CLOSING AT 31 DECEMBER 2014	**1,449**	**7,167**	**2,386**	**2,390**	**(4)**	**1,554**	**12,556**	**34**	**12,590**
Other comprehensive income		-	(45)	(40)	(5)	-	(45)	(1)	(46)
Consolidated net income	-	-	-	-	-	1,036	1,036	4	1,040
Net income and other comprehensive income	**-**	**-**	**(45)**	**(40)**	**(5)**	**1,036**	**991**	**3**	**994**
Dividend payout	-	-	-	-	-	(475)	(475)	(5)	(480)
Capital operations	-	-	-	-	-	-	-	-	-
Change in scope	-	-	-	-	-	33	33	-	33
Perpetual sub Debt[(1)]	-	-	-	-	-	997	997	-	997
Interest expenses on perpetual sub debt	-	-	-	-	-	(34)	(34)	-	(34)
Other changes	-	-	-	-	-	9	9	-	9
CLOSING AT 31 DECEMBER 2015	**1,449**	**7,167**	**2,341**	**2,350**	**(9)**	**3,120**	**14,077**	**32**	**14,109**
Other comprehensive income	-	-	441	443	(2)	-	441	-	441
Consolidated net income	-	-	-	-	-	1,368	1,368	6	1,374
Net income and other comprehensive income	**-**	**-**	**441**	**443**	**(2)**	**1,368**	**1,809**	**6**	**1,815**
Dividend payout	-	-	-	-	-	(1,063)	(1,063)	(4)	(1,067)
Capital operations	41	208	-	-	-	-	249	-	249
Change in scope	-	-	-	-	-	(2)	(2)	-	(2)
Perpetual sub Debt[(1)]	-	-	-	-	-	-	-	-	-
Interest expenses on perpetual sub debt	-	-	-	-	-	(77)	(77)	-	(77)
Other changes	-	-	-	-	-	1	1	-	1
CLOSING AT 31 DECEMBER 2016	**1,490**	**7,375**	**2,782**	**2,793**	**(11)**	**3,347**	**14,994**	**34**	**15,028**

(1) *As part of the strengthening of its regulatory equity, Crédit Agricole Assurances issued a bond of €1 billion in January 2015.*

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° 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.

(€ million)	31/12/2016	31.12.2015
Cash and cash equivalents	1,292	1,970
Operating debt to banking establishments	(64)	(69)
CASH AND CASH EQUIVALENTS NET OF CASH LIABILITIES	**1,228**	**1,901**

(€ million)	31/12/2016	31.12.2015
Operating income	**2,164**	**2,042**
Gains and losses on investments	(896)	(1,743)
Net depreciation and amortisation	100	95
Change in deferred acquisition fees	(42)	(37)
Change in impairment	252	242
Net allocations to technical liabilities on insurance contracts and financial contracts	11,144	14,211
Net other provisions	(53)	(21)
Change in fair value of investments and other financial instruments recognised at fair value through profit or loss (excluding cash and cash equivalent)	(101)	(2,197)
Other non-cash items included in operating income	(359)	1,497
Correction of items included in operating income that do not correspond to cash flows and reclassification of financing and investment flows	**10,045**	**12,047**
Change in operating receivables and debts	265	804
Change in securities given or received under repurchase agreements	242	3,366
Net tax payments	(655)	(920)
Cash flows from discontinued activities	22	(250)
Cash flow from operating activities	**12,083**	**17,089**
Acquisitions of subsidiaries and joint ventures net of cash acquired	-	-
Disposals of subsidiaries and joint ventures net of cash transferred	-	(67)
Acquisitions of investments in associates	(190)	-
Disposals of investments in associates	12	-
Cash flows relating to changes in consolidation scope	**(178)**	**(67)**
Cash flows relating to disposals and repayments of financial assets	95,636	95,267
Cash flows relating to acquisitions and issuance of financial assets	(109,064)	(110,984)
Acquisition and/or issuance of investments and derivative instruments from other activities	-	-
Cash flows relating to changes in financial investments	**(13,428)**	**(15,717)**
Disposals of intangible assets and property plant and equipment	-	2
Acquisitions of intangible assets and property plant and equipment	(121)	(93)
Cash flows relating to acquisitions and disposals of intangible assets and property plant and equipment	**(121)**	**(91)**
Cash flows from discontinued activities	(24)	240
Cash flow from investment activities	**(13,751)**	**(15,635)**
Issues of capital instruments	(2)	1,847
Dividend payments	(803)	(408)
Cash flows relating to transactions with shareholders and members	**(805)**	**1,439**
Cash generated by issuance of financial debts	2,007	670
Cash allocated to repayment of financial debts	(15)	(1,899)
Expenses relating to financial debts	(194)	(405)
Cash flow from financing activities	**1,798**	**(1,634)**
Cash flows from discontinued activities	-	-
Net cash flow from financing activities	**993**	**(195)**
Flow of accounting method change	-	(53)
Other flows with cash effect	**-**	**(53)**
Opening cash and cash equivalents	1,901	683
Cash flow from operating activities	**12,083**	**17,089**
Cash flow from investment activities	**(13,751)**	**(15,635)**
Cash flow from financing activities	**993**	**(195)**
Other non-cash changes	-	(53)
Impact of foreign exchange differences on cash and cash equivalents	2	13
CASH AND CASH EQUIVALENTS	**1,228**	**1,901**

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 2016, 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 statements of Crédit Agricole Assurances at 31 December 2015.

They have been completed by the requirements of IFRS as adopted by the European Union at 31 December 2016, whose application became mandatory for the first time in the 2016 financial year.

These cover:

STANDARDS, AMENDMENTS AND INTERPRETATIONS	Date of the European Union regulation	Date of mandatory initial application: accounting periods beginning on
Annual improvements to IFRSs 2010-2012 cycle:	17 December 2014 (EU No. 2015/28)	1 February 2015[1]
• IFRS 2 Share-based payment: Reformulation of the definition of a vesting condition		
• IFRS 3 Business combinations: Harmonization of the accounting for any price adjustment; Fair value measurement of potential price complements		
• IFRS 8 Operating segments: Combination of operating segments and reconciliation of segment assets with total assets		
• IAS 16 Property, plant and equipment and IAS 38 Intangible assets: Clarification on the optional revaluation method for property, plant and equipment and intangible assets		
• IAS 24 Related Party Disclosures: Change in the definition of a related party		
Amendement to IAS 19 Employee Benefits Defined benefit plans: Accuracy of accounting for employee contributions related to services rendered but not dependent on years of service	17 December 2014 (EU No. 2015/29)	1 February 2015[1]
Amendement to IFRS 11 Partnerships Accounting for the acquisition of interests in a joint venture under IFRS 3 if the assets acquired constitute a "business" within the meaning of IFRS 3 and not a simple group of assets	24 November 2015 (EU No. 2015/2173)	1 January 2016
Amendement to IAS 16 Property, plant and equipment and IAS 38 Intangible assets Clarifications on income-based amortization method (prohibited under IAS 16 and acceptable under IAS 38)	2 December 2015 (EU No. 2015/2231)	1 January 2016
Annual improvements to IFRSs 2012-2014 cycle:	15 December 2015 (EU No. 2015/2343)	1 January 2016
• IFRS 5 Non-current Assets Held for Sale and Discontinued Operations: Clarification on amendments to a disposal plan where a non-current asset to be sold is to be reclassified as a non-current asset for distribution and vice versa		
• IFRS 7 Financial instruments Disclosures: Clarification on continued involvement in service contracts, the remuneration of which depends on the performance of the assets transferred Non-mandatory information for interim orders on the offsetting of financial assets and liabilities		
• IAS 19 Employee Benefits Clarification of the rate of return on government bonds used to discount the actuarial liability		
• IAS 34 Interim Financial Reporting: Clarification on the Possible Placement of Other Disclosures		
Amendement to IAS 1 Presentation of Financial Statements Objective of improving the presentation of information	18 December 2015 (EU No. 2015/2406)	1 January 2016

(1) Therefore from 1 January 2016 in the Group.

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STANDARDS PUBLISHED BY THE IASB AND ADOPTED BY THE EUROPEAN UNION AS AT 31 DECEMBER. 2016

It should also be noted that where early adoption of standards and interpretations as adopted by the European Union is optional on an accounting period, the option is not applied by the Group except where specifically stated. As regards Crédit Agricole Assurances this especially concerns:

STANDARDS, AMENDMENTS AND INTERPRETATIONS	Date of the European Union regulation	Date of mandatory initial application: accounting periods beginning on
IFRS 15 Revenue from Contracts with Customers Replacement of IAS 11 on Recognition of Construction Contracts and IAS 18 on Recognition of Ordinary Products	22 September 2016 (EU No. 2016/1905)	1 January 2018
IFRS 9 Financial Instruments Replacement of IAS 39 – Financial Instruments: Classification and Measurement, Depreciation.	22 November 2016 (EU No. 2016/2067)	1 January 2018

IFRS 9 Financial Instruments

IFRS 9 Financial Instruments is intended to replace IAS 39 Financial Instruments. It was adopted by the European Union on 22 November 2016 and published in the Official Journal of the European Union on 29 November 2016. It will enter into force on a mandatory basis for fiscal years beginning on or after 1 January 2018.

It sets new principles for the classification and measurement of financial instruments, credit risk depreciation and hedge accounting, excluding macro-hedging transactions.

The main developments brought about by the standard

Classification and valuation of financial assets

Under IFRS 9, classification and valuation criteria depend on the nature of the financial asset, depending on whether it is classified as an instrument of indebtedness (*i.e.* loan, advance, credit, bond, Equity instruments (*i.e.* share).

For debt instruments (loans and securities with fixed or determinable income), IFRS 9 is based on the management model on the one hand and on the analysis of the contractual characteristics on the other hand, to classify and Evaluate financial assets.

- The three management models:
  - the pure collection model, the intention of which is to collect the contractual cash flows over the lifetime;
  - the mixed model with the intention of collecting contractual cash flows over the life of the asset and disposing of the asset if there is an opportunity; and
  - the pure transfer model, the intention of which is to sell the asset.
- Contractual characteristics (‘Solely Payments of Principal & Interests’ test):

This second criterion is applied to the contractual characteristics of the loan or the debt security in order to deduce the final eligibility of the instrument from an accounting and classification category.

When the debt instrument has expected cash flows that do not only reflect capital and pure interest (*i.e.* simple), its contractual characteristics are deemed to be too complex and, in this case, the loan or Debt is recognized at fair value through profit or loss regardless of the management model. This includes instruments that do not comply with the SPPI test conditions.

On this aspect, certain points of interpretation are still being studied at the level of the IASB. The Crédit Agricole Assurances Group is following closely the discussions at the IASB concerning, in particular, certain early redemption indemnities and will take into account, where appropriate, the conclusions of these discussions.

On the basis of the criteria set out above:

- A debt instrument is accounted for at amortized cost, provided it is held in order to collect cash flows representing only cash and pure interest payments complying with the SPPI test.
- A debt instrument is recognized at fair value through recyclable equity provided it is in a mixed cash flow and resale model based on opportunities, provided that its contractual characteristics are also representative of items Of capital and pure remuneration of interests complying with the SPPI test.
- A debt instrument that is not eligible for amortized cost or fair value through recyclable equity is recorded at fair value through profit or loss. This is particularly true of debt instruments with a purely divestment model. This also applies to units of non-consolidated UCITS that are debt instruments that do not comply with the SPPI test independently of the management model.

For equity instruments (equity investments), they must, by default, be recorded at fair value through profit or loss, except for an irrevocable option for classification at fair value through non-recyclable equity (provided that these Instruments are not held for trading).

In summary, the application of the classification and valuation component of IFRS 9 should lead to an increase in the share of financial instruments – UCITS and equity instruments – valued at fair value through profit or loss. Overall, loans and receivables meet the SPPI test and will remain at amortized cost.

Depreciation

IFRS 9 introduces a new impairment model that requires the recognition of Expected Credit Losses (“ECLs”) on debt instruments measured at amortized cost or fair value through recyclable equity, loan commitments and financial collateral arrangements that are not recorded at fair value, as well as receivables from commercial leases and receivables.

This new ECL approach aims to anticipate the early recognition of expected credit losses, whereas in the provisioning model of IAS 39, it is conditional on the recognition of an objective loss event.

The ECL is defined as the expected weighted expected value of the credit loss (in principal and interest) discounted. It is the present value of the difference between contractual and expected cash flows (including principal and interest).

The calculation formula incorporates the parameters of probability of default, loss in case of default and exposure at the time of default.

The new credit risk provisioning model distinguishes three steps:

- Step 1: On the initial recognition of the instrument (loan, debt security, guarantee, etc.), the entity recognizes the expected 12-month credit losses;
- Step 2: Secondly, if the credit quality deteriorates significantly for a given transaction or portfolio, the entity recognizes the expected losses over its lifetime;
- Step 3: Thirdly, once one or more default events have occurred on the transaction or the counterparty that have a detrimental effect on the estimated future cash flows, the entity recognizes a proven credit loss at maturity.

Regarding the second stage, the monitoring and estimation of the significant deterioration in credit risk can be carried out on an individual transactional level or on a portfolio-level collective basis by grouping financial instruments according to common risk characteristics of credit. The approach is based on the use of a wide range of information, including historical evidence of observed losses, cyclical and structural adjustments, and projected losses based on reasonable scenarios.

This deterioration depends on the level of risk at the initial recognition date and must be recognized before the transaction is depreciated (3rd phase).

In order to assess the significant deterioration, Crédit Agricole Assurances is part of the Crédit Agricole Group's process, based on two levels of analysis:

- A first level depends on absolute and relative rules and criteria that apply to all Group entities;
- A second level linked to the local assessment of qualitative criteria for the risk carried by the Group on its portfolios, which may lead to tightening of the degradation criteria defined at the first level (floating a portfolio or sub- ECL at maturity).

In summary, the new IFRS 9 provisioning model could lead to an increase in impairment losses on loans and securities recognized in the balance sheet at amortized cost or at fair value through recyclable equity and off-balance sheet commitments and Receivables from leases and trade receivables.

Hedge Accounting

On hedge accounting (excluding macro-hedges of fair value), IFRS 9 provides for limited changes compared with IAS 39. The provisions of the standard apply to the following perimeter:

- All micro-coverage operations; and
- Cash-flow macro-hedging operations only.

The macro-hedges of the Fair Interest Rate Risk are excluded and may remain within the scope of IAS 39 (option).

When applying IFRS 9 for the first time, two options are available:

- Apply the hedging section IFRS 9; or
- Maintain IAS 39 until the application of IFRS 9 for all hedging relationships (at the latest when the macro-hedge of Fair Value is adopted by the European Union).

In accordance with the Group's decision, Crédit Agricole Assurances will not apply this aspect of the standard.

However, information should be provided in the notes to the financial statements with increased granularity on risk management and the effects of hedge accounting on the financial statements.

The IASB issued an amendment to IFRS 4 (Phase I) Insurance contracts offering insurance companies two alternative approaches to mitigate the effects of the application lag between IFRS 9 and the future IFRS 9 standard, Valuation of insurance liabilities (IFRS 17). According to the options chosen by the Crédit Agricole Group, Crédit Agricole Assurances will not retain these approaches and will apply IFRS 9 to its insurance activities as of 1 January 2018.

The deployment of the project in the Crédit Agricole Group

Crédit Agricole Assurances is an integral part of the Group project, which has been set up to implement IFRS 9 on time, by combining all accounting, finance, risk and IT functions.

Project milestones and accomplishments to date

In the first half of 2015, work focused on:

- An analysis of the provisions of the standard, with particular attention to the changes induced by the new criteria for the classification and measurement of financial assets and the recasting of the credit risk depreciation model, which requires switching from one Provisioning of proven credit losses to provision for expected credit losses (ECL);
- Identification of the key questions and the main subjects of accounting interpretation starting from the first macro-encryption of the impacts of the standard.

After this stage of analysis and diagnosis, Crédit Agricole Assurances took part in the implementation phase of the project from September 2015.

Moreover, since the beginning of 2016, Crédit Agricole Assurances has been associated with the main achievements that concerned:

- Normative projects with the identification of the main impacts on the financial statements and the definition of the Group's target funding process, which resulted in the drafting of a common methodological framework;
- Methodological work Group definition of possible options concerning the formula for the calculation of provisions, significant degradation and forward looking;
- Temporary simulations of the impact of the new standard on financial statements and prudential capital, in particular to better respond to requests from the European Banking Authority at the Crédit Agricole Group level. This work was carried out on the basis of accounting data as at 31/12/2015 at Group level;

- Computer sites with major impacts in information systems, involving specifications work on the Risk and Finance tools and choices of shared tools, namely: a central provisioning tool and for debt securities side Tool for analyzing the contractual characteristics allowing the industrialization of the SPPI test.

All of this deployment work will continue in 2017 and will include impact assessments on the basis of the financial statements as at 31 December 2016 in order to meet the European Banking Authority's (EBA) request.

Transition

IFRS 9 is retrospective and mandatory from 1 January 2018 by adjusting the opening balance sheet as of the date of first application, without requiring the restatement of the financial statements for the comparative period 2017. As a result, Crédit Agricole Assurances does not intend to restate the presented financial statements in comparison with those for 2018.

IFRS 15 Revenue from contracts with customers

IFRS 15 Revenue from customer contracts will be applicable for fiscal years beginning on or after 1 January 2018 (in accordance with EU regulation 2016/1905). The amendment "Clarification of IFRS 15", which provides further details, is currently being adopted by the European Union and is expected to enter into force on the same date.

For the first application of this standard, the Crédit Agricole Assurances Group has chosen the modified retrospective method, accounting for the cumulative effect at 01/01/2018, without comparative figures for the financial year 2017, and indicating, Impact of the standard on the various items in the financial statements.

IFRS 15 will replace IAS 11 Construction contracts, IAS 18 Revenue and all IFRIC 13 related interpretations Customer loyalty programs, IFRIC 15 Real estate construction contracts, IFRIC 18 Transfers of assets From customers and SIC 31 Revenue – barter transactions involving advertising services.

It consolidates in a single text the principles of accounting for income from sales of long-term contracts, sales of goods and services that do not fall within the scope of the standards for financial instruments (IAS 39), insurance contracts (IFRS 4) or leases (IAS 17). It introduces new concepts that could change the way income is recognized.

A study of the impact of the implementation of the standard in the Crédit Agricole Assurances Group is in progress, with initial results expected in early 2017. At the present stage of its analysis, nevertheless, in the first analysis, Crédit Agricole Assurances Does not expect significant impacts on its results

STANDARDS PUBLISHED BY THE IASB BUT NOT ADOPTED BY THE EUROPEAN UNION AS AT 31 DECEMBER. 2016

The standards and interpretations published by the IASB as at 31 December 2016 but not yet adopted by the European Union are not applicable by the Group. They will not enter into force in a mandatory manner until the date set by the European Union and are therefore not applied by the Group on 31 December 2016.

This applies in particular to IFRS 16.

IFRS 16 Leases will replace IAS 17 and all related interpretations (IFRIC 4 Determining whether an agreement contains a lease, SIC 15 Benefits in leases and SIC 27 Valuation of the substance of transactions involving the form The legal nature of a lease). It will be effective for fiscal years beginning on or after 1 January 2019.

The main change introduced by IFRS 16 concerns the accounting of tenants. IFRS 16 will impose on tenants a model to recognize on the balance sheet all leases, with the recognition on the liability side of a rental debt representative of the commitments over the life of the contract and on the asset a right to use Cushioning.

A study of the impact of the implementation of the standard in the Crédit Agricole Assurances Group will be carried out in 2017 in order to assess the main issues.

In addition, three amendments to existing standards have been published by the IASB, with no major issues for the Group: these are amendments to IAS 7 Statement of Cash Flows to IAS 12 Income Taxes applicable to the Group Crédit Agricole Assurances on 1 January 2017, and the amendment to IFRS 2 Classification and valuation of share-based payment transactions will be effective 1 January 2018. These dates will be confirmed after adoption by the European Union.

Presentation format of financial statements

In the absence of a model decreed by IFRS standards, 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, statement of changes in equity, cash flow statement) recommended by 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 from 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 the classification into current and non-current items, as also allowed under IAS 1;
- Expenses in the income statement are classified by function rather than by nature. This presentation, which is allowed under IAS 1, is the one used by a large majority of insurance companies. Moreover information on expenses' analysis by nature is provided in the notes.

Accounting principles and policies

USE OF JUDGMENTS AND ESTIMATES IN THE PREPARATION OF FINANCIAL STATEMENTS

Given their nature, the valuations needed to prepare financial statements require the formulation of assumptions and carry risk and uncertainty as to their future materialisation. These serve as the basis for the exercise of judgment needed to determine the accounting values of assets and liabilities that cannot be obtained directly from other sources.

Future materialisation can be affected by a number of factors, notably:

- the activities of national and international markets;
- changes in interest rates and foreign exchange rates;
- economic and political conditions in certain business sectors or countries;
- changes in regulations or legislation;
- the behaviour of the policyholders;
- demographic changes.

This list is not exhaustive.

The main balance sheet items whose valuation requires the exercise of judgment and the formulation of hypotheses are the following:

- goodwill and values of portfolios acquired, at the time of initial recognition and as part of subsequent impairment tests;
- financial instruments at fair value, including non-consolidated equity participations;
- liabilities on insurance contracts and 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;
- deferred tax assets;
- deferred benefits participation assets as part of recoverability tests.

Details of the use of judgments and estimates are set out in the relevant paragraphs below.

The valuation of the deferred participation, resulting from the application of the shadow accounting principle, has been subjected to an evolution in its implementation methods as at 31 December 2015. The deferred participation rate, previously determined from historically observed data, is henceforth valued prospectively on the basis of studied scenarii, consistent with the management directions of the company; it is updated only when significantly varying.

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.

With the exception of a single entity within Crédit Agricole Assurances closing its individual accounts on a date other than 31 December:

- CA Life Japan, whose closing date is 31 March.
- For this entity, 12 month-accounts are closed at 30 September to be consolidated in the Group accounts at 31 December.
- The impact from the difference in closing dates is not material.

SEGMENT REPORTING

The segmental information presented in the financial statements and notes of Crédit Agricole Assurances reflects the operational business segments. It is based on five business lines: France Life, France Non-Life, Credit Insurance, International and Other, which mainly covers holding and reinsurance activities.

INTANGIBLE ASSETS AND DEFERRED EXPENSES

The main intangible assets are goodwill and the value of 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" below) is assumed to have a perpetual value and is therefore not amortised; however, in accordance with IAS 36 it is subject to impairment testing as soon as there are objective indicators of a loss of value and at least once per year.

For the purposes of these impairment tests, each item of goodwill is allocated to the various cash generating units (CGUs) of the Group that will benefit from the advantages expected to accrue from the business combination. CGUs were defined, within the Group's main business segments, as the smallest identifiable grouping of assets and liabilities operating according to its own business model. In practice, Crédit Agricole Assurances 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 fair value less costs of disposal and its value in use. The value in use is calculated as the current value of estimated future cash flows from the CGU, as based on the medium-term plans drawn up for steering purposes of the Group.

Where the recoverable amount is lower than the carrying amount, the goodwill allocated to the CGU is impaired proportionately. This impairment is irreversible.

Value of portfolios of contracts acquired (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 contracts acquired as profits materialise. This amortisation is complemented by an annual recoverability test which takes account of experience and changes in valuation hypotheses.

Software

Software acquired is recognised at its acquisition cost, less amortisation and depreciation accumulated since the acquisition date.

Software created internally is recognised at its production cost, less amortisation and depreciation accumulated since the date of completion, where it meets the criteria of IAS 38 and in particular where it will generate future economic benefits for the company and where its cost can be assessed in a reliable manner. Only those expenses incurred during the development phase are capitalised; expenses incurred during the research phase are recognised directly in profit or loss for the year.

Software is amortised based on its estimated useful life.

Start-up costs are not capitalised and are recognised directly in expenses for the year in which they arise.

Deferred acquisition costs for insurance contracts and 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 underwriting of new business are recognised as assets on the balance sheet. The acquisition costs thus recognised are amortised over the life of the contracts in proportion to expected future profits arising.

The recoverability of such assets is tested together with the liability adequacy test (see below, under "Insurance liabilities"): the share of acquisition costs which, at the closing date, proves not to be covered by estimated future gross profits is not considered as recoverable and is therefore recognised as an expense, in accordance with the requirements of CRC regulation 2000-05 which apply to contracts within the scope of IFRS 4.

Acquisition costs of non-life insurance contracts are deferred in proportion to corresponding unearned premiums for the financial year.

As regards 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. This standard 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* the posting of a provision in liabilities.

The deferral patterns are identical to those of deferred acquisition costs of insurance contracts.

For Predica, in the savings business segment, the Group does not recognise deferred acquisition costs, as commissions paid are offset by loadings for acquisition costs.

PROPERTY, PLANT AND EQUIPMENT

Operating and investment property

Operating property covers the buildings housing the company's services. Investment property covers rental property and shares in unlisted real estate companies.

Crédit Agricole Assurances recognises operating and investment property at cost, applying the component method of accounting in accordance with the provisions of IAS 16 and the option set out in IAS 40.

As an exception, as allowed under IAS 40, real estate assets backing contracts where the financial risk is borne by the policyholder are valued and recognised at fair value, with changes in fair value being recognised in profit or loss.

Properties recognised at cost are analysed into four components, each with its own useful life and renewal schedule:

- major works (superstructure and infrastructure);
- secondary works (roofing, coverings, frames, facades, external joinery);
- technical installations (heating, ventilation, air conditioning, lifts, electrical systems);
- fixtures and fittings (surfacing, wall and floor finishing stages, etc.)

Technical studies carried out by Crédit Agricole Assurances lead it to use a residual value corresponding to approximately 90% of the major works component. By definition, this residual value is not depreciated; however, if an item of major works were to suffer a significant and lasting loss of value (technological change, change of use, fall in price), an impairment would be recognized.

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 impairment is recognised further to its depreciation. The recoverable value, calculated where the property presents indicators of a loss of value, is the lower of fair value and value in use.

For buildings, fair value corresponds to an expert valuation, established at least every five years and updated annually by a suitably qualified independent valuer. This value is disclosed in the notes to the financial statements (see note 6.4).

Crédit Agricole Assurances analyses at each closing all indicators of a loss of value for investment property. This multicriteria analysis is based both on the long-term character of the loss of value and the exercise of judgment. One of the criteria taken into account is a net carrying amount more than 20% higher than the expert valuation, however, if Crédit Agricole Assurances considers selling the investment in the short term or does not have the ability to hold it in the long term, any impairment, even less than 20%, is recognized.

FINANCIAL INSTRUMENTS (IAS 32 AND 39)

Financial assets and liabilities are recognised 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 initial recognition, they are valued depending on 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 at the measurement date.

Financial investments

Securities are classified according to the four categories applicable to securities as defined by IAS 39:

- financial assets at fair value through profit or loss classified as held-for-trading or designated at fair value through profit or loss;
- financial assets held to maturity;
- financial assets available for sale;
- loans and receivables.

Financial assets at fair value through profit or loss classified as held-for-trading or designated at fair value through profit or loss

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 an option taken by Crédit Agricole Assurances.

Financial assets at fair value through profit or loss classified as held-for-trading 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 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 hedging instruments in a cash flow hedge.

Accounting for financial assets designated at fair value through profit or loss 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 group of financial assets or liabilities whose performance is assessed according to the fair value method.

In particular, Crédit Agricole Assurances uses the classification designated at fair value through profit or loss 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. Indeed, changes in liabilities under such contracts reflect changes in the fair value of the corresponding assets and are recorded in profit or loss.

Similarly, Crédit Agricole Assurances usually uses this recognition 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 profit or loss) but including accrued interests.

They are subsequently valued at fair value and changes in fair value are recognised in profit or loss.

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 that the Group designates upon initial recognition as assets at fair value through profit or loss;
- those that meet the definition of loans and receivables. Therefore debt securities that are not listed on an active market cannot be classified as assets held to maturity.

Classification in this category necessarily entails complying with the prohibition of 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, for instance, an indicator of a significant deterioration in credit quality.

A held-to-maturity security cannot be hedged against interest rate risk, as by definition the supposed intention is to hold the asset to maturity independently of changes in value or 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 costs by the effective interest rate method.

This category of securities is subject to impairment under conditions described in the section "impairment of financial investments" for securities valued at amortised cost.

Loans and receivables

The "Loans and receivables" category records 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 costs by the effective interest rate method.

This category is subject to impairment under conditions described in the section "impairment of financial investments" 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 classification by default or designation.

Securities classified as 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 changes in fair value are recorded as gains and losses directly recognised in other comprehensive income.

In the event of a sale, unrealised gains and losses recognised in other comprehensive income are transferred (recycled) to the income statement.

Amortisation of potential premiums/discounts and transaction costs of fixed income securities is recognised through profit and loss using the effective interest rate method.

Accrued interests on assets available for sale are recognised as financial income and recorded as a balance sheet asset on the same line as relating fair value securities.

This category of securities is subject to impairment under conditions described in the 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 classified at fair value through profit or loss.

For investments in equity instruments, a significant or prolonged decline in the fair value is objective evidence of impairment. For debt instruments, it consists in a significant worsening of credit risk. Credit or counterparty risk is the risk of loss or non-recovery of a receivable.

For equity instruments, Crédit Agricole Assurances performs two analyses:

- The first analysis leads to systematic impairment in application of the following quantitative criteria: a decline 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 prolonged nature of the impairment of other securities held in the portfolio from indicators of potential impairment. These indicators trigger an analysis on a case-by-case basis based on quantitative criteria (loss of at least 30% in the value of an instrument over a period of 6 consecutive months) and qualitative criteria (financial difficulties of 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 instruments 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 instruments classified as "Assets available for sale", a subsequent increase in fair value relative to the carrying amount is recognised in other comprehensive income, while a loss of value results in additional impairment of the asset through profit or loss, the impairment loss being only reversed when the security is sold.

Recognition date of securities

Securities classified as "Securities held to maturity" and "Loans and receivables" are recognised on the date of settlement-delivery. Other securities, of whatever nature 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 rewards pertaining to the assets concerned) and are considered as financial guarantees.

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 borrowed 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 debt to the seller as a liability.

Income and expense relating to such transactions are recognised in profit or loss 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 inception 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 relationship.

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 changes in response to the change in an interest rate, index or other variable, which requires no initial investment or an investment that is significantly smaller than would be required for other types of contracts that would be expected to have similar effects, and that is settled at a future date.

An embedded derivative is a component of a hybrid instrument that meets the definition of a derivative. An embedded derivative shall be recognised separately from the host contract if the following three conditions are met:

- the hybrid instrument is not measured 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 2015 were some EMTN and convertible bonds. If the characteristics of the derivative are not closely linked to those of the host contract, Crédit Agricole Assurances has elected to recognise these instruments at fair value through profit or loss, their embedded derivatives are thus not accounted for separately.

Hedge accounting

IAS 39 defines three types of hedging relationships:

- Fair value hedges provide a hedge of the exposure to changes in 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 changes in the fair value of the hedged items are recognised (symmetrically) through profit or loss. Any ineffectiveness in the hedge results in a non-zero impact in profit or loss.

  Crédit Agricole Assurances uses this type of hedge particularly to cover foreign exchange risk on financial assets denominated in foreign currencies.

- Cash flow hedges provide a hedge of the exposure to 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 accounted for on the balance sheet as a counterparty of a specific account in gains and losses recognised directly in other comprehensive income for the effective portion of the hedge, with any ineffective portion being 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 operation aim at mitigating the risk of unfavourable change in fair value related to foreign exchange 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 implementation of a hedging relationship and in order to qualify for hedge accounting, a formal documentation of the hedging relationship must be prepared from inception, and the effectiveness of the hedge must be demonstrated at inception and prospectively, and then assessed retrospectively at least at each 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 debt instruments and equity instruments, particularly for the classification of perpetual subordinated debt, is based on an analysis of the economic substance of 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 financial liabilities (net assets), and is not categorised as a debt instrument.

Securities for which there is no contractual obligation to repay the capital or to return cash are therefore classified as equity instruments.

Determination of fair value of financial instruments

Fair value of financial instruments is determined maximising the use of observable inputs. It is 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, at the measurement date.

Where a financial instrument is valued at fair value, the Group considers that the best indication of the fair value is the reference to quoted prices published 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.

Counterparty risk on derivatives

Crédit Agricole Assurances incorporates in the fair value of derivatives a measurement of counterparty risk on derivative assets (credit valuation adjustment, or CVA), and symmetrically, non-execution risk on derivative liabilities (debit valuation adjustment, or DVA, or own credit risk).

CVA determines expected losses relating to the counterparty from the point of view of the Crédit Agricole Group, DVA determines expected losses relating to the Crédit Agricole Group from the counterparty's point of view.

Calculation of CVA/DVA is based on an estimate of expected losses from the probability of default and loss given default. The method used maximises the use of observable inputs. 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.

Fair value hierarchy

The standard classifies fair value into three levels depending on the observability of the inputs used in measurement, as follows:

Level 1: fair value corresponding to quoted prices (unadjusted) in active markets

Level 1 presents financial instruments directly quoted in active markets for identical assets and liabilities that the entity can access at the measurement date. These include notably equities and bonds quoted in an active market (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 measured 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) and based on observable market data;
- instruments traded 'over-the-counter' valued on the basis of models which use observable market data, *i.e.* data that can be obtained on a regular basis from several sources independent from internal sources. For example, the fair value of interest rate swaps is generally determined using yield curves derived from market interest rates observed at the closing date.

Where the models used are based notably 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 from initial recognition.

Level 3: fair value determined with a significant number of parameters that do not meet the observability criteria

The determination of the fair value of certain complex market instruments not quoted in an active market is based on valuation techniques using hypotheses that are not supported by data observable on the market for the same instrument. Such instruments are presented in Level 3.

Crédit Agricole Assurances classifies units in venture capital funds and unlisted equity securities mainly under level 3.

Valuation methods and models for financial instruments presented in Level 2 and Level 3 incorporate all factors used by market participants to compute a price. Determination of fair value of these instruments takes notably 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 in "financial assets available for sale" as its fair value cannot be determined in a reliable manner. In this case, the Group does not communicate a fair value, in accordance with the recommendations of the applicable IFRS 7 standard. This mainly concerns equity shares in companies not quoted in an active market for which it is difficult to determine a reliable fair value.

Investment income net of expenses

This item of the income statement includes all incomes and expenses relating to insurance company investments. This is described below.

Investment income

This heading includes:

- dividends received on equities and other variable-income securities, whatever their classification under IAS 39;
- interests 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;
- the share in the net results of associates.

Investment expense

This heading records:

- interest expenses on securities loaned under a repurchase arrangement;
- investment management expenses, including directly incurred expenses (commissions on financial services) or expense by function;
- other investment expenses (foreign exchange losses);
- charges and interests relating to the issuance of debt instruments.

Gains and losses on investments net of reversals on impairment and 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 particularly includes the following items:

- positive and negative value adjustments (unrealised gains and losses) to assets backing unit-linked contracts;
- other changes in the fair value of assets and liabilities recognised at fair value through profit or loss;
- realised gains and losses on financial assets at fair value through profit or loss;
- changes in fair value and income on disposal or termination of derivative instruments not forming part of a fair value or cash flow hedge.

This heading also includes the ineffective portion resulting from hedging relationships.

Change in investments impairment

This heading records impairment losses and reversals on 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 sets off a financial asset and a financial liability and presents a net balance, if and only if it has a legally enforceable right to set off the recognised amounts, and if it intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives and repurchase transactions carried out with clearing houses whose operating principles fulfil both criteria required by IAS 32 are offset on the balance sheet.

This offsetting is shown in note 6.21 "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 all 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 is extinguished; or
- if quantitative and qualitative analyses indicate that it has been substantially modified in the event of restructuring.

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 fall under IFRS 4;
- investment contracts with no discretionary participation feature, which fall under 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, the insured event, adversely affects the policyholder or another beneficiary.

An insurance risk is defined as a risk other than financial risk, while financial risk is the risk of a potential future change in an interest rate, financial instrument price, commodity price, foreign exchange rate or another non-financial variable provided that it is not specific to one of the parties to the contract (otherwise it would qualify as an insurance risk).

For Crédit Agricole Assurances, for each portfolio of contracts grouped according to uniform characteristics, the significant nature of an insurance risk is analysed on the basis of a representative individual contract. The existence of a scenario (having commercial substance) under which the insurer would be required to pay to the policyholder significant benefits, that is to say amounts that significantly exceed those that would be paid if no insured event occurred, constitutes a significant insurance risk for all contracts of a uniform portfolio, regardless the likelihood of the scenario arising. Insurance risk may therefore be significant whereas the pooling of risks within a portfolio minimises the probability of a significant loss compared to the portfolio as a whole.

The main insurance risks are mortality (death benefits), longevity (life benefits, for example life-contingent annuities), morbidity (disability benefits), incapacity, illness (medical benefits) or unemployment for individuals, or third-party liability and damages to property.

Investment contracts with a discretionary participation feature

Contracts which do not expose the insurer to a significant insurance risk are classified as investment contracts.

They are considered 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 total contractual benefits;
- whose amount or timing is contractually at the discretion of the insurer;
- and that are contractually based on the performance of a specified pool of contracts or type of contract, the realised and/or unrealised investment returns on a specified pool of assets held by the issuer or the net income of the company, fund or an entity other than that issuing the contract.

Investment contracts with a discretionary participation feature, are primarily euro-denominated savings contracts. In the event of a multi-fund contract, where the policyholder has the option of transferring at any time all or some of his savings into a euro-denominated fund with discretionary participation (under conditions that are not likely to impede such arbitrations), the Crédit Agricole Assurances Group considers that the contract as a whole is a contract with a discretionary participation feature, 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 with no discretionary participation feature.

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 consolidation standards (CRC 2000-05), with the exception of specific provisions introduced by the standard for equalisation reserves, shadow accounting and the liability adequacy test.

Technical liabilities on insurance contracts and investment contracts with a discretionary participation feature

Non-life insurance

Technical reserves for non-life insurance contracts include (i) claims reserves, covering the total cost of claims incurred but not yet settled and (ii) reserves relating to the acquisition of premiums (primarily unearned premiums reserves), which enable to recognise in the income statement of a given financial year the premiums relating to the risks actually covered during this financial year and therefore to defer the portion of premiums written during the financial year but concerning a later period.

Claims reserves result on the one hand from a case-by-case analysis of reported claims which have not been settled, and on the other hand from an estimate of late claims, that have occurred but have not yet been reported or that have been reported but whose valuation may be subject to a subsequent change. These reserves are reduced by projected recoveries to be collected, which are estimated from the collection pace of previous years, and increased by a reserve for claims management costs, aimed at covering future management costs of claims reported but not closed at the closing date. Claims reserves are not discounted, with the exception of reserves for incapacity and disability annuities.

Premium and claims reserves may be complemented, where appropriate, by an unexpired risks reserve when unearned premiums do not cover the cost of the claims covered and associated costs for the period covered by such premiums, or by a reserve for increasing risks where, for long-term contracts relating to closed groups, the cost of future risk exceeds the amount of future premiums.

Life insurance and financial contracts with a discretionary participation feature

Technical reserves on life insurance contracts and financial contracts with a discretionary participation feature correspond to the difference in the present value of the commitments of the insurer and those of the policyholder. Reserves are calculated using actuarial methods including assumptions on premiums, performance of financial assets, redemption rate and changes in general expenses. In the particular case of unit-linked contracts, the value of savings recognised as liabilities is based on the value of the financial assets (the investment units) held under the contracts. Revaluations of assets and liabilities on unit-linked contracts are recognised in profit or loss, where they cancel each other out.

Where contracts carry a significant risk of mortality (or longevity) they are also calculated with reference to regulatory mortality tables or experience tables, where these are considered more prudent. More particularly, where a minimum guaranteed death benefit is included in a unit-linked contract, guaranteeing the beneficiary at least the initial capital investment irrespective of changes in the value of units held, this is subject to a reserve determined from an economic method (stochastic scenarios). Life insurance reserves are discounted using the technical interest rate (guaranteed minimum interest rate, regulatorily capped).

Where fees on premiums, assets managed or financial products prove to be insufficient to cover future management costs, Crédit Agricole Assurances records a reserve for management costs assessed per uniform contract classes.

Lastly, a participation reserve is recorded where returns exceeding the guaranteed minimum are allocated, by contract or regulation, to policyholders or other subscribers to individual or collective contracts but have not been paid to them during the accounting period. Where required, this reserve is completed by the deferred participation resulting from the application of the shadow accounting principle.

Application of shadow accounting and deferred participation

Insurance contracts and investment contracts with a discretionary participation feature are subject to "shadow accounting" in accordance with the option available under IFRS 4. Shadow accounting consists in recognising in a deferred participation account the share of positive or negative revaluations of financial assets backing these contracts, together with certain consolidation entries (*e.g.* elimination of liquidity risk reserve) that, potentially, go to policyholders.

In addition, CRC n°2000-05 includes provisions for the recognition of deferred participations, mandatorily for deferred participation liabilities and within the limits of the recoverable amount for deferred participation assets.

This deferred participation is recorded as a liability (technical liabilities on contracts) or an asset, with a balancing entry in profit or loss or in other comprehensive income similarly to the unrealised gains or losses on the assets to which it relates.

For Predica savings contracts, the deferred participation rate is valued prospectively on the basis of studied scenarii, consistent with the management directions of the company; it is updated only when significantly varying.

In the case of net unrealised losses, a deferred participation asset is only recognised if its imputation, by entity, against future participations is highly probable. This is most notably the case if the deferred participation asset can be deducted from future participations, either directly by deducting it from deferred participation liabilities recognised as a result of gains on future disposals, or indirectly by being recovered on the future sums paid to policyholders.

In case of recognition of a deferred participation asset, recoverability tests are carried out in accordance with the CNC recommendation of 19 December 2008. They are based:

- firstly, on analyses of the liquidity of the company; these demonstrate the company's ability to mobilise resources to meet its obligations and its ability to hold assets with unrealised losses even in the event of a decline in new premium production. The tests are carried out with and without new production;
- secondly, on a comparison between the average value of future benefits valued using an internal model that replicates the management decisions of the company and the value of the asset supporting the market value of its obligations; this illustrates the ability of the company to honour its obligations.

Lastly, sensitivity tests on the ability to capitalise the deferred participation asset are also carried out, notably:

- in the event of a uniform 10% increase in policy redemptions applied to the redemption rates resulting from scenarios similar to those drawn up by the *Autorité de contrôle prudentiel et de résolution*;
- in the event of an additional. 10% fall in equity and real estate markets.

Liability adequacy test

In accordance with IFRS 4, Crédit Agricole Assurances ensures at the end of each reporting period that the liabilities of insurance contracts and financial contracts with a discretionary participation feature (net of related deferred acquisition costs and related intangible assets) are adequate in the light of future estimated cash flows.

The liability adequacy test to be applied for this assessment must meet the following minimum requirements set out in the standard:

- consideration of all contractual cash flows, and of related cash flows such as claims handling costs, commissions as well as cash flows resulting from embedded options and guarantees;
- if the test shows that liabilities are inadequate, the entire deficiency is recognised in profit or loss.

The group's life insurance companies test the adequacy of their liabilities using a stochastic method. The test considers mathematical reserves on life insurance contracts (excluding unit-linked contracts) grouped into product families with uniform characteristics. The resulting estimates of future cash flows are compared, aggregating all product families, with the sum of the following items: Mathematical reserves + participation reserve + share of unrealised gains and losses attributed to the product families concerned. In the event that the result of the estimates is higher than this sum, an additional reserve is recognised through profit or loss.

The group's non-life insurance companies perform an annual test based on "best estimate" claims reserves. This test covers all claims reserves, including incurred but not reported claims reserves, additional reserves for commutation to annuities and reserves for claims management costs. The analysis is carried out on the basis of data gross of reinsurance, by risk segment and financial year of occurrence.

The "best estimate" claims reserves are calculated without discounting and prudential margin and correspond to the probable value of expenditure necessary to settle all outstanding claims. They are compared to accounting claims reserves, gross of reinsurance. Should the estimates exceed the recognised amounts, an additional reserve would be recognised through profit or loss.

In addition, where a reserve for insufficiency of premiums is recognised in local accounts (in France an unexpired risks reserve), this is maintained in consolidated accounts.

In the specific case of creditor insurance, the adequacy of reserves is tested at the end of each reporting period by comparing accounting reserves with those calculated on the basis of an updated claims/premiums ratio and a margin for risk and uncertainty. This is calculated for each partner.

Recognition of revenue on insurance contracts and financial contracts with a discretionary participation feature

Premiums

Revenue on life insurance contracts and investment contracts with a discretionary participation feature corresponds to premiums on contracts in force during the accounting period, net of cancellation and corrected for premiums to be written for the share to be earned in subsequent periods.

Revenue on non-life insurance contracts corresponds to written premiums excluding taxes, gross of reinsurance, net of cancellations, reductions and rebates, changes in premiums not yet written and changes in premiums to be cancelled. Written premiums adjusted for changes in unearned premiums reserves constitute earned premiums.

Claims expenses

Claims expenses relating to insurance contracts and investment contracts with a discretionary participation feature include:

- all benefits as soon as they are settled to the beneficiary;
- technical interests and profit participation that can be included in these benefits;
- changes in technical reserves;
- all costs incurred as part of the management and settlement of these benefits.

Claims expenses relating to non-life insurance contracts primarily include benefits and costs paid, together with changes in claims reserves. Claims correspond to claims net of recoveries for the period, and to annuity payments. They also include costs and commissions relating to claims handling and settlement.

Accounting for investment contracts with no discretionary participation feature

This class of investment contracts corresponds to financial liabilities and is covered by IAS 39. They concern primarily unit-linked contracts without minimum guarantee and without the option of transfer to an investment contract 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 fees deducted by the insurer, are recognised directly on the balance sheet. The only items recognised in profit or loss are revenues and expenses relating to the acquisition and management of contracts.

Liabilities relating to unit-linked contracts are valued and recognised with reference to the value of financial assets (investment units) backing these contracts at the end of the reporting period. Revaluations of assets and liabilities on unit-linked contracts have no effect in profit or loss. This rule applies to all unit-linked contracts, whether they qualify as insurance contracts under IFRS 4 (for example if they include a guaranteed death benefit), investment contracts with a discretionary participation feature (for example, in a multi-funds investment contract, where they include a clause allowing an arbitration to an investment contract with a discretionary participation feature), or investment contracts without a discretionary participation feature.

Deferred origination costs, unearned charges and deductions

Origination costs for investment contracts without a discretionary participation feature are subject to a similar treatment as deferred acquisition costs for life insurance contracts covered by IFRS 4.

Symmetrically with the deferral of costs incurred on origination of contracts, unearned charges and deductions are spread over time *via* the booking of a reserve in liabilities. These are recognised in profit or loss at the same pattern as that of deferred costs.

Reinsurance operations

Presentation of direct business and ceded reinsurance

Premiums, claims and reserves are recognised gross of ceded reinsurance. The share of ceded reinsurance, determined based on reinsurance treaties, is identified in the income statement under separate items for ceded reinsurance income and expense.

The share of reinsurers in reserves is recognised as an asset.

No reinsurance contract falls under 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. Accepted reinsurance contracts are recognised as direct insurance contracts.

No reinsurance contract incorporates characteristics (such as the absence of risk transfer) that would result in its qualification as a financial contract covered by IAS 39.

Securities given or received as collateral for reinsurance operations are recorded in the table of commitments given and received.

ANALYSIS OF GENERAL EXPENSES BY FUNCTION

In accordance with paragraph 99 of IAS 1 and recommendation No. 2013-R-05 of 7 November 2013, general expenses are analysed by function. Thus, in the consolidated income statement, general expenses are presented according to the following functions:

- Acquisition and similar expenses;
- Claims handling expenses;
- Investment management expenses;
- Administrative expenses;
- Other technical expenses;
- Other non-technical expenses.

The analysis of expenses by nature is presented under the following headings:

- Staff costs;
- Commissions;
- Taxes and duties;
- Other.

PROVISIONS (OTHER THAN INSURANCE ACTIVITIES)

In accordance with IAS 37, Crédit Agricole Assurances identifies obligations (legal or constructive) resulting from a past event, where it is probable (probability of over 50%) that an outflow of resources will be required to settle the obligation, whose timing and amount are uncertain but can be reliably estimated. Such estimates are discounted where the effect of doing so is material.

Therefore, Crédit Agricole Assurances recognises provisions which cover, in particular:

- operating risks;
- employee benefits (see paragraph below);
- legal claims and risks;
- tax risks.

The valuation of these provisions relies on judgment and corresponds to the management's best estimate, given information available at the end of the reporting period.

EMPLOYEE BENEFITS (IAS 19)

In accordance with IAS 19, employee benefits are divided into four categories:

- short-term employee benefits such as salaries, social security contributions, paid annual leave, profit sharing and bonuses, if payable within twelve months after the end of the reporting period in which the related services were rendered;
- long-term employee benefits (long-service awards, bonuses and compensation payable more than twelve months after the end of the reporting period);
- termination benefits;
- post-employment benefits, which are themselves classified into the two categories described thereafter: defined benefit plans and defined contribution plans.

Long-term employee benefits

Long-term employee benefits are employee benefits, other than post-employment benefits and termination benefits, which do not fall wholly within twelve months of the end of the reporting period in which the related services were rendered.

This particularly concerns bonuses and other deferred compensation paid twelve months or more after the end of the reporting period in which they were acquired, but which are not indexed on equity instruments.

The valuation method is similar to that used by the Group for post-employment benefits falling under the defined benefit plans category.

Post-employment benefits

Defined benefit plans

At the end of each reporting period, Crédit Agricole Assurances determines its retirement benefits and similar benefits together with all other post-employment benefits granted to employees that fall into the defined benefit plans category.

In accordance with IAS 19, these obligations are valued using the Projected Unit Credit Method on the basis of a set of actuarial, financial and demographic assumptions. This method consists in attributing a unit of benefit entitlement to each period of service of the employee. This unit is calculated on the basis of the discounted present value of the future benefit.

Calculations of retirement benefits and future employee benefits are based on assumptions regarding the discount rate, the employee turnover rate, the rate of salary and social security costs increase, drawn up by the management. If real figures differ from the assumptions used, the charge relating to retirement benefits may increase or decrease 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 employee turn-over assumptions.

The expected rate of return on plan assets is also estimated by the management. Estimated returns are based on the estimated return from fixed-income securities including notably bond yields.

The expected rate of return on plan assets is determined on the basis of the discount rates used to measure the defined benefit obligation.

In accordance with IAS 19 revised, all actuarial gains or losses are recognised in other comprehensive income.

The amount of the defined benefit liability is equal to:

- the present value of the defined benefit obligation at the balance sheet date, calculated according to the actuarial method recommended by IAS 19;
- less, where appropriate, the fair value of the plan assets held to cover this obligation. Such assets may be represented by a qualifying insurance policy issued by an insurer that is not a related party of the reporting entity. Where the obligation is entirely covered by a policy corresponding exactly, in its amount and period, to all or part of the benefits to be paid under the plan, the fair value of this policy is considered to be that of the corresponding obligation (that is, the amount of the corresponding actuarial liability). In the particular case where obligations are covered by an insurance policy issued by a consolidated entity, they are not offset in liabilities by the associated assets, which are recognised separately as assets.

For non-covered obligations, a provision aimed at covering termination benefits is recognised as a liability under the heading "Provisions". This provision equals the amount of the obligations relating to employees of entities within Crédit Agricole Assurances, in service at the end of the reporting period and covered by the Collective Employment Agreement of the Crédit Agricole Group that came into force on 1 January 2005.

A provision aimed at covering the cost of early departures is also included under the heading "Provisions". This provision covers the present value of the additional cost resulting from the various early departure agreements signed by Crédit Agricole Group entities which allow employees reaching the required age to be exempt from their service.

Lastly, supplementary retirement obligations, which generate obligations for the companies concerned, are subject to provisions determined from the actuarial debt representing these obligations. These provisions are also recognised as liabilities on the balance sheet under the heading "Provisions" (see note 8.3).

Defined contribution plans

There are various mandatory retirement plans to which "employer" companies contribute. Plan assets are managed by independent organisations and the contributing companies have no legal or constructive obligation to pay additional contributions if the plans do not have sufficient assets to provide all the benefits corresponding to services rendered by employees during the current and prior reporting years. As a result, Crédit Agricole Assurances has no liabilities in this respect other than the contributions to be paid for the past reporting period (see note 8.2).

SHARE-BASED PAYMENTS (IFRS 2)

The IFRS 2 standard "Share-based payment" specifies the valuation of share-based payment transactions in the income statement and balance sheet of the company. This standard applies to transactions entered into with employees and more precisely to:

- equity-settled share-based payment transactions;
- cash-settled share-based payment transactions.

Share-based payment plans granted to employees of Crédit Agricole Assurances and qualifying under IFRS 2 are primarily of the equity-settled type (stock options, grants of free shares, variable compensation with indexed cash settlement or settled with equity, etc.).

Granted options are valued at grant date at their fair value mainly by use of the Black & Scholes model. These are recognised as expenses under the heading "staff costs" with a balancing entry in an equity account over the vesting period, that being 4 years for all current plans.

The expense relative to share-based payment plans settled with Crédit Agricole S.A. equity instruments is recognised in the financial statements of the entities employing the plan beneficiaries.

CURRENT AND DEFERRED TAX

In accordance with IAS 12, tax income includes all taxes based on income whether current or deferred.

IAS 12 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 established by the taxation authorities.

The taxation rates and rules applicable for the determination of current tax are those in force in each of the countries in which subsidiaries of Crédit Agricole Assurances are based.

Current tax includes all income taxes, payable or recoverable, whose payment is not subject to the completion of future transactions, even if payment is spread over several periods.

Current tax shall, to the extent unpaid, be recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for these periods, the excess shall be recognised as an asset.

In addition, certain transactions conducted by the entity may have tax consequences not taken into account in the determination of 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 shall be recognised for all taxable temporary differences between the carrying amount of an asset or liability and its tax base, except to the extent that the deferred tax liability arises from:
  - the initial recognition of goodwill;
  - the initial recognition of an asset or a liability in a transaction that is not a business combination and affects neither accounting profit nor taxable profit (tax loss) at the time of the transaction.
- A deferred tax asset shall be recognised for all deductible temporary differences between the carrying amount of an asset or liability and its tax base, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised.

- A deferred tax asset shall 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.

When taxable, unrealised capital gains on securities do not generate taxable temporary differences between the carrying value of the asset and the tax base. They do not therefore give rise to the recognition of deferred taxes. Where the securities in question are classified as available for sale, unrealised gains or losses are recognised in equity. Thus, the actual tax expense or tax reduction incurred by the entity in relation to these unrealised gains or losses is reclassified by deduction of the latter.

In France, gains on strategic equity holdings as defined by the General Tax Code and qualifying for the long-term tax regime are exempt from tax for reporting periods open from 1 January 2007 (with the exception of a 12% share of the gain, taxed at the standard tax rate). Unrealised capital gains recognised at the end of the period thus generate a temporary difference, giving rise to the recognition of deferred taxes corresponding to this share.

Current and deferred tax shall be 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.

Deferred tax assets and liabilities shall be 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 income from receivables and securities portfolios, when effectively used in the settlement of income tax due for the reporting period, are recognised under the same heading as the income to which they relate. The corresponding tax expense is maintained under the "Tax income" heading in the income statement.

However, in view of the legislator's goal of reducing staff expenses through the Competitiveness and Employment Tax Credit (*Crédit d'impôt pour la compétitivité et l'emploi* – CICE), Crédit Agricole Assurances has elected to recognise the CICE (under article 244 quater C of the French General Tax Code) as a deduction from staff expenses.

FOREIGN CURRENCY TRANSACTIONS (IAS 21)

In accordance with IAS 21, a distinction is made between monetary 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 closing exchange rate into the functional currency of the Crédit Agricole Assurances Group, *i.e.* the euro. Foreign exchange differences resulting from this translation are recognised through profit and loss. There are 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 in other comprehensive income;
- exchange differences on items that qualify as hedging instruments in a cash flow hedge or that are part of a net investment in a foreign operation, are recognised in other comprehensive income.

The treatment of non-monetary items varies according to the nature of these items:

- items measured in terms of historical cost are valued using the exchange rate at the date of the transaction;
- items measured at fair value are valued using the closing rate.

Exchange differences on non-monetary items are recognised:

- in profit or loss when the gain or loss on the non-monetary item is recognised in profit or loss;
- in other comprehensive income 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 translated into euro.

Derivatives hedging foreign exchange rate on transactions in foreign currencies are recognised on the balance sheet at fair value at the end of each reporting period.

For the translation of the financial statements of foreign entities, please refer to consolidation principles and policies.

NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (IFRS 5)

A non-current asset (or disposal group) is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use.

For this to be the case, the asset (or disposal group) must be available for immediate sale in its present condition and its sale must be highly probable.

The assets and liabilities concerned are recognised separately on the balance sheet under the headings "Assets held for sale including discontinued operations" and "Liabilities held for sale including discontinued operations".

These non-current assets (or disposal groups) classified as held for sale are measured at the lower of their carrying amount and their fair value less costs to sell. In the event of an unrealised loss, an impairment is recognised in profit or loss. In addition, such assets cease to be depreciated from their classification as held for sale.

If the fair value less costs to sell of the disposal group is lower than its carrying amount less depreciation of non-current assets, the difference is allocated to the other assets of the disposal group, including financial assets, and recognised in net income of assets held for sale.

A discontinued operation is a component of the Group that either has been disposed of or is classified as held for sale and is in one of the following situations:

- it represents a separate major line of business or geographical area of operations;
- it is part of a single 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:

- the net post-tax profit or loss of discontinued operations up until the disposal date;
- the post-tax gain or loss resulting from the disposal or the measurement at fair value less costs to sell of the assets and liabilities constituting discontinued operations.

Principles and policies of consolidation (IFRS 10, IFRS 11 and IAS 28)

CONSOLIDATION SCOPE

The consolidated financial statements include the financial statements of Crédit Agricole Assurances and of all companies over which, in accordance with the provisions of IFRS 10, IFRS 11 and IAS 28, Crédit Agricole Assurances has control or joint control, or exercises significant influence.

Principle of control

In accordance with international standards, all the entities under control, joint control or significant influence are consolidated, provided that they do not fall within the scope of the exclusions mentioned thereafter.

Crédit Agricole Assurances is presumed to control an entity if it is exposed, or has rights, to variable returns from its involvement with the entity, and if it is able to use its power over this entity to affect those returns. For the purpose of assessing this principle of power, only substantive (voting or contractual) rights shall be considered. Rights are substantive if their holder is able in practice to exercise them when making decisions concerning the entity's relevant activities.

Control over a subsidiary governed by voting rights is determined when the voting rights held give Crédit Agricole Assurances the current ability to direct the subsidiary's relevant activities. Crédit Agricole Assurances generally controls the subsidiary if it holds, directly or indirectly through subsidiaries, more than half of the existing or potential voting rights of an entity, unless it can be clearly demonstrated that such ownership does not allow it to direct the relevant activities. Crédit Agricole Assurances also has control over an entity if it holds half or less than half of the voting rights, including potential voting rights, of an entity, but in practice has the capacity to direct the relevant activities on its own, in particular due to the existence of contractual arrangements, the relative size of the investor's holding of voting rights relative to the dispersion of holdings of the other vote holders, or other facts and circumstances.

Control over a structured entity is not determined by the percentage of voting rights that by nature have no impact on the returns generated by the entity. Analysis of control takes contractual arrangements into account, and also the involvement and decisions of Crédit Agricole Assurances in the creation of the entity, arrangements entered into at inception and risks incurred by Crédit Agricole Assurances, rights resulting from agreements that give the investor the power to direct the relevant activities solely under specific circumstances, as well as other facts or circumstances that indicate that the investor has the ability of directing the entity's relevant activities. If there is an investment mandate in force, the scope of the decision-making authority relating to the delegation of power over the entity to the manager, as well as the remuneration to which it is entitled in accordance with the contractual agreements, are analysed in order to determine whether the manager is acting as an agent (delegated power) or principal (for its own account).

Thus, when decisions relating to the entity's relevant activities are to be taken, the factors to consider in determining whether an entity is acting as agent or principal, are the following: the scope of the decision-making authority relating to the delegation of power over the entity to the manager, the remuneration to which it is entitled in accordance with the contractual agreements, and also the substantive rights held by the other parties involved in the entity that may affect the ability of the decision-maker, and the exposure to variability of returns from other interests held in the entity.

Joint control is exercised if there is a contractually agreed sharing of control over an economic activity. Decisions affecting the entity's relevant activities require the unanimous consent of the parties sharing control.

In traditional entities, significant influence results from the power to participate in the financial and operating policy decisions of an entity without controlling the latter. Crédit Agricole Assurances is presumed to have significant influence if it holds, directly or indirectly through its subsidiaries, 20% or more of the voting rights of an entity.

Exclusions from consolidation scope

In accordance with the provisions of IAS 28 section 18, investments held by venture capital organisations are excluded from the consolidation scope insofar as they are classified as financial assets at fair value through profit or loss, either classified as held-for-trading or designated at fair value through profit or loss.

CONSOLIDATION METHODS

The consolidation methods are set down respectively by IFRS 10 and IAS 28 revised. They reflect the nature of control exercised by Crédit Agricole Assurances over consolidated entities, whatever their activity and whether or not they are incorporated:

- full consolidation for entities under control, including entities with different accounting structures, even if their activity is not an extension of that of Crédit Agricole Assurances;
- the equity method, for entities under significant influence and under joint control.

Full consolidation consists in substituting the assets and liabilities of each subsidiary for the value of shares held. Non-controlling interests in equity and income are recognised separately in the consolidated balance sheet and income statement.

Non-controlling are as defined by IFRS 10 and include instruments that are present ownership interests and which entitle to a share of net assets in the event of liquidation together with other equity instruments issued by the subsidiary and not held by the Group.

The equity method consists in substituting the Group's share in equity and income of concerned entities for the value of shares held.

Changes in the carrying amount of these securities take changes in goodwill into account.

In the event of additional acquisitions or partial disposals, with the maintenance of joint control or significant influence, Crédit Agricole Assurances recognises:

- in the case of an increase in ownership interest held, additional goodwill;
- in the case of a decrease in ownership interest held, a gain or loss on disposal/dilution through profit or loss.

RESTATEMENT AND ELIMINATION OF INTRAGROUP TRANSACTIONS

Restatements necessary to harmonise the measurement methods of the individual financial statements of the consolidated entities are performed, with reference to the Group's common principles.

Restatement entries are completed by elimination entries of transactions conducted between the Group's consolidated entities:

- Elimination, for fully consolidated entities, of the effect on the consolidated balance sheet and income statement of intragroup transactions, especially intragroup dividends and reinsurance operations;
- Elimination of gains or losses generated by assets disposals between consolidated entities; where necessary, any long-term impairment measured at the time of an internal transfer is recorded.

Transactions conducted with other entities within the Crédit Agricole S.A. Group which do not fall within the consolidation scope of Crédit Agricole Assurances are not considered as intragroup transactions for the purposes of these consolidated financial statements.

TRANSLATION OF FOREIGN SUBSIDIARIES' FINANCIAL STATEMENTS

Financial statements of foreign subsidiaries are converted into euros in two stages:

- translation, where necessary, from the local presentation currency into the functional currency (currency of the primary economic environment in which the entity operates) following the historical cost method, with foreign exchange differences being fully and immediately recognised in profit or loss;
- translation from the functional currency into euros, the accounting currency of the Group's consolidated financial statements. Assets and liabilities are translated at the closing exchange rate. Income and expense items of the income statement are translated at the average exchange rate for the period. Foreign exchange differences arising from the translation of assets, liabilities and the income statement are recognised in other comprehensive income.

BUSINESS COMBINATIONS – GOODWILL

General principles

Business combinations are accounted for in accordance with IFRS 3, except in the following cases:

- the combination of entities or businesses under common control;
- the combination of distinct entities or businesses to form a joint venture;
- the combination of two or more mutual entities;
- the combination of distinct entities or businesses to form an entity presenting financial statements by contract alone without transferring consideration (for example combinations under which distinct entities are combined by contract alone to form a dual listing corporation).

On the date on which control is obtained, the identifiable assets, liabilities and contingent liabilities of the acquiree which meet the recognition conditions of IFRS 3 are recognised at fair value. However, as allowed under IFRS 4 for the acquisition of an insurance company, the liabilities relating to the life insurance contracts or financial contracts with a discretionary participation feature acquired are maintained at their carrying amount on the balance sheet of the acquiree (after harmonisation with Crédit Agricole Assurances measurement methods if necessary) and the value of these portfolios of contracts is recognised in assets and amortised over the period of payment of profits. This portfolio value represents the present value of future profits on the contracts acquired and corresponds to the difference between the fair value of contracts and their carrying amount.

No restructuring liability is recognised as a liability of the acquiree unless the latter, at the acquisition date, is obliged to carry out this restructuring.

Price adjustment clauses are recognised at fair value, even if their realisation is not probable. Subsequent changes in fair value of the clauses, which have the characteristics of financial debt, are recognised in profit or loss. Only those price adjustment clauses relating to operations where the acquisition of control took place before 31 December 2009 May still be recognised against goodwill, as such transactions were initially recognised under non-revised IFRS 3 (2004).

Components of non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation shall be measured, at the option of the acquirer, either:

- at fair value at the acquisition date;
- at the proportionate share in identifiable assets and liabilities of the acquiree subsequently valued at fair value.

This option may be exercised on an acquisition-by-acquisition basis.

All other components of non-controlling interests (equity instruments issued by the subsidiary and not owned by the Group) shall be measured at their acquisition-date fair values.

The initial valuation of assets, liabilities and contingent liabilities may be adjusted within a maximum period of twelve months from the acquisition date.

Certain transactions relating to the acquiree shall be accounted for separately from the business combination. This applies in particular to:

- transactions that in effect settle a pre-existing relationship between the acquirer and the acquiree;
- transactions that remunerate employees or former owners of the acquiree for future services;
- transactions that reimburse the acquiree or its former owners for paying the acquirer's acquisition related costs.

These separate transactions are generally recognised in profit or loss at the acquisition date.

The consideration transferred during a business combination (the acquisition cost) is measured as the total of the fair values transferred by the acquirer, at the acquisition date, in exchange for control of the acquiree (*e.g.* cash, equity instruments, etc.).

Costs directly attributable to the combination in question are recognised in expenses, separately from the combination. If the transaction has a very high probability of being completed they are recognised under the heading "Net gains or losses on other assets", otherwise they are recognised under "Other operating costs".

The difference between the sum of the acquisition cost and non-controlling interests, and the net balance, at the acquisition date, of identifiable assets acquired and liabilities assumed measured at fair value, is recognised, where positive, as an asset in the consolidated balance sheet, under the heading "Goodwill" where the acquiree is fully consolidated, and under the heading "Investments in associates" where the acquiree is consolidated by the equity method. If this difference is negative, it is immediately recognised through profit or loss.

Goodwill is recognised on the balance sheet at its initial cost denominated in the acquiree's currency and translated at the closing exchange rate.

In the event of a business combination achieved in stages, the acquirer's previously held equity interest in the acquiree shall be remeasured at its acquisition-date fair value through profit or loss, and goodwill is computed only once, on the basis of the acquisition-date fair value of the assets acquired and liabilities assumed.

Subsequent valuation of goodwill is described in the note on accounting principles and methods.

In the event of an increase in Crédit Agricole Assurances' ownership interest in an entity over which it already exercises exclusive control, the difference between the acquisition cost and the share of net assets acquired is recognised as a reduction in the heading "Consolidated reserves attributable to the Group". Symmetrically, in the event of a reduction in the ownership interest held by the Group in an entity remaining exclusively controlled, the difference between the disposal price and the carrying amount of the share in net assets sold is also recognised directly in 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 share retained is recognised in the balance sheet at its fair value at the date of loss of control.

Business combinations of entities under common control

This type of combination applies to entities that are already controlled by the Group. In this event, transfers and sales are not recognised at fair value but at their net carrying amount in the consolidated financial statements of the parent at the date of the combination, provided such values were established in accordance with IFRS. Existing goodwill in the Group's accounts at this date is maintained in the same manner as other assets.

This strict application results in summing the equity accounts of the various entities concerned. If the transaction price is different from the net carrying amount of the acquirees, this method results in recognising the difference directly in consolidated reserves without recognising any additional goodwill.

The constitution of Crédit Agricole Assurances in 2008, as a result of the restructuring of the insurance activities of the Crédit Agricole Group, was conducted under this principle.

NOTE 2 Major structural transactions and material events during the period

Planned disposal of CARE

Given approaches and negotiations, CARE was subject of an accounting classification in accordance with IFRS 5 in the consolidated financial statements of Crédit Agricole Assurances Group.

The accounts of CARE are isolated on the specific lines of the consolidated financial statements "held for sale including discontinued operations".

Issuance of subordinated debts

On 30 June 2016, Crédit Agricole Assurances issued redeemable subordinated bonds with a revisable fixed rate for €1 billion, fully subscribed by Crédit Agricole S.A., fixed annual interest rate of 3.95% until 2026.

On 27 September 2016, Crédit Agricole Assurances issued redeemable subordinated bonds with a revisable fixed rate (fixed annual interest rate of 4.75% until 27 September 2028), for €1 billion subscribed by institutional investors with maturity date 2048.

NOTE 3 Subsequent events

No material event occurred between the end of the reporting period 31 December 2016 and the date of approval of the consolidated financial statements by the Board of Directors.

NOTE 4 Financial management, exposure to risk and management of capital

Financial management

The Asset Liability Technical Management (ALTM) and Corporate Finance functions of Crédit Agricole Assurances have the responsibility for organising financial flows within the Crédit Agricole Assurances Group, for the definition and implementation of financing rules, the allocation of equity, the management of assets and liabilities and the oversight of the prudential ratio.

They define and ensure the consistency of the Crédit Agricole Assurances Group's financial management.

Management of risks is conducted by the Group Risk and Permanent Controls department of Crédit Agricole Assurances, in cooperation with the Group Risk Management department of the Crédit Agricole S.A. Group (DRG). This department is responsible for coordinating the management of financial risk, credit risk and the operating risk of subsidiaries.

The description of these systems together with narrative information is included in the management report, in the "Risk factors" chapter, as allowed under IFRS 7. The risk exposure of the Crédit Agricole Assurances Group are presented in the risk factors (management report, section 4).

Capital management and solvency margin

Applicable regulations for entities within the Crédit Agricole Assurances Group, in France and elsewhere, require that each insurance company maintains a minimum solvency ratio, the main purpose of which is the protection of the policyholder.

As at 31 December 2016, the Crédit Agricole Assurances Group and each of its individual subsidiaries met their solvency obligations.

The various items considered by the Group as available capital are determined in accordance with the rules applicable under Solvency II.

As at 31 December 2016, the eligible equity consisted primarily of the following:

- consolidated shareholders' equity;
- remeasurement at fair value of financial assets and liabilities measured at amortized cost;
- eligible subordinated debt;
- remeasurement of the technical liabilities corresponding to the sum of better estimations of provisions and margin for risks;
- deduction of intangible assets.

The calculation of the adjusted solvency ratio is submitted to the *Autorité de contrôle prudentiel et de résolution*, which is responsible for the application of these directives in France.

NOTE 5 Segment information

In accordance with IFRS 8, the information presented is based on the internal reporting used by the Executive Committee for the management of the Crédit Agricole Assurances Group, the evaluation of performance and the allocation of resources to the operating sectors identified.

The operating sectors presented in the internal reporting correspond to the Group's specialised businesses.

Within Crédit Agricole Assurances, businesses are organised into 5 operating segments.

"Life - France" covers the life insurance, savings, retirement and provident insurance operations conducted by the French entities of the Group.

"Non-life - France" covers mainly motor, household, agricultural, life accident insurance products and health sold in France.

"Creditor insurance" covers creditor insurance activities in France (with the exception of those conducted by Predica which are included in the Life – France segment) and abroad.

"International" covers the life and non-life insurance activities conducted outside France.

"Other" covers primarily holding company activities and reinsurance.

The geographical analysis of segment information is based on the location of the accounting recognition of activities.

Income statement by segment

	31/12/2016						
(€ million)	Life France	Non-life France	International	Creditor Insurance	Other	Intragroup	Total
Written premiums	21,974	3,551	5,517	1,035	-	(1,302)	30,775
Change in unearned premiums	-	(79)	(11)	(84)	-	1	(173)
Earned premiums	**21,974**	**3,472**	**5,506**	**951**	**-**	**(1,301)**	**30,602**
Revenue or income from other activities	(5)	84	35	-	13	(22)	105
INVESTMENT INCOME NET OF EXPENSES	**8,072**	**139**	**388**	**31**	**289**	**(262)**	**8,657**
Claims expenses	**(26,289)**	**(2,544)**	**(5,703)**	**(238)**	**-**	**1,401**	**(33,373)**
Net reinsurance income or expense	**3**	**(39)**	**145**	**(34)**	**-**	**(142)**	**(67)**
Contracts acquisition costs	(753)	(552)	(210)	(605)	(8)	65	(2,063)
Amortization of values of business in-force and similar	-	-	(1)	-	-	-	(1)
Administrative expenses	(1,127)	(240)	(58)	(32)	-	16	(1,441)
Other current operating income and expenses	(76)	(58)	2	(8)	(73)	(30)	(243)
Other operating income and expenses	(2)	-	-	-	(10)	-	(12)
Operating income	**1,797**	**262**	**104**	**65**	**211**	**(275)**	**2,164**
Financing expenses	(236)	(15)	(18)	(15)	(216)	275	(225)
Income tax	(474)	(91)	(21)	1	(3)	-	(588)
Profit (loss) after-tax from discontinued operations	-	-	-	-	23	-	23
CONSOLIDATED NET INCOME	**1,087**	**156**	**65**	**51**	**15**	**-**	**1,374**
Non-controlling interests	-	-	6	-	-	-	6
NET INCOME – GROUP SHARE	**1,087**	**156**	**59**	**51**	**15**	**-**	**1,368**

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	31/12/2015						
(€ million)	**Life France**	**Non-life France**	**International**	**Creditor Insurance**	**Other**	**Intragroup**	**Total**
Written premiums	21,654	3,336	5,552	1,009	51	(1,233)	30,369
Change in unearned premiums	-	(92)	(10)	(59)	2	(1)	(160)
Earned premiums	**21,654**	**3,243**	**5,543**	**950**	**53**	**(1,234)**	**30,209**
Revenue or income from other activities	9	97	33	5	11	(18)	137
INVESTMENT INCOME NET OF EXPENSES	**9,368**	**105**	**464**	**33**	**275**	**(245)**	**10,000**
Claims expenses	**(27,430)**	**(2,328)**	**(5,858)**	**(229)**	**(24)**	**1,346**	**(34,523)**
Net reinsurance income or expense	**4**	**(100)**	**182**	**(31)**	**(5)**	**(143)**	**(93)**
Contracts acquisition costs	(737)	(514)	(208)	(625)	(15)	53	(2,046)
Amortization of values of business in-force and similar	-	-	(1)	-	-	-	(1)
Administrative expenses	(1,080)	(235)	(55)	(33)	(1)	22	(1,382)
Other current operating income and expenses	(77)	(38)	(5)	(10)	(77)	(35)	(242)
Other operating income and expenses	-	-	-	-	(17)	-	(17)
Operating income	**1,711**	**230**	**95**	**60**	**200**	**(254)**	**2,042**
Financing expenses	(386)	(14)	(17)	(15)	(224)	254	(402)
Income tax	(438)	(80)	(27)	(12)	(46)	-	(603)
Profit (loss) after-tax from discontinued operations	-	-	3	-	-	-	3
CONSOLIDATED NET INCOME	**887**	**136**	**54**	**33**	**(70)**	**-**	**1,040**
Non-controlling interests	-	-	4	-	-	-	4
NET INCOME- GROUP SHARE	**887**	**136**	**50**	**33**	**(70)**	**-**	**1,036**

Balance sheet by segment

	31/12/2016						
(€ million)	Life France	Non-life France	International	Creditor Insurance	Other	Intragroup	Total
Goodwill	485	70	37	280	-	-	872
Values of business in-force	-	-	7	-	-	-	7
Other intangible assets	153	46	14	39	16	-	268
Intangible assets	**638**	**116**	**58**	**319**	**16**	**-**	**1,147**
Investment property	5,454	80	-	5	-	-	5,539
Unit-linked investment property	-	-	-	-	-	-	-
Financial investments	258,722	3,757	12,484	619	17,229	(5,948)	286,863
Unit-linked financial investments	44,245	-	8,187	-	-	-	52,432
Derivative instruments and separated embedded derivatives	1,818	-	1	-	-	-	1,819
Investments in associates and joint ventures	1,927	-	-	-	-	-	1,927
Investments from insurance activities	**312,166**	**3,837**	**20,672**	**624**	**17,229**	**(5,948)**	**348,580**
Reinsurer's share in liabilities arising from financial contracts	-	-	-	-	-	-	-
Reinsurer's share in liabilities arising from insurance contracts	827	343	6,868	271	-	(6,814)	1,495
Reinsurer's share in liabilities arising from financial and insurance contracts	**827**	**343**	**6,868**	**271**	**-**	**(6,814)**	**1,495**
Operating property and other property, plant and equipment	145	69	-	2	6	(1)	221
Deferred acquisition costs	2	114	24	767	-	-	907
Deferred participation assets	-	-	-	-	-	-	-
Deferred tax assets	9	-	23	-	-	-	32
Receivables resulting from insurance and inward reinsurance operations	551	1,339	3	135	-	(73)	1,955
Receivables resulting from ceded reinsurance operations	2	17	16	44	-	(2)	77
Current income tax assets	172	5	4	8	1	-	190
Other receivables	3,786	72	882	44	43	(50)	4,777
Other assets	**4,667**	**1,616**	**952**	**1,000**	**50**	**(126)**	**8,159**
Assets held for sale including discontinued operations	**-**	**-**	**285**	**-**	**291**	**-**	**576**
Cash and cash equivalents	**711**	**56**	**417**	**33**	**75**	**-**	**1,292**
TOTAL ASSETS	**319,009**	**5,968**	**29,252**	**2,247**	**17,661**	**(12,888)**	**361,249**

(€ million)	31/12/2016 Life France	Non-life France	International	Creditor Insurance	Other	Intragroup	Total
Provisions	**90**	**35**	**2**	**2**	**36**	**-**	**165**
Subordinated debts	5,434	366	339	214	4,415	(5,915)	4,853
Debt to banking establishments	1,097	-	-	20	1,094	(19)	2,192
Financing debt	**6,531**	**366**	**339**	**234**	**5,509**	**(5,934)**	**7,045**
Technical liabilities on insurance contracts	121,574	4,442	7,123	1,632	-	(113)	134,658
Technical liabilities on unit-linked insurance contracts	37,931	-	7,161	-	-	-	45,092
Technical liabilities on insurance contracts	**159,505**	**4,442**	**14,284**	**1,632**	**-**	**(113)**	**179,750**
Technical liabilities on financial contracts with discretionary participation features	94,413	-	12,017	-	-	(6,701)	99,729
Technical liabilities on financial contracts without discretionary participation features	1	-	80	-	-	-	81
Technical liabilities on unit-linked financial contracts	6,313	-	1,113	-	-	-	7,426
Technical liabilities on financial contracts	**100,727**	**-**	**13,210**	**-**	**-**	**(6,701)**	**107,236**
Deferred participation reserve	**20,552**	**-**	**474**	**-**	**-**	**-**	**21,026**
Technical liabilities	**280,784**	**4,442**	**27,968**	**1,632**	**-**	**(6,814)**	**308,012**
Deferred tax liabilities	370	62	4	9	32	-	477
Operating debt to banking establishments	33	31	-	-	-	-	64
Liabilities towards holders of units in consolidated mutual funds	5,803	-	-	-	-	-	5,803
Debts arising from insurance or inward reinsurance operations	1,104	527	126	146	-	(23)	1,880
Debts arising from ceded reinsurance operations	862	74	71	161	-	(53)	1,115
Current income tax liabilities	-	21	16	2	2	1	42
Derivative instrument liabilities	60	-	11	-	-	-	71
Other debts	20,285	194	601	57	94	(64)	21,167
Other liabilities	**28,517**	**909**	**829**	**375**	**128**	**(139)**	**30,619**
Liabilities held for sale including discontinued operations	**-**	**-**	**239**	**-**	**141**	**-**	**380**
TOTAL LIABILITIES EXCEPT SHAREHOLDER'S EQUITY	**315,922**	**5,752**	**29,377**	**2,243**	**5,814**	**(12,887)**	**346,221**

	31/12/2015						
(€ million)	**Life France**	**Non-life France**	**International**	**Creditor Insurance**	**Other**	**Intragroup**	**Total**
Goodwill	486	70	37	280	-	-	872
Values of business in-force	-	-	8	-	-	-	8
Other intangible assets	139	43	13	32	19	-	246
Intangible assets	**625**	**113**	**57**	**312**	**19**	**-**	**1,126**
Investment property	5,213	81	-	5	-	-	5,299
Unit-linked investment property	-	-	-	-	-	-	-
Financial investments	248,848	3,613	11,375	507	15,244	(3,966)	275,621
Unit-linked financial investments	41,519	-	7,537	-	-	-	49,056
Derivative instruments and separated embedded derivatives	1,544	-	-	-	-	-	1,544
Investments in associates	1,844	-	-	-	-	-	1,844
Investments from insurance activities	**298,968**	**3,694**	**18,912**	**512**	**15,244**	**(3,966)**	**333,364**
Reinsurer's share in liabilities arising from financial contracts	-	-	-	-	-	-	-
Reinsurer's share in liabilities arising from insurance contracts	825	294	6,108	328	-	(6,161)	1,394
Reinsurer's share in liabilities arising from financial and insurance contracts	**825**	**294**	**6,108**	**328**	**-**	**(6,161)**	**1,394**
Operating property and other property, plant and equipment	147	71	-	1	5	-	224
Deferred acquisition costs	2	100	23	739	15	(7)	872
Deferred participation assets	-	-	-	-	-	-	-
Deferred tax assets	3	-	22	1	-	-	26
Receivables resulting from insurance and inward reinsurance operations	596	1,501	190	129	41	(109)	2,348
Receivables resulting from ceded reinsurance operations	1	12	11	33	-	(1)	56
Current income tax assets	2	4	7	-	5	-	18
Other receivables	2,963	58	190	22	41	(24)	3,250
Other assets	**3,714**	**1,747**	**443**	**925**	**107**	**(141)**	**6,794**
Assets held for sale including discontinued operations	**-**	**-**	**400**	**-**	**-**	**-**	**400**
Cash and cash equivalents	**929**	**60**	**873**	**48**	**60**	**-**	**1,970**
TOTAL ASSETS	**305,060**	**5,906**	**26,794**	**2,125**	**15,430**	**(10,268)**	**345,048**

	31/12/2015						
(€ million)	**Life France**	**Non-life France**	**International**	**Creditor Insurance**	**Other**	**Intragroup**	**Total**
Provisions	**144**	**33**	**4**	**1**	**35**	**-**	**217**
Subordinated debts	3,601	225	339	214	2,397	(3,942)	2,834
Debt to banking establishments	1,085	-	-	20	1,089	(20)	2,174
Financing debt	**4,686**	**225**	**339**	**234**	**3,486**	**(3,962)**	**5,008**
Technical liabilities on insurance contracts	112,614	4,100	6,424	1,537	96	(234)	124,537
Technical liabilities on unit-linked insurance contracts	36,003	-	6,597	-	-	-	42,600
Technical liabilities on insurance contracts	**148,617**	**4,100**	**13,021**	**1,537**	**96**	**(234)**	**167,137**
Technical liabilities on financial contracts with discretionary participation features	96,990	-	10,825	-	-	(5,927)	101,888
Technical liabilities on financial contracts without discretionary participation features	1	-	131	-	-	-	132
Technical liabilities on unit-linked financial contracts	5,601	-	1,009	-	-	-	6,610
Technical liabilities on financial contracts	**102,592**	**-**	**11,965**	**-**	**-**	**(5,927)**	**108,630**
Deferred participation reserve	**18,612**	**-**	**701**	**-**	**-**	**-**	**19,313**
Technical liabilities	**269,821**	**4,100**	**25,687**	**1,537**	**96**	**(6,161)**	**295,080**
Deferred tax liabilities	360	77	4	9	84	-	534
Operating debt to banking establishments	20	47	-	-	2	-	69
Liabilities towards holders of units in consolidated mutual funds	7,248	-	-	-	-	-	7,248
Debts arising from insurance and inward reinsurance operations	1,043	771	244	120	-	(19)	2,159
Debts arising from ceded reinsurance operations	775	74	103	205	-	(98)	1,059
Current income tax liabilities	9	7	2	3	-	-	21
Derivative instrument liabilities	-	-	2	-	-	-	2
Other debts	18,476	379	232	37	87	(28)	19,183
Other liabilities	**27,931**	**1,355**	**587**	**374**	**173**	**(145)**	**30,275**
Liabilities held for sale including discontinued operations	**-**	**-**	**359**	**-**	**-**	**-**	**359**
TOTAL LIABILITIES EXCEPT SHAREHOLDER'S EQUITY	**302,582**	**5,713**	**26,976**	**2,146**	**3,790**	**(10,268)**	**330,939**

NOTE 6 Notes to the balance sheet

6.1 Goodwill

(in € million)	31/12/2015	Increase	Decrease	Loss of value	Foreign exchange differences	Other changes	31/12/2016
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 € million)	31/12/2014	Increase	Decrease	Loss of value	Foreign exchange differences	Other changes	31/12/2015
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**

Impairment tests were carried out on goodwill at 1 January 2016, based on the assessment of the value in use of the CAA Group's insurance entities. Value in use was determined by discounting the CGU's future cash flows as presented in the medium-term plans drawn up for the Group's steering requirements. The following assumptions were drawn upon:

- estimated future cash flows: preliminary 3/5-year data established under the Group's medium-term plan;
- the equity capital allocated to the various activities at 31 December 2016 is equal to 100% of the solvency margin for the insurance activities including the economic position in terms of subordinated debts of each entity;
- growth rate: 2%;
- discount rate: interest rates by geographical area are between 7.94% and 12.32%.

At 31 December 2016, goodwill items continued to be justified.

In addition, sensitivity testing carried out shows that a +50 basis point change in discount rates would not result in any significant impairment.

6.2 Values of business in-force and other intangible assets

(in € million)	31/12/2015	Change in scope	Acquisitions/ Depreciation	Disposals/ Decreases	Foreign exchange differences	Other changes	31/12/2016
Values of business in-force	39	-	-	(1)	-	1	39
Software programs	313	-	15	(67)	-	11	272
Intangible assets in progress	570	-	99	(167)	-	(12)	490
Gross amount	**922**	**-**	**114**	**(235)**	**-**	**-**	**801**
Amortization of values of business in-force	(31)	-	(2)	1	-	-	(32)
Amortization of software programs	(271)	-	(22)	68	-	-	(225)
Impairment of software programs	(1)	-	-	-	-	-	(1)
Amortization Intangible assets in progress	(365)	-	(66)	164	-	-	(267)
Impairment Intangible assets in progress	-	-	(1)	-	-	-	(1)
Amortization & impairment	**(668)**	**-**	**(91)**	**233**	**-**	**-**	**(526)**
OTHER NET INTANGIBLE ASSETS	**254**	**-**	**23**	**(2)**	**-**	**-**	**275**

(in € million)	31/12/2014	Change in scope	Acquisitions/ Depreciation	Disposals/ Decreases	Foreign exchange differences	Other changes	31/12/2015
Values of business in-force	39	-	-	-	-	-	39
Software programs	757	-	10	(2)	1	(453)	313
Intangible assets in progress	47	-	80	(5)	-	448	570
Gross amount	**843**	**-**	**90**	**(7)**	**1**	**(5)**	**922**
Amortization of values of business in-force	(30)	-	(1)	-	-	-	(31)
Amortization of software programs	(547)	-	(19)	2	(1)	294	(271)
Impairment of software programs	(3)	-	-	-	-	2	(1)
Amortization Intangible assets in progress	(13)	-	(64)	3	-	(292)	(365)
Impairment Intangible assets in progress	-	-	-	-	-	-	-
Amortization & impairment	**(592)**	**-**	**(84)**	**5**	**(1)**	**4**	**(668)**
OTHER NET INTANGIBLE ASSETS	**251**	**-**	**6**	**(2)**	**-**	**(1)**	**254**

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6.3 Investment property

6.3.1 INVESTMENT PROPERTY (EXCLUDING UNIT-LINKED CONTRACTS)

(in € million)	31/12/2015	Change in scope	Increases (acquisitions)	Decreases (disposals and redemptions)	Foreign exchange differences	Other movements	31/12/2016
Gross amount	5,320	-	2,294	(2,100)	-	47	5,561
Depreciation, amortization and impairment	**(20)**	**-**	**(2)**	**-**	**-**	**-**	**(22)**
NET VALUE OF INVESTMENT PROPERTY	**5,299**	**-**	**2,292**	**(2,100)**	**-**	**47**	**5,539**

(in € million)	31/12/2014	Change in scope	Increases (acquisitions)	Decreases (disposals and redemptions)	Foreign exchange differences	Other movements	31/12/2015
Gross amount	4,103	-	1,710	(814)	-	321	5,320
Depreciation, amortization and impairment	**(19)**	**-**	**(1)**	**-**	**-**	**-**	**(20)**
NET VALUE OF INVESTMENT PROPERTY	**4,084**	**-**	**1,709**	**(814)**	**-**	**321**	**5,299**

6.3.2 FAIR VALUE OF INVESTMENT PROPERTY

(in € million)	Estimated fair value at 31/12/2016	Quoted prices in active markets for identical instruments: level 1	Valuation based on observable data: level 2	Valuation based on non-observable data: level 3	Carrying amount at 31/12/2016
Investment property not valued at fair value in the balance sheet	-	-	-	-	-
Investment property	8,213	-	8,213	-	5,539
TOTAL INVESTMENT PROPERTY WHOSE FAIR VALUE IS DISCLOSED	**8,213**	**-**	**8,213**	**-**	**5,539**

(in € million)	Estimated fair value at 31/12/2015	Quoted prices in active markets for identical instruments: level 1	Valuation based on observable data: level 2	Valuation based on non-observable data: level 3	Carrying amount at 31/12/2015
Investment property not valued at fair value in the balance sheet	-	-	-	-	-
Investment property	7,394	-	7,394	-	5,299
TOTAL INVESTMENT PROPERTY WHOSE FAIR VALUE IS DISCLOSED	**7,394**	**-**	**7,394**	**-**	**5,299**

6.4 Other 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 € million)	31/12/2016 Carrying amount	31/12/2016 Fair value
Equities and other variable income securities	26,232	26,232
Bonds and other fixed-income securities	203,241	203,241
Available-for-sale assets	**229,473**	**229,473**
Bonds and other fixed-income securities	11,098	13,806
Held-to-maturity assets	**11,098**	**13,806**
Equities and other variable income securities	15,008	15,008
Bonds and other fixed-income securities	28,504	28,504
Financial assets at fair value through profit or loss classified as held-for-trading or designated at fair value through profit or loss	**43,512**	**43,512**
Loans and receivables	2,780	2,768
Financial investments	**286,863**	**289,559**
Investment property[1]	5,539	8,213
Derivative instruments	1,819	1,819
Investments by the general fund (A)	**294,221**	**299,591**
Unit-linked financial investments	**52,432**	**52,432**
Unit-linked investment property[1]	-	-
Total unit-linked investments (B)	**52,432**	**52,432**
Investments in associates and joint ventures	1,927	2,311
Investments in associates and joint ventures (C)	**1,927**	**2,311**
TOTAL INVESTMENTS (A) + (B) + (C)	**348,580**	**354,334**

(1) *Investment property is valued on the basis of expert appraisal.*

	31/12/2015	
(in € million)	**Carrying amount**	**Fair value**
Equities and other variable income securities	24,182	24,182
Bonds and other fixed-income securities	189,551	189,552
Available-for-sale assets	**213,733**	**213,734**
Bonds and other fixed-income securities	13,554	16,326
Held-to-maturity assets	**13,554**	**16,326**
Equities and other variable income securities	16,276	16,276
Bonds and other fixed-income securities	29,621	29,621
Financial assets at fair value through profit or loss classified as held-for-trading or designated at fair value through profit or loss	**45,897**	**45,897**
Loans and receivables	2,437	2,423
Financial investments	**275,621**	**278,380**
Investment property[(1)]	5,299	7,394
Derivative instruments	1,544	1,544
Investments by the general fund (A)	**282,464**	**287,318**
Unit-linked financial investments	**49,056**	**49,056**
Unit-linked investment property[(1)]	-	-
Total unit-linked investments (B)	**49,056**	**49,056**
Investments in associates	1,844	2,174
Investments in associates (C)	**1,844**	**2,174**
TOTAL INVESTMENTS (A) + (B) + (C)	**333,364**	**338,548**

(1) *Investment property is valued on the basis of expert appraisal.*

(in € million)	31/12/2016	31/12/2015
Investment property	-	-
Equities and other variable income securities	29,670	25,545
Treasury bills and similar securities	333	590
Bonds and other fixed income securities	14,136	14,062
Bond funds	8,293	8,859
UNIT-LINKED FINANCIAL INVESTMENTS	**52,432**	**49,056**

6.5 Fair value of financial instruments

Fair value is the price that would be received for selling an asset or paid for the transfer of a liability during a normal transaction between market participants at measurement date.

Fair value is defined on the basis of an exit price.

The fair values shown below are estimates made on the reporting date using observable market data wherever possible. They are therefore likely to change in subsequent periods due to developments affecting market conditions or other factors.

The amounts presented are the best estimate possible. It is based on a number of valuation models and assumptions. It is supposed that market participants act in their best economic interests. To the extent that these models contain uncertainties, the fair values shown may not be achieved upon actual sale or immediate settlement of the financial instruments concerned.

The fair value hierarchy of financial instruments is broken down according to the general observability criteria of the valuation inputs, pursuant to the principles defined under IFRS 13:

- Level 1: fair value corresponding to quoted prices (unadjusted) in active markets;
- Level 2: fair value measured from directly or indirectly observable data other than those included in level 1;
- Level 3: fair value determined with a significant number of parameters that do not meet the observability criteria.

The characteristics of these levels of fair value are described in detail in the paragraph on the determination of the fair value of financial instruments of note 1.

6.5.1 FAIR VALUE OF FINANCIEL ASSETS AND LIABILITIES RECOGNISED AT COST IN THE BALANCE SHEET

Fair value of financial assets recognised at cost in the balance sheet

(in € million)	Book Value 31/12/2016	Estimated fair value at 31/12/2016	Quoted prices in active markets for identical instruments: level 1	Valuation based on observable data: level 2	Valuation based on unobservable data: level 3
Loans and receivables	**6,036**	**6,024**	**-**	**5,581**	**443**
Accounts and term deposits	102	102	-	102	-
Pledged securities	-	-	-	-	-
Securities bought under repurchase agreements	3,256	3,256	-	3,256	-
Subordinated notes	-	-	-	-	-
Other loans	2,678	2,666	-	2,223	443
Other loans and receivables	-	-	-	-	-
Reinsurance receivables	**2,032**	**2,032**	**-**	**-**	**2,032**
Receivables arising on direct insurance and inward reinsurance operations	1,955	1,955	-	-	1,955
Receivables arising on ceded reinsurance operations	77	77	-	-	77
Cash and cash equivalents	**1,292**	**1,292**	**-**	**1,292**	**-**
Cash and cash equivalents	1,292	1,292	-	1,292	-
Held-to-maturity financial assets	**11,098**	**13,806**	**13,806**	**-**	**-**
Treasury bills and similar securities	8,039	9,872	9,872	-	-
Bonds and other fixed income securities	3,059	3,934	3,934	-	-
TOTAL FINANCIAL ASSETS WHOSE FAIR VALUE IS DISCLOSED	**20,458**	**23,154**	**13,806**	**6,873**	**2,475**

(in € million)	Book Value 31/12/2015	Estimated fair value at 31/12/2015	Quoted prices in active markets for identical instruments: level 1	Valuation based on observable data: level 2	Valuation based on unobservable data: level 3
Loans and receivables	**4,437**	**4,423**	**-**	**3,968**	**455**
Accounts and term deposits	139	139	-	138	1
Pledged securities	-	-	-	-	-
Securities bought under repurchase agreements	2,000	2,000	-	2,000	-
Subordinated notes	-	-	-	-	-
Other loans	2,298	2,284	-	1,830	454
Other loans and receivables	-	-	-	-	-
Reinsurance receivables	**2,404**	**2,404**	**-**	**-**	**2,404**
Receivables arising on direct insurance and inward reinsurance operations	2,348	2,348	-	-	2,348
Receivables arising on ceded reinsurance operations	56	56	-	-	56
Cash and cash equivalents	**1,970**	**1,966**	**-**	**1,966**	**-**
Cash and cash equivalents	1,970	1,966	-	1,966	-
Held-to-maturity financial assets	**13,554**	**16,325**	**16,325**	**-**	**-**
Treasury bills and similar securities	10,504	12,415	12,415	-	-
Bonds and other fixed income securities	3,050	3,910	3,910	-	-
TOTAL FINANCIAL ASSETS WHOSE FAIR VALUE IS DISCLOSED	**22,365**	**25,118**	**16,325**	**5,934**	**2,859**

Fair value of financial liabilities recognised at cost in the balance sheet

(in € million)	Book Value 31/12/2016	Estimated fair value at 31/12/2016	Quoted prices in active markets for identical instruments: level 1	Valuation based on observable data: level 2	Valuation based on unobservable data: level 3
Financing debt	**7,045**	**7,003**	**-**	**6,581**	**422**
Financing debt owed to banking sector companies	2,192	2,189	-	2,189	-
Financing debt represented by securities	-	-	-	-	-
Subordinated debt	4,853	4,814	-	4,392	422
Other financing debt	**14,988**	**14,988**	**-**	**14,988**	**-**
Pledged securities	-	-	-	-	-
Securities given under repurchase agreements	14,988	14,988	-	14,988	-
Due to customers	**3,059**	**3,059**	**-**	**64**	**2,995**
Payables arising on direct insurance and inward reinsurance operations	1,880	1,880	-	-	1,880
Payables arising on ceded reinsurance operations	1,115	1,115	-	-	1,115
Operating debt owed to banking sector companies	64	64	-	64	-
TOTAL FINANCIAL LIABILITIES WHOSE FAIR VALUE IS DISCLOSED	**25,092**	**25,050**	**-**	**21,633**	**3,417**

(in € million)	Book Value 31/12/2015	Estimated fair value at 31/12/2015	Quoted prices in active markets for identical instruments: level 1	Valuation based on observable data: level 2	Valuation based on unobservable data: level 3
Financing debt	**5,008**	**4,996**	**-**	**4,575**	**421**
Financing debt owed to banking sector companies	2,174	2,171	-	2,171	-
Financing debt represented by securities	-	-	-	-	-
Subordinated debt	2,834	2,825	-	2,404	421
Other financing debt	**13,490**	**13,490**	**-**	**13,490**	**-**
Pledged securities	105	105	-	105	-
Securities given under repurchase agreements	13,385	13,385	-	13,385	-
Due to customers	**3,287**	**3,287**	**-**	**69**	**3,218**
Payables arising on direct insurance and inward reinsurance operations	2,159	2,159	-	-	2,159
Payables arising on ceded reinsurance operations	1,059	1,059	-	-	1,059
Operating debt owed to banking sector companies	69	69	-	69	-
TOTAL FINANCIAL LIABILITIES WHOSE FAIR VALUE IS DISCLOSED	**21,785**	**21,773**	**-**	**18,134**	**3,639**

6.5.2 BREAKDOWN OF FINANCIAL INSTRUMENTS AT FAIR VALUE BY VALUATION MODEL

Financial assets measured at fair value

(in € million)	31/12/2016 Quoted prices in active markets for identical instruments: level 1	Valuation based on observable data: level 2	Valuation based on unobservable data: level 3	Total
Available-for-sale assets	**190,037**	**38,172**	**1,264**	**229,473**
Equities and other variable income securities	18,701	6,510	1,021	26,232
Bonds and other fixed income securities	171,336	31,662	243	203,241
Financial assets at fair value through profit or loss classified as held-for-trading or designated at fair value (excluding unit-linked contracts)	**29,787**	**10,524**	**3,201**	**43,512**
Equities and other variable income securities	8,096	3,778	3,134	15,008
Bonds and other fixed-income securities	21,691	6,746	67	28,504
Financial assets designated at fair value through profit or loss on unit-linked contracts	**32,441**	**19,989**	**2**	**52,432**
Equities and other variable income securities	24,064	5,606	-	29,670
Bonds and other fixed-income securities	8,377	14,383	2	22,762
Investment property	-	-	-	-
Derivative instruments	**-**	**1,759**	**(10)**	**1,749**
TOTAL ASSETS MEASURED AT FAIR VALUE	**252,265**	**70,444**	**4,457**	**327,166**
Transfers from level 1	-	7,656	7	7,663
Transfers from level 2	870	-	276	1,146
Transfers from level 3	-	898	-	898
TOTAL TRANSFERS TO EACH LEVEL	**870**	**8,554**	**283**	**9,707**

(in € million)	31/12/2015 Quoted prices in active markets for identical instruments: level 1	Valuation based on observable data: level 2	Valuation based on unobservable data: level 3	Total
Available-for-sale assets	**179,714**	**32,913**	**1,106**	**213,733**
Equities and other variable income securities	18,209	4,988	985	24,182
Bonds and other fixed income securities	161,505	27,925	121	189,551
Financial assets at fair value through profit or loss classified as held-for-trading or designated at fair value (excluding unit-linked contracts)	**32,752**	**9,959**	**3,186**	**45,897**
Equities and other variable income securities	9,411	3,746	3,119	16,276
Bonds and other fixed-income securities	23,341	6,213	67	29,621
Financial assets designated at fair value through profit or loss on unit-linked contracts	**33,537**	**15,501**	**18**	**49,056**
Equities and other variable income securities	24,407	1,138	-	25,545
Bonds and other fixed-income securities	9,130	14,363	18	23,511
Investment property	-	-	-	-
Derivative instruments	**-**	**1,544**	**(2)**	**1,542**
TOTAL ASSETS MEASURED AT FAIR VALUE	**246,003**	**59,917**	**4,308**	**310,228**
Transfers from level 1	-	1,114	-	1,114
Transfers from level 2	1,740	-	5	1,745
Transfers from level 3	-	170	-	170
TOTAL TRANSFERS TO EACH LEVEL	**1,740**	**1,284**	**5**	**3,029**

Changes in financial assets 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 € million)	Equities and other variable income securities	Bonds and other fixed income securities	Total Available-for-sale assets
BALANCES AT 31 DECEMBER 2015	**985**	**121**	**1,106**
Gains and losses during the period:	50	201	251
• Recognised through profit or loss	3	200	203
• Recognised through equity	47	1	48
Purchases in the period	132	25	157
Sales in the period	(51)	(230)	(281)
Issues in the period	-	-	-
Settlements	-	-	-
Transfers	**(95)**	**126**	**31**
• to level 3	61	220	281
• from level 3	(156)	(94)	(250)
Change in scope	-	-	-
BALANCES AT 31 DECEMBER. 2016	**1,021**	**243**	**1,264**

Assets at fair value through profit or loss

(in € million)	Equities and other variable income securities	Bonds and other fixed income securities	Total assets at fair value through profit or loss classified as held-for-trading or designated at fair value through profit or loss
BALANCES AT 31 DECEMBER 2015	**3,119**	**67**	**3,186**
Gains and losses during the period:	65	-	65
• Recognised through profit or loss	65	-	65
• Recognised through equity	-	-	-
Purchases in the period	1,123	-	1,123
Sales in the period	(527)	-	(527)
Issues in the period	-	-	-
Settlements	-	-	-
Transfers	**(646)**	**-**	**(646)**
• to level 3	2	-	2
• from level 3	(648)	-	(648)
Change in scope	-	-	-
BALANCES AT 31 DECEMBER 2016	**3,134**	**67**	**3,201**

Unit-linked financial assets

(in € million)	Equities and other variable income securities	Bonds and other fixed income securities	Total unit-linked financial assets
BALANCES AT 31 DECEMBER 2015	**-**	**18**	**18**
Gains and losses during the period:	-	(8)	(8)
• Recognised through profit or loss	-	(8)	(8)
• Recognised through equity	-	-	-
Purchases in the period	-	-	-
Sales in the period	-	(8)	(8)
Issues in the period	-	-	-
Settlements	-	-	-
Transfers	**-**	**-**	**-**
• to level 3	-	-	-
• from level 3	-	-	-
Change in scope	-	-	-
BALANCES AT 31 DECEMBER 2016	**-**	**2**	**2**

FINANCIAL LIABILITIES MEASURED AT FAIR VALUE

	31/12/2016			
(in € million)	Total	Quoted prices 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 liabilities at fair value through profit or loss	5,803	5,803	-	-
TOTAL FINANCIAL LIABILITIES AT FAIR VALUE	**5,803**	**5,803**	**-**	**-**
Transfers from level 1	-	-	-	-
Transfers from level 2	-	-	-	-
Transfers from level 3	-	-	-	-
TOTAL TRANSFERS TO EACH LEVEL	**-**	**-**	**-**	**-**

	31/12/2015			
(in € million)	Total	Quoted prices 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 liabilities at fair value through profit or loss	7,247	7,247	-	-
TOTAL FINANCIAL LIABILITIES AT FAIR VALUE	**7,247**	**7,247**	**-**	**-**
Transfers from level 1	-	-	-	-
Transfers from level 2	-	-	-	-
Transfers from level 3	-	-	-	-
TOTAL TRANSFERS TO EACH LEVEL	**-**	**-**	**-**	**-**

6.6 Exposure to sovereign risk

Given the economic climate, confirming the difficulties of some countries in the euro zone to master their public finances, Crédit Agricole Assurances Group's exposure on some European countries is presented below.

Exposure to sovereign debt corresponds to the balance sheet value before the impacts of shadow accounting specific to life insurance.

EXPOSURE TO SOVEREIGN RISK

(in € million)	31/12/2016	31/12/2015
Italy	6,012	6,315
Spain	1,036	843
Ireland	612	623
Portugal	3	4
Greece	-	-
TOTAL EXPOSURE	**7,663**	**7,785**

6.7 Maturity schedule of bond portfolio

The following tables show how the bond portfolio breaks down (investments of the insurance activity and other activities), with the exception of investments representative of unit-linked contracts.

	31/12/2016			
(in € million)	Under 1 year	Between 1 and 5 years	Over 5 years	Total
Available-for-sale assets	11,405	54,311	137,525	203,241
Held-to-maturity assets	308	3,369	7,421	11,098
Financial assets at fair value through profit or loss classified as held-for-trading or designated at fair value through profit or loss	3,023	1,474	24,008	28,505
TOTAL BOND PORTFOLIO (EXCLUDING UNIT-LINKED CONTRACTS)	**14,736**	**59,154**	**168,954**	**242,844**

	31/12/2015			
(in € million)	Under 1 year	Between 1 and 5 years	Over 5 years	Total
Available-for-sale assets	7,341	51,373	130,838	189,552
Held-to-maturity assets	2,474	1,718	9,362	13,554
Financial assets at fair value through profit or loss classified as held-for-trading or designated at fair value through profit or loss	1,998	3,658	23,965	29,621
TOTAL BOND PORTFOLIO (EXCLUDING UNIT-LINKED CONTRACTS)	**11,813**	**56,749**	**164,165**	**232,727**

BOND PORTFOLIO BY TYPE OF ISSUER

	31/12/2016				
(in € million)	General administrative bodies	Credit institutions	Large corporate	Other	Total
Available-for-sale debt instruments	54,993	65,582	82,666	-	203,241
Debt instruments at fair value through profit or loss by option (excluding unit-linked contracts)	4,118	2,316	22,071	-	28,505
Debt instruments in unit-linked investments	268	15,571	6,923	-	22,762
Financial instruments held to maturity	8,236	2,862	-	-	11,098
TOTAL DEBT INSTRUMENTS	**67,615**	**86,331**	**111,660**	**-**	**265,606**

	31/12/2015				
(in € million)	General administrative bodies	Credit institutions	Large corporate	Other	Total
Available-for-sale debt instruments	37,975	56,526	95,051	-	189,552
Debt instruments at fair value through profit or loss by option (excluding unit-linked contracts)	3,985	3,160	22,476	-	29,621
Debt instruments in unit-linked investments	547	11,302	11,662	-	23,511
Financial instruments held to maturity	10,699	2,855	-	-	13,554
TOTAL DEBT INSTRUMENTS	**53,206**	**73,843**	**129,189**	**-**	**256,238**

6.8 Provisions for impairment of assets

PROVISIONS FOR IMPAIRMENT OF FINANCIAL ASSETS

(in € million)	31/12/2015	Change in scope	Depreciation charges	Reversals, amounts used	Foreign exchange differences	Other movements	31/12/2016
Impairment of held-to-maturity securities	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Impairment of equities and other variable income securities	(723)	-	(210)	177	-	-	(756)
Impairment of bonds and other fixed income securities	(205)	-	(36)	239	-	-	(2)
Impairment of available-for-sale assets	**(928)**	**-**	**(246)**	**416**	**-**	**-**	**(758)**
Impairment of investment property (amortised cost)	-	-	-	-	-	-	-
Impairment of loans and receivables	-	-	-	-	-	-	-
Impairment of other financial assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL IMPAIRMENT	**(928)**	**-**	**(246)**	**416**	**-**	**-**	**(758)**

(in € million)	31/12/2014	Change in scope	Depreciation charges	Reversals, amounts used	Foreign exchange differences	Other movements	31/12/2015
Impairment of held-to-maturity securities	-	-	-	-	-	-	-
Impairment of equities and other variable income securities	(871)	-	(174)	228	-	94	(723)
Impairment of bonds and other fixed income securities	(174)	-	(68)	37	-	-	(205)
Impairment of available-for-sale assets	**(1,045)**	**-**	**(242)**	**265**	**-**	**94**	**(928)**
Impairment of investment property (amortised cost)	-	-	-	-	-	-	-
Impairment of loans and receivables	-	-	-	-	-	-	-
Impairment of other financial assets	-	-	-	-	-	-	-
TOTAL IMPAIRMENT	**(1,045)**	**-**	**(242)**	**265**	**-**	**94**	**(928)**

6.9 Transferred assets not derecognised (IFRS 7.42 A)

TRANSFERRED ASSETS NOT DERECOGNISED AT 31/12/2016

	Transferred assets not fully derecognised									
	Transferred assets still fully recognised									
	Transferred asssets					Associated liabilities				
Nature of transferred assets *(in € million)*	Carrying amount	o/w securitisation (non-deconsolidating)	o/w securities sold/bought under repurchase agreements	o/w other[1]	Fair value[2]	Carrying amount	o/w securitisation (non-deconsolidating)	o/w securities sold/bought under repurchase agreements	o/w other	Fair value[2]
Held for trading	-	-	-	-	-	-	-	-	-	-
Designated at fair value through profit and loss	2,285	-	2,285	-	2,261	2,285	-	2,285	-	2,285
Available for sale	13,047	-	12,023	1,024	13,043	12,404	-	12,023	381	12,404
Equity instruments	1,024	-	-	1,024	1,024	381	-	-	381	381
Debt securities	12,023	-	12,023	-	12,019	12,023	-	12,023	-	12,023
Loans and receivables	-	-	-	-	-	-	-	-	-	-
Held to maturity	680	-	680	-	677	680	-	680	-	680
Debt securities	680	-	680	-	677	680	-	680	-	680
TOTAL FINANCIAL ASSETS	**16,012**	**-**	**14,988**	**1,024**	**15,981**	**15,369**	**-**	**14,988**	**381**	**15,369**
Finance leases	-	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERRED ASSETS	**16,012**	**-**	**14,988**	**1,024**	**15,981**	**15,369**	**-**	**14,988**	**381**	**15,369**

(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)).

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	Transferred assets not fully derecognised			
	Transferred assets still fully recognised	Transferred assets recognised to the extent of the entity's continuing involvement		
	Assets and associated liabilities			
Nature of transferred assets *(in € million)*	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 profit and loss	(24)	-	-	-
Available for sale	639	-	-	-
Equity instruments	643	-	-	-
Debt securities	(4)	-	-	-
Loans and receivables	-	-	-	-
Held to maturity	(3)	-	-	-
Debt securities	(3)	-	-	-
TOTAL FINANCIAL ASSETS	**612**	**-**	**-**	**-**
Finance leases	-	-	-	-
TOTAL TRANSFERRED ASSETS	**612**	**-**	**-**	**-**

TRANSFERRED ASSETS NOT DERECOGNISED AT 31/12/2015

Nature of transferred assets *(in € million)*	Transferred assets not fully derecognised									
	Transferred assets still fully recognised									
	Transferred assets					Associated liabilities				
	Carrying amount	o/w securitisation (non-deconsolidating)	o/w securities sold/bought under repurchase agreements	o/w other[1]	Fair value[2]	Carrying amount	o/w securitisation (non-deconsolidating)	o/w securities sold/bought under repurchase agreements	o/w other	Fair value[2]
Held for trading	-	-	-	-	-	-	-	-	-	-
Designated at fair value through profit and loss	2,256	-	2,256	-	2,182	2,256	-	2,256	-	2,256
Available for sale	11,398	-	10,010	1,388	11,265	10,444	-	9,979	465	10,444
Equity instruments	1,388	-	-	1,388	1,388	465	-	-	465	465
Debt securities	10,010	-	10,010	-	9,877	9,979	-	9,979	-	9,979
Loans and receivables	-	-	-	-	-	-	-	-	-	-
Held to maturity	1,135	-	1,135	-	1,116	1,135	-	1,135	-	1,135
Debt securities	1,135	-	1,135	-	1,116	1,135	-	1,135	-	1,135
TOTAL FINANCIAL ASSETS	**14,789**	**-**	**13,401**	**1,388**	**14,563**	**13,835**	**-**	**13,370**	**465**	**13,835**
Finance leases	-	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERRED ASSETS	**14,789**	**-**	**13,401**	**1,388**	**14,563**	**13,835**	**-**	**13,370**	**465**	**13,835**

(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 € million)*	Transferred assets not fully derecognised			
	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 profit and loss	(74)	-	-	-
Available for sale	821	-	-	-
Equity instruments	923	-	-	-
Debt securities	(102)	-	-	-
Loans and receivables	-	-	-	-
Held to maturity	(19)	-	-	-
Debt securities	(19)	-	-	-
TOTAL FINANCIAL ASSETS	**728**	**-**	**-**	**-**
Finance leases	-	-	-	-
TOTAL TRANSFERRED ASSETS	**728**	**-**	**-**	**-**

6.10 Derivative instruments

FAIR VALUE HEDGE

A fair value hedge modifies the risk caused by changes in the fair value of a fixed-rate financial instrument as a result of changes in interest rates. Fair value hedges transform fixed-rate assets or liabilities into floating-rate assets or liabilities.

Items hedged are principally fixed-rate loans, securities, deposits and fixed-rate subordinated debt.

CASH FLOW HEDGE

A cash flow hedge modifies the risk related to variability in cash flows arising from floating-rate financial instruments.

Items hedged are principally floating-rate loans and deposits.

HEDGE OF NET INVESTMENT IN FOREIGN CURRENCY

A hedge of a net investment in foreign currency modifies the risk inherent in exchange rate fluctuations connected with foreign currency investments in subsidiaries.

HEDGING DERIVATIVE INSTRUMENTS

	31/12/2016		31/12/2015	
	Market value		Market value	
(in € million)	positive	negative	positive	negative
Interest rates	-	-	-	-
Foreign exchange	-	13	9	-
Equity instruments	-	-	-	-
Other	-	-	-	-
Fair value hedges	**-**	**13**	**9**	**-**
Interest rates	1,158	-	1,023	-
Foreign exchange	-	-	-	-
Equity instruments	-	-	-	-
Other	-	-	-	-
Cash flows hedges	**1,158**	**-**	**1,023**	**-**
Hedges of net investments in foreign operations	**-**	**-**	**-**	**-**
TOTAL HEDGING DERIVATIVE INSTRUMENTS	**1,158**	**13**	**1,032**	**-**

HELD FOR TRADING DERIVATIVE INSTRUMENTS

	31/12/2016		31/12/2015	
	Market value		Market value	
(in € million)	positive	negative	positive	negative
FRAS	-	-	-	-
Interest rate swaps	155	2	-	-
Interest rate options	235	-	216	-
Caps, floors, collars	264	11	250	-
Interest rate instruments	**654**	**13**	**466**	**-**
Equity and index derivatives	-	-	-	-
Other	8	45	47	2
Other instruments	**8**	**45**	**47**	**2**
TOTAL HELD FOR TRADING DERIVATIVE INSTRUMENTS	**662**	**58**	**513**	**2**

6.11 Joints venture and associates

FINANCIAL INFORMATION OF JOINT VENTURES AND ASSOCIATES

At 31 December 2016, the equity-accounted value of associates totalled €1,927 million.

Crédit Agricole Assurances has also implemented the simplified approach permitted by IAS 28 for the equity method accounting of two funds investment over which it exercises a joint control (CNP ACP OBLIG and CNP ACP 10 FCP): these two joint ventures are assessed at fair value through profit or loss according to IAS 39.

Crédit Agricole Assurances holds interests in three joint ventures and six associates.

Material associates and joint ventures are presented in the table below. These are the main associates and joint ventures that make up the "the equity-accounted value in the balance sheet".

	31/12/2016						
(€ million)	% of interest	Equity-accounted value	Share of market value	Dividends paid to Group's entities	Share of net income	Share of shareholders' equity	Goodwill
Joint ventures							
FONCIERE HYPERSUD	51	11	44	-	(4)	11	-
Associates							
RAMSAY - GENERALE DE SANTE	38	412	459	-	14	154	258
INFRA FOCH TOPCO	37	92	168	(26)	10	(49)	141
ALTAREA	27	498	740	(39)	17	395	104
KORIAN	24	490	529	(11)	10	451	38
EUROSIC	24	385	327	(14)	57	377	9
FREY	20	39	45	(1)	4	38	-
Net carrying amount of investments in associates and joint ventures		**1,927**	**2,312**	**(91)**	**108**	**1,377**	**550**

	31/12/2015						
(€ million)	% of interest	Equity-accounted value	Share of market value	Dividends paid to Group's entities	Share of net income[(1)]	Share of shareholders' equity	Goodwill
Associates							
RAMSAY - GÉNÉRALE DE SANTÉ	38	486	443	-	15	228	258
INFRA FOCH TOPCO	37	152	168	45	(1)	11	141
ALTAREA	28	435	637	35	24	331	104
KORIAN	24	492	640	11	62	453	38
EUROSIC	21	244	242	13	16	237	7
FREY	20	35	44	1	8	35	-
Net carrying amount of investments in associates		**1,844**	**2,174**	**105**	**124**	**1,295**	**548**

(1) *Share of result since a significant influence is exercised recognised in the period before restatements.*

The market value shown above is the quoted price of the shares on the market at 31 December 2016. This value may not be representative of the selling value since the value in use of equity-accounted entities may be different from the equity-accounted value determined pursuant to IAS 28.

Condensed financial information for the material associates and joint ventures of Crédit Agricole Assurances is shown below:

	31/12/2016		
(€ million)	Net Income[1]	Total Assets	Total equity
Joint ventures			
FONCIERE HYPERSUD	(8)	249	21
Associates			
RAMSAY - GENERALE DE SANTE	37	2,354	438
INFRA FOCH TOPCO	28	3,049	674
ALTAREA	64	6,872	2,552
KORIAN	42	6,292	1,911
EUROSIC	234	3,573	1,819
FREY	22	469	192

(1) *Net income, Group share corresponding to 12 rolling months reconstituted from the half-year financial statements of 30 June 2016.*

	31/12/2015		
(€ million)	Net Income[1]	Total Assets	Total equity
Associates			
RAMSAY - GENERALE DE SANTE	5	2,374	610
INFRA FOCH TOPCO	11	2,869	764
ALTAREA	53	5,716	2,156
KORIAN	49	5,313	1,904
EUROSIC	62	2,764	1,438
FREY	7	398	131

(1) *Net half-year income at 30 June 2015.*

This financial information comes from the last published financial statements established according to IFRS standards by associates and by joint ventures.

INFORMATION ON THE RISKS RELATED TO INTERESTS

At 31 December 2016, Crédit Agricole Assurances has no commitment in respect of its interests in its joint ventures which would result in an outflow of resources or assets.

At 31 December 2016, no contingent liability is incurred by Crédit Agricole Assurances in its joint ventures and associates.

SIGNIFICANT RESTRICTIONS ON JOINT VENTURES AND ASSOCIATES

These restrictions are similar to the one relating to controlled entities shown in note 10 Scope of consolidation.

6.12 Reinsurer's share in liabilities arising from insurance and financial contracts

(in € million)	31/12/2016	31/12/2015
Mathematical reserves ceded	-	-
Provisions for unearned premiums ceded	127	145
Provisions for claims outstanding ceded	391	325
Other technical reserves ceded	401	368
Reinsurers' share in non-life insurance reserves	**919**	**838**
Mathematical reserves ceded	395	345
Provisions for unearned premiums ceded	140	165
Provisions for claims outstanding ceded	38	44
Other technical reserves ceded	3	2
Profit-sharing provisions ceded	-	-
Reinsurers' share in life insurance reserves	**576**	**556**
Reinsurers' share in provisions for financial contracts	**-**	**-**
TOTAL SHARE HELD BY CEDANTS IN LIABILITIES	**1,495**	**1,394**

6.13 Operating property and other property, plant and equipment

(in € million)	31/12/2015	Change in scope	Increases (acquisitions, business combinations)	Decreases (disposals and redemptions)	Foreign exchange differences	Other movements	31/12/2016
Gross amount	306	-	7	(9)	-	-	304
Depreciation, amortization and impairment	(82)	-	(10)	9	-	-	(83)
NET VALUE OF OPERATING PROPERTY AND OTHER PROPERTY, PLANT AND EQUIPMENT	**224**	**-**	**(3)**	**-**	**-**	**-**	**221**

(in € million)	31/12/2014	Change in scope	Increases (acquisitions, business combinations)	Decreases (disposals and redemptions)	Foreign exchange differences	Other movements	31/12/2015
Gross amount	305	-	3	(1)	-	(1)	306
Depreciation, amortization and impairment	(75)	-	(9)	1	-	1	(82)
NET VALUE OF OPERATING PROPERTY AND OTHER PROPERTY, PLANT AND EQUIPMENT	**230**	**-**	**(6)**	**-**	**-**	**-**	**224**

6.14 Net deferred acquisition costs

(in € million)	31/12/2016	31/12/2015
Net deferred acquisition costs and similar on insurance and financial contracts with discretionary participation features	509	493
Rights acquired on financial contracts without discretionary participation features	13	13
Net deferred acquisition costs and similar on life activities	**522**	**506**
Deferred acquisition costs on non-life activities	**385**	**366**
Deferred acquisition costs	**907**	**872**
Provisions for expenses and unearned deductions	**(12)**	**(11)**
TOTAL DEFERRED ACQUISITION COSTS	**895**	**861**

6.15 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 € million)	31/12/2016	31/12/2015
Current tax	190	18
Deferred tax	32	26
TOTAL CURRENT AND DEFERRED TAX ASSETS	**222**	**44**
Current tax	42	21
Deferred tax	477	534
TOTAL CURRENT AND DEFERRED TAX LIABILITIES	**519**	**555**

Net deferred tax assets and liabilities break down as follows:

(in € million)	31/12/2016	31/12/2015
Temporary timing differences	**134**	**149**
Non-deductible accrued expenses	45	48
Non-deductible provisions	153	163
Other temporary differences	(64)	(62)
DEFERRED TAX ON RESERVES FOR UNREALISED GAINS OR LOSSES	**(929)**	**(1,018)**
Available-for-sale assets	(6,195)	(6,601)
Profit-sharing on AFS reserves	5,317	5,637
Cash flow hedges	(55)	(59)
Actuarial gains and losses on post-employment benefits	4	5
Deferred tax on income and reserves	**350**	**361**
TOTAL DEFERRED TAX	**(445)**	**(508)**

Net deferred tax liabilities decreased by €63 million of which a €18 million decrease related to the publication of the 2017 finance law; the current tax rate will be 28.92% in 2020 instead of 34.43%.

This decrease of deferred tax stock depends to deferred tax for which the reversal is expected from the exercise 2020.

6.16 Receivables arising on direct insurance and inward reinsurance operations

	31/12/2016			
(in € million)	Under 1 year	Between 1 and 5 years	Over 5 years	Total
Receivables due from policyholders	1,188	-	-	1,188
Unrecovered written premiums	6	-	-	6
Unwritten earned premiums	137	-	-	137
Other receivables	291	-	1	292
Receivables for cash deposited at ceding companies	71	135	126	332
TOTAL RECEIVABLES ARISING ON DIRECT INSURANCE AND INWARD REINSURANCE OPERATIONS	**1,693**	**135**	**127**	**1,955**

	31/12/2015			
(in € million)	Under 1 year	Between 1 and 5 years	Over 5 years	Total
Receivables due from policyholders	1,282	1	-	1,283
Unrecovered written premiums	3	1	-	4
Unwritten earned premiums	248	-	-	248
Other receivables	507	5	8	520
Receivables for cash deposited at ceding companies	22	-	271	293
TOTAL RECEIVABLES ARISING ON DIRECT INSURANCE AND INWARD REINSURANCE OPERATIONS	**2,062**	**7**	**279**	**2,348**

Since 2016, written premiums after 30 November by certain entities of the Group were offset with the corresponding collection, reducing the balance of the items of receivables and payables arising on direct insurance and inward reinsurance operations.

6.17 Receivables arising on ceded reinsurance operations

	31/12/2016			
(in € million)	Under 1 year	Between 1 and 5 years	Over 5 years	Total
Current accounts – ceding and retroceding companies	75	-	2	77
TOTAL RECEIVABLES ARISING ON CEDED REINSURANCE OPERATIONS	**75**	**-**	**2**	**77**

	31/12/2015			
(in € million)	Under 1 year	Between 1 and 5 years	Over 5 years	Total
Current accounts – ceding and retroceding companies	55	1	-	56
TOTAL RECEIVABLES ARISING ON CEDED REINSURANCE OPERATIONS	**55**	**1**	**-**	**56**

6.18 Other receivables

(in € million)	31/12/2016	31/12/2015
Employees accounts	2	1
Government, social security bodies	280	198
Accrued income	111	62
Sundry debtors	976	910
Other adjustment accounts	152	79
Securities under repurchase agreements	3,256	2,000
TOTAL	**4,777**	**3,250**

6.19 Equity

COMPOSITION OF SHARE CAPITAL AT 31 DECEMBER 2016

Equity and voting rights broke down as follows:

Shareholders	Shares outstanding	% of capital	% of voting rights
Crédit Agricole S.A.	149,040,361	99.99	100
Other	6	0.01	-
TOTAL	**149,040,367**	**100.0**	**100**

The par value of shares is €10. These shares have been fully paid up.

MOVEMENTS IN CAPITAL OF CRÉDIT AGRICOLE ASSURANCES

On 28 April 2016, the General Meeting decided the payment to the shareholders of the balance of the dividend 2015 totaling €498,561,627.90 with the opportunity to receive it up to 49.98% in new shares.

Following the option exercised by Crédit Agricole S.A., 4,164,897 shares with a par value of €10 were issued, representing a contribution of equity allocated as follows:

- increase of share capital: €41,648,970;
- increase of the share premium: €207,536,817.51.

PREFERRED SHARES

Crédit Agricole Assurances has not issued any preferred shares.

EARNINGS PER SHARE

	31/12/2016	31.12.2015
Net income – Group share (in € million)	1,368	1,036
Weighted average number of ordinary shares outstanding during the period	149,040,367	144,875,470
Earnings per share (€)	9.18	7.15

DIVIDENDS

- On 28 April 2016, the General Meeting approved the payment of a global dividend totaling €974 million relating to the 2015 financial year, or €6.72 per share.
- On 6 December 2016, the Board of Directors decided to pay out an interim dividend of €565 million, or €3.79 per share that, in accordance with the choice made by shareholders, was fully paid in cash.

	2016(1)	2015	2014	2013	2012
Net dividend per share (€)	5.54	6.72	3.59	7.59	8.83
Final dividend (in € million)	826	974	445	942	1,027

(1) This dividend will be submitted to the Shareholders' Meeting on 31 March 2017.

6

BREAKDOWN OF TOTAL OTHER COMPREHENSIVE INCOME

(in € million)	31/12/2016	31/12/2015
Other comprehensive income on items that may be reclassified subsequently to profit and loss, net of income tax		
Gains and losses on foreign exchange differences	**1**	**4**
Revaluation adjustment in the period		
Reclassified to profit and loss		
Other changes	1	4
Gains and losses on available-for-sale assets	**325**	**(76)**
Gains and losses on available-for-sale assets before profit-sharing	1,951	(4,749)
Revaluation adjustment in the period	2,610	(2,959)
Reclassified to profit and loss	(661)	(1,512)
Other changes	2	(278)
Change in deferred profit-sharing in the period	(1,626)	4,673
Gains and losses on hedging derivative instruments	**22**	**33**
Gains and losses on hedging derivative instruments before profit-sharing	135	(45)
Revaluation adjustment in the period	135	(43)
Reclassified to profit and loss	-	-
Other changes	-	(2)
Change in deferred profit-sharing in the period	(112)	78
Pre-tax other comprehensive income on items that may be reclassified to profit and loss on associates and joint ventures	**(11)**	**4**
Income tax related to items that may be reclassified to profit and loss excluding associates and joint ventures	101	(20)
Income tax related to items that may be reclassified to profit and loss on associates and joint ventures	3	(1)
Other comprehensive income on items that may be reclassified to profit and loss from discontinued operations	1	15
Other comprehensive income on items that may be reclassified subsequently to profit and loss, net of income tax	443	(40)
Other comprehensive income on items that will not be reclassified subsequently to profit and loss, net of income tax		
Actuarial gains and losses on post-employment benefits	(2)	(8)
Pre-tax other comprehensive income on items that will not be reclassified to profit and loss on associates and joint ventures	-	-
Income tax related to items that will not be reclassified to profit and loss excluding associates and joint ventures	-	3
Income tax related to items that will not be reclassified to profit and loss on associates and joint ventures	-	-
Other comprehensive income on items that will not be reclassified to profit and loss from discontinued operations	-	-
Other comprehensive income on items that will not be reclassified subsequently to profit and loss, net of income tax	**(2)**	**(6)**
OTHER COMPREHENSIVE INCOME NET OF INCOME TAX	**441**	**(46)**
o/w Group share	441	(45)
o/w Non-controlling interests	-	(1)

BREAKDOWN OF TAX IMPACTS RELATED TO OTHER COMPREHENSIVE INCOME

	31/12/2015				
(in € million)	Gross	Deferred profit-sharing	Tax	Net	o/w net Group share
Other comprehensive income on items that may be reclassified subsequently to profit and loss					
Gains and losses on foreign exchange differences	(4)	-	-	(4)	(3)
Gains and losses on available-for-sale assets	19,513	(16,302)	(981)	2,230	2,228
Gains and losses on hedging derivative instruments	1,022	(851)	(59)	112	112
Other comprehensive income on items that may be reclassified to profit and loss excluding associates and joint ventures	**20,531**	**(17,153)**	**(1,040)**	**2,338**	**2,337**
Other comprehensive income on items that may be reclassified to profit and loss on associates and joint ventures	**48**	**(44)**	**(1)**	**3**	**3**
Other comprehensive income on items that may be reclassified to profit and loss from discontinued operations	**15**	**-**	**(4)**	**11**	**11**
OTHER COMPREHENSIVE INCOME ON ITEMS THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO PROFIT AND LOSS	**20,594**	**(17,197)**	**(1,045)**	**2,352**	**2,351**

	Variation				
(in € million)	Gross	Deferred profit-sharing	Tax	Net	o/w net Group share
Other comprehensive income on items that may be reclassified subsequently to profit and loss					
Gains and losses on foreign exchange differences	1	-	-	1	1
Gains and losses on available-for-sale assets	1,951	(1,626)	94	419	419
Gains and losses on hedging derivative instruments	135	(112)	3	26	26
Other comprehensive income on items that may be reclassified to profit and loss excluding associates and joint ventures	**2,087**	**(1,738)**	**97**	**446**	**446**
Other comprehensive income on items that may be reclassified to profit and loss on associates and joint ventures	**(133)**	**122**	**3**	**(8)**	**(8)**
Other comprehensive income on items that may be reclassified to profit and loss from discontinued operations	**1**	**-**	**4**	**5**	**5**
OTHER COMPREHENSIVE INCOME ON ITEMS THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO PROFIT AND LOSS	**1,955**	**(1,616)**	**104**	**443**	**443**

	31/12/2016				
(in € million)	Gross	Deferred profit-sharing	Tax	Net	o/w net Group share
Other comprehensive income on items that may be reclassified subsequently to profit and loss					
Gains and losses on foreign exchange differences	(3)	-	-	(3)	(2)
Gains and losses on available-for-sale assets	21,464	(17,928)	(887)	2,649	2,647
Gains and losses on hedging derivative instruments	1,157	(963)	(56)	138	138
Other comprehensive income on items that may be reclassified to profit and loss excluding associates and joint ventures	**22,618**	**(18,891)**	**(943)**	**2,784**	**2,783**
Other comprehensive income on items that may be reclassified to profit and loss on associates and joint ventures	**(85)**	**78**	**2**	**(5)**	**(5)**
Other comprehensive income on items that may be reclassified to profit and loss from discontinued operations	**16**	**-**	**-**	**16**	**16**
OTHER COMPREHENSIVE INCOME ON ITEMS THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO PROFIT AND LOSS	**22,549**	**(18,813)**	**(941)**	**2,795**	**2,794**

(in € million)	31/12/2015 Gross	Deferred profit-sharing	Tax	Net	o/w net Group share
Other comprehensive income on items that will not be reclassified subsequently to profit and loss					
Actuarial gains and losses on post-employment benefits	(14)	-	5	(9)	(9)
Other comprehensive income on items that will not be reclassified to profit and loss excluding associates and joint ventures	(14)	-	5	(9)	(9)
Other comprehensive income on items that will not be reclassified to profit and loss on associates and joint ventures	-	-	-	-	-
Other comprehensive income on items that will not be reclassified to profit and loss from discontinued operations	-	-	-	-	-
Other comprehensive income on items that will not be reclassified to profit and loss	**(14)**	**-**	**5**	**(9)**	**(9)**
OTHER COMPREHENSIVE INCOME	**20,581**	**(17,198)**	**(1,040)**	**2,343**	**2,342**

(in € million)	Variation Gross	Deferred profit-sharing	Tax	Net	o/w net Group share
Other comprehensive income on items that will not be reclassified subsequently to profit and loss					
Actuarial gains and losses on post-employment benefits	(2)	-	-	(2)	(1)
Other comprehensive income on items that will not be reclassified to profit and loss excluding associates and joint ventures	(2)	-	-	(2)	(1)
Other comprehensive income on items that will not be reclassified to profit and loss on associates and joint ventures	-	-	-	-	-
Other comprehensive income on items that will not be reclassified to profit and loss from discontinued operations	-	-	-	-	-
Other comprehensive income on items that will not be reclassified to profit and loss	**(2)**	**-**	**-**	**(2)**	**(1)**
OTHER COMPREHENSIVE INCOME	**1,952**	**(1,616)**	**103**	**439**	**440**

(in € million)	31/12/2016 Gross	Deferred profit-sharing	Tax	Net	o/w net Group share
Other comprehensive income on items that will not be reclassified subsequently to profit and loss					
Actuarial gains and losses on post-employment benefits	(16)	-	5	(11)	(10)
Other comprehensive income on items that will not be reclassified to profit and loss excluding associates and joint ventures	(16)	-	5	(11)	(10)
Other comprehensive income on items that will not be reclassified to profit and loss on associates and joint ventures	-	-	-	-	-
Other comprehensive income on items that will not be reclassified to profit and loss from discontinued operations	-	-	-	-	-
Other comprehensive income on items that will not be reclassified to profit and loss	**(16)**	**-**	**5**	**(11)**	**(10)**
OTHER COMPREHENSIVE INCOME	**22,533**	**(18,814)**	**(937)**	**2,782**	**2,782**

6.20 Provisions

Provisions included the following items:

(in € million)	31/12/2015	Changes in scope	Allocation	Reversals	Utilisation	Foreign exchange differences	Other changes	31/12/2016
Employee retirement and similar benefits	67	-	14	(3)	(10)	-	8	76
Insurance litigation	27	-	-	(6)	-	-	-	21
Other litigations	43	-	2	(1)	(1)	-	(6)	37
Other risks	81	-	-	(50)	-	-	-	31
TOTAL	**217**	**-**	**16**	**(59)**	**(11)**	**-**	**2**	**165**

(in € million)	31/12/2014	Changes in scope	Allocation	Reversals	Utilisation	Foreign exchange differences	Other changes	31/12/2015
Employee retirement and similar benefits	56	-	8	-	(4)	-	8	67
Insurance litigation	34	-	-	(8)	-	-	-	27
Other litigations	60	-	4	(10)	(10)	-	(1)	43
Other risks	81	-	-	-	-	-	-	81
TOTAL	**231**	**-**	**12**	**(19)**	**(15)**	**-**	**7**	**217**

6.21 Financing debt

SUBORDINATED DEBT

		31/12/2016				
(in € million)	Currency	Under 3 months	Between 3 months and 1 year	Between 1 and 5 years	Over 5 years	Total
Fixed-term subordinated debt	EUR	-	35	-	3,658	3,693
Perpetual subordinated debt	EUR	-	4	-	1,156	1,160
TOTAL	**EUR**	**-**	**39**	**-**	**4,814**	**4,853**

On 30 June 2016, Crédit Agricole Assurances issued redeemable subordinated bonds with a revisable fixed rate for €1 billion, fully subscribed by Crédit Agricole S.A, fixed annual interest rate of 3.95% until 2026.

On 27 September 2016, Crédit Agricole Assurances issued redeemable subordinated bonds with a revisable fixed rate (fixed annual interest rate of 4.75% until 27 September 2028), for €1 billion subscribed by institutional investors with maturity date 2048.

		31/12/2015				
(in € million)	Currency	Under 3 months	Between 3 months and 1 year	Between 1 and 5 years	Over 5 years	Total
Fixed-term subordinated debt	EUR	-	2	-	1,671	1,673
Perpetual subordinated debt	EUR	-	3	-	1,158	1,161
TOTAL	**EUR**	**-**	**5**	**-**	**2,829**	**2,834**

FINANCING CHARGES

(in € million)	31/12/2016	31/12/2015
Redeemable subordinated notes	(112)	(85)
Perpetual subordinated notes	(73)	(98)
Other financing charges	(40)	(219)
FINANCING CHARGES	**(225)**	**(402)**

6.22 Information on the offsetting of financial assets and financial liabilities

OFFSETTING – FINANCIAL ASSETS

31/12/2016	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 € million)	(a)	(b)	(c) = (a)-(b)		(d)	(e) = (c) - (d)
Derivatives	1,819	-	1,819	-	1,732	87
Reverse repurchase agreements	3,257	-	3,257	-	1,750	1,507
Securities lent	-	-	-	-	-	-
Other financial instruments	-	-	-	-	-	-
TOTAL FINANCIAL ASSETS SUBJECT TO OFFSETTING	**5,076**	**-**	**5,076**	**-**	**3,482**	**1,594**

31/12/2015	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 € million)	(a)	(b)	(c) = (a)-(b)		(d)	(e) = (c) - (d)
Derivatives	1,544	-	1,544	-	1,254	290
Reverse repurchase agreements	2,000	-	2,000	-	1,200	800
Securities lent	1,388	-	1,388	-	1,388	-
Other financial instruments	-	-	-	-	-	-
TOTAL FINANCIAL ASSETS SUBJECT TO OFFSETTING	**4,932**	**-**	**4,932**	**-**	**3,842**	**1,090**

OFFSETTING – FINANCIAL LIABILITIES

31/12/2016	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 liabilities before any offsetting effect	Gross amounts of recognised assets set off in the financial statements	Net amounts of financial liabilities presented in the financial statements	Gross amounts of financial assets covered under master offsetting agreement	Amounts of other financial instruments given as collateral, including security deposit	Net amount after all offsetting effects
(in € million)	(a)	(b)	(c) = (a)-(b)		(d)	(e) = (c) - (d)
Derivatives	71	-	71	-	-	71
Repurchase agreements	14,988	-	14,988	-	13,482	1,506
Securities borrowed	-	-	-	-	-	-
Other financial instruments	-	-	-	-	-	-
TOTAL FINANCIAL LIABILITIES SUBJECT TO OFFSETTING	**15,059**	**-**	**15,059**	**-**	**13,482**	**1,577**

31/12/2015	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 liabilities before any offsetting effect	Gross amounts of recognised assets set off in the financial statements	Net amounts of financial liabilities presented in the financial statements	Gross amounts of financial assets covered under master offsetting agreement	Amounts of other financial instruments given as collateral, including security deposit	Net amount after all offsetting effects
(in € million)	(a)	(b)	(c) = (a)-(b)		(d)	(e) = (c) - (d)
Derivatives	2	-	2	-	-	2
Repurchase agreements	13,385	-	13,385	-	10,983	2,402
Securities borrowed	-	-	-	-	-	-
Other financial instruments	-	-	-	-	-	-
TOTAL FINANCIAL LIABILITIES SUBJECT TO OFFSETTING	**13,387**	**-**	**13,387**	**-**	**10,983**	**2,404**

6.23 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.

	31/12/2016		
(in € million)	Before reinsurance	Ceded	Net of reinsurance
Provisions for unearned premiums	1,663	127	1,536
Provisions for claims	3,535	391	3,144
Profit-sharing provisions	-	-	-
Provisions for shortfall in liabilities	-	-	-
Other provisions	1,730	401	1,329
Technical liabilities relating to non-life insurance contracts	**6,928**	**919**	**6,009**
Provisions for unearned premiums	891	140	750
Mathematical reserves	121,654	395	121,259
Provisions for claims	1,214	38	1,176
Profit-sharing provisions	3,796	-	3,796
Provisions for shortfall in liabilities	9	-	9
Other provisions	166	3	164
Technical liabilities relating to life insurance contracts	**127,730**	**576**	**127,154**
Technical liabilities relating to insurance contracts when financial risk is borne by the policyholder	**45,092**	**-**	**45,093**
TOTAL TECHNICAL LIABILITIES RELATING TO INSURANCE CONTRACTS	**179,750**	**1,495**	**178,256**

	31/12/2015		
(in € million)	Before reinsurance	Ceded	Net of reinsurance
Provisions for unearned premiums	1,543	145	1,398
Provisions for claims	3,295	324	2,971
Profit-sharing provisions	5	-	5
Provisions for shortfall in liabilities	-	-	-
Other provisions	1,582	368	1,214
Technical liabilities relating to non-life insurance contracts	**6,425**	**837**	**5,588**
Provisions for unearned premiums	841	166	675
Mathematical reserves	113,533	345	113,188
Provisions for claims	1,257	44	1,213
Profit-sharing provisions	2,310	-	2,310
Provisions for shortfall in liabilities	8	-	8
Other provisions	163	2	161
Technical liabilities relating to life insurance contracts	**118,112**	**557**	**117,555**
Technical liabilities relating to insurance contracts when financial risk is borne by the policyholder	**42,600**	**-**	**42,600**
TOTAL TECHNICAL LIABILITIES RELATING TO INSURANCE CONTRACTS	**167,137**	**1,394**	**165,743**

LOSS RESERVES DEVELOPMENT TABLE – NON-LIFE

(in € million)	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Provisions for initially handled gross claims	1,467	1,687	1,904	2,163	2,342	2,575	2,820	3,067	3,302	3,535
Exchange rate impact at 31 December 2016	-	-	-	-	-	-	-	-	-	-
Impact of change in scope of consolidation on 2016	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Provisions for initially handled gross claims adjusted for exchange rates and consolidation scope in 2016	**1,467**	**1,687**	**1,904**	**2,163**	**2,342**	**2,575**	**2,820**	**3,067**	**3,302**	**3,535**
Cumulative payments at										
• one year later	523	573	683	748	798	810	896	939	1,009	-
• two years later	664	738	878	969	1,030	1,073	1,190	1,275	-	-
• three years later	768	847	999	1,103	1,191	1,252	1,377	-	-	-
• four years later	846	925	1,090	1,200	1,309	1,393	-	-	-	-
• five years later	902	989	1,158	1,283	1,385	-	-	-	-	-
• six years later	947	1,041	1,220	1,319	-	-	-	-	-	-
• seven years later	989	1,090	1,247	-	-	-	-	-	-	-
• eight years later	1,025	1,101	-	-	-	-	-	-	-	-
• nine years later	1,087	-	-	-	-	-	-	-	-	-
• ten years later	-	-	-	-	-	-	-	-	-	-
Re-estimated final cost at										
• one year later	1,466	1,656	1,858	2,090	2,288	2,471	2,743	2,992	3,256	-
• two years later	1,423	1,536	1,766	1,967	2,174	2,400	2,647	3,167	-	-
• three years later	1,355	1,483	1,703	1,910	2,139	2,344	2,788	-	-	-
• four years later	1,326	1,432	1,659	1,896	2,111	2,433	-	-	-	-
• five years later	1,293	1,415	1,672	1,892	2,153	-	-	-	-	-
• six years later	1,281	1,427	1,669	1,901	-	-	-	-	-	-
• seven years later	1,290	1,426	1,677	-	-	-	-	-	-	-
• eight years later	1,289	1,420	-	-	-	-	-	-	-	-
• nine years later	1,339	-	-	-	-	-	-	-	-	-
• ten years later	-	-	-	-	-	-	-	-	-	-
INITIAL NET CLAIMS RESERVES IN EXCESS OF RE-ESTIMATED NET CLAIMS RESERVES AS OF 31 DECEMBER. 2016	**128**	**267**	**227**	**263**	**189**	**142**	**32**	**(100)**	**46**	-

The first line "Provisions for initially handled gross claims" represents the amount of provisions (in the financial year during which the claim occurred and all the previous years) handled at the accounting closing date indicated in the columns.

The "cumulative payments" section describes in detail the cumulative amount of payments relating to year Y when the claim occurred and previous years. The second section "re-estimated final cost" describes in detail the Group's commitment for the year in which the claim occurred and previous years. The estimate of the final cost fluctuates in line with the increasing reliability of information about claims still pending.

The surplus or shortfall in initial provisions in comparison with the re-estimated final cost is the difference between the initial provision and the latest estimate of provisions for claims outstanding.

TECHNICAL LIABILITIES RELATING TO FINANCIAL CONTRACTS

Financial contracts, whose technical liabilities are presented in the table below, are contracts that do not expose the insurer to a significant insurance risk. They are governed by IFRS 4 when they include discretionary profit sharing features and by IAS 39 when they do not.

	31/12/2016		
(in € million)	Before reinsurance	Ceded	Net of reinsurance
Mathematical reserves	94,545	-	94,545
Provisions for claims	1,790	-	1,790
Profit-sharing provisions	3,362	-	3,362
Provisions for shortfall in liabilities	11	-	11
Other provisions	21	-	21
Technical liabilities relating to financial contracts in euros with discretionary participation features	**99,729**	**-**	**99,729**
Mathematical reserves	80	-	80
Provisions for claims	1	-	1
Other provisions	-	-	-
Technical liabilities relating to financial contracts in euros without discretionary participation features	**81**	**-**	**81**
Technical liabilities relating to investment contracts where financial risk is borne by the policyholder, with discretionary participation features	3,838	-	3,838
Technical liabilities relating to investment contracts where financial risk is borne by the policyholder, without discretionary participation features	3,588	-	3,588
Technical liabilities on unit-linked financial contracts	**7,426**	**-**	**7,426**
TOTAL TECHNICAL LIABILITIES RELATING TO FINANCIAL CONTRACTS	**107,236**	**-**	**107,236**

	31/12/2015		
(in € million)	Before reinsurance	Ceded	Net of reinsurance
Mathematical reserves	96,792	-	96,792
Provisions for claims	1,965	-	1,965
Profit-sharing provisions	3,107	-	3,107
Provisions for shortfall in liabilities	3	-	3
Other provisions	21	-	21
Technical liabilities relating to financial contracts in euros with discretionary participation features	**101,888**	**-**	**101,888**
Mathematical reserves	131	-	131
Provisions for claims	1	-	1
Other provisions	-	-	-
Technical liabilities relating to financial contracts in euros without discretionary participation features	**132**	**-**	**132**
Technical liabilities relating to investment contracts where financial risk is borne by the policyholder, with discretionary participation features	3,254	-	3,254
Technical liabilities relating to investment contracts where financial risk is borne by the policyholder, without discretionary participation features	3,356	-	3,356
Technical liabilities on unit-linked financial contracts	**6,610**	**-**	**6,610**
TOTAL TECHNICAL LIABILITIES RELATING TO FINANCIAL CONTRACTS	**108,630**	**-**	**108,630**

CHANGES IN GROSS LIFE MATHEMATICAL RESERVES

	31/12/2016			
(in € million)	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	**156,133**	**100,046**	**3,487**	**259,666**
Premiums	18,014	6,083	341	24,438
Claims	(11,083)	(8,047)	(329)	(19,459)
Increase in contract prices	1,957	1,686	147	3,790
Changes in provisions relating to technical and actuarial items	289	8	8	305
Transfers	1,530	(1,392)	15	153
Other	(94)	(1)	-	(95)
Change in scope	-	-	-	-
MATHEMATICAL RESERVES ON LIFE AT END OF PERIOD	**166,746**	**98,383**	**3,669**	**268,798**

	31/12/2015			
(in € million)	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	**149,440**	**96,367**	**3,082**	**248,889**
Premiums	16,862	6,773	824	24,459
Claims	(10,338)	(8,348)	(364)	(19,050)
Increase in contract prices	3,440	2,081	31	5,552
Changes in provisions relating to technical and actuarial items	(4,555)	4,805	(62)	188
Transfers	1,552	(1,420)	(24)	108
Other	(268)	(212)	-	(480)
Change in scope	-	-	-	-
MATHEMATICAL RESERVES ON LIFE AT END OF PERIOD	**156,133**	**100,046**	**3,487**	**259,666**

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.

	31/12/2016			
(in € million)	Under 1 year	Between 1 and 5 years	Over 5 years	Total
INSURANCE LIABILITIES	**26,929**	**48,234**	**159,304**	**234,467**

	31/12/2015			
(in € million)	Under 1 year	Between 1 and 5 years	Over 5 years	Total
INSURANCE LIABILITIES	**27,357**	**44,559**	**154,640**	**226,556**

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.

6.24 Net deferred profit-sharing

(in € million)	31/12/2016	31/12/2015
Profit-sharing/Remeasurement of assets at FV through profit or loss	324	711
Profit-sharing/Remeasurement of assets at FV through reserves (AFS securities)	(18,830)	(17,226)
Profit-sharing/Other adjustments	(2,520)	(2,798)
NET DEFERRED PROFIT-SHARING	**(21,026)**	**(19,313)**

6.25 Payables arising on direct insurance and inward reinsurance

	31/12/2016			
(in € million)	Under 1 year	Between 1 and 5 years	Over 5 years	Total
Fees due	1,191	-	-	1,191
Claims outstanding	51	-	21	72
Cash deposits	-	-	-	-
Co-insurers	-	-	-	-
Other payables on insurance transactions	583	-	22	605
Expenses charged and unearned deductions	12	-	-	12
TOTAL PAYABLES ARISING ON DIRECT INSURANCE AND INWARD REINSURANCE OPERATIONS	**1,837**	**-**	**43**	**1,880**

	31/12/2015			
(in € million)	Under 1 year	Between 1 and 5 years	Over 5 years	Total
Fees due	1,125	-	-	1,125
Claims outstanding	185	1	16	202
Cash deposits	-	-	-	-
Co-insurers	-	-	-	-
Other payables on insurance transactions	493	155	173	821
Expenses charged and unearned deductions	11	-	-	11
TOTAL PAYABLES ARISING ON DIRECT INSURANCE AND INWARD REINSURANCE OPERATIONS	**1,814**	**156**	**189**	**2,159**

Since 2016, written premiums after 30 November by certain entities of the Group were offset with the corresponding collection, reducing the balance of the items of receivables and payables arising on direct insurance and inward reinsurance operations.

6.26 Payables arising on ceded reinsurance operations

	31/12/2016			
(in € million)	Under 1 year	Between 1 and 5 years	Over 5 years	Total
Ceded reinsurance payables	-	-	-	-
Reinsurers' current accounts	194	-	50	244
Ceded deferred acquisition costs	104	-	-	104
Cash deposits	40	362	365	767
TOTAL PAYABLES ARISING ON CEDED REINSURANCE OPERATIONS	**338**	**362**	**415**	**1,115**

(in € million)	31/12/2015 Under 1 year	Between 1 and 5 years	Over 5 years	Total
Ceded reinsurance payables	-	-	-	-
Reinsurers' current accounts	255	1	(81)	175
Ceded deferred acquisition costs	125	3	1	129
Cash deposits	755	-	-	755
TOTAL PAYABLES ARISING ON CEDED REINSURANCE OPERATIONS	**1,135**	**4**	**(80)**	**1,059**

6.27 Other payables

(in € million)	31/12/2016	31/12/2015
Employee accounts	26	21
Government, social security bodies	192	159
Securities under repurchase agreement	14,988	13,490
Miscellaneous creditors	5,961	5,513
TOTAL OTHER PAYABLES	**21,167**	**19,183**

NOTE 7 Notes to the income statement

7.1 Breakdown of revenue – Revenue by type of line of business

(in € million)		31/12/2016 France	International	Total
Savings/Pensions	Savings	18,840	4,489	23,329
	Pensions	291	4	295
	Pension saving plans	376	-	376
Protection of individuals	Creditor insurance	1,417	548	1,965
	Personal risks	1,070	30	1,100
	Collective	156	-	156
Protection of property	Non-life insurance	3,355	135	3,490
	Others (personal services, reinsurance)	61	3	64
TOTAL		**25,566**	**5,209**	**30,775**

(in € million)		31/12/2015 France	International	Total
Savings/Pensions	Savings	18,720	4,430	23,150
	Pensions	502	3	505
	Pension saving plans	375	-	375
Protection of individuals	Creditor insurance	1,430	463	1,893
	Personal risks	992	14	1,006
	Collective	52	-	52
Protection of property	Non-life insurance	3,160	128	3,288
	Others (personal services, reinsurance)	65	35	100
TOTAL		**25,296**	**5,073**	**30,369**

7.2 Investment income net of investment expenses (including dividends)

	31/12/2016					
(in € million)	Investment income	Investment expenses	Gains and losses on investments net of reversals from provisions	Change in fair value	Change in provisions on investments	Total
Held-to-maturity assets	547	-	-	-	-	547
Available-for-sale assets	6,060	(6)	892	-	(246)	6,700
Held-for-trading assets	-	-	-	-	-	-
Assets designated at fair value through profit or loss	628	-	-	648	-	1,276
Investment property	159	(2)	2	-	(2)	157
Loans and receivables	145	(2)	-	66	-	209
Derivative instruments	24	(4)	-	(123)	-	(103)
Investments in associates and joint ventures	92	-	-	-	-	92
Other	185	(406)	-	-	-	(221)
TOTAL	**7,840**	**(420)**	**894**	**591**	**(248)**	**8,657**

	31/12/2015					
(in € million)	Investment income	Investment expenses	Gains and losses on investments net of reversals from provisions	Change in fair value	Change in provisions on investments	Total
Held-to-maturity assets	601	-	-	-	-	601
Available-for-sale assets	6,096	(3)	1,752	-	(242)	7,602
Held-for-trading assets	1	-	-	-	-	1
Assets designated at fair value through profit or loss	870	-	-	1,052	-	1,922
Investment property	212	(4)	(6)	-	(1)	201
Loans and receivables	77	(3)	-	245	-	319
Derivative instruments	18	-	-	(715)	-	(697)
Investments in associates	107	-	-	-	-	107
Other	248	(305)	-	-	-	(57)
TOTAL	**8,230**	**(315)**	**1,746**	**582**	**(243)**	**10,000**

(in € million)	31/12/2016	31/12/2015
Dividends	1,141	972
Interest accrued and outstanding on available-for-sale financial assets	5,280	5,423
Interest accrued and outstanding on financial assets held to maturity	547	601
Interest accrued and outstanding on financial assets at fair value through P&L/designated at fair value through P&L	267	573
Interest accrued and outstanding on derivatives	25	18
Other interest and related income	580	643
Investment income	**7,840**	**8,230**
Interest accrued and outstanding on derivatives	(4)	-
Other interest and related expenses	(416)	(315)
Investment expense	**(420)**	**(315)**

7.3 Gains and losses from hedge accounting

(in € million)	31/12/2016 Gains	31/12/2016 Losses	31/12/2016 Net	31/12/2015 Gains	31/12/2015 Losses	31/12/2015 Net
Changes in fair value of hedged items attributable to hedged risks	66	-	66	245	-	245
Changes in fair value of hedging derivatives (including terminations of hedges)	-	(65)	(65)	-	(244)	(244)
Fair value hedges	**66**	**(65)**	**1**	**245**	**(244)**	**1**
Changes in fair value of hedging derivatives – ineffective portion	-	-	-	-	-	-
Cash flow hedges	-	-	-	-	-	-
Changes in fair value of hedging derivatives – ineffective portion	-	-	-	-	-	-
Hedges of net investments in foreign operations	-	-	-	-	-	-
Changes in fair value of hedged items	-	-	-	-	-	-
Changes in fair value of hedging derivatives	-	-	-	-	-	-
Fair value hedge of the interest rate exposure of a portfolio of financial instruments	-	-	-	-	-	-
Changes in fair value of hedging instrument – inefficient portion	-	-	-	-	-	-
Cash flow hedge of the interest rate exposure of a portfolio of financial instruments	-	-	-	-	-	-
TOTAL GAINS/LOSSES FROM HEDGE ACCOUNTING	**66**	**(65)**	**1**	**245**	**(244)**	**1**

7.4 Claims expense

(in € million)	31/12/2016 Life insurance contracts	Financial contracts related to IFRS 4	Total life insurance	Non-life insurance contracts	Total
Claims expense	(9,246)	(10,579)	(19,825)	(2,691)	(22,516)
Change in insurance provisions	(10,407)	1,835	(8,572)	(293)	(8,865)
Change in provisions for profit-sharing	(989)	(757)	(1,746)	-	(1,746)
Change in provisions for deferred profit-sharing	-	-	(74)	-	(74)
Change in provisions for shortfall in liabilities	(1)	(8)	(9)	-	(9)
Change in other technical reserves	(2)	1	(1)	(162)	(163)
CLAIMS EXPENSE	**(20,644)**	**(9,508)**	**(30,227)**	**(3,146)**	**(33,373)**

The change in provisions for deferred profit-sharing is not broken down between life insurance contracts and financial contracts related to IFRS 4.

(in € million)	31/12/2015 Life insurance contracts	Financial contracts related to IFRS 4	Total life insurance	Non-life insurance contracts	Total
Claims expense	(8,415)	(10,135)	(18,551)	(2,463)	(21,014)
Change in insurance provisions	(11,782)	899	(10,883)	(232)	(11,114)
Change in provisions for profit-sharing	(1,109)	(1,268)	(2,377)	(2)	(2,379)
Change in provisions for deferred profit-sharing	-	-	123	-	123
Change in provisions for shortfall in liabilities	(6)	1	(5)	-	(5)
Change in other technical reserves	18	-	18	(151)	(134)
CLAIMS EXPENSE	**(21,294)**	**(10,503)**	**(31,675)**	**(2,848)**	**(34,523)**

The change in provisions for deferred profit-sharing is not broken down between life insurance contracts and financial contracts related to IFRS 4.

7.5 Management expenses

BREAKDOWN BY DESTINATION

	31/12/2016					
(in € million)	Life	Non-life	International	Creditor Insurance	Other	Total
Acquisition costs or similar[(1)]	(716)	(559)	(212)	(619)	-	(2,106)
Claim management expenses[(2)]	(98)	(285)	(11)	(6)	-	(400)
Investment management expenses[(3)]	(34)	(4)	(46)	-	-	(84)
Administration expenses	(1,095)	(233)	(56)	(57)	-	(1,441)
Other technical expenses[(4)]	(72)	(46)	(5)	(7)	-	(130)
Other non-technical expenses[(4)]	(1)	(1)	(1)	-	(143)	(146)
TOTAL MANAGEMENT EXPENSES	**(2,016)**	**(1,128)**	**(331)**	**(689)**	**(143)**	**(4,307)**

(1) *Excluding the change in deferred acquisition costs totalling €34 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.*

	31/12/2015					
(in € million)	Life	Non-life	International	Creditor Insurance	Other	Total
Acquisition costs or similar	(705)	(516)	(213)	(634)	(12)	(2,080)
Claim management expenses	(12)	(307)	(10)	(6)	-	(335)
Investment management expenses	(37)	(5)	(32)	-	-	(74)
Administration expenses	(1,049)	(229)	(53)	(49)	(1)	(1,381)
Other technical expenses	(65)	(50)	(4)	(10)	-	(129)
Other non-technical expenses	-	(2)	(2)	-	(140)	(144)
TOTAL MANAGEMENT EXPENSES	**(1,868)**	**(1,109)**	**(314)**	**(699)**	**(153)**	**(4,143)**

BREAKDOWN BY NATURE

	31/12/2016					
(in € million)	Life	Non-life	International	Creditor Insurance	Other	Total
Staff expenses	(71)	(64)	(25)	(28)	(97)	(285)
Fees	(1,739)	(982)	(267)	(623)	-	(3,611)
Taxes	(100)	(22)	(8)	(5)	(18)	(153)
Other	(106)	(60)	(31)	(33)	(28)	(258)
TOTAL MANAGEMENT EXPENSES	**(2,016)**	**(1,128)**	**(331)**	**(689)**	**(143)**	**(4,307)**

	31/12/2015					
(in € million)	Life	Non-life	International	Creditor Insurance	Other	Total
Staff expenses	(64)	(57)	(26)	(24)	(88)	(259)
Fees	(1,602)	(969)	(256)	(644)	(12)	(3,483)
Taxes	(104)	(20)	(9)	(4)	(25)	(162)
Other	(98)	(63)	(23)	(27)	(28)	(239)
TOTAL MANAGEMENT EXPENSES	**(1,868)**	**(1,109)**	**(314)**	**(699)**	**(153)**	**(4,143)**

7.6 Fees paid to statutory auditors

(in € million excluding taxes)	Ernst & Young 2016	Ernst & Young 2015	PWC 2016	PWC 2015	Total
Independant audit, certification, review of parent company and consolidated financial statements	**2.0**	**2.1**	**1.6**	**1.7**	**3.6**
Crédit Agricole Assurances S.A.	0.4	0.5	0.4	0.4	0.7
Fully consolidated subsidiaries	1.6	1.6	1.3	1.2	2.9
Other services	**1.1**	**0.4**	**1.2**	**0.9**	**2.3**
Ancillary assignments and services directly linked to the statutory auditors' mission[1]	0.7	0.4	1.1	0.8	1.7
Crédit Agricole Assurances S.A.	0.1	0.1	0.2	0.2	0.4
Fully consolidated subsidiaries	0.5	0.3	0.8	0.7	1.3
Other[1]	-	-	-	0.0	-
Non audit services[2]	0.5		0.1		0.6
TOTAL	**3.1**	**2.5**	**2.8**	**2.5**	**5.9**

(1) *For 2016, services from 1 January to 16 June 2016.*

(2) *For 2016, services from 17 June 2016.*

7.7 Net result of ceded reinsurance

(in € million)	31/12/2016 Life	Non-life	International	Creditor Insurance	Other	Total
Premiums ceded and unearned premiums ceded	(149)	(174)	(80)	(200)	-	(603)
Claims ceded	106	122	33	46	-	307
Other technical reserves ceded	35	-	-	(1)	-	34
Commissions received from reinsurers	11	13	50	121	-	195
NET RESULT OF CEDED REINSURANCE	**3**	**(39)**	**3**	**(34)**	**-**	**(67)**

(in € million)	31/12/2015 Life	Non-life	International	Creditor Insurance	Other	Total
Premiums ceded and unearned premiums ceded	(136)	(164)	(59)	(161)	(7)	(527)
Claims ceded	100	59	25	43	(2)	225
Other technical reserves ceded	27	-	-	(1)	-	26
Commissions received from reinsurers	12	15	63	90	3	183
NET RESULT OF CEDED REINSURANCE	**3**	**(90)**	**29**	**(29)**	**(6)**	**(93)**

7.8 Tax charge

BREAKDOWN OF TOTAL TAX EXPENSE BETWEEN CURRENT AND DEFERRED TAX

(in € million)	31/12/2016	31/12/2015
Current tax charge	(508)	(956)
Deferred tax charge(1)	(80)	353
TOTAL TAX CHARGE	**(588)**	**(603)**

(1) *Of which €79 million of deferred tax expense for the year 2016 related to the publication of the 2017 finance law; current tax rate will be 28.92% in 2020 instead of 34.43%. This expense is related to deferred tax for which the reversal is expected from the exercise 2020.*

TAX PROOF

(in € million)	31/12/2016	31/12/2015
Pre-tax income, goodwill impairment and share of net income of associates and joint ventures	**1,830**	**1,515**
Theoretical tax rate(1)	34.43%	38%
Theoretical tax charge	**(630)**	**(576)**
Impact of permanent differences	12	(55)
Impact of different tax rates on foreign subsidiaries	16	19
Impact of losses for the year, utilisation of tax loss carryforwards and temporary differences	25	(1)
Impact of reduced tax rate	32	47
Impact of other items	(43)	(37)
Effective tax charge	**(588)**	**(603)**
EFFECTIVE TAX RATE (%)	**32.13%**	**39.80%**

(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 2016.*

NOTE 8 Employee benefits and other compensation

8.1 Headcount at year-end

Full-time equivalent employees	31/12/2016	31/12/2015
France	2,531	2,265
International	334	403
TOTAL	**2,865**	**2,668**

8.2 Post-employment benefits, defined contribution plans

Employers contribute to a variety of compulsory pension schemes. Plan assets are managed by independent organisations and the contributing companies have no legal or implied obligation to pay additional contributions if the funds do not have sufficient assets to cover all benefits corresponding to services rendered by employees during the year and during prior years.

Accordingly, Crédit Agricole Assurances Group companies have no liability in this respect other than their contributions payable.

Within the Group, there are several compulsory defined contribution pension plans, the main ones being Agirc/Arrco, which are French supplementary retirement plans, and some supplementary plans:

		Number of employees covered(1)	
Entities	**Compulsory supplementary pension plans**	**Estimate at 31/12/2016**	**Estimate at 31/12/2015**
Predica/CAA/Caagis/Pacifica	Agricultural sector plan	2,240	2,117
CACI	Sector-specific plan	221	193
Predica/CAA/Caagis/Pacifica/CACI	"Article 83" (of the French Tax Code) plan	68	70

(1) *Number of employees on the payroll.*

8.3 Post employment benefits, defined benefit plans

CHANGE IN ACTUARIAL LIABILITY

(in € million)	31/12/2016	31/12/2015
Actuarial liability at beginning of period	**56**	**46**
Foreign exchange differences	-	-
Current service cost during the period	4	3
Financial cost	1	1
Employee contributions	-	-
Benefit plan changes, withdrawals and settlement	-	-
Change in scope	-	(1)
Benefits paid	(2)	(1)
Taxes, administrative expenses and bonuses	-	-
Actuarial gains or losses arising from changes in demographic assumptions	(2)	3
Actuarial gains or losses arising from changes in financial assumptions	4	5
ACTUARIAL LIABILITY AT END OF PERIOD	**61**	**56**

BREAKDOWN OF CHARGE RECOGNISED IN THE INCOME STATEMENT

(in € million)	31/12/2016	31/12/2015
Service cost	4	3
Net interest income (expense)	-	1
IMPACT IN PROFIT AND LOSS	**4**	**4**

BREAKDOWN OF CHARGE RECOGNISED IN OTHER COMPREHENSIVE INCOME THAT WILL NOT BE RECLASSIFIED TO PROFIT AND LOSS

(in € million)	31/12/2016	31/12/2015
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	9	1
Foreign exchange differences	-	-
Actuarial gains or losses on assets	-	-
Actuarial gains or losses arising from changes in demographic assumptions[1]	(2)	3
Actuarial gains or losses arising from changes in financial assumptions[1]	4	5
Adjustments in impact of restriction on assets	-	-
TOTAL ITEMS RECOGNISED IMMEDIATELY IN OTHER COMPREHENSIVE INCOME ITEMS	**2**	**8**

(1) *o/w actuarial gains/losses related to experience adjustment.*

NET FINANCIAL POSITION

(in € million)	31/12/2016	31/12/2015
Actuarial liability at end of period	61	57
Impact of asset restriction	-	-
Fair value of plan assets	-	-
NET FINANCIAL POSITION AT END OF PERIOD	**61**	**57**

DEFINED-BENEFIT PLANS: MAIN ACTUARIAL ASSUMPTIONS

(in € million)	31/12/2016	31/12/2015
Discount rate[1]	0.89%-1.7%	1.30%-2.4%
Actual return on plan assets and on reimbursement rights	0.89%-2.8%	1.3%-2.8%
Expected salary increase rates[2]	1.5%-3.25%	1.5%-3.5%
Rate of change in medical costs	-	-

(1) Discount rates are determined as a function of the average duration of the commitment that is the arithmetic average of durations calculated between the assessment date and the payment date weighted by assumptions of staff turnover.

(2) Depending on the types of employee concerned (management or non-management grade).

INFORMATION OF PLAN ASSETS – ASSETS ALLOCATION

	31/12/2016		
	Eurozone		
(in € million)	%	Amount	o/w listed
Equities	7.4%	2	2
Bonds	62.0%	19	19
Real estate	5.0%	2	-
Other assets	25.6%	8	-

8.4 Other employee benefits

Among the various collective variable compensation plans within the Group, the *Rémunération variable collective* (RVC), is a global plan encompassing the discretionary incentive scheme and the compulsory profit-sharing scheme. The amount is calculated based on the company's performance, measured through the net income Group share of Crédit Agricole Assurances.

A given level of net income Group share allows determination of a percentage of the total payroll to be distributed.

The amount of the profit-sharing component is calculated in accordance with the standard legal formula and is deducted from the total RVC to obtain the amount of the discretionary incentive entitlement.

Other employee benefits: in France, the Group's main entities pay long-service awards. The amounts vary according to practices and collective bargaining agreements.

8.5 Senior executive compensation

Senior executives include all members of the Executive Committee of Crédit Agricole Assurances: the Chief Executive Officer of Crédit Agricole Assurances and the Chief Executive Officers of the main subsidiaries and the heads of the Group's core business activities.

Compensation and benefits paid by Crédit Agricole Assurances Group to the members of the Executive Committee in 2016 were as follows:

- short-term benefits: €4.88 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 €0.10 million was paid under the supplementary pension plan for Group Senior Executive Officers;
- other long-term benefits: not applicable;
- termination benefits: not applicable;
- share-based payments: not applicable.

The members of the Board of Directors of Crédit Agricole Assurances perceived in 2016 a total of 56,000 euros in attendance fees under their mandate to Crédit Agricole Assurances.

NOTE 9 Commitments given and received

(in € million)	31/12/2016	31/12/2015
Financing commitments	-	-
Credit institutions	-	-
Customers	-	-
Guarantee commitments	**1,000**	**990**
Credit institutions	1,000	990
Customers	-	-
Other commitments received	**298**	**290**
Pledged securities	298	290
Other commitments	-	-
COMMITMENTS RECEIVED	**1,298**	**1,280**

(in € million)	31/12/2016	31/12/2015
Financing commitments	-	-
Credit institutions	-	-
Customers	-	-
Guarantee commitments	**165**	**123**
Credit institutions	-	-
Customers	165	123
Other commitments given	**2,374**	**1,732**
Pledged securities	-	-
Securities collateral	2,374	1,732
Other commitments	-	-
COMMITMENTS GIVEN	**2,539**	**1,855**

Commitments given mainly consist of pledges of securities given to ceding companies. These pledges are aimed at covering the theoretical commitments accepted by Crédit Agricole Assurances under existing reinsurance treaties.

NOTE 10 Consolidation scope

Restrictions on controlled entities

Regulatory, legal or contractual provisions can limit the ability of Crédit Agricole Assurances to access the assets of its subsidiaries and to settle liabilities of Crédit Agricole Assurances.

REGULATORY CONSTRAINTS

The subsidiaries of Crédit Agricole Assurances Group are subject to prudential regulation and regulatory capital requirements in their host countries. The minimum equity capital (solvency ratio), leverage ratio and liquidity ratio requirements limit the capacity of these entities to pay dividends or to transfer assets to Crédit Agricole Assurances Group.

LEGAL CONSTRAINTS

The subsidiaries of Crédit Agricole Assurances Group are subject to legal provisions concerning the distribution of capital and distributable earnings. These requirements limit the ability of the subsidiaries to distribute dividends. In most cases, these are less restrictive than the regulatory limitations mentioned above.

RESTRICTION ON ASSETS BACKING UNIT-LINKED CONTRACTS

Assets of the insurance subsidiaries are mainly held for satisfying their obligation towards their policyholders. Assets transfers to other entities are possible following the legal conditions. However, in case of a transfer, a part of the profit due to the transfer must be intended for the policyholders.

Financial support provided to controlled structured entities

Crédit Agricole Assurances provided no financial support for any structured entities consolidated at 31 December 2016 and 31 December 2015.

Non-controlling interests

No subsidiary has been identified with significant amount of non-controlling interests in relation to the total equity of the Group or of the sub-group level or of which the total balance sheet held by non-controlling interests is significant.

Scope of consolidation evolution

The entity Foncière Hypersud, owned jointly with Generali, has been consolidated using the equity method since 30 June 2016 (note 6.11).

The company Assur&Me "website of loan insurance" of the group CACI has been fully consolidated in the accounts of the Group Crédit Agricole Assurances on 31 December 2016.

At 31 December 2016, 154 Unit-linked funds are consolidated, representing €5,803 million of non-controlling interests recognised in the item line "Liabilities towards holders of units in consolidated mutual funds" in the balance sheet Liabilities. "Liabilities towards holders of units in consolidated mutual funds" change between 31 December 2015 and 31 December 2016 is due to movements in the scope of consolidation and to the increase in the funds' value in 2016.

Breakdown of consolidation scope

Consolidation scope of Crédit Agricole Assurances Group	Country	Consolidation Method	31/12/2016			
			Control	Interest	Control	Interest
Parent company						
CRÉDIT AGRICOLE ASSURANCE	France	Full	100%	100%	100%	100%
Holdings						
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%
LA MEDICALE DE FRANCE	France	Full	100%	100%	100%	100%
PACIFICA	France	Full	100%	100%	100%	100%
CALIE	Luxembourg	Full	94%	94%	94%	94%
SPIRICA	France	Full	100%	100%	100%	100%
GNB SEGUROS (Previously 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%
CA LIFE JAPAN	Japan	Full	100%	100%	100%	100%
CA ASSICURAZIONI	Italy	Full	100%	100%	100%	100%
CA LIFE GREECE	Greece	Full	100%	100%	100%	100%
ASSUR&ME	France	Full	100%	100%	0%	0%
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	100%	100%	82%	82%
RAMSAY - GÉNÉRALE DE SANTÉ	France	Equity method	38%	38%	38%	38%
INFRA FOCH TOPCO	France	Equity method	37%	37%	37%	37%
ALTAREA	France	Equity method	27%	27%	28%	28%
KORIAN	France	Equity method	24%	24%	24%	24%

Consolidation scope of Crédit Agricole Assurances Group	Country	Consolidation Method	31/12/2016			
			Control	Interest	Control	Interest
EUROSIC	France	Equity method	24%	24%	21%	21%
FREY	France	Equity method	20%	20%	20%	20%
FONCIERE HYPERSUD	France	Equity method	51%	51%	0%	0%
PREDIPARK	France	Full	100%	100%	100%	100%
SA RESICO	France	Full	100%	100%	100%	100%
EMI1 (EUROPEAN MOTORWAY INVESTMENTS 1)	Luxembourg	Full	60%	60%	0%	0%
UCITS						
FEDERVAL FCP	France	Full	100%	100%	100%	100%
GRD 2 FCP	France	Full	100%	100%	100%	100%
GRD 3 FCP	France	Full	100%	100%	100%	100%
GRD 4 FCP	France	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%
GRD 19 FCP	France	Full	100%	100%	100%	100%
GRD 20 FCP	France	Full	100%	100%	100%	100%
GRD 11 FCP	France	Full	100%	100%	100%	100%
PREDIQUANT A1 FCP	France	Full	100%	100%	100%	100%
PREDIQUANT A2 FCP	France	Full	100%	100%	100%	100%
PREDIQUANT A3 FCP	France	Full	100%	100%	100%	100%
BFT OPPORTUNITES FCP	France	Full	100%	100%	100%	100%
CA-EDRAM OPPORTUNITES FCP 3DEC	France	Full	100%	100%	100%	100%
FCPR PREDICA 2005 PART A	France	Full	100%	100%	100%	100%
FCPR PREDICA 2006 PART A	France	Full	100%	100%	100%	100%
FCPR PREDICA 2007 A 3DEC	France	Full	100%	100%	100%	100%
FCPR PREDICA 2007 C2	France	Full	100%	100%	100%	100%
FCPR PREDICA 2008 A1	France	Full	100%	100%	100%	100%
FCPR PREDICA 2008 COMP BIS A2	France	Full	100%	100%	100%	100%
FCPR PREDICA 2008 COMPAR TER A3	France	Full	100%	100%	100%	100%
FCPR ROOSEVELT INVESTISSEMENT PARTS A	France	Full	100%	100%	100%	100%
GRD 1 FCP	France	Full	100%	100%	100%	100%
GRD 8 FCP	France	Full	100%	100%	100%	100%
GRD 9 FCP	France	Full	100%	100%	97%	97%
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 OPPORTUNITES	France	Full	100%	100%	100%	100%
PREDIQUANT STRATEGIES	France	Full	100%	100%	100%	100%
FCPR CAA COMPARTIMENT 1 PART A1	France	Full	100%	100%	100%	100%

Consolidation scope of Crédit Agricole Assurances Group	Country	Consolidation Method	31/12/2016			
			Control	Interest	Control	Interest
FCPR CAA COMPART BIS PART A2	France	Full	100%	100%	100%	100%
FCPR CAA COMP TER PART A3	France	Full	100%	100%	100%	100%
FCPR PREDICA SECONDAIRES II A	France	Full	100%	100%	100%	100%
FCPR PREDICA SECONDAIRES II B	France	Full	100%	100%	100%	100%
FCPR UI CAP SANTE A	France	Full	100%	100%	100%	100%
CAA FRANCE CROISSANCE 2 A FCPR	France	Full	100%	100%	100%	100%
CAA PRIV. FINANC. COMP. 1 A1 FIC	France	Full	100%	100%	100%	100%
CAA PRIV. FINANC. COMP. 2 A2 FIC	France	Full	100%	100%	100%	100%
FCPR UI CAP AGRO	France	Full	100%	100%	100%	100%
FCPR CAA 2013	France	Full	100%	100%	100%	100%
FCPR PREDICA SECONDAIRE III A	France	Full	100%	100%	100%	100%
OBJECTIF LONG TERME	France	Full	100%	100%	100%	100%
CAA 2013 FCPR B1	France	Full	100%	100%	100%	100%
CAA 2013 FCPR C1	France	Full	100%	100%	100%	100%
CAA 2013 FCPR D1	France	Full	100%	100%	100%	100%
CAA 2013 COMPARTIMENT 5 A5	France	Full	100%	100%	100%	100%
CAA 2013-3	France	Full	100%	100%	100%	100%
LRP-CPT JANVIER. 2013 .030 13-21 11/1:00 AM	Luxembourg	Full	84%	84%	84%	84%
AMUNDI GRD 22 FCP	France	Full	100%	100%	100%	100%
GRD 13 FCP	France	Full	100%	100%	100%	100%
GRD 21 FCP	France	Full	100%	100%	100%	100%
AMUNDI CORPORATE 3 ANNI	Italy	Non-consolidated	0%	0%	100%	100%
GRD 23	France	Full	100%	100%	100%	100%
CAA 2013-2	France	Full	100%	100%	100%	100%
CAA 2014 COMPARTIMENT 1 PART A1	France	Full	100%	100%	100%	100%
CAA 2014 INVESTISSMENT PART A3	France	Full	100%	100%	100%	100%
FCT MID CAP 2 05/12/22	France	Full	100%	100%	100%	100%
GRD TOBAM AB A	France	Full	100%	100%	100%	100%
FCT CAREPTA - COMPARTIMENT 2014-1	France	Full	100%	100%	94%	94%
FCT CAREPTA - COMPARTIMENT 2014-2	France	Full	100%	100%	100%	100%
CNP ACP OBLIG	France	Equity method	50%	50%	50%	50%
CNP ACP 10 FCP	France	Equity method	50%	50%	50%	50%
CORSAIR. 1.5255% 25/04/35	Ireland	Full	100%	100%	100%	100%
AGRICOLE RIVAGE DETTE	France	Full	100%	100%	88%	88%
PREMIUM GREEN 1.24% 25/04/35	Ireland	Full	100%	100%	100%	100%
CAA 2015 CPT 1	France	Full	100%	100%	100%	100%
CAA 2015 CPT 2	France	Full	100%	100%	100%	100%
CAREPTA RE-2015 -1	France	Full	100%	100%	100%	100%
ARTEMID	France	Full	100%	100%	90%	90%
F CORE EU CR. 19 MM	France	Full	44%	44%	44%	44%
AMUN TRESO CT PC 3D	France	Non-consolidated	0%	0%	54%	54%
CA VITA PRIVATE EQUITY CHOISE PARTS PART A	France	Full	100%	100%	100%	100%
CA VITA INFRASTRUCTURE CHOISE FIPS c.l. A	France	Full	100%	100%	0%	0%
IAA CROISSANCE INTERNATIONALE	France	Full	100%	100%	0%	0%
CAREPTA 2016	France	Full	100%	100%	0%	0%
CAA 2016	France	Full	100%	100%	0%	0%
CAA INFRASTRUCTURE	France	Full	100%	100%	0%	0%

Consolidation scope of Crédit Agricole Assurances Group	Country	Consolidation Method	31/12/2016			
			Control	Interest	Control	Interest
CA VITA PRIVATE DEBT CHOICE FIPS cl.A	France	Full	100%	100%	0%	0%
CAA SECONDAIRE IV	France	Full	100%	100%	0%	0%
FCT BRIDGE 2016-1	France	Full	100%	100%	0%	0%
CAREPTA R. 2016	France	Full	100%	100%	0%	0%
FCT CAREPTA 2-2016	France	Full	100%	100%	0%	0%
PREDIQUANT EUROCROISSANCE A2	France	Full	100%	100%	0%	0%
FPCI COGENERATION FRANCE I	France	Full	100%	100%	0%	0%
CORS FIN 1.52 10-38	Ireland	Full	100%	100%	0%	0%
PURPLE PR. 1.36 10-38	Luxembourg	Full	100%	100%	0%	0%
CORS FIN 251038	Luxembourg	Full	100%	100%	0%	0%
CORS FINA FLR. 1038 serie 145	Ireland	Full	100%	100%	0%	0%
CORS FINA FLR. 1038 serie 146	Ireland	Full	100%	100%	0%	0%
PURP PR. 1.093 10-38	Luxembourg	Full	100%	100%	0%	0%
Unit-linked funds						
LCL TRIPLE H AV J14	France	Full	100%	100%	100%	100%
ACTICCIA VIE	France	Full	99%	99%	99%	99%
OPTALIS DYNAM.-C-3D	France	Non-consolidated	0%	0%	93%	93%
OPTALIME FCP 3DEC	France	Full	99%	99%	99%	99%
INDOCAM FLAMME 3DEC	France	Non-consolidated	0%	0%	100%	100%
CA MASTER PATRIM.3D	France	Full	98%	98%	97%	97%
CA MASTER EUROPE 3D	France	Full	47%	47%	49%	49%
VENDOME INVEST.3DEC	France	Full	91%	91%	91%	91%
LCL OB.INF.EUR-C-3D	France	Non-consolidated	0%	0%	40%	40%
GRD IFC 97 3D	France	Full	100%	100%	100%	100%
LCL ORIENTA.DYN.3D	France	Non-consolidated	0%	0%	90%	90%
LCL ORIENT.EQUI.	France	Non-consolidated	0%	0%	91%	91%
LCL ORIENT.PRUD.3D	France	Non-consolidated	0%	0%	93%	93%
GRD FCR. 99 3DEC	France	Full	100%	100%	100%	100%
OBJECTIF PRUDENCE	France	Full	95%	95%	99%	99%
OBJECTIF DYNAMISME	France	Full	99%	99%	100%	100%
GRD CAR. 39	France	Full	100%	100%	100%	100%
OBJECTIF MEDIAN	France	Full	100%	100%	99%	99%
ANTINEA	France	Full	54%	54%	54%	54%
MDF 89	France	Full	100%	100%	100%	100%
ATOUT SERENACTIONS	France	Non-consolidated	0%	0%	100%	100%
AM.PULSACTIONS 3D	France	Full	57%	57%	44%	44%
LCL ALLOC.EQ.-D-3D	France	Non-consolidated	0%	0%	97%	92%
LCL ALLOC.DYNAM.3D	France	Full	94%	94%	100%	95%
VAR FLAMME	France	Non-consolidated	0%	0%	100%	100%
ATOUT FRANCE-C-3DEC	France	Full	41%	41%	41%	41%
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.EQUIL.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%
CPR CONSOM ACT P 3D	France	Full	50%	50%	52%	52%

Consolidation scope of Crédit Agricole Assurances Group	Country	Consolidation Method	31/12/2016			
			Control	Interest	Control	Interest
RSD 2006 3DEC	France	Full	100%	100%	100%	100%
LCL MG.FL.0-100 3D	France	Full	81%	81%	82%	82%
LCL MGEST 60 3 DEC	France	Full	84%	84%	85%	85%
INVEST RESP S3 3D	France	Full	63%	63%	63%	63%
JAYANNE 5 3DEC	France	Non-consolidated	0%	0%	99%	99%
RONDEYS 2 - 3DEC	France	Non-consolidated	0%	0%	99%	99%
OPT.BEST TIM.II 3D	France	Full	87%	87%	89%	89%
PIMENTO 4 3DEC	France	Non-consolidated	0%	0%	99%	99%
JAYANNE 6 3DEC	France	Non-consolidated	0%	0%	98%	98%
RONDEYS 3 3DEC	France	Non-consolidated	0%	0%	98%	98%
JAYANNE 7 3DEC	France	Non-consolidated	0%	0%	100%	100%
PIMENTO 5 3DEC	France	Non-consolidated	0%	0%	100%	100%
ATOUT PREM'S ACT.3D	France	Full	99%	99%	99%	99%
LCL SECUR.100 AV 3D	France	Full	99%	99%	100%	100%
ORIANCE VIE 3D	France	Full	100%	100%	100%	100%
AM.AFD AV.D.P1 3D	France	Full	73%	73%	67%	67%
RAVIE	France	Full	100%	100%	100%	100%
AM.C.EU.ISR -P-3D	France	Full	62%	62%	62%	62%
ENIUM 3D	France	Full	100%	100%	100%	100%
ECOFI MULTI OPP.3D	France	Full	88%	88%	85%	85%
LCL FLEX 30	France	Full	67%	67%	60%	60%
AXA EUR.SM.CAP E 3D	France	Full	54%	54%	41%	41%
PREFER.RDM 3D	France	Full	100%	100%	100%	100%
PREF.RDM EXCLUS.3D	France	Full	100%	100%	100%	100%
CPR SILVER AGE P 3D	France	Full	43%	43%	41%	41%
EMERITE 3D	France	Non-consolidated	0%	0%	100%	100%
EXPANSIA VIE 3D	France	Full	100%	100%	100%	100%
LCL S.106 AV(03.10)	France	Non-consolidated	0%	0%	100%	100%
LCL V.RDM 8 AV 3D	France	Full	100%	100%	100%	100%
EXPANSIA VIE 2 FCP	France	Full	100%	100%	100%	100%
LCL D.CAPT.JU.10 3D	France	Full	84%	84%	84%	84%
EXPANSIA VIE 3 3D	France	Full	100%	100%	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	61%	61%	63%	63%
CPR REFL SOLID 3D	France	Full	97%	97%	96%	96%
SONANCE VIE 3DEC	France	Full	100%	100%	100%	100%
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	60%	60%	59%	59%
LCL F.S.F.AV.11 3D	France	Full	100%	100%	100%	100%
SONANCE VIE 2 3D	France	Full	100%	100%	100%	100%
OPALIA VIE 2 3D	France	Full	100%	100%	100%	100%
LCL SEC.100(J.11)3D	France	Full	48%	48%	49%	49%
SONANCE VIE 3 3D	France	Full	100%	100%	100%	100%
OPALIA VIE 3 3D	France	Full	100%	100%	100%	100%

			31/12/2016			
Consolidation scope of Crédit Agricole Assurances Group	**Country**	**Consolidation Method**	**Control**	**Interest**	**Control**	**Interest**
OPCIMMO -PREM O.-5D	France	Full	95%	95%	96%	96%
OPCIMMO -LCL OP.-5D	France	Full	93%	93%	94%	94%
DNA 0%11-231216 INDX	Luxembourg	Full	78%	78%	77%	77%
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	81%	81%	77%	77%
SONANCE VIE 5 3D	France	Full	100%	100%	100%	100%
DNA 0%12-240418 INDX	Luxembourg	Full	80%	80%	83%	83%
DNA 0% 23/07/18 EMTN INDX	Luxembourg	Full	77%	77%	78%	78%
DNA 0% 27/06/18 INDX	Luxembourg	Full	83%	83%	81%	81%
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	Non-consolidated	0%	0%	93%	93%
LCL V RDM (N 12) 3D	France	Full	80%	80%	80%	80%
DNA 0% 21/12/20 EMTN	Luxembourg	Full	71%	71%	71%	71%
DNA 0% 21/12/2020	Luxembourg	Full	93%	93%	87%	87%
SOLIDARITE IN SANTE	France	Full	84%	84%	57%	57%
SONANCE VIE 7 3D	France	Full	97%	97%	97%	97%
SONANCE VIE N8 3D	France	Full	99%	99%	99%	99%
AM GLOB. M MUL ASS P	France	Full	71%	71%	71%	71%
LCL H AV (S13) C 3D	France	Non-consolidated	0%	0%	97%	97%
SONANCE VIE N9 C 3D	France	Full	98%	98%	98%	98%
LCL DH 2-4AV(N13)3D	France	Non-consolidated	0%	0%	100%	100%
AMUNDI EQ E IN AHEC	Luxembourg	Full	59%	59%	69%	69%
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%	100%	100%
ATOUT VERT HOR.3DEC	France	Full	35%	35%	34%	34%
BEST BUS MODELS RC	France	Non-consolidated	0%	0%	44%	44%
LCL DEVELOPPEM.PME C	France	Full	75%	75%	80%	80%
LCL T.H. AV(04/14) C	France	Full	100%	100%	100%	100%
LCL PREMIUM VIE 14 C	France	Non-consolidated	0%	0%	95%	95%
ACTICCIA VIE N2 C	France	Full	99%	99%	99%	99%
AF INDEX EQ USA A4E	Luxembourg	Full	69%	69%	83%	83%
AF INDEX EQ JAPAN AE CAP	Luxembourg	Full	47%	47%	49%	49%
AMUNDI B EU COR AEC	Luxembourg	Non-consolidated	0%	0%	59%	59%
AM CR. 1-3 EU PC 3D	France	Non-consolidated	0%	0%	75%	75%
LCL ACT.USA ISR. 3D	France	Full	50%	50%	49%	49%
ARC FLEXIBOND-D	France	Full	61%	61%	61%	61%
JPM-US S E P-AEURA	Luxembourg	Non-consolidated	0%	0%	88%	88%
INDOSUEZ FLEXIBLE 100 C	France	Full	93%	93%	93%	93%
ACTIONS 50 3DEC	France	Full	100%	100%	100%	100%
LCL. 4 HOR. AV 06/14	France	Full	100%	100%	100%	100%
LCL ACT.IMMOBI.3D	France	Full	76%	76%	48%	48%

Consolidation scope of Crédit Agricole Assurances Group	Country	Consolidation Method	31/12/2016			
			Control	Interest	Control	Interest
LCL AC.DEV.DU.EURO	France	Full	49%	49%	46%	46%
LCL AC.EMERGENTS 3D	France	Full	50%	50%	47%	47%
LCL FDS ECH.MONE.3D	France	Full	85%	85%	85%	85%
ARAMIS PATRIM D 3D	France	Full	44%	44%	48%	48%
FONDS AV ECHUS NÂ°2	France	Full	98%	98%	92%	92%
LCL DOUBLE HORIZON AV (NOV.2014)	France	Full	100%	100%	100%	100%
LCL TRIPLE HORIZON AV (09 2014)	France	Full	100%	100%	100%	100%
ACTICCIA VIE 3	France	Full	99%	99%	99%	99%
LCL PREM VIE 2/4 C	France	Full	95%	95%	95%	95%
TRIANANCE 5 ANS	France	Non-consolidated	0%	0%	58%	58%
CONVERT.EUROP.AE	Luxembourg	Full	59%	59%	39%	39%
CPR RENAISSANCE JAPON HP 3D	France	Non-consolidated	0%	0%	44%	44%
AMUN.TRES.EONIA ISR E FCP 3DEC	France	Full	88%	85%	89%	86%
HMG GLOBETROTTER D	France	Full	57%	57%	62%	62%
FONDS AV ECHU N 1 3DEC	France	Non-consolidated	0%	0%	98%	98%
AMUNDI TRANSM PAT C	France	Full	100%	100%	100%	100%
TRIANANCE 6 ANS	France	Full	62%	62%	61%	61%
ACTICCIA VIE N4	France	Full	100%	100%	99%	99%
LCL TRIPLE HORIZON AV (JANV. 201	France	Full	100%	100%	100%	100%
AMUNDI ACTIONS FRANCE C 3DEC	France	Full	50%	50%	36%	36%
LCL TRIPLE TEMPO AV (FEV.2015)	France	Full	100%	100%	100%	100%
AMUNDI VALEURS DURAB	France	Full	52%	52%	45%	45%
CPR OBLIG 12 M.P 3D	France	Full	41%	41%	37%	37%
AM.AC.EU.ISR-P-3D	France	Non-consolidated	0%	0%	81%	42%
AMUNDI 12 M P	France	Full	80%	80%	89%	89%
AMUNDI HORIZON 3D	France	Full	65%	65%	64%	64%
ACTICCIA VIE 90 C	France	Full	100%	100%	100%	100%
LCL ACTIONS EURO C	France	Full	68%	68%	78%	78%
LCL. 5 HOR.AV 0415 C	France	Full	100%	100%	100%	100%
TRIALIS C	France	Full	67%	67%	67%	67%
LCL PREMIUM VIE 2015	France	Full	95%	95%	95%	95%
AF EQUI.GLOB.AHE CAP	Luxembourg	Full	88%	88%	51%	51%
LCL ACT.E-U ISR. 3D	France	Non-consolidated	0%	0%	40%	40%
AMUNDI OBLIG EURO C	France	Full	44%	44%	41%	41%
CPR RENAI.JAP.-P-3D	France	Full	56%	56%	46%	46%
CPR ACTIVE US -P-	France	Non-consolidated	0%	0%	30%	30%
AM AC FR ISR PC 3D	France	Full	46%	46%	45%	45%
BNP PAR.CRED.ERSC	France	Full	65%	65%	66%	66%
OBLIG INF CM CIC 3D	France	Non-consolidated	0%	0%	45%	45%
LCL. 6 HORIZ. AV 0615	France	Full	100%	100%	100%	100%
BARCLAYS QUAN MER AR	Ireland	Non-consolidated	0%	0%	100%	100%
INDOS.EURO.PAT.PD 3D	France	Full	46%	46%	40%	40%
CPR CROIS.REA.-P	France	Full	23%	23%	20%	20%
AM.AC.MINER.-P-3D	France	Full	45%	45%	43%	43%
FONDS AV ECHUS FIA A	France	Full	99%	99%	0%	0%
LCL PHOENIX VIE 2016	France	Full	94%	94%	0%	0%
LCL TRIP HORIZ SEP16	France	Full	78%	78%	0%	0%

Consolidation scope of Crédit Agricole Assurances Group	Country	Consolidation Method	31/12/2016			
			Control	Interest	Control	Interest
AMUNDI 3 M P	France	Full	78%	78%	0%	0%
LCL TR. 3 MOIS PC 3D	France	Non-consolidated	0%	0%	65%	65%
ACTICCIA VIE 90 N2	France	Full	100%	100%	100%	100%
LCL TEMPO 6 ANS AV (	France	Full	100%	100%	100%	100%
TRIALIS 6 ANS	France	Full	68%	68%	69%	69%
LCL DBL HOR AV NOV15	France	Full	100%	100%	100%	100%
AMUNDI BD EU HY AEC	Luxembourg	Non-consolidated	0%	0%	32%	32%
LCL MONETAIRE -C-	France	Non-consolidated	0%	0%	40%	40%
TRIALIS 6 ANS N2 C	France	Full	61%	61%	0%	0%
ACTICCIA VIE 90 N3 C	France	Full	100%	100%	0%	0%
LCL INVEST.EQ C	France	Full	92%	92%	0%	0%
LCL INVEST.PRUD.3D	France	Full	92%	92%	0%	0%
CPR GLO SILVER AGE P	France	Full	85%	85%	0%	0%
CPR EUROLAND P 3D	France	Full	50%	50%	0%	0%
ACTICCIA VIE 90 N4	France	Full	100%	100%	0%	0%
TRIALIS 6 ANS N3 FCP	France	Full	60%	60%	0%	0%
SOLIDARITE AMUNDI P	France	Full	47%	47%	0%	0%
OPCI						
Nexus1	Italy	Full	100%	100%	100%	100%
OPCI Predica Bureau	France	Full	100%	100%	100%	100%
OPCI PREDICA HABITATION	France	Full	100%	100%	100%	100%
OPCI PREDICA COMMERCES	France	Full	100%	100%	100%	100%
OPCI CAMP INVEST	France	Full	80%	80%	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%	100%	100%
OPCI eco campus	France	Full	100%	100%	100%	100%
OPCI MASSY BUREAUX	France	Full	100%	100%	89%	89%
Property investment companies						
SCI PORTE DES LILAS - FRERES FLAVIEN	France	Full	100%	100%	100%	100%
SCI LE VILLAGE VICTOR HUGO	France	Full	100%	100%	96%	96%
SCI BMEDIC HABITATION	France	Full	100%	100%	100%	100%
SCI FEDERALE VILLIERS	France	Full	100%	100%	100%	100%
SCI FEDERLOG	France	Full	100%	100%	100%	100%
SCI FEDERLONDRES	France	Full	100%	100%	100%	100%
SCI FEDERPIERRE	France	Full	100%	100%	100%	100%
SCI GRENIER VELLEF	France	Full	100%	100%	100%	100%
SCI IMEFA 1	France	Full	100%	100%	100%	100%
SCI IMEFA 100	France	Full	100%	100%	100%	100%
SCI IMEFA 101	France	Full	100%	100%	100%	100%
SCI IMEFA 3	France	Full	100%	100%	100%	100%
SCI IMEFA 12	France	Full	100%	100%	100%	100%
SCI IMEFA 81	France	Full	100%	100%	100%	100%
SCI IMEFA 148	France	Full	99%	99%	99%	99%
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	Consolidation Method	31/12/2016			
			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 115	France	Full	100%	100%	100%	100%
SCI IMEFA 116	France	Full	100%	100%	100%	100%
SCI IMEFA 117	France	Full	100%	100%	100%	100%
SCI IMEFA 118	France	Full	100%	100%	100%	100%
SCI IMEFA 120	France	Full	100%	100%	100%	100%
SCI IMEFA 121	France	Full	100%	100%	100%	100%
SCI IMEFA 122	France	Full	100%	100%	100%	100%
SCI IMEFA 123	France	Full	100%	100%	100%	100%
SCI IMEFA 126	France	Full	100%	100%	100%	100%
SCI IMEFA 128	France	Full	100%	100%	100%	100%
SCI IMEFA 129	France	Full	100%	100%	100%	100%
SCI IMEFA 13	France	Full	100%	100%	100%	100%
SCI IMEFA 131	France	Full	100%	100%	100%	100%
SCI IMEFA 17	France	Full	100%	100%	100%	100%
SCI IMEFA 18	France	Full	100%	100%	100%	100%
SCI IMEFA 20	France	Full	100%	100%	100%	100%
SCI IMEFA 32	France	Full	100%	100%	100%	100%
SCI IMEFA 33	France	Full	100%	100%	100%	100%
SCI IMEFA 34	France	Full	100%	100%	100%	100%
SCI IMEFA 35	France	Full	100%	100%	100%	100%
SCI IMEFA 36	France	Full	100%	100%	100%	100%
SCI IMEFA 37	France	Full	100%	100%	100%	100%
SCI IMEFA 38	France	Full	100%	100%	100%	100%
SCI IMEFA 39	France	Full	100%	100%	100%	100%
SCI IMEFA 4	France	Full	100%	100%	100%	100%
SCI IMEFA 42	France	Full	100%	100%	100%	100%
SCI IMEFA 43	France	Full	100%	100%	100%	100%
SCI IMEFA 44	France	Full	100%	100%	100%	100%
SCI IMEFA 47	France	Full	100%	100%	100%	100%
SCI IMEFA 48	France	Full	100%	100%	100%	100%
SCI IMEFA 5	France	Full	100%	100%	100%	100%
SCI IMEFA 51	France	Full	100%	100%	100%	100%
SCI IMEFA 52	France	Full	100%	100%	100%	100%
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%

Consolidation scope of Crédit Agricole Assurances Group	Country	Consolidation Method	31/12/2016			
			Control	Interest	Control	Interest
SCI IMEFA 62	France	Full	100%	100%	100%	100%
SCI IMEFA 63	France	Full	100%	100%	100%	100%
SCI IMEFA 64	France	Full	100%	100%	100%	100%
SCI IMEFA 67	France	Full	100%	100%	100%	100%
SCI IMEFA 68	France	Full	100%	100%	100%	100%
SCI IMEFA 69	France	Full	100%	100%	100%	100%
SCI IMEFA 72	France	Full	100%	100%	100%	100%
SCI IMEFA 73	France	Full	100%	100%	100%	100%
SCI IMEFA 74	France	Full	100%	100%	100%	100%
SCI IMEFA 76	France	Full	100%	100%	100%	100%
SCI IMEFA 77	France	Full	100%	100%	100%	100%
SCI IMEFA 78	France	Full	100%	100%	100%	100%
SCI IMEFA 79	France	Full	100%	100%	100%	100%
SCI IMEFA 80	France	Full	100%	100%	100%	100%
SCI IMEFA 82	France	Full	100%	100%	100%	100%
SCI IMEFA 84	France	Full	100%	100%	100%	100%
SCI IMEFA 85	France	Full	100%	100%	100%	100%
SCI IMEFA 89	France	Full	100%	100%	100%	100%
SCI IMEFA 91	France	Full	100%	100%	100%	100%
SCI IMEFA 92	France	Full	100%	100%	100%	100%
SCI IMEFA 96	France	Full	100%	100%	100%	100%
SCI MEDI BUREAUX	France	Full	100%	100%	100%	100%
SCI PACIFICA HUGO	France	Full	100%	100%	100%	100%
SCI FÉDÉRALE PEREIRE VICTOIRE	France	Full	99%	99%	99%	99%
SCI VAL HUBERT (SCPI)	France	Full	100%	100%	100%	100%
SCI IMEFA 132	France	Full	100%	100%	100%	100%
SCI IMEFA 22	France	Full	100%	100%	100%	100%
SCI IMEFA 83	France	Full	100%	100%	100%	100%
SCI IMEFA 25	France	Full	100%	100%	100%	100%
SCI IMEFA 140	France	Full	99%	99%	99%	99%
SCI IMEFA 8	France	Full	100%	100%	100%	100%
SCI IMEFA 16	France	Full	100%	100%	100%	100%
SCI CAMPUS MEDICIS ST DENIS	France	Full	70%	70%	70%	70%
SCI CAMPUS RIMBAUD ST DENIS	France	Full	70%	70%	70%	70%
SCI IMEFA 156	France	Full	90%	90%	99%	99%
SCI IMEFA 150	France	Full	99%	99%	99%	99%
SCI IMEFA 155	France	Full	99%	99%	99%	99%
SCI IMEFA 158	France	Full	99%	99%	99%	99%
SCI IMEFA 159	France	Full	99%	99%	99%	99%
SCI IMEFA 164	France	Full	99%	99%	99%	99%
SCI IMEFA 171	France	Full	99%	99%	0%	0%
SCI IMEFA 170	France	Full	99%	99%	0%	0%
SCI IMEFA 169	France	Full	99%	99%	0%	0%
SCI IMEFA 168	France	Full	95%	95%	0%	0%
SCI IMEFA 166	France	Full	95%	95%	0%	0%
SCI IMEFA 157	France	Full	90%	90%	0%	0%
SCI IMEFA 167	France	Full	95%	95%	0%	0%

Consolidation scope of Crédit Agricole Assurances Group	Country	Consolidation Method	31/12/2016			
			Control	Interest	Control	Interest
SCI IMEFA 172	France	Full	99%	99%	0%	0%
SCI IMEFA 10	France	Full	100%	100%	0%	0%
SCI IMEFA 9	France	Full	100%	100%	0%	0%
SCI IMEFA 2	France	Full	100%	100%	0%	0%
SCI IMEFA 173	France	Full	99%	99%	0%	0%
SCI IMEFA 174	France	Full	99%	99%	0%	0%
SCI IMEFA 175	France	Full	99%	99%	0%	0%
SCI IMEFA 149	France	Full	99%	99%	0%	0%
SCI IMEFA 176	France	Full	99%	99%	0%	0%
Premium Green						
PREMIUM GREEN 4.72%12-250927	Ireland	Full	100%	100%	81%	81%
PREMIUM GREEN TV2027	Ireland	Full	100%	100%	76%	76%
PREMIUM GR. 0% 28	Ireland	Full	100%	100%	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%	100%	100%
PREM GRE 1.53 04-35	Ireland	Full	100%	100%	0%	0%
PREM GRE 1.55 07-40	Ireland	Full	100%	100%	0%	0%
PREM GRE 0.51 10-38	Ireland	Full	100%	100%	0%	0%
PREGREEN 0.63 10/25/38 Corp	Ireland	Full	100%	100%	0%	0%
PREGREEN 1.095 10/25/38 Corp	Ireland	Full	100%	100%	0%	0%
Branch offices						
CALIE EUROPE branch office France	France	Full	100%	100%	100%	100%
CALIE EUROPE branch office Poland	Poland	Full	100%	100%	100%	100%
CACI VIE branch office CACI LIFE	France	Full	100%	100%	100%	100%
CACI NON VIE branch office CACI NON-LIFE	France	Full	100%	100%	100%	100%
CACI VITA branch office CACI LIFE	Italy	Full	100%	100%	100%	100%
CACI DANNI branch office CACI NON-LIFE	Italy	Full	100%	100%	100%	100%
PREDICA-PREVOYANCE DIALOGUE DU CRÉDIT AGRICOLE branch office in Spain	Spain	Full	100%	100%	100%	100%

NOTE 11 Non-consolidated equity holdings and structured entities

11.1 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 €7.3 billion as at 31 December 2016 compared with €5.8 billion as at 31 December 2015.

11.2 Non-consolidated structured entities

In accordance with IFRS 12, a structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to the administrative tasks only and the relevant activities are directed by means of contractual arrangements.

DISCLOSURES ABOUT THE NATURE AND EXTENT OF INTERESTS HELD

At 31 December 2016, Crédit Agricole Assurances has an interest in certain non-consolidated structured entities, whose main features based on their type of business are presented below.

Crédit Agricole Assurances invests in funds created for cash management purposes in response to investor demand, on the one hand and, on the other, for the purpose of investing insurance premiums received from insurance company customers in compliance with the regulatory provisions set out in the French Insurance Code (Code des Assurances). Insurance company investments are used to fulfil commitments to policyholders throughout the insurance contracts' lifetime. Their value and returns are correlated with these commitments.

In this regard, Crédit Agricole Assurances invests in three types of vehicles:

UCITS

This category covers standard investment funds, whether or not listed, such as FCPs, SICAVs, FCPRs or similar foreign funds.

Real estate

The following are included in the category of non-consolidated structured entities: funds whose underlying assets are in real estate and especially OPCIs, SCPIs or foreign funds of the same nature, etc.

Other

This category covers so-called securitisation funds such as FCCs, FCTs or similar foreign funds, etc.

Sponsored entities

Crédit Agricole Assurances sponsors structured entities in the following instances:

- Crédit Agricole Assurances is involved in establishing the entity and that involvement, which is remunerated, is deemed essential for ensuring the proper completion of transactions;
- Structuring takes place at the request of Crédit Agricole Assurances and it is the main user thereof;
- Crédit Agricole Assurances transfered its own assets to the structured entity;
- Crédit Agricole Assurances is the manager;
- The name of a subsidiary or of the parent company of Crédit Agricole Assurances is linked to the name of the structured entity or to financial instruments issued by it.

Crédit Agricole Assurances has sponsored non-consolidated structured entities in which it no longer hosts interests at 31 December 2016.

Gross income of sponsored entities in which Crédit Agricole Assurances no longer holds interests after the end of the period amounts to €48 million at 31 December 2016.

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 2016 financial year.

Interests held in non-consolidated structured entities by type of business

Non-sponsored structured entities generate no specific risk related to the nature of the entity. Disclosures concerning these exposures are set out in note 6.5 "Fair value of financial assets and liabilities". These are investment funds in which the Group is not a manager, and structured financing entities in which the Group has only granted a loan.

At 31 December 2016 and 31 December 2015, the involvement of Crédit Agricole Assurances in non-consolidated sponsored structured entities is shown for all groups of structured entities that are material to Crédit Agricole Assurances in the tables below:

	31/12/2016								
	UCITS			Real estate			Others		
		Maximum loss			Maximum loss			Others	
(€ million)	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 designated at fair value through profit and loss	17,292	17,292	17,292	152	152	152	-	-	-
Available-for-sale financial assets	2,902	2,902	2,902	739	739	739	-	-	-
Loans and receivables	171	171	171	-	-	-	-	-	-
Financial assets held to maturity	-	-	-	-	-	-	-	-	-
Total assets recognised to unconsolidated structured entities	**20,365**	**20,365**	**20,365**	**891**	**891**	**891**	**-**	**-**	**-**
Equity instruments	-	-	-	-	-	-	-	-	-
Financial liabilities held for trading	-	-	-	-	-	-	-	-	-
Financial liabilities designated at fair value through profit and loss – Deposits	-	-	-	-	-	-	-	-	-
Debt at amortised cost	-	-	-	-	-	-	-	-	-
Total liabilities recognised to unconsolidated structured entities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Commitments given	-	-	-	-	-	-	-	-	-
Financing commitments	-	-	-	-	-	-	-	-	-
Guarantee commitments	-	-	-	-	-	-	-	-	-
Others commitments	-	-	-	-	-	-	-	-	-
Maximum exposure to loss of off-balance-sheet commitments (net of provisions) with unconsolidated structured entities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
BALANCE-SHEET TOTAL TO UNCONSOLIDATED STRUCTURED ENTITIES	**191,122**	**-**	**-**	**4,746**	**-**	**-**	**-**	**-**	**-**

	31/12/2015								
	UCITS			Real estate			Others		
		Maximum loss			Maximum loss			Others	
(€ million)	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 designated at fair value through profit and loss	16,795	16,795	16,795	159	159	159	-	-	-
Available-for-sale financial assets	3,583	3,583	3,583	621	621	621	440	440	-
Loans and receivables	-	-	-	-	-	-	-	-	-
Financial assets held to maturity	-	-	-	-	-	-	-	-	-
Total assets recognised to unconsolidated structured entities	**20,378**	**20,378**	**20,378**	**780**	**780**	**780**	**440**	**440**	**-**
Equity instruments	-	-	-	-	-	-	-	-	-
Financial liabilities held for trading	-	-	-	-	-	-	-	-	-
Financial liabilities designated at fair value through profit and loss – Deposits	-	-	-	-	-	-	-	-	-
Debt at amortised cost	-	-	-	-	-	-	-	-	-
Total liabilities recognised to unconsolidated structured entities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Commitments given									
Financing commitments	-	-	-	-	-	-	-	-	-
Guarantee commitments	-	-	-	-	-	-	-	-	-
Others commitments	-	-	-	-	-	-	-	-	-
Maximum exposure to loss of off-balance-sheet commitments (net of provisions) with unconsolidated structured entities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
BALANCE-SHEET TOTAL TO UNCONSOLIDATED STRUCTURED ENTITIES	**179,585**	**-**	**-**	**5,257**	**-**	**-**	**53**	**-**	**-**

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 31 December 2016)

To the Shareholders,

Crédit 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 31 December 2016, 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 31 December 2016 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 draw your attention to the following matters:

- financial assets and derivatives are accounted for and valued, using the methods described in the note 1, paragraph "Financial instruments", to the consolidated financial statements.

  We examined the valuation and impairment methodology applied to financial instruments, as well as the information disclosed in the notes 1 and 6 to the consolidated financial statements, related to the financial instruments;
- while preparing its consolidated financial statements, the Group makes estimations on the basis of statistical and actuarial data; those estimations are related to certain consolidated statement of financial position items that are specific to the insurance and reinsurance business, in assets and liabilities, including technical reserves.

  We examined the methods and assumptions applied, as well as the resulting valuation, and verified the appropriateness of the information disclosed in the notes 1 and 6 to the consolidated financial statements;
- the goodwill is tested for impairment as soon as objective loss of value indicators appear, or at least once a year, using the methods described in the note 1, paragraph "Intangible assets and deferred expenses", to the consolidated financial statements.

  We examined the impairment test implementation, the main parameters and assumptions used, as well as the information disclosed in the notes 1 and 6.1 to the consolidated financial statements;
- as disclosed in the note 1 to the consolidated financial statements, the Group makes other estimations while preparing its 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 and assessed the resulting accounting estimates consistently with the principles disclosed in the note 1 to the consolidated 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, as 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, 15 March 2017

The statutory auditors

French original signed by

PricewaterhouseCoopers Audit		ERNST & YOUNG et Autres	
Anik Chaumartin	Frédéric Trouillard-Mignen	Valérie Meeus	Pierre Planchon

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CRÉDIT AGRICOLE ASSURANCES INDIVIDUAL STATEMENTS AT 31 DECEMBER 2016

FINANCIAL STATEMENTS OF CRÉDIT AGRICOLE ASSURANCES S.A.

BALANCE SHEET – ASSET

(in € millions)	Notes	31/12/2016 Gross	31/12/2016 Depreciation, amortisation and provisions	31/12/2016 Net	31/12/2015 Net
Intangible assets		**18**	**(11)**	**7**	**9**
Property, plant and equipment		**1**	**(1)**	**-**	**-**
Equity investments		9,310	(177)	9,133	9,041
Receivables relating to equity investments		6,658	-	6,658	4,673
Other long term financial investments					
Long-term financial investments	**Note 4.1**	**15,968**	**(177)**	**15,791**	**13,714**
Non-current assets		**15,988**	**(189)**	**15,799**	**13,723**
Trade notes and accounts receivables	Note 4.2	1	-	1	-
Other receivables	Note 4.2	28	-	28	26
Marketable securities	Note 4.3	1,366	(7)	1,359	1,217
Cash and cash equivalents		38	-	38	22
Current assets		**1,433**	**(7)**	**1,426**	**1,265**
Accruals and prepaid expenses		**22**	**-**	**22**	**9**
TOTAL ASSETS		**17,443**	**(196)**	**17,247**	**14,998**

BALANCE SHEET – EQUITY AND LIABILITIES

(in € millions)	Notes	31/12/2016	31/12/2015
Share capital		1,490	1,449
Premiums on share issues, mergers, asset contributions		7,374	7,167
Statutory reserve		145	145
Other reserve		1	1
Retained earnings		382	390
Net income/(loss) for the year		1,019	966
Interim dividend (current year)		(565)	(475)
Equity	**Note 4.6**	**9,846**	**9,642**
Undated deeply subordinated notes		1,745	1,745
Other shareholders'equity	**Note 4.7**	**1,745**	**1,745**
Perpetual subordinated debt		4,428	2,396
Financing debts	**Note 4.2**	**4,428**	**2,396**
Contingency and loss provisions	**Note 4.4**	**29**	**26**
Borrowings from and amounts due to financial institutions		1,143	1,137
Trade notes and accounts payables		14	10
Tax, employment and social benefit liabilities		31	21
Liabilities related to non-current assets and related accounts		-	-
Other liabilities		11	12
Payables	**Note 4.2**	**1,199**	**1,181**
Accruals and prepaid income		**1**	**9**
TOTAL EQUITY AND LIABILITIES		**17,247**	**14,998**

INCOME STATEMENT

(in € millions)	Notes	31/12/2016	31/12/2015
Operating revenue (I)	**Note 5.1**	**37**	**31**
Other purchases and external expenses		(41)	(36)
Taxes, duties and similar payments		(11)	(8)
Wages and salaries		(38)	(27)
Payroll taxes		(13)	(13)
Additions to depreciation, amortisation and provisions on non-current assets		(3)	(4)
Additions to contingency and loss provisions		(6)	(6)
Operating expenses (II)		**(112)**	**(94)**
Operating income (I + II)		**(75)**	**(62)**
Financial income from equity investments		1,066	1,055
Income from other securities and receivables related to non-current assets		305	451
Other interest and similar income		24	24
Net proceeds from disposals of marketable securities		8	8
Financial income (V)		**1,404**	**1,539**
Additions to depreciation, amortisation and provisions on financial assets		(12)	(35)
Interest and similar expenses		(293)	(467)
Foreign exchange losses		(1)	-
Net expense on disposals of marketable securities		(1)	(1)
Financial expenses (VI)		**(307)**	**(502)**
Net financial income/(expenses) (V + VI)	**Note 5.2**	**1,097**	**1,037**
Recurring pre-tax income (I + II + III + V + VI)		**1,022**	**975**
Net non-recurring income/(expenses) (VII + VIII)	**Note 5.3**	**-**	**(13)**
Income tax (X)	**Note 5.5**	**(3)**	**4**
Total income (I + III + V + VII)		**1,441**	**1,572**
Total expenses (II + VI + VIII + IX + X)		**(423)**	**(606)**
PROFIT OR LOSS		**1,019**	**966**

NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS

Contents

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Crédit Agricole Assurances S.A.'s purpose consists of acquiring equity interests in any form, administrating, managing, controlling and maximising the value of those equity interests, carrying out investment transactions, studies and more generally all financial, industrial, commercial transactions and transactions involving movable or immovable property, directly or indirectly related to the company's purpose.

The accounting period covers a 12 month period, from 1 January to 31 December 2016.

NOTE 1 Major structural transactions and material events during the period

On 30 June 2016, Crédit Agricole Assurances S.A. launched an issue of adjustable fixed-rate redeemable subordinated loan notes of EUR 1 billion aimed at Crédit Agricole S.A. (annual fixed rate of 3.95% with a 2026 maturity). This issue made it possible for us to subscribe Predica's issue (with the same rate and term) of EUR 1 billion.

On 27 September 2016, Crédit Agricole Assurances S.A. launched an issue of adjustable fixed-rate redeemable subordinated loan notes of EUR 1 billion aimed at institutional investors (annual fixed rate of 4.75% until 27 September 2028), with a 2048 maturity.

NOTE 2 Material subsequent events

No subsequent event is likely to have an impact on the company's economic or financial situation.

NOTE 3 Accounting policies and principles

General principles

The annual financial statements for the financial year ended 31 December 2016 were prepared and presented in accordance with the accounting rules and methods of the 2014 French Chart of Accounts (regulation ANC n°2014-03 of 5 June 2014 modified by the regulation ANC n°2016-07 of 4 November 2016) French Chart of Accounts in line with the principle of prudence and in accordance with the following basis assumptions:

- going concem;
- consistency of accounting methods between financial years;
- independence of financial years;
- and in accordance with the general rules for preparing and presenting annual accounts.

The basis method used to value items recognized in the accounts is the historic cost method.

Intangible assets

Intangible assets are recognised at their cost of production less depreciation and amortisation since their date of completion.

The straight-line method of amortisation is applied over a useful economic life of 3-5 years.

Property, plant and equipment

Tangible assets are recognised at their acquisition cost less depreciation and amortisation since their acquisition date. The straight-line method of amortization is applied over a useful economic life of 3 years for IT equipment and 7 years for office equipment.

Long-term financial investments

The "long-term financial investments" heading includes:

- equity investments acquired or contributed (at their net book value);
- accounts receivables linked to equity investments relating to loans granted to subsidiaries.

The depreciations recorded on financial assets result from the comparison between the book value and the entry cost of these assets.

Unrealised capital losses are subject to depreciation and are not offset against unrealised capital gains.

The book value of equity securities is calculated on the basis of the value-in-use (discounting of future cash flows).

Acquisition costs relating to financial assets contributed and acquired are accounted for directly under financial expenses (PCG, Art. 332-1 referring to Art. 321.10).

Receivables and debts

Loans, other long-term receivables and debts are valued at their nominal value. Long-term receivables are, where applicable, depreciated in order to reflect their current value at the end of the financial year.

Marketable securities

Marketable securities are shown at their acquisition cost, at the end of the financial year, the cost of acquisition of marketable securities is compared with the book value (net asset value) in the case of SICAV and FCP and with the average market price of the last month of the financial year for other securities.

If there is an unrealised capital loss, a depreciation of the securities is recognised for the full amount of the capital loss.

Exchange difference

Accounts receivable and debts denominated in foreign currencies are translated into euro on the basis of the last exchange rate prior to the end of the financial year.

The differences resulting from this valuation are recorded as an exchange difference under assets (when the difference is an unrealised loss) or under liabilities (when the difference in an unrealised gain).

These accounts do not form part of the profit and loss. A provision for foreign exchange risk is recorded if the unrealised loss linked to the exchange difference under assets does not correspond to a change in exchange rate on a hedging transaction.

A provision for foreign exchange loss is recorded only up to the amount of the risk not hedged if it results from a loan in a foreign currency allocated to hedge foreign exchange risk on fixed assets in the same currency, or on securities representing such fixed assets.

Other equity capital

This includes debt with special terms attached, presented on the liabilities side of the balance sheet in an intermediate section named "Other equity capital".

These loans are valued at historical cost. The coupons represent financial expenses (the accrued coupons are recognised whether payment is deferred or not).

Issue expenses are spread out under P&L by amortisation up until the first date for exercising the redemption option.

The issue premium for such loans is not recognised, due to the perpetual nature of the issue. These debts are therefore recorded at their issue price.

Notwithstanding the PCG, which does not require the amortisation of the issue premium for this type of loan, the premium is amortised over a period starting from the issue date until the first optional redemption date.

Valuation of pension obligations

From 1 January 2013, Crédit Agricole Assurances S.A. has applied the French Accounting Standards Authority (*Autorité des normes comptables* – ANC) recommendation 2013-02 of 7 November 2013 regarding recognition and measurement rules for pension and similar benefit obligations, later withdrawn and included in regulation ANC 2014-03 of 5 June 2014 under title III, chapter II, section 4.

Pursuant to this regulation, Crédit Agricole Assurances S.A. sets aside provisions to cover its retirement and similar benefit obligations falling within the category of defined-benefit plans.

These obligations are valued based on a range of actuarial, financial and demographic assumptions and in accordance with the projected unit credit method. The method involves attributing to each year of employee service a charge representing the rights acquired during the year. This charge is calculated based on the present value of the future benefit.

Crédit Agricole Assurances S.A. has chosen method 2, which involves in particular the recognition of profits arising from changes in defined-benefit plans at the time of the drawdown or liquidation.

The regulation also allows actuarial differences to be recognised using the corridor method or any other method that implies faster recognition in profits or loss.

Crédit Agricole Assurances S.A. elected to immediately recognise actuarial differences under profit or loss, and accordingly the amount of the provision is equal to:

- the present value of the obligation attached to the defined benefits at the closing date, calculated in accordance with the actuarial method stipulated in the regulation;
- less, where applicable, the fair value of plan assets. These may be represented by an eligible insurance policy. In the event that the obligation is fully covered by such a policy, the fair value of the latter is deemed to be the value of the corresponding obligation (*i.e.* the amount of the corresponding actuarial liability).

Financing debts

The securities for which there is no contractual obligation to submit cash or another financial asset are as considered financing debts. These are perpetual subordinated securities and super-subordinated to securities.

Financial income and expenses

Financial income and expenses principally include:

- interests on loans taken out (expenses) and loans granted to subsidiaries (income); these interests being calculated in accordance with the contractual conditions of these;
- dividends and interim dividends received;
- coupons received (income) and, where applicable, realised capital gains and losses on the disposal of marketable securities (income or expenses).

Taxation

The company became part of the tax consolidation mechanism of Crédit Agricole S.A. on 1 January 2007.

According to the tax consolidation agreement between Crédit Agricole S.A. and Crédit Agricole Assurances S.A., the tax charge incurred by Crédit Agricole Assurances S.A. in respect of each consolidation period is the same as it would have been if it had been taxed separately.

Given that the legislative intent when introducing the tax credit for competitiveness and employment (*Crédit d'impôt pour la compétitivité et l'emploi* – CICE) was to reduce employee expenses, Crédit Agricole Assurances S.A. has elected to recognise the CICE (under article 244 quater C of the French General Tax Code) as a deduction from employee expenses rather than a tax reduction.

NOTE 4 Balance sheet items

4.1 Long-term financial investments

GROSS VALUE OF LONG-TERM FINANCIAL INVESTMENTS

(in € millions)	Gross, 31/12/2015	Purchases and increases	Disposals and redemptions	Gross, 31/12/2016
Equity securities	9,216	94	-	9,310
Receivables connected with equity investments	4,377	1,973	-	6,350
Loans	296	12	(1)	307
Other financial assets	-	-	-	-
LONG-TERM FINANCIAL INVESTMENTS	**13,890**	**2,079**	**(1)**	**15,968**

The increase in equity securities may be attributed, in particular, to capital increases carried out by various subsidiaries for an amount of EUR. 82 million, a 2015 price adjustment of EUR 10 million for CA VITA securities, the acquisition of a 25% stake in CRÉDIT AGRICOLE RISK INSURANCE for EUR 1.7 million and the acquisition of a 100% stake in CRÉDIT AGRICOLE ASSURANCES SOLUTIONS for EUR 0.2 million.

Changes under the "Accounts receivable on shareholdings" heading mainly reflect new redeemable subordinated loan notes worth EUR. 1.95 billion (including Predica for EUR 1 billion and EUR 750 million, Spirica for EUR 20 million and EUR 40 million, Pacifica for EUR 125 million and La Médicale de France for EUR 15 million), as well as the granting of a new senior loan to CACI for EUR 13 million.

The decrease in loans may be attributed to the early redemption of a loan to CARE worth EUR 1 million.

ASSETS IMPAIRMENT

(in € millions)	Provisions 31/12/2015	Additions	Releases, used	Releases, not used	Provisions 31/12/2016
Equity securities	175	1	-	-	177
Marketable securities	4	3	-	-	7
TOTAL IMPAIRMENT	**179**	**4**	**-**	**-**	**184**

The net book values shown at 1 January 2016 have been subject to impairment tests based on the increase in the value-in-use of the CAA Group insurance companies. The value-in-use is determined on the basis of the discounting of estimated future cash flows of cash-generating units as determined in the medium-term plans established for the Group's piloting needs.

The following assumptions were applied:

- estimated future cash flows: preliminary data mainly covering a three to five-year period established under the Group's medium-term plan;
- the equity capital allocated to insurance activities at 31 December 2016 complies with solvency requirements, taking into account the economic position of each entity in terms of subordinated debt;
- growth rate to infinity: 2%;
- discount rate: interest rates by geographical area are between 7.94% and 12.32%.

Over 2016 financial year, these impairment tests resulted in an impairment charge of EUR. 1.5 billion in respect of CA Insurance Greece.

For other shares, the net book values of the equity securities are the same at the end of 2016.

4.2 Receivables and payables by maturity

RECEIVABLES BY MATURITY

(in € millions)	Gross, 31/12/2016 1 year or less	Gross, 31/12/2016 more than 1 year and less than 5 years	Gross, 31/12/2016 more than 5 years	Gross, 31/12/2016 Total	Gross, 31/12/2015
Receivables connected with equity investments	38	165	6,455	6,658	4,673
Trade notes and accounts receivable	1	-	-	1	-
Other receivables	28	-	-	28	26
Prepaid expenses	-	-	-	-	-
TOTAL RECEIVABLES	**67**	**165**	**6,455**	**6,687**	**4,699**

Receivables connected with equity investments relate to purchases of subordinated debt issued by subsidiaries.

PAYABLES BY MATURITY

(in € millions)	Gross, 31/12/2016 1 year or less	Gross, 31/12/2016 more than 1 year and less than 5 years	Gross, 31/12/2016 more than 5 years	Gross, 31/12/2016 Total	Gross, 31/12/2015
Redeemable subordinated debt	34	-	3,340	3,374	1,343
Perpetual subordinated debt	3	-	1,050	1,053	1,053
Borrowings from and amounts due to financial institutions	363	533	247	1,143	1,137
Trade notes and accounts payables	14	-	-	14	10
Tax, employment and social benefit liabilities	31	-	-	31	21
Other debt	11	-	-	11	12
TOTAL PAYABLES	**456**	**533**	**4,637**	**5,626**	**3,576**

Subordinated debt is mainly subscribed by Crédit Agricole S.A. and Cariparma. The variation mainly reflects two issues of redeemable subordinated debt, each worth EUR 1 billion. One of them was marketed to institutional investors.

4.3 Book value of marketable securities by type

(in € millions)	31/12/2016 Carrying amount	31/12/2016 Fair value	31/12/2015 Carrying amount	31/12/2015 Fair value
Shares	53	53	30	34
Bonds	825	841	670	686
UCITS	473	476	505	505
Real Estate Investment trusts	5	6	5	6
TOTAL	**1,356**	**1,376**	**1,210**	**1,231**

Crédit Agricole Assurances S.A.'s portfolio of marketable securities increased by EUR 146 million compared to 2015, after purchases mainly comprising bonds (+23%).

The "Marketable securities" heading on the asset side of the balance sheet, totalling EUR 1.366 billion, includes EUR. 10 million of accrued coupons not due

4.4 Contingency and loss provisions

(in € millions)	Provisions 31/12/2015	Additions	Releases, used	Releases, not used	Provisions 31/12/2016
Provisions for litigation	2	1	(2)	(1)	-
Provisions for foreign exchange losses	1	4	-	(1)	4
Provisions for pensions	23	4	(1)	(1)	25
TOTAL CONTINGENCY AND LOSS PROVISIONS	**26**	**9**	**(3)**	**(3)**	**29**

4.5 Charges to be spread

(in € millions)	Gross, 31 December 2016	31 December 2015 Amortized amount	Addition and increase of exercise	31 December 2016 Net value
Issue expenses of perpetual bonds	8	1	1	7
Issue expenses relating to other bond loans	4	-	-	4
TOTAL CHARGES TO BE SPREAD	**12**	**1**	**1**	**11**

Issue expenses of perpetual bonds are spread out under P&L by amortisation up until the first date for exercising the redemption option.

Issue expenses relating to other bond loans are spread out under P&L by amortisation throughout the term of the loan.

4.6 Equity

COMPOSITION OF THE SHARE CAPITAL

At 31 December 2016, Crédit Agricole Assurances S.A.'s share capital was made up of 149,040,367 ordinary shares with par value of €10 each. It was 99.99%-owned by Crédit Agricole S.A.

Crédit Agricole Assurances S.A. does not hold its own shares.

CHANGES IN EQUITY

(in € millions)	Share capital	Share premium	Statutory reserve	Other reserve	Retained earnings	Net income/ (loss) for the year	Total equity
31 December 2014	**1,449**	**7,167**	**124**	**1**	**-**	**411**	**9,151**
Appropriation of income and dividend payments	-	-	21	-	390	(411)	-
Allocation of retained earnings to other reserves	-	-	-	-	-	-	-
2014 income	-	-	-	-	-	966	966
Interim dividend (year 2015)	-	-	-	-	-	(475)	(475)
31 December 2014	**1,449**	**7,167**	**145**	**1**	**390**	**491**	**9,642**
Capital increase	42	208	-	-	-	-	249
Appropriation of income and dividend payments	-	-	-	-	(8)	(491)	(499)
2016 income	-	-	-	-	-	1,019	1,019
Interim dividend (year N)	-	-	-	-	-	(565)	(565)
31 DECEMBER. 2015	**1,491**	**7,375**	**145**	**1**	**382**	**454**	**9,846**

The general meeting of 28 April 2016, having acknowledged that the net profit for the 2015 financial year was EUR 966 million and that the profit carried forward was EUR 390 million, decided to allocate the total sum of EUR 1.356 billion as follows: EUR 475 million to account for the interim dividend paid in December 2015 and EUR 382 million to be carried forward. The final dividend was distributed in equity and in cash. The share capital of Crédit Agricole Assurances S.A. was increased by EUR 42 million and the issue premium was increased by EUR 207 million following this distribution.

It also decided to distribute an interim dividend of EUR. 565 million payable in cash for the 2016 financial year. The payment of the final dividend due in respect of the 2016 financial year either in cash or in shares will be proposed to the shareholders at the general meeting in 2017.

4.7 Other shareholders'equity

(in € millions)	Value as of 31/12/2015	Issues	Accrued interests	Value as of 31/12/2016
Perpetual subordinated debt	1,745	-	-	1,745
TOTAL	**1,745**	**-**	**-**	**1,745**

NOTE 5 Income statement

5.1 Breakdown of revenue

The revenue of Crédit Agricole Assurances S.A. for 2016 is EUR 28 million; this reflects re-invoicing of charges.

5.2 Net financial income

The financial result amounted to EUR 1.097 billion in 2016 compared with EUR 1.037 billion in 2015. This profit is mainly the product of dividends received from the subsidiaries of Crédit Agricole Assurances S.A.

5.3 Tax charge

(in € millions)	Pre-tax income	Tax due	Net income
Recurring income	1,022	(3)	1,019
Non-recurring short-term income	-	-	-
REPORTED INCOME	**1,022**	**(3)**	**1,019**

The profit on ordinary operations of Crédit Agricole Assurances S.A. is taxed at a rate of 34.43% taking into account the exceptional contribution to income tax.

The tax bill is small, in particular as a result of the application of the parent-subsidiaries regime for dividends (article 145 of the French tax Code).

The tax profit for the 2016 financial year is EUR 9 million after recognition of the tax loss carryforward. The tax loss still to be recognised stands at EUR 37 million.

5.4 Executive compensation

Crédit Agricole Assurances S.A. paid €67,2 thousand in compensation to members of executive bodies including €11,2 thousand of the social security costs.

During the financial year, no advances or loans were granted to members of the administrative or management bodies, and no commitment was made on their behalf serving as a guarantee of any sort.

5.5 Auditors' fees

The amount of statutory audit fees paid in 2016 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 2016 is presented in Crédit Agricole Assurances' consolidated financial statements.

NOTE 6 Off-balance sheet items

(in € millions)	**Commitments given**	**Commitments received**
Guarantee commitments	165	-
Exceptional reciprocal commitments	-	-
Receivables and payables with guarantees	-	-
Commitments in respect of pensions and similar obligations	-	-
TOTAL COMMITMENTS	**165**	**-**

Crédit Agricole Assurances S.A. granted two guarantees. The first was to New Reinsurance and the second was to RGA Americas Réinsurance to cover the possible collapse of CA Life Japan. These off-balance-sheet commitments amount to AUD 240 million, *i.e.* EUR 165 million at 31 December 2016.

NOTE 7 Other information

7.1 Workforce

The full-time equivalent staff numbers of Crédit Agricole Assurances S.A. breaks down as follows:

	31/12/2016	**31/12/2015**
Permanent contracts	277	251
Fixed-term contracts	13	12
Work-study contracts	11	10
Work-experience staff	4	1
Expatriates	7	8
Other	1	2
TOTAL WORKFORCE	**313**	**283**

7.2 Subsidiaries and shareholdings at 31/12/2016

	(in € millions)	*(%)*	*(in € millions)*		
Name and address	**Capital Equity**	**% owned Dividends received**	**Gross value of securities Net value of securities**	**Loans Security**	**Revenue Income**
PREDICA	997	100%	6,701	5,680	20,788
50-56 rue de la procession – 75015 Paris	8,066	876	6,701	-	1,215
CALI EUROPE	127	94%	172	67	2,013
16 av Pasteur – L2310 Luxembourg	159	12	172	-	12
PACIFICA	281	100%	390	366	3,188
8-10 bd de Vaugirard – 75015 Paris	493	128	390	-	116
SPIRICA	141	100%	178	142	1,253
50-56 rue de la procession – 75015 Paris	169	-	170	-	8
GNB SEGUROS	15	50%	38	-	62
Av. C.Bordalo Pinheiro-1070 – 061 Lisbon – Portugal	34	3	38	-	9
VERT S.r.l	-	100%	-	-	-
Via universita 1 – 43100 Parma – Italy	2	-	-	-	-
CA VITA	236	100%	590	227	3,124
Via universita 1 – 43100 Parma – Italy	389	-	590	-	17
CA ASSICURAZIONI	10	100%	48	-	66
Via universita 1 – 43100 Parma – Italy	19	-	23	-	(1)
CARE	14	100%	78	-	25
145 rue de Kiem - L8030-Strassen-Luxembourg	24	-	78	-	10
CACI	84	100%	634	128	-
50-56 rue de la procession – 75015 Paris	589	31	597	-	10
CALI JAPAN	46	100%	63	-	435
1-9-2 Higashi shimbashi, Minato- ku, Tokyo 105-0021 – Japan	56	-	63	-	3
CA LIFE	13	100%	131	-	15
45 rue Mistropolos & Pandrosou – 10656 Athens -Greece	46	-	30	-	-
CRÉDIT AGRICOLE INSURANCE	6	100%	12	-	-
45 rue Mistropolos & Pandrosou – 10656 Athens -Greece	6	-	6	-	-
LA MEDICALE DE FRANCE	2	100%	228	42	344
50-56 rue de la procession – 75015 Paris	75	15	228	-	17
CRÉDIT AGRICOLE TU SA	12	100%	13	-	3
ul. Tęczowa 11 lok. 13, 53 – 601 Wrocław – Poland	8	-	13	-	(1)
CARI	28	100%	28	-	11
74 rue du Merl – L2146 Luxembourg	29	-	28	-	-
CRÉDIT AGRICOLE ASSURANCES SOLUTIONS	-	100%	-	-	-
16/18 bd de Vaugirard – 75015 PARIS	-	-	-	-	-
CAAGIS	15	50%	7	-	-
50-56 rue de la procession – 75015 Paris	13	-	7	-	-

The information on capital, equity capital, turnover and profits for the subsidiaries was current at 31/12/2016 with the exception of VERT S.R.L (30/06/2016) and of CRÉDIT AGRICOLE INSURANCE (30/09/2016).

7.3 Consolidation

The accounts of Crédit Agricole Assurances S.A. and its subsidiaries are included in the consolidated accounts of Crédit Agricole Assurances Group. They are also included in the consolidated accounts of the Crédit Agricole S.A. Group, Crédit Agricole S.A being the parent company of Crédit Agricole Assurances S.A.

7.4 Deposit of the accounts

The financial statements of Crédit Agricole Assurances S.A. are filed with the Clerk of the Commercial Court of Paris.

REPORT OF THE STATUTORY AUDITORS ON THE ANNUAL FINANCIAL STATEMENTS

This is a free translation into English of the statutory auditors' report 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 31 December 2016)

To the Shareholders,

Crédit Agricole Assurances

50-56, rue de la Procession

75015 PARIS

In accordance with the assignment entrusted to us by your Annual General Meetings, we hereby report to you for the year ended 31 December 2016, on:

- the audit of the accompanying annual financial statements of Crédit Agricole Assurances;
- the justification of our assessments;
- the specific verifications and information required by law.

These annual 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 31 December 2016, and of the results of its operations for the year then ended in accordance with French accounting principles.

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 draw your attention to the following matters:

- As part of its financial statements preparation process, your company makes 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 pension and future social benefits provision;
- We reviewed the assumptions used and examined the resulting accounting estimates, consistently with the principles set forth in the note 3 to the financial statements;
- We also examined the methods used for implementing impairment testing, the main parameters and assumptions used, and we verified the presentation in the notes 3 and 4 to the financial statements.

These assessments were made as part of our audit of the financial statements taken as a whole, and therefore contributed to the opinion we formed, as expressed in the first part of this report.

III – Specific verifications and information

We 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) relating to compensation and benefits received by the directors and any other commitments made in their favor, we verified their 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 verified that the required information related to the purchase of investments and controlling interests has been properly disclosed in the management report.

Neuilly-sur-Seine and Paris-La Défense, 15 March 2017,

The statutory auditors

French original signed by

PricewaterhouseCoopers Audit		ERNST & YOUNG et Autres	
Anik Chaumartin	Frédéric Trouillard-Mignen	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 €1,490,403,670 registered with the Paris Trade and company Register under number 451 746 077.

Registered office:

50-56, rue de la Procession, 75015 Paris – France

Telephone: (33) 1.43.23.03.33

ARTICLES OF ASSOCIATION

The articles of association of Crédit Agricole Assurances, amended on 27 July 2016, are reproduced in full below.

Article 1 – Form

The company was set up in the form of a simplified joint-stock company *(société par actions simplifiée)* under the terms of a private deed dated 15 January 2004.

It was converted into a public company (*société anonyme*) by unanimous decision of the Extraordinary General Meeting of Shareholders of 5 May 2008.

The company continues to exist for owners of existing shares and for shares created subsequently.

It is governed by the legislative and regulatory provisions in force and by these articles of association.

Article 2 – Purpose

The company's purpose in France and abroad is:

- to take minority and/or controlling shares, mainly in any insurance or reinsurance companies, to carry out research and analysis and to make any investments;
- to manage these holdings and investments;

and to:

- forge and manage significant and long-lasting links of financial solidarity with mutual insurance and reinsurance companies.

All the above directly or indirectly in any form, notably through the creation of companies, new groupings, contributions, mergers, alliances, subscription, purchase or exchange of shares and other rights in any company, undertaking or legal entity already in existence or to be created.

The purpose of the company is also to:

- provide capital advances to ensure the development of companies in which it has a holding;
- provide any services of an administrative, financial or commercial nature and any technical assistance to any insurance or reinsurance company in which the company has a direct or indirect holding;

and, generally, any financial, commercial, industrial, property and capital transactions directly or indirectly attached, in full or in part, to the above purpose or to similar or related purpose in order to promote its expansion or development.

Article 3 – Name

The company's name is: "CRÉDIT AGRICOLE ASSURANCES".

Article 4 – Registered office

The registered office is situated 50-56 rue de la Procession, 75015 PARIS.

It may be transferred to any other location in the same area department or a neighbouring area department by decision of the Board of Directors. This decision is subject to ratification by the next Ordinary General Meeting of Shareholders. The Board of Directors is thus authorized to amend the articles of association accordingly.

It may be transferred to any other location by virtue of a decision of an Extraordinary General Meeting of Shareholders.

Article 5 – Term

The term of the company remains 99 years from the date of its registration with the Trade and company Register, except in the case of early dissolution or extension.

Article 6 - Contributions

- Following the Extraordinary General Meeting of Shareholders of 18 December 2008, the share capital was increased by €108,454,030, in compensation for the contribution of the shares of the following companies: BES VIDA, BES Seguros, CAAIH, CARE, CARI, EMPORIKI Insurance and CALI Serbie. This contribution was remunerated by the allocation of 10,845,403 shares, each with a par value of €10 and a total issue premium of €650,724,180.
- Following the decision of the General Meeting of June 2010 offering shareholders the option of receiving their dividends in shares, and the recognition by the Board of Directors on 7 October 2010 of the final completion of the capital increase,

the share capital was increased to €1,162,542,980.00 through the issue of 6,099,377 new shares of the same category, each with a par value of €10.

- Following the decision of the General Meeting of 19 June 2013 offering shareholders the option of receiving their dividends in shares, and the recognition by the Board of Directors on 1 August 2013 of the final completion of the capital increase, the share capital was increased to €1,240,569.500.00 through the issue of 7,802,652 new shares of the same category, each with a par value of €10.
- Following the Extraordinary General Meeting of Shareholders of 29 December 2014, the share capital was increased by €208,185,200 through a cash contribution of €1,542,027,776.40. This contribution was remunerated by the allocation of 20,818,520 new shares, each with a par value of €10 and a total issue premium of €1,333,842,576.40.
- Following the decision of the General Meeting of Shareholders on 28 April 2016 giving shareholders the option of receiving their dividends in shares, and the recognition by the Board of Directors on 27 July 2016 of the final completion of the capital increase, the share capital was increased to €1,490,403,670.00 through the issue of 4,164,897 new shares of the same category, each with a par value of €10.

Article 7 – Share capital

Share capital is currently set at €1,490,403,670 divided into 149,040,367 fully paid up shares of the same category, each with a par value of €10.

Article 8 – Form of shares

The shares are in registered form. The materiality of the shares results from their registration in the name of their holder or holders in accounts held for this purpose by the company under the terms and conditions provided by law.

At the shareholder's request, a certificate of registration shall be issued by the company.

Article 9 – Rights and obligations

1. Subject to the rights that may be granted to shares of different categories where created, each share entitles the holder to a portion of the profits and corporate assets in proportion to the portion of share capital it represents. It also entitles the holder to vote and to be represented at General Meetings, under the terms and conditions provided by law and the articles of association.

2. Shareholders shall only be held liable for company's losses up to the amount of their contributions. The rights and obligations attached to the share follow ownership of the share. Ownership of a share automatically entails adherence to the articles of association and to the decisions of the General Meeting.

3. Whenever it is necessary to hold several shares to exercise a given right, such as in the case of an exchange, consolidation or allocation of shares, or as a result of an increase or reduction in the share capital, or in the case of a merger or other corporate transaction, the holders of individual shares, or those who do not own the required number of shares, may exercise such rights only if they personally arrange for the consolidation of the shares and purchase or sell the required number of shares where necessary.

Article 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 favor of a non-shareholder relating to full legal title, bare ownership or beneficial interest of shares, subscription and allocation rights must be submitted to the Board of Directors for approval in accordance with the terms and conditions set out below:

II – 1. In the event of planned disposal, the assignor must notify the company by extra-judicial document or registered letter with acknowledgement of receipt, indicating the first name, surname and domicile of the assignee, or the company's name and registered office in the case of a company, the number of shares it is planned to dispose of and the price offered.

The Board of Directors is bound to notify the assignor within three months whether it accepts or turns down the planned disposal. Failing notification within three months, it shall be deemed to have accepted.

The decision to accept must be taken by a majority of votes of the directors present or represented, with the assignor, if he/she is a director, abstaining from the vote. In accordance with the law and with these articles of association, at least half of the directors in office must be present.

No reasons need be given for the decision and, if turned down, it may not give rise to any form of claim.

The assignor must be notified by registered letter within ten days of the decision. Where the bid is turned down, the assignor shall have eight days to notify the Board whether he/she intends to proceed with the disposal.

II – 2. Where the assignor decides to proceed with the disposal, the Board of Directors shall be bound to have the shares acquired by shareholders or third parties, or by the company with a view to effecting a capital reduction within three months of the assignor notifying his/her decision to proceed with the disposal.

To this end, the Board of Directors shall notify the shareholders by registered letter of the planned disposal, inviting them to indicate the number of shares they wish to acquire.

Bids must be sent by the shareholders to the Board of Directors by registered letter with acknowledgement of receipt within fifteen days of receiving the notification. The Board of Directors shall distribute the shares offered between the shareholders in proportion to their equity interest and within the amount of their bids. Where applicable, undistributed shares shall be allocated by the drawing of lots-carried out by the Board of Directors in the presence of bidding shareholders or those duly called to attend-among as many shareholders as there remain shares to allocate.

II – 3. Where no bid is sent to the Board of Directors within the above-mentioned deadline, or where the bids do not encompass all of the shares offered, the Board of Directors may have the available shares purchased by a third party, with the Board of Directors responsible for ensuring that said third party is subject to the approval procedure specified in these articles of association.

II – 4. The shares may also be purchased by the company.

In this case, the Board shall convene an Extraordinary General Meeting of Shareholders to approve the repurchasing of shares by the company and the corresponding reduction in share capital. This meeting notice must be sent out sufficiently early to ensure compliance with the three-month deadline indicated below.

In all the above cases of purchase or repurchase, the price of the shares is set as indicated below.

II – 5. Where not all the shares have been purchased or repurchased within the three-month deadline following the notification of refusal to authorize the disposal, the assignor may make the sale in favor of the original assignee for those shares that he/she is free to sell, subject to any partial bids made as set out above.

This three-month deadline may be extended by order of the Presiding Judge of the Commercial Court ruling in summary proceedings to which the assignor and assignee have been duly called. This order is not open to appeal.

II – 6. Where the shares offered are acquired by shareholders or by third parties, the Board of Directors shall notify the assignor of the first name, surname and domicile of the purchaser(s).

The disposal price for the shares and the terms under which the sale of said shares is completed are set at the price offered by the assignee whose bid was turned down in line with the approval application received by the company. Failing agreement on the price, this shall be determined by an expert, in accordance with the provisions of article 1843-4 of the French Civil Code.

The expertise fees shall be borne equally by the assignor and the purchaser(s).

The company shall send the assignor or unapproved subscriber, by registered letter with acknowledgement of receipt, the documentation necessary to register the transfer of shares and their registration in the name of the purchasers appointed by the Board of Directors.

Where the interested parties fail to return this documentation to the company within 15 days from the sending, the transfer of shares in the name of the beneficiaries appointed by the Board of Directors shall be automatically registered through the signature of the Chairman of the Board of Directors or by a Chief Executive Officer and by the beneficiary, where applicable. The shareholder's signature is not required. The shareholder shall be advised within eight days of the shares being registered in the name of the purchaser and requested to contact the registered office to receive payment, which shall not accrue interest.

Where, after six months, the shareholder has not withdrawn payment to which he is entitled, the company has the option to transfer the amount to the *Caisse des dépôts et consignations*, after which it shall be discharged of its responsibility in this regard.

II – 7. The provisions of this article shall apply in all cases of disposal, either inter vivos or as a result of inheritance, liquidation of a marital estate, either free of charge or against payment, including in cases of disposal by public tender pursuant to a court ruling. These provisions shall also apply in cases of capital contributions, partial contributions of assets, mergers or splits.

II – 8. In the case of a capital increase in cash, the Board of Directors may decide, in order to facilitate the transactions, to exercise its right of approval on the issue of new shares to the non-shareholding subscriber rather than on the disposal of subscription rights.

The non-shareholding subscriber is not required to lodge an approval application; this shall be made implicitly upon receipt by the company of the subscription form. However, he/she must, where applicable, enclose with the form any and all supporting documentation for his/her acquisition of subscription rights.

The time frame prescribed by law and by the articles of association relative to the exercise by the Board of Directors of its right of approval shall run from the date of final completion of the capital increase.

Where approval is refused, the new shares subscribed by the unapproved third party must be repurchased under the above terms and conditions and time frame, at a price equal to the value of the new shares being repurchased, set at the issue price or, failing agreement on the price, by an expert under the terms and conditions provided by law.

II – 9. In the event of an allocation of this company's shares following the partition of a third-party company which hold shares in its portfolio, allocations to persons who are not already shareholders shall be subject to the approval set out in this article.

The plan to allocate shares to persons other than shareholders must therefore be submitted for approval by the Company's liquidator under the terms and conditions set out in this article.

Where the Board of Directors fails to notify the liquidator within three months following the approval application, such approval shall be deemed to have been given.

Where the beneficiaries or a number thereof are refused approval, the liquidator may, within thirty days of the notification of refusal, change the allocations made in order to submit only approved beneficiaries.

Where no beneficiaries are approved, or where the liquidator has not changed his/her planned partition within the deadline stated above, shares allocated to unapproved shareholders must be purchased or repurchased from the company in liquidation under the terms and conditions set out above.

Where not all shares for which approval has been refused have been purchased or repurchased within the deadline stipulated above, the partition may be completed in accordance with the plan presented.

Article 11 – Board of Directors

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

The age limit for directors is 65. When a director reaches the age of 65, he/she will be deemed to have resigned at the end of the next Ordinary General Meeting of Shareholders.

During the existence of the company, directors are appointed or reappointed by the Ordinary General Meeting of Shareholders; however, in the event of a merger or split, they may be appointed by an Extraordinary General Meeting of Shareholders.

Where one or more directorships become vacant between two General Meetings as a result of death, removal or resignation, the Board of Directors may appoint one or more directors temporarily under the terms and conditions provided by law.

Directors may be removed at any time by the Ordinary General Meeting of Shareholders.

Their term of office is three years maximum and is renewable.

However, a director appointed to replace another director whose term of office has not yet expired shall remain in office only for the balance of his predecessor's term.

Directors may not be elected to more than four consecutive terms.

A director's duties shall terminate at the end of the Ordinary General Meeting of Shareholders called to consider the accounts for the previous financial year that is held during the year in which such director's term expires.

One third of the seats of the directors appointed by the General Meeting of Shareholders (or the nearest whole number, with the last group adjusted as necessary) shall turn over each year at the Annual Ordinary General Meeting of Shareholders so that all seats turn over every three years.

Outgoing directors shall be selected by the drawing of lots for the first and second period of three years and then by order of seniority as director.

If the number of elected directors is increased, lots shall be drawn (if necessary and prior to the first Ordinary General Meeting following the date on which said directors assume their seats) to determine the order in which said seats will turn over. The partial term of the directors selected by the drawing of lots due to the increase in the number of seats to be filled shall be disregarded when determining whether they have reached the four-term limit.

The Annual Ordinary General Meeting of Shareholders may pay the Board of Directors a fixed annual amount for attendance fees, which is posted under operating expenses. The Board shall distribute these attendance fees between its members as it sees fit.

The Board of Directors may also pay exceptional compensation to directors under the terms and conditions provided by law.

Article 12 – Non-voting directors

Upon recommendation from the Chairman, the Board of Directors may appoint one or more non-voting directors.

Non-voting directors shall be notified of and participate at meetings of the Board of Directors in an advisory capacity.

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

In consideration of services rendered, they may be remunerated as determined by the Board of Directors.

Article 13 – Deliberations of the Board of Directors

The Board of Directors shall meet as often as the interests of the company so require, upon notice by its Chairman, by any person authorized for that purpose by the Board of Directors, or by at least one-third of its members to address a specific agenda if the last meeting was held more than two months previously.

The Chief Executive Officer may request the Chairman to call a meeting of the Board of Directors to address a specific agenda. The Chairman is bound by requests addressed to him.

Meetings may be held at the registered office or at any other place specified in the meeting notice.

They may be convened by any means, in principle, at least three days in advance. Meeting notices shall indicate precisely which items shall be addressed, it being stipulated that once the Board of Directors' meeting has started the Board is free to discuss any point not explicitly listed on the agenda, in accordance with the law. If all of the directors so agree, notice may be given orally and need not be in advance.

The Board can only validly deliberate if at least half of its members are present.

Decisions are adopted on the basis of a majority vote of the members present or represented. The Chairman of the meeting shall have the casting vote.

Any director may grant a proxy, by letter, telegram, fax or email, to another director (or to the permanent representative of a director that is a legal entity) to represent him/her at a Board meeting.

Each director may only avail of one such proxy vote per meeting.

In accordance with the legal and regulatory provisions, the Rules of Procedure may provide, for decisions under its remit, that for the purposes of determining a quorum and majority, the shareholders that attend a Board by video conference or by telecommunications media permitting their identification and effective participation shall be counted as present at the meeting.

The Chief Executive Officer shall attend the meetings of the Board of Directors.

At the Chairman's request, employees in positions of responsibility in Crédit Agricole Assurances Group may attend Board meetings.

The directors and any individuals requested to attend Board meetings must exercise discretion with respect to any confidential information described as such by the Chairman of the Board of Directors.

An attendance sheet is kept and signed by all directors taking part in the Board meeting.

Minutes must be drawn up and copies or extracts of the deliberations shall be issued and certified in accordance with the law.

Article 14 – Powers of the Board of Directors

The Board of Directors determines and ensures compliance with the business focus of the company.

Except for the powers expressly reserved to the General Meeting of Shareholders and within the limits established in the company's purpose, the Board of Directors is responsible for all issues related to the company's operations and business.

In its relations with third parties, the company may be bound by the acts of the Board of Directors which fall outside the company's purpose unless the company can prove that the said third party knew that the act was ultra vires or that it could not have been unaware, in light of the circumstances, that the act was ultra vires. The publication of the articles of association shall not constitute proof thereof.

The Board of Directors carries out such controls and verifications as it sees fit.

Each director shall receive the information necessary to accomplish the Board's duties and may obtain all the documents from Executive management that he/she considers necessary.

The Board may decide to set up various Committees to examine issues raised by itself or its Chairman and render an opinion.

The Board shall be responsible for determining the composition and powers of Committees which do their work under its authority.

Article 15 – Chairmanship of the Board of Directors

The Board of Directors appoints one of its members as Chairman, for whom it determines the length of office and compensation. The Chairman must be a natural person and his/her term of office cannot exceed his/her term of office as a director.

The Board of Directors may elect one or more Deputy Chairmen from among its members, whose term shall also be established by the Board, but which may not exceed his/her (their) term of office as a Director. It may also appoint a secretary, who may or may not be a Director.

The Board of Directors may dismiss the Chairman at any time. Any clause to the contrary shall be deemed not to have been written.

In the event of the Chairman's death or temporary inability to attend, the Board of Directors may appoint a director to act as Chairman.

In the event of a temporary inability to attend, this appointment is made for a limited period and is renewable. In the event of death, it shall continue to be valid until such time as a new Chairman is elected.

The Chairman of the Board of Directors represents the Board of Directors. He/she organizes and directs the activities thereof and reports to the General Meeting of Shareholders on its activities. He/she is responsible for the proper operation of the company's bodies, and, in particular, ensures that directors are able to fulfil their duties.

When the Chairman reaches the age limit, he/she is deemed to have automatically resigned following the next meeting of the Board of Directors.

Article 16 – Executive management

The company's executive management may be placed under the responsibility of either the Chairman of the Board of Directors or another person appointed by the Board who holds the title of Chief Executive Officer.

The choice between these two methods of exercising executive management is made by the Board of Directors, which must notify shareholders and third parties in accordance with the regulatory conditions.

Decisions of the Board of Directors regarding the choice of method of exercising executive management shall be made by the majority of those directors present or represented. The option retained by the Board of Directors is valid for the period determined in the decision. After this period, the Board of Directors must discuss the methods of exercising general management.

Chief Executive Officer

The Chief Executive Officer may or may not be appointed from among the directors.

Where the Board of Directors opts to separate the functions of Chairman and Chief Executive Officer, it appoints the Chief Executive Officer, sets his/her term of office, determines his/her compensation and, where applicable, the limitations of his/her powers.

No one over the age of 65 May be appointed Chief Executive Officer. Furthermore, if a Chief Executive Officer reaches this age limit, he/she is deemed to have automatically resigned following the next meeting of the Board of Directors.

The Chief Executive Officer may be dismissed at any time by the Board of Directors. Where the Chief Executive Officer does not take on the functions of Chairman of the Board of Directors, his/her dismissal may give rise to the payment of damages, if the decision to do so is taken without sufficient grounds.

The Chief Executive Officer and Deputy Chief Executive Officers may be re-elected.

The Chief Executive Officer shall enjoy the broadest powers to act in all cases on behalf of the company. He/she exercises his/her authority within the limits of the company's purpose and subject to that authority assigned by law to Meetings of Shareholders and to the Board of Directors.

As part of the internal company organization, these powers may be limited by the Board of Directors. However, decisions of the Board of Directors that limit the Chief Executive Officer's powers are not binding on third parties.

The Chief Executive Officer represents the company in its relations with third parties. The company shall be bound by those actions of the Chief Executive Officer which are ultra vires unless the company can prove that the said third party knew that the act was ultra vires or that it could not have been unaware, in light of the circumstances, that the act was ultra vires. Publication of the articles of association shall not constitute proof thereof.

Deputy Chief Executive Officers

On a proposal from the Chief Executive Officer, the Board of Directors may appoint one or more persons responsible for assisting the Chief Executive Officer, who shall have the title "Deputy Chief Executive Officer" *(Directeur général délégué)*. The number of Deputy Chief Executive Officers may not exceed five. The Deputy Chief Executive Officers may be dismissed at any time by the Board of Directors On a proposal from the Chief Executive Officer.

The age limit applicable to the Chief Executive Officer also applies to Deputy Chief Executive Officers.

Where the Chief Executive Officer steps down from office or is unable to carry out his/her duties, the Deputy Chief Executive Officers shall retain their duties and powers until a new Chief Executive Officer is appointed, unless otherwise decided by the Board.

The Board of Directors determines the compensation of the Chief Executive Officer and of the Deputy Chief Executive Officers.

With the consent of the Chief Executive Officer, the Board of Directors shall determine the scope and term of the authority granted to the Deputy Chief Executive Officers. Deputy Chief Executive Officers shall have the same authority as the Chief Executive Officer with respect to third parties.

The Chief Executive Officer or Deputy Chief Executive Officers may, within the limits set by the legislation in force, delegate such powers as they see fit for one or more specific purposes to any agents, even outside the company, taken individually or grouped together in Committees or commissions. These powers may be permanent or temporary and may or may not include the possibility of substitution. The delegations thus granted shall remain in full effect despite the expiry of the term of office of the person who granted them.

Article 17 – Statutory auditors

Audits of the accounts shall be exercised in accordance with the law by two statutory auditors appointed by the Ordinary General Meeting of Shareholders; the 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 include income for the financial year as recorded on the balance sheet, less general expenses, wages and salaries, reserves and provisions of any nature prescribed by legislation regarding insurance, depreciation of the company's assets and any provisions for risks.

An amount shall be taken from the distributable earnings as determined in accordance with the law and recorded by the Annual Ordinary General Meeting of Shareholders after approval of the financial statements, to be carried forward or allocated to any general or special reserve fund, as decided by the Ordinary General Meeting of Shareholders.

Where there is any balance, this shall be paid out in proportion to the shares held.

The Meeting may also take any amount from the reserve funds at its disposal to make distributions to shareholders, unless the items from which such amount may be taken is expressly indicated. However, dividends are taken as a matter of priority from the distributable earnings for the financial year.

Excluding the case of a capital reduction, no distribution shall be made to shareholders where equity falls or would fall as a result of such distribution below the amount of equity plus any reserves the distribution of which is prohibited by law.

The Ordinary General Meeting of Shareholders may grant each shareholder the option to take payment of all or part of a dividend or to take an interim dividend in cash or shares in accordance with the law.

Article 20 – Dissolution – Liquidation

The company is in liquidation from the moment of its dissolution on any grounds whatsoever, excluding a merger or split.

The Meeting shall determine the liquidation procedures and shall appoint one or more liquidators whose powers it shall determine and who shall exercise their powers in accordance with the law.

Any equity remaining after the par value of shares has been reimbursed shall be distributed among the shareholders in the same proportions as their holding in the share capital.

Article 21 – Disputes

Any disputes arising during the term of the company or during its liquidation, either between the company and its shareholders or between the shareholders themselves, shall be subject to the jurisdiction of the competent courts.

INFORMATION ON THE COMPANY

ACQUISITIONS MADE BY CRÉDIT AGRICOLE ASSURANCES OVER THE PAST THREE YEARS

Completed acquisitions

No major acquisitions were made during 2014, 2015 and 2016.

Acquisitions in progress

No new acquisitions were announced after the end of 2016 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.

MATERIALS CONTRACTS

Neither Crédit Agricole Assurances nor its subsidiaries have entered into any material contracts with third parties, other than those entered into in the normal course of business, which could give rise, for the Group as a whole, comprising Crédit Agricole Assurances and its subsidiaries, to a right or commitment with a significant impact on the issuer's ability to fulfill the obligations arising from the securities issued towards the securities' holders.

However, there are major agreements binding Crédit Agricole Assurances, its subsidiaries and Crédit Agricole group in terms of their business relations. These agreements are set out under related-party disclosures in the consolidated financial statements.

SIGNIFICANT CHANGES

The financial statements at 31 December 2016 were approved by the Board of Directors at its meeting of 9 February 2017. Since this date, there have been no significant changes in the financial position or business operations of the company and Crédit Agricole Assurances Group.

PUBLICY 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).

Crédit Agricole Assurances' financial statements, Report by the Chairman of the Board of Directors, management report are filed with the Registrar Office of the Commercial Court of Paris

All regulated information as defined by the AMF (in Title II of Book II of the AMF's general regulations) is available on the company's website: http://www.ca-assurances.com/en/investors.

The articles of association of Crédit Agricole Assurances are reproduced, in full, in this document.

STATUTORY AUDITOR'S REPORT ON RELATED PARTY AGREEMENTS AND COMMITMENTS

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

General Meeting of Shareholders to approve the financial statements for the year ended 31 December 2016

To the Shareholders,

In our capacity as statutory auditors of your company, we hereby present to you our report on related party agreements and commitments.

We are required to inform you, on the basis of the information provided to us, of the terms and conditions those agreements and commitments indicated to us, or that we may have identified in the performance of our engagement, as well as the reasons why they benefit the company. We are not required to comment as to whether they are beneficial or appropriate or to ascertain the existence of any such agreements and commitments. It is your responsibility, in accordance with Article R. 225-31 of the French Commercial Code (*Code de commerce*), to evaluate the benefits resulting from these agreements and commitments prior to their approval.

We are also 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 ended 31 December 2016, of the agreements and commitments already approved by the Annual General Meeting.

We performed those procedures which we deemed necessary in compliance with professional guidance issued by the French Institute of statutory auditors *(Compagnie nationale des commissaires aux comptes)* relating to this type of engagement.

Agreements and commitments submitted for approval to the Annual General Meeting of Shareholders

We hereby inform you that we have not been notified of any agreements or commitments authorized in the course of the year ended 31 December 2016 to be submitted to the Annual General Meeting for approval in accordance with Article L. 225-38 of the French Commercial Code (*Code de commerce*).

Agreements and commitments already approved by an Annual General Meeting of Shareholders

We hereby inform you that we have not been notified of any agreements or commitments already approved by an Annual General Meeting, whose implementation continued during the year ended 31 December 2016.

Neuilly-sur-Seine and Paris-La Défense, 15 March 2017

The statutory auditors

French original signed by

PricewaterfhouseCoopers Audit		**ERNST & YOUNG et Autres**	
Frédéric Trouillard-Mignen	Anik Chaumartin	Pierre Planchon	Valérie Meeus

PERSONS RESPONSIBLE FOR THE REGISTRATION DOCUMENT AND AUDITING THE FINANCIAL STATEMENTS

PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT

Frédéric Thomas, Chief Executive Officer of Crédit Agricole Assurances.

STATEMENT OF THE PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT

I hereby certify that, to my knowledge and after all due diligence, the information contained in this registration document is true and accurate and contains no omissions likely to affect the import thereof.

I hereby certify that, to my knowledge, the financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the financial position and results of the company and all entities included in the consolidated group over the relevant periods, and that the management report, the various sections of which are listed at the end of section 8 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, and describes the main risks and uncertainties that they face.

I have obtained a letter from the statutory auditors, upon completion of their work, in which they state that they have verified the information relating to the financial position and financial statements provided in this registration document and read the document as a whole.

Frédéric Thomas, Chief Executive Officer

Paris, 24 April 2017

PERSONS RESPONSIBLE FOR AUDITING THE FINANCIAL STATEMENTS

The company's statutory auditors are registered as auditors with the national auditing body *(Compagnie nationale des commissaires aux comptes)* and placed under the authority of the supervisory authority for auditors *(Haut Conseil du commissariat aux comptes)*.

Statutory auditors

Statutory auditors	Date of first appointment to office	Expiry of current term of office
PricewaterhouseCoopers Audit 63, rue de Villiers 92200 Neuilly-sur-Seine represented by Anik Chaumartin and Frédéric Trouillard-Mignen[1]	5 May 2008	2020 Annual General Meeting of Shareholders
Ernst & Young et Associés Tour First 1, place des Saisons 92400 Courbevoie represented by Valérie Meeus and Pierre Planchon[1]	5 May 2008	2022 Annual General Meeting of Shareholders

(1) *Registered with the regional auditing body (Compagnie régionale) of Versailles.*

Alternate Auditors

Statutory auditors	Date of first appointment to office	Expiry of current term of office
Eric Dupont[1] 63, rue de Villiers 92208 Neuilly-sur-Seine Cedex	5 May 2008	2020 Annual General Meeting of Shareholders
Olivier Drion[1] Tour First 1, place des Saisons 92400 Courbevoie	17 June 2014	2022 Annual General Meeting of Shareholders

(1) *Registered with the regional auditing body (Compagnie régionale) of Versailles.*

CROSS-REFERENCE TABLES FOR THE REGISTRATION DOCUMENT

CROSS-REFERENCE TABLE WITH 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.

	Heading in Appendix of European regulating n°809/2004	Pages
11.	**Financial information concerning the issuer's assets and liabilities, financial position and profits and losses**	**7, 49 - 52, 76, 128 - 240, 248 - 249**
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	13.1 Information on third parties making statements	Not applicable
	13.2 Attestation of reproduction reliability	Not applicable
14.	**Publicly available documents**	**248**

In accordance with article 28 of the Regulation (EC) n°809/2004 taken by way the Commission on 29 April 2004, the following items have been incorporated by reference:

- Crédit Agricole Assurances consolidated financial statements for the period ended 31 December 2015;
- report of the statutory auditors on the consolidated financial statements at 31 December 2015;

respectively described in pages 121 and 212 of Crédit Agricole Assurance' registration document number R. 16-051 registered by the French financial authority (AMF) on 2 June 2016.

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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 2015 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):

Pursuant to articles 212-13 and 221-1 of the AMF's general regulations, this registration document also contains the following regulatory information:

CROSS-REFERENCE TABLE ECONOMIC, SOCIAL AND ENVIRONMENTAL INFORMATION

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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		• the respect for freedom of association and the right to collective bargaining	The ILO Conventions apply to Group employees (page 35).
		• the removal of discrimination in terms of employment and occupation	
		• the prohibition of forced labour	Furthermore, a specific priority in terms of investments (page 34)
		• the effective abolition of child labour	
2.		**Environmental information**	
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		Provisions and guarantees for environmental risks, provided this information does not cause serious damage to the company in an ongoing dispute	No provisions. Non-significant direct impacts on the CAA Group's activities

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Indicators		Pages
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CRÉDIT AGRICOLE ASSURANCES

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