ANNUAL FINANCIAL REPORT

REGISTRATION DOCUMENT 2016

CRÉDIT AGRICOLE S.A.

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CRÉDIT AGRICOLE S.A.

2016 REGISTRATION DOCUMENT

ANNUAL FINANCIAL REPORT

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

This Registration Document was filed with the French Financial Markets Authority (*Autorité des Marchés Financiers, AMF*) on 21 March 2017, in accordance with Article 212-13 of the AMF's General Regulations. It may be used in support of a financial transaction if accompanied by a transaction note approved by the AMF. This document was prepared by the issuer and its signatories are liable for its content.

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

What can we learn from the environment in which Crédit Agricole operates?

Dominique Lefebvre – We are still operating in an uncertain environment from a political, economic and regulatory point of view. It is difficult to predict what the fallout will be from the United Kingdom's vote to leave the European Union, the election of Donald Trump as President of the United States and the Italian "no" vote in the constitutional referendum. While these events made the markets more volatile, they have not weighed on economic growth, which is still weak but improving in Europe and the United States. In terms of regulation, the new solvency rules under Basel 4 have been temporarily delayed. This is good news for industry and allows banks – which are already subject to severe constraints under Basel 3 and Pillar 2 – to continue lending as normal. We remain alert to any change in these regulations.

> The Group is **one of the most solid** banks in Europe.
>
> DOMINIQUE LEFEBVRE
> CHAIRMAN OF CRÉDIT AGRICOLE S.A.

How did Crédit Agricole S.A. perform in this context?

Philippe Brassac – Both Crédit Agricole S.A. and Crédit Agricole Group recorded a solid performance. Net income Group share was €3,540 million. This includes several specific items linked to decisions we took when we implemented our strategy. I want to emphasise the underlying net income of €3,137 million, which reflects the strong commercial and financial performance of the entire business. At constant scope (excluding the share of income from the Regional Banks) and restated for specific items(1), underlying net income is up +23% from 2015. This performance is also due to excellent cost control, with costs virtually unchanged at +0.2%, leading to an improvement in the cost/income ratio, and cost of risk, which remains low. Reported net income for Crédit Agricole Group – which is the scope we use for our peer benchmarking – totalled €5,365 million(2).

What are the highlights for 2016?

Dominique Lefebvre – 2016 was a key year in terms of change. First we unveiled our "Strategic Ambition 2020" Medium-Term Plan, together with one of its major achievements: **streamlining the Group's organisational structure**. This involved transferring the stake held by Crédit Agricole S.A. in the Regional Banks to a common venture, Sacam Mutualisation. This simplification gives more clarity to Crédit Agricole Group and normalises the solvency of Crédit Agricole S.A., which had a fully loaded Common Equity Tier 1 (CET1) ratio of 12.1% at 31 December 2016, well above the 11% targeted by

(1) Total adjustments recognised in net income Group share amounted to €403 million for 2016 and €961 million for 2015. Details of the adjustments can be found in chapter 4, on page 179.

(2) Excluding LCL goodwill impairment.

 The definitions of the underlined words can be found in the Glossary on page 542.

the Plan and higher than the regulatory minimum. For Crédit Agricole Group, the fully loaded CET1 ratio was 14.5%, which is also much higher than regulatory requirements. The Group is one of the most solid banks in Europe. We could also mention the **proposed acquisition of Pioneer Investments**, which will make Amundi the eighth largest global asset management company in the world. This will also benefit the shareholders of Crédit Agricole S.A. due to the accretive effect of 7% on net earnings per share expected in 2019. On a completely different note, we were the first to issue a new type of senior non-preferred debt under the Sapin 2 Law to comply with bank resolution rules. These projects illustrate the Group's agility and its ability to adapt, change and conduct major strategic operations in tight time frames.

How have the business lines of Crédit Agricole S.A. done?

Philippe Brassac – The business lines recorded excellent performance, both commercially and financially. Indicators for **Savings management and Insurance** are up: in property & casualty insurance, more than 600,000 new policies were taken out; in asset management, net inflows totalled +€62.2 billion. **French and International retail banking** recorded growth in outstanding loans and deposits. We had to recognise goodwill impairment for LCL due to the low interest rates, which triggered large-scale mortgage renegotiations, however this accounting entry ignores the dynamics surrounding the subsidiary in terms of new customers and intrinsic profitability. While the situation facing banks in Italy is a concern for some, this is not the case for Crédit Agricole, since we have successfully implemented our universal customer-focused bank model in the country. Italy contributed €482 million to the underlying net income of Crédit Agricole S.A. in 2016. **Specialised financial services** continued to grow, with consumer finance up +8.4% year-on-year and strong lease financing and factoring activity. Lastly, **the Large customers division** is enjoying strong business momentum in a challenging regulatory environment, with year-on-year growth of +5.5% in underlying revenues.

> The solid results published for 2016 confirm **the relevance of our prudential roadmap**.
>
> Philippe Brassac
> Chief Executive Officer of Crédit Agricole S.A.

What makes Crédit Agricole different from other banks?

Dominique Lefebvre – Probably the way we think about our business. Customers need confidence. They want to see their bank as a partner, a trusted third party, which is what we can offer them. This year we published a charter on the use of personal data to improve data protection in an increasingly digital world. We are also publishing a code of ethics. Obviously we have to promote this in-house and make sure all employees are ethics ambassadors. This is vital to the success of our customer project. This year we demonstrated once again that we are a trusted partner for farmers in a very real sense: the Regional Banks processed 26,700 applications for farmers affected by adverse weather or prevaling price conditions between June and December 2016. Over the same period, they released €1.8 billion in cash funding to farmers and €666 million in medium-term loans, out of available budget of €5 billion. This support will continue in 2017.

Customers also expect us to set an example: it is our duty to prove that we conduct our business in accordance with the law and that we behave ethically. To this end, we are continuing to refocus our wealth management activities on customers residing in countries that have signed up to the rules on the automatic exchange of tax information.

More generally, we are expected to lead the way on corporate social responsibility (CSR). I am proud to that Crédit Agricole S.A. is ranked 17th in the Global 100 most sustainable corporations in the world, and is among the leading French banks. In terms of Climate Finance, we are making significant progress in achieving the targets set at the Paris Climate Change Conference in 2015 (COP 21).

What is the outlook for Crédit Agricole?

Philippe Brassac – Less than a year ago, we unveiled the "Strategic Ambition 2020" Plan. This plan revolves around a proactive and innovative customer project, now embodied by the Group's new slogan, "A whole bank just for you". The Plan leverages our organisation (as a universal customer-focused bank), distribution model (multichannel retail banking) and finally, our commitment to be a partner for our customers – a differentiating aspect that Dominique was just describing.

We deliver results in line with the forecasts provided following a careful analysis of our environment. The results published for 2016 are solid, confirming the relevance of our prudential roadmap. Confident in the future, in November the Board of Directors recommended payment of a dividend of €0.60(1) per share. It also announced its intention to recommend a payout ratio of 50% from the year 2017 onwards and to maintain the dividend at a minimum of €0.60. This is the ultimate proof that we believe in our strengths and in mobilising all Group employees to continue making Crédit Agricole a key player in the economic development of its host countries.

€3,540 million
Net income Group share

€0.60
2016 dividend

12.1%
fully loaded Common Equity Tier 1 ratio

(1) *Subject to approval by the General Meeting of Shareholders on 24 May 2017.*

The definitions of the underlined words can be found in the Glossary on page 542.

CRÉDIT AGRICOLE GROUP PROFILE

A whole bank just for you

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

Serving **52 million customers**[1] **worldwide**, it also stands out on account of its distribution model, multi-channel customer-focused banking, and the efforts of its **138,000 employees**, who make Crédit Agricole the Customer Relationship-based bank.

Built on its strong cooperative and mutual foundations and led by its **9.3 million mutual shareholders** and almost **31,000 directors** of its Local and Regional Banks, Crédit Agricole's organisational model gives it stability and staying power. It also draws its strength from its values of transparency, customer focus, accountability and openness to the world and from local communities, which it has cultivated over 120 years.

Crédit Agricole's corporate social responsibility policy lies at the heart of its identity as a helpful and responsive bank over the long term. It is reflected in its products and services and informs the actions of all its business lines. It is a key factor contributing to overall performance and a powerful innovation driver.

Crédit Agricole Group extends its leadership year after year. It is the number one provider of financing to the French economy[2] and the number one insurer in France[3]. It is also the first bancassurer in Europe[4], the first European asset manager[5] and the world's second-largest provider of green financing[6].

A presence in 50 **countries**

138,000 **employees in France and abroad**

52 million **customers worldwide**

No. 1 **bancassurer in Europe**

No. 1 **European asset manager**

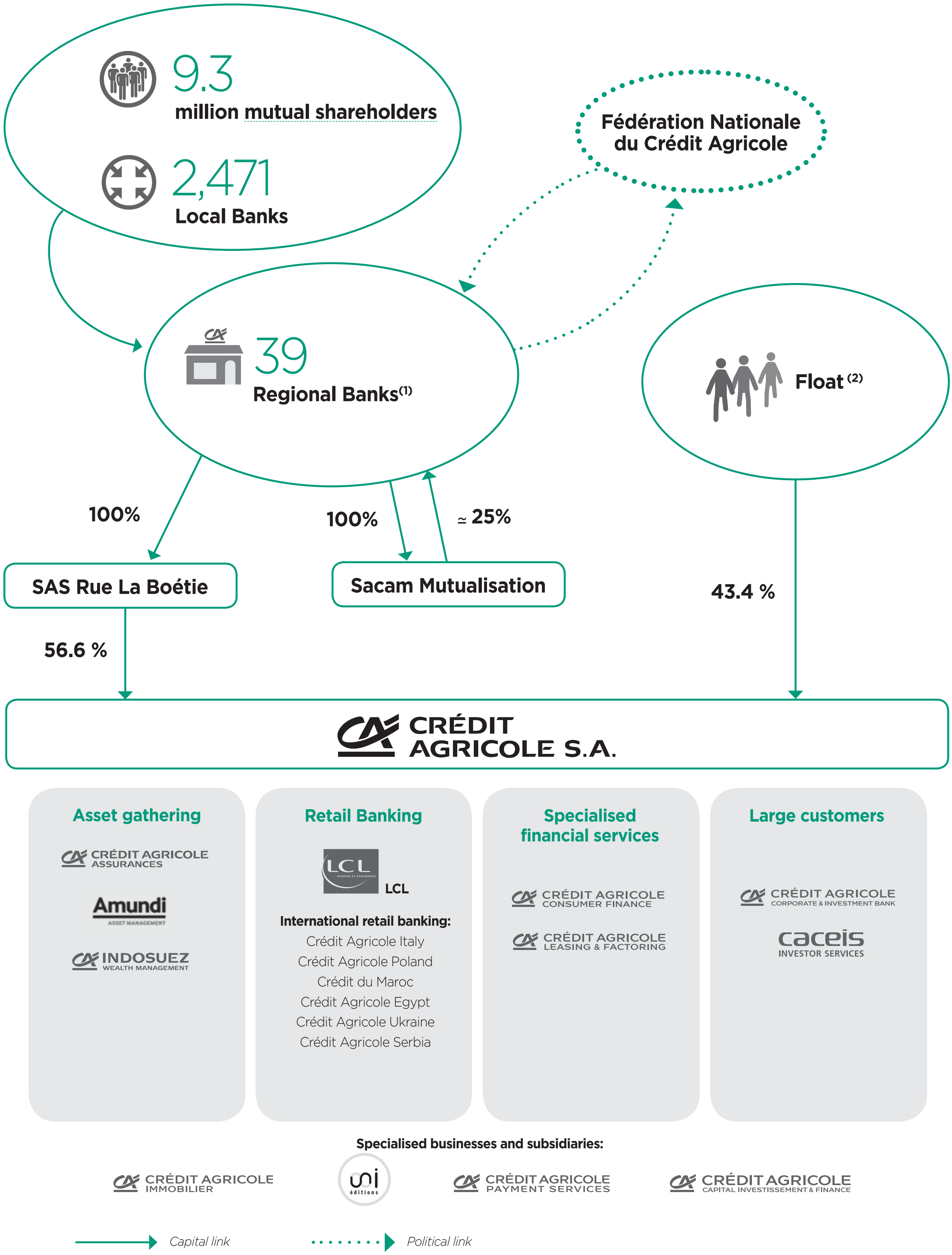
No. 2 **The world's second-largest provider of green financing**

Top 3 in consumer finance in Europe

(1) *Scope of French and international retail banking, Crédit Agricole Consumer Finance and Crédit Agricole Bank Polska consumer finance customers.*
(2) *Based on the value of outstanding deposits and loans as of 31/12/2016 (source: Bank, French retail banking).*
(3) *In terms of premium income. Sources: l'Argus de l'assurance published on the 16 December 2016 and La Tribune de l'assurance published on the 16 November 2016.*
(4) *In terms of premium income. Source: l'Argus de l'assurance published on the 16 December 2016, data at end-2015.*
(5) *No. 1 of all management companies who have their main Office in Europe (Source: IPE "Top 400 Asset managers" published in June 2016, based on assets under management at December 2015).*
(6) *Source: Bank.*

Group organisation (at 31 December 2016)

The Crédit Agricole Group includes Crédit Agricole S.A., all the Regional Banks and Local Banks and their subsidiaries.



(1) *The Caisse Régionale de la Corse, which is 99.9% owned by Crédit Agricole S.A., is a shareholder in Sacam Mutualisation.*
(2) *See details, p. 10 of this document.*

The definitions of the underlined words can be found in the Glossary on page 542.

1 ABOUT CRÉDIT AGRICOLE S.A.

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

Stock market and shareholding

Net dividend per share in 2016

€0.60

Payout ratio in 2016

55%

Stock market capitalisation at end-2016

€33.5bn

Net tangible asset value per share at end-2016(1)

€12.0

Breakdown of revenues by business line in 2016(2)

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

(2) Excluding Corporate Centre.

Key figures

Business at 31 December 2016

(in billions of euros)	31/12/2016
Total assets	1,524.2
Gross customer loans	456.0
Customer deposits[1]	681.1

(1) *Including debt instruments.*

Trends in earnings

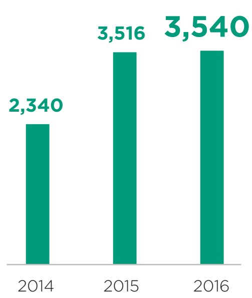
Condensed income statement

(in millions of euros)	2014 stated	2015 restated[1]	2016
Revenues	15,853	17,194	16,853
Gross operating income	4,756	5,611	5,159
Net income	2,756	3,971	3,955
Net income Group share	2,340	3,516	3,540

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

Net income Group share

(in millions of euros)

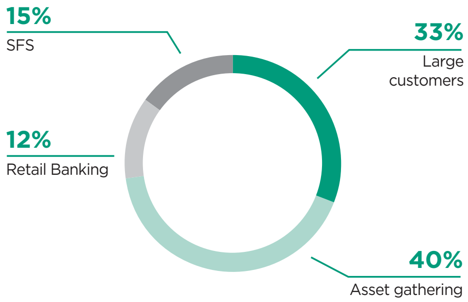


Return on tangible equity (ROTE)

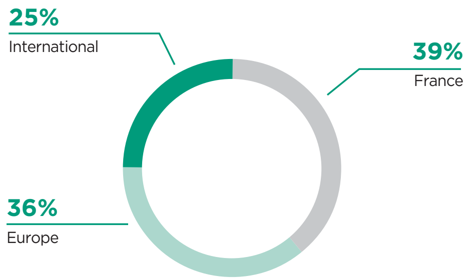
8.6%

excluding effects of the Eureka transaction and other specific items

Business line contribution to net income Group share[1]



Business line contribution to net income Group share by geographic region

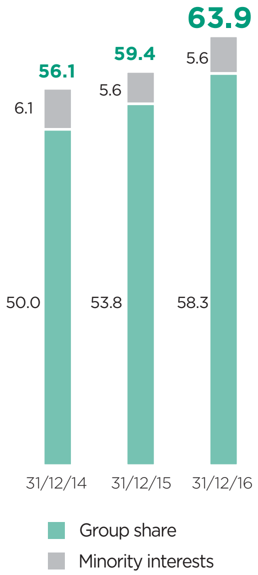


(1) *Excluding Corporate Centre and the impact of accounting items (CVA/DVA/FVA, loan hedges, own debt and provision for disputes).*

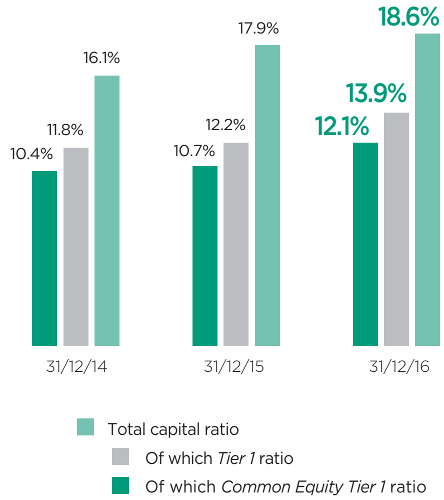
The definitions of the underlined words can be found in the Glossary on page 542.

Financial structure

Total equity
(in millions of euros)



Solvency ratios[(1)]
(as a percentage)



Agency credit ratings at 15 March 2017

Ratings	Standard & Poor's	Moody's	FitchRatings	DBRS
Counterparty long-term/ short-term	N/A	Aa3(cr)/P-1(cr)	N/A	N/A
Long-term senior debt	A	A1	A	A (high)
Outlook/Watch list	Stable outlook	Stable outlook	Positive outlook	Positive outlook
Short-term debt	A-1	Prime-1	F1	R-1 (middle)
Date of latest rating	02/12/2015	19/07/2016	07/06/2016	30/09/2016
Rating granted	Affirmation of LT/ST notes; outlook changed to stable	Improvement in LT ratings; outlook changed from positive to stable; short-term ratings affirmed	Affirmation of LT/ST ratings; positive outlook unchanged	Affirmation of LT/ST ratings; outlook changed from stable to positive

Presence in the CSR indexes

FTSE4Good

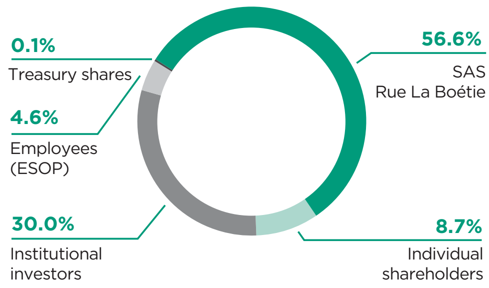
Member 2013/2014 STOXX ESG LEADERS INDICES

EURONEXT vigeo

(1) *2014 and 2015 data not proforma for the effects of the Eureka transaction.*

INFORMATION ON THE SHARE CAPITAL AND SHAREHOLDERS

OWNERSHIP STRUCTURE AT 31 DECEMBER 2016[1]



CHANGE IN SHARE OWNERSHIP OVER THE PAST THREE YEARS

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

	Position at 31/12/2016			Position at 31/12/2015	Position at 31/12/2014
Shareholders	Number of shares	% of voting rights	% of share capital	% of share capital	% of share capital
SAS Rue La Boétie[(1)]	1,611,969,963	56.69	56.64	56.70	56.46
Treasury shares[(2)]	2,765,736	-	0.10	0.15	0.19
Employee share ownership plans (ESOP)	130,088,666	4.58	4.57	3.66	4.04
Institutional investors	854,483,818	30.05	30.02	29.96	29.55
Individual shareholders	246,796,343	8.68	8.67	9.53	9.76
TOTAL	**2,846,104,526**	**100**	**100**	**100**	**100**

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

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

The ownership structure changed slightly in 2016

The Regional Banks consolidate their investment in Crédit Agricole S.A. through SAS Rue La Boétie. Jointly and in the long term, they own the majority of the share capital: 56.46% at end-2014, 56.70% at end-2015 and 56.64% at end-2016.

The share of institutional investors remained stable year on year, with 30.02% at end-2016 *versus* 29.96% a year earlier. The share of individual shareholders has fallen slightly; it represents 8.67% of the share capital, compared with 9.53% at end-2015. Overall, the free float was down slightly over the period, at 38.69% *versus* 39.49% at end-2015.

Employee ownership through employee share ownership plans (ESOP) increased in 2016 from 3.66% of the share capital at end-2015 to 4.57% at end-2016, thanks namely to the rights issue reserved for employees completed at the end of the year.

(1) Bearer shares identifiable upwards of one share.

The definitions of the underlined words can be found in the Glossary on page 542.

RECENT CHANGES IN SHARE CAPITAL

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

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

Since 16 December 2016, the share capital of Crédit Agricole S.A. has amounted to €8,538,313,578, divided into 2,846,104,526 shares with a par value of €3 each.

INFORMATION CONCERNING MAJOR SHAREHOLDERS

There are currently no shareholders' agreements.

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

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

Control over the issuer

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

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

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

Under the terms of the agreement entered into by the Regional Banks and Crédit Agricole S.A. at the time of the initial public offering, the Regional Banks, through SAS Rue La Boétie, own the majority of the share capital (56.64% at the end of 2016) and voting rights (56.69% at the same date) in Crédit Agricole S.A., making it immune to takeover bids. The composition of the Board of Directors also ensures a majority representation of the Regional Banks.

In addition to the Director appointed by joint decree by the Minister of Finance and the Minister of Agriculture, six seats are allocated to outside Directors. These six outside Directors are considered to be independent Directors in accordance with corporate governance guidelines (AFEP/MEDEF Code of Corporate Governance for Listed Companies). The outside Directors play an extremely important role on the Board. Three of them chair the Board's Special Committees (Audit, Risks, Risks in the United States, Remuneration, Appointments and Governance).

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

The definitions of the underlined words can be found in the Glossary on page 542.

DIVIDEND POLICY

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

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

In respect of 2016, the Crédit Agricole S.A. Board of Directors, at its meeting on 14 February 2017, decided to recommend to the General Meeting of Shareholders of 24 May 2017 the payment of a cash dividend of €0.60, corresponding to a payout ratio of 55% (excluding treasury shares) of net income attributable to shareholders, with a 10% loyalty bonus for the shares eligible for a loyalty dividend at the date the dividend is paid.

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

	In respect of 2016	In respect of 2015	In respect of 2014	In respect of 2013	In respect of 2012
Net dividend per share *(in euros)*	0.60	0.60	0.35	0.35	N/A
Payout ratio[(1)] *(%)*	55%	50%	43%	35%	N/A

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

TABLE SUMMARISING AUTHORISATIONS IN FORCE AND THE USE MADE THEREOF DURING 2016

Table summarising authorisations in force granted by the General Meeting of Shareholders to the Board of Directors 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):

Type of authorisation	Purpose of authorisation	Validity of authorisation	Ceiling	Use during 2016
Share buyback	Buying Crédit Agricole S.A. ordinary shares.	General Meeting of Shareholders of 19/05/2016 32nd resolution Valid for a term of 18 months Comes into force on 19/05/2016 Expires on 19/11/2017	10% of the ordinary shares in the share capital	See detailed information
Capital increase by means of the issue of ordinary shares	**Share** capital increase by issuance of ordinary shares and/or any other negotiable securities giving access to the ordinary shares, with pre-emptive subscription rights.	General Meeting of Shareholders of 19/05/2016 33rd resolution Valid for a term of 26 months Expires on 19/07/2018	€3.95 billion €7.9 billion in respect of debt securities These ceilings are subject to those in the 34th, 35th and 37th resolutions	None
	Share capital increase by issuing ordinary shares and/or securities granting rights to ordinary shares, without pre-emptive subscription rights, in situations other than public offerings.	General Meeting of Shareholders of 19/05/2016 34th resolution Valid for a term of 26 months Expires on 19/07/2018	€792 million €5 billion in respect of debt securities These ceilings are subject to the one in the 33rd resolution	None

The definitions of the underlined words can be found in the Glossary on page 542.

Type of authorisation	Purpose of authorisation	Validity of authorisation	Ceiling	Use during 2016
	Share capital increase by issuing ordinary shares and/or securities granting rights to ordinary shares, without pre-emptive subscription rights, in the case of a public offering.	General Meeting of Shareholders of 19/05/2016 35th resolution Valid for a term of 26 months Expires on 19/07/2018	€792 million €5 billion in respect of debt securities These ceilings are subject to the one in the 33rd resolution	None
	Increase the amount of the initial issue, in the event of an issue of ordinary shares and/or securities granting rights to ordinary shares, with or without pre-emptive subscription rights, approved pursuant to the 33rd, 34th, 35th, 37th, 38th, 41st and 42nd resolutions.	General Meeting of Shareholders of 19/05/2016 36th resolution Valid for a term of 26 months Expires on 19/07/2018	Subject to the ceilings set by the 33rd, 34th, 35th, 37th, 38th, 41st and 42nd resolutions.	None
	Issue ordinary shares and/or other securities granting rights to ordinary shares, without pre-emptive subscription rights, in consideration for asset transfers to the Company, consisting of equity securities or other securities granting rights to the share capital, other than through a public exchange offer.	General Meeting of Shareholders of 19/05/2016 37th resolution Valid for a term of 26 months Expires on 19/07/2018	Up to 10% of the share capital, this ceiling being subject to the one set in the 35th resolution	None
	Determine the issue price of the ordinary shares as part of the redemption of "coco" contingent capital instruments (at a level at least equal to the weighted average price of the last three stock market trading days prior to the issue of the contingent capital instruments, less a discount of up to 50% where applicable) up to an annual maximum of 10% of the share capital.	General Meeting of Shareholders of 19/05/2016 38th resolution Valid for a term of 26 months Expires on 19/07/2018	€3 billion The total nominal amount cannot exceed 10% of the share capital in any 12 month period. This ceiling is subject to the one in the 34th or 35th resolution	None
	Limit authorisations to issue securities with or without pre-emptive subscription rights as a result of the adoption of the 24th to 28th resolutions.	General Meeting of Shareholders of 19/05/2016 39th resolution	Nominal amount of the capital increase approved pursuant to the 33rd to 37th resolutions	None
	Increase the share capital by capitalisation of reserves, earnings, share premiums or other items.	General Meeting of Shareholders of 19/05/2016 40th resolution Valid for a term of 26 months Expires on 19/07/2018	€1 billion, independent and separate ceiling	None
Transaction reserved for employees	**Increase** the share capital by issuing ordinary shares, without pre-emptive subscription rights, reserved for Crédit Agricole Group employees who subscribe to a Company savings scheme.	General Meeting of Shareholders of 19/05/2016 41st resolution Valid for a term of 26 months Expires on 19/07/2018	€200 million Autonomous and distinct from other ceilings on capital increases	Issuance of 34,204,962 new shares with a par value of €3 – Completed on 16/12/2016
	Increase the share capital by issuing ordinary shares, without pre-emptive subscription rights, reserved for Crédit Agricole International Employees.	General Meeting of Shareholders of 19/05/2016 42nd resolution Valid for a term of 18 months Expires on 19/11/2017	€50 million Autonomous and distinct from other ceilings on capital increases	Issuance of 2,608,749 new shares with a par value of €3 – Completed on 16/12/2016
	Award performance shares, whether already issued or to be issued, to eligible employees or Corporate Officers.	General Meeting of Shareholders of 19/05/2016 43rd resolution Valid for a term of 24 months Expires on 19/05/2018	0.20% of the share capital at the date of the Board's decision to award the shares	None
Cancellation of shares	**Cancel** shares acquired under the share buyback programme.	General Meeting of Shareholders of 20/05/2015 25th resolution Valid for a term of 24 months Expires on 20/05/2017	10% of the total number of shares in each 24-month period	None

PURCHASE BY THE COMPANY OF ITS OWN SHARES IN 2016

The thirty-second resolution of the Ordinary General Meeting of Crédit Agricole S.A. of 19 May 2016 authorised the Board of Directors to trade in Crédit Agricole S.A. ordinary shares, in accordance with the General Regulations of the *Autorité des marchés financiers* (the French Financial Markets Authority, AMF) and with Articles L. 225-209 *et seq.* of the French Commercial Code.

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

- the authorisation was granted for a period of 18 months;
- the Company may not, under any circumstances, hold more than 10% of the share capital;
- the number of shares purchased may not exceed 10% of the total number of ordinary shares at the date on which the said purchases are carried out;
- the maximum purchase price is €20;
- in any event, the Company is only authorised to use a maximum of €3.69 billion to buy back its ordinary shares.

Information on the use of the share buyback programme given to the General Meeting of Shareholders according to Article L. 225-211 of the French Commercial Code

The Board of Directors informs the General Meeting of Shareholders of the following activities undertaken in accordance with the share buyback programme for the period from 1 January to 31 December 2016.

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

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

Number of shares registered in the Company's name at 31/12/2015	4,027,798
To cover commitments to employees and Corporate Officers	*1,672,798*
To provide volume to the market in the context of the market-making agreement	*2,355,000*
Number of shares bought in 2016	**17,100,905**
To cover commitments to employees and Corporate Officers	*909,917*
To provide volume to the market in the context of the market-making agreement	*16,190,988*
Volume of shares used to achieve the purpose set(1)	
Coverage of commitments to employees and Corporate Officers	*1,721,896*
Market-making agreement (purchases + sales)	*34,741,976*
Number of shares reallocated for other purposes	0
Average purchase price of shares bought in 2016	€9.01
Value of shares bought in 2016 at purchase price	€154,075,238
Trading costs	€296,445
Number of shares sold in 2016	**18,362,967**
To cover commitments to employees and Corporate Officers	*811,979*
To provide volume to the market in the context of the market-making agreement	*17,550,988*
Average price of shares sold in 2016	€9.22
Number of shares registered in the Company's name at 31/12/2016	**2,765,736**
To cover commitments to employees and Corporate Officers	*1,770,736*
To provide volume to the market in the context of the market-making agreement	*995,000*
Gross carrying amount per share(2)	
Shares bought to cover commitments to employees and Corporate Officers (historical cost)	*€11.12*
Shares bought as part of the market-making agreement (traded price at 31/12/2016)	*€11.78*
Total gross carrying amount of shares	€31,419,420.19
Par value	€3
Percentage of the share capital held by the Company at 31/12/2016	0.10%

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

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

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

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

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

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

At 24 February 2017, Crédit Agricole S.A. directly owned 4,280,736 shares, representing 0.15% of the share capital.

The definitions of the underlined words can be found in the Glossary on page 542.

II. Breakdown of targets by equity securities held

At 24 February 2017, the shares held by Crédit Agricole S.A. were as follows:

- 1,770,736 shares to cover commitments to employees and Corporate Officers;
- 2,510,000 shares held under a market-making agreement to create an active market for the shares.

III. Purpose of share buyback programme

The authority to be granted by the shareholders at the Combined General Meeting of 24 May 2017 is designed to allow Crédit Agricole S.A. to trade in its own shares either on the market or over the counter for any purpose permitted or to be permitted by applicable laws or regulations.

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

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

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

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

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

In addition, the maximum total cost of all such share purchases made during the term of the share buyback programme is €4.83 billion.

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

2. Characteristics of the shares covered

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

Name: Crédit Agricole S.A.

ISIN Code: FR0000045072

3. Maximum purchase price

The purchase price for Crédit Agricole S.A. shares under the buyback programme may not exceed €24 per share.

V. Duration of programme

In accordance with Article L. 225-209 of the French Commercial Code and with the 31st resolution to be adopted by the Combined General Meeting of 24 May 2017, this share buyback programme replaces the unused portion of the programme approved at the Ordinary General Meeting of 19 May 2016, and may be implemented until it is renewed by a future General Meeting of Shareholders, and in any event, for a maximum term of 18 months as from the date of the Combined General Meeting, that is, until 24 November 2018 at the latest.

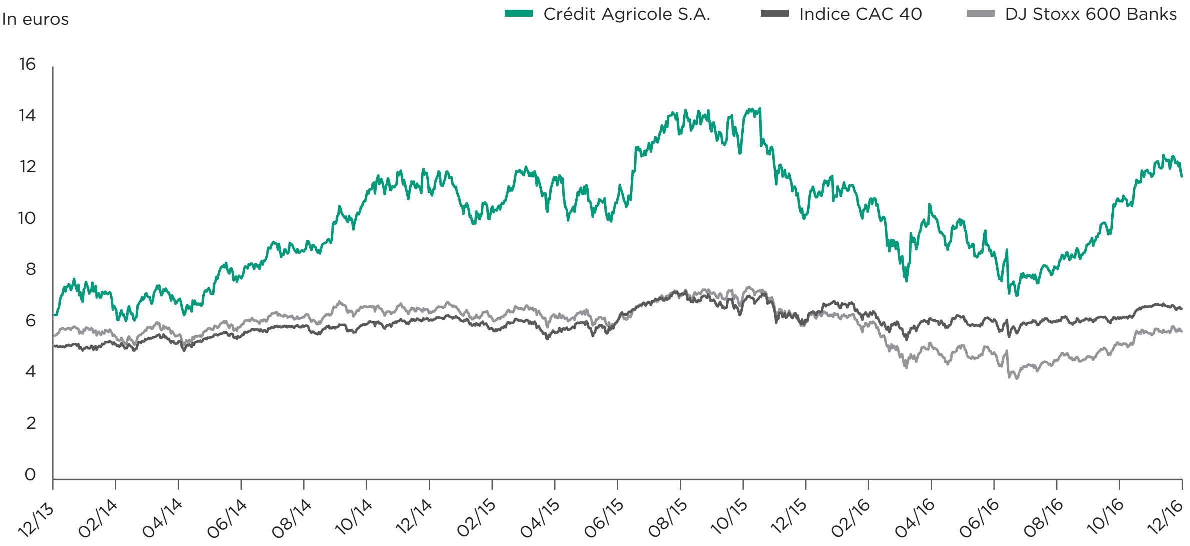
The definitions of the underlined words can be found in the Glossary on page 542.

STOCK MARKET DATA

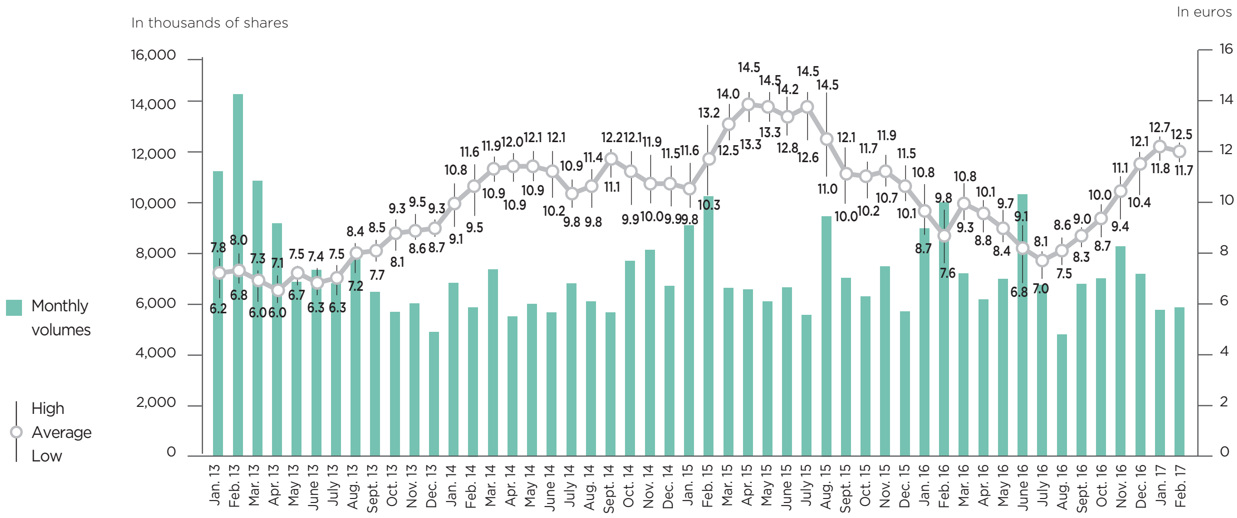
CRÉDIT AGRICOLE S.A. SHARE

Stock market performance

THREE-YEAR PERFORMANCE



MONTHLY CHANGE IN SHARE PRICE AND VOLUME OF SHARES TRADED



Between 31 December 2013, the last trading day of the year, and 30 December 2016, the Crédit Agricole S.A. share price went from €9.31 to €11.78, a three-year gain of 26.6%, outperforming both the CAC 40 index (+13.2%) and the DJ Stoxx 600 Banks index (down 12.3% over the period).

In 2016 alone (between 4 January and 30 December), the share price rose by 10.9%, compared with a 7.5% increase for the CAC 40 and a 4.3% fall for the DJ Stoxx 600 Banks.

The total number of Crédit Agricole S.A. shares traded between 4 January and 30 December 2016 on Euronext Paris was 1,950 billion (1,860 billion in 2015), with a daily average of 7.6 million (7.2 million in 2015). The highest share price achieved over this period was €12.07 and the lowest €6.79.

Stock market indexes

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

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

Crédit Agricole S.A. continues to feature in the main international socially responsible indexes. Since 2004, it has also been in the FTSE4Good Global 100 and Europe 50 sustainability indexes (respectively covering 100 global listed companies and 50 European listed companies that meet strict social and environmental responsibility criteria), and in the NYSE Euronext Vigeo Eiris Eurozone 120 and Vigeo Eiris Europe 120 indexes since 2013. Since 2014, it has been included in the Stoxx Global ESG Leaders index, made up of a selection of the world's top-performing companies by environmental, social and governance criteria and in the Oekom Prime since 2015. The Group is one of the top-rated 5% of companies in this field. Crédit Agricole S.A. was also one of the highest rated French banks by the CDP (Carbon Disclosure Project) for its climate policy in 2016.

Stock market data

	31/12/2016	31/12/2015	31/12/2014	31/12/2013	31/12/2012 Restated(2)
Number of shares in issue *(in units, period end)*	2,846,104,526	2,639,326,957	2,576,365,774	2,501,589,997	2,498,020,537
Stock market capitalisation *(in billions of euros)*	33.5	28.7	27.7	23.3	15.20
Earnings Per Share (EPS) *(in euros)*	1.12	1.21	0.83	1.01	(2.58)
Net Asset Value Per Share (NAVPS)(1) *(in euros)*	16.8(3)	18.7	18.0	16.91	16.08
Price/NAVPS	0.70	0.58	0.60	0.55	0.38
P/E (price/EPS)	10.51	8.99	12.90	9.23	-
Highest and lowest share prices during the year *(in euros)*					
High (during trading day)	12.07	14.49	12.22	9.50	6.56
Low (during trading day)	6.79	9.82	9.14	5.95	2.84
Final (closing price at 31 December)	11.78	10.88	10.76	9.31	6.08

(1) Net assets after deduction of deeply subordinated Additional Tier 1 bond issues, issue expenses net of tax and gross interest paid on these bonds and recognised in equity after dividend to be paid for the year ended.

(2) 2012 incorporating a change in the valuation of a limited numbers of complex derivatives and fair value adjustment of securities classified as available-for-sale financial assets.

(3) Change in calculation method in 2016: restatement of available-for-sale reserves Group share and goodwill solely attributable to the Group.

Shareholder return

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

The calculation, which is based on the share price at the time of the investment (initial public offering on 14 December 2001, or the beginning of the year in other cases), takes into account the reinvestment of dividends received (until 2005, this included a tax credit in respect of the year before, which accounted for 50% of the amount distributed), but does not include the loyalty dividend of €0.035 per share paid with respect to 2014 and 2015 and of €0.06 per share with respect to 2016. The valuations are based on the closing share price on the day of the investment.

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

Holding period	Cumulative gross return	Average annualised return
1 year (2016)	10.9%	10.9%
2 years (2015 and 2016)	6.9%	3.4%
3 years (2014 to 2016)	29.2%	8.9%
4 years (2013 to 2016)	94.2%	18.0%
5 years (2012 to 2016)	178.3%	22.7%
10 years (2007 to 2016)	(43.4%)	(5.5%)
Since IPO (14/12/2001)	36.1%	2.2%

The definitions of the underlined words can be found in the Glossary on page 542.

DIVIDEND CALENDAR

26 May 2017	Record date, shares must be in bearer's account on this date to receive the dividend
29 May 2017	Ex-dividend date, the amount of the dividend is deducted from the opening share price on this date
31 June 2017	Dividend paid

ISIN CODES FOR THE LOYALTY DIVIDEND

Date shares registered in bearer's name	ISIN	First year entitled to loyalty dividend
Prior to 31/12/2014	FR0011636075	2017
Between 01/01/2015 and 31/12/2015	FR0013053121	2018
Between 01/01/2016 and 31/12/2016	FR0013217072	2019

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

Holders of **managed registered** shares held in a securities trading account or equity savings plan, when they opt for dividend payments in shares, will receive their new shares in bearer form. Some financial institutions will convert the shares automatically. Please enquire for more information.

2017 FINANCIAL COMMUNICATIONS CALENDAR

15 February	Publication of 2016 full-year results
11 May	Publication of 2017 first-quarter results
24 May	General Meeting of Shareholders in Tours
3 August	Publication of 2017 first-half results
8 November	Publication of 2017 nine-month results

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The definitions of the underlined words can be found in the Glossary on page 542.

SIGNIFICANT EVENTS IN 2016

January

Crédit Agricole Group announces a transaction to simplify its ownership structure through the intra-group reclassification of the stake held by Crédit Agricole S.A. in the Regional Banks and the unwinding of the Switch 1 guarantee mechanism.

Indosuez Wealth Management unveils its new global organisation and announces the launch of a single brand.

CA Consumer Finance and Banco Popolare sign a refinancing and distribution agreement for their joint venture Agos.

March

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

Cash redemption of subordinated and home loans bonds outstanding by Crédit Agricole S.A.

CA Consumer Finance, ranked first and second respectively for the number and volume of consumer finance securitisation deals in Europe.

April

Crédit Agricole launches a new brand signature reflecting its ambitions in customer relations, "A whole bank just for you".

May

The General Meeting of Shareholders of Crédit Agricole S.A. approves a cash or scrip dividend of €0.60 per share.

First French bank and one of the first three banks in the world to be accredited by the "Green Climate Fund", with Crédit Agricole CIB entering into a partnership with the fund.

June

CA Assurances and Amundi join forces to reinforce their presence in the areas of welfare and pensions.

July

Strengthening of the Group's payments business with the creation of Crédit Agricole Payment Services.

August

Finalisation of the transaction to simplify the ownership structure of the Group.

September

Crédit Agricole S.A. issues a zero-coupon bond maturing in 2019, exchangeable for Eurazeo shares, followed by the redemption of zero-coupon bonds issued in 2013 and maturing in 2016.

CA Assurances issues subordinated revisable fixed rate bonds.

LCL launches a new remote signature app for professionals and businesses, while Sofinco launches its mobile app.

October

Crédit Agricole Group announces that it will stop funding new coal-fired plant projects.

Amundi and Forest Finance France join forces to promote the development of sustainable forestry programmes with a major social impact.

Crédit Agricole Group takes a strong position on data protection by launching a new charter.

December

Amundi announces the acquisition of asset management company Pioneer Investments from UniCredit.

Crédit Agricole S.A. successfully completes its inaugural senior non-preferred bond offering.

The definitions of the underlined words can be found in the Glossary on page 542.

HISTORY

▶ 1885

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

▶ 1894

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

▶ 1899

Law grouping the Local Banks into Crédit Agricole Regional Banks.

▶ 1920

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

▶ 1945

Creation of Fédération Nationale du Crédit Agricole (FNCA).

▶ 1986

Creation of Predica, life insurance company of the Group.

▶ 1988

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

▶ 1990

Creation of Pacifica, property & casualty insurance subsidiary.

▶ 1996

Acquisition of Banque Indosuez.

▶ 1999

Acquisition of Sofinco and an initial stake in Crédit Lyonnais.

▶ 2001

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

▶ 2003

Acquisition of Finaref and Crédit Lyonnais (now LCL).

▶ 2006

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

▶ 2007

Acquisition of stake in Bankinter.

▶ 2008

Strategic refocusing of Corporate and Investment Banking activities.

▶ 2009

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

▶ 2010

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

▶ 2011

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

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

▶ 2013

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

Disposal of Bankinter equity investments.

▶ 2014

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

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

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

▶ 2015

Amundi IPO.

Disposal of Crédit Agricole Albania.

▶ 2016

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

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

Announcement of the acquisition of Pioneer Investments by Amundi.

OUR UNIQUE MODEL AS A UNIVERSAL CUSTOMER-FOCUSED BANK

SIMPLIFICATION OF THE GROUP'S CAPITAL STRUCTURE

In 2016, the Crédit Agricole Group simplified its capital structure.

At the time of its IPO, in 2001, in order to list on the market an entity that could reflect the French retail banking activity exercised by the Regional Banks, Crédit Agricole S.A. had acquired cooperative investment certificates (*certificats coopératifs d'investissement* – CCI) and cooperative associate certificates (*certificats coopératifs d'associé* – CCA), representing 25% of the capital of each Regional Bank, at a time when the Regional Banks were the majority shareholder of Crédit Agricole S.A. The transaction announced at the beginning of 2016 put an end to Crédit Agricole S.A.'s ownership of 25% of the capital of each Regional Bank by transferring the CCIs and CCAs held by Crédit Agricole S.A. to a new company, Sacam Mutualisation, owned by the Regional Banks. Validated by the Boards of Directors of the Regional Banks and of Crédit Agricole S.A., this €18.5 billion intragroup reclassification was carried out in the summer of 2016.

The transaction clarifies the ties between Crédit Agricole S.A. and the Regional Banks. It improves the quantity and quality of the capital of Crédit Agricole S.A. (immediate achievement of the 2016 Medium-term Plan target CET1 ratio of 11%), and allows it to offer shareholders a full cash dividend as of the end of 2016. This transaction allows the Regional Banks to pool their results to a greater extent, and to take advantage of the value they create. Members and holders of CCIs/CCAs will see the cooperative model, from which they benefit, reinforced. The transaction is also consistent with the expectations of the banking supervisor.

A UNIQUE UNIVERSAL CUSTOMER-FOCUSED BANKING MODEL

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

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

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

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

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

ACTIVITIES AND ORGANISATION OF THE REGIONAL BANKS

The Crédit Agricole Regional Banks are co-operative entities and fully fledged banks that have a leading position in all their retail banking markets in France. With 21 million individual customers, the Regional Banks account for 23.3% of the household bank deposit market (source: Banque de France, September 2016). They are leaders in the agricultural (83% share; source: Adéquation 2016), professional (34%; source: Pépites CSA 2015-2016) and business (36%; source: TNS-Sofres 2015) markets.

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

The definitions of the underlined words can be found in the Glossary on page 542.

THE BUSINESS LINES OF CRÉDIT AGRICOLE S.A. AT 1 JANUARY 2017

Asset gathering

Insurance

MISSION: as the largest insurer in France[1], Crédit Agricole Assurances builds on its pioneer spirit and expertise to provide its customers with tailored solutions that adapt to their current and future needs in terms of health, retirement, death & disability and long-term care risks.

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

KEY FIGURES:

Gross revenues €30.8 billion

Assets under management Savings/retirement: €268.8 billion

No. 1 insurance group in France[1]

Asset management

MISSION: Amundi is its customers' trusted partner, developing tailor-made investment solutions for its 100 million individual customers and designing made-to-measure, innovative, high performance products for its 1,000 institutional customers.

OUR OFFERING: with operations in more than 30 countries, Amundi offers a full range of products covering all asset classes: active management (equities, bonds and diversified portfolios), passive management (ETFs, index-linked and Smart Beta), real and alternative asset management (property, private debt, infrastructures and private equity) and also cash and structured products.

KEY FIGURES:

Assets under management: €1,083 billion

N°. 1 European asset management company[2]

Presence in more than 30 countries

Wealth management

MISSION: Indosuez Wealth Management comprises Crédit Agricole Group's wealth management activities in Europe (without LCL), the Middle East, Asia-Pacific and the Americas. Renowned for both its human and resolutely international dimension, it has a presence in 14 countries worldwide.

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

KEY FIGURES:

Assets under management[3] €110 billion

2,800 employees

Presence in 14 countries

Retail banking

LCL

MISSION: a French retail banking network with a strong presence in urban areas, LCL provides banking and insurance solutions tailored to the needs of its customers: individual customers, small businesses, SMEs, high net worth customers and private banking.

OUR OFFERING: a full range of banking, insurance, asset and wealth management and payment management products and services. A truly Local Bank thanks to its presence throughout France. Reinforced access its services: customer relationship centres, Internet, tablet and mobile apps.

KEY FIGURES:

Loans outstanding €103 billion (*including* €**65.9** *billion in home loans*)

Total deposits €179 billion

6 million individual customers

International retail banking

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

OUR OFFERING: Crédit Agricole's International retail banks provide through their branches and online, a tailored range of banking products (payment instruments, loans, saving products) and insurance, particularly jointly with the Group's other business lines (CAA, Amundi, CAL&F, CACIB etc.).

KEY FIGURES:

Loans outstanding €44.6 billion

On-balance sheet deposits €45.3 billion

70,000 agricultural and food processing customers

(1) *Source: L'Argus de l'assurance (16 December 2016) and La Tribune de l'assurance (16 November 2016).*
(2) *Source: No. 1 in terms of assets under management of all management companies who have their main registered office in mainland Europe Source IPE "Top 400 asset managers" published in June 2016 based on assets under management as at December 2015.*
(3) *Without LCL Private Banking and without Regional Banks and private banking activities within international retail banking.*

The definitions of the underlined words can be found in the Glossary on page 542.

Specialised financial services

Consumer finance

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

OUR OFFERING: a full and multi-channel range of financing and insurance solutions and services available online, in CACF branches, in the banks with which it works and at its distribution and automotive partners.

KEY FIGURES:

Outstandings managed €77.2 billion

including €15.7 billion for the Group's retail banks

Presence in 21 countries

Leasing and factoring

MISSION: CAL&F provides solutions for businesses of all sizes for their investment plans and the management of their trade receivables, through its offering of lease financing and factoring services in France and Europe.

OUR OFFERING: in lease financing, CAL&F offers financing solutions to meet property and equipment investment and renewal requirements. In factoring, CAL&F provides trade receivable financing and management solutions for corporates, both for their day-to-day operations and for their expansion plans.

KEY FIGURES:

Outstandings under management €20.1 billion *(of which* 22% *abroad)*

16.9%(1) Factoring market share

11.8%(1) Property lease financing market share

(1) *End of September 2016.*

Large customers

Corporate and investment banking

MISSION: Crédit Agricole CIB is Crédit Agricole Group's corporate and investment bank, serving corporates and financial institutions, in France and internationally, thanks to its network in the main countries of Europe, the Americas, Asia-Pacific and the Middle East.

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

KEY FIGURES:

N°. 1 bookrunner - aircraft financing worldwide (Air Finance)

1/3 of all issues of Green, Social and Sustainability Bonds worldwide are structured by CACIB (Company source)

Presence in 32 countries

Asset servicing

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

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

KEY FIGURES:

Assets under administration €1,568 billion

Assets under custody €2,522 billion

Assets deposited €964 billion

Specialised businesses and subsidiaries

Crédit Agricole Immobilier
€833 million annual fees
1,832 homes sold
3.2 million sq. m. under management at end-2016

Crédit Agricole Capital Investissement & Finance (Idia CI, Sodica CF)
€1.3 billion assets under management
16 transactions completed

Payment Systems & Services
Leader in France with 30% of the payments market
9.9 billion transactions processed in 2016

Uni-Éditions
11 magazines, 10 million readers(1)
Number 1 family, healthcare and art of living magazine publisher(1)

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

ASSET GATHERING

Insurance

Business and organisation

Crédit Agricole Assurances is the largest bancassurer in Europe[1] and the largest insurer in France[2] by premium income.

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

Savings and retirement

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

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

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

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

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

Death & disability/creditor/group insurance

Crédit Agricole Assurances is the second largest French provider of long-term care risks insurance and the fourth largest provider of death & disability insurance[3]. It is the second largest bancassurer providing creditor insurance in France[4].

Crédit Agricole Assurances individual or group insurance solutions cater for customers wishing to:

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

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

Crédit Agricole Assurances offers its creditor insurance services through nearly 40 partners, consumer finance institutions and retail banks, in six countries.

Property & casualty insurance

Crédit Agricole Assurances is the largest car and home bancassurer[4], the second largest health bancassurer[4] and the sixth largest property and liability bancassurer in France[1].

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

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

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

2016

Significant events

- Partnership between Crédit Agricole Assurances and Amundi for the provision of social protection and group pension plans.
- Successful one billion euro subordinated bond issue.
- Decision to internalise creditor insurance contracts distributed by the Regional Banks.
- Crédit Agricole Assurances awarded for its caregiver employee agreements.

2016 was marked by a changing environment in which Crédit Agricole Assurances proved its great capacity to adapt:

- interest rates dropped to record lows, affecting insurance companies' profitability and solvency. Against this backdrop, the Group reoriented its business towards protection, property & casualty and unit-linked savings/retirement contracts. In addition, Crédit Agricole Assurances continued to develop synergies with the Crédit Agricole Group: decision to internalise creditor insurance contracts distributed by the Regional Banks, expansion of sales structure/integrated consulting between Amundi and Crédit Agricole Assurances to cover all health, death & disability and group pension requirements;
- the Group prepared well in advance for new regulatory and legislative requirements and these are fully integrated into its expansion plans. Crédit Agricole Assurances is, therefore, fully compliant with the quantitative and qualitative requirements of Solvency 2 which came into force on 1 January 2016, having adapted its sales policy, asset management, financial

(1) *source: L'Argus de l'assurance, 16 December 2016 (end-2015 data).*
(2) *source: La Tribune de l'assurance, 16 November 2016,(end-2015 data).*
(3) *source: L'Argus de l'assurance, 3 June 2016.*
(4) *source: L'Argus de l'assurance, 8 April 2016.*

The definitions of the underlined words can be found in the Glossary on page 542.

resources, governance and risk management. Moreover, Crédit Agricole Assurances's responsiveness to the Hamon Law, which came into force in 2015, enabled it to take full advantage of the legislation, on the basis of its status as a bancassurer (*les Echos*, 18 February 2016);

- the Company experienced many changes relating, in particular, to increased life expectancy, pension and healthcare funding methods and environmental challenges. Crédit Agricole Assurances responded to these changes by offering its customers tailor-made products, signing PRI (Principles for Responsible Investment) in its capacity as an institutional investor, committing to employees/family caregivers (winning an award for best working arrangements in November 2016) and by offering car and home insurance solutions that encourage policyholders to limit their greenhouse gas emissions;
- customers' consumption habits are changing with, in particular, a high demand for remote sales and consultancy: to meet these expectations, Crédit Agricole Assurances is heavily committed to digitising its sales and management processes.

2016 revenues totalled €30.8 billion, up slightly on 2015.

In savings/retirement, the Group is adapting to the low rate environment with 2016 revenues totalling €24.0 billion, almost unchanged from 2015. Unit-linked funds accounted for 22.7% of gross inflows.

Net inflows totalled €5.8 billion for the financial year, €3.1 billion of which in France.

Property & casualty insurance premiums continued to enjoy strong growth. They totalled €3.6 billion, up approximately 5% on 2015.

The combined ratio in France, where the Group carries on the bulk of its business, was 95.9%, demonstrating sound management of expenses and claims.

In 2016, Death & disability/Creditor/Group insurance segments generated premium income of €3.2 billion, up approximately 9% on 2015, driven by all business segments.

Asset management

Business and organisation

With seven management platforms in the main international financial centres, Amundi offers its individual or institutional customers a full range of management products, covering all asset classes and major currencies.

2016

Significant events

- Announcement of project to acquire Pioneer Investments, thus bolstering Amundi's position as European market leader.
- Launch of a dedicated platform for real and alternative assets.
- Amundi shares listed on the SBF 120 and FTSE4Good (SRI index) indices.
- Fitch A+ rating maintained following the announcement of the acquisition of Pioneer Investments, thus confirming the validity of Amundi's business model as well as its financial soundness.

AMUNDI SHARE PRICE

Amundi's share performance was excellent in 2016: floated on the stock market on 11 November 2015 at €45, Amundi shares closed at €49.73 at end-2016, up 15.2% in 2016, and 10.5% since its initial listing; in addition, an ordinary dividend of €2.05 was paid in May 2016. Amundi outperformed the main Paris stock market indexes in 2016, not only the CAC 40 (+4.9%) and the SBF 120 (+4.7%), but also its industry benchmark indexes, the Stoxx 600 Financial Services, which was down 7.4%, as well as its main stock market peers (European asset managers).

Stock markets experienced a mixed year in 2016 and were marked, in particular in the first part of the year, by macroeconomic concerns and by high volatility in June (vote on Brexit). Against this backdrop, Amundi shares were boosted by the Group's sound operational performance as well as by the announcement, on 12 December, of plans to acquire Pioneer Investments, taking the Amundi share price to an all-time high of €51.8 at the end of December. This transaction, which was welcomed by the markets, illustrates Amundi's capacity to deploy its share capital to create value.

BUSINESS AND RESULTS

All the sales and profitability targets announced at the time of Amundi's listing in November 2015 were achieved in 2016.

Financial 2016 continued to show strong growth with net inflows of €62.2 billion. These inflows were, on the one hand, well balanced between the two customer segments (Retail and institutionals) and, on the other, were high quality (buoyed up by all asset classes, in particular €45.5 billion in inflows from medium to long-term assets). Lastly, 75% of net inflows were achieved abroad, particularly as a result of the Asian joint ventures (especially in China), as well as across European distribution channels. The French networks witnessed positive net inflows (+€2.0 billion) on medium to long-term assets. This was driven, in particular, by the success of real estate funds (OPCI, SCPI).

2016 was marked by renewed growth in net income, which stood at €558 million, up sharply (+7.5% on 2015[1]), demonstrating Amundi's capacity to deliver consistent results in mixed market environments. Net management revenue held up well, (+1.2%). Thanks to a result of tight control of overheads, the cost/income ratio was almost unchanged (53.3%). A dividend of €2.20 will be proposed to Amundi shareholders for 2016 (+7.3%).

(1) Not including IPO expenses: €15 million before tax, €9 million after tax, in 2015.

Wealth management

Business and organisation

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

Embracing a global vision, its 2,800 employees provide expert wealth management advice and first class wealth management services.

2016

Significant events

- Proactive refocusing.
- Signing of a referral agreement with HSBC in Monaco.
- Launch of the "Shaping Indosuez 2020" business plan.

2016 was marked by the continuation of Indosuez Wealth Management's policy of refocusing primarily on customers residing in countries that comply with rules on the automatic exchange of tax information. The effects of this refocusing initiative were offset by the robust performance of the financial markets in the last quarter of 2016. Assets under management were therefore stable at €110 billion.

Revenues were down 5% on 2015 at €729 million, hit by an ongoing low interest rate climate and challenging markets which caused customers to adopt a wait-and-see attitude until the last quarter of the year. Despite good cost-control, gross operating income was down 7% at €161 million.

The referral agreement signed in Monaco by CFM Indosuez and HSBC Private Bank is part of the Indosuez Wealth Management Group's strategy of strengthening its business with high net worth investors on priority markets. This also enables CFM Indosuez Wealth Management to consolidate its position as the largest bank in the Principality of Monaco.

Launched at the end of 2016, the "Shaping Indosuez 2020" business plan aimed to strengthen Indosuez Wealth Management's leadership in its target markets and its profitability across four key areas: acceleration of growth, digital transformation, simplified organisation and improved efficiency and lastly employee collaboration on a shared project.

RETAIL BANKING

LCL

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

Business and organisation

LCL's operations are organised around the following four markets in a manner that is consistent with its strategic objectives and, in particular, the priority given to customer service by mobilising the entire company: retail banking for individual customers, retail banking for small businesses, private banking and corporate banking. The back-office, electronic payments and flow management and support functions operate across all four markets.

LCL provides its six million individual customers with a broad range of innovative products and services. Its operations cover all activities relating to banking and insurance: savings, investment, lending, payment instruments as well as insurance and advisory. LCL introduced an innovative and highly distinctive pricing strategy that aimed to exempt customers who paid their wages into the bank on a regular basis from account charges. LCL operates throughout France with around 1,900 branches.

The 335,000 small business customers – tradespeople, small retailers, professionals and small businesses – also benefit from a national network of almost 1,300 specialist advisers working in the branches. These advisors serve as a single contact point to help their customers manage their daily affairs and achieve their business and personal projects. Through its Interfimo subsidiary, LCL is a major player in the financing of professionals, granting loans of €1.9 billion through its subsidiary Interfimo.

LCL Banque Privée serves its 164,000 customers by providing a global relationship (high net worth banking, day-to-day banking and finance and insurance) in dedicated areas. The Private Banking locations provide the ideal conditions in complete confidentiality for analysis, consultation and decision making in peace and comfort. A dedicated mobile app was also launched in 2016.

LCL Banque des Entreprises relies on its national network of 69 Business Centres and SME branches to provide its 29,000 customers with its full range of expertise in Paris and all over France: corporate finance for SME takeovers and acquisitions, market activities, international trade and payments, employee savings. As a player of choice in the Mid-Caps sector, LCL is today the bank to nearly half of all Mid-Caps. LCL Banque des Entreprises also reaffirms its comprehensive approach and its desire to assist executives with their wealth management plans by expanding its Wealth Management teams in Paris and across France.

To satisfy its customers' new needs, LCL supports its customers anytime, anywhere. In addition to its national branch network, LCL provides online, mobile and tablet access *via* dedicated applications. On the LCL.fr website, customers and prospects can access financial news, promotions on bank products, and a detailed overview of all available offerings. Customers can carry out a wide range of transactions and communicate securely with their adviser.

The definitions of the underlined words can be found in the Glossary on page 542.

2016

Significant events

- Launch of the Platinum+ card, a premium card aimed at high-maintenance customers who are keen to receive support on a day-to-day basis with high added-value services. This card won two awards in the "*Trophées des cartes innovantes 2016*", one in the "affinity cards" category and the second as "2016 card of the year", an award which highlights LCL's capacity for customer service innovation.
- Launch of mobile apps dedicated to private banking, small businesses and corporates.
- Launch of an extensive operation to win back non-core customers *via* a highly distinctive pricing strategy for account fees.

In 2016, LCL continued with its *"Centricité Clients"* business plan, looking ahead to 2020 in line with the Crédit Agricole Group's Strategic Ambition 2020 project.

With the aim of placing the customer at the centre of an interconnected, relationship-focused and digital bank, this project addresses the growing new expectations of customers to access LCL's services wherever they are, with continuity across space and time, more interaction with the bank and increased remote management.

To this end, several large projects are being put in place to modernise the distribution model and adapt commercial practices to customers' new expectations, in particular regarding digital consumer trends.

In 2016, at over 13% of eligible sales, the percentage of remote sales is continuing to grow at 20%, in particular as a result of the sharp increase in dematerialised remote sales by in-branch advisers to their customers, through online sales and sales at customer relations centres.

Business was buoyant in 2016. Customer deposits were up 2.3%, with strong growth in demand deposits and life insurance. Outstanding home loans were up 4.8% and outstanding corporate and small business loans were up 8.1%. Business in consumer finance and Insurance was also up sharply in 2016.

LCL continues to play an active role in providing finance to households, small businesses and corporates and supports its customers to grow their assets and protect their property and family.

International retail banking

Business and organisation

On behalf of Crédit Agricole S.A., the International retail banking department has operational responsibility for the smooth running and results of these banks as well as managing and supporting their development, in particular by encouraging the application of expertise and developing synergies with Group business lines.

In Italy, Crédit Agricole S.A. has a controlling 76.5% interest in CA Cariparma, alongside the Regional Banks (which own 10% through Sacam International) and the Cariparma Foundation (13.5%). FriulAdria is 80.33% owned by CA Cariparma and 19.67% held by retail investors. Carispezia is 80% owned by CA Cariparma and 20% held by the Carispezia Foundation.

At 31 December 2016, Crédit Agricole in Italy had 856 branches. It is the seventh-largest network in Italy by number of branches with over 1.7 million customers. Its Italian operations span ten regions and 58 provinces amongst the richest (North, Piedmont, Veneto, Tuscany).

In Eastern Europe, Crédit Agricole operates in Poland, Romania, Serbia and Ukraine and around the Mediterranean basin in Morocco (78.7% capital interest in Crédit du Maroc) and Egypt (60.5% capital interest in Crédit Agricole Egypt).

Crédit Agricole S.A. also has holdings in other European countries alongside the Regional Banks, 5% of Bankoa in the Spanish Basque region, and 9.3% of Crédit Agricole Financements in Switzerland.

2016

Significant events

- Rollout of the Group's "Strategic Ambition 2020" Medium-Term Plan in all banks and priority given to the "customer project".
- Implementation of "Cap Digital" digital transformation stepped up in every bank.
- Increased "operational synergies" with Group business lines in its approach to corporates and distribution of insurance (CAA) and savings (Amundi) products.

2016 was marked by fairly challenging regulatory and economic conditions in the main countries in which the Group operates:

- in Italy, there was a drop in interest rates, a rise in early loan repayments, accelerated restructuring of the banking system and banks were required to make a contribution;
- in Poland, the impact of the drop in interest rates in 2015 increased competition between banks for personal loans, regulatory pressure grew and the banking system continued to be restructured;
- in Egypt, a multilateral financial support plan (IMF, World Bank) was implemented, accompanied by strong devaluation and inflation.

However some countries experienced a more favourable economic climate:

- in Ukraine, there was a gradual return to growth, a drop in inflation and rates and the banking system began restructuring, driven by the Central bank;
- in Morocco, in spite of economic growth being impacted by drought, there was a steady drop in the level of banking risk;
- in Serbia, there was a return to economic growth and ongoing standardisation of the institutional environment with a view to membership of the EU;
- and in Romania, economic growth was strong with ongoing investment in industrial and agricultural sectors.

In this mixed climate, International retail banks results reflected fast-growing lending business with new lending up 10% and outstanding loans up by 1.5% (€44.6 billion or +4% before foreign exchange effect). On-balance sheet deposits outstanding (€45.3 billion) fell 3% due to increased appetite amongst customers in Italy for off-balance sheet products (+11%). Net DCC (on-balance sheet deposits – loans net of provisions) was largely positive.

Revenues stood at €2.5 billion (-4% and -1% excluding foreign currency impact) impacted by interest rates and regulations. Expenses were up 1.6% (+4% excluding foreign currency impact) at €1.5 billion, particularly as a result of investment in digital transformation and networks as well as extraordinary expenses in Italy.

The cost of risk fell significantly, down 22.9% at €454 million, notably in Italy, Morocco and Ukraine, with impaired loans down 0.5 points. The individual impaired loans coverage ratio was up 1.2 points overall at 53.5% (or 46.5% for Italy and over 80%, on average for other countries).

In total, net income Group share stood at €233 million, up 3.1% on 2015, but up 17.3% after restatement for exceptional items in Italy (€51 million in expenses – employment protection plan – or €25 million in net income Group share).

CUSTOMER PROJECT, DIGITAL INNOVATIONS AND GROUP SYNERGIES: COMMON GROUND FOR INTERNATIONAL RETAIL BANKS

All international retail banks rolled out the Group's "Strategic Ambition 2020" Medium-Term Plan, prioritising their "customer project" in concrete terms: in Italy, there was a new customer relations model, in Poland, the "New value proposition", in Morocco and Ukraine, improvements in customer recommendations were prioritised, in Egypt, digital was the priority, in Serbia and Romania, developments particularly targeted the agri-agro sector.

There was a firm commitment to digital transformation in all banks. Customer innovations rolled out in 2016 included: overhaul of mobile banking apps for individual customers and corporates (Italy, Poland, Egypt, Ukraine), on-line offerings (Egypt with I-deal, in Italy with Mutuo Adesso, in Serbia cash loans and Swiftnet services), simplification of processes (quick-sign for personal loans in Poland, 15-minute account opening in Italy), streamlining of back offices (Ukraine, Morocco, Egypt).

Operational synergies with other Group entities were stepped up in three areas: sale of insurance and savings products (Poland, Italy), joint corporate approaches with the Regional Banks, LCL and CACIB (Egypt, Ukraine, Morocco, Italy, Poland) and agricultural and food processing customers (Italy, Poland, Ukraine, Serbia) as a result of existing partnerships in France.

INTERNATIONAL RETAIL BANKS NET INCOME AND SPECIFICITIES

In Italy: a year of strong business growth (new lending up 18%, sharp upturn in off-balance sheet deposits at the end of the year), marked, however, by pressure on rates and margins and extraordinary items, explaining the drop in net income Group share to €141 million. 2016 was a year of heavy investment, in line with Medium-Term Plan guidelines: digital transformation (new multichannel CRM[1], 59 new *"agenzia per te"*), customer gains (new network of financial advisors, mid-corp and agri-agro distribution model) and Group synergies (adoption of the Crédit Agricole brand, partnerships with CACIB, CAA, Amundi, *"écoute client"* tailormade solutions at branch level).

In Poland: despite an increase in the number of customers holding a current account (+38,000 in one year, including 1,000 agricultural and food processing customers), growth in corporate business and strong synergies in the field of insurance (life and non-life), net income Group share of €13.3 million was hit by a combination of factors including the rate effect, increased competition amongst banks for personal loans and increased regulation resulting in additional costs. The bank's transformation programme was launched to support the efficiency of the customer project (reorganisation of head office and network functions, single IT system, new CRM[1]).

In Egypt: it was a very good year both in terms of business (customer base up 3.7% and strong growth in loans and deposits linked, in particular, to currency devaluation) and in digital transformation, reflected by the net income Group share which remained high (€65.2 million) despite being hit by foreign currency impact.

In Ukraine: it was a good year in terms of business with prudent expansion both in multinational corporates, including agri-agro companies, and individual customers. Results were up (net income Group share at €28.4 million) due to a sharp drop in risk and cost control. The bank embarked upon structural projects to optimise its operations (back office recentralisation, network optimisation) and improved customer service (digital offerings and services).

In Morocco: 2016 was buoyant both in terms of business (growth in customer base) and finance with net income Group share up sharply at €21.5 million as a result of a significant drop in risk and cost controls. Two projects aimed at optimising key customer processes and overhauling the IT system were also launched this year.

In Serbia: consolidation of niche positions in a highly competitive market, second largest provider of finance for agriculture, market leader for car loans and continued growth supported by group/CACIB synergies.

SPECIALISED FINANCIAL SERVICES

Consumer finance

Business and organisation

Crédit Agricole Consumer Finance (CACF) is a key player in consumer finance with a presence in 21 countries (19 in Europe, plus Morocco and China).

Close to its customers, CACF offers a full range of financing solutions and innovative, flexible and responsible insurance products suited to new customer practices, in particular in the field of digital, and which meet their needs at every point in their life.

CACF is committed, along with its automotive and specialist distribution partners, to addressing its business challenges by offering specific advice and tailormade solutions.

It makes its expertise and process management skills available to its banking partners so that their full power can be deployed in the consumer finance market, constituting a real driver of customer growth and loyalty.

With a central role in society, CACF is involved in developing economies. Mindful of its customers' capacity for debt, it has developed personal finance education initiatives to prevent over-indebtedness.

(1) Customer relationship management.

The definitions of the underlined words can be found in the Glossary on page 542.

CACF consists of the following entities: Agos (Italy, 61% owned), CreditPlus Bank (Germany), CACF Nederland (Netherlands), CACF France, Credibom (Portugal), Credicom Consumer Finance (Greece), Credium (Czech Republic and Slovakia), Wafasalaf (Morocco, 49% owned), FCA Bank (50/50 JV with Fiat Chrysler Automobiles, present in 16 European countries), Forso Nordic (50/50 JV with Ford, present in Denmark, Finland, Sweden, Norway) and GAC Sofinco AFC (50/50 JV with Guangzhou Automobile Group CO, in China).

2016: a successful year

Significant events

- Business growth, driven by the Group's retail banking networks and automotive joint ventures.
- Launch of the CACF 2020 strategic plan.
- CACF, Europe's leading player in a number of public consumer finance securitisation deals denominated in euro.

In 2016, CACF continued on a positive trajectory, with excellent sales and financial performances, driven by two factors, automotive joint ventures with FCA Bank in Europe and GAC Sofinco in China and Crédit Agricole Group retail banks in France, Italy and Morocco. Total loan origination reached €38.5 billion, up 14.6% on 2015.

Numerous digital customer service and partner projects were launched in 2016: 100% digital loans in Germany and Italy with the CreditPlus4Now and Agos4Now mobile apps, massive rollout of the use of electronic signatures in online customer areas and points of sale of CACF partners in several countries, overhaul of customer journeys on the subsidiaries' websites, creation of a Group digital team etc.

At the same time, new business partnerships were forged, for example, between GAC-Sofinco and Alibaba in e-commerce in China, between Wafasalaf and Ford on the one hand, and Ikea on the other, in Morocco, as well as increased cooperation between Credibom and Mazda in Portugal.

This successful dynamic was reflected in CACF being ranked no. 1 or 2 for customer satisfaction in all the countries where it operates.

CACF also increased its self-funding ratio, which rose to over 70%. The group is ranked as Europe's no. 1 player on the euro-denominated securitisation market in a number of public euro consumer finance securitisation deals, with five transactions completed in 2016 totalling €2,772 million (JP Morgan International ABS & CB Research).

In order to continue its transformation and build on its success, the group launched a new strategic plan, CACF 2020. Rolled out across all its subsidiaries, this plan is based on five themes: helping Crédit Agricole Group retail banks to become leaders in consumer finance; improving customer experience and satisfaction by speeding up its digital transformation; strengthening its automotive and sales partnerships; improving its profitability through synergies and optimisation of resources; modernising its organisation and working methods. This plan will enable CACF to acheive its ambition: to make CACF 100% digital and 100% human " to be 100% CACF".

Leasing & Factoring

Business and organisation

Crédit Agricole Leasing & Factoring (CAL&F) is one of the Group's subsidiaries with expertise in specialised financing. A major player in lease financing and factoring in France, with leading positions in Europe, CAL&F provides solutions for businesses of all sizes, not only for their equipment and property investment plans but also for the financing and management of their trade receivables.

CAL&F works closely with the retail banks within the Group in France and internationally as well as with non-banking partners. Through its presence in the regions, it is close to the economic players and supports its customers outside France *via* nine offices in Europe and North Africa.

Lease financing

CAL&F offers lease financing solutions designed to meet the needs of businesses and local authorities looking to invest in and replace equipment: equipment lease financing, finance leasing, IT operational leasing, property lease financing, financing of sustainable development projects as well as the public sector and its private sector partners.

Factoring

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

Thanks to its international network, CAL&F supports its customers and partners in the leading European countries (Germany, Italy, Spain, Portugal, Belgium, Poland, etc.) and overseas.

2016

Significant events

- Launch of a factoring offering named "Cadencio" for the treatment of interim invoices and a joint securitisation offering with CACIB.
- Development of factoring customer areas.
- Introduction of the strategic customer recommendation index (IRC) and partner satisfaction index (ISP).
- Launch of a new sales model for equipment lease financing, Greenlease, at the Regional Bank of Franche-Comté.
- Introduction of a new sales organisation within CAL&F.

As an innovative player, CAL&F is launching a new option in relation to traditional factoring called Cadencio, which enables small and medium-sized companies to transfer receivables relating to partially performed services: interim invoices or interim progress reports. This only involves domestic receivables, not partial invoices. It is aimed, in particular, at the construction industry (public and private contracts) and the IT and industrial manufacturing industries, which are often engaged in long-term service provisions that are complex and costly and face liquidity issues.

CAL&F has pursued the digitisation of its customer relations by developing its factoring customer areas. Greatly inspired by the mobile version, the new extranet is a perfect illustration of "mobile first", where the app serves as a reference to challenge the website.

In 2016, overall customer satisfaction as well as the strategic recommendation index (IRC) were measured. 1,760 customers responded to a telephone questionnaire in spring 2016 about every stage of the customer experience. Action plans were implemented at business line level to improve the quality of customer relations and customer satisfaction. The system will be refreshed on an annual basis. In addition, CAL&F is currently measuring satisfaction amongst its banking and non-banking partners.

On 28 November 2016, Greenlease was launched at the Regional Bank of Franche-Comté. This model enables sales of property lease finance to be simplified, integrated and digitalised throughout the entire chain of distribution thanks to the introduction of a new tool and roles being shared between the Regional Banks and CAL&F.

The new sales organisation introduced at CAL&F follows one of the main guidelines of the spring business plan, notably with:

- the emphasis on growing the corporates market and optimising the sales structure for the small business market;
- development of the agriculture market;
- increased resources for business with non-banking partners;
- refocusing on regional leadership in banking networks and structuring the initiative with central teams;
- a flexible and optimised sales management system.

In addition, a new department dedicated to developing partnerships was created for the leasing business. CAL&F thus confirmed its will to reinvest in this traditional channel of non-banking leasing partnerships.

CAL&F has just launched, alongside CACIB, a joint venture to offer a confidential or notified management agreement, combining factoring and securitisation. This new offering enables CAL&F to improve its solutions for intermediate-sized enterprises and larger customers needing trade receivable financing in excess of €100 million by relying on CACIB.

Internationally, the Eurofactor Hispania merger was conducted by CAL&F. With this change, dedicated Spanish leasing and factoring entities are now part of the same branch.

LARGE CUSTOMERS

Corporate and investment banking

Business and organisation

Crédit Agricole CIB, the corporate and investment bank of Crédit Agricole Group, encompasses six business lines. Customer relations & international network coordinate the sales relationship with large corporates in France and abroad. Structured finance consists of originating, structuring and financing transactions backed by secured assets, such as aircarft and railways, shipping, real estate and hotel finance, as well as complex and structured loans. Investment banking chiefly covers advising large corporates in equity financing. Capital markets activities cover all sales and trading activities on the primary and secondary markets (fixed income, forex, credit, bonds, securitisation, money market) for corporates and financial institutions. The debt optimisation & distribution business line is responsible for originating, structuring and arranging medium and long-term bilateral and syndicated loans as well as the underwriting and primary and secondary distribution of syndicated loans. International trade finance and commercial banking offers cash management solutions, supply chain finance and supports its customers in international trade finance.

2016

Significant events

- Performance in line with targets set by the Strategic Ambition 2020 plan.
- Growth in sales with increased market share for capital market activities and leading positions maintained in financing business.
- Top-tier commercial success within the context of the Premium Client Solutions offering with CACEIS and Indosuez Wealth Management.
- Steady progress in the fight against the consequences of climate change and continued leadership in green finance.

AN UNCERTAIN ENVIRONMENT

2016 was marked by a number of uncertainties on a geo-political level with Brexit and the election of Donald Trump in the United States. These events have impacted the global economy. In addition, the banking sector is facing significant regulatory uncertainty. A number of teams have, therefore, been rallied so as to comply with, and anticipate the consequences of, regulations such as MiFID 2 or Basel 4.

DIVERSIFIED BUSINESS LINES AND EXPERTISE SERVING CUSTOMERS AND THE GROUP

Despite this uncertain environment, Crédit Agricole CIB achieved very robust sales performance and either increased its market share or maintained its positions. It confirmed its standing as a strategic partner of its customers, corporates and financial institutions, in France and internationally. As part of the newly formed Large customers business line of Crédit Agricole S.A., Crédit Agricole CIB also supports the Group through its expertise and through a global offering, Premium Client Solutions, aimed at very specific customer segments.

In 2016, structured finance solutions consolidated their long-standing leadership positions and the quality of their businesses. Aircraft, real estate, energy and infrastructure all saw revenues rise. The Bank was, in particular, named "Best bank in France" in the real estate and property financing sector (Euromoney), "European bank of the year" (Airline Economics), "Rail finance House" of the year (Global Transport Finance) and became the leading bookrunner in aircraft financing worldwide (Air Finance). Capital market activities exceeded their targets and maintained their corporate customer base whilst developing relationships with financial institutions. Many initiatives have been successfully concluded: e-business took off, the forex platform was strengthened, the structured product offering was expanded etc. The Bank consolidated its leadership in "green finance" as illustrated by numerous unprecedented sustainable banking transactions (1st green issue by an SSA – sovereign, supranational agency – with the Asian Development Bank, 1st green issue by a rail infrastructure manager and the largest European transport company with SNCF, etc.). Crédit Agricole CIB structured 33% of all Green, Social & Sustainability Bonds (excl. domestic bonds) in 2016 worldwide (Thomson Reuters). The investment bank had a strong year commercially and is implementing an ambitious strategy with, in particular, the completion of a number of cross-border transactions: acquisition by SEB of the German group, WMF, acquisition of Urbaser by Firion, etc. In the Debt Optimisation and Distribution business, expert advice on capital structure (Client Advisory), on balance-sheet growth (Rating Advisory), on working capital requirements (Working Share Capital Advisory) enhanced the appeal of the Bank's offering, as did the Euro PP offering (private placements in euro) which is now number one on this buoyant market, particularly with regard to mid-caps. International trade finance and commercial banking held up well in a challenging environment. Substantial deals were done last year, notably with the Group and the Regional Banks (Soufflet with LCL, Fertimed with the Regional Bank of Languedoc, etc.) and business was steady in transaction flow functions.

The Bank has reaffirmed its international footprint. In 2016, there was strong commercial growth namely in Asia, the Nordic countries, Switzerland, the United States, Germany, the Middle East and North Africa. Flagship transactions included: the El Pelicano project that will power the first metro in the world to run on solar power, the first "panda bond" to be issued by a French company (Veolia), the first Formosa bond for a Saudi issuer (Arab Petroleum Investment Corporation), etc.

CORPORATE AND INVESTMENT BANKING AT THE SERVICE OF CRÉDIT AGRICOLE GROUP

Crédit Agricole CIB ties in perfectly with the Group's strategic guidelines. It supports Group customers and builds on synergies between entities. This was, for example, the case with the Premium Client Solutions offering developed with CACEIS and Indosuez Wealth Management. The first concrete results have been obtained, particularly with regard to private equity, real estate and infrastructure funds *via* the Private Equity Services unit. The Premium Client Solutions offering positions this unit as a global partner for all the funds' finance and banking requirements throughout their entire life cycle.

As a result of synergies with other Group entities, Crédit Agricole Group CIB also serves the Group's customers on an international level. A partnership with Cariparma enables it to meet the needs of large Italian corporates (Danieli, Italgas for example) and transalpine mid-caps (Versace, Granarolo, etc.).

Lastly, through its extensive expertise, Crédit Agricole CIB supports the Group in its major bond issues (Samouraï issue, issue of senior non-preferred bonds etc.).

CORPORATE SOCIAL RESPONSIBILITY, AT THE CORE OF THE BANK'S COMMITMENTS

The Bank is continuallyrenewing its corporate social responsibility commitments. Consequently, the sector policy relating to coal-fired plants was revised in September 2015 to exclude the financing of new coal-fired plants or their extension in countries that meet the World Bank's definition of high-income countries and in November to exclude all new projects anywhere in the world. Likewise, Crédit Agricole CIB is continuing its initiative to fight against climate change within the context of the five "Mainstreaming Climate Action" principles launched on an official basis during COP21.

Asset servicing

Business and organisation

CACEIS is an international banking group, with 3,366 employees, specialising in asset servicing for a customer base of management companies, institutional investors and large corporate businesses. Present in 12 countries, CACEIS offers a full range of services: execution, clearing, custody, fund administration, middle-office solutions, forex, stock lending and borrowing, fund distribution support and services to issuers. CACEIS has about €2,522 billion of assets in custody and €1,568 billion under administration, and is one of the global leaders in asset servicing *(source: Company)*.

CACEIS is 85% owned by Crédit Agricole S.A. and 15% by BPCE Group.

2016

Significant events

- Creation of a fund administration subsidiary in Germany.
- Development of an execution and clearing offering on agricultural commodities futures markets.
- Creation of an integrated asset servicing, advisory and financing service offering for private equity clients within the framework of the Large customers unit.

CACEIS expanded its service offering in Europe with a new fund administration subsidiary in Germany. CACEIS lent its expertise to the Private Equity Services unit dedicated to real estate, private equity and infrastructure funds. The Group is also a key player in Europe in terms of execution and clearing on agricultural commodities futures markets. Lastly, CACEIS has expanded its range of innovative products by developing TEEPI, a collaborative platform for the exchange of files between asset management companies and institutional investors.

CORPORATE CENTRE

CACIF – Crédit Agricole Capital Investissement & Finance

Significant events

- Successful launch of SODICA Immobilier, which gained several deals.
- Grands Crus Investissements (GCI) capital increase with 9 new Regional Banks acquiring a capital interest.
- Increase in the investment capacity of Crédit Agricole Régions Développement (CARD) to support intermediate sized companies. The fund will be allocated over €300 million.

CACIF holds its shareholder's investments in unlisted companies through a number of dedicated funds, most of which are managed by its subsidiary IDIA (handling private equity stakes in agriculture and food processing, wine-making, forestry and agricultural land interests and diversified private equity).

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

Crédit Agricole Immobilier

Significant events

- Launch of HO[M]DYSSÉE: Crédit Agricole Immobilier's innovative future-proofed accommodation concept and creation of "surfaces capables" in Bordeaux: "empty" accommodation enabling owners to adapt accommodation to their own needs at their own pace.
- Completion of the Evergreen campus, marked by the delivery of Silvae, a 25,400 sq. m. office building.

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

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

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

Uni-Éditions

Significant events

- Acquisition of Parents magazine and the Parents, Infobébés and Mômes portals.

Crédit Agricole S.A.'s press subsidiary, Uni-Éditions is one of the top eight magazine publishers in France *(source: Precepta and Xerfi surveys, September 2016)* and continues to be one of the most profitable of its sector. With a workforce of 134 and revenues of near €96 million, the Company publishes 11 magazines, which share the attributes of practicality, culture, expertise and proximity with the reader.

Dossier Familial is the leading French monthly with 1,153,363 paid copies[1]. *Santé Magazine* is still the most widely read women's magazine and its circulation reached an average of 317,169 paid copies in 2016.

+ de Pep's sold 111,762 copies in 2016.

In 2016, Uni-Éditions had over 2.5 million paying customers.

Payment Systems & Services

Significant events

- Creation of Crédit Agricole Payment Services, Crédit Agricole Group's payment services provider and building of a new 2017/2020 strategic plan.
- Market launch of Paylib and development of mobile retail banking payments.
- Launch of the first version of the Ma Carte app, the mobile digital card companion.

In creating Crédit Agricole Payment Service (CAPS), the Crédit Agricole Group decided to equip itself with a Payment services provider that would bring together all its activities and all its expertise in the fields of marketing, processing and interbank representation.

The creation of CAPS was supported by the preparation of a new strategic plan, which aimed to make payments a sustainable value creation lever for customers and for the Group.

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

The definitions of the underlined words can be found in the Glossary on page 542.

2 ECONOMIC, SOCIAL AND ENVIRONMENTAL INFORMATION

The definitions of the underlined words can be found in the Glossary on page 542.

CSR is the cornerstone of all our business lines

The Executive Management has made the development of corporate social responsibility (CSR) a strategic priority for Crédit Agricole S.A. The aim is to carry out its banking and insurance activities responsibly and effectively as regards its stakeholders, and to assume its role as the leading financial partner of the French economy and its regions. CSR has been one of the Group's strategic challenges since the "2010 Group Project". This importance was reaffirmed with the launch of its Medium-Term Plan, Strategic Ambition 2020, in March 2016. Established and shared within the decision-making bodies, the CSR policy was formalised in 2014, around three ambitions and ten lines of action. This policy was refined in 2015 following consultation with employees and external stakeholders to reconsider its key challenges. The Group thereby ensures that its strategic decisions are in line with the expectations of stakeholders. Action plans were drawn up in 2016 for the top priority issues.

CSR policy: 3 objectives, 10 priorities

Objective n°. 1

Supporting regions in addressing their sustainable development challenges

1 Listen to our internal **and external stakeholders,** understand and take into consideration the economic, social and environmental issues that have influence on them.

2 Offer, **in all our business lines, innovative products and services** that respond to the main sustainable development challenges faced by our customers and partners.

3 Respond to the **societal challenges identified in Crédit Agricole's four fields of excellence**, *i.e.* agriculture and food processing, housing, health and ageing of the population, energy savings and environment.

Objective n°. 2

Striving for excellence in relation with our customers, with our employees and in our operations

4 **Aim to build lasting relationships** with our customers, by protecting their interests and ensuring the accessibility of our offerings.

5 Be **a responsible employer**, fostering the development and employability of our employees, guaranteeing equal treatment for all, promoting diversity, improving quality of life at work and encouraging social dialogue.

6 Limit and reduce our direct **environmental impact,** with particular focus on energy, paper and waste.

7 Consider social and environmental factors in our **purchasing procedures** and relationships with suppliers and sub-contractors.

Objective n°. 3

Managing all risks, including extra-financial ones

8 Respecting **ethics** in our business and in banking and financial transactions.

9 Reinforce the inclusion of **environmental, social and governance issues** right from the design stage of our products and services.

10 Continue to formalise and guarantee compliance with sector-**specific policies** which guide our actions and behaviour and affirm our exacting standards as a responsible financial partner and investor in certain sensitive or complex business sectors.

The definitions of the underlined words can be found in the Glossary on page 542.

1. REINFORCING THE CSR STRATEGY

1.1. BEING A RESPONSIBLE BANK

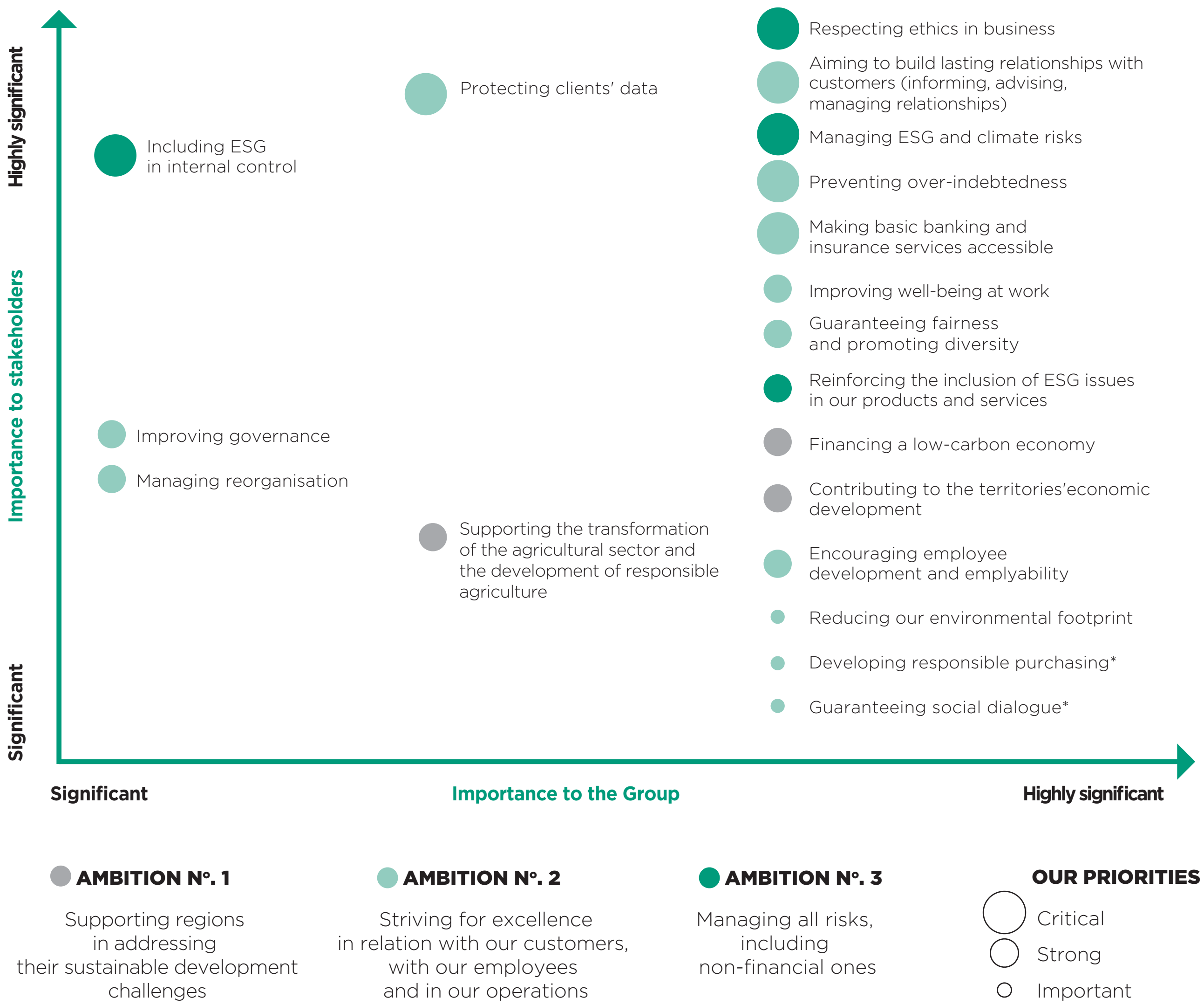
1.1.1. Identifying priorities

Feedback on the Group's policy and its top-priority CSR challenges is provided by a CSR barometer that canvasses key stakeholder opinion by getting their views on the banking sector in general and Crédit Agricole's positioning in particular. This dialogue is supplemented by the assessment of experts and opinion leaders and set against the expectations of extra-financial rating agencies. This approach allows us to assess the relevance and importance of each challenge.

Launched at end-2014, this approach to seek feedback *via* a CSR barometer is now employed periodically to detect changes in stakeholder expectations and the emergence of new challenges.

The second barometer carried out in 2016 confirmed the priorities identified in 2015 regarding the protection of customer personal data, the promotion of an ethical culture within the Group and benefit for the customer. These issues are also central to the Medium-Term Plan, Strategic Ambition 2020. A little under 3,000 people participated in the first barometer (customers, employees, civil society and opinion leaders) at end-2014 - early-2015. The second time around, in Spring 2016, close to 3,200 people were surveyed, with inclusion this time of a representative sample of employees across Group entities. The alignment of stakeholder expectations with the Group CSR strategy is mapped in a materiality matrix that lists and ranks the environmental, social and governance challenges.

MATRIX OF CSR CHALLENGES



** Relevant topics kept in the Group strategy even if not prioritised by stakeholders.*

The definitions of the underlined words can be found in the Glossary on page 542.

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

Challenges	Objectives	2016 achievements
1. Respecting ethics in business	Promote a compliant and ethical culture, starting with management	Updating of the Code of Ethics, which now applies to the Group Training programme for members of the Executive Committee and of the Management Committee of Crédit Agricole S.A.
2. Faithfully respond to the needs of our customers	Ensure the protection of personal data and transparency in their use	Drafting and publication of a code for using personal data
	Ensure real attentiveness and transparency of advice	Training programme on a new advisory and wealth management approach for retail banking financial advisers
3. Manage all risks, including ESG	Manage all risks, including ESG	Incorporation of climate risks into the Group's risk mapping
4. Support all customers through good and bad times	Prevent over-indebtedness: education and awareness-raising actions	Budgetary and banking education programme to prevent over-indebtedness undertaken by 19 Regional Banks: 3,100 people, including 60% young people, attended over 310 workshops jointly organised with schools and various voluntary groups
	Support vulnerable customers	Regional Banks' *Points passerelle*: 12,350 beneficiaries, 86% of whom got back on their feet CA consumer finance contacted 7,273 vulnerable customers, conducted 2,784 assessments and budget reviews and proposed 2,047 solutions LCL created a national unit to support the networks. It helps advisers with complex situations and carries out in-depth assessments
	Develop new services that are beneficial for all customers	A leading partner of major business-creation support networks in France (ADIE, France Initiative, etc.)
5. Improve the quality of work life	Adapt management culture to change	Roll-out of the ERI (Engagement and Recommendation Index) to 84,691 employees Over 63% response rate
	Safeguard workplace health	The health and safety challenges vary depending on the business lines carried on in each Group entity and are covered by existing agreements negotiated in the entities (various mechanisms are put in place including counselling units, PSR monitoring committees, etc.) 7,000 Group employees (Crédit Agricole S.A., CAA and Amundi) enjoy personalised support for employee caregivers. The goal is to roll out this programme to other entities in 2017
6. Ensure fairness and promote diversity	Develop gender equality among top-level managers	21.5% women among level-1 and level-2 managers compared with a target of 25% for 2020
	Ensure fairness in terms of social protection for our retail banks abroad	Roll out the Take Care programme to five international subsidiaries (Ukraine, Egypt, Morocco, Poland and Serbia) covering 13,000 employees and their families
7. Reinforce the inclusion of ESG issues in our products and services	Encourage the transition to a low-carbon economy	Close to €1.1 billion in cash invested in Green Bonds, out of the 2 billion euros planned by Crédit Agricole S.A. and Crédit Agricole CIB
		€28 billion in arrangements in support of energy transition, representing close to half of the three-year target of €60 billion
		€150 million in financing raised by Amundi with its joint management company with EDF and another joint management company held between Amundi and Agricultural Bank of China, out of the €5 billion planned by 2020.
	Directly finance the development of renewable energy in France	21% increase in financing for renewable energy in France in 2016 (€514 million versus €425 million in 2016) by CAL&F, the Regional Banks and LCL.
8. Support the economic development of regions and their response to sustainable development challenges	Allocate savings to activities with positive impacts (environmental and/or social) in the French regions	€1.793 billion in outstandings of social impact funds managed by Amundi
	Support the development of entrepreneurial activities	17 villages by CA, start-up incubators, opening by 2017 231 start-ups supported to date
	Support the agricultural sector in identifying solutions to economic, environmental and social challenges	20,000 weather-related insurance contracts (Harvest Insurance and Hail Insurance)

The definitions of the underlined words can be found in the Glossary on page 542.

Challenges	Objectives	2016 achievements
9. Improve governance	Factoring in of CSR challenges by the Board of Directors	CSR training programme for directors of Crédit Agricole S.A.
10. Foster personal development and employability	Help employees adapt to changing jobs	788 transfers between entities 8,322 transfers within entities
11. Reduce our environmental footprint	Reduce our greenhouse gas emissions	50% reduction in energy-related CO_2 emissions from sites in the Île-de-France region (2014 basis)

1.1.2. Managing our CSR performance: FReD

The Group's CSR policy plots the course to be followed on CSR challenges. FReD is the secret weapon of Crédit Agricole S.A. and its subsidiaries. FReD is an internal system for managing and measuring Group progress on CSR matters. Its three pillars are trust and the customer relationship (FIDES), respect in terns of employees and the corporate ecosystem (RESPECT) and protecting the environment (DEMETER). It has made it possible to embark upon a comprehensive CSR approach since 2012 based on a framework built around 19 commitments, with respect to which each entity continually implements 15 concrete actions. Its goal is to involve and mobilise the entities, encourage their initiatives and achieve broad application of CSR practices. FReD measures progress on each action taken and the level of achievement of the targets set by each one. Whenever an action hits a milestone (there are five), it earns a point in the FReD index. Overall progress is summarised in the Group FReD index, which is the mean of the 195 actions taken by the 13 participating entities[(1)], on the basis of one entity one vote. In 2016, Crédit Agricole S.A. published its Group index for the fifth year, at 2.2. This index is audited annually by one of the Statutory Auditors of Crédit Agricole S.A.: PwC. Finally, the FReD index determines one-third of the deferred variable compensation of Senior Executives of Crédit Agricole S.A. Group. Thanks to profit-sharing agreements negiciated in several entities between 2015-2016, FReD is now impacting the variable compensation of 7,500 people.

Crédit Agricole S.A. aims to strengthen its overall CSR performance by building on the portfolios of FReD action plans and any other actions taken as part of its CSR policy. Its inclusion in the leading international socially responsible indices was confirmed in 2016: NYSE Euronext Vigeo Eiris Eurozone 120 and Europe 120, FTSE4Good, ESG STOXX Leaders, Oekom Prime. Crédit Agricole S.A. was also one of the highest rated French banks by CDP (Carbon Disclosure Project) in terms of its climate policy in 2016. Finally, Crédit Agricole S.A. is the second-ranked French company and the 17th company globally in the 2017 Global 100.

1.2. BEING A COMMITTED GROUP

For over 10 years, Crédit Agricole has demonstrated its involvement through its various commitments, many of which have focused on the development of "climate finance".

Signatory of the:

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

Co-founding member of the:

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

Participant in the:

- call for carbon pricing at the initiative of the World Bank Group in 2014;
- Montreal Carbon Pledge since 2015;
- Paris Appeal on Climate Change since 2015;
- IIRC (International Integrated Reporting Council) since 2016.

(1) Amundi, CACEIS, Crédit Agricole Assurances, Crédit Agricole Corporate and Investment Bank, Crédit Agricole Consumer Finance, Crédit Agricole Immobilier, Crédit Agricole Leasing & Factoring, Crédit Agricole Private Banking (CA Indosuez Private Banking, CA Luxembourg, CFM and Crédit Agricole Suisse) Cariparma, Crédit Agricole S.A. Holding, LCL, Payment Systems & Services and Uni-Editions.

The definitions of the underlined words can be found in the Glossary on page 542.

1.3. EMBEDDING CSR GOVERNANCE IN THE GROUP'S BUSINESS LINES

To better coordinate and disseminate the Group's CSR policy and consolidate its performance, Crédit Agricole S.A. has set up a seven-strong Sustainable Development department that reports directly to the Secretary General.

In January 2017, the Head of Sustainable Development joined the Group Management Committee, a reflection of the recognition by Executive Management of the importance of these challenges. Firm in the belief that all stakeholders must play a role in the governance of the CSR policy, the Group has established an organisation involving several bodies with complementary tasks. Its main goal is to increase awareness of CSR risks and opportunities within the Group and within all its business lines.

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

For the purposes of this registration document, the Group has decided to classify the initiatives taken in 2016 in accordance with the following topics:

- strengthen the trust of its customers and partners;
- expand its role in the development of climate finance;
- help customers meet their social, environmental and solidarity challenges;
- contribute to employee development;
- promote economic, cultural and social development in the local area;
- limit its direct environmental impact.

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

In addition, the Group contributes to Sustainable Development Objectives through concrete actions included in each chapter and referenced in the final cross-reference table.

2. STRENGTHENING TRUST

2.1. SERVING CUSTOMERS

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

- a model based on mastery of all the business lines, areas of expertise and know-how required to meet the financial and wealth management needs of customers;
- full multi-channel distribution by enabling customers to choose how they interact with the bank and to change it at any time;
- strategic investment in the customer relationship *via* an advisory approach that makes it possible to offer global and custom solutions to customers.

Over the past number of years the Group has thus been putting in place a series of measures to safeguard customer data, ensure it is attentive and support all customers through good times and bad, while involving all employees.

2.1.1. Safeguarding customer data

To support the implementation of its Customer Project, Crédit Agricole Group decided to establish a personal data code, which came into effect on 1 January 2017. This is further tangible proof of the Group's desire to become a true partner to its customers. It reflects not only societal changes, as evidenced in the responses to the CSR barometer, but also regulatory changes with the establishment by 2018 of a framework to improve personal data protection. Against a background of accelerated digital and data usage, this Code enables the Group to set itself apart in the market. This is articulated by five core principles (data security, integrity and reliability, ethics, transparency and education, customer control) designed to reassure customers and to disseminate best practice to employees in Group entities.

2.1.2. Ensuring attentiveness and quality of advice

A. Develop a balanced relationship

IN THE REGIONAL BANKS

Continuing the transformation of its distribution model through the *Multichannel Retail Banking project*, Crédit Agricole has launched 17 digital innovation projects. Using new development methods based on short cycles, the bank aims to offer its customers new uses and new services through a redesigned digital architecture. At end-2016, 11 of the 17 projects have already been completed in the Regional Banks, including in particular: electronic new account opening, the green button, chat, branch inflows, etc. The 11 projects are being rolled out progressively across the Regional Banks, with varying scope in terms of the functionality activated in the Regional Banks.

The adoption of the *Relation Client 2.0* plan, already targeting specialised customer groups within the commercial networks of the 39 Regional Banks, continued in 2016. To date, a total of 30 Regional Banks have adopted the plan for small businesses and farmers, and 29 Regional Banks have rolled out the approach in their head office departments. In addition, 27 Regional Banks have trained their employees in Corporate Customer Relations as well as the component dedicated to high net worth customers, *RC 2.0 Patrimonial*.

AT LCL: DIALOGUE AND CO-CONSTRUCTION WITH CUSTOMERS

The *Centricité Clients* plan aims to place customers at the centre of an interconnected, relationship-focused and digital bank so as to meet their increasing expectations and offer them a smooth experience in their contacts with the bank. Several major projects are underway, targeting individual customers, small businesses and SMEs.

This translates into direct exchanges with customers through different channels (phone, email, online and mobile banking, social networks, etc.) and through co-construction workshops. At end-2015, LCL launched *LCL&Co*, an innovative collaborative platform allowing customers to provide ongoing feedback on new products and services or the improvement of existing ones. It consists of online workshops, organised on a range of topics such as the digital relationship, banking and insurance offerings or the customer relationship. The second workshop organised in 2016 was on customer recognition and the three pillars of the adviser relationship identified by participants: empathy (trust and transparency), knowledge (understanding of his/her customers) and commitment (exceeding expectations for greater satisfaction).

LCL also strives to meet the varying needs of its customers at different stages of their lives: identifying customer needs and effectively supporting customers as they deal with these are key challenges to maintaining understanding and trust. Specific after-sales services, coordinated by specialist units, were provided to customers to help them with complicated processes.

B. Monitoring customers' expectations

MEASURING SATISFACTION

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

For each point of contact (branch, e-mail, website, telephone, mobile applications), LCL offers its customers a performance review to gage their inclination to recommend LCL and to canvass suggestions for improvement. In 2016, LCL received comments from nearly 2.9 million customers across all markets, and collected more than 335,000 performance reviews.

CA Consumer Finance, the Group's consumer finance subsidiary, has an entity dedicated to measuring and managing customer satisfaction within its Business departments in France.

The definitions of the underlined words can be found in the Glossary on page 542.

CUSTOMER RECOMMENDATION INDEX

To go beyond a mere sense of satisfaction, the customer recommendation index (*indice de recommandation client*, IRC) represents an indicator of the quality of service. It was chosen by the Group to measure customer loyalty. By means of an annual barometer taking readings across all markets, this global synthetic indicator measures customers' attachment to their bank based on whether or not they would recommend it to a close relative or friend. The fifth reading of the IRC, at national level, was carried out across all markets in 2016. Regional IRCs were also determined for the fifth year in the individual customer markets of 32 Regional Banks. The fourth reading of the IRC in more specialised markets, such as high net worth customers or small businesses, was also completed in 2016. The IRC method is deployed in the majority of Group entities both in France and abroad.

COMPLAINTS

Dedicated to handling customer complaints to Regional Banks, subsidiaries in France or abroad, or from people who are not customers of the Group, the Customer Relations unit received close to 1,350 complaints in 2016. The average time taken to handle a complaint was 16 calendar days. Most Group entities also have their own customer service unit, which applies the recommendations of the French Regulatory and Resolution Supervisory Authority (ACPR). They also offer their customers free access to an ombudsman. All Regional Bank and LCL ombudsmen are in the process of being accredited by the CECMC (*Commission d'évaluation et de contrôle de la médiation* – National Commission on the Assessment and Supervision of Consumer Mediation), following the July 2015 transposition of European directive 2013/11/EU on alternative dispute resolution for consumer disputes.

Complaints from individual customers and small businesses within LCL are handled at three successive levels: the branch, the customer relations unit and the LCL ombudsman. Customers are informed of this mechanism through their account statements, the website or through the pricing guides and the bank's general provisions. In addition, a customer satisfaction and relationship improvement tool lists the grievances of individual and business customers in the various distribution channels and measures their volume. This tool also makes it possible to monitor each complaint, analyse the reasons for it and respond to it. Finally, in 2016 LCL launched a website, lcl-mediateur.fr, on which customers can lodge their complaints.

In Crédit Agricole Assurances (CAA), the procedure for handling customer complaints is regularly updated to enable each business line to strengthen the existing system, in particular in terms of notifying customers of how to make claims, the deadline for responding and the existence of an Ombudsman's Charter. With respect to the deadline for responding, the main companies have committed to handling complaints within a certain period of time. Predica (personal insurance) has undertaken, for example, to respond within nine business days and 47% of complaints are handled within this period. Pacifica (property & casualty insurance) makes a contractual commitment to at most 60 days and 93% of these requests are handled within 30 days. Finally, Crédit Agricole Creditor Assurances (creditor insurance) commits to a maximum period of 30 days and 96% of these requests are handled within this period.

2.1.3. Supporting all customers through good and bad times

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

A. Preventing situations of risk: over-indebtedness and behaviour

In 2013, CA Consumer Finance France established a customer support branch, tasked with identifying financially vulnerable customers and, following a personal budget analysis, with offering them tailored solutions such as:

- credit accommodations;
- referral to outside partners such as CRESUS or alternatively the *Points passerelle* currently being piloted within the Company. These partners make it possible to offer budgetary support or indeed mediation vis-à-vis all of those customers' creditors;
- support with filings as part of over-indebtedness proceedings.

CA Consumer Finance contacted 7,273 vulnerable customers, conducted 2,784 assessments and budget reviews and proposed 2,047 solutions in 2016.

This year, CA Consumer Finance arranged the first one-day workshop for the representatives on Crédit Agricole Group's Over-indebtedness Committee, with the participation of Banque de France. The goal: to find solutions and develop Group synergies to more effectively combat over-indebtedness. The standardisation of practices within the Group will give vulnerable customers access to a structured network of services.

CAA conducts preventative actions with customers, combined with protective equipment or specific training solutions. Increased support for customers is provided on certain issues or for certain targets: free post-driving licence instruction courses for young drivers, special prices for protective equipment, verification of electrical installations, remote monitoring systems against theft or helplines for elderly people. Personalised coaching is also available for people aged over 50 with dependency policies and their caregivers. CAA also works alongside the Regional Banks, offering their members training on the prevention of road hazards, everyday accidents and the risk of falls for the elderly, etc. In 2016, approximately 40,000 people participated in meetings devoted to these issues.

B. Showing commitment at difficult times

The *Points passerelle* mechanism is supported by 33 of the Regional Banks and helps people affected by a life crisis (unemployment, death of a loved one, divorce, etc.) regain stability. Firstly a place where people are received and a centre for mediation and monitoring, this interdependent mechanism proposes social and financial solutions in partnership with social services. The support mechanism covers all solutions, from approaches involving legal or social services to personal budget monitoring and loans, so as to open up new horizons for socio-economically vulnerable people. Since the creation of the first *Point passerelle* in 1979, more than 88,000 people have been helped. With the assistance of a network of 120 advisers spread across 82 dedicated locations and 930 volunteers (elected representatives and retired Crédit Agricole employees), 12,350 people were assisted in 2015, 86% of whom managed to regain a steady economic footing.

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

LCL continues to improve its support system for financially vulnerable customers by offering them personal budget analysis and suitable payment instruments through a specific offer with a set of banking services. This mechanism was built with the help of account managers and tested in branches. Individual account managers received training to help them adjust their manner when

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dealing with situations of hardship and find the right solutions at the right time. This mechanism was boosted by the creation of a national unit to support the networks, called *LCL Parenthèse – Conseil & Accompagnement Client*. The aim is to help advisors with complex situations, carry out in-depth assessments and act as LCL's interface with associations combating over-indebtedness. LCL also has a department dedicated to preventing court-ordered debt-collection procedures in each of its markets.

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

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

C. Making products and services accessible to people with disabilities

LCL has initiated work to make the 1,900 branches in its network accessible to people with disabilities. To date, work has been carried out on more than 1,000 branches. For the remaining branches, a programme has been drawn up to make them accessible within six years. Cash dispensers are being progressively brought into line with international standards on access height and fitted with a headphone socket for the partially sighted. Developments are also planned on the remote banking offering to make LCL's services accessible to all. LCL also provides all customers with hearing difficulties with a free solution to interact with his/her advisor *via* a specialised operator using a call platform and accessible from the LCL websites. Finally, LCL is the first national bank to make in-branch interviews accessible to people with impaired hearing by means of a tablet.

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

Working with major business-creation support networks since 2003, in 2015 the Regional Banks were:

- the no. 1 banking partner of France Active, with close to 1,200 loan guarantees for €18 million and over 650 SMEs funded;
- the no. 2 financial partner of PFIL, a network of local initiative platforms, with 4,410 entrepreneurs receiving over €290 million in funding;
- the no. 2 customer of ADIE with over 2,000 entrepreneurs funded by means of €7.8 million in credit lines granted by 14 Regional Banks.

Since 2008, the Regional Banks have distributed personal microcredit, enabling people not eligible for credit to benefit from a banking service while at the same time controlling their budget. In 2015, over 1,250 loans were granted by 23 Regional Banks, for €2.9 million. 60% of this microcredit was to fund socio-economic projects linked to employment and mobility, 13% relating to housing and 4% to training.

LCL is also a partner of France Active. In 2016, 110 loan guarantees were granted for nearly €2 million. 120 SMEs were also financed, with additional loans, for a total of more than €6.2 million.

Three years after being launched, the *Microcredito* project of Carispezia, Fondation Carispezia and Caritas has been able to provide 76 loans for a total of €190,000 to economically and/or socially disadvantaged people. This project provides people and families in difficulty with financing on preferential terms. At its heart this project is a team game: Fondation Carispezia provides a €200,000 guarantee fund to meet any non-payments, Carispezia offers loans at preferential fixed rates and without fees and finally Caritas provides its local knowledge in liaison with social welfare and health services, while volunteers, credit and finance experts, provide their professional expertise.

E. Coming to the aid of distressed customers

Claims management (fire, theft, water damage, hail, road accidents, etc.) is also a major challenge for insurers. Pacifica accordingly offers fast customer support, with qualitative assistance. The claims management centres and partner networks involved in this service are in close proximity to the distressed customer and are therefore able to offer a solution tailored to each situation. Following weather events, Pacifica is able to deal with an increasing number of urgent situations, as was the case in 2016 after repeated hailstorms hit France and there was heavy flooding in Central France and in the Île-de-France region at end-May and June. Thus, in 2016, 41% of Pacifica customers declared their willingness to recommend their insurer to family members, friends or colleagues.

2.1.4. Educating for better action

In 2015, 19 Regional Banks undertook budgetary and banking education programmes to prevent over-indebtedness. They thus raised the awareness of 3,100 people, of which 60% were young people, through over 310 workshops jointly organised with schools and various voluntary groups *Points passerelle* have also been involved since 2016 in the *Parcours Garantie Jeunes* scheme run by *Missions Locales* to promote the social and professional integration of marginalized young people. Workshops will therefore be organised to help these young people with budgetary management and to aid their financial autonomy.

CreditPlus, the CA Consumer Finance subsidiary in Germany, has been active in youth financial education since 2012. It ramped up its activities this year by specifically targeting young single mothers. Volunteer employees also participated in workshops to help them become more penny-wise and manage their budget in a responsible manner.

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2.2. RESPECTING ETHICS IN BUSINESS

2.2.1. Promoting a compliant and ethical culture

A. Code of Ethics

Since 2003, Crédit Agricole Group has had a nine-point Code of Ethics, which has been translated into eight languages. In 2016, Crédit Agricole decided to update the code to make it more in line with our values and our development plan. The New Code of Ethics is designed to make mandatory rules more visible and to disseminate a compliance culture. Insofar as it will serve as the basis for acceptable ethical and professional behaviour, every Group entity must, in the course of 2017, take ownership of the Code and adapt it to its specificities. It may be accompanied by thematic codes (*i.e.* responsible purchasing code, personal data code recently released, etc.). The Code of Ethics has the following components:

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

The Code of Ethics was approved by the Board of Directors of Crédit Agricole S.A. on 13 December 2016 and by the Federal Board of *Fédération Nationale du Crédit Agricole* on 5 January 2017.

B. Training of Directors and executives

The Directors and executives of Crédit Agricole S.A. receive regular training on compliance obligations. In light of the tightening of rules regarding the content and traceability of training provided to Directors and executives (*i.e.* Article 91 (12) (c) of the CRD 4 directive, the EBA 2012 Guidelines, Article L. 511-51 (2) of the French Monetary and Financial Code), in 2016 Crédit Agricole began work on, in particular, establishing simpler and harmonised proficiency assessment and optimising training traceability.

2.2.2. Deploying a responsible compliance approach

A. Complying with customers' interests: market products transparently

Within Crédit Agricole, new activities, new products and new services are analysed by internal committees (known as NAP Committees). These Committees are specific to each business line in France and abroad, and are made up of representatives from the Compliance, Legal Affairs and Risk Management and Permanent Control departments. The work of these Committees (around 50 sessions at Crédit Agricole S.A. in 2016) makes it possible to ensure that all products and activities offered in the distribution networks comply with legal and regulatory requirements: clarity of the information provided to customers, suitability of the product for the identified target customer, information provided to the customer on the benefits and compensation received by the distributor, prevention of money laundering and the financing of terrorism, fraud prevention, FATCA, etc.

B. Prevention of money laundering

Crédit Agricole Group rolled out a training programme for the prevention of money laundering and the financing of terrorism in 2013. It aims to set out the obligations of financial bodies and identify situations of risk. The practical modules, compatible with the training module already in place, were made available to the retail bank entities in France. At the end of 2016, 95% of Crédit Agricole S.A. employees had been trained in classroom sessions and through e-learning.

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

C. Prevention of fraud

Fraud prevention is designed to protect the bank's interests and to safeguard customers: a key factor in customer trust. The fraud prevention system was deployed in all entities of Crédit Agricole Group at the end of 2016. Steps continued to be taken to control fraud risks in terms of system management, prevention and detection. Systems were rolled out to combat payment fraud and fraudulent transfers. Governance was also strengthened at entity level with greater involvement of management.

Awareness raising is also key to increasing vigilance measures. With the mounting volume of cases of attempted fraud from external sources and their increasing complexity (notably through cyber crime), the main challenges now lie in ensuring a proactive response among banks. At the end of 2016, 96% of Crédit Agricole S.A. employees had been trained in classroom sessions and through e-learning.

D. Fight against corruption

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

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began in 2015 continued in 2016, with the support of a specialised firm. It aims to certify that:

- corruption risks have been properly identified and analysed by the Crédit Agricole Group;
- the anti-corruption programme is designed to limit these risks and to comply with international best practice as defined by the various regulations and guidelines;
- the programme is effective and properly applied across the various entities of the Crédit Agricole Group.

At end-2016, the Crédit Agricole Group had obtained BS 10500 certification and thereby became the first French bank to be certified. This certification recognises the Group's determination and the quality of its anti-corruption programme. It attests that the corruption risks have been correctly identified and analysed and that the programme applied by Crédit Agricole has been designed to limit these different risks, by applying international best practices. It concerns all Crédit Agricole Group's business lines: Retail banking, financing activities, Asset management, Private Banking, etc.

Receipt of this certification reflects Crédit Agricole's long-standing commitment to ethics in business, a cornerstone of its corporate social responsibility (CSR) policy. It is a constant part of our drive for operational excellence and our goal to control all risks, including extra-financial ones.

Moreover, at end-2016, 94% of Crédit Agricole S.A. employees had received anti-corruption training.

E. Reporting dysfunctions

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

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

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

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

The Crédit Agricole S.A. Compliance department has made training and awareness modules available for employees. The modules are based on general guidelines and have been adapted to the Group's main business lines. A handbook deals with 14 major compliance issues (financial security, advisory duty, conflicts of interest, etc.). This document is available in nine languages, thereby reaching a maximum number of employees. In 2016, new content was added to the new Compliance Intranet, which is accessible to all employees with a Group Intranet account. Bilingual virtually in its entirety, it describes the main compliance issues in an informative way, and sets out the positions and tasks of the Compliance department.

Work was undertaken on the Group's training framework in 2016. This framework will be addressed to all Group employees regardless of their exposure. It will have six e-learning modules covering the following areas: combating money laundering and terrorist financing, international sanctions, raising awareness of external fraud risks, customer protection, combating corruption, Compliance culture.

In parallel, Crédit Agricole S.A. prepares specific business line training for exposed employees.

2.2.3. Establishing a committed tax policy

Tax practices are an important part of corporate social responsibility. With governments increasingly forced to adopt austerity policies, there is growing public interest in knowing whether companies pay their fair share of taxes on their profits, and concern that they should not promote tax evasion. Expectations go beyond compliance with (or use of) the complex fabric of national, regional and international tax rules. In accordance with the criteria set by its key stakeholders, Crédit Agricole is a responsible company in respect of tax. In addition to €2.3 billion in labour charges, Crédit Agricole Group is one of France's biggest taxpayers. It paid €4.2 billion in taxes to the French authorities in 2016. Crédit Agricole S.A.'s effective tax rate (20.9% in 2016) only relates to part of the overall tax charge borne by the Crédit Agricole Group: although the Crédit Agricole Regional Banks are consolidated for tax purposes with Crédit Agricole S.A., their profit or loss and tax charges are accounted for by the equity method. This means that Crédit Agricole S.A.'s effective tax rate does not include all the corporate income tax paid by the various Group entities. The effective tax rate of Crédit Agricole Group in 2016 was 33.3%. Crédit Agricole S.A. also applies a transfer pricing policy in line with the principles of the OECD: it declares its revenues and pays the corresponding taxes in the States in which it pursues its banking or financial activity. The Crédit Agricole Group earns three-quarters of its revenues in France. It also pays three-quarters of its taxes in France. Thus its tax charges are in line with its business activities.

Crédit Agricole S.A. has developed, under the oversight of its Executive Management, a set of rules that have led it to withdraw from States classed as non-cooperating by the OECD. This policy is implemented under the control of the Group Compliance, Public Affairs and Tax departments. Crédit Agricole S.A. is also committed to withdrawing its operations from States that may be considered to be tax havens. Crédit Agricole S.A. no longer has any vehicle based in the British Virgin Islands. In addition, its entities

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established in Guernsey, the Cayman Islands and Bermuda are taxed in France (under Article 209 B of the French Tax Code), the United States and the United Kingdom respectively.

Crédit Agricole SA is also transparent about its organisation, the location of its establishments, its structure and its operations. It has also published country-by-country reporting that allows stakeholders in all jurisdictions where it has a tax residence (subsidiary or branch) to grasp the key determinants of its income tax expense. In its 2016 registration document, Crédit Agricole S.A. published a breakdown by country of its full-time equivalent employees, revenues generated locally, its pre-tax income, taxes and taxable profit in each country (broken down by current tax and deferred tax) plus all public subsidies it received. These figures show aggregate data for each country.

Crédit Agricole Group has publicly committed to:

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

These commitments lead Crédit Agricole Indosuez Wealth Management to reduce its assets under management by approximately €10 billion. Crédit Agricole S.A. maintains a professional and cooperative relationship with tax authorities in all countries in which it operates, and fully, frankly and transparently discloses all relevant information in compliance with its legal disclosure requirements whenever disputes arise. Crédit Agricole S.A. annually publishes a list of all its subsidiaries and establishments, with their name, business type and geographic location. When the Group operates in countries where income tax is considerably lower than French income tax, it can prove that it operates a *bona fide* banking and finance activity in these countries and has real economic substance in these locations (technical expertise, employees and material resources specific to its business). It also communicates transparently on tax audits performed within the Group, any adjustments notified by the tax authorities and the resulting provisions.

The Crédit Agricole S.A. Tax department ensures that the Group's tax practices pursue broad goals of responsibility and compliance, not just the narrower purpose of managing the cost of tax and tax risk. Accordingly, Crédit Agricole S.A. provides no help or encouragement for customers in violating tax laws and regulations, nor does it facilitate or support transactions where tax efficiency for the customer is derived from the non-disclosure of facts to the tax authorities. Moreover, in December 2014, the Economic and Financial Affairs Council of the European Union adopted a revised administrative cooperation directive, which implements within the EU the standard governing the automatic exchange of information developed by the OECD in the context of the fight against tax evasion. Like all financial institutions based in the signatory countries of this directive, the Crédit Agricole Group now identifies the holders of accounts who are tax residents of countries with which an exchange agreement has been concluded, and sends annual information to their tax authorities, which forward them to the relevant authorities.

Crédit Agricole S.A. is transparent in its advocacy with legislators and fiscal policy-makers, and its tax is determined by the legal tax regime applicable to all other similar taxpayers. As Crédit Agricole S.A. wishes its lobbying activity to take place transparently with all stakeholders and to comply with best practice, it has issued a charter on lobbying in order to define corporate lobbying practices applicable to Crédit Agricole S.A. and all of its entities.

Lastly, Crédit Agricole S.A. regularly checks its use of tax incentives and deductions to ensure that they contribute to investment, employment or any other factor. For example, given that the legislative intent when introducing the tax credit for competitiveness and employment (*Crédit d'Impôt pour la Compétitivité et l'Emploi* – CICE) was to reduce employee expenses, Crédit Agricole S.A. Group chose to recognise it as a reduction in employee expenses.

2.3. CONDUCTING A TRANSPARENT LOBBYING POLICY

2.3.1. Aligning with best practices

To ensure that its lobbying activities comply with best practice, Crédit Agricole S.A. adopted a lobbying charter in 2013. The charter applies to Crédit Agricole S.A. and all of its entities. In 2014, it signed the joint statement of Transparency International France, thereby pledging to take into account the principles of transparency, fairness and integrity recommended by this association. Registered since 2009 on the European Union Transparency Register, Crédit Agricole S.A. has undertaken to adopt the Code of Conduct for interest representatives. In France, Crédit Agricole S.A. was also registered with the registers of interest groups of the National Assembly and the Senate and will, pursuant to the Sapin 2 Act of 9 December 2016, register with the digital register for interest representatives. It will, moreover, comply with the rules governing ethics and fairness laid down by the French Parliament.

2.3.2. Organising transparently

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

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2.3.3. Addressing key issues

The Group's Public Affairs department operates primarily at two levels, namely France and the European Union. Many of the subjects it addresses are dealt with in close cooperation with the French Banking Federation as regards France, and, as regards Europe, with the European Banking Federation (the Association for Financial Markets in Europe) and/or, at the request of the Fédération Nationale du Crédit Agricole, which is a member, the European Association of Cooperative Banks. The implementation of the banking union has been accompanied by the creation of a single resolution authority and a single supervisory mechanism, which has placed the major European banks, including Crédit Agricole under the supervision of the European Central Bank. In 2016, the Public Affairs department directly or indirectly lobbied these authorities to advocate the inclusion in their requirements of national specificities such as the weight of regulated savings or specific aspects of a structural nature resulting notably from the Crédit Agricole Group's membership of the cooperative sector.

It also participated in the numerous public consultations undertaken by the European Commission (including the cumulative impact of financial reform regulations or the Green Paper on retail financial services), the European Banking Authority, the European Securities Markets Authority and the European Insurance and Occupational Pensions Authority on technical standards intended to apply to all (universal) banks in Europe.

The Public Affairs department also relayed to European institutions the position of French banks on the draft European regulation establishing a European deposit insurance scheme and the draft regulations on securitisation. Finally, it endeavoured to involve the European Union and national governments in the ongoing international discussions on the completion of the work of the Basel Committee on Banking Supervision, regarding the standardisation of the calculation of various risks: credit, market, interest rate, operational.

With respect to retail banking-related matters, the Public Affairs department defended the Group's involvement in the promotion of banking inclusion and its key role in financing the economy both for households, *via* housing finance, and for companies operating in our regions.

Finally, the Department highlighted the Group's role in financing areas connected with financial service digitalisation and innovation, both in France and Europe, by pointing out that the banks were major players in digitalisation and by arguing that technological innovation in financial services should be open to competition and subject to identical business rules regardless of who is involved (Bank or *FinTech*) and without undermining the security of customer data and transactions.

2.4. BEING RESPONSIBLE ALONG THE ENTIRE CHAIN

Crédit Agricole S.A. implements a policy encompassing CSR issues in regard to purchasing. Progress resulted in late 2014 in the receipt of the *Responsible Supplier Relations* label awarded by the government ombudsman for a period of three years. The label was renewed for Crédit Agricole S.A. in December 2016. This label aims to reward organisations that are shown to have long-term balanced relationships with their suppliers. The assessment criteria are as follows:

- respect for the interests of suppliers and sub-contractors (financial fairness vis-à-vis suppliers, promotion of long-term balanced relations, equal treatment of suppliers and sub-contractors, prevention of corruption);
- impact of purchasing on economic competitiveness (helping consolidate sectors and international roll-out, evaluation of the total cost of purchasing);
- incorporation of environmental and societal factors into purchasing procedures;
- quality of the supplier – sub-contractor relationship (professionalisation of the purchasing process and function, development of relationships and of business mediation).

On the anniversary of being awarded the label, Crédit Agricole S.A. sends the adjudicating committee the audit report previously issued by the third-party expert in addition to its updated action plan.

This policy made it possible internally to formalise our responsible purchasing policy (signed by the Secretary General and sent to all employees) and to put in place a three-pronged action plan:

- ensure responsible behaviour in the purchasing process;
- have a product and service-provision approach that is more respectful of the environment, social aspects, human rights and ethics;
- make purchasing a driver for innovation in our regions.

This approach was expanded this year to all Crédit Agricole S.A. Group entities by means of a joint FReD-Fides action.

2.4.1. Assessing suppliers

Included systematically in all calls for tender, CSR assessment of suppliers focuses on their CSR management system and their offer itself. This type of assessment has been entrusted to an independent third party expert, EcoVadis, since 2012. Its methodology includes 21 criteria grouped into four themes: the environment, social issues, ethics and supply chain management. The score obtained is included in the usual multicriteria table and accounts for 10% in awarding the contract to the supplier. If the results do not meet the requirements set by the Group Purchasing department *i.e.* if the score is less than 35/100, the final decision as to whether or not to accept the provider falls to the Purchasing

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Committee. If the supplier is chosen, the Purchasing department can assist it in establishing a CSR progress plan. At 31 December 2016, 1,931 suppliers involved in calls for tender and/or panels had been asked to undergo assessment by EcoVadis. In total, 964 suppliers agreed to take the assessment.

Crédit Agricole S.A. Group entities in France and abroad are progressively applying this assessment to their strategic suppliers.

2.4.2. Incorporating environmental and social criteria

Crédit Agricole S.A. assesses the CSR quality of the supplier's offer (product or service) by including technical sustainable development criteria specific to each family of purchases in the tender specifications. Upstream of this approach, mapping of risks and opportunities was conducted internally to identify purchasing families for which the inclusion of CSR clauses in specifications as well as in contracts should be prioritised. 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. In addition to this analysis of the written documents, suppliers are questioned on their positioning as regards sustainable development and their related action plans.

Crédit Agricole S.A.'s Purchasing department also includes in its tender specifications criteria linked to social principles, reflecting, among other things, compliance with the rules of the United Nations Global Compact and use of the sheltered sector and disability-friendly companies, either directly or through joint contracting. By signing with Crédit Agricole S.A., suppliers undertake to comply with these rules and certify that their products meet these standards.

2.4.3. Encouraging the use of the sheltered and disability-friendly sector

A joint roadmap combining the Purchasing department and the Group Human Resources department is drawn up annually to meet the target set for the period covered by the disabilities agreement to increase purchases from the sheltered and disability-friendly sector.

Numerous actions have already been taken, including:

- the creation of an assessment to identify categories in which purchases can be made from the sheltered and disability-friendly sector having regard to the Group's needs;
- implementation of a one-day training module for buyers and decision-makers allowing them to better grasp the offering of the sheltered and disability-friendly sector;
- provision of tools to share information about the sheltered and disability-friendly sector and best practices to disseminate.

Several Group entities have accordingly undertaken to work with structures within the sheltered and disability-friendly sector under Group contracts, for the recycling of electronic and IT equipment or the maintenance of multi-function copiers, for instance.

2.4.4. Facilitating internal and external communication

In order to increase awareness in the Purchasing business line and the supplier community, a one-day forum on responsible purchasing was held, bringing together the purchasing, sustainable development and disability-diversity business lines. Suppliers are also invited to come and talk about their best practices on specific subjects.

2.4.5. Promoting continuous improvement in our practices

The Crédit Agricole Group has included its responsible purchasing strategy in a broader continuous improvement process, working chiefly on two areas:

- a plan to provide assistance to the purchasing business line. The purchaser of the future will have to appropriate new buying patterns, support the transformation of the Company, participate in the expression of a need as early as possible to allow the selection of co-construction offers with business lines, maintain a watch on market innovation, playing an increasingly expert advisory role in relation to decision-makers, create comprehensive new channels and factor compliance and CSR into relations with suppliers. This will involve developing the skills of teams within the purchasing business line so as to enhance their professionalism. For this, training modules are available to the Group's entire purchasing business line through its training organisation, IFCAM. CSR and sustainable purchasing constitute a module in themselves. In 2016, a responsible buyer e-learning course was added for buyers and decision-makers;
- satisfaction surveys are part of a regular process for the collection of opinions from both suppliers and internal decision-makers, with three objectives: to measure supplier satisfaction with the relationship with the Group, to measure the satisfaction of decision-makers on supplier panels, by family of purchases, with services and with support for purchasing. In 2016, Crédit Agricole S.A. participated in the SME supplier relationship survey run by *Pacte PME* on a global panel of close to 1,500 suppliers. The results were as follows: 22% of our suppliers responded to this survey with a supplier relationship satisfaction rate of 77%.

The definitions of the underlined words can be found in the Glossary on page 542.

3. DEVELOPING "CLIMATE FINANCE"

Crédit Agricole is one of the major players in financing the energy transition. It aims to help support the emergence of a development model that uses less energy, less carbon and is more respectful of the environment and to accelerate the transition towards a low-carbon economy. The Group thus decided to make energy savings and to make the environment one of the six growth drivers for its Medium-Term Plan, Strategic Ambition 2020, in addition to housing, agriculture and food-processing, health/ageing well, the sea and tourism.

3.1. FINANCING THE ENERGY TRANSITION

Crédit Agricole Group reaffirms its leading role in green financing. Concrete results at end-2016 show the progress made since it announced its intention, on the fringes of the COP21 in December 2015, to accelerate the energy transition to a low-carbon economy:

- €28 billion in arrangements in support of the energy transition, representing close to half of the stated 3-year target (2016-2018) of €60 billion;
- Close to €1.1 billion in cash invested in green bonds, out of the €2 billion planned by Crédit Agricole S.A. and Crédit Agricole CIB by end-2017;
- 21% increase in financing for renewable energy in France in 2016 (€514 million versus €425 million in 2015), out of a commitment to a 100% increase by 2018;
- €150 million in financing raised by Amundi with its joint management company with EDF, Amundi Transition Energétique (ATE), out of the €5 billion planned by 2020 through ATE and another joint Amundi/Agricultural Bank of China special management company.

3.1.1. Financing the development of renewable energies

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

At 31 December 2016, Unifergie had financed projects worth €514 million, 21% up on 2016, equivalent to 890 MW. The total capacity financed by CAL&F exceeded 3,700 MW at the end of 2016; this electricity production helped power 1,500,000 French homes.

As one of the leading financers of renewable energies, since 2008 Crédit Agricole CIB has financed a total of 359 wind farms generating more than 18,500 megawatts (MW) and 100 solar farms totaling more than 3,000 MW of installed capacity. In terms of number of loans, renewable energy represented over 75% of electricity generation project finance by Crédit Agricole CIB in 2016.

3.1.2. Innovating in financial markets: green bonds

In addition to project finance, Crédit Agricole CIB fights climate change by structuring numerous social and environmental bonds. Operating in this market since 2010, Crédit Agricole CIB arranged over $21 billion in green bonds, social bonds and sustainability bonds for its major customers in 2016, thereby confirming its position as a leading arranger in this market worldwide.

In addition, in 2013 Crédit Agricole CIB launched the *Crédit Agricole CIB Green Notes*. These are bonds or any other funding instrument issued by Crédit Agricole CIB where the funds raised are used to finance environmental projects. At 31 December 2016, Crédit Agricole CIB had financed €1.541 billion in green loans thanks to green notes and similar debt products.

In 2015, Amundi also launched the *Amundi Green Bonds* fund, which enables institutional investors to participate in the financing of the energy and environmental transition by investing both in the green bonds market and in debt securities of specialist and leading companies in green technology development. In 2016, the *Amundi Impact Green Bonds* fund supplemented this first fund. Wholly invested in green bonds, this fund enables investors to measure the positive environmental impact of their investments by means of impact reporting expressed in tonnes of CO_2 avoided. Via these two funds, Amundi has in excess of €65 million under management dedicated to financing the energy transition. Amundi also offers the Amundi Valeurs Durables fund, which invests in European companies that earmark at least 20% of their revenues for the development of green technologies. At 31 December 2016, the fund's assets totalled €237 million.

3.1.3. Moving to a low carbon economy

Amundi promotes investment in projects contributing to the energy transition and the shift to a low-carbon economy. A partnership was thus signed with EDF in October 2014. Operating via a joint management company, Amundi Transition Energétique (ATE), it aims to offer institutional investors managed funds focussed on the core areas of energy infrastructure (wind, solar, small hydropower plants, etc.) and *B-to-B energy efficiency*. In early 2017, ATE launched and fully invested its first Private Equity Infrastructure product. ATE actually acquired, from Dalkia, a majority interest in a portfolio of 132 French co-generation facilities producing both electricity and heat for industrial and public customers. In 2016, Amundi partnered with the Agricultural Bank of China to create a joint management company, on the same model as that created with EDF.

The definitions of the underlined words can be found in the Glossary on page 542.

In September 2014, Amundi pioneered the launch of an index-linked investment offering based on *the MSCI Low Carbon Leaders indices*, with the support of large institutionals such as AP4, FRR and ERAFP. These innovative indices replicate standard global or European equity indices, while reducing the weighting of companies exposed to climate risk and maintaining equivalent market exposure. By using these indices, investors can reduce their carbon risk exposure without adversely impacting market exposure and hence returns. This solution now accounts for €5 billion in assets under management at Amundi.

Crédit Agricole Group signed up to the *Science Based Targets* movement in 2016. In each sector, partners of Science Based Targets assess what effort needs to be made to achieve the commitment to limit warming to 2°C above pre-industrial levels. The bank, as a financial partner, is a key driver of change in energy mixes.

Furthermore, in order to meet the climate stabilisation objectives set by the international community, 80% of current fossil energy reserves should not be extracted and consumed. However, according to a study from the *Carbon Tracker Initiative*, coal is responsible for 65% of greenhouse gas emissions from fossil fuels. Cognisant of this growing risk, in the first half of 2015 Crédit Agricole committed to a general policy of pulling back from funding coal-related activities.

The industry policy relating to mining and metals was revised in May 2015 to exclude any financing involving coal mining as well as corporate financing for industrial groups where coal production represents a predominant portion of their business. The application of this new policy resulted in a reduction of over 50% in the Bank's exposure to such counterparties in 2016.

The sector policy relating to coal-fired plants was revised in September 2015 to exclude the financing of new coal-fired plants or their extension in countries that meet the World Bank's definition of high-income countries and in November 2016, while COP22 was taking place, to exclude all new projects anywhere in the world.

It was also in this context that Amundi decided to no longer work with issuers that generate over 50% of their revenue from coal mining.

Finally, to help reduce the carbon footprint of buildings during the construction phase, CAI is a founding member of the low-carbon building association BBCA, set up in October 2015. Since then, CAI has been joined by Amundi Immobilier and Crédit Agricole CIB Immobilier. The association seeks to promote more virtuous buildings, mainly by using green materials and limiting the use of materials, where possible. It aims to improve the transparency of a building's carbon footprint by creating a new label based solely on this criterion. The BBCA label is the first to measure the carbon footprint of buildings throughout their lifecycle, from construction and operation to destruction and to encourage low-carbon construction and the circular economy. In 2016, two CAI projects (a Noisiel student residence and the Liv'In Bussy Saint-Georges programme in Seine-et-Marne) and one Regional Bank of Pyrénées Gascogne project were among the first BBCA-certified buildings.

3.2. MANAGING CLIMATE RISKS

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

- by estimating the carbon footprint of the corporate and investment portfolio. Since 2011, Crédit Agricole CIB has used P9XCA methodology, developed in partnership with the Chair in Quantitative Finance and Sustainable Development at Paris Dauphine University and École Polytechnique to estimate the carbon footprint of its portfolio and to undertake sector-based and geographical mapping of the carbon emissions it generates. Accordingly, annual emissions have been estimated since 2012 for the entire Crédit Agricole Group at 160 million tonnes of CO_2 equivalent, of which 100 million tonnes are from major infrastructure projects in France and worldwide. Crédit Agricole S.A. has shared this methodology with its peers, and P9XCA is now recommended for corporate and investment banks by the Agency for Environment and Energy Management, the Observatory on Corporate Social Responsibility and the Bilan Carbone Association;
- By drawing up sector policies for the sectors with the largest carbon footprint impact (see section 4.2.3.B);
- By phasing in the principle of factoring climate change and a carbon price into its analysis when reviewing lending applications.

Amundi took steps to be in a position to support its institutional customers with the application of Article 173 of the French Energy Transition Law. Amundi has undertaken alongside Trucost, a global leader in environmental research and the provision of carbon data, to obtain the most accurate information possible about the carbon impact of Amundi funds and to pass this information on to its customers. Direct and indirect emissions (scopes 1, 2 and 3) and carbon reserves are covered so as to facilitate the calculation of the corresponding carbon footprints. Amundi has also developed tools to measure the carbon footprint of its funds, enabling it to provide its customers with carbon reporting comprising indicators such as carbon emissions per million euros invested, carbon emissions per million euros of revenue, sector breakdown of carbon emissions, geographic breakdown of carbon emissions or indeed carbon reservoirs per million euros invested.

3.3. ENCOURAGE RESPONSIBLE BEHAVIOUR

Crédit Agricole provides support for the projects of the farmers (see section 4.3), SMEs, local authorities and individual customers to which it offers solutions that help them reduce their carbon footprint. In addition to low-carbon funds and green bonds for its institutional customers (see sections 3.1.2 and 3.1.3), the Group is also very active in the green savings and insurance, with offers that encourage responsible behaviour.

3.3.1. Helping customers improve energy performance

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

- the interest-free eco-loan (Eco-PTZ). Between its launch by the public authorities in April 2009 and end-2016, nearly 104,000 offers have been made by Crédit Agricole, in a total amount of more than €2.13 billion;
- energy-saving loans offered by the Group since 2007. Between their introduction and end-2016, the total amount of loans marketed by all Regional Banks reached €2.036 billion.

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

In addition, Crédit Agricole now offers its SME and mid-cap customers an Energy Advisory Plan (Démarche Conseil Energie) to help them finance energy efficiency investments. The Group's expertise and know-how of the group in green financing and certain eco-efficient technologies makes it a key partner for decision-makers on the subject.

3.3.2. Insuring climate change

Since June 2016, Pacifica has been encouraging insurance for hybrid and electric vehicles by taking charge of the deductible for claims relating to these vehicles, upon policy subscription. Batteries are also covered in the event of theft or damage, including during rental.

Crédit Agricole Assurances (CAA) introduced insurance cover for renewable energy facilities (solar panels, wind turbines) as part of its comprehensive home insurance policies and comprehensive professional and farming insurance. In addition to this programme, customers taking out an Eco-PTZ loan are offered a 25% discount on comprehensive home insurance in the first year. In 2015, Pacifica decided to extend the reduction to the energy savings loan (see section 3.3.1).

In property & casualty insurance, products in the individual, small business and farmers ranges take into account climate constraints through insurance cover protecting policyholders and their property from storms, natural disasters, or weather events (hail and frost). At 31 November 2016, Pacifica managed close to 20,000 weather-related insurance contracts (Harvest Insurance and Hail Insurance). In addition, Pacifica offers forest insurance to safeguard against forest risks. At end-2016, this represented a portfolio of 1.2 million hectares insured.

Finally, CAA and *Airbus Defence & Space* have developed an insurance solution to manage climate risk for farmers called Prairie Insurance. It is based on the measurement of a forage production index that measures the annual level of forage production from land locally for each of France's 36,100 municipalities.

The definitions of the underlined words can be found in the Glossary on page 542.

4. HELPING CUSTOMERS TO MEET THEIR SOCIAL, ENVIRONMENTAL AND SOLIDARITY CHALLENGES

For several years, Crédit Agricole has been committed to reducing its negative impacts on its direct environment and to better protecting the environment. The Group has identified the main issues raised by its various activities in terms of:

- allocation of savings to activities with positive impacts in regions;
- examination of risks and risk management relating to the environmental and social impacts of the Group's activities;
- support for the agricultural sector.

4.1. ALLOCATING SAVINGS TO ACTIVITIES WITH POSITIVE IMPACTS IN REGIONS

4.1.1. Developing a product offering with societal impact

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

Social impact management in 2016:

- €1.793 billion in outstandings, representing growth of 36% compared with 2015;
- meetings with around 100 socially responsible companies;
- 26 charities financed, including five new ones added in 2016;
- 18 Finansol-certified funds;
- seven themes: jobs (education, training and integration), housing, health, environment, associations, over-indebtedness, and international aid.

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

The socially responsible savings range *L'Autre épargne* provides an option for customers looking for alternative investments. This is used to finance community projects and projects that contribute to the local economy by supporting non-profit associations through the donations generated by these products. *L'Autre épargne* is built around two Finansol-certified mutual funds financing *Banques alimentaires* and *Habitat et Humanisme*, the Predica *Contrat solidaire* life insurance product and a variant of the mutual shareholders' passbook account with the option for customers to earn *Tookets*, Crédit Agricole's charity reward currency. At end-2015, €116,700 in donations had been generated by the two mutual funds, with 44,000 people benefiting.

4.1.2. Financing green technologies

Created in 2013, the *Amundi Valeurs Durables* fund invests in European companies that carry out a significant part of their business in the development of so-called "green" technologies: renewable energy, improving energy efficiency, water management and waste management. At 31 December 2016, the fund's assets totalled €237 million.

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

4.1.3. Meeting the challenges of tomorrow

CAA has built an offering centred around products that address major social issues.

A. Responding to an ageing population

Predica offers a new product to assist people once they are in need of care. Certified by the French Federation of Insurance Companies, this product guarantees a minimum income of at least €500 in cases of serious long-term care. This can pay for personal services or cover some of the costs of living in a care home. It also pays €1,000 a year towards the costs of home-care services to provide respite for the carers of the dependent person. Predica's healthcare partners are committed to providing a response within 72 hours and a solution within 30 days, for insured persons looking for a place in a care home. At the end of 2016, Predica covered more than 177,000 insured people for long-term care risks.

B. Meeting public health challenges

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

The definitions of the underlined words can be found in the Glossary on page 542.

C. Committing to inter-generational so lidarity

Predica undertook various actions in this area, in particular appraising its offering from the perspective of a population in which four generations are living together. It thus rolled out inter-generational offerings and products and in parallel organised a series of marketing initiatives to promote them.

4.2. INCORPORATING AND MANAGING THE RISKS RELATED TO ENVIRONMENTAL AND SOCIAL IMPACTS

4.2.1. Taking environmental risk into account when financing mid-caps

Following a successful test phase in Rhone Alps, Crédit Agricole reaffirmed its intention to incorporate ESG risks into its corporate credit decision-making. In 2016, a questionnaire was drawn up together with the Regional Banks and tools to raise the awareness of relationship managers were made available. In 2016, one Regional Bank incorporated this ESG analysis into its Private Equity and credit business. In 2017, other Regional Banks plan to give questionnaires to their customers. Initially this will focus on raising the awareness of customers and relationship managers, without incorporating the ESG rating into the credit decision. The ESG questions will be incorporated at a later date, beginning in 2018, in the Economic Analysis component of the Corporate Commitments Business Case.

4.2.2. Investing responsibly

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

A. Proposing extensive and incentivising SRI

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

SRI assets under management at 31/12	2014	2015	2016
Assets under management *(in billions of euros)*	71.6	159.1	167.7
As a % of Amundi's total assets	8.3	16.2	15.5

B. Disseminating a committed ESG policy

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

- a strict normative screening policy that resulted in the exclusion of 202 issuers from the management portfolios in 2016;
- ESG analysis of firms based on documents such as the United Nations Global Compact, the OECD Guidelines on Corporate Governance, and the International Labour Organization (ILO) policies, etc.;
- distribution of ESG ratings to all managers;
- solutions for all types of customers.

In August 2016, Amundi was the first management company to have its four funds awarded the SRI Label by the French Department of Finance and Public Accounts. Created in early 2016, this label aims to enhance investor visibility of SRI fund offerings. Amundi is also the first asset management company to have its SRI strategy certified by AFNOR. The certification is a hallmark of the quality and transparency of the SRI process, based on seven service commitments (expertise, traceability of data, information, responsiveness, etc.).

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

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

C. Pursuing a formal policy of engagement

ENGAGEMENT FOR INFLUENCE

Amundi conducts a policy of engagement for influence on specific themes to encourage companies to adopt better practices. Since 2013, the ESG analyst team has been particularly focussed on six areas: respect for human rights in the oil and mining sectors, access to nutrition and the fight against food wastage in the food processing and retail sectors, the responsible exercise of the lobbying practices of pharmaceutical and automotive industry groups, the compliance of conflict minerals, child labour in the cocoa and tobacco sectors, and the limitation of the environmental impact of coal in the electricity generation sector. Amundi also supports international shareholder collective initiatives to induce public authorities to adopt incentive measures and to encourage companies to improve their practices.

VOTING POLICY

The goal of shareholder dialogue is, through regular constructive interaction, to present our view as a responsible investor on the items on the agenda of the General Meetings of Shareholders of the companies in which we have our largest interests. This dialogue is structured according to a formalised process (e.g. pre-alerts ahead of General Meetings of Shareholders) and leads to greater transparency, additional commitments and to companies modifying or even relinquishing certain practices. In 2016, this commitment involved 240 issuers through alerts and company-driven dialogue.

The definitions of the underlined words can be found in the Glossary on page 542.

Voting campaign at General Meetings of Shareholders	2014	2015	2016
Number of AGMs concerned	2,576	2,565	2,623
Number of resolutions considered	31,237	32,396	32,771

D. Being committed to investment in other entities

As a leading institutional investor and signatory of the PRIs, CAA also uses extra-financial criteria in its investment decisions, by applying an ESG filter to issuer selection. This screening policy is backed by a thematic investment policy: health and ageing through investments in long-term care facilities, and environment, by way of investments in property assets that have obtained environmental certification. The CAA Group continues to increase property with environmental quality certification, such as HQE, BREEAM and LEED, as a share of its total office real estate. At year-end 2016, green real estate accounted for 46% of the area (sq.m.) invested in offices (*i.e.* 460,000 sq.m. out of a total of one million sq.m. of offices).

CAA also invests in renewable energies, in particular in energy infrastructure projects - in France for the most part. In 2016, CAA in particular strengthened its partnership with Engie, the goal being to grow their joint wind asset portfolio. At the end of 2016, €243 million had thus been invested in renewable energy programmes.

E. Offering SRI opportunities to customers

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

In 2016, CA Indosuez Wealth Group put together an action plan primarily designed to promote SRI within wealth management. It was focussed on actions such as the roll-out of SRI ratings to all entities, raising the awareness of salespeople and customers regarding the SRI rating of portfolios, thematic fund selection or indeed the proposal of a green bond offering.

4.2.3. Assessing and managing environmental and social risks

Negative environmental and/or social impacts related to financing and investments are taken into account using three pillars: application of the Equator Principles, CSR sector policies, and an assessment of the environmental and social aspects of operations. In addition to this approach, Crédit Agricole CIB introduced a scoring system for all corporate customers in 2013.

A. Applying the Equator Principles to all financing

The Equator Principles were developed in response to limitations and triggers related to project financing, as defined by the Basel Committee on Banking Supervision. They constitute a methodological framework for assessing and preventing the social and environmental impacts of project financing once it is linked to building a specific industrial asset, such as a plant or transport infrastructure. Although initially confined to project finance, since 1 January 2014 these principles have been extended to the four areas of banking defined by the Equator Principles Charter: advisory services, project finance, project-related corporate loans and bridge loans. In addition to the cases provided in the Equator Principles Charter, Crédit Agricole CIB endeavours to apply these principles on a voluntary basis to all other financing that is directly related to a project.

In 2016, 36 project finance contracts were signed and classified in categories A, B and C. At 31 December 2016, the number of projects in the portfolio was 402. The classification of projects breaks down as:

- 34 projects classified as A, 7 of them in 2016;
- 311 projects classified as B, 28 of them in 2016;
- 57 projects classified as C, 1 of them in 2016.

Eight project-related corporate loans were signed in 2016 and were classified as A, B and C. The classification of projects breaks down as follows:

- 1 project classified as A;
- 7 projects classified as B;
- no project was classified as C.

B. Introducing CSR sector policies

In 2013, Crédit Agricole CIB introduced sector policies to go further in recognising the social and environmental impacts of its activities. These are applied Group-wide. These policies demonstrate the commitment of the business to incorporate civic issues such as human rights, global warming and biodiversity. Sector policies set the conditions for investment and define the criteria for analysis and screening in all transactions involving the following sectors:

- armaments (2010);
- energy (oil and gas, shale gas, coal-fired power stations, hydro plants, nuclear) (2012 - review of the policy on coal-fired power stations in 2015 and 2016);
- mining and metals (2013, reviewed in 2015);
- transport (aviation, maritime and automotive) (2013);
- transport infrastructure (2014);
- real estate (2015);
- forests and palm oil (2015).

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C. Assessing the environmental and social aspects of its operations

Crédit Agricole CIB has assessed the environmental and social aspects of its operations since 2009. The Environmental and Social Risk Assessment Committee (CERES) issues recommendations prior to the Credit Committee Meeting for all transactions whose environmental or social impact it feels need close monitoring. In 2016, the CERES Committee met six times and examined 20 transactions before they were handed over to the Credit Committee in view of the importance and sensitivity of the potential social or environmental impacts. Its recommendations led in one instance to a decision not to pursue a commercial opportunity and in three instances to impose special conditions for environmental and social risk management.

D. Assessing customers

At the end of 2013, Crédit Agricole CIB introduced a CSR scoring system for all its corporate customers designed to supplement the environmental and social risk assessment system for transactions. Customers are scored each year on a scale composed of three levels (Advanced, Compliant or Sensitive), based on whether the customer complies with existing sector policies (Compliant), whether there is an image risk for the bank (Sensitive), and whether the customer is listed in the main global CSR indices (Advanced). This scoring system will evolve following the service contract signed with a non-financial rating agency. The tests carried out in 2016 on the use of this agency's ratings make it possible to consider changing the CSR scoring system using three levels of due diligence: reduced, standard and higher.

4.3. SUPPORTING THE AGRICULTURAL SECTOR

The leading financial partner of French farmers, Crédit Agricole aims to support its customers from day one by financing their investments as well as securing their revenues, thanks to insurance and savings solutions.

4.3.1. Helping out the farmers

Crédit Agricole, the financial partner of nine out of every 10 farmers, actively supports sectors in crisis and offers adjustment measures of various types, including the deferral of all or part of their annual payments. Close to 48,500 actions have been taken by the Regional Banks since April 2015. In 2016, Crédit Agricole announced the release of a €5 billion package to help farmers through the current difficulties. The network of 1,800 agricultural advisers in the 39 Regional Banks advises individual farmers on the best solution for their specific case, allowing them to get through their difficulties and preserve their capacity to invest for the future.

Pacifica also supports farmers by offering insurance for the majority of crops (large-scale farming, vines, arboriculture) against a number of weather events (drought, hail, excess rainfall, floods, storms, frost, etc.). Pacifica manages close to 20,000 weather-related insurance policies (Harvest Insurance and Hail Insurance). Crédit Agricole Assurances also offers Pasture insurance, the first market offering to cover pastureland against weather events. It enables breeders to cover foraging losses resulting from a decline in grass production as a result of severe droughts that may occur during their career. In 2016, this product won the *Argus d'Or de l'Innovation* in the property & casualty insurance category. Finally, Pacifica has developed an insurance range to cover biogas facilities for property damage (fire, storm-hail-snow, water damage, flooding, theft, vandalism, broken machinery, electrical damage), operating losses and energy supplier civil liability (in the case of the resale of electricity, heat or gas) and employer gross negligence civil liability (when employees are present).

4.3.2. Promoting responsible agriculture

An advocate of a strong agricultural sector, both economically, socially and in terms of the environment, it also helps farmers diversify their income by investing in renewable energy generation: wood biomass and solar, or even methanation, the latter being used in the treatment of manure.

Crédit Agricole is the bank for all forms of agriculture: it is a long-standing partner of the *Forum de l'agriculture raisonnée* (French forum for sustainable agriculture), of the *Agence Bio* and of the French Agricultural Ministry's Sustainable Agriculture Awards. It also finances the sustainable agriculture projects of its customers. Several Group entities have instituted organic offerings. Cariparma CA Group is thus offering three new financings to support them: switching businesses to organic agriculture, businesses less than two years old and the digital transformation of these farm businesses.

In addition, in 2016, Crédit Agricole renewed its partnership with the *Agence Bio* and continued to participate in the Tech&Bio show held every two years in the Drôme region, with a stand run by the Regional Banks of the Rhône-Alpes region.

The Crédit Agricole Group is one of the founding members of the Foundation for World Agriculture and Rural Life (FARM). A non-profit association, FARM is a think tank that seeks to promote efficient, sustainable farming and food production in southern countries that are fair to both producers and consumers.

In 2016, FARM strengthened its position and its commitment to the development of sustainable family farms in Africa. This year was dominated by in-depth reflection, and in particular with the holding of a conference at the OECD on measures to stimulate the employment of young people in the farming and food processing sectors in Africa. The foundation also contributed to the discussion on strengthening the food processing sector, the development of farming credit and insurance. FARM also played a role in establishing the Insurance For Farmers coalition, which aims to extend the use of index-linked insurance against weather events by small farmers in southern countries.

The definitions of the underlined words can be found in the Glossary on page 542.

5. DEVELOPING PEOPLE

In 2016, the Group Human Resources department (GHR) embarked on a Human Resources strategy that is *100% digital and 100% people-orientated,* to support the deployment of the Medium-Term Plan (MTP) “Strategic Ambition 2020”.

The department handles topics which are based on six key common Human Resources values, which are shared by the entities and Regional Banks:

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

Between now and 2020, we will run five key Human Resources initiatives to support the Group’s transformation. These are:

1. Adoption of a digital culture;
2. Employee mobilisation and engagement;
3. Succession planning, talent creation;
4. Implementation of Human Resources governance and tools;
5. Compensation and employee benefits.

GHR actions the topics which are key to the Group’s development and handles governance issues such as managing the executives, compensation policies and the social policies, which include promoting diversity and equal opportunities. GHR ensures the identity of each Group entity is maintained. These entities have first-level responsibility for their own Human Resources policies. To share best practices and deploy its Human Resources strategy, GHR heads up Human Resources business line and holds monthly meetings attended by the Human Resources departments of the subsidiaries and their teams.

In short, our Human Resources initiatives met the following four commitments:

5.1. Supporting the Group’s transformation;

5.2. Ensuring fairness and promoting diversity;

5.3. Improving the quality of work life and performance;

5.4. Fostering employee engagement and social dialogue.

In 2016, the Human Resources policy made significant progress through various activities, one of which was a particular highlight: the Crédit Agricole Group launched a Group-wide survey (for the entities and Regional Banks) in France and abroad. This “Engagement and Recommendation Index” (ERI) measures employee engagement to help manage the Group’s transformation.

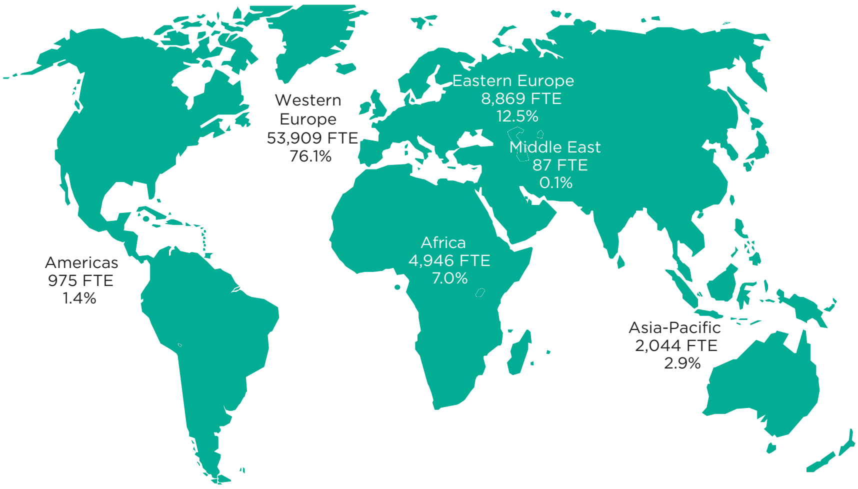
Group employee figures

HEADCOUNT BY TYPE OF CONTRACT (FULL-TIME EQUIVALENT)

	2016			2015		
	France	International	Total	France	International	Total
Active permanent contract (CDI) employees	36,235	31,116	**67,351**	36,688	31,119	**67,807**
Fixed-term contract (CDD) employees	733	2,746	**3,479**	872	2,820	**3,692**
Total Active Employees	**36,968**	**33,862**	**70,830**	**37,560**	**33,939**	**71,499**
Non active permanent contract (CDI) employees	1,336	1,439	**2,775**	1,261	1,446	**2,707**
TOTAL	**38,304**	**35,301**	**73,605**	**38,821**	**35,385**	**74,206**

The definitions of the underlined words can be found in the Glossary on page 542.

GLOBAL PRESENCE



BREAKDOWN OF HEADCOUNT BY BUSINESS LINE

	2016		2015	
	Headcount (FTE)	%	Headcount (FTE)	%
French retail banking	18,544	26.2	19,644	27.5
International retail banking	20,447	28.9	20,711	29.0
Savings Management and Insurance(1)	8,699	12.3	11,632	16.3
Specialised financial services	8,779	12.3	9,039	12.5
Large customers(1)(2)	10,641	15.0	7,145	10.0
Corporate Centre	3,720	5.3	3,328	4.7
CRÉDIT AGRICOLE S.A.	**70,830**	**100.0**	**71,499**	**100.0**
o/w France	36,968	52.2	37,560	52.5
o/w Rest of the world	33,862	47.8	33,939	47.5
Coverage		*100%*		*100%*

(1) Transfer of CACEIS operations from Savings Management and Insurance to Large customers for 3,246 FTE.

(2) Corporate and investment banking in 2015.

EMPLOYEES BY GENDER IN FRANCE

	2016		2015	
	Women	Men	Women	Men
Headcount in France (in %)	55.8	44.2	56.1	43.9
France coverage		*100%*		*99%*

EMPLOYEES BY STATUS IN FRANCE

	2016		2015	
	Managers	Non-managers	Managers	Non-managers
HEADCOUNT IN FRANCE *(in %)*	**63.7**	**36.3**	**61.4**	**38.6**
Women (in %)	53.5	46.5	50.8	49.2
Men (in %)	76.4	23.6	75.0	25.0
France coverage		*100%*		*99%*

AGE STRUCTURE AND AVERAGE AGE

AVERAGE AGE

	2016			2015		
	France	International	Total	France	International	Total
Average age	42 years and 11 months	42 years	**42 years and 6 months**	43 years	41 years and 5 months	**42 years and 4 months**

PROPORTION OF PART-TIME EMPLOYEES

	2016			2015		
	Managers	Non-managers	Total	Managers	Non-managers	Total
Part-time employees	2,048	3,006	**5,054**	2,098	3,359	**5,457**
Part-time employees as % of total	8.6	22.1	**13.5**	9.1	23.1	**14.5**
Women as % of part-time employees			**90.4**			**89.7**
France coverage			**99%**			**99%**

5.1. SUPPORTING THE GROUP'S TRANSFORMATION

In 2016, the Human Resources department's focus was to strengthen the corporate culture, improve employee engagement and prepare for the future: digital training for all employees, anticipating future talent requirements and supporting mobility within and between the entities.

5.1.1. Employee mobilisation and engagement

Engagement and Recommendation Index (ERI)

The deployment of a Group Engagement and Recommendation Index (ERI) is one of the Human Resources priority projects included in the Medium-Term Plan (MTP) "Strategic Ambition 2020". Employee engagement is one of the main driving forces and a management tool to support the Group's transformation. The fundamental aim of the project is to divide attention equally between customers and employees. In order to do this, the project aims to replicate the customer satisfaction improvement initiative linked to a Customer Recommendation Index for employees.

Thus, the ERI adopted a common methodology to measure employee engagement and their sense of belonging to their entity and the Group, and to improve dialogue.

The objectives:

- to listen to employees and involve them in the success of the MTP and the Group's transformation;

- based on the results achieved, to identify and create appropriate action plans for each entity, or country for subsidiaries located abroad.

Before the ERI was rolled out in the majority of entities and banks, it was piloted in 13 entities at the end of December 2014, including Crédit Agricole Consumer Finance, and extended to more than 30,000 employees in 2015. The overall participation rate of 70% reflected employee commitment to their company and their desire to help it improve.

From 26 September to 14 October 2016, the ERI of employees of 41 Crédit Agricole Group entities and Regional Banks was measured simultaneously for the first time using a common method, with the aim of achieving 60% overall participation.

84,691 employees were asked to complete an online questionnaire which was administered by an external survey company. 53,507 people responded, giving a participation rate of over 63%. In addition to answering closed questions about their support for the strategy, job fulfillment, etc., Group employees were also offered the opportunity to express their opinions by responding to an open question and 23,366 responses were collated.

At the end of this employee-wide exercise, the results were analysed and presented to the management bodies of the Group and entities, on 5 December to the Crédit Agricole S.A. Executive Committee and on 12 December to the level-1 Executive managers. This also gave the Group's managers the opportunity to discuss the results and be involved in drawing up the engagement action plans. The action plans will be chosen by each entity and implemented based on the summary of recommendations. Each Group entity effectively has different business lines, competitive environments, values and cultures.

Because Group employee engagement remains the key factor in driving forward the actions required at each entity to ensure progress continues until 2020, employee ERI will be measured annually.

Two concrete examples:

The **Crédit Agricole Consumer Finance** participation rate in the second ERI in 2016 was 79%. The global result and scores in each category were significantly better than for the 2014 ERI, and this was linked to the actions initiated since the first survey: the strategy was generally known and understood, local communication had improved, and confidence in the Company was fostered by a positive perception of the decisions made by Executive Management. There did however remain some areas for improvement: perceptions differed between managers and employees, results differed depending on the location and the digital culture underway was yet to produce results. There was also a requirement to update resources, tools and working procedures as part of the Company's transformation. Cross-disciplinarity is an area for improvement and career prospects and talent management required further action.

In 2016, 2,900 employees in the **Amundi group** (in France and 12 other countries) were invited to take part and the participation rate was 50%. The strengths to be capitalised on: a genuine pride in working for the company, employees involved and motivated, prepared to push their limits to ensure the success of their company, employees working in teams to achieve their objectives and successfully complete their assignments, the corporate strategy had been effectively communicated and properly understood. Areas of concern: such as the gap between the globally satisfactory rating for tools and equipment for effective working on a day-to-day basis, and the feeling of a lack of resources to deal with any problems or challenges

5.1.2. Encouraging employee development and employability

A. Employee development

The Group is constantly looking to provide employees with the necessary training and tools to equip them for their role.

TRAINING

TRAINING IN FIGURES

	2016 (11 months)	2015 (11 months)
Number of employees trained		
France	42,186	36,861
International	27,172	28,474
TOTAL	**69,358**	**65,335**
coverage	*98%*	*97%*
Number of training hours		
France	939,506	912,585
International	926,822	713,295
TOTAL	**1,866,328**	**1,625,880**
Coverage	*98%*	*97%*

TRAINING TOPICS

	2016 (11 months)				2015 (11 months)	
	Total	%	o/w France	o/w international	Total	%
Knowledge of Crédit Agricole S.A.	30,378	1.6	16,308	14,070	15,725	1.0
Personnel and business management	104,668	5.6	45,449	59,219	122,231	7.5
Banking, law and economics	441,402	23.7	339,439	101,963	430,840	26.5
Insurance	343,398	18.4	159,119	184,279	318,486	19.6
Financial management (accountancy, tax, etc.)	52,443	2.8	15,188	37,255	39,095	2.4
Risk	101,243	5.4	57,777	43,466	64,406	4.0
Compliance	149,555	8.0	62,510	87,045	85,679	5.3
Methods, organisation, quality	56,853	3.0	17,382	39,471	47,928	2.9
Purchasing, marketing, distribution	101,078	5.4	23,379	77,699	56,709	3.5
IT systems, networks, telecommunications	59,280	3.2	26,513	32,767	47,756	2.9
Languages	131,584	7.1	51,341	80,243	135,825	8.4
Office systems, software, new ICT	66,163	3.5	30,328	35,835	46,175	2.8
Personal development, communication	151,114	8.1	69,526	81,588	110,927	6.8
Health and safety	48,226	2.6	8,832	39,394	55,727	3.4
Human rights and the environment	3,313	0.2	446	2,867	3,145	0.2
Human resources	25,630	1.4	15,969	9,661	45,226	2.8
TOTAL	**1,866,328**	**100.0**	**939,506**	**926,822**	**1,625,880**	**100.0**
Coverage			*98%*			*97%*

ADOPTING A DIGITAL CULTURE AT THE CRÉDIT AGRICOLE S.A. GROUP

New technologies, particularly digital technologies, will “disrupt” the business and promote the emergence of new skills. In 2016, the Crédit Agricole S.A. Group encouraged all its employees to permanently embrace the new practices and challenges brought by innovation and the digital transformation.

Between June and December 2016, six entities (Amundi, Crédit Agricole Assurances, CACEIS, Crédit Agricole Immobilier, Crédit Agricole S.A. and SODICA) chose the Netexplo Academy platform to introduce all their employees to the latest start-up innovations and digital practices, providing a fast way for them to understand and embrace the digital culture. Use of this platform is regularly promoted and helps to encourage employees to embrace self-learning and improve their skills.

In the space of two years, more than 10,000 employees have logged on to the platform, and more than 7,000 of these employees have obtained their digital passport. The platform is particularly encouraged by international retail banking (Cariparma, Crédit Agricole Bank Polska, Crédit Agricole Egypt, Crédit du Maroc, Crédit Agricole Romania, Crédit Agricole Srbija and Crédit Agricole Ukraine).

Spotlight on the IT business lines

The SI Academy, launched by Crédit Agricole S.A. in 2015, supports the digital transformation of all the IT business lines. This programme has developed and deployed innovative training in four key areas: digital culture, project management, IT systems security and big data. Employees were offered three training options: conferences, classroom-based training and *MOOCs* (simple, flexible and fun distance learning courses).

In 2016, more than 480 participants took part in six conferences led by in-house Group experts and professors from the *École Centrale* Supélec Paris.

22 sessions of in-person training, devised in partnership with the IFCAM, the Crédit Agricole Group University, were attended by 203 participants on the subjects of project management, IT systems security and big data.

Over 3,500 people logged on to the three Digital, Security and Big Data *MOOCs* that were rolled out in 20 Crédit Agricole S.A. Group entities in France and abroad.

TWO SINGULAR ENTITY INITIATIVES

All the entities are implementing or continuing to offer training plans with a digital focus to meet the challenges of change within organisations and their business lines. One example in France and abroad:

Crédit Agricole Consumer Finance’s new “MTP SOFINCO 2020” continues to advance the digital focus that began with its previous, “MTP Sofinco 3.0.” In 2016, the Human Resources department of CA Consumer Finance mapped digital skills in order to identify the business lines that were affected and to prepare initiatives to support and train the employees who will be required to implement the digital strategy. In France, a questionnaire was sent to all employees in October 2016. The aim was to map current skills and then put forward a plan to cover three areas: cross-functional skills support for all employees, specific support for particular business lines and management support.

As part of its "Horizon 2018" strategy, which targets a top 10 digital bank ranking for **Crédit Agricole Ukraine**, the bank's Digital Community launched several employee initiatives in 2016: participation in Netexplo, the Digital Trends platform, which handles topics such as mobile Internet, big data and MOOCs, followed by 84% of employees, the head office Digital Day with a series of educational events aimed at improving awareness of the latest digital technologies, based on the Technology, Entertainment and Design (TED) conference model.

B. Succession planning and developing talents

In France and abroad, Crédit Agricole Group (entities and Regional Banks) continues to deploy its systems for the selection and training of "key resources", the Group's leaders of the future.

TALENT MANAGEMENT

Talent management encompasses all actions that attract, identify, develop and retain "young talent and key resources" within Crédit Agricole S.A. Group.

2016 and 2015 saw the continuation of a number of projects initiated in 2014:

- the *Graduate* programme, for high-potential young graduates, provides training courses and support over a four-year period, with two positions of responsibility, including international exposure. Between 2014 and 2016, around 36 people, 33% of them women, were recruited in various entities, in target positions that are key to the Group's transformation;
- the *MyWay programme*, is designed to assess and develop the Group's young talent through an online tool. It is followed by an interview with the manager and HR to set up a personal development plan. More than 335 employees have already benefited from this scheme;
- deployment of the *Talent Mobility* tool across all regions, in cooperation with Fédération Nationale du Crédit Agricole. It brings together the Human Resources departments at the Regional Banks and subsidiaries of Crédit Agricole S.A. in the labour-market area to encourage inter-entity mobility. A total of 16 Committee Meetings take place each year in all regions to provide regional exposure;
- key resource reviews are conducted with the cross-disciplinary business lines to promote mobility within the Group and to share specific skills needs in order to devise appropriate career trajectories. Three key resource reviews took place in 2016, enhancing the visibility of around 100 employees.

"KEY RESOURCES" PROGRAMMES

Crédit Agricole Group (entities and Regional Banks) is pursuing its efforts to foster a common management culture among its "key resources".

The *Move Forward leadership and diversity* programme, launched in 2014, is followed by 68 employees (69% of whom are women). The aim is to develop self-leadership in order to transform and boost their careers. 372 "key resources" who work abroad, or are planning to work abroad, have taken part in the *International Perspective* program since 2006, with a view to developing an international managerial culture and creating synergies between the business lines and countries. In 2016, 27 key staff from the Group Human Resources business line attended the pilot *Senior HR* programme in France and abroad (in partnership with the Paris Institute of Political Studies, Sciences Po). They graduated with a certificate in Strategic Human Resources Management.

To supplement the Group-wide programmes, the subsidiaries are also investing in their "key resources". Examples include CACEIS, which continued its *Graduate@CACEIS* programme with a pool of 30 young graduates (18 of them women) in 2016, and Cariparma, which launched the second round of its *Build your future* programme, which aims to offer selected high-potential employees training which could lead to a permanent contract (CDI). In 2016, Indosuez Wealth Management organised the *Rising Talents* programme, which helps to develop the skills and employability of emerging talents. This year, based on a diversity policy, 27 participants came from the entities in Switzerland, Monaco, Luxembourg and France, and also Asia and Latin America. The programme centres around self-awareness and the ability to lead a cross-functional project with other entities. They also meet with executives to learn how they progressed their careers and gain a better understanding of their vision for the business line.

BPI subsidiary Crédit Agricole Ukraine continued its *HiPo (High Potential)* young talent identification and retention programme, with a target of 3% of total employee numbers. As part of its *Key People* programme, Crédit Agricole Bank Polska identified 60 potential candidates who will be integrated in 2017.

C. Actions for employee mobility

The priority for the Human Resources manager and the line manager is to enable each employee to grow and thus attain the highest possible level of competency and responsibility. Offering career development prospects, encouraging mobility and putting in place the appropriate tools are all measures that contribute to successful employee management.

Under the Group's 2012 strategic workforce planning agreement (GPEC), Crédit Agricole S.A. Group places emphasis on mobility within and between entities. Internal, regional and functional mobility is encouraged, with a view to constantly adapting the Company's resources to its needs.

Information days are held and meetings take place between employees, HR professionals and managers every year. In four years, mobility opportunities attracted more than 4,000 employees, almost 1,250 of whom were called for an interview by the members of the Human Resources community, and interviews took place with 425 staff from the various business lines.

***Mobili'Jobs* days** were first introduced in 2015. In 2016 they were organised at the Evergreen and SQY PARK campuses. These events are an opportunity for employees to learn about the Group's businesses, entities and mobility schemes and express their interest in a number of job vacancies. Employees from all entities were offered speed-interviews with managers responsible for the vacancies published internally in *MyJobs* and *Carrières* (further information below) with no pre-selection and no CV screening. The two 2016 sessions were attended by 17 entities, with first-time attendance from four Regional Banks, the IT subsidiary CA Technologie Services, CA Titres and IFCAM. They also involved 65 managers and 76 GHR personnel, with 260 jobs offered and 500 Group employees turning up to meet with operatives at the event and/or take part in the HR workshops. In addition, 80 employees took part in the *HR Workshop* held the previous week in order to perfect their CVs and prepare for this specific type of interview.

In late 2016, Pacifica launched an initiative specifically for regional Claims Management units, ***Mobili'Days***, aimed at introducing the business lines in that particular labour market area, and promoting the career development opportunities to employees.

These events are rounded-off with interactive virtual meetings on the topic of the Group's business lines and mobility. These ***Mobili' meetings*** are open to all Group employees throughout France. Over 400 Group employees (including Regional Bank employees) took part in these meetings to boost their career plans and to test and improve their knowledge of the Group and its mobility rules.

The ***Professional Development Workshops*** offer all Crédit Agricole Group employees a two-day session to support them with their mobility plans. Led by Human Resources professionals from the different Group entities, these workshops provide employees with the tools and methods to put together their career development project: they help employees to prepare for interviews and optimize the drawing up of a CV. In 2016, 17 sessions were offered and attracted 180 attendees.

Since November 2014, Crédit Agricole S.A. Group's **universal tool for all subsidiaries, *MyJobs***, has promoted mobility and helped employees meet their performance objectives and external recruitment challenges. *MyJobs* is used by 500 Human Resources experts for internal and external recruitment and by Group employees to search for career opportunities within the Company.

This worldwide tool has standardised and optimised the recruitment and mobility processes, highlighting the international and multi-disciplinary nature of Crédit Agricole's business. At 31 December 2016, 38,700 *MyJobs* employee accounts had been created, that is a 62% uptake at the subsidiaries which used *MyJobs* in France and abroad. *MyJobs* is deployed by the Cariparma Group and Agos (a subsidiary of Crédit Agricole Consumer Finance) in Italy and Crédit du Maroc (Morocco) at the end of February. This means that some 30 Human Resources team members have been trained to use the tool and an additional 13,000 employees have access to all the Group's job offers. The job database can now be consulted in French, English and Italian. Since *MyJobs* launched, almost 10,800 permanent positions have been posted and more than 31,400 internal applications have been received.

Crédit Agricole S.A. employees can consult the job offers posted on *Carrières*, the job database for the Regional Banks, and Regional Bank employees can access the job offers on *MyJobs*.

ACTION BY THE ENTITIES TO PROMOTE MOBILITY WITHIN AND BETWEEN GROUP ENTITIES

Crédit Agricole CIB encourages internal mobility to allow all its employees to progress within the bank and the Group. Crédit Agricole CIB uses different tools such as *mobility committees, business line forums, CV workshops and speed interviews*. Each year, around 500 internal moves are organised, including some 100 to its international network and offices (Paris, London, New York, Hong Kong, Singapore and Tokyo).

To promote mobility, LCL provides all its employees with a map of the business lines on the *mespasserelles.lcl.com* website and formalises mobility opportunities between the business lines. When managers attend their career interviews and annual reviews with the Individual Development Managers, the latter promote mobility by encouraging the managers to develop their skills, acquire new business expertise and be open to opportunities in other business lines. Within each labour-market area, functional mobility is promoted by the *Gateway Committees* which bring together managers and members of the Human Resources department from all LCL divisions covering eight labour-market areas in France.

SILCA introduced the *Espace Transition Carrière* (career transition space) as part of its three-year agreement on social support for change. The space is intended to help employees make the right career choices and is open to any employee interested in their professional mobility. They can attend meetings to help them investigate their mobility options and make the decision and, once the decision has been taken, meetings are offered to help with the transition.

Thanks to Crédit Agricole Immobilier's Gateway initiative, introduced in 2015 to boost internal mobility, 12% of employees made a move in 2016 (mobility within and between the entities and internal appointments and promotions).

The *Moov Days* job forum at CACEIS, which was set up in 2015 to showcase the CACEIS business lines, was continued in 2016 in Luxembourg and Paris, attracting over 300 employees.

In May 2016, Crédit Agricole Consumer Finance launched its interactive "Activateur RH" (HR Activator) mobility platform with video presentations of CA Consumer Finance's main commercial functions, the mobility process, etc.

For the past five years, Group employees have also been involved in a collaborative scheme entitled *DestiNations à l'international* (International DestiNations), promoting exchanges and the transfer of know-how and expertise through international postings to countries where the Group operates. Under the scheme, more than 600 exchanges and more than 120 expert missions had taken place between Group entities in France and the International Retail Banks at the end of 2016.

INTERNAL MOBILITY

	2016	2015
Mobility within one entity	8,322	11,805
Mobility between entities	788	943
TOTAL	**9,110**	**12,748**
Coverage	*100%*	*95%*

PROMOTIONS IN FRANCE

	2016			2015		
	Women	Men	Total	Women	Men	Total
Promotion in the non-manager category	1,245	657	**1,902**	1,366	652	**2,018**
Promotion from non-manager to manager	308	167	**475**	329	198	**527**
Promotion in the manager category	592	688	**1,280**	568	614	**1,182**
TOTAL	**2,145**	**1,512**	**3,657**	**2,263**	**1,464**	**3,727**
%	58.7	41.3	**100.0**	60.7	39.3	**100.0**
France coverage			*100%*			*98%*

5.2. ENSURING FAIRNESS AND PROMOTING DIVERSITY

5.2.1. Ensuring fairness

A. Equal salaries

The salaries policy is central to the Human Resources management strategy because it impacts on employee engagement. It therefore requires the utilisation of tools that consider internal fairness, particularly gender equality at work, the rewarding of team and individual performance and the sharing of corporate values.

ANNUAL FIXED SALARY SCALE

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

(in euros)		**2016**	**2015**
Managers	Men	5,130	5,037
	Women	4,245	4,180
	Overall	4,715	4,639
Non-managers	Men	2,445	2,349
	Women	2,450	2,393
	Overall	2,449	2,381
TOTAL	**MEN**	**4,497**	**4,363**
	WOMEN	**3,411**	**3,302**
	OVERALL	**3,891**	**3,768**
France coverage		*100%*	*98%*

In 2013, the Operational Research Group, part of Group Risk Management, developed an objective methodology based on the Blinder-Oaxaca decomposition technique for identifying unjustified wage differentials potentially caused by the employee's gender. Three Group entities (Amundi, Crédit Agricole CIB and LCL) have carried out the study since 2013. They have put in place specific procedures to be followed (meetings with Human Resources team members and managers and a dedicated budget) when salary differentials have proved to be unjustified. For example, in 2016, the sum of €300,000 was allocated to almost 291 female employees at LCL.

Most of the other Group entities, under their "gender equality at work" three-year agreements, have also put in place a budget which allows them to remedy any unjustified discrepancies which come to light at the time of the annual salary reviews.

ENSURING EQUAL SOCIAL PROTECTION FOR OUR RETAIL BANKS ABROAD

Canopée, pooling death & disability risks across the Group

Group death & disability plan

Since 1 January 2015, *Canopée* *(Crédit Agricole Nouvelle Organisation Prévoyance Équilibrée en Entreprise)* enable pooling death & disability insurance contracts (death, disability and temporary incapacity to work) for the 40,000 employees of Crédit Agricole S.A. Group in France.

The death & disability contracts in the various entities are insured locally, but are 100% reinsured by Predica, a Crédit Agricole Assurances subsidiary. By using Predica as the reinsurer, *Canopée* intensifies internal Group synergy, smooths the risk curve over the Group as a whole, and increases the security of the insurance plan.

In 2016, Canopée provided added value through two key contributions:

- **LCL's improved death & disability cover** for over 20,000 employees, as of 1 June 2016, through the signature on 18 March 2016 of the mandatory supplementary death & disability scheme agreement, bringing LCL on the same level as the Group's death & disability benefits;
- **Use of the service provider *Responsage*** tasked with providing day-to-day assistance and support for caregiving employees and their families. For the first time in 2016, it is was funded *via Canopée* for UES CASA and Amundi, thereby providing assistance to over 7,000 eligible employees and their families. The possibility of including other Group entities in 2017 is being examined.

Take Care, pooling death & disability risks across the Group

The *Take Care* project, introduced in 2015, offers fairer health and death & disability insurance costs (death, disability and temporary incapacity to work) for more than 13,000 employees and their families in five retail banking countries abroad (Ukraine, Egypt, Morocco, Poland and Serbia). 2016 saw the completion of the first phase in three countries. The highlights were:

- Egypt: from September 2016, better healthcare costs coverage, a higher annual reimbursement ceiling and a greater number of chronic illnesses covered for employees and their families, whilst providing access to healthcare *via* an national healthcare network which meets all the required standards;
- Serbia: from the begining of 2016, the death & disability benefit was doubled and chronic illnesses were included, improving health cover with a focus on:
  - medical support for women in two areas:
  - improved pregnancy care (free scans),
  - prevention of female illnesses (breast and uterine cancer),
  - dental care, with a free annual check-up;
- Ukraine: in 2016, improved death & disability coverage by increasing the death benefits (12 months' salary with a minimum benefit), reducing the deductible period, the introduction of additional coverage for certain causes of death & disability (cancers, etc.) and the introduction of a supplementary death benefit for dependent children.

The first stage is still underway in Poland and Morocco.

B. Gender equity

Since 2012, most of the Crédit Agricole S.A. entities in France sign three-year gender equality agreements (Crédit Agricole Assurances, CACEIS, CA Immobilier, CA Indosuez Wealth Management, CAL&F, Crédit Agricole S.A., LCL, SILCA, and Amundi, Crédit Agricole CIB, CA Consumer Finance, Predica and Pacifica renewed these agreements in 2016). Each entity has its own specially-adapted engagements, accompanied by annual indicators, to ensure equal rights in recruitment, training, promotion, pay and the balance between home and work life.

Examples of agreement undertakings: at LCL, internal fairness and gender equality at work is measured annually by three promotion and salary indicators.

Each year, Group Human Resources delivers a report to the Crédit Agricole S.A. Board of Directors on the status and progress of gender equality and equal pay.

C. PERCO (*Plan d'Épargne Retraite Collectif* – Collective Pension Savings Plan)

The implementation of a PERCO (*Plan d'Épargne Retraite Collectif* – Collective Pension Savings Plan) by the Group's main entities in France provides favourable conditions for employees to save for their retirement. Year-on-year, PERCO assets rose 17% to over €350 million at 31 December 2016.

Numerous employees have an agreement defining a CET (*Compte Épargne Temps* – Time Savings Account), a system that allows the employee to save up holidays not taken during the year. In many cases, these agreements also specify retirement support measures offering various possibilities:

- monetising CET days to fund a payment to the PERCO or a supplementary pension scheme (with an additional contribution from the employer, if applicable);
- using the CET to fund part-time working arrangements for senior workers;
- taking paid early retirement (with an additional contribution from the employer, if applicable);
- monetising days to fund the buyback of career contribution quarters (with an additional contribution from the employer, if applicable);
- saving more days than set out in the agreement or saving variable compensation for one of the purposes mentioned above.

D. Profit-sharing

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

	2016			2015		
	Total amount *(in thousands of euros)*	Number of beneficiaries	Average amount *(in euros)*	Total amount *(in thousands of euros)*	Number of beneficiaries	Average amount *(in euros)*
Equity investments	66,251	36,200	1,830	57,335	35,650	1,608
Incentive plans	169,241	46,398	3,648	164,061	45,067	3,640
Employer's additional contribution	43,960	39,545	1,112	41,468	40,164	1,032
TOTAL	**279,452**			**262,864**		
France coverage			*100%*			*98%*

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

In 2016, a total of just over **€279 million** was paid out (profit-sharing, incentive plans, employer's additional contributions to employee savings plans).

Current and former employees held over €2 billion in employee savings at 31 December 2016, representing an average of over €31,000 per person.

In addition, several of the Group's foreign entities have an incentive or profit-sharing scheme. This is notably the case for International retail banking entities in Egypt, Italy and Serbia.

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

Significant events in 2016

Capital increase reserved for current and retired employees of Crédit Agricole Group (ACR)

In September 2016, Crédit Agricole S.A. offered current and retired Group employees the opportunity to subscribe to a new capital increase reserved for them. Open to employees in France and 18 other countries abroad, more than 22,000 employees throughout the world were able to purchase Crédit Agricole Group shares.

At the end of 2016, 4.57% of Crédit Agricole S.A. Group capital was owned by current and former employees.

E. Compensation policy

The Group aims to develop a compensation system that ensures motivating and competitive compensation of employees in accordance with the reference markets, specifics of its business lines, legal entities and legal constraints in each country. This compensation policy is aimed at rewarding performance, whether it is by an individual or group, in keeping with the Group's practices and values of fairness and merit. Skills and responsibility level are rewarded by a basic salary in line with the specific characteristics of each business line in its local market, with a view to offering competitive and attractive compensation. In the majority of the Group's companies, variable compensation plans linked to individual and collective performance are implemented on the basis of targets and the results of the entity. Variable compensation is set in such a way that it does not hinder the ability of Group entities to strengthen their solvency. It takes all risks into account, including liquidity risk, as well as the cost of capital. Two variable compensation systems exist within Crédit Agricole S.A. Group linked to individual performance:

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

5.2.2. Promoting diversity

The Group's commitment to promoting equal opportunity has resulted in the implementation of policies and action plans structured around five themes in 2016:

- policy in favour of junior employees;
- gender equality at work;
- religion in the workplace;
- policy in favour of senior employees;
- employment and integration of people with disabilities.

5.2.2.1. Policy in favour of junior employees

In 2013, most Crédit Agricole S.A. Group entities in France entered into agreements relating to the *Contrat de génération* (intergenerational contract) with terms up to three years (CACEIS, Crédit Agricole CIB, CAL&F, Crédit Agricole S.A. corporate entity, Pacifica, Predica, SILCA and Amundi, and CA Immobilier, Crédit Agricole Indosuez Wealth Management, CA Consumer Finance and LCL renewed their agreements in 2016). Crédit Agricole S.A. thereby showed its commitment to hire and integrate young people and retain senior staff, ensuring skills and know-how are passed on. At these entities, young people under 35 accounted for almost 70% of new recruits and seniors aged 45 years and over for almost 8%.

As a consequence, one of the negotiated measures concerned an employment policy promoting the integration of young people, embodied by a 4.93% rate of work-study contracts and of VIE (Volunteer for International Experience) contracts. In addition, a pool of interns, people on work-study contracts and VIE (Volunteer for International Experience) contracts, formed in 2013 to facilitate the long-term integration of young people into the Group's entities in France and abroad, was stepped up in 2016 with the addition of fixed-term contracts for young graduates and its roll-out to 10 subsidiaries at the end of the year. Particular attention was paid to Group employees on VIE contracts: near 40% of the students who completed their VIE programme in 2016 (176 in total) remained within the Group on a fixed-term (CDD) or permanent (CDI) contract.

A system has also been in place for work-study contracts and interns since 2011 *via* the community for talented young people *Student@Work*. In 2016, this community was extended to seven Group entities (Crédit Agricole Assurances, Crédit Agricole Cards & Payments, CACEIS, Crédit Agricole S.A., SILCA, CA Immobilier and CAL&F) and had 445 work-study contracts and 40 interns. 10 meet-ups were organised between November 2015 and October 2016 including morning onboarding sessions, thematic breakfasts, coaching sessions with members of the Human Resources community, etc.

The aim of these networking opportunities is both to bring the community together and create value for the Group.

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

	2016	2015
Work-study contracts	1,819	1,958
Internships	543	537
France coverage	*100%*	*99%*

ATTRACTING STUDENTS TO THE GROUP

The Group-wide youth programmes continued in 2016 with the ***"Grand Prix Étudiantes Crédit Agricole Louise Tallerie"*** award to promote both employment for young people and gender equality. Since 2008, the Group and nine Regional Banks have supported the ***"Nos Quartiers ont du Talent"*** (Our Neighbourhoods Have Talents) association which helps young graduates from working-class areas with two or three years' post-secondary education in their search for jobs. In December 2016, 130 Group sponsors mentored them on a volunteer basis. For the seventh consecutive year, the Group also partnered with the association **Mozaïk RH**, which specialises in promoting equal opportunity and diversity.

"School captains" and a "Student ambassador programme"

207 Group employees are involved in the Higher Education Relations scheme as "Team Members" and 16 as "School Captains" in 19 schools. They share their experience of the bank's business lines at forums in France and abroad, and also through initiatives such as conferences, round table discussions, educational projects, site visits, classroom lessons, challenges etc.

To continue to mobilise and involve these employees, LinkedIn groups are created in 2016 for the former pupils of each school. These groups encourage community spirit and provide information on all interaction between the Group and the former school. These groups also help the Group identify new employees and ensure continuation of the programme.

To improve the Group's visibility in student communities, it also launched a "Student ambassador programme" in May 2016. The ambassador's role is to tell their friends about the Group's initiatives (job vacancies, recruitment activities and our presence on the campuses, etc.) The first round has 28 student ambassadors.

RECRUITMENT BY REGION AND BY BUSINESS LINE

	Number of employees hired on permanent contracts[(1)]							
	FRB	IRB	SFS	SMI	LC*	Corporate Centre	Total 2016	2015
France	1,260	-	123	341	533	195	**2,452**	2,650
Western Europe	6	145	169	238	272		**830**	802
Eastern Europe	-	972	112	13	20	-	**1,117**	970
Africa	-	314	35	-	1	-	**350**	417
Asia-Pacific	-	-	-	113	196	-	**309**	305
Middle East	-	-	-	-	5	-	**5**	11
Americas	-	-	-	21	85	-	**106**	121
TOTAL 2016	**1,266**	**1,431**	**439**	**726**	**1,112**	**195**	**5,169**	
Total 2015	**1,568**	**1,277**	**452**	**1,007**	**786**	**186**		**5,276**
Coverage							***99%***	*99%*

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

** Corporate and Investment Banking (CIB) in 2015.*

5.2.2.2. Gender equality at work

A better female/male balance at all levels of the organisation and in all the business lines enhances the Group's effectiveness, performance and appeal. Gender equality is a key consideration for Human Resources and managers at every stage of the Human Resources process, and is backed by a proactive policy which has been in place since 2010.

These internal figures show that this balance has not been achieved:

PROPORTION OF WOMEN (%)

	2016		2015	
	%	Scope covered	%	Scope covered
Among all employees	53.6	*99%*	53.9	*99%*
Among permanent contract employees	50.6	*99%*	51.1	*99%*
Among management levels 1 and 2	21.5	*100%*	21.2	*100%*
Among the Group Executive Committee	1 out of 15	*100%*	2 out of 28	*100%*
Among the top 10% of highest-earning employees in each subsidiary (fixed compensation)	29.2	*99%*	28.8	*98%*

The gender equality policy

In summary, the Group has put in place systems to promote gender equality in recruitment, training, pay and career management.

In 2016, the Group continued:

- to sign three-year agreements specific to each entity;
- to reduce compensation gaps;
- programmes and training to foster the promotion of women and gender equality in the management teams;
- mentoring;
- events such as the "*Grand Prix Étudiantes Crédit Agricole Louise Tallerie*" and gender equality week;
- synergies through the *Potenti'Elles* networks;
- parenting support.

A. MAJOR GENDER EQUALITY PROJECTS IN 2016

In 2016, two major projects were introduced to address the lack of gender equality in the management bodies, to speed up our progress and find an effective, concrete way to meet our obligations:

- ***A Crédit Agricole Group project to meet the target set in the MTP of around 25% women on the Executive Committee in each Group entity.***

  A team to address the issue of "gender equality for performance" was set up in July 2016 at the launch of the Human Resources initiatives of the MTP, in the presence of the Executive Managements of Crédit Agricole S.A. and the Regional Banks. The team comprises six men and six women, Human Resources team members and managers, from the Regional Banks, Crédit Agricole S.A. and FNCA. They meet every month and check in with the managers between these meetings to validate the proposals. The role of the team is to identify the priority actions, for instance the distribution of a "Gender Equality Guide" at all Crédit Agricole Group entities from December 2016. This guide recommends a number of

The definitions of the underlined words can be found in the Glossary on page 542.

concrete, quick to implement, tools (data analysis, long-term indicators, Gender Equality committees, mentoring, training in decision-making biases, the creation of women's networks, etc.).

- ***A Crédit Agricole S.A. Group project, part of the CSR FReD programme, which targets a 10% increase in women in the management bodies, including the entities' Management Committees, between 2016 and 2018.*** The project comprises a common methodology and indicators at Group and entity level which, in 2016, were monitored by the Executive Committee of each entity.

The Group continues to raise awareness among all its employees and develop Human Resources policies, primarily to identify and enhance the visibility of female employees who are likely to achieve executive roles.

On 1st July 2016, for instance, Crédit Agricole CIB brought together its entire French and international Management Committee for workshops to share concrete ways to identify and support women who show potential. The results of these workshops were presented to the Crédit Agricole CIB Executive Management at the end of 2016 with a view to implementing a structured action plan in 2017.

In April 2016, one of the international retail banks, CA Egypt, signed the "Egyptian Women, pioneers of the future" charter in support of gender equality, while at CA Ukraine, 36% of the Board of Directors and 64% of managers are women.

B. THE GENDER EQUALITY WEEK AND NETWORK

As part of the campaign to raise the awareness of all employees on the challenges of gender equality, Crédit Agricole S.A. created a "Gender equality" week in 2012. A lack of gender equality in certain business lines, IT in particular, was highlighted in 2016. In the French and international entities of Crédit Agricole CIB (London, New York, Dubai, Hong Kong), a video was shown of the CEO expressing his commitment to all subsidiaries.

A diversity and gender equality network was established in 2013 to ensure the coordination of the Group's activities in this field. It comprised 25 Diversity managers in 2016 (LCL, Crédit Agricole CIB, Amundi, Crédit Agricole Consumer Finance, CAL&F, CA Immobilier, Crédit Agricole S.A., CA Payment & Services, CACEIS, Indosuez Wealth Management, Uni-Editions and Cariparma). In 2016, the network, which meets every two months, worked on the implementation of the Group-wide FReD initiative and preparing for the *Financi'Elles* consultation in 2017.

In 2016, the Group rolled out several programmes, notably *"Recruter sans discriminer"* (Hiring without discriminating) and *"Les biais décisionnels dans le recrutement"* (Decision-making biases in recruitment) for members of the Human Resources team. Since 2015, 106 recruitment officers and Human Resources managers have received training across all the entities. The Group has been a founding partner of the EVE programme since 2010. It was set up to understand gender equality issues and, since its launch, 260 employees from Crédit Agricole S.A. and the Regional Banks, 13% of whom were men, have taken part in the programme.

Since 2010, the Cariparma group has been involved in the *Artemisia* project, aimed at promoting gender equality and supporting women in their career development through concrete initiatives such as:

- training women for leadership roles through a specific programme developed in conjunction with the Catholic University of Milan. To date, 150 women have followed this programme. In 2017, this initiative will be stepped up with a special coach-led programme;
- in September 2016, a pilot mentoring programme was launched: it involved training and coaching 22 mentors, including 9 members of the Steering Committee, to work with women who show potential for a period of 9 to 12 months, with monthly meetings;
- in 2013, indicators were introduced to monitor progress, the target being to achieve 35% of women in managerial positions. In 2016, the figure was 27%.

C. WOMEN'S NETWORKS IN THE GROUP

Set up by female employees, the Crédit Agricole S.A. Group women's' networks, *Potenti'Elles*, first launched at Crédit Agricole CIB in 2010, counted over 850 members in France in 2016, and around 15% of them were men. Other networks have been launched in the international entities, including *Rise in 2016* in Hong Kong and *Spring* at Crédit Agricole CIB in London, which launched in 2015.

The Italian subsidiaries CA Vita and CA Assicurazioni have been engaged since 2014 in the development of women at all levels of the Company. They are pursuing their partnership with *Valore D* (*D* for "Donne" or women), the leading association of large companies formed in Italy to support female leadership in the business world. They organise meetings and seminars to spread the culture and promote female values.

Crédit Agricole S.A. has been a *Financi'Elles* partner since its launch in March 2011. In 2016, the federation had 13 networks from large companies in the banking, financial and insurance industry. In 2016, *Financi'Elles*, headed up by the HR teams of member companies, prepared its third consultation of male and female executives in the sector to measure changes in their perception of gender equality at work. The *"Confiance & Mixité"* (Trust & Diversity) consultation involved 10,000 men and women in the Group and ran from 23 January to 10 February, 2017.

D. PARENTING SUPPORT

In 2016, an initiative which brought together seven entities (Amundi, Crédit Agricole CIB, Crédit Agricole S.A., CA Payment & Services, CACIF, CAL&F and SILCA) and the Group's Social Policies department led to a new partnership with Evancia/Babilou, a specialist in company creches. Employees now have a greater choice of geographical locations, which offers them places closer to their homes, workplace or any other location which is convenient for the employees/parents, at a reduced cost per child for partner subsidiaries. Currently, Crédit Agricole S.A. in France has 220 creche places for babies and children up to 3 years and for children from 3 to 12 years, a leisure centre which can accommodate around 130 children on Wednesdays and during school holidays.

As part of their gender equality at work agreements, Crédit Agricole CIB and CACEIS issued a Parenting leaflet in 2016. The leaflet allocates equal parenting responsibility to men and women, thereby raising awareness among men of how time management impacts on each parent's career progression. Crédit Agricole Assurances has made a number of commitments, including facilitating the return to work after maternity or adoption leave (meetings with Human Resources, progressive return, part-time option with no impact on career progression or compensation) and maintenance of the base salary during paternity leave. LCL has signed parenting and single-parenting charters: managers must make every effort to hold meetings during working hours and be sensitive to the needs of single parents to help them balance their work and family commitments. In addition, Cariparma's *MAAM* (Maternity as a Master) project aims to offer support and a listening ear to women before, during and after their maternity leave, keeping them in contact with the company and facilitating their reintegration after their leave.

5.2.2.3. Religion in the workplace

A "Religion in the workplace" guide was written in 2014 and updated in 2016. The aim of this guide is to warn employees about the risks of discrimination based on religion and to provide Human Resources managers and local managers with a concrete tool to help them meet the religion-based demands of certain employees (working hours, the wearing of religious symbols, etc.).

The guide was distributed in November 2015 to 200 members of the Crédit Agricole S.A. inter-entity Human Resources community and, in 2016, to the managers of four entities (Crédit Agricole CIB, SILCA, CA Payment & Services, Crédit Agricole S.A.).

5.2.2.4. Policy in favour of seniors

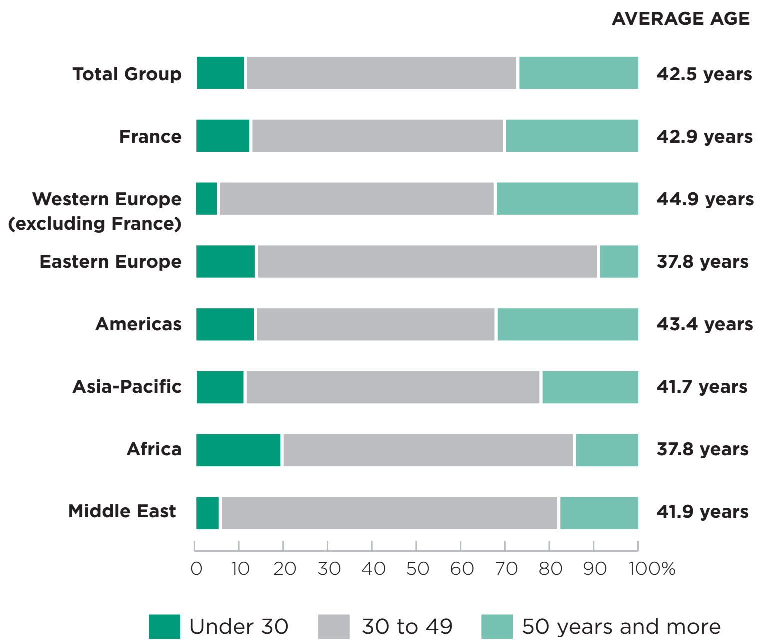
In signing **inter-generational contracts**, Crédit Agricole S.A. Group entities undertake to hire and retain senior staff. A plan is devoted to retirement information and support, the development of specific skills and the organisation of knowledge transmission.

Consequently, the Group's French companies offer employees aged 55 and over clear and accurate answers to employee questions on retirement issues (dedicated telephone support) and to help them plan for their retirement (personalised and confidential retirement review, online pension simulator, analysis of quarter buybacks, continuation of basic pension contributions, plus supplementary for part-time employees over 60).

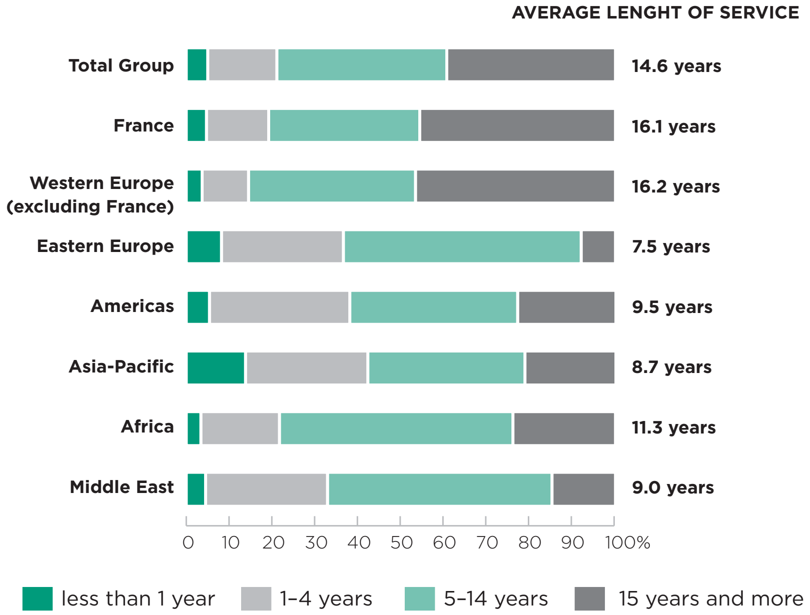
In 2016, for Crédit Agricole S.A. Group (excluding LCL), the dedicated phone line provided 312 individual services and addressed over 913 issues. Since 2013, a total of over 1,500 individual services have been provided and more than 2,600 calls handled. For LCL, the retirement information and support service provided for employees aged 55 years and over by France Retraite received 179 employee enquiries in 2016, a total of 698 since its launch and 91 employees took the *"bien vivre sa retraite"* (Live well in retirement) training.

Each entity commits to hiring a certain number of seniors (45 years and older) each year. For example, LCL hired 140 seniors from outside the company, exceeding its three-year agreement target of 75. Over the period of its agreement, 8% of employees hired by CACEIS were aged 50 and over, against a target of 3%.

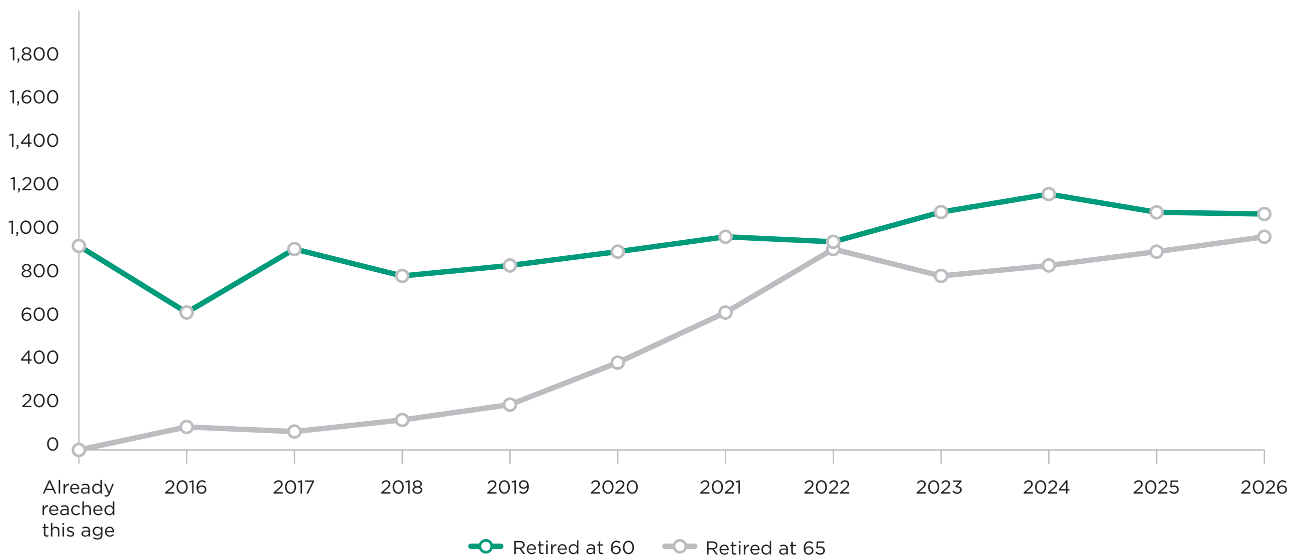
PERMANENT CONTRACT EMPLOYEES BY AGE



PERMANENT CONTRACT EMPLOYEES BY SENIORITY



PROJECTED NUMBER OF EMPLOYEES TURNING 60 IN THE NEXT 10 YEARS



DEPARTURES OF PERMANENT CONTRACT EMPLOYEES BY REASON

	2016				2015			
	France	International	Total	%	France	International	Total	%
Resignation	794	1,411	**2,205**	41.7	631	1,281	**1,912**	34.2
Retirement and early retirement	1,188	179	**1,367**	25.9	1,656	359	**2,015**	36.0
Lay-off	257	430	**687**	13.0	165	353	**518**	9.3
Death	24	22	**46**	0.9	43	25	**68**	1.2
Other	380	599	**979**	18.5	340	740	**1,080**	19.3
TOTAL PERMANENT CONTRACTS	**2,643**	**2,641**	**5,284**	**100.0**	**2,835**	**2,758**	**5,593**	**100.0**
Coverage				*99%*				*99%*

5.2.2.5. Employment and integration of people with disabilities

Crédit Agricole S.A. has a proactive policy on the employment and integration of people with disabilities at all its subsidiaries in France. Since the enactment of the February 2005 law in France, four Group agreements, each spanning three years and drawn up on the initiative of Executive Management, were signed by all entities and personnel representative bodies. These agreements provided the framework for the disabled policy under which action plans were engaged, their implementation monitored and the results measured.

In real terms, the employment rate of disabled persons rose progressively, reaching 5%(1) at the end of 2016.

In the period covered by the fourth agreement, 2014 to 2016, there were 182(1) against a target of 190.

The Group's central disability team defines the main priorities of the Group's disability policy and translates them into an action plan. It is also responsible for preparing the various agreements and having them approved by France's regional directorate for companies, competition, consumption, work and employment, the *Direction Régionale des Entreprises, de la Concurrence, de la Consommation, du Travail et de l'Emploi*. It heads up the Group's disability community (the network of disability advisors at the different entities, quarterly meetings with the social partners, annual follow-up meetings with signatories of the agreement, regular exchanges with the occupational health unit, etc.).

The Group's contractual disability commitments are implemented, steered and monitored by Crédit Agricole S.A.'s central disability team and the disability advisors at the different entities (quarterly meetings with the social partners, annual follow-up meetings with signatories of the agreement, regular exchanges with the occupational health unit, etc.). The entities' disability integration advisers ensure the four priorities of the Group's disability agreement are put into practice, produce the internal reports and are the points of contact for disabled employees (adaptation, follow-up, maintenance and progress). They also head up the internal disability community (career and skills progression and monitoring their mobility in collaboration with the GHR teams).

Achievements in 2016, the last year of the Group's fourth disability agreement (2014-2016):

- 49 new hires, 21 of these on a permanent contract.
- 3 Around €1,800,000 allocated to retention.
- 3 Negotiation of the 5th Group agreement with the unions in January 2017.

A. RECRUITMENT

The only quantitative objective of the 4th agreement is a commitment to hire 190 individuals, of which 70 on a permanent contract (CDI). This global commitment is broken down by entity and distributed over the three years of the agreement at a rate of around 63 new hires per year (total for all contracts).

The CASA Group entities have very high selection and recruitment requirements (mainly applicants with five years post-secondary education), with the exception of LCL which is however undergoing changes in its business lines. To meet the targets set, the Group has signed several partnership agreements with firms and associations, including the AGEFIPH, a disability employment agency.

In a very tough recruitment market, all these measures have led to the hiring of 182(1) disabled employees, of a targeted 190, 78(1) of them on a permanent contract (target 70).

B. RETENTION IN EMPLOYMENT

Retention in employment is one of the four priority commitments of our agreements. Two-thirds of the Group's disability policy budget is spent on retention in employment.

The disability agreements essentially provide for measures such as workstation adaptation and individual employee support.

The central disability team, Disability Integration Managers, occupational health unit, managers and disabled employees collaborate regularly on the adaptations required to accommodate employee disability.

60% of the sum spent to retain disabled employees is for adapted transport. In 2016, adapted transport was provided for 120(1) Group employees, most of them in the greater Paris region.

C. SHELTERED AND DISABILITY-FRIENDLY SECTORS

Use of the sheltered and disability-friendly sectors increased significantly during the 4th agreement. This was the result of a joint project with Group purchasing to support responsible purchasing and broaden the existing supplier base (EA/ESAT).

However, we would appear to have reached our limit for "traditional" activities and will have to work with the purchasing division to find new growth areas in digital and IT.

The central team also works with its partner GESAT, the national network for the sheltered and disability-friendly sector, to deploy best practices in the various Group entities.

D. AWARENESS, COMMUNICATION, TRAINING

In 2016, disability was deployed as part of the new employer brand charter.

The Group disability policy was updated and displayed prominently on all the Group's intranet media. New tools and resources were created to raise employee awareness and promote the introduction of the new recognition of disabled employee status (*Reconnaissance Qualité Travailleur Handicapé* – RQTH).

Courses about disability-related stereotypes continued and were extended to the social partners prior to the start of negotiations for the 5th Group disability agreement.

As every year, Crédit Agricole S.A. was involved in the European Disability Employment Week and the common theme for the 20th edition in 2016 was stereotypes.

The 4th disability agreement allowed Crédit Agricole S.A. to continue to improve its employment rates, both direct and indirect. Commitments were globally met, or even exceeded, thanks to the day-to-day hard work of the whole Group disability community.

(1) *Estimated figures.*

5.3. IMPROVING THE QUALITY OF WORK LIFE AND PERFORMANCE

ABSENTEEISM IN FRANCE IN CALENDAR DAYS

	2016							2015		
	Managers		Non-managers		Total		Average number of days' absence per employee	Total		Average number of days' absence per employee
	Women	*Men*	*Women*	*Men*	*Number of days*	*%*		*Number of days*	*%*	
Sickness	93,000	55,963	159,628	44,314	**352,905**	**51.4**	9.2	378,211	52.7	9.7
Accident	4,332	2,426	8,938	2,030	**17,726**	**2.6**	0.5	15,312	2.1	0.4
Maternity, paternity and breast feeding	88,594	6,754	138,374	3,603	**237,325**	**34.6**	6.2	254,484	35.5	6.5
Authorised leave	22,190	19,895	20,240	6,102	**68,427**	**10.0**	1.8	59,756	8.3	1.5
Other	4,909	2,844	1,632	798	**10,183**	**1.4**	0.3	10,040	1.4	0.3
TOTAL	**213,025**	**87,882**	**328,812**	**56,847**	**686,566**	**100.0**	**18.0**	**717,803**	**100.0**	**18.4**
France coverage							*100%*			*97%*

All French entities collect and report occupational illness and accident data every year in their social review. By way of example, in their respective 2015 social reviews, UES Crédit Agricole S.A. and LCL recorded 77 and 495 accidents (none for serious risks) associated with falls/drops, traffic/handling accidents and everyday occurrences.

The health and safety issues vary depending on the activity and business lines of each Group entity and are covered by existing agreements negotiated in the entities. The Group wishes to ensure that employees enjoy a favourable working environment and working conditions and can achieve a good work/life balance.

5.3.1. Guaranteeing an environment and conditions which ensure the health and safety of employees at work

A. Raising awareness and providing training on psychosocial risks (PSR)

In 2016, the Group's entities continued to apply their policy of preventing and raising awareness about PsychoSocial Risks (PSR) through the implementation of action plans or signing agreements. They use various methods including counselling units, PSR monitoring committees, etc.

Prevention of stress and psychosocial risks: a free psychological counselling phone line

In short, the different Group entities offer their employees psychological support to fight psychosocial risks. Anonymous, confidential and free, the counselling service provides employees with help from outside professional psychologists to deal with work-related issues (interpersonal relationships, loss of interest at work, difficulty adapting, etc.), as well as personal and family-related issues. Help and advice is also provided to family members.

Significant events in 2016

The CA Immobilier three-year Quality of Work Life (QWL) agreement

On 14 March 2016, CA Immobilier's management and social partners signed a quality of work life agreement. Under this agreement, a "Social and quality of work life monitoring committee" was set up, comprising representatives from employees and management. The aim of this monitoring committee is to offer a forum in which information passed on by the business line Human Resources managers and the company's employee representatives can be exchanged, listened to and shared and also a place where recommendations can be drawn up with a view to keeping an eye on the social environment and taking action to ensure it never deteriorates. Indicators such as the absenteeism rate, the number of occupational accidents, departures, termination of trial periods and the number of remote workers will be examined at each meeting.

Following on from the initiatives taken by Predica in 2014 and 2015, specifically the signature of the 2016/2018 three-year QWL agreement, an action plan for 2016 was drawn up in collaboration with the social partners. The main actions include: the implementation of an annual health prevention action plan (2016: theme: stress prevention and sleep), the deployment of a plan to assist family caregivers, which has led to the signature of a separate agreement, the organisation of collaborative workshops and four information meetings in 2016 for all employees, headed up by Human Resources, on the topics of caregivers, remote working, introduction of a mentoring scheme, and the development of innovative educational initiatives (training, digital culture and efficiency at work), and the continuation of other initiatives such as the roll-out of remote working with around 20% of the workforce eligible to work remotely, the prevention of psychosocial risks, work place layout, etc.

Under its PSR prevention plan, in place since 2015, LCL offers support to all employees, including a free phone number which reported a total of 86 calls, 94 telephone meetings and 151 face-to-face meetings in 2016. The multi-disciplinary regional warning and support unit (CASR) met several times in the greater Paris region and other regions in late 2016.

The LCL Human Resources department set up a new "QWL – Diversity – Social Innovation" unit in January 2016. To put together its QWL policy, LCL adopted a collaborative approach with all sections of the company (members of the Executive Committee, the occupational health representative and social workers, collaborative workshops with unions and members of HR) to share a common vision of quality of work life, identify the areas requiring priority action and then draw up a list of concrete actions to be taken.

The agreement unanimously signed by the Human Resources department of the Crédit Agricole S.A. corporate entity and the trade unions in September 2014 on PSR, established a monthly meeting of a joint multidisciplinary monitoring committee. It is responsible for the early detection of risk situations, finding operational solutions for individual and/or collective situations and defining and coordinating the actions to be carried out. A special module was developed in 2016 with the IFCAM, the Crédit Agricole Group University, and will eventually be offered to interested entities.

Crédit Agricole CIB's agreement on the prevention of stress in the workplace, signed on 2 July 2013, put in place a permanent tool to measure stress. The "Prevention of psychosocial risks" monitoring committee has been set up to identify sources of stress, at regular intervals, and the groups of employees to most exposed to the stress. To this end, the occupational health unit asks Bank employees to complete an online questionnaire when they attend their biennial medical. In the three years since it was introduced, 71% of the workforce in France have completed the questionnaire. The results are submitted annually to the psychosocial risks committee. In addition, Crédit Agricole CIB runs stress prevention training courses, mainly through its Management Academy and Diversity Academy.

In November 2015, CACEIS launched the *FAB'LIFE* (For *A* Better Life) campaign for all employees, which brings together, under one banner, prevention programmes (Be Zen) and actions promoting well-being at work. A psychosocial help and support line (to identify and handle stress, harassment and violence at work) and a medical unit (to measure stress levels, stress factors and well-being) were set up in June 2015. Following calls to the support line, 12 sessions (eight of them initial sessions) were held between 1 June 2015 and 31 May 2016. A medical unit report will be drawn up in 2017. In 2016, 97 employees in France attended workshops to help them better manage their stress levels (30 attended the "slow attitude" workshop, 41 the "positive communication" workshop and 26 the "make friends with stress" workshop).

Amundi constantly strives to improve its PRS prevention and quality of work life policies, which are part of its Human Resources policies, by adopting a multi-disciplinary approach (Managers, Human Resources, Occupational Health, IRP[1]). PSR governance is handled by a quarterly multi-disciplinary joint monitoring committee, which collates the various indicators, and a monthly management committee in place to monitor "at risk" employees. In 2016, Amundi continued its work in this respect, keeping in place a support area for employees experiencing difficulties and improving its monitoring of lengthy absences, working with the occupational health department, to encourage pre-return to work visits and make provision for any arrangements required to ensure the employee's return is a smooth as possible. Also in 2016, as part of its PSR prevention and awareness initiative, employees were invited to attend a cycle of five conferences on topics related to quality of work life, interpersonal relationships, digital technologies and their impact. Each conference was attended by around a hundred employees.

B. Awareness-raising and education on health and healthcare

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

Examples of some of the initiatives run by the entities:

In collaboration with the Mutualité Sociale Agricole, most of the Crédit Agricole Assurance and Crédit Agricole S.A. Group entities ran employee awareness campaigns in 2016 with initiatives such as "Pink October" for breast cancer awareness.

Also in 2016, LCL's ergonomist ran several prevention campaigns on good posture and published advisory leaflets for employees such as the "Short guide to posture" and "Advice and best practices in secure technical areas". It also helped several Disability Integration Managers implement medical recommendations based on the company's limitations and the employee's activity. The ergonomist aims to ensure all company employees work under the best possible conditions so that work is conducive to health, well-being, social contact and communication.

At CACEIS sites in France, Luxembourg and Germany in 2016, workstations were regularly adjusted to prevent musculoskeletal disorders (MSD). In France, MSD awareness days were organised, taking the form of collective workshops, "One back for life" conferences and individual consultations with an ergonomics specialist. In Luxembourg and Germany, employees are offered massages in the workplace. CACEIS Bank Deutschland has been holding Health Care Days since 2012: distribution of fruit, sports lessons, lifestyle conferences, massages and medical check-ups.

CAL&F continued to raise awareness by organising 30 "Well-being Thursday" workshops, which were attended by almost 350 employees. Conference cycles on well-being, managing emotions and stress, and self esteem were also offered and attended by almost 400 employees. In addition, 400 "Reacting positively to emotion and stress" training hours were dispensed.

(1) Employee representative bodies.

C. Improving workplace safety

The Group sees the safety of its employees as more than a legal obligation, and is committed to establishing and implementing a preventive safety policy.

The Crédit Agricole S.A. Safety and Security Department (SSD), part of Group Human Resources, is responsible for the safety of travellers (expats and business travellers). It ensures the safety of people and assets abroad, based on a map of at risk countries. It has a network of correspondents at the international locations of Crédit Agricole S.A. and helps them to implement preventative evacuation plans, especially in high-risk countries such as Egypt and Ukraine. In the event of a crisis, the SSD works in collaboration with the competent French authorities, in particular the Crisis and Support Centre at France's Ministry for Foreign Affairs and the International Cooperation Division of the Ministry for Internal Affairs. Crédit Agricole S.A. has also signed a contract with International SOS to enlist its assistance in the event of evacuation and repatriation. In 2016, initiatives were run at Crédit Agricole S.A. entities in Ukraine, Egypt and Morocco. In Ukraine and Morocco, SSD lent its expertise in the implementation of a preventative employee evacuation plan to equip it for a major crisis of any type. In Morocco, Crédit Agricole S.A. Group expats in the country attended an information meeting on day-to-day safety in the country, run by the Internal Security Attaché at the French embassy in Rabat. In Egypt, the SSD consulted on the security measures taken at the new Crédit Agricole Egypt head office.

In 2016, the entire Crédit Agricole Bank Polska banking network was equipped with alarms which were directly linked to a security unit. The bank buildings are also equipped with a video surveillance system. All employees across the network are required to undergo training on how to respond to theft or a violent customer.

Since 2013, Crédit Agricole CIB has run a compulsory security awareness training module for all its employees (internal and external). Designed in coordination with the bank's security service, occupational health, the secretary and assistant secretary of the Health, Safety and Working Conditions Committee (CHFCT), the module comprises topics on safety/security (access control, accident and fire prevention, the alert procedure), psychosocial risks and health and safety at work. This training module has been mandatory for all new employees (permanent contracts, temporary contracts, interns) since 2014.

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

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

A. Services for employees

The two campuses at Montrouge (Evergreen) and Saint-Quentin-en-Yvelines (SQY PARK) have undergone a construction and refurbishment programme, and will see the number of employees at the two sites almost double in 2016, with the arrival of Crédit Agricole CIB employees at both Evergreen and SQY PARK and SILCA employees at SQY PARK. The Group Human Resources department has been supporting this transformation process through a participative approach launched in 2014. Following on from this, it has supported work on redesigning the restaurant and caretaking services, the use of the new spaces, facilities and transportation. The introduction of open-plan spaces and new modes of working have also resulted in a new way of working together, characterised by more collaborative and exchange-based work, and encouraging greater managerial accessibility.

Members of the Human Resources departments of Crédit Agricole Consumer Finance, Amundi and SILCA, are working with their employees on the introduction of new facilities such as a concierge office, a gym and new work areas.

B. Tailored support for employee caregivers

Crédit Agricole Assurances won the award for the best workplace arrangements for caregivers at the Prix Entreprise Salariés Aidants (Corporate caregivers awards) at France's Health and Social Affairs Ministry on 29 November 2016.

Crédit Agricole Assurances has signed company-level agreements to support its caregiver employees: introduction of "caregivers" leave, which is funded by a bank of days donated by employees as part of a social initiative and supplemented by days donated by the employer entity, a universal service cheque (the *"chèque emploi service universel"*) jointly funded by the company, manager training to help them support caregiver employees and introduce them to the systems in place, provision of a personalised telephone support service *Responsage*, information meetings and a guide to caregiving and health prevention.

RESPONSAGE

The Insurance division, Amundi and UES Crédit Agricole S.A. have a telephone helpline *Responsage* for employees and their families: providing personalised guidance and advice to help employees with the day-to-day support of their disabled or dependent family members (parents, spouses and children). The Amundi Human Resources department has written a practical guide detailing the services offered by the *Responsage* platform, explaining the legal provisions governing the status of caregiver and listing the relevant organisations/associations.

This free service, funded by the entities, is offered to 7,000 employees and families. The possibility of including other Group entities in 2017 is being examined.

DONATION OF REST DAYS

Under the social and solidarity policy, in 2015 and 2016 several entities, including CAL&F, signed an agreement which provided for the donation of some rest days to allow employees to take a day's leave on full pay for family reasons.

At Crédit Agricole Srbija, a manager can grant five additional days per year for exceptional circumstances such as medical tests, etc.

C. Telework

Group entities have facilitated telework since 2011 to ensure work organisation is adaptive, but also to promote quality of life at work, with a view to boosting employee performance.

Following a number of Group pilots, telework has been rolled out in most of the entities (CA Immobilier, CACEIS, CAL&F, Crédit Agricole S.A., CA Payment & Services, SILCA, most of the Crédit Agricole Assurances Group subsidiaries and Crédit Agricole CIB, under an unanimously-approved agreement signed with the social partners at the end of 2015). Various different telework formats are employed:

- either a standard format of one set day a week, two in certain circumstances, in particular for expectant mothers;
- an adjustable format involving non-set days or a fixed number of days per year, to be arranged depending on team needs and in agreement with the manager;
- or a flexible format that allows people to work remotely or in dedicated third party spaces.

In 2016, in their inter-generational contracts, CA Immobilier offered its employees aged over 55 the opportunity to work remotely two days a week and LCL extended the remote working option to employees aged 50 and over (depending on the business line), particularly employees on an 80% part-time contract.

When it moved to SQY PARK in 2016, SILCA offered its employees co-working or external workplace arrangements close to their home, as an alternative to traditional teleworking.

THE RIGHT TO DISCONNECT

With the growing use of new technologies and advances in flexible working, Amundi included three key provisions in its December 2015 Working Hours Agreement: monitoring compliance with the daily rest periods; regulation of the use of remote connection tools outside working hours by introducing an employee/company joint and reciprocal right to disconnect, and the obligation to discuss workload monitoring at the annual appraisal of managers who work a set number of days per year, in order to achieve a balance between work/personal and family life.

Crédit Agricole Immobilier has included in its Quality of Work Life agreement the right to switch off work tools during rest periods and in the evenings and at weekends.

5.4. FOSTERING EMPLOYEE ENGAGEMENT AND SOCIAL DIALOGUE

NUMBER OF AGREEMENTS SIGNED DURING THE YEAR IN FRANCE BY SUBJECT

	2016	2015
Compensation and benefits	89	53
Training	0	3
Employee representative bodies	21	9
Jobs	3	2
Working hours	8	8
Diversity and equality at work	10	2
Other (including health & safety)	24	22
TOTAL	**155**	**99**
France coverage	*100%*	*98%*

In terms of workplace health and safety, an agreement on the *Quality of Work Life* was signed in 2016 (see section 5.3.1).

The Group's strategic workforce planning (GPEC) agreement, which applies to 40,000 employees in France, supports the different changes and transformations in our business lines by facilitating employee professional development and mobility. The agreement is overseen by two internal bodies: the GPEC Committee and the Group-level business study centre *(Observatoire des métiers)* (see section 5.1.1).

The Group encourages active and constructive dialogue with its employees and their representatives.

5.4.1. Maintaining an active dialogue with employee representatives

The Group is keen to develop constructive social dialogue to enable it to conclude well-structured agreements containing meaningful commitments.

Three bodies work to promote social dialogue at Group level:

The **European Works Committee** and the **Group Council** promote Group-wide social dialogue, and the **Consultative Committee** covers Crédit Agricole S.A. Group in France.

Crédit Agricole's agreement on the European Works Council (EWC) has been in force since 30 January 2008. The goal of the Council is to introduce an exchange of opinions and a dialogue on economic, financial and social matters which, due to their transnational and strategic nature, need to be addressed at the European level.

On 8 July 2016, a plenary committee headed up by Philippe Brassac, appointed 22 principal members and 21 alternate members for a four-year term. 14 countries are represented. A 2012-2016 end-of-mandate report outlining the EWC's contribution to furthering social dialogue in the Group, was submitted to the elected members and Executives. At the same meeting, the expert's report was submitted and the opinion of the European Works Council was sought on a plan to simplify the legal structure of the CACEIS group and the planned disposal of Credicom.

On 7 December 2016, the Council, chaired by Dominique Lefebvre, invited 22 employee representatives from 14 countries to attend a meeting at the Montrouge campus. The meeting was attended by 19 principal members from 11 represented countries. The main agenda items were the discussion of the 2014-2016 Medium-Term Plan (MTP) and the Group's results for the third quarter of 2016 and the presentation of the expert's 2016 report on Créditplus and CACEIS Germany and a summary report on the 2015 social data.

Four smaller meetings were held in 2016:

- on 4 March 2016 with the members of the Group Council's economic commission to discuss the draft Medium-Term Plan (MTP);
- on 17 March 2016, a conference call to fine-tune the presentation of the MTP Strategic Ambition 2020;
- on 10 May 2016 to announce and discuss (record of opinions to follow) the plan to simplify the legal structure of the CACEIS group and the planned disposal of Credicom;
- on 6 December 2016, a consultation on the planned acquisition of Pioneer Investments by Amundi with Record of opinions to follow.

This year, Council members were invited to Germany and met with teams at CACEIS Bank Deutschland and CreditPlus. They held discussions with the Managements of the various businesses, as well as Human Resources, in order to gain a better understanding of the strategic, financial, CSR and social aspects of the entities present in this country.

An independent accounting firm circulated a report on these meetings which was then presented and discussed by the European Works Council in a plenary session on 7 December 2016.

The Crédit Agricole Group Council enables a shared understanding of the Group's challenges in relation to its business, financial, economic and social position, as well as major changes and strategies. It met on two occasions in 2016, on 16 March and 29 November, chaired by Dominique Lefebvre, Chairman of the Fédération Nationale du Crédit Agricole and of Crédit Agricole S.A.

The Group Council held three Committee Meetings: an extraordinary meeting of the members of the Economic Committee of the Group Council to discuss the draft Medium-Term Plan (MTP), an Economic Committee meeting to review the 2015 financial statements (31 May 2016), and a CSR Committee Meeting (4 October 2016) to discuss a study carried out by an independent firm on the Group's business lines, social analysis and CSR policy.

At Crédit Agricole S.A., two bodies work to promote social dialogue: the Consultative Committee and Group union representative meetings:

- the Crédit Agricole S.A. Consultative Committee met twice in 2016: on 18 March 2016 to present the Group's Medium-Term Plan "Ambition 2020" and 26 September 2016 to present the 2015 Social Summary;
- this year the Group's union representatives met 11 times to strengthen social dialogue and to share social information in an informal and constructive manner.

For the past few years LCL has offered elected representatives training in "Economic and Social Culture", taught by Sciences Po Paris, and which has resulted in 68 union representatives (33 women and 35 men) gaining certification.

One of the provisions of the work planning agreement (GPEC) signed in 2012 extends this union representative training qualification to other Crédit Agricole S.A. Group entities. The aims are to improve the quality of social dialogue and build multi-disciplinary expertise in economic, financial, social and strategic aspects, as well as developing soft skills such as interpersonal and organisational skills. In 2014, the first cohort included participants from nine Group entities: 10 participants qualified in 2015. A second cohort of 12 participants obtained certification in 2016. A third cohort of 12 participants from four Group entities began the course in November 2016. This continues to meet the objective of the current agreement.

On renewal of the offices of the members of the European Works Council, it was agreed that a training programme would be set up from the first quarter of 2017 and extend over the full term of office.

5.4.2. Participative Approach

Many entities use forums, workshops, opinion polls and surveys to consult their employees, foster progress and help with the implementation of action plans on Human Resources and managerial practices.

In a quest for continuous improvement, the various entities of the Crédit Agricole Assurances group organise periodic discussions with their employees and set up working groups to put together action plans. Joint-development initiatives are common in the companies. For instance, the ABS initiative, rolled out to all property & casualty insurance teams, brought employees together in groups to identify areas for improvement in their working methods and suggest solutions, which are now being deployed. Furthermore, the *Assurances 2020* project saw 800 employees take part in collaborative initiatives (workshops, polls, questionnaires, etc.) covering essentially topics such as management, employees and CSR (to discuss gender equality and disability).

In order to assess the impact of the different initiatives they ran over the last two years (transformation, office move, teleworking, etc.) and how best to meet employee expectations, to promote commitment and performance, SILCA launched its *Great place to Work* initiative, based on two avenues of research:

- an employee perception questionnaire (survey ran from 8 to 29 November 2016);
- a file listing the practices implemented within their organisation.

LCL's collaborative network has been progressively rolled out since May 2014 and in January 2016 was opened up to 20,000 employees. It aims to foster employee interaction through (permanent or temporary) communities on topics such as company performance, innovation and initiative and offer employees better day-to-day working conditions within a more efficient and communicative organisation. At the end of 2016, LCL had 160 active communities in all its departments. There were 37,700 posts and 14,500 attachments and 300 surveys were conducted in the discussion threads.

In 2016, Crédit Agricole Srbija introduced employee loyalty programmes (Jubilee Award, Employee of the Year and Team of the Year, thank you cards between employees and an ideas box). In addition, the *Idea Box* encourages employees to suggest ideas which would help the Bank to move forward, especially in the field of digital development: of the 50 new ideas submitted, the best will be implemented in 2017.

6. PROMOTING THE ECONOMIC, CULTURAL AND SOCIAL DEVELOPMENT OF THE LOCAL AREA

6.1. HAVING A POSITIVE REGIONAL IMPACT

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

6.1.1. Contributing to economic and social dynamism in local regions

Using its strong local presence to benefit the regions, the Group funds projects to help foster and maintain local economic activity.

A. Supporting local entrepreneurship

The Group includes multiple regional structures, such as the 26 regional investment companies that enable the Regional Banks to use some of their capital to help SMEs and intermediate-sized enterprises (ETIs). The Group also has national structures, such as CACIF-IDIA and Amundi Private Equity Funds. With more than three €3.25 billion in assets under management, Crédit Agricole Group is one of the major players in investment capital in France. It supports nearly 640 companies throughout France, 116 of them being new investments in 2016, for a total of nearly €300 million.

Village by CA is a value-creating ecosystem and start-up incubator supporting projects with high potential. The first Village was created in Paris in 2014, and another 15 Villages will be established in the regions by 2017 (ten were already operating by the end of 2016). The Village also has premises and services in 25 major cities worldwide (New York, London, Moscow, Shanghai, Seoul, Tokyo, Singapore, etc.) to assist start-ups in their international development. Boasting an environment at the forefront of technology and operating in the heart of the French regions, the start-ups of each Village by CA operate in an open innovation ecosystem alongside a multitude of private and public partners. To date, 231 start-ups are receiving support, and a total of €48 million has been raised.

The Regional Banks offer their customers the mutual shareholders passbook account. Savings collected from mutual shareholder customers go directly to finance companies less than five years old located in the Group's regions. Over one million such accounts were purchased in 2015, with assets exceeding €9 billion.

B. Participating in local community life and social development

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

Further, in 2011, Crédit Agricole Pyrénées Gascogne created a local charity reward currency known as the *Tooket*, which corresponds to pledges. Since the launch of *Tookets*, more than 1 billion *Tookets*(1), *i.e.* more than €10 million, have been distributed to more than 965,000 individuals to support more than 6,770 NGOs. In 2016, 12 Regional Banks joined the scheme. Predica also awards Tookets with its *Contrat Solidaire* life insurance product.

A pioneer in cultural sponsorship, in 1979 Crédit Agricole set up its foundation, *Fondation du Crédit Agricole - Pays de France,* recognised to be of public utility. In 2016, it committed alongside the Regional Banks to 51 new projects aimed at preserving and enhancing regional heritage, allocating almost €1.9 million in subsidies. The restoration of countless assets ranging from buildings and works of art to museums and gardens has been made possible in this way in all regions. Since its creation, around 1,300 projects have been funded, in a total amount of over €38.5 million.

As part of its social policy, Crédit Agricole Assurances has been committed for six years to a sponsorship programme for local charities working with almost eight million voluntary caregivers in France. Since its inception in 2010, 124 projects have been funded, and €1.8 million distributed.

Crédit Agricole S.A. lends its support to players operating at the heart of the regions. It provides support for the association *Dons Solidaires*, which distributes unused non-food items (toiletries, clothing, school supplies, etc.) to charities working with severely disadvantaged groups. In 2016, Crédit Agricole S.A. provided a subsidy of €60,000, which enabled the development of e-catalogues, e-memberships and the launch of the Provence-Alpes-Côte d'Azur office in September.

As a founding member of Inpact, a cultural fund aimed at promoting artistic creation among people not benefiting from cultural offerings in their local area, Crédit Agricole S.A. is committed to creating and promoting solidarity with public and private stakeholders and charities. Since its inception in 2012, more than 89 projects have taken shape.

Crédit Agricole S.A. has supported the contemporary art fair in Montrouge since moving its headquarters to that city in 2010. Partner of the biennale of contemporary art devoted to young contemporary creation (*Jeune Création Contemporaine*), it supports artists' residencies in the city and organises workshops for its employees. Grants totalling €40,000 were made in 2016.

Lastly, the LCL Foundation supports educational, social, school and vocational integration projects. It is also involved in actions aimed at women experiencing difficulties in their educational role. In the field of health, it supports research programmes on the brain, digestive system and sight. It devoted €500,000 to its projects in 2016.

(1) *€1 = 100 "Tookets".*

The definitions of the underlined words can be found in the Glossary on page 542.

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

A. Developing solidarity programmes

Solidaires, created in 2012, supports employee involvement in good causes in France and abroad (local and international solidarity, support for people with disabilities, promotion of culture and education). It also arranges voluntary placements with charities for Group employees, as well as supporting the initiatives of employees involved in charity work. Lastly, *Solidarity Days* are held each year to showcase the achievements of the *Solidaires* programme and to educate, galvanise, meet and engage employees of the Crédit Agricole S.A. Group. Established at the end of 2013, the *Comité Solidaires* is a forum for cross-functional discussion, dialogue and co-construction. The nine entities involved in the programme meet four times a year.

Significant events in 2016

Employee involvement in good causes

In 2016, the *Coups de pouce Solidaires* consisted of:

- nine participating entities (Amundi, CACEIS, CA Immobilier, Crédit Agricole Assurances, CA Consumer Finance, CAL&F, Crédit Agricole CIB, the corporate entity Crédit Agricole S.A. and LCL);
- 164 candidates, including 131 prize-winners;
- €315,100 distributed;
- support for Clown Up, a winning charity from the 2015 *Coups de pouce*, during the *2016 Solidarity Days* by seven employee candidates from the Group.

Mobilisation of Crédit Agricole S.A. Group employees for the May 2016 *Solidarity Days* permitting:

- a donation of €20,000 from Crédit Agricole S.A. to the Restos du Cœur;
- the collection of 755 kg of clothing for La Cravate Solidaire, 86 mobile phones destined for Ateliers du Bocage, 869 pairs of glasses for Médico Lions Club and 1,311 books for Recyclivre (fight against illiteracy and in favour of recycling);
- the collection of €20,000 for ELA (European Leukodystrophies Association), harnessing means to overcome rare genetic diseases that destroy the myelin (nerve sheath) of the central nervous system.

Other entities are developing programmes to enable their staff to support charities.

Since 2012, the Indosuez Foundation in Switzerland has offered volunteer days as part of its *Citizen Days*. Sixteen projects were selected for the fifth edition, offering numerous environmental and solidarity projects, with more than 170 volunteers committing themselves to supporting local associations in Geneva, Lausanne, Lugano and Zurich. CA Indosuez (Switzerland) SA allows its employees to use one day a year of their working time to take part in a charity project from among several proposed.

In 2016, for the fourth consecutive year, Crédit Agricole Bank Polska gave awards to 16 projects selected by a vote of staff members. Most of the projects are designed to help children and animals. The Grant Fund Programme awards grants of up to 2,000 Polish zlotys (about €500) for altruistic projects.

For the ninth consecutive year, CA Consumer Finance committed itself alongside *Sidaction* by allowing the association to use its call centres in Roubaix and, for the first time, those in Strasbourg. Thus, 250 employees and 50 of their relatives volunteered, collecting €187,000 in promised donations. CA Consumer Finance also donated €10 per hour of voluntary work by its employees, raising a total of €11,180.

After taking part in the financing of the Cairo hospital specialising in the treatment of children with cancer, Crédit Agricole Egypt employees spent a day working with sick children. The programme included an artistic workshop, the distribution of gifts, songs and dances, etc., all aimed at putting a smile on the children's faces.

As part of its Payroll Giving project, the Cariparma CA group handed over a cheque of nearly €50,000 to the Gaslini Hospital in Genoa. Launched in 2014, this initiative offers employees of the Italian entity the possibility of donating a small portion of their salary to fundraising for centres of paediatric excellence. Cariparma undertakes to round the cents donated up to the next euro. More than 8,670 employees, representing 97% of the Group's employees, are involved in the project.

B. Participating in charitable events

Agos, a subsidiary of CA Consumer Finance in Italy, presented Unicef Italy with a cheque for more than €130,000 for its project in Sierra Leone in 2016. The money was collected over the summer, during the solidarity months initiative. For each loan made, Agos pays €10 to Unicef. Agos also supports Unicef throughout the year thanks to its *Carte Active pour les Enfants* programme. Membership fees and 10% of interest derived from this programme are donated to the organisation. In the 12 years for which partnership has now run, Agos has collected more than €2.6 million, thereby helping protect hundreds of thousands of children in the Democratic Republic of Congo and Sierra Leone.

Furthermore, each year, thousands of employees from several Group entities in France and abroad take part in charitable sporting events:

- 11 entities in Paris took part in the financial community Telethon run, raising a total of €63,000;
- Cariparma Running, organised for the past 19 years by Cariparma Group. In 2016, 7,000 participants took part in the event. Each year Cariparma redistributes the profits from the event to charities;
- 70 employees of Crédit Agricole Ukraine gathered in Kiev for the Chestnuts Run. This running race is Ukraine's biggest annual charity sporting event. Funds raised are donated to the paediatric heart and cardiac surgery centre for children with congenital heart disease;
- for the sixth consecutive year, SILCA runners joined forces with Trans-Forme in favour of organ donation along the 750 km of the heart race.

6.2. TAKING LOCAL COMMUNITY SUPPORT ACROSS BORDERS

Crédit Agricole Group contributes to development, both in France and abroad: fight against poverty and exclusion, support for agriculture, rural development, etc. Offering a long-term commitment, Group bodies support multiple charity projects in all regions where they are present.

6.2.1. Tackling poverty

At 31 December 2016, the Grameen Crédit Agricole Foundation had implemented 34 new funding projects in the form of loans, guarantees or shareholdings for the benefit of microfinance institutions (MFI) and social businesses. In the space of eight years, the Grameen Crédit Agricole Foundation has approved 206 funding projects totalling €148 million. It now supports 48 partner MFIs and 15 social businesses in 29 countries. In addition, as of 30 September 2016, the Foundation's partner MFIs were serving some 3.6 million active borrowers, 84% of them women. 79% of these end beneficiaries live in rural areas and 21% live in sub-Saharan Africa.

In 2016, the Foundation continued to work on the "Take-off facility for rural and agricultural microfinance in Africa", set up in 2013 with the support of the French Development Agency. At 31 December 2015, the Foundation was supporting 15 MFIs as part of this programme, 14 with loans, having performed 36 technical assistance assignments. These investments represented 31% of the Grameen Crédit Agricole Foundation's microfinance commitments in sub-Saharan Africa.

The Foundation sees its social purpose as a priority. Its aim is to contribute to the fight against poverty by committing to sustainable development and inclusive and responsible finance. Finance is inclusive when it gives fragile individuals or businesses access to useful and appropriate financial products or services (transactions, payments, savings, credit and insurance, etc.). It is responsible when it aims to achieve a profit over the long term, striving to preserve the interests of the ultimate beneficiaries and the planet, while ensuring its financial sustainability, and while it seeks ultimately to achieve financial equilibrium, its social role takes precedence over its lucrative purpose. To this end, it relies on a corpus of values that form the backbone of its day-to-day action. Thus, the Foundation works only with local MFIs giving priority to the economic and social integration of the poorest people, especially in rural areas, and in favour of the promotion of women through the economy. Prior to any funding decision, the Foundation conducts a triple assessment (financial, social and governance) to ensure that the institution in question observes best practices in terms of sound management and good governance, while respecting the principles of information and protection of borrowers.

6.2.2. Combating exclusion

Launched officially in October 2015, the *Fondation Crédit Agricole Solidarité et Développement*, recognised as a charity, is focused on personal socioeconomic autonomy. It supports the programmes of national partners, as well as complementary projects developed with the Regional Banks. Its four fields of action are social integration (educational success, budget education, digital inclusion, mobility, food, etc.), economic and vocational integration (vocational training, job search and business creation assistance), the housing sector (access to housing, fight against poor housing and energy poverty, intergenerational housing), and health and ageing well (action against isolation and in favour of access to care and the prevention of risks). 54 charitable projects have been supported, with over €1.4 million in grants, directly or indirectly benefiting nearly 28,000 people.

7. LIMITING DIRECT ENVIRONMENTAL IMPACT

Many initiatives have been led by the Group in order to measure, reduce and offset the environmental impact of its activities.

7.1. MANAGING AND REDUCING CO_2 EMISSIONS

Following the adoption of several measures including the use of electricity derived solely from renewable sources on its French sites, the Group has halved the energy-related CO_2 emissions on its Greater Paris scope, beating its target of a 10% reduction in emissions between 2016 and 2018. Crédit Agricole is nevertheless continuing its efforts to reduce its greenhouse gas emissions, including energy, transport and purchases, by 15% by 2020. This Group objective concerns the 13 entities involved in the FReD approach.

7.1.1. Tackling energy consumption

A. Measuring the energy footprint

Since 2007, energy and water consumption have been monitored at the Group's main entities in France and abroad. The Group activity does not raise significant threats concerning water resources.

Crédit Agricole S.A. made significant progress in the process of broadening and deepening its reporting in 2016. The rate of coverage of consumption reporting increased from 60% of FTEs in 2015 to 91% by the end of 2016. The data published this year cover approximately 2,400,000 sq. m. and 64,457 Crédit Agricole S.A. employees.

ENERGY AND WATER CONSUMPTION IN 2016

	MWh	Estimated coverage ratio[1]	Ratio	Tonnes eq. CO_2/year
Electricity	340,390 MWh	99%	144 KWh/sq. m	54,046
Gas	79,012 MWh	100%	81 KWh/sq. m	16,239
District heating	21,258 MWh	81%	67 KWh/sq. m	4,754
Cooling network	3,766 MWh	46%	71 KWh/sq. m	165
Fuel oil	2,278 MWh	100%	4 KWh/sq. m	722
Water	648,895 cv. m	89%		

(1) The coverage ratio of areas is estimated for each indicator. These rates allow for the assessment of the proportion of unreported data (in particular, consumption recognised in rental charges).

ELECTRIC POWER CONSUMPTION BY DATA CENTRES IN 2016[1]

	MWh	Ratio	Tonnes eq. CO_2/year
Electricity	71,947 MWh	6,022 KWh/sq. m.[2]	535

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

(2) The area of the Amundi data centre is the only one that could not be included in the calculation of the ratio.

Given the high consumption of data centres, and to avoid distorting energy ratios, its consumption has been isolated from the rest of the consumption figures.

B. Improving the energy footprint

Crédit Agricole has joined RE100, an international initiative launched by The Climate Group in support of the objective of exclusive use of renewable energy. The Group in this way aims to give form to the contract signed with EDF at the end of 2015 in support of the development of renewable energies. In this context, EDF will use renewable sources, mainly hydro, to generate the equivalent of the consumption of the Group's administrative sites in France, as well as its data centres and the Regional Banks and LCL branches. Since 1 January 2016, 92% of the energy supplied to the Group for its French sites has accordingly been derived from renewable sources, through EDF.

Moreover, Greenfield, the Crédit Agricole S.A. Group data centre based in Chartres, is constantly improving its energy footprint. A pioneer in the valuation of energy savings through an innovative cooling system, Greenfield today has one of the best levels of power usage effectiveness for a high-resilience data centre anywhere in the world. This good performance is the result of joint work between Crédit Agricole Immobilier and SILCA, the Crédit Agricole S.A. IT subsidiary. Power usage effectiveness is an indicator of a data centre's energy efficiency. It is the ratio of total energy consumed to energy directly used for computing.

C. Creating a sustainable work environment: a commitment by Crédit Agricole Immobilier

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

Committed to sustainable development for almost 20 years, CAI has made CSR central to its business plan, as a business lever. Its policy is based on three pillars: being responsible by building relationships of trust with customers and partners, being useful in finding new ways of respectfully integrating communities and the environment, and lastly creating meaning by building an agile organisation and practices. In 2016, CAI rolled out a vast internal communication plan to give fresh impetus to CSR and to amplify its momentum within the Company. The CAI incentive agreement, in which the CSR criterion counts for 25%, further reinforces this commitment.

In line with one of the key thrusts of its CSR policy, CAI takes into account environmental impact and societal issues for a respectful and sustainable integration of the regions. To guarantee biodiversity and eco-sociological aspects starting with the design of its residential and tertiary buildings, CAI conducts studies of the sites in question. Committed to systematic certification (HQE®, BBC, BREEAM, Effinergie and RT 2012) for major renovations and new builds alike, CAI's developments target the most demanding environmental standards. An example is offered by the Eole building (72,000 sq. m.) in Montrouge, which boasts HQE® Passport Excellence and BREEAM Very Good certification, and which won a Silver Pyramid in 2016. This award recognises real estate projects that meet architectural quality, thermal performance, environmental integration, sustainability and innovation criteria.

This approach is also used when operating buildings with a view to the sustainable use of their property assets by its clients (green leases, environmental audits, inclusion of environmental clauses in contracts, etc.). Numerous sites managed by CAI have been certified in anticipation of new regulations. In 2016, CAI contributed alongside SILCA to the energy optimisation of the Crédit Agricole Greenfield data centre in Chartres, obtaining an energy-saving certificate. The site boasts one of the best energy performances for a high-resilience data centre anywhere in the world.

Lastly, CAI factors the territorial impact and the key principles of the circular economy into its projects *via* the densification of space, scalability of housing, use of clean energy and recovery of waste. In 2016, CAI launched *Homdyssée*, an adaptable apartment concept aimed at offering sustainable, bespoke and functional housing. As a player committed to the social housing sector, CAI has also consolidated its offer in assisted housing, with more than 35% of its total production sold to social landlords.

7.1.2. Tackling transport

The Group's carbon footprint assessments show that CO_2 emissions from personal transport are one of the largest sources of total estimated emissions (almost one-quarter, on average). The results of these carbon footprint assessments also show that greenhouse gas emissions are generated mainly by employees' business travel, with air travel being the largest source, followed in a distant second by the use of personal vehicles for business travel, and then by company vehicles. In this context, the Group has drawn up actions geared towards limiting and reducing emissions attributable to business travel. They include a demanding travel policy, the establishment of car-pooling schemes, the use of telecommuting and the provision of bicycles and electric cars at workplaces.

The Group also conducts an annual measurement of emissions attributable to business travel in order to monitor progress on this front. The indicators on business journeys by train and plane cover 52,250 Crédit Agricole S.A. employees, *i.e.* 74% of the Group's FTEs, mostly the entities that have a contract with the Group's travel operator or another operator and which reported back on this information.

	Rail	Air	Total
Distances travelled in thousands of kilometres	48,305	144,126	192,431
CO_2 emissions in tonnes eq.	2,176	40,104	42,280

7.1.3. Offsetting the carbon footprint

Crédit Agricole Group is also a shareholder of the Livelihoods fund, an investment fund that seeks to improve the living conditions of rural populations in developing countries through carbon finance. The Livelihoods fund, which brings together Danone, Michelin, CDC, Crédit Agricole, Firmenich, Hermès, La Poste, SAP, Schneider Electric and Voyageurs du Monde, was set up in December 2011 to finance agroforestry, rural energy and ecosystem restoration projects. At the end of 2016, its assets amounted to nearly €38 million, and it had nine active projects in its portfolio: one in Burkina Faso, two in India, one in Indonesia, one in Senegal, two in Kenya, one in Guatemala and one in Peru. Crédit Agricole, which has invested €5 million in the fund, has used carbon credits supplied by Livelihoods for the second time for its voluntary carbon offsetting. In this way, Crédit Agricole S.A. and Crédit Agricole CIB offset nearly 34,000 tonnes of CO_2 in 2016: Crédit Agricole S.A. offset 20,501 tonnes, including energy and transport emissions, and Crédit Agricole CIB 13,262 tonnes. The certificates received for 2016 came from four projects: one to restore mangroves in India, one to create sustainable cardamom in Guatemala, one to combat desertification and increase food security in Burkina Faso, and one in the field of agroforestry in Kenya.

The definitions of the underlined words can be found in the Glossary on page 542.

7.2. PROTECTING RESOURCES

7.2.1. Limiting the impact of resource consumption

A. Conducting a responsible paper use policy

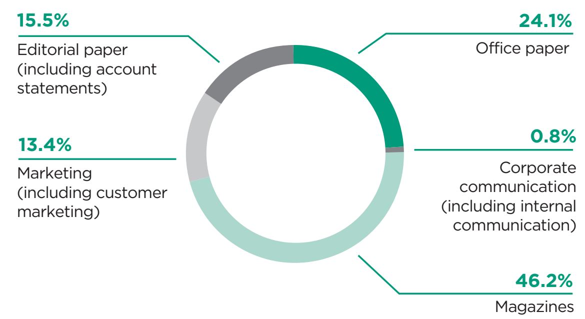
Crédit Agricole S.A. set three objectives for 2013-2016 with a view to promoting paper use that is more respectful of forests: reduce consumption by 25%, use certified office paper and recycle used office paper. By the end of 2016, these objectives had been broadly achieved:

- paper consumption has been halved thanks to centralised printers and employee empowerment. The use of more than 80 tonnes of paper has been avoided in this manner;
- 99%of paper used comes from sustainably managed forests without clearcutting;
- outgoing paper is directed to companies that recycle paper.

In addition to these goals, indicators are defined and published to measure and monitor paper use. This year, the Group used these indicators to draw up a structured, consistent reporting system. The scope covers 45,703 employees, or 65% of the Group's FTEs. It also includes paper consumption related to communications with French retail banking customers (excluding Regional Banks).

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

BREAKDOWN OF PAPER CONSUMPTION (AS A %)



B. Processing waste

Crédit Agricole S.A. has been conducting a campaign since 2012 to make waste reporting by its various entities more reliable. The waste categories concerned include paper and cardboard, electrical and electronic equipment (electric and electronic waste and waste excluding computers), non-hazardous industrial waste excluding paper and cardboard, and, for the first year, food waste. Alongside this, a number of recycling initiatives for various types of waste and certain products are implemented within the Group's entities.

The scope covers 42,880 employees, or 61% of the Group's FTEs:

Electric and electronic waste	93 tonnes
Paper/cardboard	1,825 tonnes
Ordinary industrial waste	2,706 tonnes
Food waste	280 tonnes

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

C. Designing eco-products

The most widely used method of payment and part of our everyday lives, credit cards have an ecological footprint due to their metal and plastic components. It is with this and the circular economy in mind that since 2013 Crédit Agricole has been implementing a responsible approach to its bank cards, with two pioneering initiatives in France and globally:

- collecting and processing old bank cards using a unique and specific recovery system. In 2016, nearly 2.8 million cards, equivalent to 14.5 tonnes, were collected at 35 Regional Banks. Since 2014, over 8 million bank cards, or approximately 42 tonnes, have been recovered. Approximately 1 kg of precious metals (including gold) has also been recycled;
- the replacement of plastic bank cards, currently made from PVC, by a plant-based material (PLA). This will gradually be extended to all the cards of the 39 Regional Banks as new cards are issued to replace expired ones. By the end of 2016, over 6.3 million PLA cards had been issued since 2014. In 2016, the percentage of PLA cards in relation to the total number of cards ordered varies between 15% and 52%, depending on the Regional Bank in question, and averages 27% of total customised volumes.

Moreover, since January 2016, all new chequebooks proposed by the Regional Banks have been printed on PEFC certified paper. This certification guarantees sustainable management of forests for paper production, *i.e.* ensuring that forests are managed according to the highest environmental and social standards. Crédit Agricole has switched to certified paper for its cheques in response to customer demand. Nearly a quarter of customers have expressed a preference for environmentally friendly chequebooks.

7.2.2. Protecting biodiversity

For a number of years, Crédit Agricole Group has supported environmental protection initiatives, especially as regards the protection of biodiversity.

A. Integrating biodiversity within the business units

Financed activities could have an impact on biodiversity. For that reason Crédit Agricole CIB has introduced analysis and exclusion criteria based on biodiversity protection into its CSR sector policies. Special attention is given to areas deemed important on the basis of this criterion. According to these policies, the exclusion criteria include significant negative impacts on the most vulnerable protected areas, such as protected sites or wetlands of international importance covered by the Ramsar Convention. Moreover, in the context of sector policies relating to the sectors of real estate, forestry and palm oil, great attention is paid to certified logging and oil palm plantations, notably implying the preservation of natural areas with high conservation value (see section 4.2.3.B).

B. Combatting deforestation

Amundi is committed to working alongside Forest Finance France, a company specialised in the creation of sustainable mixed forests, to promote the development of social and sustainable forestry systems. Amundi's €500,000 investment, made through its Financial Solidarity mutual fund, will allow Forest Finance France to accelerate the launch of a new responsible reforestation programme, resulting in the creation of new jobs in areas affected by deforestation.

For several years the Group has also been involved in reforestation activities. It supports a programme in France for the reforestation of forest plots in anticipation of the future impacts of climate change. In 2016, CACEIS, a service subsidiary that among other events manages the Crédit Agricole S.A. General Meeting of Shareholders, renewed its commitment to electronic registration processes. Each shareholder who opts to receive an e-notice helps promote reforestation in France. 6,000 trees were planted in the zone covered by the Touraine Poitou Regional Bank thanks to e-notices for the 2016 General Meeting of Shareholders.

7.3. OTHER ENVIRONMENTAL INFORMATION

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

- measures to prevent, reduce or remedy discharges into the air, water and soil that seriously affect the environment: indirect impacts are dealt with in the framework of investments (see sections 3 and 4);
- measures to prevent noise pollution and any other form of pollution caused by the business activities: indirect impacts are dealt with in the framework of investments (see section 4);
- land use: most of the bank's operations are located in urban environments. Indirect impacts related to this theme are dealt with in the section on investments (see section 4) and on the bank's construction and property development activities (see section 7.1.1.C.);
- prevention of food waste: this information relates to our catering provider, for which it is a priority. A commitment to the fight against food waste is one of several criteria we apply in selecting our suppliers. We monitor this criterion with our suppliers, in the same way as other CSR criteria. We encourage our catering supplier to publish such information in its own CSR report. However, the Group remains attentive to this dimension, and has for the first year quantified food waste collected for recovery (see section 7.2.1.B);
- amount of provisions and guarantees for environmental risks: no provision or guarantee has been constituted to cover environmental risks.

The definitions of the underlined words can be found in the Glossary on page 542.

Note on methodology

The scope encompasses all fully consolidated entities with employees. Each item presented in this document is accompanied by an indication of the proportion of employees covered (as a percentage of full-time equivalent (FTE) employees at year-end).

Different consolidation rules have been applied:

- consolidated social data concern fully consolidated entities. The employee data relating to the Regional Banks are not included in this report because they are equity-accounted;
- in the case of training data, there was a change of method in 2008. All this information is now calculated on the basis of the first 11 months of the year, December in any case not being a representative month and generally being marginal in terms of activity compared with the other months of the year;
- unless otherwise stated, the data are presented from the employer's viewpoint and not the beneficiary's viewpoint. The difference relates to employees seconded by one entity to another (with no change in the employment contract) who report to their host entity from the beneficiary's viewpoint and to their contracting entity from the employer's viewpoint;
- unless otherwise stated, the population under review is that of "working" employees. The notion of working implies:
  - a legal tie in the form of a standard fixed-term or indefinite-term employment contract (or similar abroad),
  - being on the payroll and in the job on the final day of the period,
  - working time percentage of 50% or more;
- for environmental reporting:
  - the consolidated data cover one calendar year, from 1 January to 31 December,
  - floor space used for buildings corresponds to the gross leasable area (GLA) indicated in the lease as of 31 December,
  - energy consumption is based on the bills issued by energy suppliers,
  - only consumption billed directly to Group entities is taken into account. Consumption included in rental charges is not taken into account. This portion of consumption not recognised is estimated using the surface coverage ratio,
  - CO_2 emissions are calculated using the benchmark emission factors of the International Energy Agency for electricity (excluding France). For entities in France, the emission factor used is 0.006 kg CO_2eq/KWh, the Group having signed a national contract with EDF in 2015 for the supply of exclusively renewable energy of French origin (mainly from hydropower). For other types of energy, emission factors used are those of DEFRA (British Department for Environment, Food and Rural Affairs) and the ADEME (French Agency for Environment and Energy Management) Carbon Base. For journeys by air, the emission factor takes into account emissions related to radiative forcing,
  - regarding electric and electronic waste, the reported data cover the quantities collected by the Group's service provider, ATF Gaia, those collected by Crédit Agricole Immobilier on buildings located in the Île-de-France region and those reported by international entities.

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

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

CROSS-REFERENCE TABLE

2016 registration document	Page	Article 225 Grenelle II law	Energy Transition Law	United Nations sustainable development goals (SDG)(1)	GRI - G4
Reinforcing the CSR strategy					
Being a responsible bank	35-38	2.a)			G4-2; G4-24; G4-27; G4-44
Being a committed Group	38	1.g); 2.a)			G4-2; G4-15; G4-16
Embedding CSR governance in the Group's business lines	39	2.a)			G4-2; G4-34; G4-35; G4-36; G4-37; G4-38; G4-39; G4-40; G4-48;
Strengthening trust					
Serving customers	40-42	3.b), d)		1, 4	G4-PR5
Respecting ethics in business	43-44	3.d)			G4-14; G4-49; G4-56; G4-58; G4-SO4
Conducting a transparent lobbying policy	45-46				
Being responsible along the entire chain	46-47	1.g); 3.c), e)		8, 12	G4-LA15
Developing Climate Finance					
Financing the energy transition	48-49	2.d)	Title I Art. 1; Title II Art. 3 and Art. 4; Title V	7, 13	G4-EN27
Managing climate risks	49	2.d)	Title I Art. 2	7, 13	G4-EC2; G4-EN27
Being as close as possible to customers	50	2.d)		7, 13	G4-EN27
Helping customers meet their social, environmental and solidarity challenges					
Allocating savings to activities with positive impacts in the regions	51-52	3.a); 3.b)		3, 7, 8	G4-EN27
Incorporating and managing the risks related to the environmental and social impacts of its business lines	52-54	2.d)		6, 7, 8, 9	G4-EN27
Supporting the agricultural sector	54	1.g); 2.d); 3.b)		2	
Developing people					G4-10
Supporting the Group's transformation	57-62	1.e); 1.c)			G4-LA9; G4-LA10
Ensuring fairness and promoting diversity	62-70	1.a); 1.f); 3.b)		5, 10	G4-EC3; G4-LA1; G4-LA2; G4-LA13
Improving the quality of work life	71-74	1.b); 1.d)		3	G4-LA3; G4-LA6; G4-LA8
Fostering employee engagement and social dialogue	74-75	1.c)			G4-11; G4-LA5
Promoting the economic, cultural and social development of the local area					
Having a positive regional impact	76-77	3.a), b)		2, 3, 8, 9, 11	G4-EC8
Taking local community support across borders	78	3.a), b)		1, 2, 6	G4-EC8
Limiting direct environmental impact					
Managing and reducing CO_2 emissions	79-80	2.d)	Title I Art. 1	6, 7, 11, 13	G4-EN3; G4-EN5; G4-EN6; G4-EN7; G4-EN8; G4-EN15; G4-EN16; G4-EN17; G4-EN19
Protecting resources	81-82	2.c.i), ii); 2.e)	Title IV	12, 15	G4-EN1; G4-EN2; G4-EN4; G4-EN23
Other environmental information	82	2.b); 2.a), c)			G4-33

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

The definitions of the underlined words can be found in the Glossary on page 542.

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

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

Report by one of the Statutory Auditors, appointed as an independent third party, on the consolidated human resources, environmental and social information included in the management report

For the year ended December 31, 2016

To the Shareholders,

In our capacity as Statutory Auditor of Crédit Agricole S.A., appointed as independent third party and certified by COFRAC under number 3-1060, we hereby report to you our report on the consolidated human resources, environmental and social information for the year ended December 31, 2016, included in the management report (hereinafter named "CSR Information"), pursuant to article L.225-102-1 of the French Commercial Code (*Code de commerce*).

Company's responsibility

The Board of Directors is responsible for preparing a company's management report including the CSR Information required by article R.225-105-1 of the French Commercial Code in accordance with the "2016 specifications" for the social information and with the "2016 reporting agreement on environmental data" for the environmental information (hereinafter the "Guidelines") available on request from the company's sustainability department head office.

Independence and quality control

Our independence is defined by regulatory texts, the French Code of ethics (*Code de déontologie*) of our profession and the requirements of article L.822-11-3 of the French Commercial Code. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with the ethical requirements and applicable legal and regulatory requirements.

Statutory Auditors's responsibility

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

- attest that the required CSR Information is included in the management report or, in the event of non-disclosure of a part or all of the CSR Information, that an explanation is provided in accordance with the third paragraph of article R.225-105 of the French Commercial Code (Attestation regarding the completeness of CSR Information);
- express a limited assurance conclusion that the CSR Information taken as a whole is, in all material respects, fairly presented in accordance with the Guidelines (Conclusion on the fairness of CSR Information).

Our work involved 11 persons and was conducted between October 2016 and February 2017 during a 20 week period. We were assisted in our work by our CSR experts.

We performed our work in accordance with the order dated 13 May 2013 defining the conditions under which the independent third party performs its engagement and with the professional guidance issued by the French Institute of statutory auditors (Compagnie nationale des commissaires aux comptes) relating to this engagement and with ISAE 3000 concerning our conclusion on the fairness of CSR Information.

1. Attestation regarding the completeness of CSR Information

NATURE AND SCOPE OF OUR WORK

On the basis of interviews with the individuals in charge of the relevant departments, we obtained an understanding of the Company's sustainability strategy regarding human resources and environmental impacts of its activities and its social commitments and, where applicable, any actions or programmes arising from them.

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

For any consolidated information that is not disclosed, we verified that explanations were provided in accordance with article R.225-105, paragraph 3 of the French Commercial Code.

We verified that the CSR Information covers the scope of consolidation, i.e., the Company, its subsidiaries as defined by article L.233-1 and the controlled entities as defined by article L.233-3 of the French Commercial Code within the limitations set out in the methodological note, presented in section 7.3 of chapter 2 of the registration document.

CONCLUSION

Based on the work performed and given the limitations mentioned above, we attest that the required CSR Information has been disclosed in the management report.

2. Conclusion on the fairness of CSR Information

NATURE AND SCOPE OF OUR WORK

We conducted around fifty interviews with about one hundred persons responsible for preparing the CSR Information in the departments in charge of collecting the information and, where appropriate, responsible for internal control and risk management procedures, in order to:

- assess the suitability of the Guidelines in terms of their relevance, completeness, reliability, neutrality and understandability, and taking into account industry best practices where appropriate;
- verify the implementation of data-collection, compilation, processing and control process to reach completeness and consistency of the CSR Information and obtain an understanding of the internal control and risk management procedures used to prepare the CSR Information.

We determined the nature and scope of our tests and procedures based on the nature and importance of the CSR Information with respect to the characteristics of the Company, the human resources and environmental challenges of its activities, its sustainability strategy and industry best practices.

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

- at parent entity level, we referred to documentary sources and conducted interviews to corroborate the qualitative information (organisation, policies, actions), performed analytical procedures on the quantitative information and verified, using sampling techniques, the calculations and the consolidation of the data. We also verified that the information was consistent and in agreement with the other information in the management report;
- at the level of a representative sample of entities(1) selected by us on the basis of their activity, their contribution to the consolidated indicators, their location and a risk analysis, we conducted interviews to verify that procedures are properly applied, and we performed tests of details, using sampling techniques, in order to verify the calculations and reconcile the data with the supporting documents. The selected sample represents on average 40% of headcount considered as material data of social issues and between 31% and 61% of quantitative environmental data considered as material data of environmental issues.

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

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

We believe that the sampling methods and sample sizes we have used, based on our professional judgement, are sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures. Due to the use of sampling techniques and other limitations inherent to information and internal control systems, the risk of not detecting a material misstatement in the CSR information cannot be totally eliminated.

CONCLUSION

Based on the work performed, no material misstatement has come to our attention that causes us to believe that the CSR Information, taken as a whole, is not presented fairly in accordance with the Guidelines.

Neuilly-sur-Seine, the 20 March 2017

One of the Statutory Auditors
PricewaterhouseCoopers Audit

Anik Chaumartin
Partner

Sylvain Lambert
Partner of the Sustainability Department

(1) *LCL, CA-CIB France, CA-CIB Suisse, CA-CIB Hong Kong, CA-CIB Singapore, Pacifica, Predica, CA Consumer Finance France, CACEIS Bank France, CACEIS Fund Administration.*

The definitions of the underlined words can be found in the Glossary on page 542.

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

Social information:

- Number of employees and breakdown of employees by gender, age and geographical region, including indicators FTE employees at year-end, employees by gender and by status, age structure and average age, proportion of part-time employees;
- Hirings and lay-offs, including indicators number of employees hired on permanent contracts, departures of permanent contract employees by reason, internal mobility;
- Compensation and changes, including indicators collective variable compensation paid during the year, average monthly salaries of active permanent contract employees, promotions;
- Absenteeism, including indicator number of days of absence by reason;
- Organization of labour relations;
- Health and safety conditions;
- Agreements signed with labour unions or employee representatives with regard to workplace health and safety, including indicator number of agreements by topic;
- Training policies;
- Number of training hours, including indicators number of employees trained, number of training hours, number of training hours by topic;
- Measures taken to promote gender equality, including indicators proportion of women among permanent contract employees and among employees hired on permanent contracts, proportion of women among the top 10% of highest-earning employees (fixed compensation);
- Measures taken to promote the employment and integration of people with disabilities;
- Elimination of discrimination in employment and occupation, including indicators permanent contract employees by age and by seniority;
- Promotion and adherence to the terms of the conventions of the International Labour Organization.

Environmental information:

- Company organization to take into account environmental issues;
- Measures to prevent, recycle, reuse, and other forms of waste recovery and disposal, including indicator amount of waste collected by category;
- Raw materials consumption and measures taken to use them more efficiently, including indicators paper consumption by use, proportion of responsible paper;
- Energy consumption and measures taken to improve energy efficiency and the use of renewable energy, including energy consumption by source, energy performance by m^2, proportion of renewable energy purchased;
- Greenhouse gas emissions including indicator GHG emissions due to energy consumption and business travel;
- Adaptation to the consequences of climate change.

Societal information:

- Local, economic and social impact of the company activity;
- Conditions of dialogue with stakeholders;
- Partnership or sponsorship actions;
- Application of social and environmental criteria in the procurement policy;
- Magnitude of subcontracting operations and consideration of sub-contractors' and suppliers' societal responsibility;
- Actions taken to prevent corruption;
- Measures taken in favor of consumer health and safety;
- Other actions taken in favor of human rights.

3 CORPORATE GOVERNANCE

Effective **governing bodies**

The Board of Directors

8 Board
meetings in 2016

99%
attendance rate at the meetings in 2016

6
Specialised Committees

- Risks Committee
- Audit Committee
- US Risks Committee
- Compensation Committee
- Strategy and CSR Committee
- Appointments and Governance Committee

Crédit Agricole S.A.'s Executive Committee

1
Chief Executive Officer

1
Deputy Chief Executive Officer

4
Deputy Managing Directors in charge of 4 business lines

3
Deputy Managing Directors in charge of 3 central support functions

7
other members, including three internal central functions (Risk, Compliance, Control and Audit)

The definitions of the underlined words can be found in the Glossary on page 542.

1. CHAIRMAN'S REPORT

TO THE GENERAL MEETING OF SHAREHOLDERS OF 24 MAY 2017 ON THE PREPARATION AND ORGANISATION OF THE BOARD'S WORK AND ON INTERNAL CONTROL PROCEDURES (FRENCH COMMERCIAL CODE, ART. L. 225-37; FRENCH MONETARY AND FINANCIAL CODE, ART. L. 621-18-3).

Year 2016

Dear Shareholders,

In addition to the management report, I am pleased to present my report on the composition of the Board of Directors and on the application of the principle of representation of men and women thereon, on the preparation and organisation of the Board's work and on Crédit Agricole S.A.'s internal control and risk management procedures, not just as they apply to financial and accounting information, but also reporting on the financial risks associated with the effects of climate change assumed by the Bank, pursuant to the new provisions of the energy transition law of 17 August 2015.

For Crédit Agricole Group, the reporting duty of the Chairman of the Board of Directors in respect of internal control and risk management includes Crédit Agricole S.A. and all the Regional Banks having issued cooperative investment certificates, as well the Group's main subsidiaries, whether or not they issue publicly traded financial instruments, or as required to comply with good internal control practice. Consequently, Crédit Agricole S.A. has a uniform vision of the operation of the Group's decision-making bodies and additional information on these entities' internal control procedures, which supplements information gathered from internal reporting.

In the section on compensation, prepared with the help of the Compensation Committee, this report also contains the principles and rules approved by the Board of Directors for use when setting compensation and benefits of any kind granted to Corporate Officers.

This report was completed under my authority in coordination with the Heads of the Human Resources department, of Group Control and Audit, the Secretary of the Board of Directors, of Group Compliance and of Group Risk Management based on existing documentation on internal control and on risk management and oversight within the Group. It was first submitted to the Crédit Agricole S.A. Risks Committee on 18 January 2017. The compensation section was submitted to the Compensation Committee on 7 February 2017 and the Governance section was submitted to the Appointments and Governance Committee on 7 February 2017, before being approved by the Board of Directors on 14 February 2017[(1)].

(1) The report has been updated with the information concerning the death of Xavier Beulin on 19 February 2017.

1.1. PREPARATION AND ORGANISATION OF THE BOARD'S WORK

1.1.1. General presentation of the Board of Directors

Crédit Agricole S.A.'s Board of Directors comprises 21 Directors, as follows:

- **eighteen Directors elected by the General Meeting** of Shareholders including:
  - ten Directors who are the Chairmen or Chief Executive Officers of Crédit Agricole's Regional Banks,
  - one Director that is a legal entity, SAS Rue La Boétie, represented by a Chief Executive Officer of a Regional Bank who is also Deputy Chairman of SAS Rue La Boétie,
  - six Directors from outside Crédit Agricole Group,
  - one Director who is an employee of a Regional Bank;
- **one Director representing professional farming associations,** appointed by joint decree of the Ministry of Finance and the Ministry of Agriculture, pursuant to the Act of 18 January 1988 on the mutualisation of Caisse Nationale de Crédit Agricole, which became Crédit Agricole S.A. on 29 November 2001;
- two Directors elected by the employees of Crédit Agricole S.A. Group.

The Board has one male non-voting Director who is the Chief Executive Officer of a Crédit Agricole Regional Bank and, since May 2016, has had one female non-voting Director, from outside the Group, who is due to be appointed as a Director at the General Meeting of Shareholders in May 2017. Non-voting Directors attend Board Meetings in an advisory capacity. Their presence not only reflects the Group's desire to maintain a balanced geographical representation of the Regional Banks on the Board but is also a means of preparing for any subsequent proposals for appointment as Crédit Agricole S.A. Directors. This was the case, in 2015, with François Thibault, who was elected to the office of Director by the General Meeting of Shareholders of 20 May 2015, with Jean-Paul Kerrien, who was co-opted by the Board as a Director on 4 November 2015, and Catherine Pourre, whose appointment will be proposed at the General Meeting of Shareholders in May 2017.

A Works' Council representative attends meetings of the Board of Directors, in an advisory capacity.

Under the terms of the agreement entered into by the Regional Banks and Crédit Agricole S.A. at the time of the initial public offering, the Regional Banks, through SAS Rue La Boétie, own the majority of the share capital (56.64% at the end of 2016) and voting rights (56.69% at the same date) in Crédit Agricole S.A., making it immune to takeover bids. The composition of the Board of Directors also ensures a majority representation of the Regional Banks.

In addition, three seats on the Board are reserved for employees. The election of Directors by employees goes back to 1984, when the Caisse Nationale de Crédit Agricole (CNCA) was a public body (Decree of 17 July 1984 applying the Act of 26 July 1983 on public sector democratisation to the CNCA). As of CNCA's initial public offering, at which point it became Crédit Agricole S.A., Crédit Agricole Group decided:

- firstly, to keep two seats (one executive and one non-executive) for Directors elected by the employees of the Crédit Agricole S.A. Union Économique et Sociale in accordance with the provisions of Articles L. 225-27 to L. 225-34 of the French Commercial Code;
- secondly, to set aside one of the seats for Directors elected by the General Meeting of Shareholders for a representative of Regional Bank employees. The candidate is chosen, under the auspices of the Fédération Nationale du Crédit Agricole, from the most representative union within the Regional Banks.

Without taking into account the three Directors representing employees (in accordance with the recommendation of the AFEP/MEDEF Code), 33% of the Directors on the Board of Directors are independent, in line with the recommendation of the aforementioned Code for companies controlled by a majority shareholder.

1.1.2. Assessment of Director profiles and the range of expertise within the Board

The composition of the Board, reviewed by the Appointments and Governance Committee at its meeting on 18 October 2016, and subsequently reported to the Board on 7 November 2016, matches the diversity of the Group's business activities with an extremely high level of skills and expertise, representing the key issues with which Crédit Agricole is faced.

Based on the different profiles of its members, and not simply as a representation of its capital structure, the Board's collective skills are characterised by:

- the dominance of banking, finance and insurance, with a high level of expertise in audit and risks;
- expert knowledge of local economies, the bedrock of the Group's business, more often than not combined with strong commitments to local, or even, national communities;
- experience as Directors of large corporates, mainly multi-nationals, in the service, technology and industry sectors;
- recognised players in the fields of Governance and CSR.

Five independent Directors have international experience:

- Laurence Dors, through her work early in her career as a senior civil servant (specialising in international trade) on the staffs of the Minister of the Economy and the Prime Minister in the 1990s, and later at large international groups (Lagardère, Aérospatiale-Matra, EADS International, Dassault Systèmes);
- Françoise Gri, through her work at large international groups, namely as Director of Marketing Operations at IBM Europe, Middle East, Africa, Chairwoman of IBM France, Chairwoman of Manpower Group France and Southern Europe Chief Executive Officer of the Pierre & Vacances Center Parcs group;
- Monica Mondardini, an Italian national (Italy is Crédit Agricole's second domestic market), has worked in publishing and insurance in Spain and Italy. In 2013, she was appointed Deputy Director of Compagnie Industrielle Réunie, an Italian industrial group with interests primarily in energy, publishing and automotive construction;
- Christian Streiff, who has broad industrial and international experience through his past and current positions at large groups, namely Saint-Gobain, Airbus, PSA Peugeot Citroën, ThyssenKrupp (Germany) and Finmeccanica (Italy). In 2013, he was appointed Deputy Chairman of the Safran group;

The definitions of the underlined words can be found in the Glossary on page 542.

- François Veverka, through positions he has held in the Franco-American rating agency Standard & Poor's. He was Managing Director Standard & Poor's Europe, Executive Managing Director Europe, Middle East & Africa of S&P Rating Services, and a member of the S&P Senior Operating Committee (New York).

The table below sets out the highlights of each Director's profile (excluding employee representatives and representative of the professional farming associations) and reflects the range of individual skills within the Board which serve to bolster collective expertise.

Directors	Banking/ Finance	International	Management of large organisations/ Governance	Other activities	Profile/Experience of Directors
Dominique Lefebvre Chairman of the Board of Directors Chairman of the Caisse régionale Val de France Chairman of FNCA (Fédération Nationale du Crédit Agricole) and SAS Rue La Boétie[1]	X		X	X	Chairman of a Regional Bank since 1995. Chairman of FNCA and SAS Rue La Boétie. Member of the Conseil de l'Agriculture Française (CAF). Former member of the Conseil Économique, Social et Environnemental. Former Director of the Institut National de la Recherche Agronomique (INRA).
SAS Rue La Boétie represented by **Jack Bouin** Deputy Chairman of the Board of Directors Chief Executive Officer of the Caisse régionale d'Aquitaine First Deputy Chairman of FNCA and Deputy Chairman of SAS Rue La Boétie	X		X	X	Chief Executive Officer of a Regional Bank since 2006. First Deputy Chairman of FNCA and Deputy Chairman of SAS Rue La Boétie.
Roger Andrieu Chairman of the Caisse régionale des Côtes d'Armor	X			X	Farmer-breeder. Chairman of a Regional Bank since 2011. Director of specialist Group subsidiaries.
Caroline Catoire Corporate Director	X			X	Primarily financial experience in large groups, industry (Total), banking (Société Générale) and services (Sita France, Saur, Metalor).
Laurence Dors Senior Partner of Theano Advisors Corporate Director		X	X	x	Senior civil servant in the Ministry of Finance, member of ministerial staffs. Senior Executive positions in large industrial groups (Lagardère, EADS, Dassault Systèmes, Renault). Specialised in governance (Director of the Institut français des administrateurs).
Daniel Epron Chairman of the Caisse régionale de Normandie	X			X	Farmer. Chairman of a Regional Bank since 2006. Deputy Chairman of FNCA and Director of SAS Rue La Boétie. Director of subsidiaries (Cariparma).
Véronique Flachaire Chief Executive Officer of the Caisse régionale du Languedoc	X		X	X	Chief Executive Officer of a Regional Bank since 2009. Executive Management or chairmanship of national subsidiaries (payments, technology).
Jean-Pierre Gaillard Chairman of the Caisse régionale Sud Rhône Alpes	X			X	Vine-grower. Chairman of a Regional Bank since 2006. Deputy Chairman of FNCA and Director of SAS Rue La Boétie. Director of LCL.
Françoise Gri Corporate Director		X	X	x	International and managerial experience in large groups: IBM France Manpower, Pierre & Vacances-Center Parcs. Former member of the Corporate Governance High Committee.
Jean-Paul Kerrien Chairman of the Caisse régionale du Finistère	X			X	Farmer (organic vegetable production). Chairman of a Regional Bank since 2012. Director of BforBank.
Monica Mondardini Chief Executive Officer of CIR S.p.A. Deputy Director of Gruppo Editoriale l'Espresso	X	X	X		International and managerial experience in large groups in insurance (Generali), publishing (Hachette, Gruppo Editoriale l'Espresso) and industry (CIR S.p.A.).
Gérard Ouvrier-Buffet Chief Executive Officer of the Caisse régionale Loire Haute Loire	X		X	X	Chief Executive Officer of a Regional Bank since 2002. Deputy Chairman of FNCA and Director of SAS Rue La Boétie. Responsibilities in national subsidiaries (insurance, real estate business line) and international subsidiaries (member of the Supervisory Board and Chairman of the Risk and Audit Committee of Crédit du Maroc).
Jean-Louis Roveyaz Chairman of the Caisse régionale de l'Anjou et du Maine	X			X	Cereal farmer. Chairman of a Regional Bank since 2004. Director of Group subsidiaries: Crédit Agricole CIB (BFI), Cariparma (Italy).
Christian Streiff Deputy Chairman of the Safran Group		X	X	X	International and managerial experience in large industrial groups: Saint-Gobain, Airbus, EADS, PSA Peugeot Citroën, Safran.
Renée Talamona Chief Executive Officer of the Caisse régionale de Lorraine	X		X	X	Chief Executive Officer of a Regional Bank since 2013. Experience of managerial positions in the fields of finance and banking risk at Crédit Agricole, former French Regions Division/Department Director for CACIB. Director of Group subsidiaries (Amundi, Crédit Agricole Leasing & Factoring)

(1) Holding company that holds the Regional Bank's majority interest in Crédit Agricole S.A.'s share capital.

The definitions of the underlined words can be found in the Glossary on page 542.

Directors	Banking/ Finance	International	Management of large organisations/ Governance	Other activities	Profile/Experience of Directors
François Thibault Chairman of the Caisse régionale Centre Loire	X			X	Vine-grower. Chairman of a Regional Bank since 1996. Director of specialist Group subsidiaries (insurance, CIB).
François Veverka Corporate Director	X	X	X		Expertise in economics and finance, with an international dimension, in the public sector (Ministry of Finance, Commission des Opérations de Bourse) and through managerial positions held in the rating agency Standard & Poor's.

3

1.1.3. Directors' independence

Crédit Agricole S.A. now refers to the AFEP/MEDEF Corporate Governance Code for listed companies, as revised in its latest version published in November 2016 (the "AFEP/MEDEF Code"). Crédit Agricole S.A. does not comply – or does not comply in full – with certain recommendations of the AFEP/MEDEF Code as set out in the table on page 111 of this chapter.

The process for assessing the independence of Crédit Agricole S.A. Directors is implemented under the auspices of the Appointments and Governance Committee. Thus, on the recommendation of the Committee, the Board, at its meeting of 14 February 2017, conducted its annual review of the situation of each Director with regard to the principle set out by the AFEP/MEDEF Code in respect of what constitutes an independent Director, i.e. any non-executive Corporate Officer of the company or its group that has no special ties (major shareholder, employee, other) with said company or group.

The six criteria that it sets out are:

1. is not, or has not been, in the last five years:
   - an employee or Executive Corporate Officer of the Company,
   - an employee, Executive Corporate Officer or Director of a company consolidated by the Company,
   - an employee, Executive Corporate Officer or Director of the parent company or of a company consolidated by this parent company,
2. is not an Executive Corporate Officer of a company in which the Company, directly or indirectly, acts as a Director or in which an employee designated as such or an Executive Corporate Officer of the Company (currently or in the last five years) is a Director;
3. is not a client, supplier, corporate banker or investment banker:
   - who plays a significant role in the Company or its Group, or
   - for whom the Company or its Group represents a significant proportion of his/her business,
4. has no close family tie with a Corporate Officer;
5. has not been an auditor of the Company in the last five years;
6. has not been a Director of the Company for more than twelve years. The status of independent Director is lost when the twelve years is up.

The Board noted that the representatives of the Regional Banks sitting on the Board of Directors of Crédit Agricole S.A. (Chairmen or Chief Executive Officers) could not be deemed to be independent Directors on the basis of the principle outlined and the above criteria, as Directors of the Regional Banks hold offices in the parent company or in companies consolidated by said parent company. The same goes for the Director representing Regional Bank employees who is the employee of an entity with a controlling interest in Crédit Agricole S.A. Irrespective of the fact that, due to their employment contract, they would not meet criterion 1, the two Directors representing Crédit Agricole S.A. employees on the Board, both of whom comply with a specific regulatory framework, and cannot, under the AFEP/MEDEF Code, be included in the calculation of the percentage of independent Directors.

Lastly, with regard to the professional farming organisations' representative, Crédit Agricole's position as the leading financier of agriculture in France and, therefore, of the companies that said Director represents, as well as the existence of capital or commercial links with companies in which the interested party holds offices, excludes said Director *de facto* from compliance with criterion 3[1].

With respect to the Regional Bank Chairmen who sit on the Crédit Agricole S.A. Board, the Board has however noted that they are not employees of the Regional Banks and that they legitimately hold this office by election, in accordance with the Regional Banks' cooperative status.

As in 2015, the Board of Directors believed that six Directors met the AFEP/MEDEF Code's independence criteria (see table below):

Names	Compliance with the six criteria of the AFEP-MEDEF Code
Caroline Catoire	✓
Laurence Dors	✓
Françoise Gri	✓
Monica Mondardini	✓
Christian Streiff	✓
François Veverka	✓

In addition to a formal review of their individual situation, updated by each interested party for each criterion, the assessment was also based, on the recommendation of the Appointments and Governance Committee, on the findings of an analysis conducted with the support of the Group's Risks department. In 2015, in fact, the situation of the two Directors from outside the Group (Caroline Catoire and Christian Streiff) was reviewed in respect of the third criterion, given that the companies or the groups in which they hold, or had held, positions in 2015 (Metalor for Caroline Catoire, to December 2015; the Safran Group for Christian Streiff) have business dealings with Crédit Agricole. Based on this analysis, the Board, on the recommendation of the Appointments and Governance Committee, considered that the Group's commitments in respect of these companies were not sufficiently significant to

(1) Xavier Beulin, Chairman of the FNSEA (Fédération Nationale des Syndicats d'Exploitants Agricoles) appointed to this role in September 2011, died on 19 February 2017.

represent a situation of dependence with regard to these two Directors and Crédit Agricole.

This review was not repeated for Caroline Catoire in 2016, since she no longer has any dealings with the company in question. The review was repeated for Christian Streiff, Deputy Chairman of the Safran Group, based on the information supplied by the Group Risk department analysing the business dealings between the relevant company or group and one or more Crédit Agricole Group entities (commitment amount and type, Crédit Agricole's share of overall bank debt, relevant Group entity, financial position of the company or group). It should be noted that Crédit Agricole S.A. is not directly involved in the business dealings referred to in the Code's recommendations but through subsidiaries or Regional Banks of Crédit Agricole. As in 2015, the Board, on the recommendation of the Appointments and Governance Committee, considered that the Group's commitments are not sufficiently significant to represent a situation of dependence with regard to Crédit Agricole.

In addition, in anticipation of the proposal to appoint Catherine Pourre as a Director at the General Meeting of Shareholders on 24 May 2017, in addition to formally checking her situation with regard to the AFEP/MEDEF Code, a similar review was conducted in respect of the companies in which Catherine Pourre, a non-voting Director, holds, or has held, positions: SEB, Bénéteau, Néopost and Unibail-Rodamco.

The Board, on the recommendation of the Appointments and Governance Committee (CNG), considered that the Group's commitments to these companies cannot be deemed sufficiently significant to represent a situation of dependence with regard to Crédit Agricole.

If the General Meeting of Shareholders approves the appointment of Catherine Pourre to replace François Veverka, whose term of office is not renewable, the new Director will meet the AFEP/MEDEF Code's independence criteria.

As previously, the Board's composition, with one third of independent Directors, not including employee Directors, will fulfil the recommendations of the AFEP/MEDEF Code on controlled companies.

In addition, Caroline Pourre's admission to the Board of Directors, which is expected to take place in May 2017, after ratification by the General Meeting of Shareholders of 19 May 2016 of the co-optation of Renée Talamona, Chief Executive Officer of the Regional Bank, is part of the process of bringing the Board into line, at the Board's request and in close association with its Chairman and the Appointments and Governance Committee, with the new provisions of the French Commercial Code which came into force on 1 January 2017 and which lays down (Art. L. 225-18-1) that "the proportion of Directors of each sex may not be less than 40% in companies whose shares are traded on a regulated market and, at the close of the next General Meeting of Shareholders to rule on appointments".

Subject to approval by the General Meeting of Shareholders of the proposed appointments and re-appointments, the Board of Crédit Agricole S.A., with eight women elected by the General Meeting of Shareholders, will comply with this provision.

Subject to the same reservations, proposals to set up Specialised Committees, reviewed by the CNG and brought before the Board on 7 November 2016, will result in the following breakdown:

Committees	Chairmanships up to 24.05.2017	Chairmanships envisaged by the Board at the close of the General Meeting of Shareholders
Risks Committee	François Veverka, independent Director	Françoise Gri, independent Director
Audit Committee	François Veverka, independent Director	Catherine Pourre, independent Director
US Risks Committee	François Veverka, independent Director	Françoise Gri, independent Director
Compensation Committee	Laurence Dors, independent Director	Laurence Dors, independent Director
Strategy and CSR Committee	Dominique Lefebvre, Chairman of the Board of Directors of Caisse régionale Val de France, Chairman of the FNCA	Dominique Lefebvre, Chairman of the Board of Directors of Caisse régionale Val de France, Chairman of the FNCA
Appointments and Governance Committee	Monica Mondardini, independent Director	Monica Mondardini, independent Director

In accordance with the AFEF/MEDEF Code and the provisions of the order transposing the CRD 4 directive, the four Committees covered by these regulations are chaired by an independent Director. The same choice was made for the US Risks Committee. Given the number of Committees and the number of Directors sitting on each Committee (five on average), the recommended percentage of independent Directors on the Committees in question is 60% (66% as recommended by the AFEP/MEDEF Code), thereby ensuring that they are in the majority on the Risks, Audit and Compensation Committees. The 66% recommendation is respected for the US Risks Committee created in 2016 at the request of the US Federal Reserve, despite the fact that said Committee is not subject to the AFEP/MEDEF Code.

However, the proportion of independent members on the Compensation and Governance Committee is below AFEP/MEDEF recommendations but reflects the ownership structure of Crédit Agricole S.A., which is controlled by a majority shareholder and where the Chief Executive Officer is from one of the 39 Crédit Agricole Regional Banks that control it. The involvement, in 2014 and 2015, of the Appointments and Governance Committee in the process of appointing the current Chief Executive Officer proved that the Committee's composition was not an obstacle to the exercise of its statutory duties. This point is, however, reported in the table of areas of non-compliance with the AFEP/MEDEF Code.

1.1.4. Changes in the Board and Committees

Changes in the Board in 2016 include:

The appointment of Renée Talamona, Chief Executive Officer of the Caisse régionale de Crédit Agricole Lorraine, co-opted during a meeting of the Board of Directors on 8 March 2016 to replace Pascal Célérier, was approved by the General Meeting of Shareholders of 19 May 2016;

The appointment of Dominique Lefebvre, who had been co-opted by the Board of Directors meeting on 4 November 2015 to replace Jean-Marie Sander as Chairman of the Board, was approved by the

The definitions of the underlined words can be found in the Glossary on page 542.

General Meeting of Shareholders, the subsequent Board Meeting reappointing him as Chair.

This same meeting approved the renewal of the terms of office of:

- Véronique Flachaire;
- Jean-Paul Kerrien and Jean-Pierre Gaillard.

With regard to the Specialised Committees, 2016 was marked by the creation of a sixth Board Committee, the US Risks Committee, created at the request of the US Federal Reserve and operational at the end of the first half of 2016 (see above – Specialised Committees and activity of the Board in 2016). It is made up of its Chairman, François Veverka, and Caroline Catoire and Véronique Flachaire.

Having been appointed as a non-voting Director in May 2016, Catherine Pourre was appointed as a guest of both the Risks and the Audit Committees.

The Committees did not experience a great deal of change in 2016. Renée Talamona, co-opted in March 2016 (in place of Pascal Célérier) and whose appointment was approved by the General Meeting of Shareholders of May 2016, first sat on the Strategy and CSR Committee in March 2016, replacing Gérard Ouvrier-Buffet who became a member of the Audit Committee on the same date.

1.1.5. Rules governing the operation of the Board and the Committees

The term of office of Crédit Agricole S.A. Directors as private individuals is fixed at three years by the Articles of Association. Directors may not serve for more than four consecutive terms.

The average age of Crédit Agricole S.A. Directors as of 31 December 2016, was 59. The Company's Articles of Association provide for a maximum age limit of 65, and 67 for the Chairman.

The table below shows the expiry dates of the terms of office of Directors elected by the General Meeting of Shareholders for the next three years.

The expiry dates of the terms of office of the two Directors representing Crédit Agricole S.A. employees are governed by an electoral protocol. Within this framework, their terms of office, which are renewable, are due to expire in June 2018.

Following the death of Xavier Beulin, the representative of the professional farming associations has yet to be appointed by ministerial decree.

In accordance with Crédit Agricole's own governance model, which splits the guidance and control functions from the executive functions, the offices of Chairman and Chief Executive Officer of Crédit Agricole S.A. are separated and, as a consequence, comply with Article L. 511-58. of the French Monetary and Financial Code which provides that: "the Chairmanship of the Board of Directors or of any other body performing equivalent oversight functions in respect of a credit institution or a finance company, cannot be held by the Chief Executive Officer or by anyone performing equivalent management duties."

The operation of the Board of Directors is governed by its Rules of Procedure. The same is true for the Specialised Committees.

The Board's Rules of Procedure, the Directors' Code of Conduct and, since December 2016, the Code of Ethics annexed thereto, as well as all the rules of procedure of the Specialised Committees, were the subject of an update which commenced in 2015 and continued throughout 2016. This update incorporated, in particular, recent legislative and regulatory provisions (see the regulations in the Appendices and on www.credit-agricole.com).

EXPIRY OF TERMS OF OFFICE OF COMPANY DIRECTORS
(General Meeting of Shareholders to approve the parent company financial statements)

Names	2017 General Meeting of Shareholders	2018 General Meeting of Shareholders	2019 General Meeting of Shareholders
Dominique Lefebvre			✓
Jack Bouin		✓	
Roger Andrieu	☐		
Pascale Berger		✓	
Caroline Catoire	✓		
Laurence Dors	✓		
Daniel Epron	✓		
Véronique Flachaire			✓
Jean-Pierre Gaillard			✓
Françoise Gri	✓		
Jean-Paul Kerrien			✓
Monica Mondardini		✓	
Gérard Ouvrier-Buffet	✓		
Jean-Louis Roveyaz	☐		
Christian Streiff	✓		
Renée Talamona		✓	
François Thibault	✓		
François Veverka	☐		

✓*: Renewable term of office.*
☐*: Non-renewable term of office.*

1.1.6. Other information provided for by Article L. 225-37 of the French Commercial Code

1. Terms and conditions of shareholders' participation in General Meetings of Shareholders: the terms and conditions of shareholders' participation in General Meetings of Shareholders are set out in Articles 21 to 29 of the Articles of Association presented in Chapter 8 of this document which can be consulted at Crédit Agricole S.A.'s registered office and on its website: www.credit-agricole.com.
2. Restrictions imposed on the Chief Executive Officer's powers by the Board of Directors: the Chief Executive Officer shall enjoy the broadest powers to act in all cases on behalf of Crédit Agricole S.A. and to represent the Bank with respect to third parties. He exercises his authority within the limits of the Company's objects and subject to that authority expressly assigned by law to Meetings of Shareholders and to the Board of Directors.

   His relations with the Board of Directors are set out in the Board's Rules of Procedure (see above).
3. Principles and rules approved by the Board of Directors for use when setting compensation and benefits of any kind granted to Corporate Officers: this information appears in the "compensation" section of this document.
4. Internal control and risk management procedures appear in the internal control section of this document. The Group's acknowledgement of the financial risks associated with the effects of climate change is incorporated in this section.
5. Equal representation of men and women on the Board.
6. Areas of non-compliance with the AFEP-MEDEF Code appear in a summary table in the appendices to this document.
7. The activities of the Board and the Committees in 2016 (including approval of related-party agreements, are described below).

1.2. WORK OF THE BOARD IN 2016

The Board was very active in 2016, with eight meetings, one of which was devoted to reviewing the "Strategic Ambition 2020" Plan which was also the focus of the strategic seminar on 14 January 2016 as well as on 20 January 2017. The Board adopted the principle of holding an annual strategic seminar in 2015 and it has now been added to the annual schedule.

Directors' attendance rate remained very high, averaging 99% (see below) reflecting the strong commitment of all Directors which has not waned from one year to the next.

Bodies	Attendance rate	Number of meetings in 2016
Board of Directors	99%	8
Risks Committee	100%	6
Audit Committee	100%	6
Joint Risk/Audit Committees	85%	3
US Risks Committee (created in June 2016)	100%	2
Compensation Committee	97%	5
Strategy and CSR Committee	100%	4
Appointments and Governance Committee	97%	5
Board seminar	100%	1

After the changes to the Executive Management and Chairmanship of the Company in 2015, accompanied by organisational changes including the streamlining of management bodies and the creation of "business lines" and "central functions", 2016 was marked by the ramping up of the effects of this reorganisation, with the introduction of a Management Committee with more members than the "extended Executive Committee" which it replaced in September 2016. Continuity prevailed at the head of the three internal control functions (Risks, Group Control and Audit, Compliance), all three of which are answerable to the Chief Executive Officer, and which reported on their work and the results of their audits, on a regular basis, to the Board and its Specialised Committees in application, in particular, of Article 23 of the Decree of 3 November 2014 on Internal control, of Article 31 for the Head of Compliance, of Article 77 for the Head of Risks, of Article 252 for the biannual presentation of Internal Control outcomes and Article 265 for the presentation of the annual Internal Control Report. Within this framework, and in addition to systematic attendance at Risks Committee meetings, the Head of Risks attended every Board Meeting in 2016, the Head of Group Compliance attended four Board Meetings and the Head of Group Control and Audit, responsible for periodic control, attended two Board Meetings. The work of the Group Control and Audit function was presented in May 2016 and the function's Audit Plan for 2017, previously reviewed by the Risks Committee and, for financial projects, by the Audit Committee, was presented in December 2016.

The definitions of the underlined words can be found in the Glossary on page 542.

Within the context of its role of directing the Company's activities, two key events were the subject of key Board Meetings in 2016:

- the Eurêka Project: this project to streamline Crédit Agricole Group and to strengthen the Crédit Agricole S.A. equity structure involved an intragroup reclassification, *via* Sacam Mutualisation which is wholly owned by the Regional Banks, of the CCIs (cooperative investment certificates – *Certificats coopératifs d'investissement*) and CCAs (cooperative associate certificates – *Certificats coopératifs d'associés*) issued by the Regional Banks and owned by Crédit Agricole S.A. This was a major transaction (€18.5 billion) monitored by the Board in 2016, following a review by its Strategy and CSR Committee and Audit Committee, from its initiation in February 2016 to its closing in August 2016, and subsequently with respect to its effects on the financial statements at end-September 2016 and over the full-year. The Board commended the execution of this transaction, one of the largest in absolute terms in Europe in 2016;
- the acquisition of the Italian asset management company Pioneer Investments, a UniCredit subsidiary, by Amundi: in September 2016, the Strategy and CSR Committee became involved in what was then a planned acquisition. The Board, at its meeting on 7 November 2016, authorised Amundi to make a firm bid with Crédit Agricole S.A. providing a performance guarantee for the transaction. The Amundi bid, for €3.545 billion, was accepted by UniCredit on 12 December and will make the Crédit Agricole subsidiary the 8th largest asset manager in the world, with €1,276 billion in assets under management. In May 2016, the Board was informed of Amundi's acquisition of an 87.5% interest in KBI, from Oddo, representing an investment of €123 million.

In addition, the Board is still highly focused on the Company's economic, political, regulatory and international climate, which has been the subject of documented discussions and exchanges with the Executive Management. For this reason, the Board focused, in particular, on the effects:

- of the results of the British referendum on the exit from the European Union: the consequences of the British referendum, examined ahead of and at the close of the vote by the Risks Committee, was the subject of a presentation to the Board by the Executive Management which noted the Group's high level of engagement in the light of this event and the management of related challenges;
- the Basel Committee's regulatory reforms plan, known as "Basel 4": the draft reform was reviewed by both the Risks Committee, during a Board training session and during Board Meetings in which the draft reform was debated. The Board has acknowledged the timetable and characteristics of the reform and has expressed its concerns regarding its consequences in terms of financing the economy, given that it could lead to additional capital requirements. It wished to be kept informed of developments in negotiations, particularly with regard to the question of the constraint posed by the output floor that the Basel Committee wants to introduce to limit the difference between weightings calculated using a standardised approach and those calculated using an internal model;
- of the interest rate situation: the Board was kept informed, on a regular basis, of the low level of interest rates, the likelihood of any change and the effects on Group activities and it conducted an in-depth review of the consequences at its strategy seminar on 20 January 2017.

The Board of Directors chose the occasion of the quarterly review of the Crédit Agricole Group and Crédit Agricole S.A. Group consolidated financial statements to assess the direction and resilience of the Group's commercial activities, the results of which demonstrate the qualities of the universal customer-focused banking model, with performances reflecting both the intrinsic qualities of the business lines and their capacity to interact with one other to generate synergies, in particular, in the following areas of business:

- insurance and asset management;
- retail banking in France and internationally;
- specialised financing businesses;
- corporate and investment banking.

At each quarterly review, as well as on the occasion of reports presented at each meeting of the Audit and Risks Committees, the Board closely monitored the Group's solvency ratio, as well as its solvency and liquidity position. On these points, and particularly when compared with the position of other systemic institutions, it noted the robustness of Crédit Agricole and the quality of its ratio components. In December 2016, it was informed of the success of the first issue of senior non-preferred debt securities eligible for TLAC (Total Loss Absorbing Capacity) in accordance with the new provisions of the law of 9 December 2016 (Sapin II).

More generally speaking, as part of its risk oversight role, the Board approved and regularly reviewed strategies and policies governing the taking, management, monitoring and reduction of the risks to which the institution is, or could be, exposed.

On this basis, it reviewed and/or approved risk management and control tools and systems as well as their consistency, in particular, consistency between instruments now considered to be traditional such as the Annual Internal Control Report (RACI), and the new instruments introduced as part of the Single Supervisory Mechanism (MSU), in particular, the Declaration of risk appetite, Internal Adequacy Assessment Process (ICAAP and ILAAP) declarations and, with the Recovery plan, updated subsequent to the Board's approval. Both at the request of the supervisory authority and the Group's Governance, the performance of these more recent tools was developed even further over the course of the year to offer the Board a more comprehensive and forward-looking governance framework across all risks.

This is reinforced by the information with which it is supplied on a quarterly basis regarding the Group's risk position, in particular, by means of the Group risk register and the Group risk Dashboard, previously debated by the Risks Committee.

The Board focused all its attention on the European Banking Authority stress tests conducted in 2016, with oversight by the Risks Committee from their launch in Spring 2016 to the publication of their results on 29 July 2016 which showed that the Crédit Agricole Group obtained one of the highest scores of all the systemic banking institutions in Europe, in terms of robustness.

Similarly, the Board reviewed the various European Central Bank (ECB) and Group Control and Audit function audits conducted within the Group. Two of these warranted particular attention: the NICE IT systems audit and the ECB's specific Governance audit. The resulting recommendations were systematically reviewed in greater depth by the Risks Committee and the Appointments and Governance Committee.

With regard to the First specific Governance audit conducted by the ECB within Crédit Agricole, the Board was informed by the Appointments and Governance Committee of the implementation

The definitions of the underlined words can be found in the Glossary on page 542.

of the recommendations made by the banking supervisor as they happened. On this basis, at its meeting on 6 December, on the recommendation of the Appointments and Governance Committee, it adopted:

- the Crédit Agricole Group Code of Ethics (see above), Directors' compliance with which is now covered by an article of the Board's Rules of Procedure;
- a formalised succession process for Directors that describes, in detail, the procedure followed by the Appointments and Governance Committee to replace a Director in the various possible scenarios (term of office not renewable, renewable, incapacity, death or resignation).

Irrespective of ECB recommendations, which were made within the context of its specific Governance audit, the Board, in conjunction with its Appointments and Governance Committee, ensured that it had made preparations, in good time, for the succession of the Chairman of its Risks, Audit and US Risks Committees (see on page 108).

It took care to ensure that such preparation took account not only of the balance of individual and collective expertise available to the Committee but also its compliance with the provisions of the new Article L. 225-18-1 of the French Commercial Code coming into force on 1 January 2017, which specifies that: *"The proportion of Directors of each sex may not be less than 40% in companies whose shares are traded on a regulated market and, at the close of the next General Meeting of Shareholders to rule on appointments (...)"*. Article L. 225-27 specifies that: *"Directors elected by employees shall not be included when calculating the minimum and maximum number of Directors provided for by Article L. 225-17, nor when applying the first paragraph of Article L. 225-18-1"*.

Crédit Agricole S.A. will comply with the law of 27 January 2011 on the balanced representation of men and women on Boards of Directors and Supervisory Boards and on equal opportunities at the close of its General Meeting of Shareholders in May 2017 when the Board will have eight female Directors elected by the Shareholders' Meeting:

- Pascale Berger;
- Caroline Catoire;
- Laurence Dors;
- Véronique Flachaire;
- Françoise Gri;
- Monica Mondardini;
- Catherine Pourre (subject to approval of her appointment by the General Meeting of Shareholders);
- Renée Talamona.

In addition, within the context of its statutory duties, as defined by the French Commercial Code, the Board authorised several new related-party agreements, mostly arising either from amendments to agreements entered into prior to the Eurêka project, or amendments made to pre-existing tax consolidation agreements to take into consideration, in particular, changes in tax legislation (see Statutory Auditors' Report on related-party agreements). In accordance with Article L. 228-40 of the French Commercial Code, the Board gave its consent for the 2017 bond issue programme, approving the related authorisations and receiving regular progress reports. On the recommendation of the Audit Committee, it also approved the extension of the terms of office of the two Statutory Auditors, Ernst & Young and PricewaterhouseCoopers, for a further six years.

After having reviewed the provisions of the Order of 17 March 2016 reforming the statutory auditing of financial statements to render the provision of non-audit services by the acting Statutory Auditors subject to approval by the Board of Directors' Audit Committee, the Board approved the system under which such services are reviewed by its Audit Committee, as devised in conjunction with Crédit Agricole S.A.'s Accounting and Consolidation department.

Lastly, at its meeting of 13 December 2016, it finalised its report on the use of resolutions adopted by the General Meeting of Shareholders of 19 May 2016 in relation to the capital increase reserved for employees, pursuant to Articles 225-129-5 and R. 225-116 of the French Commercial Code.

In terms of governance, following on from the outcome of the Board's annual evaluation, as provided for by Article L. 511-100 of the French Monetary and Financial Code and by the AFEP/MEDEF Code of Corporate Governance that Crédit Agricole S.A. has undertaken to apply, the Board debated, notably at its meeting on 2 August 2016, the conclusions to be drawn from the results of the self-assessment conducted under the aegis of its Appointments and Governance Committee which reviewed said results at its meeting on 12 July 2016. Said evaluation showed that there was a very high level of satisfaction amongst Directors regarding the operation of their Board, the conduct of proceedings, Committee reporting and the quality and timeliness of the information provided. The two main regrets expressed concerned, on the one hand, the increasing imbalance between the time spent at each Board Meeting on the presentation of mandatory regulatory measures and the time spent on the Company's strategic guidelines, and on the other, referrals made by the Strategy and CSR Committee which were sometimes too late, given the date on which decisions were due to be taken.

Corrective measures were introduced with the aim of increasing the amount of time spent on discussion starting with: a "minimum" of eight Board Meetings a year to distribute the workload more evenly; the introduction of systematic dialogue and discussion with Executive Management about the Group's current situation at the beginning of each meeting; where appropriate, a summary of each dossier to be forwarded to Directors; for recurring issues, an abridged presentation, focusing on the changes made since the last presentation – but without dispensing with the complete review of such issues by the Specialised Committees; incorporation into the Rules of Procedure of the Strategy and CSR Committee of the possibility of holding *ad hoc* meetings, not listed in the annual schedule, so as to enable the Strategy and CSR Committee to make referrals as far ahead of decision-making as possible. The Committee held two meetings in 2016, both of which were convened in line with this principle, one of which was devoted to the Amundi's takeover of Pioneer Investments. This modus operandi was satisfactory for its members and for the whole Board, which receives a report at its subsequent meeting.

Please note that, further to the report from the Chairman of the Strategy and CSR Committee, the Board reviewed the CSR Progress Report and the outlook for 2017. This progress report showed a marked advance, in particular as regards "Climate Financing". The Board was informed of the enhanced requirements under FReD (see above), and of the first CSR dashboard, as suggested by the Committee. This dashboard, which comprises some 20 indicators, will provide a better handle on developments.

As part of the developments in Governance, as well as on the new rules of procedure of the Strategy and CSR Committee, the Board, after having approved changes to the rules of procedure of its Compensation Committee in 2015, in 2016, approved updates to all the texts governing its operation and that of its

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Specialised Committees (see below), drawing, in particular, on the consequences of numerous regulatory changes:

- rules of Procedure of the Board of Directors;
- Directors' Code of Conduct;
- rules of Procedure of the Risks, Audit, Appointments and Governance Committees.

2016 was also marked by the creation of a sixth Specialised Board Committee, the US Risks Committee. It was created in response to Enhanced Prudential Standards which require the Crédit Agricole Group to set up a system to monitor the risks for its businesses in the United States, which must consider the structure, complexity and profile of the risk and the size of the businesses in question and must be consistent with the Group's global risk management policies. This Committee will hold four meetings a year, one of which will be in the United States. Its specific task is to periodically review the organisation and scope of consolidated risk management for Group entities in the United States and to submit it for approval by the Board of Directors and, at least once a year, to submit the acceptable level of liquidity risk tolerance, as well as the emergency liquidity plan, for Group entities in the United States. On the recommendation of this Committee, the Board approved these regulatory requirements at its meeting of 7 November 2016.

Given the purpose of this Committee and its overlap with the Risks Committee, its Rules of Procedure set out that it should be chaired by the Chairman of the Risks Committee (see box below on the succession of François Veverka).

Lastly, as with every year, in February 2017 (see above "Compensation" section), the Board reviewed, following the recommendations of the report from the Chairwoman of the Compensation Committee, the personal variable compensation (RVP) of Executive Corporate Officers as well as the 2016 compensation and total variable compensation of identified staff. It was also informed by the Chairwoman of the Compensation Committee of regulatory changes to Say on pay, both as a result of the revision of the AFEP/MEDEF Code and, above all, of the provisions of the law of 9 December 2016, applicable from the 2016 financial year and which will need to be taken into consideration when preparing for the General Shareholders' Meeting of 24 May 2017.

1.2.1. Summary of issues examined by the Board in 2016 further to review by, advice from and/or on the recommendation of the Specialised Committees

1) After analysis by the Audit Committee:

- the preparation of the annual financial statements and a review of the half-yearly and quarterly financial statements of Crédit Agricole S.A., Crédit Agricole S.A. Group, and Crédit Agricole Group. At each reporting date, the Board heard from the Company's Statutory Auditors who, having presented the conclusions of their work to the Audit Committee, then presented them to the Board. The Board also looks at and, where necessary, approves the draft press releases published by the Company;
- the Group's goodwill position;
- authorisation to sell Eurazeo shares.

2) After analysis by the Risks Committee:

- the evolution of Crédit Agricole S.A.'s and Crédit Agricole Group's position in terms of shareholders' equity and solvency against a backdrop of tighter regulatory constraints, focusing on appetite for risk and the process of assessing internal capital adequacy (ICAAP).

More specifically, in 2016 the Board reviewed:

- the oversight of measures implemented in response to decisions taken by the Central European Bank setting out the regulatory requirements for Crédit Agricole Group entities in 2016 as part of the Supervisory Review and Evaluation Process (SREP, Pillar 2), which is the subject of an internal project conducted jointly by the Group Finance department and the Group Risk Management department to strengthen the ICAAP; the Board also approved the ILAAP report on internal liquidity adequacy;
- 2016 stress tests conducted by the European Banking Authority;
- the internal capital adequacy assessment process (ICAAP), the results of ICAAP and the strategic guidance note;
- the Declaration of the Crédit Agricole Group's risk appetite;
- the evolution of the Group's position in terms of liquidity, in view of regulatory requirements, as well as monitoring of the long term financing plan for Crédit Agricole Group approved in advance by the Board; in 2015, the Board also reviewed liquidity management and approved the Group's liquidity limits;
- Group limits in respect of global interest rate risk (GIRR) and limits for capital market activities;
- the mechanism implemented by Crédit Agricole Group to comply with the regulation providing for the implementation of section 619 of the Dodd-Franck Act (Volcker Rule) issued by the three US federal banking agencies and effective since July 2015;
- the management of the securities portfolio of Crédit Agricole S.A. Group;
- the Annual Internal Control Report and half-year interim information on internal control, coordinated by the Group Risk Management department;
- letters sent to the Company by regulators and measures taken to respond to their observations;
- annual, half-yearly and quarterly developments, respectively, in terms of credit risk, market risk, and operational and security risks, as well as the annual Group risk dashboard and the quarterly risk register;
- the update of the Group's recovery plans;
- the letter from the French Regulatory and Resolution Supervisory Authority (ACPR) pertaining to the assessment of the capacity of Global Systemically Important Banking Institutions to be subject to resolution measures (Resolvability Assessment Process – RAP);
- in compliance/legal matters: the report on non-compliance risk within Crédit Agricole S.A. Group (including mapping of non-compliance risk) and the half-yearly information on compliance; a progress report on ongoing administrative inquiries; progress of the OFAC remediation plan; the annual report on the efficacy of the "Volcker Rule" compliance programme.

3) After analysis by the US Risks Committee:

3

- the scope of the appetite for liquidity risk and the Emergency Liquidity Plan for Group businesses in the United States.

4) After analysis by the Strategy and CSR Committee:

- the Eureka Project;
- the acquisition of the asset management company, Pioneer Investments, by Amundi;
- monitoring the execution of the Group's "Strategic Ambition 2020" medium-term plan;
- the Company's 2016 CSR performance and the challenges for 2017.

5) After analysis by the Compensation Committee:

- the fixed compensation, personal annual variable compensation, and the terms and conditions and criteria used to determine the annual variable compensation of the Executive Corporate Officers (Chairman, CEO and Deputy Chief Executive Officer), taking into account regulatory provisions and Crédit Agricole S.A. Group's compensation policy, the updating of which, as reviewed by the Compensation Committee, was notified to the Board;
- all the information on the compensation of Corporate Officers of Crédit Agricole S.A. and the compensation policy applicable to Crédit Agricole S.A. Group can be found in the section "Compensation policy" below;
- under regulatory provisions, the 2016 report on the compensation of members of the executive body as well as identified staff whose professional activities have a significant impact on the Company's risk profile;
- the distribution of the total amount of Directors' fees.

6) After review by the Appointments and Governance Committee:

- changes in the Board's composition and in the composition of certain Specialised Committees, in tandem with changes taking place and to take place on the Board;
- the results of the Board's self-assessment and possible ways of improving Governance;
- updates of all the texts governing the operation of the Board and the Specialised Committees, as well as the Directors' Code of Conduct and the adoption of a Group Code of Ethics;
- the formalisation of a succession plan for Directors;
- the Board training programme for 2017 and the specific training system for employee Directors;
- the report on professional equality and equal pay within Crédit Agricole S.A. and initiatives undertaken at Crédit Agricole S.A. Group level to promote professional equality and diversity.

7) The issues reviewed by the Board included:

- Crédit Agricole Corporate and Investment Bank (Crédit Agricole CIB) and Crédit Agricole Consumer Finance capital increases;
- the annual review of related-party agreements in accordance with regulatory provisions applicable to these agreements, amendments to a number of related-party agreements within the context of the Eurêka project and new agreements relating to this project, a tax agreement with Crédit Agricole CIB and a performance guarantee agreement with Amundi for a potential capital increase should its bid for Pioneer Investments be upheld; a definitive agreement will be signed ahead of the actual capital increase (see above);
- within the scope of the statutory duties of Crédit Agricole Group's central body, approvals of Chief Executive Officers of Regional Banks, Deputy Chief Executive Officers, as well as two Regional Bank requests to start the process of authorisation to carry on business under Freedom to provide services (LPS) in European countries, in agreement with the international Group entities in question.

1.2.2. "Related-party" agreements

In accordance with the provisions of Order no. 2014-863 of 31 July 2014, the Board, at its meeting of 13 December 2016, conducted an annual review of all the agreements authorised by the Board prior to 2016 and which had continuing effect during the year.

These were:

- the original Switch agreement, signed on 16 December 2011 by Crédit Agricole S.A. and the Regional Banks (Switch guarantee) guaranteeing equity-accounted values, including CCA/CCI and Insurance, the first amendment of which was authorised by the Board on 17 December 2013 and which was then reviewed by the Board upon the occasion of the approval of its second amendment on 16 February 2016 and its third amendment on 19 May 2016;
- the tax consolidation agreement signed on 15 December 2015 by Crédit Agricole S.A. and the Regional Banks upon the occasion of the approval of its amendment by the Board on 19 May 2016;
- the tax consolidation agreements authorised by the Board on 21 January 2010 and renewed by the Board on 15 December 2015 between Crédit Agricole S.A. and SAS La Boétie, SAS Ségur and SAS Miromesnil and, lastly, the Sacams, whose amendments were authorised by the Board on 13 December 2016;
- the Evergreen HL1 mutual securitisation fund agreement signed with Crédit Agricole CIB, LCL and the Caisses régionales Val de France, Languedoc, and de l'Anjou et du Maine authorised by the Board on 18 December 2012;
- the agreement on the increase in Crédit Agricole CIB's regulatory capital, authorised by the Board on 9 March 2004, under which Crédit Agricole S.A. subscribed to an issue of deeply subordinated notes (TSS) which were partially redeemed in 2014.

In 2016, the Board authorised amendments to ten new, or former, agreements falling within the field of application of Article L. 225-38 of the French Commercial Code:

- seven agreements relating to the Eurêka project (two of which were tax-related);
- a Crédit Agricole S.A./Crédit Agricole CIB tax agreement;
- a tax consolidation agreement between Crédit Agricole S.A. and the companies S.A.S. Rue La Boétie, Ségur, Miromesnil and federal holdings (SACAM Avenir, Développement, International, Participations, Fia-net Europe, Fineca, Immobilier, Machinisme, Assurances, Caution);
- an agreement (not implemented in 2016) relating to Crédit Agricole S.A.'s performance guarantee on the Amundi capital increase, within the context of financing the plan to acquire Pioneer Investments.

The definitions of the underlined words can be found in the Glossary on page 542.

1.3. SPECIALISED BOARD COMMITTEES

The Board of Directors has six committees: the Risks Committee, the Audit Committee, the Compensation Committee, the Strategy and CSR Committee, the Appointments and Governance Committee and, created in 2016, the US Risks Committee. The latter was set up in response to a US regulatory requirement applicable, as of 1 July 2016, to foreign banks operating in the United States and fulfilling certain criteria.

Pursuant to Article L. 511-89 of the French Monetary and Financial Code and the Decree of 3 November 2014 on the internal control of banking sector companies, in 2015, the Board of Directors set up a Risks Committee, separate from its Audit Committee. The Compensation and Appointments Committees were already in existence prior to the publication of these texts which resulted in the creation of statutory Committees, such as the Audit Committee, which fulfils the requirements of Article L. 823-19 of the French Commercial Code. Where the composition of these Committees is the subject of AFEP/MEDEF Code recommendations, the Board of Directors of Crédit Agricole S.A. applies said recommendations, apart from some exceptions, the reasons for which are detailed in the revised table of areas of non-compliance with the recommendations of the AFEP/MEDEF Code, in accordance with Article L. 225-37, paragraph 7, of the French Commercial Code.

After the Board's Risks and Audit Committee was split into two separate committees, the Board decided that, when the new system was introduced, the two committees would both be chaired by the pre-existing Committee Chairman, François Veverka, an independent Director. This decision facilitated the work of the two committees and their coordination, within the context of implementing numerous new regulatory provisions, mainly in the area of Risk, but also in Audit. François Veverka managed this transition, notably by meeting, on a regular basis, outside of Committee meetings, with the Heads of the various divisions, the Finance department, the Risk Management department, the Compliance department, the Control and Audit function, members of the Executive Management, as well as the Statutory Auditors. And so, in 2016, in tandem with Committee meetings, François Veverka held more than 30 working meetings with Crédit Agricole S.A. Heads, added to which specific meetings about the Eurêka project. He also received summaries of reports from the Control and Audit function of the three Group companies of which he is a Director (Crédit Agricole S.A., Crédit Agricole CIB and LCL), i.e. a hundred or so abstracts per year.

This joint chairmanship will come to an end at the close of the General Meeting of Shareholders of 24 May 2017. At its meeting on 7 November 2016, on the recommendation of the Appointments and Governance Committee, the Board approved the outline for the chairmanships of these committees upon expiry of the term of office (non-renewable), of the present incumbent. It designated Françoise Gri as the next Chairwoman of the Risks Committee and, subject to approval of her appointment as a Director by the General Meeting of Shareholders, Catherine Pourre, as Chairwoman of the Audit Committee. Françoise Gri will also chair the US Risks Committee.

1.3.1. The Committees' operating principles

Committee members are appointed by the Board, on the Chairman's recommendation. The Board may terminate the appointment of a Committee member at any time. A Committee member may resign from office at any time. All Committee members, and all other persons who attend Committee meetings, are bound by professional secrecy. Apart from in the event of recommendations to the contrary from the European Central Bank (e.g. the Audit Committee and the Risks Committee) and wherever possible, the members of the various Committees are different, in accordance with AFEP/MEDEF Code recommendations.

The operation of each Committee is governed by Rules of Procedure. In the course of their work, Board Committees may invite Crédit Agricole S.A. Group employees or experts from outside the Company in areas that fall within the field of competence of the Committees.

Members of the Specialised Committees receive a preparatory file on the different subjects on the agenda, generally two to four days prior to each meeting, depending on the Committee.

Just as Board members are paid for attending Board Meetings, members of Committees are paid Directors' fees calculated using a scale set by the Board on the recommendation of the Compensation Committee, unless said Directors waive their fees.

1) The Risks Committee

OPERATION

At 31 December 2016, the Risks Committee had six members, including five Directors and one non-voting Director.

Members	Attendance rate
François Veverka, Committee Chairman, independent Director	100%(1)
Véronique Flachaire, Chief Executive Officer of a Crédit Agricole Regional Bank	100%(1)
Françoise Gri, independent Director	100%(1)
Jean-Louis Roveyaz, Chairman of a Crédit Agricole Regional Bank	100%(1) (67% joint Committee meetings)
Christian Streiff, independent Director	100%(1) (33% joint Committee meetings)
Catherine Pourre, non-voting Director	100%(1)

(1) For Risks Committees alone and on a joint basis when the percentage is the same.

In accordance with Article L. 511-92 of the Monetary and Financial Code, members of the Risks Committee have know-how, skills and expertise that enable them to understand and oversee the Group's risk strategy and appetite for risk, whether they are independent Directors, employees of Regional Banks, or Chairmen or Chief Executive Officers of Regional Banks. Director profiles can be found in section 1 above (Board of Directors).

The Group Chief Financial Officer, the Head of Accounting and Consolidation, the Head of Group Risk Management, the Head of Group Control and Audit and the Head of Group Compliance attend meetings of the Risks Committee.

The operation and duties of the Committee are set out in Rules of Procedure approved by the Board of Directors (see above). The Committee performs its duties under the responsibility of the Board of Directors, in the areas defined by provisions of the French Monetary and Financial Code, in particular, as arising from the CRD 4 directive of 20 February 2014 and the Decree of 3 November 2014 on the internal control of banks.

Minutes of each Committee Meeting are drawn up and distributed to all the Directors together with the minutes of Board Meetings.

The Committee's work is set out in an annual schedule. Once a year, in the autumn, the Risks Committee organises a working lunch without management presence in order to decide on its programme of work for the following year and to examine any areas where it might improve.

WORK OF THE RISKS COMMITTEE (AND JOINT RISKS/AUDIT WORK)

The Risks Committee met nine times in 2016, including three in joint formation with the Audit Committee. It appeared to be useful, in fact, for members of the Audit and Risks Committees to have, in certain fields, and *a fortiori* in areas where financial and regulatory information are interrelated, the same level of information and the opportunity to discuss said information with one another. Although regulations expressly charge the Risks Committee with issuing advice to the Board of Directors regarding the information reviewed, this advice is given by the Chairman of the Committee. This practice, which members of the two Committees find to be wholly satisfactory, will continue until the expiry of the term of office of the current joint Chairman, who chairs the Committees separately.

Within this joint framework, the following issues were reviewed:

- financial and regulatory forecasts included in the "Strategic Ambition 2020" Plan and the independent expert's report on Eurêka project valuations;
- budget and stressed budget;
- the Annual Internal Control Report and half-year interim information on internal control;
- Group Control and Audit function reporting;
- periodic compliance information;
- the monitoring of ongoing supervisory authority work;
- depending on the date of the meetings, shared information on the Group's solvency and liquidity positions, with a review of various related ratios.

In 2016, as in 2015, Directors who were members of the Risks Committee and the Audit Committee followed half-day training programmes on each of the following areas:

- finance (18 February 2016);
- risks (6 April 2016);
- insurance (14 April 2016);
- regulatory changes (19 July 2016);
- financial management (29 November 2016).

Directors' rate of attendance at these training sessions, which were attended in their own time, was 100%, similar to their rate of attendance at Committee meetings.

In addition to the topics dealt with at specific joint meetings, the Risks Committee focused a major part of its work on analysing and monitoring the Group's implementation of regulatory provisions in relation to risk management and monitoring tools, guiding their overall consistency across Risk Governance services.

In this respect, the following items were reviewed in particular:

- the risk appetite declaration: the Risks Committee issued a positive opinion of the Board's approval, on 20 January 2017, of the third risk appetite declaration since this tool was introduced by the Single Supervisory Mechanism. With this tool, the Committee, and more broadly, the Group's Governance, now has an integrated system which offers, in particular, the Internal Control Report, the ICAAP and ILAAP, stress tests, the Recovery Plan, or Risk strategies, an overview of risks, which are constantly being updated;
- within the context of different risk strategies for various business lines and entities, in accordance with the appetite for risk and the validation process for these strategies, the Committee reviewed strategies relating to operational risks and extreme risks, securitisation, shadow banking, the risks generated by key outsourced services (PSEE) and certain entities like Amundi, C.A. Bank Polska or Crédit Agricole Italia (formerly Cariparma), as well as the Group's exposure to the effects of certain political events, such as the referendum on Brexit;
- the Supervisory Review and Evaluation Process – SREP, the recommendations of supervisory authorities and the measures implemented by the Group to identify specific capital requirements, under Pillar 2, in connection with the internal capital adequacy assessment (ICAAP by the European Central Bank and its equivalent for liquidity ILAAP);
- the stress tests conducted by the European Banking Authority, from their launch at the beginning of the year to the publication of their results in July 2016, and the follow-up measures taken;
- the 2016 two-stage update of the Recovery plan as part of the process of assessing the capacity of Global Systemically Important Banking Institutions to be subject to resolution measures;
- monitoring of the mechanism implemented by Crédit Agricole Group to comply with the regulation providing for the implementation of section 619 of the Dodd-Franck Act (Volcker Rule) issued by the three US federal banking agencies and effective since July 2015 and, above all, very close periodic monitoring of the implementation of the OFAC Remediation Plan.

All these mechanisms, supplemented by the quarterly risk dashboards and risk registers, enable the Committee to carry out, on a yearly basis, a comprehensive risk review (including risk mapping) along sectoral and geographic lines (country risks, sovereign debt) highlighting areas of concern for the Group, including counterparties with the greatest exposure, in particular, in the shipping and oil & gas sectors.

The Committee also continued its specific work on challenges and risks in the area of IT, including monitoring major IT projects, including regulatory projects such as BCBS 239, IFRS 9 or, highly operational projects, such as the parallel asset and liability management (Palma) project. Faced with the increasing significance of the challenges relating to this operational risk, against the backdrop of an increasingly digitalised economy, it lent

The definitions of the underlined words can be found in the Glossary on page 542.

its support to the new mode of governance introduced since the appointment of the Group Head of IT in 2016. It will ensure that real progress is made.

The Committee regularly reviewed the progress of ongoing administrative investigations, and/or main disputes, by carefully following the progress of proceedings and the levels of provisioning for these cases. Within this context, it was, in particular, notified of the fine imposed by the European Commission as a result of the Euribor investigation, the Commission's reasoning and the arguments justifying the Group's decision to launch an appeal.

At each meeting, the Committee closely examined changes in the Group's position in terms of liquidity (including a review of the standards governing the measurement, control and monitoring of Crédit Agricole Group's liquidity risk, in advance of approval by the Board), capital and solvency. It also examined refinancing and rating issues facing the Group as well as the system for managing the Group's securities portfolio and its limits. Finally, it looked closely at the implementation of recommendations made by regulators in the course of their inspections of the various Group entities and the satisfactory progress of the projects undertaken to comply with regulatory and prudential requirements.

Other subjects monitored by the Committee included:

- the Group's short-term liquidity limits; the securities and sovereigns portfolio; capital market activities, Crédit Agricole Group S.A. Group VaR limits and those specific to Crédit Agricole CIB; Global Interest Rate Risk (GIRR);
- the business continuity plans and the IT disaster recovery plans through the Annual Internal Control Report (RACI);
- Control and Audit function audits, including audits conducted on Regional Banks, and the Control and Audit function audit plan, European Central Bank audits and follow-up of recommendations;
- a report on the risks of non-compliance within Crédit Agricole S.A. Group for 2015 and an assessment, in the first half of 2016, of compliance actions within Crédit Agricole S.A. Group.

Finally, the Committee examined the Chairman's report to the General Meeting of Shareholders on the preparation and organisation of the work of the Board of Directors and on internal control procedures.

2) US Risks Committee

OPERATION

As of 31 December 2016, the US Risks Committee had four members, including three Directors and one non-voting Director.

Members	Attendance rate
François Veverka, Committee Chairman, independent Director	100%
Véronique Flachaire, Chief Executive Officer of a Crédit Agricole Regional Bank	100%
Caroline Catoire, independent Director	100%
Catherine Pourre, non-voting Director	100%

With a presence in the United States through Crédit Agricole CIB (90% of US business), Amundi, CACEIS and private banking, the Crédit Agricole Group is subject to section 165 of the Dodd-Franck Act. This regulation requires foreign banks operating in the US, and whose total consolidated assets do not justify the creation of a holding company to head up its businesses, to have a Board of Directors' committee dedicated to monitoring US risks.

The regulatory framework and organisational structure were presented to the Risks Committee on 14 April 2016 and the Board of Directors decided to create this Specialised Committee on 11 May 2016. The Committee held its first meeting on 23 June 2016.

The US regulation, which came into force on 1 July 2016, recommends that the Committee should have at least three Directors, one of whom is independent. Crédit Agricole S.A. selected a majority of independent Directors, including its Chairman.

Its rules of operation and its area of expertise are defined in Rules of Procedure (see above) which, in particular, reiterate US regulatory requirements. It holds four meetings a year, one of which is in the United States, in accordance with a US Federal Reserve recommendation. Given the entry into force of the new provisions on 1 July 2016, the US Risks Committee held two meetings in 2016.

WORK OF THE US RISKS COMMITTEE

At its first meeting, the Committee adopted its operating document and its Rules of Procedure. It was informed of comparative law on regulatory supervision between Europe and the United States before commencing an in-depth study of all the Group business and entities operating in the United States. On this basis, it reviewed the credit, market, liquidity, and operational risks including legal and compliance risks for each entity on an aggregate and individual basis. The Committee was also informed by the Group Control and Audit function of past and current audits, as well as of the progress of recommendations made as a result of its audits.

Ahead of its second meeting, the Chairman of the Committee visited the United States where he met with the Group's local senior management and representatives of the supervisory authority. At its second meeting, the Committee reviewed the scope of the appetite for liquidity risk and the emergency financing plan, issuing a positive opinion of their adoption by the Board of Directors, in accordance with US regulatory requirements.

On this occasion, it also reviewed:

- the Group's risk position in the United States as of 30 September, particularly credit, market, liquidity and operational risks as well as the progress of internal audits;
- Crédit Agricole CIB USA's business activity and strategy;
- problems with outsourcing certain activities;
- the characteristics of the electoral programmes of the two candidates for the presidency of the United States and the potential impacts of each on the Group's US business.

3) The Audit Committee

OPERATION

At 31 December 2016, the Audit Committee had six members, including five Directors and one non-voting Director.

Members	Attendance rate
François Veverka, Committee Chairman, independent Director	100%(1)
Caroline Catoire, independent Director	100%(1)
Laurence Dors, independent Director	100%(1)
Jean-Pierre Gaillard, Chairman of a Crédit Agricole Regional Bank	100%(1)
Gérard Ouvrier-Buffet, Chief Executive Officer of a Crédit Agricole Regional Bank	100%(1)
Catherine Pourre, non-voting Director	100%(1)

(1) For Audit Committees alone and on a joint basis with risks when the percentage is the same.

Pursuant to the provisions of the AFEP/MEDEF Code and Article L. 823-19 of the French Commercial Code, members of the Audit Committee are selected because of their financial and/or accounting expertise, whether they are independent Directors, employees of Regional Banks, or Chairmen or Chief Executive Officers of Regional Banks. Director profiles can be found in section 1 above (Board of Directors).

The Group Chief Financial Officer, the Head of Accounting and Consolidation, the Head of Group Risk Management and the Head of Group Control and Audit attend meetings of the Audit Committee.

The operation and duties of the Committee are set out in Rules of Procedure approved by the Board of Directors (see above). Once a year, the Audit Committee organises a working lunch without management presence in order to decide on its programme of work for the following year and to examine any areas where it might improve.

In 2016, the Audit Committee held nine meetings (including three joint meetings with the Risks Committee – see below). The total attendance rate was 100%.

COMMITTEE WORK IN 2016

The main aspect of the Committee's work involved an in-depth review, ahead of its presentation to the Board, of the parent company annual, half-year and quarterly financial statements, examination of consolidated results and the results of each Group business line, regulatory position, lines of financial communication, and review of the draft press release.

At each reporting date, the Committee pays particular attention to the accounting options (treatment of CVA/DVA/FVA, of issuer spread on securities issued, treatment of Home Purchase Savings Plan provisions, employment-related commitments, asset and liability management etc.). Within this framework, the Committee interviewed the Company's Statutory Auditors on the basis of a detailed document submitted by them at each reporting date. The Statutory Auditors also outlined to the Committee the general work programme and the various surveys carried out in 2016. Each year, the Committee interviews the Statutory Auditors without the presence of management.

The Committee also reviews the goodwill situation on a yearly basis with three meetings last year, including one meeting on methodology where the Committee monitored the process that led to the impairment of LCL goodwill announced on 20 January 2017 in anticipation of the comprehensive review of goodwill for the February reporting date.

In 2016, the Committee focused, in particular, on IFRS 9, having been kept informed at each reporting date of both the regulatory timetable and the consequences of internal compliance work.

It also paid particular attention to the European Statutory Audit Reform transposed into French law by the order of 17 March 2016 which lays down (Article L. 822-11-2 of the French Commercial Code) that non-audit services (SACC) may be provided by the Statutory Auditors, or members of its network, to the public-interest entity whose accounts it is certifying, provided that it receives approval from the Board of Directors' Audit Committee. The Committee, together with the Accounting department, has set up a system, approved by the Board of Directors, which enables it to fulfil this new legal obligation.

In 2016, the Committee also reviewed the application of macro-hedging principles by the Crédit Agricole S.A. Group and the changes arising, in particular, from accounting reforms, as well as the Group's position with regard to requirements regarding the reappointment of the Statutory Auditors decided on by the Board of Directors.

4) The Compensation Committee

At 31 December 2016, the Compensation Committee had six members, including one Director representing employees.

Members	Attendance rate
Laurence Dors, Committee Chairwoman, independent Director	100%
Daniel Epron, Chairman of a Crédit Agricole Regional Bank	100%
François Heyman, Director representing employees	100%
Jean-Louis Roveyaz, Chairman of a Crédit Agricole Regional Bank	100%
Christian Streiff, independent Director	80%
François Veverka, independent Director, Risks Committee Chairman	100%

The definitions of the underlined words can be found in the Glossary on page 542.

OPERATION

The composition of the Compensation Committee complies with the regulatory provisions and guidelines of the AFEP/MEDEF Code, both with respect to its membership (majority of independent Directors, presence of an employee representative) and its chairmanship (by an independent Director).

The Crédit Agricole S.A. Group Head of Human Resources attends Compensation Committee meetings.

The operation and duties of the Committee are set out in Rules of Procedure approved by the Board of Directors (see above). The Committee performs duties conferred upon it by the AFEP/MEDEF Code, the French Monetary and Financial Code, in particular, the duties provided for by Article L. 511-102, as well as preparing compensation-related tasks for which the Board of Directors is responsible under the French Commercial Code, particularly those detailed in its Article L. 225-37-2.

In accordance with the provisions of Article L. 511-91 of the French Monetary and Financial Code and the Board of Directors' decision of 17 December 2013, the Compensation Committee of Crédit Agricole S.A. performs its functions under said Article for the following subsidiaries: LCL, Crédit Agricole Assurances, Crédit Agricole Consumer Finance, Crédit Agricole Leasing & Factoring, and CACEIS.

The Compensation Committee met five times in 2016. The Chairwoman of the Compensation Committee reported to the Board on the work accomplished by the Committee at each of its meetings and submitted the Committee's recommendations on matters subject to approval by the Board.

COMMITTEE WORK IN 2016

Ahead of preparations for the General Meeting of Shareholders on 24 May 2017, at its meeting of 7 February 2017, the Committee reviewed:

- compensation proposals for Executive Corporate Officers: D. Lefebvre, P. Brassac and X. Musca. These proposals include:
  - variable compensation for 2016,
  - fixed compensation for 2017,
  - summary of total compensation,
  - principles of variable compensation and targets for 2017;
- compensation for heads of control functions (Risk, Group Control and Audit, Compliance);
  - Heads of Group functions,
  - Heads of entities that have appointed the Crédit Agricole S.A. Compensation Committee to perform these duties;
- the total amount of variable compensation for identified staff and individual variable compensation in excess of €1 million;
- decisions to be referred to the General Meeting of Shareholders on 24 May 2017:
  - advisory vote on the compensation of Executive Corporate Officers for 2016,
  - approval of 2017 principles of compensation for Executive Corporate Officers,
  - advisory vote on total compensation for 2016 for "Identified Staff",
  - approval of the cap on variable compensation for "Identified Staff".

At this same meeting, the Committee reviewed:

- monitoring of high-risk behaviour, with advice from Heads of Group Risk and Compliance for Chief Executive Officers;
- the "Compensation" section of the Chairman of the Board of Directors' report which describes Crédit Agricole S.A.'s compensation policy for identified staff and Executive Corporate Officers (see below, compensation policy section). Within this context, it validated Crédit Agricole S.A.'s areas of non-compliance with the provisions of the AFEP/MEDEF Code in terms of compensation;
- rates of achievement of economic, stock market and CSR criteria contained in long-term incentive plans and Deferred Compensation, tranches of which are due to mature in 2017.

Other issues reviewed by the Committee in 2016 included in particular:

- the annual review of the persons identified pursuant to European regulation and the total amount of variable compensation for such persons with, for 2016, the introduction of a comprehensive referencing model, welcomed by the Committee, which will allow for a harmonised view of the situation with, in the future, real historical depth;
- the updated Crédit Agricole S.A. Group Compensation policy and its application note, taking into consideration recommendations made by the Group Control and Audit function and reflecting the desire to improve coordination between the document describing Crédit Agricole S.A. Group's Compensation policy and its application note;
- the report in respect of 2016 on the compensation policy and practices of members of the executive body, as well as individuals whose professional activities have a significant impact on the Company's risk profile;
- the distribution of overall Directors' fees, increased by €1.4 million by the General Meeting of Shareholders of 19 May 2016, to reflect, in particular, the increasing number of Committee and Board Meetings and creation of the sixth Specialised Committee;

Lastly, the Committee received regular news bulletins regarding both internal and external current affairs such as:

- the HR project on "compensation and employee benefits" launched within the context of the "Strategic Ambition 2020" Plan;
- regulatory changes in areas within its sphere of competence, in particular, with regard to Say on pay as well as the expectations of proxy advisors for General Meetings of Shareholders in 2017.

5) Strategy and Corporate Social Responsibility (CSR) Committee

At 31 December 2016, the Committee comprised seven members.

Members	Attendance rate
Dominique Lefebvre, Chairman of the Board of Directors, Chairman of a Crédit Agricole Regional Bank, Chairman of FNCA	100%
Jack Bouin, Deputy Chairman of the Board of Directors, Chief Executive Officer of a Crédit Agricole Regional Bank	100%
Daniel Epron, Chairman of a Crédit Agricole Regional Bank	100%
Françoise Gri, independent Director	100%
Renée Talamona, Chief Executive Officer of a Crédit Agricole Regional Bank	100%
François Thibault, Chairman of a Crédit Agricole Regional Bank	100%
François Veverka, independent Director	100%

The operation of the Strategy and CSR Committee is detailed in its Rules of Procedure. This Committee was created by a plenary decision of the Board and not in response to a legal requirement. Nevertheless, when a Board decides to make one of its Committees responsible for CSR, the French financial markets authority (*Autorité des marchés financiers*, AMF), in its November 2016 report on corporate governance, recommends that detailed guidelines be given regarding the frequency at which corporate social responsibility matters should be included on the Committee's agenda, while also specifying its duties and reporting as well as its interaction with other Board Committtees. In this respect, in the social sphere, the Committee has no involvement in the compensation policy, this area being the responsibility of the Compensation Committee, or in the gender equality at work policies reviewed annually by the Appointments and Governance Committee, prior to submission of the annual report for the Board's approval.

The Committee's Rules of Procedure were amended in 2016 to incorporate the decision taken in 2015 to broaden its remit to include corporate social responsibility, in addition to the findings of the self-assessment carried out in 2016 (see Work of the Board and work of the Appointments and Governance Committee above). The ability for the Committee to hold *ad hoc* meetings, in addition to the annual schedule, to enable its involvement as far ahead of the decision-making as possible, was incorporated into the Rules of Procedure. Of the four meetings held in 2016, two were called on this basis, one of which was devoted to the planned purchase of Pioneer Investments by Amundi. This *modus operandi* was satisfactory for its members and for the whole Board, which receives a report at its subsequent meeting.

Broadly speaking, the Committee's duty is to conduct in-depth reviews of the Group's strategic planning for its various business lines in France and internationally, under the responsibility of the Board of Directors. As such, the Committee reviews plans for strategic investments or acquisitions and formulates an opinion on such plans. It does a review, at least every 12 months, of the corporate social responsibility actions of Crédit Agricole S.A. Group.

Strategy and CSR Committee meetings are attended by the Chief Executive Officer of Crédit Agricole S.A., the Deputy Chief Executive Officer of Crédit Agricole S.A., the Group Chief Financial Officer, the Secretary General as well as the Head of Strategy of Crédit Agricole S.A. and, for CSR-related matters, the Head of Sustainable Development of Crédit Agricole S.A.

WORK OF THE COMMITTEE IN 2016

In accordance with the principles of financial reporting for listed companies, only strategic background papers reviewed by the Committee and subsequently published are included.

These include:

- the Eureka Project: this project to streamline Crédit Agricole Group and to strengthen the Crédit Agricole S.A. equity structure involved an intragroup reclassification, *via* Sacam Mutualisation which is wholly owned by the Regional Banks, of the CCIs (cooperative investment certificates – *Certificats coopératifs d'investissement*) and CCAs (cooperative associate certificates – *Certificats coopératifs d'associés*) issued by the Regional Banks and owned by Crédit Agricole S.A. This was a major transaction (€18.5 billion) monitored by the Board in 2016, following a review by its Strategy and CSR Committee and Audit Committee, from its initiation in February 2016 to its completion in August 2016, and subsequently with respect to its effects on the financial statements at end-September 2016 and over the full-year. The Board commended the execution of this transaction, one of the largest in absolute terms in Europe in 2016;
- the acquisition of the Italian asset management company Pioneer Investments, a UniCredit subsidiary, by Amundi: in September 2016, the Strategy and CSR Committee became involved in what was then a planned acquisition. The Board, at its meeting on 7 November 2016, authorised Amundi to make the first firm bid with Crédit Agricole S.A. providing a performance guarantee for the transaction. The Amundi bid, for €3.545 billion, was accepted by UniCredit on 12 December and will make the Crédit Agricole subsidiary the eighth largest asset manager in the world, with €1,276 billion in assets under management;
- the preparation of the Board's strategic seminar on 20 January 2017, which reviewed the progress report on the implementation of the "Strategic Ambition 2020" Plan and how the Group was adapting to the interest rate environment.

The Committee also devoted its meeting of 6 December to an examination of the Group's CSR policy, reporting to the Board on 13 December, the latter reviewing the CSR Progress Report and the outlook for 2017. This progress report showed a marked advance, in particular as regards "Climate Financing". The Board was informed of the enhanced requirements under FReD (see sustainable development report in chapter 2 of this document), a decentralised CSR commitment initiative involving the Group and its subsidiaries. FReD was rolled out in 2012, on the basis of a three pillar framework: Fides (compliance), Respect (corporate ecosystem and employees) and Demeter (environment).

The definitions of the underlined words can be found in the Glossary on page 542.

The first CSR dashboard, which had been requested by the Committee, was also presented to it at this meeting. This Dashboard, which comprises some 20 indicators, will provide a better handle on developments relating to:

- the "2020 Strategic Ambition" plan;
- the major CSR challenges as per the CSR strategy of Crédit Agricole S.A., the 2016 CSR barometer, the expectations of the non-financial rating agencies and of investors.

This also provided an opportunity to take note of:

- the Group's desire to publish an "Integrated report" on 2016 in 2017;
- the Group's targets in terms of non-financial ratings;
- the aggressive positioning in "Climate Financing" and the Group's implementation of the commitments made at the COP 21 Conference.

6) Appointments and Governance Committee

At 31 December 2016, the Appointments and Governance Committee comprised six members.

Members	Attendance rate
Monica Mondardini, Committee Chairwoman, independent Director	100%
Roger Andrieu, Chairman of a Crédit Agricole Regional Bank	100%
Jack Bouin, Deputy Chairman of the Board of Directors, Chief Executive Officer of a Crédit Agricole Regional Bank	100%
Laurence Dors, independent Director	100%
Jean-Pierre Gaillard, Chairman of a Crédit Agricole Regional Bank	100%
Dominique Lefebvre, Chairman of the Board of Directors, Chairman of a Crédit Agricole Regional Bank	75%

OPERATION

Pursuant to the provisions of the AFEP/MEDEF Code, the Committee is chaired by an independent Director. However, the proportion of independent members on the Appointments and Governance Committee is below the AFEP/MEDEF recommendations but reflects the ownership structure of Crédit Agricole S.A., which is controlled by a majority shareholder and where the Chief Executive Officer is from one of the 39 Crédit Agricole Regional Banks that control it (see table of non-compliance with the AFEP/MEDEF Code).

The operation and duties of the Committee are set out in Rules of Procedure approved by the Board of Directors (see above). These were updated in 2016 to reflect, in particular, the provisions of the order of 20 February 2014 on the transposition of the so-called "CRD 4" directive required under Articles L. 511-98 *et seq.* of the French Monetary and Financial Code, the decree of 4 November 2014 and the revised AFEP/MEDEF Code.

The Secretary General of Crédit Agricole S.A. (and Secretary of the Board of Directors) takes part in meetings of the Appointments and Governance Committee. The Chairwoman of the Appointments and Governance Committee reports to the Board on its work and opinions of the Committee on matters referred to it for approval.

WORK OF THE APPOINTMENTS AND GOVERNANCE COMMITTEE IN 2016

The Committee met five times in 2016.

It paid particular attention, in the course of its various meetings, to the answers sent to the European Central Bank following the 12 recommendations made after its first thematic review on governance and the steps taken to comply with same, and in particular:

- the expansion of the Director training programme (see below);
- ensuring proper reporting by the Committees;
- organising the succession of the current Chairman of the Risks Committee and of the Audit Committee;
- the establishment of a formal Director succession process (see above);
- the adoption of a Crédit Agricole Group Code of Ethics.

As regards the number of Directors, deemed too high by the banking supervisor, and the number of independent members, deemed too low, the Appointments and Governance Committee, as well as the Board of Directors, unanimously agreed that the Board's composition reflected the Group's ownership structure and that it was not possible to move towards the recommended reshaping without the majority shareholder of Crédit Agricole S.A. losing its majority on the Board. The compliance of the Board's composition with the AFEP/MEDEF Code under which *in controlled companies, at least one third of the Directors must be independent was reaffirmed. Directors representing employee shareholders as well as Directors representing employees are not counted when calculating these percentages*".

The Committee also had regard to the Board's self-assessment questionnaire in 2016 and to the resulting findings, on which it reported to the Board on 2 August 2016. There was a very high level of satisfaction regarding the Board's composition and operation as well as the conduct of proceedings, Committees reporting, the quality and timeliness of the information provided and the positive appraisal of each person regarding his/her availability to carry out his/her duties, this appraisal being borne out by the attendance rates both of the Board and of the Committees.

While the overall assessment regarding how meetings were organised was positive, many people expressed the view that there was a serious imbalance between the time spent on "regulatory" matters (prudential, risks, compliance) and the time spent on the Company's strategy and challenges. Finally, while the overall opinion was once more broadly positive, the self-assessment raised a few points regarding the operation of the Strategy and CSR Committee.

In order to improve Governance activities, the Committee notably proposed to the Board, in agreement with the Chairman:

- to draw up a list of priorities, following agreement with the parties involved, and insofar as possible to focus discussions on critical new items, in order to leave more time for strategy and the Group's adaptation to the challenges facing it;
- to put together an annual calendar of the issues, incorporating presentations of business lines and of their challenges;
- to set the dates for Board Meetings in "N+1" in the spring of each year rather than in the summer;
- to add the strategy seminar to the annual schedule.

The areas reviewed by the Committee included:

- the organisation of the chairmanship of the Risks Committee, the US Risks Committee, and the Audit Committee at the end of the term of office of Mr François Veverka (see above);
- changes in the Board's composition and in the composition of certain Specialised Committees, in tandem with changes taking place and to take place on the Board following the General Meeting of Shareholders in May 2017.

  With respect to the effects of upcoming changes to the overall skill-set of the Board, the Committee felt that the Board's composition, which reconciles the diversity of the Group's activities with a high level of skills and expertise that are representative of the main issues facing Crédit Agricole, will be largely preserved, namely:

  - the dominance of banking, finance and insurance, with a high level of expertise in audit and risks,
  - expert knowledge of local economies, the bedrock of the Group's business,
  - experience as Directors of large corporates, mainly multinationals, in the service, technology and industry sectors,
  - finally, recognised players in the fields of governance and CSR;
- updating of all the texts governing the operation of the Board and the Specialised Committees, as well as the Directors' Code of Conduct and the adoption of a Group Code of Ethics, compliance with which is now covered by an article of the Board's Rules of Procedure;
- the gender balance on the Board and compliance, following the 2017 General Meeting of Shareholders, with French legal requirements;
- the report on professional equality and equal pay within Crédit Agricole S.A. and initiatives undertaken at Crédit Agricole S.A. Group level to promote professional equality and diversity;
- the drafting of a succession plan for Directors that describes, in detail, the procedure followed by the Appointments and Governance Committee to replace a Director in the various possible scenarios (term of office not renewable, renewable, incapacity, death or resignation);
- the Board training programme for 2017, reviewed by the Board Meeting of 13 December 2016, and the specific regulatory system for training employee Directors approved at the same Board Meeting. For 2016, the Committee recorded that 15 Directors had completed at least one of the trainings on offer, namely 84% of Directors (excluding employee Directors who got *ad hoc* training), in the following areas: compliance, finance, risks, insurance, regulatory changes, financial management and compensation.

Finally, at its 7 February 2017 meeting, the Committee notably approved, before submitting it for the approval of the Board Meeting of 14 February 2017:

- the Governance section of this report of the Chairman to the General Meeting of Shareholders, specifically incorporating the analysis of the independence criteria of Directors as well as the areas of non-compliance with the AFEP/MEDEF Code and the grounds therefor, both of which were discussed by the Board;
- the candidates for Director put forward by SAS Rue La Boétie to replace J.L. Roveyaz and R. Andrieu;
- the use of an outside provider in 2017 for the annual assessment of the operation of the Board as well as the evaluation of the individual skills contributing to the Board's overall skill-set.

Chairmanship of the Risks Committee, of the Audit Committee and of the US Risks Committee

François Veverka, an ESSEC graduate and alumnus of the ENA, former Executive Managing Director of Standard & Poor's Europe and former Chairman of the Management Board of S&P France, was appointed Director of Crédit Agricole S.A. in 2008. Appointed to the Audit and Risks Committee the same year, he became Chairman in August 2009.

Following this Committee's splitting in 2015 into a Risks Committee and an Audit Committee, it was decided at the suggestion of the Appointments and Governance Committee that François Veverka would be Chairman of both Committees until the end of the term of office in May 2017, which cannot be renewed. In addition to his seniority and his strong personal commitment to these roles, which, it should be recalled, he held at the height of the global financial crisis, this solution gives time to carefully prepare his succession while putting in place all the new regulatory control, assessment and risk management tools.

When creating the US Risks Committee in the first half of 2016, and in light of its overlap with the Risks Committee, it was decided that François Veverka would be Chairman until his departure, on the understanding that it would be chaired by the next Chairman of the Risks Committee, in accordance with this new Committee's Rules of Procedure.

In early 2016, the Appointments and Governance Committee began the process of identifying a new Director, with the assistance of an outside firm. It picked Catherine Pourre, an ESSEC graduate, with a degree in business law from the Université Catholique de Paris, a Chartered Accountant, who worked for over 20 years in auditing and consultancy, primarily as a partner at PricewaterhouseCoopers and later Ernst & Young, before holding a series of executive positions at Unibail Rodamco (2002-2015). In May 2016, the Board appointed her as a non-voting Director on which basis she has since participated in the Audit Committee, the Risks Committee and the US Risks Committee.

Her appointment as Director of Crédit Agricole S.A. will be put to the General Meeting of Shareholders of 24 May 2017.

On the proposal of the Appointments and Governance Committee, the Board Meeting of 7 November 2016 made a decision regarding the future outline of the chairmanship of the three Committees.

Subject to her appointment by the General Meeting of Shareholders, Catherine Pourre will become Chairwoman of the Audit Committee of the Crédit Agricole S.A. Board next May.

Françoise Gri, a member of the Strategy and CSR Committee since 2012 and a member of the Risks Committee, will succeed François Veverka as Chairwoman of the Risks Committee and of the US Risks Committee. She is a graduate of the École nationale supérieure d'informatique et de mathématiques appliquées in Grenoble, has held top executive positions in large French and international corporates including as Chairwoman and Chief Executive Officer of IBM France. She is very active in the two Committees on which she sits, has built up solid experience on both the operation of Crédit Agricole Group and the risk issues specific to banking institutions. In addition to this expertise, she will bring broad experience in operational risks, and in particular IT risks and reputational risks, on which she focused as a member of the Ethics Committee of MEDEF and of the Corporate Governance High Committee, to the position of Chairwoman of the Risks Committee.

In accordance with the recommendations of the European Central Bank in its June 2016 Supervisory statement on governance, Françoise Gri will sit on the Audit Committee and Catherine Pourre on the Risks Committee.

Directors' compensation

Board members receive Directors' fees. The conditions for allocating Directors' fees, as described below, are determined by the Board on the recommendation of the Compensation Committee.

Compensation of Board members is based entirely on their attendance at Board Meetings. Directors receive the same compensation for attending extraordinary meetings, namely those not on the annual calendar, and scheduled meetings, up to a maximum of the total amount approved.

Participation of Board members in Specialised Committees gives rise to additional Directors' fees: the Chairmen of the Board's Specialised Committees receive an annual flat rate fee which differs according to the Committee. Committee members receive a set fee for each Committee Meeting they attend.

Non-voting Directors get the same compensation for attending Board Meetings and, when they are members, Specialised Committee meetings.

Following the raising by the General Meeting of Shareholders of 19 May 2016 of total Directors' fees to €1.4 million to reflect, in particular, the increased number of meetings, the creation of a Sixth Specialised Committee, but also the significant expansion in the duties of Directors on the back of regulatory changes, the Board, on the recommendation of the Compensation Committee, allocated it as follows from 1 July 2016:

- increase in the set fee per Board Meeting from €3,300 to €4,000;
- increase in the set fee per Committee meeting from €2,200 to €2,700, with the fee allocated to members of the US Risks Committee also being set at €2,700;
- increase in the annual fixed fee paid in respect of the Chairmanship of the Compensation Committee and of the Appointments and Governance Committee from €16,500 to €20,000.

As regards the Chairmanship of the Audit Committee, of the Risks Committee and of the US Risks Committee:

- €24,000 for the Chairmanship of the Audit Committee;
- €24,000 for the Chairmanship of the Risks Committee;
- €20,000 for the Chairmanship of the US Risks Committee.

It should be noted that the Chairman of the Board of Directors, Dominique Lefebvre, waived all compensation other than in his capacity as Chairman, despite sitting on the Strategy and CSR Committee and the Appointments and Governance Committee.

Renée Talamona waived her Directors' fees both for attending meetings of the Board and of the Strategy and CSR Committee on which she sits.

The three Directors representing employees on the Board do not receive any Directors' fees. Instead, they are paid over to their unions.

The Board has also set up a system for reimbursing Board members for travel expenses, based on costs incurred by each member for attending Board and Committee Meetings. This system is renewed by the Board each year.

Compensation in respect of directorships held in Group companies

The total amount of Directors' fees for Crédit Agricole CIB, LCL, Crédit Agricole Italia (formerly Cariparma) and Amundi is determined by their Boards of Directors and submitted for approval at their General Meetings of Shareholders. The allocation of Directors' fees at these four companies is based on their attendance at Board Meetings and their participation in the Board's Specialised Committees.

The table below disclosing Directors' fees paid to the Directors and non-voting Directors of Crédit Agricole S.A. includes amounts received from other Group subsidiaries.

3

DIRECTORS' FEES PAID TO THE DIRECTORS OF CRÉDIT AGRICOLE S.A.

	2015	Net amounts received in 2016[1]					
Directors	Net amounts received in 2015[1]	Crédit Agricole S.A.	Crédit Agricole CIB	LCL	Amundi	Total other Group subsidiaries	Grand Total 2016
Directors elected by the General Meeting of Shareholders							
Dominique Lefebvre [2]	41,910	0	0	0	0	0	**0**
Jack Bouin	23,749	32,576	0	0	0	0	**32,576**
Roger Andrieu	16,764	26,035	0	0	0	0	**26,035**
Pascale Berger [3] [4]	27,885	24,083	0	0	0	0	**24,083**
Caroline Catoire	23,749	35,370	0	0	0	0	**35,370**
Pascal Célérier [5]	27,940	7,684	0	0	0	0	**7,684**
Laurence Dors	46,800	51,468	0	0	0	0	**51,468**
Daniel Epron	25,146	32,258	0	0	0	19,949	**52,207**
Véronique Flachaire	30,734	33,655	0	0	0	0	**33,655**
Jean-Pierre Gaillard	27,242	38,164	0	11,430	0	0	**49,594**
Françoise Gri	32,830	36,386	0	0	0	0	**36,386**
Jean-Paul Kerrien	12,573	18,098	0	0	0	0	**18,098**
Monica Mondardini[9]	32,340	30,415	0	0	0	0	**30,415**
Gérard Ouvrier-Buffet	24,448	29,147	0	0	0	35,020	**64,167**
Jean-Louis Roveyaz	39,116	38,164	16,510	0	0	24,878	**79,552**
Christian Streiff	36,322	33,655	0	0	0	0	**33,655**
Renée Talamona [2] [6]	-	0	0	0	0	0	**0**
François Thibault	20,257	24,638	11,430	0	0	8,249	**44,317**
François Veverka	50,800	64,432	28,575	19,050	14,922	0	**126,979**
Directors elected by the staff							**0**
François Heyman [3] [4]	39,039	34,223	0	0	0	0	**34,223**
Christian Moueza [3] [4]	27,885	24,083	0	0	0	0	**24,083**
Director representing the professional agricultural organisations							**0**
Xavier Beulin [7]	18,860	18,098	0	0	0	0	18,098
Non-voting Director	-	-	**0**	**0**	**0**	**0**	**0**
François Macé	18,860	16,002	0	0	0	0	16,002
Catherine Pourre [8] [9]	-	20,370	6,300	0	0	0	**26,670**
TOTAL	**645,249**	**669,004**	**62,815**	**30,480**	**14,922**	**116,036**	**865,317**

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

(2) Do not receive their Directors' fees.

(3) The three Directors representing employees on the Board do not receive their Directors' fees, instead, they are paid over to their unions.

(4) After deductions of social contributions (15.50%).

(5) Appointment as Deputy Managing Director (March 2016).

(6) Appointment as Director (March 2016).

(7) Xavier Beulin died on 19 February 2017. Information relative to his offices are not included in this documents.

(8) Appointment as Non-voting Director (May 2016).

(9) 30% withholding tax (French non-residents).

1.3.2. Summary table of areas of non-compliance in the application by Crédit Agricole S.A. of the recommendations of the revised AFEP/MEDEF Code

Recommendation of the Code	Comment by the Company
Assessment of the Board of Directors 10.4 "It is recommended that non-executive Directors meet regularly without the presence of executive or internal Directors. The Rules of Procedure of the Board should provide for one meeting of this nature per year, in which the performances of the Chairman, Chief Executive Officer and Deputy Chief Executive Officers are assessed, and which periodically provides a forum for thinking about the future of management."	The Board of Directors of Crédit Agricole S.A. does not comprise any executive or internal Directors. It should be recalled that the individual and collective performance of Executive Corporate Officers is evaluated in detail on an annual basis by the Compensation Committee as part of the system governing Corporate Officer compensation approved by the Board. The presentation to the Board by the Committee Chairwoman of the findings of this assessment, along with the Board's discussion of these findings, are done in the absence of the Executive Corporate Officers.
The Audit Committee 16.1 Composition: "Independent Directors should account for at least two-thirds of Directors (…)".	**Audit Committee** When splitting the Audit and Risks Committee into two separate Committees in early 2015, the Board decided to set the number of members of each of the two Committees at five, including three independent Directors, a Chairman of a Regional Bank and a Chief Executive Officer of a Regional Bank. Both Committees are chaired by an independent Director. The proportion of independent Directors on both Committees is thus now 60%. Both the Audit Committee and the Risks Committee are chaired by an independent Director.
The Committee in charge of selection or appointments 17.1 Composition: "(It) should have a majority of independent Directors."	The Appointments and Governance Committee is chaired by an independent Director. It comprises six members, including the non-executive Chairman of the Board of Directors, and two independent Directors i.e. a proportion of one-third. The shareholding structure (existence of a majority shareholder) is reflected in the composition of this Committee.

Share ownership by Directors and Executive Corporate Officers:
19. **Ethical standards applicable to Directors**
"(…) In the absence of legal provisions to the contrary, the Director should be a shareholder personally and, in accordance with the provisions of the Articles of Association or Rules of Procedure hold a minimum number of shares, that is significant in proportion to the Directors' fees; If he or she does not hold these shares when assuming office, he or she should use his or her Directors' fees to acquire them(…)."
22. **Obligation to hold shares**
"The Board of Directors sets the minimum number of shares that Executive Corporate Officers are required to hold as registered shares until the end of their term of office. This decision is reviewed at least every time they are reappointed. (…) So long as the shareholding target has not been reached, Executive Corporate Officers allocate that portion of their option exercises or performance share awards as determined by the Board for this purpose. This information is included in the Company's annual report."
	The Company's Articles of Association set the minimum holding of Crédit Agricole S.A. shares by a Director at one share. No provision is made in this regard for Executive Corporate Officers. On the recommendation of the Appointments and Governance Committee, the Board, while recommending that Directors and Executive Corporate Officers hold a certain number of shares of the Company, did not consider it desirable to amend the current rules, for the following reasons:
	• first, in ethical terms, it can be argued that Directors' status as permanent insiders should lead to a measure of moderation in their holdings of the Company's shares;
	• second, in a cooperative and mutualist Group, the commitment of Directors and managers is not related to the interest they may have in their company. Moreover, Directors from Regional Banks represent the majority shareholder of Crédit Agricole S.A. As such, their interests are naturally aligned with those of the Company;
	• third, as regards Executive Corporate Officers more specifically, it should be borne in mind that:
	  • unlike the practice observed in most large companies in the CAC 40, the Corporate Officers of Crédit Agricole S.A. do not receive stock options;
	  • under current regulations, a significant portion of their variable compensation is deferred and paid in the form of an instrument linked to the Crédit Agricole S.A. share price.

21. **Termination of employment contract in the case of a corporate office** "It is recommended, when an employee becomes a Company Executive Corporate Officer, to terminate their employment contract with the Company or a Group company, either by means of contractual termination or resignation(1) This recommendation applies to the Chairman, Chairman and Chief Executive Officer, and Chief Executive Officer in companies with Boards of Directors (…).	Upon the appointment of Philippe Brassac as Chief Executive Officer of Crédit Agricole S.A. from 20 May 2015, the Board of Directors authorised, at its meeting of 19 May 2015, the maintenance of his employment contract and its subsequent suspension during his term of office. The termination of his employment contract would have deprived him of the rights arising from the performance of his employment contract that were progressively built up over the course of his 33-year career with the Group and, in particular, benefits obtained by virtue of seniority and length of service, notably in terms of long-term benefits – such as membership of group schemes – and the right to severance payments. The overall amount of such payments would not, in any event, exceed two years of gross compensation in accordance with the recommendations of the AFEP/MEDEF Code. The Board considered that this is an appropriate approach to give Group employees who have made a major contribution to its development the opportunity to access high-standing offices, thereby fostering the sustainable management of the Group's human resources.
24. **Compensation of Executive Corporate Officers** 24.5.1 Departure of Executive Corporate Officers – General Provisions Termination payments: "The law (…) makes termination payments conditional upon performance conditions. The performance conditions set by Boards for these payments must be assessed over at least two financial years."	• **For the Deputy Chief Executive Officer:** his/her contract as Director, also approved by the General Meeting of Shareholders in respect of related-party agreements, does not provide for performance conditions, insofar as the termination payments for which he/she would be eligible in the event of his/her contract being terminated would not be due under his/her contract as Director, but under his/her employment contract, which is suspended during the exercise of his/her directorship and would be reactivated in the event of termination of his/her directorship. Furthermore, the introduction of performance conditions would be contrary to labour law.

(1) *"When the employment contract is maintained, it is suspended in the established legal manner".*

1.3.3. Rules of Procedure of the Board of Directors

At its meeting of 7 November 2016, the Board of Directors of Crédit Agricole S.A. approved, on the recommendation of its Chairman and of the Appointments and Governance Committee, the update to its Rules of Procedure setting out the operation of the Board of Directors and Executive Management of the Company, taking account of:

- the role of central body assigned to the Company by the French Monetary and Financial Code;
- legislative and regulatory changes having an impact on the operation of the Board and of its Specialised Committees;
- the Group's rules of operation.

Article 1 – Organisation of the Board of Directors.

Article 2 – Powers of the Board of Directors and of the Chief Executive Officer.

Article 3 – Operation of the Board of Directors.

Article 4 – Board Committees.

Article 5 – Crédit Agricole S.A. Directors' Code of Conduct

Crédit Agricole S.A. is a company with a Board of Directors that splits the roles of Chairman and Chief Executive Officer, in accordance with Group practice and current regulations, namely separating the guidance, decision-making and control functions from the executive functions.

Pursuant to the provisions of the French Commercial Code, the Chairman of the Board of Directors and Chief Executive Officer of Crédit Agricole S.A. are Corporate Officers.

Pursuant to the provisions of the French Monetary and Financial Code, the Board of Directors must ensure that Crédit Agricole S.A. has a sound governance system comprising in particular a clear organisation resulting in responsibilities being shared in a well-defined, transparent and coherent manner, effective procedures for identifying, managing, monitoring and reporting risks to which the Company is or may be exposed, an adequate internal control system, sound administrative and accounting procedures, compensation policies and practices enabling and facilitating sound and effective risk management.

It should also be recalled that the Chief Executive Officer and the Deputy Chief Executive Officer of Crédit Agricole S.A. are the Company's Executive Management.

Article 1 – Organisation of the Board of Directors

1.1. CHAIRMAN OF THE BOARD OF DIRECTORS

The Chairman of the Board of Directors guides and organises the Board's work. He/she is responsible for its proper operation as well as that of its Committees. He/she calls Board Meetings and sets the agenda.

The Chairman presents the General Meeting of Shareholders with a report on the preparation and organisation conditions for Board work along with the internal control procedures put in place by Crédit Agricole S.A.

1.2. OFFICERS OF THE BOARD OF DIRECTORS

The Board of Directors appoints the Chairman and Deputy Chairman as Officers of the Board. The Chief Executive Officer of Crédit Agricole S.A. takes part in the work of the Board.

The Officers of the Board are responsible for preparing the Board's work. They meet when called by the Chairman, as needed.

The Chairman may invite any person whose opinion he would like to canvass to assist the Officers of the Board.

The Secretary to the Board of Directors acts as secretary to the Officers of the Board.

1.3. BOARD COMMITTEES

The Board of Directors has established six Specialised Committees tasked with preparing Board Meetings and/or providing it with their opinions and recommendations. These include:

- Risks Committee;
- Audit Committee;
- US Risks Committee;
- Compensation Committee;
- Strategy and CSR Committee; and
- Appointments and Governance Committee.

The Board of Directors draws up the Rules of Procedure for these Specialised Committees and determines their duties and composition in line with applicable laws and regulations.

The remit of these Committees is defined in Article 4 below.

The Chairman or the Board of Directors may canvass the opinion of any Committee on any matter within its remit.

The Board of Directors, on the recommendation of the Chairman, may appoint one or more non-voting Directors, who may attend Specialised Committee meetings in the same manner as Directors.

The Rules of Procedure of each Committee are appended to these Board Rules of Procedures.

Article 2 – Powers of the Board of Directors and of the Chief Executive Officer

2.1. POWERS OF THE BOARD OF DIRECTORS

The Board of Directors exercises the powers granted to it by law and under the Company's Articles of Association. This specifically includes:

- the Board approves the annual separate financial statements (balance sheet, income statement, notes), the management report detailing the Company's position during the current year and its outlook, along with forecasts. It approves the consolidated financial statements of Crédit Agricole S.A. Group and receives the interim financial statements;
- the Board approves the consolidated financial statements of Crédit Agricole Group;
- the Board decides to call the Company's General Meeting of Shareholders. It sets the agenda and prepares the draft resolutions;
- the Board:
  - elects and dismisses the Chairman of the Board of Directors
  - on the recommendation of the Chairman, appoints and dismisses the Chief Executive Officer
  - temporarily fills one or more Director positions in the event of a vacancy, death or resignation
  - on the recommendation of the Chief Executive Officer, appoints and dismisses the Deputy Chief Executive Officer(s)
- the Board decides the compensation of Corporate Officers and the allocation of Directors' fees;

The definitions of the underlined words can be found in the Glossary on page 542.

- the Board must first authorise any agreement that falls under Articles L. 225-38 *et seq.* of the French Commercial Code and, in particular, any agreement between the Company and any Corporate Officer

The Board also:

- determines the Group's strategic orientations, on the recommendation of the Chairman and Chief Executive Officer;
- gives prior approval to strategic investment projects and any transaction, specifically any acquisition or disposal transaction that is likely to have a significant effect on the Group's earnings, the structure of its balance sheet or its risk profile;
- defines the general principles applicable to Crédit Agricole Group's internal financial organisation;
- decides or authorises the issuance of Crédit Agricole S.A. bonds;
- grants the Chief Executive Officer the necessary powers to implement the decisions set out above;
- approves and regularly reviews the strategies and policies governing the taking on, management, monitoring and reduction of the risks to which Crédit Agricole S.A. and the Group are or may be exposed, including risks stemming from the economic environment.
- notably approves the various commitment and risk limits for Crédit Agricole S.A. Group and, where applicable, for Crédit Agricole Group;
- makes a decision, where necessary, on the dismissal of the head of the risk function, who cannot be removed from his/her position without the prior approval of the Board;
- determines and regularly reviews the general principles of the compensation policy of Crédit Agricole S.A. Group, in particular regarding employee categories whose activities have a significant impact on the Group's risk profile;
- reviews the governance system, periodically evaluates its effectiveness and ensures that corrective steps have been taken to remedy any identified deficiencies.
- determines the strategy and checks implementation by Executive Management (the Chief Executive Officer and the Deputy Chief Executive Officer(s)) of the monitoring systems to ensure effective and prudent management of the activities of Crédit Agricole S.A. and in particular the segregation of functions within the organisation and the prevention of conflicts of interests;
- defines the criteria used to assess the independence of Directors;
- is notified in advance by Executive Management of changes in the Group's organisation and management structures;
- conduct any inspections or audits that it deems necessary.

With respect to the role of central body assigned to Crédit Agricole S.A. by the French Monetary and Financial Code:

- the Board authorises:
  - any foreign expansion of the Regional Banks,
  - any creation, by a Regional Bank, of a financial institution or insurance company, as well as the acquisition of any interest in any such company,
  - any financial support for any Regional Bank in difficulty,
  - the establishment of a Committee responsible for the interim management of a Regional Bank;
- the Board decides to:
  - give Crédit Agricole S.A.'s approval for the appointment of Chief Executive Officers of the Crédit Agricole Regional Banks.

The Chief Executive Officer also asks the Board for its prior opinion regarding any decision by the former to dismiss a Chief Executive Officer of a Regional Bank.

2.2. POWERS OF THE CHIEF EXECUTIVE OFFICER

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

He must, however, secure the Board of Directors' approval prior to the following transactions:

- the creation, acquisition or disposal of any subsidiaries and equity investments in France or abroad for amounts exceeding €150 million;
- any other investment of any kind for amounts exceeding €150 million.

If, due to the urgency of the situation, the Board cannot be called to deliberate on a transaction that exceeds this ceiling, the Chief Executive Officer will do all in his/her power to canvass all Directors or, at the very least, the Officers of the Board and the members of the relevant Specialised Committee prior to making any decision. Where this is not possible, the Chief Executive Officer may, with the Chairman's approval, make any decisions that are in the Company's interest in the areas set forth above. He reports such decisions to the Board at its subsequent meeting.

Article 3 – Operation of the Board of Directors

3.1. MEETINGS OF THE BOARD OF DIRECTORS

The Board is convened by its Chairman, or any person authorised for that purpose by the Board of Directors, and meets as often as required by the Company's interests and at least six times each year. Should the Chairman be unable to attend, the Board is chaired by the oldest Deputy Chairman who is thus authorised to convene it.

The Board of Directors may hold its meetings by means of video conferencing or other means of telecommunication, in accordance with the provisions of Article 3.3 below.

Directors with an interest in matters deliberated by the Board shall abstain from voting on such matters.

The Chief Executive Officer, the Secretary General, and any Deputy Chief Executive Officers participate in Board Meetings but do not have the right to vote.

The Chief Executive Officer appoints representatives of Executive Management to participate in Board Meetings.

The Board of Directors may appoint one or several non-voting Directors who participate in Board Meetings.

3.2. PROVISION OF INFORMATION TO BOARD MEMBERS

The Chairman and the Chief Executive Officer are required to supply to each Director all documents and information needed for the Director to fulfil his duties.

Pursuant to the provisions of the French Monetary and Financial Code, the Board of Directors is informed, by Executive Management, of all material risks, risk management policies and any changes made thereto.

Where necessary, in the event of a change in the risks affecting or likely to affect Crédit Agricole S.A. or the Group, the head of the risk management function may report directly to the Board of Directors.

In accordance with Article 313-4 of the *Autorité des marchés financiers* General Regulation, Executive Management informs the Board of Directors of the appointment of the compliance officer.

Prior to Board Meetings, Directors will receive a file including the agenda items that require an in-depth review ahead of the meeting, provided that confidentiality guidelines allow the communication of such information.

All Board members receive all relevant information on the Company, in particular the press releases issued by the Company.

Board members can also seek information directly from the Chief Executive Officer, the Deputy Chief Executive Officer(s) and the Secretary General of Crédit Agricole S.A., after having informed the Chairman that they plan to do so.

In the course of their work, board committees may invite Group employees or experts in areas that fall within the remit of said Committees.

3.3. PARTICIPATING IN BOARD MEETINGS BY MEANS OF VIDEO CONFERENCING OR OTHER MEANS OF TELECOMMUNICATION

At the Chairman's discretion, the Board may hold its meeting by means of video conferencing or other means of telecommunication, provided that:

- at least five Directors are physically present at the location of the Board Meeting;
- the video conferencing or other means of telecommunication allow for the identification of the Directors and ensure their full participation. As a minimum, the means retained shall transmit participants' voices and meet the technical requirements to allow continuous and simultaneous transmission of the Board's deliberations.

Directors attending a meeting by means of video conferencing or other means of telecommunication are deemed present for the purpose of calculating the quorum and majority.

This provision does not apply where the Board is meeting to:

- prepare and close the parent company and consolidated financial statements and management reports;
- to appoint or dismiss the Chairman;
- to appoint or dismiss the Chief Executive Officer.

The attendance records and the minutes must indicate the names of Directors participating in the meeting by means of video conferencing or other means of telecommunication. The minutes must also record any technical incident that may have affected the proceedings.

Article 4 – Board Committees

4.1. STRATEGY AND CSR COMMITTEE

The Committee's key duty is to conduct in-depth reviews of the Group's strategic planning for its various business lines in France and internationally, under the responsibility of the Board of Directors. As such, the Committee reviews plans for strategic investments or acquisitions and formulates an opinion on such plans.

It does a review, at least every 12 months, of the corporate social and environmental responsibility actions of Crédit Agricole S.A. Group and Crédit Agricole Group.

The Board receives reports on the work and opinions of the Strategy and CSR Committee from the Committee Chairman or a Committee member designated by him/her.

4.2. RISKS COMMITTEE

The Risks Committee's duties, under the responsibility of the Board of Directors, in accordance with the provisions of the French Monetary and Financial Code and the Decree of 3 November 2014 are to:

- review the overall strategy and risk appetite of Crédit Agricole S.A. and of Crédit Agricole Group, along with the risk strategies, and to advise the Board of Directors on such matters;
- help the Board of Directors assess the implementation of this strategy by Executive Management and by the head of the risk management function;
- examine, without prejudice to the tasks of the Compensation Committee, whether the incentives built into the compensation policy and practices of Crédit Agricole S.A. Group are consistent with the Group's position with respect to the risks it is exposed to, its capital position, its liquidity position and the and the probability and the spreading over time of the expected profits.

The Board receives reports on the work and proposals of the Risks Committee from the Committee Chairman or a Committee member designated by him/her.

4.3. US RISKS COMMITTEE

The US Risks Committee's duties, under the responsibility of the Board of Directors and in line with US regulations, are to:

- review the risk management policies pertaining to the operations of Group entities in the United States;
- ensure the implementation of appropriate oversight of management of these risks; and
- submit all decisions on such matters to the Board for approval.

4.4. AUDIT COMMITTEE

The Audit Committee, under the responsibility of the Board of Directors and in line with the provisions of Article L. 823-19 of the French Commercial Code, is responsible for:

- reviewing the separate and consolidated financial statements of Crédit Agricole S.A. prior to submission to the Board of Directors;
- reviewing documents or reports within its area of expertise that are intended for the Directors;
- monitoring the process for preparing financial information and, where necessary, making recommendations to ensure its integrity;
- monitoring the effectiveness of the internal control, risk management and, where applicable, internal audit systems with respect to the procedures for preparing and processing accounting and financial information, without impinging on its independence;

The definitions of the underlined words can be found in the Glossary on page 542.

- making a recommendation regarding the Statutory Auditors submitted for the approval of the General Meeting of Shareholders. This recommendation, which is made to the Board of Directors, is prepared in accordance with the provisions of Article 16 of Regulation (EU) no. 537/2014; it also makes a recommendation to the Board when any Statutory Auditor is being considered for reappointment in the manner provided for in Article L. 823-3-1;
- it monitors the performance of the duties of the Statutory Auditors; it considers the findings and conclusions of the Haut Conseil du Commissariat aux comptes (H3C) following audits carried out pursuant to Articles L. 821-9 *et seq.*;
- it ensures the Statutory Auditors satisfy the independence criteria established by the French Commercial Code; where necessary, it agrees, together with the Statutory Auditors, the steps to be taken to safeguard their independence, in accordance with the provisions of the aforementioned EU Regulation;
- it approves the provision of the services covered by Article L. 822-11-2 of the French Commercial Code.

The Board receives reports on the work and proposals of the Committee from the Committee Chairman or a Committee member designated by him/her.

4.5. COMPENSATION COMMITTEE

The Compensation Committee's duties, under the responsibility of the Board of Directors and in compliance with the provisions of the French Monetary and Financial Code, are to draw up proposals and recommendations to be submitted to the Board relating to:

- the general principles of the compensation policy applicable to all Crédit Agricole S.A. Group entities, and, in particular:
  - the definition of compensation structures, mainly by distinguishing between fixed compensation and variable compensation
  - the principles for determining total amounts of variable compensation, taking into account the impact of the risks and capital requirements inherent to the business activities concerned
  - the application of regulatory provisions concerning identified individuals within the meaning of the European regulations

    In this respect, the Committee in particular:
  - gives an opinion on the compensation policy of Crédit Agricole S.A. Group, prior to any Board decision,
  - monitors the implementation of this policy, overall and by major business line, by means of an annual review, to ensure regulatory compliance;
- the compensation of Corporate Officers by ensuring compliance with the legal and regulatory provisions applicable to them;
- the total amount of Directors' fees and their division amongst the Directors;
- proposed capital increases reserved to the Group's employees and, where applicable, stock option plans and bonus share distribution plans to be submitted to the General Meeting of Shareholders, as well as the terms and conditions for implementing these capital increases and plans.

The Board receives reports on the work and proposals of the Compensation Committee from the Committee Chairman or a Committee member designated by him/her.

4.6. APPOINTMENTS AND GOVERNANCE COMMITTEE

The Committee's duties, under the responsibility of the Board of Directors and in compliance with the provisions of the French Monetary and Financial Code, are to:

- identify and recommend to the Board suitable candidates for Director, with a view to their submission to the General Meeting of Shareholders;
- periodically assess, and at least every 12 months, the balance and range of knowledge, skills and experience of Board members. This assessment is done individually and collectively;
- specify the roles and credentials required for Board duties and assess the time to be spent on such duties;
- set a target as regards gender balance on the Board and draw up a policy designed to achieve this target. The target and the Company's policy along with the implementation arrangements must be filed with the French Regulatory and Resolution Supervisory Authority (ACPR), in accordance with the provisions of the aforementioned decree;
- periodically assess, and at least every 12 months, the Board's structure, size, composition and effectiveness having regard to its duties and to make all necessary recommendations to the Board;
- periodically review the Board's policies regarding the selection and appointment of Executive Management, Deputy Chief Executive Officers and the head of the risk management function and make recommendations in this regard.

The Board receives reports on the work and proposals of the Committee from the Committee Chairman or a Committee member designated by him/her.

Article 5 – Crédit Agricole S.A. Directors' Code of Conduct

Every member of the Board of Directors of Crédit Agricole S.A. fully subscribes to the Code appended to these Rules of Procedure, of which it forms an integral part, and every Board member has received a copy thereof.

Article 6 – Group code of ethics

Every member of the Board of Directors of Crédit Agricole S.A. fully subscribes to the provisions of the code of ethics of Crédit Agricole Group and undertakes to respect them.

1.3.4. Crédit Agricole S.A. Directors' Code of Conduct

The purpose of this Code of Conduct is to contribute to the quality of the Directors' work by encouraging them to apply the principles and best practices of corporate governance.

Crédit Agricole S.A. Directors undertake to abide by the guidelines contained in this Code and to implement them.

Article 1 – Corporate administration and interests

Directors, regardless of how they are appointed, must consider themselves as representing all shareholders and other stakeholders and must act in their interests and in the Company's interests under all circumstances.

Article 2 – Compliance with the law and Articles of Association

When Directors first assume their office and throughout their term of office, they must be fully conversant with their general and/or special rights and obligations. They must know and comply with the legal and regulatory provisions applicable to the Company and to their office, the applicable Codes of Governance and Best Practice, as well as the Company's own rules as set out in the Articles of Association and Rules of Procedure.

Article 3 – Attention and Diligence

Directors shall dedicate the necessary time, care and attention to their duties.

Directors must comply with the legal and regulatory provisions applicable to Directors of credit institutions.

To this end, upon taking up office, Directors must inform the Chairman of the Board of all offices held in other companies, along with the name and legal form of the entities in which these offices are held.

Directors must inform the Chairman of the Board, in a timely manner, of any change (termination, resignation, non-renewal, redundancy, new office) to the declared list of offices.

Directors undertake to resign their offices if they feel they are no longer in a position to carry out their duties on the Board and on the Specialised Committees on which they sit.

Unless genuinely unable to do so, they must diligently attend and actively participate in all meetings of the Board and of any Committees on which they may sit.

Article 4 – Information and training

The Chairman ensures that all relevant information and documents are made available to the Directors in sufficient time to properly carry out their duties. Likewise, the Chairman of each Specialised Committee ensures that all relevant information and documents are made available to the Directors in sufficient time to properly carry out their duties.

Directors, regardless of their experience, have a responsibility to remain informed and acquire knowledge on an ongoing basis. They must keep themselves informed so as to be able to give full consideration to the matters covered in the meeting agenda.

To this end, Crédit Agricole S.A. allocates the necessary human and financial resources to train Directors and the latter are required to dedicate the necessary time to the training offered them by Crédit Agricole S.A.

Directors are made aware of any legislative and regulatory changes, including those relating to inside information.

Article 5 – Performance of duties: Guidelines

Directors must act independently, fairly, professionally and with integrity in the performance of their duties.

Article 6 – Independence and duty to speak out

Directors must ensure that they retain their independence and freedom of judgement, decision and action in all circumstances. They must be impartial and undertake not to be influenced by any factor that may be detrimental to the corporate interests that they are bound to defend.

They should disclose to the Board any matter that may come to their attention and that they deem to be a potential threat to the Company's interests.

They are dutybound to clearly express their questions and opinions. In the event that they disagree, they should request that their objections be expressly recorded in the minutes of the meeting.

Article 7 – Independence and conflict of interests

Directors shall inform the Board of any conflict of interest, including any potential conflict of interests, that they could be directly or indirectly involved in. They shall refrain from taking part in the debates and making decisions on the subjects concerned.

Article 8 – Integrity, fairness and propriety

Directors shall act in good faith in all circumstances and shall not do anything that could be detrimental to the interests of the Company or other Crédit Agricole Group companies.

The Directors personally undertake to keep confidential all information received, all discussions in which they participate and all decisions made.

Directors must demonstrate sufficient honesty, integrity and independence of mind to enable them to assess and, where necessary, question the decisions of Executive Management and ensure the supervision and effective monitoring of management decision-making.

Article 9 – Inside information – insider trading

Directors shall not use inside information to which they have access for their personal gain or for the gain of any other person.

CRÉDIT AGRICOLE S.A. SHARES AND RELATED FINANCIAL INSTRUMENTS:

Directors aware of non-public information regarding the Company where they exercise their term of office shall refrain from using such information to engage in trading in Crédit Agricole S.A. shares, whether directly or through a third party. They are thus added to the list of "Permanent insiders" with respect to Crédit Agricole S.A. shares made available to the French financial markets authority (*Autorité des marchés financiers*, AMF).

They undertake to comply with the rules that stipulate that "Permanent Insiders" may trade in Crédit Agricole S.A. shares within a period of six weeks following the release of quarterly, half-year and annual results, provided that, during such periods, they are not aware of any non-public information on the Company.

They receive a letter notifying them of these obligations from the Compliance department of Crédit Agricole S.A., which they must acknowledge.

Crédit Agricole S.A. may from time to time prohibit trading in any Crédit Agricole S.A. financial instrument, including during those periods.

The definitions of the underlined words can be found in the Glossary on page 542.

Directors are required to disclose any trading in the Company's shares and related financial instruments, whether on their own account or for closely related parties, in accordance with the applicable laws and regulations.

Persons who are required to file disclosures must send their disclosures to the French financial markets authority (*Autorité des marchés financiers*, AMF) by electronic means within three (3) trading days after completion of the trades. Each disclosure is published on the AMF website.

At the General Meeting of Shareholders, the shareholders are informed of trading by Directors during the past financial year. This is presented in a summary statement in the Company's management report.

In addition, by virtue of their work within Crédit Agricole S.A., Directors may also be added to the list of so-called "Occasional Insiders". They will be required to comply with the related restrictions of which they will be informed, and in particular those relating to the duty not to trade in Crédit Agricole S.A. shares during a project.

FINANCIAL INSTRUMENTS OTHER THAN THOSE ISSUED BY OR RELATED TO CRÉDIT AGRICOLE S.A.:

In addition, Directors are required to disclose to Crédit Agricole S.A. any trading in financial instruments other than those issued by or related to Crédit Agricole S.A., whether on their own account or for closely related parties, if they believe this will result in a potential conflict of interest or if they hold confidential information that can be deemed to be inside information acquired in the performance of their duties as Director of Crédit Agricole S.A. Crédit Agricole S.A. may from time to time prohibit trading in any financial instrument (so-called "Occasional Insiders" list) on which specific information that has not been publicly disclosed is revealed at a Crédit Agricole S.A. Board Meeting (such as a strategic transaction, an acquisition or the formation of a joint venture).

Directors are moreover advised to have their securities portfolio managed under a discretionary management mandate or, at the very least, to only hold UCITS (Undertakings for Collective Investments in Transferable Securities) in this portfolio. It is also recommended that such a discretionary management mandate should not include any instructions from Directors pertaining to financial instruments issued by or associated with Crédit Agricole S.A.

Article 10 – Professionalism and effectiveness

Each Director participates in shared administration and contributes to the effectiveness of the work of the Board and Specialised Committees. Each Director will make any recommendations they consider might improve Board procedures, in particular during periodic reviews of the Board.

Each Director works with the other Board members to ensure that recommendations are implemented and oversight is performed effectively and without hindrance. Directors are in particular responsible for ensuring that the Company has instituted control systems for verifying compliance with the laws and regulations.

Crédit Agricole Group code of ethics

This new code of ethics expresses Crédit Agricole Group's commitment to behaviour that reflects all its values and principles of action vis-à-vis its customers, mutual shareholders, shareholders, as well as its suppliers and all stakeholders with whom it engages. It acts as a responsible employer.

It is the responsibility of Directors and executives to respect the values set out in this Code and to set an example. Executives must ensure that these values are applied and shared by all Crédit Agricole Group employees, regardless of their level of responsibility, business line or place of work.

Our code of ethics, beyond merely applying all the legal, regulatory and industry rules governing our various businesses, reflects our desire to do even more to better serve our customers, who have been our *raison d'être* since day one.

All Directors and employees are made aware of our code of ethics.

It is applied by each entity in a form that reflects its specific characteristics and incorporated into its internal control procedures.

The Compliance principles are compiled into a set of rules (*Fides*).

Our principles of action and behaviour comply with the fundamental principles found in the various international documents.[1]

Our identity and values

Crédit Agricole Group is built around regional cooperative and mutual banks, with a European calling and open to the world.

Thanks to its universal customer-focused retail banking model – based on the close cooperation between its retail banks and their related business lines –, Crédit Agricole Group aims to build a multi-channel relationship with its customers, streamlining and facilitating their plans in France and worldwide, helping them make optimal decisions, and supporting them over time, with determination, flexibility and innovation.

To help its customers and meet their needs, Crédit Agricole Group provides them with a range of expertise and know-how: day-to-day banking, lending, savings, insurance, asset management, real estate, lease financing, factoring, corporate and investment banking, etc.

Our long-standing values, close customer relationships, responsibility and solidarity mean that people drive our actions and are central to our purpose.

Crédit Agricole promotes the cooperative values of democratic governance, relationships of trust and respect for and between its members. It relies on each person's sense of responsibility and entrepreneurial spirit. Customer satisfaction, regional development and the search for long-term performance inform its actions.

Our identity and values require each person to act in an irreproachable manner. Each Group entity shares the belief that these values drive strength and growth.

Built on its sense of ethics and fairness and true to its cooperative culture, compliance helps enhance customer trust and the Group's image. It is central to our business lines and to the governance of Crédit Agricole Group.

Crédit Agricole Group undertakes that its principles of action help further its goal of being the fair bank, open to everyone, multi-channel, providing each person with support over time and with the ability to make fully informed decisions.

(1) *These include the principles in the Universal Declaration of Human Rights published by the UN in 1948, the ten principles of the United National Global Compact, the OECD Guidelines for Multinational Enterprises, the OECD anti-corruption guidelines and recommendations, International Labour Organization conventions.*

The definitions of the underlined words can be found in the Glossary on page 542.

Our principles of action apply

VIS-À-VIS OUR CUSTOMERS

Respect and support for customers, and fairness towards them

Each employee brings his/her experience and expertise to bear in listening to and serving customers and mutual shareholders and in supporting them over time, all in a multi-channel environment. They listen and provide customers with fair advice, help customers make decisions by offering solutions that are tailored to their profile and interests while informing them of the related risks.

Solidarity

Built on the Group's mutual base, the relationships we establish with our customers, mutual shareholders and all our stakeholders embody solidarity, the fulfilment of all commitments made.

Usefulness and convenience

Our Group is committed to its universal customer-focused bank model, a fount of values and beneficial for our customers, who get access to the expertise and know-how of all the Group's business lines. It remains true to its local commitment by spurring regional development.

Protection of personal data and transparency in their use

The Group has established a standard framework by means of a personal data code to ensure our customers' data is protected.

VIS-À-VIS SOCIETY

Fundamental rights

The Group operates worldwide in compliance with human rights and basic social rights.

Corporate social responsibility (CSR)

The Group reaffirms its corporate social and environmental responsibility approach across all its business lines and within corporate operations. This approach is built on a value-creating CSR strategy and is designed to support the French regions, strive for excellence in our dealings with our customers, partners, mutual shareholders and employees.

VIS-À-VIS OUR EMPLOYEES,

Responsible human resource policy

For the Group, being a responsible employer means ensuring non-discrimination, equal treatment, encouraging personal development, in particular through training actions, promoting gender equality, diversity of backgrounds and profiles and helping people with disabilities, encouraging social dialogue and quality of working life, and creating a safe work environment in which all employees are treated with dignity and respect.

THROUGH ETHICAL BEHAVIOUR

Professionalism and skills

Directors, executives and employees, regardless of their entity or geographic area, must be aware of and apply the laws, regulations, rules and professional standards as well as the procedures applicable to their entity, in order to ensure compliance and to implement them in a responsible manner.

Responsible behaviour

Every Director, executive, employee reflects the Group's image. Responsible and ethical behaviour is required at all times and in all circumstances: no action is permitted that may harm the reputation and integrity of the Group's image.

Confidentiality and integrity of information

Group Directors, executives and employees are subject to the same duty of secrecy and are forbidden from improperly disseminating or using, for their own account or on behalf of third parties, any confidential information they may have. Employees must endeavour to provide reliable and accurate information to our customers, shareholders, supervisory authorities, the financial community and stakeholders in general.

Prevention of conflicts of interests

Group Directors, executives and employees must be free of all conflicts of interests in order to, at all times, ensure that the interests of our customers take precedence.

Vigilance

Everyone, Directors, executives and employees, must work to safeguard the interests of customers, combat money laundering and terrorist financing, comply with international sanctions, combat corruption, prevent fraud and safeguard market integrity. Each person must ensure an appropriate level of vigilance given the Group's business lines and, if necessary, use the alert mechanism, in line with current regulations and procedures.

In 2016, the Board of Directors examined and reviewed the Rules of Procedure of each Specialised Committee to bring them into compliance with current laws and regulations. These Rules of Procedure, as revised and approved by the Board of Directors, can be found on the Group's website: www.credit-agricole.com.

The definitions of the underlined words can be found in the Glossary on page 542.

1.4. INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES

Crédit Agricole Group's internal control system complies with all legal and regulatory requirements as well as with Basel Committee recommendations.

The internal control system and procedures, within Crédit Agricole Group, are 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 laws, regulations and internal standards), secure and effective, in accordance with the references listed in item 1 below.

The internal control system and procedures can be classified by their assigned objectives:

- application of instructions and guidelines determined by Executive Management;
- financial performance through the effective and adequate use of the 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 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.

These procedures nevertheless incorporate the limitations of all internal control systems owing in particular to technical or human deficiencies.

In accordance with the Group's principles, the internal control system has a broad scope of application to cover supervision and control of activities and to measure and monitor risks on a consolidated basis. Each Crédit Agricole S.A. entity and subsidiary applies this principle to its own subsidiaries, thereby ensuring a consistent internal control system throughout the entire Group. The system implemented by Crédit Agricole S.A., in line with the standards and principles set forth below, is thus adapted and deployed across the various business lines and risks at each level within Crédit Agricole Group, in order to best observe regulatory requirements relating to banking activities.

Through the procedures, tools and reporting systems that have been implemented in this standardised framework, information is delivered on a regular basis in particular to the Board of Directors, Risks Committee, Executives Management, executives and management on the operation of the internal control systems and their adequacy (permanent and periodical controls, reports on risk monitoring and measurements, corrective action plans, etc.).

1.4.1. Standards for internal control

The internal control environment and principles are in line with the provisions of the French Monetary and Financial Code[1], the Order of 3 November 2014 regarding the internal control of banking sector companies, payment services and investment services subject to ACPR supervision, the AMF's 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:

- a body of permanent regulatory rules (both external regulations and internal Group rules) governing the entire Crédit Agricole Group, compliance with which is compulsory, and more particularly rules concerning accounting (Crédit Agricole chart of accounts), financial management, risk management and permanent controls;
- the Code of Conduct of Crédit Agricole Group;
- recommendations of the Regional Banks Plenary Committee for internal control;
- a set of "procedures" governing Crédit Agricole S.A., concerning the organisation, operations and risks. In this context, Crédit Agricole S.A. adopted, as early as 2004, a set of procedures to control its compliance with laws and regulations. These procedures have since been adapted to changes in regulations and deployed within Group entities, in particular in the areas of financial security (prevention of money laundering and terrorism financing, asset freezing, compliance with embargoes, etc.) and in the identification of failures in applying laws, regulations, professional and compliance standards, for example. These procedures are updated regularly as required, and more particularly to take into account regulatory developments and changes in the consolidated supervision scope.

1.4.2. Organisation of the internal control system

To ensure that the internal control systems are effective and consistent throughout the Group, Crédit Agricole Group has established a set of common rules and recommendations based on the implementation of, and in compliance with, certain underlying fundamental principles.

Each Crédit Agricole Group entity (Regional Banks, Crédit Agricole S.A., banking or investment subsidiaries, insurance and other subsidiaries, etc.) must apply these principles at its own local level.

Fundamental principles

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

- reporting to the supervisory body (risk strategies, risk limits, internal control activity and results, significant events);
- the direct involvement of the management body in the organisation and operation of the internal control system;
- the comprehensive coverage of all business operations and risks, and accountability of all persons involved;
- the clear definition of tasks, effective segregation of the commitment and control functions, formal and up-to-date authorised limits;
- formal, up-to-date standards and procedures.

(1) *Article L. 511-41.*

These principles are supplemented by:

- systems for measurement, supervision and control of risk: credit, market, liquidity, financial, operational (transaction processing, quality of financial and accounting information, IT processing), non-compliance and legal risks;
- a control system, forming part of a dynamic and corrective process, encompassing permanent controls, which are carried out by the operating units themselves or by dedicated staff, and periodic controls (carried out by Group Control and Audit or Audit units);
- adaptation of the Group's compensation policies (following the Board of Directors' resolutions of 9 December 2009 and 23 February 2011) and internal control procedures – in application of the applicable international, European or national regulations, in particular those associated with the Capital Requirements Directive 4 (CRD 4), with the AIFM, with the UCITS V and Solvency 2 directives, the provisions pertaining to the Volcker Rule, the Banking Separation Act and the FIM directive, as well as the banking profession recommendations relating to the matching of compensation policy and risk management aims and compensation of members of executive bodies and of risk takers (see part I of this report).

Oversight

Following the changes instituted by Regulation 97-02 on internal control and pertaining to the organisation of the control functions, included in the Decree of 3 November 2014 which cancelled the said Regulation, every individual who is responsible for an entity or business line, every manager, employee and all departments within the Group are reminded of their obligation to report and to be in a position at all times to demonstrate that they have adequate control over their business activities and associated risks, in accordance with the standards applicable to banking and financial operations, to ensure the long-term security of each activity and development project and to adjust the control mechanisms to be implemented to the degree of the risks incurred.

This requirement is based on organisational principles and a structure of responsibilities, operating and decision-making procedures, controls and reporting to be implemented in a formal, effective manner at each level of the Group: central functions, business lines, subsidiaries, operating units and support functions.

GROUP INTERNAL CONTROL COMMITTEE

The Internal Control Committee for the Group and Crédit Agricole S.A. is the body that oversees all the systems. It has held periodic meetings chaired by the Chief Executive Officer of Crédit Agricole S.A.

The purpose of this Committee is to reinforce cross-functional actions to be implemented within Crédit Agricole Group. It is responsible for reviewing internal control issues common to the Group as a whole (Crédit Agricole S.A., subsidiaries of Crédit Agricole S.A., the Regional Banks, resource pooling entities) and for ensuring the consistency and effectiveness of internal controls on a consolidated basis. The Internal Control Committee is an executive decision-making body. It is composed of salaried executives of Crédit Agricole S.A. In this respect, it is different from the Risks Committee, which is an arm of the Board of Directors. In particular, it is responsible for coordinating the three control functions: Audit-Inspection, Risks and Compliance.

THREE GROUP CONTROL FUNCTIONS

The head of the Group Risk Management, the head of Group Control and Audit and the head of Group Compliance report directly to the Chief Executive Officer of Crédit Agricole S.A. They have a right of access to the Risks Committee and to the Crédit Agricole S.A. Board of Directors.

Also, pursuant to the Decree of 3 November 2014 regarding the internal control of banking sector companies, payment services and investment services subject to ACPR supervision, the head of Group Risk Management was appointed as head of risk management for both Crédit Agricole S.A. and Crédit Agricole Group.

Control functions are responsible for supporting the business lines and operating units to ensure that all transactions are carried out in a manner that is proper, secure and effective. Responsibilities are divided as follows:

- the Group Risk Management department is responsible for the oversight and control of credit, market, liquidity, financial and operational risks; it is also in charge of last-line control of accounting and financial information and of monitoring the roll-out of IT system security and business continuity plans by the Group IT security manager;
- non-compliance risk prevention and controls by the Compliance department, responsible in particular for the prevention of money laundering and terrorism financing, fraud prevention, and compliance with embargoes and obligations to freeze assets;
- Group Control and Audit is responsible for independent periodical control to ensure that all Crédit Agricole Group entities are operating properly.

In addition to the actions of the different control functions, other Crédit Agricole S.A. central functions, departments and business lines participate in implementing internal control systems on a consolidated basis, either through Specialised Committees or through actions designed to standardise procedures and to centralise data.

The Legal Affairs department, which is organised as a business line, has two main goals: to control legal risk which can generate litigation and liability, whether civil, disciplinary or criminal, and to provide the requisite legal support to the entities to enable them to engage in their business activities while minimising risks and legal costs.

Crédit Agricole S.A. and its subsidiaries

The functions, departments and business lines are themselves supported by decentralised local units within each legal entity (those main subsidiaries forming part of Crédit Agricole S.A.'s consolidated supervision scope), comprising:

- Internal Control Committees, which meet quarterly. These are executive decision-making bodies, which include the Chief Executive Officer of the unit and the representatives of control functions of the entity and of Crédit Agricole S.A., who are responsible, in particular, for overseeing the internal control systems within the entity, for reviewing the main risks to which the entity is exposed, for a critical assessment of the internal control systems and internal audit work, for monitoring audits, and for overseeing any corrective measures;
- each entity's Specialised Committees;
- a network of Officers and Committees dedicated to each business line.

The definitions of the underlined words can be found in the Glossary on page 542.

Crédit Agricole Regional Banks

The application of all the Group's regulations to the Regional Banks is facilitated by the circulation of national recommendations on internal control by the Regional Banks Plenary Committee for internal control and by the activity of Crédit Agricole S.A. central control functions. The Plenary Committee, which is responsible for strengthening the Regional Banks' internal control systems, is composed of Regional Banks' Chief Executive Officers, managers and Internal Control Officers as well as Crédit Agricole S.A. representatives. Its work is extended through regular regional meetings and through work and information meetings between Crédit Agricole S.A. Internal Control Officers and their Regional Bank counterparts.

The role assigned to Crédit Agricole S.A. as the central body has led it to be very active and vigilant with respect to internal control. Crédit Agricole S.A. specifically monitors the Regional Banks' risks and controls through the France Risk Business Line Oversight and Coordination unit, reporting to the Group Risk Management department and via the Group Compliance department.

ROLE OF THE BOARD OF DIRECTORS(1)

The Board of Directors of Crédit Agricole S.A. is aware of the Company's overall organisational structure and approves its internal control system. It approves the overall organisation of the Group as well as its internal control system and defines the Group's risk appetite as part of an annual statement. It is informed of the organisation, operation and results of the internal control system. In addition to the information it receives on a regular basis, it receives the annual and interim reports on internal control, which are sent to it in accordance with banking regulations and Crédit Agricole S.A. procedures. The Chairman of the Board of Directors of Crédit Agricole S.A. receives regular reports summarising the conclusions of audits conducted by Group Control and Audit.

The Board is informed by the Risks Committee of the main risks incurred by the Company and of significant incidents picked up by internal control and risk management systems.

The Chairman of Crédit Agricole S.A. Risks Committee reports to the Board on the Committee's work in general and, more particularly, on the annual report on internal controls and on risk measurement and monitoring. At the date of the General Meeting of Shareholders, the annual report for 2016 will have been presented to the Risks Committee and will be duly sent to the French Prudential and Resolution Supervisory Authority (ACPR) and the Statutory Auditors. It will also have been presented to the Board of Directors.

ROLE OF THE RISKS COMMITTEE(2)

The Crédit Agricole S.A. Internal Control Officers report to the Risks Committee created by Crédit Agricole S.A.'s Board of Directors pursuant to the Decree of 3 November 2014.

The Risks Committee is in charge of assessing the effectiveness of the risk management and internal control system. As such, it has broad communications powers in respect of all information relating to periodical control, permanent control, including accounting and financial control, and compliance control.

It met nine times in 2016, including three joint meetings with the Audit Committee, and received periodic reports on activity management systems and risk measurement. An interim (half-year) report on internal control for the first half of 2016 was presented to the Committee at its meeting of 6 October 2016. The annual report for 2016 will be presented to the Committee at its meeting of 23 March 2017.

The Chairman of the Risks Committee also receives regular reports summarising the conclusions of audits conducted by the Group Control and Audit function.

ROLE OF THE CHIEF EXECUTIVE OFFICER REGARDING INTERNAL CONTROL

The Chief Executive Officer defines the Company's general organisation and oversees its implementation by competent qualified staff. He is directly and personally involved in the organisation and operation of the internal control system. In particular, he defines roles and responsibilities and allocates adequate resources to the internal control function.

He ensures that risk strategies and limits are compatible with the financial position (capital base, earnings) and strategic guidelines set by the Board of Directors, within the risk appetite limitations set by the Group.

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

He ensures that the internal control system's adequacy and effectiveness are permanently monitored. He receives information on any failures identified by the internal control system and on proposed corrective measures. In this respect, the Chief Executive Officer receives regular reports summarising the conclusions of audits conducted by the Group Control and Audit function.

1.4.3. Internal control procedures and risk management and supervision within Crédit Agricole S.A.

Crédit Agricole S.A. has risk measurement, supervision and control systems covering all risks (counterparty risks, market risks, operational risks, financial risks, etc.), which are adapted to its business activities and organisation, and forming an integral part of the internal control system. Information is reported periodically to the management body, the supervisory body and the Risks Committee, notably through the reports on internal control and risk measurement and supervision (Organisation chart is prensented in chapter 5).

Detailed information on risk management is presented in the "Risk Factors" section and in the corresponding Note 3 to the consolidated financial statements.

Risk Management and Permanent Controls

The Risks Group function, created in 2006 to implement Regulation 97-02 (cancelled and replaced by the Decree of 3 November 2014 on the internal control of banking sector companies, payment services and investment services subject to French Regulatory and Resolution Supervisory Authority (ACPR)

(1) Detailed information about all the work carried out by the Board of Directors is given in the "Preparation and Organisation of the Board's Work" section of this report.

(2) Detailed information about all the work carried out by the Risks Committee is given in the "Preparation and Organisation of the Board's Work" section of this report.

supervision), was continually active in 2016, seeking to reinforce the measurement and management of the Group's risks, and adapt to changes in the banking environment and supervision (formalisation of the risk appetite, thematic strategic risks, etc.).

The Risks and Permanent Controls Group function is responsible both for overall risk management and for permanent control of the Group's risks: credit, financial and operating risks, including risks linked to the quality of financial and accounting information, physical and IT system security, business continuity and management of essential services that have been outsourced.

Risk management is underpinned by a Group-wide system under which the business lines' strategies, including the launch of new business activities or new products, are subject to a risk assessment and to risk limits that are formally applied as part of the risk strategy of each sensitive business and entity. These limits are reviewed at least once a year or whenever there is a change in a business or in risk exposure, and they are validated by the Group Risk Management Committee. They are associated with Group-wide limits, particularly for large counterparties. Mapping of potential risks and measurement and monitoring of identified risks are periodically adjusted as a function of the business activity.

Control plans are proportionately adjusted to accommodate changes in business activity and risks.

The Group function reports to the head of Crédit Agricole S.A. Group Risk Management, who is not attached to any operational function and in turn reports to the Chief Executive Officer of Crédit Agricole S.A. It brings together the cross-functional departments of Crédit Agricole S.A. (Group Risk Management) and the decentralised Risk Management and Permanent Controls functions, which are closest to the business lines, in each Group entity, in France and abroad. At the end of 2016, the Group's Risk function employed nearly 3,000 fulltime equivalent employees within the scope of Crédit Agricole Group.

Its function is based on structured governance bodies, including the Internal Control Committees, the Group Risk Management Committee (the forum where the Executive Committee approves the Group's strategies and is informed of its risk exposure), the Regional Banks Risk Monitoring Committee, the Group Security Committee, the Standards and Methodology Committee, the Basel Steering Committee, the Business Line Monitoring Committees, which bring together at regularly scheduled meetings the Group Risk Management department and the subsidiaries, and other Committees in charge, in particular, of the rating and IT systems. The Group Risk Management Committee, chaired by the Chief Executive Officer of Crédit Agricole S.A., meets twice a month and its role is to monitor the risks that appear in order to clarify appropriate policy guidance.

In 2016, the management body (via the Group Risk Management Committee), the Risks Committee and the Board of Directors drafted the Group's Risk Appetite Statement and regularly reviewed the risk strategies and the extent of the Group's credit, financial, operational and non-compliance risk exposures. The Group Risk Management Committee re-examined the strategies applied by the Group's business lines and adjusted intervention limits as needed. Furthermore, a Group-wide approach was developed for sensitive business sectors and countries.

CRÉDIT AGRICOLE S.A. CENTRAL RISK MANAGEMENT AND PERMANENT CONTROLS FUNCTIONS

The Crédit Agricole S.A.'s Group Risk Management department is responsible for overseeing and managing the Group's overall risk management and permanent control systems.

Overall management of Group risks

Crédit Agricole Group updated its Risk Appetite Statement, which was reviewed and recommended by the Risk Management Committee and approved by the Board of Directors on 11 May 2016. The main change is the integration of the Medium-Term plan, "Strategic Ambition 2020" in the Group's Statement. As for the exercise carried out for the first time in 2015, this initiative is in line with the Group's strategy and builds on the work carried out by the Group's entities within their respective scope to establish risk appetite as part of a coordinated effort at Group level. The Group's risk appetite and tolerance levels are determined based on quantitative and qualitative strategic priorities. The strategic indicators submitted to the governance bodies are monitored regularly at both Group and entity level.

The Group Risk Management department oversees and measures overall risks for the consolidated entity through specialised units for each category of risk. These units define and implement risk management and consolidation systems (standards, methodologies, IT systems).

The system implemented by the Group Risk Management function also includes a "business line risks oversight" function, responsible for the global and individual relationship with each Crédit Agricole S.A. subsidiary. The supervision of risks within the Regional Banks is carried out by a specific unit within the Group Risk Management department.

Risk monitoring at Group level by the business line risk oversight units is notably carried out within the framework of the Group Risk Management Committee and by the Regional Banks Risk Monitoring Committee.

Risk is also monitored *via* an alert procedure deployed across all Group entities, enabling the greatest risks to be presented before an Executive Management Committee on a fortnightly basis (Group Risk Monitoring Committee).

Crédit Agricole S.A.'s risk measurement system is comprehensive and accurate. 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 measures are supplemented by periodically altering the risk profile under stress scenarios and by regularly making assessments based on various types of scenarios.

Aside from these major regulator-led tests, stress exercises are conducted by all entities at least once a year for internal management purposes. These exercises are, in particular, conducted as part of the annual budgetary process to strengthen the practice of measuring the sensitivity of risks and the Group's income statement and its various components to a significant deterioration in the economic climate. These comprehensive stress exercises are supplemented by sensitivity analyses on the main portfolios. 2016 was also marked by the regulatory stress exercise organised by the European Central Bank (ECB) during the first half year, for which the results were presented to the Board of Directors on 2 August 2016. This exercise required considerable mobilisation by the Risks and Finance teams. The results confirmed the Group's financial solidity, as even in the unfavourable scenario situation, it is positioned amongst the best capitalised systemic banks out of the 51 European establishments taking part in the exercise.

Crédit Agricole S.A., its subsidiaries and the Regional Banks, collectively and individually undertake the risk management process by employing procedures for monitoring limits and making adjustments whenever they are exceeded, monitoring the operation of accounts, appropriate classification of receivables (particularly impaired receivables) in keeping with applicable

The definitions of the underlined words can be found in the Glossary on page 542.

regulations, ascertaining that provisions are sufficient to cover exposure under the control of the Risk Committees, and periodically reviewing major risks and portfolios, particularly those involving deals at risk.

In a contrasting and uncertain risk environment, Crédit Agricole S.A. is pursuing a policy of actively reviewing the risk strategies and policies adopted by its subsidiaries. The Group's main cross-functional portfolios (housing, energy, small businesses and farmers, consumer loans, private equity, etc.) were also reviewed and the results presented to the Group Risk Management Committee. The scope of risks covered was extended in 2016 with the inclusion of model risk, operational risk and conglomerate risk in the risk strategies examined in the Risk Management Committee.

Procedures for alerts and escalation are in place should anything appear wrong for an extended period, depending on its materiality.

Since 2008, Crédit Agricole S.A. and its subsidiaries have implemented measurements of risk weighted assets for calculating capital requirements first under Basel 2 and then Basel 3 based on internal models certified by the French Regulatory and Resolution Supervisory Authority (ACPR) (the IRB International Ratings Based approach for calculating credit risk, the AMA Advanced Measurement Approach model for calculating operational risk; the standardised approach is applied where models are to be validated subsequently or to which that approach will be applied on a long term basis).

No major changes affected the systems in place to manage financial risks associated with asset and liability management during the year. With regard to liquidity risk, with the entry into force of the Liquidity Coverage Ratio (LCR) on 1 October 2015, 2016 was marked by the change in regulatory LCR reporting (delegated act format) on the one hand, and the entry into force of the Additional Liquidity Monitoring Metrics (ALMM) in accordance with the regulations, on the other.

The market risk management system did not experience any major changes in 2016. Systems for managing these risks were reviewed and strengthened.

Following implementation of the Capital Requirements Directive (CRD 4) on 1 January 2014, the Value at Risk (VaR) and stressed VaR indicators on the Credit Valuation Adjustment (CVA) are now calculated for Crédit Agricole Corporate and Investment Bank scope and incorporated into the market risk capital requirements.

An alert system for all financial risks was established in 2009 and a procedure specifies the significant thresholds and how to report alerts to the executive and decision-making bodies of Crédit Agricole S.A., its subsidiaries and the Regional Banks.

Energy transition - Climate risk

- On 4 December 2015, Philippe Brassac, Chief Executive Officer of Crédit Agricole S.A. made four commitments during the 21st Conference of the Parties (COP21) to the United Nations Framework Convention on Climate Change:
  - implement €60 billion in structured finance over the coming three years (base 100 at 31/12/2015);
  - double the level of renewable energy funding through the Regional Banks and specialised subsidiaries in the next two years (base 100 at 31/12/2015);
  - finance €5 billion of energy transition projects by 2020 through the Amundi-EDF and Amundi-ABC joint ventures (base 100 at 31/12/2015);
  - invest €2 billion in green bonds by the end of 2017 (base 100 at 31/12/2015).
- Crédit Agricole S.A. has decided to join the Science Based Target, a joint initiative by the WWF, the United Nations Global Compact, the World Resources Institute (WRI) and the Carbon Disclosure Project, which welcomes companies that set medium- (e.g. 2030) and long-term targets (e.g. 2050) to reduce CO_2 emissions from their 2010 figures, coherent with the Paris Agreement and the limit of 1.5-2°C (and thus in line with climate science lessons).
- Crédit Agricole S.A. will progressively include financial risks linked to climate change in its investment and credit decisions, through sector policies, scoring and specific questionnaires.
- Lastly, following work during 2016 to identify the Group's main risks, the Group has included climate risk in the list of the 26 major risks that it faces. Climate risk exposure, under its two components of physical and energy transition risks was successfully quantified in November 2016 as part of the fire drill[1] exercise from the European Central Bank's mission on data quality, in accordance with the Basel Committee's BCBS 239 standard. The measurement of climate risk will now be included in the Group's key risk indicators.

Permanent controls of operational risks

The Group Risk Management department coordinates the permanent controls system (definition of key control indicators by type of risk; deployment of a single software platform integrating operational risk assessment and the results of permanent controls; and organisation of reporting of control results at the relevant consolidation levels within the Group).

In 2016, the Group's Risk Management department created a module to raise awareness on Permanent Control in the form of a video, to enable it to be widely diffused to employees and Group entity governance bodies. It continued to organise educational events (Web conference and Permanent Control Day) bringing together all Group entities to discuss best practices and ways to implement improvements in the system.

Improvements to the Operational Risk Management and Permanent Control system were carried out in 2016 for immediate implementation: monitoring of action plans involving incidents with an impact higher than €5 million in the Group's Risk Committee, modification of the key control indicator reporting process to the Group's Internal Control Committee (from the 1st quarter if judged critical by the Group). At the end of the year, a process was initiated to update the key control indicators catalogue to be implemented in 2017.

As part of the recommendations by the ECB mission at the end of 2015, "Central bodies oversight of the Regional Banks operational risk management", the risk event catalogue is currently being updated to make it a unique catalogue for the entire scope including the Regional Banks and Crédit Agricole S.A. subsidiaries.

The department has also updated the operational risk mapping methodology procedure, the appendix to the provisions and losses collection guide for Retail Banking and the operational risk appetite approach procedure. The documentation will continue to be updated in 2017.

(1) The fire drill is an exercise carried out over a 48 hour period, to measure an institution's ability to provide detailed risk information from their IT System based on specifications provided by the Supervisor.

In operational risks, the Group continued to implement improvements to the reliability and quality of the data collected from the entities, notably by including automatic blocking controls for the entry of incidents by the entities in the 2017 version of the Group's tool.

Work continued with the Group's experts and entities on the key scenarios and the definition of consistent analysis criteria for testing the scenarios and improving the level of comparability for the calculation of capital requirements.

In 2016, operational risks were included for the first time in the European Banking Authority's stress test exercise.

To ensure proper oversight on the key activities that have been outsourced, the Management team initiated a project to update the outsourcing risk management system, in order to accurately define the various aspects and clarify the classification and supervision criteria by risk priority.

Lastly, the operational risk management and measurement system was subject to an inspection by the ECB following on from the one in 2015, to make sure that the Group standards and the permanent control mechanism for Compliance and Operational Risk were implemented across the entities.

DECENTRALISED RISK MANAGEMENT AND PERMANENT CONTROLS FUNCTIONS IN EACH GROUP BUSINESS LINE

Within Crédit Agricole S.A.

The roll-out of the Group function is on a hierarchical basis with the appointment of a Risk Management and Permanent Controls Officer (RCPR) for each subsidiary or business line. The Business Line RCPR reports hierarchically to the head of the Group Risk Management department and functionally to the management body of the relevant business line. This safeguards the independence of the local Risk Management and Permanent Controls departments.

Acting under the responsibility of its own RCPR, each subsidiary or business line secures the resources it needs for managing its risks and to ensure the compliance of its permanent control system, in order to obtain a comprehensive, consolidated view of its risks that will guarantee the entity's sustainability throughout its consolidated supervision scope.

Relations between each subsidiary or business line and the Group Risk Management department are based on the following main principles:

- each subsidiary or business line applies the Group-wide standards and procedures defined by the Risk Management department;
- each subsidiary or business line defines its own risk strategy, which is approved by the Group Risk Management Committee on the Risk Management department's recommendation, specifying the overall limits on the entity's commitments;
- authority is delegated from the Group RCPR to the Business Line RCPRs, which report hierarchically to the Group RCPR in carrying out their duties; these Officers are also subject to disclosure and early-warning obligations vis-à-vis the Group Risk Management department;
- a Business Line Monitoring Committee, which periodically brings together the Group Risks Management department and the entity to discuss the quality of the risk management and permanent controls system and the level of risk, including those which relate to Corporate and investment banking (Crédit Agricole Corporate and Investment Bank).

Regional Banks

Banking regulations on risks apply to each Regional Bank individually. Each Regional Bank is responsible for its own risks and permanent controls framework. Each one has a Risk Management and Permanent Controls Officer, who reports to his or her Chief Executive Officer and is in charge of the oversight of risk management and permanent controls. The Compliance Officer may also report to him/her. If this is not the case, the Compliance Officer directly reports to the Chief Executive Officer.

As the central body for the Group, Crédit Agricole S.A. consolidates the risks borne by the Regional Banks and coordinates their Risk Management function *via* the Group Risk Management department, notably by circulating the appropriate procedures to the Regional Banks, particularly for implementing the Group permanent control system.

Furthermore, large credit exposures borne by the Regional Banks must be presented to Foncaris, a credit institution that is a wholly owned subsidiary of Crédit Agricole S.A., which partially guarantees such exposures. The requirement that the Regional Banks must ask Foncaris to guarantee their main transactions (when the amount exceeds a limit defined jointly by the Regional Banks and Foncaris) gives the central body an effective tool for assessing the associated risk before accepting it.

Internal control system for business continuity plans and information systems security

Through the internal control system that has been established, regular reports on the main entities' situation regarding risk monitoring in relation to Business Continuity Plans and IT System Security are made to the governance authorities for Group security.

BUSINESS CONTINUITY PLANS

In terms of IT contingency plans, the majority of Crédit Agricole S.A. subsidiaries' IT production and that of the 39 Regional Banks are now hosted on the high-security Greenfield twin-site and thus benefit from the contingency solutions offered by this dual site.

These solutions are now tested periodically for both Crédit Agricole S.A. and its subsidiaries. The most recent tests for the Crédit Agricole S.A. were performed successfully in June 2016. The Regional Banks mostly follow the same testing process, albeit with a few years' delay. In May 2016, Crédit Agricole Technologies et Services (CATS) moved to the second level by simulating the loss of the building housing the Alembert IT site and by including a wider application scope and using Mainframe production data on the back-up site.

Crédit Agricole S.A. subsidiaries not relying on Greenfield for their IT services, have IT contingency solutions that are regularly tested to ensure a reasonable assurance of recovery in the event of an incident.

The definitions of the underlined words can be found in the Glossary on page 542.

In terms of user fallback plans, the Group relies on Eversafe, a solution providing a high level of security if the building, campus or even the whole district in the Paris region should become unavailable. This solution is now fully operational and tested with two dedicated sites for the Group, thus providing workspace in the event of a major event in the Paris region. Regularly tested solutions in accordance with the Group's policy are in place in all other Group establishments.

Furthermore and in accordance with Group policy, most entities are equipped to deal with a massive viral attack on workstations by prioritising the use of user fallback sites. For the Regional Banks, workstation reconstruction is currently being optimised.

The national crisis management system was tested three times this year by linking all the crisis officers named by the Group's entities (Regional Banks and Crédit Agricole S.A.'s subsidiaries).

IT SYSTEMS SECURITY

The Crédit Agricole Group continued to strengthen its resilience faced with the extensive IT risks, in particular from cyber-threats, in terms of organisation and projects.

A new Group security governance was implemented with a Group Security Committee (CSG), as the decision-maker and enforcer, that defines the Group's security strategy by area including guidelines on security policies, determines the Group's security projects, supervises the strategy's implementation on the basis of oversight on Group projects and policy application, and lastly assesses the Group's level of management for the four areas it is responsible for: business continuity plans, data protection, safety of people and property and IT systems security.

The IT Systems Risk Manager (PRSI) and Chief Information Security Officer (CISO) functions have now been deployed in most of the Group's entities: the PRSI, who reports to the risk management business line, now consolidates all the information on the topic and performs routine and extraordinary checks pertaining to this task. He/she provides his entity's management and internal control bodies, as well as DRG with commented scorecards, that are assembled and presented to the CSG.

The Crédit Agricole Security Reinforcement (CARS) project to strengthen security has continued and is now overseen by the CSG. All the entities are committed to completing it by the end of 2018. Within this framework, the Security Operating Centres (SOCs) are now based on a unique technology with central governance.

A specific focus has also been carried out on the sensitive data protection plan, by strengthening the normative framework and the Group's visibility on its level of exposure to data theft and by raising user awareness.

Work on the Military Programming Act has been included in the 2020 Medium-Term Plan on IT systems security.

The new risk management indicators have been approved and will be rolled out during the first half of 2017.

Internal control system for accounting and financial information

In keeping with the applicable rules within the Group, the organisational principles and responsibilities of the Group Finance department functions are set out in a procedure.

The Finance function is organised as a business line within Crédit Agricole S.A.. The Group's business line or subsidiary heads report hierarchically to the head of the business line or subsidiary and functionally to the Group Deputy Chief Financial Officer.

At business line/subsidiary level, the Finance department acts as a relay among subsidiaries, circulating the Group's principles with respect to standards and information system organisation, in line with each business line's special attributes. In some cases, it also constitutes an intermediate level for preparation of the business line's accounting and business management information. Each Risk Management and Permanent Controls department in a business line or subsidiary within the Group is also responsible for producing the risk data used to prepare financial information and for implementing controls to ensure that this information is accurately reconciled with accounting data.

Each business line/entity is equipped with the means to ensure the quality of the accounting, management and risk data transmitted by the Group as a result of consolidation requirements, in particular, with regard to the following aspects: compliance with standards applicable to the Group, consistency with parent company financial statements approved by its supervisory body, reconciliation of accounting and management reporting figures.

Within the Group Finance department, three functions are the main contributors in preparing accounting and financial information for publication: Accounting, Management Control and Financial Communication.

ACCOUNTING

The main purpose of the Accounting function is to draw up the separate financial statements of Crédit Agricole S.A., the consolidated financial statements of Crédit Agricole S.A. and Crédit Agricole Group, including segment information for Crédit Agricole S.A. based on the definition of the business lines for financial reporting purposes and in compliance with IFRS 8. To fulfil this mission, the Accounting function, in accordance with applicable regulations, defines and circulates the accounting standards and principles that apply to the Group. It oversees accounting bases, lays down the rules governing the architecture of the accounting information and regulatory reporting system, and manages the accounting processes for consolidation of the financial statements and regulatory reporting.

MANAGEMENT CONTROL

In the field of preparing financial information, the Group Management Control function, together with the Financial Management department, defines the rules for allocating economic capital (definition, allocation policy), consolidates, puts together and quantifies the budget and the Medium-Term Plan for Crédit Agricole S.A., and ensures budget monitoring. To meet this objective, Group Management Control defines the management control procedures and methods and the structure and management regulations for the Group management control system.

FINANCIAL COMMUNICATION

Crédit Agricole S.A.'s Financial Communication function ensures message consistency across all investor categories. It is responsible for information published in press releases and presentations to shareholders, financial analysts, institutional investors, rating agencies, as well as information contained in documents subject to approval by the French financial market authority (AMF). In this respect, working under the responsibility of the Chief Executive Officer and Crédit Agricole S.A. Group's Deputy Chief Executive Officer in charge of the Finance department, the Financial

Communication function provides the materials used as the basis for presentations of Crédit Agricole S.A. results, financial structure and changes in business lines, as needed to enable third parties to formulate an opinion, particularly on the Group's financial strength, profitability and outlook.

PROCEDURES FOR PREPARATION AND PROCESSING OF FINANCIAL INFORMATION

Each Group entity has responsibility, *vis-à-vis* the Group and the supervisory authorities to which it reports, for its own financial statements, which are approved by its supervisory body. Depending on the entity's size, these financial statements are subject to prior review by the entity's Audit Committee, if it has one.

As for the Crédit Agricole Regional Banks, once their financial statements are drawn up, they are approved by the Accounting department of Crédit Agricole S.A.; this is one of its responsibilities as central body. Crédit Agricole Group's consolidated financial statements are submitted to the Audit Committee and approved by the Board of Directors of Crédit Agricole S.A.

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

Accounting data

Figures for each individual entity are drawn up in accordance with the accounting standards applicable where the entity operates. For the purposes of preparing Group consolidated financial statements, local financial statements are restated to conform to IFRS policies and principles adopted by Crédit Agricole S.A.

Management data

Management data is produced by the Group Finance department or the Group Risk Management department. They are being reported upwards in anticipation of definitive accounting data in accordance with the same definition and granularity standards and are used to supply the Group's internal management reporting.

Furthermore, external sources of information (such as the European Central Bank and Bank of France) may be used for management data, particularly for calculating market shares.

In accordance with AMF and CESR (Committee of European Securities Regulators) recommendations, the use of management data for preparing published financial information meets the following guidelines:

- classification of the type of financial information published: historical information, *pro forma* data, projections or trends;
- a clear description of the sources from which the financial information was drawn. When published data are not extracted directly from accounting information, the sources and definition of calculation methods are mentioned;
- comparability of figures and indicators over time, which implies ongoing use of the same sources, calculation methods and methodologies.

DESCRIPTION OF THE PERMANENT ACCOUNTING CONTROL SYSTEM

The Group's Permanent Accounting Controls function's objective is to provide adequate coverage of major accounting risks that can alter the quality of accounting and financial information. This function is provided by the Finance Permanent Control Office, which reports to the Group Risk Management department. The Group's Permanent Accounting Controls function is based on a network of accounting controllers in the subsidiaries and Regional Banks where it operates its support and oversight missions.

The unit has the following roles in this area:

- to define the standards and organisational and operational principles of permanent accounting controls within Crédit Agricole Group;
- to oversee and coordinate the permanent accounting control systems implemented within the Group's subsidiaries and Regional Banks;
- restoration of the quality of accounting and financial information permanent control systems for all Crédit Agricole Group entities.

Work by the permanent Accounting Control department showed a generally satisfactory level of maturity in the processes. Audits on specific issues within Crédit Agricole S.A.'s Accounting scope led to the recommendation of actions plans to better manage the risks linked to the control process, which are now being monitored.

The catalogue of Consolidated Accounting indicators was deployed following the 31 March 2016 decree.

The assessment chart for measuring the exposure to Accounting Risk (ICAAP grid) was implemented by all Crédit Agricole Group entities.

RELATIONS WITH THE STATUTORY AUDITORS

The registration document, its updates, securities notes and prospectuses prepared for new debt or share issues, which contain comprehensive financial information, are subject to approval or registration by the AMF.

In accordance with applicable professional standards, the Statutory Auditors perform those procedures they deem appropriate on published financial and accounting information:

- audit of the parent company and consolidated financial statements;
- partial audit of interim consolidated financial statements;
- overall review of quarterly financial information and materials used as a basis for presenting financial information to financial analysts.

As part of the duties assigned to them by law, the Statutory Auditors submit to Crédit Agricole S.A.'s Audit Committee their overall work programme, the various spot checks they have carried out, the conclusions of their work on the financial and accounting information they have reviewed in carrying out their assignment, as well as the significant weaknesses of the internal controls, with regards to the procedures used for the preparation and processing of accounting and financial information.

Non-compliance risk prevention and controls

Crédit Agricole S.A.'s consolidated supervision scope and the Regional Banks each have their own Compliance department. These functions are performed by over 1,200 full-time equivalent employees within Crédit Agricole S.A., its subsidiaries and the Regional Banks.

The Head of Group Compliance reports to the Chief Executive Officer of Crédit Agricole S.A.

The Group Compliance department is responsible for developing policies with respect to observance of laws and regulations within its scope, their circulation and monitoring that they are observed.

This in particular applies to rules on the prevention of money laundering and the financing of terrorism, on management of embargoes and asset freezes, and prevention of fraud and corruption, and market integrity.

The definitions of the underlined words can be found in the Glossary on page 542.

Within the Compliance function, each Compliance Officer updates a non-compliance risk map and these are consolidated by the Group Compliance department.

The Compliance Management Committee, which is chaired by the Executive Management, holds bimonthly plenary meetings. It takes the decisions needed to prevent non-compliance risks and in order to implement and monitor corrective measures following the reporting of major irregularities to the Committee. The Committee periodically reports on its work to the Risks Committee of Crédit Agricole S.A. Board of Directors.

As part of discussions on its Medium-Term Plan, "Strategic Ambition 2020", the Group worked to adopt a New Compliance Approach. Three action levers were identified:

- set up a new organisation and strengthen Business line Compliance;
- develop a Compliance culture for all Crédit Agricole Group employees;
- apply the native Compliance principle by including Compliance upstream of processes, particularly in IT systems.

Significant work carried out in 2016 to implement this New Compliance Approach enabled a review of the organisation of the Group Compliance department and the Business line Compliance.

To implement a fully integrated **Business Line Compliance** and reinforce its independence, the Group decided to establish a hierarchical link between the Head of Group Compliance and the Compliance Officers in Crédit Agricole S.A.'s subsidiaries, unless local law prevents this. A functional coordination link was implemented for the Regional Banks, either at the Head of Compliance Control (RCC) level where he or she reports directly to the entity's Executive Management or the Risk Manager when Conformity comes within his or her scope.

The Group's Compliance department has set up a new organisation to gain in readability and efficiency. It is based on two centres of expertise, the Group Financial Compliance and Customer Protection unit and the Financial Security and Fraud Prevention unit, an entity coordination and supervision unit, Business Line Compliance, a newly created cross-functional unit brings together project, systems and control teams.

The Group Compliance department has also significantly increased its number of employees. The number of employees had increased by 15% over the whole of the Business Line at the end of September 2016.

These changes are also part of a vast reinforcement project for the international sanctions management system, **the OFAC remediation plan**, pursuant to the agreements signed with the US authorities on 19 October 2015 after breaches to the "OFAC Sanctions" regime for US dollar transactions over the 2003/2008 period. The start of this plan was marked by the following main actions:

- implementation of a US Law Compliance Program (USLCP) remediation plan provided at the beginning of the year to the US authorities, accompanied by the update to the Group Policy for compliance with International sanctions;
- an initial self-assessment exercise of the OFAC sanction risk management system ("Enterprise Wide Risk Assessment") for the entire plan scope;
- work on significant Governance-related projects;
- introduction of numerous measures, particularly aimed at Human Resources issues and the roll-out of International Sanctions training for all Group employees.

In 2016, the Crédit Agricole Group confirmed its commitment to the **Fight against corruption** and obtained the **certification** for its programme. Issued by SGS (Inspection, control, analysis and certification specialist), this BS 10500 certification recognises the Group's determination and the quality of its anti-corruption programme. It attests that the corruption risks have been correctly identified and analysed and that the programme applied by Crédit Agricole has been designed to limit these different risks, by applying international best practices. It concerns all Crédit Agricole Group's business lines.

With regard to Private International Banking, a fiscal transparency policy has been implemented. This policy is based on the following principles: a Group presence only in regions that are committed to the automatic exchange of information, and business relations accepted exclusively with customers who can and do provide us with the automatic information exchange mandate.

The Compliance Business line activity in 2016 also dealt with the following areas:

- **in fraud prevention, the Group** continued its initiatives to counter new forms of organised external fraud that use increasingly sophisticated techniques;
- in **Financial Security**, and beyond the changes linked to the implementation of the OFAC remediation plan, the system was strengthened, particularly for the **bank correspondence** business with the creation of a dedicated unit for these activities at Group Compliance department level. Significant efforts were consecrated to bringing **customer information files** into compliance and increased monitoring of the flow quality of new contacts was put into place;
- in **respect of customer protection**, 2016 was marked by significant work on the redesign of the ACPR customer protection questionnaire and by the deployment of programmes on **unclaimed assets** (Eckert law), **creditor insurance** (Lagarde and Hamon laws), and **banking inclusion** (Right to an account and customers in fragile financial situations). The efforts placed on proactive and traceable **advisory duties** continued and compliance with the **sales policy for members' shares** was subject to specific monitoring;
- with regard to **market integrity**, work was carried out to implement the new regulations that have recently entered into force, particularly on the **prevention of market abuse**;
- lastly, important work was consecrated to resigning the Conformity Rules for Regional Banks and the entities of Crédit Agricole S.A. This **new Fides body** now applies to all Crédit Agricole Group entities. This overhaul contributes to the Group's Medium-term Plan, "Strategic Ambition 2020", as it constitutes one of the tasks in the New Compliance Approach.

Periodic controls

Group Control and Audit, which reports directly to the Chief Executive Officer of Crédit Agricole S.A., is the highest level of control within Crédit Agricole Group. It has sole responsibility for periodic controls of Crédit Agricole Group through the missions it conducts, through the oversight of the Control and Audit function of Crédit Agricole S.A., which reports hierarchically to this function, and through coordination of the Regional Banks' internal audit units.

Using an updated risk mapping approach reflected in an audit cycle generally lasting between two and five years, it conducts audits on-site and on documents within Regional Banks, within Crédit Agricole S.A. units and within subsidiaries, even when these entities have their own internal Audit-Inspection body, as part of a coordinated audit plan approach.

These periodical audits include a critical assessment of the internal control system implemented by the audited entities. These procedures are designed to provide reasonable assurance that the system is effective in terms of transaction security, risk management and compliance with external and internal regulations.

They include verifying that the audited entities comply with external and internal regulations, assessing the security and effectiveness of operational procedures, ensuring that the system for measuring and supervising all risks is adequate, and verifying the reliability of accounting information.

In 2016, Group Control and Audit departments ran on-site and document-based audits at various entities and units in France and abroad as part of projects to investigate specific issues, particularly at the Regional Banks or topical and/or cross-functional issues. Mostly the audits originated within the annual audit plan. Their aim is to meet the requirements of regulations already in force or announced, as well as to address any concerns raised by Supervisors particularly in relation to consumer protection or cover different technology, regulatory or financial themes. The Group Control and Audit department relies on specialised audit teams to carry out several IT audits every year on the Group entities' information systems, as well as on current issues, mostly in relation to information security or templates for calculating the Group's or its entities' capital requirements. Lastly and in accordance with the applicable regulations, the Group Control and Audit department conducts audits on key outsourced services at Group or Local level.

In addition, the Group Control and Audit department provides central oversight of the Control and Audit function for all subsidiaries, thereby improving the effectiveness of controls, through the harmonisation of audit practices to the highest standards, in order to guarantee the security and conformity of transactions carried out in the Group's various entities and to develop common areas of expertise. At the end of 2016, the Group function employed nearly 1,150 full-time equivalents within Crédit Agricole S.A. (including Group Control and Audit) and Regional Banks.

In addition, joint audit assignments are carried out regularly by Group Control and Audit and the subsidiaries' Internal Audit departments, to encourage the exchange of best practices. Special attention is placed on topical and cross-functional investigations.

Through the relevant Group subsidiaries' Internal Control Committees, to which each entity's Executive Management, Internal Audit Officer, Risk Management and Permanent Controls Officer and Compliance Officer belong, the Group Control and Audit department ascertains that audit plans are successfully carried out, that risks are properly managed, and more generally, that each entity's internal control systems are adequate.

Audits carried out by Crédit Agricole S.A. Group Control and Audit, the Internal Audit departments and all external audits (conducted by supervisory authorities or outside firms, if required) are monitored through a formal system as part of controlled regulatory monitoring processes carried out at least six-monthly under the audit plan. This process ensures that all recommendations made as a result of these audits are implemented through corrective and prioritised action plans, according to a clearly defined timetable set by order of priority. It also means that Group Control and Audit can fulfil its obligation to alert the supervisory body and Risks Committee, as required by Article 26 b) of the order of 3 November 2014 regarding the internal control of banking sector companies, payment services and investment services subject to ACPR supervision.

The Board of Directors of Crédit Agricole S.A., of which I am Chairman, the Risks Committee and the Chief Executive Officer, due to his own specific responsibilities, are provided with comprehensive information on internal control and exposure to risks, areas of improvements achieved in this area and the status of any corrective measures adopted. The internal control system and procedures are updated continuously to meet new developments in regulations, business activities and risks incurred by the Company.

All this information is notably contained in the annual report on internal control and risk measurement and supervision, the management report and regular reporting on operations and control.

The Chairman of the Board of Directors of Crédit Agricole S.A.

Dominique LEFEBVRE

The definitions of the underlined words can be found in the Glossary on page 542.

2. STATUTORY AUDITORS' REPORT

PREPARED IN ACCORDANCE WITH THE PROVISIONS OF ARTICLE L. 225-235 OF THE FRENCH COMMERCIAL CODE (CODE DE COMMERCE) ON THE REPORT PREPARED BY THE CHAIRMAN OF THE BOARD OF DIRECTORS OF CRÉDIT AGRICOLE S.A.

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

Year ended 31 December 2016

To the Shareholders,

In our capacity as Statutory Auditors of Crédit Agricole S.A. and in accordance with the provisions of 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 the provisions of 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 for approval, a report describing the internal control and risk management procedures implemented by the Company and providing the other information required by Article L. 225-37 of the French Commercial Code in particular relating to corporate governance.

It is our responsibility:

- to report to you our observations on the information set out in the Chairman's report on internal control and risk management procedures relating to the preparation and processing of financial and accounting information, and
- to attest that the report sets out the other information required by Article L. 225-37 of the French Commercial Code, it being specified that it is not our responsibility to assess the fairness of this information.

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

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

The professional standards require that we perform procedures to assess the fairness of the information on internal control and risk management procedures relating to the preparation and processing of financial and accounting information set out in the Chairman's report. These procedures mainly consisted in:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of financial and accounting information underlying the information presented in the Chairman's report and of the existing documentation;
- obtaining an understanding of the work performed to prepare this information and of the existing documentation;
- determining if any material weaknesses in the internal control procedures relating to the preparation and processing of financial and accounting information that we may have identified in the course of our work are properly disclosed in the Chairman's report.

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

Other information

We attest that the Chairman's report sets out the other information required by Article L. 225-37 of the French Commercial Code.

Neuilly-sur-Seine and Paris-La Défense, 20 March 2017

The statutory auditors

PricewaterhouseCoopers Audit	ERNST & YOUNG et Autres
Anik Chaumartin	Valérie Meeus

3. ADDITIONAL INFORMATION ON CORPORATE OFFICERS

3.1 COMPOSITION OF THE BOARD OF DIRECTORS

At 20 March 2017

Dominique LEFEBVRE	Chairman of the Board of Directors Chairman of the Caisse régionale Val de France Chairman of the Fédération Nationale du Crédit Agricole Chairman of SAS Rue La Boétie
Jack BOUIN representative of SAS Rue La Boétie	Deputy Chairman of the Board of Directors Chief Executive Officer of the Caisse régionale d'Aquitaine First Deputy Chairman of the Fédération Nationale du Crédit Agricole Deputy Chairman of SAS Rue La Boétie
Roger ANDRIEU	Chairman of the Caisse régionale des Côtes d'Armor
Pascale BERGER	Crédit Agricole Regional Banks Employee Representative
Caroline CATOIRE	Corporate Director
Laurence DORS	Senior Partner of Theano Advisors Corporate Director
Daniel EPRON	Chairman of the Caisse régionale de Normandie
Véronique FLACHAIRE	Chief Executive Officer of the Caisse régionale du Languedoc
Jean-Pierre GAILLARD	Chairman of the Caisse régionale Sud Rhône Alpes
Françoise GRI	Corporate Director
Jean-Paul KERRIEN	Chairman of the Caisse régionale du Finistère
Monica MONDARDINI	Chief Executive Officer of CIR S.p.A. Deputy Director of Gruppo Editoriale L'Espresso
Gérard OUVRIER-BUFFET	Chief Executive Officer of the Caisse régionale Loire Haute-Loire
Jean-Louis ROVEYAZ	Chairman of the Caisse régionale de l'Anjou et du Maine
Christian STREIFF	Deputy Chairman of Safran Group
Renée TALAMONA	Chief Executive Officer of the Caisse régionale de Lorraine
François THIBAULT	Chairman of the Caisse régionale Centre Loire
François VEVERKA	Corporate Director
François HEYMAN	Representing the employees (UES Crédit Agricole S.A.)
Christian MOUEZA	Representing the employees (UES Crédit Agricole S.A.)
Pending the appointment, by joint decree of the Ministry of Finance and the Ministry of Agriculture, of the Director reprensenting professional farming associations, pursuant to Article L. 512-49 of the Monetary Code, as a replacement of Xavier Beulin, died on 19 February 2017.	
François MACÉ	Non-voting Director Chief Executive Officer of the Caisse régionale Nord de France
Catherine POURRE	Non-voting Director Manager of CPO Services (Luxembourg) Corporate Director
Bernard de DRÉE	Representative of the Works Council

Presentation of the Board of Directors at 31 December 2016	Origin	Age	Date first appointed	Renewal of term	Attendance	Risks Committee	Audit Committee	United States Risk Committee	Compensation Committee	Strategy and CSR Committee	Appointments and Governance Committee
Dominique Lefebvre *Chairman of the Board of Directors* *Chairman of the Caisse régionale Val de France, FNCA and SAS Rue La Boétie*		55	2007	2019	100%					C	M
Jack Bouin *Representative of SAS Rue La Boétie* *Deputy Chairman of the Board of Directors* *Chief Executive Officer of the Caisse régionale d'Aquitaine* *First Deputy Chairman of FNCA* *Deputy Chairman of SAS Rue La Boétie*		62	2015	2018	100%					M	M
Roger Andrieu *Chairman of the Caisse régionale des Côtes d'Armor*		64	2015	2018	100%						M
Pascale Berger *Representing Crédit Agricole Regional Banks employees*		55	2013	2018	100%						
Caroline Catoire *Corporate Director*		61	2011	2017	100%		M	M			
Laurence Dors *Senior Partner of Theano Advisors* *Corporate Director*		60	2009	2017	100%		M		C		M
Daniel Epron *Chairman of the Caisse régionale de Normandie*		60	2014	2017	100%				M	M	
Véronique Flachaire *Chief Executive Officer of the Caisse régionale du Languedoc*		59	2010	2019	100%	M		M			
Jean-Pierre Gaillard *Chairman of the Caisse régionale Sud Rhône Alpes*		56	2014	2019	100%		M				M
Françoise Gri *Corporate Director*		59	2012	2017	88%	M				M	
Jean-Paul Kerrien *Chairman of the Caisse régionale du Finistère*		55	2015	2019	100%						
Monica Mondardini *Deputy Director of CIR S.p.A* *Deputy Director of "Gruppo Editoriale L'Espresso"*		56	2010	2018	88%						C
Gérard Ouvrier-Buffet *Chief Executive Officer of the Caisse régionale Loire Haute-Loire*		60	2013	2017	100%		M				
Jean-Louis Roveyaz *Chairman of the Caisse régionale de l'Anjou et du Maine*		65	2012	2018	100%	M			M		
Christian Streiff *Deputy Chairman of the Safran Group*		62	2011	2017	100%	M			M		
Renée Talamona *Chief Executive Officer of the Caisse régionale de Lorraine*		59	2016	2018	100%					M	
François Thibault *Chairman of the Caisse régionale Centre Loire*		61	2015	2017	100%					M	
François Veverka *Corporate Director*		65	2008	2017	100%	C	C	C	M	M	
Xavier Beulin [(1)] *Chairman of the FNSEA (Fédération nationale des syndicats d'exploitants agricoles)*		58	2011	2017	100%						
François Heyman *Representing employees*		57	2012	2018	100%				M		
Christian Moueza *Representing employees*		60	2012	2018	100%						
KEY INDICATORS *MEMBERS*		**59**			**99%**	**5**	**5**	**3**	**6**	**7**	**6**

M Member.

C Chairman.

Directors who are the Chairmen or Chief Executive Officers of Crédit Agricole's Regional Banks.
Director who is an employee of a Regional Bank.
Director, Chief Executive Officer of Caisse régionale de Crédit Agricole, representing SAS Rue La Boétie.

Independent Directors.

Representing farming organisations, appointed by joint order of the Ministers of Agriculture and Finance .

Directors elected by the staff of the Union Économique et Sociale (UES) of Crédit Agricole S.A.

(1) Xavier Beulin died on 19 February 2017. Information related to his terms of office does not appear in the attached documents.

3.2 OFFICES HELD BY CORPORATE OFFICERS

The information appearing below on offices held by members of the Board of Directors and Executive Management Committee is required by Article L. 225-102-1, paragraph 4, of the French Commercial Code and Annex I to EC Regulation no. 809/2004 of 29 April 2004.

Crédit Agricole S.A. Board of Directors at 31 December 2016

Dominique LEFEBVRE

Main office within the Company: Chairman of the Board of Directors
Chairman of the Strategy and Corporate Social Responsibility Committee
Member of the Appointments and Governance Committee
Business address: Caisse régionale Val de France – 1, rue Daniel Boutet – 28002 Chartres

Born in 1961
French nationality
Date first appointed:
May 2007
Term of office ends:
2019
Number of Crédit Agricole S.A. shares held at 31/12/2016:
4,127

BRIEF BIOGRAPHY

Dominique Lefebvre is a cereal farmer and has held numerous positions within professional agricultural organisations. He got involved in Crédit Agricole's working bodies very early on and, in 1995, was elected Chairman of Crédit Agricole de la Beauce et du Perche, now Crédit Agricole Val de France (1997). He also holds several national offices. Initially elected a member of the Bureau de la Fédération Nationale du Crédit Agricole (2004), he became Deputy Chairman in 2008, then Chairman in 2010. On this basis, he was also Chairman of SAS Rue La Boétie, Crédit Agricole S.A.'s majority shareholder, before being elected Chairman of Crédit Agricole S.A. in November 2015.

OFFICES HELD AT 31/12/2016

In Crédit Agricole Group companies
- Chairman: Caisse régionale Val de France, Fédération Nationale du Crédit Agricole (FNCA), SAS Rue La Boétie, Sacam Participations, Sacam International, Fondation Crédit Agricole Solidarité et Développement (CASD)
- Legal representative: SACAM Participations
- Deputy Chairman: Sacam Développement
- Manager: Sacam Mutualisation
- Director: Pays de France Crédit Agricole foundation, SCI CAM

In other listed companies
-

In other non-listed companies
-

Other offices
- Chairman of the Finance Commission: Chambre d'agriculture d'Eure-et-Loir
- Manager: EARL de Villiers-le-Bois
- Member of Conseil de l'Agriculture française

OTHER OFFICES HELD WITHIN PAST YEARS (2012 TO 2016)

In Crédit Agricole Group companies
- Chairman: Adicam (2015)

In other listed companies
-

In other non-listed companies
-

Other offices
- Director: INRA (2014)
- Chairman: CNMCCA (2015)
- Member: Conseil économique, social et environnemental (2015)

The definitions of the underlined words can be found in the Glossary on page 542.

Born in 1954

French nationality

Date first appointed:
November 2015 (SAS Rue La Boétie)

Term of office ends:
2018

Number of Crédit Agricole S.A. shares held at 31/12/2016
1,670 (personally owned)

FCPE (employee share ownership plan) shares held invested in Crédit Agricole S.A. shares at 31/12/2016:
4,657

Representative of SAS Rue La Boétie:

Jack BOUIN

Main office within the Company: Deputy Chairman of the Board of Directors

Member of the Strategy and Corporate Social Responsibility Committee – Member of the Appointments and Governance Committee

Business address: Caisse régionale d'Aquitaine – 1304, boulevard du Président Wilson – 33000 Bordeaux

BRIEF BIOGRAPHY

Jack Bouin has spent his whole career in Crédit Agricole Group, which he joined in 1972. He began at the Crédit Agricole de Charente-Maritime where he held different operational responsibilities, in all areas of universal banking. In 1992, he joined the Caisse régionale des Deux-Sèvres, where he became Manager. He was appointed Deputy Chief Executive Officer for the Crédit Agricole du Morbihan, then Touraine Poitou (2004-2006). Jack Bouin then became Chief Executive Officer of the Caisse régionale du Finistère, then, from 2013, of the Caisse régionale d'Aquitaine. Having held numerous positions in the Group's subsidiaries, he was elected first Deputy Chairman of the Fédération Nationale du Crédit Agricole, and, as such, Deputy Chairman of SAS Rue La Boétie – majority shareholder – which he represents at the Crédit Agricole S.A. Board of Directors.

OFFICES HELD AT 31/12/2016

In Crédit Agricole Group companies

- Chief Executive Officer: Caisse régionale d'Aquitaine, Sacam International
- 1st Deputy Chairman: Fédération Nationale du Crédit Agricole (FNCA)
- Deputy Chairman: SAS Rue La Boétie
- Chairman: GSO (Grand Sud-Ouest Capital), Sacam Développement
- Director: Pays de France-Crédit Agricole foundation, SCI CAM, Sacam Participations, ANCD
- Secretary General: GIE GECAM
- Co-Manager: Sacam Mutualisation

In other listed companies

-

In other non-listed companies

-

Other offices

- Director: BMA (Bordeaux Métropole Aménagement)
- Deputy Chairman: Fédération bancaire française Aquitaine (French Banking Federation of the region Aquitaine)
- Secretary: Fondation pour la Culture et les Civilisations du Vin (Foundation for Wine culture and civilisations)

OTHER OFFICES HELD WITHIN PAST YEARS (2012 TO 2016)

In Crédit Agricole Group companies

- Chief Executive Officer: Caisse régionale du Finistère (2013)
- Chairman: Crédit Agricole Paiements (2015)
- Director: Foncaris (2015), Crédit Agricole Payments Services (2015), Fia-Net Europe (2015), LCL (2015), Pacifica (2015), Adicam (2015), Crédit Agricole Protection Sécurité (2015), Association Crédit Agricole Solidarité et développement (2016)

In other listed companies

-

In other non-listed companies

-

Other offices

-

Roger ANDRIEU

Main office within the Company: Director
Member of the Appointments and Governance Committee
Business address: Caisse régionale des Côtes-d'Armor – La Croix Tual – 22440 Ploufragan

Born in 1952

French nationality

Date first appointed:
February 2015

Term of office ends:
2018

Number of Crédit Agricole S.A. shares held at 31/12/2016:
8,122

BRIEF BIOGRAPHY

Farmer/breeder in the Côtes d'Armor, Roger Andrieu was elected Director (1983) then Chairman (1994-2013) of the Caisse locale de Lamballe. From 1999, he entered the Board of Directors of the Caisse régionale des Côtes-d'Armor, where he became first Deputy Chairman (2005), then Chairman (2011). Roger Andrieu also has responsibilities in the Group national working bodies and within the Group's specialist subsidiaries.

OFFICES HELD AT 31/12/2016

In Crédit Agricole Group companies
- Chairman: Caisse régionale des Côtes d'Armor
- Director: Foncaris, CA Titres, SAS Pleinchamp

In other listed companies
-

In other non-listed companies
- Manager: SCEA Andrieu, GIE Tralisco

Other offices
- Director: Cofilmo
- Director and Treasurer: Vivea

OTHER OFFICES HELD WITHIN PAST YEARS (2012 TO 2016)

In Crédit Agricole Group companies
- Chairman: Caisse locale of Lamballe (2013)

In other listed companies
-

In other non-listed companies
-

Other offices
-

Pascale BERGER

Main office within the Company: Director representing Crédit Agricole Regional Banks employees
Business address: Caisse régionale de Franche-Comté – 11, avenue Élisée Cusenier – 25000 Besançon

Born in 1961

French nationality

Date first appointed:
May 2013

Term of office ends:
2018

Number of Crédit Agricole S.A. shares held at 31/12/2016:
10

FCPE (employee share ownership plan) shares held invested in Crédit Agricole S.A. shares at 31/12/2016:
841

BRIEF BIOGRAPHY

Pascale Berger holds a DEA (diplôme d'études approfondies) in business law and a DESS (diplôme d'études spécialisées) in rural law. She spent most of her career at the Caisse régionale de Franche-Comté, first as Portfolio Manager in the Litigation department (1988-1992), then Business manager in the Training department (1992-2005). She became Business Manager in the Permanent Accounting Control department and then an internal auditor. In 2014, she joined the Innovation and Transformation division, with responsibility for the documentary database. She was elected Assistant Secretary and became Chairwoman of the Mutuelle (Health insurance) Commission of the Caisse régionale de Franche-Comté works council.

OFFICES HELD AT 31/12/2016

In Crédit Agricole Group companies
- Advisor: Chorale Doc (Caisse régionale de Franche-Comté documentary database)
- Deputy Secretary: Franche-Comté works council
- Chairwoman of the Mutuelle Commission: Franche-Comté works council

In other listed companies
-

In other non-listed companies
-

Other offices
-

OTHER OFFICES HELD WITHIN PAST YEARS (2012 TO 2016)

In Crédit Agricole Group companies
- Auditor: Caisse régionale de Franche-Comté within the Audit and Periodic Controls department (2014)

In other listed companies
-

In other non-listed companies
-

Other offices
-

Caroline CATOIRE

Main office within the Company: Director
Member of the Audit Committee – Member of the Risks Committee in the United States

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

Born in 1955

French nationality

Date first appointed:
May 2011

Term of office ends:
2017

Number of Crédit Agricole S.A. shares held at 31/12/2016:
1,099

BRIEF BIOGRAPHY

A former student of the École Polytechnique, Caroline Catoire held a number of different positions in the Total Group from 1980 to 1998: within the Economic Research division, the Oil Trading division and then the Finance division as Director of Management Control, and then Director of Corporate Finance. She then joined Société Générale and served as the Director of Management Control of the investment bank (1999-2002). She added to her experience in the financial sector, serving as CFO in a number of different companies: Sita France, then Saur Group and Metalor Group. Since December 2015, she has been a consultant in the financial sector.

OFFICES HELD AT 31/12/2016

In Crédit Agricole Group companies

-

In other listed companies

-

In other non-listed companies

- Chairwoman: C2A Conseil

Other offices

-

OTHER OFFICES HELD WITHIN PAST YEARS (2012 TO 2016)

In Crédit Agricole Group companies

-

In other listed companies

- Director: Maurel and Prom International (2015)

In other non-listed companies

- Chief Financial Officer and Executive Committee member: Saur group (2014)
- Chief Financial Officer and Executive Committee member: Metalor group (2015)
- Director: Company Coved, Company CER, Company Sedud (2014)

Other offices

-

Laurence DORS

Main office within the Company: Director
Chairwoman of the Compensation Committee
Member of the Audit Committee – Member of the Appointments and Governance Committee

Business address: Theano Advisors – 57, rue Pierre Charron – 75008 Paris

Born in 1956

French nationality

Date first appointed:
May 2009

Term of office ends:
2017

Number of Crédit Agricole S.A. shares held at 31/12/2016;
1,085

BRIEF BIOGRAPHY

A former senior civil servant in the French Finance Ministry and the Ministry of the Economy's staff (1994-1995), and later the Prime Minister's staff (1995-1997), Laurence Dors has spent much of her professional career in international and general management positions of international groups (Lagardère, EADS, Dassault Systèmes, Renault). Cofounder and Senior Partner of the consulting firm, Theano Advisors, she is a specialist in governance issues and an independent Director. She sits on the Board of Directors of the "Institut français des administrateurs".

OFFICES HELD AT 31/12/2016

In Crédit Agricole Group companies

-

In other listed companies

- Independent Director: Cap Gemini

In other non-listed companies

- Independent Director: EGIS SA
- Senior Partner: Theano Advisors

Other offices

- Director: Institut français des administrateurs (IFA)
- Member: Advisory Committee for the Institut des Hautes Études de l'Amérique Latine (IHEAL); Franco-German Economic Club (CEFA)

OTHER OFFICES HELD WITHIN PAST YEARS (2012 TO 2016)

In Crédit Agricole Group companies

-

In other listed companies

-

In other non-listed companies

-

Other offices

- Director: Institut National des Hautes Études de la Sécurité et de la Justice (INHESJ) (2016)

Daniel EPRON

Main office within the Company: Director
Member of the Strategy and Corporate Social Responsibility Committee – Member of the Compensation Committee

Business address: Caisse régionale de Normandie – 15, esplanade Brillaud-de-Laujardière – 14050 Caen Cedex

Born in 1956

French nationality

Date first appointed:
May 2014

Term of office ends:
2017

Number of Crédit Agricole S.A. shares held at 31/12/2016:
845

BRIEF BIOGRAPHY

Daniel Epron is a farmer in the Orne region. He has held a number of elected mandates, especially in the agricultural sector: He was Deputy Secretary General of the young farmers' Centre, the "Centre national des jeunes agriculteurs" (1989-1992), a member of the "Conseil économique et social régional de Basse-Normandie" (1989-2013), Chairman of the "Chambre régionale d'agriculture de Normandie" (1995-2007), and a Local advisor for Basse-Normandie (2001-2004). Chairman of the Caisse locale of the Crédit Agricole de l'Aigle (1990-2005), he has chaired the Caisse régionale of Orne, and then of Normandy (post merger) since 2006. He is Deputy Chairman of the Fédération Nationale du Crédit Agricole (FNCA).

OFFICES HELD AT 31/12/2016

In Crédit Agricole Group companies
- Chairman: Caisse régionale de Normandie, Sofinormandie
- Deputy Chairman: Fédération Nationale du Crédit Agricole (FNCA)
- Director: SAS Rue La Boétie, Cariparma, Crédit Agricole Technologies et Services, SCI CAM

In other listed companies
-

In other non-listed companies
-

Other offices
- Manager: GFA de Belzaise
- Partner: SCI Samaro
- Director: Agence de Développement pour la Normandie
- Member: Conseil économique, social et environnemental (CESE)

OTHER OFFICES HELD WITHIN PAST YEARS (2012 TO 2016)

In Crédit Agricole Group companies
- Director: CA Consumer Finance (2014), LCL (2014)

In other listed companies
- -

In other non-listed companies
-

Other offices
- Member: CESER Normandie (2013)

Véronique FLACHAIRE

Main office within the Company: Director
Member of the Risks Committee – Member of the Risks Committee in the United States

Business address: Caisse régionale du Languedoc – Avenue du Montpelliéret Maurin – 34970 Lattes

Born in 1957

French nationality

Date first appointed:
February 2010

Term of office ends:
2019

Number of Crédit Agricole S.A. shares held at 31/12/2016
650

FCPE (employee share ownership plan) shares held invested in Crédit Agricole S.A. shares at 31/12/2016:
1,545

BRIEF BIOGRAPHY

Véronique Flachaire is a chemical engineer and graduate of Sciences Po Paris, and has spent her entire career at the Crédit Agricole Group. With an executive position in the Caisse régionale du Midi, she was then appointed Deputy Chief Executive Officer of the Caisse régionale du Sud-Ouest. She ran the Inforsud Group and then the Group's subsidiary dedicated to means of payment - Cédicam - (2004-2007), before joining Crédit Agricole S.A. as Director of Relations with Regional Banks. Backed by her diverse range of experience in all areas of banking, she was appointed CEO of the Caisse régionale Charente-Maritime Deux-Sèvres in 2009 and currently serves the same position in the Caisse régionale du Languedoc since 2012.

OFFICES HELD AT 31/12/2016

In Crédit Agricole Group companies
- Chief Executive Officer: Caisse régionale du Languedoc
- Chairwoman: Crédit Agricole Technologies et Services,
- Chairwoman: Progica
- Director: CCPMA, HECA, Adicam, Sofilaro, CA Paiement, Deltager

In other listed companies
-

In other non-listed companies
-

Other offices

OTHER OFFICES HELD WITHIN PAST YEARS (2012 TO 2016)

In Crédit Agricole Group companies
- Chief Executive Officer: Caisse régionale Charente-Maritime Deux-Sèvres (2012)
- Chairwoman: Unexo (2012), Santeffi (2016), Deltager (2016), CA Paiement (2016)
- Director: CA Technologies et Services (2015), Acticam (2012)

In other listed companies
-

In other non-listed companies
-

Other offices
- Chairwoman: Fédération bancaire française Languedoc-Roussillon (2016)

Jean-Pierre GAILLARD

Main office within the Company: Director
Member of the Audit Committee – Member of the Appointments and Governance Committee
Business address: Caisse régionale Sud Rhône-Alpes – 15-17, rue Paul Claudel – 38100 Grenoble

Born in 1960

French nationality

Date first appointed:
May 2014

Term of office ends:
2019

Number of Crédit Agricole S.A. shares held at 31/12/2016:
2,200

BRIEF BIOGRAPHY

Jean-Pierre Gaillard is a wine grower and Municipal Councillor in Saint-Jean le Centenier. He has been Chairman of the Caisse locale de Crédit Agricole de Villeneuve de Berg since 1993. After having sat on the Board of the Caisse régionale de l'Ardèche, then the Caisse régionale Sud Rhône-Alpes, where he was elected Chairman in 2006. Being particularly committed to local development and environmental economics, he chairs Crédit Agricole Group's Energy and Environment Committee. He holds a number of offices within national bodies and has been Deputy Chairman of the Fédération Nationale du Crédit Agricole since December 2015.

OFFICES HELD AT 31/12/2016

In Crédit Agricole Group companies

- Chairman: Caisse régionale Sud Rhône-Alpes, Amicale Sud, Board of Directors Adicam, Energy and Environment Committee
- Deputy Chairman: Fédération Nationale du Crédit Agricole, Chairmans' Association Bureau, Management Committee Fomugei
- Member: Office of the Board of Directors SAS Rue La Boétie, Supervisory Board of CA Titres, Extended Coordination Committee of Crédit Agricole S.A., Audit Committee of LCL
- Director and member of the Bureau of the Board of Directors: SAS Rue la Boétie
- Director and member of the Audit Committee: LCL
- Member: Supervisory Board of CA Titres

In other listed companies

-

In other non-listed companies

-

Other offices

- Municipal Councillor: Saint-Jean Le Centenier (Ardèche)

OTHER OFFICES HELD WITHIN PAST YEARS (2012 TO 2016)

In Crédit Agricole Group companies

- Director: Banca Popolare FriulAdria (2014)
- Deputy Chairman: Crédit Agricole Solidarité Développement (CASD) (2015)
- Treasurer: FNCA (2015)

In other listed companies

-

In other non-listed companies

-

Other offices

-

3

Born in 1957

French nationality

Date first appointed:
May 2012

Term of office ends:
2017

Number of Crédit Agricole S.A. shares held at 31/12/2016:
2,000

Françoise GRI

Main office within the Company: Director
Member of the Strategy and Corporate Social Responsibility Committee – Member of the Risk Management Committee

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

BRIEF BIOGRAPHY

Françoise Gri is a graduate of the "École nationale supérieure d'informatique et de mathématiques appliqués" in Grenoble. She began her career in the IBM Group and was appointed Chairwoman and CEO of IBM France in 2001. 2007 saw her move to Manpower as Chairwoman and CEO of its French subsidiary, before going on to become Executive Vice-President for Southern Europe for ManpowerGroup (2011). An accomplished senior manager with extensive international experience, she then took up the position of Chief Executive Officer of the Pierre&Vacances-Center Parcs Group (2012-2014). An independent Director, she is a specialist in IT Technology and and Corporate Social Responsibility.

OFFICES HELD AT 31/12/2016

In Crédit Agricole Group companies
-

In other listed companies
- Independent Director: Edenred S.A., WNS Services

In other non-listed companies
- Manager: F. Gri Conseil
- Independent Director: 21 Centrale Partners

Other offices
-

OTHER OFFICES HELD WITHIN PAST YEARS (2011 TO 2016)

In Crédit Agricole Group companies
-

In other listed companies
- Chairwoman of the Board of Directors: Viadeo (2016)
- Chief Executive Officer: Pierre & Vacances-Center Parcs Group (2014)
- Chairwoman: ManpowerGroup France and Europe (2012)
- Executive Vice-President: ManpowerGroup responsible for the South of Europe (2012)
- Member of the Supervisory Board: Rexel SA (2013)

In other non-listed companies
-

Other offices
- Deputy Chairwoman: Institut de l'entreprise (2015)
- Member: Corporate Governance High Committee; MEDEF Ethics Committee (2016); Institut français du tourisme (2015); Conseil économique, social et environnemental (2013)

Born in 1961

French nationality

Date first appointed:
November 2015

Term of office ends:
2019

Number of Crédit Agricole S.A. shares held at 31/12/2016:
601

Jean-Paul KERRIEN

Main office within the Company: Director

Business address: Caisse régionale du Finistère – 7, route du Loch – 29555 Quimper

BRIEF BIOGRAPHY

A farmer specialising in organic vegetable production, Jean-Paul Kerrien has been Chairman of the Caisse locale de Taulé since 1996. He has been Director of the Caisse régionale du Finistère since 2006, of which he became Deputy Chairman in 2009 then Chairman in 2012. Reflecting his strong investment in the Group's agriculture, he has developed several cooperative production and distribution structures. He was a member of the Finistère Chamber of Agriculture (2006-2012), of which he chaired the Agronomy Commission. Jean-Paul Kerrien also has responsibilities in the area of innovation. Chairman of "Investir en Finistère" from 2014 to 2017, he is committed to developing the economic attractiveness of the Finistère region.

OFFICES HELD AT 31/12/2016

In Crédit Agricole Group companies
- Chairman: Caisse régionale du Finistère, FIRECA
- Director: COFILMO, BforBank

In other listed companies
-

In other non-listed companies
- Partner: Earl de Kererec, Sarl photovoltaïque de Kererec

Other offices
- Chairman: Investir en Finistère

OTHER OFFICES HELD WITHIN PAST YEARS (2012 TO2016)

In Crédit Agricole Group companies
- Director: HECA (2015)
- Non-voting Director: Crédit Agricole S.A. (2015)

In other listed companies
-

In other non-listed companies
-

Other offices
- Member of the Board of the Chambre d'agriculture du Finistère (2012)
- Employment dispute advisor at the High court of Morlaix (2013)

The definitions of the underlined words can be found in the Glossary on page 542.

Monica MONDARDINI

Main office within the Company: Director
Chairwoman of the Appointments and Governance Committee

Business address: Gruppo Editoriale L'Espresso - Ufficio Amministratore Delegato – Via C. Colombo – 98 00147 Roma

BRIEF BIOGRAPHY

Graduate in economics and statistics from the University of Bologna (Italy), Monica Mondardini has held several executive positions within the publishing (Hachette) and then the insurance sector (Generali) in Italy, Spain and France. In 2009 she joined one of the largest Italian publishing groups, the Gruppo Editoriale L'Espresso, as Deputy Director. While in her current role, she became in 2013 Deputy Director of CIR S.p.A. a major industrial holding company listed on the Milan stock exchange, which controls Gruppo Editoriale L'Espresso, as well as other companies active in the car and health sectors.

Born in 1960

Italian nationality

Date first appointed:
May 2010

Term of office ends:
2018

Number of Crédit Agricole S.A. shares held at 31/12/2016:
500

OFFICES HELD AT 31/12/2016

In Crédit Agricole Group companies
-

In other listed companies
- Chairwoman: Sogefi S.p.A. (CIR Group)
- Deputy Director: CIR S.p.A., Gruppo Editoriale L'Espresso (CIR Group), Independent Director: Atlantia S.p.A., Trevi Finanziaria Industriale S.p.A.

In other non-listed companies
- Chairwoman: Aeroporti di Roma S.p.A (groupe Atlantia)
- Director: Kos (CIR Group)

Other offices
-

OTHER OFFICES HELD WITHIN PAST YEARS (2012 TO 2016)

In Crédit Agricole Group companies
-

In other listed companies
- Director: Scor SE (2013)

In other non-listed companies
-

Other offices
- Director: Save the Children Italia (2014)

Gérard OUVRIER-BUFFET

Main office within the Company: Director
Member of the Audit Committee

Business address: Caisse Régionale Loire Haute-Loire – 94, rue Bergson – BP 524 – 42007 Saint-Étienne Cedex 1

BIOGRAPHIE RÉSUMÉE

Gérard Ouvrier-Buffet has spent almost his whole career in Crédit Agricole Group. He acquired comprehensive expertise in all aspects of retail banking working in the Caisse régionale de Haute-Savoie (1982-1992), and Caisse régionale du Midi (1992-1998). Appointed Deputy Chief Executive Officer of Crédit Agricole Sud Rhône-Alpes in 1998, he has served as Chief Executive Officer of the Caisse régionale Loire Haute-Loire since 2002. At the same time, he was Chairman of Predica and Crédit Agricole Assurances until 2013. He then spearheaded the launch and development of the real estate business line. Today, he is Chairman of Crédit Agricole Immobilier. He is Deputy Chairman of the Fédération Nationale du Crédit Agricole.

Born in 1957

French nationality

Date first appointed:
August 2013

Term of office ends:
2017

Number of Crédit Agricole S.A. shares held at 31/12/2016:
2,602

FCPE (employee share ownership plan) shares held invested in Crédit Agricole S.A. shares at 31/12/2016:
3,096

OFFICES HELD AT 31/12/2016

In Crédit Agricole Group companies
- Chief Executive Officer of the Caisse régionale Loire Haute-Loire
- Chairman of the Board of Directors: Cofam, Sircam, Locam, Crédit Agricole Immobilier and Supervisory Board member
- Chairman of the Audit and Risks Committee and Supervisory Board member: Crédit du Maroc
- Deputy Chairman: Fédération Nationale du Crédit Agricole (FNCA)
- Director: SAS Rue La Boétie, SAS Square Habitat Crédit Agricole Loire Haute-Loire, Edokial, SA Défitech, SA Chêne Vert
- Management Board member: SAS Uni-Éditions

In other listed companies
-

In other non-listed companies
- Director: Sacicap Forez-Velay

Other offices
- Treasurer: Foundation of the University Jean Monnet in Saint-Étienne

OTHER OFFICES HELD WITHIN PAST YEARS (2012 TO 2016)

In Crédit Agricole Group companies
- Chairman of the Board of Directors: Crédit Agricole Assurances (2013), Pacifica (2013)
- Director: Predica (2013), Crédit Agricole Immobilier (2015)
- Chairman of the Executive Committee: Sacam Square Habitat (2014)
- Chairman of the Board of Directors: Logiciel Immobilier (2014)

In other listed companies
-

In other non-listed companies
- Director: SA d'HLM Cité Nouvelle Saint-Étienne (2013)

Other offices
-

Jean-Louis ROVEYAZ

Main office within the Company: Director
Member of the Compensation Committee – Member of the Risk Management Committee
Business address: Caisse régionale de l'Anjou et du Maine – 40, rue Prémartine – 72083 Le Mans

Born in 1951

French nationality

Date first appointed:
May 2012

Term of office ends:
2018

Number of Crédit Agricole S.A. shares held at 31/12/2016:
5,721

BRIEF BIOGRAPHY

An agronomy engineer, Jean-Louis Roveyaz took the helm of a farming business specialising in cereal production. He also made a firm commitment to developing and expanding the influence of Crédit Agricole. In 1992, he became Chairman of the Caisse Locale in La-Suze-sur-Sarthe, and was then elected Director of the Caisse régionale de la Sarthe, followed by Caisse régionale de l'Anjou et du Maine of which he became Chairman in 2004. He was Mayor of Chemire le Gaudin (72210). Jean-Louis Roveyaz believes in dialogue and progress and as such has held several positions nationally in France in the operating subsidiaries and also in consultation and negotiation working bodies.

OFFICES HELD AT 31/12/2016

In Crédit Agricole Group companies
- Chairman: Caisse régionale de l'Anjou et du Maine, Supervisory Board SEFA
- Director and member of the Compensation Committee: Crédit Agricole CIB
- Director and member of the Appointments Committee: Cariparma
- Director: SAS Sacam Machinisme

In other listed companies
-

In other non-listed companies
- Director and Member of the Executive Committee: John Deere Financial
- Director and member of the Audit Committee: SOPEXA

Other offices
- Permanent representative of the CNMCCA on the Board of Directors of the CENECA (Centre National des Expositions et Concours Agricoles)

OTHER OFFICES HELD WITHIN PAST YEARS (2012 TO 2016)

In Crédit Agricole Group companies
- Chairman: Board of Directors of SAS Pleinchamp (2012) and Crédit Agricole Home Loan SFH (2012)

In other listed companies
-

In other non-listed companies
-

Other offices
-

Christian STREIFF

Main office within the Company: Director
Member of the Compensation Committee – Member of the Risk Management Committee
Business address: Safran Group – 2, boulevard du Général Martial Valin -75015 Paris

Born in 1954

French nationality

Date first appointed:
May 2011

Term of office ends:
2017

Number of Crédit Agricole S.A. shares held at 31/12/2016:
100

BRIEF BIOGRAPHY

A graduate of the Écoles des Mines, Christian Streiff spent much of his career at Saint-Gobain where he held various executive positions in Europe before being appointed Chief Executive Officer of the Group. In 2008, he became Executive Chairman of Airbus and a member of the EADS Executive Committee. Christian Streiff then went on to join PSA Peugeot Citroën where he served as Chairman of the Management Board, a position he occupied until 2009. With his extensive industrial and international experience, he is now Deputy Chairman of the Safran Group, and shareholder in three start-ups: Expliseat, Optiréno and Astra

OFFICES HELD AT 31/12/2016

In Crédit Agricole Group companies
-

In other listed companies
- Deputy Chairman of the Board of Directors: Safran Group

In other non-listed companies
- Chairman: CS Conseils, Astra
- Director: Expliseat, Optiréno

Other offices
- Director: Fondation pour la Recherche sur les AVC (Strokes Research Foundation)

OTHER OFFICES HELD WITHIN PAST YEARS (2012 TO 2016)

In Crédit Agricole Group companies
-

In other listed companies
- Director: Finmeccanica S.p.A. (Italy) (2013), ThyssenKrup (Germany, 2006-2015)

In other non-listed companies
- Director: Bridgepoint (UK, 2015)

Other offices

The definitions of the underlined words can be found in the Glossary on page 542.

Renée TALAMONA

Main office within the Company: Director
Member of the Strategy and Corporate Social Responsibility Committee
Business address: Caisse régionale de Lorraine – 56-58, avenue André-Malraux – 57000 Metz

Born in 1957

French nationality

Date first appointed:
March 2016

Term of office ends:
2018

Number of Crédit Agricole S.A. shares at 31/12/2016:
20,284

FCPE (employee share ownership plan) shares held invested in Crédit Agricole S.A. shares at 31/12/2016:
7,866

BRIEF BIOGRAPHY

Graduate in economics and econometrics, Renée Talamona has held several different positions in the banking sector. She has spent all her career in the Crédit Agricole Group, firstly at the CNCA: Economic Studies department from 1980 to 1983, Finance department from 1983 to 1986, General Inspection as Inspector then Chief project manager from 1986 to 1992. In 1992, she entered the Regional Banks, first as Finance and Risk Director at the Caisse régionale Sud Méditerranée, then Deputy Director successively at the Caisse régionale de Champagne Bourgogne and the Caisse régionale Pyrénées Gascogne. She joined Crédit Agricole S.A. in 2009 to become Deputy Group Risks Director, and in 2011 was appointed Director for the Regions of France department of Crédit Agricole CIB. Since 2013, she is the Chief Executive Officer of the Caisse régionale de Lorraine.

OFFICES HELD AT 31/12/2016

In Crédit Agricole Group companies
- Chief Executive Officer: Caisse régionale de Lorraine
- Director: Amundi, Crédit Agricole Leasing & Factoring, BFT IM

In other listed companies
-

In other non-listed companies
-

Other offices
-

OTHER OFFICES HELD WITHIN PAST YEARS (2012 TO 2016)

In Crédit Agricole Group companies
-

In other listed companies
- LCL: (2016)

In other non-listed companies
-

Other offices
-

3

François THIBAULT

Main office within the Company: Director
Member of the Strategy and Corporate Social Responsibility Committee
Business address: Caisse régionale Centre Loire – 8, allée des Collèges – 18000 Bourges

Born in 1955

French nationality

Date first appointed:
May 2015

Term of office ends:
2017

Number of Crédit Agricole S.A. shares held at 31/12/2016:
1,675

BRIEF BIOGRAPHY

An agricultural engineer, farmer and viticulturist by profession, François Thibault is a long-standing elected member of Crédit Agricole's working bodies. Chairman of the Cosne-sur-Loire (Nièvre) Caisse locale since 1991 and Director (1995) and then Chairman of the Caisse régionale Centre Loire since 1996. He also holds a number of responsibilities in the Group's national working bodies, in particular as Chairman of Federal Committees, as well as in the specialised subsidiaries, in particular in insurance (CAMCA) and corporate and investment banking.

OFFICES HELD AT 31/12/2016

In Crédit Agricole Group companies
- Chairman: Caisse régionale Centre Loire, Foncaris, Camca and Camca Courtage, SAS Centre Loire Expansion
- Director: Crédit Agricole CIB, Car Centre

In other listed companies
-

In other non-listed companies
- Partner: Gaec Thibault, GFA Villargeau d'en Haut, GFA de Montour, SCI Loire et Fontbout

Other offices
-

OTHER OFFICES HELD WITHIN PAST YEARS (2012 TO 2016)

In Crédit Agricole Group companies
- Member: Fireca Strategy Committee (2012)
- Chairman: Car Centre (2014), SAS Pleinchamp (2016), Chairman: Foncaris (2016)
- Director: CA Bank Polska (2016)
- Non-voting Director: Crédit Agricole S.A. (2015)

In other listed companies
-

In other non-listed companies
-

Other offices
-

Born in 1952

French nationality

Date first appointed:
May 2008

Term of office ends:
2017

Number of Crédit Agricole S.A. shares held at 31/12/2016:
835

François VEVERKA

Main office within the Company: Director
Chairman of the Risks Committee – Chairman of the Audit Committee – Chairman of the Risks Committee in the United States
Member of the Strategy and Corporate Social Responsibility Committee – Member of the Compensation Committee

Business address: 84, avenue des Pages – 78110 Le Vésinet

BRIEF BIOGRAPHY

A graduate of ESSEC and former ENA student, François Veverka held a number of different positions in the public economic sphere, notably in the French Ministry of Finance and the "Commission des opérations de bourse" (COB). He then went on to take up executive positions in Standard & Poor's (1990-2006) where his role involved working with the French regulatory and supervisory authorities on all matters relating to banking and financial markets. He was then appointed Chief Executive Officer of Compagnie de Financement Foncier, before going on to become a banking and finance consultant.

OFFICES HELD AT 31/12/2016

In Crédit Agricole Group companies
- Director: LCL, Crédit Agricole CIB
- Non-voting Director: Amundi

In other listed companies
-

In other non-listed companies
- Chairman of the Supervisory Board: Octofinances

Other offices
-

OTHER OFFICES HELD WITHIN PAST YEARS (2012 TO 2016)

In Crédit Agricole Group companies
-

In other listed companies
-

In other non-listed companies
-

Other offices
- Consultant: Banking activity and financial transactions (Banquefinance associés) (2015)
- Lecturer: ESCP-EAP (2012), École polytechnique fédérale de Lausanne (2012)

Born in 1959

French nationality

Date first appointed:
June 2012

Term of office ends:
2018

Number of Crédit Agricole S.A. shares held at 31/12/2016:
64

FCPE (employee share ownership plan) shares held invested in Crédit Agricole S.A. shares at 31/12/2016:
2,397

François HEYMAN

Main office within the Company: Director representing employees of UES Crédit Agricole S.A.
Member of the Compensation Committee

Business address: Crédit Agricole S.A. – SGL/DCG/DI – 12, place des États-Unis – 92120 Montrouge

BRIEF BIOGRAPHY

François Heyman has been a research and communication campaigns officer in the Group Communication division of Crédit Agricole S.A. since 2009. Alongside his banking career, he has served in a number of national trade union roles as representative of the Fédération Générale Agroalimentaire of the CFDT, a member of the "Conseil économique, social et environnemental", Co Chairman of Agrica (a supplementary retirement and Social Security body), Director of Arrco, and a member of the "Conseil supérieur de la Protection sociale agricole".

OFFICES HELD AT 31/12/2016

In Crédit Agricole Group companies
- Research and communication campaigns officer in the Group Communication division of Crédit Agricole S.A.

In other listed companies
-

In other non-listed companies
-

Other offices
-

OTHER OFFICES HELD WITHIN PAST YEARS (2012 TO 2016)

In Crédit Agricole Group companies
-

In other listed companies
-

In other non-listed companies
-

Other offices
-

Christian MOUEZA

Main office within the Company: Director representing the employees of UES Crédit Agricole S.A.

Business address: SILCA – 83, boulevard des Chênes – 78280 Guyancourt

Born in 1957

French nationality

Date first appointed:
June 2012

Term of office ends:
2018

Number of Crédit Agricole S.A. shares held at 31/12/2016:
-

FCPE (employee share ownership plan) shares held invested in Crédit Agricole S.A. shares at 31/12/2016:
390

BRIEF BIOGRAPHY

Christian Moueza has spent the greater part of his career in Crédit Agricole S.A. and served in a number of different operating positions in computing and IT systems. An analyst, IT developer, and IT and organisational project manager, he was elected Director representing employees of Crédit Agricole S.A. (technical employees).

OFFICES HELD AT 31/12/2016

In Crédit Agricole Group companies
- IT resource manager: SILCA

In other listed companies
-

In other non-listed companies
-

Other offices
-

OTHER OFFICES HELD WITHIN PAST YEARS (2012 TO 2016)

In Crédit Agricole Group companies
- IT site manager: SILCA (2013)
- IT and organisational project manager: Internet & viruses (2014)

In other listed companies
-

In other non-listed companies
-

Other offices
-

François MACÉ

Main office within the Company: Non-voting Director

Business address: Caisse régionale de Nord de France – 10, square Foch – BP 369 – 59020 Lille Cedex

Born in 1955

French nationality

Date first appointed:
November 2013

Term of office ends:
2019

Number of Crédit Agricole S.A. shares held at 31/12/2016:
3,890

FCPE (employee share ownership plan) shares held invested in Crédit Agricole S.A. shares at 31/12/2016:
7,193

BRIEF BIOGRAPHY

An agricultural engineer (ESA-Purpan), and holder of a post-graduate degree (DEA) in economics and rural law, François Macé has spent most of his career in Crédit Agricole Group. He served in several operating positions in the agriculture and corporate markets, followed by the Finance and Risk functions at the Caisse régionale du Loiret (which became Centre Loire in 1995). He joined the Caisse régionale du Midi (1998-2001), before moving to the Caisse Régionale Val de France as Deputy Chief Executive Officer. An accomplished banker, he was appointed Chief Executive Officer of the Caisses régionales Charente-Périgord (2004-2010), de Champagne-Bourgogne (2010-2012) and Nord de France (since 2012).

OFFICES HELD AT 31/12/2016

In Crédit Agricole Group companies
- Chief Executive Officer: Caisse régionale Nord de France
- Chairman: Sacam Machinisme
- Director: CA Consumer Finance, Camca, Cacif
- Member of the Supervisory Board: CA Titres

In other listed companies
-

In other non-listed companies
- Chairman: John Deere Financial, Finorpa SCR, Nord Capital Investissement, Square Habitat Nord de France
- Director: SAS Nacarat, La Voix du Nord

Other offices
-

OTHER OFFICES HELD WITHIN PAST YEARS (2012 TO 2016)

In Crédit Agricole Group companies
- Chairman: Crelan (formerly Crédit Agricole Belge) (2014)
- Director: Crédit Agricole Risk Insurance (2014), Crédit Agricole Srbija (Serbia) (2014), Crédit Agricole CIB (2013)

In other listed companies
-

In other non-listed companies
- Chairman: Foncière de l'Érable (2016)

Other offices
- Director: PRES Bourgogne-Franche-Comté (2012), Competitiveness Cluster VITAGORA (2012), SEM d'Aménagement du Grand Dijon (2012), El Purpan (2014)
- Chairman: FBF Committee Nord-Pas-de-Calais (2016)

Catherine POURRE

Main office within the Company: Non-voting Director
Permanent Guest of the Audit Committee, Risks Committee – Risks Committee in the United States
Business address: CPO Services – 13, rue d'Amsterdam – 1126 Luxembourg

Born in 1957

French nationality

Date first appointed:
May 2016

Term of office ends:
2019

Number of Crédit Agricole S.A. shares held at 31/12/2016:
-

BRIEF BIOGRAPHY

A graduate of ESSEC, Certified Accountant, with a degree in business law from the Catholic University of Paris, Catherine Pourre has extensive experience in audit and organisation consulting, particularly as a partner at PricewaterhouseCoopers (1989-1999) then at Capgemini Ernst & Young France, where she became Executive Director in 2000. She joined Unibail-Rodamco in 2002 as Deputy Chief Executive Officer. She carried out various executive management functions as member of the Executive Committee then member of the Management Committee. Since August 2015, she is Manager and Director of CPO Services (Luxembourg). Catherine Pourre is also an experienced navigator. She is "chevalier de la Légion d'honneur" and "chevalier de l'Ordre national du Mérite".

OFFICES HELD AT 31/12/2016

In Crédit Agricole Group companies
- Non-voting Director on the Board of Directors: Crédit Agricole CIB

In other listed companies
- Member of the Board of Directors and Chairwoman of the Control Committee: Seb SA and
- Member of the Board of Directors and member of the Audit Committee and Chairwoman of the Compensation Committee: Neopost SA,
- Member of the Supervisory Board and member of the Audit Committee and Compensation Committee: Bénéteau SA

In other non-listed companies
- Manager: CPO Services

Other offices
- Member of Board Women Partners
- Member of the Board of Directors and Treasurer of the Association Class 40
- Member: the Royal Ocean Racing Club (RORC)

OTHER OFFICES HELD WITHIN PAST YEARS (2012 TO 2016)

In Crédit Agricole Group companies
-

In other listed companies
- Member of the Management Committee: Unibail-Rodamco S.E. (2013)
- Chairwoman and Chief Executive Officer: Tayninh (2013)

In other non-listed companies
- Member of the Board of Directors: Unibail-Rodamco Management BV (2015)
- Director of the permanent establisment: Unibail-Rodamco S.E. (2013)
- Deputy Chief Executive Officer: Unibail Management (2014)
- Member of the Board of Directors: Rodamco Europe NV (2013)
- Representative: Rodamco Europe NV, Head of eight subsidiaries of Unibail-Rodamco (2013)
- Member of the Board of Directors: Rodamco Beheer BV (2013)
- Member of the Supervisory Board: MFI AG (2013)
- Director: Viparis and of Comexposium (2013)
- Chairwoman: SAS Doria (2013) and SAS Unibail Management (2013)
- Director: Unibail-Rodamco Participations (2013)
- Supervisory Board member: Uni-Expos (2013)
- Chairwoman: Espace Expansion Immobilière (2012)
- Director: Union Immobilière Internationale (2012)

Other offices
- Chairwoman: Union Nationale pour la Course au Large (UNCL) (2015)

4. INFORMATION ON EXECUTIVES

Born in 1959

French nationality

Date first appointed:
May 2015

Philippe BRASSAC

Main office within the Company: Chief Executive Officer
Member of the Executive Committee

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

BRIEF BIOGRAPHY

A graduate of the Paris Graduate School of Economics, Statistics and Finance (ENSAE), Philippe Brassac joined Crédit Agricole du Gard in 1982. He held several executive offices there before being appointed, in 1994, Deputy Chief Executive Officer of Crédit Agricole des Alpes-Maritimes, now Crédit Agricole Provence Côte d'Azur. In 1999, he joined Caisse Nationale de Crédit Agricole as Director of relations with Regional Banks. In 2001, he was appointed Chief Executive Officer of Crédit Agricole Provence Côte d'Azur. In 2010, he also became Secretary General of the Fédération Nationale du Crédit Agricole (FNCA) and Deputy Chairman of the Board of Directors of Crédit Agricole S.A. In May 2015, he was appointed Chief Executive Officer of Crédit Agricole S.A.

OFFICES HELD AT 31/12/2016

In Crédit Agricole Group companies
- Chief Executive Officer: Crédit Agricole S.A.
- Chairman: Crédit Agricole CIB, LCL
- Director: Pays de France - Crédit Agricole Foundation

In other listed companies

In other non-listed companies
-

Other offices
- Chairman: Fédération Bancaire Française (French Banking Federation)

OTHER OFFICES HELD WITHIN PAST YEARS (2012 TO 2016)

In Crédit Agricole Group companies
- Secretary General: FNCA (2015)
- Board member: FNCA (2015)
- Member of the Compensation Committee: Crédit Agricole CIB (2015)
- Chief Executive Officer: Caisse régionale Provence Côte d'Azur (2015)
- Director and Deputy Chairman: Crédit Agricole S.A. (2015), SAS Rue La Boétie (2015)
- Director: Crédit Agricole CIB (2015), LCL (2015), Fédération régionale du CAM (2015), SCI CAM (2015), ADICAM (2015)
- Chairman: Sofipaca Gestion and Sofipaca (2015), SACAM Développement (2015)
- Chief Executive Officer: SACAM International (2015)
- Chief Executive Officer and Director: SACAM Participations (2015)

In other listed companies
-

In other non-listed companies
-

Other offices
- Member of the Executive Committee: European Association of Co-operative Banks/EACB (2015)
- Member of the Board of Directors: COOP FR (2015)
- Secretary General of the Management Committee: GECAM (2015)
- Member: CNMCCA (2015)

3

Born in 1960

French nationality

Première nomination:
July 2012

Number of Crédit Agricole S.A. shares held at 31/12/2016 :
16,776

Xavier MUSCA

Main office within the Company: Deputy Chief Executive Officer
Member of the Executive Committee

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

BRIEF BIOGRAPHY

Graduate from the "Institut d'études politiques" in Paris and the "École nationale d'administration", Xavier Musca began his career at the General Finance Inspectorate in 1985. In 1989, he joined the Treasury Directorate, where he became head of the European Affairs Bureau in 1990. In 1993, he was called to the Prime Minister's staff, then returned to the Treasury Directorate in 1995. Between 2002 and 2004, he was Principal Private Secretary to Francis Mer, Minister for the Economy, Finance and Industry, then appointed Treasury Director in 2004. He became Deputy Secretary General to the French President in 2009, in charge of economic affairs, then Secretary General to the French President in 2011. In 2012, Xavier Musca was appointed Deputy Chief Executive Officer of Crédit Agricole S.A., responsible for International retail banking, Asset management and Insurance. Since May 2015, he is Deputy Chief Executive Officer of Crédit Agricole S.A., as second Executive Director of Crédit Agricole S.A.

In Crédit Agricole Group companies
- Chairman: CA Consumer Finance
- Director: Amundi, Crédit Agricole Assurances, Crédit Agricole Creditor Insurance
- Director and member of the Compensation Committee: Cariparma
- Director, Deputy Chairman: Predica
- Director, Permanent Representative of Credit Agricole S.A.: Pacifica

In other listed companies
- Director: CAP Gemini
- Chairman of the Audit Committee: Capgemini

In other non-listed companies
-

Other offices
-

OTHER OFFICES HELD WITHIN PAST YEARS (2012 TO 2016)

In Crédit Agricole Group companies
- Deputy Chairman of the Supervisory Board: Crédit du Maroc (2015)
- Deputy Chairman: UBAF (2015)
- Director: CACEIS (2015), Crédit Agricole Egypt SAE (2015)

In other listed companies
- Director: Banco Espirito Santo (2014)

In other non-listed companies
- Director: Bespar (2014)

Other offices
-

The definitions of the underlined words can be found in the Glossary on page 542.

4.1. TRADING IN THE COMPANY'S SHARES

Summary of trading in the Company's shares by executives of Crédit Agricole S.A. and other persons covered by Article L. 621-18-2 of the French Monetary and Financial Code during 2016, for transactions exceeding an aggregate ceiling of €5,000 (pursuant to Article L. 621-18-2 of the French Monetary and Financial Code and Article 223-26 of the General Regulations of the *Autorité des marchés financiers* (AMF).

In accordance with Article 223-22 of the AMF's General Regulations, these trades have been reported to the AMF.

Name and position	Trading by members of the Board of Directors on a personel basis, and by any persons related thereto
SAS Rue La Boétie Director	Option for the payment of scrip dividends on 115,509,996 shares for a total of €898,667,768.88
Rénée Talamona Director	Option for the payment of a scrip dividend for €7,920 namely at a unit price of €7.78

Specific measures concerning restrictions on or operations by directors with regard to trading in the Company's shares:

Because each director, by definition, is a "permanent insider", the rules on "windows" for subscription/prohibition on trading in Crédit Agricole S.A. shares apply to each Director. The dates corresponding to these windows are communicated to the directors at the beginning of each financial year.

Name and position	Trading in the Company's shares by Executive Corporate Officers on a personal basis, and by any persons related thereto
Philippe Brassac **Chief Executive Officer**	Sale of 19,075 FCPE (Company savings scheme) shares at a price of €11.59 per share

The Company's Board of Directors comprises 21 Directors, including one Corporate Officer of SAS Rue La Boétie, which is owned by the Regional Banks and owns 56.64% of the capital of Crédit Agricole S.A. at end-December 2016, and ten Corporate Officers of the Regional Banks. The Regional Bank representatives therefore hold a majority of the seats on the Board. This illustrates the will to give the Regional Banks a broad representation and reflects Crédit Agricole Group's capital structure.

The interests of the Regional Banks and of SAS Rue La Boétie could differ from those of Crédit Agricole S.A. or of other Crédit Agricole S.A. shareholders. This could lead to potential conflicts of interests between the duties to Crédit Agricole S.A. of persons serving as both director of Crédit Agricole S.A. and Corporate Officer of SAS Rue La Boétie or of a Regional Bank and their duties to SAS Rue La Boétie or to a Regional Bank. For information, it is noted that Crédit Agricole S.A. acts as the central body for the Regional Banks, in accordance with the provisions of Articles L. 511-30 to L. 511-32 and L. 512-47 to L. 512-54 of the French Monetary and Financial Code.

The Board of Directors currently has six independent directors, i.e. one third in line with the recommendation of the AFEP/MEDEF Code of Corporate Governance regarding companies controlled by a majority shareholder. Five of the six Specialised Committees (Risks, US Risks, Audit, Compensation, Appointments and Governance) are chaired by an independent director. Consequently, after reviewing the situation with respect to the Directors in the light of the AFEP/MEDEF independence criteria, the Board concluded that the existing operation enabled the Board and its committees to fulfil their duties with the required effectiveness, objectivity and independence, particularly with respect to preventing potential conflicts of interests, and to the equitable consideration of all shareholders' interests.

There are no **service contracts** between the members of the administrative or management bodies and Crédit Agricole S.A. or any of its subsidiaries that grant benefits to such members.

To the Company's knowledge, there are no family ties among the Corporate Officers, Directors, Chief Executive Officer and Deputy Chief Executive Officers of Crédit Agricole S.A.

Crédit Agricole S.A. complies with the **corporate governance regulations** applicable in France, as described in the report of the Chairman of the Board of Directors submitted to the shareholders at the General Meeting of Shareholders of 19 May 2016, which is produced in full in this registration document. The AFEP/MEDEF Code revised in November 2016 is the Company's reference Code for the purposes of preparing the report stipulated in Article L. 225-37 of the French Commercial Code.

To the Company's knowledge, at this date, no member of an administrative or management body of Crédit Agricole S.A. has been convicted in relation to fraudulent offences during the last five years.

To the Company's knowledge, at this date, no member of an administrative or management body of Crédit Agricole S.A. has been associated with any bankruptcy, receivership or liquidation during the last five years.

4.1.1. Details of any official charges and/or sanctions ruled against any member of an administrative or management body

No member of the administrative or management bodies of Crédit Agricole S.A. has been disqualified by a court from acting as a member of an administrative or management body or from participating in the management or running of Crédit Agricole S.A. within at least the last five years.

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5. MANAGEMENT BODIES AT 20 MARCH 2017

5.1. COMPOSITION OF THE EXECUTIVE COMMITTEE

The Chief Executive Officer	**Philippe BRASSAC**
The Deputy Chief Executive Officer	**Xavier MUSCA**
The Deputy General Manager, Head of the Operations and Transformation division	**Pascal CÉLÉRIER**
The Deputy General Manager, Head of the Development, Customer and Innovation division	**Bertrand CORBEAU**
The Deputy General Manager, Head of the Specialised Financial Services division	**Philippe DUMONT**
The Deputy General Manager, Head of the Group Finance division	**Jérôme GRIVET**
The Deputy General Manager, Head of the Large Customer division	**Jean-Yves HOCHER**
The Deputy General Manager, Head of Retail Banking Subsidiaries	**Michel MATHIEU**
The Deputy General Manager, Head of the Savings, Insurance and Property	**Yves PERRIER**
The Corporate Secretary	**Jérôme BRUNEL**
The Head of Human Resources	**Bénédicte CHRÉTIEN**
The Group Head of Internal Audit	**Michel LE MASSON**
The Head of Crédit Agricole S.A. Group for Italy	**Giampiero MAIOLI**
The Group Chief Risk Officer	**Hubert REYNIER**
The Chief Executive Officer of Crédit Agricole Assurances	**Frédéric THOMAS**
The Group Head of Compliance	**Jean-Pierre TRÉMENBERT**

5.2. COMPOSITION OF THE MANAGEMENT COMMITTEE

The Management Committee consists of the Executive Committee as well as:

The Chief Executive Officer of CACEIS	**Jean-François ABADIE**
The Head of Group Public Affairs	**Alban AUCOIN**
The Head of Group Information Systems	**Eric BAUDSON**
The Head of the Financial Management department	**Olivier BÉLORGEY**
The Head of the Agriculture, Agrifood and Specialised Markets	**Laurent BENNET**
The Global Head of Institutional Division & Chief Investment Officer of Amundi	**Pascal BLANQUÉ**
The Chief Executive Officer of Crédit Agricole Leasing & Factoring	**Philippe CARAYOL**
The Head of Payments Systems	**Bertrand CHEVALLIER**
The Group Senior Country Officer, Poland	**Olivier CONSTANTIN**
The Group Senior Country Officer, Egypt	**François-Édouard DRION**
The Head of Marketing and Communication	**Véronique FAUJOUR**
The Head of Customer Relationship Multichannel Retail Banking, Relational Commitments ansd Innovation	**Michèle GUIBERT**
The Global Head of the Retail Division of Amundi	**Fathi JERFEL**
The Chief Economist	**Isabelle JOB-BAZILLE**
The Head of Strategy	**Clotilde L'ANGEVIN**
The Chief Executive Officer of Pacifica	**Thierry LANGRENEY**
The Chief Executive Officer of CACI	**Henri LE BIHAN**
The Head of Private Banking	**Paul de LEUSSE**
The Head of Digital Journey	**Serge MAGDELEINE**
The Deputy Chief Executive Officer of Crédit Agricole CIB	**François MARION**
The Head of Group Communications	**Denis MARQUET**
The Head of Legal Affairs	**Pierre MINOR**
The Deputy Chief Executive Officer of Crédit Agricole CIB	**Régis MONFRONT**
The Head of International Retail and Commercial Banking	**Marc OPPENHEIM**
The Chief Executive Officer of Agos Ducato (Italy)	**Dominique PASQUIER**
The Senior Regional Officer Americas of Crédit Agricole CIB	**Marc-André POIRIER**
The Head of Sustainable Development	**Stanislas POTTIER**
The Chief Executive Officer France of CA Consumer Finance	**Stéphane PRIAMI**
The Deputy Chief Executive Officer of Crédit Agricole CIB	**Jacques PROST**
The Head of Group Purchasing	**Sylvie ROBIN-ROMET**
The Senior Regional Officer Asia-Pacific of Crédit Agricole CIB	**Michel ROY**
The Group Senior Country Officer, Morocco	**Baldoméro VALVERDE**
The Chief Operating Office of Amundi	**Bernard de WIT**
The Head of International Retail Banking	**In process of being appointed**

6. COMPENSATION POLICY

This section has been prepared with the assistance of the Compensation Committee.

6.1. CRÉDIT AGRICOLE S.A. COMPENSATION POLICY

6.1.1. General principles applicable to all Crédit Agricole S.A. employees

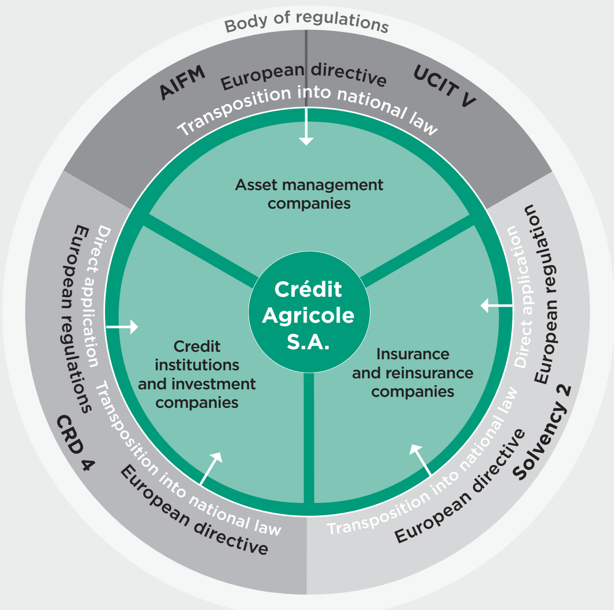
Crédit Agricole S.A. has defined a sustainable compensation policy that seeks to uphold the Group's values while respecting the interests of all stakeholders, be they employees, customers or shareholders. The aim of the policy is to reward individual and collective performance over the long term.

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

The compensation policies of Crédit Agricole S.A. entities are consistent with the risk appetite framework and declaration approved by their management bodies.

Crédit Agricole S.A.'s compensation policy must also be seen within a closely regulated environment specific to its business sector.

Regulations governing the compensation policies of Crédit Agricole S.A. entities



The compensation policies of Crédit Agricole S.A. entities are governed by three distinct sets of regulations:

- those applicable to credit institutions and investment companies (the "CRD 4" package);
- those applicable to asset management companies and alternative investment funds (hedge funds and private equity funds) under the European Alternative Investment Fund Managers directive (directive 2011/61/EU of 8 June 2011, or "AIFMD"), and to UCITS management companies under the European UCITS V directive (directive 2014/91/EU of 23 July 2014);
- those applicable to insurance and reinsurance companies that come under the Solvency 2 framework.

This regulatory framework clarifies the definition of "identified staff" who are subject to more stringent compensation rules.

In general, Crédit Agricole S.A. ensures that its compensation policy complies with the applicable national, European and international legal and regulatory frameworks. It also includes the provisions of the Volcker Rule, the French law on the Separation of Banking and Finance Activities and the Markets in Financial Instruments Directive (MiFID).

Total compensation paid to employees of Crédit Agricole S.A. comprises the following elements:

- fixed compensation;
- annual variable individual compensation;
- collective variable compensation (profit-sharing and incentives in France, profit-sharing in other countries);
- long-term variable compensation subject to performance conditions;
- peripheral compensation (supplementary pension and death & disability and health insurance schemes).

All or part of this package may be offered to each employee, according to their level of responsibility, skills and performance.

The definitions of the underlined words can be found in the Glossary on page 542.

In each of its business lines, Crédit Agricole S.A. regularly reviews practices in other French, European and global financial groups so that its compensation structure can support its aspirations to attract and retain the talent and skills the Group needs.

Fixed compensation

Skills and responsibility level are rewarded by a basic salary in line with the specific characteristics of each business line in its local market.

Annual individual variable compensation

Variable compensation plans linked to performance are structured on the basis of attaining targets and the results of the entity, aligning employees' interests with those of the Group and its shareholders.

Variable compensation is related directly to annual performance and the impact on the establishment's risk profile. Unsatisfactory performance, failure to comply with rules and procedures or high-risk behaviours therefore have a direct impact on variable compensation.

Variable compensation is set in accordance with regulatory principles. It is defined in such a way that it does not hinder the ability of Group entities to strengthen their solvency when necessary. It takes all risks into account, including liquidity risk, as well as the cost of capital. It does not result from a performance assessment based on economic and financial criteria alone.

Depending on the business line and in line with market practices, two types of individual variable compensation systems exist within Crédit Agricole S.A.:

- **individual variable compensation** for Central Support functions, retail banking and specialised business lines (insurance, leasing and factoring, consumer finance); and
- **bonuses** in corporate and investment banking, wealth management, asset management and private equity.

INDIVIDUAL VARIABLE COMPENSATION

Individual variable compensation measures individual performance, on the basis of the attainment of individual and/or collective objectives. Performance is assessed by precise measurement of the results obtained relative to specific annual objectives (how much), taking into account the conditions in which the objectives were achieved (how).

The objectives are described precisely and are measurable over the year. The objectives should take into account customer, employee and societal dimension of the activities.

The extent to which objectives are achieved or exceeded is the main criterion for awarding individual variable compensation, in addition to a qualitative assessment focusing on how the targets were achieved (examining criteria such as autonomy, engagement, uncertainty, general context, etc.) and in light of consequences for the Company's other stakeholders (managers, colleagues, other sectors, etc.). Inclusion of these various aspects enables individual variable compensation to be differentiated according to performance.

BONUS

Bonuses are related directly to the entity's financial results. They are determined according to a procedure comprising several stages.

1. The total amount allocated to the payment of bonuses is determined by entity, according to two types of criteria:
   - quantitative criteria

     Each entity determines the amount of its business line contribution, i.e. its capacity to fund bonuses, taking into account the cost of risk, the cost of capital and the cost of liquidity, using the following calculation:

	Revenues[1]
–	direct and indirect expenses before bonuses
–	cost of risk
–	cost of capital before tax.
=	contribution

   - qualitative criteria

     to determine the distribution rate for the contribution, i.e. the total available for bonuses, each entity must assess the level of distribution it wants to apply. To do so, it evaluates the entity's economic performance and the practices of competing companies operating in comparable businesses.
2. The individual allocation of this budget is determined according to the following principles:

   Individual bonus allocations are correlated with a formal individual annual performance appraisal, which looks at the achievement of both quantitative and qualitative objectives. There is no direct, automatic link between an employee's financial results and their variable compensation, given that employees are evaluated by looking at a combination of their performance, the results of their business and the conditions under which these results were attained.

   Similarly to individual variable compensation, targets are clearly defined and measurable over the year.

   Qualitative objectives are individualised, related to the professional activity and to the level of responsibility. They include the quality of risk management, behaviour and resources implemented to achieve the results, such as cooperation, teamwork and people management.

   In addition to the individual appraisal carried out each year by line management, the Human Resources department, the Group Risk Management and Permanent Controls department and the Compliance department conduct an independent assessment of potentially high-risk behaviour by these employees. If evidence of excessive risk-taking is found, there is a direct impact on variable compensation.

(1) *It being understood that, by definition, revenues are calculated net of the cost of liquidity.*

Collective variable compensation

Crédit Agricole S.A. aims to ensure that all employees share in the results of collective performance. Accordingly, mechanisms for the allocation of collective variable compensation (profit-sharing) extend to the majority of Group entities in France. Similar mechanisms, to ensure results are shared among all employees, have been developed in a number of international entities (notably in Cariparma in Italy, Crédit Agricole Srbija in Serbia and Crédit Agricole Egypt in Egypt).

Long-term variable compensation

This component of variable compensation unifies, motivates and increases loyalty. It complements the annual variable compensation mechanism by rewarding the long-term collective performance of the Group and its entities.

It consists of several systems differentiated according to the level of responsibility in the Company:

1. compensation in shares and/or cash with long-term performance conditions based on economic, financial and societal criteria consistent with the long-term strategy of the Group and its business entities. It is reserved for Senior Executives and key Group executives.
2. "employee" shareholding open to all employees.

6.1.2. Compensation policy for Crédit Agricole S.A. Senior Executives

The Group's 580 Senior Executives are members of the Management teams and break down into two management circles:

- executives in the first circle prepare the definition of strategy for their business line or a Group cross-cutting function and steer implementation, in line with Group strategy;
- in the second circle, executives are responsible for defining functional or operational policies that have a strategic impact on their businesses.

Crédit Agricole S.A. has implemented a variable compensation policy for Senior Executives, aiming at:

- correlating compensation levels with actual long-term performance;
- aligning management interests with those of Crédit Agricole S.A. by differentiating between individual and collective objectives and between financial and non-financial performance (customer satisfaction, management efficiency and impact on society);
- attracting, motivating and retaining Senior Executives.

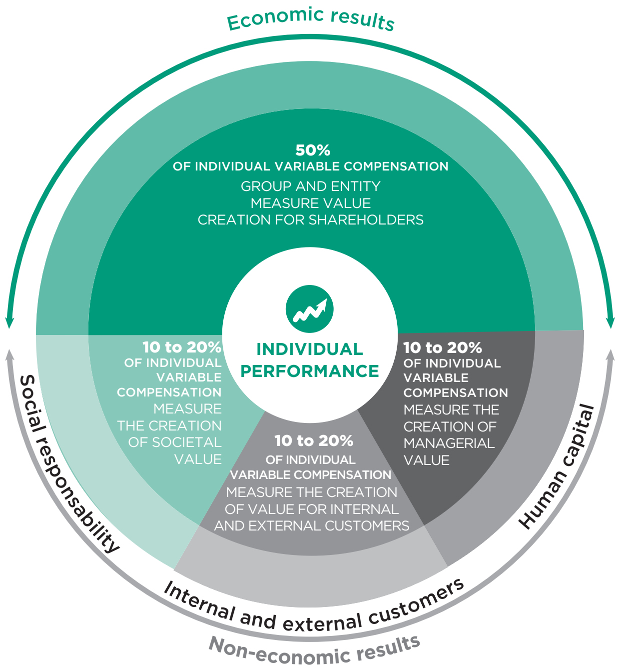
Annual individual variable compensation

All Crédit Agricole S.A. executive managers, including its Executive Corporate Officers, are eligible for the Group variable compensation plan. They benefit from a common plan, with the same rules applied across the Group.

Annual variable compensation is calculated based on two sets of criteria:

- financial criteria (50%), within the scope of Crédit Agricole S.A. and the scope of the Senior Executive's responsibility;
- non-financial criteria (50%).

They break down as follows:



- Measure the satisfaction of services and advices provided
- Measure the social responsibility, respect for values exceeding legal obligations, environmental impact, partnerships, ethics, etc.
- Measure the ability to attract, develop and retain employees

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

The financial objectives set for each executive manager, whatever his/her business line or function, are partly based on Group-wide criteria, commensurate with his/her level of responsibility. The other part is based on the financial objectives of his/her entity.

Long-term variable compensation

Crédit Agricole S.A.'s compensation policy aims to reward performance in the long-term.

Crédit Agricole S.A. established a long-term incentive plan in 2011 to reward long term performance and to strengthen the link with compensation, in particular by taking the entity's societal impact into consideration.

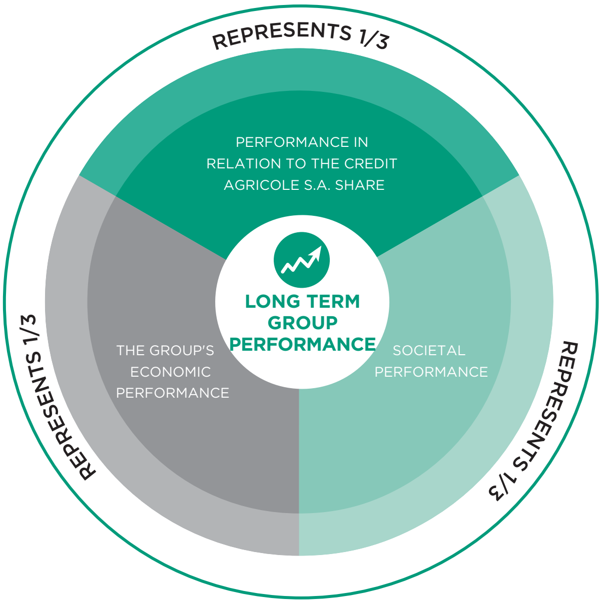
The long-term variable compensation plan for Senior Executives consists of compensation in instruments linked to the Crédit Agricole S.A. share.

Amounts are deferred over three years. One-third vests each year, subject to performance conditions and according to the following criteria:

- the intrinsic financial performance of Crédit Agricole S.A. defined as growth in Crédit Agricole S.A. operating income increased by the equity accounted Group share of net income;
- the relative performance of the Crédit Agricole S.A. share compared to a composite index of European banks;

The definitions of the underlined words can be found in the Glossary on page 542.

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



The members of the Crédit Agricole S.A. Executive Committee and the Group's top managers are eligible for this long-term plan, with the allocation determined on an annual basis by the Group Chief Executive Officer.

Supplementary pension schemes

Since 2010, a common supplementary pension scheme has been put in place for Crédit Agricole Group Senior Executives. Most Crédit Agricole S.A. entities have signed up to the retirement regulation by a collective company agreement in accordance with Article L. 911-1 of the French Social Security Code. Senior Executives are accordingly members of a supplementary pension scheme, comprising a combination of defined-contribution plans and a supplementary defined-benefit schemes:

- the aggregate contributions to the two defined-contribution supplementary pension schemes (the branch scheme and the Company scheme) are equal to 8% of gross salary capped at eight times the 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. The rights currently outstanding in Crédit Agricole S.A. are equal, subject to continued employment conditions at retirement, to between 0.125% and 0.30% of reference compensation for each quarter of seniority up to a limit of 120 quarters.

The reference compensation is defined as the average of the three highest gross annual compensation out of the last ten years of service in Crédit Agricole entities, including both fixed and variable compensation, with the latter capped at between 30% and 60% of fixed compensation, according to the last salary level.

In any event, on liquidation, the total retirement annuity of all schemes is capped by contractual provisions at sixteen times the annual social security ceiling for the Chief Executive Officer and the Deputy Chief Executive Officer of Crédit Agricole S.A., and at 70% of the reference compensation in accordance with the supplementary retirement regulations for Senior Executives of Crédit Agricole S.A.

The rights established by the Group prior to the effective date of the applicable rules are maintained in accordance with the rules and, if applicable, are added to the rights resulting from the application of those rules, particularly when calculating the maximum annuity that can be paid.

6.1.3. Governance of compensation

The Group exercises oversight of all Group entities to ensure consistent compliance with Group-wide guidelines and rigorous application of compensation policies and procedures.

The Crédit Agricole S.A. Compensation Committee prepares opinions on Group compensation policy and presents them to the Board of Directors, providing such information as may be necessary for the Board to make informed decisions. It monitors and implements compensation policy, overall and by major business line.

Each entity provides the Compensation Committee of Crédit Agricole S.A. with the information it requires to fulfil its role, through the intermediary of the Group Human Resources department.

Moreover, in accordance with regulatory requirements, control functions play a role in the process of reviewing variable compensation in the Group, specifically for identified staff. This applies primarily to:

- the Group Human Resources department;
- the Group Risk Management and Permanent Controls department;
- the Group Compliance department;
- the Group Finance department; and
- the Group Control and Audit function.

The Group Risk Management and Permanent Controls department and Group Compliance department exercise their control function through the Compensation Policies Control Committee, which includes members of each of these departments and the Group Human Resources department.

This Committee issues an opinion on the compensation policy formulated by the Group Human Resources department, before it is presented to the Compensation Committee and then submitted to the Board of Directors for consideration.

The role of this Committee is:

- to assess the information on general policies for presentation to the Compensation Committee, a pre-requisite to fulfilling the duty to provide warning;
- to ensure the validity of the principles applied to implement the compensation policy within the Group, in light of the new regulatory requirements;
- to review the compliance of the rules applied within each entity; definition of identified staff; principles used to calculate total variable compensation; management of non-compliant behaviour, which will be taken into consideration when calculating variable compensation for the current year or previous years;

3

- to coordinate the actions to be introduced in the entities by the Risk Management and Compliance functions.

The Group Finance department validates the terms and conditions for determining the total amount available for variable compensation, taking the full range of risks into account. It also ensures that variable compensation does not hinder the ability of Group entities to strengthen their solvency.

The Group Control and Audit function carries out an *a posteriori* audit on an annual basis examining the definition and implementation of compensation policy.

Important to know

- A responsible compensation policy reflecting the Group's values.
- A specific regulatory framework.
- Rewarding individual and collective performance in both the short and long-term.
- Strict internal and external oversight of compensation policy.

6.2. COMPENSATION OF IDENTIFIED STAFF

The compensation policy that applies to identified staff is aligned with the Group's general principles and stems from a highly controlled regulatory environment that imposes rules on the structure of their compensation.

Scope of identified staff

The term "identified staff" replaces the former terms "regulated employees" or "risk-takers".

Identified staff include all categories of staff who have a material impact on the Group's or their entity's risk profile by virtue of their function, level of authorisation or their compensation, as well as staff with control functions in the Group or entities.

Identified staff are designated by a joint decision-making process between the Group functions and entities and between the Human Resources functions and the various control departments. This process is overseen by the Crédit Agricole S.A. Compensation Committee.

Three definitions are used within the Group.

Credit institutions and investment companies

These are Group companies covered by the Decree of 3 November 2014 on internal control of credit institutions and investment companies.

Under Delegated Regulation EU 604/2014, "identified staff" include:

- **staff identified by virtue of their duties at Crédit Agricole S.A.:**
  - Corporate Officers,
  - all members of the Executive Committee,
  - Heads of Central Support functions responsible for finance, legal affairs, taxation, human resources, compensation policy, information technology, financial control and economic analysis,
  - Heads of the three control functions: Risk and Permanent Controls, Compliance and Audit,
  - employees reporting directly to the Head of Risk and Permanent Controls, Compliance and Audit,
  - employees heading a Committee responsible for managing operational risk for the Group;
- **staff identified by virtue of their function in entities with balance sheets of more than €10 billion or equity of more than 2% of their parent company's equity:**
  - the Corporate Officers or Chief Executive Officers,
  - members of the Executive Committee or employees reporting directly to Chief Executive Officers,
  - Heads of the three control functions: Risk and Permanent Controls, Compliance and Audit,
  - employees who chair the "new activities/new products" Committees in these entities;
- **staff identified by virtue of their level of authorisation or compensation:**
  - employees with authorisation or powers to take credit risk of more than 0.5% of Common Equity Tier 1 (CET1) capital in the subsidiary they belong to and of at least €5 million, or with authorisation or powers to structure this type of product with a significant impact on the risk profile of the subsidiary to which they belong,
  - employees who can take market risks of more than 0.5% of the CET1 capital or 5% of the Value at Risk (VaR) of the subsidiary to which they belong,
  - the hierarchical managers of employees who are not individually identified but who are collectively authorised to take credit risks more than 0.5% of CET1 capital in the subsidiary they belong to and at least €5 million, or to take market risks of more than 0.5% of the CET1 capital or 5% of the Value at Risk (VaR) of the subsidiary to which they belong,

- employees who have earned total gross compensation of more than €500,000 in the previous financial year,
- employees who are not identified under any of the previous criteria but whose total compensation puts them in the 0.3% top earners in the entity in the previous year (for entities with a balance sheet of more than €10 billion or with equity of more than 2% of their parent company's equity).

For asset management companies

In accordance with AMF Position 2013-11 implementing Directive 2011/6/EU of 8 June 2011 (AIFMD), or the AMF Decision of 6 April 2016, adopted under the UCITS V Directive (Directive 2014/91/EU), "identified staff" in asset management companies include employees who meet the following two criteria:

- **belong to a category of staff that has a material impact on the risk profile by virtue of the functions held, including as a minimum:**
  - executive Directors,
  - investment managers,
  - decision-making managers,
  - Heads of the three control functions: Risk and Permanent Controls, Compliance and Audit,
  - Heads of the support functions: Legal, Finance, Administration and Human Resources;
- **those who earn variable compensation of more than €100,000.**

For insurance companies

Insurance and reinsurance companies are excluded from the scope of European Commission Delegated Regulation (EU) no. 604/2014.

Under Commission Delegated Regulation (EU) 2015/35 of 10 October 2014, "identified staff" of these companies include:

- the Corporate Officers or executive Directors,
- members of the Executive Committee of CA Assurances,
- staff performing the key functions referred to in Articles 269 to 272 of Delegated Regulation 2015/35, i.e. risk management, compliance, internal audit and actuarial functions,
- employees responsible for underwriting and business development,
- investment managers.

Compensation policies of identified staff

Credit institutions and investment companies

Pursuant to its regulatory obligations, the main features of Group compensation policy for identified staff are:

- the amounts and distribution of variable compensation must not impair the institutions' ability to strengthen their equity as required;
- for any employee in a credit institution or investment firm, the variable component of their compensation cannot be greater than 100% of the fixed component. Nevertheless, each year, the General Meeting of Shareholders can vote to apply a higher maximum ratio provided that total variable component never exceeds 200% of the fixed component for any employee;
- part of variable compensation is deferred over three years and is acquired in tranches subject to performance conditions;
- part of variable compensation is paid in Crédit Agricole S.A. shares or instruments linked to the Crédit Agricole S.A. share;
- vesting of each variable compensation deferred tranche is followed by a six-month lock-up period. Part of non-deferred variable compensation is also locked up for six months.

RULES FOR DEFERRED PAYMENTS

The system is designed to provide incentives for employees to focus on the medium-term performance of the Group and control of risks.

In practice, and in view of the proportionality principle, employees whose bonus or variable compensation is less than 120,000 euros are excluded from the scope of the deferred compensation rules, in all Group entities, unless otherwise stipulated by the regulatory authorities in the countries in which the Group's subsidiaries are located.

The deferred portion is determined based on the overall variable compensation awarded for the financial year.

Total variable component for year N	Deferred portion
< €120,000	NA
€120,000 - €400,000	40% from the first euro
€400,000 - €600,000	50% from the first euro with minimum non-deferred amount of €240,000
> €600,000	60% from the first euro with minimum non-deferred amount of €300,000

PAYMENT IN SHARES OR EQUIVALENT INSTRUMENTS

The deferred variable compensation and a percentage of the non-deferred portion carried for six months are acquired in the form of Crédit Agricole S.A. shares or share-linked instruments. As a result, at least 50% of variable compensation for identified staff is awarded in shares or equivalent instruments.

Any hedging or insurance strategies limiting the scope of alignment provisions on risks contained in the compensation scheme are prohibited.

PERFORMANCE CONDITIONS

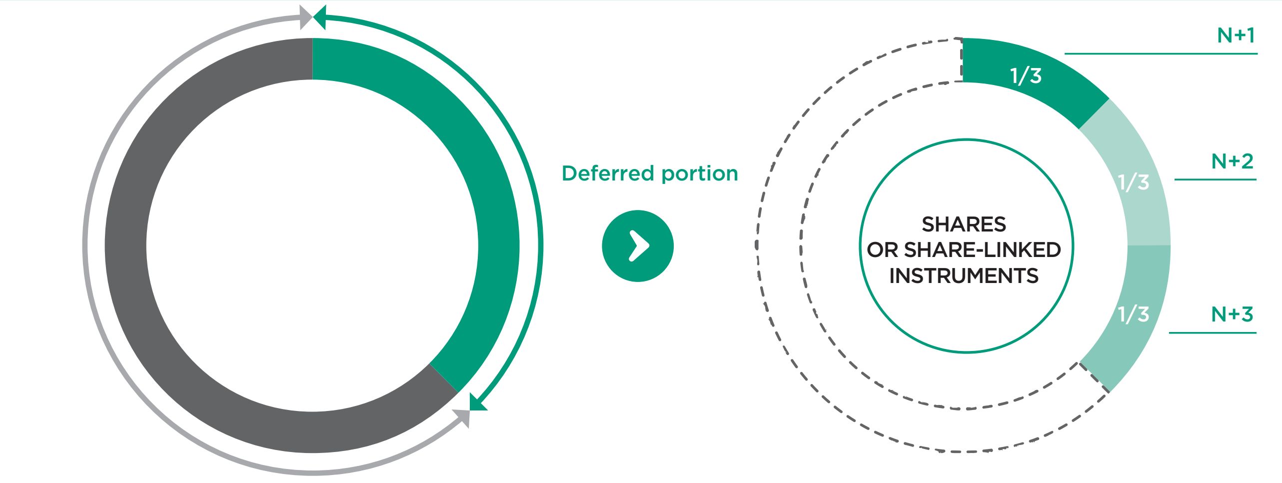
The deferred portion is vested in thirds: 1/3 in year N+1, 1/3 in year N+2 and 1/3 in year N+3 relative to year N, provided the vesting criteria are met. Each vesting date is extended by a six-month holding period.

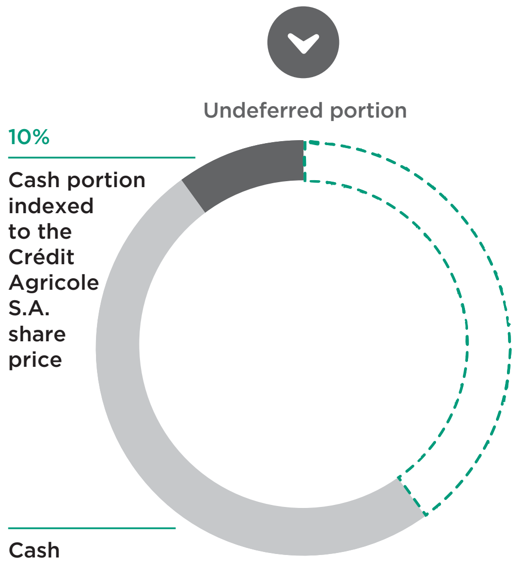
The performance conditions for Senior Executives classified as identified staff are aligned with those for long-term variable compensation as indicated in the Long-Term Variable Compensation paragraph above.

For other identified staff, performance conditions are determined relative to the target net income Group share for the entity, which is determined during the year in which the variable compensation under consideration is awarded.

The definitions of the underlined words can be found in the Glossary on page 542.

DEFERRED COMPENSATION STRUCTURE OVERVIEW





- **The deferred portion** is acquired in three equal parts in N+1, N+2 and N+3, subject to performance conditions being met.
- Each instalment is paid in Crédit Agricole S.A. shares or instruments linked to the Crédit Agricole S.A. share, following a 6-month holding period.

- A part of the non-deferred variable compensation is paid in cash indexed to the Crédit Agricole S.A. share price, amounting to 10% of the total variable, following a 6-month holding period, *i.e.* in September of year N.
- The remainder of the non-deferred variable compensation is paid in cash in March of year N.

LIMITATION OF GUARANTEED BONUSES

Payment of guaranteed variable compensation is strictly limited to hiring situations and has a duration of no more than one year.

Guaranteed variable compensation is awarded subject to the deferred compensation plan applicable to the financial year. Accordingly, all the rules on variable compensation for identified staff (the deferred payment schedule, performance conditions and reporting) also apply to these bonuses.

DISCLOSURE

Compensation paid to identified staff in the year is addressed by a resolution put each year to the Crédit Agricole S.A. General Meeting of Shareholders.

MONITORING PROCESS

The total amount of variable compensation granted to an identified employee can be reduced in part or in full in light of actions taken or high-risk behaviour.

An internal monitoring system for high-risk behaviour by identified staff is defined in *ad hoc* procedures and deployed at Crédit Agricole S.A. subsidiaries in cooperation with the Group Risk Management and Permanent Controls and Compliance business lines.

The system includes:

- annual system monitoring and evaluation by the governance body;
- an arbitration procedure at the Executive Management level for the cases of high-risk behaviour discovered.

For asset management companies

Under current regulations the compensation framework for identified staff in asset management companies differs substantially from that used for credit institutions and investment companies. Special amendments have therefore been made, notably to the rules on deferred compensation.

Total variable component for year N	Deferred portion
< €100,000	NA
€100,000 - €600,000	50% from the first euro
> €600,000	60% from the first euro with minimum non-deferred amount of €300,000

For insurance and reinsurance companies

In accordance with the relevant regulations, the compensation framework for identified staff at insurance and reinsurance companies is the same as that of credit institutions and investment companies, unless a portion of the non-deferred variable compensation which is not required and therefore not applied is acquired in the form of Crédit Agricole S.A. shares or share-linked instruments.

6.3. COMPENSATION OF EXECUTIVE CORPORATE OFFICERS

6.3.1. General principles

The policy of compensation of Executive Corporate Officers of Crédit Agricole S.A. is determined by the Board of Directors on the recommendation of the Compensation Committee. The Board undertakes an annual review of the policy in light of developments in the industry and the competitive environment. Policy is aligned with the compensation policy for all Group Senior Executives described above. It is designed to unite key Group personnel around common shared criteria.

Moreover, compensation of Crédit Agricole S.A.'s Executive Corporate Officers is compliant with:

- the regulatory framework set by the French Monetary and Financial Code and the Decree of 3 November 2014 on internal control of credit institutions and investment companies, which transposes into French law the European rules on compensation of identified staff, including the Group's Executive Corporate Officers;
- the recommendations and principles of the Corporate Governance Code for listed companies, as revised in November 2016 (the "AFEP/MEDEF Code");
- the provisions of law no. 2015-990 of 6 August 2015 on growth, activity and equal economic opportunities modifying, notably, Article L. 225-42-1 of the French Commercial Code on the vesting of conditional annual supplementary defined-benefit rights.

Compensation of Executive Corporate Officers is examined each year by the Board of Directors, on recommendation of the Compensation Committee. The guiding aim is to reward performance over the long-term.

6.3.2. Fixed compensation

The amount of fixed compensation is decided by the Board of Directors acting on the recommendation of the Compensation Committee, taking a number of factors into account:

- the scope of responsibilities of Executive Corporate Officers;
- practices in the market and compensation packages observed for the same or similar functions in other major listed companies. To ensure that the principles and levels of compensation are consistent, annual surveys are carried out with the firm Willis Towers Watson to assess how the Group's compensation of Executive Corporate Officers compares with other CAC 40 and financial sector companies, based on the annual reports and press releases of those companies.

6.3.3. Variable compensation

In order to ensure that the Chairman of the Board of Directors is completely independent when carrying out his duties, he is not eligible for any variable compensation.

Annual variable compensation of the Chief Executive Officer and Deputy Chief Executive Officer

In 2010, the Board of Directors defined a variable compensation policy for the Chief Executive Officer and Deputy Chief Executive Officers that is both demanding, aiming to closely align compensation of Executive Corporate Officers with the Group's performance, and innovative, taking sustainable long-term performance into account, in addition to short-term financial results.

For each Executive Corporate Officer, 50% of annual variable compensation is based on financial criteria and 50% on non-financial criteria. This dual approach combines overall performance with a balance of financial results and managerial performance. The Board of Directors, on the recommendation of the Compensation Committee, defines both sets of criteria (financial and non-financial) each year to form the basis for the calculation of variable compensation to be awarded to the Group's Executive Corporate Officers.

The variable part is expressed as a percentage of annual fixed compensation. In accordance with the AFEP/MEDEF Code (paragraph 24.3.2), variable compensation is capped and may not exceed the maximum levels set out in the compensation policy. It can vary from 0 to 100% (target level) of fixed compensation for the Chief Executive Officer, if all the financial and non-financial objectives are attained and up to a maximum of 120% of fixed compensation for exceptional performance (maximum level).

For the Deputy Chief Executive Officer, variable compensation can vary from 0 to 80% (target level) of fixed compensation if all financial and non-financial objectives are attained and up to a maximum of 120% (maximum level) of fixed compensation for an exceptional performance.

Each year, the Board of Directors, on the recommendation of the Compensation Committee, decides the amount of variable compensation due for the current financial year for each of its Executive Corporate Officers. The criteria for 2016 set out by the Board of Directors' Meeting on 16 February 2016 are:

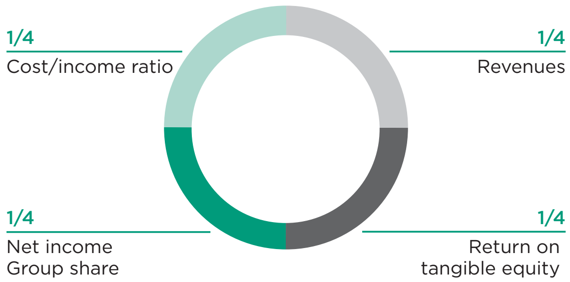
FINANCIAL CRITERIA, ACCOUNTING FOR 50% OF VARIABLE COMPENSATION

These take account of financial results and levels of investment and risk generated, cost of capital and liquidity in accordance with regulatory requirements in the French Monetary and Financial Code and Decree of 3 November 2014 on internal control, and in accordance with the development strategy set for the Group and its business lines.

The financial criteria for the Chief Executive Officer and the Deputy Chief Executive Officer apply within the scope of Crédit Agricole S.A.:

- revenues;
- net income Group share;
- cost/income ratio
- return on tangible equity (RoTE).

These criteria are weighted equally and account for one-quarter of the financial portion, i.e. one eighth of annual variable compensation.



NON-FINANCIAL CRITERIA, ACCOUNTING FOR 50% OF VARIABLE COMPENSATION

Non-economic criteria are reviewed every year, in accordance with the Group's strategic priorities. They are based on four groups of objectives for a total share of non-financial objectives accounting for 50% of total variable compensation:

- the market perception and implementation of the Crédit Agricole Group's Medium-Term Plan "Strategic Ambition 2020";
- the cost savings and improved operational efficiency set out in the Group's "Strategic Ambition 2020" Plan;
- risk management within the risk appetite framework;
- the collective momentum of the Crédit Agricole Group.

These criteria are weighted equally and account for one-quarter of the non-financial portion, i.e. one-eighth of annual variable compensation.

The performance of the Chief Executive Officer and Deputy Chief Executive Officer is evaluated for each indicator, by comparing results achieved with the annual targets defined by the Board. Their performance is assessed based on results. The Deputy Chief Executive Officer's performance assessment is presented to the Compensation Committee by the Chief Executive Officer, before being presented to the Board for decision.

Terms and conditions for payment of annual variable compensation

Following the assessment of achievement of annual targets as described above, a portion of the annual variable compensation awarded by the Board of Directors for a financial year is deferred, in the interests of aligning the compensation of Executive Corporate Officers with the Group's long-term performance and to comply with regulations.

DEFERRED PORTION OF ANNUAL VARIABLE COMPENSATION, ACCOUNTING FOR 60% OF THE TOTAL

60% of annual variable compensation is awarded in instruments linked to the Crédit Agricole S.A. share price and is conditional upon the attainment of three performance targets:

- the intrinsic financial performance of Crédit Agricole S.A. defined as growth in Crédit Agricole S.A. operating increased by the equity accounted Group share of net income.;
- the relative performance of the Crédit Agricole S.A. share price compared with a composite index of European banks (Euro Stoxx Banks);
- the societal performance of Crédit Agricole S.A., measured by the FReD index; the growth of this index is measured on the basis of progress achieved by CSR projects (as certified by PWC).

Each of these criteria accounts for one-third of the overall performance assessment. For each criterion:

- a maximum achievement rate of 120% is applied with a target of 100% (defined by the Board of Directors).
- a trigger threshold equivalent to an achievement rate of 80% is applied; below this threshold, the achievement rate will be considered as zero.

For each year, the overall performance is equal to the average achievement rate for each criterion, which is capped at 100%.

Performance between the trigger threshold and target and between the target and maximum is calculated on a straight-line basis.

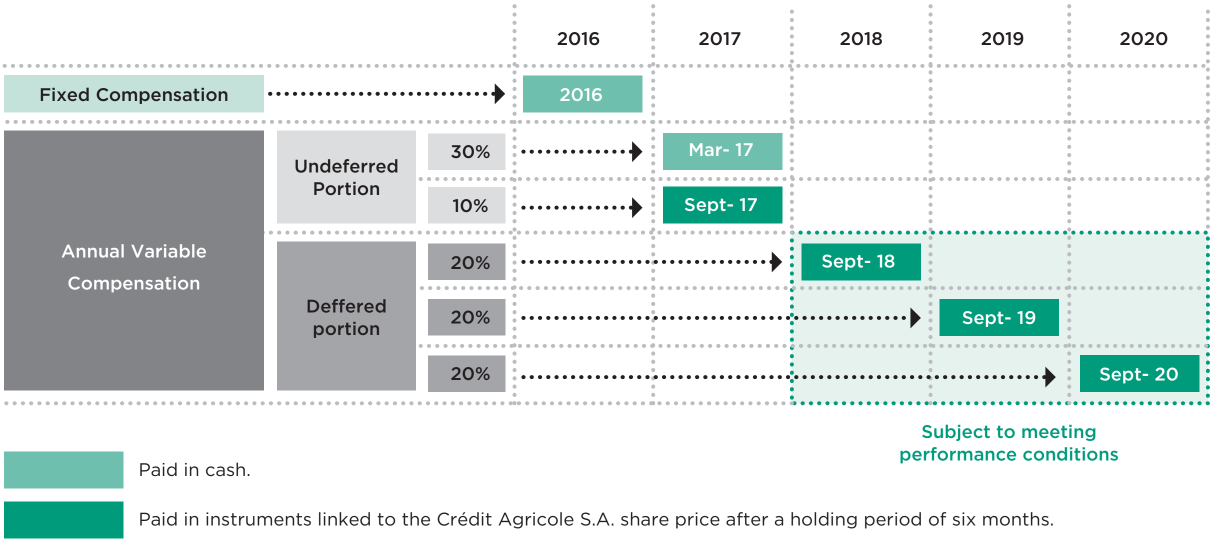
If an Executive Corporate Officer leaves the Group before the expiration of the period for the assessment of the performance criteria for deferred compensation, the benefit of the deferred compensation is excluded, unless in the case of retirement or exceptional circumstances, the grounds for which must be substantiated by the Board. In such cases, not yet accrued tranches of deferred variable compensation will be delivered at their normal maturity date depending on how far the performance targets have been met.

NON-DEFERRED PORTION OF ANNUAL VARIABLE COMPENSATION, ACCOUNTING FOR 40% OF THE TOTAL

The non-deferred portion of total variable compensation is paid in part upon allocation in March (30% of the total), and in part six months later (10% of the total). The latter payment is indexed against the change in the Crédit Agricole S.A. share price between March and September.

The definitions of the underlined words can be found in the Glossary on page 542.

OVERVIEW OF CHANGES TO THE COMPENSATION STRUCTURE



6.3.4. Stock options – performance shares

No Crédit Agricole S.A. stock options have been allocated to Executive Corporate Officers since 2006.

No performance shares were awarded to Executive Corporate Officers in 2016.

6.3.5. Post-employment benefits

Retirement

The Chief Executive Officer and Deputy Chief Executive Officer do not benefit from retirement plans specific to Corporate Officers.

Philippe Brassac, as Chief Executive Officer, and Xavier Musca, as Deputy Chief Executive Officer and second executive Director, benefit from the Group supplementary pension scheme for Senior Executives of the Crédit Agricole Group. Crédit Agricole S.A. joined the scheme in January 2010 when it introduced its pension regulations, approved by collective bargaining agreement under Article L. 911-1 of the French Social Security Code.

The benefit represented by this supplementary pension scheme was taken into account by the Board of Directors in determining the overall compensation of Executive Corporate Officers. This benefit was approved by the General Meeting of Shareholders under the procedure governing related-party agreements.

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

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

In any event, on liquidation, the total retirement annuity is capped, for all company retirement plans and mandatory basic and complementary plans, by contractual provisions, at 16 times the annual social security cap for the Chief Executive Officer and the Deputy Chief Executive Officer, and at 70% of the reference compensation in application of the supplementary retirement regulations for Crédit Agricole S.A. Senior Executives.

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

The reference compensation is determined as the average of the three highest gross annual compensations received over the last ten years of activity within the Crédit Agricole Group, including fixed and variable compensation, the latter being taken into account with a maximum of 60% of fixed compensation.

The supplementary defined-benefit pension scheme in effect for Executive Corporate Officers complies with the recommendations set out in section 24.6.2 of the AFEP/MEDEF Code, the provisions of law no. 2015-990 of 6 August 2015 on growth, activity and equal economic opportunities, and notably Article L. 225-42-1 of the French Commercial Code on the vesting of annual contingent rights for supplementary defined-benefit pensions:

- the group of potential beneficiaries is substantially broader than Executive Corporate Officers alone;
- minimum length of service: five years (the AFEP/MEDEF Code requires only two years' service);
- progression: proportional to the length of service capped at 120 quarters (30 years), with a vesting rate of between 0.125% and 0.30% per quarter validated, i.e., between 0.5% and 1.2% per annum (*vs.* 3% maximum required);

- estimated supplementary pension below the mentioned ceiling of 45% of fixed and variable compensation due in respect of the reference period;
- obligation for the beneficiary to be a Corporate Officer or an employee when exercising their pension entitlements.

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

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

Termination compensation

CHIEF EXECUTIVE OFFICER

In the event of termination of a Chief Executive Officer's mandate, his employment contract will be reinstated under compensation conditions equivalent to the average annual compensation paid to the members of the Executive Committee of Crédit Agricole S.A., excluding Executive Corporate Officers, during the 12 months preceding the date of termination of their mandate.

The Chief Executive Officer will receive a severance payment if his mandate is terminated by Crédit Agricole S.A., under the following conditions and in accordance with the current version of the AFEP/MEDEF Code.

If, on termination of the Chief Executive Officer's mandate, Crédit Agricole S.A. is unable, within three months, to offer an equivalent or comparable position to that currently held by the members of the Executive Committee of Crédit Agricole S.A. in the form of an offer for at least two positions, he will be eligible, if termination of the mandate was initiated by Crédit Agricole S.A. and a result of a change in control or strategy, to a severance payment as follows.

The severance payment will be calculated based on twice the total gross annual compensation received for the calendar year preceding the year of termination of Mr. Brassac's mandate. Note that the severance payment includes all other compensation including, notably, traditional redundancy pay due for Mr. Brassac's employment contract with Crédit Agricole S.A., the severance pay described in Article 10 of his suspended employment contract, any other severance pay of any type whatsoever due for any reason and, potentially, payments in application of the non-competition clause.

The payment of this compensation, excluding the compensation granted to him by his work contract, will be depend on performance criteria set for each business line of the Crédit Agricole S.A. Group over the two financial years preceding the termination date. The goals are based on the following indicators that take into account the internal growth of these activities as well as the cost of risk:

- revenues of operational business lines (excluding Corporate Centre);
- operating income from operational business lines (excluding Corporate Centre).

In any event, it is agreed by Mr Brassac and the Company that, in the event that a severance payment is made and he is able to retire on his full pension, he may not claim his retirement rights before a period of 12 months as of the date the severance payment is made. Otherwise, Mr Brassac will be required to waive the severance payment.

DEPUTY CHIEF EXECUTIVE OFFICER

In the event of termination of a Deputy Chief Executive Officer's mandate, their employment contract will be reinstated under compensation conditions equivalent to the average annual compensation paid to the members of the Executive Committee of Crédit Agricole S.A., excluding Executive Corporate Officers, during the 12 months preceding the date of termination of their mandate. The Company undertakes to offer them at least two positions corresponding to the duties of members of Crédit Agricole S.A.'s Management Committee.

In the event their employment contract is subsequently terminated, a Deputy Chief Executive Officer will receive a severance payment, calculated on a base corresponding to twice the annual gross compensation (excluding benefits in kind) received during the 12 months preceding the termination of their contract, including any other compensation and, in particular, traditional redundancy pay and any applicable non-competition payment. If he becomes eligible for post-employment benefits, no compensation will be paid.

In accordance with the AFEP/MEDEF Code (paragraph 24.5.1), the Chief Executive Officer and the Deputy Chief Executive Officer are not entitled to a specific increase in their compensation during the period preceding their departure.

Non-competition clause

The Chief Executive Officer and the Deputy Chief Executive Officer are subject to a non-competition clause forbidding them from accepting employment in France in a company with an activity which competes with that of Crédit Agricole S.A. This commitment is valid for one year from the termination of the employment contract. In exchange, they will be paid monthly compensation equal to 50% of their last fixed salary for the duration of the obligation.

In accordance with the AFEP/MEDEF Code (paragraph 24.5.1), the aggregate compensation paid for contract termination and a non-competition -clause may not exceed two years of annual compensation.

The Board of Directors reserves the right to partially or fully lift the non-competition obligation on the departure of the Chief Executive Officer or Deputy Chief Executive Officer.

Retirement allowances for the Deputy Chief Executive Officer of Crédit Agricole S.A.

Mr Xavier Musca qualifies for the retirement allowance scheme that applies to all employees under the terms of the Crédit Agricole S.A. collective agreement. This can amount to six months' fixed salary plus variable compensation capped at 4.5% of the fixed salary.

6.3.6. Other Executive Corporate Officer benefits

Mr Philippe Brassac has the use of company housing.

No other benefits are paid to Executive Corporate Officers.

Implementation of the AFEP/MEDEF recommendations

In accordance with the AFEP/MEDEF Code (paragraph 27.1), the points of non-compliance of Crédit Agricole S.A.'s application of the recommendations of the Code are set out on page 111.

The definitions of the underlined words can be found in the Glossary on page 542.

6.3.7. Individual compensation of Executive Corporate Officers

Dominique Lefebvre, Chairman of the Board of Directors

TABLE 1 – COMPENSATION, SHARES AND STOCK OPTIONS AWARDED TO EXECUTIVE CORPORATE OFFICERS OF CRÉDIT AGRICOLE S.A.

Gross amounts *(in euros)*	**2015**	**2016**
Compensation awarded in respect of the financial year(1)	88,873	560,000
Value of options awarded during the year(2)	-	-
Value of performance shares awarded during the year(2)	-	-

(1) The compensation shown in this table represents amounts awarded in respect of the year indicated. The itemised tables below show compensation awarded in respect of a given year and compensation received during that year.

(2) No Crédit Agricole S.A. stock options were awarded to Corporate Officers in 2016. No performance share plan was instituted at Crédit Agricole S.A.

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TABLE 2 – SUMMARY OF GROSS COMPENSATION

	2015		**2016**	
(in euros)	Amount awarded in respect of 2015	Amount paid in 2015	Amount awarded in respect of 2016	Amount paid in 2016
Fixed compensation	82,540	82,540	520,000	520,000
Non-deferred variable compensation paid in cash	-	-	-	-
Non-deferred variable compensation indexed to the Crédit Agricole S.A. share price	-	-	-	-
Deffered and conditional variable compensation	-	-	-	-
Exceptional compensation	-	-	-	-
Directors' fees(1)	-	-	-	-
Benefits in kind	6,333	6,333	40,000	40,000
TOTAL	**88,873**	**88,873**	**560,000**	**560,000**

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

Mr Dominique Lefebvre was appointed Chairman of the Board of Directors as of the end of the Board of Directors Meeting of 4 November 2015.

Mr Dominique Lefebvre receives annual fixed compensation of €520,000. This compensation was set by the Board of Directors on 4 November 2015. In 2016, he received € 520,000.

Mr Dominique Lefebvre does not receive any variable compensation. No exceptional compensation was awarded to him in respect of 2016.

Mr Dominique Lefebvre waived receipt of Directors' fees paid in respect of offices held in Crédit Agricole Group companies for the duration of his term of office or at the end of his term.

Finally, Mr Dominique Lefebvre receives a payment in lieu of company housing, as set out under Benefits in kind in the table above.

Philippe Brassac, Chief Executive Officer

TABLE 1 – COMPENSATION, SHARES AND STOCK OPTIONS AWARDED TO EXECUTIVE CORPORATE OFFICERS OF CRÉDIT AGRICOLE S.A.

Gross amounts *(in euros)*	2015	2016
Compensation awarded in respect of the financial year[(1)]	1,172,072	1,964,258
Value of options awarded during the year[(2)]	-	-
Value of performance shares awarded during the year[(2)]	-	-

(1) The compensation shown in this table represents amounts awarded in respect of the year indicated. The itemised tables below show compensation awarded in respect of a given year and compensation received during that year.

(2) No Crédit Agricole S.A. stock options were awarded to Corporate Officers in 2016. No performance share plan was instituted at Crédit Agricole S.A.

TABLE 2 – SUMMARY OF GROSS COMPENSATION

	2015		2016	
(in euros)	Amount awarded in respect of 2015	Amount paid in 2015	Amount awarded in respect of 2016	Amount paid in 2016
Fixed compensation	554,032	554,032	900,000	900,000
Non-deferred variable compensation paid in cash	174,000	-	295,620	174,000
Non-deferred variable compensation indexed to the Crédit Agricole S.A. share price	58,000	-	98,540	49,880
Deffered and conditional variable compensation	348,000	-	591,240	-
Exceptional compensation	-	-	-	-
Directors' fees[(1)]	-	-	-	-
Benefits in kind	38,040	38,040	78,858	78,858
TOTAL	**1,172,072**	**592,072**	**1,964,258**	**1,202,738**

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

TABLE 2A – DETAILS OF DEFERRED VARIABLE COMPENSATION

		2014		2015		2016	
	Total amount awarded[(1)]	Amount awarded[(1)]	Amount vested[(2)]	Amount awarded[(1)]	Amount vested[(3)]	Amount awarded[(1)]	Amount vested[(4)]
Plan awarded in 2013	-	-	-	-	-	-	-
Plan awarded in 2014	-	-	-	-	-	-	-
Plan awarded in 2015	-	-	-	-	-	-	-

(1) The share value at the grant date is €7.18 for the 2013 plan, €11.37 for the 2014 plan and €12.86 for the 2015 plan.

(2) The share value at the payment date is €11.39 for the 2013 plan.

(3) The share value at the payment date is €12.95 for the 2013 and 2014 plans.

(4) The share value at the payment date is €8.28 for the 2013, 2014 at 2015 plans.

Philippe Brassac has been Chief Executive Officer since 20 May 2015.

FIXED COMPENSATION

Mr Philippe Brassac receives annual fixed compensation of €900,000. This compensation was set by the Board of Directors on 19 May 2015 and has not been reviewed since. The 2015 fixed compensation reflects the fact that Mr. Philippe Brassac took office on 20 May 2015.

VARIABLE COMPENSATION

Variable compensation awarded in 2017 in respect of 2016

At its meeting of 14 February 2017, the Board of Directors, upon the recommendation of the Compensation Committee, set the amount of the variable compensation for Philippe Brassac in respect of 2016.

In view of the achievement of financial and non-financial criteria defined by the Board at its meeting of 16 February 2016, the amount of variable compensation has been determined on the following basis:

- the financial criteria were 106.5% achieved, reflecting the sound management of expenses and cost of risk for all businesses and the reinforcement of the Group's financial structure, compensating for lower revenues affected by less favourable market conditions;

The definitions of the underlined words can be found in the Glossary on page 542.

- the Board has calculated that the non-financial criteria defined at the start of the year were 112.5% achieved. This is in view of the favourable reception given to the Medium-Term Plan "Strategic Ambition 2020" overseen by the Chief Executive Officer, the implementation of action plans defined as part of the customer project, the Group's digital transformation, and the fulfilment of intragroup synergy objectives giving the Group real momentum. Transformation projects to improve the Group's industrial efficiency were also launched in 2016. Lastly, the Group's strength and resilience were further increased thanks to the improved capital position, reflected in the level of Pillar 2 capital required by the ECB, but also through reinforced organisation and management of the Group's control functions.

Based on the weighting described above, Philippe Brassac earned €985,400 in variable compensation in respect of 2016, reflecting a target achievement ratio of 109.5%. This was equivalent to 109.5% of his fixed reference compensation.

This compensation breaks down as follows:

- €295,620, i.e. 30% of variable compensation, paid in March 2017;
- €98,540, i.e. 10% of variable compensation, indexed to the Crédit Agricole S.A. share price and to be paid in September 2017;
- €591,240, at the grant date, representing 60% of variable compensation, awarded in instruments linked to the Crédit Agricole S.A. share price, which vest progressively over a deferred period of three years, conditional upon the attainment of three performance targets:
  - the intrinsic financial performance of Crédit Agricole S.A. defined as growth in the operating income of Crédit Agricole S.A. increased by the Group share of equity-accounted net income,
  - the relative performance of Crédit Agricole S.A. shares compared to a composite index of European banks,
  - the societal performance of Crédit Agricole S.A. as measured by the FReD index.

Deferred variable compensation vested in 2016 (table 2A above)

Mr Philippe Brassac receives no deferred variable compensation under prior plans.

EXCEPTIONAL COMPENSATION

No exceptional compensation was awarded or paid in respect of the 2016 financial year.

DIRECTORS' FEES

Mr Philippe Brassac has waived the Directors' fees for his directorships in Crédit Agricole S.A. group companies for the whole of his term of office.

SEVERANCE PAYMENT

No severance benefit was paid to Mr Philippe Brassac during the financial year.

Mr Philippe Brassac will receive a severance payment if Crédit Agricole S.A. terminates his contract under the conditions approved by the Board at its meeting on 19 May 2015 and ratified by the General Meeting of Shareholders on 19 May 2016. In the event of termination of his position as Chief Executive Officer, on whatever grounds, he may be bound by a non-competition clause for a period of one year from the date of termination, as approved by the Board at its meeting on 19 May 2015 and ratified by the General Meeting of Shareholders on 19 May 2016.

SUPPLEMENTARY PENSION SCHEME

No supplementary pension amount is payable to Mr Philippe Brassac in respect of the 2016 financial year.

As a Corporate Officer of Crédit Agricole S.A., Mr Philippe Brassac continues to be a member of the supplementary pension schemes in place for the Group's Senior Executives, in addition to the collective and mandatory pension and death & disability schemes.

The additional annuity procured by these plans will be reduced, where appropriate, so that the annual aggregate annuity taken together with the annuities of all Group defined-contribution schemes and other mandatory schemes does not exceed 16 times the annual Social Security cap as of the date of liquidation.

The Board of Directors Meeting on 19 May 2015 approved Mr Philippe Brassac's membership of Crédit Agricole S.A. group's supplementary pension schemes prior to the date of publication of French law no. 2015-990 dated 6 August 2015 for growth, activity and equal economic opportunities; therefore the provisions of Article L. 225-42-1 of the French Commercial Code (*Code de commerce*), which makes the acquisition of annual supplementary pension entitlements subject to performance conditions, do not apply.

In accordance with the provisions of Article L. 225-102-1 of the French Commercial Code as amended in the framework of law no. 2015-990 dated 6 August 2015 for growth, activity and equal economic opportunities, Mr Philippe Brassac's annual and conditional individual supplementary pension entitlements as at 31 December 2016 break down as:

- a life annuity under a defined-contribution supplementary pension scheme, for an estimated gross amount of €3,000;
- a life annuity under a defined-benefit supplementary pension scheme, for an estimated gross amount of €512,000.

The estimated total of these supplementary pension entitlements, taken together with estimated pensions from mandatory retirement schemes, corresponds to the application of the contractual cap of 16 times the annual social security cap as of the closing date, for all schemes.

The uncertain entitlements under the defined-benefit supplementary pension scheme are subject to continued employment at retirement and are estimated on the basis of 34 years' service recorded on the closing date, corresponding to 35% of the reference compensation at 31 December 2016, or a zero increase in contingent rights compared with 2015.

On that basis, the provisions have been met of Article L. 225-42-1 of the French Commercial Code, as amended under law no. 2015-990 of 6 August 2015 for growth, activity and equal economic opportunities, limiting the annual increase in contingent rights to 3%.

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

BENEFITS IN KIND

Mr Philippe Brassac has the use of company housing. This benefit is being transferred to benefits in kind in accordance with current regulations.

The definitions of the underlined words can be found in the Glossary on page 542.

Xavier Musca, Deputy Chief Executive Officer

TABLE 1 – COMPENSATION, SHARES AND STOCK OPTIONS AWARDED TO EXECUTIVE CORPORATE OFFICERS OF CRÉDIT AGRICOLE S.A.

Gross amounts *(in euros)*	2015	2016
Compensation awarded in respect of the financial year[(1)]	1,235,409	1,292,100
Value of options awarded during the year[(2)]	-	-
Value of performance shares awarded during the year[(2)]	-	-

(1) The compensation shown in this table represents amounts awarded in respect of the year indicated. The itemised tables below show compensation awarded in respect of a given year and compensation received during that year.

(2) No Crédit Agricole S.A. stock options were awarded to Corporate Officers in 2016. No performance share plan was instituted at Crédit Agricole S.A.

TABLE 2 – SUMMARY OF GROSS COMPENSATION

	2015		2016	
(in euros)	Amount awarded in respect of 2015	Amount paid in 2015	Amount awarded in respect of 2016	Amount paid in 2016
Fixed compensation	623,118	623,118	700,000	700,000
Non-deferred variable compensation paid in cash	156,300	122,400	177,630	156,300
Non-deferred variable compensation indexed to the Crédit Agricole S.A. share price	52,100	39,576	59,210	44,806
Deffered and conditional variable compensation	312,600	151,580	355,260	149,196
Exceptional compensation	-	-	-	-
Directors' fees[(1)]	91,291	91,291	-	-
Benefits in kind	-	-	-	-
TOTAL	**1,235,409**	**1,027,965**	**1,292,100**	**1,050,302**

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

TABLE 2A – DETAILS OF DEFERRED VARIABLE COMPENSATION

		2014		2015		2016	
	Total amount awarded[(1)]	Amount awarded[(1)]	Amount vested[(2)]	Amount awarded[(1)]	Amount vested[(3)]	Amount awarded[(1)]	Amount vested[(4)]
Plan awarded in 2013	81,603	27,206	27,206	27,206	27,206	27,191	27,191
Plan awarded in 2014	270,004	-	-	90,005	90,005	90,005	90,005
Plan awarded in 2015	244,804	-	-	-	-	81,597	81,597

(1) The share value at the grant date is €7.18 for the 2013 plan, €11.37 for the 2014 plan and €12.86 for the 2015 plan.

(2) The share value at the payment date is €11.39 for the 2013 plan.

(3) The share value at the payment date is €12.95 for the 2013 and 2014 plans.

(4) The share value at the payment date is €8.28 for the 2013, 2014 at 2015 plans.

Mr Xavier Musca has served as Deputy Chief Executive Officer since 19 July 2012 and as Deputy CEO second executive Director since 20 May 2015.

FIXED COMPENSATION

Mr Xavier Musca received annual fixed compensation of €700,000 in 2016. On 20 May 2015, Mr Xavier Musca became the second executive Director of Crédit Agricole S.A. At its meeting on 19 May 2015, the Board of Directors therefore increased his fixed compensation to €700,000. It has not been reviewed since.

VARIABLE COMPENSATION

Variable compensation awarded in 2017 in respect of 2016

At its meeting of 14 February 2017, the Board of Directors, upon the recommendation of the Compensation Committee, set the amount of the variable compensation of Mr Xavier Musca in respect of 2016.

In view of the achievement of financial and non-financial criteria defined by the Board at its meeting of 16 February 2016, the amount of variable compensation has been determined on the following basis:

- the financial criteria were 106.5% achieved, reflecting the sound management of expenses and cost of risk for all businesses and the reinforcement of the Group's financial structure, compensating for lower revenues affected by less favourable market conditions;
- the Board has calculated that the non-financial criteria defined at the start of the year were 105% achieved. This is in view of the favourable reception given to the Medium-Term Plan "Strategic Ambition 2020", and the transformation projects launched in 2016 to improve the Group's industrial efficiency. Lastly, the Group's strength and resilience were further increased due to the improved capital position, reflected in the level of Pillar 2 capital required by the ECB, but also through reinforced organisation and management of the Group's control functions.

Variable compensation earned by Mr Xavier Musca in respect of 2016 was set at €592,100, reflecting a target achievement rate of 105.7%. This is equivalent to 84.6% of his fixed reference compensation.

This compensation breaks down as follows:

- €177,630, i.e. 30% of variable compensation, paid in March 2017;
- €59,210, i.e. 10% of variable compensation, indexed to the Crédit Agricole S.A. share price and to be paid in September 2017;
- €355,260, at the grant date, representing 60% of variable compensation, awarded in instruments linked to the Crédit Agricole S.A. share, which vest progressively over a deferred period of three years, conditional upon the attainment of three performance targets:
  - the intrinsic financial performance of Crédit Agricole S.A. defined as growth in the operating income of Crédit Agricole S.A. increased by the Group share of equity-accounted net income,
  - the relative performance of Crédit Agricole S.A. shares compared to a composite index of European banks,
  - the societal performance of Crédit Agricole S.A. measured by the FReD index.

Deferred variable compensation vested in 2016 (table 2A above)

Mr Xavier Musca received €198,793 in deferred variable compensation for previous years. At the payment date this was equivalent to €149,196 after indexation to the Crédit Agricole S.A. share price. This amount represents:

- the first year of payment of deferred variable compensation awarded in 2015 in respect of 2014, tranche for which €81,597 were awarded, with a share price on the grant date of €12.86;
- the second year of payment of deferred variable compensation awarded in 2014 in respect of 2013, tranche for which €90,005 were awarded, at a share price on the grant date of €11.37;
- the third year of payment of deferred variable compensation awarded in 2013 in respect of 2012, tranche for which €27,191 were awarded, at a share price on the grant date of €7.18.

Vesting is conditional upon the attainment of three performance targets:

- the intrinsic financial performance of Crédit Agricole S.A. defined as growth of the operating income of Crédit Agricole S.A. increased by the Group share of equity-accounted net income;
- the relative performance of the Crédit Agricole S.A. share compared to a composite index of European banks;
- the societal performance of Crédit Agricole S.A. measured by the FReD index.

In view of the performance recorded in respect of the three criteria, the final percentage vested is 100% for the variable compensation awarded in respect of 2013, 2014 and 2015.

EXCEPTIONAL COMPENSATION

No exceptional compensation was awarded or paid in respect of the 2016 financial year.

DIRECTORS' FEES

Mr Xavier Musca has waived the Directors' fees for his directorships in Crédit Agricole S.A. Group companies for the whole of his term of office.

SEVERANCE PAYMENT

Mr Xavier Musca is guaranteed that his employment contract will be reinstated with compensation conditions equivalent to those that apply to the members of the Management Committee (excluding Corporate Officers) and he will be offered two positions at Management Committee level. This benefit will be submitted to the General Meeting of Shareholders under the procedure governing related-party agreements.

Mr Xavier Musca will be paid compensation in the event that his employment contract is terminated by Crédit Agricole S.A. This benefit will be submitted to the General Meeting of Shareholders under the procedure governing related-party agreements.

In the event of the termination of his position as Deputy Chief Executive Officer on whatever grounds, Mr Xavier Musca may be bound by a non-competition clause for a period of one year from the date of termination of the office. This benefit will be submitted to the General Meeting of Shareholders under the procedure governing related-party agreements.

SUPPLEMENTARY PENSION SCHEME

No supplementary pension amount is payable to Mr Xavier Musca in respect of the 2016 financial year.

Mr Xavier Musca is a beneficiary of the supplementary pension scheme for Senior Executives of Crédit Agricole Group, which supplements the collective and mandatory pension and death & disability schemes.

The Board of Directors Meeting on 19 May 2015 approved Mr Xavier Musca's membership of Crédit Agricole S.A. group's supplementary pension schemes prior to the date of publication of French law no. 2015-990 dated 6 August 2015 for growth, activity and equal economic opportunities; therefore the provisions of Article L. 225-42-1 of the French Commercial Code (*Code de commerce*), which makes the acquisition of annual supplementary pension entitlements subject to performance conditions, do not apply.

In accordance with the provisions of Article L. 225-102-1 of the French Commercial Code as amended, in the framework of law no. 2015-990 dated 6 August 2015 for growth, activity and equal economic opportunities, Mr Xavier Musca's annual and conditional individual supplementary pension entitlements estimated as at 31 December 2016 break down as:

- a life annuity under a defined-contribution supplementary pension scheme, for an estimated gross amount of €2,000;
- a life annuity under a defined-benefit supplementary pension scheme, for an estimated gross amount of €52,000.

The uncertain entitlements under the defined-benefit supplementary pension scheme are subject to continued employment at retirement and are estimated on the basis of 4.5 years' service recorded on the closing date, corresponding to 5.3% of the reference compensation at 31 December 2016, or a 1.2% increase in contingent rights compared with 2015.

On that basis, the provisions have been met of Article L. 225-42-1 of the French Commercial Code, as amended under law no. 2015-990 of 6 August 2015 for growth, activity and equal economic opportunities, limiting the annual increase in contingent rights to 3%.

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

TABLE 3 – DIRECTORS' FEES RECEIVED BY CRÉDIT AGRICOLE S.A. DIRECTORS

See p. 110.

TABLE 4 – STOCK OPTIONS GRANTED TO EXECUTIVE CORPORATE OFFICERS IN 2016 BY CRÉDIT AGRICOLE S.A. AND OTHER GROUP COMPANIES

No stock options were awarded to Executive Corporate Officers in 2016.

TABLE 5 – STOCK OPTIONS EXERCISED BY EXECUTIVE CORPORATE OFFICERS IN 2016

No Crédit Agricole S.A. stock options were exercised by Executive Corporate Officers in 2016.

TABLE 6 – PERFORMANCE SHARES AWARDED TO EXECUTIVE CORPORATE OFFICERS IN 2016

No performance share plan was instituted at Crédit Agricole S.A.

TABLE 7 – PERFORMANCE SHARES MADE AVAILABLE IN 2016 FOR EXECUTIVE CORPORATE OFFICERS

Not applicable. No performance share plan was instituted at Crédit Agricole S.A.

TABLE 8 – HISTORY OF AND ALLOCATIONS OF STOCK OPTIONS

Not applicable.

TABLE 9 – HISTORY OF PERFORMANCE SHARE AWARDS

Not applicable.

TABLE 10 – SUMMARY OF MULTI-ANNUAL VARIABLE COMPENSATION OF EACH EXECUTIVE CORPORATE OFFICER

Not applicable.

TABLE 11 – EMPLOYMENT CONTRACT/SUPPLEMENTARY PENSION SCHEME/SEVERANCE PAYMENT/NON-COMPETITION CLAUSE

Executive Corporate Officers	Employment contract[1]		Supplementary pension		Indemnities and benefits due or likely to be due upon termination or change in office		Indemnity under a non-competition-clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Dominique Lefebvre Chairman Term of office commenced: 04/11/2015		X		X		X		X
Philippe Brassac Chief Executive Officer Term of office commenced: 20/05/2015	X		X		X		X	
Xavier Musca Deputy Chief Executive Officer Term of office commenced: 19/07/2012	X		X		X		X	

(1) The AFEP/MEDEF recommendation against holding a corporate office while being covered by an employment contract applies to the Chairman of the Board of Directors, the Chairman and Chief Executive Officer and the Chief Executive Officer. The employment contract of Xavier Musca, Deputy Chief Executive Officer, was, however, suspended by amendment. It will take effect once more at the end of his corporate office, at the updated compensation and function conditions which prevailed prior to his term of office.

The definitions of the underlined words can be found in the Glossary on page 542.

6.3.8. Items of compensation due or awarded in respect of the 2016 financial year to each Executive Corporate Officer of the Company, to be voted on by shareholders

In accordance with the recommendations of the AFEP/MEDEF Code, which is Crédit Agricole S.A.'s reference Corporate Governance Code, pursuant to Article L. 225-37 of the French Commercial Code, the November 2016 Guide to the application of the AFEP/MEDEF Code, the provisions of law 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 relative to entitlement to conditional annual supplementary defined-benefit pension rights, the following items of compensation due or awarded to each Executive Corporate Officer of Crédit Agricole S.A. for the year ended must be submitted to the shareholders for a vote:

- the fixed portion;
- the annual variable portion and, where necessary, the multi-annual variable part, together with the targets that contribute to the determination of this variable portion;
- exceptional compensation;
- stock options, performance shares and any other long-term compensation;
- benefits linked to taking up or terminating office;
- the increase in conditional annual supplementary defined-benefit pension rights mentioned in Article L. 137-11 of the French Social Security Code (*Code de la Sécurité Sociale*) granted to Corporate Officers of Crédit Agricole S.A;
- benefits in kind.

The General Meeting of Shareholders of 24 May 2017 will be asked to give its opinion on the items of compensation due or awarded to each Executive Corporate Officer of Crédit Agricole S.A. in respect of 2016:

- Mr Dominique Lefebvre;
- Mr Philippe Brassac;
- Mr Xavier Musca.

Accordingly, the General Meeting of Shareholders will be asked for its opinion on the following items of compensation due or awarded in respect of the financial year just ended to Mr Dominique Lefebvre, Chairman of the Board of Directors, Mr Philippe Brassac, Chief Executive Officer, and Mr Xavier Musca, Deputy Chief Executive Officer.

ITEMS OF COMPENSATION DUE OR AWARDED IN RESPECT OF 2016 TO MR DOMINIQUE LEFEBVRE, CHAIRMAN OF THE BOARD OF DIRECTORS, TO BE VOTED ON BY SHAREHOLDERS

▶ Items of compensation due or awarded in respect of the year ended to be voted on by shareholders

	Amounts	Presentation
Fixed compensation	€ 520,000	Mr Dominique Lefebvre receives annual fixed compensation of €520,000. This compensation was set by the Board of Directors at its meeting on 4 November 2015 and has not changed since.
Non-deferred variable compensation	No payment in respect of 2016	Mr Dominique Lefebvre is not entitled to any variable compensation.
Variable compensation indexed to the Crédit Agricole S.A. share price	No payment in respect of 2016	Mr Dominique Lefebvre is not entitled to any variable compensation indexed to the Crédit Agricole S.A. share price.
Deffered aand conditional variable compensation	No payment in respect of 2016	Mr Dominique Lefebvre is not entitled to any deferred and conditional variable compensation.
Exceptional compensation	No payment in respect of 2016	Mr Dominique Lefebvre is not entitled to any exceptional compensation.
Stock options, performance shares or any other long-term compensation	No payment in respect of 2016	Mr Dominique Lefebvre is not eligible for stock options or performance shares or any other long-term compensation.
Directors' fees	No payment in respect of 2016	Mr Dominique Lefebvre waived receipt of Directors' fees paid in respect of offices held in Crédit Agricole Group companies for the duration of his term of office or at the end of his term.
Benefits in kind	€40,000	The benefits in kind paid consist in a payment in lieu of company housing.

▶ Items of compensation due or awarded in respect of the year ended, submitted to the opinion of shareholders and that were voted on by the General Meeting of Shareholders as part of the procedure governing related party agreements and commitments

	Amounts	Presentation
Termination compensation	No payment in respect of 2016	Mr Dominique Lefebvre is not entitled to any severance payment.
Non-competition compensation	No payment in respect of 2016	Mr Dominique Lefebvre is not entitled to any non-competition payment.
Supplementary pension	No payment in respect of 2016	Mr Dominique Lefebvre is not a beneficiary of the supplementary pension scheme in place within the Group.

ITEMS OF COMPENSATION DUE OR AWARDED IN RESPECT OF 2016 TO MR PHILIPPE BRASSAC, CHIEF EXECUTIVE OFFICER, TO BE VOTED ON BY SHAREHOLDERS

▶ Items of compensation due or awarded in respect of the year ended to be voted on by shareholders

	Amounts	Presentation
Fixed compensation	€900,000	Mr Philippe Brassac receives annual fixed compensation of €900,000. This compensation was set by the Board of Directors at its meeting on 19 May 2015, and has not changed since.
Non-deferred variable compensation	€ 295,260	At its meeting of 14 February 2017, the Board of Directors, on the recommendation of the Compensation Committee, set the amount of the variable compensation for Mr Philippe Brassac in respect of 2016. In view of the achievement of financial and non-financial criteria decided by the Board at its meeting of 16 February 2016, the amount of variable compensation has been determined on the following basis: ● the financial criteria were 106.5% achieved, reflecting the sound management of expenses and cost of risk for all businesses and the reinforcement of the Group's financial structure, compensating for lower revenues affected by the less favourable market conditions; ● the Board has calculated that the non-financial criteria defined at the start of the year were 112.5% achieved. This is in view of the favourable reception given to the Medium-Term Plan "Strategic Ambition 2020" overseen by the Chief Executive Officer, the implementation of action plans defined as part of the customer project, the Group's digital transformation, and the fulfilment of intragroup synergy objectives giving the Group real momentum. Transformation projects to improve the Group's industrial efficiency were also launched in 2016. Lastly, the Group's strength and resilience were further increased thanks to the improved capital position, reflected in the level of Pillar 2 capital required by the ECB, but also through reinforced organisation and management of the Group's control functions. Variable compensation earned by Mr Philippe Brassac in respect of 2016 was set at €985,400, *i.e.* 109.5% of his target variable compensation. 30% of the total compensation, i.e. €295,620 will be paid in March 2017.
Variable compensation indexed to the Crédit Agricole S.A. share price	€98,540	10% of the variable compensation is indexed to the Crédit Agricole S.A. share price and will be paid in September 2017.
Deffered and conditional variable compensation	€591,240	The deferred component of the variable compensation amounted to €591,240 at the grant date, representing 60% of the total variable compensation awarded in 2017 in respect of 2016. This compensation is awarded in instruments linked to Crédit Agricole S.A. shares, the vesting of which is progressively deferred over a period of three years and is conditional on the attainment of three performance targets: ● the intrinsic financial performance of Crédit Agricole S.A. defined as growth of the operating income of Crédit Agricole S.A. increased by the Group share of equity-accounted net income.; ● the relative performance of the Crédit Agricole S.A. share compared to a composite index of European banks; ● the societal performance of Crédit Agricole S.A. measured by the FReD index.
Exceptional compensation	No payment in respect of 2016	Mr Philippe Brassac has received no exceptional compensation in respect of 2016.
Stock options, performance shares or any other item of long-term compensation	No payment in respect of 2016	Mr Philippe Brassac was not awarded any stock options or performance shares or any other long-term compensation in respect of 2016.
Directors' fees	No payment in respect of 2016	Mr Philippe Brassac waived receipt of Directors' fees for the duration of his term of office as Director of Group companies.
Benefits in kind	€ 78,858	The benefits in kind paid consist of the provision of company housing.

▶ Items of compensation due or awarded in respect of the year ended, submitted to the opinion of shareholders and that were voted on by the General Meeting of Shareholders as part of the procedure governing related party agreements and commitments

	Amounts	Presentation
Termination compensation	No payment in respect of 2016	Mr Philippe Brassac will be paid compensation in the event that his office is terminated by Crédit Agricole S.A. In accordance with the procedure governing related-party agreements and commitments, this commitment was authorised by the Board on 19 May 2015 and approved by the General Meeting of Shareholders of 19 May 2016.
Non-competition compensation	No payment in respect of 2016	In the event of the termination of his position as Chief Executive Officer on whatever grounds, Mr Philippe Brassac may be bound by a non-competition clause for -a period of one year from the date of termination of the office. In accordance with the procedure governing related-party agreements and commitments, this commitment was authorised by the Board on 19 May 2015 and approved by the General Meeting of Shareholders of 19 May 2016.
Supplementary pension	No payment in respect of 2016	As a Corporate Officer of Crédit Agricole S.A., Mr Philippe Brassac continues to be a member of the supplementary pension schemes in place for the Group's Senior Executives, in addition to the collective and mandatory pension and death & disability schemes. These plans are a combination of a defined-contribution plan and supplementary defined-benefit plan. The rights under this plan are calculated after deducting the annuity earned under the defined-contribution plan. The additional annuity paid by these plans will be reduced, where appropriate, so that the annual aggregate annuity taken together with the annuities of all Group defined-contribution schemes and other mandatory schemes does not exceed 16 times the annual Social Security cap as of the date of liquidation.

The definitions of the underlined words can be found in the Glossary on page 542.

ITEMS OF COMPENSATION DUE OR AWARDED IN RESPECT OF 2016 TO XAVIER MR MUSCA, DEPUTY CHIEF EXECUTIVE OFFICER, TO BE VOTED ON BY SHAREHOLDERS

▶ Items of compensation due or awarded in respect of the year ended to be voted on by shareholders

	Amounts	Presentation
Fixed compensation	€700,000	On 20 May 2015, Mr Xavier Musca became the second executive Director of Crédit Agricole S.A. At its meeting on 19 May 2015, the Board of Directors therefore increased his fixed compensation to €700,000. It has not changed since.
Non-deferred variable compensation	€ 177,630 (amount granted)	At its meeting of 14 February 2017, the Board of Directors, on the recommendation of the Compensation Committee, set the amount of the variable compensation of Mr Xavier Musca in respect of his office in 2016. In view of the achievement of financial and non-financial criteria decided by the Board at its meeting of 16 February 2016, the amount of variable compensation has been determined on the following basis: ● The financial criteria were 106.5% achieved, reflecting the sound management of expenses and cost of risk for all businesses and the reinforcement of the Group's financial structure, compensating lower for revenues affected by less favourable market conditions; ● The Board has calculated that the non-financial criteria defined at the start of the year were 105% achieved. This is in view of the favourable reception given to the Medium-Term Plan "Strategic Ambition 2020", and the transformation projects launched in 2016 to improve the Group's industrial efficiency. Lastly, the Group's strength and resilience were further increased thanks to the improved capital position, reflected in the level of Pillar 2 capital required by the ECB, but also through reinforced organisation and management of the Group's control functions. Variable compensation earned by Mr Xavier Musca in respect of 2016 was set at €592,100, 105.7% of his target variable compensation. 30% of the total compensation, i.e. €177,630 will be paid in March 2017.
Variable compensation indexed to the Crédit Agricole S.A. share price	€59,210 (amount granted)	10% of the variable compensation is indexed to the Crédit Agricole S.A. share price and will be paid in September 2017.
Deffered and conditional variable compensation	€ 355,260 (amount granted)	The deferred component of the variable compensation amounted to €355,260, representing 60% of the total variable compensation awarded in 2017 in respect of 2016. This compensation is awarded in instruments linked to Crédit Agricole S.A. shares, the vesting of which is progressively deferred over a period of three years and is conditional on the attainment of three performance targets: ● the intrinsic financial performance of Crédit Agricole S.A. defined as growth of the operating income of Crédit Agricole S.A. increased by the Group share of equity-accounted net income.; ● the relative performance of the Crédit Agricole S.A. share compared to a composite index of European banks; ● the societal performance of Crédit Agricole S.A. measured by the FReD index.
Exceptional compensation	No payment in respect of 2016	Mr Xavier Musca received no exceptional compensation in respect of 2016.
Stock options, performance shares or any other item of long-term compensation	No payment in respect of 2016	Mr Xavier Musca was not awarded any stock options or performance shares or any other long-term compensation in respect of 2016.
Directors' fees	No payment in respect of 2016	Mr Xavier Musca waived receipt of directors' fees for the duration of his term of office as director of Group companies.
Benefits in kind	No benefits in kind	Mr Xavier Musca did not receive any benefits in kind.

▶ Items of compensation due or awarded in respect of the year ended, submitted to the opinion of shareholders and that were voted on by the General Meeting of Shareholders as part of the procedure governing related party agreements and commitments

	Amounts	Presentation
Termination compensation	No payment in respect of 2016	Mr Xavier Musca will be paid compensation in the event that his employment contract is terminated by Crédit Agricole S.A. This commitment was approved by the Board of Directors at its meeting on 19 May 2015, and ratified by the General Meeting of Shareholders on 19 May 2016.
Nom-competition compensation	No payment in respect of 2016	In the event of the termination of his position as Deputy Chief Executive Officer on whatever grounds, Mr Xavier Musca may be bound by a non-competition clause for a period of one year from the date of termination of the office. This commitment was approved by the Board of Directors at its meeting on 19 May 2015, and ratified by the General Meeting of Shareholders on 19 May 2016.
Supplementary pension	No payment in respect of 2016	Mr Xavier Musca is a beneficiary of the supplementary pension scheme for Senior Executives of Crédit Agricole Group, which supplements the collective and mandatory pension and death & disability schemes. This commitment was approved by the Board of Directors at its meeting on 19 May 2015, and ratified by the General Meeting of Shareholders on 19 May 2016.

The definitions of the underlined words can be found in the Glossary on page 542.

6.3.9. Principles and criteria for the calculation, apportionment and award of items of compensation in respect of 2017 to each Executive Corporate Officer of the Company subject to shareholder approval

In accordance with law no. 2016-1691 of 9 December 2016 on transparency, anti-corruption and economic modernisation, the principles and criteria for calculating, apportioning and awarding items of compensation to Executive Corporate Officers of Crédit Agricole S.A. must be submitted to shareholders for approval.

The General Meeting of Shareholders of 24 May 2017 is asked to ratify the items of compensation to be awarded in respect of 2017 to each Executive Corporate Officer of Crédit Agricole S.A.:

- Mr Dominique Lefebvre;
- Mr Philippe Brassac;
- Mr Xavier Musca.

The items of compensation for the Chairman are decided by the Board of Directors, on the advice and/or recommendations of the Compensation Committee, in accordance with the principles defined by the Crédit Agricole S.A. group compensation policy adopted by the Board of Directors on 14 February 2017 and the statutory and regulatory provisions in force.

Principles used to determine the items of compensation of the Chairman of Crédit Agricole S.A.

The amount of annual fixed compensation of the Chairman is decided by the Board of Directors acting on the recommendation of the Compensation Committee, taking into account:

- the scope of responsibilities of Executive Corporate Officers;
- market practices and compensation packages observed for the same or similar functions in other major listed companies. Every year, the Group commissions specialist firms to assess its policy for the compensation of Executive Corporate Officers against the benchmark of other CAC 40 and financial sector companies to make sure the principles of its policy and compensation levels are consistent and competitive.

If a new Chairman is appointed, his or her compensation will be decided by the Board of Directors either in accordance with the principles and criteria approved by the General Meeting of Shareholders, or in accordance with existing practices for the same role, adapted as appropriate when this person exercises new functions or a new appointment without equivalent in respect of the previous year.

To ensure that he or she remains independent, the Chairman of the Board of Directors is excluded from any variable compensation scheme, including stock option plans or performance share award plans, existing within Crédit Agricole S.A.

APPORTIONMENT AND AWARD CRITERIA FOR ITEMS OF COMPENSATION OF THE CHAIRMAN OF THE BOARD OF DIRECTORS

	Presentation
Fixed compensation	The annual fixed compensation of the Chairman of the Board of Directors has been €520,000 since 4 November 2015. There are no plans to change this in 2017.
Variable compensation	To ensure that he or she remains independent, the Chairman of the Board of Directors is excluded from any variable compensation scheme, including stock option plans or performance share award plans, or any other long-term compensation existing within Crédit Agricole S.A.
Multi-year variable compensation	To ensure that he or she remains independent, the Chairman of the Board of Directors is excluded from any variable compensation scheme, including stock option plans or performance share award plans, or any other long-term compensation existing within Crédit Agricole S.A.
Exceptional compensation	There are no plans at present to grant the Chairman of the Board of Directors exceptional compensation for 2017.
Stock options, performance shares or any other long-term compensation	To ensure that he or she remains independent, the Chairman of the Board of Directors is excluded from any variable compensation scheme, including stock option plans or performance share award plans, or any other long-term compensation existing within Crédit Agricole S.A.
Directors' fees	The Chairman of the Board of Directors also waived any Directors' fees due in respect of appointments held in Group companies during and at the end of his term of office as Chairman of the Board of Directors.
Benefits in kind	The Chairman of the Board of Directors has the use of company housing by virtue of his appointment which was reclassified as a benefit in kind under current rules. For information, this was valued at €40,000 in 2016.

As a reminder, under the commitments authorised by the Board of Directors and approved by the General Meeting of Shareholders, the Chairman of the Board of Directors receives neither a severance payment nor non-competition indemnity in the event of termination of his appointment, nor is he or she a member of the supplementary pension scheme in effect within the Group.

The items of compensation of Executive Corporate Officers are decided by the Board of Directors on the advice and/or recommendations of the Compensation Committee, in accordance with the principles defined by the Crédit Agricole S.A. group compensation policy (reviewed and adopted by the Board of Directors on 14 February 2017) and the statutory and regulatory provisions in force.

Principles used to determine the items of compensation of Executive Corporate Officers of Crédit Agricole S.A.

The amount of annual fixed compensation of Executive Corporate Officers is decided by the Board of Directors acting on the recommendation of the Compensation Committee, taking into account:

- the scope of responsibility of Executive Corporate Officers;
- market practices and compensation packages observed for the same or similar functions in other major listed companies. Every year, the Group commissions specialist firms to assess its policy for the compensation of Executive Corporate Officers against the benchmark of other CAC 40 and financial sector companies to make sure the principles of its policy and compensation levels are consistent and competitive.

If a new Executive Corporate Officer is appointed, his or her compensation will be decided by the Board of Directors either in accordance with the principles and criteria approved by the General Meeting of Shareholders, or in accordance with existing practices for the same role, adapted as appropriate when this person exercises new functions or a new appointment without equivalent in respect of the previous year.

The variable compensation policy of Executive Corporate Officers is covered by the policy for Senior Executives of the Crédit Agricole S.A. group. It is mainly aimed at:

- correlating compensation levels with actual long-term performance;
- aligning management interests with those of Crédit Agricole S.A. by differentiating between individual and collective targets and between financial and non-financial performance (customer satisfaction, management efficiency and societal impact);
- attracting, motivating and retaining Senior Executives.

Given the nature of their appointment and the responsibilities they assume, Executive Corporate Officers receive variable compensation designed to:

- align the compensation of Executive Corporate Officers with the Group's performance;
- take into account aspects of long-term performance beyond purely short-term economic results.

In accordance with the principles defined by the compensation policy reviewed and adopted by the Board of Directors in 2017, the Board of Directors defines the criteria for establishing the annual variable compensation of Executive Corporate Officers and their targets.

The variable compensation awarded to Executive Corporate Officers is subject to strict rules under current banking regulations.

Criteria and conditions for awarding items of variable compensation to Executive Corporate Officers

Each year the Board of Directors assesses the performance of Executive Corporate Officers upon the recommendation of the Compensation Committee.

This assessment is based on financial and non-financial criteria, each counting towards 50% of the overall performance. The distribution of the different items of variable compensation and the criteria for assessing and awarding these items of compensation are specified below (see tables on page 173 and 174).

The payment of items of variable and exceptional compensation awarded to each Executive Corporate Officer concerned for the current financial year (2017) is in any event conditional on approval of those items by the Ordinary General Meeting of Shareholders due to meet in 2018.

APPORTIONMENT AND AWARD CRITERIA FOR ITEMS OF COMPENSATION FOR THE CHIEF EXECUTIVE OFFICER

	Presentation
Fixed compensation	The annual fixed compensation of the Chief Executive Officer has been €900,000 since 19 May 2015. There are no plans to change this in 2017.
Variable compensation	The Chief Executive Officer has a target annual variable compensation of 100% of his fixed compensation, capped at 120% if performance exceeds the target. The performance assessment linked to the annual variable compensation is 50% based on financial criteria and 50% on non-financial criteria. At its meeting on 14 February 2017, the Board of Directors set four financial criteria: ● revenues, for 12.5%, ● net income Group share, for 12.5%, ● cost/income ratio, for 12.5%. ● return on tangible equity, for 12.5%. For each of these criteria, the target is set on the basis of the budget approved by the Board of Directors at its meeting on 14 February 2017. At its meeting on 14 February 2017, the Board of Directors set four non-financial criteria: ● the progress and implementation of Crédit Agricole Group's Medium-Term Plan "Strategic Ambition 2020", for 17.5%; ● the Group's transformation in order to improve industrial efficiency, for 10%, ● the organisational restructuring and oversight of control functions in view of tighter regulation, for 10%, ● the collective momentum of Crédit Agricole Group, for 12.5%.
Multi-year variable compensation	The Chief Executive Officer is not eligible for the multi-year variable compensation scheme for 2017.
Exceptional compensation	There are no plans at present to award the Chief Executive Officer exceptional compensation for 2017.
Stock options, performance shares or any other long-term compensation	The Chief Executive Officer is not eligible for stock option plans or performance share awards or any other long-term compensation for 2017.
Directors' fees	The Chief Executive Officer waived receipt of directors' fees for the duration of his term of office as director of Group companies.
Benefits in kind	The Chief Executive Officer has the use of a company housing by virtue of his appointment. This is treated as a benefit in kind under current rules. For information, this was valued at €78,858 in 2016

Under the commitments authorised by the Board of Directors on 19 May 2015 and approved by the General Meeting of Shareholders on 19 May 2016 and as described on pages 159 and 160 of this document, the Chief Executive Officer receives:

- a severance payment in the event that his position is terminated by Crédit Agricole S.A.;
- a non-competition indemnity if a non-competition clause is triggered, for a period of one year from the termination of the appointment, regardless of the cause;
- the supplementary pension scheme for Senior Executives of Crédit Agricole Group, which supplements the collective and mandatory pension and death & disability schemes.

CRITERIA FOR APPORTIONING AND AWARDING ITEMS OF COMPENSATION FOR THE DEPUTY CHIEF EXECUTIVE OFFICER

	Presentation
Fixed compensation	The annual fixed compensation of the Deputy Chief Executive Officer has been €700,000 since 19 May 2015. There are no plans to change this in 2017.
Variable compensation	The Deputy Chief Executive Officer has a target annual variable compensation of 80% of his fixed compensation, capped at 120% if performance exceeds the target. The performance assessment linked to the annual variable compensation is 50% based on financial criteria and 50% on non-financial criteria. At its meeting on 14 February 2017, the Board of Directors set four financial criteria: ● revenues, for 12.5%, ● net income Group share, for 12.5%, ● cost/income ratio, for 12.5%. ● return on tangible equity, for 12.5%. For each of these criteria, the target is set on the basis of the budget approved by the Board of Directors at its meeting on 14 February 2017. At its meeting on 14 February 2017, the Board of Directors set four non-financial criteria: ● the progress and implementation of the Crédit Agricole Group's Medium-Term Plan "Strategic Ambition 2020", for 7.5%; ● the Group's transformation in order to improve industrial efficiency, for 17.5%, ● the organisational restructuring and oversight of control functions in view of tighter regulation, for 17.5%, ● the collective momentum of Crédit Agricole Group, for 7.5%.
Multi-year variable compensation	The Deputy Chief Executive Officer is not eligible for the multi-year variable compensation scheme for 2017.
Exceptional compensation	There are no plans at present to award the Deputy Chief Executive Officer exceptional compensation for 2017.
Stock options, performance shares or any other long-term compensation	The Deputy Chief Executive Officer is not eligible for stock option plans or performance share awards or any other long-term compensation for 2017.
Directors' fees	The Deputy Chief Executive Officer waived receipt of directors' fees for the duration of his term of office as director of Group companies.
Benefits in kind	The Deputy Chief Executive Officer does not receive any benefits in kind.

Under the commitments authorised by the Board of Directors on 19 May 2015 and approved by the General Meeting of Shareholders on 19 May 2016 and as described on pages 159 and 160 of this document, the Deputy Chief Executive Officer receives:

- a severance payment in the event that his position is terminated by Crédit Agricole S.A.;
- a non-competition indemnity if a non-competition clause is triggered, for a period of one year from the termination of the appointment, regardless of the cause;
- the supplementary pension scheme for Senior Executives of Crédit Agricole Group, which supplements the collective and mandatory pension and death & disability schemes.

The definitions of the underlined words can be found in the Glossary on page 542.

4 2016 OPERATING AND FINANCIAL REVIEW

Growth in net income, **positive** indicators

Simplified Group structure: a balanced business mix

17%
Retail banking

40%
Asset gathering

14%
Specialised financial services

29%
Large customers

Strengthened financial solidity, increase of 140 basis points in the fully-loaded CET1 ratio

10.7%
2015

12.1%
2016

Improved underlying results and operational efficiency

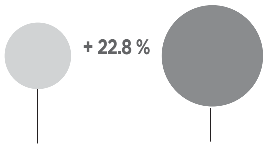
Increase in gross operating income

€5.1 bn
2015

+ 14.2%

€5.8 bn
2016

Rise in Net Income Group share



+ 22.8 %

2015
€2.6 bn

2016
€3.1 bn

Underlying cost/income ratio improved by 2.8 points

2015
69.4%

2016
66.6%

OPERATING AND FINANCIAL INFORMATION

PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS OF CRÉDIT AGRICOLE S.A.

Changes to accounting policies and principles

Changes to accounting policies and principles are described in Note 1 to the consolidated financial statements for the year ended 31 December 2016.

Changes in the scope of consolidation

Changes in the scope of consolidation are described in Notes 2 and 12 to the consolidated financial statements for the year ended 31 December 2016.

ECONOMIC AND FINANCIAL ENVIRONMENT

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 unfavourable scenario characterised 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 favour 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 short-lived. 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: household 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.

The definitions of the underlined words can be found in the Glossary on page 542.

The impact of Brexit

British voters' decision to take the United Kingdom out of the European Union (popularly termed Brexit) will undoubtedly have major consequences for the financial services industry in Europe, particularly in the United Kingdom. The Group remains committed to studying all such consequences, whether direct on the capacity of entities based in the United Kingdom to operate in the European Union or *vice versa*, or indirect on the smooth running of the British, European or even global economies and markets. The Group has all the European passports necessary to continue to operate all of its businesses and to serve all of its customers, regardless of the exit arrangements negotiated between the British government and the European Union. Its operations in the United Kingdom are relatively small in proportion to its business portfolio as a whole, and could be largely relocated if the conditions governing operations from the London platform were to change.

CRÉDIT AGRICOLE S.A. OPERATIONS AND CONSOLIDATED RESULTS

2015 income statement data are presented on a pro forma basis: transfer of CACEIS from Asset gathering to Large customers, transfer of Insurance Switch from the Corporate Centre to Insurance and reclassification of the contribution of the Regional Banks under IFRS 5 (registered in "net income from discontinued or held-for-sale operations"). Within Crédit Agricole S.A., "Retail banking" covers only LCL and International retail banking.

Moreover, as the amounts contained in the tables and comments below do not take into account the effects of rounding up or down, they may differ slightly from the amounts provided in the financial statements.

(in millions of euros)	2016 stated	2015 stated	∆ 2016/2015 stated	2016 underlying	2015 underlying	∆ 2016/2015 underlying
Revenues	**16,855**	**17,194**	**(2.0%)**	**17,425**	**16,683**	**+4.4%**
Operating expenses	(11,695)	(11,583)	+1.0%	(11,603)	(11,583)	+0.2%
Gross operating income	**5,160**	**5,611**	**(8.0%)**	**5,822**	**5,100**	**+14.2%**
Cost of credit risk	(1,687)	(1,793)	(5.9%)	(1,687)	(1,793)	(5.9%)
Cost of legal risk	(100)	(500)	(80.0%)	(100)	-	n.m.
Equity-accounted entities	518	455	+14.0%	518	455	+14.0%
Other gain or losses	(52)	38	n.m.	(52)	38	n.m.
Change in value of goodwill	(491)	-	n.m.	-	-	n.m.
Pre-tax income	**3,348**	**3,811**	**(12.1%)**	**4,502**	**3,800**	**+18.5%**
Tax	(695)	(898)	(22.6%)	(960)	(767)	+25.3%
Net income from discontinued or held-for-sale operations	1,303	1,058	+23.1%	31	(20)	n.m.
Net income	**3,956**	**3,971**	**(0.4%)**	**3,572**	**3,013**	**+18.5%**
Minority interests	415	455	(8.7%)	435	459	(5.2%)
NET INCOME GROUP SHARE	**3,541**	**3,516**	**+0.7%**	**3,137**	**2,555**	**+22.8%**

Crédit Agricole S.A.'s net income Group share totalled €3,541 million in 2016. In addition to the usual accounting elements such as the issuer spread (-€85 million impact on net income Group share), debit valuation adjustments (-€25 million) and loan hedges (-€16 million), significant specific items affected the 2016 financial year:

- the non-recurring impacts related to the simplification of the Group's capital structure, known as the Eureka operation: the gain on disposal of €1,254 million (net of transaction fees and after tax expense) and dividends from the Regional Banks recorded by the Corporate Centre in 2016 in the amount of €285 million;
- expenses related to adjustments to refinancing costs at Crédit Agricole S.A. and LCL, *i.e.* -€448 million (in the first quarter of 2016) and -€187 million (third quarter) after tax respectively;
- the capital gain of €327 million made on the disposal of Visa securities in the second quarter;
- provisions recorded for the restructuring of the LCL and Cariparma group networks, i.e. -€26 million (in the third quarter) and -€25 million (fourth quarter) respectively in net income Group share;
- impairment of the goodwill recognised on the LCL group, explained in the press release issued on 20 January 2017, i.e. a negative impact of -€491 million for the Crédit Agricole S.A. Group, which is not tax deductible;
- an expense of -€160 million (in net income Group share) relating to the adjustment of deferred tax assets and liabilities: the 2017 Budget has reduced the standard rate of corporate income tax in France from 34.4% to 28.9% from 2020, which requires deferred tax assets and liabilities maturing in or after that year to be revalued starting in 2016.

The definitions of the underlined words can be found in the Glossary on page 542.

Excluding these specific items, underlying net income Group share was €3,137 million in 2016, an increase of +22.8% compared with 2015.

These excellent underlying results were driven by strong commercial momentum in all Crédit Agricole S.A.'s business lines and distribution networks, as well as the Regional Banks which distribute their products.

Activity was buoyant in all business lines:

- **the Insurance** business registered 661,000 new property & casualty insurance policies during the year, bringing the number of property & casualty insurance policies in force to 12 million at end-December. Life insurance assets rose by +3.5% over one year to €269 billion at end-December 2016, with a sharp increase in the contribution of unit-linked business to new inflows in the fourth quarter (+27.1% representing an increase of +7.8 points compared with the fourth quarter of 2015);
- **in Asset management (Amundi),** assets under management grew by +9.9% year-on-year to €1,083 billion, thanks chiefly to strong inflows of +€62.2 billion in 2016, including +€23.1 billion in the fourth quarter;
- **the Retail banking** networks, particularly in **France** and **Italy**, delivered strong growth in lending and deposits. At LCL, home loans grew by +4.8% year-on-year, lending to professionals and enterprises by +8.1% and demand deposits by +15.3%. Retail banking in Italy performed equally well, with home loans up +6.4%, lending to large corporates up +3.7% and off-balance sheet customer assets up +7.8%;
- **Specialised financial** services continued to grow, with new consumer credit up +9.4% year-on-year in the fourth quarter;
- **Large customers delivered a** good performance in fixed-income, forex and credit business for the fourth consecutive quarter and Investment banking remained buoyant; CA Corporate & Investment Bank ranks No. 1 bookrunner for French corporate bond issues with a 6% market share at end-December, an increase of +0.6 point compared with end-December 2015.

Organic growth was also boosted significantly in the fourth quarter by Amundi's agreement to acquire Pioneer Investments for €3.5 billion. This transaction perfectly matches the Group's strategy set out in the medium-term plan, whereby the organic growth of the asset management business may be accelerated by value-creating acquisitions that meet Amundi's financial criteria (10% return on investment in three years) and Group's criteria. As part of the rights issue made by Amundi to finance the acquisition, Crédit Agricole Group has decided to reduce its holding in Amundi to 70% (*versus* 75.6% currently) by selling its subscription rights in order to improve Amundi's free float and share price.

Revenues amounted to €16,855 million at 31 December 2016, compared with €17,194 million at 31 December 2015. In 2016, this figure includes -€570 million of specific items, compared with +€511 million in 2015. Adjusted for these impacts, business line revenues were up +4.4% compared with 2015. Underlying revenues from the Asset gathering business line were up +€130 million driven by the development of Amundi and Insurance. In addition, retail banking underlying revenues fell by -€330 million over the year, with the interest margin affected by low interest rate environments in France and Italy, and devaluations in Egypt and Ukraine. Specialised financial services underlying revenues continued to stabilise in 2016, against the backdrop of business development among automotive joint ventures. Underlying revenues from Large customers, restated for accounting changes, grew by +€273 million over the year. Lastly, the Corporate Centre reduced its negative underlying contribution by +€652 million in 2016.

The business line's good performance was compounded by very tight cost control. Underlying **operating expenses,** adjusted for provisions for the for the restructuring of retail banking networks in France and Italy, totalled €11,603 million, an increase of just +0.2% compared with 2015. The Asset gathering division held its expenses stable. Retail banking continued its efforts to cut costs, delivering a reduction of €89 million. Specialised financial services implemented the investment programme set out in the medium-term plan unveiled on 9 March 2016 (over the year, the division's expenses increased by €48 million). The Large customers division was impacted by non-recurring expenses relating mainly to the consolidation of real estate (+€51 million increase year-on-year). Lastly, Corporate Centre expenses increased by +€10 million over the year.

In all, **the** cost/income ratio was 66.6%, a year-on-year improvement of 2.8 points compared with 2015.

The **cost of risk** amounted to €1,787 million in 2016, compared with €2,293 million in 2015. Restated for litigation provisions (€500 million in 2015 and €100 million in 2016), the cost of risk remained moderate, representing 41 basis points of outstanding loans, compared with 55 basis points in 2014. It has fallen for eight consecutive quarters in Retail banking in Italy (93 basis points), but increased very slightly in Consumer Finance (140 basis points) due to tighter provisioning rules introduced following the recovery in activity and remained low both at LCL (17 basis points) and in the financing activities of the Large customer Business line (33 basis points), although in both cases it was up slightly on the very low 2015 comparison base.

Impaired loans (excluding lease finance transactions with customers, Crédit Agricole internal transactions and accrued interest) edged up to €15.6 billion in 2016, representing 3.5% of gross outstanding customer and interbank loans, the same level as 2014. At the end of the year, Agos Ducato sold €380 million in provisioned doubtful loans, having already sold €579 million at the end of 2015 and €872 million at the end of 2014. The ratio of impaired loans covered by specific reserves was 52.1% *versus* 53.9% at end-December 2015. Including collective provisions, the impaired loans coverage ratio was 67.7% at 31 December 2016 (based on outstanding amounts before guarantees and collateral).

Underlying pre-tax income increased by +18.5% to €4,502 million. The underlying tax charge increased by +25.3% to €960 million, excluding the revaluation of deferred tax assets recorded in specific items.

The definitions of the underlined words can be found in the Glossary on page 542.

The share of **net income of equity-accounted entities** was €518 million in 2016, an increase of +14.0% compared with 2015.

Crédit Agricole S.A.'s **effective tax rate** was 20.93% in 2016.

In full year 2016, stated net income Group share was €3,541 million. After adjustment for all specific items, underlying net income Group share increased by +22.8% to €3,137 million.

French retail banking – Crédit Agricole Regional Banks

A unique universal customer-focused banking model

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

It is a model that underscores the Crédit Agricole Group's commitment to serving all players across the country, from individual customers to large companies and financial institutions, as well as farmers, other professionals, SMEs and ETIs, and to cover all of their financial and wealth management needs, namely payment instruments, insurance, savings management, financing, real estate and international support.

These services and skills are offered in a close relationship based on the Group's retail banks in France (Regional Banks, LCL) and internationally (Crédit Agricole Cariparma, CA Bank Polska, Crédit du Maroc, CA Egypt, CA Ukraine, and CA Serbia). The contacts maintained by employees and by local and regional advisors in the field ensure good knowledge of customers and their problems throughout their lives. This grasp of the expectations and needs of customers, in view of the size of the networks served by the Group, enables Crédit Agricole S.A.'s specialised businesses to improve their offerings and their competitiveness constantly.

Crédit Agricole accordingly combines geographical and technological proximity with specialised businesses, which are held chiefly by Crédit Agricole S.A. and housed in the three divisions that are an integral part of the Group's ambition: Asset gathering, Large customers and Specialised financial services. With its specialised subsidiaries (insurance, asset management, real estate, wealth management, corporate and investment banking, financial services for institutional investors, specialised financing, payment instruments), the Group can offer comprehensive and customised solutions to all its customers, in good times and bad times, within the framework of an enduring relationship.

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

Activities and organisation of the Regional Banks

Cooperative entities and full-service banks, the Crédit Agricole Regional Banks hold leading positions in all local markets in France. They are notably top-ranking banks for private individuals,[1] small businesses,[2] farmers,[3] SMEs[4] and employer associations[5].

Building on the Group's business lines, they market a range of products and services covering the financial and wealth management needs of their customers, namely payment instruments, insurance, savings, financing, equity financing, real estate and international support.

They have a network of more than 7,000 branches, backed up by approximately 6,000 in-store servicing points on the premises of small retailers, and provide their customers with a comprehensive remote banking system.

With 21 million individual customers, the Regional Banks account for 23.3% of bank deposits by households[6].

The professional banks of more than 80% of farmers[3], they are also well and truly the leader in terms of personal banking, chosen by 76% of this customer group[3].

They are also a market leader in small businesses, for both private and professional services, with market share of 34%.[2] The 3,800 small business advisers and Crédit Agricole experts support more than a million entrepreneurs every day.

The Regional Banks are also the leader in the SME market, with a commercial penetration rate of 36%. The 750 account representatives are the face of the bank in relating to its nearly 90,000 customers.

Finally, with some 200 specialised account representatives, they support local authorities and more broadly the local public sector and social economy.

Solvency

At end-December 2016, Crédit Agricole S.A.'s solvency was further strengthened: **the fully-loaded Common Equity Tier 1 ratio stood at 12.1**%, an improvement of +140 basis points compared with end-December 2015 and +10 basis points compared with end-September 2016. The improvement in 2016 excluding Eureka stemmed chiefly from the inclusion in the calculation of net income Group share after prudential adjustments (+85 basis points), Eureka operation for +72 basis points and the capital increase reserved for employees (+8 basis points), offset by the change in unrealised gains on available-for-sale financial assets (-16 basis points) and in return, the distribution of the dividend and AT1 coupons (-61 basis points). Risk-weighted assets remained stable over the year at €301 billion.

(1) Source: Sofia 2016.
(2) Source: Pépites CSA 2015-2016.
(3) Source: Adéquation 2016.
(4) Source: TNS-Sofres 2015.
(5) Source: CSA 2015.
(6) Source: Banque de France, September 2016.

The definitions of the underlined words can be found in the Glossary on page 542.

The phased-in total capital ratio stood at 20.1% at 31 December 2016, up +80 basis points compared with 2015.

Lastly, Crédit Agricole S.A.'s phased-in leverage ratio under the Delegated Act adopted by the European Commission was 5.0%[1] at end-December 2016.

Liquidity

Crédit Agricole Group's banking cash balance sheet totalled €1,085 billion at end-December 2016, compared with €1,058 billion at end-December 2015.

The surplus of long-term funding sources over long-term applications of funds was €111 billion at 31 December 2016. It exceeded the medium term plan target of over €100 billion. It stood at €108 billion at 31 December 2015.

At 31 December 2016, liquidity reserves including valuation gains and haircuts related to the securities portfolio amounted to €247 billion, representing 305% of gross short-term debt, *versus* 257% at 31 December 2015. The LCR ratio of Crédit Agricole Group and of Crédit Agricole S.A. continued to exceed 110% at end-December 2016.

In 2016, Crédit Agricole Group issuers raised €33.1 billion of senior and subordinated debt in the market. Moreover, €7.4 billion were placed by the Group in its retail networks. Crédit Agricole S.A. itself raised the equivalent of €12.2 billion of preferred senior debt and €2.9 billion of subordinated and senior non-preferred debt, of which a US dollar denominated Additional Tier 1 issue of €1.15 billion equivalent, completed at the beginning of 2016, and a €1.5 billion issue of senior non-preferred debt, completed in December 2016. At 31 December 2016, Crédit Agricole S.A. had completed 108% of its medium-to long-term market funding programme (senior and subordinated debt) of €14 billion.

Operations and results by business segment

Crédit Agricole S.A. Group's businesses are housed in five business lines:

- Asset gathering;
- French retail banking – LCL;
- International retail banking;
- Specialised financial services;
- Large customers;

plus the Corporate Centre.

The Group's business lines are described in Note 5 to the consolidated financial statements for the year ended 31 December 2016 – "Operating segment information". The organisation and activities are described in section 1 of this document.

CONTRIBUTION BY BUSINESS LINE TO CRÉDIT AGRICOLE S.A.'S NET INCOME GROUP SHARE

(in millions of euros)	2016	2015 restated
French retail banking – Regional Banks		1,072
French retail banking – LCL	273	565
International retail banking	233	226
Asset gathering	1,690	1,488
Specialised financial services	610	484
Large customers	1,255	830
Corporate Centre	(520)	(1,149)
TOTAL	**3,541**	**3,516**

(1) *As defined in the Delegated Act. Subject to ECB authorisation, assumption of exemption of intragroup transactions for Crédit Agricole S.A. (with an impact of +130 basis points) and non-exemption of exposures related to the centralisation of CDC deposits, according to our understanding of information obtained from the ECB.*

The definitions of the underlined words can be found in the Glossary on page 542.

1. Asset gathering

(in millions of euros)	2016 stated	2015 stated	∆ 2016/2015 stated	2016 underlying	2015 underlying	∆ 2016/2015 underlying
Revenues	**4,744**	**4,614**	**+2.8%**	**4,744**	**4,614**	**+2.8%**
Operating expenses	(2,156)	(2,156)	+0.0%	(2,156)	(2,141)	+0.7%
Gross operating income	**2,588**	**2,458**	**+5.3%**	**2,588**	**2,473**	**+4.6%**
Cost of risk	(9)	(29)	(67.9%)	(9)	(29)	(67.9%)
Equity-accounted entities	28	25	12.7%	28	25	12.7%
Other gain or losses	2	10	(80.8%)	2	10	(80.8%)
Change in value of goodwill	-	-	n.m.	-	-	n.m.
Pre-tax income	**2,609**	**2,464**	**+5.9%**	**2,609**	**2,479**	**+5.2%**
Tax	(773)	(844)	(8.5%)	(693)	(850)	(18.5%)
Net income from discontinued or held-for-sale operations	23	3	x6.8	23	3	x6.8
Net income	**1,858**	**1,623**	**+14.5%**	**1,938**	**1,632**	**+18.8%**
Non-controlling interests	169	135	+25.3%	169	137	+23.3%
NET INCOME GROUP SHARE	**1,690**	**1,489**	**+13.5%**	**1,770**	**1,495**	**+18.3%**

This business line encompasses asset management, insurance and wealth management.

At 31 December 2016, assets under management increased by +7.6% or €107 billion year-on-year. Net inflows totalled +€71 billion, including +€62 billion for Amundi, +€8 billion for life insurance and +€1 billion for wealth management, i.e. 5% of opening assets under management, confirming the business line's strong momentum. On top of this robust commercial performance, the business line recorded a positive market and currency effect of +€22 billion and a positive scope effect of +€14 billion (acquisitions of KBI GI: for +€9 billion and CAI Investors: for +€5 billion). Assets under management thus totalled €1,503 billion at 31 December 2016. The division's underlying net income Group share was up +18.3% year-on-year (after the restatement of effects related to the activation of the Switch mechanism in Q2-2015 and the clawback in Q3-2015) at €1,770 million.

The division's cost/income ratio was 45.4%, and the RoNE was 22.2% based on underlying net income in 2016.

INSURANCE'S CONTRIBUTION TO CRÉDIT AGRICOLE S.A.'S RESULTS

(in millions of euros)	2016 stated	2015 stated	∆ 2016/2015 stated	2016 underlying	2015 underlying	∆ 2016/2015 underlying
Revenues	**2,337**	**2,189**	**+6.8%**	**2,337**	**2,189**	**+6.8%**
Operating expenses	(693)	(661)	+4.9%	(693)	(661)	+4.9%
Gross operating income	**1,644**	**1,528**	**+7.6%**	**1,644**	**1,528**	**+7.6%**
Cost of risk	-	-	n.m.	-	-	n.m.
Equity-accounted entities	-	-	n.m.	-	-	n.m.
Other gain or losses	(2)	(5)	(58.0%)	(2)	(5)	(58.0%)
Change in value of goodwill	-	-	n.m.	-	-	n.m.
Pre-tax income	**1,642**	**1,523**	**+7.8%**	**1,642**	**1,523**	**+7.8%**
Tax	(483)	(524)	(8.2%)	(403)	(524)	(23.4%)
Net income from discontinued or held-for-sale operations	23	3	x 6.8	23	3	x 6.8
Net income	**1,182**	**1,002**	**+18.2%**	**1,262**	**1,002**	**+26.2%**
Non-controlling interests	5	4	+73.3%	5	4	+73.3%
NET INCOME GROUP SHARE	**1,177**	**998**	**+18.0%**	**1,257**	**998**	**+26.0%**

Crédit Agricole Assurances' result included a specific tax charge of -€80 million in 2016 relating to the revaluation of deferred tax assets due to the change in the tax rate from 2020 onwards.

The Insurance business line recorded premium income of nearly €30.8 billion in 2016, an increase of +1.2% on the figure of €30.4 billion in 2015[1].

(1) *2015 pro forma: split of IFRS premium income by new business line following transfer of individual health and personal accident from "Death & disability/Health/Creditor" to "Property & casualty insurance".*

Revenues in the Savings/Retirement segment totalled nearly €24 billion, stable over the year (-0.3%). Crédit Agricole Assurances is continuing its strategy of diversifying its product mix in favour of unit-linked products, as illustrated by the increase in the proportion of unit-linked contracts in gross inflows during the second half of 2016. Assets under management continued to grow, reaching €269 billion at end-December 2016 (+3.5% year-on-year), driven chiefly by 6.7% growth in unit-linked assets. At end-December 2016, UL contracts represented 19.5% of total assets under management (up +0.5 point *versus* end-December 2015). Net inflows in Savings/Retirement were +€5.8 billion in 2016, including +€3.1 billion in France.

In the Death & disability/Borrower/Collective segment, premium income rose by +8.5% year-on-year to €3.2 billion in 2016. This growth was driven by all three business segments, and was boosted in particular by strong momentum in Death & disability/Health (+15.4% year-on-year) and a sound increase in Borrower insurance in the home loans segment (+12.3% year-on-year).

At €3.6 billion in 2016, premium income continued to grow strongly in Property & casualty insurance. In France, the Group's growth outstripped that of the broader market, with premium income up +6%, driven by robust momentum in both the retail and small business markets. Despite climate events during the year, the combined ratio[(1)] remained well under control at 95.9%[(2)].

Crédit Agricole Assurances' cost/income ratio was 29.7% in 2016.

These good commercial performances and the exceptionally high financial result from the investment portfolio largely offset the charge relative to the revaluation of deferred tax assets at the end of the year (recorded in specific items in the amount of -€80 million). The Insurance business line posted strong growth to €1,177 million in its contribution to Crédit Agricole S.A.'s 2016 results, an increase of +18.0% compared with 2015. Restated for the specific tax charge related to the revaluation of deferred tax assets, Crédit Agricole Assurances' underlying net income Group share was €1,257 million, an increase of +26.0% compared with 2015.

Crédit Agricole Assurances' solvency remains solid, with a regulatory ratio of 161% at 31 December 2016. Meanwhile, the company continues to strengthen its reserves: the policyholder participation reserve[(3)] now amounts to €7.0 billion, representing 3.5% of outstanding savings in euro contracts at end 2016.

AMUNDI'S CONTRIBUTION TO CRÉDIT AGRICOLE S.A.'S RESULTS

(in millions of euros)	2016 stated	2015 stated	∆ 2016/2015 stated	2016 underlying	2015 underlying	∆ 2016/2015 underlying
Revenues	**1,677**	**1,657**	**+1.2%**	**1,677**	**1,657**	**+1.2%**
Operating expenses	(895)	(899)	(0.5%)	(895)	(884)	+1.2%
Gross operating income	**783**	**758**	**+3.2%**	**783**	**773**	**+1.3%**
Cost of risk	(1)	(7)	(90.9%)	(1)	(7)	(90.9%)
Equity-accounted entities	28	25	12.7%	28	25	12.7%
Other gain or losses	-	14	(100.0%)	-	14	(100.0%)
Change in value of goodwill	-	-	n.m.	-	-	n.m.
Pre-tax income	**810**	**790**	**+2.6%**	**810**	**805**	**+0.7%**
Tax	(253)	(280)	(9.8%)	(253)	(286)	(11.6%)
Net income from discontinued or held-for-sale operations	-	-	n.m.	-	-	n.m.
Net income	**558**	**510**	**+9.3%**	**558**	**519**	**+7.5%**
Non-controlling interests	147	115	+28.2%	147	117	+25.8%
NET INCOME GROUP SHARE	**411**	**395**	**+3.9%**	**411**	**402**	**+2.1%**

In **Asset management,** Amundi's[(4)] assets under management grew by +9.9% year-on-year to €1,083 billion, thanks to strong net inflows, positive market effects (+€21.8 billion in 2016) and positive scope effects (+€13.6 billion of additional assets under management through the acquisition of KBI Global Investors finalised on 29 August and the integration of Crédit Agricole Immobilier Investors).

Net inflows amounted to +€62.2 billion over the full year in 2016. They were driven by sustained commercial momentum on medium and long-term assets[(5)]: +€45.5 billion, across all asset classes in the segment. The Institutional segment contributed +€27.5 billion, including +€9.4 billion in medium and long-term assets, supported by substantial inflows in treasury products. The Retail segment contributed +€34.7 billion, including +€34.2 billion in medium and long-term assets, mainly through the joint ventures in Asia (+€24.8 billion). The French networks made a slightly positive contribution, with net inflows of +€2.0 billion in medium and long-term assets.

(1) Ratio of (claims + operating expenses + commissions) to premium income, net of reinsurance.
(2) Pacifica scope.
(3) Predica scope.
(4) Amundi is a listed company. It reported its detailed results for the year on 10 February 2017.
(5) Equities, bonds, multi-assets, structured products, real assets and specialised assets.

The definitions of the underlined words can be found in the Glossary on page 542.

Revenues totalled €1,677 million over the full year in 2016. Revenues were up +1.2% in line with growth in operating expenses. The cost/income ratio remained stable compared with 2015 at 53.3%, reflecting an excellent level of operating efficiency. Net income Group share increased by only +2.1% to €411 million, due to the decrease in Crédit Agricole S.A.'s holding in Amundi from 78.6% in 2015 to 74.2% at end-2016. The net result before deduction of minority interests increased by +7.5%.

The **Wealth management** business registered a slight increase of its assets under management over the year, despite challenging market conditions. Assets under management were €152.4 billion at end-December 2016, an increase of +0.9% over one year. Full-year net income Group share was €103 million, an increase of +6.8% helped by a rebound in activity, particularly in the United States, and by the initial effects of refocusing the business on countries that have signed the Automatic Exchange of Information (AEoI) agreement.

2. French retail banking – LCL

(in millions of euros)	2016 stated	2015 stated	∆ 2016/2015 stated	2016 underlying	2015 underlying	∆ 2016/2015 underlying
Revenues	**3,118**	**3,631**	**(14.1%)**	**3,418**	**3,631**	**(5.9%)**
Operating expenses	(2,539)	(2,561)	(0.9%)	(2,498)	(2,561)	(2.5%)
Gross operating income	**578**	**1,070**	**(45.9%)**	**919**	**1,070**	**(14.0%)**
Cost of risk	(182)	(134)	+36.3%	(182)	(134)	+36.3%
Share of net income of equity-accounted entities	-	0	n.m.	-	0	n.m.
Other gain or losses	1	(2)	n.m.	1	(2)	n.m.
Change in value of goodwill	-	0	n.m.	-	0	n.m.
Pre-tax income	**397**	**934**	**(57.5%)**	**738**	**934**	**(20.9%)**
Income tax charge	(110)	(340)	(67.5%)	(203)	(340)	(40.3%)
Net income from discontinued or held-for-sale operations	-	0	n.m.	-	0	n.m.
Net income	**287**	**594**	**(51.7%)**	**535**	**594**	**(9.9%)**
Non-controlling interests	14	29	(52.4%)	27	29	(9.7%)
NET INCOME GROUP SHARE	**273**	**565**	**(51.6%)**	**509**	**565**	**(9.9%)**

Commercial activity was strong throughout 2016. The loan book was up sharply by +5.6% over the year to €102.7 billion at end-December 2016. Home loans grew by +4.8% over the year, consumer loans by +3.0% and business loans by +8.1%. Similarly, total customer assets grew by +2.3% to €179.1 billion year-on-year. On-balance sheet deposits rose by +5.3% to €99.8 billion at end-December 2016, driven by a +15.3% increase in demand deposits. LCL continued to deliver an excellent performance in insurance products over the year as a whole. New property & casualty insurance business increased by +13% over the year, while the number of contracts grew by +8%.

Today's low interest rate environment, which was amplified after the vote in favour of Brexit in the second half, generated a specific wave of renegotiations. Over the full year, renegotiations and prepayments totalled €11.9 billion and €4.8 billion respectively in 2016, compared with €14.2 billion and €6.1 billion respectively in 2015.

In full year 2016, LCL's underlying net income Group share was 509 million, down -9.9% compared with 2015. It has been restated for three specific items in 2016: the deferred tax charge in the fourth quarter for -€25 million, a provision of €41 million for branch network restructuring recognised in operating expenses in the second quarter of 2016 and a funding cost adjustment of €300 million recognised in revenues in the third quarter of 2016.

Underlying revenues for the full year amounted to €3,418 million, down -5.9% compared with 2015 due to the impacts of the low interest rate environment, which continued throughout the second half of 2016 post Brexit and led to a new wave of renegotiations and early repayments.

Underlying operating expenses were well controlled and amounted €2,498 million in 2016, a decrease of -2.5% compared with 2015.

Cost of risk remained low at €182 million for the year (*versus* €134 million for 2015). It represents 17 basis points of outstandings.

This reflects a continued low level of[1] risk in line with the past few quarters.

3. International retail banking - IRB

The International retail banking division recorded **net income Group share** of €233 million, compared with €226 million in 2015, an increase of +3.1%. Net income Group share was €258 million, an increase of +17.3%[2] compared with 2015.

A single specific item affected the 2016 results, namely a -€51 million restructuring plan for the Cariparma Group (-€25 million in net income Group share). In 2015, net income from discontinued or held-for-sale operations in the amount of +€6 million was recognised in specific items in respect of the contribution of the Regional Banks' international subsidiaries.

(in millions of euros)	2016 stated	2015 stated	Δ 2016/2015 stated	2016 underlying	2015 underlying	Δ 2016/2015 underlying
Revenues	**2,505**	**2,622**	**(4.4%)**	**2,505**	**2,622**	**(4.4%)**
Operating expenses	(1,557)	(1,532)	+1.6%	(1,506)	(1,532)	(1.8%)
Gross operating income	**949**	**1,090**	**(12.9%)**	**1,000**	**1,090**	**(8.2%)**
Cost of risk	(454)	(589)	(22.9%)	(454)	(589)	(22.9%)
Share of net income of equity-accounted entities	-	-	n.m.	-	-	n.m.
Other gain or losses	(1)	2	n.m.	(1)	2	n.m.
Change in value of goodwill	-	-	n.m.	-	-	n.m.
Pre-tax income	**494**	**503**	**(1.8%)**	**545**	**503**	**+8.3%**
Income tax charge	(157)	(161)	(2.8%)	(174)	(161)	+7.6%
Net income from discontinued or held-for-sale operations	(3)	(14)	(79.7%)	(3)	(20)	n.m.
Net income	**335**	**328**	**+2.0%**	**369**	**322**	**+14.5%**
Non-controlling interests	102	102	(0.4%)	111	102	+8.4%
NET INCOME GROUP SHARE	**233**	**226**	**+3.1%**	**258**	**220**	**+17.3%**

In Italy, the environment remains dominated by low interest rates, which is weighing on revenues, particularly the net interest margin. Cariparma proved resilient in this environment, thanks to its regional network concentrated in the north of the country, and continued its strong commercial performance. The normalisation of the cost of risk, which eased considerably over the year, was another big factor in the strong increase in profit.

Business momentum remained strong in the fourth quarter of 2016. Customer assets ended 2016 at €99.4 billion[3] a steep year-on-year increase of +4.3%. Growth in off-balance sheet assets was particularly strong at +7.8% to €64.9 billion over the year. On-balance sheet deposits were down slightly by -1.6% over 12 months, amounting to €34.5 billion[3] at end-2016. Loans outstanding were up +2.9% at end-December 2016 to €34.7 billion, while the Italian market as a whole declined. Loans outstanding increased by +6.4% over the year and continued to be driven by home loans. In addition, loans to large corporates increased by +3.7% year-on-year, while loans to SMEs and small businesses declined by -0.4% over the same period.

Revenues totalled €1,626 million in 2016, a decline of 3.7% compared with 2015. The interest margin was down in an environment of low interest rates, but was partially offset by strong lending volumes.

Stated operating expenses totalled €1,026 million. They were affected in 2016 by the cost of the Single Resolution Fund (SRF) for -€10 million in 2016 (-€8 million in 2015), the contribution to the deposit guarantee fund for -€11 million (-€6,4 million in 2015), the Italian rescue plan for -€24 million for 2016 (-€27 million for 2015) and the cost of the Cariparma Group's restructuring plan (-€51 million) recognised in the fourth quarter of 2016. Restated for these items, recurring operating expenses amounted to €940 million (including the SRF), stable compared with 2015 (-0.1%). The cost/income ratio[4] was 57.8% over 2016 as a whole.

The cost of risk was €303 million in 2016, a decline of -22.2% compared with 2015. The cost of risk as a proportion of outstanding customer loans[1] was 93 basis points at the end of 2016, compared with 117 basis points a year earlier. After the disposal of a €10 million *sofferenze* portfolio in the fourth quarter of 2016 (€152 million of disposals in 2016 as a whole), the impaired loans ratio was 13.1% at end-2016 (*versus* 13.8% at end-2015) and the coverage ratio at 46.5% including collective reserves, *versus* 45.5% in 2015. This

(1) Relative to consolidated outstandings, calculated on an average annualised basis over four rolling quarters.

(2) Restated for Cariparma's network restructuring plan (-25 million euros) in 2016 and the contribution of the Regional Banks' international subsidiaries (+6 million euros) in 2015.

(3) Pro forma for reclassification in Q3-16 of financial clients deposits from on-balance sheet deposits to market funding.

(4) Underlying operating expenses (including SRF) divided by revenues.

The definitions of the underlined words can be found in the Glossary on page 542.

progress was due to an improvement in the quality of IRB Italy's portfolio, with a further -37% decrease in new defaults in 2016 compared to 2015.

Over 2016 as a whole, IRB Italy's underlying net income Group share was €166 million[(1)] , an increase of +8.5% compared with 2015.

The contribution to underlying net income Group share of all Crédit Agricole S.A. business lines in Italy[(2)] was €482 million in 2016, a year-on-year increase of +6%.

International retail banking excluding Italy (Other IRB) also delivered strong business momentum and a sustained financial performance in 2016. When expressed in euros, though, the business line's performance was affected by negative currency effects, mainly due to a -23.4% and -14.1% depreciation respectively of the Egyptian and Ukrainian currencies year-on-year in 2016 *versus* 2015. On-balance sheet deposits totalled €10.8 billion at end-December 2016, an increase of +9.6%[(3)] over the year. It was driven above all by strong increases in on-balance sheet deposits in Egypt (+47%)[(3)] Ukraine (+37%)[(3)] and Poland (+7%)[(3)], with outstanding deposits remaining stable in Morocco. Again at constant exchange rates, total outstanding on- and off-balance sheet deposits increased by +11.5%[(3)] year-on-year. Loans outstanding stood at €9.9 billion at end-December 2016, a year-on-year increase of +7.7%[(3)] The surplus of deposits over loans was €1.6 billion at end-December 2016.

In 2016 and at constant exchange rates, revenues totalled €879 million, an increase of +4.2%[(3)] compared with 2015, driven largely by Egypt (+26%) and Ukraine (+4%).

Operating expenses totalled €530 million in 2016, compared with €557 million in 2015, an increase of +2%[(3)] attributable to an increase in expenses in Egypt (+13%)[(3)] and Ukraine (+17%)[(3)].

Cost of risk was down sharply in 2016 to -€151 million, a year-on-year decrease of -17%[(3)], mainly due to Morocco (-33%)[(3)] and Ukraine (-39%)[(3)].

Overall, IRB excluding Italy reported net income Group share of €92 million in 2016, a marked increase of +37.5%[(4)] compared with 2015 (+66% at constant exchange rates). The cost/income ratio was stable at 60.3% in 2016.

4. Specialised financial services - SFS

(in millions of euros)	2016 stated	2015 stated	∆ 2016/2015 stated	2016 underlying	2015 underlying	∆ 2016/2015 underlying
Revenues	**2,646**	**2,629**	**+0.7%**	**2,646**	**2,629**	**+0.7%**
Operating expenses	(1,384)	(1,336)	+3.6%	(1,384)	(1,336)	+3.6%
Gross operating income	**1,262**	**1,293**	**(2.4%)**	**1,262**	**1,293**	**(2.4%)**
Cost of risk	(558)	(657)	(15.2%)	(558)	(657)	(15.2%)
Equity-accounted entities	208	164	+26.8%	208	164	+26.8%
Other gain or losses	(2)	4	n.m.	(2)	4	n.m.
Change in value of goodwill	-	-	n.m.	-	-	n.m.
Pre-tax income	**911**	**804**	**+13.3%**	**911**	**804**	**+13.3%**
Tax	(210)	(213)	(1.3%)	(206)	(213)	(2.9%)
Net income from discontinued or held-for-sale operations	-	(1)	n.m.	-	(1)	n.m.
Net income	**701**	**590**	**+18.8%**	**704**	**590**	**+19.4%**
Non-controlling interests	91	106	(13.8%)	91	106	(13.8%)
NET INCOME GROUP SHARE	**610**	**484**	**+25.9%**	**613**	**484**	**+26.6%**

Specialised financial services include Crédit Agricole Consumer Finance in France and its subsidiaries or partnerships abroad, and Crédit Agricole Leasing & Factoring.

Consumer finance (CACF) business was strong in 2016 in all partner networks. The managed loan book increased by 8.4% year-on-year at end-December 2016, despite the disposal by Agos of a €380 million doubtful loans portfolio in the fourth quarter. It was €77.2 billion at end-December 2016, compared with €71.2 billion at end-December 2015. The geographical breakdown was 38% in France, 31% in Italy and 31% in other countries. The consolidated loan book increased to €32.4 billion at 31 December 2016.

In Leasing & Factoring **(CAL&F), the leasing book** grew by +3.7% year-on-year to €15.5 billion at end-December 2016. Factored receivables were stable in 2016 compared with 2015 at €18 billion.

(1) *Excluding restructuring plan but including the contributions to the Single Resolution Fund, deposit guarantee fund and rescue plan for Italian banks.*

(2) *Aggregate contributions from Crédit Agricole S.A. entities in Italy, notably the Cariparma Group; Crédit Agricole CIB; CA Vita; Amundi; Agos; FCA Bank (under the assumption that only half of FCA Bank's contribution comes from Italy).*

(3) *Change excluding forex effect.*

(4) *Excluding contribution of international subsidiaries of the Regional Banks reclassified under IFRS 5 for +€2 m in Q4-15 and +€6 m in 2015.*

In full year 2016, Specialised financial services delivered revenues of €2,646 million, representing slight growth of +0.7% compared with 2015. Restated for the scope effect in the fourth quarter of 2015 (deconsolidation of Credium and Credicom), revenues were stable compared with 2015.

Operating expenses were up +3.6% compared with 2015, to €1,384 million. This increase was due to implementation of the investment programme scheduled in the Group's Medium-Term Plan announced in March 2016. The division's cost/income ratio was 52.3%.

Cost of risk was down due to an improvement in quality of the customer portfolio. It amounted to €558 million for the year, a decrease of -15.2% compared with 2015. Cost of risk was 140 basis points[1] of outstanding loans in 2016, compared with 162 basis points in 2015.

Joint ventures contributed to the profitability of CACF and the division, with a +26.8% increase in their equity-accounted contribution, due chiefly to car finance partnerships.

The business line's net income Group share for 2016 includes the impact of the revaluation of deferred tax assets in the amount of -€3 million. Excluding this specific item, underlying net income Group share was €613 million, an increase of +26.6%. The Consumer finance division's underlying net income Group share rose by +31.7% to €483 million, that of lease financing and factoring by +10.8% to €130 million.

5. Large customers - LC

(in millions of euros)	2016 stated	2015 stated	Δ 2016/2015 stated	2016 underlying	2015 underlying	Δ 2016/2015 underlying
Revenues	**5,190**	**5,057**	**+2.6%**	**5,253**	**4,981**	**+5.5%**
Operating expenses	(3,187)	(3,136)	+1.6%	(3,187)	(3,136)	+1.6%
Gross operating income	**2,003**	**1,921**	**+4.2%**	**2,066**	**1,845**	**+12.0%**
Cost of risk	(457)	(306)	+49.6%	(457)	(306)	+49.6%
Equity-accounted entities	212	60	x 3.6	212	60	x 3.6
Other gain or losses	1	(7)	n.m.	1	(7)	n.m.
Change in value of goodwill	-	-	n.m.	-	-	n.m.
Pre-tax income	**1,658**	**1,318**	**+25.8%**	**1,721**	**1,592**	**+8.1%**
Tax	(370)	(453)	(18.3%)	(392)	(425)	(7.9%)
Net income from discontinued or held-for-sale operations	11	(3)	n.m.	11	(3)	n.m.
Net income	**1,299**	**863**	**+50.5%**	**1,340**	**1,164**	**+15.1%**
Non-controlling interests	44	33	+31.8%	45	40	+11.4%
NET INCOME GROUP SHARE	**1,255**	**829**	**+51.3%**	**1,295**	**1,124**	**+15.2%**

The Large customers business line includes capital markets, investment banking, structured finance, commercial banking and asset servicing.

After a volatile start of the year, the markets experienced a lull from the end of the first quarter thanks to the action of central banks including the ECB, with the extension of its securities purchase programme to corporate counterparties. Market volatility nevertheless reappeared in May, triggered by uncertainties about global growth and fears around Brexit.

The second half was also characterised by numerous periods of uncertainty in connection with major political events, including the US presidential elections and the referendum in Italy, the outcomes of which further compounded the volatility of the market environment.

The end of the year also saw monetary policy developments in the American and European central banks: the Fed increased its policy rates in the wake of improved conditions in the United States, while the ECB announced the continuation of its securities purchase programme until December 2017, without modifying its policy rates.

The division's business lines benefited from this complex environment, posting underlying revenues up +5.5% year-on-year at €5,253 million in 2016.

Capital markets and investment banking revenues benefited from the strong performance in the fixed income, currency, credit and securitisation business lines. Fixed income activities were driven chiefly by the good performance of Repo activities. Foreign exchange activities benefited from the increased volatility in the markets, especially in the wake of the Brexit vote. Lastly, lending operations benefited from the extension of the ECB's securities purchase programme to corporates in March, promoting demand for issues.

(1) Relative to consolidated outstandings, calculated on an average annualised basis over four rolling quarters.

The definitions of the underlined words can be found in the Glossary on page 542.

Crédit Agricole CIB maintained its world leadership as bookrunner in ABCP (Asset Backed Commercial Paper) securitisation activity in Europe for the third consecutive year *(source: CPWare)*, and ranked second in Green Bonds worldwide *(source: Crédit Agricole CIB)*. The Bank was involved in the biggest deals in 2016, including one with Sanofi (the first placement having been unwound with a negative yield for a corporate) that was named "*European Investment Grade Corporate Bond of the Year*" at the 2016 IFR Awards. Crédit Agricole CIB also took part in the largest issue in size made by a French corporate (Danone) and the issue of the biggest-ever euro-denominated Green Bonds tranche with EDF.

Revenues from Investment banking activities also rose, with significant deals in the M&A and primary equity markets, including capital increases and convertible bonds. Crédit Agricole CIB also rose from 14th to 4th place in the ranking of mergers and acquisitions in France involving at least one French company. The Bank further confirmed its number two ranking as bookrunner in convertible bonds in France *(source: Thomson Financial)*.

In Financing activities, the structured finance business line reported a good level of new business despite a difficult economic climate in some sectors (Energy and Maritime).

In this business, Crédit Agricole CIB received the following distinctions: "*Best Project Finance Arranger of the Year*" *(source: Global Capital)* and "*European Bank of the Year*" in Aerospace *(source: Airline Economics)*. The Bank also maintained its position as global leader in aircraft financing *(source: Air Finance Journal)*.

The Large customers business held up well in a persistently unfavourable market environment (slowdown in global trade and oil prices down -17% on average year-on-year), but with a slight upturn for Trade Commodities Finance activities in a context of rising oil prices in the final quarter.

Crédit Agricole CIB maintained its number two ranking in the syndication business in France *(source: Thomson Financial)* in a declining syndicated loan market in France in 2016.

Growth in expenses was under control, (+1.6%) reflecting support for the development of the business and the numerous initiatives in the regulatory field. The division's cost/income ratio was 60.7% over the year.

The division's underlying gross operating income was accordingly up +12.0% year-on-year, reflecting the business's robust operating performance.

Excluding legal provisions, the cost of risk increased by a substantial +49.6% year-on-year due to a deterioration in the economic environment in the Energy and Maritime sectors.

The share of net income of equity-accounted entities increased by 360% to €212 million, on a favourable 2015 comparison base due primarily to the impairment of the investment in UBAF.

The division's net income Group share was €1,295 million on an underlying basis, an increase of +15.2% compared with 2015.

The division's risk-weighted assets were down -2% at €130 billion, despite regulatory pressure.

4

6. Corporate Centre

(in millions of euros)	2016 stated	2015 stated[1]	Δ 2016/2015 stated[1]	2016 underlying	2015 underlying	Δ 2016/2015 underlying
Revenues	**(1,348)**	**(1,359)**	**(0.8%)**	**(1,142)**	**(1,794)**	**(36.3%)**
Operating expenses	(872)	(862)	+1.1%	(872)	(862)	+1.1%
Gross operating income	**(2,220)**	**(2,221)**	**(0.0%)**	**(2,014)**	**(2,656)**	**(24.2%)**
Cost of risk	(27)	(228)	(88.2%)	(27)	(78)	(65.7%)
Equity-accounted entities	71	206	(65.6%)	71	206	(65.6%)
Other gain or losses	(54)	30	n.m.	(54)	30	n.m.
Change in value of goodwill	(491)	-	n.m.	-	-	n.m.
Pre-tax income	**(2,721)**	**(2,213)**	**+23.0%**	**(2,024)**	**(2,498)**	**(19.0%)**
Tax	925	1,113	(16.9%)	707	1,218	(41.9%)
Net income from discontinued or held-for-sale operations	1,272	0	n.m.	0	0	(90.0%)
Net income	**(523)**	**(1,099)**	**(52.4%)**	**(1,317)**	**(1,280)**	**+2.9%**
Non-controlling interests	(4)	50	n.m.	(7)	47	n.m.
NET INCOME GROUP SHARE	**(520)**	**(1,149)**	**(54.8%)**	**(1,310)**	**(1,327)**	**(1.3%)**

(1) Pro forma impact of the Eureka operation.

The Corporate Centre's net income Group share was -€520 million in 2016, compared with -€1,149 million in 2015.

2016 revenues were largely impacted by the simplification of the Group's capital structure (the Eureka operation), both by exceptional impacts (gain of +€1,254 million on the sale of CCIs/CCAs and a liability management operation in the amount of -€683 million) and by new impacts that have become recurring since the third quarter of the year (balance sheet optimisation, elimination of the cost of the Switch 1 mechanism, interest income on a loan granted to the Regional Banks, elimination of dividends paid by them).

The year was also marked by the recognition of a capital gain on Visa securities (+€355 million in revenues) and the impairment of LCL goodwill (-€491 million change in the value of goodwill).

In 2016, the impact of issuer spreads stood at -€140 million in revenues and -€85 million in net income Group share.

Excluding these items, the Corporate Centre's underlying net income Group share was -€1,310 million in 2016, virtually stable compared with 2015.

CRÉDIT AGRICOLE S.A. CONSOLIDATED BALANCE SHEET

ASSETS

(in billions of euros)	31/12/2016	31/12/2015 Restated	Changes
Cash, central banks	28.2	36.2	(22%)
Financial assets at fair value through profit or loss	326.3	348.3	(6.3%)
Hedging derivative instruments	21.9	24.8	(11.6%)
Available-for-sale financial assets	315.9	298.1	+6.0%
Loans and receivables due from credit institutions	382.8	367.1	+4.3%
Loans and receivables due from customers	346.3	331.1	+4.6%
Held-to-maturity securities	14.4	16.2	(11.4%)
Accruals, prepayments and sundry assets	56.6	58.0	(2.5%)
Non-current assets held for sale	0.6	0.4	n.m.
Investments in equity-accounted entities	7.1	24.6	(71.1%)
Fixed assets	11.0	10.9	+1.2%
Goodwill	13.2	13.6	(2.7%)
TOTAL	**1,524.2**	**1,529.3**	**(0.3%)**

EQUITY AND LIABILITIES

(in billions of euros)	31/12/2016	31/12/2015 Restated	Changes
Central banks	3.9	3.7	+5.4%
Financial liabilities at fair value through profit or loss	244.0	254.5	(4.1%)
Hedging derivative instruments	17.9	23.7	(24.5%)
Due to credit institutions	112.3	139.5	(19.4%)
Due to customers	521.8	505.7	+3.2%
Debt instruments	159.3	158.5	+0.5%
Accruals, deferred income and sundry liabilities	60.5	56.8	+6.4%
Liabilities associated with non-current assets held for sale	0.4	0.4	n.m.
Insurance company technical reserves	306.7	293.6	+4.5%
Provisions	4.3	4.1	+4.7%
Subordinated debt	29.3	29.4	(0.3%)
Total liabilities	**1,460.3**	**1,469.9**	**(0.7%)**
Equity	**63.9**	**59.4**	**+7.6%**
Equity, Group share	58.3	53.8	+8.3%
Non-controlling interests	5.7	5.6	+0.7%
TOTAL	**1,524.2**	**1,529.3**	**(0.3%)**

The definitions of the underlined words can be found in the Glossary on page 542.

Main changes in the consolidated balance sheet

At 31 December 2016, Crédit Agricole S.A. had consolidated assets of €1,524.2 billion, a decrease of -€5.1 billion (-0.3%) compared with the restated 2015 balance sheet. This relative stability resulted from several contrasting trends:

- a significant decline in equity-accounted entities (sale of the Regional Banks and their subsidiaries resulting in a negative impact of -€17.4 billion);
- a decline in financial assets and liabilities at fair value through profit or loss, especially derivatives;
- the good commercial momentum of 2016, which resulted in an increase in outstanding amounts with credit institutions, customer deposits and customer loans.

Analysis of the main items

Loans and receivables from customers and credit institutions totalled €729.1 billion at end-December 2016, an increase of +4.4% or +€30.9 billion compared with 2015.

Loans and receivables due from customers (including lease financing operations) totalled €346.3 billion at 31 December 2016, compared with €331.1 billion at 31 December 2015, an increase of +4.6%. The increase was attributable chiefly to growth in customer transactions at Crédit Agricole CIB in the amount of +€5 billion and LCL in the amount of +€5.4 billion, particularly on home loans.

Loans and receivables due from credit institutions also increased to €382.8 billion (+4.3%), compared with €367.1 billion at 31 December 2015. The increase of +€15.7 billion stemmed primarily from the increase in internal operations with the Regional Banks (+€9.3 billion, including +€11 billion related to the loan granted to the Regional Banks in the Eureka project).

Amounts due to credit institutions and customers totalled €634.2 billion at end-2016, a slight decline of -1.7% or -€11.0 billion compared with end-2015.

Amounts due to credit institutions decreased by -€27.1 billion to €112.3 billion. This decrease stemmed chiefly from lower Regional Bank borrowings from Crédit Agricole S.A. resulting mostly from maturity for -€10.7 billion and the net repayment from Crédit Agricole S.A. to the Regional Banks following the conclusion of the Switch mechanism in the amount of -€5 billion.

Amounts due to customers increased by +€16.1 billion to €521.8 billion, due chiefly to the high level of inflows (+€10.1 billion on home purchase savings plans, passbook accounts and *Livret A*) at Crédit Agricole S.A.

Financial assets at fair value through profit or loss amounted to €326.3 billion at 31 December 2016, compared with €348.3 billion at 31 December 2015, a decline of -6.3% year-on-year. This -€22 billion decline was attributable chiefly to Crédit Agricole CIB, which recorded a -€13.4 billion drop in trading derivatives resulting from change in interest rate swaps as well as a reduction in Treasury bills in the amount of -€4 billion.

It also reflects the ending of the tripling mechanism (mechanism for recording derivatives concluded between Crédit Agricole CIB and the Regional Banks in which Crédit Agricole S.A. systematically serves as an interface between the parties). See Note 1.3 "Significant events in 2016" in Chapter 7 "Separate financial statements" (impact of -€5.4 billion).

As of 31 December 2016, **financial liabilities at fair value through profit or loss** totalled €244.0 billion, a decline of -€10.5 billion or -4.1% year-on-year. This fall, consistent with the equivalent asset item, was due to the reduction in "Derivative instruments" (-€5.3 billion) and "Securities sold under repurchase agreements" (-€2.4 billion).

Available-for-sale financial assets (net of impairments) totalled €315.9 billion, an increase of +6.0% from €298.1 billion at 31 December 2015. Within Crédit Agricole S.A. Group, Crédit Agricole Assurance, with its insurance subsidiary Predica, was the largest holder of such securities, followed by Crédit Agricole S.A. These assets include bonds and other fixed-income securities (€209.1 billion, up +6.3% year-on-year), treasury bills and similar securities (€77.0 billion), equities and other variable-income securities (€19.3 billion) and non-consolidated equity investments (€10.5 billion).

Investments in equity-accounted entities totalled €7.1 billion at end-2016, compared with €24.6 billion in 2015. The decline resulted from the transfer of Regional Bank CCIs/CCAs held by Crédit Agricole S.A. to Sacam Mutualisation in the amount of -€17.9 billion.

Hedging derivatives recorded declines of -11.6% in assets and -24.5% in liabilities, attributable chiefly to the termination of macro-hedging of interest rate swaps at Crédit Agricole S.A. for assets and termination of fixed-rate borrower swaps at LCL for liabilities

Insurance companies' technical reserves increased by +4.5% in 2016 compared with 2015, reaching €306.7 billion. Most of the increase was attributable to Predica in the amount of +€9.2 billion, reflecting the increase in policy liabilities on euro and unit-linked contracts.

Debt instruments were broadly stable over the year. They amounted to €159.3 billion at end-2016, compared with €158.5 billion at the end of 2015.

Equity amounted to €63.9 billion at 31 December 2016, an increase of +€4.5 billion compared with 31 December 2015. Equity Group share amounted to €58.3 billion at end-2016, an increase of +€4.5 billion over the period, mainly reflecting the inclusion of income for the year.

Capital management and regulatory ratios

The amendment to IAS 1 adopted by the European Union on 11 January 2006 requires quantitative and qualitative disclosures on the issuer's capital and management of its capital i.e. objectives, policies and processes for managing capital. This information is provided in Note 3.6 to the financial statements and in "Basel 3 Pillar 3 disclosures", provided below.

CRÉDIT AGRICOLE S.A. GROUP ESTABLISHMENTS IN FRANCE AND ABROAD

The information about Crédit Agricole S.A. Group entities required by Article 7 of French law no. 2013-672 of 26 July 2013 on the separation and regulation of banking activities and by Order no. 2014-158 of 20 February 2014 supplemented by Implementing Decree no. 2014-1657 of 29 December 2014 implementing Article L. 511-45 of the French Monetary and Financial Code, are detailed below.

Consolidated entities included in this reporting are the parent company, subsidiaries and branches. Entities classed as discontinued or held-for-sale operations under IFRS 5, as well as entities consolidated using the equity method, are excluded. The Regional Banks are consolidated according to the equity method and are included in the French tax consolidation mechanism.

Revenues from foreign establishments correspond to their territorial contribution to the consolidated financial statements prior to elimination of reciprocal intragroups transactions.

Employees correspond to the number of full-time equivalent employees at the end of the reporting period.

Information as at 31 December 2016, aggregated to a State or territorial level is as follows (in millions of euros):

Geographic location	Revenues excluding intragroup eliminations	Headcount (full-time equivalent)	Income before tax	Income tax - current[1]	Income tax - deferred[1]	Public grants received
France (including overseas departments and territories)						
France[2]	7,894	36,968	78	537	(337)	-
Other EU countries						
Germany	390	1,190	147	(43)	(9)	-
Austria	14	42	5	(3)	1	-
Belgium	51	115	21	(6)	(1)	-
Spain	156	242	94	(27)	-	-
Finland	10	13	6	(2)	-	-
Greece	-	5	(2)	(1)	-	-
Ireland[3]	145	240	95	(6)	-	-
Italy	2,763	10,491	693	(170)	(51)	-
Luxembourg	530	1,306	239	(57)	23	-
Netherlands	119	346	32	(16)	(1)	-
Poland	399	5,230	63	(24)	5	-
Portugal	115	447	69	(9)	(10)	-
Czech Republic	12	47	8	(1)	-	-
Romania	10	275	(7)	-	-	-
United Kingdom	1,014	900	606	(177)	(5)	-
Sweden	23	42	8	(2)	-	-
Other European countries						
Monaco	137	422	54	(3)	-	-
Russia	22	172	6	(2)	-	-
Serbia	34	875	2	-	-	-
Switzerland	343	1,140	104	(31)	3	-
Ukraine	101	2,270	35	(8)	1	-
Guernsey[4]	1	-	-	-	-	-
North America						
Canada	1	69	(2)	-	-	-
United States	1,069	781	432	(43)	(74)	-
Central and South America						
Bermuda[4]	-	-	-	-	-	-
Brazil	64	125	20	(8)	(7)	-
Cayman Islands[4][5]	12	-	12	-	-	-

The definitions of the underlined words can be found in the Glossary on page 542.

Geographic location	Revenues excluding intragroup eliminations	Headcount (full-time equivalent)	Income before tax	Income tax - current(1)	Income tax - deferred(1)	Public grants received
Africa and Middle East						
Algeria	6	25	3	(1)	-	-
Egypt	246	2,331	145	(37)	-	-
United Arab Emirates	67	87	30	(2)	-	-
Morocco	195	2,483	45	(26)	10	-
Mauritius	3	107	1	-	-	-
Asia-Pacific (ex. Japan)						
Australia	54	30	43	(13)	1	-
China	48	134	23	-	-	-
South Korea	28	80	2	21	(27)	-
Hong-Kong	223	608	8	(3)	(1)	-
India	43	140	(11)	(33)	37	-
Malaysia	8	23	5	(1)	-	-
Singapore	176	515	44	(6)	-	-
Taiwan	26	70	10	-	(1)	-
Vietnam	-	-	5	-	-	-
Japan						
Japan	301	444	149	(50)	1	-
TOTAL	**16,853**	**70,830**	**3,320**	**(253)**	**(442)**	**-**

(1) Positive amounts are gains and negative amounts are losses.

(2) The tax policy of Crédit Agricole S.A. is explained in Chapter 2 – "Economic, social and environmental information".

(3) The Group's Irish UCITS are all tax transparent. Their net income is taxed in France.

(4) Entities established in Guernsey, the Cayman Islands and Bermuda are taxed, respectively, in France (under Article 209 B of the French General Tax Code), in the United States and in the United Kingdom.

(5) Employees of the entity established in the Cayman Islands are located in the United States.

At 31 December 2016 the Group had the following establishments:

ESTABLISHMENTS

Operation name	Type of business(a)	Geographic location
ACACIA	AG	France
ACAJOU	AG	France
Acieralliage EURO FCC	LC	France
Acieralliage USD FCC	LC	United States
AF EQUI.GLOB.AHE CAP	AG	Luxembourg
AF INDEX EQ JAPAN AE CAP	AG	Luxembourg
AF INDEX EQ USA A4E	AG	Luxembourg
Agos	SFS	Italy
AGRICOLE RIVAGE DETTE	AG	France
ALTAREA	AG	France
AM AC FR ISR PC 3D	AG	France
AM CR 1-3 EU PC 3D	AG	France
AM.AC.EU.ISR-P-3D	AG	France
AM.AC.MINER.-P-3D	AG	France
AMUN TRESO CT PC 3D	AG	France
AMUN.TRES.EONIA ISR E FCP 3DEC	AG	France
AMUNDI	AG	France

Operation name	Type of business(a)	Geographic location
AMUNDI (UK) Ltd.	AG	United Kingdom
AMUNDI 12 M P	AG	France
AMUNDI 3 M P	AG	France
AMUNDI ACTIONS FRANCE C 3DEC	AG	France
AMUNDI AFD AV DURABL P1 FCP 3DEC	AG	France
AMUNDI AI S.A.S.	AG	France
Amundi AI LONDON BRANCH	AG	United Kingdom
AMUNDI ARMONIA	AG	Italy
AMUNDI Asset Management	AG	France
AMUNDI Asset Management BELGIUM	AG	Belgium
AMUNDI Asset Management DEUTSCHLAND	AG	Germany
AMUNDI Asset Management HONG KONG BRANCH	AG	Hong Kong
AMUNDI Asset Management LONDON BRANCH	AG	United Kingdom
AMUNDI Asset Management NEDERLAND	AG	Netherlands
Amundi Austria	AG	Austria

Operation name	Type of business[a]	Geographic location
AMUNDI B EU COR AEC	AG	Luxembourg
AMUNDI BD EU HY AEC	AG	Luxembourg
AMUNDI CRED.EURO ISR P FCP 3DEC	AG	France
Amundi Distributors Usa Llc	AG	United States
AMUNDI EQ E IN AHEC	AG	Luxembourg
AMUNDI Finance	AG	France
AMUNDI Finance Emissions	AG	France
AMUNDI GBL MACRO MULTI ASSET P	AG	France
AMUNDI GLOBAL SERVICING	AG	Luxembourg
AMUNDI GRD 24 FCP	AG	France
AMUNDI Hellas MFMC S.A.	AG	Greece
Amundi Hk - Green Planet Fund	AG	Hong Kong
AMUNDI Hong Kong Ltd.	AG	Hong Kong
AMUNDI HORIZON 3D	AG	France
AMUNDI Iberia S.G.I.I.C S.A.	AG	Spain
AMUNDI Immobilier	AG	France
AMUNDI India Holding	AG	France
AMUNDI Intermédiation	AG	France
AMUNDI Issuance	AG	France
AMUNDI IT Services	AG	France
AMUNDI Japan	AG	Japan
AMUNDI Japan Holding	AG	Japan
AMUNDI Japan Securities Cy Ltd.	AG	Japan
AMUNDI Luxembourg S.A.	AG	Luxembourg
AMUNDI Malaysia Sdn Bhd	AG	Malaysia
AMUNDI OBLIG EURO C	AG	France
AMUNDI PATRIMOINE C 3DEC	AG	France
Amundi Performance Absolue Equilibre	AG	France
AMUNDI Polska	AG	Poland
AMUNDI Private Equity Funds	AG	France
AMUNDI PULSACTIONS	AG	France
AMUNDI Real Estate Italia SGR S.p.A.	AG	Italy
AMUNDI SGR S.p.A.	AG	Italy
AMUNDI Singapore Ltd.	AG	Singapore
AMUNDI Smith Breeden	AG	United States
AMUNDI Suisse	AG	Switzerland
AMUNDI Tenue de Comptes	AG	France
AMUNDI USA Inc	AG	United States
AMUNDI VALEURS DURAB	AG	France
AMUNDI Ventures	AG	France
Antera Incasso B.V.	SFS	Netherlands
ANTINEA FCP	AG	France
ARAMIS PATRIM D 3D	AG	France
Arc Broker	IRB	Poland
ARC FLEXIBOND-D	AG	France
ARES Reinsurance Ltd.	SFS	Ireland
Argence Investissement S.A.S.	SFS	France

Operation name	Type of business[a]	Geographic location
Armo-Invest	LC	France
ARTEMID	AG	France
ASSUR&ME	AG	France
Atlantic Asset Securitization LLC	LC	United States
ATOUT EUROPE C FCP 3DEC	AG	France
ATOUT FRANCE C FCP 3DEC	AG	France
ATOUT MONDE C FCP 3DEC	AG	France
ATOUT SERENACTIONS	AG	France
ATOUT VERT HORIZON FCP 3 DEC	AG	France
Auxifip	SFS	France
AXA EUR.SM.CAP E 3D	AG	France
Banca Popolare Friuladria S.p.A.	IRB	Italy
Banco Crédit Agricole Brasil S.A.	LC	Brazil
Banque Thémis	FRB	France
BARCLAYS QUAN MER AR	AG	Ireland
Benelpart	LC	Belgium
BEST BUS MODELS RC	AG	France
BFT INVESTMENT MANAGERS	AG	France
BFT opportunité	AG	France
BNP PAR.CRED.ERSC	AG	France
C.L. Verwaltungs und Beteiligungsgesellschaft GmbH	FRB	Germany
CA Assicurazioni	AG	Italy
CA Grands Crus	CC	France
CA Indosuez (Suisse) S.A. Hong Kong Branch	AG	Hong Kong
CA Indosuez (Suisse) S.A. Singapore Branch	AG	Singapore
CA Indosuez (Switzerland) S.A.	AG	Switzerland
CA Indosuez Finanziaria S.A.	AG	Switzerland
CA Indosuez Gestion	AG	Netherlands
CA Indosuez Wealth (Asset Management)	AG	Luxembourg
CA Indosuez Wealth (Brazil) S.A. DTVM	AG	Brazil
CA Indosuez Wealth (Europe)	AG	Luxembourg
CA Indosuez Wealth (Europe) Belgium Branch	AG	Belgium
CA Indosuez Wealth (Europe) Italy Branch	AG	Italy
CA Indosuez Wealth (Europe) Spain Branch	AG	Spain
CA Indosuez Wealth (France)	AG	France
CA Indosuez Wealth (Global Structuring)	AG	Luxembourg
CA Indosuez Wealth (Group)	AG	France
CA MASTER EUROPE	AG	France
CA VITA INFRASTRUCTURE CHOICE FIPS c.I.A.	AG	France
CA VITA PRIVATE DEBT CHOICE FIPS cl.A	AG	France
CA VITA PRIVATE EQUITY CHOICE	AG	France
CAA 2013 COMPARTIMENT 5 A5	AG	France

Operation name	Type of business(a)	Geographic location
CAA 2013 FCPR B1	AG	France
CAA 2013 FCPR C1	AG	France
CAA 2013 FCPR D1	AG	France
CAA 2013-2	AG	France
CAA 2013(3)	AG	France
CAA 2014 COMPARTIMENT 1 PART A1	AG	France
CAA 2014 INVESTISSMENT PART A3	AG	France
CAA 2015 COMPARTIMENT 1	AG	France
CAA 2015 COMPARTIMENT 2	AG	France
CAA 2016	AG	France
CAA INFRASTRUCTURE	AG	France
CAA PRIV.FINANC. COMP.1 A1 FIC	AG	France
CAA PRIV.FINANC. COMP.2 A2 FIC	AG	France
CAA SECONDAIRE IV	AG	France
CACEIS (Canada) Ltd.	LC	Canada
CACEIS (USA) Inc.	LC	United States
CACEIS Bank	LC	France
CACEIS Bank Deutschland GmbH	LC	Germany
CACEIS Bank Luxembourg	LC	Luxembourg
CACEIS Bank S.A., Germany Branch	LC	Germany
CACEIS Bank, Belgium Branch	LC	Belgium
CACEIS Bank, Ireland Branch	LC	Ireland
CACEIS Bank, Italy Branch	LC	Italy
CACEIS Bank, Luxembourg Branch	LC	Luxembourg
CACEIS Bank, Netherlands Branch	LC	Netherlands
CACEIS Bank, Switzerland Branch	LC	Switzerland
CACEIS Bank, UK Branch	LC	United Kingdom
CACEIS Belgium	LC	Belgium
CACEIS Corporate Trust	LC	France
CACEIS Fund Administration	LC	France
CACEIS Ireland Limited	LC	Ireland
CACEIS S.A.	LC	France
CACEIS Switzerland S.A.	LC	Switzerland
CACI DANNI	AG	Italy
CACI Gestion	AG	France
CACI LIFE LIMITED	AG	Ireland
CACI NON LIFE LIMITED	AG	Ireland
CACI NON VIE	AG	France
CACI Reinsurance Ltd.	AG	Ireland
CACI VIE	AG	France
CACI VITA	AG	Italy
CA-EDRAM OPPORTUNITES FCP 3DEC	AG	France
CAIRS Assurance S.A.	LC	France
Caisse régionale de Crédit Agricole mutuel de la Corse	CC	France
CAL Espagne	SFS	Spain
Calciphos	LC	France

Operation name	Type of business(a)	Geographic location
CALI Europe France Branch	AG	France
CALI Europe Poland Branch	AG	Poland
Calixis Finance	LC	France
Calliope SRL	LC	Italy
Carefleet S.A.	SFS	Poland
CAREPTA R 2016	AG	France
Carispezia	IRB	Italy
CEDAR	AG	France
CFM Indosuez Wealth	AG	Monaco
Chorial Allocation	AG	France
CL Développement de la Corse	CC	France
Clam Philadelphia	AG	France
Clifap	LC	France
CLSA Financial Products Ltd	LC	Bermuda
Compagnie Française de l'Asie (CFA)	LC	France
CONVERT.EUROP.AE	AG	Luxembourg
CORSAIR 1.5255% 25/04/35	AG	Ireland
CPR ACTIVE US -P-	AG	France
CPR AM	AG	France
CPR CONSO ACTIONNAIRE FCP P	AG	France
CPR CROIS.REA.-P	AG	France
CPR EUROLAND P 3D	AG	France
CPR GLO SILVER AGE P	AG	France
CPR OBLIG 12 M.P 3D	AG	France
CPR REFL.RESP.0-100 P FCP 3DEC	AG	France
CPR RENAI.JAP.-P-3D	AG	France
CPR RENAISSANCE JAPON HP 3D	AG	France
CPR SILVER AGE P 3DEC	AG	France
Crealfi	SFS	France
Credibom	SFS	Portugal
Crediet Maatschappij "De Ijssel" B.V.	SFS	France
Crédit Agricole CIB (Belgium)	LC	Belgium
Crédit Agricole America Services Inc.	LC	United States
Crédit Agricole Asia Shipfinance Ltd.	LC	Hong Kong
Crédit Agricole Assurances (CAA)	AG	France
CREDIT AGRICOLE BANK	IRB	Ukraine
Crédit Agricole Bank Polska S.A.	IRB	Poland
Crédit Agricole Banka Srbija a.d. Novi Sad	IRB	Serbia
Crédit Agricole Capital Investissement et Finance (CACIF)	CC	Netherlands
Crédit Agricole Cariparma	IRB	Italy
Crédit Agricole CIB (ABU DHABI)	LC	United Arab Emirates
Crédit Agricole CIB (Germany)	LC	Germany
Crédit Agricole CIB (Canada)	LC	Canada
Crédit Agricole CIB (Chicago)	LC	United States
Crédit Agricole CIB (South Korea)	LC	South Korea

Operation name	Type of business[(a)]	Geographic location
Crédit Agricole CIB (Dubai DIFC)	LC	United Arab Emirates
Crédit Agricole CIB (Dubai)	LC	United Arab Emirates
Crédit Agricole CIB (Spain)	LC	Spain
Crédit Agricole CIB (Finland)	LC	Finland
Crédit Agricole CIB (Hong-Kong)	LC	Hong Kong
Crédit Agricole CIB (Cayman Islands)	LC	Cayman Islands
Crédit Agricole CIB (India)	LC	India
Crédit Agricole CIB (Italy)	LC	Italy
Crédit Agricole CIB (Japon)	LC	Japan
Crédit Agricole CIB (Luxembourg)	LC	Luxembourg
Crédit Agricole CIB (Miami)	LC	United States
Crédit Agricole CIB (New-York)	LC	United States
Crédit Agricole CIB (Royaume-Uni)	LC	United Kingdom
Crédit Agricole CIB (Singapour)	LC	Singapore
Crédit Agricole CIB (Suède)	LC	Sweden
Crédit Agricole CIB (Taipei)	LC	Taiwan
Crédit Agricole CIB (Vietnam)	LC	Vietnam
Crédit Agricole CIB Air Finance S.A.	LC	France
Crédit Agricole CIB Algérie Bank Spa	LC	Algeria
Crédit Agricole CIB AO	LC	Russia
Crédit Agricole CIB Australia Ltd.	LC	Australia
Crédit Agricole CIB China Ltd.	LC	China
Crédit Agricole CIB Finance (Guernsey) Ltd.	LC	Guernsey
Crédit Agricole CIB Financial Prod. (Guernsey) Ltd.	LC	Guernsey
Crédit Agricole CIB Financial Solutions	LC	France
Crédit Agricole CIB Global Banking	LC	France
Crédit Agricole CIB Holdings Ltd.	LC	United Kingdom
Crédit Agricole CIB Pension Limited Partnership	LC	United Kingdom
Crédit Agricole CIB S.A.	LC	France
Crédit Agricole CIB Services Private Ltd.	LC	India
Crédit Agricole Consumer Finance	SFS	France
Crédit Agricole Consumer Finance Nederland	SFS	Netherlands
Crédit Agricole Creditor Insurance (CACI)	AG	France
Crédit Agricole Egypt S.A.E.	IRB	Egypt
Crédit Agricole Global Partners Inc.	LC	United States
Crédit Agricole Group Solutions	IRB	Italy
Crédit Agricole Home Loan SFH	CC	France
Crédit Agricole Leasing & Factoring	SFS	France
Crédit Agricole Leasing (USA) Corp.	LC	United States
Crédit Agricole Leasing Italia	SFS	Italy
Crédit Agricole Life Insurance Company Japan Ltd.	AG	Japan
Crédit Agricole Life Insurance Europe	AG	Luxembourg
Crédit Agricole Payment Services	CC	France
Crédit Agricole Polska S.A.	IRB	Poland
Crédit Agricole Public Sector SCF	CC	France
Credit Agricole Romania	IRB	Romania
Credit Agricole Securities (Asia) Limited Hong Kong	LC	Hong Kong
Credit Agricole Securities (Asia) Limited Seoul Branch	LC	South Korea
Crédit Agricole Securities (USA) Inc	LC	United States
Crédit Agricole Securities Asia BV	LC	Netherlands
Crédit Agricole Securities Asia BV (Tokyo)	LC	Japan
Credit Agricole Serivce sp z o.o.	IRB	Poland
Crédit Agricole Vita S.p.A.	AG	Italy
Crédit Agricole S.A.	CC	France
Crédit du Maroc	IRB	Morocco
Crédit du Maroc Leasing et Factoring	SFS	Morocco
Crédit LIFT	SFS	France
Crédit Lyonnais Développement Économique (CLDE)	FRB	France
Creditplus Bank AG	SFS	Germany
De Kredietdesk B.V.	SFS	Netherlands
Delfinances	CC	France
DGAD International SARL	LC	Luxembourg
DNA 0% 12-211220	AG	Luxembourg
DNA 0% 16/10/2020	AG	Luxembourg
DNA 0% 21/12/20 EMTN	AG	Luxembourg
DNA 0% 23/07/18 EMTN INDX	AG	Luxembourg
DNA 0% 27/06/18 INDX	AG	Luxembourg
DNA 0%11-231216 INDX	AG	Luxembourg
DNA 0%12-240418 INDX	AG	Luxembourg
DNV B.V.	SFS	Netherlands
Doumer Finance S.A.S.	LC	France
ECOFI MULTI OPPORTUN.FCP 3DEC	AG	France
EFL Finance S.A.	SFS	Poland
EFL Services	SFS	Poland
EMERITE	AG	France
ESNI (compartiment Crédit Agricole CIB)	LC	France
ESNI (compartiment Crédit Agricole S.A.)	CC	France
Ester Finance Titrisation	LC	France
Étoile Gestion	AG	France
Eucalyptus FCT	LC	France
EUROFACTOR GmbH	SFS	Germany
Eurofactor Hispania S.A.	SFS	Spain
Eurofactor Italia S.p.A.	SFS	Italy
EUROFACTOR NEDERLAND	SFS	Netherlands
EUROFACTOR POLSKA S.A.	SFS	Poland
Eurofactor SA - NV (Benelux)	SFS	Belgium
Eurofactor S.A. (Portugal)	SFS	Portugal
Eurofintus Financieringen B.V.	SFS	Netherlands

Operation name	Type of business(a)	Geographic location
EUROPEAN MOTORWAY INVESTMENTS 1	AG	Luxembourg
Europejski Fundusz Leasingowy (E.F.L.)	SFS	Poland
EUROSIC	AG	France
FCPR CAA 2013	AG	France
FCPR CAA COMP TER PART A3	AG	France
FCPR CAA COMPART BIS PART A2	AG	France
FCPR CAA COMPARTIMENT 1 PART A1	AG	France
FCPR CAA France croissance 2 A	AG	France
FCPR PREDICA 2007 A	AG	France
FCPR PREDICA 2007 C2	AG	France
FCPR PREDICA 2008 A1	AG	France
FCPR PREDICA 2007 A	AG	France
FCPR PREDICA 2007 C2	AG	France
FCPR PREDICA SECONDAIRE I A1	AG	France
FCPR PREDICA SECONDAIRE I A2	AG	France
FCPR PREDICA SECONDAIRES II A	AG	France
FCPR PREDICA SECONDAIRES II B	AG	France
FCPR Roosevelt Investissements	AG	France
FCPR UI CAP AGRO	AG	France
FCPR UI CAP SANTE A	AG	France
FCT BRIDGE 2016-1	AG	France
FCT Cablage FCT	LC	France
FCT CAREPTA - COMPARTIMENT 2014-1	AG	France
FCT CAREPTA - COMPARTIMENT 2014-2	AG	France
FCT CAREPTA - COMPARTIMENT RE-2016-1	AG	France
FCT CAREPTA - RE 2015 -1	AG	France
FCT CAREPTA 2-2016	AG	France
FCT Crédit Agricole Habitat 2015 Compartiment Corse	CC	France
FCT Evergreen HL1	CC	France
FCT MID CAP 2 05/12/22	AG	France
FEDERIS CORE EU CR 19 MM	AG	France
Federval	AG	France
Fia Net Europe	CC	Luxembourg
Fia-Net	CC	France
FIC-FIDC	LC	Brazil
Finamur	SFS	Netherlands
Financière des Scarabées	LC	Belgium
Financière Lumis	LC	France
Finaref Assurances S.A.S.	AG	France
Finaref Risques Divers	AG	France
Finaref Vie	AG	France
Finasic	CC	France
Finata Bank N.V.	SFS	France
Finata Zuid-Nederland B.V.	SFS	Netherlands
Fininvest	LC	Netherlands

Operation name	Type of business(a)	Geographic location
Fletirec	LC	France
Foncaris	CC	France
FONCIERE HYPERSUD	AG	France
FONDS AV ECHU N 1 3DEC	AG	France
FPCI Cogeneration France I	AG	France
FREY	AG	France
Genavent	AG	France
Genavent Partners Lp	AG	United States
GNB SEGUROS	AG	Portugal
GRD TOBAM AB A	AG	France
GRD01	AG	France
GRD02	AG	France
GRD03	AG	France
GRD04	AG	France
GRD05	AG	France
GRD07	AG	France
GRD08	AG	France
GRD09	AG	France
GRD10	AG	France
GRD11	AG	France
GRD12	AG	France
GRD13	AG	France
GRD14	AG	France
GRD16	AG	France
GRD17	AG	France
GRD18	AG	France
GRD19	AG	France
GRD20	AG	France
GRD21	AG	France
GRD23	AG	France
Green FCT Lease	SFS	France
GSA Ltd	SFS	Mauritius
HDP BUREAUX	AG	France
HDP HOTEL	AG	France
HDP LA HALLE BOCA	AG	France
Héphaïstos EUR FCC	LC	France
Héphaïstos GBP FCT	LC	France
Héphaïstos Multidevises FCT	LC	France
Héphaïstos USD FCT	LC	France
HMG GLOBETROTTER D	AG	France
I.P.F.O.	LC	France
IAA CROISSANCE INTERNATIONALE	AG	France
IDIA	CC	France
IDM Finance B.V.	SFS	Netherlands
IDM Financieringen B.V.	SFS	Netherlands
IDM lease maatschappij N.V.	SFS	Netherlands

Operation name	Type of business[(a)]	Geographic location
Iebe Lease B.V.	SFS	Netherlands
IKS KB	AG	Czech Republic
Immobilière Sirius S.A.	LC	Luxembourg
IND.CAP EMERG.-C-3D	AG	France
INDO.FLEX.100 -C-3D	AG	France
INDOCAM FLAMME FCP 3DEC	AG	France
INDOS.EURO.PAT.PD 3D	AG	France
Indosuez CM II Inc.	LC	United States
Indosuez Holding SCA II	LC	Luxembourg
Indosuez Management Luxembourg II	LC	Luxembourg
INFRA FOCH TOPCO	AG	France
InterBank group	SFS	Netherlands
Interfimo	FRB	Netherlands
INVEST RESP S3 3D	AG	France
Investor Service House S.A.	LC	France
Island Refinancing SRL	LC	Italy
ItalAsset Finance SRL	LC	Italy
IUB Holding	IRB	France
JAYANNE 5 FCP 3DEC	AG	France
JAYANNE 6 FCP	AG	France
JAYANNE 7 FCP 3DEC	AG	France
JPM-US S E P-AEURA	AG	Luxembourg
KBI Fund Managers Limited	AG	Ireland
KBI Global Investors (North America) Limited	AG	Ireland
KBI Global Investors Limited	AG	Ireland
KORIAN	AG	Netherlands
Krediet '78 B.V.	SFS	Netherlands
L.F. Investment Inc.	LC	United States
L.F. Investment L.P.	LC	United States
La Fayette Asset Securitization LLC	LC	United States
Lafina	LC	Belgium
LCL	FRB	France
LCL AC.DEV.DU.EURO	AG	France
LCL AC.EMERGENTS 3D	AG	France
LCL ACT.E-U ISR 3D	AG	France
LCL ACT.IMMOBI.3D	AG	France
LCL ACT.USA ISR 3D	AG	France
LCL ACTIONS EURO C	AG	France
LCL ALLOCATION DYNAMIQUE 3D FCP	AG	France
LCL ALLOCATION EQUILIBRE 3DEC	AG	France
LCL D.CAPT.JU.10 3D	AG	France
LCL D.H.2-4 ANS AV NOV 13	AG	France
LCL DEVELOPPEM.PME C	AG	France
LCL Emissions	AG	France
LCL FDS ECH.MONE.3D	AG	France

Operation name	Type of business[(a)]	Geographic location
LCL FLEX 30	AG	France
LCL INVEST.EQ C	AG	France
LCL INVEST.PRUD.3D	AG	France
LCL MGEST 60 3DEC	AG	France
LCL MGEST FL.0-100	AG	France
LCL MONETAIRE -C-	AG	France
LCL OBLIGATIONS INFLATION C EUR	AG	France
LCL ORIENTATION DYNAM FCP3D	AG	France
LCL ORIENTATION EQUIL.FCP 3DEC	AG	France
LCL ORIENTATION PRUDENT	AG	France
LCL PHOENIX VIE 2016	AG	France
LCL PREMIUM VIE 14 C	AG	France
LCL PREMIUM VIE 2015	AG	France
LCL SEC 106(MARS 10)FCP 3DEC	AG	France
LCL SECU.100(JUIL.11)	AG	France
LCL Monaco Branch	FRB	Monaco
LCL TR 3 MOIS PC 3D	AG	France
LCL TRIP HORIZ SEP16	AG	France
LCL TRIPLE HORIZON AV 09/13 C 3D	AG	France
LCL VOCATION RENDEMENT NOV 12 3D	AG	France
Lixxbail	SFS	France
Lixxcourtage	SFS	France
Lixxcredit	SFS	France
LMA SA	LC	France
Londres Croissance C16	AG	France
LRP - CPT JANVIER 2013 0.30 13-21 11/01A	AG	Luxembourg
Lukas Finanse S.A.	IRB	Poland
Mahuko Financieringen B.V.	SFS	Netherlands
Médicale de France	AG	France
Merisma	LC	France
Miladim	LC	France
Molinier Finances	LC	France
Money Care B.V.	SFS	France
Nexus 1	AG	Italy
NL Findio B.V	SFS	France
NVF Voorschotbank B.V.	SFS	France
OBJECTIF LONG TERME FCP	AG	France
OBJECTIF PRUDENCE FCP	AG	France
OBLIG INF CM CIC 3D	AG	France
OPCI Camp Invest	AG	France
OPCI ECO CAMPUS SPPICAV	AG	France
OPCI Immanens	AG	France
OPCI Immo Emissions	AG	France
OPCI Iris Invest 2010	AG	France
OPCI KART	AG	France

Operation name	Type of business[(a)]	Geographic location
OPCI MASSY BUREAUX	AG	France
OPCI Messidor	AG	France
OPCIMMO LCL SPPICAV 5DEC	AG	France
OPCIMMO PREM SPPICAV 5DEC	AG	France
OPTALIS DYNAMIQUE C FCP 3DEC	AG	France
OPTIMIZ BES TIMING II 3DEC	AG	France
Pacific EUR FCC	LC	France
Pacific IT FCT	LC	France
Pacific USD FCT	LC	France
Pacifica	AG	France
Partinvest S.A.	LC	Luxembourg
Peg - Portfolio Eonia Garanti	AG	France
PIMENTO 4 FCP	AG	France
PIMENTO 5 FCP 3DEC	AG	France
Placements et réalisations immobilières (SNC)	LC	France
Predica	AG	France
Predica - Prévoyance Dialogue du Crédit Agricole	AG	Spain
Predica 2005 FCPR A	AG	France
Predica 2006 FCPR A	AG	France
Predica 2006-2007 FCPR	AG	France
PREDICA 2010 A1	AG	France
PREDICA 2010 A2	AG	France
PREDICA 2010 A3	AG	France
Predica OPCI Bureau	AG	France
Predica OPCI Commerces	AG	France
Predica OPCI Habitation	AG	France
PREDICA SECONDAIRES III	AG	France
Predicant A1 FCP	AG	France
Predicant A2 FCP	AG	France
Predicant A3 FCP	AG	France
PREDIPARK	AG	France
Prediquant Eurocroissance A2	AG	France
Prediquant opportunité	AG	France
PREDIQUANT STRATEGIES	AG	France
PREMIUM GR 0% 28	AG	Ireland
PREMIUM GREEN 1.24% 25/04/35	AG	Ireland
PREMIUM GREEN 4.52%06-21 EMTN	AG	Ireland
PREMIUM GREEN 4.54%06-13.06.21	AG	Ireland
PREMIUM GREEN 4.5575%21 EMTN	AG	Ireland
PREMIUM GREEN 4.56%06-21	AG	Ireland
PREMIUM GREEN 4.7% EMTN 08/08/21	AG	Ireland
PREMIUM GREEN 4.72%12-250927	AG	Ireland
PREMIUM GREEN PLC 4.30%2021	AG	Ireland
PREMIUM GREEN TV 06/22	AG	Ireland
PREMIUM GREEN TV 07/22	AG	Ireland

Operation name	Type of business[(a)]	Geographic location
PREMIUM GREEN TV 07-22	AG	Ireland
PREMIUM GREEN TV 22	AG	Ireland
PREMIUM GREEN TV 26/07/22	AG	Ireland
PREMIUM GREEN TV06(16) EMTN	AG	Ireland
PREMIUM GREEN TV07(17) EMTN	AG	Ireland
PREMIUM GREEN TV2027	AG	Ireland
PREMIUM GREEN TV23/05/2022 EMTN	AG	Ireland
PREMIUM GREEN4.33%06-29/10/21	AG	Ireland
RAMSAY – GENERALE DE SANTE	AG	France
RED CEDAR	AG	France
Ribank	SFS	Netherlands
RONDEYS 2 3DEC FCP	AG	Netherlands
RONDEYS 3 FCP	AG	Netherlands
S.A.S. Evergreen Montrouge	CC	Netherlands
SA RESICO	AG	Netherlands
Sagrantino Italy SRL	LC	Italy
SAS Caagis	AG	France
SCI BMEDIC HABITATION	AG	France
SCI CAMPUS MEDICIS ST DENIS	AG	France
SCI CAMPUS RIMBAUD ST DENIS	AG	France
SCI FEDERALE PEREIRE VICTOIRE	AG	France
SCI FEDERALE VILLIERS	AG	France
SCI FEDERLOG	AG	France
SCI FEDERLONDRES	AG	France
SCI FEDERPIERRE	AG	France
SCI GRENIER VELLEF	AG	France
SCI IMEFA 001	AG	France
SCI IMEFA 002	AG	France
SCI IMEFA 003	AG	France
SCI IMEFA 004	AG	France
SCI IMEFA 005	AG	France
SCI IMEFA 006	AG	France
SCI IMEFA 008	AG	France
SCI IMEFA 009	AG	France
SCI IMEFA 010	AG	France
SCI IMEFA 011	AG	France
SCI IMEFA 012	AG	France
SCI IMEFA 013	AG	France
SCI IMEFA 016	AG	France
SCI IMEFA 017	AG	France
SCI IMEFA 018	AG	France
SCI IMEFA 020	AG	France
SCI IMEFA 022	AG	France
SCI IMEFA 025	AG	France
SCI IMEFA 032	AG	France
SCI IMEFA 033	AG	France

Operation name	Type of business[a]	Geographic location
SCI IMEFA 034	AG	France
SCI IMEFA 035	AG	France
SCI IMEFA 036	AG	France
SCI IMEFA 037	AG	France
SCI IMEFA 038	AG	France
SCI IMEFA 039	AG	France
SCI IMEFA 042	AG	France
SCI IMEFA 043	AG	France
SCI IMEFA 044	AG	France
SCI IMEFA 047	AG	France
SCI IMEFA 048	AG	France
SCI IMEFA 051	AG	France
SCI IMEFA 052	AG	France
SCI IMEFA 054	AG	France
SCI IMEFA 057	AG	France
SCI IMEFA 058	AG	France
SCI IMEFA 060	AG	France
SCI IMEFA 061	AG	France
SCI IMEFA 062	AG	France
SCI IMEFA 063	AG	France
SCI IMEFA 064	AG	France
SCI IMEFA 067	AG	France
SCI IMEFA 068	AG	France
SCI IMEFA 069	AG	France
SCI IMEFA 072	AG	France
SCI IMEFA 073	AG	France
SCI IMEFA 074	AG	France
SCI IMEFA 076	AG	France
SCI IMEFA 077	AG	France
SCI IMEFA 078	AG	France
SCI IMEFA 079	AG	France
SCI IMEFA 080	AG	France
SCI IMEFA 081	AG	France
SCI IMEFA 082	AG	France
SCI IMEFA 083	AG	France
SCI IMEFA 084	AG	France
SCI IMEFA 085	AG	France
SCI IMEFA 089	AG	France
SCI IMEFA 091	AG	France
SCI IMEFA 092	AG	France
SCI IMEFA 096	AG	France
SCI IMEFA 100	AG	France
SCI IMEFA 101	AG	France
SCI IMEFA 102	AG	France
SCI IMEFA 103	AG	France
SCI IMEFA 104	AG	France
SCI IMEFA 105	AG	France

Operation name	Type of business[a]	Geographic location
SCI IMEFA 107	AG	France
SCI IMEFA 108	AG	France
SCI IMEFA 109	AG	France
SCI IMEFA 110	AG	France
SCI IMEFA 112	AG	France
SCI IMEFA 113	AG	France
SCI IMEFA 115	AG	France
SCI IMEFA 116	AG	France
SCI IMEFA 117	AG	France
SCI IMEFA 118	AG	France
SCI IMEFA 120	AG	France
SCI IMEFA 121	AG	France
SCI IMEFA 122	AG	France
SCI IMEFA 123	AG	France
SCI IMEFA 126	AG	France
SCI IMEFA 128	AG	France
SCI IMEFA 129	AG	France
SCI IMEFA 131	AG	France
SCI IMEFA 132	AG	France
SCI IMEFA 140	AG	France
SCI IMEFA 148	AG	France
SCI IMEFA 149	AG	France
SCI IMEFA 150	AG	France
SCI IMEFA 155	AG	France
SCI IMEFA 156	AG	France
SCI IMEFA 157	AG	France
SCI IMEFA 158	AG	France
SCI IMEFA 159	AG	France
SCI IMEFA 164	AG	France
SCI IMEFA 169	AG	France
SCI IMEFA 170	AG	France
SCI IMEFA 171	AG	France
SCI IMEFA 172	AG	France
SCI IMEFA 173	AG	France
SCI IMEFA 174	AG	France
SCI IMEFA 175	AG	France
SCI IMEFA 176	AG	France
SCI LE VILLAGE VICTOR HUGO	AG	France
SCI MEDI BUREAUX	AG	France
SCI PACIFICA HUGO	AG	France
SCI PORTE DES LILAS - FRERES FLAVIEN	AG	France
SCI Quentyvel	CC	France
SCI VALHUBERT	AG	France
Shark FCC	LC	France
SILCA	CC	France
SIS (Société Immobilière de la Seine)	CC	France

Operation name	Type of business[a]	Geographic location
SNC Kalliste Assur	CC	France
SNGI	LC	France
SNGI Belgium	LC	Belgium
Société Générale Gestion (S2G)	AG	France
Sococlabecq	LC	Belgium
Sodica	CC	France
Sofinco Participations	SFS	France
Sofipac	LC	Belgium
SOLIDARITE AMUNDI P	AG	France
SOLIDARITE INITIATIS SANTE	AG	France
Space Holding (Ireland) Limited	AG	Ireland
Space Lux	AG	Luxembourg
Spirica	AG	France
Ste Européenne de développement d'assurances	SFS	France
Ste Européenne de développement du financement	SFS	France
Branch Credit Agricole SA	CC	United Kingdom
TCB	LC	France
TRIALIS 6 ANS	AG	France
TRIALIS 6 ANS N2 C	AG	France
TRIALIS 6 ANS N3 FCP	AG	France
TRIALIS C	AG	France
TRIANANCE 5 ANS	AG	France
TRIANANCE 6 ANS	AG	France
Triple P FCC	LC	France
UI Vavin 1	CC	France
Uni-Edition	CC	France
Unifergie	SFS	France
VAR FLAMME FCP	AG	France
VENDOME INV.FCP 3DEC	AG	France
Via Vita	AG	France
VoordeelBank B.V.	SFS	Netherlands
Vulcain EUR FCT	LC	France
Vulcain GBP FCT	LC	France
Vulcain USD FCT	LC	France
74 United-linked funds with a detention rate equal or above 95%	AG	France

(a) FRB: French retail banking;
IRB: International retail banking;
AG: Asset gathering;
SFS: Specialised financial services;
LC: Large customers
CC: Corporate Centre;

During the year, Crédit Agricole S.A. has not taken any significative stake in companies headquartered in France.

TRANSACTIONS WITH RELATED PARTIES

The main transactions entered into with related parties are disclosed in the consolidated financial statements for the year ended 31 December 2016 in the "General framework – Related parties" section.

In addition, in accordance with paragraph 13 of Article L. 225-102-1 of the French Commercial Code, please note that no agreements were entered into, directly or through intermediaries, between, (i) on the one hand, the Chief Executive Officer, any one of the Deputy Chief Executive Officers or Directors or shareholders of Crédit Agricole S.A. with more than 10% of the voting rights, and, (ii) on the other, another company in which Crédit Agricole S.A. has, directly or indirectly, more than a 50% capital interest unless, where appropriate, these agreements relate to ordinary arms length transactions.

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 (*Autorité des marchés financiers* AMF) and is incorporated into this document (section 3, Chairman's report), contains two parts:

- part I deals with the work of the Board of Directors of Crédit Agricole S.A.;
- part II contains information on the organisational principles underpinning the internal control systems and to the risk management and monitoring procedures in effect within Crédit Agricole Group. It contains descriptions of the risk management and permanent controls, non-compliance risk prevention and control and periodical control systems.

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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. The new US president 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 infrastructures 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 honourable 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 labour 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 materialise 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.

Agreement between Amundi and UniCredit for the acquisition of Pioneer Investments by Amundi:

The 12th December 2016, Amundi has signed an agreement with UniCredit for the acquisition of Pioneer Investments for €3.5 billion. This transaction perfectly matches the Group's strategy set out in the Medium-Term Plan, whereby organic growth of the asset management business may be accelerated by value-creating acquisitions that meet Amundi's financial criteria (10% return on investment in three years). As part of the rights issue made by Amundi to finance the acquisition, Crédit Agricole Group has decided to reduce its holding in Amundi to 70% (*versus* 75.6% currently) by selling its subscription rights in order to improve Amundi's free float and share price. On that basis, the impact of the acquisition on Crédit Agricole S.A.'s fully-loaded CET1 ratio would be -63 basis points.

Recent events

Events after the reporting period are disclosed in Note 14 to the consolidated financial statements for the year ended 31 December 2016.

Presentation of the "Strategic Ambition 2020" Medium-Term Plan on 9 March 2016.

The definitions of the underlined words can be found in the Glossary on page 542.

On 9 March 2016, Crédit Agricole Group unveiled its Medium-Term Plan, "Strategic Ambition 2020", which builds on its leadership **in retail banking and its specialised business lines as well as its ability to deliver results in line with commitments in an environment of lasting economic, regulatory and banking change.**

Our strengths

In France, Crédit Agricole remains leader in all customer segments and its various brands – Regional Banks, LCL and BforBank – have differentiated, complementary market positions. In Italy, Cariparma operates in the most prosperous regions and is among the best rated banks by Moody's. Amundi is No. 1 asset manager in Europe and Crédit Agricole Assurance is No. 1 bancassurer. Crédit Agricole Corporate and Investment Bank is ranked global leader in aircraft finance and the green bond market.

United by internal solidarity mechanisms, its distribution model and operational resource sharing, Crédit Agricole Group is reaffirming its "Universal Customer-focused" Banking model. The plan is built on the Group's performance over the past few years – steady growth in lending and on-balance sheet deposits of more than 2%[(1)] a year from 2013 to 2015, and strong business momentum in savings and insurance with a CAGR of 10% over the same period.

The plan's strategic ambition

The plan is based around four priorities: simplifying the Group's capital structure, rolling out our customer project, strengthening our growth momentum in our core business lines and improving our industrial efficiency.

The **simplification of the Group's capital structure,** known as the Eureka operation, was announced in February 2016 and carried out in the third quarter 2016, illustrating the Group's ability to conduct major transactions within a short timeframe. It consisted in transferring the 25% interest without voting rights in the Regional Banks held by Crédit Agricole S.A. since its IPO *via* CCIs/CCAs to a wholly owned entity, Sacam Mutualisation. The new arrangement allows the Regional Banks to recover and pool around 25% of their results – at a final sale price of €18.5 billion. It allows Crédit Agricole S.A. to report capital adequacy ratios above the regulatory requirements and gives shareholders greater visibility on dividend policy over the duration of the Medium-Term Plan. The accounting impacts of this transaction were cancelled or offset at Crédit Agricole Group level, but were significant in the 2016 financial statements of both Crédit Agricole S.A. and the Regional Banks.

The breakdown of Crédit Agricole S.A.'s revenues will not change (as the Regional Banks were equity-accounted), but the breakdown of earnings will change, with retail banking activities continuing to represent the larger share, a slight increase in the contribution from Corporate and investment banking (25%, *vs.* 20% previously) as well as an increase in the contribution of Asset gathering.

Our Plan is supported by our robust Universal Customer-focused Banking model, a source of value for our customers. The aim is **to roll out our Customer Project and enhance our digital** transformation to serve our customers by strengthening our distribution model. The latter combines multi-channel with local service thanks to the digital transformation of all our business lines. It also combines the ease and flexibility of digital sought by customers with the added value of tailored advice.

The strengthening of the Group's growth momentum on its core business will be driven by several priorities: improving our positions in Retail banking, Asset gathering, Specialised financial services and Large customers, stepping up the digital transformation while controlling our cost base, and developing intragroup synergies. In Retail banking, customer gains, continued customers equipment in synergy with specialised businesses, the digital transformation and cost control will lead to improved profitability for both LCL and Cariparma. Asset gathering will contribute about 45% of Crédit Agricole S.A.'s business line revenue growth. After several years under severe constraint, Specialised financial services will embark on selective growth, which, coupled with a reduced cost base, will improve profitability. The new Large customers division – comprising Corporate and investment banking and Asset servicing – will bring additional synergies.

All in all, growth in intragroups synergies should generate €8.8 billion of revenues in 2019 (*vs.* €7.8 billion in 2015), including €6.0 billion for Crédit Agricole S.A. (*vs.* €5.3 billion in 2015). By 2019, synergies will represent more than 25% of Crédit Agricole Group's business line revenues through, for example, growth in off-balance sheet customer asset inflows in the mass affluent segment, consumer finance loans distributed by the retail banks in conjunction with Crédit Agricole Consumer Finance and cross selling between Crédit Agricole CIB and CACEIS.

Improving operational efficiency will enable to decrease Crédit Agricole S.A.'s cost/income ratio by 6 percentage points and bring it below 60% by 2019, which represents €900 million of savings over a three-year period. Convergence of IT programmes between the Regional Banks and LCL, and between Crédit Agricole S.A. and Crédit Agricole CIB, is now facilitated by the new Group Chief Information Officer. Improving monitoring of purchasing commitments, reducing external expenses and pooling purchases will contribute to achieving these targets. Other operational efficiency drivers have been identified, including a continued reduction in back office and customer-facing staff in the branch network under the plan validated in LCL in 2015, process dematerialisation and digitalisation, and optimisation of real estate costs.

FINANCIAL AND PRUDENTIAL PLANNING

Our Plan is based on prudent assumptions. We are forecasting moderate growth in the Eurozone and our two main domestic markets, France and Italy, and lastingly low 3-month Euribor and 10-year OAT rates.

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(1) Regional Banks, LCL and Cariparma.

		Crédit Agricole Group		Of which Crédit Agricole S.A.	
		As of 31 Dec. 2015	2019 targets	As of 31 Dec. 2015	2019 targets
Business	Revenues 2015-2019 CAGR(1)	€31,836m	> +1.5%	€17,194m	> +2.5%
	Cost/income ratio	63%	< 60%	66%	< 60%
	Cost of risk/outstandings	30bp(2)	< 35bp	41bp	< 50bp
Profitability	Net income Group share	€6.0bn	> €7.2bn	€3.5bn	> €4.2bn
	Return on Tangible Equity (RoTE)	-	-	10.0%	> 10%
Solvency	Fully-loaded *Common Equity Tier 1* ratio	13.7%	16%	10.7%	≥ 11%
	TLAC(3) ratio excl. eligible senior debt	19.7%	22%		

(1) Compound annual growth rate vs. 2015 restated for the Group's simplification operation.

(2) Basis points.

(3) Total Loss-Absorbing Capacity.

These targets will be achieved through:

- balanced revenue growth in the various business divisions (see below for details);
- cost control in each business line: growth in costs will be lower than revenue growth; cost cutting efforts will finance the €4.4 billion of investment planned for Crédit Agricole S.A.'s business lines;
- return to a normalised contribution from the Corporate Centre. It will be reduced to about €700 million a year thanks to the capital simplification transaction, gradual decrease in funding costs allocated to equity stakes and limited cost of the Total Loss-Absorbing Capacity ratio (TLAC) convergence.

As regards solvency, projections are based on:

- a 50% full cash dividend payout for Crédit Agricole S.A.;
- risk weighting of Crédit Agricole Assurances capital and reserves at 370%;
- Switch 2 guarantee between the Regional Banks and Crédit Agricole S.A. eliminated at Crédit Agricole Group level.

At Group level, the fully-loaded CET1 target of 16% will be achieved through organic generation of capital in the Regional Banks. For Crédit Agricole S.A., the fully-loaded ratio will remain above 11% throughout the term of the plan, thanks mainly to limited growth in risk-weighted assets.

2019 FINANCIAL TARGETS BY BUSINESS LINE

	LCL	Cariparma	Asset gathering(1)	o/w insurance	o/w asset management	Specialised financial services	Large customers
Business indicators				€285 bn in assets	+€160 bn in net inflows		
Revenue CAGR(2)	~ +0.5%	~ +3%	> +3%	> +4%	~ +3%	> +2.5%	~ +2%
Cost/income ratio	~ 65%	~ 55%	< 45%	< 30%	< 55%	< 46%	< 60%
Net income Group share CAGR(2)			> +5%	> +5%	+5%(3)		
RoNE(4)	> 16%	> 16%	> 25%	> 22%	> 30%	> 13%	> 11%
RWA							€134bn

(1) Including Indosuez Wealth Management, excluding Crédit Agricole Immobilier.

(2) Compound annual growth rate vs. 2015 restated for the Group's simplification operation.

(3) Pro forma: Crédit Agricole S.A. owned 74.2% of Amundi in 2015.

(4) Return on Normalised Equity calculated on the basis of a capital allocation tailored to the needs and risks of each business line.

CAPITAL ADEQUACY PATH

Controlled growth in risk-weighted assets

RISK WEIGHTED ASSETS

(in billions of euros)	31/12/2015	Target for 31/12/2019
Crédit Agricole Group(1)	509	534
Crédit Agricole S.A.	296	303

(1) Pro forma calculation of the capital simplification operation.

The definitions of the underlined words can be found in the Glossary on page 542.

The Crédit Agricole Group aims to remain among the strongest banks in Europe in terms of capital adequacy

FULLY-LOADED COMMON EQUITY TIER 1 RATIO

	31/12/2015	Target for 31/12/2019
Crédit Agricole Group	13.70%	16%
Crédit Agricole S.A.	10.7%[1]	≥ 11%

(1) Pro forma calculations of the capital simplification operation.

The Crédit Agricole Group's capital structure has already been adapted to the future requirements of the TLAC ratio, without taking into account eligible senior debt, which is an additional buffer of 2.5% to 3.5%. In fact, at end-December 2015, the TLAC ratio was 19.7%, above the 19.5% requirement at end-2019. The Group is aiming for a ratio of 22.0% excluding eligible senior debt at 31 December 2019, without having to issue further AT1 bonds.

For the MREL ratio, the Group has committed to a ratio sustainably above 8%[1] excluding preferred senior debt. At 31 December 2015, it was already 8.2%, excluding potentially eligible senior debt maturing in over a year.

LIQUIDITY MANAGEMENT

	Regulatory requirement		Situation at end-2015	2016-2019 target
LCR	70% at 1 January 2016	Crédit Agricole S.A.	> 100%	~ 110%
	100% from 1 January 2018	Crédit Agricole Group	> 100%	~ 110%
NSFR[1]	100% from 1 January 2018	Crédit Agricole Group	> 100%	> 100%
PRS[2]		Crédit Agricole Group	€108bn	> €100bn

(1) Estimate made on the basis of our understanding of the EBA guideline dated 18 December 2015.

(2) Stable resources: surplus stable balance sheet resources.

(1) Minimum level of access to the Resolution Fund subject to the approval of the Resolution Authority.

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INFORMATION ON CRÉDIT AGRICOLE S.A.'S (PARENT COMPANY) FINANCIAL STATEMENTS

ANALYSIS OF CRÉDIT AGRICOLE S.A. (PARENT COMPANY) RESULTS

At 31 December 2016, Crédit Agricole S.A. revenues stood at €1,334 million, down by -€565 million on 2015.

This change was attributable to:

- a -€103 million reduction in the interest margin, stemming chiefly from the planned optimisation of the Group's debt, whose cost excluding commissions was €674 million. This expense is reduced by the change in interest income on Additional Tier 1 securities acquired from subsidiaries in the amount of +€293 million. Moreover, the unwinding in July 2016 of the Switch mechanism in its component covering the cooperative investment certificates ("CCI") and the cooperative partner certificates ("CCA") of the Regional Banks, and the refund of the deposit on this guarantee subsequent to the Group's simplification resulted in a decrease in interest paid in the amount of +€230 million between the two periods;
- a -€501 million reduction in income from variable income securities (mainly dividends from subsidiaries and equity investments), explained by the lower dividends from Crédit Agricole CIB and LCL in the amounts of €909 and €359 million respectively, which was not offset by higher dividends from Crédit Agricole Assurances and Crédit Agricole Consumer Finance of +€588 and +€151 million respectively;
- a -€124 million decrease in net charges on fees and commissions, reflecting lower financial margins for central management of deposits passed on to the Regional Banks (mainly home purchase savings plans, passbook savings accounts-*Livret A*);
- a +€227 million increase in earnings on the trading book related primarily to exchange gains in the amount of +€205 million generated by the foreign exchange positions of AT1 securities issued in foreign currency;
- a -€309 million reduction in investment portfolios and equivalent related to a more significant level of capital gains on disposal in 2015 than in 2016 (in particular following the disposals of Crédit Agricole Assurances Subordinated Securities in the amount of +€185 million and compensation of +€164 million received from Alpha Bank in the context of monitoring the adjustment of Emporiki's own funds);
- lastly, a -€3 million reduction in other revenues.

In the year ended 31 December 2016, Crédit Agricole S.A. recognised €746 million in operating expenses, an increase of +€11 million compared with 2015. This change was attributable chiefly to the abandonment of an IT project leading to the recognition of write-off of fixed assets in the amount of +€14 million.

As a result of these changes, gross operating income recorded a gain of €575 million at 31 December 2016, down -€574 million on 2015.

The cost of risk was -€16 million in 2016, a decline of -€204 million compared with 2015, when a provision for legal risks was taken in the amount of €150 million.

Net gains (losses) on fixed assets totalled +€13,074 million in 2016, representing a variation of +€13,881 million year-on-year This increase stemmed chiefly from by the sale of Regional Banks CCIs/CCAs conducted as part of the simplification of the Crédit Agricole Group's capital structure, generating a capital gain of +€12,153 million. Moreover, the gain from the sale of Visa Europe securities conducted in 2016 for +€123 million and the reversal of impairment on CA Consumer Finance in the amount of +€1,236 million contributed to the variation observed between the two periods.

Tax gains, resulting largely from the tax consolidation mechanism in France, with Crédit Agricole S.A. at the head of the tax group, totalled €213 million in 2016, down -€1,144 million on 2014. This decline is attributable chiefly to tax debt recorded in respect of Crédit Agricole CIB in the amount of -€1,076 million following the application of the tax consolidation agreement.

The FGBR and regulated provisions fell by -€6 million in 2016.

Overall, the net income of Crédit Agricole S.A. recorded a gain of €13,819 million at 31 December 2016, compared with a gain of €1,446 million in 2015. Adjusted for exceptional transactions in 2016 (simplification operation and optimisation of the Group's debt), Crédit Agricole S.A.'s net income was €2,781 million.

The definitions of the underlined words can be found in the Glossary on page 542.

FIVE YEAR FINANCIAL SUMMARY

	2012	2013	2014	2015	2016
Equity at year end *(in euros)*	7,494,061,611	7,504,769,991	7,729,097,322	7,917,980,871	8,538,313,578
Number of shares outstanding	2,498,020,537	2,501,589,997	2,576,365,774	2,639,326,957	2,846,104,526
Operations and net income for the period *(in millions of euros)*					
Gross revenues	21,646	16,604	17,684	15,792	15,112
Earnings before tax, employee profit-sharing, depreciation, amortisation and provision expense	692	(9,884)	967	1,501	12,916
Employee profit-sharing	2	1	1	1	2
Income tax charge	(767)	(2,777)	(1,509)	(1,357)	(213)
Earnings after tax, employee profit-sharing, depreciation, amortisation and provision expense	(4,235)	3,531	3,112	1,446	13,819
Distributable earnings at the date of the General Meeting of Shareholders	-	881	907	1,593	1,718
Earnings per share *(in euros)*					
Earnings after tax and employee profit-sharing but before depreciation, amortisation and provision expense	0.583	(2.841)	0.961	1.082	4.462(1)
Earnings after tax, employee profit-sharing, depreciation, amortisation and provision expense	(1.695)	1.412	1.208	0.548	4.855
Ordinary dividend(3)	-	0.35	0.35	0.60	0.60
Loyalty dividend (3)	-	0.385	0.385	0.660	0.660
Employees					
Average headcount(2)	2,757	2,571	2,307	2,251	2,238
Total payroll for the period *(in millions of euros)*	203	197	191	191	186
Cost of benefits paid during the period (costs and social welfare) *(in millions of euros)*	106	115	121	156	145

(1) Calculated based on the number of shares issued as of the General Meeting of Shareholders on 23 May 2017, or 2,846,104,526 shares.

(2) Refers to headquarters employees.

(3) The amount of the dividend (ordinary and increased) is fully eligible, when it is paid to natural persons taxpayers resident in France, to the 40% reduction provided for by the article 158 (2nd of 3 paragraph) of the Code General of taxes.

INFORMATION ON ACCOUNTS PAYABLE

Under Article L. 441-6-1 of the French Commercial Code, companies whose parent company financial statements are certified by a Statutory Auditor are required to disclose in their management report the net amounts due to suppliers by due date, in accordance with the terms and conditions set out in Article D 441-4 of Decree no. 2008-1492.

ACCOUNTS PAYABLE BY DUE DATE

(in millions of euros)	2016	2015
Due	**-**	**-**
Not yet due	**-**	**-**
< 30 days	-	1
> 30 days < 45 days	-	-
> 45 days	-	-
TOTAL	**-**	**1**

INFORMATIONS ON INACTIVE BANK ACCOUNTS

Under Articles L. 312-19 and L. 312.20 of the French Monetary and Financial Code, issued by the Law N° 2014-617 of 13 June 2014 relative to unclaimed assets on inactive bank accounts, named Law Eckert which came into force on 1 January 2016, every credit institution is required to publish annual information on inactive bank accounts.

At end 2016, Crédit Agricole S.A. registers 10 inactive bank accounts for a total of assets estimated to €887,581. No transfer to the Caisse des Dépôts et Consignations has been done.

The definitions of the underlined words can be found in the Glossary on page 542.

5 RISK FACTORS AND PILLAR 3

The definitions of the underlined words can be found in the Glossary on page 542.

A **strengthened** regulatory context, an **effective** control of risks

Solvency ratio

Phased CET1 ratio

12.1%

Non-phased CET1 ratio

12.1%

Financial conglomerate ratio

100% required

211%

Leverage ratio

5.0%

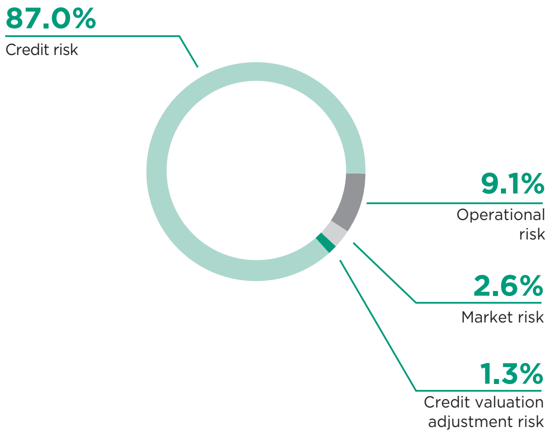
TLAC

20.3%

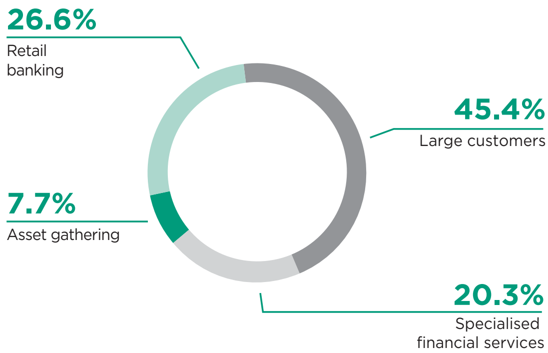
excluding senior debt

Risk weighted assets

Breakdown by risk type



Breakdown by business line



Profitability of assets[1]

0.23%

(1) *Refering to Art. R511-16-1 of the Monetary et Financial Code Profitability of assets is obtained by dividing the net accounting income with the total balance sheet.*

RISK FACTORS

This part of the management report sets out the Group's risk appetite, the type of risks to which it is exposed, their extent and the systems used to manage them.

The information presented in accordance with IFRS 7, relating to disclosures on financial instruments, covers the following types of risks[1]:

- credit risks (including country risks): risks of losses arising from a default by a counterparty leading to that counterparty's inability to meet its commitments to the Group;
- market risks: risks of losses arising from changes in market parameters (interest rates, exchange rates, prices, credit spreads);
- structural balance sheet risks: risks of losses arising from changes in interest rates (global interest rate risk) and exchange rates (foreign exchange risk) and the risk of not having the necessary resources to meet commitments (liquidity risk), including risks in the insurance sector.

In order to cover all risks inherent in the banking business, additional information is provided concerning:

- operational risks: risks of losses resulting primarily from the unsuitability or failure of processes, systems or people in charge of transaction processing;
- legal risks: risks arising from the Group's exposure to civil or criminal proceedings;
- non-compliance risks: risks relating to failure to comply with legal and regulatory provisions governing the Group's banking and financial activities.

In accordance with regulatory provisions and best professional practices, risk management within Crédit Agricole S.A. Group is reflected by a form of governance in which the roles and responsibilities of each individual are clearly identified, as well as by effective and reliable risk management methodologies and procedures which make it possible to measure, supervise and manage all the risks to which the Group is exposed.

RISK APPETITE, GOVERNANCE AND ORGANISATION OF RISK MANAGEMENT, STRESS TESTS

Concise statement on risks

(Statement prepared in compliance with Article 435(1)(f) of Regulation EU 575/2013)

The Board of Directors of Crédit Agricole Group makes a formal statement every year regarding its risk appetite. For 2017, this was discussed and approved on 20 January 2017 after first having been reviewed and recommended by the Risk Management Committee. The Group's risk appetite statement is prepared in line with the risk appetite approach applied in the various entities. This statement is an integral and strategic part of the governance framework which covers strategy, commercial objectives, risk management and global financial management for the Group. The strategic thrusts of the Medium-Term Plan, the risk appetite statement, the budgetary process and the allocation of resources to the business lines are mutually coherent.

The Risk Appetite of the Crédit Agricole Group is the type and aggregate amount of risk that the Group is ready to take on, in the framework of its strategic objectives.

The Group's risk appetite is determined by particular reference to the financial policy and the risk management policy, which are based on:

- a policy of selective and responsible financing that takes account of a prudent lending policy framed by the risks strategy, the corporate social responsibility policy and the authorisation system;
- the objective of keeping market risk exposure low;
- strict management of operational risk exposure;
- limits on non-compliance risk to exposures, which are strictly framed;
- management of the growth of risk weighted assets;
- management of risks related to asset and liability management.

The formal definition of risk appetite allows Executive Management and the Board of Directors to define the Group's development direction consistent with the Medium-Term Plan and translate it into operational strategies. This results in a consistent approach shared by the Strategy, Finance, Risk and Compliance departments.

The risk appetite statement is coordinated with the Operational departments of the various entities and aims to:

- engage Directors and Management in reflection and dialogue on risk taking;
- formalise, standardise and make explicit the acceptable level of risk for a given strategy;
- fully integrate risk/return considerations into the strategic planning and decision-making processes;
- define advance indicators and alert thresholds so that Management can anticipate excessive deteriorations in strategic indicators and improve resilience by taking action as soon as alerts for risk appetite standards are triggered;
- improve external communications to third parties on financial strength and risk management.

The Group's risk appetite is defined through:

- **key indicators:**
  - Crédit Agricole S.A.'s external rating, which has a direct impact on refinancing terms, the Group's image in the market and the price of its securities;

(1) *These disclosures are an integral part of the consolidated financial statements for the year ended 31 December 2016 and, as such, are covered by the Statutory Auditors' report.*

The definitions of the underlined words can be found in the Glossary on page 542.

- solvency, which guarantees the Group's sustainability by ensuring it has sufficient capital to back the risks it is taking on,
- liquidity, management of which aims to prevent the Group's sources of finances drying up with the consequent threat of default on payments, or even resolution,
- business risk, which provides a measure of progress towards the strategy laid down by the Group, thereby facilitating its long-term survival. This indicator was added in 2016,
- profit, the direct source of future solvency and shareholder dividends and therefore a key part of the Group's financial communications,
- credit risk of Crédit Agricole Group, which constitutes its main risk;

- **limits, alert thresholds and risk envelopes defined in line with these indicators**: credit, market, interest rate and operational risks;
- **qualitative priorities,** inherent to the Group's strategy and businesses, essentially looking at risks which are not currently quantified. The qualitative criteria are largely based on the CSR policy which embodies the Group's concern to support sustainable development and control all risks including non-financial risks.

The key indicators reflect three levels of risk:

- **appetite is** used for managing normal everyday risk. It is expressed in budget targets framed by operational limits, any breach of which is immediately flagged up to Executive Management, which decides on corrective action;
- **tolerance is** used for exceptional management of a deteriorated level of risk. Breach of tolerance thresholds in key indicators or limits triggers an immediate report to the Chairman of the Risk Management Committee which is then, if necessary, referred up to the Board of Directors;
- **capacity** is the maximum risk that the Group could theoretically take on without infringing its operational or regulatory constraints.

The Group's risk appetite system is based on the risk identification process formalised in 2016, which aims to list as exhaustively as possible the Group's major risks and to apply a standard approach to placing them in categories and sub-categories.

The work done in 2016 made it possible to expand the scope of risks covered by the risk appetite statement and to thereby create a more comprehensive and forward-looking governance framework.

The Group's risk profile is monitored and presented at least every quarter to the Group Risk Management Committee and the Board of Directors. Breach of tolerance levels for central indicators or limits on the system are reported and corrective actions proposed to the Board of Directors. The executive Directors and the supervisory body are thus kept regularly informed of how the risk profile corresponds to the risk appetite.

In addition, the main risks in the Group's risk profile at 31 December 2016 are broken down by type of risk in the "Risk factors and Pillar 3" section of this document.

At 31 December 2016, the Group's risk appetite indicators are within the risk appetite levels defined by the Group. They have not reached the tolerance thresholds.

Organisation of risk management

Risk management, which is inherent in banking activities, lies at the heart of the Group's internal control system. All staff involved, from the initiation of transactions to their final maturity, play a part in this system.

Measuring and supervising risk is the responsibility of the dedicated Risk Management function (headed by the DRG – Group Risk Management department), which is independent from Group functions and reports directly to the Executive Management.

Although risk management is primarily the responsibility of the business lines which oversee growth in their own operations, DRG's task is to ensure that the risks to which the Group is exposed are consistent with the risk strategies defined by the business lines (in terms of global and individual limits and selection criteria) and compatible with the Group's growth and profitability targets.

DRG performs consolidated Group-wide monitoring of risks using a network of Risk Management and Permanent Controls Officers who report hierarchically to the head of Risk Management and Permanent Controls and functionally to the executive body of their entity or business line.

To ensure a consistent view of risks within the Group, the DRG has the following duties:

- it coordinates the risk identification process and the implementation of the Group's risk appetite framework in cooperation with the Finance, Strategy and Compliance functions and the business lines;
- it defines and/or validates methods and procedures for analysing, measuring and monitoring credit, market and operational risks;
- it takes part in the critical analysis of the business lines' commercial development strategies, focusing on the risk impact of these strategies;
- it provides independent opinions to Executive Management on risk exposure arising from business lines' positions (credit transactions, setting of market risk limits) or anticipated by their risk strategy;
- it lists and analyses Group entities' risks, on which data is collected in risk information systems.

The Financial Management unit of the Group Finance department (FIG) manages structural asset/liability risk (interest rate, exchange rate and liquidity) along with the refinancing policy and supervision of capital requirements.

Supervision of these risks by Executive Management is carried out through ALM (Asset Liability Management) Committee Meetings, in which DRG takes part.

DRG keeps the executive Directors and supervisory body informed of the degree of risk control in the Crédit Agricole S.A. Group, presents various risk strategies of the major business lines of the Group for validation, and warns them of any risk of deviation from risk strategies or policies approved by executive bodies. It informs them of the outcomes and performance of prevention measures, whose organisational principles are approved by them. It makes suggestions for any improvement of such measures that may be required as a result of changes to business lines and their environment.

At consolidated level, this action falls within the remit of governance bodies, in particular:

- the Risk Management Committee (a Board of Directors sub-committee meets eight times a year): it analyses key factors in the Group's risk appetite statement defined by Executive Management, regularly examines the Group's risk management and internal control issues, reviews the half-

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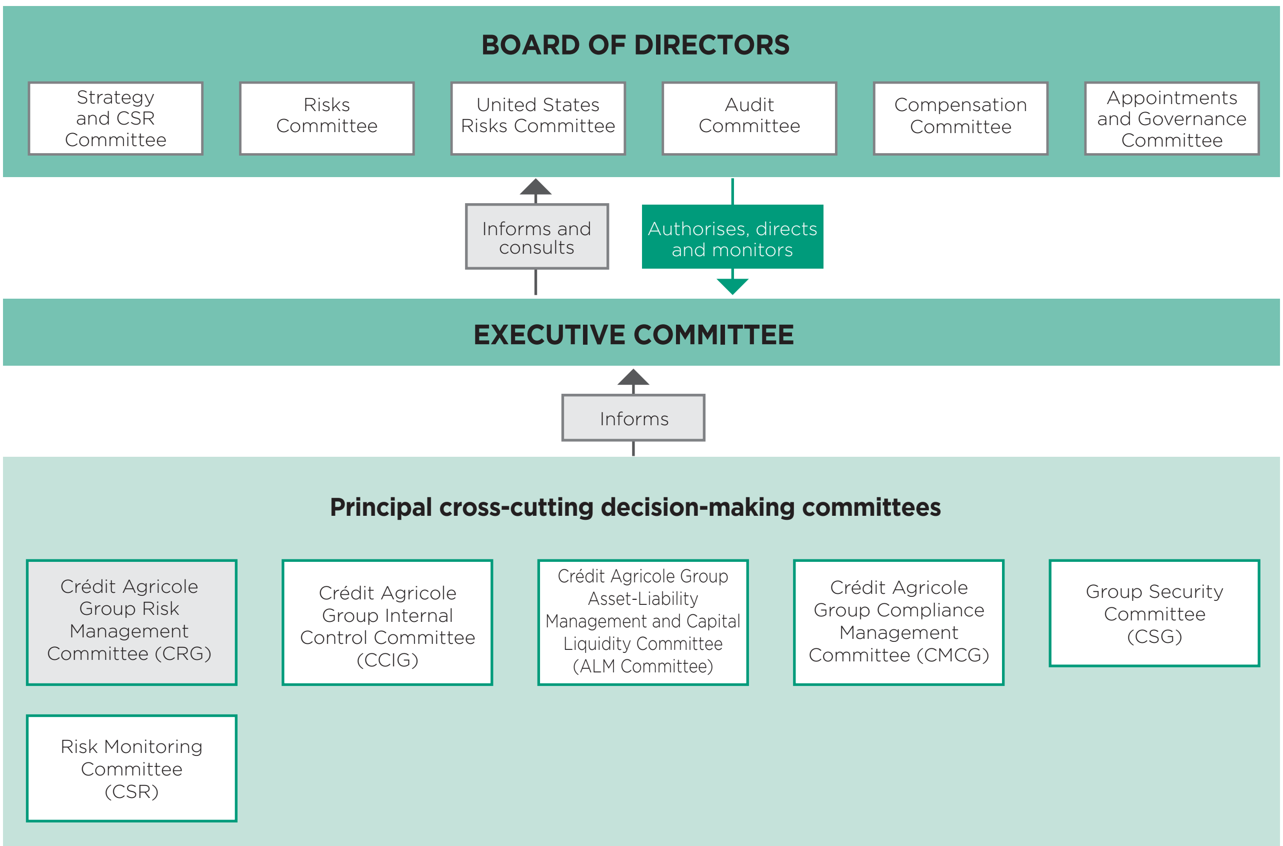
yearly information and annual report on internal control and risk measurement and monitoring;

- the Group Internal Control Committee (CCIG) chaired by the Chief Executive Officer of Crédit Agricole S.A. meets four times a year: it examines internal control issues common across the Group, looks at cross-functional actions within the Group, approves the annual report and half-yearly information on internal control, and coordinates the three control functions;
- the Group Risk Management Committee (CRG) chaired by the Chief Executive Officer of Crédit Agricole S.A.: it approves risk strategies and lending decisions at Crédit Agricole S.A. level, on the advice of the Risk Management function in line with the risk appetite framework approved by the Board of Directors, reviews major risks and sensitive issues, and provides feedback on Group entities' rating models and processes;
- Crédit Agricole Group Asset-Liability Management and Capital Liquidity Committee (ALM Committee chaired by the Chief Executive Officer of Crédit Agricole S.A. - four meetings per year): Analyses the financial risks facing Crédit Agricole Group (interest rate, exchange rate and liquidity risks) and validates the guidelines for the management thereof;
- the Group Compliance Management Committee (CCMG chaired by the Chief Executive Officer of Crédit Agricole S.A. - minimum four meetings per year): defines the Group's Compliance policy, examines all draft compliance-related standards and procedures prior to their implementation, examines all significant dysfunctions and approves corrective measures, makes all decisions related to remedial action for deficiencies, takes note of the main compliance-related conclusions of audits conducted, approves the annual compliance report;
- the Group Security Committee (CSG) chaired by the Deputy Managing Director in charge of the Operations and Transformation division is a decision-making committee that sets out the strategy and assesses the Group's level of control in the following four areas: business continuity plans, data protection, security of people and property and IT systems security. It reports to the Executive Committee;
- the Group Risk Monitoring Committee chaired by the Chief Executive Officer of Crédit Agricole S.A. reviews loans where the level of risk significantly deteriorates. It also examines as early as possible warnings regarding risks of all types reported by the business lines or control functions that may have an adverse effect on the Group's profile or its cost of risk.

PRINCIPLE GROUP RISK MANAGEMENT COMMITTEES



The definitions of the underlined words can be found in the Glossary on page 542.

In addition, each Group operating entity defines its own risk appetite statement and sets up a Risk Management and Permanent Controls function. Within each business line and legal entity:

- a Risk Management and Permanent Controls Officer (RCPR) is appointed;
- RCPRs supervise all the last-line control units within their areas of responsibility, covering oversight and permanent control of risks falling within the remit of the Group function in question;
- they have access to appropriate human, technical and financial resources. RCPRs must be provided with the information required by their role and have systematic and permanent access to any information, document, body (Committees, etc.), tools or even IT systems across their entire area of responsibility. RCPRs are associated with entity projects far enough in advance to be able to play their role effectively.

This principle of decentralising the Risk management function to operating entities aims to ensure that the business lines' risk management and permanent controls systems operate efficiently.

Group risk management is also reliant on a certain number of tools which enable DRG and the Group's executive bodies to fully comprehend the risks being run:

- robust IT and global risk consolidation system, within the 2016 trajectory, defined by the Basel Committee on banking controls for global systemic institutions (BCBS 239);
- generalised use of stress testing methodologies in Group credit, financial or operational risk procedures;
- formalised and up-to-date control standards and procedures, which define lending systems, based on an analysis of profitability and risks, monitoring of geographical, individual and sectoral concentrations, as well as limits on interest rate, foreign exchange and liquidity risks;
- a Group recovery plan, presented on an annual basis to the supervisory authorities, in accordance with regulatory requirements, in particular the provisions of law no. 2013-672 of 26 July 2013 on the implementation of a banking resolution regime.

Risk culture

The risk culture is spread right the way across the Group *via* diverse and effective channels:

- career and Talent Committees within the Risk function, which plan the succession to key posts, facilitate the mobility of both men and women with the relevant expertise and enrich trajectories by diversifying skills portfolios;
- highly valued careers and experience sought after by other business sectors as a result of time spent within the Risk Management function;
- a range of training on risk comprising modules tailored to the needs of employees within and outside the Risk Management function. This includes awareness training for all Group employees with, in particular, an e-learning component, to better understand the risks inherent in the bank's business lines;
- communication efforts to foster the spreading of the risk culture, underway since 2015. They are designed to increase the knowledge and involvement of all employees, in order to turn risk into a positive day-to-day.

Consolidated risk monitoring

Every quarter, the Board of Directors' Risk Management Committee and the Group Risk Management Committee examine the risk dashboard produced by the Group Risk Management and Permanent Controls department. This document gives a detailed review of the Group's risk situation on a consolidated basis and across all business lines.

The "risk register" which, in combination with the "risk dashboard", provides an overview of changes in the Group's risks and a long-term view of trends observed in the portfolio. The register is presented to the Group Risk Management Committee and the Board of Directors' Risk Management Committee.

The Group's consolidated alert procedures are coordinated by the Risk Monitoring Committee by reviewing all the risk alerts centralised by the Group Risk Management department.

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Stress testing

Stress tests and crisis simulations form an integral part of Crédit Agricole Group's risk management system. Stress tests play a role in proactive risk management, the assessment of capital adequacy and meet regulatory requirements. In this regard, by measuring the economic, accounting or regulatory impact of severe but plausible economic scenarios, stress testing provides a measure of the resilience of a portfolio, business, entity or of the Group used as inputs for the ICAAP and the Risk Appetite. Stress testing covers credit, market and operational risk as well as liquidity risk and risks related to interest rates and exchange rates. Stress testing to manage Crédit Agricole Group risk involves a range of different exercises.

Different types of stress tests

- **Using stress testing for pro-active risk management:** specific exercises that are recurring or carried out upon request are done centrally to supplement and enhance the various analyses performed to properly monitor risks. This work is presented to Executive Management at Group Risk Management Committee meetings. In this respect, stress testing focussed on market risk or liquidity risk is periodically undertaken.

  In the case of credit risk, stress tests were performed in 2016 to measure the risk stemming from economic changes in certain businesses or sectors. These exercises underpin the decisions taken by the Group Risk Management Committee on aggregate exposure limits.

- **Budget stress testing or ICAAP stress testing:** Crédit Agricole Group undertakes an annual exercise as part of the budgetary process, with the results of this stress testing being incorporated into the ICAAP. It plays a part in capital requirements planning and makes it possible to estimate the Group's profitability over a three-year period, under various economic scenarios.
- The goal of this stress testing in the budgetary process and ICAAP is to measure the effects of economic scenarios (central – baseline and stressed – Adverse) on the businesses, entities and the Group as a whole. It applies to all French and foreign entities within the scope of Internal Control. It is necessarily based on an economic scenario (change in a series of economic variables) from which the impact on the various risks and geographic regions are determined. This scenario is supplemented to reflect operational risks and the risk of improper conduct.

  The goal of this exercise is to estimate a solvency ratio by measuring the impact on the income statement (cost of risk, interest margin, commission, etc.), risk weighted assets and own funds and to compare it against the Group's tolerance and capacity thresholds.
- **Regulatory stress testing:** this stress testing encompasses all requests from the ECB, the EBA or other supervisor. In 2016, Crédit Agricole Group notably successfully concluded the regulatory stress test organised by the EBA.

Governance

In line with the EBA's guidelines, a stress test programme for the Group and major entities clearly details the governance and responsibilities of each party involved in the stress testing encompassing credit, market, operational and liquidity risks and risks related to interest rates and exchange rates.

The scenarios used in the ICAAP processes, Risk Appetite or for regulatory purposes are prepared by the Economic department (ECO) and are presented to the Board of Directors. These economic scenarios show central and stressed fluctuations in macroeconomic and financial variables (GDP, unemployment, inflation, interest rates and exchange rates, etc.) for all countries to which the Group is exposed.

CREDIT RISK

A credit risk is realised when a counterparty is unable to honour its obligations and when the carrying amount of these obligations in the bank's books is positive. The counterparty may be a bank, an industrial or commercial enterprise, a government and its various controlled entities, an investment fund, or an individual person.

Definition of default

The definition of default used in management, which is the same as the one used for regulatory calculations, complies with current prudential requirements in the various Group entities.

A debtor is, therefore, considered to be in default when at least one of the following conditions has been met:

- a payment is generally more than 90 days past due, unless specific circumstances point to the fact that the delay is due to reasons beyond the debtor's control;
- the entity believes that the debtor is unlikely to settle its credit obligations unless it avails itself of certain measures such as the provision of collateral surety.

The exposure may be a loan, debt security, deed of property, performance exchange contract, performance bond or unutilised confirmed commitment. The risk also includes the settlement risk inherent in any transaction entailing an exchange of cash or physical goods outside a secure settlement system.

Restructured loans

Restructuring as defined by the EBA (forbearance) consists of all changes made to one or more credit agreements, as well as to refinancings, agreed to by virtue of the client's financial difficulties.

Once the restructuring as defined by the EBA has been carried out, the exposure continues to be classified as "restructured" for a least two years if the exposure was performing when restructured, and three years if the exposure was in default when restructured. These periods are extended when certain events dealt with in Group standards occur (further incidents for example).

In this respect, Group entities have put in place solutions to identify and manage these exposures, tailored to their specificities and to their business lines, depending on the circumstances: based on expert judgement, algorithmic or a combination of these two approaches. These mechanisms also make it possible to satisfy the requirement to produce quarterly regulatory statements on this matter.

The volume of loans in forbearance (under the ITS 2013-03 definition) are given in Note 3.1. Principles of loan classification for accounting purposes are specified in Note 1.3 to the Group's financial statements.

The definitions of the underlined words can be found in the Glossary on page 542.

I. Objectives and policy

Credit risk taking by Crédit Agricole S.A. and its subsidiaries is subject to the risk appetite of the Group and entities and risk strategies confirmed by the Board of Directors and approved by the Group Risk Management Committee, a sub-committee of the Crédit Agricole S.A. Executive Committee chaired by the Chief Executive Officer. Risk strategies are adjusted to each business line and its development plan. They set out global limits, intervention criteria (types of eligible counterparties, nature and maturity of eligible products, collateral required) and arrangements for delegating decision-making authority. These risk strategies are adjusted as required for each business line, entity, business sector or country. Business lines are responsible for complying with these risk strategies, and compliance is controlled by the Risk Management and Permanent Controls Officers.

Crédit Agricole Corporate and Investment Bank, the Group's Corporate and investment banking arm, also carries out active portfolio management, in order to reduce the main concentration risks borne by Crédit Agricole S.A. Group. The Group uses market instruments such as credit derivatives or securitisation mechanisms, which reduce and diversify counterparty risk and enable it to optimise its use of capital. Similarly, potential risk concentration is mitigated by syndication of loans with external banks with outside banks and use of risk hedging instruments (credit insurance, derivatives).

Crédit Agricole S.A. and its subsidiaries seek to diversify their risks in order to limit their counterparty risk exposures, particularly in the event of a crisis affecting a particular industry or country. To achieve this, Crédit Agricole S.A. and its subsidiaries regularly monitor their total exposures by counterparty, by trading portfolio, by business sector and by country (taking into account internal calculation methods, depending on the type of exposure).

When the risk is recognised, an impairment policy is implemented, on an individual or portfolio basis.

II. Credit risk management

1. Risk-taking general principles

All credit transactions require in-depth analysis of the customer's ability to repay the debt and the most efficient way of structuring the transaction, particularly in terms of security and maturity. This analysis must comply with the risk strategy of the business line or entity concerned and with all limits in force, both individual and aggregate. The final lending decision is based on an internal rating and is taken by the commitment units or by the Credit Committees, on the basis of an independent opinion given by a representative of the Risk Management and Permanent Controls function as part of the authorisation system in place. The Group Risk Management Committee and its Chairman constitute the Group's ultimate decision-making authority.

Each lending decision requires a risk-return analysis. In the case of the Corporate and investment banking business line this means an *ex ante* calculation of the profitability of the transaction.

In addition, the principle of an individual risk limit applies to all types of counterparty, whether corporates, banks, financial institutions, public sector or semi-public sector entities.

2. Risk measurement methods and systems

2.1 INTERNAL RATING SYSTEMS AND CREDIT RISK CONSOLIDATION SYSTEMS

The internal rating systems cover all of the methods, procedures and controls used for assessment of credit risk, rating of borrowers and estimation of losses given default by the borrower. Governance of the internal rating system relies on the Standards and Methodologies Committee (CNM), chaired by the Group's head of Risk Management and Permanent Controls, whose task is to validate and spread standards and methodologies relating to measuring and controlling risks within Crédit Agricole Group. In particular, the Standards and Methodologies Committee reviews:

- rules for identifying and measuring risks, in particular, counterparty rating methods, credit scoring and Basel risk parameter estimates (probability of default, credit conversion factor, Loss Given Default LGD) and related organisational procedures;
- segmentation between retail customers and large institutional customers with related procedures such as risk consolidation information system data entry;
- the performance of rating and risk assessment methods by reviewing back-testing results at least once a year;
- the use of ratings (validation of common syntaxes, glossaries and benchmarks).

For retail customers, including loans to individuals (in particular, home loans and consumer finance) and small businesses, each entity is responsible for defining, implementing and substantiating its rating system, in accordance with the Group standards established by Crédit Agricole S.A.

LCL and the consumer credit subsidiaries (Crédit Agricole Consumer Finance) have their own rating systems. The Regional Banks have common risk assessment models which are managed at Crédit Agricole S.A. level. Procedures for back-testing the parameters used in calculating the regulatory capital requirements have been defined and are operational in all entities. The internal models used by the Group are based on statistical models established on explanatory behavioural variables (e.g. average current account balance) and identifying variables (e.g. business sector). The approach taken can be either customer-centred (Individuals, Farmers, Small businesses and very small enterprises) or product-centred. The estimated probability of default in year 1, to which the rating relates, is updated on a yearly basis.

For the large customer category, a single fifteen-grade rating scale has been established on the basis of a segmentation of risk so as to provide a uniform view of default risk "over a full business cycle". It has 13 ratings (A+ to E-) categorising counterparties not in default and 2 ratings (F and Z) categorising counterparties in default.

The definitions of the underlined words can be found in the Glossary on page 542.

COMPARISON BETWEEN THE INTERNAL GROUP RATINGS AND THE RATING AGENCIES

Crédit Agricole Group	A+	A	B+	B	C+	C	C-	D+	D	D-	E+	E	E-
Indicative Moody's rating equivalent	Aaa	Aa1/Aa2	Aa3/A1	A2/A3	Baa1	Baa2	Baa3	Ba1	Ba2	Ba3	B1/B2	B3	Caa/Ca/C
Indicative Standard & Poor's rating equivalent	AAA	AA+/AA	AA-/A+	A/A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+/B	B-	CCC/CC/C
Probability of default in year 1	0.001%	0.01%	0.02%	0.06%	0.16%	0.30%	0.60%	0.75%	1.25%	1.90%	5.0%	12.00%	20.00%

Within Crédit Agricole Group, the large customer category comprises primarily sovereigns and central banks, corporates, local authorities, specialised financings as well as banks, insurance companies, asset management companies and other financial companies. An internal rating method tailored to each specific risk profile, based on financial and qualitative criteria, is applied to each type of large customer. For large customers, Crédit Agricole Group entities have common internal rating methodologies. Counterparties are rated, at the latest, when they apply for support and the rating is updated with each renewal or upon any event that could affect risk quality. The rating assignment must be approved by a unit independent of the Front Office. The rating is reviewed at least annually. To ensure that each counterparty has a unique Crédit Agricole Group rating, a single Group entity is responsible for rating said counterparty on behalf of all the entities providing it with support.

Whether relating to large customers or retail customers, the rating oversight system implemented by Crédit Agricole S.A., its subsidiaries and the Regional Banks across the entire rating process aims to ensure:

- rules for identifying and measuring risks, in particular, methods used;
- uniformity in the handling of default events on a consolidated basis;
- proper utilisation of the internal rating methodologies;
- reliability of data substantiating the internal rating.

The Standards and Methodology Committee, amongst others, ensures that these principles are respected, in particular, when rating methodologies are approved and during annual back-testing.

Furthermore, Crédit Agricole S.A., its subsidiaries and the Regional Banks continue to focus on improving the risk-tracking system for:

- risk management of single clients and groups which is designed to ensure accurate identification of counterparties on which there is a risk within the entities and to improve cross-functional risk information management on single clients and groups, which is crucial to ensuring rating uniqueness and consistent allocation of exposures to Basel portfolios;
- the closing process, which aims to guarantee the quality of the process of production of the solvency ratio.

The French Prudential Supervisory and Resolution Authority (ACPR) has authorised Crédit Agricole Group to use internal rating systems to calculate regulatory capital requirements for credit risk of its retail and large customer portfolios on the greater part of its scope.

Having internal rating systems deployed throughout the Group enables it to implement counterparty risk management based on risk indicators compliant with current regulatory rules. For large customers, the single rating system (identical tools and methods, shared data) which has been implemented for several years now, has helped to improve counterparty monitoring, in particular, for counterparties common to several Group entities. The system has also made it possible to have a common reference framework on which to base standards and procedures, governance tools, alert procedures and risk provisioning policies.

Finally, in the Corporate and investment banking businesses, expected loss, economic capital and risk-adjusted return measurements are used in the processes for making loan approval decisions, defining risk strategies and setting risk limits.

2.2 CREDIT RISK MEASUREMENT

The measurement of credit risk exposures includes both drawn facilities and confirmed unutilised facilities.

To measure counterparty risk on capital markets transactions, Crédit Agricole S.A. and its subsidiaries use different types of approaches to estimate the current and potential risk of derivative instruments (such as swaps and structured products).

Crédit Agricole CIB uses a specific internal methodology to estimate the risk of change in relation to such derivative instruments, using a net portfolio approach for each customer:

- current risk corresponds to the sum owing by the counterparty in the event of instantaneous default;
- the risk of change corresponds to our estimated maximum exposure over its remaining maturity, for a given confidence interval.

The methodology used is based on Monte Carlo-type simulations, enabling the risk of change over derivatives' remaining maturity to be assessed on the basis of statistical modelling of the change in underlying market parameters.

This model considers the different risk reduction factors, such as the use of offsetting and collateralisation in agreements negotiated with counterparties prior to transactions taking place.

Situations of specific risk of unfavourable correlations (risk that an exposure to a derivative is positively correlated with the counterparty's probability of default as a result of a legal tie between this counterparty and the underlying of the derivative) are monitored regularly to identify and integrate such risks in the exposure measurement as recommended by regulations. Situations of general risk of unfavourable correlations (risk that market conditions have a correlated effect on a counterparty's credit quality and derivative exposures with this counterparty) were monitored by means of *ad hoc* exercises in 2016.

The internal model is used to manage internal limits on transactions with each counterparty and to measure Basel 3 Pillar 2 economic capital by determining the average risk exposure (Effective Expected Positive Exposure) across the portfolio.

The definitions of the underlined words can be found in the Glossary on page 542.

As allowed by this regulatory framework, the French Regulatory and Resolution Supervisory Authority (ACPR) authorised Crédit Agricole CIB as of 31 March 2014 to use the internal model method to calculate its capital requirements in respect of counterparty risk. The model uses Effective Expected Positive Exposure (EEPE) and is applied to all derivatives. The same method is used to calculate credit exposure at default for capital requirement purposes to address the risk of credit value adjustment (CVA). For repo transactions and derivative transactions at its subsidiaries, Crédit Agricole CIB uses the standard approach.

Credit risk on these market transactions is managed following rules set by the Group. The policy on setting counterparty risk limits is as described in "Credit risk management – Risk-taking general principles" on page 215. The techniques used to reduce counterparty risk on market transactions by Crédit Agricole CIB are described in "Credit risk mitigation mechanisms".

Crédit Agricole Group includes a credit valuation adjustment (CVA) in its calculation of the fair value of derivative assets. This value adjustment is described in Notes 1.3 to the consolidated financial statements on accounting policies and principles and 10.2 on Information about financial instruments measured at fair value (see page 419).

The positive gross fair value of the contracts, as well as the gains from the offsetting and the guarantees held, and the net exposure on derivative instruments after the impact of offsetting and guarantees are discussed in Note 6.12 to the consolidated financial statements on Offsetting – Financial Assets.

At other Group entities, the base for counterparty risk on market transactions is either calculated by the Crédit Agricole CIB tool under an internal provision of services agreement or based on the regulatory approach.

3. Supervision system of commitments

Rules for dividing and limiting risk exposures, along with specific processes relating to commitments and grant criteria, are used to prevent any excessive concentration of the portfolio and to limit the impact of any deterioration.

3.1 PROCESS FOR MONITORING CONCENTRATIONS BY COUNTERPARTY OR GROUP OF RELATED COUNTERPARTIES

The consolidated commitments of all Crédit Agricole Group's entities are monitored by counterparty and by group-related counterparties. A group of counterparties is a set of French or foreign legal entities that are connected, regardless of their status and economic activity, enabling the total exposure to the risk of default of this group to be measured on the basis of the exposure of one or more of these entities. Commitments to a counterparty or group of related counterparties include all loans granted by the Group as well as corporate finance transactions, bond portfolios, financing commitments and counterparty risks relating to capital market transactions. Exposure limits for counterparties and groups of related counterparties are recorded in the internal information systems of each subsidiary or business line. When several subsidiaries have a counterparty in common, a Group-level aggregate limit is set on the basis of commitment authorisation limits that depend on the internal rating.

Each operating entity reports the amount of its commitments by risk category on a monthly or quarterly basis to the Group Risk Management and Permanent Controls department. Exposures to major non-bank counterparties, *i.e.* those on which the aggregate commitments of Crédit Agricole Group exceed €300 million after offsetting, are reported separately to the Group Risk Management Committee.

At year-end 2016, commercial lending commitments of Crédit Agricole S.A. and its subsidiaries to their ten largest non-sovereign, non-bank customers amounted to 5.6% of the total non-bank portfolio (compared with 6.3% at 31 December 2015). The diversification of the portfolio on an individual basis is still satisfactory.

3.2 PORTFOLIO REVIEW AND SECTOR MONITORING PROCESS

Periodic portfolio reviews conducted by entity or business line strengthen the monitoring process, thus serving to identify counterparties whose credit quality is deteriorating, update counterparty ratings, monitor risk strategies and check on changes in concentration ratios, for instance, per business sector.

Moreover, the Corporate and investment banking business has a portfolio modelling tool that it uses to test how well portfolios hold up under stress scenarios.

3.3 PROCESS FOR MONITORING COUNTERPARTIES IN DEFAULT AND ON CREDIT WATCH

Counterparties in default and on credit watch are monitored closely by the business lines, in collaboration with Risk Management and Permanent Controls Officers. They are also the object of formal monitoring by the entities' Sensitive Exposure Committees and of quarterly monitoring by the Group Risk Management Committee and the Audit Committee on a consolidated basis.

3.4 CONSOLIDATED CREDIT RISK MONITORING PROCESS

The Group's credit risk profile is monitored and presented at least every quarter at the Group Risk Management Committee and Board of Directors Meetings using two key tools: the "Group risk register" and the "Group risk dashboard".

In addition, detailed periodic reviews of banking risks, country risks and the main nonbanking risks are conducted during Group Risk Management Committee Meetings.

3.5 COUNTRY RISK MONITORING AND MANAGEMENT SYSTEM

Country risk is the risk that economic, financial, political, judicial or social conditions in a country will affect the Bank's financial interests. This risk does not differ in nature from "elementary" risk (credit, market and operational risks), but is an aggregate of risks resulting from vulnerability to a specific political, social, macroeconomic and financial environment. Country risk covers the assessment of the overall risk environment in a country as opposed to Sovereign Risk, which refers to a state's counterparty risk.

The system for assessing and monitoring country risk within Crédit Agricole Group is based on its own rating methodology. Internal country ratings are based on criteria relating to the financial soundness of the government, the banking system and the economy, ability and willingness to pay, governance and political stability.

Annually reviewed limits and risk strategies are applied to each country whose business volume justifies it, with a few exceptions.

This approach is supplemented by scenario analyses aimed at testing the impact of adverse macroeconomic and financial assumptions. These tests provide the Group with an integrated view of the risks to which it may be exposed in situations of extreme tension.

The Group manages and controls its country risks according to the following principles:

- acceptable country risk exposure limits are determined through reviews of country strategies, depending on the vulnerability of the portfolio to country risk. The degree of vulnerability is determined by the type and structure of transactions, the quality of counterparties and the term of commitments. These exposure limits may be reviewed more frequently if developments in a particular country make it necessary. These strategies and limits are validated according to the level of risk by Crédit Agricole CIB's Strategy and Portfolio Committee (CSP) and by Crédit Agricole S.A.'s Group Risk Management Committee (CRG);
- the Corporate and investment banking business maintains a system for regular assessment of country risk and for updating the country risk rating quarterly for each country in which the Group does business. This rating is produced using an internal country rating model based on various criteria (structural solidity, governance, political stability, ability and willingness to pay). Specific events may cause ratings to be adjusted before the next quarterly review;
- Crédit Agricole CIB's Country and Portfolio Risk department validates transactions whose size, maturity and degree of country risk could affect the quality of the portfolio.

Country risk exposure is monitored and controlled in both quantitative (amount and term of exposure) and qualitative (portfolio vulnerability) terms through regular specific reporting on all exposures to countries.

Western European countries with an internal rating (lower than B) qualifying them for close country risk monitoring undergo a separate *ad hoc* monitoring procedure. Exposure to sovereign and non-sovereign risk in these countries is detailed in Note 6.9 to the consolidated financial statements.

Exposures to other countries rated below B are detailed in chapter III, paragraph 2.4 "Country risk" below.

3.6 CREDIT RISK STRESS TESTS

Credit risk stress testing is primarily based on satellite models that link changes in credit risk parameters to macroeconomic and financial variables. These models are independently reviewed and approved by the Standards and Methodology Committee in the same way as the Basel models. In addition, the quantitative stress testing is back-tested each year.

In line with EBA methodology, the credit risk stress tests employ Basel parameters (PD, LGD, EAD) and aim to estimate the cost of risk including the provisions for assets not in default and also the impact on risk weighted assets.

For the purposes of credit risk monitoring and management, the Group Risk Management department carries out a series of stress tests in cooperation with the relevant business lines and entities.

A global credit risk stress test is carried out at least once a year as part of the budgetary process. The works, coordinated by DRG, involve all Crédit Agricole Group entities and all Basel portfolios, whether they are treated for regulatory purposes using the IRB or Standard method. The period examined is set at three years. The stress testing process is part of corporate governance and aims to improve dialogue between risk and finance on the sensitivity of the cost of risk and capital requirements to a downturn in the economic climate. In addition to being used for budgetary purposes and to manage capital requirements, the results of global credit risk stress tests are used to calculate economic capital (Pillar 2). They are reviewed by the Executive Committee and are also reported to the Crédit Agricole S.A. Board of Directors.

4. Credit risk mitigation mechanisms

4.1 COLLATERAL AND GUARANTEES RECEIVED

Guarantees or collateral are intended to provide partial or full protection against credit risk.

The principles governing the eligibility, utilisation and management of collateral and guarantees received as security are defined by Crédit Agricole Group's Standards and Methodology Committee (CNM), in accordance with the CRD 4 system for the calculation of the solvency ratio.

This common framework, defined in Group standards, ensures a consistent approach across the Group's various entities. It documents in particular aspects that include the conditions for prudential recognition, valuation and revaluation methods of all the various credit risk mitigation techniques that are used: collateral (notably for financing of assets: property, aircraft, ships, etc.), personal guarantees, public export credit insurance, private credit insurance, financial guarantee insurance, credit derivatives, and cash collateral.

The entities are in charge of implementing this framework at the operational level (management, monitoring of valuations, implementation).

Details of guarantee commitments received are presented in Note 3.1 and in Note 8 to the consolidated financial statements.

Regarding financial assets obtained by enforcement of guarantees or credit enhancement measures, the Group's policy is to sell them as soon as possible.

4.2 USE OF NETTING AGREEMENTS

If a "master" agreement has been signed with a counterparty and said counterparty defaults or enters bankruptcy proceedings, Crédit Agricole S.A. and its subsidiaries apply close out netting, enabling them to terminate current contracts early and to calculate a net balance on the debts and debt obligations in respect of this counterparty. They also use collateralisation techniques to enable securities or cash to be transferred in the form of collateral or transfer of full ownership during the lifetime of the hedged transactions, which can be offset, in the event of default by one of the parties, in order to calculate the net balance of reciprocal debt and debt obligations resulting from the master agreement signed with the counterparty.

The definitions of the underlined words can be found in the Glossary on page 542.

4.3 USE OF CREDIT DERIVATIVES

In managing its corporate financing portfolio (banking book), the Group's Corporate and Investment bank uses credit derivatives and a range of risk-transfer instruments including namely securitisation. The aim is to reduce concentration of corporate credit exposure, diversify the portfolio and reduce loss levels.

The risks arising from such transactions are monitored using indicators such as VaR (Value at Risk) on all cash transactions to buy or sell protection for the bank's own account.

At 31 December 2016, the notional amount of protection bought in the form of credit derivatives was €7 billion (€9.2 billion at 31 December 2015), the notional amount of short positions was €18 million (€18 million at 31 December 2015).

The notional amount of credit derivatives can be found in Note 3.2 "Derivative instruments: total commitments" to the consolidated financial statements.

III. Exposure

1. Maximum exposure

The maximum exposure to credit risk of Crédit Agricole S.A. and its subsidiaries corresponds to the net carrying amount of financial assets (loans and receivables, debt instruments and derivative instruments) before the effect of non-recognised netting agreements and collateral. It is set out in Note 3.1 to the consolidated financial statements.

At 31 December 2016, the maximum exposure to credit and counterparty risk of Crédit Agricole S.A. and its subsidiaries amounted to €1,305 billion (€1,278 billion at 31 December 2015), up 2.08% on 2015.

2. Concentration

An analysis of credit risk on commercial lending commitments excluding Crédit Agricole Group internal transactions and collateral given by Crédit Agricole S.A. as part of repurchase agreements (loans and receivables to credit institutions, loans and receivables to customers, financing commitments given and guarantee commitments given for €711.05 billion) is presented below. In particular, this scope excludes derivative instruments, which are primarily monitored using VaR (see section on "Market risks"), and financial assets held by insurance companies (€235 billion – see section on "Risks in the insurance sector").

2.1 PORTFOLIO DIVERSIFICATION BY GEOGRAPHIC AREA

On the commercial lending portfolio (including banking counterparties outside the Group), the breakdown by geographic area covers a total portfolio of €708.73 billion at 31 December 2016, compared with €681.89 billion at 31 December 2015. The breakdown reflects the country in which the commercial lending risk is based.

BREAKDOWN BY GEOGRAPHIC AREA OF COMMERCIAL LENDING OF CRÉDIT AGRICOLE S.A. GROUP

Geographic area of exposure	2016	2015
Africa and Middle East	4%	4%
Central and South America	2%	2%
North America	9%	9%
Asia-Pacific excluding Japan	5%	5%
Eastern Europe	2%	2%
Western Europe Excluding Italy	15%	14%
France (retail banking)	17%	17%
France (excluding retail banking)	33%	33%
Italy	11%	11%
Japan	2%	3%
TOTAL	**100%**	**100%**

The breakdown by geographical area was unchanged. Exposures in France accounted for 50% of the total at end-2016, as at end-2015. Italy, the Group's second biggest market was unchanged from 2015 at 11% of commercial lending.

Note 3.1 to the financial statements presents the breakdown of loans and receivables and commitments given to customers and credit institutions by geographic area on the basis of accounting data.

2.2 PORTFOLIO DIVERSIFICATION BY BUSINESS SECTOR

On the commercial lending portfolio (including bank counterparties outside the Group) the scope broken down by business sector amounted to €667.1 billion at 31 December 2016, versus €631.3 billion at 31 December 2015. These breakdowns reflect the business sector in which the commercial lending risk to customers is based.

BREAKDOWN BY BUSINESS SECTOR OF COMMERCIAL LENDING OF CRÉDIT AGRICOLE S.A. GROUP

Business sector	2016	2015
Air/Space	2.9%	2.7%
Agriculture and Food processing	2.6%	2.7%
Insurance	1.3%	1.4%
Automotive	4.1%	3.6%
Other non-banking financial activities	6.7%	5.9%
Other industries	1.6%	2.0%
Other transport	1.7%	1.7%
Banks	5.9%	6.7%
Wood/Paper/Packaging	0.3%	0.0%
Building and publics works	2.6%	2.8%
Retail/Consumer goods industries	2.1%	2.1%
Other	3.2%	4.0%
Energy	8.3%	8.4%
o/w Oil and Gas	*5.8%*	*6.1%*
o/w Electricity	*2.5%*	*2.3%*
Property/Real estate	3.9%	4.0%
Heavy industry	3.0%	3.1%
IT/Technology	1.2%	1.0%
Shipping	2.6%	2.8%
Media/Publishing	0.5%	0.6%
Healthcare/Pharmaceuticals	1.5%	1.1%
Non-trading services/Public sector/ Local authorities	13.0%	12.2%
Telecom	1.7%	1.9%
Tourism/Hotels/Restaurants	1.0%	1.2%
Utilities	0.3%	0.0%
Retail banking customers	28.0%	28.1%
TOTAL	**100%**	**100%**

The commercial lending portfolio broken down by business sector is well diversified and remained stable for 2016. Only two sectors accounted for more than 10% of business, as in 2015: the "Retail banking customers" business, which was the largest at 28% (28.1% in 2015) and the "Non-trading services/Public sector/Local authorities", the second largest, for which the share rose to 13% from 12.2% of the total in 2015, due to an increase in the exposure of the Sovereign portfolio.

The "Oil and gas" sector is the main component of our "Energy" exposure. This sector comprises a wide diversity of underlyings, players and types of financing, including a number of sub-segments such as RBL, Trade and project financing that are usually secured by assets. Most of the exposure is lying with Crédit Agricole CIB.

Most of our exposure in the oil sector relates to players that are structurally less sensitive to the drop in oil prices (public sector companies, large international companies, transportation/storage/refinery companies). On the other hand, customers with a focus on exploration/production, and those reliant on investment levels in the industry (oil-related services), are the worst affected. They have been the subject of specific monitoring throughout the year, and have specific procedures to follow: reduction in commitments on the exploration/production sub-portfolio, stability of commitments on the oil-related services sub-portfolio, as well as resistance tests using extremely conservative oil price hypotheses. Generally speaking, the "Oil and gas" sector benefits from a very selective approach to projects and any significant new operations are subject to in-depth analysis. Our exposure in US dollars, which represents 1.7% of the Crédit Agricole S.A. Group's EAD, has fallen 13% since 2015.

The current position of the "Shipping" sector is the result of the expertise and background of Crédit Agricole CIB in mortgage financing for ships, which it provides to its international ship-owning clientele. Shipping transport is currently experiencing the longest crisis observed since 1984-1988. With this in mind, we are pursuing our strategy of gradually reducing our exposure, first launched in 2011. However, our portfolio is relatively well-protected thanks to its diversification (financing of oil tankers, gas carriers and off-shore facilities, cargo ships, container ships, cruise ships, etc.), and by the quality of its financing structure for ships, secured by mortgage loans.

2.3 BREAKDOWN OF LOANS AND RECEIVABLES OUTSTANDING BY TYPE OF CUSTOMER

Concentration by customer type of loans and receivables and commitments given to credit institutions and customers are presented in Note 3.1 to the consolidated financial statements.

The gross amount of loans and receivables outstanding, including accrued interest (€456,0 billion at 31 December 2016), increased by 4.9% in 2016 (from €434,5 billion at 31 December 2015). It is split mainly between large corporates and retail customers (respectively, 45.3% and 31.7%).

2.4 EXPOSURE TO COUNTRY RISK

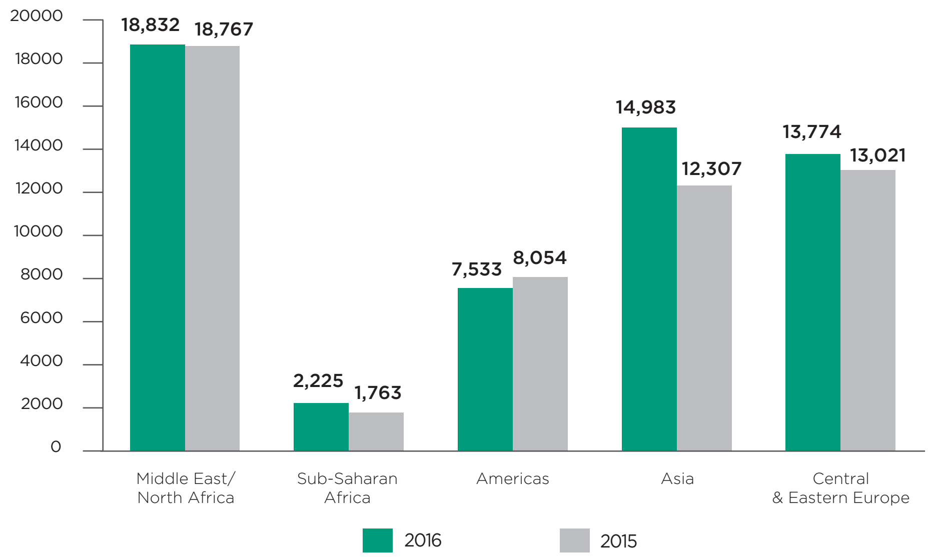
At 31 December 2016, commercial commitments (including to bank counterparties) given to Crédit Agricole Group customers in countries with ratings below B according to the Group's internal ratings, excluding countries in Western Europe (Italy, Spain, Portugal, Greece, Cyprus and Iceland) totalled €57.4 billion versus €53.9 billion as of 31 December 2015. Most of these commitments come from Crédit Agricole CIB, UBAF (47%-owned by Crédit Agricole CIB) and International retail banking. They include guarantees received which are deducted (export credit insurance, cash deposits, securities pledged, etc.).

The concentration of total exposures in these countries was stable in 2016: the top twenty countries accounted for 91.4% of the portfolio of commitments at year-end 2016, unchanged from year-end 2015.

Three geographic areas are predominant: Middle East/North Africa (33%), Asia (26%) and Central and Eastern Europe (24%).

The definitions of the underlined words can be found in the Glossary on page 542.

CHANGES IN COMMERCIAL LENDING FOR COUNTRIES WITH A CREDIT RATING LOWER THAN B (IN MILLIONS OF EUROS)



The Middle East and North Africa

Aggregate commitments to countries in the Middle East and North Africa totalled €18.8 billion at 31 December 2016, stable on year-end 2015. Morocco, Saudi Arabia, United Arab Emirates, Egypt and Qatar accounted for 80.4% of Middle Eastern and North African commitments.

Central & Eastern Europe

Aggregate commitments to Central and Eastern Europe rose 6% from the previous year, mainly due to increased exposure to Kazakhstan, Poland and Azerbaijan. Group commitments are concentrated in four countries: Poland, Russia, Ukraine and Serbia, which represented 89% of the total in this region.

Asia

Commitments in Asia rose 22% to €14.98 billion from the level at 31 December 2015. The change was mainly due to an increase in exposures to China, which remains the largest regional exposure at €7.8 billion, ahead of India (€4.7 billion).

Latin America

At end-December 2016, exposure to the region made up 13% of all exposure to countries rated lower than B. It fell 6% from end-2015 mainly due to reduced commitments in Brazil. Exposure to Brazil and Mexico make up 87% of the Lain America total.

Sub-Saharan Africa

Group commitments to Sub-Saharan Africa totalled €2.22 billion at 31 December 2016, *i.e.* 4% of the total for countries with a rating below B. The increase on end-2015 was mainly due to higher exposure to Ghana. Exposure to South Africa accounts for 45% of commitments in this region.

3. Credit quality

3.1 ANALYSIS OF LOANS AND RECEIVABLES BY CATEGORY

The breakdown of loans and receivables to credit institutions and customers is presented as follows:

Loans and receivables *(in millions of euros)*	**31/12/2016**	**31/12/2015**
Neither past due nor impaired	433,550	412,685
Past due but not impaired	5,601	5,829
Impaired	16,842	16,017
TOTAL	**455,993**	**434,531**

The portfolio of loans and receivables at 31 December 2016 consisted for 95% of amounts that were neither past due nor impaired (95% at 31 December 2015).

Under IFRS 7, a financial asset is past due when a counterparty has failed to make a payment when contractually due. The Group considers that there is no identified credit risk on loans and receivables that are less than 90 days past due, which account for 93.9% of past due but not impaired loans (91.7% at end-2015).

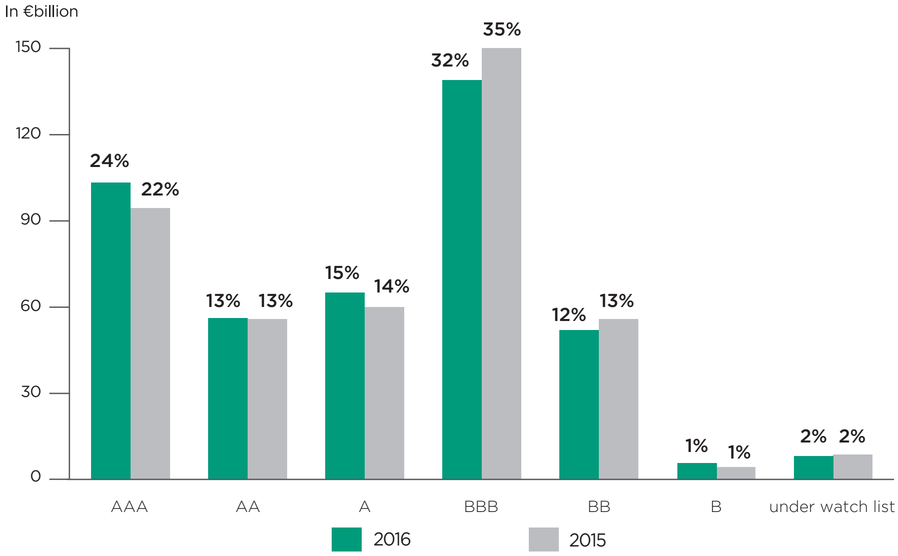
Details of financial assets that were past due or impaired are presented in Note 3.1 to the consolidated financial statements.

3.2 ANALYSIS OF OUTSTANDINGS BY INTERNAL RATING

The internal rating policy used by Crédit Agricole Group aims to cover the entire Group customer portfolio, *i.e.* retail customers, corporate customers, banks and financial institutions, government agencies and local authorities.

On the performing commercial lending portfolio excluding retail customers (€517,9 billion at 31 December 2016, compared with €501,9 billion at 31 December 2015), internally rated borrowers accounted for 79.3% of the total compared with 78% at year-end 2015 (€410,4 billion at 31 December 2016, compared with €390,9 billion at 31 December 2015). The breakdown of this portfolio is presented according to the Standard & Poor's equivalents of the Group's internal ratings:

CHANGE IN THE PERFORMING NON-RETAIL BANKING COMMERCIAL LENDING PORTFOLIO OF CRÉDIT AGRICOLE S.A. GROUP BY INDICATIVE S&P EQUIVALENT OF 2015 INTERNAL RATING



This breakdown reflects a high quality loan book, improved on 2016, with a risk profile showing a 3-point increase in A ratings. At 31 December 2016, 85% of exposure was related to borrowers with investment-grade ratings (rating that is equal to or greater than BBB; 84% at 31 December 2015), and only 2% was related to borrowers on the watch list.

3.3 IMPAIRMENT AND RISK COVERAGE

3.3.1 Impairment and risk hedging policy

The policy for hedging loan loss risks is based on two kinds of impairment allowances:

- impairment allowances on an individual basis intended to cover probable losses on impaired receivables;
- collective impairment allowances under IAS 39, recognised when objective indications of impairment are identified on one or more homogeneous subgroups within the credit risk portfolio. These impairment allowances are intended to cover deterioration in the risk profile of exposures to certain countries, business sectors or counterparties, not because they are in default but because their rating has been lowered. Impairment losses on a portfolio basis are also made in retail banking. Collective impairments are, mainly, calculated on statistical bases on the amount of loss expected until the transactions mature, using Basel Probability of Default (PD) and Loss Given Default (LGD) criteria.

3.3.2 Impaired financial assets

The breakdown of impaired loans and receivables due from credit institutions and customers by customer type and geographic area is presented in Note 3.1 to the financial statements.

At 31 December 2016, impaired lending commitments as a whole amounted to €16.8 billion versus €16 billion at 31 December 2015. These consist of non-performing loans and commitments on which the Group sees potential non-recovery. Impaired assets accounted for 3.7% of the Group's gross stated outstandings (3.7% at 31 December 2015). They were hedged by €8.8 billion in individual impairment allowances or 52.2% (€8.6 billion at 31 December 2015), including lease finance transactions but not including collective impairment allowances.

Restructured loans according to the new definition[1] totalled €12.1. billion at 31 December 2016.

4. Cost of risk

Crédit Agricole S.A. Group's cost of risk was €1.79 billion at 31 December 2016 compared to €2.29 billion in 2015, a 22% improvement. LCL's cost of risk rose 36% from the very low level in 2015, which benefited from reversals of provisions. The most notable change in the International retail banking business line related to Cariparma Group (excluding CALIT) which saw its cost of risk fall by 22% in 2016, reflecting an improvement in the quality of its loan book. In Specialised financial services, Crédit Agricole Consumer Finance Group improved its cost of risk by 15%, mainly

(1) *The concept of restructured loans is detailed in Note 1.3 "Accounting policies and principles 2016" in the consolidated financial statements.*

thanks to the better recovery made by its Agos Ducato subsidiary and an improvement of the quality of its loan book. The cost of risk of Corporate and investment banking improved by 15%.

Details of the movements that affected the cost of risk are presented in Note 4.8 to the consolidated financial statements. This is broken down by business line in Note 5.1 to the consolidated financial statements.

5. Counterparty risk on derivative instruments

The counterparty risk on derivative instruments is established according to market value and potential credit risk calculated and weighted in accordance with regulatory standards. The measure relating to this credit risk is presented in part 2.2. "Credit risk measurement" in the section II "Credit risk management" above.

MARKET RISK

Market risk is the risk of a negative impact on the income statement or balance sheet of adverse fluctuations in the value of financial instruments following changes in market parameters, particularly:

- interest rates: interest rate risk is the risk of a change in the fair value of a financial instrument or the future cash flows from a financial instrument due to a change in interest rates;
- exchange rates: foreign exchange risk is the risk of a change in the fair value of a financial instrument due to a change in exchange rates;
- prices: price risk is the risk of a change or volatility in the price of equities, commodities, baskets of equities or stock market indices. The instruments most exposed to this risk are variable-income securities, equity derivatives and commodity derivatives;
- credit spreads: credit risk is the risk of a change in the fair value of a financial instrument resulting from movement in the credit spreads for indices or issuers. For more complex credit products, there is also the risk of a change in fair value arising from a change in correlation between issuer defaults.

I. Objectives and policy

Crédit Agricole S.A. Group has a specific market risk management system with its own organisation independent of operational hierarchies, risk identification and measurement methods, monitoring and consolidation procedures. In terms of scope, this system hedges all market risk.

In a market still marked by persistently low rates and political uncertainty (Brexit, Italian referendum, new US administration), a prudent market risk management policy was pursued in 2016, in line with Crédit Agricole Group's risk appetite.

II. Risk management

1. Local and central organisation

Crédit Agricole S.A. Group has two distinct and complementary levels of market risk management:

- at the central level, the Group Risk Management and Permanent Controls department coordinates all Group-wide market risk supervision and control issues. It standardises data and data processing to ensure consistency of both consolidated risk measurement and controls. It keeps the executive bodies (Executive Management of Crédit Agricole S.A.) and decision-making bodies (Board of Directors and Board Risk Management Committee) up-to-date on the market risk position;
- at the local level, for each Crédit Agricole Group entity, a Risk Management and Permanent Controls Officer manages the monitoring and control of market risks arising from the entity's businesses. Within the Crédit Agricole CIB subsidiary, the Risk Management and Permanent Controls department relies on decentralised teams of risk controllers, generally based abroad. These control functions are performed by different teams:

  a) Risk Management, which is responsible for market risk monitoring and control for all product lines worldwide: limit proposals, which are approved by the Market Risk Committee and monitored for their compliance, analysis of limit breaches as well as significant variations in results which are brought to the attention of the Market Risk Committee,

  b) monitoring of activity: in charge of producing daily management income and risk indicators for all activities held to market risk limits and of monitoring and validating the market parameters used to produce profit and loss account and risk indicators. This ensures an autonomous production process based on a market database updated daily, which is independent of the Front Office.

  Lastly, the process is used in conjunction with the Finance department during monthly procedures to align net management income and net accounting income,

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The definitions of the underlined words can be found in the Glossary on page 542.

c) in addition to this setup harmonising, cross-functional teams are responsible for coordinating methods and treatments between product lines and units. These teams are responsible for reporting regulatory indicators produced independently by the DRM. This includes the following:

- quantitative research responsible for validating models,
- the team in charge of the internal model (VaR, stressed VaR, stress scenarios…),
- Market Data Management which is in charge of market data collection separate from Front Office data.

The IT architecture put in place within Crédit Agricole Corporate and Investment Bank for market risk management is based on sharing the platforms used in the Front Office, on which risk indicators are calculated. The independence of the process is based on the selection of market data and the validation of valuation models by the Risk Management department.

Group procedures define the level of information, format and frequency of the reports that entities must transmit to Crédit Agricole S.A. (Group Risk Management and Permanent Controls department).

2. Decision-making and Risk Monitoring Committees

Three governance bodies are involved in the management of market risk at Crédit Agricole S.A. Group level:

- the Group Risk Management Committee, chaired by the Chief Executive Officer of Crédit Agricole S.A., approves the aggregate limits on each entity's market risks when it presents its risk strategy and makes the main decisions in the matter of risk containment. The Committee examines the market situation and risks incurred on a quarterly basis, in particular through the utilisation of limits and any significant breaches of limits and incidents;
- the Risk Monitoring Committee, chaired by the Chief Executive Officer of Crédit Agricole S.A., reviews the main indicators of market risk twice a month;
- the Standards and Methodology Committee, chaired by the Head of Group Risk Management and Permanent Controls, is in particular responsible for approving and disseminating standards and methods concerning the supervision and permanent control of market risks.

In addition, each entity has its own Risk Committee. The most important of these is Crédit Agricole Corporate and Investment Bank's Market Risk Management Committee (CRM), which meets twice monthly and is chaired by the Management Committee member in charge of risks. It is made up of Crédit Agricole Corporate and Investment Bank's head of capital market activities and the risk managers. This Committee reviews Crédit Agricole Corporate and Investment Bank's positions and the profit and loss account of its capital market activities and verifies compliance with the limits assigned to each activity. It is empowered to make decisions on requests for temporary increases in limits.

III. Market risk measurement and supervision methodology

1. Indicators

The market risk measurement and supervision system is based on a combination of several indicators, most of which are subject to global or specific limits. It relies principally on Value at Risk (VaR), stressed VaR, stress scenarios and complementary indicators (risk factor sensitivity, combined qualitative and quantitative indicators) and a process that values all positions in each entity giving rise to market risks. The permanent control process includes procedures to validate and back-test models.

1.1 VAR (VALUE AT RISK)

The central element of the market risk measurement system is the Value at Risk (VaR). VaR can be defined as the maximum theoretical loss on a portfolio in the event of adverse movements in market parameters over a given timeframe and for a given confidence interval. Crédit Agricole S.A. Group uses a confidence interval of 99% and a timeframe of one day using one year of historical data. In this way, market risks incurred by the Group in its trading activities can be monitored on a daily basis by quantifying the estimated maximum level of loss in 99 out of 100 cases, after inclusion of a number of risk factors (interest rate, exchange rate, asset prices, etc.).

The offsetting figure is defined as the difference between total VaR and the sum of VaRs by risk factor. It represents the effects of diversification among positions held simultaneously on different risk factors. A procedure known as back-testing (comparing each day's result against VaR estimated the day before) is used to confirm the relevance of the methodology.

The internal VaR model of Crédit Agricole Corporate and Investment Bank, which is the main contributor to the VaR of Crédit Agricole S.A. Group, has been approved by the regulatory authorities.

The process of measuring a historical VaR for risk positions on a given date is based on the following principles:

- compilation of an historical database of risk factors on positions held by Crédit Agricole S.A. Group entities (interest rates, share prices, exchange rates, commodity prices, volatilities, credit spreads, correlation, etc.);
- determination of 261 scenarios corresponding to one-day changes in risk factors, observed over a rolling one-year period;
- adjustment of parameters corresponding on the date D according to the 261 scenarios;
- remeasurement of the day's positions based on the 261 scenarios.

The 99% VaR figure based on the 261 scenarios is equal to the average of the second and third worst results observed.

The VaR calculation methodology undergoes constant improvement and adjustment to take into account, among other

The definitions of the underlined words can be found in the Glossary on page 542.

things, the changing sensitivity of positions to risk factors and the relevance of the methods to new market conditions. For example, efforts are made to incorporate new risk factors and to achieve finer granularity on existing risk factors.

Limitations of the historical VaR calculation

The main methodological limitations of the VaR model are the following:

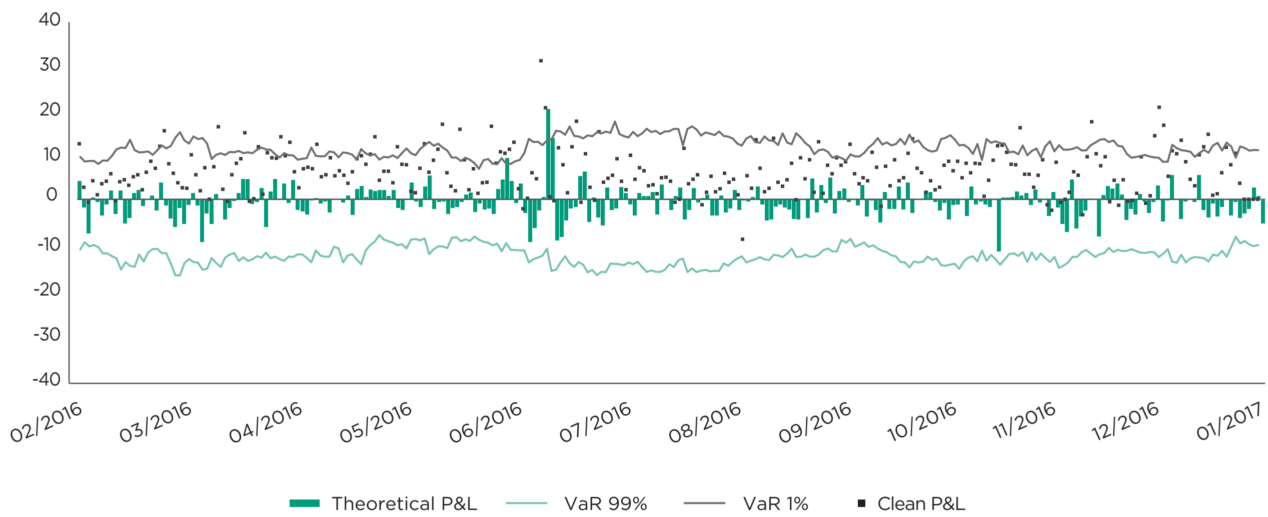
- the use of daily shocks assumes that all positions can be liquidated or covered in one day, which is not always the case for certain products and in certain crisis situations;
- the use of a 99% confidence interval leaves out losses that could occur outside that interval: VaR is consequently an indicator of risk under normal market conditions and does not take into account movements of exceptional magnitude;
- VaR does not provide any information on amounts of exceptional losses (beyond the 99% confidence interval).

Back-testing

A back-testing process is applied to check the relevance of the VaR model for each of Crédit Agricole S.A. Group's entities that has capital market activities. This process verifies *a posteriori* whether the number of exceptions (days when actual losses exceeded estimated VaR) was within the 99% confidence interval (a daily loss should exceed the calculated VaR only two or three times a year).

Thus at 31 December 2016, within the regulatory scope of Crédit Agricole Corporate and Investment Bank (see graph below) there is no longer a rolling 12-month VaR exception. The multiplier, used to calculate capital requirements has been at its minimum of 4 since end-2015.

BACKTESTING OF REGULATORY VAR OF CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK FOR 2016 (MILLIONS OF EUROS)



1.2 STRESS SCENARIOS

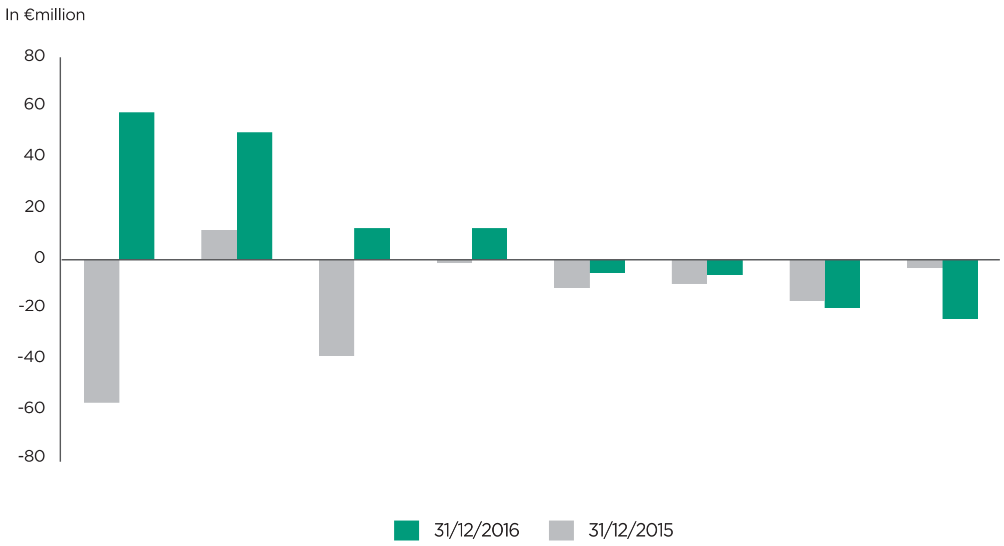
Stress scenarios complement the VaR measure, which does not capture the impact of extreme market conditions. Stress scenarios are calculated following Group principles to simulate extreme market conditions and are the result of different complementary approaches:

- historical scenarios, which consist in replicating the impact on the current portfolio of major crises observed in the past. The past crises used in historical stress scenarios are the 1987 stock market crash, the 1994 bond market crisis, the 1998 credit market crisis, coupled with falling equity markets, sharply rising interest rates and declining emerging-country currencies; the 2008 crisis following the failure of Lehman Brothers (two stress scenarios measuring the impact of market movements after the failure);
- hypothetical scenarios anticipating plausible shocks, which are developed in conjunction with economists. The hypothetical scenarios used are **economic recovery** with rising equity and commodity markets, flattening yield curves, appreciation of the USD and narrowing credit spreads; **liquidity crunch**, with flattening yield curves, widening spreads, falling equity markets; and **international tensions**: a scenario representing economic conditions in a context of international tensions between China and the United States (rising volatility and falling prices on the equity markets, falling futures prices and rising volatility on the commodities market, flattening yield curves, fall of the USD against other currencies, widening credit spreads).

The stress scenarios are calculated weekly.

At year-end 2016 the risk levels of Crédit Agricole S.A. Group assessed through historical and hypothetical stress scenarios were as follows:

ESTIMATED LOSSES ASSOCIATED WITH STRESS SCENARIOS



In addition other types of stress tests are performed:

- at the level of the entities, adverse stress tests enabling evaluation of the impact of major and unfavourable market movements on the different business lines including activities in run-off;
- at the level of Crédit Agricole Corporate and Investment Bank extreme adverse stress tests are used to measure the impact of even more severe market shocks.

1.3 COMPLEMENTARY INDICATORS

Other complementary indicators are also produced by the entities and can, as part of the risk containment system, be subject to limits. These include indicators of sensitivity to various risk factors, loss alerts, stop-loss indicators, nominal amounts, outstandings, remaining terms, etc. These indicators provide fine-grained measurements of exposure to different market risk factors, serve to identify atypical transactions and fill out the summary picture of risks supplied by VaR and global stress scenarios.

1.4 CRD 4 INDICATORS

Stressed VaR

So-called “stressed” VaR is intended to correct the pro-cyclical nature of the Company’s historical VaR. The latter is indeed is calculated over the one-year period preceding the measurement date, and where the associated market parameters reflect calm market conditions with low volatility, it can display a low level.

Stressed VaR is calculated using a 99% confidence interval of one day and over a period of tension corresponding to the worst period observed for the most significant risk factors.

At end-2016, the period used at Crédit Agricole Corporate and Investment Bank was March 2008-March 2009. In addition to the VaR capital requirement, there is now a stressed VaR capital requirement.

Incremental Risk Charge

The IRC (Incremental Risk Charge) is an additional equity requirement related to the risk of default and migration on so-called linear credit positions (*i.e.* not including credit correlation positions), required by the CRD 4 directive.

Its purpose is to quantify any unexpected losses caused by credit events on the issuers, *i.e.* default and migration of rating (the case of either a fall or a rise in credit rating).

The IRC is calculated with a confidence interval of 99.9% over a risk period of one year, by Monte Carlo simulations of migration scenarios based on three sets of data:

1) a one year transition matrix provided by S&P and adapted to the internal rating system of Crédit Agricole Corporate and Investment Bank. This matrix gives the transition probabilities for an issuer based on its initial credit rating to higher or lower credit ratings, as well as its probability of default;
2) the correlation of issuers with systemic factors;
3) average spread curves by rating from which the shocks resulting from migrations are deducted.

These simulated credit default and migration scenarios then make it possible to value positions using the Crédit Agricole Corporate and Investment Bank models.

The IRC is then defined as the 99.9% quantile of the breakdown of the valuations thus obtained.

Comprehensive Risk Measure

Comprehensive Risk Measure measures the risk of default, the risk of a rating change, and market risks on the credit correlation portfolio.

The Blue Mountain Capital transaction was unwound during the past year. At end-2016, the Group did not have any capital requirement with respect to Comprehensive Risk Measure.

Credit Value Adjustment (CVA)

The value adjustment linked to the counterparts quality (CVA) aims to integrate in derivatives' valuation credit risk associated with the counterparty (risk of non-payment of sums due in the event of default). It is calculated on an aggregate basis by counterparty according to the future exposure profile of the transactions after deducting any collateral. This adjustment is always negative and is deducted from the fair value of the financial assets on the balance sheet.

CRD 4 brought in a new capital charge to cover volatility in the CVA. Under the directive, banks authorised to calculate their capital requirements using their internal models for both counterparty risk and specific rate risk must calculate their CVA risk capital charge using the advanced measurement method ("CVA VaR"). The size of these capital requirements is calculated using the same methodology and tools as for market VaR in respect of specific interest rate risk.

The ACPR has validated the CVA VaR model used by Crédit Agricole Corporate and Investment Bank and, following application of CRD 4 (Basel 3) as from 1 January 2014, the additional capital required relative to the CVA (VaR and stressed VaR) has been measured since 2014.

2. Use of credit derivatives

CDS are used for hedging purposes in the following cases:

- management of credit exposure from the loan book or derivatives portfolio (CVA);
- hedging of bond portfolio exposure;
- hedging of the exposure of hybrid derivatives portfolios (e.g. to hedge the issuance of credit-linked notes sold to investor customers).

IV. Exposures

VaR (Value at Risk)

Group VaR is calculated by incorporating the impacts of diversification between the different entities of the Group.

The scope considered for capital market activities of Crédit Agricole Corporate and Investment Bank is the regulatory VaR (measured through an internal model approved by the ACPR).

The change in VaR on the capital markets activities of Crédit Agricole S.A. Group between 31 December 2015 and 31 December 2016, broken down by major risk factor, is shown in the table below:

BREAKDOWN OF VAR (99%, ONE DAY)

(in millions of euros)	31/12/16	Minimum	Maximum	Average	31/12/15
Fixed income	6	5	15	10	7
Credit	4	3	19	4	7
Foreign exchange	4	2	6	3	3
Shares	1	0	4	1	1
Commodities	-	-	-	-	-
Offsetting	(5)	-	-	(5)	(3)
VAR OF CRÉDIT AGRICOLE S.A. GROUP	**10**	**9**	**17**	**13**	**15**
For reference: Sum of the VaRs of all entities	16	12	22	17	20

At 31 December 2016, Group VaR was €10 million, a fall since 31 December 2015, mainly due to changes in credit risk and offsetting effects. For reference, without accounting for the diversification effect between different entities, the total VaR would be €16 million (of which €12 million for Crédit Agricole Corporate and Investment Bank).

The "Fixed income" VaR fell to €6 million at 31 December 2016 (from €7 million in 2015) in a low-rate environment.

The "Credit" VaR fell to €4 million due to hedging of risks related to the CVA.

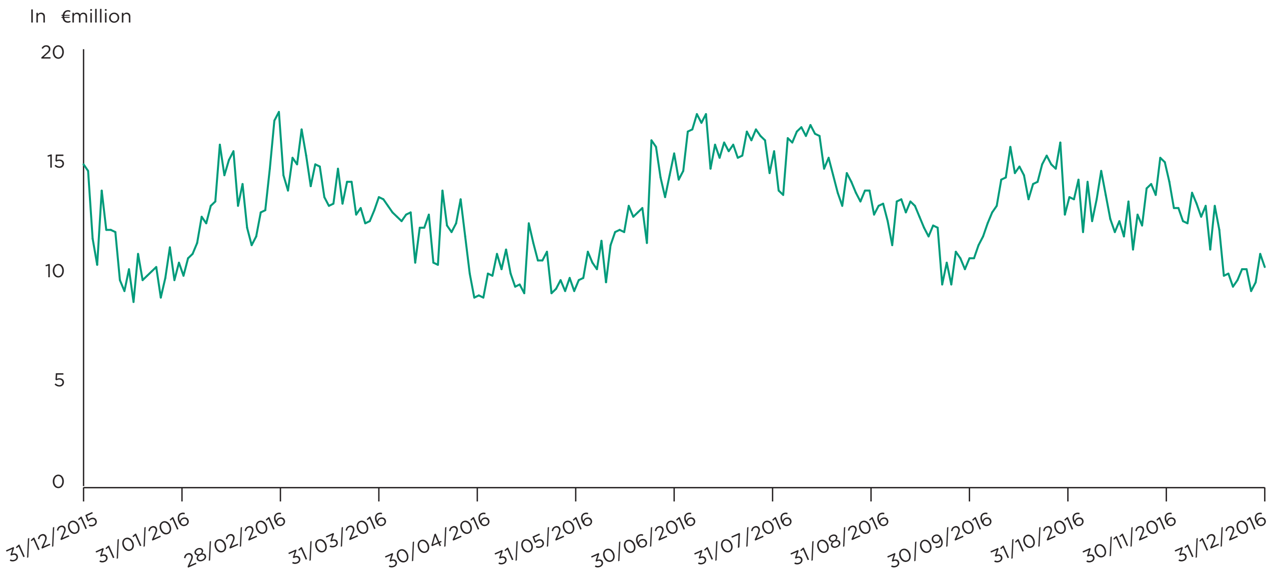
"Forex" VaR rose slightly to €4 million at 31 December 2016.

The contribution of "Equities" VaR was a marginal €1 million, unchanged from year-end 2015.

The graph shows VaR over 2016. Volatility rose mainly due to changes in market parameters:

The definitions of the underlined words can be found in the Glossary on page 542.

CRÉDIT AGRICOLE S.A. GROUP VAR BETWEEN 01/01/2016 AND 31/12/2016



Stressed VaR

The stressed VaR is calculated on the scope of Crédit Agricole Corporate and Investment Bank.

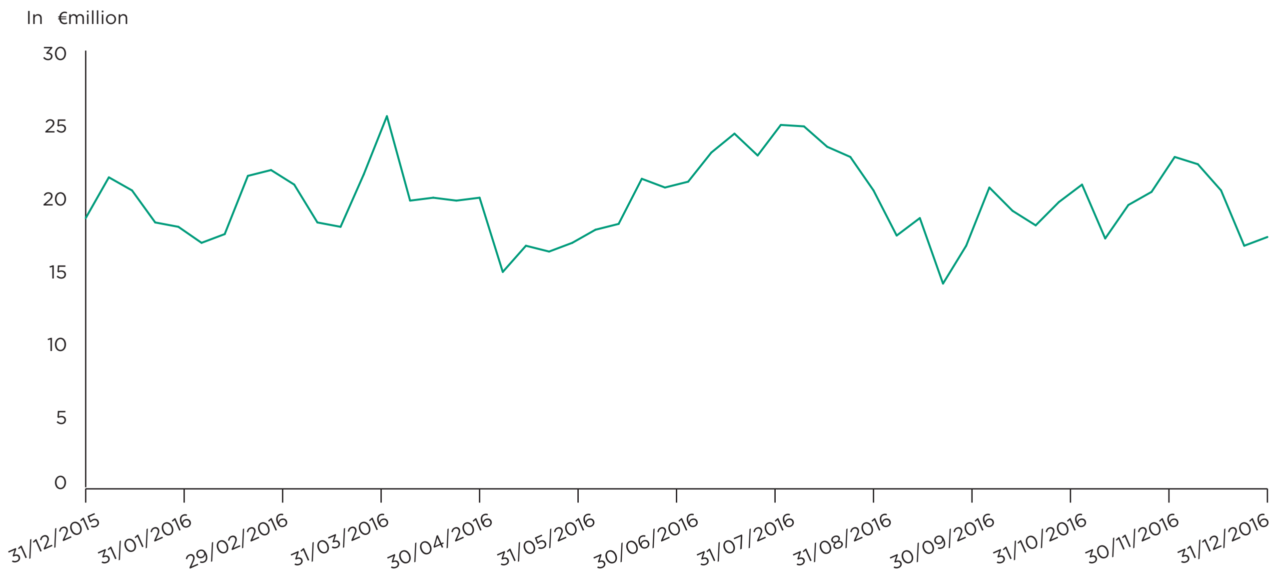
The table below shows the change in the regulatory stressed VaR on the capital market activities of Crédit Agricole Corporate and Investment Bank, between 31 December 2015 and 31 December 2016:

CHANGE IN STRESSED VAR (99%, ONE DAY)

(in millions of euros)	31/12/2016	Minimum	Maximum	Average	31/12/2015
Crédit Agricole CIB stressed VaR	17	14	26	20	20

The graph below shows the change in the regulatory stressed VaR of Crédit Agricole Corporate and Investment Bank over 2016:

CRÉDIT AGRICOLE S.A. REGULATORY STRESSED VAR BETWEEN 01/01/2016 AND 31/12/2016



 The definitions of the underlined words can be found in the Glossary on page 542.

At end-December 2016, stressed regulatory VaR at Crédit Agricole Corporate and Investment Bank was €17 million, up by €3 million on 31 December 2015. Averaged over the year, stressed VaR (€20 million) was at a similar level to 2015, in line with Crédit Agricole CIB's prudent management policy.

Capital requirements related to Incremental Risk Charge (IRC)

IRC is calculated on the so-called linear (*i.e.* excluding correlation positions) scope of Crédit Agricole Corporate and Investment Bank's positions.

The table below shows the changes in IRC on the capital market activities of Crédit Agricole Corporate and Investment Bank between 31 December 2015 and 31 December 2016:

(in millions of euros)	31/12/2016	Minimum	Maximum	Average	31/12/2015
IRC	127	109	167	135	141

Changes to IRC during 2016 mainly reflected changes in exposures to European sovereign debt, which were reduced as from the second quarter.

V. Equity risk

Equity risk arises in the trading and arbitrage of equity securities, as well as on shares held in the investment portfolio and on treasury shares.

1. Equity risk from trading and arbitrage activities

Equity risk from trading and arbitrage activities arises from positions taken on shares and stock market indices *via* cash or derivatives markets (positions in exotic equity derivatives are being managed in run-off mode, and no new transactions of this kind are being made). The main risk factors are prices of shares/ stock indices, volatilities of those prices and smile parameters of those volatilities[1].

Measurement and containment of equity risk is addressed in the description of the processes indicated in section III above.

This risk is monitored by means of VaR. 2016 values are shown in the table in section IV above. Equity VaR was €1 million at 31 December 2016 (unchanged from 31 December 2015).

2. Equity risk from other activities

A number of Crédit Agricole S.A. Group entities hold portfolios that are invested partly in equities and structured products whose market value depends on prices of underlying equities and equity indices. The valuation methods used for shares recognised under "available-for-sale assets" are described in Note 10.2 to the financial statements. At 31 December 2016, total outstandings exposed to equity risk *via* these portfolios primarily comprise available-for-sale financial assets for €29.8 billion (including insurance company portfolios for €26.1 billion) and financial assets at fair value through profit or loss held by insurance companies for €13.8 billion.

Note 6.4 to the financial statements gives figures in particular on outstandings of equities, and unrealised gains and losses on "available-for-sale financial assets". Information on market risk (including equity risk) on the portfolios held by the insurance companies is presented below in the section on "insurance sector risks".

3. Treasury shares

In accordance with the provisions of Articles L. 225-209 *et seq.* of the French Commercial Code and European Commission Regulation 2273/2003 of 22 December 2003, the Combined General Meeting of Shareholders of the Group may grant authority to the Board of Directors of Crédit Agricole S.A. to trade in its own shares. Crédit Agricole S.A. uses such an authorisation mainly to cover its commitments to employees under stock options or to stimulate the market by a share liquidity agreement.

Details of 2016 transactions in treasury shares under the share buyback programme are provided in chapter 1 of this registration document, in the section "Purchase by the Company of its own shares".

At 31 December 2016, holdings of treasury shares amounted to 0.10% of share capital, compared with 0.15% at 31 December 2015 (see Note 8 to the parent company financial statements and Note 6.21 to the consolidated financial statements).

Details of the 2015 treasury share buyback programme are provided in chapter 1 of this registration document, "Information on the share capital".

(1) Smile is the parameter that takes into account the variability of volatility based on the exercise price of option-based products.

SENSITIVE EXPOSURES BASED ON THE FINANCIAL STABILITY BOARD RECOMMENDATIONS

The following exposures (see table below) correspond to the recommendations of the Financial Stability Board. This information forms an integral part of Crédit Agricole CIB's consolidated financial statements at 31 December 2016. In this respect, it is covered by the Statutory Auditors' report on the annual financial information.

I. Summary schedule of exposures

	Assets under loans and receivables					Assets at fair value			
(in millions of euros)	Gross exposure	Haircut	Collective provisions	Net exposure	Accounting category	Gross exposure	Haircut	Net exposure	Accounting category
RMBS	8	0	0	7	(1)	22	(6)	16	(3)
CMBS	0	0	0	0		2	0	2	
Unhedged super senior CDOs	697	(697)	0	0	(2)	1,419	(1,405)	14	
Unhedged mezzanine CDOs	17	(17)	0	0		187	(187)	0	
Unhedged CLOs	2	0	0	2		0	0	0	

(1) Loans and receivables to credit institutions and to customers – securities not listed on an active market (see Note 6.5 to the consolidated financial statements).

(2) Loans and receivables to customers – securities not listed on an active market (see Note 6.5 to the consolidated financial statements).

(3) Financial assets at fair value through profit or loss – bonds and other fixed income securities and derivatives (see Note 6.2 to the consolidated financial statements).

II. Mortgage Asset Backed Securities (ABS)

	United States		United Kingdom		Spain	
RMBS (in millions of euros)	**31/12/2015**	**31/12/2016**	**31/12/2015**	**31/12/2016**	**31/12/2015**	**31/12/2016**
Recognised under loans and receivables						
Gross exposure	0	0	22	8	0	0
Haircut*	0	0	(1)	(0)	0	0
Net exposure in millions of euros	**0**	**0**	**21**	**7**	**0**	**0**
Recognised under assets measured at fair value						
Gross exposure	0	0	23	20	2	2
Haircut	0	(0)	(3)	(5)	(0)	(0)
Net exposure in millions of euros	**0**	**0**	**20**	**15**	**2**	**2**
% underlying subprime on net exposure	0%	0%				
Breakdown of gross exposure, by rating						
AAA						
AA					100%	100%
A			49%	82%		
BBB			51%			
BB				18%		
B						
CCC						
CC						
C						
Not rated						

The definitions of the underlined words can be found in the Glossary on page 542.

CMBS (in millions of euros)	United States 31/12/2015	United States 31/12/2016	United Kingdom 31/12/2015	United Kingdom 31/12/2016	Other 31/12/2015	Other 31/12/2016
Recognised under loans and receivables						
Net exposure[(1)]	0	0	0	0	3	0
Recognised under assets measured at fair value						
Net exposure	0	0	2	2	0	0

(1) There have been no collective provisions since 31 December 2014.

Purchases of protection on RMBSs and CMBSs measured at fair value:

- 31 December 2016: nominal = €9 million; fair value = €4 million;
- 31 December 2015: nominal = €9 million; fair value = €3 million.

Mortgage ABSs are measured at fair value based on information provided by outside sources.

III. Measurement methodology for super senior CDO tranches with US residential mortgage underlyings

1. Super senior CDOs measured at fair value

Super senior CDOs are measured by applying a credit scenario to the underlyings (mainly residential mortgages) of the ABSs making up each CDO.

The final loss percentages in existence are:

- determined based on the quality and origination date of each residential loan;
- expressed as a percentage of the nominal amount. This approach allows us to assess our loss assumptions on the basis of our risks on the Bank's statement of financial position.

The future cash flows obtained are then discounted at a rate which takes market liquidity into account.

Closing date	Loss rates on *subprime* produced in 2005	2006	2007
31/12/2016	50%	60%	60%
31/12/2015	**50%**	**60%**	**60%**

2. Super senior CDOs at amortised cost

Since the fourth quarter of 2012, impairment has been calculated using the same methodology as for super senior CDOs measured at fair value, but the future cash flows obtained are discounted at current interest rates on the reclassification date.

IV. Unhedged super senior CDOs with US residential mortgage underlyings

At 31 December 2016, Crédit Agricole CIB had a net exposure of €14 million to unhedged super senior CDOs.

1. Breakdown of super senior CDOs

(in millions of euros)	Assets at fair value	Assets under loans and receivables
Nominal	**1,419**	**697**
Haircut	1,405	697
Collective provisions	0	0
Net amount	**14**	**0**
Net amount at 31/12/2015	*13*	*0*
Haircut rate[(1)]	99%	100%
Underlying		
% of underlying *subprime* assets produced before 2006	24%	0%
% of underlying *subprime* assets produced in 2006 and 2007	36%	0%
% of underlying Alt-A assets	4%	0%
% of underlying Jumbo assets	0%	0%

(1) After inclusion of fully written down tranches.

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2. Other exposure at 31 December 2015

(in millions of euros)	Nominal	Haircut	Collective provisions	Net
Unhedged CLOs measured at fair value	0	0		0
Unhedged CLOs recognised in loans and receivables	2	(0)		2
Unhedged Mezzanine CDOs measured at fair value	187	(187)		0
Unhedged Mezzanine CDOs recognised in loans and receivables[1]	17	(17)		0

(1) Mezzanine CDO tranches derived from the liquidation of a CDO previously recognised in loans and receivables.

V. Protections

BREAKDOWN OF NET EXPOSURE TO MONOLINES AT 31 DECEMBER 2016

	Monolines covering:			
(in millions of euros)	US residential CDOs	CLOs	Other underlying	Total protection acquired from monolines
Gross notional amount of purchased protection	45	59	163	267
Gross notional amount of hedged items	45	59	163	267
Fair value of hedged items	34	59	126	218
Fair value of protection before value adjustments and hedges	**11**	**0**	**38**	**49**
Value adjustments recognised on protection	0	0	0	0
Residual exposure to counterparty risk on *Monolines*	**11**	**0**	**38**	**49**

Following the acquisition of CIFG by the monoline insurer Assured Guaranty, the latter now covers 100% of our positions. Since it is regarded as a sound counterparty (rated AA by Moody's) no monoline provision has thus been recorded in our financial statements.

ASSET AND LIABILITY MANAGEMENT

I. Asset and liability management – Structural financial risks

Crédit Agricole S.A.'s Financial Management department defines the principles of financial management and ensures their consistent application within Crédit Agricole S.A. Group. It has responsibility for organising financial flows, defining and implementing refinancing rules, performing asset and liability management and managing solvency ratios.

Optimising financial flows within Crédit Agricole S.A. Group is an ongoing objective. Pooling of surplus resources and making it systematically possible to hedge the associated risks contribute to this objective.

Thus the principles of the Group's ALM approach ensure that any surpluses and shortfalls in terms of customer resources, in particular resources collected by the Regional Banks, are centralised in the books of Crédit Agricole S.A. This resource pooling helps in refinancing other Group entities as needed (including Crédit Agricole Leasing & Factoring and Crédit Agricole Consumer Finance).

This system for centralising the management of liquidity at Crédit Agricole S.A. serves to control and optimise cash management, especially since it is accompanied by partial interest rate matching.

Consequently, the Group has a high level of financial cohesion, with limited diffusion of financial risks, particularly liquidity risk. However, the Group's various entities are responsible for managing the risk that remains at their level, within the limits assigned to them.

Limits are defined by order of the Chief Executive Officer of Crédit Agricole S.A. in the framework of the Group Risk Management Committee, approved by the Board of Directors of Crédit Agricole S.A., and apply throughout Crédit Agricole S.A. Group:

- subsidiaries that carry asset and liability risks comply with limits set by Crédit Agricole S.A.'s Group Risk Management Committee;
- methods of measuring, analysing and managing assets and liabilities of the Group are defined by Crédit Agricole S.A. Regarding the retail banks' balance sheets in particular, a consistent system of run-off conventions and patterns has been adopted for the Regional Banks, LCL and the foreign subsidiaries;
- Crédit Agricole S.A. consolidates the subsidiaries' measurements of their asset-liability risks. Results of these measures are monitored by Crédit Agricole S.A.'s Treasury and ALM Committee;

The definitions of the underlined words can be found in the Glossary on page 542.

- Crédit Agricole S.A.'s Financial Management department and Risk Management and Permanent Controls department take part in meetings of the ALM Committees of the main subsidiaries.

II. Global interest rate risk

1. Objectives

The objective of global interest rate risk management is to stabilise the future profits of Group entities against the impact of any adverse interest rate movements.

Changes in interest rates impact net interest income by creating mismatches in timing or in the type of indexation between assets and sources of funds. Interest rate risk management uses balance sheet or off-balance sheet transactions to limit the resulting volatility in income.

The scope for monitoring the global interest rate risk is made up of entities whose business generates an interest rate risk:

- Regional Banks;
- LCL Group;
- Crédit Agricole S.A.;
- International retail banks, such as Cariparma Group;
- Crédit Agricole Corporate and Investment Bank;
- Crédit Agricole Consumer Finance Group;
- Crédit Agricole Leasing & Factoring Group;
- CACEIS;
- Amundi.

The interest rate risk borne by the Insurance business is monitored using indicators specific to this business line. An assessment of the impact of an instantaneous rate shock on the level of own funds under Solvency 2 is performed on the Crédit Agricole Assurances scope. This indicator incorporates an alert threshold.

2. Governance

2.1 INTEREST RATE RISK MANAGEMENT – ENTITIES

Each entity manages its exposures under the supervision of its ALM Committee, in accordance with the Group's limits and standards. The limits of Crédit Agricole S.A.'s subsidiaries are reviewed annually and validated by the Group Risk Management Committee.

The Financial Management department and the Risk Management and Permanent Controls department are represented on the main subsidiaries' ALM Committees. They ensure harmonisation of methods and practices across the Group and monitor compliance with the limits assigned to each of the subsidiaries' entities.

Each Regional Bank's situation as regards global interest rate risk is reviewed quarterly by the Regional Banks' Risk Management Committee.

2.2 INTEREST RATE RISK MANAGEMENT – GROUP

The Group's exposure to global interest rate risk is monitored by Crédit Agricole S.A.'s Treasury and ALM Committee.

This Committee is chaired by the Chief Executive Officer of Crédit Agricole S.A. and includes several members of the Executive Committee along with representatives of the Risk Management and Permanent Controls department:

- it examines the individual positions of Crédit Agricole S.A. and its main subsidiaries along with consolidated positions at each quarterly closing;
- it examines compliance with limits applicable to Crédit Agricole S.A. Group and to entities authorised to bear global interest rate risk;
- it validates the guidelines for global interest rate risk of Crédit Agricole S.A. proposed by the Financial Management department.

Limits approved by Crédit Agricole S.A.'s Board of Directors govern the Group's exposure to global interest rate risk.

3. Measurement and management system

3.1 MEASUREMENT

The rate risk measurement is mainly based on the calculation of rate gaps or impasses.

This methodology consists of creating future projections of outstandings at known rates and inflation-indexed outstandings according to their contractual features (maturity date, amortisation profile) or by modelling out flows of outstandings where:

- the maturity profile is not known (products with no contractual maturity, such as demand deposits, passbook accounts or capital);
- implicit options sold to customers are incorporated (early loan repayments, home purchase savings, etc.).

These models are usually defined based on a statistical analysis of past customer behaviour coupled with a qualitative analysis (economic and regulatory context, commercial strategy, etc.).

Consistency between the models used by the Group's various entities is ensured by the fact that the models must adhere to the modelling principles approved by the Standards and Methodology Committee. They are approved by the entity's ALM Committee and their relevance is monitored on an annual basis.

The gaps are consolidated quarterly at Group level. When their management requires it, some entities, particularly the major ones, measure their gaps more frequently.

The rules that apply in France to the *Livret A* passbook savings account interest rate, which is a benchmark for part of the deposits collected by the Group's retail banking business (regulated products and others), index a portion of the interest to inflation over a rolling 12-month period. As a result, the Group hedges the risk associated with these balance sheet items using instruments (carried on or off the balance sheet) for which the underlying is an inflation rate.

The definitions of the underlined words can be found in the Glossary on page 542.

Option risks are included in the gaps using a delta-equivalent measure. A portion of these risks is hedged using option based products.

These various measurements have been complemented by the implementation, for the Group's main entities, of the basis risk measurement, which relates to adjustable- and variable-rate transactions for which the rate-setting conditions are not consistent for both assets and liabilities.

This measurement system is applied to all significant currencies (mainly USD, GBP and CHF).

3.2 LIMITATION SYSTEM

The limits set at Group and entity levels put bounds on the extent of the maximum discounted loss over the next 30 years and the maximum annual loss over the next 15 years in the event of a rate shock.

The rules for setting limits are intended to protect the Group's net asset value in accordance with Pillar 2 of the Basel 3 regulations regarding global interest rate risk and to limit the volatility, over time, of interest income by avoiding sizeable concentrations of risk on certain maturities. As well as being validated by the Group Risk Management Committee, these limits must be approved by each entity's decision-making body.

Each entity (including Crédit Agricole S.A.) hedges the interest rate risks generated by this method of financial organisation at its own level, by means of financial instruments (on-and-off-balance sheet, fixed or optional).

3.3 ASSESSMENT OF INTERNAL CAPITAL REQUIREMENTS

Internal capital requirements with respect to the interest rate risk are measured, taking into account:

- the directional interest rate risk (calculated based on gaps);
- the option rate risk (mainly gamma effect on, caps);
- the behavioural risk (such as early fixed-rate loan repayments).

This measurement is performed using a set of internal hypotheses incorporating interest rate curve distortions that are calibrated using a method consistent with that used to assess the other risks measured under Pillar 2.

4. Exposure

The Group's interest rate gaps are broken down by type of risk (nominal rate/real rate) in the various currencies. They measure the surplus or deficit on sources of fixed-rate funds. By convention, a positive (negative) figure represents a downside (upside) risk on interest rates in the year considered. The figure indicates the economic sensitivity to a change in interest rates.

The results of these measures for Crédit Agricole S.A. Group at 31 December 2016 are as follows:

GAPS IN EUROS (AT 31 DECEMBER 2016)

(in billions of euros)	2017	2018-2022	2023-2027	> 2027
Gaps in euros	(5.9)	(5.1)	(4.1)	(1.4)

Over the course of 2017, Crédit Agricole S.A. Group is exposed to an increase in the Eurozone interest rate and would lose €59 million in the event of an interest rate increase of 100 basis points, amounting to a 0.35% drop in 2016 revenues (compared to a €9 million drop, i.e. 0.1% of revenues, at the 31 December 2015 reporting date).

The cumulative impact over the next 30 years of a 200 basis point rate increase is equivalent to €1,252 million, amounting to 2.07% of Crédit Agricole S.A. Group's regulatory capital (Tier 1 + Tier 2) after deduction of equity investments.

OTHER CURRENCY GAPS (AT 31 DECEMBER 2016)

(en milliards d'euros)	2017	2018-2022	2023-2027	> 2027
Other currency gaps[1]	2.1	1.4	0.5	0.1

(1) Sum of all gaps in all currencies in absolute values countervalued in billions of euros.

The impact of a negative 100 basis point shock on the gaps in other currencies amounts to -€21 million over 2017, equivalent to 0.12% of 2016 revenues.

The main currencies to which Crédit Agricole S.A. Group is exposed are the USD, PLN, CHF, MAD and CNY.

III. Foreign exchange risk

Foreign exchange risk is treated differently depending on whether the currency position is structural or operational.

1. Structural foreign exchange risk

The Group's structural foreign exchange risk arises from long-term investments by the Group in assets denominated in foreign currencies (equity of the foreign operating entities, whether resulting from acquisitions, transfers of funds from the head office, or capitalisation of local earnings), with the Group's reference currency being the euro.

At 31 December 2016, the Group's main structural foreign currency positions, on a gross basis before hedging, are in US dollars and currencies pegged to the dollar (such as the Hong Kong dollar), in pounds sterling, Swiss francs, Polish zlotys, Moroccan dirhams and Japanese yen.

Foreign exchange risks are borne mainly by Crédit Agricole S.A. and its subsidiaries. The Regional Banks retain only a residual risk. Positions are determined on the basis of financial statements.

In most cases, the Group's policy is to borrow in the currency in which the investment is made in order to immunise that asset against foreign exchange risk.

The Group's policy for managing structural foreign exchange positions has two overall objectives:

- first, to immunise the Group's solvency ratio against currency fluctuations. Unhedged structural foreign exchange positions are sized in order to obtain such immunisation;

The definitions of the underlined words can be found in the Glossary on page 542.

- second, to hedge the risk of asset impairment due to changes in foreign exchange rates.

Five times a year, the Group's foreign exchange positions are presented to the Crédit Agricole S.A. Treasury and ALM Committee, which is chaired by the Chief Executive Officer. General decisions on how to manage positions are taken during these meetings. In this case, the Group documents net investment hedges in foreign currencies.

2. Operational foreign exchange risk

Operational foreign exchange risk arises from revenues and expenses of all kinds that are denominated in currencies other than the euro (provisions, net income generated by foreign subsidiaries and branches, dividends in foreign currencies, etc.) and from balance sheet imbalances.

Crédit Agricole S.A. manages the positions affected by foreign currency revenues and expenses that appear on its books, as does each entity within the Group that bears significant risk. The Foreign Subsidiaries' Treasury departments manage their operational foreign exchange risk in their local currency.

The Group's general policy is to limit its operational currency positions and not to hedge revenues that have not yet materialised, unless there is a strong probability that losses will materialise and unless the impairment risk is high.

In accordance with the foreign exchange risk monitoring and management procedures, operational currency exposure positions are updated monthly, or daily for foreign exchange trading operations.

In view of the predominance of its savings and retirement activities, Crédit Agricole Assurances Group is more particularly exposed to financial market risk, mainly asset-liability, notably rate risk, equity market risk, forex risk and liquidity risk. Its financial investments also expose it to counterparty risk. Crédit Agricole Assurances Group also faces insurance risks of various natures. Lastly, it is exposed to operational risk linked to non-compliance risk and to legal risk particularly in process execution.

IV. Liquidity and financing risk

Like all credit institutions, the Group is exposed to liquidity risk, *i.e.* the risk of not having sufficient funds to honour its commitments. This risk could materialise if, for instance, there were a general crisis of confidence among investors in the money and bond markets or massive withdrawals of customer deposits.

1. Objectives and policy

The Group's primary objective in managing liquidity is to ensure that it has sufficient resources to meet its requirements in the event of any type of severe, prolonged liquidity crisis.

To manage this, the Group uses an internal liquidity risk management and control system whose objectives are:

- to maintain liquidity reserves;
- to match these reserves with future liabilities coming due;
- to organise its refinancing to achieve an appropriate short and long-term refinancing timeframe and diversify sources of refinancing;
- to ensure a balanced development between customer loans and deposits.

The system includes indicators, limits and alert thresholds. These are calculated and monitored for all Group entities and consolidated to allow monitoring of liquidity risk across the whole Crédit Agricole Group scope.

It also incorporates compliance with regulatory liquidity constraints. The LCR, along with the Additional Liquidity Monitoring Metrics (ALMM) calculated on a company or sub-consolidated basis for the Group entities in question and on a consolidated basis for the Group, are disclosed in a monthly report to the ECB.

2. Methodology and governance of the internal liquidity risk management and control system

Crédit Agricole Group's liquidity risk management and control system is built around indicators defined in a standard and divided into four separate groups:

- short-term indicators derived largely from simulations of crisis scenarios. The purpose of these is to schedule maturities and volumes of short-term refinancings as a function of liquidity reserves, cash flow from commercial business and repayment of long-term borrowings;
- long-term indicators used to assess and schedule maturities of long-term debt: limits on maturity concentrations, allowing the Group to anticipate its refinancing needs and avoid any risk of difficulties with refinancing on the markets;
- diversification indicators, which allow the Group to monitor and manage concentrations of sources of market refinancing (by refinancing channel, type of debt, currency, geographical region, investor);
- cost indicators used to measure the short-term and long-term trends in the Group's issue spreads and their impact on the cost of liquidity.

It is the responsibility of the Standards and Methodology Committee, after taking advice from Group Risk Management and Permanent Controls, to validate the definition of and any changes to these indicators proposed by Crédit Agricole S.A.'s Group Finance department.

The Crédit Agricole S.A. Board of Directors approves the general policy for Group liquidity risk management and sets limits for key indicators in light of the Group's liquidity risk tolerance. The Group Risk Management Committee, which proposes these limits to the Board, determines how they are translated to each of the Group's constituent entities.

Accordingly, each subsidiary of Crédit Agricole S.A. and each Regional Bank is notified of the limits for the indicators controlled at Group level. In addition to this translation of the Group system, the asset-liabilities committees (or their equivalent) of these entities define a specific set of limits for the risks relating to their own business. They are also free to decide locally to apply a stricter control than that required by the Group.

The definitions of the underlined words can be found in the Glossary on page 542.

3. Management of liquidity

Crédit Agricole S.A. controls the management of liquidity risk. The Finance department is responsible, in respect of short-term refinancing, for:

- setting spreads on short-term funds raised under the various programmes (mainly negotiable CDs);
- centralising assets eligible for refinancing by the Central banks of Group entities and specifying the terms and conditions of use in the framework of tenders;
- monitoring and forecasting cash positions.

And in respect of long-term refinancing, for:

- assessing needs for long-term funds;
- planning refinancing programmes to meet these needs;
- executing and monitoring these programmes over the course of the year;
- reallocating the funds raised to Group entities;
- setting prices for liquidity in intragroup flows.

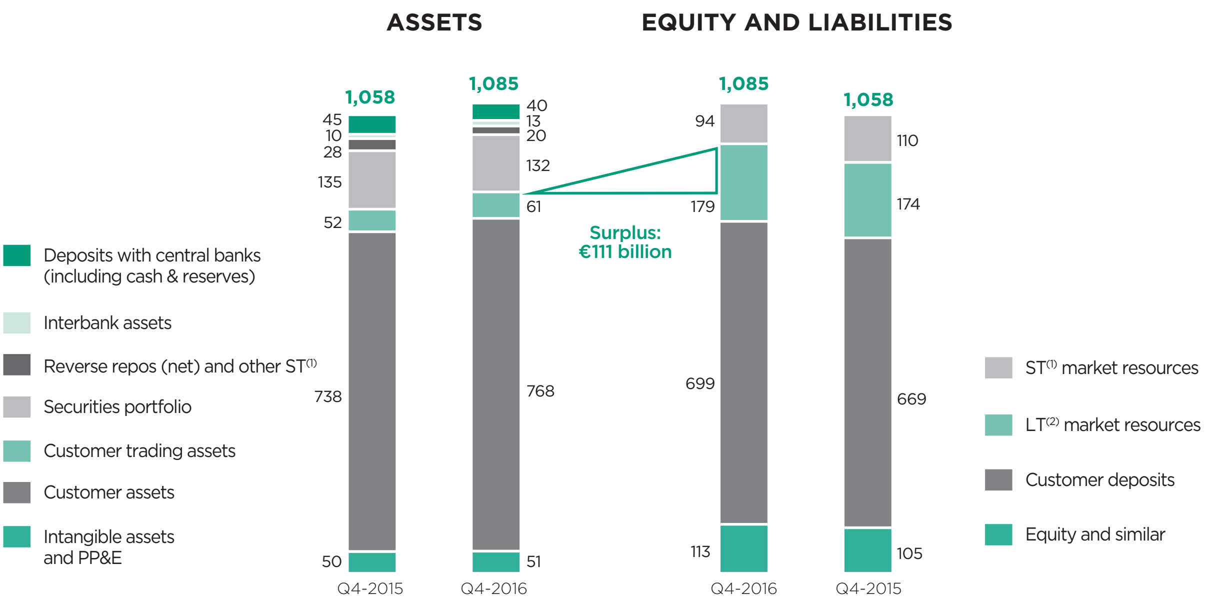
Long-term refinancing programmes comprise various instruments (see below). The body in charge of these tasks at an operational level is the Group's Treasury and Liquidity Committee, which reviews all matters relating to liquidity issues ranging from intraday to medium/long-term. It proposes policy directions for the Group's Asset-Liability Management and Capital Liquidity Committee.

The Asset-Liability Management and Capital Liquidity Committee, chaired by the Chief Executive Officer of Crédit Agricole S.A. (who is also informed of the Group's liquidity positions), is responsible for all key decisions concerning the management of funding programmes, the launch of new programmes, the validation of funding budgets, and management of the balance between loans and deposits.

If funding markets tighten, a Committee is set up by the Executive Management, the Group Risk Management and Permanent Controls department and the Group Finance department in order to keep a close watch on the Group's liquidity situation.

4. Quantitative information

4.1 CASH BALANCE SHEET AT 31 DECEMBER 2016



In order to provide simple, pertinent and auditable information on the Group's liquidity position, the cash balance sheet long-term sources surplus is calculated quarterly.

This cash balance sheet is derived from Crédit Agricole Group's IFRS financial statements. It is based on the definition of a comparison table between the Group's IFRS financial statements and the sections of the cash balance sheet as they appear below, the definition of which corresponds to that commonly accepted in the market.

It relates only to the banking sector, insurance business being managed by specific regulatory constraints.

Following this breakdown of the IFRS financial statements in the sections of the cash balance sheet, netting was carried out on the assets and liabilities that have a symmetrical impact in terms of liquidity risk. The amount of €66 billion in repos/reverse repos was thus eliminated insofar as these outstandings reflect the activity of the securities desk in carrying out securities lending operations that offset each other.

In a final stage, other restatements reassign any amounts that accounting standards would allocate to one section when they are economically dependent on another. Senior issues placed through the banking networks, which accounting standards would class as "LT market funds", are thus reclassified as "Customer deposits".

Long-term market funds increased by €5 billion during the financial year. These changes form part of the Group's policy to secure its liquidity risk. Note that for Central bank refinancing operations, funds raised under the T-LTRO (Targeted Longer-Term Refinancing Operation) are classed as long-term market funds. In fact, the new T-LTRO II operations do not allow for early redemption by the ECB, and given their four-year contractual maturity are equivalent to long-term secured refinancing, identical in liquidity risk terms to a secured issue.

(1) Short term are under 370 days of maturity.
(2) Long term are over 370 days of maturity.

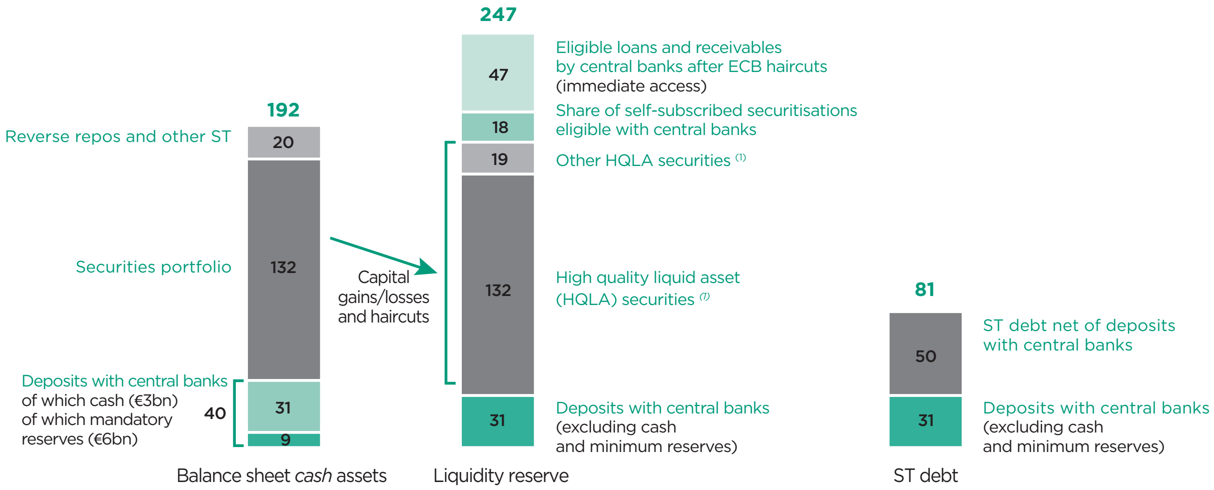
The definitions of the underlined words can be found in the Glossary on page 542.

The €111 billion surplus known as the stable resources position enables the Group to cover the LCR deficit generated by the durable assets and stable liabilities (customer assets, fixed assets, LT resources and capital).

The higher working capital requirement combined with an increase in customer assets matching that in customer deposits, resulted in an €11 billion reduction in the need to refinance on the markets for the period.

4.2 CHANGE IN CRÉDIT AGRICOLE GROUP'S LIQUIDITY RESERVES

Liquidity reserves after haircuts totalled €247 billion at 31/12/2016. They cover 305% of short-term debt at end-2016, compared to 257% a year earlier. In addition, HQLA (High Quality Liquid Asset) securities amounting to €132 billion, after haircuts, make up 264% of short-term debt not replaced with Central banks.



(1) Available liquid market securities after haircut.

Available liquidity reserves at end-2016 comprised:

- €47 billion in loans and receivables eligible for Central bank refinancing operations after the ECB haircut;
- €18 billion of securitisation shares held by the bank and eligible for Central bank refinancing operations, after haircut;
- €31 billion in Central bank deposits (excluding cash and mandatory reserves);
- a €151 billion securities portfolio, after haircuts. At 31 December 2016, this portfolio consisted of market liquid HQLA securities eligible for Central bank refinancing totalling €132 billion and other market liquid assets amounting to €19 billion after liquidity discount.

Liquidity reserves in 2016 averaged €243 billion.

The allocation of limits arising from Crédit Agricole Group's liquidity risk management and control system to each Crédit Agricole S.A. subsidiary and Regional Bank ensures that local liquidity risks are matched by adequate coverage from reserves.

4.3 REGULATORY RATIOS

Since March 2014, Eurozone banks have been obliged to report to their supervisory authorities their Liquidity Coverage Ratio (LCR), as defined by the EBA (European Banking Authority). The aim of the LCR is to boost the short-term resilience of banks' liquidity risk profile by ensuring that they have sufficient unencumbered High Quality Liquid Assets (HQLA) that can be converted into cash easily and immediately, on private markets, assuming a liquidity crisis lasting 30 calendar days. Since 1 October 2015, this ratio is limited for credit institutions to a minimum threshold which was 60% at end-2015, 70% on 1 January 2016 and which has been brought to 80% on 1 January 2017.

Crédit Agricole Group, like most European banking groups, already manages its LCR with a target of more than 100%. It exceeded 110% at 31 December 2016. Crédit Agricole S.A.'s LCR ratio also exceeded 110% at 31 December 2016.

Unlike the LCR, which is a ratio of flows, the NSFR (Net Stable Funding Ratio) is a ratio that compares the stock of assets with an effective or potential maturity of longer than one year to liabilities with similar effective or potential maturity. The definition of the NSFR assigns each balance sheet item a weighting based on its potential to mature in longer than one year. A number of these weightings are still under discussion and European regulations have not yet fully defined the ratio. A regulatory framework initially planned to be issued in 2018 May be delayed as part of the European legislative initiative launched at the behest of the European Commission on 23 November 2016.

To the best of our understanding, Crédit Agricole Group would currently meet NSFR requirements under existing regulations.

5. Funding strategy and conditions in 2016

2016 was marked by contrasting financing conditions.

During the first quarter, the slump in the price of oil and the economic indicators of emerging markets indicating a slowdown led to a widening of spreads, particularly on subordinated bonds. At the end of the quarter, the announcement of the ECB corporate bond buyback programme, coupled with low-rate forecasts in the United States, resulted in a tightening of spreads.

During the second quarter, the spreads remained relatively stable, despite macroeconomic concerns, due to central bank support, before widening at the time of the British referendum, which led to a sharp spike in volatility.

In the third quarter, once the shock of the pro-Brexit vote had settled, the spreads returned to pre-Brexit levels and continued to tighten over the summer, with the absence of senior and Tier 2 paper, particularly in the lead-up to the new "Sapin 2" law, to reach their lowest levels of the year.

Lastly, in the fourth quarter, fears about banks in Italy and Germany caused the spreads to increase. This widening was further emphasised by the presidential election in the United States followed by rumours that the ECB would end its quantitative easing programme and the increase in FED key rates in December.

The fourth quarter was marked by the enactment of the Sapin 2 law on 9 December, which brought with it the introduction of senior non-preferred debt in France.

The Group continues its prudent MLT funding policy, with highly diversified market access, in terms of investor base and products.

In 2016, the principal Group issuers raised €33.1 billion of senior and subordinated debt in the market.

To meet capital planning requirements and anticipate future resolution requirements,

in 2016 Crédit Agricole S.A. issued hybrid and subordinated debt instruments that comply with the new European CRD IV / CRR regulation, and are included in the calculation of regulatory capital for Crédit Agricole Group and Crédit Agricole S.A., in the amount of €1.4 billion:

- Additional Tier 1 debt of USD 1.25 billion in January 2016 (equal to €1.1 billion)
- Tier 2 debt of 37.7 billion yen in June 2016 (equal to €0.3 billion)

Lastly, during the 3rd quarter of 2016, Crédit Agricole Assurances issued €1 billion in 32-year NC12 Tier 2 subordinated debt.

Furthermore, Crédit Agricole S.A. was the first issuer of senior non-preferred debt in EUR and USD, issuing €1.5 billion in 10-year bonds on 13 December 2016, then USD 1.3 billion in 5-year bonds and USD 1 billion in 10-year bonds on 3 January 2017.

Created under the Sapin 2 law, senior non-preferred debt enables the Group to boost its financial profile and protect Crédit Agricole S.A.'s credit rating, improve the Group's TLAC ratio (impact of all senior non-preferred issues: ~ +70bps at 31/12/2016), optimise costs associated with the Group's liability structure, protect senior preferred debt holders and facilitate Crédit Agricole S.A.'s access to the senior preferred category (in terms of volume and price).

The success of Crédit Agricole S.A.'s issues among investors is essentially due to the strong financial position of Crédit Agricole Group, associated with its diversified business model, its ability to organically generate capital, the Group's level of regulatory capital that provides holders of senior non-preferred debt with increased protection, and a limited supply of senior non-preferred debt offered by Crédit Agricole S.A.: approximately €12 billion of senior non-preferred and Tier 2 debt to be issued between 2016 and 2019 to meet the TLAC target set out in the Group's Medium Term Plan, representing 22% of RWA, excluding the eligible senior preferred debt, as well as a simple "bullet" structure for the launch of the product, enabling the establishment of a benchmark price curve.

In 2016, to help meet its funding requirements, Crédit Agricole S.A. raised the equivalent of €12.2 billion in senior preferred debt on the markets, with an average maturity of 7.9 years:

- €5.3 billion of unsecured senior debt (EMTN, USMTN, Samurai) with an average maturity of 7 years;
- €6.9 billion of debt guaranteed by receivables collateralised by Crédit Agricole Home Loan SFH and Crédit Agricole Public Sector SCF, with an average maturity of 8.6 years.

In total, Crédit Agricole S.A. has raised the equivalent of €15.1 billion on the markets, in excess of its refinancing programme initially set at €14 billion (senior and subordinated).

In terms of foreign currency, these issues are very diversified: the euro represents 73% of the issues, the US dollar 16%, the yen 7%, the swiss franc 3%, and other currencies combined represent 1%.

The Group has also pursued its strategy of strengthening and developing access to diversified medium-to long-term resources, particularly through its specialist subsidiaries, with €16.9 billion of senior debt raised in 2016, in addition to the resources raised on the market by Crédit Agricole S.A.

- Crédit Agricole CIB issued €7.1 billion, mainly in structured private placements with its international clients;
- Crédit Agricole Consumer Finance raised €7.5 billion, thereby strengthening its presence on the European ABS markets, in accordance with its self-funding objectives;
- Cariparma placed a €1.5 billion covered bond issue in the market (8-year and 15-year double tranche) based on Italian home loans;
- EFL raised €0.7 billion

In addition, the Group placed bond issues amounting to €7.4 billion in its retail networks (Regional Banks, LCL, Cariparma) in 2016.

In terms of senior preferred debt:

- the issues of Crédit Agricole S.A. bonds placed in the Regional Banks networks and borrowing from supranational organisations (CDC, EIB, BDCE, etc.) represented a total of €2.1 billion with an average maturity of 10.5 years;
- LCL placed €0.6 billion and Amundi €0.2 billion;
- Cariparma placed €0.8 billion in its network;

Crédit Agricole S.A. also replaced old Tier 2 issues, placed in the Regional Banks network, with €3.7 million in new Tier 2 securities.

The definitions of the underlined words can be found in the Glossary on page 542.

V. Hedging policy

Within Crédit Agricole S.A. Group, derivative instruments are used for three main purposes:

- to meet demand from Group customers;
- to manage the Group's financial risks;
- to take positions for the Group's own account as part of specific trading activities.

Derivatives not held for hedging purposes (as defined by IAS 39) are recognised in the trading portfolio. Accordingly, these derivatives are monitored for market risk as well as counterparty risk, where applicable. Certain derivative instruments may be held for the economic hedging of financial risks, but without meeting the IAS 39 criteria (prohibition on equity hedging, etc.). For this reason, they are likewise recognised in the trading book.

In all cases, the intent of the hedge is documented at the outset and verified quarterly by appropriate tests (forward-looking and backward-looking).

Each Group entity manages its financial risks within limits set by the Group Risk Management Committee chaired by the Chief Executive Officer of Crédit Agricole S.A.

The tables in Note 3.4 to the consolidated financial statements give the market values and notional amounts of hedging derivative instruments.

1. Fair value hedges and cash flow hedges

Global interest rate risk management aims to reconcile two approaches:

- protection of the Group's net asset value, which requires matching balance sheet and off-balance sheet items that are sensitive to interest rate variations (*i.e.* fixed rate items, for the sake of simplicity) against instruments that are also fixed-rate, so as to neutralise the variations in fair value that occur when interest rates change. If the matching is done by means of derivative instruments (mainly fixed-rate swaps, inflation swaps and market caps), the derivatives are classified as fair **value hedges** if the instruments (micro FVHs) or groups of instruments (macro FVHs) identified as the hedged items (fixed-rate assets and inflation: loans and receivables due to customers; fixed rate liabilities and inflation: demand deposits and savings deposits) are eligible under IAS 39 (otherwise, as indicated previously, these derivatives are recognised in the trading book, even though economically they hedge against risk).

  To check hedging suitability, hedging instruments and hedged items are grouped by maturity using contract characteristics or, for certain balance sheet line items (particularly deposits), using assumptions based on the financial characteristics of the products and historical behaviour. The comparison between the two maturity schedules (hedges and hedged items) means that hedging can be documented in a forward-looking manner for each maturity;
- protection of the interest margin, which requires neutralising variations in future cash flows associated with instruments or related balance sheet items that are affected by interest rate resets on the instruments, either because they are indexed to interest rate indices that fluctuate or because they will be refinanced at market rates at some point in the future. If this neutralisation is effected using derivative instruments (mainly interest rate swaps), the derivative instruments are classified as **Cash Flow Hedge (CFH) instruments**. This neutralisation can also be carried out for balance sheet items or instruments that are identified individually (micro CFHs) or portfolios of line items or instruments (macro CFHs).

The table below shows the amount of cash flows covered by cash flow hedges, broken down by projected maturity date, for the main relevant subsidiaries:

(in millions of euros)	At 31/12/2016			
Remaining time to maturity	**< 1 year**	**1 to 5 years**	**≥ 5 years**	**Total**
Hedged cash flows	84	30	2,564	2,678

2. Net investment hedges in foreign currencies

A third category of hedging is protection of the Group's net asset value against fluctuations in exchange rates and resulting changes in the value of assets or liabilities held in currencies other than the Group's reference currency, which is the euro. The instruments used to manage this risk are classified in the net investment (hedge category).

RISKS IN THE INSURANCE SECTOR

The information in this section supplements Note 4 to the consolidated financial statements in the registration document of Crédit Agricole Assurances and is covered by the Statutory Auditors' report on the consolidated financial statements.

In view of the predominance of its savings and retirement activities, Crédit Agricole Assurances Group is more particularly exposed to financial market 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 linked to non-compliance risk and to legal risk particularly in process execution.

I. Governance and organisation of risk management in Crédit Agricole Assurances Group

The risk governance system in Crédit Agricole Assurances (CAA) Group is based on the following principles:

- it falls within the remit of the "Risk Management and Control" functions in Crédit Agricole S.A. Group; the Risks and Permanent Controls function, which is responsible for steering (supervision and prevention) and second-degree control, the Internal Audit function, in charge of periodic controls, and the Compliance function. In accordance with regulatory insurance requirements, the system also includes the Group's actuarial function;
- it is headed up by the Crédit Agricole Assurances holding company, which is responsible for the Group's risk management systems, 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 Crédit Agricole Assurances 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 CASA principles and rules, the principles and rules for the management of Crédit Agricole Assurances Group, and local regulations for international subsidiaries.

Risk governance falls on:

- the governing bodies, in particular Executive Management and the Board of Directors, who hold ultimate responsibility for Crédit Agricole Assurances Group's compliance with all applicable statutory and regulatory provisions;
- the Crédit Agricole Assurances Executive Committee, which is the primary strategic body of the Group's Executive Management. It is supported by the individual entities' Management Committees and the Group strategy committees (in particular, the Finance Committee, the Risks and Internal Control Committee and the ALTM Committee);
- four key functions (Risk, Compliance, the Actuarial function and Internal audit), each one assigned a representative appointed by the Chief Executive Officer and confirmed by the Board of Directors and notified to the appropriate national supervisory authority. The four key functions are coordinated by the Risk and Internal Control Committee of Crédit Agricole Assurances Group. The heads of the key functions have direct access to the Board of Directors, to whom they present the results of their work at least once a year;
- an internal control system, defined as the framework designed to manage and control all types of operations and risks and to ensure that all transactions are carried out in a manner that is proper (in compliance with regulations), secure and effective. Crédit Agricole Assurances asks its Board of Directors to validate its risk policies;
- the internal process for evaluating Crédit Agricole Assurances Group's solvency and risks (Organisational Readiness Self-Assessment – ORSA) synchronised with the other MTP/Budget, Capital planning strategic processes and the updating of the Risk strategy and of function policies. Prospective assessments, completed within the Medium-Term Plan, make it possible to analyse the consequences of adverse situations on the Group's management indicators and to take the necessary action, where appropriate.

1. Organisation of risk management

Crédit Agricole Assurances Group's risk management system is managed by the Risk Management and Permanent Controls Officer (RCPR) of Crédit Agricole Assurances Group, the representative of the Risk Management department for Crédit Agricole Assurances Group, who reports operationally to the Crédit Agricole Assurances Chief Executive Officer and hierarchically to the Risk Management Director of Crédit Agricole S.A. He relies on the RCPRs of the entities who report to him within the hierarchy. The Insurance Risk function operates like a matrix integrating entity level organisations with Group approaches by type of risk.

The hierarchical reporting line guarantees independence, with a "second pair of eyes" role (to issue a recommendation) to back the operating functions, which manage risks day-to-day, make decisions and exercise first-level controls to ensure their processes are performed properly.

2. Risk management system

AT CRÉDIT AGRICOLE ASSURANCES GROUP LEVEL

In order to achieve its strategic orientations while managing and mitigating its risks appropriately, Crédit Agricole Assurances Group established a risk appetite framework. It consists of key indicators for each risk category that constitute the core of its Risk Management strategy.

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

It is reviewed and validated at least annually, along with the risk tolerance framework, by the Crédit Agricole Assurances Board of Directors, following a review by the Crédit Agricole S.A. Group Risk Management Committee (a sub-committee of Crédit Agricole S.A.'s Executive Committee, chaired by its Chief Executive Officer) of the indicators and major limits. Crédit Agricole Assurances' Executive Management or even Crédit Agricole S.A. Group's Risk Management department, depending on the scope of their authority, are notified of any breaches of alert thresholds or limits and resulting corrective measures.

The quarterly Group risk dashboard, supplemented by a monthly report for financial risks, is updated based on standardised risk management indicators, and is used to monitor Crédit Agricole Assurances Group's exposure profile and to identify potential deviations.

The Board of Directors is informed when any tolerance threshold for any indicator in the risk appetite matrix is breached and it receives regular updates on compliance with the risk appetite framework.

The Crédit Agricole Assurances holding company has established the bodies needed to manage risk at Group level in a consistent manner: semi-monthly Risk Monitoring Committee, monthly Financial Risk Committee, reviews of portfolios by asset type; a monthly presentation of current risk issues to the Executive Committee.

The definitions of the underlined words can be found in the Glossary on page 542.

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.

Finally, in its supervisory role, the Risk Management and Permanent Controls department of CASA periodically organises 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 ENTITY LEVEL

In accordance with the Group framework, companies define their own processes and systems to measure, supervise and manage risks: risk mapping, process mapping, risk strategy setting out, according to their risk appetite, the Crédit Agricole Assurances Group global limits in accordance with a process coordinated by the holding, and supplemented, as needed, by limits to address their specific risks.

The entities also draw up formal policies and procedures providing a strict framework for risk management (including the rules for accepting risk when insurance policies are taken out, provisioning and hedging of technical risks by reinsurance, claims management, etc.).

For its international subsidiaries, Crédit Agricole Assurances has drawn up a set of standards to be adopted by each entity, which set out the scope and rules for decentralised decision-making and specify the rules to follow during the decision-making process.

Operational risk management is supervised in each entity by committees that meet periodically (investment, ALM, technical, reinsurance and others) in order to monitor developments in the risk position, based on reporting by business lines, present analyses to support the risk management process, and, if necessary, draw up proposals for action. Significant incidents (including limit breaches) lead to alerts being triggered and are notified either to the CASA Group Risk Management department (Crédit Agricole Assurances 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 dashboard and the conclusions of periodic controls.

II. 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.

Crédit Agricole Assurances Group is exposed to several types of market risk:

- interest rate risk;
- equity risk;
- foreign exchange risk;
- counterparty risk, both from the point of view of default (bond portfolio issuers, OTC transaction counterparties) and movements in the issuer spread. This risk is fully described in a specific section.

In particular, these risks have an impact on the valuation of portfolio assets and their long-term yield, and must be managed closely with matching liabilities and, particularly in Life Insurance, with guarantees granted to policyholders (minimum guaranteed rate, floor guarantee, etc.).

Liquidity risk is monitored specifically.

Hence, the financial policy of Crédit Agricole Assurances Group combines 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 seeking yield for policyholders, conserving ALM balances and delivering shareholder value.

The Investment department in the Crédit Agricole Assurances holding company contributes to elaborating 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 Crédit Agricole Assurances Group companies (in real estate in particular), as part of the policy of diversification.

1. Interest rate risk

TYPE OF EXPOSURE AND RISK MANAGEMENT

Interest rate risk is the risk of a change in the value of the bond portfolio due to upward or downward movements in interest rates.

Crédit Agricole Assurances Group's bond portfolio, excluding unit-linked policies, amounted to €235 billion at 31 December 2016, up from €222 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 global approach combining financial strategy, the constitution of reserves and sales and income policies. Crédit Agricole Assurances' framework for managing interest rate risk sets out the limits on risks and the related governance (ALM Committee, presentation of stress scenarios to the Board of Directors, etc.).

The low rate environment puts pressure on the profitability of Crédit Agricole Assurances: it creates a situation in which returns from securities in the portfolio are lower than the rates paid out on life insurance contracts. Risks related to the minimum guaranteed returns in France are handled at regulatory level by means of prudential provisions.

Crédit Agricole Assurances has a range of levers to tackle the risk of falling rates:

- no longer issuing policies that feature an average guaranteed return superior to zero (since 2000 for the main French life insurance company), so that the overall average guaranteed return has consistently reduced;
- moderation of the profit-sharing paid;

- hedging using bond assets and swaps/swaptions to manage reinvestment risk;
- adapting of ALM and investment policies to the very low rate environment;
- prudent diversification of investment assets;
- adapting the sales policy with specific measures to switch deposits to backing unit-linked contracts.

Crédit Agricole Assurances is exposed to a risk arising from an increase in interest rates associated with policyholder behaviour: a gap between the rate of return rate that can be delivered by the insurer (related to bond yields) and the rate expected by policyholders in a high-rate environment, or the rate achieved by other savings vehicles, could result in a wave of early redemptions by policyholders. If the insurer were forced to dispose of assets, notably bonds, with unrealised losses (which would generate losses for the insurer), the yield on the portfolio would be reduced, with the risk of triggering new waves of policy redemptions.

Crédit Agricole Assurances thus implements measures to manage the risk of a rise in rates:

- adjustment of duration according to projected outflows of liabilities;
- retention of liquidities or liquid investments with a low risk of loss;
- dynamic management of the investment portfolio and setting aside reserves to provide the capacity to increase the return (capitalisation reserve, and profit-sharing reserves);
- caps against a rise in rates: this strategy is designed to offset the lower return delivered by the bond portfolio by additional financial returns generated by these hedging instruments (around 30% of the main life insurance company's bond portfolio is hedged);
- building customer loyalty to limit early redemptions.

ANALYSIS OF SENSITIVITY TO INTEREST RATE RISK

Technical liabilities

The Crédit Agricole Assurances Group's technical liabilities are largely insensitive to rate risks for the following reasons:

- savings provisions (over 90% of technical provisions, excluding unit-linked policies): these 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 and casualty reserves: these technical reserves are not discounted to present value and changes in interest rates therefore have no impact on the value of these commitments;
- mathematical reserves for benefits (personal injury, disability): the discount rate used in calculating these reserves is based on the interest rate in force at the calculation date. Therefore, the size of these commitments varies with interest rates. However, given the small amount of these technical commitments, they represent no significant risk for Crédit Agricole Assurances Group.

Financial investments

The sensitivity to rate risk of Crédit Agricole Assurances Group's fixed income portfolio, assuming a 100 basis point rise or fall in interest rates, is as follows (net of the impact on deferred policyholder surplus and tax):

	31/12/2016		31/12/2015	
(in millions of euros)	Impact on net income	Impact on equity	Impact on net income	Impact on equity
100 bp rise in risk-free rates	(42)	(1,369)	(62)	(1,221)
100 bp decline in risk-free rates	74	1,352	98	1,206

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.

2. Equity and other diversification assets risk

TYPE OF EXPOSURE AND RISK MANAGEMENT

Exposure to the equity markets and other so-called diversification assets (private equity and listed or unlisted infrastructures, real estate and alternative management) is intended to capture yield in these markets (notably with a low correlation between real estate and other asset classes), which gives rise to a risk of volatility in terms of valuation and, therefore, of accounting provisioning that may have an impact on the return provided to policyholders (provision for lasting impairment, provision for liquidity risk). To limit this effect, particularly for the life insurance portfolios, allocations are analysed to determine a ceiling for the share of these diversification assets and a maximum volatility level.

Equities and other diversification assets are held directly or *via* dedicated Crédit Agricole Assurances Group UCITS to provide regional diversification, in accordance with the relevant risk policies.

The definitions of the underlined words can be found in the Glossary on page 542.

Exposure to these assets is managed by a series of limits (by asset class and overall for the diversification) and concentration rules.

The main asset classes that make up the total portfolio are presented in Note 6.4 of the consolidated financial statements.

ANALYSIS OF SENSITIVITY TO EQUITY RISK

Crédit Agricole Assurances Group's sensitivity to equity risk, assuming a 10% rise or decline in equity markets, is as follows (impacts are shown net of deferred policyholder surplus and tax):

	31/12/2016		31/12/2015	
(in millions of euros)	Impact on net income	Impact on equity	Impact on net income	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, reserves for guaranteed minimum return and reserves for the right to withdraw from unit-linked policies as well as any additional impairment provisions required by a decline in equity markets.

Changes to the fair value of available-for-sale financial assets are recognised in reserves for unrealised gains or losses, all other items are recognised in profit or loss

3. Foreign exchange risk

Crédit Agricole Assurances Group's sensitivity to foreign exchange risk, determined using the assumption of a 10% rise or decline of each currency in relation to the euro (impacts are shown net of deferred policyholder surplus and tax):

	31/12/2016		31/12/2015	
(in millions of euros)	Impact on net income	Impact on equity	Impact on net income	Impact on equity
Exchange rate sensitivity on financial instruments: +10% for each currency in relation to the euro	(16)	18	(14)	15
Exchange rate sensitivity on financial instruments: -10% for each currency in relation to the euro	13	(15)	11	(12)

Crédit Agricole Assurances's exposure to foreign exchange risk falls into two categories:

- limited structural exposure: in yen for the CA Life Japan subsidiary, with a hedge ratio of 88.3% (net exposure low at JPY 885 million at end-2016, the equivalent of €7 million) and PLN for the CA Insurance Poland subsidiary, with a hedge ratio of 90.7% (net exposure of PLN 3.1 million, the equivalent of €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.

At the end of 2016, actual exposure was not material (0.32% of the total portfolio), and was mainly on emerging currencies.

4. Liquidity risk

TYPE OF EXPOSURE AND RISK MANAGEMENT

To be in a position to cover liabilities when due, the companies use a combination of approaches.

On the one hand, liquidity is an investment selection criterion (majority of securities listed on regulated markets, limits on assets in markets that lack depth, such as private equity, unrated bonds, and alternative management, etc.).

On the other hand, systems for managing liquidity are consistent across 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 ECB eligible assets);

- for Non-life insurance companies, liquidities or assets that have low reactivity are retained, and the share is calculated to respond to a shock to liabilities.

The "reactivity" ratio measures the ability to mobilise current assets of less than two years or variable-rate assets by limiting the impacts in terms of capital loss; it is measured and compared against a threshold set by each life insurance company.

In the current environment marked by sustained inflows, there is no need to activate the short-term supervision system.

PROFILE OF FINANCIAL INVESTMENT PORTFOLIO MATURITIES

Note 6.7 to the consolidated financial statements of Crédit Agricole Assurances contains the bond portfolio maturity schedule (excluding backing unit-linked contracts).

BREAKDOWN FINANCIAL LIABILITIES BY CONTRACTUAL MATURITY

Note 6.23 to the consolidated financial statements of Crédit Agricole Assurances provides information on the estimated schedule for Crédit Agricole Assurances insurance liabilities (excluding backing unit-linked contracts for which risk is borne by policyholders).

FINANCING

As a holding company, Crédit Agricole Assurances is responsible for subsidiary refinancing enabling them to meet their solvency requirements and operational cash needs. It is refinanced through its shareholder Crédit Agricole S.A., and, since 2014, through issuing subordinated debt directly in the market.

The structure of these financing debts and their breakdown by maturity is shown in Note 6.21 to the consolidated financial statements of Crédit Agricole Assurances.

III. Counterparty risk

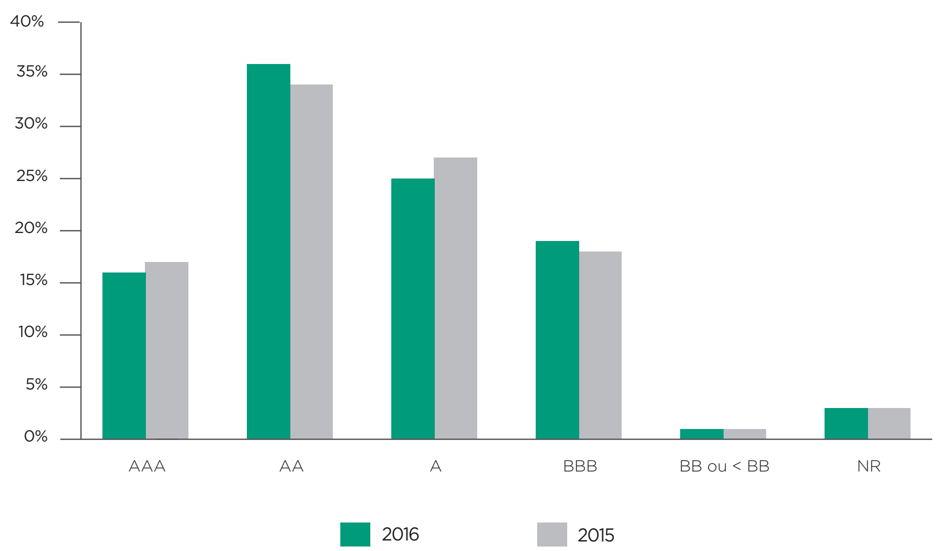
This section deals only with counterparty risk on financial instruments. Exposure to counterparty risk on reinsurers' receivables is covered in the section on "insurance risk".

Amundi's risk management teams perform the analysis of counterparty risk for issuers and for OTC market transactions (derivatives) under the mandates granted to them by the insurance companies.

Counterparty risk is contained overall for Crédit Agricole Assurances Group and at portfolio level for each entity in CAA Group, on the basis of limits in terms of ratings, issuer and sector concentration.

Hence, aggregate limits are defined to manage the breakdown of issues between rating classes. The rating used is the Solvency II rating corresponding to the second best of the three S&P, Moody's and Fitch ratings. The share of "high-yield" issues held directly (including after a rating downgrade that does not affect repayment capacity), or indirectly *via* specialist funds, is subject to strict limits. BB is the minimum rating authorised. In the context of the shift in focus since mid-2012 of fixed income securities towards corporate bonds, subject to a maximum exposure limit for the sector, the investment universe was expanded to issuers not rated by an external rating agency, but with a minimum internal Crédit Agricole S.A. rating equivalent to investment grade (BBB-), using a rigorous selection process and in a limited proportion (less than 4% of the portfolio at the end of 2016).

The bond portfolio (excluding backing unit-linked policies) by credit rating breaks down as follows:



The definitions of the underlined words can be found in the Glossary on page 542.

Concentration in a single issuer (equities and interest rate instruments) may not exceed a given percentage of the total portfolio, which is determined according to issuer type and quality. Furthermore, limiting the relative weighting of the top ten issuers ensures diversification within rating levels A and BBB. Exposure is reviewed quarterly with the Amundi Risk teams and the Risk Management department of Crédit Agricole S.A. Group.

Concentration in sovereign debt and similar is subject to individual limits according to debt-to-GDP ratio and the country's credit rating.

Exposure to Eurozone peripheral debt (Greece, Italy, Ireland, Portugal, Spain) has been reduced. As regards sovereigns, it is concentrated in Italian sovereign debt held by the Italian subsidiary of Crédit Agricole Assurances.

Cash collateral contracts are used to manage counterparty risk for over-the-counter derivatives used by companies to hedge exposure to rate risk and presented on their balance sheets.

IV. Insurance risk

Crédit Agricole Assurances Group is exposed to insurance risk through the insurance business. Such risk primarily relates to the underwriting, valuation of provisions and reinsurance processes.

Each entity implements an approach in collaboration with all the operating departments concerned, as well as 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).

1. Insurance 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 and disability risks), loading risk (insufficient loading to cover operating expenses and commission paid to distributors), but most of all to behavioural risk for redemptions (for example due to 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 specific technical provision is recognised for this floor guarantee.

In savings, redemption rates are monitored for each life insurance company and at Crédit Agricole Assurances Group level, and compared with the structural redemption rates established on the basis of historic and market data.

For the death and disability activity, the creditor and yields, the underwriting policy, which specifies the risks covered and the underwriting conditions (target customers, exclusions), and pricing standards (notably the statistical tables established either from national or international statistics or from experience tables) help to control risk in this area.

Catastrophe risk, related to a mortality shock (e.g. a pandemic) is likely to impact the results for individual or group death & disability insurance. The French life insurance subsidiary benefits from BCAC cover (*Bureau commun des assurances collectives*), both on group death benefits and individual death and disability benefits, as well as, in part, supplementary cover of disability risk.

NON-LIFE INSURANCE UNDERWRITING RISK

For property & casualty insurance and non-life benefits included in creditor insurance policies, Crédit Agricole Assurances is more specifically exposed to frequency risk and exceptional risk, whether originating from a catastrophe risk (particularly climatic) or the occurrence of individual incidents for significant amounts.

For distribution partners, underwriting policy defines the framework for accepting risk (to ensure appropriate selection of risks and the spread within the policy portfolio to optimise technical margins). Formal rules and procedures for pricing are also drawn up.

The ratio of claims paid to premiums earned is compared to targets. This claims ratio is the key indicator for monitoring risk and is used to identify priorities for improving the technical result, where necessary.

Concentration risk in non-life insurance relates to an aggregation of liabilities in respect of a single claim, arising from:

- underwriting concentration in which insurance policies are written by one or more Group entities on the same risk;
- claim concentration, where policies are written by one or more Crédit Agricole Assurances Group entities on risks that are different, but liable to be triggered by a single covered event or the same primary cause.

This type of risk is hedged, first, by a policy of diversifying the risks written in a single region and, second, by reinsurance to limit the financial impact of major events (storms, natural disasters, etc.), under a reinsurance policy (see reinsurance risk below) that incorporates this dimension.

2. Provisioning risk

Provisioning risk is the risk of a gap between the provisions set aside and those required to meet liabilities. It may be related to risk valuation (volatility introduced by discount rates, regulatory developments, or new risks for which statistical depth is inadequate, etc.) or a change in risk factors (population ageing, for example, leading to increased long-term care risks or health issues, stricter laws governing professional civil liability, personal injury compensation, and others).

The objective of the provisioning policy established in each of the companies is to guarantee a prudent assessment of loadings for past and projected claims to ensure a high probability that the accounting provisions set aside will be sufficient to cover the ultimate load.

5

The methods used to constitute provisions (on a case-by-case basis) for property and casualty insurance, according to the products and benefits affected, are documented and the management rules applied by claims managers are set out in the manuals.

The choice of statistical methodology to calculate accounting provisions (including provisions for late payment) is justified at each reporting date.

The local permanent control plan encompasses control of provisioning policy.

The Statutory Auditors perform an actuarial review of provisions as part of the annual audit.

The breakdown of technical reserves in relation to the life and non-life insurance contracts is presented in Note 6.24 of the consolidated financial statements.

3. Reinsurance risk

Reinsurance risks are of three types:

- inappropriate reinsurance (insufficient cover or, on the other hand, payment of too high a premium, which erodes technical margins and competitiveness);
- risk of a reinsurer defaulting and not being able to pay all its share of the claims;
- no or virtually no reinsurance on a given activity or guarantee given (reinsurance offer, amounts that can be covered and the cost of cover, depending on market conditions that are liable to vary significantly).

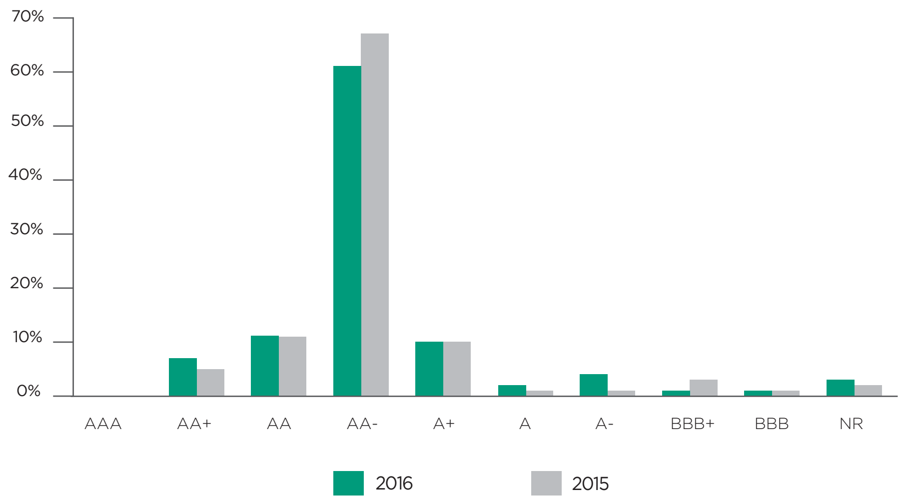
Each company draws up its own reinsurance plan aimed at protecting equity in case of systemic or exceptional events and at limiting volatility in the company's results, based on the principles of Crédit Agricole Assurances Group's strategy for common and uniform risks limitation, namely:

- selecting reinsurers that meet minimum financial soundness criteria, with reinsurers' ratings monitored at Crédit Agricole Assurances Group level;
- ensuring adequate dispersion of premiums across reinsurers;
- monitoring the adequacy of reinsurance cover relative to the commitments to policyholders and of results on each reinsurance agreement.

The reinsurance plans are reviewed annually by the Board of Directors in each subsidiary.

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 stable year-on-year.

Their breakdown by reinsurer rating is as follows:



4. 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 Controls Officers, is also tasked with anticipating developments in the regulatory and legal environment and identifying emerging risks.

Intelligence data is input from many sources (economic research, internal and external analysis, in particular by consulting firms and research published by the French Regulatory and Resolution Supervisory Authority (ACPR) and the European regulator, EIOPA, etc.).

The definitions of the underlined words can be found in the Glossary on page 542.

V. 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 activities and changes in the cost of risk. Mapping is constructed by breaking down activities by process, together with the seven risk categories according to Basel 2 nomenclature. Financial and non-financial impacts (regulatory and image) of actual and potential risk events identified are assessed together with the probability of occurrence, drawing on specific expertise. Internal control is assessed on the basis of the results of controls at the different levels defined in the local control plans and standardised controls defined by the CASA Group Risk Management department and the findings of periodic controls to highlight the most critical net risks and prioritise actions plans to reduce them;
- a process of collecting data on risk-related incidents and operating losses, backed by an early-warning system, is used to monitor identified risks and exploit them to introduce remediation measures and ensure consistency with mapping.

Crédit Agricole Assurances and its subsidiaries have prepared their Business Continuity Plans (BCP) focusing on essential activities in order to cover a failure of information systems, operational sites and staff. The business continuity plans meet Crédit Agricole S.A. Group standards, with the adoption of Crédit Agricole S.A. Group's solution for the user fallback site, the IT back-up plan based on the Crédit Agricole S.A. Group shared IT operating and production site. It is tested on a regular basis. IT system security is an inherent component of the Group's security policies. A three-year programme of security projects (including accreditation, intrusion tests, and IT system failure scenarios) is being implemented.

A Crédit Agricole Assurances Group-wide general subcontracting policy, describing amongst others the monitoring and control system associated with outsourcing, has been rolled out by Group entities.

VI. 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 the Solvency II 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 the 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.

Management at the Group level is done through coordination bodies and also covers the conduct of regulatory projects launched by Crédit Agricole S.A. Group.

In all areas of compliance, from the prevention of money laundering and financing of terrorism to protecting customers, the Group has strengthened coordination with distributors (Regional Banks, LCL, other international networks) to define roles and responsibilities and ensure implementation of the controls to guarantee correct application of procedures by all parties.

Crédit Agricole Assurances Group realigned its organisation and its risk management policy to ensure compliance with the Solvency II regulation as detailed in the Corporate governance section of the registration document of Crédit Agricole Assurances.

VII. Legal risks

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 Group.

To Crédit Agricole Assurances' knowledge, there is no significant litigation to note.

The definitions of the underlined words can be found in the Glossary on page 542.

OPERATIONAL RISKS

Operational risk is the risk of loss resulting from shortcomings or failure in internal procedures, staff, information systems or external events.

It includes legal risk, non-compliance risk, internal and external fraud risk, the model risk and risks generated by the provision of key outsourced services (PSEE).

I. Organisation and supervision system

The operational risk system, adjusted to each Group entity, comprises the following components common to the entire Group:

Organisation and governance of the Operational Risk Management function:

- supervision of the system by Executive Management (*via* the Operational Risk Committee or the operational risk unit of the Group Risk Management Committee and the Internal Control Committee);
- tasks of the Risk Management Officers (Crédit Agricole S.A. and its subsidiaries) and the Operational Risk Managers at the local level in terms of management of the Operational Risk management system;
- responsibility of the entities in managing their own risks;
- set of standards and procedures;
- circulation of Crédit Agricole's Group risk tolerance policy implemented in 2015 and incorporating operational risk.

Identification and qualitative assessment of risks through risk mapping

Risk mapping is done annually by the entities and is used by each entity with a validation of the results and associated action plans by the Operational Risk Committee (operational risk unit of the Internal Control Committee).

This mapping is supplemented by the establishment of risk indicators to monitor the most sensitive processes.

Collection of operational loss data and an early-warning system to report significant incidents, which are consolidated in a database used to measure and monitor the cost of risk.

The reliability and quality of the data collected are submitted to systematic audits both at the local and central levels.

The calculation and regulatory reporting of capital for operational risk at the consolidated and entity levels.

Quarterly production of an operational risk dashboard at entity level, plus a Crédit Agricole Group summary, takes into account the main sources of risk affecting the business lines as well as the exposure profiles differentiated by entity/ business line.

Tools

The RCP (Risk and Permanent Controls) platform contains the three essential elements of the system (collection of loss data, operational risk mapping and permanent controls) sharing the same framework and thus making it possible to establish the connection between the risk mapping systems and risk management system (permanent controls, action plans, etc.).

Regarding the IT system component used for the calculation and allocation of regulatory capital, the upgrade plan was continued along with a rationalisation of the databases, enhanced information granularity and the automation of the controls on data taken from COREP's regulatory statements to bring the system into line with best management principles defined by the Basel Committee.

These components are subjected to consolidated verifications at the central level.

In addition, the risks associated with key outsourced services are incorporated into each component of the Operational Risk system and are the subject of a specific report, as are the consolidated controls that are centrally communicated.

II. Methodology

The main entities of Crédit Agricole S.A. Group use the Advanced Measurement Approach (AMA): Crédit Agricole Corporate and Investment Bank, Amundi, LCL, Crédit Agricole Consumer Finance and Agos. The use of the AMA for these entities was approved by the French Regulatory and Resolution Supervisory Authority (ACPR) in 2007. These entities currently represent 80% of capital requirements for operational risks.

For the entities that use the standardised approach (TSA), the regulatory weighting coefficients used in calculating the capital requirement are those recommended by the Basel Committee (percentage of revenues according to business line).

AMA regulatory capital requirements calculation

The AMA method for calculating capital requirements for operational risk has the following objectives:

- increase control over the cost of operational risk, and prevent exceptional risks across the Group's various entities;
- determine the level of capital needed for the measured risks;
- promote improvements in risk management through the monitoring of action plans.

The systems implemented within the Group aim for compliance with all qualitative criteria (making risk measurement an integral part of day-to-day management, independence of the Risk function, periodic disclosure of operational risk exposures, etc.) and Basel 3 quantitative criteria (99.9% confidence interval over a one-year period; incorporation of internal data, external data, scenario analyses and factors reflecting the operating environment; incorporation of risk factors that influence the statistical distribution, etc.).

The definitions of the underlined words can be found in the Glossary on page 542.

The AMA model for calculating capital requirements is based on a unique actuarial model called the Loss Distribution Approach.

Internal factors (change in the entity's risk profile) are considered according to:

- changes within the entity (organisational, new business activities, etc.);
- changes in risk mapping;
- an analysis of the history of internal losses and the quality of the risk management system, in particular *via* the Permanent Controls function.

For external factors, the Group uses:

- the ORX Insight external consortium database to monitor incidents recorded in other establishments;
- the SAS OpRisk and ORX News external public databases for:
  - raising awareness among the entities of the main risks that have impacted other institutions,
  - assisting experts in the valuation of the main Group vulnerabilities (key scenarios).

The model was designed and developed according to the following principles:

- it must form an integral part of the risk policy;
- it must be pragmatic, *i.e.* the methodology must be applicable to real operating conditions;
- it must have educational value, in order to be endorsed by senior management and business lines;
- it must be robust, *i.e.* it must be able to provide estimates that are realistic and stable from one year to the next.

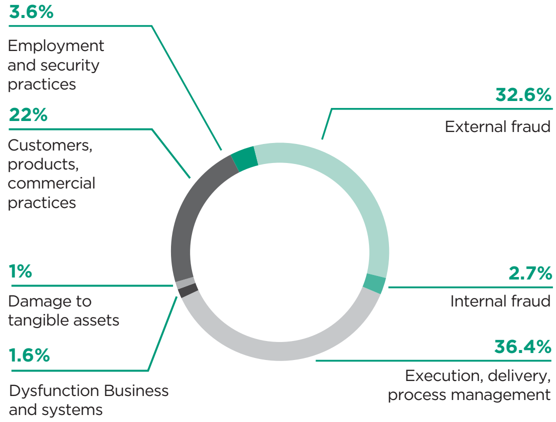
A biannual Committee for back-testing the Advanced Measurement Approach (AMA) model is in place and analyses the model's sensitivity to changes in the risk profile of the entities. Every year, this Committee identifies areas where improvements are possible, and draws up corresponding action plans.

The Operational Risk system and methodology were individually subjected to an external audit by the ECB during the second half of 2015. These audits demonstrated the Group's progress and identified certain areas in need of improvement. The recommendations are currently being implemented.

An inspection was also carried out in the second half of 2016 by the ECB on local implementation of Group standards and the permanent control mechanism for Compliance and Operational Risk.

III. Exposure

BREAKDOWN OF OPERATIONAL LOSSES BY BASEL RISK CATEGORY (2014 TO 2016)

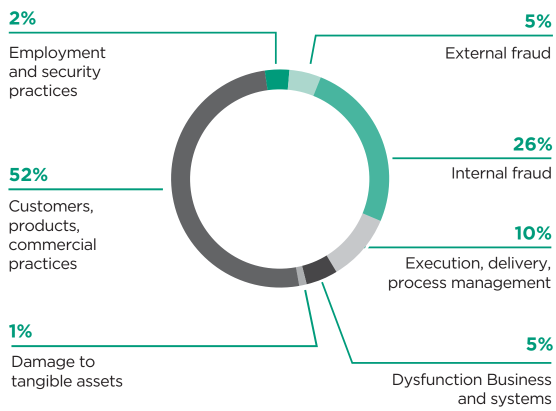


Generally, the exposure profile in terms of the operational risks identified over the last three years reflects the principal activities at Crédit Agricole S.A. Group:

- still overwhelming exposure to the Execution risk category, due to processing errors (absent or incomplete legal documentation, guarantee management, litigation with suppliers, input errors, etc.), but also due to tax sanctions;
- still significant exposure to external fraud, mainly in connection with credit boundary operational risk (document fraud, fraudulent invoices, etc.), and with payment instruments fraud (bank cards, fraudulent transfers);
- exposure to legal and non-compliance risks (litigation for: failure to respect the interests of the customer, improper financial support, unsuitability of the product/service to the customer's needs, etc.).

Remedial and preventive action plans at local or Group level were introduced to reduce the exposure of Crédit Agricole S.A. Group to operational risk. Periodic monitoring of action plans involving incidents with an impact higher than €5 million has been implemented since 2014 within the Group Operational Risk Committee and since 2016 in the Group Risk Management Committee.

BREAKDOWN OF WEIGHTED ASSETS BY BASEL RISK CATEGORY (2014 TO 2016)



The definitions of the underlined words can be found in the Glossary on page 542.

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IV. Insurance and coverage of operational risks

Crédit Agricole Group has obtained insurance coverage for its operational risks to protect its assets and profits. For high-intensity risks, Crédit Agricole S.A. has taken out insurance policies to cover itself and its subsidiaries with major insurance companies. These policies harmonise the transfer of personal and property risks and the setting up of specific professional civil liability and fraud insurance programmes for each business line. Lower intensity risks are managed directly by the relevant entities.

In France, third-party civil liability risks are covered by operating civil liability policies. It should be noted that property & casualty insurance for operating assets (property and IT equipment) also includes third-party liability coverage for all buildings exposed to this risk.

Insurance policies for operating loss, fraud and securities risks, Group professional civil liability, and civil liability for Executives and Corporate Officers were renewed in 2016.

"Basel 2 eligible" policies contribute to reducing the amount of capital that must be held against operational risks (within the 20% authorised limit).

High-frequency and low-intensity risks that cannot be insured on satisfactory financial terms are retained in the form of deductibles or are pooled within Crédit Agricole S.A. Group, ultimately through its captive insurance subsidiary (Crédit Agricole Risk Insurance), and represent around 7% of all Group insurance programmes.

LEGAL RISKS

The main legal and tax proceedings outstanding at Crédit Agricole S.A. and its fully consolidated subsidiaries are described in the 2015 management report. The cases presented below are those that have evolved since 21 March 2016, the date on which Registration Document no. D.16-0148 was filed with the AMF.

Any legal risks outstanding at 31 December 2016 that could have a negative impact on the Group's net assets have been covered by adequate provisions, which correspond to Executive Management's best estimates, based on the information available to it, see Note 6.20 of Financial statements.

To date, to the best of Crédit Agricole S.A.'s knowledge, there is no other governmental, judiciary or arbitration proceeding (or any proceeding known by the Company, in abeyance or that threatens it) that could have or has had, in the previous 12 months, any substantial effect on the financial situation or the profitability of the Company and/or the Group.

Litigation and exceptional events

Strauss/Wolf/Faudem

US citizens and members of their families who were victims of terrorist attacks attributed to Hamas and committed in Israel between 2001 and 2004 have brought proceedings against National Westminster Bank and Crédit Lyonnais before a New York court.

They claim that these banks gave support to terrorists as they each kept an account opened (in 1990 in the case of Crédit Lyonnais) by a charity providing aid to Palestinians. The plaintiffs allege that the account was used to transfer funds to Palestinian entities accused of financing Hamas. The plaintiffs, who have not put a figure on the damages they have suffered, are claiming compensation for "injury, anguish and emotional pain".

As the matter and the proceedings currently stand, the plaintiffs have not provided proof that the charity was actually linked to terrorists, nor that Crédit Lyonnais was aware that its client could have been involved (if it were to be proven) in financing terrorism. The Court nonetheless demanded that this be demonstrated by the plaintiffs if they are to win their case. LCL vigorously denies the plaintiffs' allegations.

Under a ruling made on 28 February 2013, the judge issued a Summary Judgement referring LCL and the plaintiffs to a jury trial on the merits.

In January 2014, the US Supreme Court ruled that the American courts cannot claim jurisdiction over foreign defendants that do not have a principal place of business in the territory of the United States. Accordingly, LCL filed a new motion in June 2014 seeking to establish that the American judge does not have jurisdiction in this matter. On 31 March 2016, the court handling the case decided to partly allow LCL's motion, holding that it did not have general jurisdiction over LCL, a foreign corporation that did not have a principal place of business in the United States. However, the court held that it did have specific jurisdiction over the plaintiffs' claims.

A trial on the merits will now be held at an as yet unspecified date.

CIE case (Cheque Image Exchange)

In March 2008, LCL and Crédit Agricole S.A. and ten other banks were served notice of grievances on behalf of the *Conseil de la concurrence i.e.* the French Competition Council (now the *Autorité de la concurrence*).

They are accused of colluding to implement and apply interchange fees for cashing cheques, since the passage of the Cheque Image Exchange system, *i.e.* between 2002 and 2007. In the opinion of the *Autorité de la concurrence*, these fees constitute anti-competitive price agreements in the meaning of Articles 81 paragraph 1 of the treaty establishing the European Community and Article L. 420-1 of the French Commercial Code, and allegedly caused damage to the economy.

The definitions of the underlined words can be found in the Glossary on page 542.

In their defense, the banks categorically refuted the anticompetitiveness of the fees and contested the legality of the proceedings.

In a decision published on 20 September 2010, the *Autorité de la concurrence* stated that the Cheque Image Exchange fee (CEIC) was anti-competitive by its very aim and that it artificially increased the costs borne by remitting banks, which resulted in an unfavourable impact on the prices of banking services. Concerning one of the fees for related services, the fee for cancellation of wrongly cleared transactions (AOCT), the *Autorité de la concurrence* called on the banks to revise their amount within six months of the notification of the decision.

The accused banks were sanctioned for an overall amount of €384.92 million.

LCL and Crédit Agricole were respectively sentenced to pay €20.7 million and €82.1 million for the CEIC and €0.2 million and €0.8 million for the AOCT.

All of the banks appealed the decision to the Paris Court of Appeal. By a decree of 23 February 2012, the Court overruled the decision, stating that the *Autorité de la concurrence* had not proven the existence of competition restrictions establishing the agreement as having an anti-competitive purpose.

The *Autorité de la concurrence* filed an appeal with the Supreme Court on 23 March 2012.

On 14 April 2015, the French Supreme Court (*Cour de cassation*) overruled the Paris Court of Appeal's decision dated 23 February 2012 and remanded the case to the Paris Court of Appeal with a change in the composition of the Court on the sole ground that the Paris Court of Appeal declared the UFC-Que Choisir and ADUMPE's interventions in the proceedings devoid of purpose without having considered their arguments.

The Supreme Court did not rule on the merits of the case and Crédit Agricole has brought the case before the Paris Court of Appeal. The hearing before the Paris Court of Appeals was held on 3 and 4 November 2016. The decision is scheduled to be handed down on 11 May 2017.

Office of Foreign Assets Control (OFAC)

In October 2015, Crédit Agricole S.A. and its subsidiary Crédit Agricole Corporate and Investment Bank (Crédit Agricole CIB) reached agreements with the US and New York authorities that had been conducting investigations regarding US dollar transactions with countries subject to US economic sanctions. The events covered by this agreement took place between 2003 and 2008.

Crédit Agricole CIB and Crédit Agricole S.A., which cooperated with the US and New York authorities in connection with their investigations, have agreed to pay a total penalty amount of $787.3 million (*i.e.* €692.7 million). The payment of this penalty has been allocated to the pre-existing reserve that had already been taken and, therefore, has not affected the accounts for the second half of 2015.

The agreements with the Board of Governors of the Federal Reserve System (Federal Reserve) and the New York State Department of Financial Services (NYDFS) are with CASA and Crédit Agricole CIB. The agreement with the Office of Foreign Assets Control (OFAC) of the US Department of the Treasury is with Crédit Agricole CIB. Crédit Agricole CIB also entered into separate deferred prosecution agreements (DPAs) with the United States Attorney's Office for the District of Columbia (USAO) and the District Attorney of the County of New York (DANY), the terms of which are three years. The USAO and DANY have agreed to take no further action against Crédit Agricole CIB, CASA, or any of Crédit Agricole CIB's subsidiaries or affiliates regarding the conduct subject to this investigation if Crédit Agricole CIB complies with its obligations under the DPAs.

Within the framework of the implementation of these agreements, Crédit Agricole continues to strengthen its internal procedures and its compliance programs regarding laws on international sanctions and will continue to cooperate fully with the US and New York authorities regarding this matter, with its home regulators, the European Central Bank and the French Regulatory and Resolution Supervisory Authority (ACPR), and with the other regulators across its worldwide network.

Pursuant to the agreements with NYDFS and the US Federal Reserve, Crédit Agricole's compliance program will be subject to regular reviews to evaluate its effectiveness, including a review by an independent consultant who will be appointed by NYDFS for a term of one year and annual reviews by an independent consultant approved by the Federal Reserve.

Euribor/Libor and other indexes

Crédit Agricole S.A. and its subsidiary Crédit Agricole CIB, in their capacity as contributors to a number of interbank rates, have received requests for information from a number of authorities as part of investigations into: (i) the calculation of the Libor (London Interbank Offered Rates) in a number of currencies, the Euribor (Euro Interbank Offered Rate) and certain other market indices; and (ii) transactions connected with these rates and indices. These demands covered several periods from 2005 to 2012.

As part of its cooperation with the authorities, Crédit Agricole S.A. and its subsidiary Crédit Agricole CIB carried out investigations in order to gather the information requested by the various authorities and in particular the American authorities – the DOJ (Department of Justice) and CFTC (Commodity Future Trading Commission) – with which they are in discussions. It is currently not possible to know the outcome of these discussions, nor the date when they will be concluded.

Furthermore, Crédit Agricole CIB is currently under investigation opened by the Attorney General of the State of Florida on both the Libor and the Euribor.

Following its investigation and an unsuccessful settlement procedure, on 21 May 2014, the European Commission sent a notification of grievances to Crédit Agricole S.A. and to Crédit Agricole CIB pertaining to agreements or concerted practices for the purpose and/or effect of preventing, restricting or distorting competition in derivatives related to the Euribor.

In a decision dated 7 December 2016, the European Commission jointly fined Crédit Agricole S.A. and Crédit Agricole CIB €114,654,000 for participating in a cartel in euro interest rate derivatives. Crédit Agricole S.A. and Crédit Agricole CIB are challenging this decision and have asked the European Court of Justice to overturn it.

Additionally, the Swiss competition authority, COMCO, is conducting an investigation into the market for interest rate derivatives, including the Euribor, with regard to Crédit Agricole S.A. and several Swiss and international banks. Moreover, in June 2016 the South Korean competition authority (KFTC) decided to close the investigation launched in September 2015 into Crédit Agricole CIB and the Libor index on various currencies, Euribor and Tibor indices. The KFTC investigation into certain foreign exchange derivatives (ABS-NDF) is ongoing.

The two class actions in the United States of America in which Crédit Agricole S.A. and Crédit Agricole CIB have been named, since 2012 and 2013, along with other financial institutions – both are defendants in one ("Sullivan" for the Euribor) and only Crédit Agricole S.A. as defendant for the other ("Lieberman" for the Libor) are still at the preliminary stage of consideration of admissibility.

"Lieberman" class action is currently suspended for procedural reasons in front of the US District Court of New York State. For the "Sullivan" class action, Crédit Agricole S.A. and Crédit Agricole CIB have filed a motion to dismiss.

Since 1 July 2016, Crédit Agricole S.A. and Crédit Agricole CIB, together with other banks, are also party to a new class action suit in the United States ("Frontpoint") relating to the SIBOR (Singapore Interbank Offered Rate) and SOR (Singapore Swap Offer Rate) indices. Crédit Agricole S.A. and Crédit Agricole CIB have filed a motion to dismiss.

These class actions are civil actions in which the plaintiffs claim that they are victims of the methods used to set the Euribor, Libor, SIBOR and SOR rates, and seek repayment of the sums they allege were unlawfully received, as well as damages and reimbursement of costs and fees paid.

AWSA II

On 5 June 2015, action was brought against Crédit Agricole Corporate and Investment Bank (Crédit Agricole CIB) in the Nanterre commercial court by Polish companies Autostrada Wielkopolska II SA (AWSA II) and Autostrada Wielkopolska SA (AWSA). On 30 August 2008, AWSA and the Polish Infrastructure Minister signed an Agreement for the Construction and Operation of section 2 of the A2 motorway in Poland. AWSA II, to which AWSA assigned the rights to this concession until March 2037, claims to have suffered financial loss caused by Crédit Agricole CIB due to way in which the transaction financing was structured and is claiming 702.84 million zlotys (PLN) in damages, the equivalent of about €168.579 million. At the 19 October 2016 hearing, the Nanterre Commercial Court ordered a stay of proceedings pending the final decision of the Polish courts in the case between AWSA II and the company that audited the financial model.

Bonds SSA

Several regulators have demanded information to Crédit Agricole CIB for inquiries relative to activities of different banks involved on Bonds SSA market (Supranational, Sub-Sovereign and Agencies). Crédit Agricole S.A. and Crédit Agricole CIB are included with other banks in various consolidated class actions before the United States District Court for the Southern District of New York. Through the cooperation with these regulators, Crédit Agricole CIB has been proceeding to intern inquiries to gather the required information. This work will continue in 2017. It is not possible at this stage to predict the outcome of these investigations or class actions or the date on which they will end.

Switzerland/US Programme

Within the framework of the agreement entered into between Switzerland and the United States of America in August 2013 that grants to the US authorities a right to investigate on the business behaviour of Swiss banks towards American taxpayers, Crédit Agricole Suisse, which accepted in December 2013 to participate in the US Tax Program, signed a Non-Prosecution Agreement with the US Department of Justice on 15 December 2015.

Pursuant to this Non-Prosecution Agreement, Crédit Agricole Suisse paid a penalty of US$99,211,000. The payment of this penalty was fully covered by reserves.

Crédit Agricole Switzerland has also taken the commitment to respect several obligations and to cooperate with the American authorities.

Binding agreements

Crédit Agricole S.A. does not depend on any industrial, commercial or financial patent, license or contract.

NON-COMPLIANCE RISKS

Non-compliance risk refers to a potential lack of adherence to rules governing financial and banking activities. These rules may be laws, regulations, professional or ethical standards, instructions, professional codes of conduct, or efforts to combat money laundering, corruption or the financing of terrorism.

A dedicated monitoring system ensures that these risks are controlled and that their impact in terms of financial losses, or legal, administrative or disciplinary sanctions, is minimised. The common objective is to preserve the Group's reputation.

The organisation and main actions relating to compliance are detailed in the key economic performance indicators section of the part of the Registration Document dealing with employee, societal and environmental information related to Crédit Agricole S.A. Group.

The prevention, monitoring and control of compliance and reputational risks are detailed in the report of the Chairman of the Board of Directors to the General Meeting of Shareholders on the preparation and organisation of the Board's work and on the internal control procedures implemented within the Company, as required by the French Financial Security Act of 1 August 2003.

BASEL 3 PILLAR 3 DISCLOSURES

Regulation EU 575/2013 (EU) of 26 June 2013 requires relevant financial institutions (notably credit institutions and investment firms) to disclose quantitative and qualitative information on their risk management activities. Crédit Agricole S.A. Group's risk management system and exposure levels are presented in this section and in the section entitled "Risk Factors".

The Crédit Agricole S.A. Group has chosen to disclose its Pillar 3 Prudential information in a separate section from its Risk Factors in order to isolate the items that meet the regulatory publication requirements.

The main objective of the Group's solvency management is to assess its own funds and verify at all times that the Group has sufficient own funds to cover the risks to which it is or could be exposed in view of its activities, thereby securing the Group's access to financial markets on the desired terms.

To achieve this objective, the Group relies on an internal ICAAP (Internal Capital Adequacy and Assessment Process), which includes (i) measurements of regulatory capital and economic capital requirements and (ii) management of those requirements.

The ICAAP is developed in accordance with the interpretation of the main regulatory texts specified below (Basel agreements, guidelines of the European Banking Authority, prudential expectations of the European Central Bank). More specifically, it includes:

- governance of the management of share capital, adapted to the specificities of the Group's subsidiaries, that allows centralized and coordinated monitoring at the Group level;
- a measurement of regulatory capital requirements (Pillar 1);
- a measurement of economic capital requirements based on the risk identification process and valuation using an internal approach (Pillar 2);
- the management of regulatory capital, which is based on short-term and medium-term prospective measures, consistent with budgetary projections, on the basis of a central economic scenario;
- the management of ICAAP stress tests that aim to simulate the destruction of capital after a three-year adverse economic scenario (see Chapter 5 – "Different types of stress tests" section);
- the management of economic capital (see Part III – "Measurement of the economic capital requirement"); and
- a qualitative ICAAP that formalizes in particular the major areas for risk management improvement.

ICAAP is also an integrated process that interacts with the Group's other strategic processes (ILAAP, risk appetite, budget process, recovery plan, risk identification, etc.).

The EDTF cross-reference table is presented in the consolidated report on Risk factors and Pillar 3 available on the website: https://www.credit-agricole.com/finance/finance/publications-financieres.

CROSS-REFERENCE TABLE FOR PILLAR 3 (CRR AND CRD 4)

CRR article	Topic	Reference 2016 Consolidated risk dashboard	2016 Registration Document
90 (CRD 4)	Return on assets	Key indicators	p. 209
435 (CRR)	1. Risk management policy and objectives	Presentation of committees – corporate governance Main Group level committees dealing with risk – Risk factors	p. 101 to 109 p. 211 to 212
436 (a)(b)	2. Scope of consolidation	Pillar 3 Financial statements note 12.2	p. 256 to 257 p. 434 to 449
436 (c)(d)(e) (CRR)	2. Scope of consolidation	Unpublished information	
437 (CRR)	3. Equity	Reconciliation of accounting and regulatory capital Details of subordinated debt	p. 270
438 (CRR)	4. Capital requirements	Risk weighted assets by business line and trends	p. 273 to 274
439 (CRR)	5. Exposure to counterparty credit risk	General presentation of counterparty credit risk – exposures by type of risk Credit risk (all) Counterparty risk (all)	p. 275 to 290
440 (CRR)	6. Capital buffer	Minimum requirements (Pillars 1 & 2) and exposures by geographic area	p. 259 to 260 p. 277
441 (CRR)	7. Indicators of global systemic importance	Communication on the indicators required for globally systemically important banks (G-SIBs) + website	A01 and Press Release
442 (CRR)	8. Adjustments for credit risk	Default exposures and value adjustments	p. 281 to 282
443 (CRR)	9. Encumbered assets	Encumbered assets	p. 266 to 267
444 (CRR)	10. Use of ECAIs	Protection providers	p. 291 to 292
445 (CRR)	11. Exposure to market risk	Exposure to market risk of the trading book	p. 300 to 302, p. 248 to 250
446 (CRR)	12. Operational risk	Operational risk	p. 302
447 (CRR)	13. Equity exposures excluding the trading book	equity exposures in the banking portfolio	p. 276 - p. 217 - 292 to 293
448 (CRR)	14. Exposure to interest rate risk on positions not included in the trading book	Global interest rate risk – Risk factors	p. 233 to 234, p. 302
449 (CRR)	15. Exposures to securitisation positions	Securitisation – Pillar 3	p. 293 to 300
450 (CRR)	16. Compensation policy	Compensation policy – corporate governance (chapter 3)	p. 150 to 174 and 302
451 (CRR)	17. Leverage	Leverage ratio	p. 263 to 265
452 (CRR)	18. Use of the IRB approach to credit risk	Credit risk – internal ratings-based approach	p. 282 to 288
453 (CRR)	19. Use of credit risk mitigation techniques	Credit risk mitigation mechanism	p. 218 to 219 - 291 to 293
454 (CRR)	20. Use of the advanced measurement approaches to operational risk	Operational risk	p. 248 to 250 and 302
455 (CRR)	21. Use of internal market risk models	Internal models approach to market risk capital requirements – Pillar 3	p. 301 to 302

Additional elements are presented on the consolidated report on risks available on our website:
www.credit-agricole.com/finance/finance/espace-investisseurs/informations-financieres

The definitions of the underlined words can be found in the Glossary on page 542.

EDTF CROSS-REFERENCE TABLE

			2015 registration document	Consolidated report on 2015 risks		2015 registration document
	Recommendation		Management report and other	Risk factors	Pillar 3	Consolidated financial statements
Introduction	1	Cross-reference table			p. 255	
	2	Terminology and risk measurements, key parameters used		p. 210 to 252	p. 275, p. 281 to 286	p. 327 to 338, 345 to 357
	3	Presentation of main risks and/or emerging risks		p. 210 to 252		p. 345 to 357
	4	New regulatory framework for solvency and Group objectives	p. 203 to 205	p. 235 to 238	p. 258 to 264	p. 357
Governance and risk management strategy	5	Organisation of control and risk management	p. 101 to 109, 119 to 128	p. 210 to 214		
	6	Risk management strategy and implementation	p. 102 to 109, 119 to 128	p. 210 to 252	p. 261 to 266, 271	
	7	Risk mapping by business line			p. 274	
	8	Governance and management of internal credit and market stress tests		p. 210 to 214, 218, 253		
Capital requirements and risk-weighted assets	9	Minimum capital requirements			p. 259 to 260	
	10a	Breakdown of composition of capital			p. 261 to 263, 52, 58 to 61[(1)]	
	10b	Reconciliation of the balance sheet and prudential balance sheet and accounting equity and regulatory capital			p. 257 and 270	
	11	Change in regulatory capital			p. 267 to 263, 268 to 270	
	12	Capital trajectory and CRD 4 ratio objectives	p. 203 to 205		p. 259, 260, 263 to 270	
	13	Risk-weighted assets by business line and risk type			p. 273 to 280	
	14	Risk-weighted assets and capital requirements by method and category of exposure		p. 216 to 217	p. 273 to 280	
	15	Exposure to credit risk by category of exposure and internal rating		p. 215 to 217, 222	p. 276 to 292	
	16	Changes in risk-weighted assets by risk type			p. 273	
	17	Description of back-testing models and efforts to improve their reliability		p. 16 to 19, 41, 224 to 225, 248 to 249	p. 76 to 77, 79, 104, 237 to 283	
Liquidity	18	3. Management of liquidity and cash balance *sheet*		p. 235 to 238		
	19	encumbered assets			p. 266 to 267	
	20	Breakdown of financial assets and financial liabilities by contractual maturity		p. 279		p. 354 to 355, 406
	21	Liquidity and financing risk management		p. 235 to 238		
Market risk	22 to 24	Market risk measurement		p. 223 to 232	p. 300 to 302	p. 327 to 338, 351 to 353, 415 to 429
	25	Market risk management techniques		p. 223 to 232		
Credit risk	26	Maximum exposure, breakdown and diversification of credit risks		p. 214 to 223	p. 275 to 293	p. 346 to 350
	27 and 28	Provisioning policy and risk hedging		p. 222 to 223		p. 329 to 330, 350, 361
	29	Derivative instruments: notional, counterparty risk, offsetting	p. 123	p. 215 to 219, 223, 227, 229, 230, 239, 244, 245	p. 258, 288 to 290	p. 331 to 333, 351 to 353, 387 to 388, 416, 419
	30	Credit risk mitigation mechanisms		p. 11	p. 218 to 219	p. 412 to 413, 411
Other risks	31	Other risks: insurance sector risks, operational risks and legal risks, information systems security and business continuity plans	p. 46 to 47, 101 to 109, 211 to 212	p. 239 to 247	p. 105	p. 356, 397 to 401
	32	Declared risks and ongoing actions regarding operational and legal risks		p. 248 to 252		p. 398, 401

(1) *Details of debt issues available on the website: www.credit-agricole.com/finance/finance/espace-investisseurs/informations-financieres^*

5

REGULATORY BACKGROUND AND SCOPE

I. Scope of application of the capital requirements for the purposes of regulatory supervision

Credit institutions and certain investment activities referred to in Annex 1 of directive 2004/39/EC are subject to solvency and large exposure ratios on an individual and, where applicable, sub-consolidated basis, although they may be exempted under the provisions of Article 7 of Regulation (EU) no. 575/2013 of the European Parliament and of the Council of 26 June 2013 (CRR).

The French Regulatory and Resolution Supervisory Authority (ACPR) has agreed that some of the Group's subsidiaries may benefit from exemption on an individual or, where applicable, sub-consolidated basis. As such, Crédit Agricole S.A. has been exempted by the ACPR on an individual basis.

The transition to CRR/CRD 4 does not call into question the individual exemptions granted by the ACPR prior to 1 January 2014, based on pre-existing regulatory provisions.

II. Regulatory scope

Difference between the accounting and regulatory scopes of consolidation

Entities consolidated for accounting purposes, but excluded from the regulatory scope of consolidation of credit institutions on a consolidated basis predominantly comprise insurance companies and several *ad hoc* entities that are equity-accounted for regulatory purposes. In addition, entities consolidated on an accounting basis using proportional consolidation at 31 December 2013 and now equity-accounted in accordance with IFRS 11, are still consolidated proportionally for regulatory purposes. Information on these entities and their consolidation method for accounting purposes is provided in the consolidated financial statements, "Scope of consolidation at 31 December 2016".

TABLE 1 – DIFFERENCES IN THE TREATMENT OF EQUITY INVESTMENTS BETWEEN THE ACCOUNTING AND PRUDENTIAL SCOPES

Type of equity investment	Accounting treatment	Fully loaded Basel 3 regulatory treatment
Subsidiaries with financial operations	Fully consolidated	Full consolidation generating capital requirements for the subsidiary's operations.
Jointly held subsidiaries with financial operations	Equity-accounted	Proportionate consolidation.
Subsidiaries with insurance operations	Fully consolidated	Regulatory treatment of these equity investments using equity accounting, since the Group is identified as being a "financial conglomerate": ● CET1 instruments weighted at 370%, with EI equity at 2.4%; ● AT1 and T2 instruments deducted from the respective equity capital. In turn, as in the past, Crédit Agricole S.A. Group and Crédit Agricole Group are subject to additional capital requirements and capital adequacy ratios applying to financial conglomerates.
Equity investments of over 10% with operations that are financial in nature	● Equity-accounted ● Equity investments in credit institutions	● Deduction of CET1 instruments from CET1, beyond an exemption threshold of 17.65% of CET1. This exemption threshold, applied after calculation of a 10% threshold, is common to the non-deducted portion of deferred tax assets that rely on future profitability arising from temporary differences. ● AT1 and T2 instruments deducted from the respective equity capital.
Equity investments of ≤ 10% with financial or insurance operations	Equity investments and available for-sale securities	Deduction of CET1, AT1 and T2 instruments, beyond an exemption threshold of 10% of CET1.
ABCP business securitisation vehicles	Full	Risk weighting of the equity-accounted value and commitments on these structures (liquidity facilities and letters of credit).

In addition, in the third quarter, Crédit Agricole S.A. finalised an operation to simplify its structure. This operation, called Eurêka, notably included the transfer of the 25% non-voting interest held by Crédit Agricole S.A. since its listing in 2001 in each Regional Bank (through cooperative investment certificates (*Certificats coopératifs d'investissement*) and cooperative associate certificates (*Certificats coopératifs d'associés*) to a company wholly owned by the Regional Banks. This transaction resulted in the unwinding of the Switch guarantee mechanism that the Regional Banks had granted to Crédit Agricole S.A.

The definitions of the underlined words can be found in the Glossary on page 542.

DIFFERENCES BETWEEN ACCOUNTING AND REGULATORY SCOPES OF CONSOLIDATION AND CORRESPONDENCE BETWEEN FINANCIAL STATEMENTS AND REGULATORY RISK CATEGORIES

			Carrying values of items:				
31/12/2016	Carrying values as reported in published financial statements	Carrying values under scope of regulatory consolidation	Subject to credit risk framework	Subject to counterparty credit risk framework	Subject to the securitisation framework	Subject to the market risk framework	Not subject to capital requirements or subject to deduction from capital
Assets							
Cash, central banks	28	28	28				0
Financial assets at fair value through profit or loss	326	242	3	225		166	0
Hedging derivative instruments	22	21		21			0
Available-for-sale financial assets	316	94	81	9	3		1
Loans and receivables due from credit institutions	383	379	360	19			0
Loans and receivables due from customers	346	345	341	5			0
Revaluation adjustment on interest rate hedged portfolios	8	8	8				0
Held-to-maturity financial assets	14	3	3	1			0
Current tax assets	1	2	2				0
Deferred tax assets	3	2	2				0
Accruals, prepayments and sundry assets	44	41	38	3		1	0
Non-current assets held for sale	1	0	0				0
Deferred participation benefits	0		0				0
Investments in equity-accounted entities	7	17	16				1
Investment property	6	0					0
Property, plant and equipment	4	4	4				0
Intangible assets	2	1					1
Goodwill	13	12					12
TOTAL ASSETS	**1,524**	**1,202**	**886**	**282**	**3**	**167**	**16**
Liabilities							
Central banks	4	5					5
Financial liabilities at fair value through profit or loss	244	242		52			191
Hedging derivative instruments	18	18					18
Due to credit institutions	112	101		13			88
Due to customers	522	533		5			528
Debt securities	159	154					154
Revaluation adjustment on interest rate hedged portfolios	9	9					9
Current tax liabilities	1	1	1				0
Deferred tax liabilities	2	2	2				0
Accruals, deferred income and sundry liabilities	48	42	10				32
Liabilities associated with non-current assets held for sale	0	0					0
Insurance company technical reserves	307	0					0
Provisions	4	4	0				4
Subordinated debt	29	28					28
Total liabilities	64	62					62
Equity	58	58					58
Equity, Group share	27	27					27
Consolidated reserves	23	23					23
Comprehensive income on non-current assets held for sale and discontinued operations	5	5					5
Net income/(loss) for the year – Group share	4	3					3
Net income/(loss) for the year	4	4					4
Non-controlling interests	6	4					4
TOTAL EQUITY AND LIABILITIES	**1,524**	**1,202**	**14**	**69**			**1,119**

III. Regulatory framework (CRR/CRD 4)

Summary of the major changes introduced by Basel 3 (CRR/CRD 4) compared with Basel 2

Tightening up the regulatory framework, Basel 3 enhances the quality and level of regulatory capital required and adds new risk categories to the regulatory framework. The legislation concerning the regulatory requirements applicable to credit institutions and investment companies was published in the Official Journal of the European Union on 26 June 2013 (directive 2013/36/EU, transposed notably by Order no. 2014-158 of 20 February 2014 and Regulation (EU) no. 575/2013 of the European Parliament and of the Council) and entered into force on 1 January 2014, in accordance with the transitional provisions specified in the legislation.

A. SOLVENCY RATIO NUMERATOR

Basel 3 defines three levels of capital:

- Common Equity Tier 1 (CET1);
- Tier 1 capital, which consists of Common Equity Tier 1 and Additional Tier 1 capital (AT1);
- total capital, consisting of Tier 1 capital and Tier 2 capital.

Capital, calculated on a fully **loaded** Basel 3[(1)] basis, takes into account the following changes compared with 31 December 2013 on a Basel 2.5 basis:

1. elimination of most **prudential filters,** in particular as regards unrealised capital gains and losses on equity instruments and available-for-sale debt securities. As an exception, capital gains and losses on cash flow hedges and those arising from changes in the institution's credit rating (liabilities held at fair value) remain filtered. Unrealised capital gains and losses on sovereign debt securities are not filtered in the tables presented below, which are projected to 2022, when IAS 39 will no longer be in force. In addition, a filter is introduced in respect of the DVA (debit valuation adjustment reflecting changes in the credit rating of the institution related to derivatives held as liabilities on the balance sheet);
2. partial **derecognition of** non-controlling interests and other equity instruments issued by eligible subsidiaries[(2)] in excess of the amount of capital required to cover the subsidiary's capital requirements. This partial derecognition applies to each tier of capital. Furthermore, ineligible non-controlling interests are excluded;
3. deduction from the CET1 of **deferred tax assets (DTAs)** that rely on future profitability **arising from tax loss carryforwards**;
4. deduction from the CET1 of negative amounts resulting **from any shortfall of provisions relative to** (expected losses (EL)), calculated with a distinction between performing and non-performing loans;
5. deduction from the CET1 of **deferred tax** assets **(DTAs) that rely on future profitability arising from** temporary differences above an exemption threshold of 17.65% of CET1. This exemption threshold, applied after application of an initial exemption threshold of 10% of CET1, is common to the non-deducted portion of CET1 instruments held in significant financial stakes (over 10%). Items not deducted are included in risk-weighted assets (250% weighting);
6. deduction from the CET1 of the CET1 instruments held **in significant financial stakes (over** 10%, significant investments) beyond an exemption threshold of 17.65% of CET1 capital, with treatment identical to that described in the previous point:
   - the deduction relates to direct investments of over 10% and indirect investments (in particular via UCITS). These are now treated as a deduction and not anymore as risk-weighted assets. Their amount is added to that of the aforementioned financial-sector direct investments should they be identified as financial-sector entities. Otherwise, the equity portion, or even the full amount of the UCITS portfolio is deducted from the CET1 without the exemption being applied,
   - with regard to insurance-sector equity investments, they are treated as risk-weighted assets weighted at 370% if they are part of the conglomerate. If not, they are consolidated with other financial-sector investments and are therefore deducted from CET1 for the portion in excess of the double exemption threshold mechanism described above;
7. restriction of the Tier 1 and Tier 2 capital **to hybrid** debt instruments satisfying the inclusion criteria for Basel 3 eligibility;
8. **value** adjustments arising from the prudent valuation laid down in the regulatory framework: institutions must apply the prudent valuation principle and adjust the amount of their assets and liabilities measured at fair value according to a prudential method by **deducting any value** adjustment.

In addition, some of these items will be introduced progressively or phased-in as described below in point IV.

B. SOLVENCY RATIO DENOMINATOR

On 1 January 2014, the regulation (EU) 575/2013 of 26 June 2013 (CRR/CRD 4) introduced changes to the calculation of credit and counter party risk-weighted assets, and, in particular, factors in:

- the risk of market price movements in derivatives transactions linked to the credit rating quality of the counterparty (CVA – Credit Valuation Adjustment);
- central counterparty risks (clearing houses);
- external ratings, the reference of which is modified for the calculation of the weighting of financial counterparties under the standardised method;
- an increase in the correlation of default of large financial-sector entities for treatment under the internal ratings based approach;
- strengthening of detection measures and monitoring of the correlation risk;
- preferential treatment of exposures on small and medium-sized firms (SMEs).

Furthermore, risk-weighted assets include the equity-accounted value of insurance investments for the validated conglomerate scope, pursuant to Article 49 of the CRR. For the Crédit Agricole S.A. Group, the weighting is 370% given the unlisted status of Crédit Agricole Assurances (CAA). Furthermore, the risk arising from these regulatory requirements on Crédit Agricole S.A.'s investment in CAA was transferred to the Regional Banks

(1) *As they would be calculated in 2022 after the transition period.*
(2) *Redit institution and certain investment activities.*

The definitions of the underlined words can be found in the Glossary on page 542.

through the implementation of specific guarantees (Switch), from 2 January 2014. The guarantee amounts to €9.2 billion for CAA.

Pursuant to Regulation (EU) no. 575/2013 of 26 June 2013, two approaches are used to measure exposure to credit risk:

- the standardised approach, which is based on external credit ratings and fixed weightings for each Basel exposure class;
- the Internal Ratings Based approach (IRB), which is based on the bank's own internal rating system.

There are two subsets of the IRB approach:

- the "Foundation Internal Ratings-Based" approach, under which institutions may use exclusively their own default probability estimates;
- the "Advanced Internal Ratings-Based" approach, under which institutions may use all their internal estimates of risk components: probability of default, loss given default, exposure given default and maturity.

C. SOLVENCY RATIO UNDER CRR/CRD 4

Overall under Basel 3, three levels of solvency ratio are calculated:

- the Common Equity Tier 1 (CET1) ratio;
- the Tier 1 (T1) ratio;
- the total capital ratio.

These ratios are to be phased-in so that the transition from the Basel 2 calculation rules to the Basel 3 rules can be handled progressively.

IV. Transitional implementation phase

To facilitate compliance by credit institutions with the CRR/CRD 4, less stringent transitional provisions have been provided for, notably with the progressive introduction of new capital components:

1. transitional treatment of prudential filters on **unrealised gains and losses** on available-for-sale financial assets: unrealised gains were excluded from CET1 in 2014, and are now integrated on a gradual basis (40% in 2015; 60% in 2016; 80% in 2017 and 100% the following years). Conversely, unrealised capital losses have been included from 2014. In addition, unrealised capital gains and losses on sovereign debt securities remain excluded from capital until such time as IFRS 9 is adopted by the EU;
2. progressive deduction of the partial derecognition or exclusion **of non-controlling** interests by tranche rising by 20% per annum **since 1** January 2014;
3. progressive deduction of **deferred tax assets (DTAs)** that rely on future profitability **arising from tax loss carryforwards** by tranche rising by 20% per annum since 1 January 2014. The residual amount (80% in 2014, 60% in 2015, 40% in 2016, 20% in 2017 and 0% the following years) continues **to be handled using the CRD 3 method (treatment as risk-weighted assets with a 0% weighting);**
4. no transitional application of the deduction of negative amounts resulting from a **shortfall of provisions relative to expected losses** (as a reminder, under CRD 3, 50% deduction from Tier 1 and 50% deduction from Tier 2 capital), with a calculation of the amounts that now distinguish between performing and non-performing loans;
5. progressive deduction of **deferred taxes assets (DTAs)** that rely on future **profitability arising from temporary differences**: the amount that exceeds the double exemption threshold that is partly common to significant financial stakes (over 10%) is deducted by tranche rising by 20% per annum with effect from 1 January 2014. The items covered by the exemption thresholds are weighted 250%. The residual amount by which the exemption threshold (80% in 2014, 60% in 2015, 40% in 2016, 20% in 2017 and 0% the following years) is exceeded continues to be handled using the CRD 3 method (treatment as risk-weighted assets with a 0% weighting);
6. gradual deduction of CET1 instruments held in financial entities constituting **significant financial stakes (over 10%)**: the residual amount by which the double exemption threshold common to the deferred tax assets referred to in the previous point is exceeded is deducted according to the same approaches as described in the above point. The items covered by the exemption threshold are weighted 250% as above. That residual amount by which the exemption threshold is exceeded (80% in 2014, 60% in 2015, 40% in 2016, 20% in 2017 and 0% the following years) continues to be handled using the CRD 3 method (50% deduction from Tier 1 and 50% from Tier 2);
7. The **hybrid debt instruments** that were eligible as capital under Basel 2 and which are no longer eligible as capital owing to the entry into force of the new regulation can, under certain conditions, be eligible for the grandfathering clause. In accordance with this clause, these instruments are gradually excluded over a period of eight years, with a reduction **of 10% per annum. In 2014, 80% of the total stock declared on 31 December 2012 was recognized, then 70% in 2015, and so on. The unrecognized part can be recognised in the lower capital category (from AT1 to Tier 2,** for example) if it meets the corresponding criteria.

Lastly, **intangible** assets (including goodwill) were deducted in full from CET1 from 2014, in accordance with the national transposition of the transitional provisions.

V. Minimum requirements

The requirements with regard to Pillar 1 are ruled by the Regulation (EU) no. 575/2013 of the European Parliament and of the Council of 26 June 2013 (CRR). The legislator also fixes on a discretionary basis, the minimum requirements, within the framework of Pillar 2.

Minimum requirements for Pillar 1

- Capital ratios before buffers: the minimum phased-in CET1 requirements moved to 4.5% from 2015. Likewise, the minimum phased-in Tier 1 requirement rose to 6% in 2015 and for the following years (5.5% in 2014). Lastly, the minimum phased-in total capital requirement stood at 8% as in 2014, and remains at that level for the following years;
- Capital buffers are added to these ratios, to be applied progressively:
  - the capital conservation buffer (2.5% of risk-weighted assets in 2019),
  - The countercyclical buffer (in principle within a range 0 to 2.5%): the buffer for the Group being an average weighted by exposure at default (EAD) of the[1] buffers defined for each country in which the Group operates,

(1) The exposure at default is the exposure amount in the event of default. It encompasses balance sheet assets plus a proportion of off-balance sheet commitments.

- the buffers for systemic risk (0 to 3% in general, up to 5% after agreement from the European Commission, and more exceptionally above that figure) and for Global Systemically Important Banks (G-SIB) (between 0% and 3.5%) or Other Financial Institutions (O-SII) (between 0% and 2%). These buffers are not cumulative, and in general, subject to exceptions, it is the highest that applies. Only Crédit Agricole Group is a systematic institution and has a buffer of 1% phased-in at 0.25% in 2016. Crédit Agricole S.A. does not fall within these categories.

These buffers come into force on an incremental basis from 2016 to 2019 (0% in 2015, 25% of the required buffer in 2016, 50% in 2017, etc.). When the countercyclical buffer rate is calculated by one of the national authorities, the application date is at least 12 months after the date of publication. The progressive increments above apply at the end of the 12-month advance notice period. At the end of December 2016, counter-cyclical buffers for Norway, Sweden and Hong Kong were recognised by the Financial Stability Board (FSB).

These buffers must be covered by phased-in CET1.

1 January...	2015	2016	2017	2018	2019
Common Equity Tier 1	4.5%	4.5%	4.5%	4.5%	4.5%
Tier 1 (CET1 + AT1)	6.0%	6.0%	6.0%	6.0%	6.0%
Tier 1 + + *Tier 2*	8.0%	8.0%	8.0%	8.0%	8.0%
Capital conservation buffer		0.625%	1.250%	1.875%	2.50%
Countercyclical buffer (0 to 2.5%)		0.011%			
Systemic risk buffer (0 to 5%)		0%	0%	0%	0%

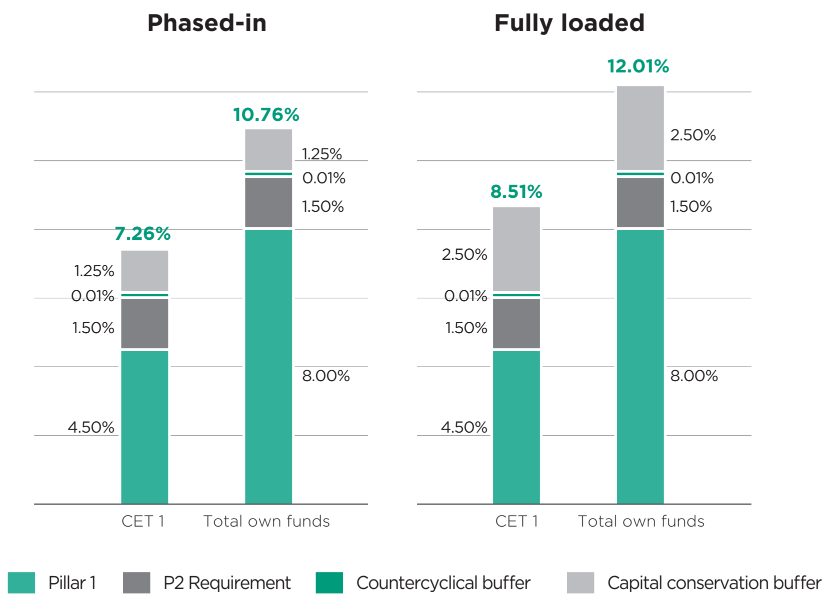
Minimum requirements with regard to Pillar 2 published on 21 December 2016

Crédit Agricole Group and Crédit Agricole S.A. have been notified by the European Central Bank (ECB) of the new minimum capital requirements following the results of the Supervisory Review and Evaluation Process (SREP).

For 2017, the ECB is changing the methodology used, dividing the prudential requirement into two parts:

- a Pillar 2 Requirement (P2R). This requirement concerns each level of own funds and must be made up entirely of Common Equity Tier 1. Failure to comply with this requirement automatically results in restrictions on distributions (AT1 coupons, dividends, bonuses). Accordingly, this requirement is public;
- a Pillar 2 Guidance (P2G). At this stage, this requirement is not public.

Crédit Agricole S.A. will therefore have to comply in 2017 with a consolidated minimum CET1 ratio of 7.26% phased in or 8.51% fully loaded These levels include the requirements under Pillar 1, Pillar 2 P2R, the capital conservation buffer that is subject to phasing and the countercyclical buffer:



At the end of December 2016, the phased-in CET1 ratio was 12.1%; the fully loaded ratio is identical.

Crédit Agricole S.A., as the central body of Crédit Agricole Group, fully benefits from the internal legal solidarity mechanism as well as internal flexibility on capital circulation within the very strongly capitalised Crédit Agricole Group.

The definitions of the underlined words can be found in the Glossary on page 542.

INDICATORS AND REGULATORY RATIOS

I. Solvency ratios

The following table shows the regulatory capital (simplified version). The full table is presented in the section "Composition and change in regulatory capital/Composition of capital" in the consolidated report on Risk factors and Pillar 3 available on the website: http://www.credit-agricole.com/en/Investor-and-shareholder/Financial-reporting/Pillar-3-and-other-regulatory-information.

	31/12/2016		31/12/2015	
(in millions of euros)	Phased-in	Fully loaded	Phased-in	Fully loaded
Capital and reserves Group share[1]	49,727	50,554	47,119	48,396
(+) Minority interests[1]	2,575	1,951	2,783	1,822
(-) *Prudent valuation*	(472)	(472)	(498)	(498)
(-) Deductions of goodwill and other intangible assets	(15,074)	(15,074)	(15,416)	(15,416)
(-) Deferred tax assets that rely on future profitability not arising from temporary differences after deduction of the associated tax liabilities	(32)	(53)	(59)	(147)
(-) Shortfall in adjustments for credit risk relative to expected losses under the internal ratings-based approach deducted from the CET1	(179)	(179)	(841)	(841)
(-) Amount exceeding the exemption threshold for CET1 instruments of financial stakes in which the institution owns a significant holding and of the deductible deferred tax assets that rely on future profitability arising from temporary differences[2]	(251)	(418)	(194)	(485)
Transitional adjustments and other deductions applicable to CET1 capital	64	(7)	77	(11)
COMMON EQUITY TIER 1 (CET1)	**36,358**	**36,302**	**32,971**	**32,820**
Equity instruments eligible as AT1 capital	5,616	5,616	4,433	4,433
Ineligible AT1 equity instruments qualifying under grandfathering clause	4,508	0	5,627	0
Tier 1 or Tier 2 instruments of entities operating mainly in the insurance sector in which the institution has a significant investment deducted from Tier 1 capital	(808)	0	(912)	0
Transitional adjustments and other deductions	(229)	(75)	(234)	0
ADDITIONAL TIER 1 CAPITAL	**9,087**	**5,541**	**8,914**	**4,433**
TIER 1 CAPITAL	**45,445**	**41,843**	**41,885**	**37,253**
Equity instruments and subordinated borrowings eligible as Tier 2 *capital*	17,808	17,808	19,121	19,121
Ineligible equity instruments and subordinated borrowings	431	0	1,955	0
Surplus provisions relative to expected losses eligible under the internal ratings-based approach and general credit risk adjustments under the standardised approach[3]	382	382	1,132	1,132
Tier 2 instruments of entities operating mainly in the insurance sector in which the institution has a significant investment deducted from Tier 2 capital	(3,231)	(3,799)	(2,129)	(2,802)
Transitional adjustments and other deductions	(323)	(240)	109	0
TIER 2 CAPITAL	**15,067**	**14,151**	**20,188**	**17,451**
TOTAL CAPITAL	**60,512**	**55,994**	**62,073**	**54,704**
TOTAL RISK WEIGHTED ASSETS	**300,740**	**300,740**	**305,620**	**305,620**
CET1 RATIO	**12.1%**	**12.1%**	**10.8%**	**10.7%**
TIER 1 RATIO	**15.1%**	**13.9%**	**13.7%**	**12.2%**
TOTAL CAPITAL RATIO	**20.1%**	**18.6%**	**20.3%**	**17.9%**

(1) *This line is detailed in the table below "Reconciliation of accounting and regulatory capital".*

(2) *Financial-sector CET1 instruments in which the institution holds a significant stake account for €4,090 million, and the deferred taxes that rely on future profitability arising from temporary differences amount to €650 million on a fully loaded basis as at 31 December 2016.*

(3) *The transfer to Tier 2 of the surplus provisions relative to eligible expected losses determined in accordance with the internal ratings-based approach is limited to 0.6% of risk-weighted assets under IRB. In addition, general credit risk adjustments gross of tax effects may be included up to 1.25% of risk-weighted assets under the standardised approach.*

The fully loaded Common Equity Tier 1 (CET1) capital stood at €36.3 billion at 31 December 2016, up €3.5 billion compared with year-end 2015.

The non-recurring events that affected CET1 in 2016 concern first of all the simplification of the Group's structure ("Eurêka"), which generated an exceptional profit of €1.3 billion. In addition, the decrease in the provision deficit relative to the expected loss on IRB exposures and the capital increase reserved for employees increased the CET1 by €0.7 billion and €0.3 billion, respectively. As for goodwill, its €0.3 billion decline, after restatement of the provision for impairment of LCL's goodwill of €0.5 billion (because it was neutral on the CET1), resulted in an increase of over €0.1 billion. As for exchange rate fluctuations, this had a low negative impact (€0.1 billion).

For recurring changes, the retained prudential result of €1.9 billion amounted to €1.2 billion after restatement of the Eurêka gain of €1.3 billion and the provision for impairment of the aforementioned goodwill. To this organic increase is added the non-Group share of the dividend payment in shares on the 2015 earnings (€0.4 billion), the increase in non-controlling interests (€0.1 billion) and, in the other direction, the expense for coupons on Basel 3-eligible AT1 issues (€0.5 billion).

The residual increase is due in particular to the decrease in deferred tax assets, which are dependent on future profitability and do not result from temporary differences, and a lowering of the threshold to be crossed.

The phased-in Common Equity Tier 1 (CET1) capital stood at €36.4 billion at 31 December 2016, or €0.1 billion higher than the fully loaded amount. In summary, the negative impact from the €0.8 billion phasing on unrealized capital gains and losses is offset by the positive impact of the reinstatement of non-controlling interests of €0.6 billion. The balance mainly corresponds to the positive impact from the phasing of own shares.

The detail of fully loaded and phased-in Common Equity Tier 1 (CET1) capital is as follows:

- capital and reserves on a fully loaded basis rose by €2.2 billion compared with 2015 year-end, to €50.6 billion, in particular due to retained prudential net profit amounting to €1.9 billion, the non-Group share of the payment of the dividend in shares on the 2015 earnings for €0.4 billion, and the employee capital increase for €0.3 billion. Conversely, coupons on AT1 issues represented an expense of €0.5 billion and the exchange rate effect had a negative impact of €0.1 billion. Phased-in capital and reserves amounted to €49.7 billion, up €2.6 billion from end-2015 due to the same factors and the differential in the transitional treatment of unrealised gains and losses;
- fully loaded non-controlling interests amounted to €2 billion, up €0.1 billion, and are lower than the phased-in amount which benefits from the reintegration of 40% of the derecognised non-controlling interests, i.e. €0,6 billion;
- the deduction for prudent valuation was stable at €0.5 billion;
- the deductions for goodwill and other intangibles fell by €0.3 billion to €15.1 billion on both a fully-loaded and phased-in basis, due to the above-mentioned impairment provision for LCL goodwill (€0.5 billion) and, conversely, an increase mainly due to the goodwill acquired in Amundi's acquisition of KBI Global Investors (slightly over €0.1 billion);
- deferred tax assets, which are dependent on future profitability related to tax loss carryforwards, amounted to less than €0.1 billion fully loaded and were down by €0.1 billion compared to the end of 2015; phased-in, they amounted to 60% of the fully loaded amount;
- the provision deficit in relation to the expected loss on IRB exposures amounted to €0.2 billion at 31 December 2016, both on a fully loaded and phased-in basis, a decrease of €0.7 billion compared to 31 December 2015, mainly due to the application of an EBA FAQ allowing the offsetting of surpluses on healthy assets with deficits on outstanding loans;
- CET1 instruments of significant financial stakes (over 10%) amounted to €4.1 billion. They are subject to the calculation of an exemption threshold that exceeds €0.4 billion fully loaded and €0.3 billion phased-in; deferred tax assets (DTA) that rely on future profitability arising from temporary differences amounted to €0.7 billion at 31 December 2016, slightly higher than at 31 December 2015. They are subject to the calculation of an exemption threshold and are treated as risk-weighted assets and weighted at 250%.

Fully loaded Tier 1 capital, at €41.8 billion, came in €4.6 billion above its 31 December 2015 level, while the phased-in Tier 1 capital was €45.4 billion, an increase of €3.6 billion compared to 31 December 2015. This includes the CET1 capital described above and the Additional Tier 1 capital, which underwent the following changes:

- the hybrid securities included in Tier 1 capital eligible under Basel 3 amounted to €5.6 billion, or €1.2 billion higher due to an issue of $1.3 billion;
- the entire stock prior to 1 January 2014 was ineligible on a fully loaded basis. In phased-in terms, "grandfathered" securities fell by €1.1 billion, mainly due to the early redemption of two TSS of €0.5 billion and £0.2 billion (€0.3 billion) and several other redemptions totalling €0.3 billion. The total amount of "grandfathered" securities thus remains below the level authorised by the grandfathering provision, which makes it possible to include, in addition to the CRR/CRD 4-eligible instruments, an amount of debt equivalent to a maximum of 60% of the base at 31 December 2012;
- on a fully loaded basis, no deduction is made from this tier. Conversely, on a phased-in basis, subordinated loans and receivables from credit institutions and insurance companies, all representative of Tier 2 instruments, were deducted for their share of the deduction from Tier 1. This item, impacted by the change in the phasing percentage, amounted to €0.8 billion at 31 December 2016, representing a decrease of €0.1 billion from 31 December 2015;
- the other deductions now include the redemption ceiling for AT1 instruments of €0.1 billion.

The definitions of the underlined words can be found in the Glossary on page 542.

At €14.2 billion, fully loaded Tier 2 capital was €3.3 billion lower than at 31 December 2015, following active management of hybrid debt, the subscription of €1.0 billion of Tier 2 insurance capital and regulatory amortisation. Phased-in Tier 2 capital was €15.1 billion, down €5.1 billion from 31 December 2015.

- the hybrid securities included in category 2 capital eligible under Basel 3 amounted to €17.8 billion, or €1.3 billion lower than at 31 December 2015. During the year, three eligible TSR calls were made totalling €1.8 billion, along with partial redemptions of €0.9 billion (estimated prudential value at the date of the transaction) in the context of a liability management transaction, to which the maturing debts must be added. Conversely, nine new TSR issues totalled €4 billion. The residual fluctuations are due to technical changes, concerning in particular the prudential amortisation of those securities. On a phased-in basis, there are also €0.4 billion of non-eligible instruments, down €1.5 billion, mainly due to non-eligible TSDI repayments;
- the surplus provisions in relation to the expected losses using the internal ratings-based approach and the adjustments for gross general credit risk of the tax effects according to the standardised approach decreased to €0.4 billion at 31 December 2016, down €0.7 billion compared to 31 December 2015 following its inclusion in the CET1;
- subordinated loans and receivables from credit institutions and insurance companies, all representative of Tier 2 instruments, were deducted in full from Tier 2 in the amount of €3.8 billion on a fully loaded basis, up €1 billion compared to 31 December 2015 following Crédit Agricole S.A.'s subscription of subordinated notes issued by Crédit Agricole Assurances. In phased-in terms, for their share allocated as a Tier 2 deduction, they amounted to €3.2 billion, an increase of €1.1 billion euros compared to 31 December 2015, and the impact from the Crédit Agricole Assurances issue was supplemented by the change in the phasing percentage;
- the other deductions now include a deduction from the redemption ceiling for Tier 2 instruments of €0.2 billion.

In all, fully loaded total capital at 31 December 2016 stood at €56 billion, or €1.3 billion higher than at 31 December 2015. At €60.5 billion, phased-in total capital was €1.6 billion lower than at 31 December 2015. This regulatory capital does not take into account the non-preferred senior debt issues that are discussed in paragraph IV. MREL/TLAC ratio.

II. Financial conglomerate ratio

As at 31 December 2016, Crédit Agricole S.A.'s financial conglomerate ratio, which now includes the Solvency 2 requirement, is 211% on a phased-in basis, a level well above the minimum 100% requirement. The Group therefore has more than twice the level of minimum capital requirements for banking activities and insurance activities.

The conglomerate ratio is defined as the ratio of the phased-in total capital of the financial conglomerate to the cumulative total of the bank's capital requirements and insurance company's capital requirements:

- it includes all banking and insurance requirements, restating the share of intragroup transactions related to equity investments from both the numerator and the denominator;
- the insurance subsidiary's capital raised outside of the scope of consolidation is included in the conglomerate's capital.

$$\textbf{Financial conglomerate ratio} = \frac{\text{Total capital of the conglomerate}}{\text{Banking requirements} + \text{Insurance requirements}} > 100\%$$

The "conglomerate" view is the most relevant for a bancassurance group. The conglomerate combines banks and insurance companies, which corresponds to the natural scope of Crédit Agricole S.A. Moreover, the conglomerate ratio reflects the actual risks borne by each of the two activities. Therefore, the conglomerate ratio view is economic, whereas the bank solvency ratio treats insurance as an equity investment.

III. Leverage ratio

Article 429 of the CRR specifying the methods for calculating the leverage ratio was amended and replaced by the Delegated Act no. 62/2015 of 10 October 2014. The delegated act was published in the Official Journal of the European Union on 18 January 2015.

Publication of the ratio at least once a year is mandatory as of 1 January 2015. Institutions can choose to publish a fully loaded ratio, a phased-in ratio or both ratios.

If the institution decides to change its publication choice, at the time of first publication it must reconcile the data for all of the ratios previously published with the data for the new ratios selected for publication.

An observation period has been introduced for the leverage ratio running from 1 January 2014 to 1 January 2017 to monitor the components and the behaviour of the ratio relative to the requirements based on risk.

According to the draft texts published on 23 November 2016 for CRR 2/CRD 5 legislation, the implementation in Pillar 1, which was initially scheduled in CRR for 1 January 2018, could be delayed.

A requirement for a two-level leverage ratio is envisaged: it could be 3%, the level indicated by the Basel Committee for non G-SIB, and a higher level for the G-SIB.

The leverage ratio is defined as the Tier 1 capital divided by the exposure measure, i.e. balance sheet and off-balance-sheet assets after certain restatements of derivatives, intragroup transactions, securities financing transactions, items deducted from the numerator, and off-balance-sheet items.

At 31 December 2016, Crédit Agricole S.A.'s leverage ratio stood at 5.0% on a phased-in Tier 1 basis[1].

5

(1) Subject to ECB authorisation, with an impact of +130 basis points related to the exoneration of intragroup operations.

LEVERAGE RATIO – JOINT STATEMENT

		Exposures for leverage ratio pursuant to the CRR
Balance sheet exposures (excluding derivatives and SFTs)		
1	Balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)	920,660
2	Assets deducted in the determination of Tier 1 capital	(18,502)
3	**TOTAL BALANCE SHEET EXPOSURES (EXCLUDING DERIVATIVES, SFTS AND FIDUCIARY ASSETS) (SUM OF LINES 1 AND 2)**	**902,158**
Exposures to derivatives		
4	Replacement cost of all derivative transactions (i.e. net of eligible margins of change in cash)	21,577
5	Additional amount for potential future exposures associated with all derivative transactions (mark-to-market)	31,421
	Exposure determined by application of initial exposure method	0
6	Collateral provided for derivatives when deducted from assets in the balance sheet in accordance with the applicable accounting standards	3,412
7	Deduction of receivables recognised as assets for the margin of change in cash provided in connection with derivative transactions	(25,075)
8	CCP leg exempted from exposures for customer-cleared transactions	(239)
9	Adjusted effective notional value of credit derivatives sold	18,173
10	Adjusted effective notional differences and deductions from increases for credit derivatives sold	(13,066)
11	**TOTAL DERIVATIVE EXPOSURES (SUM OF LINES 4 TO 10)**	**36,204**
Exposures to SFTs		
12	Gross SFT assets (excluding offsetting) after adjustment for transactions recorded as sales	241,726
13	Net value of cash amounts payable and receivable from gross SFT assets	(106,218)
14	Exposure to counterparty credit risk for SFT assets	5,010
	Derogation for SFTs: Exposure to counterparty credit risk in accordance with Article 429 ter (4) and Article 222 of Regulation (EU) no. 575/2013	
15	Exhibitions where the institution acts as an agent	
	CCP leg exempted from exposures for customer-cleared SFTs	
16	**TOTAL EXPOSURES ON SECURITIES FINANCING TRANSACTIONS (SUM OF LINES 12 TO 15A)**	**140,518**
Off-balance sheet exposure		
17	Off-balance sheet exposures in gross notional value	253,994
18	Adjustments for conversion to equivalent amounts of credit	(117,892)
19	**OTHER OFF-BALANCE SHEET EXPOSURES (SUM OF LINES 17 AND 18)**	**136,102**
Exposures exempted under Article 429 (7) and (14) of Regulation (EU) no. 575/2013 (on-and off-balance sheet exposure)		
19a	Exempt intragroup exposures (on an individual basis) under Article 429 (7) of Regulation (EU) no. 575/2013 (on- and off-balance sheet exposures)	(308,239)
19b	Exempt exposures under Article 429 (14) of Regulation(EU) no. 575/2013 (on- and off-balance sheet exposures)	
Own funds and measurement of total exposure		
20	Tier 1 Capital	45,445
21	**TOTAL EXPOSURE MEASUREMENT FOR LEVERAGE RATIO (SUM OF LINES (3, 11, 16, 19, EU(19)A AND EU(19)B)**	**906,744**
Leverage ratio		
22	**LEVERAGE RATIO**	**5.0%**
Choice of transitional provisions and amount of derecognised fiduciary assets		
23	Choice of transitional provisions for the definition of measurement of capital	Transitional
24	Amount of fiduciary assets derecognised under Article 429(11) of Regulation (EU) no. 575/2013.	

The definitions of the underlined words can be found in the Glossary on page 542.

SUMMARY OF THE RECONCILIATION BETWEEN ACCOUNTING ASSETS AND EXPOSURES FOR THE PURPOSES OF THE LEVERAGE RATIO

		Applicable amount
1	Total assets according to published financial statements	1,524,232
2	Adjustment for entities consolidated from an accounting standpoint but not included in the regulatory scope of consolidation	(322,297)
3	Adjustment for fiduciary assets recognised in the balance sheet in accordance with the applicable accounting standards but excluded from the total measurement of exposure for the purposes of the leverage ratio under Article 429 (13) of Regulation (EU) no. 575/2013	
4	Adjustments for derivative financial instruments	(136,164)
5	Adjustment for securities financing transactions (SFT)	31,612
6	Adjustment for off-balance sheet items (resulting from the conversion of off-balance sheet exposures to equivalent credit amounts)	136,102
6a	Adjustment for intragroup exposures exempted from the total measurement of exposure for the purposes of the leverage ratio under Article 429 (7) of Regulation (EU) no. 575/2013	(308,239)
6b	Adjustment for intragroup exposures exempted from the total measure of exposure for the purposes of the leverage ratio under Article 429 (14) of Regulation (EU) no. 575/2013	0
7	Other adjustments	(18,502)
8	**TOTAL EXPOSURE MEASUREMENT FOR LEVERAGE RATIO**	**906,744**

BREAKDOWN OF BALANCE SHEET EXPOSURES (EXCLUDING DERIVATIVES, SFTS)

		Exposures for Leverage Ratio pursuant to the CRR
1	Total balance sheet exposures (excluding derivatives, SFT and exempt exposures), of which:	622,318
2	Trading book exposures	4,956
3	Banking portfolio exposures, of which:	617,363
4	Covered bonds	4,734
5	Exposures considered sovereign	156,776
6	Exhibitions to regional governments, multilateral development banks, international organizations and public sector entities not regarded as sovereign borrowers	1,606
7	Institutions	41,454
8	Exposures secured by mortgage on real estate	5,426
9	Exposures on retail customers	156,199
10	Corporates	177,670
11	Defaulted exposure	14,595
12	Other exposures (including stocks, securitisations and other assets not corresponding to credit obligations)	58,903

IV. MREL/TLAC ratio

MREL ratio

The MREL (or Minimum Requirement for Own Funds and Eligible Liabilities) ratio, is defined in the European "Bank Recovery and Resolution Directive" (BRRD) published on 12 June 2014 and effective starting 1 January 2015 (except for provisions on bail-in and MREL, which are applicable since 1 January 2016).

More generally, the BRRD establishes a framework for the resolution of banks throughout the European Union and with the aim of equipping resolution authorities with shared instruments and powers to pre-emptively tackle banking crises, preserve financial stability and reduce taxpayers' exposure to losses.

The MREL ratio corresponds to the minimum requirement of own funds and eligible liabilities in order to absorb losses in the event of resolution. This minimum requirement is calculated as being the amount of own funds and eligible liabilities expressed as a percentage of the institution's total liabilities and capital. In this calculation, total liabilities takes into account the full recognition of netting rights applicable to derivatives. In view of the European Commission's legislative proposal to amend the BRRD, published on 23 November 2016, the denominator of the MREL could eventually converge towards the denominator of the TLAC ratio (see below) and be expressed in RWA. Regulatory capital, subordinated notes with a residual maturity of more than one year (including prudentially ineligible instruments and the amortised portion of Tier 2), non-preferred senior debts with a residual maturity of more than one year, (Crédit Agricole S.A. issued €1.5 billion with a 10-year maturity at the end of the year) and certain preferred senior debts with residual maturities of more than one year qualify for inclusion in MREL. MREL eligible preferred senior debt is subject to the appreciation of the Single Resolution Board (SRB).

The MREL ratio calibrates an eligible liabilities requirement but does not specify which debt would be called upon to absorb losses in the event of resolution.

Since September 2015, Crédit Agricole Group has already reached an MREL ratio of 8% excluding preferred senior debt, which, in the event of resolution, would enable recourse to the European resolution fund before applying the bail-in to preferred senior debt, creating an additional level of protection for preferred senior investors. Crédit Agricole Group, like Crédit Agricole S.A., will be subject to a MREL target defined by the resolution authority, which could be different from the target goal of 8% retained by the Group.

The Group had set itself the objective of reaching the ratio of 8% excluding preferred senior debt by the end of 2016. In 2016, the CRU only sent the Group an indicative MREL target, which included potentially eligible preferred senior debt(1), which is non-binding at the consolidated level. By the end of 2017, the CRU could set a MREL requirement for the Group at the consolidated level and take its first MREL decisions at the individual level.

At 31 December 2016, Crédit Agricole Group posted a MREL ratio estimated at 8.5% excluding potentially eligible preferred senior debt.

TLAC ratio

This ratio, whose modalities were indicated in a Term Sheet published on 9 November 2015, was established by the Financial Stability Board (FSB) at the request of the G20. The FSB defined the calculation of a ratio aimed at estimating the adequacy of the bail-in and recapitalisation capacities of Global Systemically Important banks (G-SIB). This new Total loss absorbing capacity (TLAC) ratio, which will be transposed at the European level into the CRR and enter into force from 2019, will provide resolution authorities with the means to assess whether G-SIBs have sufficient bail-in capacity before and during resolution. As a result, the resolution authorities will be able to implement an ordered resolution strategy that minimises impacts on financial stability, ensures the continuity of the G-SIBs' critical economic functions and limits the use of taxpayers' money.

According to the provisions of the TLAC Term Sheet included in the European Commission's legislative proposal of amendments to the CRR published on 23 November 2016, the minimum level of the TLAC ratio corresponds to twice the minimum regulatory requirements (i.e. the maximum between 6% of the leverage ratio denominator and 16% of the risk-weighted assets, plus applicable regulatory buffers) effective 1 January 2019, and the maximum between 6.75% of the leverage ratio denominator and 18% of the risk-weighted assets (excluding buffers) from 1 January 2022. This minimum level could be increased by the resolution authorities through the MREL requirement (see previous point).

From 2019, this ratio will only apply to systemically Important Institutions, and thus to Crédit Agricole Group. Crédit Agricole S.A. is not, however, subject to this ratio, as it is not classified as a G-SIB by the FSB.

The elements that could absorb losses are made up of equity, subordinated notes and debts to which the Resolution Authority can apply the bail-in.

Crédit Agricole Group must comply with a TLAC ratio in excess of 19.5% (including a capital conservation buffer of 2.5% and a G-SIB buffer of 1%) from 2019, then 21.5% from 2022. Crédit Agricole Group aims to comply with these TLAC requirements excluding eligible preferred senior debt, subject to changes in methods of calculating risk-weighted assets. As at 31 December 2016, the TLAC to risk-weighted assets ratio is estimated at 20.3%(1) for Crédit Agricole Group, excluding eligible preferred senior debt.

V. Asset encumbrance

Crédit Agricole S.A. monitors and manages the assets pledged in Crédit Agricole Group.

The total asset encumbrance ratio stands at 14.8% at 31 December 2016:

- on loans and receivables due from private customers, assets are pledged to obtain refinancing under advantageous conditions or to constitute reserves that can easily be made liquid if needed. The policy of Crédit Agricole S.A. aims to both diversify the instruments used to improve resistance to liquidity stress, which could affect individual markets differently, and to limit the share of assets pledged in order to retain good quality assets that can be easily liquidated in the market through existing mechanisms in case of stress:

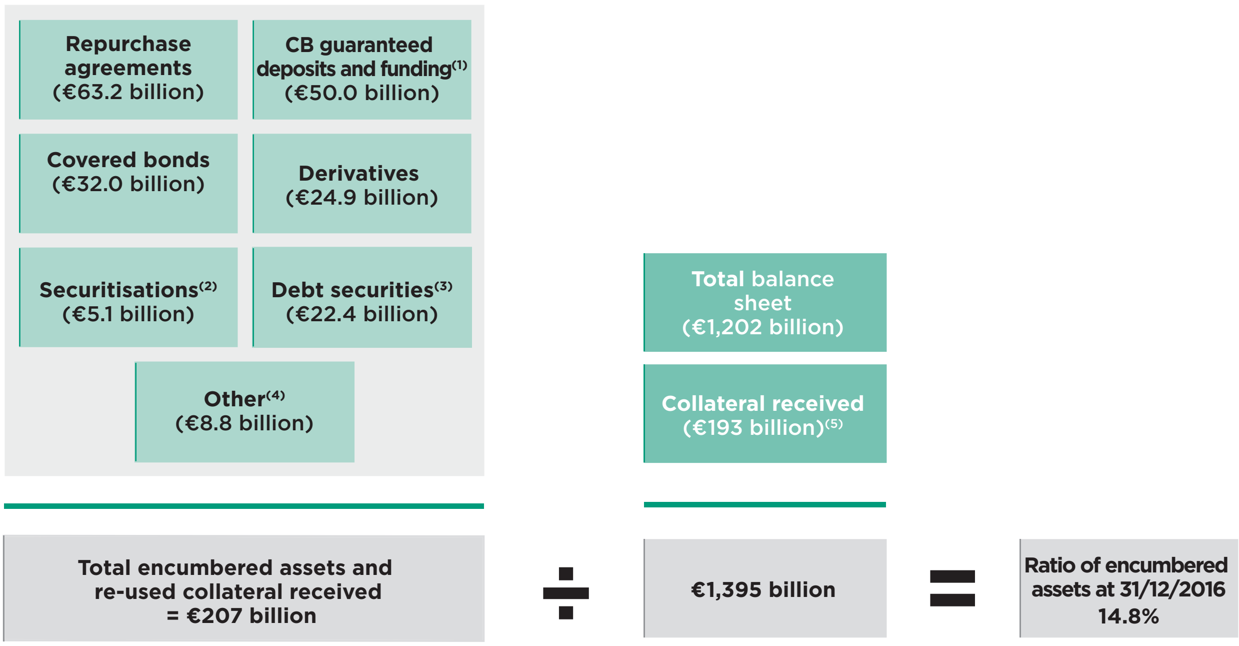
(1) Estimation based on our current understanding of the texts.

The definitions of the underlined words can be found in the Glossary on page 542.

- covered bonds: assets received from the Regional Banks, LCL, Crédit Agricole CIB and Cariparma are pledged through three issue mechanisms: Crédit Agricole Home Loan SFH, Crédit Agricole Public Sector SCF and Cariparma (€22.3 billion invested and outstanding for €32 billion in encumbered assets),
- security deposits other than repurchase agreements: encumbered assets stem mainly from the refinancing activities with French or supranational organisations, funds drawn from the ECB under TLTROs and Crédit Agricole CIB's ESTER securitisation conduit (€37.5 billion of refinancing for €50.0 billion in encumbered assets),
- asset-backed securities (securitisations): assets are pledged for securitisation transactions by CA Consumer Finance and CA Financements (Switzerland) and placed in the market (€5.1 billion),
- debt securities issued (other than covered bonds or ABSs): encumbered assets stem mainly from promissory notes issued to the Caisse de Refinancement de l'Habitat (CRH) (€14.5 billion of refinancing for €22.4 billion of encumbered assets);

- the other sources of asset encumbrance are mainly related to encumbered securities and incidentally, cash (mainly for margin calls):
  - repurchase agreements (repos): outstanding encumbered assets and collateral received and re-used for repos amounted to €63.2 billion, of which €53.6 billion in securities received as collateral and re-used out of a total of €193 billion of collateral received; Crédit Agricole CIB's share of the €63.2 billion was €51.4 billion (including €48.3 billion of collateral received primarily from customers and re-used),
  - derivatives (margin calls): margin calls amounted to €24.9 billion, mainly related to Crédit Agricole CIB's OTC derivative activities;
- the collateral received included €175 billion in encumbered guarantees received or available to be encumbered and €18 billion in collateral received but not available to be encumbered.

USE OF ENCUMBERED ASSETS AND COLLATERAL RECEIVED



(1) Central banks.
(2) CACF Securitisations.
(3) Other than covered bonds or ABSs
(4) Mainly secondary securities loans.
(5) Including €18 billion not available to be encumbered

The **table detailing the data relating to** encumbered assets at 31 December 2016 is presented in the consolidated report on Risk factors and Pillar 3 available on the website:
www.credit-agricole.com/finance/finance/espace-investisseurs/informations-financieres

COMPOSITION AND CHANGE IN REGULATORY CAPITAL

I. Composition of capital

For clarity, the full table of the composition of capital at 31 December 2016 is presented in the consolidated report on Risk factors and Pillar 3 available on the website: www.credit-agricole.com/finance/finance/espace-investisseurs/informations-financieres

COMPOSITION OF CAPITAL AT 31 DECEMBER 2016

1. Tier 1 capital (Tier 1)

This includes Common Equity Tier 1 (CET1) and Additional Tier 1 capital (AT1):

A. COMMON EQUITY TIER 1 (CET1)

This includes:

- share capital;
- reserves, including share premiums, retained earnings, net income after dividend payments and accumulated other comprehensive income, including unrealised capital gains and losses on available-for-sale financial assets, as described in the section "Regulatory background and scope/Reform of solvency ratios";
- non-controlling interests, which, as stated in the point on the reform of solvency ratios, are now partially derecognised or even excluded, depending on whether or not the subsidiary is an eligible credit institution;
- the deductions, in addition to those stated above in the point on the reform of solvency ratios, include the following items:
  - treasury shares held and valued at their net carrying amount,
  - intangible assets, including start-up costs and goodwill.

B. ADDITIONAL TIER 1 CAPITAL (AT1)

Additional Tier 1 capital eligible on a fully loaded basis under Basel 3

Additional Tier 1 capital (AT1) eligible under Basel 3 consists of undated debt instruments without any redemption incentive or obligation (in particular step-up features).

AT1 instruments are subject to a bail-in mechanism triggered when the CET1 ratio is below a threshold that must be set at no lower than 5.125%. Instruments may be converted into equity or suffer a reduction in their nominal value. Payments must be totally flexible: no automatic remuneration mechanisms, suspension of coupon payments at the issuer's discretion permitted.

Investments in financial-sector entities related to this tier (AT1) are deducted, as are those resulting from the transitional regime rules.

The five Basel 3 eligible AT1 issues have two bail-in mechanisms that are triggered if:

- Crédit Agricole S.A. Group's phased-in CET1 ratio drops below 5.125%;
- Crédit Agricole Group's phased-in CET1 ratio falls below 7%.

At 31 December 2016, the phased-in ratios of Crédit Agricole S.A. and of Crédit Agricole Group were 12.1% and 14.4% respectively. Thus, they represent capital buffers of €20.9 billion (for Crédit Agricole S.A.'s threshold) and €38.5 billion (for Crédit Agricole Group's threshold) relative to the bail-in thresholds.

At 31 December 2016, there were no applicable restrictions on the payment of coupons.

At 31 December 2016, the potentially distributable items of Crédit Agricole S.A. totalled €38.1 billion, including €25.9 billion in distributable reserves and €12.2 billion in share premiums.

Additional Tier 1 capital eligible on a phased-in basis

During the transitional phase, the amount of Tier 1 included in the ratios represents:

- Additional Tier 1 capital eligible under Basel 3 (AT1); and
- a fraction of the ineligible Tier 1, equal to the lower of:
  - the regulatory amount of ineligible Tier 1 instruments on the closing date (after amortisation, any calls, redemptions, etc.), including preferred shares,
  - 60% (threshold for 2016) of the Tier 1 stock at 31 December 2012. The Tier 1 stock at 31 December 2012 stood at €9,329 million, with a maximum possible amount of €5,597 million being recognised.

The amount of Tier 1 capital exceeding this regulatory threshold is included in phased-in Tier 2, up to the regulatory threshold applicable to Tier 2.

For clarity, the **tables for deeply subordinated notes** and preferred shares are presented, (i) in a simplified format within the consolidated report on Risk factors and Pillar 3 and (ii) in their full version prepared in accordance with Annex II of the European Commission's Implementing Regulation no. 1423/2013 of 20 December 2013 on the website: http://www.credit-agricole.com/finance/finance/espace-investisseurs/informations-financieres.

2. Tier 2 capital (Tier 2)

This includes:

- subordinated debt instruments which must have a minimum maturity of five years. They must not carry any early repayment incentives. There are no longer any distinctions between lower and upper Tier 2 capital;
- these instruments are subject to a haircut during the five-year period prior to their maturity date;
- grandfathering as presented for the AT1 capital above;
- net unrealised capital gains on equity instruments included before tax in Tier 2 capital at a rate of 45% (only on a phased-in basis);

The definitions of the underlined words can be found in the Glossary on page 542.

- surplus provisions relative to eligible expected losses determined in accordance with the internal ratings-based approach are limited to 0.6% of risk-weighted assets under IRB. In addition, general credit risk adjustments gross of tax effects may be included for up to 1.25% of risk-weighted assets under the standardised approach;
- deductions of investments in financial-sector entities related to this tier (predominantly in the insurance sector, since most subordinated banking receivables are not eligible) and those resulting from the transitional regime rules, following phasing of investments deducted at 50% from Tier1 and at 50% from Tier 2 under CRD 3.

The subordinated debt is presented below with the distinction existing at 31 December 2013 between undated subordinated debt and participating securities, on the one hand, and dated subordinated notes, on the other hand.

The amount of Tier 2 included in the ratios represents:

- on a fully loaded basis: CRD 4 eligible Tier 2;
- on a phased-in basis: CRD 4 eligible Tier 2, plus the lower of:
  - regulatory ineligible Tier 2 securities at the closing date and, as applicable, the remainder of Tier 1 securities exceeding the 60% threshold (threshold for 2016) of ineligible Tier 1 securities,
  - 60% (threshold for 2016) of the CRD 4 ineligible Tier 2 stock at 31 December 2012. The CRD 4 ineligible Tier 2 stock at 31 December 2012 stood at €4,118 million, or a maximum recognisable amount of €2,470 million.

For clarity, the **tables for deeply subordinated notes/participating securities and dated subordinated notes are presented** in the consolidated report on Risk factors and Pillar 3 available on the website: www.credit-agricole.com/finance/finance/espace-investisseurs/informations-financieres.

II. Reconciliation of accounting and regulatory capital

	31/12/2016		31/12/2015	
(in millions of euros)	Phased-in	Fully loaded	Phased-in	Fully loaded
EQUITY, GROUP SHARE (CARRYING AMOUNT)	**58,277**	**58,277**	**53,813**	**53,813**
Upcoming dividend payment on result of year Y-1	0	0	0	0
Expected dividend payment on result of year Y	(1,716)	(1,716)	(692)	(692)
Filtered unrealised gains/(losses) on change in own credit risk on structured products	219	219	93	93
Filtered unrealised gains/(losses) on change in own credit risk on derivatives	(41)	(69)	(40)	(101)
Filtered unrealised gains/(losses) on cash flow hedges	(578)	(578)	(566)	(566)
Transitional regime applicable to unrealised gains/(losses)	(859)	0	(1,350)	0
AT1 instruments included in equity (carrying amount)	(5,011)	(5,011)	(3,861)	(3,861)
Other regulatory adjustments	(564)	(568)	(278)	(290)
Capital and reserves Group share[(1)]	**49,727**	**50,554**	**47,119**	**48,396**
MINORITY INTERESTS (CARRYING AMOUNT)	**5,661**	**5,661**	**5,622**	**5,622**
(-) items not recognised under regulatory framework[(2)]	(3,086)	(3,710)	(2,839)	(3,800)
Minority interests[(1)]	**2,575**	**1,951**	**2,783**	**1,822**
(-) Prudent valuation	(472)	(472)	(498)	(498)
Deductions of *goodwill* and other intangible assets	(15,074)	(15,074)	(15,416)	(15,416)
Deferred tax assets that rely on future profitability not arising from temporary differences	(32)	(53)	(59)	(147)
Shortfall in adjustments for credit risk relative to expected losses under the internal ratings-based approach deducted from the CET1	(179)	(179)	(841)	(841)
Amount exceeding the exemption threshold for CET1 instruments of financial stakes in which the institution owns a significant holding and of the deductible deferred tax assets that rely on future profitability arising from temporary differences	(251)	(418)	(194)	(485)
Other CET1 components	64	(7)	77	(11)
TOTAL CET1	**36,358**	**36,302**	**32,971**	**32,820**
AT1 equity instruments (including preferred shares)	10,124	5,616	10,060	4,433
Tier 1 or Tier 2 instruments of financial-sector entities in which the institution holds a significant investment deducted fromTier 1 capital	(808)	0	(912)	0
Transitional adjustments and deductions	(159)	(75)	(145)	0
Other components of Tier 1 *capital*	(70)	0	(89)	0
Total Additional *Tier 1*	**9,087**	**5,541**	**8,914**	**4,433**
TOTAL *TIER 1*	**45,445**	**41,843**	**41,885**	**37,253**
Tier 2 equity *instruments*	18,239	17,808	21,076	19,121
Surplus provisions relative to expected losses eligible under the internal ratings-based approach	0	0	702	702
General credit risk adjustments under the standardised approach	382	382	430	430
Tier 2 *instruments* of entities operating mainly in the insurance sector in which the institution has a significant investment deducted from Tier 2 *capital*	(3,231)	(3,799)	(2,129)	(2,802)
Transitional adjustments and deductions	(323)	(240)	109	0
TOTAL *TIER 2*	**15,067**	**14,151**	**20,188**	**17,451**
TOTAL CAPITAL	**60,512**	**55,994**	**62,073**	**54,704**

(1) This item can be found in the table of ratios, section "Indicators and regulatory ratios", item 1: solvency ratio.

(2) Of which €1 billion of hybrid securities issued by Crédit Agricole Assurances.

The definitions of the underlined words can be found in the Glossary on page 542.

III. Measurement of the economic capital requirement

The Group has implemented an economic capital requirement measuring system covering Crédit Agricole Group, Crédit Agricole S.A. Group and the Group's main French and foreign entities.

This system is one of the components of the ICAAP (Internal Capital Adequacy Assessment Process) whose implementation and updating is the responsibility of each subgroup. Economic capital is developed in accordance with the interpretation of the main regulatory texts:

- the Basel agreement;
- CRD 4 through its transposition into French regulations through the Decree of 3 November 2014;
- the guidelines of the European Banking Authority; and
- the prudential expectations of the ICAAP and ILAAP and the harmonised collection of information on the subject (ECB, 3 November 2016).

In order to permanently maintain adequate capital to cover the risks to which it is exposed, the Group supplements the measurement of regulatory capital requirements (Pillar 1) with measurement of economic capital requirements based on the risk identification process and valuation using an internal approach (Pillar 2).

The calculation of economic capital requirements consists of:

- adjusting capital requirements calculated under Pillar 1 so that internal capital adequately reflects, from an economic standpoint, all the risks in each business activity;
- applying a quantile (the probability of default), the level of which is defined on the basis of the Group's appraisal of external ratings;
- supplementing the requirements for Pillar 1 risks (operational, market, credit) to take account of other risks (Pillar 2 risks);
- taking capital requirements for insurance into account: the Danish conglomerate treatment of Pillar 1 is replaced by the solvency margin requirement measurement derived from Solvency 2;
- taking into account, on a prudent basis, the impacts of diversification resulting from the broad spread of business activities within the same Group, including between banking and insurance.

With respect to liquidity risk, the Group ensures the quality of the systems used to manage and supervise this risk, as well as the appropriateness of its liquidity continuity plan.

Accordingly, as of 31 December 2016, Pillar 2 risks are taken into account: interest rate risk on the banking portfolio, concentration risk on the non-retail credit portfolio, consideration of the effect of diversification and country/sovereign risk. In addition to these risks, economic capital measurement requires verification that the capital requirements calculated under Pillar 1 adequately cover the residual risk related to credit risk mitigation techniques and the risks associated with securitisation operations. Failing that, a risk adjustment to Pillar 1 requirements must be made by any entities exposed to these risks.

Coherence of all methodologies for measuring economic capital requirements is ensured by a specific comitology within the Group.

The economic capital of Large Customers' credit risk exposures is based on an internal economic capital model that makes it easier to understand concentrations in credit portfolios.

The economic capital of credit risk exposures to retail customers is based on measurements that are dependent on macroeconomic scenarios. This approach has being progressively extended to entities located outside France.

For market risk, which is monitored through VaR, economic capital fully integrates regulatory changes under Pillar 1 (stressed VaR, IRC). The horizon of capital measurement is made consistent with that used for other risks.

For the interest rate risk of the banking portfolio, the Crédit Agricole S.A. Group applies interest rate and inflation shocks in its calculation of economic capital. In respect of the interest rate shocks applied, impacts on all directional, optional and behavioural risks are measured for each of the significant currencies. The calculation of internal capital also includes the offsetting impact provided by the lesser of (i) annual net interest margin and (ii) annual gross operating income, capped at 20% of equity.

Insurance risks are taken into account in the Group's economic capital according to the measures taken under the current regimes applicable to insurance companies (Solvency 2).

In order to obtain a global view of the economic capital requirements, the Crédit Agricole Group has put in place an aggregation method that consists of calculating the sum of the requirements of the various risks and then deducting the amount relating to the benefits of inter-risk diversification. This diversification is determined by estimating the correlation between various risk categories on the basis of historical observations.

The measurement of the economic capital requirement is supplemented by a projection over the current year consistent with capital planning forecasts at that date, so that the effects of the main prudential reforms that can be anticipated are incorporated.

Crédit Agricole S.A. Group entities subject to the requirement to measure economic capital within their scope are responsible for doing so in accordance with standards and methodologies defined by the Group. In particular, they must ensure that the economic capital measurement system is appropriately organised and governed. Economic capital determined by the entities is reported in detail to Crédit Agricole S.A.

In addition to the quantitative aspect, the Group's approach relies on a qualitative component that supplements the calculation of economic capital requirement with indicators of the business lines' exposure to risk and their permanent controls. The qualitative component meets three objectives:

- evaluation of the risk management system and the control of entities within the scope of deployment along different axes, this assessment is a component of the risk identification system;
- identification and formalising of points for improvement of the risk management and permanent control system, in the form of a roadmap formalised by the entity;
- identification of any elements that are not adequately captured in quantitative ICAAP measures.

IV. Changes in regulatory capital in 2016

(in millions of euros)	**Phase flow: 31/12/16 *vs* 31/12/2015**
Common Equity Tier 1 capital at 31/12/2015	**32,971**
Capital increase (payment of the dividend in non-Group shares in respect of year n-1 earnings) and capital increase	702
Accounting attributable net income/loss for the year before dividend	3,069
Expected dividend	(1,716)
Change in unrealised gains and losses[1]	416
Foreign currency impact	(138)
Minority interests[1]	(208)
Change in goodwill and other intangible assets	342
Shortfall in adjustments for credit risk relative to expected losses under the internal ratings-based approach deducted from the CET1	662
Amount exceeding the exemption threshold[1]	(57)
Other regulatory adjustments	316
COMMON EQUITY TIER 1 CAPITAL AT 31/12/2016	**36,358**
Additional Tier 1 capital at 31/12/2015	**8,914**
Issues	1,186
Redemptions and foreign currency impact on the debt stock[2]	(1,122)
Change in the regulatory adjustments to Additional Tier 1 capital	109
ADDITIONAL TIER 1 CAPITAL AT 31/12/2016	**9,087**
TIER 1 CAPITAL AT 31/12/2016	**45,445**
Tier 2 capital at 31/12/2015	**20,188**
Issues	4,012
Redemptions and foreign currency impact on the debt stock(2)(3)	(6,849)
Change in the regulatory adjustments to Tier 2 capital	(2,284)
TIER 2 CAPITAL AT 31/12/2016	**15,067**
TOTAL CAPITAL AT 31/12/2016	**60,512**

(1) Includes the modification to the phasing percentages.

(2) Including deductions from the redemption ceiling of AT1 and Tier 2 instruments and possible impact of the applicable cap to grandfathered instruments.

(3) Tier 2 instruments are subject to a haircut during the five-year period prior to their maturity date.

COMPOSITION AND CHANGES IN RISK WEIGHTED ASSETS

I. Risk weighted assets by type of risks

The risk weighted assets in respect of credit risk, market risk and operational risk were €300.7 billion at 31 December 2016, compared with €305.6 billion at 31 December 2015.

		RWA		Minimum capital requirements
(in millions of euros)		31/12/2016	31/12/2015	31/12/2016
1	**Credit risk (excluding counterparty risk – CCR)**	**230,731**	**238,009**	**18,458**
2	*of which standardised approach (SA)*	92,757	93,918	7,421
3	*of which foundation IRB (F-IRB) approach*	21,284	20,256	1,703
4	*of which advanced IRB (A-IRB) approach*	94,824	94,167	7,586
5	*of which Equity IRB under the simple risk weight on internal models approach*	21,866	29,667	1,749
6	**Counterparty credit risk**	**20,267**	**20,472**	**1,621**
7	*of which marked-to-market approach*	5,736	5,714	248
8	*of which original exposure method*			
9	*of which standardised approach*			
10	*of which internal model method (IMM)*	10,120	10,347	810
11	*of which contributions to a CCP default fund*	527	408	42
12	*of which CVA*	3,885	4,003	311
13	**Settlement risk**	**1**	**2**	**0**
14	**Securitisation exposures in the banking portfolio (after cap)**	**5,735**	**5,342**	**459**
15	*of which IRB ratings-based approach (RBA)*	1,771	2,040	142
16	*of which IRB supervisory formula approach (SFA)*	1,127	910	90
17	*of which IRB internal assessment approach (IAA)*	2,483	2,142	199
18	*of which standardised approach (SA)*	353	250	28
19	**Market risk**	**7,695**	**7,589**	**616**
20	*of which standardised approach (SA)*	940	986	75
21	*of which internal model method (IMM)*	6,755	6,603	540
22	**Large exposures**	**0**	**0**	**0**
23	**Operational risk**	**27,548**	**26,115**	**2,204**
24	*of which basic indicator approach*			
25	*of which standardised approach*	5,424	5,069	434
26	*of which advanced measurement approach*	22,124	21,046	1,770
27	**Amounts below the thresholds for deduction (subject to 250% risk weight)**	**8,764**	**8,091**	**701**
28	**Basel 1 floor adjustment**			
29	**TOTAL**	**300,740**	**305,620**	**24,059**

II. Risk weighted assets by business line

31/12/2016 (in millions of euros)	Credit risk: Standardised approach	Credit risk: Weighting approach IRB	Credit risk: IRB approach[1]	Credit risk: Contributions to a CCP default fund	Credit risk	Credit valuation adjustment risk	Operational risk	Market risk	Total risk-weighted assets
French retail banking	6,392	2,101	30,578	0	39,071	4	2,501	0	**41,576**
International retail banking	26,201	712	3,347	0	30,260	1	2,706	247	**33,214**
Asset gathering	5,283	11,799	807	0	17,889	202	3,585	0	**21,676**
Specialised financial services	37,279	920	16,427	0	54,626	34	2,202	0	**56,862**
Corporate and investment banking	18,158	7,933	74,243	408	100,742	3,644	16,173	7,084	**127,643**
Corporate Centre	4,228	7,165	7,512	119	19,024	0	381	364	**19,769**
TOTAL RISK-WEIGHTED ASSETS	**97,541**	**30,630**	**132,914**	**527**	**261,612**	**3,885**	**27,548**	**7,695**	**300,740**

(1) *Advanced IRB or Foundation IRB approach depending on the business lines.*

31/12/2015 (in millions of euros)	Credit risk: Standardised approach	Credit risk: Weighting approach IRB	Credit risk: IRB approach[1]	Credit risk: Contributions to a CCP default fund	Credit risk	Credit valuation adjustment risk	Operational risk	Market risk	Total risk-weighted assets
French retail banking	6,954	13,013	28,695	0	48,662	2	2,701	3	**51,368**
International retail banking	26,340	1,497	3,397	0	31,234	20	2,528	249	**34,031**
Asset gathering	15,795	9,750	817	8	26,370	286	2,995	23	**29,674**
Specialised financial services	36,602	832	14,762	0	52,196	68	2,076	9	**54,349**
Corporate and investment banking	10,057	7,309	76,478	400	94,244	3,627	15,436	6,953	**120,260**
Corporate Centre	2,842	5,357	7,008	0	15,207	0	379	352	**15,938**
TOTAL RISK WEIGHTED ASSETS	**98,590**	**37,758**	**131,157**	**408**	**267,913**	**4,003**	**26,115**	**7,589**	**305,620**

(1) *Advanced IRB or Foundation IRB approach depending on the business lines.*

III. Trends in risk weighted assets

The table below shows the change in Crédit Agricole S.A. Group's risk weighted assets in 2016:

(in millions of euros)	31/12/2015	Foreign exchange	Organic change and optimisation	Equity-accounted value Insurance	Scope	Method	Total change 2016	31/12/2016
Credit risk	267,913	(186)	1,231	2,341	(9,686)	0	**(6,300)**	261,613
of which Equity risk	*37,758*	*0*	*235*	*2,341*	*(9,704)*	*0*	***(7,128)***	*30,630*
CVA	4,003	0	(118)	0	0	0	**(118)**	3,885
Market risk	7,589	0	106	0	0	0	**106**	7,695
Operational risk	26,115	0	1,429	0	4	0	**1,433**	27,548
TOTAL	**305,620**	**(186)**	**2,647**	**2,341**	**(9,682)**	**0**	**(4,879)**	**300,740**

Risk weighted assets totalled €300.7 billion at 31 December 2016, a decline of €4.9 billion (-1.6%) attributable to:

- the foreign currency impact (depreciation of the Egyptian pound largely offset by the strengthening of the US Dollar);
- organic change, which includes the more stringent operational risk requirements seen in the second half of the year;
- the €2.3 billion increase in the equity-accounted value of the equity stake in insurance companies due to the application of the new Solvency 2 regulatory rules and interest rate volatility;
- the transfer of Crédit Agricole S.A.'s equity investment in the Regional Banks for -€9.7 billion.

The definitions of the underlined words can be found in the Glossary on page 542.

CREDIT AND COUNTERPARTY RISK

Definitions:

- **probability of default (PD):** the probability that a counterparty will default within a period of one year;
- **exposure at default (EAD):** the exposure amount in the event of default. The concept of exposure encompasses balance sheet assets plus a proportion of off-balance sheet commitments;
- **loss given default (LGD):** ratio between the loss incurred upon counterparty default and the amount of the exposure at the time of default;
- **gross exposures:** amount of the exposure (balance sheet + off-balance sheet), after the impacts of offsetting and before the application of any credit risk mitigation techniques (guarantees and collateral) and the credit conversion factor (CCF);
- **credit conversion factor (CCF):** ratio between the unused portion of a commitment that will be drawn and at risk at the time of default and the unused portion of the commitment calculated on the basis of the authorised limit or, where applicable, the unauthorised limit if higher;
- **expected losses (EL):** the amount of the average loss the bank expects to have to recognise in its loan book within one year;
- **risk weighted assets (RWA):** risk weighted assets are calculated by applying a weighting ratio to each exposure. The ratio is a function of the characteristics of the exposure and the calculation method used (IRB or standardised);
- **valuation adjustments:** impairment losses on a specific asset due to credit risk, recognised either through a partial writedown or a deduction from the carrying amount of the asset;
- **external credit ratings:** credit ratings provided by an external credit rating agency recognised by Regulation (EC) no. 1060/2009.

Section I provides an overview of changes in credit and counterparty risk followed by a more detailed look at credit risk (in section II) by regulatory approach: standardised approach and using the IRB approach. Counterparty risk is covered in section III followed by section IV on credit and counterparty risk mitigation techniques.

I. General overview of credit and counterparty risk

1. Exposures by type of risk

The table below shows Crédit Agricole S.A. Group's exposure to global risk (credit, counterparty, dilution and settlement and delivery) by exposure class for the standardised and internal ratings-based approaches at 31 December 2016 and at 31 December 2015.

The 17 exposure classes under the standardised approach are grouped together to ensure the presentation aligns with the IRB exposures.

OVERALL RISK EXPOSURE (CREDIT, COUNTERPARTY, DILUTION, SETTLEMENT AND DELIVERY)

	31/12/2016												
	Standardised				IRB				Total				
(in billions of euros)	*Gross exposure*[1]	*Gross exposure after CRM*[2]	*EAD*	*RWA*	*Gross exposure*[1]	*Gross exposure after CRM*[2]	*EAD*	*RWA*	*Gross exposure*[1]	*Gross exposure after CRM*[2]	*EAD*	*RWA*	*Capital requirement*
Central governments and central banks	33.1	33.2	33.1	5.6	136.1	143.7	141.7	2.5	169.1	176.9	174.8	8.1	0.6
Institutions	58.8	75.3	73.4	9.9	343.5	349.6	343.8	9.5	402.3	425.0	417.2	19.4	1.5
Corporates	112.5	92.5	69.2	53.7	272.2	255.7	202.4	78.6	384.7	348.2	271.7	132.3	10.6
Retail customers	34.1	32.7	28.6	19.2	153.0	153.0	150.0	37.0	187.1	185.7	178.6	56.1	4.5
Loans to individuals	27.5	26.6	22.8	15.8	131.5	131.5	128.7	30.2	159.0	158.1	151.5	46.0	3.7
o/w secured by real estate assets	4.3	4.2	4.2	1.8	78.1	78.1	78.1	9.2	82.4	82.3	82.3	11.1	0.9
o/w revolving	8.0	7.7	4.0	3.1	10.1	10.1	7.2	3.0	18.1	17.8	11.3	6.1	0.5
o/w other	15.1	14.6	14.5	10.9	43.4	43.4	43.4	17.9	58.5	58.0	57.9	28.8	2.3
Loans to small and medium businesses	6.7	6.1	5.8	3.3	21.4	21.4	21.3	6.8	28.1	27.5	27.1	10.1	0.8
o/w secured by real estate assets	0.2	0.2	0.2	0.1	3.5	3.5	3.5	0.7	3.8	3.8	3.8	0.8	0.1
o/w other loans	6.4	5.9	5.6	3.3	17.9	17.9	17.8	6.0	24.3	23.8	23.4	9.3	0.7
Shares	1.2		1.0	1.2	15.9		6.5	21.9	17.0		7.5	23.0	1.8
Securitisations	0.7		0.5	0.4	38.4		38.4	5.4	39.1		38.9	5.7	0.5
Assets other than credit obligation	9.9		10.1	7.7					9.9		10.1	7.7	0.6
TOTAL	**250.3**		**216.0**	**97.5**	**959.0**		**882.9**	**154.8**	**1209.3**		**1098.8**	**252.3**	**20.2**

(1) Initial gross exposure.

(2) Gross exposure after credit risk mitigation (CRM).

	31/12/2015												
	Standardised				IRB				Total				
(in billions of euros)	*Gross exposure*[1]	*Gross exposure after CRM*[2]	*EAD*	*RWA*	*Gross exposure*[1]	*Gross exposure after CRM*[2]	*EAD*	*RWA*	*Gross exposure*[1]	*Gross exposure after CRM*[2]	*EAD*	*RWA*	*Capital requirement*
Central governments and central banks	39.1	39.1	39.0	6.3	125.4	133.2	131.2	2.8	164.5	172.3	170.2	9.1	0.7
Institutions	71.1	84.8	75.4	11.7	333.5	341.3	335.0	12.7	404.5	426.1	410.4	24.4	2.0
Corporates	108.2	91.5	68.5	52.4	257.8	239.0	190.6	76.5	366.1	330.5	259.1	128.8	10.3
Retail customers	33.0	31.7	26.9	18.1	144.8	144.9	141.9	34.1	177.9	176.5	168.8	52.1	4.2
Loans to individuals	27.3	26.3	17.4	15.2	124.1	124.2	121.4	27.5	151.5	150.4	138.7	42.7	3.4
o/w secured by real estate assets	4.0	3.9	0.5	1.7	71.9	71.9	71.9	8.6	75.9	75.8	72.4	10.4	0.8
o/w revolving	9.6	9.3	3.9	3.6	10.3	10.3	7.5	3.0	19.8	19.6	11.4	6.7	0.5
o/w other	13.7	13.1	13.0	9.9	42.0	42.0	42.0	15.9	55.6	55.0	54.9	25.8	2.1
Loans to small and medium businesses	5.7	5.5	9.5	2.9	20.7	20.7	20.5	6.5	26.4	26.1	30.0	9.4	0.8
o/w secured by real estate assets	0.5	0.5	4.8	0.2	3.5	3.5	3.5	0.7	4.0	4.0	8.3	0.9	0.1
o/w other loans	5.2	5.0	4.7	2.7	17.2	17.2	17.0	5.8	22.4	22.1	21.7	8.5	0.7
Shares	0.8		0.6	0.8	32.6		8.7	29.7	33.4		9.3	30.5	2.4
Securitisations	0.5		0.3	0.2	34.2		34.2	5.1	34.6		34.4	5.3	0.4
Assets other than credit obligation	11.8		12.7	9.1					11.8		12.7	9.1	0.7
TOTAL	**264.5**		**223.4**	**98.6**	**928.4**		**841.6**	**160.8**	**1192.9**		**1065.0**	**259.4**	**20.7**

(1) Initial gross exposure.

(2) Gross exposure after credit risk mitigation (CRM).

The definitions of the underlined words can be found in the Glossary on page 542.

Measured in terms of gross exposure, the Group's total outstanding amounts were up +1.4% reflecting the favourable business climate in the main business lines, in particular in the "Corporate" and "Retail customers" portfolios (up +5.1% and +5.3%, respectively). The decline in the "Equities exposures" portfolio (-49.1% year-on-year) was mainly due to the Eureka operation.

The main portfolio remains the Institutions category, which included €287.0 billion in exposures linked to Crédit Agricole Group internal transactions at end-December 2016 (€278.0 billion at end-December 2015). Excluding these internal transactions, gross exposure for the total loan book was €922 billion at end-December 2016, up +0.8% year-on-year.

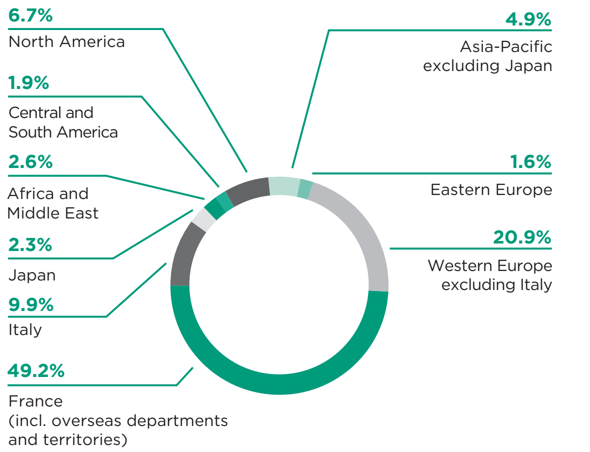
RWA density (defined as the ratio of risk weighted assets/EAD) was unchanged at 31% on average for retail customers and 49% for Corporates at 31 December 2016.

2. Exposures by geographic area

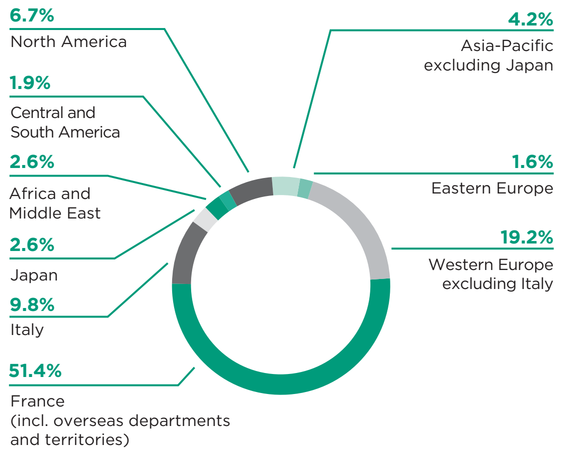
The breakdown by geographic area includes all Crédit Agricole S.A. Group exposures except for securitisation transactions and "Assets other than credit obligations".

At 31 December 2016, total gross exposure for the scope defined above was €873.2 billion (excluding Crédit Agricole Group internal transactions), compared with €868.2 billion at 31 December 2015.

AT 31 DECEMBER 2016



AT 31 DECEMBER 2015



Geographic area of exposure *(in %)*	Central governments and central banks		Institutions		Corporates		Retail customers		Shares	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015	31/12/2016	31/12/2015	31/12/2016	31/12/2015	31/12/2016	31/12/2015
France (incl. overseas departments and territories)	57.2%	52.6%	38.9%	50.4%	40.0%	41.3%	63.7%	63.5%	88.7%	94.1%
Western Europe excluding Italy	21.5%	23.1%	39.7%	29.2%	22.5%	21.7%	6.8%	6.3%	5.5%	3.1%
North America	4.8%	5.9%	2.9%	3.4%	7.7%	7.3%	23.8%	24.6%	4.7%	2.2%
Italy	4.0%	4.3%	4.3%	3.1%	12.1%	12.8%	0.0%	0.0%	0.3%	0.2%
Japan	3.0%	2.3%	7.3%	6.6%	7.3%	6.5%	0.5%	0.5%	0.1%	0.0%
Asia-Pacific (excluding Japan)	6.5%	8.9%	1.9%	2.2%	1.7%	1.4%	0.0%	0.0%	0.6%	0.3%
Africa and Middle East	1.9%	1.8%	4.1%	3.2%	3.1%	3.4%	1.6%	1.8%	0.2%	0.1%
Eastern Europe	0.0%	0.0%	0.4%	1.4%	3.8%	3.8%	0.7%	0.3%	0.0%	0.0%
Central and South America	1.0%	1.1%	0.3%	0.5%	1.6%	1.8%	2.9%	3.0%	0.0%	0.0%
Others	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
TOTAL	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

In Retail banking, the Group's exposures are concentrated in two countries: France and Italy account for 88% of exposures. The other portfolios are more geographically diversified. For example, close to 30% of the exposures in the Corporate portfolio are located outside Western Europe, primarily in North America and Asia.

3. Exposures by business sector

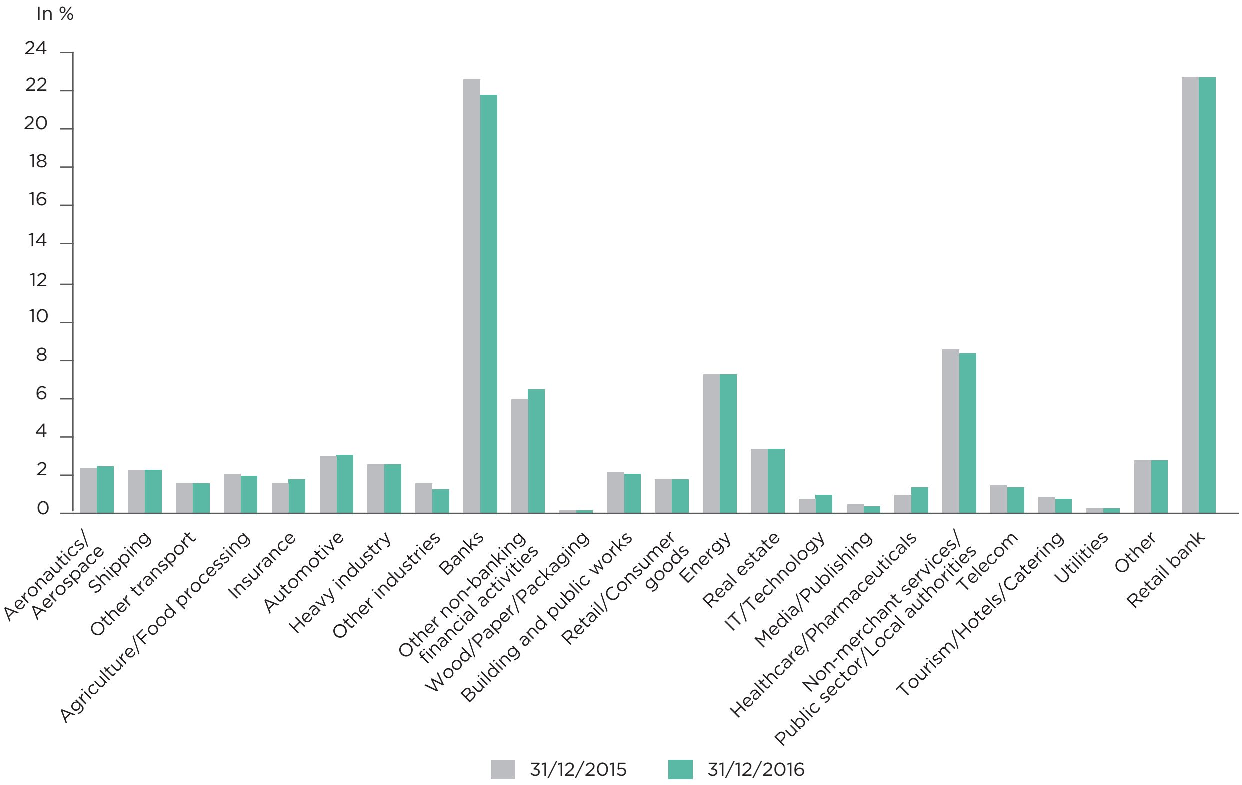
The breakdown by business sector covers Crédit Agricole S.A. Group's exposures to Central governments and central banks, Institutions, Corporates and Retail customers. The Retail customer portfolio is also broken down by Basel sub-portfolio (home loans, revolving credit, other small business loans, farmers and other retail).

The definitions of the underlined words can be found in the Glossary on page 542.

At 31 December 2016, total exposure for the scope defined above was €856.2 billion (excluding Crédit Agricole Group internal transactions), compared with €834.8 billion at 31 December 2015.

The amount allocated by business sector was €808.6 billion at 31 December 2016, compared with €783.8 billion at 31 December 2015.

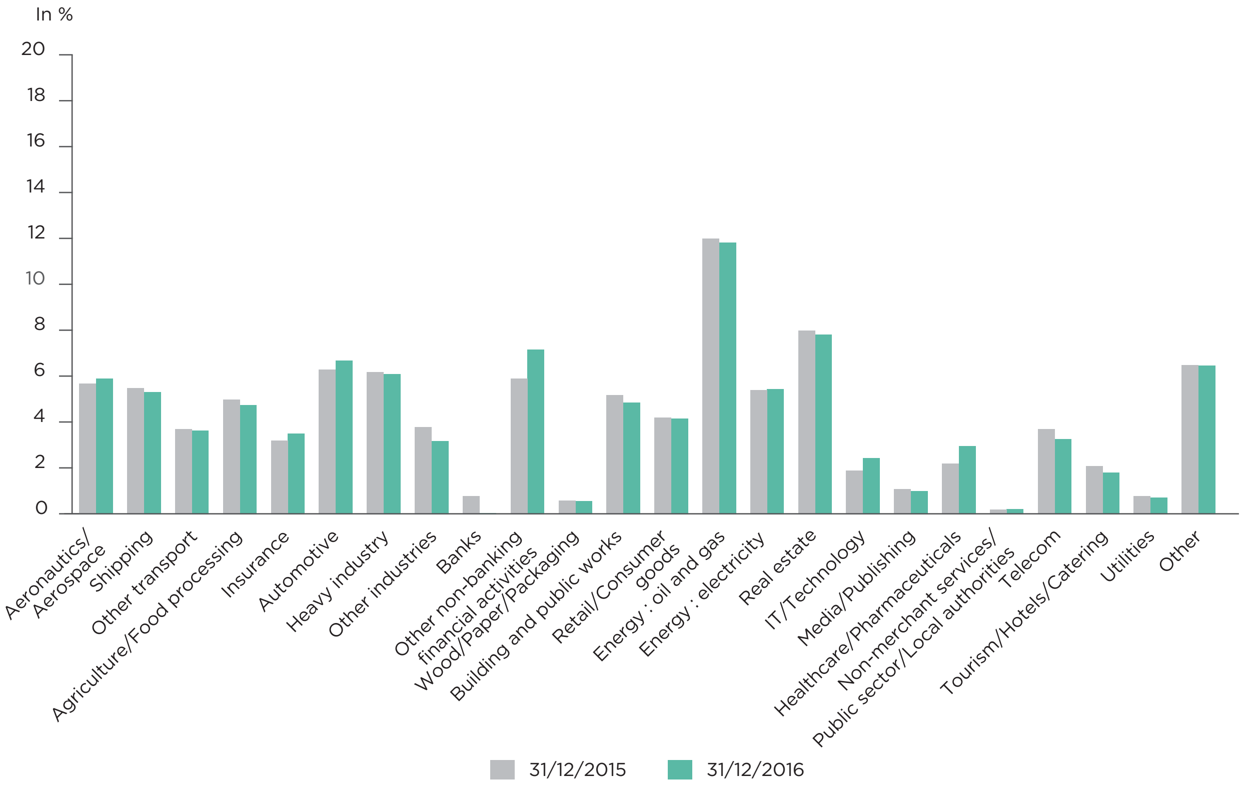
EXPOSURES BY BUSINESS SECTOR



The breakdown of the loan book by business sector still shows a good level of risk diversification.

The **Corporates** portfolio also shows a satisfactory level of diversification: within this scope, no sector accounted for more than 12% of total exposures at end-2016.

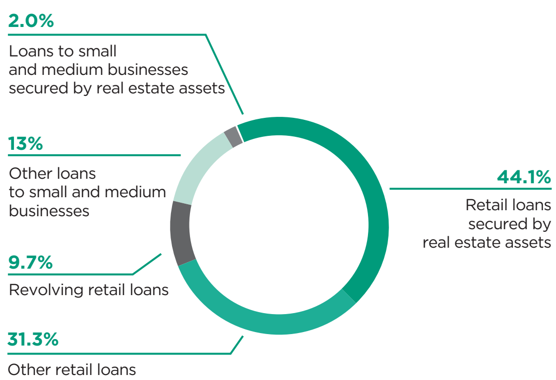
BREAKDOWN OF EXPOSURES CORPORATES PORTFOLIO



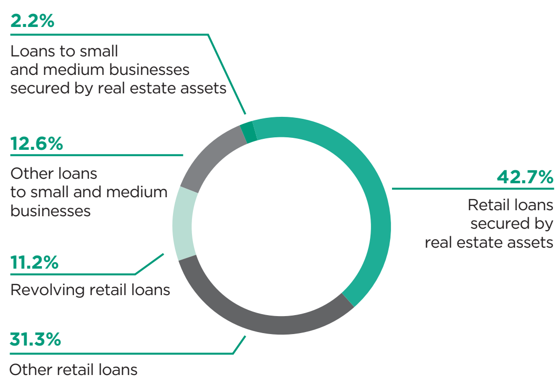
Breakdown of exposures – Retail customer portfolio

The chart below shows a breakdown of Crédit Agricole S.A. Group's Retail customer portfolio exposures by Basel sub-portfolio (outstandings of €187.1 billion at 31 December 2016 compared with €177.7 billion at 31 December 2015, an increase of +5.3% over the year).

RETAIL CUSTOMERS AT 31 DECEMBER 2016



RETAIL CUSTOMERS AT 31 DECEMBER 2015



Within the "Retail customers" portfolio, the relative share of "retail loans secured by real estate assets" has been rising over recent years (44.1% in 2016, compared with 42.7% in 2015). Conversely, the share of "revolving retail loans" fell further in 2016 to 9.7% of outstanding retail customer loans from 11.2% in 2015.

4. Exposures by residual maturity

The breakdown of exposures by residual maturity and by financial instrument is disclosed on an accounting basis in Note 3.3 to the consolidated financial statements on "Liquidity and financing risk".

5. Exposures at default and valuation adjustments

EXPOSURES AT DEFAULT AND VALUATION ADJUSTMENTS AT 31 DECEMBER 2016

31/12/2016 *(in billions of euros)*	Gross exposure	Defaulted exposure			Individual valuation adjustments	Collective valuation adjustments approach
		Standardised approach(1)	IRB approach	Total		
Central governments and central banks	169.1	0.0	0.0	**0.0**	0.0	0.0
Institutions	402.3	0.2	0.4	**0.6**	0.7	0.1
Corporates	384.7	4.4	5.8	**10.1**	4.6	1.5
Retail customers	187.1	1.5	5.9	**7.4**	4.0	0.9
Loans to individuals	*159.0*	*1.3*	*4.0*	***5.2***	*2.9*	*0.8*
o/w secured by real estate assets	*82.4*	*0.2*	*1.0*	***1.3***	*0.3*	*0.0*
o/w revolving	*18.1*	*0.4*	*0.3*	***0.7***	*0.5*	*0.1*
o/w other	*58.5*	*0.7*	*2.6*	***3.3***	*2.1*	*0.6*
Loans to small and medium businesses	*28.1*	*0.2*	*1.9*	***2.2***	*1.2*	*0.1*
o/w secured by real estate assets	*3.8*	*0.0*	*0.3*	***0.3***	*0.1*	*0.0*
o/w other loans	*24.3*	*0.2*	*1.6*	***1.8***	*1.1*	*0.1*
TOTAL	**1,143.2**	**6.1**	**12.1**	**18.2**	**9.4**	**2.5**

(1) *Payment arrears over 90 days.*

EXPOSURES AT DEFAULT AND VALUATION ADJUSTMENTS AT 31 DECEMBER 2015

31/12/2015 *(in billions of euros)*	Gross exposure	Defaulted exposure			Individual valuation adjustments	Collective valuation adjustments approach
		Standardised approach(1)	IRB approach	Total		
Central governments and central banks	164.4	0.0	0.0	**0.0**	0.0	0.0
Institutions	404.5	0.1	0.5	**0.5**	0.7	0.1
Corporates	366.1	4.4	4.1	**8.4**	4.0	1.7
Retail customers	177.7	1.9	6.3	**8.3**	4.5	0.9
Loans to individuals	*151.3*	*1.6*	*4.3*	***5.9***	*3.2*	*0.8*
o/w secured by real estate assets	*75.9*	*0.2*	*1.0*	***1.2***	*0.3*	*0.0*
o/w revolving	*19.8*	*0.4*	*0.4*	***0.8***	*0.5*	*0.1*
o/w other	*55.6*	*1.0*	*2.9*	***4.0***	*2.4*	*0.7*
Loans to small and medium businesses	*26.4*	*0.3*	*2.0*	***2.3***	*1.3*	*0.1*
o/w secured by real estate assets	*4.0*	*0.0*	*0.3*	***0.3***	*0.1*	*0.0*
o/w other loans	*22.4*	*0.2*	*1.7*	***2.0***	*1.2*	*0.1*
TOTAL	**1,112.7**	**6.4**	**10.9**	**17.2**	**9.2**	**2.7**

(1) *Payment arrears over 90 days.*

Exposures at default stood at €18.2 billion at 31 December 2016, up +5.8% compared with 31 December 2015.

At the same time, individual valuation adjustments rose €0.2 billion. The stock of collective valuation adjustments was down €0.2 billion compared with 31 December 2015.

EXPOSURE AT DEFAULT AND VALUATION ADJUSTMENTS BY GEOGRAPHIC AREA

31/12/2016 *(in billions of euros)*	Defaulted exposure		Individual valuation adjustments	Collective valuation adjustments approach
	Standardised approach	Internal ratings-based approach		
Africa and Middle East	0.3	0.9	0.9	0.1
Central and South America	0.0	0.7	0.4	0.0
North America	0.0	0.4	0.1	0.0
Asia-Pacific (excluding Japan)	0.0	0.6	0.2	0.0
Eastern Europe	0.6	0.0	0.5	0.0
Western Europe excluding Italy	0.2	2.2	1.0	0.0
France (incl. overseas departments and territories)	1.4	3.9	3.2	1.9
Italy	3.5	3.4	3.1	0.5
Japan		0.0	0.0	
Others				
TOTAL	**6.1**	**12.1**	**9.4**	**2.5**

31/12/2015 *(in billions of euros)*	Defaulted exposure		Individual valuation adjustments	Collective valuation adjustments approach
	Standardised approach	Internal ratings-based approach		
Africa and Middle East	0.3	0.6	0.9	0.1
Central and South America	0.0	0.6	0.4	
North America		0.1	0.1	
Asia-Pacific (excluding Japan)	0.0	0.3	0.1	
Eastern Europe	0.6	0.1	0.5	0.1
Western Europe excluding Italy	0.2	1.5	0.7	0.0
France (incl. overseas departments and territories)	1.3	4.0	3.3	2.0
Italy	4.0	3.7	3.2	0.5
Japan		0.0	0.0	
Others				
TOTAL	**6.4**	**10.9**	**9.2**	**2.7**

Total exposure at default (under the standardised and internal ratings-based approaches) is, like all exposures, concentrated in Italy, France and the rest of Western Europe excluding Italy. These scopes account for 37.9%, 29.3% and 13.1% of the total, respectively.

II. Credit risk

Since late 2007, the ACPR has authorised Crédit Agricole S.A. Group to use its internal rating systems to calculate regulatory capital requirements for credit risk on Retail and Large customer exposures throughout almost all of its consolidation scope. The main recent developments regarding the Group's rollout plan are the switch to the Advanced IRB approach for all "retail banking" portfolios in the Cariparma and FriulAdria entities in Italy in 2013, and the validation of the IRB "Corporate" portfolios approach of LCL and the Regional Banks with effect from 1 October 2014.

The main Group entities or portfolios still using the standardised method for measuring credit and/or operational risk at 31 December 2016 were as follows:

- the Cariparma Group portfolios still not validated (non-retail banking portfolios and Carispezia scope) as well as all other entities in the International retail banking division;
- the Crédit Agricole Leasing & Factoring Group;
- some portfolios and foreign subsidiaries of Crédit Agricole Consumer Finance group;
- the real estate professionals portfolio.

Pursuant to the Group's commitment to phase in the advanced method, agreed with the supervisor (rollout plan), work on the main entities or portfolios still under the standardised method continues. An update of the rollout plan is sent annually to the competent authority.

1. Exposures under the standardised approach

The exposure categories under the standardised approach are classified by counterparty type and financial product type, in one of the 17 categories set out in Article 112 of Regulation (EU) 575/2013 of 26 June 2013. The weightings applied to these same assets are calculated in accordance with Articles 114 to 134 of said regulation.

For the Central governments and central banks and Institutions exposure categories in the standardised approach, Crédit Agricole S.A. Group has chosen to use Moody's ratings for the sovereign risk and the correspondence grid with the credit quality assessment scale defined by regulation.

The definitions of the underlined words can be found in the Glossary on page 542.

For clarity, **exposure to credit risk and the effects of credit risk mitigation (CRM)** along with **the exposures by asset class and by risk weighting coefficient** are presented in the consolidated report on Risk factors and Pillar 3 available on the website: www.credit-agricole.com/en/finance/finance/investor-s-corner/financial-information.

The top level is very prevalent in the portfolio of Central governments and central banks (65.8% at 31 December 2016), whereas exposures rated 5 and 6 represent a minority, and their proportion is declining (less than 4% of exposures at 31 December 2016, compared with less than 5% at 31 December 2015).

Exposure to institutions under the standardised approach remained, as in earlier years, almost entirely concentrated on the top credit quality level, reflecting the extent of business with very high quality institutions: the percentage of institutions ranked level 2 and above was 94.2%.

T**he breakdown of exposures and of exposures at default by credit quality level of Central governments and central banks and Corporates** is also presented in the consolidated report on Risk factors and Pillar 3 available on the website: www.credit-agricole.com/en/finance/finance/investor-s-corner/financial-information.

2. Credit risk under the internal ratings-based approach

Outstanding loans are classified by counterparty type and financial product type, based on the seven exposure classes shown in the table below and set out in Article 147 of Regulation (EU) 575/2013 of 26 June 2013 on capital requirements applicable to credit institutions and investment companies:

- in addition to exposures to Central governments and central banks, the Central government and central banks class includes exposures to certain regional and local authorities and public sector agencies that are treated as central government agencies, as well as multilateral development banks and international organisations;
- the Institutions class comprises exposure to credit institutions and investment companies, including those recognised in other countries. It also includes some exposures to regional and local authorities, public sector agencies and multilateral development banks that are not classified under central governments;
- the Corporates class is divided into large corporates and small and medium-sized companies, which are subject to different regulatory treatments;
- the Retail customer class is broken down into loans secured by property granted to individuals and to small and medium businesses, revolving credits, other loans granted to individuals and to small and medium businesses;
- the Equity class comprises exposures that convey a residual, subordinated claim on the assets or income of the issuer or have a similar economic substance;
- the Securitisation class includes exposures to securitisation operations or structures, including those resulting from interest rate or exchange rate derivatives, independently of the institution's role (whether it is the originator, sponsor or investor);
- the Assets other than credit obligations class does not currently show any assets using the Internal Rating-Based (IRB) approach.

In accordance with the regulatory rules in effect, risk weighted assets in the Central governments and central banks, Institutions, Corporate and Retail customers classes are calculated by applying a prescribed formula, the main parameters of which are the EAD, PD, LGD and the maturity associated with each exposure:

- for exposures to Large customers (Central governments and central banks, Institutions and Corporates), the formula is given in Article 153 of EU Regulation 575/2013 of 26 June 2013;
- for exposures to Retail customers, the formula is given in Article 154 of EU Regulation 575/2013 of 26 June 2013.

Risk weighted assets in the Equities category are calculated by applying standardised weightings to the carrying amount of the exposures. These weightings, set out in Article 155 of EU Regulation 575/2013 of 26 June 2013, depend on the nature of the equities involved: 190% for private equity exposures in sufficiently diversified portfolios, 290% for exchange traded equity exposures and 370% for all other equity exposures excluding equity investments of over 10% in financial firms used in the calculation of the exemption threshold (250% weighting).

The calculation of risk weighted assets in respect of Securitisation exposures is set out in the dedicated section below.

Risk weighted assets of "Assets other than credit obligations" exposures are calculated in accordance with Article 156 of Regulation (EU) 575/2013 of 26 June 2013. The parameters of the formulas cited above are estimated using historical default and loss data collected internally by Crédit Agricole S.A. Group. It should be noted that the definition of default used for the calculation of these parameters has a significant influence on the value thereof.

Exposure at Default (EAD) is the amount of exposure to a counterparty at the time of said counterparty's default. For balance sheet items, EAD corresponds to exposure net of provisions for items covered by the standardised approach to credit risk, and to gross amounts for items covered by internal ratings. In the case of limits and financing commitments not used by the counterparty, a fraction of the total commitment is taken into account by applying a credit conversion factor (CCF). The CCF is estimated using an internal method validated by the supervisory authority for retail banking portfolios. The Internal CCF is estimated on the basis of the average CCF observed in cases of default by class of exposure. For other portfolios, a standard CCF of 20%, 50% or 100% is applied, depending on the nature of the commitment and its term.

For Large customers, default is defined on a customer-by customer basis. As a result, it factors in the principle of contagion: an exposure to a defaulting customer causes the classification under default of all of the said customer's loans within the entity responsible for the uniformity of the rating and all of its loans within Crédit Agricole Group.

The definitions of the underlined words can be found in the Glossary on page 542.

For Retail customers, the default can be recorded at the level of the transaction. When applied to the debtor, it factors in the principle of contagion. Contagion rules are defined and precisely documented by the entity (joint account, outstandings of individuals or professionals, notion of risk group, etc.).

The pertinence and reliability of the rating data used are guaranteed by a process consisting in the initial validation and subsequent maintenance of internal models based on a structured and documented organisation implemented throughout the Group and involving entities, the Risk Management and Permanent Controls department and the Audit Group function.

The use of internal models for calculating solvency ratios has strengthened Crédit Agricole S.A. Group's risk management. In particular, the development of "internal rating" methods has led to the systematic collection of reliable data in respect of historical default and loss for the majority of Group entities. The collection of historical data of this nature now makes it possible to quantify credit risk by giving each rating an average Probability of Default (PD) and, for "advanced internal rating" approaches, the Loss Given Default (LGD).

In addition, the parameters of the "internal rating" models are used in the definition, implementation and monitoring of entities' risk and credit policies. On the scope of large customers, the Group's unique rating system (identical methods and tools, shared data), in place for many years, has contributed to strengthening and standardising the use of ratings and the associated risk parameters within the entities. The uniqueness of ratings in the scope of the Large customer category thereby provides a shared framework on which to base standards and procedures, management tools, provisioning and risk-hedging policies, as well as alerts and close monitoring procedures. Due to their role in the monitoring and managing of risk within the various entities, ratings are subject to quality controls and regular monitoring at all stages of the rating process.

Internal models for measuring risks accordingly promote the development of sound risk-management practices among Group entities and improve the efficiency of the process of capital allocation by allowing a more accurate measurement of its consumption by business line and by entity.

The set of internal models used in Crédit Agricole Group was presented for approval to the Standards and Methodology Committee before internal validation by the Group Control function. The internal validation is deemed to be a pre-validation, as it pre-dates the application for formal approval to the ECB. The process of constructing and validating an internal rating model requires work over a period generally spanning three to five years, involving several on-site pre-validation and validation assignments.

After validation, systems governing internal ratings and the calculation of risk parameters are subject to permanent and periodic control within each Group entity.

Model input	Portfolio/Entity	Number of Models
PD	Sovereigns	5
	Local authorities	8
	Financial institutions (Banks, Insurance, Funds, etc.)	8
	Specialised financing	9
	Corporates	5
	Retail banking – LCL	2
	Retail banking – Crédit Agricole Consumer Finance	16
	Retail banking – CACIB	1
	Retail banking – Cariparma	3
LGD	Sovereigns	1
	Financial institutions (Banks, Insurance, Funds, etc.)	3
	Specialised financing	8
	Corporates	1
	Retail banking – LCL	12
	Retail banking – Crédit Agricole Consumer Finance	16
	Retail banking – CACIB	1
	Retail banking – Cariparma	2
CCF	Retail banking – LCL	3
	Retail banking – Crédit Agricole Consumer Finance	2

2.1 QUALITY OF EXPOSURES UNDER THE INTERNAL RATINGS-BASED APPROACH (IRB)

Presentation of the internal ratings system and procedure

The internal ratings systems and procedures are described in the section entitled “Risk Factors – Credit Risk – Risk Measurement methods and systems”.

As exposure to Retail customers’ credit risk categories does not use the same internal ratings as the other categories, they are presented separately.

The breakdown of the portfolios in the Large customer category (exposure class: Central governments and central banks, Institutions and Corporates) by internal rating continues to reflect very good overall quality: **more than 80% of exposures are classified as Investment grade (internal rating of A+ to C-).**

For clarity, **exposure to credit risk by portfolio and by probability of default range under the foundation internal ratings-based approach (F-IRB) and the advanced internal ratings-based approach (A-IRB)** are presented in the consolidated report on Risk factors and Pillar 3 available on the website: www.credit-agricole.com/en/finance/finance/investor-s-corner/financial-information.

The disparities between customer types seen in prior years in the retail banking portfolio were again apparent in 2016. The distribution of observed PD levels in loans secured by real estate assets is significantly narrower than for other classes. For instance, 68% of gross exposures to the “Retail loans secured by real estate assets” portfolio have a PD of under 0.5, while this figure is 41% for “Other loans to small and medium businesses” in the IRB portfolio – the Group’s retail banking arm.

The differences in respect of PD levels are even more pronounced if we observe the contributions of expected losses attributable to significant differences in LGD levels from one portfolio to another. Exposure to “Retail loans secured by real estate assets” accounted for 52.1% of total retail customer EAD but only 11.4% of expected losses.

PD AND AVERAGE LGD BY TYPE OF PERFORMING EXPOSURE UNDER THE A-IRB APPROACH BY GEOGRAPHIC AREA 2016

The LGDs in this table are regulatory and may be subject to floors on certain portfolios.

31/12/2016 Type of exposure	Geographic area	A-IRB approach PD	A-IRB approach LGD
Loans to small and medium businesses			
o/w other loans	**All geographic areas**	**11.66%**	**36.03%**
	France (incl. overseas departments and territories)	6.40%	31.05%
	Western Europe excluding Italy	5.99%	32.37%
	Italy	29.08%	52.44%
o/w secured by real estate assets	**All geographic areas**	**11.61%**	**20.13%**
	France (incl. overseas departments and territories)	5.96%	18.53%
	Italy	18.58%	22.10%
Retail loans			
o/w secured by real estate assets	**All geographic areas**	**2.47%**	**12.34%**
	France (incl. overseas departments and territories)	2.17%	11.22%
	Italy	4.14%	18.52%
o/w revolving	**All geographic areas**	**7.94%**	**60.79%**
	France (incl. overseas departments and territories)	5.83%	57.81%
	Italy	13.11%	68.07%
o/w other	**All geographic areas**	**8.49%**	**38.75%**
	France (incl. overseas departments and territories)	9.75%	36.24%
	Western Europe excluding Italy	2.32%	18.67%
	Italy	13.00%	65.22%
	Asia-Pacific excluding Japan	19.99%	38.76%
Central governments and central banks	**All geographic areas**	**0.08%**	**1.94%**
	France (incl. overseas departments and territories)	0.14%	2.17%
	North America	0.00%	1.00%
	Western Europe excluding Italy	0.03%	2.01%
	Italy	0.14%	10.00%
	Japan	0.01%	1.00%
	Asia-Pacific excluding Japan	0.06%	1.93%
	Africa and Middle East	0.10%	9.24%
	Eastern Europe	0.50%	45.00%

The definitions of the underlined words can be found in the Glossary on page 542.

31/12/2016 Type of exposure	Geographic area	A-IRB approach PD	LGD
Corporates	**All geographic areas**	**3.21%**	**33.67%**
	France (incl. overseas departments and territories)	3.69%	29.89%
	North America	2.52%	34.72%
	Western Europe excluding Italy	2.78%	37.26%
	Italy	7.10%	48.76%
	Japan	0.92%	24.75%
	Asia-Pacific excluding Japan	2.27%	34.54%
	Africa and Middle East	11.50%	54.73%
	Eastern Europe	0.35%	47.92%
Institutions	**All geographic areas**	**1.11%**	**21.12%**
	France (incl. overseas departments and territories)	0.54%	20.87%
	North America	0.08%	13.15%
	Western Europe excluding Italy	3.17%	18.54%
	Italy	0.08%	7.80%
	Japan	0.14%	21.48%
	Asia-Pacific excluding Japan	0.20%	34.70%
	Africa and Middle East	5.13%	33.53%
	Eastern Europe	0.18%	26.07%

PD AND AVERAGE LGD BY TYPE OF PERFORMING EXPOSURE UNDER THE A-IRB APPROACH BY GEOGRAPHIC AREA 2015

31/12/2015 Type of exposure	Geographic area	A-IRB approach PD	LGD
Loans to small and medium businesses			
o/w other loans	**All geographic areas**	**12.87%**	**35.46%**
	France (incl. overseas departments and territories)	7.09%	29.75%
	Western Europe excluding Italy	7.31%	23.65%
	Italy	29.25%	51.86%
o/w secured by real estate assets	**All geographic areas**	**11.09%**	**18.42%**
	France (incl. overseas departments and territories)	6.48%	16.51%
	Italy	16.66%	20.72%
Retail loans			
o/w secured by real estate assets	**All geographic areas**	**2.58%**	**12.18%**
	France (incl. overseas departments and territories)	2.35%	11.08%
	Italy	3.83%	18.25%
o/w revolving	**All geographic areas**	**8.79%**	**57.21%**
	France (incl. overseas departments and territories)	5.85%	53.19%
	Italy	16.71%	68.03%
o/w other	**All geographic areas**	**9.86%**	**35.66%**
	France (incl. overseas departments and territories)	10.71%	34.84%
	Western Europe excluding Italy	2.54%	20.10%
	Italy	15.88%	52.68%
	Asia-Pacific excluding Japan	20.03%	38.75%

The definitions of the underlined words can be found in the Glossary on page 542.

31/12/2015 Type of exposure	Geographic area	A-IRB approach PD	 LGD
Central governments and central banks	**All geographic areas**	**0.05%**	**1.92%**
	France (incl. overseas departments and territories)	0.09%	2.21%
	North America	0.00%	1.00%
	Western Europe excluding Italy	0.03%	1.94%
	Italy	0.14%	10.00%
	Japan	0.00%	1.00%
	Asia-Pacific excluding Japan	0.07%	2.45%
	Africa and Middle East	0.10%	6.70%
	Eastern Europe	0.34%	45.00%
Corporates	**All geographic areas**	**0.76%**	**33.37%**
	France (incl. overseas departments and territories)	0.82%	28.36%
	North America	0.87%	36.61%
	Western Europe excluding Italy	0.68%	37.03%
	Italy	0.96%	45.62%
	Japan	1.02%	23.31%
	Asia-Pacific excluding Japan	0.37%	34.92%
	Africa and Middle East	0.58%	52.81%
	Eastern Europe	0.29%	50.28%
Institutions	**All geographic areas**	**0.16%**	**20.78%**
	France (incl. overseas departments and territories)	0.17%	22.73%
	North America	0.08%	11.30%
	Western Europe excluding Italy	0.09%	13.56%
	Italy	0.14%	9.37%
	Japan	0.12%	20.06%
	Asia-Pacific excluding Japan	0.27%	32.05%
	Africa and Middle East	0.10%	28.02%
	Eastern Europe	0.43%	37.48%

In addition, only France has F-IRB exposure on the following portfolios: Central governments and central banks, Institutions and Corporates.

2.2 USE OF CREDIT DERIVATIVES FOR HEDGING PURPOSES

EFFECT OF CREDIT DERIVATIVES USED FOR CREDIT RISK MITIGATION (CRM) ON RISK WEIGHTED ASSETS (RWA) UNDER THE INTERNAL RATINGS-BASED APPROACH AT 31/12/2016

31/12/2016 *(in millions of euros)*		a Pre-credit derivatives RWA	b Actual RWA
1	**Exposure under Foundation IRB**		
2	Central governments and central banks	-	-
3	Institutions	-	-
4	Corporates – SMEs	-	-
5	Corporates – Specialised Lending	-	-
6	Corporates – Other	-	-
7	**Exposure under Advanced IRB**		
8	Central governments and central banks	21	1
9	Institutions	14	13
10	Corporates – SMEs	5,360	2,703
11	Corporates – Specialised Lending	-	-
12	Corporates – Other	-	-
13	Retail – Secured by SMEs' real estate	-	-
14	Retail – Secured by non-SMEs' real estate	-	-
15	Retail – Qualifying revolving	-	-
16	Retail – Other SMEs	-	-
17	Retail – Other non-SMEs	-	-
18	Equity IRB	-	-
19	Other non credit-obligation assets	-	-
20	**TOTAL**	**5,394**	**2,717**

2.3 CHANGE IN RWA BETWEEN 30/09/2016 AND 31/12/2016

(in millions of euros)		a RWA	b Minimum capital requirements
1	**RWAs as at the end of the previous reporting period**	**147,768**	**11,821**
2	Asset size	(2,850)	(228)
3	Asset quality	(37)	(3)
4	Model updates	12	1
5	Methodology and policy	0	0
6	Acquisitions and disposals	4	0
7	Foreign exchange movements	2,175	174
8	Other	(334)	(27)
9	**RWAs as at the end of the reporting period**	**146,739**	**11,739**

2.4 BACK-TESTING RESULTS

In the following paragraphs, back-testing covers all the methods and procedures used to verify the performance and stability of the internal risk models (PD, LGD, CCF), specifically by comparing forecasts with actual results.

With regard to permanent control, a back-testing Committee has been established within each entity. This Committee (which may, for some entities, be a specific agenda item for the Risk Committee) is chaired by the Risk Management department of the relevant entity and includes a representative from the Group Risk Management and Permanent Controls department. It meets at least twice a year and is the subject of reports to the Chief Executive Officer and the head of the entity's Permanent Control department, as well as the Group Risk Management and Permanent Controls department.

Periodic inspection is conducted annually by the Internal Audit function or any third party specifically authorised by it. The audit plan covers:

- systems for calculating ratings and estimating risk parameters, as well as compliance with minimum requirements;
- systems functioning (correct implementation).

The corresponding reports are sent to the person responsible for monitoring the relevant entity within the Group Risk Management and Permanent Controls department.

The entity performs internal controls (permanent and periodic) on:

- the quality of input and output data within the system;
- the conceptual and technical quality of systems for calculating ratings and estimating risk parameters;
- the completeness of data used for the calculation of risk weighted assets.

Back-testing is critical in maintaining the pertinence and performance of rating models. A first phase of analysis is based chiefly on the quantitative analysis of the predictive model as a whole and its main explanatory variables.

This exercise can also detect significant changes in the structure and behaviour of portfolios and customers. Back-testing then results in decisions to adjust or recast models in order to factor in the new structural elements. This allows changes in non-cyclical behaviour or change in the franchise to be identified, revealing the impact of commercial or risk strategies implemented by the Bank.

Across the Group as a whole, each rating method is back-tested at least once a year by the unit responsible for the method (Risk Management and Permanent Controls department or its delegate). This provides the Group annually, through the Standards and Procedures Committee, with the result of back-testing after consulting an *ad hoc* committee to confirm the proper application of selected statistical methods and the validity of results, and proposes, where appropriate, suitable corrective measures (revision of the method, recalibration, training, recommendations for control, etc.).

These ex-post controls are performed – through the cycle – on historical data covering as long a period as possible. The following tables show the back-testing results for 2016 in respect of the Probability of Default (PD) and Loss Given Default (LGD) models.

31/12/2016 Portfolio	Estimated probability of default (%) – Average over a long period	Default rate observed – Average over a long period (%)	Estimated LGD (%)	LGD before prudential margin (%)
Sovereigns	1.5%	0.3%	55%	11%
Local authorities(1)	0.04%	0.03%	F-IRB approach	F-IRB approach
Financial institutions(2)	0.6%	0.04%	56%	62%
Corporates	3.0%	2.0%	42%	40%
Specialised financing	1.5%	1.0%	25%	24%
Individual customers – LCL	1.6%	1.3%	15%	11%
Small business customers – LCL	4.7%	4.1%	27%	23%
Individual customers – Cariparma	2.1%	1.9%	22%	18%
Small business customers – Cariparma(3)	5.5%	5.3%	44%	35%
Individual customers – CA Consumer Finance France	4.4%	4.4%	43%	40%
Individual customers – Agos	3.2%	3.2%	69%	64%
Individual customers – Credibom	3.6%	3.2%	40%	35%
Individual customers – Credit plus	2.8%	2.6%	32%	31%

(1) *The probability of default and the default rate of local authorities were calculated from Q1 2015, in light of the implementation of the new qualitative rating in 2015.*

(2) *LGD internal models in the process of recalibration.*

(3) *For the Cariparma small business customers portfolio, the probability of default is estimated as of 31/12/2014 in view the substantial impact of the recalibration implemented in 2014 (change in default setting, update of historical data, etc.).*

2.5 COMPARISON BETWEEN ESTIMATED AND ACTUAL LOSSES

The ratio of Expected Losses (EL) to Exposure at Default (EAD) was 1.87% at 31 December 2016 (1.89% at 31 December 2015). This ratio is calculated for the Central government and central banks, Institutions, Corporates, Retail customer and Equity portfolios in the A-IRB approach.

At the same time, the ratio of provisions to gross exposures was 1.53% at 31 December 2016, compared with 1.50% at 31 December 2015.

III. Counterparty risk

Crédit Agricole S.A. and its subsidiaries calculate counterparty risk for all their exposures, whether in the banking book or the trading book. For items in the trading book, counterparty risk is calculated in accordance with the provisions relating to the regulatory supervision of market risk.

The regulatory treatment of counterparty risk on transactions on forward financial instruments in the banking portfolio is defined on a regulatory basis in Regulation (EU) 575/2013 of 26 June 2013. Crédit Agricole S.A. Group uses the market price method to measure its exposure to counterparty risk on transactions on forward financial instruments in the banking portfolio (Article 274) or the internal model method (Article 283) within the scope of Crédit Agricole CIB.

The definitions of the underlined words can be found in the Glossary on page 542.

1. Analysis of exposure to counterparty risk

EXPOSURE TO COUNTERPARTY RISK BY APPROACH AT 31/12/2016

31/12/2016 *(in billions of euros)*	31/12/2016 Standardised Gross exposure	EAD	RWA	IRB Gross exposure	EAD	RWA	Total Gross exposure	EAD	RWA	Capital requirement
Central governments and central banks	1.9	1.9	0.1	8.1	8.1	0.4	**10.0**	**10.0**	**0.4**	**0.0**
Institutions	16.7	16.7	1.8	22.6	22.5	4.3	**39.3**	**39.2**	**6.1**	**0.5**
Corporates	2.6	2.6	2.6	21.3	21.1	6.7	**23.9**	**23.7**	**9.3**	**0.7**
Retail customers	-	-	-	-	-	-	-	-	-	-
Shares	-	-	-	-	-	-	-	-	-	-
Securitisations	-	-	-	-	-	-	-	-	-	-
Assets other than credit obligation	-	-	-	-	-	-	-	-	-	-
TOTAL	**21.2**	**21.2**	**4.4**	**52.0**	**51.6**	**11.4**	**73.2**	**72.9**	**15.9**	**1.3**

EXPOSURE TO COUNTERPARTY RISK BY APPROACH AT 31/12/2015

31/12/2015 *(in billions of euros)*	31/12/2015 Standardised Gross exposure	EAD	RWA	IRB Gross exposure	EAD	RWA	Total Gross exposure	EAD	RWA	Capital requirement
Central governments and central banks	1.7	1.7	0.2	7.3	7.3	0.3	**9.0**	**9.0**	**0.5**	**0.0**
Institutions	17.7	17.7	1.6	22.2	22.1	4.0	**37.2**	**37.0**	**9.0**	**0.7**
Corporates	2.7	2.7	2.6	19.5	19.3	7.4	**24.9**	**24.8**	**6.6**	**0.5**
Retail customers	-	-	-	-	-	-	-	-	-	-
Shares	-	-	-	-	-	-	-	-	-	-
Securitisations	-	-	-	-	-	-	-	-	-	-
Assets other than credit obligation	-	-	-	-	-	-	-	-	-	-
TOTAL	**22.1**	**22.1**	**4.4**	**49.0**	**48.7**	**11.6**	**71.1**	**70.7**	**16.1**	**1.3**

Exposure at default to counterparty risk was €73.2 billion at 31 December 2016 (€56 billion in the form of derivatives, and €17.2 billion in the form of securities financing transactions).

Information on exposure to transactions on forward financial instruments is also provided in Note 3.1 "Credit risk" to the consolidated financial statements.

2. Exposure to counterparty risk under the standardised approach

For clarity, **exposure to counterparty risk under the standardised approach by regulatory portfolio and by risk weighting** is presented in the consolidated report on Risk factors and Pillar 3 available on the website: www.credit-agricole.com/en/finance/finance/investor-s-corner/financial-information.

3. Exposure to counterparty risk under the advanced approach

For clarity, **exposure to counterparty risk by portfolio and by probability of default range under the foundation internal ratings-based approach (F-IRB) and the advanced internal ratings-based approach (A-IRB)** is presented in the consolidated report on Risk factors and Pillar 3 available on the website: https://www.credit-agricole.com/en/finance/finance/investor-s-corner/financial-information.

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4. Change in RWA under the internal model method (IMM) approach between 30/09/2016 and 31/12/2016

		a
(in millions of euros)		Amounts
1	**RWA at end of prior period**	**9,496**
2	Total assets	(397)
3	Counterparty credit rating	(46)
4	Model updates (IMM only)	0
5	Method and policy (IMM only)	0
6	Acquisitions and disposals	0
7	Currency movements	1,067
8	Other	0
9	**RWA at end of current period**	**10,120**

5. CVA

The CRD 4 directive brought in a new capital charge to cover volatility in the CVA (Credit Valuation Adjustment) or valuation adjustment for assets grouped together under the term "CVA Risk", which is intended to include in the valuation of OTC derivatives credit events affecting our counterparties. The CVA is thus defined as the difference between the valuation excluding risk of default and the valuation including the probability of default of our counterparties.

Under the directive, banks use a regulatory formula ("standardised approach") or are authorised to calculate their capital requirements using their internal models for both counterparty risk and specific rate risk using the advanced method ("CVA VaR").

The CVA requirement under the advanced approach is calculated on the basis of expected positive exposure on OTC derivative transactions involving "Financial institution" counterparties excluding intragroup transactions. Within this scope, the tools used to estimate capital requirements are the same as for market VaR in respect of specific interest rate risk.

CAPITAL REQUIREMENT FOR CREDIT VALUATION ADJUSTMENT (CVA) AT 31/12/2016

31/12/2016 *(in millions of euros)*		a EAD post-CRM	b RWA
1	Total portfolios subject to the Advanced CVA capital charge	20,566	2,958
2	(i) VaR component (including the 3×multiplier)		42
3	(ii) Stressed VaR component (including the 3×multiplier)		194
4	All portfolios subject to the Standardised CVA capital charge	7,805	926
EU4	Based on Original Exposure Method		
5	**TOTAL SUBJECT TO THE CVA CAPITAL CHARGE**	**28,371**	**3,885**

CAPITAL REQUIREMENT FOR CREDIT VALUATION ADJUSTMENT (CVA) AT 31/12/2015

31/12/2015 *(in millions of euros)*		a EAD post-CRM	b RWA
1	Total portfolios subject to the Advanced CVA capital charge	16,371	2,894
2	(i) VaR component (including the 3× multiplier)		48
3	(ii) Stressed VaR component (including the 3× multiplier)		183
4	All portfolios subject to the Standardised CVA capital charge	9,106	1,109
EU4	Based on Original Exposure Method		
5	**TOTAL SUBJECT TO THE CVA CAPITAL CHARGE**	**25,477**	**4,003**

IV. Credit and counterparty risk mitigation techniques

Definitions:

- **collateral:** a security interest giving the bank the right to liquidate, keep or obtain title to certain amounts or assets in the event of default or other specific credit events affecting the counterparty, thereby reducing the credit risk on an exposure;
- **personal guarantee:** undertaking by a third party to pay the sum due in the event of the counterparty's default or other specific credit events, therefore reducing the credit risks on an exposure.

The definitions of the underlined words can be found in the Glossary on page 542.

EXPOSURES UNDER THE ADVANCED APPROACH AT 31 DECEMBER 2016

(in millions of euros)	Total exposure amount	Risk mitigation amount: Personal guarantees and credit derivatives	Risk mitigation amount: Collateral	Risk mitigation amount: Total collateral
Central governments and central banks	56,884	2,660	48	**2,708**
Institutions	43,153	671	1,237	**1,908**
Corporates	234,781	34,641	44,368	**79,008**
TOTAL	**334,818**	**37,971**	**45,653**	**83,624**

EXPOSURES UNDER THE STANDARDISED APPROACH AT 31 DECEMBER 2016

(in millions of euros)	Total exposure amount	Risk mitigation amount: Personal guarantees and credit derivatives	Risk mitigation amount: Collateral	Risk mitigation amount: Total collateral
Central governments and central banks	33,067	0	0	**0**
Institutions	58,846	237	83	**320**
Corporates	112,498	1,717	18,438	**20,156**
TOTAL	**204,410**	**1,955**	**18,521**	**20,476**

1. Credit risk mitigation techniques

1.1 COLLATERAL MANAGEMENT SYSTEM

The main categories of collateral taken by the bank are described in the section entitled "Risk Factors – Credit Risk – Collateral and guarantees received".

When a credit is granted, collateral is analysed to assess the value of the asset, its volatility and the correlation between the value of the collateral and the quality of the counterparty financed. Regardless of collateral quality, the first criterion in the lending decision is always the borrower's ability to repay sums due from cash flow generated by its operating activities, except for specific trade finance transactions.

For financial collateral, a minimum exposure coverage ratio is usually included in loan contracts, with readjustment clauses. Financial collateral is revalued according to the frequency of margin calls and the variability of the underlying value of financial assets transferred as collateral or quarterly, as a minimum.

The minimum coverage ratio (or the haircut applied to the value of the collateral under Basel 2) is determined by measuring the pseudo-maximum deviation of the value of the securities on the revaluation date. This measurement is calculated with a 99% confidence interval over a time horizon covering the period between each revaluation, the period between the default date and the date on which asset liquidation starts, and the duration of the liquidation period. This haircut also applies for currency mismatch risk when the securities and the collateralised exposure are denominated in different currencies. Additional haircuts are applied when the size of the stocks position implies a block sale or when the borrower and the issuer of the collateral securities belong to the same risk group.

The initial value of real estate assets granted as collateral is based on acquisition or construction cost. It may subsequently be revalued using a statistical approach based on market indices, or on the basis of an expert appraisal performed at least annually.

For retail banking (LCL, Cariparma), revaluation is automatic based on changes in the property market indices. In contrast, for project-type property financing, assets are mainly revalued on the basis of an expert appraisal combining various approaches (asset value, rental value, etc.) and include external benchmarks.

For minimum coverage ratios (or the haircut applied to the collateral value under Basel 2), Crédit Agricole CIB projects the value of the real estate asset between the revaluation date and the date on which the collateral is realised by modelling the asset value, and includes the repossession costs over that period. Assumptions regarding liquidation periods depend on the type of financing (project, property investment companies, property developers, etc.).

Other types of asset may also be pledged as non recourse financial assets. This is notably the case for certain activities such as aircraft, shipping or commodities financing. These businesses are conducted by middle offices, which have specific expertise in valuing the assets financed.

1.2 PROTECTION PROVIDERS

Two major types of guarantee are mainly used (other than intragroup guarantees): export credit insurance taken out by the Bank and unconditional payment guarantees.

The main guarantee providers (excluding credit derivatives – see section below) are export credit agencies, which enjoy a good quality sovereign rating. The largest are BPI (France), Sace S.p.A. (Italy), Euler Hermès (Germany) and Korea Export Insur (Korea).

EXTERNAL RATINGS GIVEN THE EXPORT CREDIT AGENCIES

	Moody's	Standard & Poor's	Fitch Ratings
	Long-term rating [outlook]	Long-term rating [outlook]	Long-term rating [outlook]
Bpifrance Financement	Aa2 [stable]	Not rated	AA [stable][1]
Euler Hermès S.A.	Aa3 [stable]	AA- [stable]	Not rated
Sace S.p.A.	Not rated	Not rated	A- [negative]

(1) Rating given to EPIC Bpifrance.

Moreover, the guarantees received from mutual guarantee companies cover a substantial portion of the loans in the Group's "residential real estate" portfolio in France (see table hereinafter). These outstandings are backed by guarantees granted by Crédit Logement (rated Aa3 [stable] by Moody's) or by the Group's subsidiary insurance company, CAMCA Assurance S.A. (rated A- [positive] by Fitch). The guarantors themselves are supervised by the ACPR and are subject to prudential regulation applying to either financing companies, for Crédit Logement, or insurance companies (Solvency 2), for CAMCA.

AMOUNTS IN OUTSTANDING PROPERTY LOANS GUARANTEED BY CAMCA AND CRÉDIT LOGEMENT

	Outstandings at 31/12/2016		Outstandings at 31/12/2015	
(in millions of euros)	Outstandings guaranteed	% of guaranteed loans in the "residential real estate loans" portfolio in France	Outstandings guaranteed	% of guaranteed loans in the "residential real estate loans" portfolio in France
Coverage by financial guarantee insurance companies (Crédit Logement, CAMCA)	55,262	82.9%	51,273	85.3%

Where Crédit Logement is concerned, the guarantee granted covers, with no deductible, the payment of all amounts legally due by defaulting borrowers in principal, interest, insurance premiums and costs. When the guarantee is granted, the guarantor applies an independent selection policy in addition to that already implemented by the bank. Where CAMCA is concerned, the guarantee mechanism is broadly similar to that of Crédit Logement, with the difference that the payments made by CAMCA with respect to the guarantee arise once the bank's means of recourse against the borrower have been exhausted. In the end, these guarantee provisions significantly enhance the quality of the property loans guaranteed and constitute a full transfer of risk in respect of these outstandings.

1.3 USE OF CREDIT DERIVATIVES FOR HEDGING PURPOSES

Credit derivatives used for hedging purposes are described in the "Risk factors – Credit risk – Credit risk mitigation mechanisms – Use of credit derivatives" section, as well as in Chapter II.2.2 above.

	a	b
(in millions of euros)	Protection purchased	Protection sold
Notional amounts		
Single-issuer credit default swaps	6,984.1	17.7
Credit default swap indices	-	-
Total return swaps	-	-
Credit options	-	-
Other credit derivatives	-	-
TOTAL NOTIONAL AMOUNTS	**6,984.1**	**17.7**
Fair values		
Positive fair value (asset)	168.4	
Negative fair value (liability)	(5.3)	(0.1)

2. Risk mitigation techniques applied to counterparty risk

These techniques are presented in the "Risk factors – Credit risk – Credit risk mitigation mechanisms – Use of credit derivatives" section.

V. Securitisation transactions

The credit risk on securitisation transactions is presented in the Securitisation chapter below.

VI. Equity exposures in the banking portfolio

Crédit Agricole S.A. Group's equity exposures, excluding the trading book, consist of securities "that convey residual, subordinated claims on the assets or income of the issuer or have a similar economic substance". These mainly include:

- listed and non-listed equities and shares in investment funds;

The definitions of the underlined words can be found in the Glossary on page 542.

- options implicit in convertible, redeemable or exchangeable bonds;
- stock options;
- deeply subordinated securities.

Non-consolidated equity interests are acquired for management purposes (financial assets at fair value through profit or loss or designated as at fair value through profit or loss or held-for-trading, available-for-sale financial assets, held-to-maturity investments, loans and receivables) as described in Note 1.3 to the financial statements entitled "Accounting policies and principles".

The accounting policies and valuation methods used are described in Note 1.3 to the financial statements "Accounting policies and principles".

GROSS EXPOSURE AND EXPOSURE AT DEFAULT UNDER THE INTERNAL RATINGS-BASED APPROACH

Categories *(in millions of euros)*	On-balance sheet amount	Off-balance sheet amount	Risk weighting coefficients	Exposure amount	RWA	Capital requirements
Exchange-traded equity exposures	706	97	190%	791	1,503	120
Private equity exposures	766		290%	728	2,110	169
Other equity exposures	14,319	0	370%	4,933	18,253	1,460
TOTAL	**15,790**	**97**		**6,452**	**21,866**	**1,749**

Equity exposures under the internal ratings based approach mainly consist of the portfolios of Crédit Agricole S.A., Crédit Agricole CIB and Crédit Agricole Investissement et Finance.

The value of the equity exposures under the internal ratings based approach amounted to €15.9 billion at 31 December 2016 (compared with €32.6 billion at 31 December 2015).

Furthermore, equity exposures using the standardised approach amounted to €1.2 billion at 31/12/2016 for an RWA of €1 billion excluding the threshold.

The cumulative amount of realised gains or losses on sales and settlements over the period under review is presented in Note 4 to the financial statements "Notes to the income statement".

5

SECURITISATION

I. Definitions

Crédit Agricole Group carries out securitisation transactions as an originator, arranger or as an investor according to the Basel 3 criteria.

Securitisation transactions, listed below, consist of transactions defined in directive 2013/36/EU ("CRD 4") and EU Regulation 575/2013 of 26 June 2013 ("CRR") in force since 1 January 2014. The directive and regulations incorporate into European law the Basel 3 international reforms (issued in December 2010) introducing, among other things, new requirements for bank solvency and oversight of liquidity risk. They cover transactions or schemes under which the credit risk associated with an exposure or pool of exposures is sub-divided into tranches with the following features:

- payments depend on the performance of the underlying exposure or pool of exposures;
- the subordination of tranches determines how losses are distributed over the life of the transaction or scheme.

Securitisation transactions include:

- standard securitisations: imply the economic transfer of the securitised exposures. This means the transfer of ownership of the securitised exposures by the reporting originating institution directly to a securitisation vehicle or *via* a vehicle's sub-investment in the securitised exposures. Notes issued by the securitisation vehicle do not constitute payment obligations for the reporting originating institution;
- synthetic securitisations: the credit risk is transferred through the use of credit derivatives or guarantees and the pool of securitised exposures is kept on the balance sheet of the reporting originating institution.

The securitisation exposures detailed below cover all securitisation exposures (recorded on or off-balance sheet) that generate RWA and capital requirements with respect to the Group's regulatory portfolio, according to the following typologies:

- originator programmes, deemed efficient under Basel 3 insofar as there is a significant transfer of risks;
- exposures in which the Group is investor;
- exposures in which the Group is sponsor;
- securitisation swap exposures (exchange or interest rate hedges) allocated to securitisation vehicles.

The securitisation transactions on own account carried out as part of non-derecognised collateralised financing operations, are not described below. Their impact on the consolidated financial statements is detailed in Notes 2.3 and 6.6 "Securitisation transactions" and "Transferred assets not derecognised or derecognised with on-going involvement" to the financial statements.

It should be noted that most securitisation transactions on behalf of European customers involve Ester Finance Titrisation, a wholly owned banking subsidiary of Crédit Agricole CIB, which finances the purchase of receivables and therefore makes Crédit Agricole CIB both sponsor and originator of these securitisation transactions.

II. Purpose and strategy

1. Securitisation transactions on own account

Crédit Agricole Group's securisation transactions on own account are the following:

COLLATERALISED FINANCING TRANSACTIONS

These transactions are designed for the issue of securities and, where appropriate, can be wholly or partially placed with investors, sold under repurchase agreements or kept on the issuer's balance sheet as liquid securities reserves that can be used to manage refinancing. This activity relates to several of the Group's entities, mainly CA Consumer Finance and its subsidiaries[1].

ACTIVE MANAGEMENT OF CRÉDIT AGRICOLE CIB'S CUSTOMER FINANCING PORTFOLIO

In addition to using credit derivatives (see the "Credit risks – Use of credit derivatives" section of the "Risk factors and Pillar 3" chapter), this activity consists of using securitisations to manage the credit risk of Crédit Agricole CIB's customer financing portfolio.

The objectives of this management of the financing portfolio are to optimise capital allocation, notably by reducing the concentration of outstanding loans to corporates, to release resources to contribute to the renewal of the Crédit Agricole CIB banking portfolio (in the Distribute to Originate model) and to maximise the profitability of capital. This business is managed by Crédit Agricole CIB's ALM/CPM Execution team. The approach used to calculate the risk weighted exposures on proprietary securitisation positions is the regulatory formula approach. In this business, the Bank does not systematically purchase protection on all tranches of a portfolio, as the management goal is to cover some of the more risky financing portfolio tranches whilst keeping part of the overall risk.

NEW SECURITISATIONS BY CRÉDIT AGRICOLE CIB IN 2016

In the course of managing the financing portfolio, the ALM/CPM Execution teams arranged the synthetic securitisation of a €1 billion portfolio comprised of large corporate exposures. A second synthetic securitisation of a US$3 billion portfolio of secured financing assets was signed in December 2016 and was finalised in February 2017.

CRÉDIT AGRICOLE CIB DISCONTINUING ACTIVITIES

These consist of investments in securitisation tranches that are either managed in run-off, or exposures for which the risk is considered to be low and that Crédit Agricole CIB is willing to carry for the long term. These were segregated into a dedicated regulatory banking book in 2009. These activities generate no market risk.

2. Securitisation transactions carried out on behalf of customers as arranger, sponsor, intermediary or originator

Within Crédit Agricole Group, only Crédit Agricole CIB carries out securitisation transactions on behalf of customers.

Securitisation transactions on behalf of customers within Global Markets activities allow Crédit Agricole CIB to raise funds or manage a risk exposure on behalf of its customers. When carrying out these activities, Crédit Agricole CIB can act as an originator, sponsor, arranger or investor:

- as a sponsor and arranger, Crédit Agricole CIB structures and manages securitisation programmes that refinance assets of the bank's customers, mainly *via* ABCP (Asset Backed Commercial Paper) conduits, namely LMA in Europe, Atlantic and La Fayette in the United States and ITU in Brazil. These specific entities are protected from Crédit Agricole CIB bankruptcy risk but are consolidated at Group level since the entry into force on 1 January 2014 of IFRS 10. The roles played by Crédit Agricole CIB group as sponsor, manager and provider of liquidity lines give it power directly related to the variability of returns of the business. The liquidity facilities protect investors from credit risk and guarantee the liquidity of the conduits;
- as an investor, the Group invests directly in certain securitisation exposures and is a liquidity provider or counterparty of derivative exposures (exchange or interest rate swaps for instance).

2.1 ACTIVITIES CARRIED OUT AS ARRANGER, SPONSOR, INTERMEDIARY OR ORIGINATOR

As an arranger, sponsor or originator, Crédit Agricole CIB carries out securitisation transactions on behalf of its customers. At 31 December 2016, there were four active consolidated multi-seller vehicles (LMA, Atlantic, La Fayette and ITU), structured by the Group on behalf of third parties. LMA, Atlantic, La Fayette and ITU are fully supported programmes. This ABCP programme activity finances the working capital requirements of some of the Group's customers by backing short-term financing with traditional assets, such as trade receivables or financial loans. The amount of the assets held by these vehicles and financed through the issuance of marketable securities amounted to €24.56 billion at 31 December 2016 (€18.7 billion at 31 December 2015).

The default risk on the assets held by these vehicles is borne by the sellers of the underlying receivables through credit enhancement or by insurers for certain types of risk upstream of the ABCP programmes. Crédit Agricole CIB bears the risk through liquidity facilities.

The programme activity was sustained throughout 2016, and the newly securitised outstandings mainly relate to trade receivables and financial loans.

For part of this ABCP programme activity, Crédit Agricole CIB acts as the originator insofar as the structures involve the entity Ester Finance Titrisation, which is a consolidated Group entity.

The amount committed to liquidity facilities granted to LMA, Atlantic, La Fayette and ITU as sponsors was €31.1 billion at 31 December 2016 (€25.5 billion at 31 December 2015).

2.2 ACTIVITIES CARRIED OUT AS INVESTOR

As part of its sponsor activities, the Group can grant guarantees and liquidity facilities to securitisation vehicles or act as a counterparty for derivatives in *ad hoc* securitisation transactions. These are mainly exchange rate swaps provided to the ABCP conduits and interest rate swaps for some ABS issues. These activities are recorded in the banking portfolio as investor activities.

(1) *It should be noted in this respect that in 2015 the Crédit Agricole Regional Banks carried out a home loan securitisation transaction ("RMBS"); this transaction is outside the scope of Crédit Agricole S.A. group.*

The definitions of the underlined words can be found in the Glossary on page 542.

Moreover, Crédit Agricole CIB may be called upon to directly finance on its balance sheet some securitisation transactions on behalf of its customers (mainly aircraft transactions and vehicle fleet financing) or provide support through a liquidity facility to an issue by special purpose vehicles external to the Group (SPV or ABCP conduit not sponsored by Crédit Agricole CIB). In this case, Crédit Agricole CIB is deemed to be an investor. Overall, this activity corresponded to outstandings of €2 billion at 31 December 2016 (€2.3 billion at 31 December 2015).

2.3 INTERMEDIATION TRANSACTIONS

Crédit Agricole CIB participates in the structuring and in the placement of securities, backed by client asset pools and to be placed with investors.

In this business, the Bank retains a relatively low risk *via* the possible contribution of back-up lines to securitisation vehicles or *via* a share of the notes issued.

III. Risk monitoring and recognition

1. Risk monitoring

The management of risks related to securitisation transactions follows the rules established by the Group, according to which these assets are recorded in the banking portfolio (credit and counterparty risk) or in the trading book (market and counterparty risk).

Outside Crédit Agricole CIB, the Group's only securitisation transactions are standard securitisations that the Group carries out on own account as an originator, as part of collateralised financing transactions. The monitoring of the risk in respect of the underlying assets is not modified by these transactions.

The development, sizing and targeting of securitisation transactions are periodically reviewed by Portfolio Strategy Committees specific to those activities and the countries to which they relate, as well as in the course of Group Risk Management Committee meetings.

Risks on securitisation transactions are measured against the capacity of the assets transferred over to financing structures to generate sufficient flows to cover the costs, mainly financial, of these structures.

Crédit Agricole CIB's securitisation exposures are treated in accordance with the IRB-securitisation framework approach, *i.e.*:

- Ratings-Based Approach (RBA) for exposures with a public external rating (directly or inferred) from an agency approved by the Committee of European Banking Supervisors (CEBS). The external agencies used are Standard & Poor's, Moody's, Fitch Ratings and Dominion Bond Rating Services (DBRS);
- Internal Assessment Approach (IAA): internal rating methodology approved by Crédit Agricole S.A.'s Standards and Methodology Committee for the main asset classes (particularly trade receivables and car financing) when there are no agency ratings for the exposure under consideration;
- Supervisory Formula Approach (SFA): in residual cases where there are neither public external ratings nor any possibility of applying the IAA method for exposures with no public external rating.

These ratings cover all types of risks generated by such securitisation transactions: intrinsic risks on receivables (debtor insolvency, payment delays, dilution, offsetting of receivables) or risks on the structuring of transactions (legal risks, risks relating to the receivables collection circuit, risks relating to the quality of information supplied periodically by managers of transferred receivables, other risks related to the seller, etc.).

These critically examined ratings are only a tool for making decisions pertaining to these transactions; such decisions are taken by credit Committees at various levels.

Credit decisions relate to transactions that are reviewed at least once a year by the same Committees. Committee decisions incorporate varying limits according to the evolution of the acquired portfolio (arrears rate, loss rate, rate of sector-based or geographical concentration, rate of dilution of receivables or periodic valuation of assets by independent experts, etc.); non-compliance with these limits may cause the structure to become stricter or place the transaction in early amortisation.

These credit decisions also include, in liaison with the Bank's other credit Committees, an assessment focusing on the risk generated by the sellers of the receivables and the possibility of substituting the manager by a new one in the event of a failure in the management of those receivables.

Like all credit decisions, these decisions include aspects of compliance and "country risk".

The liquidity risk associated with securitisation activities is monitored by the business lines in charge, but also centrally by Crédit Agricole CIB's Market Risk and Asset and Liability Management departments. The impact of these activities is incorporated into the Internal Liquidity Model indicators, mainly stress scenarios, liquidity ratios and liquidity gaps. The management of liquidity risk is described in more detail in the paragraph entitled "Liquidity and financing risk" of the Risk factors section in this chapter.

The management of structural currency risk with respect to securitisation transactions does not differ from that of the Group's other assets. As regards interest rate risk management, securitised assets are refinanced through *ad hoc* vehicles according to interest rate matching rules similar to those applying to other assets.

For assets managed in run-off mode, each transfer of position is first approved by Crédit Agricole CIB's Market Risk department.

Crédit Agricole CIB had no secondary securitisation positions at 31 December 2016 and therefore carries out no specific monitoring of this activity.

2. Accounting policies

As part of securitisation transactions, a derecognition test is carried out pursuant to IAS 39 (the criteria can be found in Note 1.3 to the consolidated financial statements on accounting policies and methods).

In the case of synthetic securitisations, the assets are not derecognised in that they remain under the control of the institution. The assets are still recognised according to their classification and original valuation method (see Note 1.3 to the consolidated financial statements on accounting policies and methods for financial asset classification and valuation methods).

The standard securitisations of its financial assets that the Group carries out on own account are performed as part of collateralised financing operations that are not derecognised (neither from an accounting nor a regulatory perspective). Their impact on the consolidated financial statements is detailed in Notes 2.3 and 6.6 "Securitisation transactions" and "Transferred assets not derecognised or derecognised with on-going involvement" to the financial statements.

5

Moreover, investments made in securitisation instruments (cash or synthetic) are recognised according to their classification and the associated valuation method (see Note 1.3 to the consolidated financial statements on accounting policies and methods for financial asset classification and valuation methods).

The securitisation exposures can be classified in the following accounting categories:

- "loans and receivables": these securitisation exposures are measured following initial recognition at amortised cost based on the effective interest rate and may, if necessary, be impaired;
- "available-for-sale financial assets": these securitisation exposures are remeasured at fair value on the closing date and any changes in fair value are recognised in other comprehensive income;
- "financial assets at fair value through profit or loss": these securitisation exposures are remeasured at fair value on the closing date and any changes in fair value are recognised through profit or loss under "Net gains (losses) on financial instruments at fair value through profit or loss".

Gains (losses) on the disposal of these securitisation exposures are recognised in accordance with the rules of the original category of the exposures sold.

Accordingly, for exposures classified under loans and receivables and under available-for-sale financial assets, gains (losses) on disposal are recognised through profit or loss on the "Net gains (losses) on available-for-sale financial assets" item, respectively on the "Gains (losses) on disposal of loans and receivables" and "Gains (losses) on disposal of available-for-sale financial assets" lines.

For exposures classified at market value through profit or loss, gains (losses) on disposal are recognised under "Net gains (losses) on financial instruments at fair value through profit or loss".

IV. Summary of activity on behalf of customers in 2016

Crédit Agricole CIB's Securitisation activity in 2016 was characterised by:

- support of the development of the public ABS market in the United States and in Europe. Crédit Agricole CIB structured and organised the placement (arranger and bookrunner) of a significant number of primary ABS issues on behalf of its major "Financial institution" customers, in particular in the automotive industry and in consumer finance;
- on the ABCP programme market, Crédit Agricole CIB maintained its ranking as one of the leaders in this segment, both in Europe and on the US market. This was achieved *via* the renewal and implementation of new securitisation operations for trade receivables or financial loans on behalf of its mainly Corporate customers, while ensuring that the profile of risks borne by the Bank remained good. Moreover, Crédit Agricole CIB sponsored a new ABCP programme in the United States, La Fayette, with a view to finding alternative sources of funding in line with new US regulations on money market funds. The strategy of Crédit Agricole CIB, focused on the financing of its customers, is well perceived by investors and resulted in financing conditions that remained competitive.

At 31 December 2016, Crédit Agricole CIB had no early-redemption securitisation programmes and no secondary securitisation exposure.

Moreover, in 2016, Crédit Agricole CIB did not support any securitisation programme within the meaning of Article 248-1 of the CRR.

V. Exposures

1. Exposure at default to securitisation operation risks in the banking book that generate risk weighted assets

1.1 SECURITISATION TRANSACTIONS USING INTERNAL RATING-BASED APPROACH

Exposure at default of securitisation transactions by role

31/12/2016 Underlyings *(in millions of euros)*	Securitised EAD						Total
	Standard			Synthetic			
	Investor	*Originator*	*Sponsor*	*Investor*	*Originator*	*Sponsor*	
Residential real estate loans	152.6	1,563.7	67.0	3.4	-	-	**1,786.8**
Commercial real estate loans	-	-	31.3	1.9	-	-	**33.2**
Credit card loans	0.4	-	-	-	-	-	**0**
Leasing	20.4	-	4,546.3	-	-	-	**4,566.7**
Loans to corporates and SMEs	485.6	58.7	-	1,999.6	2,259.0	-	**4,803.0**
Personal loans	81.4	-	3,922.4	-	-	-	**4,0043.8**
Trade receivables	42.8	10,046.6	6,977.2	-	-	-	**17,066.6**
Other	2.1	205.5	5,940.0	-	-	-	**6,147.6**
TOTAL	**785.3**	**11,874.6**	**21,484.1**	**2,004.9**	**2,259.0**	**-**	**38,407.9**

The definitions of the underlined words can be found in the Glossary on page 542.

Exposure at default of securitisation transactions by weighting

31/12/2016 **Underlyings** *(in millions of euros)*	Securitised EAD			
	SFA	IAA	RBA	Total
Residential real estate loans	-	-	1,786.8	**1,786.8**
Commercial real estate loans	-	-	33.2	**33.2**
Credit card loans	-	-	0.4	**0.4**
Leasing	-	4,512.1	54.6	**4,566.7**
Loans to corporates and SMEs	4,257.4	-	545.5	**4,803.0**
Personal loans	-	3,411.8	592.0	**4,003.8**
Trade receivables	984.6	16,082.0	0.0	**17,066.6**
Other	1,663.7	1,700.5	2,783.4	**6,147.6**
TOTAL	**6,905.8**	**25,706.3**	**5,795.9**	**38,407.9**

Exposure at default of securitisation transactions by on- and off-balance sheet accounting classification

31/12/2016 **Underlyings** *(in millions of euros)*	Securitised EAD		
	Balance sheet	Off-balance sheet	Total
Residential real estate loans	1,678.5	108.3	**1,786.8**
Commercial real estate loans	-	33.2	**33.2**
Credit card loans	-	0.4	**0.4**
Leasing	-	4,566.7	**4,566.7**
Loans to corporates and SMEs	60.5	4,742.5	**4,803.0**
Personal loans	2.3	4,001.5	**4,003.8**
Trade receivables	88.0	16,978.6	**17,066.6**
Other	902.3	5,245.3	**6,147.6**
TOTAL	**2,731.5**	**35,676.4**	**38,407.9**

Securitisation position held or acquired in the banking portfolio by approach and weighting

31/12/2016 **Weighting** *(in millions of euros)*	Exposure at default (EAD)			Capital requirements		
	Securitisation + Secondary securitisation	*Securitisation*	*Secondary securitisation*	*Securitisation + Secondary securitisation*	*Securitisation*	*Secondary securitisation*
External ratings based approach	**5,795.9**	**4,170.7**	**1,625.1**	**141.7**	**126.6**	**15.1**
6-10% weighting	1,495.6	1,495.6	-	9.3	9.3	-
12-35% weighting	2,159.4	2,100.7	58.7	24.7	23.7	1.0
40-75% weighting	24.9	17.2	7.7	1.4	1.1	0.3
100-650% weighting	521.3	521.3	-	56.6	56.6	-
Weighting = 1,250%	1,594.7	36.0	1,558.7	49.8	36.0	13.8
Internal Assessment Approach	**25,706**	**25,706.6**	**-**	**198.6**	**198.6**	**-**
Average weighting (%)	9.7%	-	-	9.7%	-	-
Supervisory Formula Approach	**6,905.8**	**6,905.8**	**-**	**90.2**	**90.2**	**-**
Average weighting (%)	16.3%	-	-	16.3%	-	
BANKING PORTFOLIO TOTAL	**38,407.9**	**36,782.8**	**1,625.1**	**430.5**	**415.4**	**15.1**

The definitions of the underlined words can be found in the Glossary on page 542.

	31/12/2015					
	Exposure at default (EAD)			Capital requirements		
31/12/2015 Weighting *(in millions of euros)*	*Securitisation + Secondary securitisation*	*Securitisation*	*Secondary securitisation*	*Securitisation + Secondary securitisation*	*Securitisation*	*Secondary securitisation*
External ratings based approach	**6,446.3**	**4,701.0**	**1,744.5**	**164.0**	**141.0**	**23.0**
6-10% weighting	1,419.6	1,419.6	0.0	9.0	9	0.0
12-35% weighting	2,854.9	2,638.8	216.1	32.6	29	3.7
40-75% weighting	48.5	48.5	0.0	3.1	3	0.0
100-650% weighting	574.2	560.0	13.7	67.6	65.7	1.9
Weighting = 1,250%	1,549.1	34.3	1,514.8	51.1	34.3	16.7
Internal Assessment Approach	**21,332.1**	**21,332.1**	**0**	**171.3**	**171.3**	**0**
Average weighting (%)	10.0%	-	-	10.0%	-	-
Supervisory Formula Approach	**6,377.5**	**6,377.5**	**0**	**73**	**72.8**	**0.0**
Average weighting (%)	14.3%	-	-	14.3%	-	-
BANKING PORTFOLIO TOTAL	**34,155.9**	**32,411.3**	**1,744.5**	**408.0**	**385.1**	**23.0**

Exposure at default to securitisation transaction risks on own account and on behalf of third parties

The value at risk of securitisation transactions amounted to €6,007 million on own account and €32,400 million on behalf of third parties at 31 December 2016, compared with 6,448 million and €27,708 million, respectively, in 2015.

1.2 SECURITISATION TRANSACTIONS USING THE STANDARDISED APPROACH

TOTAL SECURITISATION EXPOSURES

(in millions of euros)	**31/12/2016**	**31/12/2015**
Standard securitisations	690.0	455.0
Synthetic securitisations	-	-

AGGREGATE SECURITISATION EXPOSURES HELD OR ACQUIRED (EXPOSURES AT DEFAULT)

(in millions of euros)	**31/12/2016**	**31/12/2015**
AGGREGATE SECURITISATION EXPOSURES HELD OR ACQUIRED	**537**	**272**
With external credit rating	**406.0**	**259.0**
20% Weighting	-	27.5
40% Weighting	-	-
50% Weighting	406.0	183.4
100% Weighting	-	42.4
225% Weighting	-	-
350% Weighting	-	5.6
650% Weighting	-	-
Weighting = 1,250%	**-**	**6.9**
Transparency approach	**130.7**	**5.8**

The definitions of the underlined words can be found in the Glossary on page 542.

2. Exposure at default to securitisation operation risks in the trading book generating risk weighted assets under the standardised approach

2.1 EXPOSURE AT DEFAULT OF SECURITISATION TRANSACTIONS BY ROLE USING THE STANDARDISED APPROACH

Underlyings *(in millions of euros)*	Securitised EAD at 30/12/2016						
	Standard			Synthetic			
	Investor	*Originator*	*Sponsor*	*Investor*	*Originator*	*Sponsor*	**Total**
Residential real estate loans	38	-					**38**
Commercial real estate loans	-	-					**-**
Credit card loans	-	-					**-**
Leasing							**-**
Loans to corporates and SMEs	-	-					**-**
Personal loans	-	-					**-**
Trade receivables	-	-					**-**
Secondary securitisation							**-**
Other	72	-					**72**
TOTAL	**111**	**-**	**-**	**-**	**-**	**-**	**111**

Exposure at default only concerns Standard securitisation.

2.2 EXPOSURE AT DEFAULT OF SECURITISATION TRANSACTIONS BY APPROACH AND BY WEIGHTING

Risk weighting tranche *(in millions of euros)*	30/12/2016			31/12/2015		
	Long positions	Short positions	Capital requirements	Long positions	Short positions	Capital requirements
EAD subject to weighting						
7-10% weightings	23		0	8		0
12-18% weightings	0		0	0		
20-35% weightings	6		0	96		0
40-75% weightings	2		0	2		0
100% weightings	5		0	5		0
150% weightings	0		0			
200% weightings	0		0			
225% weightings	0		0			
250% weightings	5		0	6		0
300% weightings	0		0	0		
350% weightings	0		0	0		
425% weightings	6		0	11		1
500% weightings	0		0			
650% weightings	0		0			
750% weightings	0		0			
850% weightings	0		0			
1,250% weightings	63		10	76		12
Internal Assessment Approach	**111**	**0**	**11**	**205**	**0**	**13**
Supervisory Formula Approach						
Transparency Approach						
NET TOTAL DEDUCTIONS FROM CAPITAL						
1,250%/Positions deducted from capital						
TRADING BOOK TOTAL	**111**	**0**	**11**	**205**	**0**	**13**

2.3 CAPITAL REQUIREMENTS RELATING TO SECURITISATIONS HELD OR ACQUIRED

	30/12/2016				31/12/2015			
(in millions of euros)	Long positions	Short positions	Total weighted positions	Capital requirements	Long positions	Short positions	Total weighted positions	Capital requirements
EAD subject to weighting	110.6	0	67.4	10.6	205.0	0.0	83.7	13.2
Securitisation	132.9		22.7		132.9		28.0	
Secondary securitisation	609.9		44.7		609.9		55.7	
Deductions	0.0				0.0			

MARKET RISK

I. Internal model market risk measurement and management methodology

Market risk measurement and management by internal methods are described in the section entitled "Risk factors – Market risk – Market risk measurement and management methodology".

II. Rules and procedures for valuing the trading book

The rules for valuing the various items in the trading book are described in Note 1.3 to the financial statements, "Accounting policies and principles".

Measurement models are reviewed periodically as described in the section entitled "Risk factors – Market risk – Market risk measurement and management methodology".

III. Exposure to market risk of the trading book

1. Risk weighted exposure using the standardised approach

RISK WEIGHTED EXPOSURE USING THE STANDARDISED APPROACH AT 31/12/2016

31/12/2016 *(in millions of euros)*		a RWA
	Outright products	
1	Interest rate risk (general and specific)	804.6
2	Equity risk (general and specific)	0.0
3	Foreign exchange risk	0.0
4	Commodity risk	
	Options	
5	Simplified approach	
6	Delta-plus method	0.0
7	Scenario approach	2.9
8	Securitisation	132.9
9	**TOTAL**	**940.4**

RISK WEIGHTED EXPOSURE USING THE STANDARDISED APPROACH AT 31/12/2015

31/12/2015 *(in millions of euros)*		a RWA
	Outright products	
1	Interest rate risk (general and specific)	648.8
2	Equity risk (general and specific)	0.0
3	Foreign exchange risk	170.3
4	Commodity risk	
	Options	
5	Simplified approach	
6	Delta-plus method	0.2
7	Scenario approach	1.2
8	Securitisation	165.1
9	**TOTAL**	**985.6**

The definitions of the underlined words can be found in the Glossary on page 542.

2. Exposure using the internal model method

2.1 RISK-WEIGHTED ASSETS AND CAPITAL REQUIREMENTS

31/12/2016 *(in millions of euros)*		a RWA	b Minimum capital requirements
1	**VaR (max. between values a and b)**	**2,070**	**166**
(a)	Measurement of the previous day's value at risk (VaRt-1)		166
(b)	Multiplication factor (mc) x average daily measurements of value at risk in the previous 60 business days (VaRavg)		39
2	**SVaR (max. between values a and b)**	**3,091**	**247**
(a)	Last available measure (SVaRt-1)		55
(b)	Multiplication factor (ms) x average daily measurements of stressed value at risk in the previous 60 business days (SVaRavg)		247
3	**Incremental risk of default and migration – IRC (max. between values a and b)**	**1,594**	**127**
(a)	Last available measure		77
(b)	12-week average		127
4	**Comprehensive risk measure relating to the correlation portfolio – CRM (max. between values a, b and c)**		
(a)	Last available measure		
(b)	12-week average		
(c)	Floor level		
5	**TOTAL**	**6,755**	**540**

31/12/2015 *(in millions of euros)*		a RWA	b Minimum capital requirements
1	**VaR (max. between values a and b)**	**2,056**	**164**
(a)	Measurement of the previous day's value at risk (VaRt-1)		164
(b)	Multiplication factor (mc) x average daily measurements of value at risk in the previous 60 business days (VaRavg)		49
2	**SVaR (max. between values a and b)**	**2,780**	**222**
(a)	Last available measure (SVaRt-1)		63
(b)	Multiplication factor (ms) x average daily measurements of stressed value at risk in the previous 60 business days (SVaRavg)		222
3	**Incremental risk of default and migration – IRC (max. between values a and b)**	**1,768**	**141**
(a)	Last available measure		134
(b)	12-week average		141
4	**Comprehensive risk measure relating to the correlation portfolio – CRM (max. between values a, b and c)**		
(a)	Last available measure		
(b)	12-week average		
(c)	Floor level		
5	**TOTAL**	**6,603**	**528**

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2.2 VALUES RESULTING FROM USE OF INTERNAL MODELS

31/12/2016
(in millions of euros)

VaR (10 days, 99%)		
1	Maximum value	49.6
2	Average value	41.4
3	Minimum value	34.6
4	Value at end of period	38.8
VaR during periods of stress (10 days, 99%)		
5	Maximum value	72.2
6	Average value	61.8
7	Minimum value	52.8
8	End of period	54.8
IRC capital requirement (99.9%)		
9	Maximum value	209.3
10	Average value	98.1
11	Minimum value	45.6
12	Value at end of period	59.1
Capital requirement in respect of CRM (99.9%)		
13	Maximum value	0.0
14	Average value	0.0
15	Minimum value	0.0
16	Value at end of period	0.0
17	Floor (standardised measurement method)	0.0

31/12/2015
(in millions of euros)

VaR (10 days, 99%)		
1	Maximum value	54.9
2	Average value	41.1
3	Minimum value	28.7
4	Value at end of period	49.1
VaR during periods of stress (10 days, 99%)		
5	Maximum value	76.6
6	Average value	55.6
7	Minimum value	42.6
8	End of period	62.7
IRC capital requirement (99.9%)		
9	Maximum value	120.4
10	Average value	108.7
11	Minimum value	96.3
12	Value at end of period	103.2
Capital requirement in respect of CRM (99.9%)		
13	Maximum value	0
14	Average value	0
15	Minimum value	0
16	Value at end of period	0
17	Floor (standardised measurement method)	0

GLOBAL INTEREST RATE RISK

The nature of interest rate risk, the main underlying assumptions retained and the frequency of interest rate risk measurements are described in the section entitled “Risk factors – Asset/Liability Management – Global interest rate risk”.

OPERATIONAL RISK

I. Advanced measurement approach

The French Regulatory and Resolution Supervisory Authority (ACPR) has, since 1 January 2008, authorised Crédit Agricole S.A. group’s main entities to use the Advanced Measurement Approach (AMA) to calculate their regulatory capital requirements for operational risk. The Group’s other entities use the standardised approach, in accordance with regulations.

The scope of application of the advanced measurement and standardised approaches and a description of the advanced measurement approach methodology are provided in the section entitled “Risk factors – Operational risk – Methodology”.

II. Insurance techniques for reducing operational risk

The insurance techniques used to reduce operational risk are described in the section entitled “Risk factors – Operational risk – Insurance and coverage of operational risks”.

COMPENSATION POLICY

The information on the compensation policy required pursuant to EU Regulation 575-2013 (CRR) can be found in Chapter 3 of this registration document.

The definitions of the underlined words can be found in the Glossary on page 542.

6 CONSOLIDATED FINANCIAL STATEMENTS

at 31 December 2016 approved by the Board of Directors of Crédit Agricole S.A. on 14 February 2017 and subject to approval by the General Meeting of Shareholders on 24 May 2017

Crédit Agricole S.A. : Key figures

Net Income Group Share	**€3,540 m**
• Revenues	€16,853 m
Total assets	**€1,524,232 m**
• Total customer loans	€346,254 m
• Total customer deposits	€521,828 m
• Total equity	€63,937 m

The definitions of the underlined words can be found in the Glossary on page 542.

GENERAL FRAMEWORK

LEGAL PRESENTATION OF THE ENTITY

Since the Extraordinary General Meeting of Shareholders of 29 November 2001, the Company's name has been: **Crédit Agricole S.A.**

Since 1 July 2012, the address of the Company's registered office has been: 12, place des États-Unis, 92127 Montrouge Cedex, France.

Registration number: 784 608 416 Nanterre Trade and Companies Register

NAF code: 6419Z

Crédit Agricole S.A. is a French Public Limited Company (*Société Anonyme*) with a Board of Directors governed by ordinary company law and more specifically by Book II of the French Commercial Code.

Crédit Agricole S.A. is also subject to the provisions of the French Monetary and Financial Code and more specifically Articles L. 512-47 *et seq.* thereof.

Crédit Agricole S.A. was licensed as an authorised lending institution in the mutual and cooperative banks category on 17 November 1984. As such, it is subject to oversight by the banking supervisory authorities, and more particularly by the French Regulatory and Resolution Supervisory Authority (ACPR) and the European Central Bank.

Crédit Agricole S.A. shares are admitted for trading on Euronext Paris. Crédit Agricole S.A. is subject to the prevailing stock market regulations particularly with respect to public disclosure obligations.

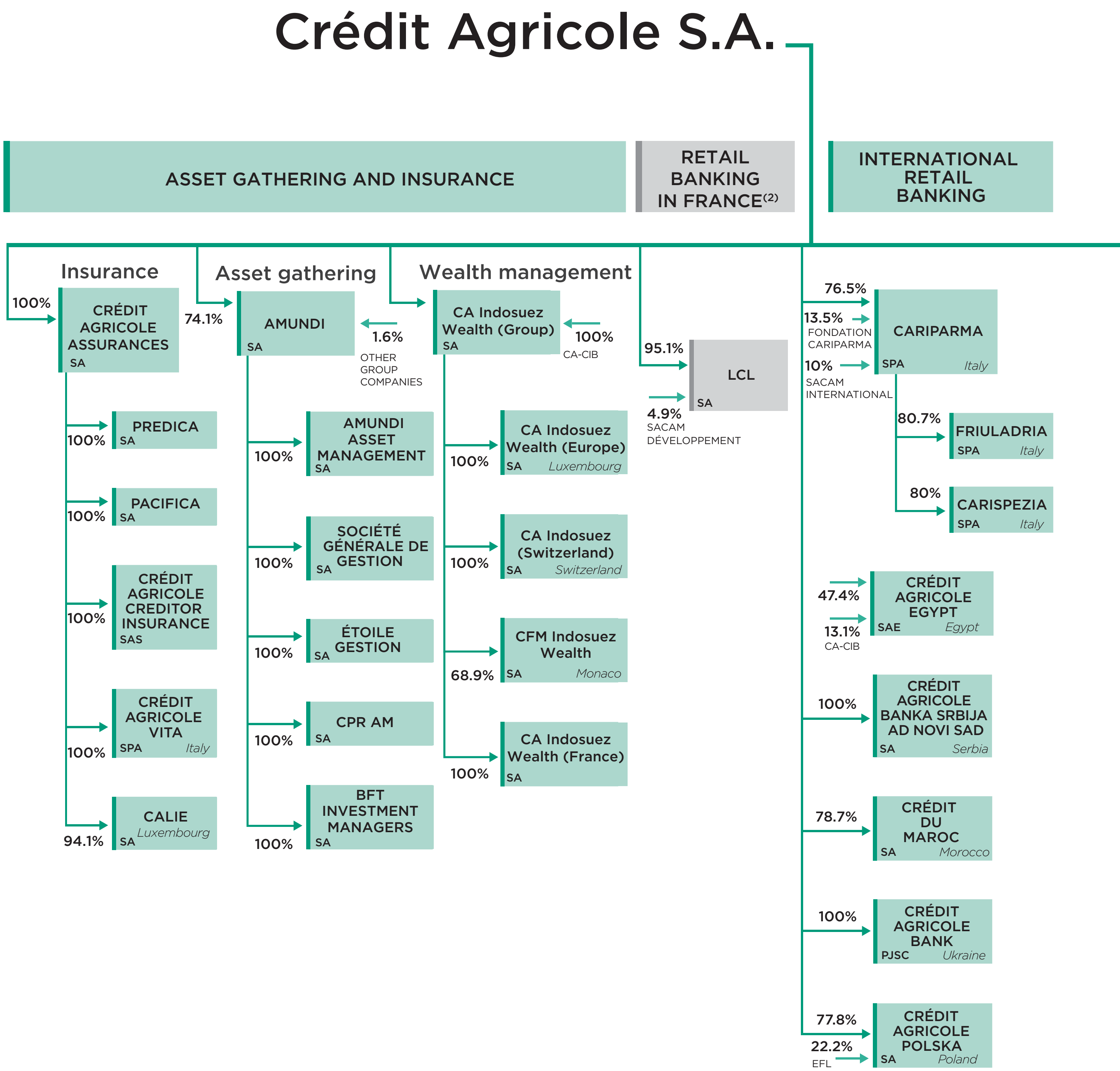
The definitions of the underlined words can be found in the Glossary on page 542.

A bank with mutual roots

SAS Rue La Boétie, which is wholly owned by the Regional Banks, holds the majority of Crédit Agricole S.A.'s share capital. Shares in SAS Rue La Boétie may not be transferred outside the Regional Banks' network. Furthermore, any trading in these shares between Regional Banks is governed by a liquidity agreement that in particular sets out the procedures for determining the transaction price. This encompasses both disposals of shares between the Regional Banks and capital increases at SAS Rue La Boétie.

The *Fédération Nationale du Crédit Agricole* (FNCA) acts as a consultative and representative body, and as a communication forum for the Regional Banks.

In accordance with the provisions of the French Monetary and Financial Code (Articles L. 511-31 and L. 511-32), as the central body of the Crédit Agricole network, Crédit Agricole S.A. is responsible for exercising administrative, technical and financial control over the institutions affiliated to it in order to maintain a cohesive network (as defined in Article R. 512-18 of the French Monetary and Financial Code) and to ensure their proper functioning and compliance with all regulations and legislation governing them. In that regard, Crédit Agricole S.A. may take all necessary measures notably to ensure the liquidity and solvency of the network as a whole and of each of its affiliated institutions.

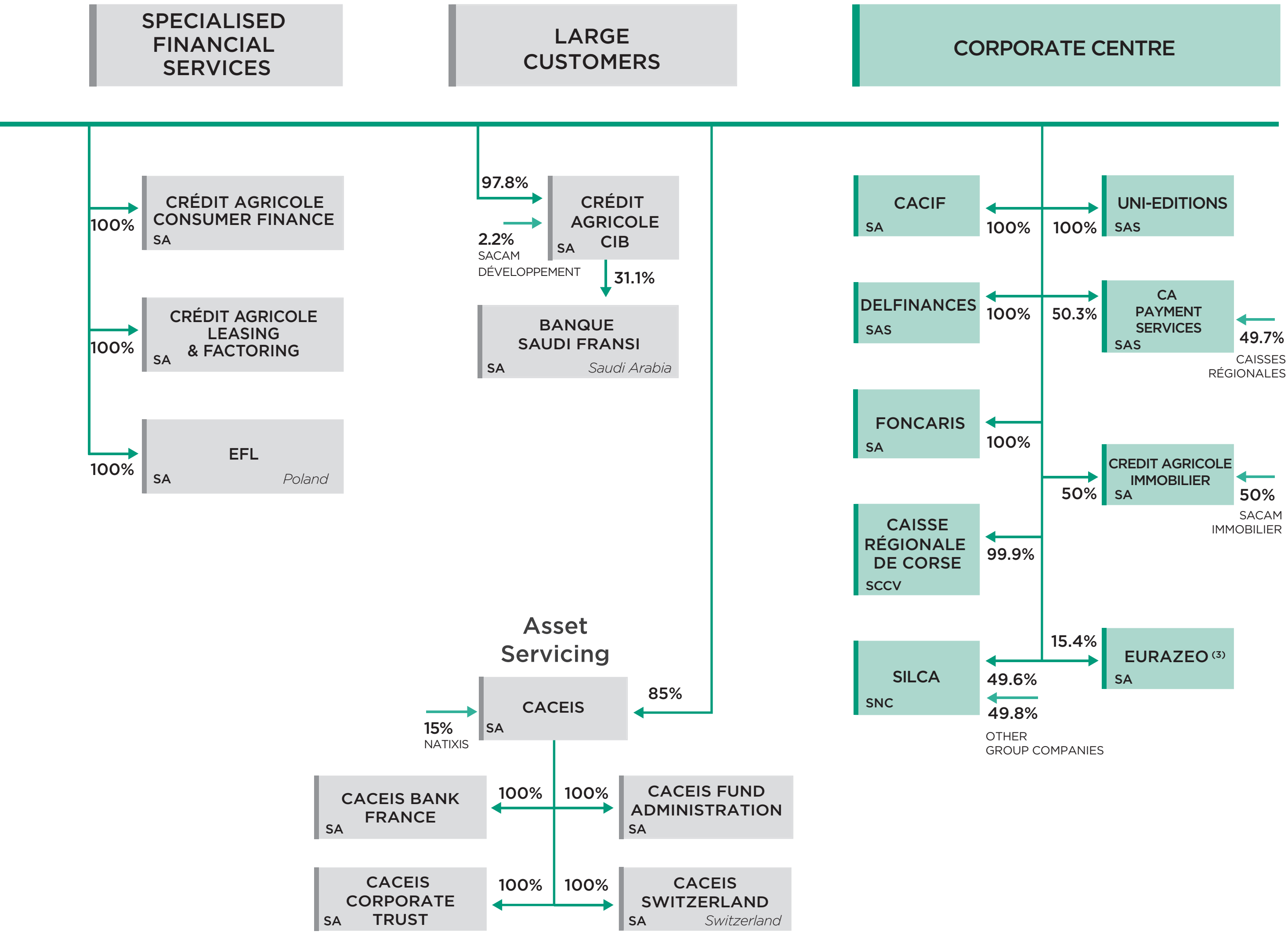


(1) Direct % interest held by Crédit Agricole S.A. and its subsidiaries.

(2) The transaction to simplify the Group's capital structure was announced on the 17th February 2016 and was carried out on the 3rd August 2016. The majority of the cooperative investment certificates (Certificats coopératifs d'investissement or CCIs) and the cooperative associate certificates (Certificats coopératifs d'associés or CCAs) held by Crédit Agricole S.A. were transferred to a holding company (Sacam Mutualisation) jointly owned by the Regional Banks (see Note 2 "Major structural transactions and material events during the period", "Simplification of the Group's capital through the transfer of Crédit Agricole S.A.'s equity investments in the Regional Banks to Sacam Mutualisation").

(3) % interest of 16% excluding treasury shares.

at 31/12/2016 (% interest)(1)



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Financial transactions between Crédit Agricole S.A. and its subsidiaries are subjected to reglemented agreement, as the case may be, that are mentioned in the statutory auditors' special report.

Internal mechanisms of Crédit Agricole Group (in particular between Crédit Agricole S.A. and the Regional Banks) are detailed in the paragraph "Internal financing mechanisms", in introduction of the consolidated financial statements

CRÉDIT AGRICOLE INTERNAL RELATIONS

Internal financing mechanisms

Crédit Agricole has instituted a number of internal financing mechanisms specific to the Group.

Regional Banks' current accounts

Each Regional Bank holds a current account with Crédit Agricole S.A., which records the financial movements resulting from internal financial transactions within the Group. This account, which may be in credit or debit, is presented in the balance sheet under "Crédit Agricole internal transactions – Current Accounts" and integrated on a specific line item, either "Loans and receivables due from credit institutions" or "Due to credit institutions".

Special savings accounts

Funds held in special savings accounts (popular savings plans (*Livret d'épargne populaire*), sustainable development passbook accounts (*Livret de développement durable*), home purchase savings plans and accounts, youth passbook accounts and *Livret A* passbook savings accounts) are collected by the Regional Banks on behalf of Crédit Agricole S.A. These funds are required to be transferred to the latter. Crédit Agricole S.A. recognises them on its balance sheet as "Due to customers".

Term deposits and advances

The Regional Banks also collect savings funds (passbook accounts, bonds, warrants, certain term accounts and related accounts, etc.) on behalf of Crédit Agricole S.A. These funds are transferred to Crédit Agricole S.A., and are recognised as such on its balance sheet.

Special savings accounts and time deposits and advances are used by Crédit Agricole S.A. to make "advances" (loans) to the Regional Banks, with a view to funding their medium and long-term loans.

A series of four internal financial reforms has been implemented. These reforms have permitted the transfer back to the Regional Banks, in the form of mirror advances (with maturities and interest rates precisely matching those of the savings funds received) of first 15%, 25%, then 33% and, since 31 December 2001, 50% of the savings resources, which they are free to use at their discretion.

Since 1 January 2004, the financial margins generated by the centralised management of funds collected (and not transferred back *via* mirror advances) are shared by the Regional Banks and Crédit Agricole S.A. and are determined by using replacement models and applying market rates.

Furthermore, 50% of new loans written since 1 January 2004 and falling within the field of application of financial relations between Crédit Agricole S.A. and the Regional Banks may be refinanced in the form of advances negotiated at market rates with Crédit Agricole S.A.

Hence, there are currently two types of advances: advances governed by financial rules from before 1 January 2004 and those governed by the new rules.

Crédit Agricole S.A. may also make additional financing available to the Regional Banks at market rates.

Transfer of Regional Banks' liquidity surpluses

The Regional Banks may use their monetary deposits (demand deposits, non-centralised term deposits and negotiable certificates of deposit) to finance lending to their customers. Surpluses must be transferred to Crédit Agricole S.A. where they are booked as current or term accounts, under "Crédit Agricole internal transactions".

Investment of Regional Banks' surplus capital with Crédit Agricole S.A.

Available surplus capital may be invested with Crédit Agricole S.A. in the form of three to ten-year instruments with the same characteristics of interbank money market transactions in all respects.

Foreign currency transactions

Crédit Agricole S.A. represents the Regional Banks with respect to the Bank of France and centralises their foreign currency transactions.

Medium and long-term notes issued by Crédit Agricole S.A.

These are placed mainly on the market or by the Regional Banks with their customers. They are booked by Crédit Agricole S.A. under liabilities either as "Debt securities" or as "Subordinated debt", depending on the type of security issued.

Hedging of liquidity and solvency risks

During the IPO of Crédit Agricole S.A. in 2001, CNCA (now Crédit Agricole S.A.) signed an agreement with the Regional Banks to govern internal relations within Crédit Agricole Group. The agreement notably provided for the creation of a Fund for Bank Liquidity and Solvency Risks (FRBLS) designed to enable Crédit Agricole S.A. to fulfil its role as central body by providing assistance to any affiliated members that may experience difficulties. The main provisions of this agreement are set out in Chapter III of the registration document filed by Crédit Agricole S.A. with the *Commission des Opérations de Bourse* on 22 October 2001 under number R. 01-453. The fund was originally allocated €610 million in assets. At 31 December 2016 it totalled €1,076 million, having been increased by €36 million in the course of the year.

European legislation relating to the resolution of banking crises adopted in 2014 (the BRRD directive transposed into French law by Ordinance 2015-1024 of 20 August 2015, which also brought French law into line with the regulation establishing a Single Resolution Mechanism) introduced a number of significant changes to the regulations applicable to credit institutions.

The new framework, which includes measures to prevent and to resolve banking crises, is intended to preserve financial stability, to ensure the continuity of activities, services and operations of institutions whose failure could significantly impact the economy, to protect depositors and to avoid or limit, as much as possible, the use of public financial support. In this context, the European

The definitions of the underlined words can be found in the Glossary on page 542.

resolution authorities, including the Single Resolution Board, were granted extensive powers to take all necessary measures in connection with the resolution of all or part of a credit institution or the group to which it belongs.

This resolution framework does not affect the legal internal financial solidarity mechanism enshrined in Article L. 511-31 of the French Monetary and Financial Code, which applies to the Crédit Agricole Network, as defined in Article R. 512-18 of the same Code. Crédit Agricole S.A. considers that, in practice, this mechanism should be implemented prior to any resolution procedure, given that, as central body, Crédit Agricole must take all measures necessary to ensure the liquidity and solvency of each network member, as well as the network as a whole. As a result, each member of the network (including Crédit Agricole S.A.) benefits from this internal financial solidarity mechanism.

The application of the resolution procedure to Crédit Agricole Group would thus mean that the legal internal solidarity mechanism had failed to cope with the bankruptcy of one or more Group affiliates, and hence of the network as a whole. By its very nature it also hinders the monitoring of the conditions for implementing the guarantee of the obligations of Crédit Agricole S.A. granted in 1988 to its third party creditors by the Regional Banks on a joint and several basis, and up to the aggregate amount of their own funds. It should be recalled that this guarantee may be exercised in the event of an asset shortfall at Crédit Agricole S.A. identified in the course of its bankruptcy or dissolution.

In connection with the institution of a resolution procedure, the Single Resolution Board (SRB), should respect the fundamental principle that no creditor must suffer losses in connection with a resolution procedure that are greater than those it would suffer if the entity had been liquidated in a normal insolvency procedure (the "No Creditor Worse Off than on Liquidation" – NCWOL – principle, set forth in Article L. 613-57-I - of the French Monetary and Financial Code, and Article 73 of the BRRD directive). Because this principle must be respected, Crédit Agricole S.A. considers that the existence of the guarantee granted in 1988 by the Regional Banks in favour of the creditors of Crédit Agricole S.A., will have to be taken into account by the Single resoltion board, although it is not possible to determine how this will be done.

Specific guarantees provided by the Regional Banks to Crédit Agricole S.A. (Switch)

The transaction to simplify the Group's structure took the form of the transfer of the CCI/CCA certificates held by Crédit Agricole S.A. to a company wholly owned by the Regional Banks, Sacam Mutualisation (see Note 2 "Major structural transactions and material events during the period", "Simplification of the Group's capital through the transfer of Crédit Agricole S.A.'s equity investments in the Regional Banks to Sacam Mutualisation" section). With Crédit Agricole S.A. no longer being a shareholder in the Regional Banks following the transaction, this was accompanied by the signing of two amendments to the Switch guarantees master agreement.

The Switch guarantee mechanism, established on 23 December 2011 and supplemented by an initial addendum signed on 19 December 2013 and twice amended in 2016 on 17 February (amendment no. 2) and 21 July (amendment no. 3) respectively, forms parts of the financial arrangements between Crédit Agricole S.A., as central body, and the mutual network of Crédit Agricole Regional Banks. The new guarantees took effect retroactively on 1 July 2016, replacing the previous guarantees, and expire on 1 March 2027, subject to total or partial early termination or extension in accordance with the terms of the contract.

With this mechanism, and subject to the upper limit specified in the agreement, the Regional Banks assume, on behalf of Crédit Agricole S.A., regulatory requirements relating to the equity method of accounting for certain equity investments held by Crédit Agricole S.A. They also assume the associated economic risks in the form of compensation, where applicable.

The guarantees allow the transfer of regulatory requirements that henceforth apply to Crédit Agricole S.A.'s equity investments in Crédit Agricole Assurances (CAA), the latter being equity-accounted for regulatory reasons: we are now talking about the Insurance Switch guarantees. They are subject to fixed remuneration covering the present value of the risk and the cost of capital for the Regional Banks.

The effectiveness of the mechanism is secured by cash deposits paid by the Regional Banks to Crédit Agricole S.A. These security deposits are calibrated to show the capital savings generated by Crédit Agricole S.A., and are compensated at a fixed rate based on conditions prevailing for long-term liquidity.

The Insurance Switch guarantees protect Crédit Agricole S.A. from a decline in the equity-accounted value of these equity investments, subject to payment by the Regional Banks of compensation from the security deposit. Likewise, if the equity-accounted value later recovers, Crédit Agricole S.A. could return previously paid compensation in accordance with a clawback provision.

In regulatory terms:

- Crédit Agricole S.A. reduces its capital requirements in proportion to the amount of the guarantee provided by the Regional Banks;
- the Regional Banks symmetrically record capital requirements matching those offloaded by Crédit Agricole S.A.

This mechanism, which is neutral at Crédit Agricole Group level, enables the rebalancing of capital allocation between Crédit Agricole S.A. and the Regional Banks.

In accounting terms:

The guarantees are essentially insurance contracts, due to the existence of an insurance risk as defined by IFRS 4.

For the insured, they are treated as a first demand guarantee received and their compensation is recognised in stages as a deduction from the interest margin under Revenues.

In the event of a call on guarantees, or following an improvement in fortunes, where applicable, the compensation payment or redemption proceeds would be recognised under cost of risk.

It should be noted that the Insurance Switch guarantees are triggered on a half-yearly basis and are assessed on the basis of half-yearly changes in the equity-accounted value of the Crédit Agricole Assurances equity investments. At each quarterly closing, the Regional Banks are required to estimate if there is a risk that compensation will be payable and to fund provisions accordingly. On the other hand, Crédit Agricole, S.A. cannot recognise equivalent income because it is not certain. At each half-yearly close, and if the conditions have been met, Crédit Agricole. S.A. and the Regional Banks recognise on a symmetrical basis the effects of triggering the guarantees (calling or claw-back).

Capital ties between Crédit Agricole S.A. and the Regional Banks

The capital ties between Crédit Agricole S.A. and the Regional Banks are governed by an agreement entered into by the parties prior to Crédit Agricole S.A.'s initial public offering.

Under the terms of this agreement, the Regional Banks exercise their control over Crédit Agricole S.A. through SAS Rue La Boétie, a holding company wholly-owned by them. The purpose of SAS Rue La Boétie is to hold enough shares to ensure that it always owns at least 50% of the share capital and voting rights of Crédit Agricole S.A.

In addition, under the agreement, Crédit Agricole S.A. directly owned approximately 25% of the share capital of each Regional Bank (except for the *Caisse Régionale de la Corse* which is owned at 99.9%).

Following the transaction to simplify the Group's capital structure on 3 August 2016, the bulk of the cooperative investment certificates (*Certificats coopératifs d'investissement* or CCIs) and the cooperative associate certificates (*Certificats coopératifs d'associés* or CCAs) held by Crédit Agricole S.A. were transferred to a holding company ("Sacam Mutualisation") jointly owned by the Regional Banks (see Note 2 "Major structural transactions and material events during the period", "Simplification of the Group's capital through the transfer of Crédit Agricole S.A.'s equity investments in the Regional Banks to Sacam Mutualisation").

RELATED PARTIES

The related parties of Crédit Agricole S.A. Group are the consolidated companies, including companies accounted for using the equity method, the Group's Senior Executives and the Regional Banks, given the Group's legal structure and due to fact that Crédit Agricole is the central body of the Crédit Agricole network.

In accordance with the internal financial mechanisms at Crédit Agricole, transactions between Crédit Agricole S.A. and the Regional Banks[(1)] are presented on the balance sheet and income statement as Crédit Agricole internal transactions (Note 4.1 "Interest income and expenses", Note 4.2 "Net fees and commissions", Note 6.5 "Loans and receivables due from credit institutions and due from customers" and Note 6.10 "Due to credit institutions and to customers").

Other shareholders' agreements

Shareholder agreements signed during the year are detailed in Note 2 "Major structural transactions and material events during the period".

Relationships between controlled companies affecting the consolidated balance sheet

A list of Crédit Agricole S.A. Group companies can be found in Note 12 "Scope of consolidation at 31 December 2016". Since the transactions and outstandings at year-end between the Group's fully consolidated companies are eliminated on consolidation, only transactions with companies consolidated by the equity method affect the Group's consolidated financial statements.

The main corresponding outstandings and commitments in the consolidated balance sheet at 31 December 2016 relate to transactions with companies consolidated by the equity method for the following amounts:

- loans and receivables due from credit institutions: €3,629 million;
- loans and receivables due from customers: €2,378 million;
- due to credit institutions: €1,814 million;
- due to customers: €281 million;
- commitments given on financial instruments: €2,870 million;
- commitments received on financial instruments: €5,371 million.

The transactions entered into with these entities did not have a material effect on the income statement for the period.

(1) *Except for the Caisse Régionale de la Corse, fully consolidated.*

The definitions of the underlined words can be found in the Glossary on page 542.

Management of retirement, early retirement and end-of-career allowances: internal hedging contracts within the Group

As presented in Note 1.3 "Accounting policies and principles", employees are provided with various types of post-employment benefits. These include:

- end-of-career allowances;
- retirement plans, which may be either "defined-contribution" or "defined-benefit" plans.

The liability in this respect is partially funded by collective insurance contracts taken out with Predica, Crédit Agricole Group's life insurance company.

These contracts govern:

- the setting up by the insurance company of mutual funds for investing contributions made by the employer to build up sufficient funds to cover end-of-career allowances or retirement benefits;
- the management of the funds by the insurance company;
- the payment to the beneficiaries of the allowances and of the benefits due under the various plans.

Information on post-employment benefits is provided in Note 7 "Employee benefits and other compensation" in paragraphs 7.3 and 7.4.

Relations with senior management

Detailed information on senior management compensation is provided in paragraph 7.7 of Note 7 "Employee benefits and other compensation", as well as in the "Compensation policy" section, Chapter 3 "Corporate governance" of the Registration Document.

There exist no material transactions between Crédit Agricole S.A. and its senior management, their families or the companies they control and which are not included in the Group's scope of consolidation.

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The definitions of the underlined words can be found in the Glossary on page 542.

CONSOLIDATED FINANCIAL STATEMENTS

SIMPLIFICATION OF THE GROUP'S CAPITAL THROUGH THE TRANSFER OF CRÉDIT AGRICOLE S.A.'S EQUITY INVESTMENTS IN THE REGIONAL BANKS TO SACAM MUTUALISATION

To ensure the comparability of the financial statements in accordance with IFRS 5, the consolidated financial statements at 31 December 2015 were restated to reflect the reclassification of the contribution of the Regional Banks to net income from discontinued operations, other comprehensive income on items that will not be subsequently reclassified to profit and loss from discontinued operations and other comprehensive income on items that may be reclassified subsequently to profit and loss from discontinued operations. The effects of this are shown in Note 11 "Impacts of accounting changes and other events".

INCOME STATEMENT

(in millions of euros)	Notes	31/12/2016	31/12/2015 Restated
Interest and similar income	4.1	25,050	26,269
Interest and similar expenses	4.1	(13,311)	(14,711)
Fee and commission income	4.2	8,014	8,157
Fee and commission expenses	4.2	(5,168)	(5,238)
Net gains (losses) on financial instruments at fair value through profit or loss	4.3	2,337	3,757
Net gains (losses) on available-for-sale financial assets	6.4/4.4	2,199	2,602
Income on other activities	4.5	34,976	35,029
Expenses on other activities	4.5	(37,244)	(38,671)
Revenues		**16,853**	**17,194**
Operating expenses	4.6	(10,992)	(10,931)
Depreciation, amortisation and impairment of property, plant & equipment and intangible assets	4.7	(702)	(652)
Gross operating income		**5,159**	**5,611**
Cost of risk	4.8	(1,787)	(2,293)
Operating income		**3,372**	**3,318**
Share of net income of equity-accounted entities		518	455
Net gains (losses) on other assets	4.9	(52)	38
Change in value of goodwill		(491)	-
Pre-tax income		**3,347**	**3,811**
Income tax charge	4.10	(695)	(898)
Net income from discontinued operations		1,303	1,058
Net income		**3,955**	**3,971**
Non-controlling interests		415	455
NET INCOME GROUP SHARE		**3,540**	**3,516**
Earnings per share *(in euros)*(1)	6.21	**1.120**	**1.212**
Diluted earnings per share *(in euros)*(1)	6.21	**1.120**	**1.212**

(1) Corresponds to income including net income from discontinued operations.

The definitions of the underlined words can be found in the Glossary on page 542.

NET INCOME AND OTHER COMPREHENSIVE INCOME

(in millions of euros)	Notes	31/12/2016	31/12/2015 Restated
Net income		**3,955**	**3,971**
Actuarial gains and losses on post-employment benefits	4.11	(127)	(38)
Pre-tax other comprehensive income on items that will not be reclassified to profit and loss excluding equity-accounted entities		(127)	(38)
Pre-tax other comprehensive income on items that will not be reclassified to profit and loss on equity-accounted entities	4.11	(9)	(6)
Income tax related to items that will not be reclassified to profit and loss excluding equity-accounted entities	4.11	23	3
Income tax related to items that will not be reclassified to profit and loss on equity-accounted entities	4.11	1	-
Other comprehensive income on items that will not be reclassified to profit and loss from discontinued operations		33	7
Other comprehensive income on items that will not be reclassified subsequently to profit and loss net of income tax	**4.11**	**(79)**	**(34)**
Gains and losses on translation adjustments	4.11	(245)	455
Gains and losses on available-for-sale financial assets	4.11	158	21
Gains and losses on hedging derivative instruments	4.11	(64)	(206)
Pre-tax other comprehensive income on items that may be reclassified to profit and loss excluding equity-accounted entities		(151)	270
Pre-tax other comprehensive income on items that may be reclassified to profit and loss on equity-accounted entities, Group Share		39	116
Income tax related to items that may be reclassified to profit and loss excluding equity-accounted entities		172	73
Income tax related to items that may be reclassified to profit and loss on equity-accounted entities		4	(4)
Other comprehensive income on items that may be reclassified to profit and loss from discontinued operations		(238)	94
Other comprehensive income on items that may be reclassified subsequently to profit and loss net of income tax	**4.11**	**(174)**	**549**
OTHER COMPREHENSIVE INCOME NET OF INCOME TAX	**4.11**	**(253)**	**515**
NET INCOME AND OTHER COMPREHENSIVE INCOME		**3,702**	**4,486**
Of which Group share		3,399	4,055
Of which non-controlling interests		303	431

BALANCE SHEET – ASSETS

(in millions of euros)	Notes	31/12/2016	31/12/2015 Restated
Cash, central banks	6.1	28,202	36,176
Financial assets at fair value through profit or loss	6.2-6.9	326,279	348,320
Hedging derivative instruments	3.2-3.4	21,928	24,806
Available-for-sale financial assets	6.4-6.7-6.8-6.9	315,916	298,122
Loans and receivables due from credit institutions	3.1-3.3-6.5-6.8-6.9	382,838	367,122
Loans and receivables due from customers	3.1-3.3-6.5-6.8-6.9	346,254	331,071
Revaluation adjustment on interest rate hedged portfolios		8,190	13,684
Held-to-maturity financial assets	6.6-6.7-6.9	14,354	16,201
Current and deferred tax assets	6.13	3,993	4,311
Accruals, prepayments and sundry assets	6.14	44,373	40,005
Non-current assets held for sale and discontinued operations		591	441
Investments in equity-accounted entities	6.15	7,100	24,589
Investment property	6.16	5,617	5,390
Property, plant and equipment	6.17	3,829	3,932
Intangible assets	6.17	1,583	1,575
Goodwill	6.18	13,185	13,549
TOTAL ASSETS		**1,524,232**	**1,529,294**

BALANCE SHEET – LIABILITIES

(in millions of euros)	Notes	31/12/2016	31/12/2015 Restated
Central banks	6.1	3,857	3,660
Financial liabilities at fair value through profit or loss	6.2	244,008	254,515
Hedging derivative instruments	3.2-3.4	17,890	23,707
Due to credit institutions	3.3-6.10	112,328	139,445
Due to customers	3.1-3.3-6.10	521,828	505,727
Debt securities	3.2-3.3-6.11	159,280	158,541
Revaluation adjustment on interest rate hedged portfolios		9,444	13,153
Current and deferred tax liabilities	6.13	3,101	2,640
Accruals, deferred income and sundry liabilities	6.14	47,917	41,028
Liabilities associated with non-current assets held for sale		374	385
Insurance company technical reserves	6.19	306,658	293,543
Provisions	6.20	4,283	4,091
Subordinated debt	3.2-3.3-6.11	29,327	29,424
Total liabilities		**1,460,295**	**1,469,859**
Equity		**63,937**	**59,435**
Equity - Group share		**58,276**	**53,813**
Share capital and reserves		26,723	23,922
Consolidated reserves		23,481	21,702
Other comprehensive income		4,298	4,663
Other comprehensive income on discontinued operations		234	10
Net income/(loss) for the year		3,540	3,516
Non-controlling interests		**5,661**	**5,622**
TOTAL EQUITY AND LIABILITIES		**1,524,232**	**1,529,294**

STATEMENT OF CHANGES IN EQUITY

	Group				
	Share capital and reserves				
(in millions of euros)	*Share capital*	*Share premium and consolidated reserves*	*Elimination of treasury shares*	*Other equity instruments*	**Total capital and consolidated reserves**
Equity at 1st January 2015	**7,729**	**34,536**	**(153)**	**3,861**	**45,973**
Capital increase	189	569	-	-	758
Changes in treasury shares held	-	-	6	-	6
Issuance of equity instruments	-	(3)	-	-	(3)
Remuneration of undated deeply subordinated notes	-	(350)	-	-	(350)
Dividends paid in 2015	-	(906)	-	-	(906)
Dividends received from Regional Banks and subsidiaries	-	127	-	-	127
Impact of acquisitions/disposals on non-controlling interests(1)	-	56	-	-	56
Changes due to share-based payments	-	1	-	-	1
Changes due to transactions with shareholders	**189**	**(506)**	**6**	**-**	**(311)**
Changes in other comprehensive income	**-**	**-**	**-**	**-**	**-**
Share of changes in equity-accounted entities	-	(53)	-	-	(53)
Net income for 2015	-	-	-	-	-
Other changes	-	15	-	-	15
Equity at 31 December 2015	**7,918**	**33,992**	**(147)**	**3,861**	**45,624**
Appropriation of 2015 net income	-	3,516	-	-	3,516
Equity at 1st January 2016	**7,918**	**37,508**	**(147)**	**3,861**	**49,140**
Capital increase	620	979	-	-	1,599
Changes in treasury shares held	-	-	15	-	15
Issuance of equity instruments(2)	-	(8)	-	1,150	1,142
Remuneration of undated deeply subordinated notes	-	(466)	-	-	(466)
Dividends paid in 2016	-	(1,590)	-	-	(1,590)
Dividends received from Regional Banks and subsidiaries	-	-	-	-	-
Impact of acquisitions/disposals on non-controlling interests	-	(28)	-	-	(28)
Changes due to share-based payments	-	16	-	-	16
Changes related to transactions with shareholders	**620**	**(1,097)**	**15**	**1,150**	**688**
Changes in other comprehensive income	**-**	**-**	**-**	**-**	**-**
Share of changes in equity-accounted entities	-	(32)	-	-	(32)
Net income for 2016	-	-	-	-	-
Other changes(3)	-	408	-	-	408
EQUITY AT 31 DECEMBER 2016	**8,538**	**36,787**	**(132)**	**5,011**	**50,204**

(1) In 2015, the disposal of Amundi shares as part of its initial public offering on 12 November 2015 had effect on shareholders' equity Group share for +€55 million and on Equity – Non-controlling interests for +€256 million.

The impact of acquisitions and disposals on non-controlling interests at 31 December 2015 included the effects of the liquidation of CA Preferred Funding Trusts 1 and 3 for -€1,861 million.

(2) As part of efforts to increase the Group's regulatory capital, Crédit Agricole S.A. issued on 19 January 2016 Additional Tier 1 deeply subordinated undated bonds of $1,250 million. The balance of these issues represents €1,142 million, net of issuance costs.

 The definitions of the underlined words can be found in the Glossary on page 542.

share					Non-controlling interests					
Other comprehensive income						Other comprehensive income				
Other comprehensive income on items that may be reclassified to profit and loss	Other comprehensive income on items that will not be reclassified to profit and loss	Total other comprehensive income	Net income	Total equity	Capital, associated reserves and income	Other comprehensive income on items that may be reclassified to profit and loss	Other comprehensive income on items that will not be reclassified to profit and loss	Total other comprehensive income	Total equity	Total consolidated equity
4,578	**(444)**	**4,134**	**-**	**50,107**	**5,956**	**121**	**(23)**	**98**	**6,054**	**56,161**
-	-	-	-	758	-	-	-	-	-	758
-	-	-	-	6	-	-	-	-	-	6
-	-	-	-	(3)	1,000	-	-	-	1,000	997
-	-	-	-	(350)	-	-	-	-	-	(350)
-	-	-	-	(906)	(251)	-	-	-	(251)	(1,157)
-	-	-	-	127	-	-	-	-	-	127
-	-	-	-	56	(1,606)	-	-	-	(1,606)	(1,550)
-	-	-	-	1	-	-	-	-	-	1
-	**-**	**-**	**-**	**(311)**	**(857)**	**-**	**-**	**-**	**(857)**	**(1,168)**
383	**(35)**	**348**	**-**	**348**	**-**	**(26)**	**-**	**(26)**	**(26)**	**322**
190	1	191	-	138	4	2	-	2	6	144
-	-	-	3,516	3,516	455	-	-	-	455	3,971
(1)	-	(1)	-	14	(10)	-	-	-	(10)	4
5,151	**(478)**	**4,673**	**3,516**	**53,813**	**5,548**	**97**	**(23)**	**74**	**5,622**	**59,435**
-	-	-	(3,516)	-	-	-	-	-	-	-
5,151	**(478)**	**4,673**	**-**	**53,813**	**5,548**	**97**	**(23)**	**74**	**5,622**	**59,435**
-	-	-	-	1,599	-	-	-	-	-	1,599
-	-	-	-	15	-	-	-	-	-	15
-	-	-	-	1,142	-	-	-	-	-	1,142
-	-	-	-	(466)	(7)	-	-	-	(7)	(473)
-	-	-	-	(1,590)	(286)	-	-	-	(286)	(1,876)
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	(28)	(6)	-	-	-	(6)	(34)
-	-	-	-	16	2	-	-	-	2	18
-	**-**	**-**	**-**	**688**	**(297)**	**-**	**-**	**-**	**(297)**	**391**
(105)	**(69)**	**(174)**	**-**	**(174)**	**-**	**(112)**	**(2)**	**(114)**	**(114)**	**(288)**
41	(8)	33	-	1	-	2	-	2	2	3
-	-	-	3,540	3,540	415	-	-	-	415	3,955
-	-	-	-	408	33	-	-	-	33	441
5,087	**(555)**	**4,532**	**3,540**	**58,276**	**5,699**	**(13)**	**(25)**	**(38)**	**5,661**	**63,937**

(3) *The other changes are mainly concern the intra-Group transaction adjustment with respect to the processing of backing unit-linked investments from the insurance business. This adjustment has no significant effect on the Group's indicators and ratios.*

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CASH FLOW STATEMENT

The cash flow statement is presented using the indirect method.

Operating activities show the impact of cash inflows and outflows arising from Crédit Agricole S.A. Group's income-generating activities, including those associated with assets classified as held-to-maturity financial assets.

Tax inflows and outflows are included in full within operating activities.

Investment activities show the impact of cash inflows and outflows associated with purchases and sales of investments in consolidated and non-consolidated companies, property, plant and equipment and intangible assets. This section includes strategic equity investments classified as available-for-sale financial assets.

Financing activities show the impact of cash inflows and outflows associated with equity and long-term borrowing.

The **net cash flows** attributable to the operating, investment and financing activities **of discontinued operations** are presented on separate lines in the cash flow statement.

Net cash and cash equivalents include cash, debit and credit balances with central banks and debit and credit demand balances with credit institutions.

(in millions of euros)	Notes	31/12/2016	31/12/2015 Restated
Pre-tax income		**3,347**	**3,811**
Net depreciation and impairment of property, plant & equipment and intangible assets		706	667
Impairment of goodwill and other fixed assets	6.18	491	-
Net depreciation charges to provisions		12,377	17,017
Share of net income (loss) of equity-accounted entities		(627)	(579)
Net income (loss) from investment activities		(343)	(38)
Net income (loss) from financing activities		4,041	3,765
Other movements		1,112	(6,087)
Total non-cash and other adjustment items included in pre-tax income		**17,757**	**14,745**
Change in interbank items		(39,161)	7,619
Change in customer items		(932)	10,422
Change in financial assets and liabilities		(7,373)	(38,643)
Change in non-financial assets and liabilities		2,935	(3,359)
Dividends received from equity-accounted entities(1)		551	530
Tax paid		193	(1,615)
Net change in assets and liabilities used in operating activities		**(43,787)**	**(25,046)**
Cash provided (used) by discontinued operations		**(23)**	**4**
Total net cash flows from (used by) operating activities (A)		**(22,706)**	**(6,486)**
Change in equity investments(2)		**16,768**	**(442)**
Change in property, plant & equipment and intangible assets		**(784)**	**(868)**
Cash provided (used) by discontinued operations		**-**	**-**
Total net cash flows from (used by) investment activities (B)		**15,984**	**(1,310)**
Cash received from (paid to) shareholders(3)		**422**	**(1,614)**
Other cash provided (used) by financing activities(4)		**1,699**	**(6,475)**
Cash provided (used) by discontinued operations		**1**	**-**
Total net cash flows from (used by) financing activities (C)		**2,122**	**(8,089)**
Impact of exchange rate changes on cash and cash equivalent (D)		**799**	**3,919**
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENT (A + B + C + D)		**(3,801)**	**(11,966)**
Cash and cash equivalents at beginning of period		**29,333**	**41,299**
Net cash accounts and accounts with central banks*		32,546	50,619
Net demand loans and deposits with credit institutions**		(3,213)	(9,320)
Cash and cash equivalents at end of period		**25,532**	**29,333**
Net cash accounts and accounts with central banks*		24,339	32,546
Net demand loans and deposits with credit institutions**		1,193	(3,213)
NET CHANGE IN CASH AND CASH EQUIVALENTS		**(3,801)**	**(11,966)**

* *Consisting of the net balance of the Cash and central banks item, excluding accrued interest and including cash of entities reclassified as held-for-sale operations.*

** *Consisting of the balance of Performing current accounts in debit and Performing overnight accounts and advances as detailed in Note 6.5 and Current accounts in credit and overnight accounts and advances as detailed in Note 6.10 (excluding accrued interest).*

(1) *Dividends received from equity-accounted entities:*

On 31 December, 2016 this amount mainly includes the payment of dividends from the Regional Banks for €286 million and from equity-accounted Insurance entities for €90 million, as well as the payment of dividends from FCA Bank for €63 million, Banque Saudi Fransi for €46 million and Eurazeo for €25 million.

(2) *Change in equity investments:*

This line shows the net effects on cash of acquisitions and disposals of equity investments.

The net impact on Group cash of acquisitions and disposals of consolidated equity investments (subsidiaries and equity-accounted entities) at 31 December 2016 is €18 billion. The main transactions relate in particular to the simplification of the Crédit Agricole S.A. Group's capital for €18,542 million, as well as the disposal of Belgium Crédit Agricole SAS for €16 million, the disposal by Crédit Agricole CIB of Crédit Agricole Securities Taiwan for €27 million, less the acquisition of Lumis for -€421 million (net of cash acquired) and the acquisition of KBI for €140 million, the acquisition of Crédit Agricole Securities Asia Limited Hong Kong for €68 million and the acquisition of TOBAM for €14 million.

Over the same period, the net impact on Group cash of acquisitions and disposals of non-consolidated equity investments came to -€480 million. It mainly concerns the acquisitions/disposals of investments within insurance companies for -€847 million, reduced by the sale of the company Visa Europe to Visa Inc. for €262 million, the disposal of BFO securities for €43 million, the impact of the liquidation of CAIRS for €18 million and the sale of Cliam BV for €5 million.

(3) *Cash received from (paid to) shareholders:*

This line includes €1,150 million for the issue on 19 January, 2016 of undated financial instruments treated as equity, excluding issuance costs.

In addition, €1,020 million in dividends, excluding dividends paid in shares, were paid by Crédit Agricole S.A. Group which can be analysed as:

Dividends paid by Crédit Agricole S.A. for -€269 million;

Dividends paid by non-controlled subsidiaries for -€278 million; and

Interest, equivalent to dividends on undated financial instruments treated as equity for -€473 million.

(4) *Other net cash flows from financing activities:*

At 31 December 2016, bond issues totalled €26,830 million and redemptions -€21,028 million. Subordinated debt issues totalled €6,160 million and redemptions -€6,147 million.

This line also includes cash flows from interest payments on subordinated debt and bonds.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Detailed summary of the notes

The definitions of the underlined words can be found in the Glossary on page 542.

NOTE 1 Group accounting policies and principles, assessments and estimates

1.1 Applicable standards and comparability

Pursuant to EC Regulation no. 1606/2002, the consolidated financial statements have been prepared in accordance with IAS/IFRS and IFRIC applicable at 31 December 2016 and as adopted by the European Union (carve-out version), thus using certain exceptions in the application of IAS 39 on macro-hedge accounting.

These standards and interpretations are available on the European Commission website at: http://ec.europa.eu/internal_market/accounting/ias/index_en.htm.

The standards and interpretations are the same as those applied and described in the Group's financial statements for the year ended 31 December 2015.

They have been supplemented by the IFRS as adopted by the European Union at 31 December 2016 and that must be applied for the first time in 2016. These cover the following:

Standards, amendments or interpretations	Date published by the European Union	Date of first-time mandatory application: financial years from	Applicable in the Group
IFRS improvements, 2010-2012 cycle:	17 December 2014 (EU no. 2015/28)		
• **IFRS 2 Share-Based Payments:** Reformulated definition of a vesting condition		1 February 2015(1)	Yes
• **IFRS 3 Business Combinations:** Reconciliation concerning the recognition of a possible purchase price adjustment; fair value measurement of any earn-outs		1 February 2015(1)	Yes
• **IFRS 8 Operating Segments:** Aggregation of operating segments and reconciliation of the total of the reportable segments' assets to the entity's assets		1 February 2015(1)	Yes
• **IAS 16 Property, plant and equipment and IAS 38 Intangible assets:** Clarification of the optional method for measuring property, plant & equipment and intangible assets		1 February 2015(1)	No
• **IAS 24 Related Parties:** Change in the definition of a related party		1 February 2015(1)	Yes
Amendment to IAS 19 Employee Benefits Defined-benefit plans: statement on the recognition of contributions from personnel that relate to services rendered but do not depend on number of years of service	17 December 2014 (EU no. 2015/29)	1 February 2015(1)	Yes
Amendment to IAS 16 Property, Plant and Equipment and IAS 41 Agriculture Measurement of a biological asset per IAS 41 if it is not a bearer plant	23 November 2015 (EU 2015/2113)	1 January 2016	No

(1) That is, in the Group as of 1 January 2016.

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Standards, amendments or interpretations	Date published by the European Union	Date of first-time mandatory application: financial years from	Applicable in the Group
Amendment to IFRS 11 Partnerships Recognition of interest acquired in a joint operation per IFRS 3 if the assets acquired constitute a "business" within the meaning of IFRS 3 and not simply an asset group	24 November 2015 (EU 2015/2173)	1 January 2016	Yes
Amendment to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets Clarifications as to the depreciation/amortisation method based on income (prohibited under IAS 16 and acceptable under IAS 38)	2 December 2015 (EU 2015/2231)	1 January 2016	Yes
Improvements to IFRS 2012 - 2014 cycle:	15 December 2015 (EU 2015/2343)		
• **IFRS 5 Non-current Assets Held for Sale and Discontinued Operations:** Detail as to the changes made to a disposal plan if a non-current asset held for sale must be reclassified as a non-current asset held for distribution and vice-versa		1 January 2016	Yes
• **IFRS 7 Financial Instruments: Disclosures:** Clarification as to continued involvement in service contracts whose remuneration depends on the performance of the assets transferred • Non-obligatory disclosures for interim reports concerning the offsetting of financial assets and liabilities		1 January 2016	Yes
• **IAS 19 Employee Benefits:** Detail as to the yield on government bonds used in calculating the present values of the actuarial liability		1 January 2016	Yes
• **IAS 34 Interim Financial Reporting:** Clarification as to the possible placement of other disclosures		1 January 2016	Yes
Amendment to IAS 1 Presentation of Financial Statements Objective to improve the presentation of information	18 December 2015 (EU 2015/2406)	1 January 2016	Yes
Amendment to IAS 27 Separate Financial Statements Authorisation to use the method of accounting for associates in the separate financial statements	18 December 2015 (EU 2015/2441)	1 January 2016	No
Amendment to IFRS 10-IFRS 12-IAS 28 Investment Entities: Applying the consolidation exception	22 September 2016 (EU 2016/1703)	1 January 2016	No

The application of these texts did not have a material impact on earnings or equity.

As long as the early application of standards and interpretations adopted by the European Union is optional for a period, this option is not selected by the Group, unless otherwise stated.

This in particular applies to:

Standards, amendments or interpretations	Date published by the European Union	Date of first-time mandatory application: financial years from	Applicable in the Group
IFRS 15 Revenue from contracts with customers Replacing IAS 11 on the recognition of construction contracts and IAS 18 on the recognition of revenue	22 September 2016 (EU 2016/1905)	1 January 2018	Yes
IFRS 9 Financial Instruments Replacing IAS 39 - Financial Instruments: classification and measurement, impairment methodology and hedge accounting	22 November 2016 (EU 2016/2067)	1 January 2018	Yes

IFRS 15 REVENUE FROM CONTRACTS WITH CUSTOMERS

IFRS 15 Revenue from contracts with customers will become effective for years beginning on or after 1 January 2018 (in accordance with EU regulation 2016/1905). The "Clarifications to IFRS 15" amendment, which provides further clarification is in the course of being adopted by the European Union and should come into effect on the same date.

For the first-time application of this standard, Crédit Agricole Group elected to apply the modified retrospective method, recognising the cumulative effect as of 1 January 2018, with no comparison for 2017, with any impact the standard has on the various items in the financial statements being detailed in the notes.

IFRS 15 will replace IAS 11 Construction contracts and IAS 18 Revenue, along with all the related interpretations relating to IFRIC 13 Customer loyalty programs, IFRIC 15 Agreements for the construction of real estate, IFRIC 18 Transfers of assets from customers and SIC 31 Revenue - barter transactions involving advertising services.

It brings into a single text the principles for recognising revenue for long-term sales contracts, sales of goods and the provision of services that do not fall within the scope of standards related to financial instruments (IAS 39), insurance contracts (IFRS 4) or leases (IAS 17). It introduces new concepts that may affect the accounting treatment of certain components of revenues.

The definitions of the underlined words can be found in the Glossary on page 542.

An impact study on the implementation of the standard in the Crédit Agricole Group is ongoing with initial results being expected in early 2017.

IFRS 9 FINANCIAL INSTRUMENTS

IFRS 9 Financial Instruments will 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 be mandatory for fiscal years beginning on or after 1 January 2018.

It sets new principles governing the classification and measurement of financial instruments, impairment of credit risk and hedge accounting, excluding macro-hedging transactions.

The main changes introduced by the standard

Classification and measurement of financial assets

Under IFRS 9, the classification and measurement criteria depend on the nature of the financial asset, namely whether it qualifies as a debt instrument (i.e. loan, advance, credit, bond, fund unit) or an equity instrument (i.e. share).

In the case of debt instruments (loans and fixed or determinable income securities), IFRS 9 tests the business model and contractual terms to classify and measure financial assets.

The three business models

- The collection only model where the intention is to collect the contractual cash flows over the life of the asset;
- The mixed model where the intention is to collect the contractual cash flows over the life of the asset and to sell the asset if an opportunity arises; and
- The selling only model where the intention is to sell the asset.

The contractual terms ("Solely Payments of Principal & Interest" "SPPI" test):

This second criterion is applied to the contractual terms of the loan or debt security to finally determine the accounting classification and measurement category to which the instrument belongs.

When the debt instrument has expected cash flows that are not solely payments of principal and interest (i.e. simple rate), its contractual terms are deemed too complex and as a result, the loan or debt security is recognised at fair value through profit or loss regardless of their business model. This involves the instruments that do not satisfy the conditions of the "SPPI" test.

Certain issues of interpretation are still being examined by the IASB in this regard. The Group accordingly pays close attention to IASB discussions on, in particular, additional compensation for early repayment and will, where necessary, take on board the outcome of these discussions.

On the basis of the foregoing criteria:

- a debt instrument is recognised at amortised cost when it is held to collect cash flows that are solely payments of principal and interest (SPPI test);
- a debt instrument is recognised at fair value through other comprehensive income (items that can be reclassified) in the case of a mixed model to collect cash flows and sell where opportunities arise, provided its contractual terms also comprise solely payments of principal and interest (SPPI test);
- a debt instrument that does not qualify for the amortised cost or fair value through other comprehensive income category (items that can be reclassified) is recognised at fair value through profit or loss. The same applies to debt instruments where the business model is selling only. This also includes non-consolidated UCITS units that are debt instruments that fail to satisfy the SPPI test regardless of the business model.

In the case of equity instruments (investments such as shares), they must, by default, be recognised at fair value through profit or loss, except in the case of an irrevocable election to classify them at fair value through other comprehensive income (items that cannot be reclassified) (provided these instruments are not held for trading).

In summary, the Group's application of the classification and measurement requirements of IFRS 9 should result in an increase in the proportion of financial instruments – UCITS and equity instruments – measured at fair value through profit or loss. Overall, loans and receivables satisfy the SPPI test and will remain at amortised cost.

Impairment

IFRS 9 introduces a new impairment model that requires the recognition of Expected Credit Losses (ECL) on credit and debt instruments measured at amortised cost or at fair value through other comprehensive income (items that can be reclassified), on loan commitments and financial guarantee contracts that are not recognised at fair value, as well as on lease receivables and trade receivables.

This new ECL approach is designed to bring forward as much as possible the recognition of expected credit losses, whereas under the IAS 39 provisioning model, it is subject to there being objective evidence that an impairment loss has been incurred.

ECL is defined as the weighted expected probable value of the discounted credit loss (principal and interest). It represents the present value of the difference between the contractual cash flows and the expected cash flows (including principal and interest).

The formula includes the probability of default, loss given default and exposure at default parameters.

These calculations are broadly based on the internal models used as part of the regulatory framework, but with adjustments to determine an economic ECL. IFRS 9 recommends a Point in Time analysis while having regard to historical loss data and forward looking macro-economic data, whereas the regulatory perspective is analysed Through The Cycle for probability of default and in a downturn for loss given default.

The accounting approach also requires the recalculation of certain Basel parameters, in particular to eliminate internal recovery costs or floors that are imposed by the regulator in the regulatory calculation of loss given default (LGD).

The new credit risk provisioning model has three stages:

- First stage: upon initial recognition of the financial instrument (credit, debt security, guarantee, etc.), the entity recognises the 12-month expected credit losses;
- Second stage: if the credit quality subsequently significantly deteriorates for a particular portfolio or transaction, the entity recognises the full lifetime expected credit losses;

- Third stage: at a later date, once one or more default events have occurred on the transaction or on a counterparty having an adverse effect on the estimated future cash flows, the entity recognises incurred credit losses at maturity.

At the second stage, the monitoring and estimation of the significant deterioration in credit risk can be done on a transaction-by-transaction basis or collectively at portfolio level by grouping financial instruments on the basis of similar credit risk characteristics. The approach calls on a wide range of information, including historical data on observed losses, cyclical and structural adjustments, and loss projections based on reasonable scenarios.

This deterioration depends on the risk level on the date of initial recognition and must be recognised before the transaction is impaired (third stage).

In order to assess the significant deterioration, the Group employs a process built around two levels of analysis:

- the first level is based on absolute and relative criteria and rules applying to all Group entities;
- the second level is linked to local assessment of the qualitative criteria of the risk held by each entity in its portfolios that may result in a tightening of the deterioration criteria defined in the first level (switching a portfolio or sub-portfolio to ECL stage two at maturity).

There is a rebuttable presumption of a significant deterioration in the event of a non-payment for over thirty days. The Group may rebut this presumption on the scope of outstanding amounts for which internal rating systems have been put in place, in particular exposures using the advanced approach, given that all the information incorporated into the rating systems allow for a more detailed assessment than just the non-payment for over thirty days criterion.

In the absence of the internal rating model, the Group will use the absolute threshold of non-payments for over thirty days as the maximum threshold for significant deterioration and classification in stage two.

With respect to the scope of instruments subject to phase three provisioning, the Group will bring the definition of default into line with the one currently used in management for regulatory purposes.

A debtor is, therefore, considered to be in default when at least one of the following conditions has been met:

- a payment is generally more than ninety days past due, unless specific circumstances point to the fact that the delay is due to reasons beyond the debtor's control;
- the entity believes that the debtor is unlikely to settle its credit obligations unless it avails itself of certain measures such as the provision of collateral surety.

In short, the new provisioning model in IFRS 9 may lead to an increase in the amount of impairment on loans and securities recognised on the balance sheet at amortised cost or at fair value through other comprehensive income (items that can be reclassified), and on off-balance sheet commitments as well as lease receivables and trade receivables.

Hedge accounting

With respect to hedge accounting (excluding fair value macro-hedging transactions), IFRS 9 makes limited changes from IAS 39. The standard's requirements apply to the following scope:

- all micro-hedging transactions; and
- only cash flow macro-hedging transactions.

Fair value macro-hedging transactions for interest rate risk are excluded and may remain subject to IAS 39 (option).

Upon first time application of IFRS 9, there are two possibilities under the standard:

- apply the "hedge accounting" requirements of IFRS 9; or
- continue to apply IAS 39 until application of IFRS 9 for all hedging relationships (at the latest when the fair value macro-hedging for interest rate risk text is adopted by the European Union).

After having carried out a feasibility study in the first half of 2015, the Group decided not to apply this aspect of the standard.

Nevertheless, information must be provided in the notes to the financial statements with increased granularity on risk management and the effects of hedge accounting on the financial statements.

Others requirements relating to first-time application

IFRS 9 allows the early adoption of requirements relating to specific credit risk relating to financial liabilities designated as at fair value through profit or loss, namely the recognition of changes in value attributable to specific credit risk in other comprehensive income (items that cannot be reclassified). The Group does not currently plan to apply these requirements early.

In addition, the IASB published an amendment to IFRS 4 (Phase I) Insurance Contracts to give companies whose business activity is the issue of insurance contracts two possible approaches to limit the effects of the gap between the application of IFRS 9 and the future standard on the measurement of insurance liabilities (IFRS 17). The Group will not employ these approaches and will apply IFRS 9 to its insurance activities from 1 January 2018.

Project roll-out within Crédit Agricole Group

In 2015, the Group began taking steps to implement IFRS 9 within the required timeframe, bringing together the accounting, finance, risk and IT functions along with all entities.

Project milestones and achievements to date

In the first half of 2015, work focused on:

- examining the standard's requirements, with particular attention on the changes resulting from the new classification and measurement criteria for financial assets and the overhaul of the credit risk impairment model, which switches from provisioning for incurred credit losses to expected credit losses (ECL);
- the identification of the key questions and of the main areas of accounting interpretation on the basis of the initial high-level assessment of the impact of the standard.

Following this review and assessment phase, the Group launched the project implementation phase in September 2015 by setting out the detailed timelines and road maps of the various areas of work, which were then applied at their level by all Group entities.

The definitions of the underlined words can be found in the Glossary on page 542.

Since the beginning of 2016, the main achievements have been:

- the standardisation work with identification of the main areas of impact on the financial statements and the definition of the target provisioning through the drafting of a methodological framework shared with the entities;
- methodological work to define the possible options regarding the provision calculation formula, significant deterioration and forward looking, as well as the methodology for calculating the fair value of credit;
- provisional simulations of the impact of the new standard on the financial statements and regulatory capital, in particular to better address the requirements of the European Banking Authority. This work was done in the largest Group entities, on the basis of accounting data at 31 December 2015;
- IT-related work on the major areas of impact on the IT systems, involving the specifications of the Risk and Finance tools and choice of shared tools, namely: a central provisioning tool and for listed debt securities a tool to analyse the contractual terms, making it possible to automate the SPPI test.

All this implementation work will continue in 2017 and will incorporate the impact assessment on the basis of the financial statements at 31 December 2016, first and foremost to satisfy the requirements of the European Banking Authority (EBA).

Transition

IFRS 9 is applied retrospective with a mandatory effective date of 1 January 2018 by adjusting the opening balance sheet on the date of first-time application, with no restatement of the 2017 comparative financial statements. As a result, the Group does not plan to restate the financial statements presented for comparative purposes with the 2018 financial statements.

The standards and interpretations published by the IASB at 31 December 2016 but not yet adopted by the European Union are not applied by the Group. They will become mandatory only as from the date planned by the European Union and have not been applied by the Group at 31 December 2016.

This concerns IFRS 16 in particular.

IFRS 16 Leases will replace IAS 17 and all related interpretations (IFRIC 4 Determining Whether an Arrangement Contains a Lease, SIC 15 Operating Leases – Incentives and SIC 27 Evaluating the Substance of Transactions in the Legal Form of a Lease). It will apply to reporting periods beginning 1 January 2019.

The main change made by IFRS 16 relates to accounting for lessees. IFRS 16 will call for a model in respect of lessees that recognises all leases on the balance sheet, with a lease liability on the liability side representing commitments over the life of the lease and on the asset side, an amortisable right-to-use.

An impact study on the implementation of the standard in the Crédit Agricole Group will be undertaken in 2017 in order to assess the main effects at issue.

In addition, three amendments to existing standards have been published by the IASB that pose no major issue to the Group: these are the amendments to IAS 7 Statement of Cash flows, to IAS 12 Income Taxes, which apply to Crédit Agricole S.A. Group as of 1 January 2017, while the amendment to IFRS 2 Classification and Measurement of Share-based Payment Transactions will be applicable as of 1 January 2018. These dates will be confirmed once these standards have been adopted by the European Union.

1.2 Presentation of financial statements

In the absence of a required presentation format under IFRS, Crédit Agricole S.A. Group's complete set of financial statements (balance sheet, income statement, statement of comprehensive income, statement of changes in equity and cash flow statement) has been presented in the format set out in ANC Recommendation 2013-04 of 7 November 2013.

1.3 Accounting policies and principles

USE OF ASSESSMENTS AND ESTIMATES TO PREPARE THE FINANCIAL STATEMENTS

Estimates made to draw up the financial statements are by their nature based on certain assumptions and involve risks and uncertainties as to whether they will be achieved in the future.

Future results may be influenced by many factors, including:

- activity in domestic and international markets;
- fluctuations in interest and exchange rates;
- the economic and political climate in certain industries or countries;
- changes in regulations or legislation.

This list is not exhaustive.

Accounting estimates based on assumptions are principally used in the following assessments:

- financial instruments measured at fair value;
- investments in non-consolidated companies;
- retirement plans and other post-employment benefits;
- stock option plans;
- long-term impairment of available-for-sale financial assets and held-to-maturity financial assets;
- impairment of loans;
- provisions;
- impairment of goodwill;
- deferred tax assets;
- valuation of equity-accounted entities;
- deferred policyholders' profit-sharing.

The procedures for the use of assessments or estimates are described in the relevant sections below.

FINANCIAL INSTRUMENTS (IAS 32 AND 39)

Financial assets and liabilities are treated in the financial statements in accordance with IAS 39 as endorsed by the European Commission.

At the time of initial recognition, financial assets and financial liabilities are measured at fair value including trading costs (with the exception of financial instruments recognised at fair value through profit or loss). Subsequently, financial assets and financial liabilities are measured according to their classification, either at fair value or at amortised cost based on the effective interest rate method.

IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants, on the principal or the most advantageous market, at the measurement date.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to obtain the net carrying amount of the financial asset or financial liability.

Securities

Classification of financial assets

Under IAS 39, securities are divided into four categories:

- Financial assets at fair value through profit or loss classified as held for trading or designated at fair value through profit or loss;
- Held-to-maturity financial assets;
- Loans and receivables;
- Available-for-sale financial assets.

Financial assets at fair value through profit or loss classified as held for trading or designated at fair value through profit or loss

According to IAS 39, this portfolio comprises securities that are classified under financial assets at fair value through profit or loss either as a result of a genuine intention to trade them (financial assets held for trading) or of being designated at fair value by Crédit Agricole S.A. Group.

Financial assets at fair value through profit or loss are assets acquired or generated by the enterprise primarily with the aim of disposal in the short term or which are included in a portfolio of financial instruments managed as a unit and with the purpose of making a profit from short term price fluctuations or an arbitrage margin.

Financial assets, provided they meet the conditions specified in the standard, can be designated as at fair value through profit or loss in the following three cases: for hybrid instruments comprising one or more embedded derivatives, where the fair value option would reduce an accounting mismatch or for a group of financial assets under management whose performance is measured at fair value. This method is generally used so that derivatives embedded in hybrid instruments do not have to be recognised and measured separately.

To this end, Crédit Agricole S.A. Group has designated the following assets at fair value through profit or loss:

- assets backing unit-linked contracts;
- private equity business portfolio.

Securities that are classified under financial assets at fair value through profit or loss are recognised at fair value at inception, excluding transaction costs attributable directly to their acquisition (which are taken directly to profit or loss) and including accrued interest.

They are subsequently carried at fair value and changes in fair value are taken to profit or loss.

No impairment losses are booked for this category of securities.

Outstanding syndication securities held for sale are recognised as financial assets at fair value through profit or loss and are marked to market.

Held-to-maturity financial assets

The category Held-to-maturity financial assets (applicable to securities with fixed maturities) includes securities with fixed or determinable payments that Crédit Agricole S.A. Group has the intention and ability to hold until maturity, other than:

- securities that are initially designated as financial assets at fair value through profit or loss at the time of initial recognition by Crédit Agricole S.A. Group;
- securities that fall into the “Loans and receivables” category. Hence, debt securities that are not traded in an active market cannot be included in the “Held-to-maturity financial assets” category.

Classification as held-to-maturity means that the entity must abide by the prohibition on the sale of securities prior to maturity, except where allowed under IAS 39.

Hedging of interest rate risk for this category of securities is not allowed for hedge accounting under IAS 39.

Held-to-maturity financial assets are initially recognised at acquisition cost, including transaction costs that are directly attributable to the acquisition and including accrued interest.

They are subsequently measured at amortised cost with amortisation of any premium or discount and transaction costs using the corrected effective interest method.

Impairment rules for this financial asset category are disclosed in the section on “Impairment of securities” for securities measured at amortised cost.

Loans and receivables

Loans and receivables comprise unlisted financial assets that generate fixed or determinable payments.

Securities of the Loans and receivables portfolio are initially recognised at acquisition cost, including transaction costs that are directly attributable to the acquisition and including accrued interest.

They are subsequently measured at amortised cost with amortisation of any premium or discount and transaction costs using the corrected effective interest method.

Impairment rules for this financial asset category are disclosed in the section on “Impairment of securities” for securities measured at amortised cost.

Available-for-sale financial assets

IAS 39 defines available-for-sale financial assets as assets that are other designated as available-for-sale or as the default category.

Available-for-sale financial assets are initially recognised at fair value, including transaction costs that are directly attributable to the acquisition and including accrued interest.

Available-for-sale financial assets are later measured at fair value and subsequent changes in fair value are recorded in other comprehensive income.

If the securities are sold, these changes are transferred to the income statement.

Amortisation of any premiums or discounts and transaction costs on fixed-income securities is recognised in the income statement using the effective interest rate method.

Impairment rules for this financial asset category are disclosed in the section on “Impairment of securities”.

The definitions of the underlined words can be found in the Glossary on page 542.

Impairment of securities

Impairment shall be booked when there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the securities, other than assets measured as at fair value through profit or loss.

Objective evidence of loss corresponds to a prolonged or significant decline in the value of the security for equity securities or the appearance of significant deterioration in credit risk evidenced by a risk of non-recovery for debt securities.

For equity securities, Crédit Agricole S.A. Group uses quantitative criteria as indicators of potential impairment. These quantitative criteria are mainly based on a loss of 30% or more of the value of the equity instrument over a period of six consecutive months. Crédit Agricole S.A. Group may also take account of other factors such as financial difficulties of the issuer, or short term prospects, etc.

Notwithstanding the above-mentioned criteria, Crédit Agricole S.A. Group recognises an impairment loss when there is a decline in the value of the equity instrument higher than 50% or prolonged over three years.

For debt securities, impairment criteria are the same as for loans and receivables.

Such impairment is only recognised when it translates into a probable loss of all or part of the amount invested:

- for securities measured at amortised cost through the use of an impairment account, the amount of the loss is recognised in the income statement, and may be reversed in case of subsequent improvements;
- for available-for-sale securities, the amount of the aggregate loss is transferred from other comprehensive income to the income statement; in the event of subsequent recovery in the price of the securities, the loss previously transferred to the income statement may be reversed when justified by circumstances for debt instruments.

Recognition date of securities

Crédit Agricole S.A. recognises on the settlement date securities classified as Assets held for trading, Held-to-maturity financial assets, and Loans and receivables. Other securities, regardless of type or classification, are recognised on the trading date.

Reclassification of financial assets

IAS 39 allows "available-for-sale financial assets" to be reclassified as "held-to-maturity financial assets" where there is a change in management intention and if the criteria for reclassification as held-to-maturity are respected.

In accordance with the amendment to IAS 39 as published and adopted by the European Union in October 2008, the following reclassifications are also allowed:

- from the financial assets held for trading and available-for-sale financial assets categories to the Loans and receivables category, if the entity now has the intention and ability to hold the financial asset for the foreseeable future or until maturity and if the classification criteria for this category are met upon the transfer date (in particular, financial asset not quoted in an active market);
- in rare documented circumstances, from financial assets held for trading to available-for-sale financial assets or held-to-maturity financial assets if the eligibility criteria are met upon the transfer date for each category.

The fair value on the date of reclassification becomes the new cost or amortised cost, as applicable, of the reclassified financial asset.

Information on reclassifications made by Crédit Agricole S.A. Group under the terms of the amendment to IAS 39 is provided in Note 9 "Reclassification of financial instruments".

Temporary investments in/disposals of securities

Within the meaning of IAS 39, temporary sales of securities (securities lending/borrowing, repurchase agreements) do not fulfil the derecognition conditions of IAS 39 and are regarded as collateralised financing.

Securities lent or sold under repurchase agreements remain on the balance sheet. If applicable, the amounts received, representing the liability to the transferee, are recognised on the liability side of balance sheet by the transferor.

Items borrowed or bought under repurchase agreements are not recognised on the balance sheet of the transferee. A receivable is recognised for the amount paid. If the security is subsequently resold, however, the transferee records a liability equivalent to the fair value of fulfilling their obligation to return the security received under the agreement.

Revenue and expenses relating to such transactions are posted to profit and loss on a *prorata temporis* basis, except in the case of assets and liabilities recognised at fair value through profit or loss.

Lending operations

Loans are principally allocated to the Loans and receivables category. In accordance with IAS 39, they are initially valued at fair value and subsequently valued at amortised cost using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash payments to the original net loan amount. This rate includes the discounts and any transaction income or transaction costs that are an integral part of the effective interest rate.

Syndication loans held for trading are classified as financial assets held for trading and are marked to market.

Subordinated loans and repurchase agreements (represented by certificates or securities) are included under the various categories of loans and receivables according to counterparty type.

Income calculated based on the effective interest rate is recognised in the balance sheet under accrued interests in the income statement.

Advances made by Crédit Agricole S.A. to the Regional Banks do not represent a direct risk for Crédit Agricole S.A. with respect to the corresponding customer loans made by the Regional Banks. They do, however, represent a potential indirect risk with respect to the financial strength of the Regional Banks. Crédit Agricole S.A. has not made any provisions for such advances to the Regional Banks.

Impairment of loans

In accordance with IAS 39, loans classified under Loans and receivables are impaired whenever there is objective indication of impairment as a result of one or more loss events occurring after the initial recognition of these loans, such as:

- borrower in serious financial difficulties;

- a breach of contract such as a default on the payment of interest or principal;
- the granting by the lender to the borrower, for economic or legal reasons connected with the borrower's financial difficulties, of a facility that the lender would not have envisaged under other circumstances (loan restructuring);
- increasing probability of bankruptcy or other financial restructuring of the borrower.

Impairment may be individual or collective, or in the form of discounts on loans that have been restructured due to customer default.

Impairment charges and reversals of impairment losses for non-recovery risk are recognised in cost of risk and any increase in the carrying amount of the loan arising from the accretion of the impairment or amortisation of the restructured loan discount is recognised in interest margin.

Impairment losses are discounted and estimated on the basis of several factors, notably business- or sector-related. It is possible that future assessments of the credit risk may differ significantly from current estimates, which may lead to an increase or decrease in the amount of the impairment.

Probable losses in respect off-balance sheet commitments are covered by provisions recognised as liabilities.

Loans individually assessed for impairment

Each loan is first individually assessed for known risk of loss. Projected losses are thus measured by means of individual impairment losses for all types of loans, including guaranteed, where there is objective indication of impairment. The amount of impairment losses is the difference between the carrying amount of loans (amortised cost) and the sum of estimated future flows, discounted at the original effective interest rate.

Possible losses in respect of portfolios of small loans with similar characteristics may be estimated on a statistical basis rather than individually assessed.

Loans collectively assessed for impairment

Statistical and historical customer default experience shows that there is an identified risk of partial uncollectibility of loans not individually impaired. To cover these risks, which cannot by nature be allocated to individual loans, Crédit Agricole S.A. Group takes various collective impairment charges, calculated using models developed on the basis of these statistical data, by way of deduction from asset values. These are determined for each homogenous class of loans displaying similar credit risk characteristics.

- Calculation of impairment losses using Basel models:

  Under Basel regulations, each Crédit Agricole S.A. Group's entity calculates the amount of losses anticipated within one year, using statistical tools and databases, based on a variety of observation criteria that meet the definition of a "loss event" within the meaning of IAS 39.

  The amount of impairment is based on the probability of default in each rating class assigned to borrowers, and also on management's experienced judgement.

  The amount of this impairment is obtained by applying to the amount of anticipated losses calculated using the Basel models a maturity correction factor designed to take account of the need to record impairment charges for the anticipated losses up to maturity.

- Other loans collectively assessed for impairment:

  Crédit Agricole S.A. Group also sets aside collective impairment charges to cover customer risks that are not allocated to individual loans, such as sector or country impairment losses. These provisions are intended to cover estimated risks based on a sector or geographical analysis for which there is statistical or historical risk of partial non-recovery.

Loan restructuring

Loans restructured due to financial difficulties are loans for which the entity changed the initial financial terms (interest rate, term) for economic or legal reasons connected with the borrower's financial difficulties, in a manner that would not have been considered under other circumstances. They therefore consist of loans that are classified as in default and, since 1 January 2014, performing loans at the date they are restructured.

The reduction of future flows granted to a counterparty, which may notably stem from these flows being postponed as part of the restructuring, results in the recognition of a discount. It represents future loss of cash flow discounted at the original effective interest rate.

It is equal to the difference between:

- the carrying amount of the loan;
- and the sum of theoretical future cash flows from the restructured loan, discounted at the original effective interest rate (defined at the date of the financing commitment).

The loss recognised when a loan is restructured is recorded under cost of risk. Its amortisation then affects the interest margin.

Restructured loans are monitored based on ratings in accordance with Basel rules and are impaired on the basis of the estimated credit risk. They are individually impaired within 30 days of a missed payment.

Restructured loans remain in this category for two years (three years if they were in default when restructured).

Watch list loans

Watch list loans consist of loans for which payment arrears have been recorded but for which no individual impairment has been set aside.

Commercial renegotiations

Renegotiated loans for commercial reasons without financial difficulties of the counterpart with the aim of developing or keeping a commercial relation are derecognised at the date of the renegotiation. The new loans accorded to customers are initially recognised at the same date at fair value and subsequently at the same date at amortised cost using the effective interest method according to the conditions of the new contract.

Subsidised loans (IAS 20)

Under French Government measures to support the agricultural and rural sector and to help home buyers, certain Crédit Agricole S.A. Group entities grant subsidised loans at rates fixed by the Government. Consequently, the Government pays these entities the difference between the subsidised lending rate and

The definitions of the underlined words can be found in the Glossary on page 542.

a predetermined benchmark rate. Accordingly, no discounts are recognised against subsidised loans.

The subsidy system is periodically reviewed by the Government.

In accordance with IAS 20, subsidies received from the Government are recorded under Interest and similar income and spread over the life of the corresponding loans.

Financial liabilities

IAS 39 as endorsed by the European Union recognises three categories of financial liabilities:

- financial liabilities at fair value through profit or loss. Fair value changes on this portfolio are recognised in profit or loss at accounting end-periods;
- financial liabilities designated at fair value through profit or loss. Financial liabilities, provided they meet the conditions specified in the standard, can be designated as at fair value through profit or loss in the following three cases: for hybrid instruments comprising one or more embedded derivatives, where the fair value option would reduce an accounting mismatch or for a group of financial liabilities under management whose performance is measured at fair value. This method is generally used so that derivatives embedded in hybrid instruments do not have to be recognised and measured separately;
- other financial liabilities: this includes all types of other financial liabilities. These liabilities are initially measured at fair value (including transaction income and costs) and subsequently at amortised cost using the effective interest method.

The valuation of issues recorded at fair value includes the change in own credit risk of the Group.

Securities classified as financial liabilities or equity

Distinction between liabilities and equity

Securities are classed as debt instruments or equity instruments based on the economic substance of the contractual terms.

A debt instrument is a contractual obligation to:

- deliver cash or another financial asset; or
- exchange instruments under potentially unfavourable conditions.

An equity instrument is a contract that offers a discretionary return, represents a residual interest in a company's net assets after deducting liabilities and is not qualified as a debt instrument.

Treasury shares buy-back

Treasury shares (or equivalent derivative instruments, such as stock options) bought back by Crédit Agricole S.A. Group, including shares held to cover stock option plans, do not meet the definition of a financial asset and are deducted from equity. They do not generate any impact on the income statement.

Deposits

All deposits are recorded under the category "Due to customers" in spite of the characteristics of the collection system within Crédit Agricole Group, with deposits originating from the Regional Banks centralised at Crédit Agricole S.A. For the Group, the ultimate counterparty for these deposits is the end customer.

The deposits are initially measured at fair value and subsequently at amortised cost.

Regulated savings products are by nature deemed to be at market rates.

Provisions are taken where necessary against home purchase savings plans and accounts as set out in Note 6.20 "Provisions".

Derivative instruments

Derivative instruments are financial assets or liabilities and are recognised on the balance sheet at fair value at inception of the transaction. At the end of each reporting period, derivatives are measured at fair value, whether they are held for trading purposes or used for hedging.

Any change in the value of derivatives on the balance sheet is recorded in the income statement (except in the special case of a cash flow hedging relationship).

Hedge accounting

Fair value hedges are intended to provide protection from exposure to a change in the fair value of an asset or of a liability that has been recognised, or of a firm commitment that has not been recognised.

Cash flow hedges are intended to provide protection from a change in future cash flows from financial instruments associated with a recognised asset or liability (for example, with all or part of future interest payments on a floating-rate debt) or a projected transaction that is considered to be highly probable.

Hedges of net investments in a foreign operation are intended to provide protection from the risk of an adverse movement in fair value arising from the foreign exchange risks associated with a foreign investment in a currency other than the euro.

Hedges must meet the following criteria in order to be eligible for hedge accounting:

- the hedging instrument and the instrument hedged must be eligible;
- there must be formal documentation from inception, primarily including the individual identification and characteristics of the hedged item, the hedging instrument, the nature of the hedging relationship and the nature of the hedged risk;
- the effectiveness of the hedge must be demonstrated, at inception and retrospectively, by testing at each reporting date.

For interest rate hedges for a portfolio of financial assets or financial liabilities, Crédit Agricole S.A. Group documents the hedging relationship for fair value hedges in accordance with the carve-out version of IAS 39 as endorsed by the European Union.

The Group also documents these hedging relationships based on its gross position in derivative instruments and hedged items.

The effectiveness of the hedging relationships is measured by maturity schedules.

The change in value of the derivative is recorded in the financial statements as follows:

- fair value hedges: the change in value of the derivative is recognised in the income statement symmetrically with the change in value of the hedged item in the amount of the hedged risk. Only the net amount of any ineffective portion of the hedge is recognised in the income statement;
- cash flow hedges: the change in value of the derivative is recognised in the balance sheet through a specific account in

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other comprehensive income for the efficient portion and any inefficient portion of the hedge is recognised in the income statement. Any profits or losses on the derivative accrued through other comprehensive income are then reclassified in the income statement when the hedged cash flows occur;

- hedges of net investment in a foreign operation: the change in value of the derivative is recognised in the balance sheet in the translation adjustment equity account and any ineffective portion of the hedge is recognised in the income statement.

Where the conditions for benefiting from hedge accounting are no longer met, the following accounting treatment must be applied prospectively:

- fair value hedges: only the hedging instrument continues to be revalued through profit or loss. The hedged item is wholly accounted for according to its classification. For available-for-sale securities, changes in fair value subsequent to the ending of the hedging relationship are recorded in other comprehensive income. For hedged items valued at amortised cost, which were interest rate hedged, the revaluation adjustment is amortised over the remaining life of those hedged items;
- cash flow hedges: the hedging instrument is valued at fair value through profit or loss. The amounts accumulated in other comprehensive income under the effective portion of the hedging remain in other comprehensive income until the hedged element affects profit or loss. For interest rate hedged instruments, profit or loss is affected according to the payment of interest. The revaluation adjustment is therefore amortised over the remaining life of those hedged items;
- hedges of net investment in a foreign operation: the amounts accumulated in other comprehensive income under the effective portion of the hedging remain in other comprehensive income while the net investment is held. The income is recorded once the net investment in a foreign operation exits the scope of consolidation.

Embedded derivatives

An embedded derivative is a component of a hybrid contract that meets the definition of a derivative product. Embedded derivatives must be accounted for separately from the host contract if the following three conditions are met:

- the hybrid contract is not measured at fair value through profit or loss;
- the embedded component taken separately from the host contract has the characteristics of a derivative;
- the characteristics of the derivative are not closely related to those of the host contract.

Determination of the fair value of financial instruments

When determining the fair value of financial instruments observable inputs must be prioritised. It is presented using the hierarchy defined in IFRS 13.

IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants, on the principal or the most advantageous market, at the measurement date.

Fair value applies individually to each financial asset or financial liability. A portfolio exemption may be used where the management and risk monitoring strategy so allow and are appropriately documented. Thus, certain fair value parameters are calculated on a net basis when a group of financial assets and financial liabilities is managed on the basis of its net exposure to market or credit risks. This is notably true of the CVA/DVA calculation.

The Group considers that the best evidence of fair value is reference to quoted prices published in an active market.

When such quoted prices are not available, fair value is established by using valuation techniques based on observable data or unobservable inputs.

Fair value of structured issues

In accordance with IFRS 13, the Group values its structured issues, recognised at fair value, by taking as a reference the issuer spread that specialist participants agree to receive to acquire new Group issues.

Counterparty risk on derivative instruments

Crédit Agricole S.A. Group incorporates into fair value the assessment of counterparty risk for derivative assets (Credit Valuation Adjustment or CVA) and, using a symmetrical treatment, the non-performance risk for derivative liabilities (Debit Valuation Adjustment or DVA or own credit risk).

The CVA makes it possible to determine the expected losses due to the counterparty from the perspective of Crédit Agricole Group, and DVA, the expected losses due to Crédit Agricole Group from the perspective of the counterparty.

The CVA/DVA is calculated on the basis of an estimate of expected losses based on the probability of default and loss given default. The methodology used maximises the use of observable market inputs. It is primarily based on market data such as registered and listed CDS (or Single Name CDS) or index CDS in the absence of registered CDS on the counterparty. In certain circumstances, historical default data may also be used.

Fair value hierarchy

The standard classifies fair value into three levels based on the observability of inputs used in valuation techniques.

Level 1: fair value corresponding to quoted prices (unadjusted) in active markets.

Level 1 is composed of financial instruments that are directly quoted in active markets for identical assets and liabilities that the entity can access at the measurement date. These are stocks and bonds quoted in active markets (such as the Paris Stock Exchange, the London Stock Exchange or the New York Stock Exchange, etc.) and also fund securities quoted in an active market and derivatives traded on an organised market, in particular futures.

A market is regarded as being active if quoted prices are readily and regularly available from an exchange, broker, dealer, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

For financial assets and liabilities with offsetting market risks, Crédit Agricole S.A. Group uses mid-prices as a basis for establishing fair values for the offsetting risk positions. The Group applies the current bid price to asset held or liability to be issued (open long position) and the current asking price to asset to be acquired or liability held (open short position).

Level 2: fair values measured using directly or indirectly observable inputs other than those in Level 1.

The inputs used are observable either directly (i.e. prices) or indirectly (derived from prices) and generally consist of: data from

The definitions of the underlined words can be found in the Glossary on page 542.

outside the Company, which are publicly available or accessible and based on a market consensus.

Level 2 is composed of:

- stocks and bonds quoted in an inactive market or non quoted in an active market but for which fair value is established using a valuation methodology usually used by market participants (such as discounted cash flow techniques or the Black & Scholes model) and based on observable market data;
- instruments that are traded over the counter, the fair value of which is measured with models using observable market data, i.e. derived from various and independent available external sources which can be obtained on a regular basis. For example, the fair value of interest rate swaps is generally derived from the yield curves of market interest rates as observed at the reporting date.

When the models are consistent notably with standard models based on observable market data (such as interest rate yield curves or implied volatility surfaces), the day one gain or loss resulting from the initial fair value measurement of the related instruments is recognised in profit or loss at inception.

Level 3: fair value that is measured using significant unobservable inputs.

For some complex instruments that are not traded in an active market, fair value measurement is based on valuation techniques using assumptions i.e. that cannot be observed on the market for an identical instrument. These instruments are disclosed within Level 3.

This mainly concerns complex interest rate instruments, equity derivatives, structured credit instruments which fair value measurement includes for instance correlation or volatility inputs that are not directly benchmarkable.

Since the transaction price is deemed to reflect the fair value at initial recognition, any day one gain or loss recognition is deferred.

The day one gain or loss relating to these structured financial instruments is generally recognised through profit or loss over the period during which inputs are deemed unobservable. When market data become "observable", the remaining margin to be deferred is immediately recognised in profit or loss.

Valuation methodologies and models used for financial instruments that are disclosed within Levels 2 and 3 incorporate all factors that market participants would consider in setting a price. They shall be beforehand validated by an independent control. Fair value measurement notably includes both liquidity risk and counterparty risk.

Absence of accepted valuation method to determine equity instruments' fair value

In accordance with IAS 39 principles, if there is no satisfactory method or if the estimates obtained using the various methods differ excessively, the security is valued at cost and stays recorded under available-for-sale financial assets because its fair value cannot be reliably measured. In this case, the Group does not report a fair value, in accordance with the applicable recommendations of IFRS 7. These primarily include equity investments in companies that are not quoted in an active market and whose fair value is difficult to measure reliably.

Net gains (losses) on financial instruments

Net gains (losses) on financial instruments at fair value through profit or loss

For financial instruments designated at fair value through profit or loss and financial assets and liabilities held for trading, this heading mainly includes the following income statement items:

- dividends and other revenues from equities and other variable-income securities which are classified under financial assets at fair value through profit or loss;
- changes in fair value of financial assets or liabilities at fair value through profit or loss;
- gains and losses on disposal of financial assets at fair value through profit or loss;
- changes in fair value and gains and losses on disposal or termination of derivative instruments not included in a fair value hedging relationship or cash flow hedge.

This heading also includes the inefficient portion of hedges.

Net gains (losses) on available-for-sale financial assets

For available-for-sale financial assets, this heading mainly includes the following income statement items:

- dividends and other revenues from equities and other variable-income securities which are classified as available-for-sale financial assets;
- gains and losses on disposal of fixed-income and variable-income securities which are classified as available-for-sale financial assets;
- losses in value of variable-income securities;
- net income on disposal or termination of instruments used for fair value hedges of available-for-sale financial assets when the hedged item is sold;
- gains and losses on disposal or termination of loans and receivables and held-to-maturity securities in those cases provided for by IAS 39.

Offsetting of financial assets and financial liabilities

In accordance with IAS 32, Crédit Agricole S.A. Group nets a financial asset and a financial liability and reports the net amount when, and only when, it has a legally enforceable right to offset the amounts reported and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The derivative instruments and the repurchase agreements handled with clearing houses that meet the two criteria required by IAS 32 have been offset on the balance sheet.

The effect of this offsetting is presented in the table in Note 6.12 on the amendment to IFRS 7 on disclosures regarding the offsetting of financial assets and financial liabilities.

Financial guarantees given

A financial guarantee contract is a contract that calls for specific payments to be made by the issuer to reimburse the holder for a loss incurred due to a specified debtor's failure to make a payment when due under the initial or amended terms of a debt instrument.

Financial guarantee contracts are recognised at fair value initially then subsequently at the higher of:

- the amount calculated in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets; or

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- the amount initially recognised, less any depreciation recognised in accordance with IAS 18 Revenue.

Financing commitments that are not designated as fair value through profit or loss or not treated as derivative instruments within the meaning of IAS 39 are not recognised on the balance sheet. They are, however, covered by provisions in accordance with IAS 37.

Derecognition of financial instruments

A financial asset (or group of financial assets) is fully or partially derecognised if:

- the contractual rights to the cash flows from the financial asset expire;
- or are transferred or are deemed to have expired or been transferred because they belong de facto to one or more beneficiaries; and substantially all the risks and rewards of ownership in the financial asset are transferred.

In this case, any rights or obligations created or retained at the time of transfer are recognised separately as assets and liabilities.

If the contractual rights to the cash flows are transferred but some of the risks and rewards of ownership as well as control are retained, the financial assets continue to be recognised to the extent of the Group's continuing involvement in the asset.

A financial liability is derecognised in full or in part:

- when it is extinguished; or
- when quantitative and qualitative analyses suggest it has undergone a substantial change following restructuring.

PROVISIONS (IAS 37 AND 19)

Crédit Agricole S.A. Group has identified all obligations (legal or constructive) resulting from a past event for which it is probable that an outflow of resources will be required to settle the obligation, and for which the due date or amount of the settlement is uncertain but can be reliably estimated. These estimates are discounted where applicable whenever there is a material impact.

For obligations other than those related to credit risk, Crédit Agricole S.A. Group has set aside general provisions to cover:

- operational risks;
- employee benefits;
- financing commitment execution risks;
- claims and liability guarantees;
- tax risks;
- risks related to home purchase savings plans.

The latter provision is designed to cover the Group's obligations in the event of unfavourable movements in home purchase savings schemes. These obligations are: i) to pay a fixed rate of interest on the savings contract from inception for an undefined period of time; and ii) to grant a loan to home purchase savings plan savers at a rate fixed at inception of the contract. The provision is calculated for each generation of a home purchase savings plan and for all home purchase savings accounts, with no netting of obligations between generations.

The amount of these obligations is calculated taking account notably of:

- saver behaviour models, based on assumptions regarding customer behaviour drawn from historical experience, which may not necessarily reflect actual trends in future behaviour;
- an estimate of the amount and term of the loans that will be granted in the future, based on historical experience over an extended period of time;
- the yield curve for market rates and reasonably foreseeable trends.

Certain estimates may be made to determine the amount of the following provisions:

- the reserve for operational risks, which although subject to examination for identified risks, requires Management to make assessments with regard to incident frequency and the potential financial impact;
- the reserve for legal risks, which is based on Management's best estimate in light of the information in its possession at the end of the reporting period.

Detailed information is provided in Note 6.20 "Provisions".

EMPLOYEE BENEFITS (IAS 19)

In accordance with IAS 19, employee benefits are recorded in four categories:

- short-term employee benefits, including salaries, social security contributions, annual leave, profit-sharing and incentive plans and premiums, are defined as those which are expected to be settled within twelve months of the period in which the related services have been rendered;
- long-term employee benefits (long-service awards, variable compensation and compensation payable 12 months or more after the end of the period);
- termination benefits;
- post-employment benefits fall into two categories: defined-benefit plans and defined contribution plans.

Long-term employee benefits

Long-term employee benefits are employee benefits other than post-employment benefits or termination benefits but not fully due to employees within twelve months after the end of the period in which the related services have been rendered.

These include, in particular, bonuses and other deferred compensation payable twelve or more months after the end of the period in which they were earned, but which are not share-based.

The measurement method is similar to the one used by the Group for post-employment benefits with defined-benefit plans.

Post-employment benefits

Defined-benefit plans

At each reporting date, Crédit Agricole S.A. Group sets aside reserves to cover its liabilities for retirement and similar benefits and all other employee benefits falling in the category of defined-benefit plans.

In keeping with IAS 19, these commitments are stated based on a set of actuarial, financial and demographic assumptions, and in accordance with the projected Unit Credit Method. Under this method, for each year of service, a charge is booked in an amount corresponding to the employee's vested benefits for the period. The charge is calculated based on the discounted future benefit.

Liabilities for retirement and other employee benefits are based on assumptions made by Management with respect to the discount rate, staff turnover rate and probable increases in salary and social security costs. If the actual figures differ from the assumptions made, the retirement liability may increase or decrease in future years (see Note 7.4 “Post-employment benefits, defined-benefit plans”).

Discount rates are determined based on the average term of the commitment, that is, the arithmetical average of the terms calculated between the valuation date and the payment date weighted by employee turnover assumptions.

The anticipated return on plan assets is also estimated by Management. Returns are estimated on the basis of expected returns on fixed income securities, and notably bonds.

The expected return on plan assets is determined using discount rates applied to measure the defined benefit obligation.

In accordance with IAS 19 revised, all actuarial gains or losses are recognised in other comprehensive income.

The amount of the provision is equal to:

- the present value of the obligation to provide the defined-benefits at the end of the reporting period, calculated in accordance with the actuarial method recommended by IAS 19;
- if necessary, reduced by the fair value of the assets allocated to covering these commitments. These may be represented by an eligible insurance policy. In the event that 100% of the obligation is covered by a policy that meets exactly the expense amount payable over the period for all or part of a defined-benefit plan, the fair value of the policy is deemed to be the value of the corresponding obligation, i.e. the amount of the corresponding actuarial liability.

For such obligations that are not covered, a provision for retirement benefits is recognised under Provisions on the liabilities side of the balance sheet. This provision is equal to Crédit Agricole S.A. Group’s liabilities towards employees in service at year-end, governed by the Crédit Agricole Group collective agreement that came into effect on 1 January 2005.

A provision to cover the cost of early retirement commitments is also listed under Provisions. This provision covers the additional discounted cost of the various early retirement agreements signed by Crédit Agricole Group entities under which employees of eligible age may take early retirement.

Lastly, certain Group companies are liable to pay supplementary retirement benefits. A provision is calculated on the basis of the Company’s actuarial liability for these benefits. These provisions are also shown on the liabilities side of the balance sheet under Provisions.

Defined contribution plans

Employers contribute to a variety of compulsory pension schemes. Plan assets are managed by independent organisations and the contributing companies have no legal or implied obligation to pay additional contributions if the funds do not have sufficient assets to cover all benefits corresponding to services rendered by employees during the year and during prior years. Consequently, Crédit Agricole S.A. Group has no liabilities in this respect other than their on-going contributions.

SHARE-BASED PAYMENTS (IFRS 2)

IFRS 2 on Share-based payment requires valuation of share-based payment transactions in the Company’s income statement and balance sheet. This standard applies to transactions with employees and more specifically to:

- share-based payment transactions settled in equity instruments;
- share-based payment transactions settled in cash.

Share-based payment plans initiated by Crédit Agricole S.A. Group that are eligible for IFRS 2 are mainly transactions settled in equity instruments (stock options, free share allocation plans, variable compensation settled in cash indexed or in shares, etc.).

Options granted are measured at their fair value on the date of grant primarily using the Black & Scholes model. These options are recognised as a charge under Employee expenses, with a corresponding adjustment to equity, spread over the vesting period (four years for existing plans).

Employee share issues offered to employees as part of the Employee Saving Plan are also subject to the IFRS 2 standard. Shares may be offered to employees with a discount of no more than 20%. These plans have no vesting period but the shares are subject to a lock-up period of five years. The benefit granted to employees is measured as the difference between the fair value per share acquired taking account of the lock-up period and the purchase price paid by the employee on the issue date multiplied by the number of shares issued.

A more detailed description of the method, existing plans and valuation methods is provided in Note 7.6 “Share-based payment”.

The cost of stock options settled in Crédit Agricole S.A. equity instruments and the cost of share subscriptions are now recognised in the financial statements of the entities that employ the plan beneficiaries. The impact is recorded under Employee expenses, with a corresponding increase in consolidated reserves Group share.

CURRENT AND DEFERRED TAXES

In accordance with IAS 12, the income tax charge includes all income taxes, whether current or deferred.

IAS 12 defines current tax liability as “the amount of income tax payable (recoverable) in respect of the taxable profit (tax loss) for a reporting period”. Taxable income is the profit (or loss) for a given accounting period measured in accordance with the rules determined by the taxation authorities.

The applicable rates and rules used to measure the current tax liability are those in effect in each country where the Group’s companies are established.

The current tax liability relates to any income due or that will become due, for which payment is not subordinated to the completion of future transactions, even if payment is spread over several years.

The current tax liability must be recognised as a liability until it is paid. If the amount that has already been paid for the current year and previous years exceeds the amount due for these years, the surplus must be recognised under assets.

Moreover, certain transactions carried out by the entity may have tax consequences that are not taken into account in measuring the current tax liability. IAS 12 defines a difference between the carrying amount of an asset or liability and its tax basis as a temporary difference.

This standard requires that deferred taxes be recognised in the following cases:

- a deferred tax liability should be recognised for any taxable temporary differences between the carrying amount of an asset or liability on the balance sheet and its tax base, unless the deferred tax liability arises from:
  - initial recognition of goodwill,
  - the initial recognition of an asset or a liability in a transaction that is not a business combination and that does not affect either the accounting or the taxable profit (taxable loss) at the transaction date;
- a deferred tax asset should be recognised for any deductible temporary differences between the carrying amount of an asset or liability on the balance sheet and its tax base, insofar as it is deemed probable that a future taxable profit will be available against which such deductible temporary differences can be allocated;
- a deferred tax asset should also be recognised for carrying forward unused tax losses and tax credits insofar as it is probable that a future taxable profit will be available against which the unused tax losses and tax credits can be allocated.

The tax rates applicable in each country are used.

Deferred taxes are not discounted.

Taxable unrealised gains on securities do not generate any taxable temporary differences between the carrying amount of the asset and the tax base. As a result, deferred tax is not recognised on these gains. When the relevant securities are classified as available-for-sale securities, unrealised gains and losses are recognised directly through other comprehensive income. The tax charge or saving effectively borne by the entity arising from these unrealised gains or losses is reclassified as a deduction from these gains.

In France, all but 12% of long-term capital gains on the sale of equity investments, as defined by the General Tax Code, are exempt from tax as from the tax year commencing on 1 January 2007; the 12% of long-term capital gains are taxed at the normally applicable rate. Accordingly, unrealised gains recognised at the end of the year generate a temporary difference requiring the recognition of deferred tax on this share.

Current and deferred tax is recognised in net income for the year, unless the tax arises from:

- either a transaction or event that is recognised directly through other comprehensive income, during the same year or during another year, in which case it is directly debited or credited to other comprehensive income;
- or a business combination.

Deferred tax assets and liabilities are offset against each other if, and only if:

- the entity has a legally enforceable right to offset current tax assets against current tax liabilities; and
- the deferred tax assets and liabilities apply to income taxes assessed by the same tax authority:

a) either for the same taxable entity, or

b) for different taxable entities that intend either to settle current tax assets and liabilities on a net basis, or to settle their tax assets and liabilities at the same time during each future financial year in which it is expected that substantial deferred tax assets or liabilities will be paid or recovered.

When tax credits on income from securities portfolios and amounts receivable are effectively used to pay income tax due for the year, they are recognised under the same heading as the income with which they are associated. The corresponding tax charge continues to be recognised under the Income tax charge heading in the income statement.

However, given that the legislative intent when introducing the tax credit for competitiveness and employment (*Crédit d'impôt pour la compétitivité et l'emploi* – CICE) was to reduce employee expenses, Crédit Agricole S.A. Group chose to recognise the CICE (Article 244 *quater* C of the French General Tax Code – CGI) as a reduction in employee expenses.

TREATMENT OF FIXED ASSETS (IAS 16, 36, 38 AND 40)

Crédit Agricole S.A. Group applies component accounting for all of its property, plant and equipment. In accordance with the provisions of IAS 16, the depreciable amount takes account of the potential residual value of property, plant and equipment.

Land is measured at cost less any impairment losses.

Property used in operations, investment property and equipment are measured at cost less accumulated depreciation and impairment losses since the time they were placed in service.

Purchased software is measured at purchase price less accumulated depreciation and impairment losses since acquisition.

Proprietary software is measured at cost less accumulated depreciation and impairment losses since completion.

Apart from software, intangible assets are mainly assets acquired during a business combination resulting from contract law (e.g. distribution agreement). These were valued on the basis of corresponding future economic benefits or expected service potential.

Fixed assets are depreciated over their estimated useful lives.

The following components and depreciation periods have been adopted by Crédit Agricole S.A. Group following the application of the measures on component accounting for property, plant and equipment. These depreciation periods are adjusted according to the type of asset and its location:

Component	Depreciation period
Land	Not depreciable
Structural works	30 to 80 years
Non-structural works	8 to 40 years
Plant and equipment	5 to 25 years
Fixtures and fittings	5 to 15 years
Computer equipment	4 to 7 years
Special equipment	4 to 5 years

The definitions of the underlined words can be found in the Glossary on page 542.

Exceptional depreciation charges corresponding to tax-related depreciation and not to any real impairment in the value of the asset are eliminated in the consolidated financial statements.

Based on available information, Crédit Agricole S.A. Group has concluded that impairment testing would not lead to any change in the existing amount of its fixed assets at the end of the reporting period.

FOREIGN CURRENCY TRANSACTIONS (IAS 21)

In accordance with IAS 21, a distinction is made between monetary and non-monetary items.

On the reporting date, foreign-currency denominated monetary assets and liabilities are translated into Crédit Agricole S.A. Group's functional currency on the closing date. The resulting translation adjustments are recorded in the income statement. There are two exceptions to this rule:

- for available-for-sale financial assets, only the translation adjustments calculated on amortised cost is taken to the income statement; the balance is recorded in equity;
- translation adjustments on elements designated as cash flow hedges or forming part of a net investment in a foreign entity are recognised in other comprehensive income.

Non-monetary items are treated differently depending on the type of items:

- items at historical cost are measured at the exchange rate on the transaction date;
- items at fair value are measured at the exchange rate at the end of the reporting period.

Translation adjustments on non-monetary items are recognised:

- in the income statement if the gain or loss on the non-monetary item is recorded in the income statement;
- in other comprehensive income if the gain or loss on the non-monetary item is recorded in other comprehensive income.

FEES AND COMMISSIONS (IAS 18)

Fee and commission income and expenses are recognised in income based on the nature of services with which they are associated:

- fees and commissions that are an integral part of the effective yield on a financial instrument are recognised as an adjustment to the yield on the instrument and included in its effective interest rate;
- when the result from a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised in Fees and commissions by reference to the stage of completion of the transaction at the end of the reporting period:

a) fees and commissions paid or received in consideration for non-recurring services are fully recognised in the income statement.

Fees and commissions payable or receivable that are contingent upon meeting a performance target are recognised only if all the following conditions are met:

i) the amount of fees and commissions can be reliably estimated,

ii) it is probable that the future economic benefits from the services rendered will flow to the Company,

iii) the stage of completion of the service can be reliably estimated, and the costs incurred for the service and the costs to complete it can be reliably estimated;

b) fees and commissions in consideration for on-going services, such as fees and commissions on payment instruments, are recognised in the income statement and spread over the duration of the service rendered.

INSURANCE BUSINESSES (IFRS 4)

Liabilities remain partially valued under French GAAP, as permitted by IAS and IFRS regulations, pending further amendments to the existing standards. Financial assets held by Crédit Agricole S.A. Group's insurance companies have been reclassified into the financial assets categories set out in IAS 39.

Contracts containing discretionary participation features are collectively classified as a liability under insurance company's technical reserves. They are recognised in the same way as insurance contracts. Premiums on these contracts are recognised as income and the increase in obligations to policyholders is recognised as an expense.

Life insurance technical reserves are conservatively estimated based on the technical rates defined in the contracts. Liabilities associated with contracts with or without discretionary participation features or guaranteed elements, are measured based on the fair value of the underlying assets or its equivalent at the end of the reporting period and are recorded under financial liabilities.

The financial margin on these policies is taken to profit or loss, after reversing out the technical items (premiums, benefits, etc.), according to deposit accounting principles.

Property and casualty insurance policy liabilities are estimated at the end of the reporting period, without applying any discount. Claims management costs associated with technical reserves are charged to a provision in the financial statements at the reporting date.

For non-life insurance contracts, acquisition costs are recognised as and when the premium is earned. For life insurance contracts, directly identifiable acquisition costs are deferred over the profit generation period.

Total expenses related to the insurance business are presented in Note 4.5 "Net income (expenses) on other activities".

As permitted by the extension of local GAAP specified by IFRS 4 and CRC Regulation 2000-05 pertaining to consolidated financial statements for insurance companies, "shadow accounting" is used to account for insurance liabilities for contracts with discretionary participation features. Under this practice, positive or negative valuation differences in the corresponding financial assets that will potentially revert to policyholders are recognised in a "Deferred profit sharing" account.

The deferred profit sharing is recognised on the liabilities side of the balance sheet under Insurance company's technical reserves or on the asset side with an offsetting entry in the income statement or in the valuation reserve, in the same way as unrealised gains and losses on the underlying assets.

The method used for valuation of deferred policyholders' profit-sharing, resulting from the application of shadow accounting, was changed in 2015.

The rate of deferred policyholders' profit-sharing, previously based on historically observed data, is now valued prospectively on the basis of analysis scenarios consistent with the Company's management policies. It is only updated if it changes significantly.

To determine whether the deferred profit-sharing asset is recoverable, tests are carried out to determine whether any unrealised losses can be applied to future surpluses before testing for liability shortfall in accordance with the CNC recommendation of 19 December 2008.

These tests are based:

- first, on liquidity analyses of the Company, which show the enterprise's capacity to access funding sources to meet its obligations and its ability to hold assets with unrealised losses even if new production declines. The tests were performed with and without new production;
- second, on a comparison between the average value of future services measured by the internal model replicating the Company's management decisions and the value of the assets representing the obligations at fair value. This shows the enterprise's ability to meet its obligations.

Lastly, sensitivity tests on the ability to activate the deferred profit sharing are also carried out:

- in the event of a uniform 15% increase in redemptions applied to redemption rates drawn from scenarios similar to those used by the French Regulatory and Resolution Supervisory Authority;
- in the event of an additional 10% decline in the equity markets.

In accordance with IFRS 4, at each reporting date, the Group also ascertains that insurance liabilities (net of deferred acquisition costs and associated intangible assets) are adequate to meet estimated future cash flows.

The liability adequacy test used to verify this must meet the following minimum requirements, as defined in paragraph 16 of the standard:

- it must consider all future contractual cash flows, including associated management costs, fees and commissions as well as options and guarantees implicit in these contracts;
- if the test shows that the liability is inadequate, it is wholly recognised in profit or loss.

LEASES (IAS 17)

As required by IAS 17, leases are analysed in accordance with their substance and financial reality. They are classified as operating leases or finance leases.

Finance lease transactions are treated as an acquisition of a fixed asset by the lessee financed by a loan from the lessor.

In the lessor's financial statements, analysis of the economic substance of the transactions results in the following:

- recognition of a financial receivable from the customer, which is amortised by the lease payments received;
- lease payments are broken down into interest and principal, known as financial amortisation;
- recognition of a net reserve for unrealised gains or losses. This is equal to the difference between:

a) the net lease receivable: amount owed by the lessee, comprising outstanding finance lease receivable and financial amortisation for the period between the most recent instalment and the reporting date,

b) the net carrying amount of the leased fixed assets,

c) the provision for deferred taxes.

In the lessee's financial statements, finance leases are restated such that they are recognised in the same way as if the asset had been purchased on credit, by recognising a financial liability, recording the purchased asset under assets and depreciating the asset.

In the income statement, the theoretical depreciation charge (the charge that would have been recognised if the asset had been purchased) and the finance expenses (incurred in connection with the financing) are recorded in the place of the lease payments.

For operating leases, the lessee recognises payments as expenses and the lessor records the corresponding income under rents, and the leased assets on its balance sheet.

NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (IFRS 5)

A non-current asset (or a disposal group) is classified as held-for-sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use.

For this to be the case, the asset (or disposal group) must be available for immediate sale in its present condition and its sale must be highly probable.

The relevant assets and liabilities are shown separately on the balance sheet under Non-current assets held-for-sale and discontinued operations and Liabilities associated with non-current assets held-for-sale and discontinued operations.

A non-current asset (or disposal group) classified as held-for-sale is measured at the lower of its carrying amount and fair value less costs of sale. A charge for impairment of unrealised gains is recognised in the income statement. Unrealised gains are no longer amortised when they are reclassified.

If the fair value of a disposal group less selling costs is under its carrying amount after impairment of non-current assets, the difference is allocated to other disposal group assets including the financial assets and is recognised under net income of held-for-sale operations.

A discontinued operation is a component that the Group has either disposed of, or is classified as held-for-sale, according to the following situations:

- it represents a separate major business line or geographical area of operations;
- it is part of a single coordinated plan to dispose of a separate major business line or geographical area of operations;
- or is a subsidiary acquired exclusively with a view to resale.

The following are disclosed on a separate line of the income statement:

- the profit or loss from discontinued operations until the date of disposal, net of tax;
- the gain or loss recognised on the disposal or on measurement to fair value less costs of sale of the assets and liabilities constituting the discontinued operations, net of tax.

The definitions of the underlined words can be found in the Glossary on page 542.

1.4 Consolidation principles and methods (IFRS 10, IFRS 11 and IAS 28)

SCOPE OF CONSOLIDATION

The consolidated financial statements include the financial statements of Crédit Agricole S.A. and those of all companies over which, in compliance with IFRS 10, IFRS 11 and IAS 28, Crédit Agricole S.A. exercises control, joint control or significant influence.

Definitions of control

In compliance with international standards, all entities under control, under joint control or under significant influence are consolidated, provided that they are not covered by the exclusions below.

Exclusive control over an entity is deemed to exist if Crédit Agricole S.A. is exposed to or entitled to receive variable returns as a result of its involvement with the entity and if the power it holds over this entity allows it to influence these returns. Power in this context means substantive (voting or contractual) rights. Rights are considered substantive if the holder of the rights can in practice exercise them when decisions about the Company's relevant activities are made.

Crédit Agricole S.A. is deemed to control a subsidiary through voting rights when its rights give it the practical ability to direct the subsidiary's relevant activities. Crédit Agricole S.A. is generally considered to control a subsidiary when it holds more than half the existing or potential voting rights in an entity, whether directly or indirectly through subsidiaries, except when it can be clearly demonstrated that such ownership does not give it the power to direct its relevant activities. Control is also deemed to exist where Crédit Agricole S.A. holds half or less than half of the voting rights, including potential rights, in an entity but is able in practice to direct its relevant activities at its sole discretion, notably because of the existence of contractual arrangements, the size of its stake in the voting rights compared to those of other investors, or other reasons.

Control of a structured entity is not assessed on the basis of voting rights as these have no effect on the entity's returns. When assessing control, consideration is given not only to contractual arrangements in force but also to whether Crédit Agricole S.A. was involved in creating the entity and what decisions it made at the time, what agreements were made at its inception and what risks are borne by Crédit Agricole S.A., any rights under agreements that give the investor the power to direct relevant activities in specific circumstances only and any other facts or circumstances that indicate the investor can direct the entity's relevant activities. Where there is a management agreement, the extent of decision-making powers granted to the delegated manager and the remuneration accorded by such contractual arrangements are examined to establish whether the manager is in practice acting as an agent (with delegated powers) or as a principal (on their own account).

Furthermore, when decisions on the entity's relevant activities are taken, the indicators used to assess whether an entity is acting as agent or principal are as follows: the extent of the decision-making powers compared to the powers over the entity delegated to the manager, the remuneration provided for under the contractual arrangements, any substantive rights that may affect the decision-making capacity of other parties involved in the entity and the exposure to variable returns of other interests in the entity.

Joint control is deemed to exist when there is a contractual division of control over an economic activity. Decisions affecting the entity's relevant activities require unanimous agreement of the joint controllers.

In traditional entities, significant influence is defined as the power to influence but not control a company's financial and operational policies. Crédit Agricole S.A. is presumed to have significant influence if it owns 20% or more of the voting rights in an entity, whether directly or indirectly through subsidiaries.

Exclusions from the scope of consolidation

In accordance with IAS 28 § 18, minority interests held by venture capital entities are excluded from the scope of consolidation insofar as they are classified under financial assets at fair value through profit or loss (including financial assets held for trading and financial assets designated at fair value through profit or loss).

CONSOLIDATION METHODS

The methods of consolidation are respectively defined by IFRS 10 and IAS 28 revised. They depend on the type of control exercised by Crédit Agricole S.A. over the entities that can be consolidated, regardless of activity or whether or not they have legal entity status:

- full consolidation, for controlled entities, including entities with different financial statement structures, even if their business is not an extension of that of Crédit Agricole S.A.;
- the equity method, for the entities over which Crédit Agricole S.A. exercises significant influence and joint control.

Full consolidation consists in substituting for the value of the shares each of the assets and liabilities carried by each subsidiary. The equity and income attributable to non-controlling interests is presented separately in the consolidated balance sheet and income statement.

Non-controlling interests are as defined by IFRS 10 and incorporate instruments representing present ownership interests and that give right to a proportional share of the net assets in the event of liquidation and the other equity instruments issued by the subsidiary and not held by the Group.

The equity method consists in substituting for the value of shares the Group's proportional share of the equity and income of the companies concerned.

The change in the carrying amount of these shares includes changes in goodwill.

In the event of incremental share purchases or partial disposals with continued joint control or significant influence, Crédit Agricole S.A. Group recognises:

- in the case of an increase in the percentage of interest, additional goodwill;
- in the case of a reduction in the percentage of interest, a gain or loss on disposal/dilution in profit or loss.

RESTATEMENTS AND ELIMINATIONS

Where necessary, financial statements are restated to harmonise the valuation methods applied by consolidated companies.

The impact of Group internal transactions on the consolidated balance sheet and income statement is eliminated for fully consolidated entities.

Capital gains or losses arising from intra-Group asset transfers are eliminated; any potential lasting impairment measured at the time of disposal in an internal transaction is recognised.

The definitions of the underlined words can be found in the Glossary on page 542.

TRANSLATION OF FOREIGN SUBSIDIARIES' FINANCIAL STATEMENTS (IAS 21)

Financial statements of subsidiaries denominated in foreign currencies are translated into euros in two stages:

- if applicable, the local currency in which the financial statements are prepared is translated into the functional currency (currency of the main business environment of the entity). The translation is made as if the information had been recognised initially in the functional currency (same translation principles as for foreign currency transactions);
- the functional currency is translated into euros, the currency in which the Group's consolidated financial statements are presented. Assets and liabilities are translated at the closing rate. Income and expenses included in the income statement are translated at the average exchange rate for the period. Translation adjustments for assets, liabilities and income statement items are recorded under a specific item in equity. These translation differences are recognised as income during the total or partial transfer of the entity. In the event of the sale of a subsidiary (exclusive control), the reclassification of equity as income takes place only in the event of a loss of control.

BUSINESS COMBINATIONS - GOODWILL

Business combinations are accounted for using the acquisition method in accordance with IFRS 3, except for business combinations under common control (in particular mergers of Regional Banks), which are excluded from the field of application of IFRS 3. Pursuant to IAS 8, these transactions are entered at carrying amount using the pooling of interests method, with reference to US standard ASU805-50 which seems to comply with the IFRS general principles.

On the date of acquisition, the identifiable assets, liabilities and contingent liabilities of the acquired entity which satisfy the conditions for recognition set out in IFRS 3 are recognised at their fair value.

Notably, restructuring liabilities are only recognised as a liability of the acquired entity if, at the date of acquisition, the acquiree is under an obligation to complete the restructuring.

Price adjustment clauses are recognised at fair value even if their application is not probable. Subsequent changes in the fair value of clauses if they are financial liabilities are recognised in the income statement. Only price adjustment clauses relating to transactions where control was obtained at the latest by 31 December 2009 May still be recorded against goodwill, because these transactions were accounted for under IFRS 3 pre revision (2004).

The non-controlling interests that are shares of current interests giving rights to a share of the net assets in the event of liquidation may be measured, at acquirer's choice, in two ways:

- at fair value on the date of acquisition;
- the share of the identifiable assets and liabilities of the acquired company revalued at fair value.

The option may be exercised at each acquisition.

The balance of interests not allowing control (equity instruments issued by the subsidiary and not held by the Group) should be recognised for its fair value on the date of acquisition.

The initial assessment of assets, liabilities and contingent liabilities may be revised within a maximum period of 12 months after the date of acquisition.

Some transactions relating to the acquired entity are recognised separately from the business combination. This applies primarily to:

- transactions that end an existing relationship between the acquired company and the acquiring company;
- transactions that compensate employees or shareholders of the acquired company for future services;
- transactions whose aim is to have the acquired company or its former shareholders repay expenses borne by the acquirer.

These separate transactions are generally recognised in the income statement at the acquisition date.

The transferred consideration at the time of a business combination (the acquisition cost) is measured as the total of fair values transferred by the acquirer, on the date of acquisition in exchange for control of the acquired entity (for example: cash, equity instruments, etc.).

The costs directly attributable to the business combination shall be recognised as expenses, separately from the business combination. If the transaction has very strong possibilities of occurring, they are recognised under the heading Net gains (losses) on other assets, otherwise they are recognised under the heading General operating expenses.

The difference between the cost of acquisition and non-controlling interests and the net balance on the date of acquisition of acquired identifiable assets and liabilities taken over, valued at their fair value is recognised, when it is positive, in the assets side of the consolidated balance sheet, under the heading Goodwill when the acquired entity is fully consolidated and in the heading Investments in equity-accounted entities when the acquired company is consolidated using the equity method of accounting. Any negative change in value of goodwill is recognised immediately through profit or loss.

Goodwill is carried in the balance sheet at its initial amount in the currency of the acquired entity and translated at the closing rate at the end of the reporting period.

When control is taken by stages, the interest held before taking control is revalued at fair value through profit or loss at the date of acquisition and the goodwill is calculated once, using the fair value at the date of acquisition of acquired assets and liabilities taken over.

Goodwill is tested for impairment whenever there is objective evidence of a loss of value and at least once a year.

The choices and assumptions used in assessing the holdings that do not allow control at the date of acquisition may influence the amount of initial goodwill and any impairment resulting from a loss of value.

For the purpose of impairment testing, goodwill is allocated to the Group Cash Generating Units (CGUs) that are expected to benefit from the business combination. The CGUs have been defined within the Group's business lines as the smallest identifiable group of assets and liabilities functioning in a single business model. Impairment testing consists of comparing the carrying amount of each CGU, including any goodwill allocated to it, with its recoverable amount.

The recoverable amount of the CGU is defined as the higher of fair value diminished of selling costs and value in use. The value in use is the present value of the future cash flows of the CGU, as set out in medium-term business plans prepared by the Group for management purposes.

When the recoverable amount is lower than the carrying amount, a corresponding impairment loss is recognised for the goodwill allocated to the CGU. This impairment is irreversible.

The definitions of the underlined words can be found in the Glossary on page 542.

In the case of an increase in the percentage of interest of the Group in an entity that is already exclusively controlled, the difference between the acquisition cost and the share of net assets acquired is recognised under the item Consolidated reserves, Group share; in the event that the Group's percentage of ownership interest in an entity that remains under its exclusive control declines, the difference between the selling price and the carrying amount of the share of net assets sold is also recognised directly under Consolidated reserves, Group share. The expenses arising from these transactions are recognised in equity.

The accounting treatment of sale options granted to minority shareholders is as follows:

- when a sale option is granted to the minority shareholders of a fully consolidated subsidiary, a liability is recognised in the balance sheet; on initial recognition, the liability is measured at the estimated present value of the exercise price of the options granted. Against this liability, the share of net assets belonging to the minority shareholders concerned is reduced to zero and the remainder is deducted from equity;
- subsequent changes in the estimated value of the exercise price will affect the amount of the liability, offset by an equity adjustment. Symmetrically, subsequent changes in the share of net assets due to minority shareholders are cancelled, offset in equity.

When there is a loss of control, the proceeds from the disposal are calculated on the entirety of the entity sold and any investment share kept is recognised in the balance sheet at its fair value on the date control was lost.

NOTE 2 Major structural transactions and material events during the period

The scope of consolidation and changes to it are shown in detail at the end of the notes in Note 12 "Scope of consolidation at 31 December 2016".

2.1 Simplification of the Group's capital through the transfer of Crédit Agricole S.A.'s equity investments in the Regional Banks to Sacam Mutualisation

As part of the structural simplification of the Crédit Agricole Group, the cooperative investment certificates (*Certificats coopératifs d'investissement* or CCIs) and cooperative associate certificates (*Certificats coopératifs d'associés* or CCAs) held by Crédit Agricole S.A. were transferred to the Sacam Mutualisation holding company, a wholly owned subsidiary of the Regional Banks, with a settlement date of 3 August 2016.

This operation, described in a letter of intent signed on 17 February 2016 by all of the stakeholders, is part of an effort to simplify the Group's structure in the view of the market and the Supervisor, to make the work of Crédit Agricole S.A. and its business lines more transparent, to strengthen Crédit Agricole S.A.'s financial structure and the quality of its equity, and to increase the pooling of the results of the Regional Banks.

It strengthens the economic interdependence of the Regional Banks, which already indirectly exists through the investment of Crédit Agricole S.A. in the equity of the Regional Banks and through the CCI/CCA Switch guarantee.

Furthermore, this operation bolsters the regulatory situation of the Crédit Agricole S.A. Group by reinforcing its shareholders' equity and, in particular, enabling a cash dividend payment policy to be secured with a payout ratio of 50%.

A decision to waive the obligation to make a public buyback offer for Crédit Agricole S.A. shares was obtained from the French financial markets authority (*Autorité des marchés financiers*, AMF) on 6 April 2016. That decision became final on 18 April 2016 since no challenge to it was made. The operation was approved by the Crédit Agricole S.A. Board of Directors on 19 May 2016 and by all the Boards of Directors of the Regional Banks in May and June 2016. The Works Councils of Crédit Agricole S.A. and the Regional Banks also all gave a favourable opinion.

On 24 June 2016 the European Central Bank also authorised Sacam Mutualisation to acquire qualified equity positions in 38 Regional Banks.

The final master agreement between Sacam Mutualisation, the 39 Regional Banks (including *Caisse régionale Corse*), the SAS Rue La Boétie and Crédit Agricole S.A. was signed on 21 July 2016. It defines all of the terms of the transaction as well the manner of calculating the price adjustment, the quantitative data for which were not established at the time the agreement was signed. Also signed on that occasion were the funding agreements, the rider to the agreement guaranteeing the value of the Switch, as well as other legal documents affected by the operation.

The final transfer contract mentioning a transfer price of €18,542 million was signed on 1 August 2016, with a settlement date on 3 August 2016. This transaction, which was recognised in the third quarter of 2016, resulted in a net gain of €1,254 million for Crédit Agricole S.A.

MAIN COMPONENTS OF THIS TRANSACTION

The transfer by Sacam Mutualisation of the majority of the CCIs/CCAs held by Crédit Agricole S.A. at a transfer price defined as a multiple of the adjusted consolidated IFRS shareholders' equity of the Regional Banks and established based on a uniform valuation of all Regional Banks reviewed by independent experts.

To determine the final sale price payable to Crédit Agricole S.A., the price initially set on the basis of the balance sheets of the Regional Banks as of 31 December 2015, namely €18,025 million, is adjusted for the impact of the change in the adjusted consolidated IFRS shareholders' equity of the Regional Banks between 31 December 2015 and 30 June 2016, representing a price adjustment of €517 million. The final disposal price for the CCIs and CCAs transferred by Crédit Agricole S.A. to Sacam Mutualisation amounted to €18,542 million. The dividends paid by the Regional Banks for 2015 are acquired by Crédit Agricole S.A.

The definitions of the underlined words can be found in the Glossary on page 542.

For legal reasons inherent to their business activity, Crédit Agricole S.A. and Predica will retain an interest in the CCA/CCIs:

- CCAs of four Regional Banks. For these four Regional Banks, the CCIs/CCAs represent more than 50% of the capital of the Regional Bank: in this case, the law requires that the CCIs/CCAs issued by the Regional Bank and not owned by the central body may not represent more than 50% of its capital;
- CCIs owned by Predica (an insurance subsidiary of Crédit Agricole S.A.) and which are owned in respect of life-insurance contracts, will remain in Predica's portfolio.

These CCAs/CCIs retained by Crédit Agricole S.A. and Predica amounted to, as of the date of the transaction, €469 million.

The financing of Sacam Mutualisation will be done through an equity contribution by the Regional Banks: the subscription by each Regional Bank to a capital increase allowing Sacam Mutualisation to acquire the CCIs and CCAs held by Crédit Agricole S.A.

Crédit Agricole S.A. grants the Regional Banks mid- and long-term loans in the total amount of €11 billion in order to finance part of Sacam Mutualisation's capital increase.

Carrying out this operation requires an unwinding of the Switch guarantee for the component covering the CCIs and CCAs, as provided in the agreement, and the repayment of the deposit connected with this guarantee, i.e. €5 billion for all of the Regional Banks.

ACCOUNTING CONSEQUENCES OF THE TRANSACTION

At 31 December 2015

Since its initial public offering in 2001, Crédit Agricole S.A. has owned around 25% of the capital of 38 Regional Banks through "CCIs/CCAs" (shares without voting rights, but giving right to participation in profits).

With these equity investments and in its capacity as the central body, Crédit Agricole S.A. had significant influence over the Regional Banks. The equity investments of Crédit Agricole S.A. in the Regional Banks through the CCIs and CCAs were therefore consolidated as investments in equity-accounted entities.

Given the signature of the letter of intent on 17 February 2016, the transaction was considered highly likely within the meaning of IFRS 5 and the securities were reclassified as from this date as Assets held for sale with a value of €17.4 billion, corresponding to the lower of their carrying amount (equity-accounted value on the date of reclassification) and their fair value, corresponding to the expected sales price net of disposal costs.

To ensure the comparability of financial statements in accordance with IFRS 5, the contributions of the Regional Banks at 31 December 2015 were reclassified as Non-current assets held for sale and discontinued operations.

At 31 December 2016

This transaction, which was recognised in the third quarter of 2016 in Net income from discontinued or held-for-sale operations, resulted in an extraordinary net gain of €1,254 million.

Starting on 1 January 2016, the CCIs' and CCAs' share of income previously recognised in Share of net income of equity-accounted entities ceases to be recognised in the income statement of the Crédit Agricole S.A. Group. However, the dividends distributed by the Regional Banks, previously eliminated in the equity method consolidation, were kept in Revenues in the amount of €289 million during the first half of 2016.

The CCIs and CCAs retained by Crédit Agricole S.A. and Predica were deconsolidated and recognised as Available-for-sale securities. The difference between the equity-accounted value of these securities and their fair value at the deconsolidation date, not material, is recognised in profit and loss.

As Sacam Mutualisation is consolidated for tax purposes, the gains generated by the transaction are fiscally neutral.

The effects of this transaction on the financial statements at 31 December 2015 are presented in Note 11 "Impacts of accounting changes and other events".

2.2 Optimising the debt of the Crédit Agricole S.A. Group

DESCRIPTION OF THE TRANSACTION

As part of the announcement made to the market on 17 February 2016 by Crédit Agricole S.A. of a plan to reorganise the Group, an effort to optimise the balance sheet was announced, consisting of reinvesting a portion of capital gains generated by the Group's capital simplification transaction in order to lower the cost of its liabilities.

In this connection, and with the approval of the European Central Bank (ECB), on 14 March 2016, Crédit Agricole S.A. made a public bond buyback offer, closing on 21 March 2016 and settled on 24 March 2016, involving:

- seven series of covered bonds issued by CAHL SFH largely to external investors for a total principal of €12.2 billion: the actual repurchase involved €3.1 billion;
- three Tier 2 subordinated euro securities with a total value of €4.7 billion and one Tier 2 subordinated GBP security of £450 million issued by Crédit Agricole S.A. and subscribed by external investors: the actual repurchase involved €1.2 billion;
- one deeply subordinated note of €500 million issued by Crédit Agricole S.A. and subscribed by Predica.

ACCOUNTING TREATMENT OF THESE TRANSACTIONS

The early redemption fees and the costs of settlement of the micro-hedging swaps representing a pre-tax amount of -€683 million were recognised in profit and loss for the period of the Crédit Agricole S.A. Group.

2.3 Other structural transactions during the period

ACQUISITION BY AMUNDI OF KBI GLOBAL INVESTORS

On 23 May 2016, Amundi, Oddo & Cie and Kleinwort Benson Investors (KBI) announced a definitive agreement had been signed for Amundi to acquire an 87.5% majority interest in KBI from Oddo & Cie. Following satisfaction of the conditions precedent, the acquisition was completed on 31 August 2016.

The 12.5% held by the management team will be bought by Amundi by means of a three-party put/call mechanism (seller, buyer, managers) within three years of the fifth anniversary of the acquisition, on the basis of a valuation determined by a predefined multiple of net income formula.

KBI, a subsidiary of BHF Kleinwort Benson Group, recently acquired by the Oddo Group, is a fast-growing equity management firm. Its

The definitions of the underlined words can be found in the Glossary on page 542.

investment teams based in Dublin, Ireland, with offices in Boston and New York, managed €8.7 billion of assets as of 31 August 2016, mainly accross global equity strategies. KBI was renamed KBI Global Investors.

Pursuant to IFRS 3, the transaction is treated as a business combination upon initial consolidation of the subsidiary. KBI Global Investors is thus fully consolidated. The provisional amount of goodwill stood at €134 million, allocated to the Savings management and Insurance – Asset management CGU.

CRÉDIT AGRICOLE IMMOBILIER INVESTORS

The transaction involved the transfer of Crédit Agricole Immobilier Investors (CAII) to Amundi by Crédit Agricole Immobilier (CAI) in consideration for Amundi securities issued on 31 October 2016. This transfer was immediately followed by CAII's merger through absorbtion into Amundi Immobilier, a wholly owned subsidiary of Amundi.

This transaction was the result of the strategic review undertaken by the Crédit Agricole S.A. Group to identify growth drivers and increase synergies across business lines. The transfer and subsequent merger are designed to bring together within a single management company, Amundi Immobilier, the advisory and appraisal activities of Crédit Agricole Immobilier and of Amundi.

Pursuant to Revised IFRS 3, CAII, which was consolidated at 50% in accordance with the equity-accounting method, has now been taken over by Amundi Immobilier, a company which is fully consolidated at 74.1%.

The transaction gives rise to the €12.7 million revaluation under Share of net income (loss) of equity-accounted entities of CAII securities previously held by CA Immobilier and the recognition of €25.5 million in goodwill following the full consolidation. The goodwill is allocated in the amount of 74.1% to Consolidated reserves – Group share.

FIRM AGREEMENT WITH A VIEW TO THE ACQUISITION OF PIONEER INVESTMENTS BY AMUNDI.

On 11 December 2016, Amundi and Unicredit signed a binding agreement to acquire Pioneer Investments by Amundi.

As of 31 December 2016, the transaction was still subject to the usual closing conditions being satisfied, and more specifically to the authorization of the relevant regulatory and antitrust authorities. The transaction could be completed before the end of second quarter 2017.

Given these conditions precedent, Pioneer Investments would be consolidated during the first half of 2017, once the transaction is completed.

As of the end of the reporting period, this acquisition was estimated at €3.5 billion, 1.5 billion of which should be settled through Amundi's excess of capital, approximately 1.4 through a capital increase with preferential subscription rights, and the remaining balance through senior and subordinated debt (i.e. approximately 0.6 million).

SALE OF CRÉDIT AGRICOLE SECURITIES TAIWAN

On 31 July 2013, Crédit Agricole CIB withdrew from the brokerage business, with notably the disposal of the CLSA BV Group to Citics International.

Since Taiwanese law prohibits ownership of more than 30% of a Taiwanese company by Chinese (PRC) interests, CLSA's operations in Taiwan were hived off and sold to Crédit Agricole Securities Asia BV.

In the CLSA BV sale contract, Crédit Agricole Securities Asia BV had agreed to maintain brokerage operations in Taiwan for two years.

During the second quarter of 2015, a contract was signed selling the shares to a new counterpart. The sale, approved by the local regulator and later finalised on 31 May 2016, led to a non-material capital gain.

LIQUIDATION OF CRÉDIT AGRICOLE BELGIUM

On 18 March 2016, Crédit Agricole Belgium, 45% owned by *Caisse Régionale Nord de France*, 45% by *Caisse Régionale Nord Est* and 10% by Crédit Agricole S.A. was liquidated without retroactive effect.

This transaction generated no impact on the consolidated financial statements of the Crédit Agricole S.A. Group at 31 December 2016, since this holding no longer had any significant assets following the disposal of Crelan.

PROPOSED SALE OF CARE

CARE, the Crédit Agricole Group reinsurance company, based in Luxembourg and wholly owned by Crédit Agricole Assurance, has been classified as held for sale and discontinued operations since the fourth quarter of 2016.

At 31 December 2016, the reclassifications made pursuant to IFRS 5 represented €284 million on the asset side of the balance sheet and €133 million on the liabilities and equity side. 2016 operating income, reclassified as net income from discounted operations, net of tax, is not material.

PROPOSED SALE OF CRÉDIT AGRICOLE LIFE

The disposal of the life insurance company Crédit Agricole Life, located in Greece and a wholly-owned subsidiary of Crédit Agricole Assurances, planned for 2015, has been postponed; the Crédit Agricole S.A. Group has confirmed its intention to sell this subsidiary.

Pursuant to IFRS 5, the assets and liabilities of Crédit Agricole Life were reclassified on the balance sheet at 31 December 2015 under Non-current assets held for sale and discontinued operations, in the amount of €400 million and in Liabilities associated with non-current assets held for sale and discontinued operations in the amount of €359 million, and the net income under Net income from discontinued operations, in an amount that was non significant.

At 31 December 2016, the reclassifications made pursuant to IFRS 5 represented €285 million on the asset side of the balance sheet and €239 million on the liabilities and equity side. 2016 operating income, reclassified as net income from discounted operations, net of tax, is not material.

2.4 Impairment losses on the goodwill of the French retail banking - LCL CGU of €491 million

At 31 December 2016, the impairment tests performed on the goodwill resulted in the recognition of a €491 million impairment loss on the French retail banking – LCL CGU.

The current macroeconomic and financial environment in which LCL Group operates, and in particular the low level of interest rates and resulting massive renegotiations of mortgage loans, has affected LCL's value in use, leading to the recognition of a goodwill impairment charge.

This €491 million impairment loss, which is not deductible, impacts the Net income Group share without affecting the solvency as, goodwill is already fully deducted in the calculation of solvency ratios, or the liquidity as, the impairment charge does not result in an outflow of cash, or the dividend policy of Crédit Agricole S.A.

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2.5 Consequences of early redemption of macro-hedged loans

In order to take into account the persistent environment of low interest rates, the impact of early redemption and record renegotiations seen in late 2015 and 2016, Crédit Agricole S.A. Group has conducted a detailed analysis of its macro-hedging. Documentation of the effectiveness of the hedging on the basis of a generational analysis of hedged transactions and hedging instruments revealed an over-hedged position necessitating the de-recognition of the value adjustment relating to the loans redeemed, as well as re-designation or unwinding of the hedging swaps.

An overall impact of -€381 million was recognized in respect of the cancellation, revaluation of the repaid loan portfolio initially hedged and ineffectiveness.

2.6 Repurchase of Visa Europe by Visa Inc.

The repurchase announced on 2 November 2015 of Visa Europe, owned by European banks, by the American company Visa Inc., took place on 21 June 2016.

The settlement of the disposal, which had the approval of the authorities, was structured as follows:

- payment of €12.25 billion in cash in June 2016;
- offer, still in June 2016, of €5 billion in preferred shares convertible to ordinary shares of Visa Inc. The conversion will be held annually between the 4th and the 12th anniversary of the transaction;
- payment in cash of an additional €1.12 billion on the third anniversary of the transaction, that is, June 2019 (including income of 4% each year).

Only members of Visa Europe holding one share of €10 par value are eligible for this transaction. The Crédit Agricole S.A. Group entities concerned are Crédit Agricole S.A., LCL, Crédit Agricole Polska, Crédit Agricole Romania and Credibom (a subsidiary of Crédit Agricole Consumer Finance).

The above impacts, related to the investments of the Crédit Agricole S.A. Group, represent a total amount of €355.2 million, breaking down as follows:

- cash payment of €261.6 million;
- preference shares convertible to ordinary shares of Visa Inc. valued at €73.6 million after applying a 20% discount due to the low shares liquidity and the potential dispute which may happen before the conversion;
- deferred payment of additional cash with a present value of €20 million.

The capital gain, equivalent to the amount of the disposal taking into account the historical cost of the securities, is recognised in Revenues in the Corporate Centre.

2.7 Euribor/Libor

On 7 December 2016, the European Commission jointly fined Crédit Agricole S.A. and Crédit Agricole CIB €114.7 million over Euribor. This payment must be made within three months of notification of the decision, namely on 8 March 2017 at the latest. The Commission doesn't specify how it should be allocated between Crédit Agricole S.A. and Crédit Agricole CIB and leaves it up to them to contractually agree the portion of the fine allocated to each, in line with European Court of Justice case law.

Crédit Agricole S.A. and Crédit Agricole CIB, which are challenging this decision, have decided to petition the European Court of Justice to overturn it. Various procedural and substantive arguments will be put forward to support the appeal. Therefore, even though the fine is immediately payable it may be overturned.

Pending the decision of the European Court (see Note 6.20 "Provisions"), Crédit Agricole S.A. decided to provisionally pay the full amount of the fine.

It should be recalled that Crédit Agricole S.A. is, as central body, responsible for the liquidity and solvency of all its affiliates including Crédit Agricole CIB.

2.8 Cheque Image Exchange litigation

In a ruling of 20 September 2010, 11 French banks including Crédit Agricole S.A. Group were convicted by the French Competition Authority of illegal collusion on the fees for processing cheques. The expense recognised for this fine was €103 million, of which €21 million was for LCL and €82 million for Crédit Agricole Group, split equally among the Regional Banks and Crédit Agricole S.A.

On 23 February 2012, the Paris Court of Appeals struck down the French Competition Authority ruling of 20 September 2010, finding that collusion had not been proved.

On 23 March 2012, the French Competition Authority filed a further appeal against this decision by the Paris Court of Appeal. Since the Court of Appeal's decision is final and the further appeal did not stay the decision, the fines previously paid by the credit institutions in 2010 were refunded on 11 April 2012. In light of the estimated likelihood of legal risk and of the decision by the other banks party to the litigation, the Group decided not to provision for a liability.

Since the decision by the Paris Court of Appeals was overturned by the Court of Cassation on 14 April 2015 on procedural grounds and since the matter has been sent back before the same Court of Appeals, the Group gave back the amount received in 2012 and has decided to pursue the matter in the court to which it has been referred. The hearing before the Paris Court of Appeals was held on 3 and 4 November 2016. The judgement is scheduled to be handed down on 11 May 2017. No provision has been funded for this litigation.

2.9 Capital increase reserved for employees

Following the decision of the Board of Directors on 19 May 2016, the capital increase of Crédit Agricole S.A. reserved for employees (2016 Reserved Capital Increase), with the subscription/renouncement period running from 8 to 11 November 2016, was completed definitively on 15 December 2016.

The information on this transaction can be found in Note 7.6.3 "Share subscriptions offered to employees under the Company savings scheme".

The definitions of the underlined words can be found in the Glossary on page 542.

2.10 Issue in December 2016 of one billion five hundred million euros in senior non preferred bonds

On 13 December 2016, Crédit Agricole S.A. priced its issue of one billion five hundred million euros of senior non preferred bonds (see Note 6.11 "Debt securities and subordinated debt").

For Crédit Agricole Group and the Paris exchange, this was the first issue of bonds in the new debt securities category created by the Sapin 2 Law, which became effective on 11 December 2016.

This new category of securities, which ranks below ordinary unsecured loans and receivables, was established to enable major French banking groups to comply with the total loss-absorbing capacity (TLAC) requirements. It also allows for the optimisation of the liability structure and of associated costs.

These requirements were adopted by the Financial Stability Board on 9 November 2015 and were reflected at European level in the draft texts published on 23 November 2016, amending the CRD 4 package, the BRRD Directive and the Single Resolution Mechanism.

2.11 Buyback of zero-coupon bonds exchangeable for Eurazeo shares issued in 2013 maturing in 2016 (OEA)

On 27 September 2016, Crédit Agricole S.A. bought back 4,964,119 Eurazeo exchangeable bonds for a total of €334 million, i.e. €67.33 per bond. These bonds represented 97.6% of the 2013 issue. The settlement date for these securities was 3 October 2016.

Following the redemptions, 120,463 2013 exchangeable bonds remained outstanding. Upon maturity, on 6 December 2016, Crédit Agricole S.A. redeemed them for cash. The exchangeable bonds bought back by Crédit Agricole S.A. were cancelled in accordance with the issue prospectus and the law.

In parallel with this bond buyback, on 27 September 2016 Crédit Agricole S.A. issued 4,633,042 Eurazeo zero-coupon exchangeable bonds maturing in 2019, with a settlement date of 3 October 2016.

This bond issue represented 6.4% of the share capital of Eurazeo as of the date of the transaction.

The exchangeable bonds, with a par value of €66.53, represented a total of €308 million. They were issued at €69.27 per security, for a total of €321 million, representing a yield to maturity of -1.34%.

Crédit Agricole S.A. has the following options as regards the repayment of the exchangeable bonds:

- one Eurazeo share for one exchangeable bond; or
- rather than delivering Eurazeo shares, payment of the full or partial equivalent value in cash.
- a combination of the above two repayment methods.

These listed bonds are hybrid instruments designated at fair value through profit or loss.

2.12 Changes to the French corporate income tax rate from 2019/2020

The 2017 Finance Act and the 2016 Amending Finance Act were published in the Official Journal on 30 December 2016. This 2017 Finance Act provides for a cut in the prevailing corporate income tax rate for years ending as from 31 December 2020 or 31 December 2019 for entities with Revenues of less than one billion euros. The prevailing tax rate will then be 28.92%.

As a result, the deferred tax assets and liabilities at 31 December 2016 were measured at the amount that is expected to be paid to or received from the tax authorities having regard to the dates of repayment or the recoverability of the deferred tax bases.

In summary:

- the deferred taxes to be repaid in 2017 to 2019 (or 2018 as the case may be) were calculated at the prevailing rate of 34.43%;
- the deferred taxes to be repaid from 2020 (or 2019 as the case may be) were calculated at the prevailing rate of 28.92%.

In the financial statements of the Crédit Agricole S.A. Group, the impact on Net income Group share is a tax expense of €160 million, and on shareholders' equity Group share of €109 million.

6

NOTE 3 Financial management, risk exposure and hedging policy

Crédit Agricole S.A.'s Financial Management department is responsible for organising financial flows within Crédit Agricole S.A. Group, defining and implementing refinancing rules, asset and liability management, and managing regulatory ratios. It sets out the principles and ensures a cohesive financial management system throughout the Group.

The Group's management of banking risks is handled by the Group Risk Management and Permanent Controls department.

This department reports to the Chief Executive Officer of Crédit Agricole S.A. and its task is to control credit, financial and operational risks.

A description of these processes and commentary now appear in the chapter on "Risk factors" in the management report, as allowed by IFRS 7 standard. Nonetheless, the accounting breakdowns are still presented in the financial statements.

3.1 Credit risk

(See chapter "Risk factors – Credit Risk")

MAXIMUM EXPOSURE TO CREDIT RISK

An entity's maximum exposure to credit risk is the gross carrying amount, net of any offset amount and any recognised loss of value.

(in millions of euros)	31/12/2016	31/12/2015 Restated
Financial assets at fair value through profit or loss (excluding equity securities and assets backing unit-linked contracts)	267,108	289,191
Hedging derivative instruments	21,928	24,806
Available-for-sale financial assets (excluding equity securities)	286,111	271,148
Loans, receivables and security deposits due from credit institutions (excluding Crédit Agricole internal transactions)	118,065	108,729
Loans, receivables and security deposits due from customers	355,625	340,310
Held-to-maturity financial assets	14,354	16,201
Exposure to on-balance sheet commitments (net of impairment losses)	**1,063,191**	**1,050,385**
Financing commitments given (excluding Crédit Agricole internal operations)	162,409	147,086
Financial guarantee commitments given (excluding Crédit Agricole internal operations)	79,328	80,860
Provisions - Financing commitments	(271)	(215)
Exposure to off-balance sheet financing commitments (net of provisions)	**241,466**	**227,731**
MAXIMUM EXPOSURE TO CREDIT RISK	**1,304,657**	**1,278,116**

Guarantees and other credit enhancements amount to:

(in millions of euros)	31/12/2016	31/12/2015 Restated
Loans and receivables due from credit institutions (excluding Crédit Agricole internal transactions)	2,224	1,697
Loans and receivables due from customers	179,529	159,779
Financing commitments given (excluding Crédit Agricole internal operations)	12,525	12,969
Guarantee commitments given (excluding Crédit Agricole internal operations)	6,548	5,671

The amounts represent the amounts of guarantees and collateral used in the calculation of capital requirements for the purposes of the solvency ratio. They are valued by the Risk department on the basis of rules drawn up by the Standards and Methodology Committee of Crédit Agricole S.A. Group.

The method used to update this valuation and the frequency at which it is done depends on the nature of the collateral, and is done at least once a year. The amount declared with respect to guarantees received shall be no greater than the amount of assets covered.

BREAKDOWN OF LOAN ACTIVITY BY CUSTOMER TYPE

LOANS AND RECEIVABLES DUE FROM CREDIT INSTITUTIONS AND DUE FROM CUSTOMERS BY CUSTOMER TYPE (EXCLUDING CRÉDIT AGRICOLE INTERNAL TRANSACTIONS)

	31/12/2016				
(in millions of euros)	Gross outstanding	of which gross loans and receivables individually impaired	Individual impairment	Collective impairment	Total
General administration	6,237	34	22	47	6,168
Central banks	14,648	-	-	-	14,648
Credit institutions	84,286	472	435	-	83,851
Large corporates	206,480	10,600	5,236	1,633	199,611
Retail customers	144,342	5,736	3,102	765	140,475
TOTAL LOANS AND RECEIVABLES DUE FROM CREDIT INSTITUTIONS AND DUE FROM CUSTOMERS[1]	**455,993**	**16,842**	**8,795**	**2,445**	**444,753**

(1) *Of which €12,089 million in restructured loans.*

	31/12/2015 Restated				
(in millions of euros)	Gross outstanding	of which gross loans and receivables individually impaired	Individual impairment	Collective impairment	Total
General administration	4,061	36	21	45	3,995
Central banks	12,457	-	-	-	12,457
Credit institutions	80,261	513	468	-	79,793
Large corporates	198,575	9,433	4,800	1,768	192,007
Retail customers	139,177	6,035	3,313	794	135,070
TOTAL LOANS AND RECEIVABLES DUE FROM CREDIT INSTITUTIONS AND DUE FROM CUSTOMERS[1]	**434,531**	**16,017**	**8,602**	**2,607**	**423,322**

(1) *Of which €12,166 million in restructured loans.*

COMMITMENTS GIVEN TO CUSTOMERS BY CUSTOMER TYPE

(in millions of euros)	31/12/2016	31/12/2015 Restated
Financing commitments given to customers		
General administration	2,013	1,605
Large corporates	117,601	103,645
Retail customers	18,547	17,270
TOTAL LOAN COMMITMENTS	**138,161**	**122,520**
Guarantee commitments given to customers		
General administration	1,562	529
Large corporates	69,586	71,581
Retail customers	1,568	1,233
TOTAL GUARANTEE COMMITMENTS	**72,716**	**73,343**

DUE TO CUSTOMERS BY CUSTOMER TYPE

(in millions of euros)	31/12/2016	31/12/2015 Restated
General administration	13,923	8,671
Large corporates	165,365	170,937
Retail customers	342,541	326,119
TOTAL AMOUNT DUE TO CUSTOMERS	**521,828**	**505,727**

BREAKDOWN OF LOAN ACTIVITY BY GEOGRAPHICAL AREA

LOANS AND RECEIVABLES DUE FROM CREDIT INSTITUTIONS AND DUE FROM CUSTOMERS BY GEOGRAPHICAL AREA (EXCLUDING CRÉDIT AGRICOLE INTERNAL TRANSACTIONS)

	31/12/2016				
(in millions of euros)	Gross outstanding	of which gross loans and receivables individually impaired	Individual impairment	Collective impairment	Total
France (including overseas departments and territories)	220,434	4,525	2,451	611	**217,372**
Other European Union countries	122,953	8,303	3,967	830	**118,156**
Other European countries	15,428	558	390	141	**14,897**
North America	27,038	575	87	211	**26,740**
Central and South America	13,216	930	689	243	**12,284**
Africa and Middle East	18,452	1,345	1,009	237	**17,206**
Asia-Pacific (ex. Japan)	23,594	606	202	169	**23,223**
Japan	14,768	-	-	3	**14,765**
Supranational organisations	110	-	-	-	**110**
TOTAL LOANS AND RECEIVABLES DUE FROM CREDIT INSTITUTIONS AND DUE FROM CUSTOMERS[(1)]	**455,993**	**16,842**	**8,795**	**2,445**	**444,753**

(1) Of which €12,089 million in restructured loans.

	31/12/2015 Restated				
(in millions of euros)	Gross outstanding	of which gross loans and receivables individually impaired	Individual impairment	Collective impairment	Total
France (including overseas departments and territories)	207,860	4,693	2,589	749	**204,522**
Other European Union countries	114,821	8,546	4,073	938	**109,810**
Other European countries	15,721	321	187	291	**15,243**
North America	26,523	227	89	183	**26,251**
Central and South America	15,585	622	537	162	**14,886**
Africa and Middle East	17,595	1,222	997	212	**16,386**
Asia-Pacific (ex. Japan)	25,770	386	130	69	**25,571**
Japan	10,562	-	-	3	**10,559**
Supranational organisations	94	-	-	-	**94**
TOTAL LOANS AND RECEIVABLES DUE FROM CREDIT INSTITUTIONS AND DUE FROM CUSTOMERS[(1)]	**434,531**	**16,017**	**8,602**	**2,607**	**423,322**

(1) Of which €12,166 million in restructured loans.

COMMITMENTS GIVEN TO CUSTOMERS: GEOGRAPHICAL ANALYSIS

(in millions of euros)	31/12/2016	31/12/2015 Restated
Financing commitments given to customers		
France (including overseas departments and territories)	50,210	45,539
Other European Union countries	38,839	36,578
Other European countries	5,086	4,539
North America	27,696	23,004
Central and South America	4,208	4,144
Africa and Middle East	3,361	2,937
Asia-Pacific (ex. Japan)	6,310	4,668
Japan	2,451	1,111
TOTAL LOAN COMMITMENTS	**138,161**	**122,520**
Guarantee commitments given to customers		
France (including overseas departments and territories)	38,036	43,552
Other European Union countries	13,209	13,602
Other European countries	3,541	3,251
North America	7,319	5,833
Central and South America	1,160	928
Africa and Middle East	1,580	1,696
Asia-Pacific (ex. Japan)	6,178	2,849
Japan	1,693	1,632
TOTAL GUARANTEE COMMITMENTS	**72,716**	**73,343**

DUE TO CUSTOMERS: GEOGRAPHICAL ANALYSIS

(in millions of euros)	31/12/2016	31/12/2015 Restated
France (including overseas departments and territories)	365,784	351,457
Other European Union countries	86,625	79,807
Other European countries	12,177	12,436
North America	14,103	21,169
Central and South America	6,995	6,474
Africa and Middle East	13,889	16,258
Asia-Pacific (ex. Japan)	12,596	9,282
Japan	9,441	8,623
Supranational organisations	218	221
TOTAL AMOUNT DUE TO CUSTOMERS	**521,828**	**505,727**

INFORMATION ON WATCH LIST OR INDIVIDUALLY IMPAIRED FINANCIAL ASSETS

ANALYSIS OF WATCH LIST OR INDIVIDUALLY IMPAIRED FINANCIAL ASSETS BY CUSTOMER TYPE

	31/12/2016						
	Payments arrears on watch list loans						
(in millions of euros)	*≤ 90 days*	*> 90 days ≤ 180 days*	*> 180 days ≤ 1 year*	*> 1 year*	*Net carrying amount of watch list financial assets*	Net carrying amount of individually impaired financial assets	Impairment of individually and collectively tested financial assets
Equity instruments	-	-	-	-	-	**1,951**	**1,168**
Debt instruments	-	-	-	-	-	**52**	**409**
General administration	-	-	-	-	-	-	-
Central banks	-	-	-	-	-	-	-
Credit institutions	-	-	-	-	-	-	151
Large corporates	-	-	-	-	-	52	258
Retail customers	-	-	-	-	-	-	-
Loans and advances	**5,262**	**134**	**111**	**95**	**5,601**	**8,047**	**11,240**
General administration	47	2	2	1	52	13	69
Central banks	-	-	-	-	-	-	-
Credit institutions	36	3	1	6	46	37	435
Large corporates	2,715	76	59	54	2,904	5,363	6,869
Retail customers	2,463	53	49	33	2,599	2,634	3,867
TOTAL WATCH LIST OR INDIVIDUALLY IMPAIRED FINANCIAL ASSETS	**5,262**	**134**	**111**	**95**	**5,601**	**10,050**	**12,817**

	31/12/2015 Restated						
	Payments arrears on watch list loans						
(in millions of euros)	*≤ 90 days*	*> 90 days ≤ 180 days*	*> 180 days ≤ 1 year*	*> 1 year*	*Net carrying amount of watch list financial assets*	Net carrying amount of individually impaired financial assets	Impairment of individually and collectively tested financial assets
Equity instruments	**-**	**-**	**-**	**-**	**-**	**2,158**	**1,337**
Debt instruments	**-**	**-**	**-**	**-**	**-**	**55**	**611**
General administration	-	-	-	-	-	-	-
Central banks	-	-	-	-	-	-	-
Credit institutions	-	-	-	-	-	8	151
Large corporates	-	-	-	-	-	47	460
Retail customers	-	-	-	-	-	-	-
Loans and advances	**5,345**	**230**	**156**	**98**	**5,829**	**7,416**	**11,211**
General administration	72	1	-	-	73	15	66
Central banks	-	-	-	-	-	-	-
Credit institutions	239	1	19	2	261	46	468
Large corporates	2,566	120	92	58	2,836	4,633	6,569
Retail customers	2,468	108	45	38	2,659	2,722	4,108
TOTAL WATCH LIST OR INDIVIDUALLY IMPAIRED FINANCIAL ASSETS	**5,345**	**230**	**156**	**98**	**5,829**	**9,629**	**13,159**

3.2 Market risk

(See chapter on "Risk factors – Market risk")

DERIVATIVE INSTRUMENTS: ANALYSIS BY REMAINING MATURITY

The breakdown of market values of derivative instruments is shown by remaining contractual maturity.

HEDGING DERIVATIVE INSTRUMENTS – FAIR VALUE OF ASSETS

	31/12/2016							31/12/2015 Restated
	Exchange-traded			Over-the-counter				
(in millions of euros)	*≤ 1 year*	*> 1 year ≤ 5 years*	*> 5 years*	*≤ 1 year*	*> 1 year ≤ 5 years*	*> 5 years*	Total market value	Total market value
Interest rate instruments	**-**	**-**	**-**	**3,871**	**6,115**	**10,799**	**20,785**	**24,137**
Interest rate swaps	-	-	-	3,816	6,089	10,796	20,701	**24,002**
Interest rate options	-	-	-	-	-	-	-	**-**
Caps - floors - collars	-	-	-	54	26	3	83	**135**
Other options	-	-	-	1	-	-	1	**-**
Currency and gold	**-**	**-**	**-**	**337**	**99**	**89**	**525**	180
Currency futures	-	-	-	324	97	89	510	**178**
Currency options	-	-	-	13	2	-	15	**2**
Other instruments	**-**	**-**	**-**	**14**	**-**	**-**	**14**	13
Equity and index derivatives	-	-	-	14	-	-	14	**13**
Subtotal	**-**	**-**	**-**	**4,222**	**6,214**	**10,888**	**21,324**	**24,330**
Forward currency transactions	-	-	-	593	11	-	604	**476**
TOTAL FAIR VALUE OF HEDGING DERIVATIVES - ASSETS	**-**	**-**	**-**	**4,815**	**6,225**	**10,888**	**21,928**	**24,806**

HEDGING DERIVATIVE INSTRUMENTS – FAIR VALUE OF LIABILITIES

	31/12/2016							31/12/2015 Restated
	Exchange-traded			Over-the-counter				
(in millions of euros)	*≤ 1 year*	*> 1 year ≤ 5 years*	*> 5 years*	*≤ 1 year*	*> 1 year ≤ 5 years*	*> 5 years*	Total market value	Total market value
Interest rate instruments	**-**	**-**	**-**	**2,677**	**5,442**	**9,341**	**17,460**	**23,274**
Interest rate swaps	-	-	-	2,654	5,416	9,339	17,409	**23,167**
Interest rate options	-	-	-	-	-	-	-	**-**
Caps - floors - collars	-	-	-	23	26	2	51	**107**
Other options	-	-	-	-	-	-	-	**-**
Currency and gold	**-**	**-**	**-**	**150**	**44**	**10**	**204**	232
Currency futures	-	-	-	137	42	10	189	**230**
Currency options	-	-	-	13	2	-	15	**2**
Other instruments	**-**	**-**	**-**	**5**	**-**	**-**	**5**	15
Equity and index derivatives	-	-	-	5	-	-	5	**15**
Subtotal	**-**	**-**	**-**	**2,832**	**5,486**	**9,351**	**17,669**	**23,521**
Forward currency transactions	-	-	-	221	-	-	221	**186**
TOTAL FAIR VALUE OF HEDGING DERIVATIVES - LIABILITIES	**-**	**-**	**-**	**3,053**	**5,486**	**9,351**	**17,890**	**23,707**

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DERIVATIVE INSTRUMENTS HELD FOR TRADING – FAIR VALUE OF ASSETS

	31/12/2016							31/12/2015 Restated
	Exchange-traded			Over-the-counter			Total market value	Total market value
(in millions of euros)	*≤ 1 year*	*> 1 year ≤ 5 years*	*> 5 years*	*≤ 1 year*	*> 1 year ≤ 5 years*	*> 5 years*		
Interest rate instruments	**292**	**1,016**	**2,111**	**9,374**	**23,723**	**70,658**	**107,174**	**119,968**
Futures	281	1,006	2,111	-	-	-	3,398	**2,410**
FRAs	-	-	-	206	61	-	267	**410**
Interest rate swaps	-	-	-	7,657	18,836	47,392	73,885	**81,977**
Interest rate options	-	-	-	454	1,808	21,267	23,529	**27,227**
Caps - floors - collars	-	-	-	1,057	3,018	1,999	6,074	**7,917**
Other options	11	10	-	-	-	-	21	**27**
Currency and gold	**-**	**4**	**-**	**8,229**	**4,760**	**2,329**	**15,322**	**12,918**
Currency futures	-	-	-	7,222	3,300	1,856	12,378	**8,470**
Currency options	-	4	-	1,007	1,460	473	2,944	**4,448**
Other instruments	**36**	**210**	**33**	**955**	**4,508**	**691**	**6,433**	**7,530**
Equity and index derivatives	36	210	33	723	4,062	606	5,670	**5,128**
Precious metal derivatives	-	-	-	7	-	-	7	**-**
Commodities derivatives	-	-	-	-	-	-	-	**-**
Credit derivatives	-	-	-	174	446	84	704	**2,391**
Other	-	-	-	51	-	1	52	**11**
Subtotal	**328**	**1,230**	**2,144**	**18,558**	**32,991**	**73,678**	**128,929**	**140,416**
Forward currency transactions	-	-	-	17,131	3,246	2	20,379	**15,327**
TOTAL FAIR VALUE OF TRANSACTION DERIVATIVES - ASSETS	**328**	**1,230**	**2,144**	**35,689**	**36,237**	**73,680**	**149,308**	**155,743**

DERIVATIVE INSTRUMENTS HELD FOR TRADING – FAIR VALUE OF LIABILITIES

	31/12/2016							31/12/2015 Restated
	Exchange-traded			Over-the-counter			Total market value	Total market value
(in millions of euros)	*≤ 1 year*	*> 1 year ≤ 5 years*	*> 5 years*	*≤ 1 year*	*> 1 year ≤ 5 years*	*> 5 years*		
Interest rate instruments	100	955	1,620	11,216	23,690	71,211	108,792	**120,153**
Futures	98	954	1,620	-	-	-	2,672	**2,074**
FRAs	-	-	-	198	67	-	265	**397**
Interest rate swaps	-	-	-	10,205	18,052	46,868	75,125	**80,656**
Interest rate options	-	-	-	258	2,478	21,476	24,212	**27,917**
Caps - floors - collars	-	-	-	550	3,093	2,867	6,510	**9,015**
Other options	2	1	-	5	-	-	8	**94**
Currency and gold	**9**	**8**	**2**	**8,322**	**4,353**	**2,702**	**15,396**	**12,075**
Currency futures	-	-	-	7,260	3,797	1,978	13,035	**8,363**
Currency options	9	8	2	1,062	556	724	2,361	**3,712**
Other instruments	**36**	**149**	**55**	**911**	**3,826**	**784**	**5,761**	**8,394**
Equity and index derivatives	36	149	55	572	3,096	721	4,629	**5,517**
Precious metal derivatives	-	-	-	-	-	-	-	**1**
Commodities derivatives	-	-	-	-	-	-	-	**-**
Credit derivatives	-	-	-	280	727	49	1,056	**2,843**
Other	-	-	-	59	3	14	76	**33**
Subtotal	**145**	**1,112**	**1,677**	**20,449**	**31,869**	**74,697**	**129,949**	**140,622**
Forward currency transactions	-	-	-	15,651	2,652	228	18,531	**13,120**
TOTAL FAIR VALUE OF TRANSACTION DERIVATIVES - LIABILITIES	**145**	**1,112**	**1,677**	**36,100**	**34,521**	**74,925**	**148,480**	**153,742**

DERIVATIVE INSTRUMENTS: TOTAL COMMITMENTS

(in millions of euros)	31/12/2016 Total notional amount outstanding	31/12/2015 Restated Total notional amount outstanding
Interest rate instruments	**10,900,592**	**11,458,163**
Futures	7,676,655	7,621,685
FRAs	8,784	40,395
Interest rate swaps	1,720,796	1,962,953
Interest rate options	795,660	971,881
Caps - floors - collars	598,247	763,180
Other options	100,450	98,069
Currency and gold	**3,982,012**	**4,047,074**
Currency futures	3,592,037	3,561,272
Currency options	389,975	485,802
Other instruments	**127,641**	**320,258**
Equity and index derivatives	61,597	60,144
Precious metal derivatives	2,809	308
Commodities derivatives	3	7
Credit derivatives	63,228	259,795
Other	4	4
Subtotal	**15,010,245**	**15,825,495**
Forward currency transactions	516,900	408,137
TOTAL NOTIONAL AMOUNT	**15,527,145**	**16,233,632**

FOREIGN EXCHANGE RISK

ANALYSIS OF THE CONSOLIDATED BALANCE SHEET BY CURRENCY

	31/12/2016		31/12/2015 Restated	
(in millions of euros)	Assets	Liabilities	Assets	Liabilities
EUR	1,234,376	1,253,168	1,237,339	1,239,600
Other European Union currencies	33,900	32,576	29,298	35,048
USD	177,610	173,897	187,463	190,731
JPY	29,211	29,254	31,917	28,676
Other currencies	49,135	35,337	43,277	35,239
TOTAL	**1,524,232**	**1,524,232**	**1,529,294**	**1,529,294**

BREAKDOWN OF BONDS AND SUBORDINATED DEBT BY CURRENCY

	31/12/2016			31/12/2015 Restated		
(in millions of euros)	Bonds	Dated subordinated debt	Undated subordinated debt	Bonds	Dated subordinated debt	Undated subordinated debt
EUR	61,385	19,668	1,844	61,033	18,022	3,014
Other European Union currencies	436	740	744	526	1,163	1,143
USD	9,893	2,555	2,294	9,558	2,702	2,220
JPY	4,920	721	-	4,297	358	-
Other currencies	3,415	312	165	3,005	329	198
TOTAL	**80,049**	**23,996**	**5,047**	**78,419**	**22,574**	**6,575**

3.3 Liquidity and financing risk

(See chapter on "Risk factors – Asset/Liability Management")

LOANS AND RECEIVABLES DUE FROM CREDIT INSTITUTIONS AND DUE FROM CUSTOMERS BY RESIDUAL MATURITY

	31/12/2016					
(in millions of euros)	≤ 3 months	> 3 months up to 1 year	> 1 year up to ≤ 5 years	> 5 years	Indefinite	Total
Loans and receivables due from credit institutions (including Crédit Agricole internal transactions)	102,130	86,196	123,238	70,983	727	**383,274**
Loans and receivables due from customers (of which finance leases)	86,103	35,067	127,647	104,028	4,213	**357,058**
Total	**188,233**	**121,263**	**250,885**	**175,011**	**4,940**	**740,332**
Impairment						**(11,240)**
TOTAL LOANS AND RECEIVABLES DUE FROM CREDIT INSTITUTIONS AND FROM CUSTOMERS						**729,092**

	31/12/2015 Restated					
(in millions of euros)	≤ 3 months	> 3 months up to ≤ 1 year	> 1 year up to ≤ 5 years	> 5 years	Indefinite	Total
Loans and receivables due from credit institutions (including Crédit Agricole internal transactions)	86,988	92,814	123,514	63,466	807	**367,589**
Loans and receivables due from customers (of which finance leases)	81,518	35,563	119,168	100,789	4,776	**341,814**
Total	**168,506**	**128,377**	**242,682**	**164,255**	**5,583**	**709,403**
Impairment						**(11,210)**
TOTAL LOANS AND RECEIVABLES DUE FROM CREDIT INSTITUTIONS AND FROM CUSTOMERS						**698,193**

DUE TO CREDIT INSTITUTIONS AND TO CUSTOMERS BY RESIDUAL MATURITY

	31/12/2016					
(in millions of euros)	≤ 3 months	> 3 months up to ≤ 1 year	> 1 year up to ≤ 5 years	> 5 years	Indefinite	Total
Due to credit institutions (including Crédit Agricole internal transactions)	51,364	11,475	28,871	20,589	29	**112,328**
Due to customers	442,298	36,505	36,427	5,587	1,011	**521,828**
TOTAL AMOUNT DUE TO CREDIT INSTITUTIONS AND TO CUSTOMERS	**493,662**	**47,980**	**65,298**	**26,176**	**1,040**	**634,156**

	31/12/2015 Restated					
(in millions of euros)	≤ 3 months	> 3 months up to ≤ 1 year	> 1 year up to ≤ 5 years	> 5 years	Indefinite	Total
Due to credit institutions (including Crédit Agricole internal transactions)	62,090	19,175	35,131	22,651	398	**139,445**
Due to customers	427,662	32,127	38,747	5,907	1,284	**505,727**
TOTAL AMOUNT DUE TO CREDIT INSTITUTIONS AND TO CUSTOMERS	**489,752**	**51,302**	**73,878**	**28,558**	**1,682**	**645,172**

DEBT SECURITIES AND SUBORDINATED DEBT

(in millions of euros)	≤ 3 months	> 3 months up to ≤ 1 year	> 1 year up to ≤ 5 years	> 5 years	Indefinite	Total
	31/12/2016					
Debt securities						
Interest bearing notes	62	78	7	-	-	**147**
Money-market instruments	237	3,282	5,435	6,173	-	**15,127**
Negotiable debt instrument	40,740	16,573	3,390	158	-	**60,861**
Bonds	5,952	8,093	27,885	38,119	-	**80,049**
Other debt securities	865	983	1,248	-	-	**3,096**
TOTAL DEBT SECURITIES	**47,856**	**29,009**	**37,965**	**44,450**	**-**	**159,280**
Subordinated debt						
Dated subordinated debt	815	175	7,394	15,611	-	**23,995**
Undated subordinated debt	91	1	-	-	4,956	**5,048**
Mutual security deposits	-	-	-	-	163	**163**
Participating securities and loans	-	-	-	1	120	**121**
TOTAL SUBORDINATED DEBT	**906**	**176**	**7,394**	**15,612**	**5,239**	**29,327**

(in millions of euros)	≤ 3 months	> 3 months up to ≤ 1 year	> 1 year up to ≤ 5 years	> 5 years	Indefinite	Total
	31/12/2015 Restated					
Debt securities						
Interest bearing notes	72	93	9	-	-	**174**
Money-market instruments	138	1,190	7,430	7,703	-	**16,461**
Negotiable debt instruments	42,119	16,569	1,261	146	-	**60,095**
Bonds	2,768	35,919	25,682	14,050	-	**78,419**
Other debt securities	1,092	1,295	996	9	-	**3,392**
TOTAL DEBT SECURITIES	**46,189**	**55,066**	**35,378**	**21,908**	**-**	**158,541**
Subordinated debt						
Dated subordinated debt	-	802	9,344	12,428	-	**22,574**
Undated subordinated debt	1	151	11	-	6,412	**6,575**
Mutual security deposits	-	-	-	-	154	**154**
Participating securities and loans	-	-	-	1	120	**121**
TOTAL SUBORDINATED DEBT	**1**	**953**	**9,355**	**12,429**	**6,686**	**29,424**

FINANCIAL GUARANTEES AT RISK GIVEN BY EXPECTED MATURITY

The amounts presented correspond to the expected amount of the call of financial guarantees at risk, *i.e.* guarantees that have been impaired or are on a watch-list.

(in millions of euros)	≤ 3 months	> 3 months to ≤ 1 year	> 1 year to ≤ 5 years	> 5 years	Indefinite	Total
	31/12/2016					
Financial guarantees given	105	43	-	-	-	**148**

(in millions of euros)	≤ 3 months	> 3 months to ≤ 1 year	> 1 year to ≤ 5 years	> 5 years	Indefinite	Total
	31/12/2015 Restated					
Financial guarantees given	138	42	-	-	-	**180**

3.4 Cash flow and fair value interest rate and foreign exchange hedging

(See chapter on "Risk factors – Asset/Liability Management")

FAIR VALUE HEDGES

A fair value hedge modifies the risk caused by changes in the fair value of a fixed-rate financial instrument as a result of changes in interest rates. Fair value hedges transform fixed-rate assets or liabilities into floating-rate assets or liabilities.

Items hedged are principally fixed-rate loans, securities, deposits and subordinated debt.

FUTURE CASH FLOW HEDGES

A cash flow hedge modifies the risk related to variability in cash flows arising from floating-rate financial instruments.

Items hedged are principally floating-rate loans and deposits.

HEDGE OF NET INVESTMENT IN FOREIGN CURRENCY

A hedge of a net investment in foreign currency modifies the risk inherent in exchange rate fluctuations connected with foreign currency investments in subsidiaries.

HEDGING DERIVATIVE INSTRUMENTS

	31/12/2016			31/12/2015 Restated		
	Market value		Notional Amount	Market value		Notional Amount
(in millions of euros)	*positive*	*negative*		*positive*	*negative*	
Fair value hedges	**19,810**	**17,652**	**909,682**	**22,665**	**23,579**	**959,436**
Interest rate	18,757	17,359	853,243	22,099	23,251	898,121
Equity instruments	-	-	-	1	1	-
Foreign exchange	1,053	293	56,439	565	327	61,315
Credit	-	-	-	-	-	-
Commodities	-	-	-	-	-	-
Other	-	-	-	-	-	-
Cash flow hedges	**2,106**	**173**	**32,131**	**2,111**	**105**	**27,376**
Interest rate	2,028	101	26,360	2,039	22	21,824
Equity instruments	14	5	191	12	14	182
Foreign exchange	64	67	5,580	60	69	5,370
Credit	-	-	-	-	-	-
Commodities	-	-	-	-	-	-
Other	-	-	-	-	-	-
Hedges of net investments in foreign operations	**12**	**65**	**5,612**	**30**	**23**	**4,925**
TOTAL HEDGING DERIVATIVE INSTRUMENTS	**21,928**	**17,890**	**947,425**	**24,806**	**23,707**	**991,737**

3.5 Operational risks

(See chapter on "Risk factors – Operational risks")

3.6 Capital management and regulatory ratios

In accordance with regulatory regulations applicable to banks, which transpose into French law the European Directives on “the capital adequacy of investment firms and credit institutions” and “financial conglomerates”, Crédit Agricole S.A. Group must comply with the solvency ratio, with liquidity ratios and with rules on the division of risks and balance sheet management.

Crédit Agricole S.A. Group manages its capital so as to comply with regulatory capital requirements within the meaning of European directive 2013/36 and Regulation 575/2013 since 1 January 2014 and as required by the competent authorities, the European Central Bank and the French Regulatory and Resolution Supervisory Authority (ACPR) in order to cover risk weighted assets for credit risk, operational risk and market risk.

The regulatory framework was strengthened by the Basel 3 reform, which notably involves raising the quality and level of required regulatory capital, better assessing risks, building in capital buffers and additional requirements in terms of liquidity and leverage. Certain provisions are being phased in up to 31 December 2017, just like the capital buffer requirement which will reach the target in 2019.

However, the regulator maintained the capital requirements relating to floors (the Basel 3 requirement cannot be less than 80% of the Basel 1 requirement).

The floor was eliminated. However, disclosures on Basel 1 requirements remain mandatory and will continue up until the end of the transitional period at end-2017.

Regulatory capital breaks down into three categories:

- Common Equity Tier 1 (CET1) capital, determined on the basis of the Group’s equity and excluding certain equity instruments that are classified as Additional Tier 1 (AT1) and intangible assets;
- Tier 1 which is comprised of Common Equity Tier 1 and Additional Tier 1 capital;
- Total capital, consisting of Tier 1 and Tier 2 capital comprising subordinated instruments with a minimum maturity of five years from the issue date.

Tier 1 and Tier 2 equity instruments must satisfy more demanding criteria before being recognised under Basel 3. If these instruments are not eligible under Basel 3, they can benefit from grandfathering rules for a period of ten years to end-2021 so as to progressively eliminate them from capital.

Deductions for equity investments in other credit institutions reduce the total of this capital and are respectively allocated, depending on the type of instrument, to the amount of CET1, Tier 1 (AT1) and Tier 2. They also apply to holdings in the insurance sector when the institution is exempt from the “Financial Conglomerate directive”, otherwise the equity-accounted values of the insurance company securities held by the Group are risk weighted.

In 2016, as in 2015 and in accordance with current regulations, Crédit Agricole S.A. Group complied with regulatory requirements.

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NOTE 4 Notes to the income statement and other comprehensive income

4.1 Interest income and expenses

(in millions of euros)	31/12/2016	31/12/2015 Restated
Interbank transactions	1,184	947
Crédit Agricole internal transactions	3,455	3,961
Customer transactions	10,472	10,973
Accrued interest receivable on available-for-sale financial assets	6,287	6,483
Accrued interest receivable on held-to-maturity financial assets	547	596
Accrued interest receivable on hedging instruments	2,322	2,516
Finance leases	725	745
Other interest income	58	48
INTEREST AND SIMILAR INCOME(1)	**25,050**	**26,269**
Interbank transactions	(870)	(850)
Crédit Agricole internal transactions	(1,276)	(1,533)
Customer transactions	(5,072)	(5,185)
Debt securities	(3,798)	(4,440)
Subordinated debt	(1,380)	(1,373)
Accrued interest receivable on hedging instruments	(727)	(1,156)
Finance leases	(188)	(174)
INTEREST AND SIMILAR EXPENSES	**(13,311)**	**(14,711)**

(1) *Including €149 million on receivables impaired individually at 31 December 2016, compared with €151 million at 31 December 2015.*

4.2 Net fees and commissions

	31/12/2016			31/12/2015 Restated		
(in millions of euros)	Income	Expense	Net	Income	Expense	Net
Interbank transactions	184	(42)	142	161	(34)	127
Crédit Agricole internal transactions	798	(765)	33	794	(880)	(86)
Customer transactions	1,916	(193)	1,723	1,893	(194)	1,699
Securities transactions	43	(83)	(40)	56	(78)	(22)
Foreign exchange transactions	32	(34)	(2)	37	(38)	(1)
Derivative instruments and other off-balance sheet items	265	(167)	98	250	(151)	99
Payment instruments and other banking and financial services	2,082	(3,287)	(1,205)	2,093	(3,152)	(1,059)
Mutual funds management, fiduciary and similar operations	2,694	(597)	2,097	2,873	(711)	2,162
NET FEES AND COMMISSIONS	**8,014**	**(5,168)**	**2,846**	**8,157**	**(5,238)**	**2,919**

4.3 Net gains (losses) on financial instruments at fair value through profit or loss

(in millions of euros)	31/12/2016	31/12/2015 Restated
Dividends received	691	514
Unrealised or realised gains (losses) on assets/liabilities held for trading	799	1,232
Unrealised or realised gains (losses) on assets/liabilities designated at fair value through profit or loss	562	2,322
Net gains (losses) on Foreign exchange transactions and similar financial instruments (excluding gains or losses on hedges of net investments in foreign operations)	682	(290)
Gains (losses) from hedge accounting	(397)	(21)
NET GAINS (LOSSES) ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS	**2,337**	**3,757**

The impact of Crédit Agricole CIB's issuer spread was an expense of €158 million on revenues at 31 December 2016 versus a positive effect of €245 million at 31 December 2015.

Analysis of net gains (losses) from hedge accounting:

	31/12/2016		
(in millions of euros)	Gains	Losses	Net
Fair value hedges	**3,370**	**(3,366)**	**4**
Change in fair value of hedged items attributable to hedged risks	1,267	(1,492)	(225)
Change in fair value of hedging derivatives (including termination of hedges)	2,103	(1,874)	229
Cash flow hedges	**-**	**-**	**-**
Change in fair value of hedging derivatives - ineffective portion	-	-	-
Hedges of net investments in foreign operations	**-**	**-**	**-**
Change in fair value of hedging derivatives - ineffective portion	-	-	-
Fair value hedge of the interest rate exposure of a portfolio of financial instruments[1]	**25,089**	**(25,490)**	**(401)**
Change in fair value of hedged items	11,585	(13,686)	(2,101)
Change in fair value of hedging derivatives	13,504	(11,804)	1,700
Cash flow hedge of the interest rate exposure of a portfolio of financial instruments	**-**	**-**	**-**
Change in fair value of hedging instrument - ineffective portion	-	-	-
TOTAL GAINS (LOSSES) FROM HEDGE ACCOUNTING	**28,459**	**(28,856)**	**(397)**

(1) Impact of -€381 million related to the early redemption of macro-hedged loans (see Note 2.5).

	31/12/2015 Restated		
(in millions of euros)	Gains	Losses	Net
Fair value hedges	**4,202**	**(4,204)**	**(2)**
Change in fair value of hedged items attributable to hedged risks	2,207	(1,326)	881
Change in fair value of hedging derivatives (including termination of hedges)	1,995	(2,878)	(883)
Cash flow hedges	**-**	**-**	**-**
Change in fair value of hedging derivatives - ineffective portion	-	-	-
Hedges of net investments in foreign operations	**-**	**-**	**-**
Change in fair value of hedging derivatives - ineffective portion	-	-	-
Fair value hedge of the interest rate exposure of a portfolio of financial instruments	**10,795**	**(10,814)**	**(19)**
Change in fair value of hedged items	5,428	(5,378)	50
Change in fair value of hedging derivatives	5,367	(5,436)	(69)
Cash flow hedge of the interest rate exposure of a portfolio of financial instruments	**-**	**-**	**-**
Change in fair value of hedging instrument - ineffective portion	-	-	-
TOTAL GAINS (LOSSES) FROM HEDGE ACCOUNTING	**14,997**	**(15,018)**	**(21)**

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4.4 Net gains (losses) on available-for-sale financial assets

(in millions of euros)	31/12/2016	31/12/2015 Restated
Dividends received	1,117	739
Realised gains (losses) on available-for-sale financial assets[1]	1,375	2,149
Permanent impairment losses on equity investments	(267)	(282)
Gains (losses) on disposal of held-to-maturity financial assets and on loans and receivables	(26)	(4)
NET GAINS (LOSSES) ON AVAILABLE-FOR-SALE FINANCIAL ASSETS	**2,199**	**2,602**

(1) *Excluding realised gains or losses on permanently impaired fixed income securities recognised as available-for-sale financial assets mentioned in Note 4.8 "Cost of risk".*

4.5 Net income (expenses) on other activities

(in millions of euros)	31/12/2016	31/12/2015 Restated
Gains (losses) on fixed assets not used in operations	(3)	(8)
Policyholder profit-sharing	-	-
Other net income from insurance activities[1]	8,281	9,458
Change in insurance technical reserves[2]	(10,913)	(13,545)
Net income from investment property	159	202
Other net income (expense)	208	251
INCOME (EXPENSE) RELATED TO OTHER ACTIVITIES	**(2,268)**	**(3,642)**

(1) *The €1,177 million decrease in other net income from insurance activities was mainly due to lower net inflows.*

(2) *The €2,632 million reduction in the dotation to insurance contract technical reserves was largely driven by the €1,939 million decline in the dotation to mathematical reserves for euro policies reserves, due to lower inflows, as well as the €632 million decline in the dotation to profit-sharing reserves.*

4.6 Operating expenses

(in millions of euros)	31/12/2016	31/12/2015 Restated
Employee expenses	(6,591)	(6,508)
Taxes other than on income or payroll-related	(693)	(737)
External services and other operating expenses	(3,708)	(3,686)
OPERATING EXPENSES	**(10,992)**	**(10,931)**

The definitions of the underlined words can be found in the Glossary on page 542.

FEES PAID TO STATUTORY AUDITORS

The breakdown of fees paid to Statutory Auditors by firm and type of engagement by fully consolidated Crédit Agricole S.A. Group companies was as follows in 2016:

BOARD OF AUDITORS OF CRÉDIT AGRICOLE S.A.

	Ernst & Young		PricewaterhouseCoopers		
(in thousands of euros excluding taxes)	2016	2015	2016	2015	Total 2016
Independant audit, certification, review of parent company and consolidated financial statements	**14,983**	**14,308**	**11,594**	**12,026**	**26,577**
Issuer	1,961	1,758	1,925	1,705	3,886
Fully consolidated subsidiaries	13,022	12,550	9,669	10,321	22,691
Other services	**6,726**	**3,732**	**7,946**	**7,029**	**14,672**
Ancillary assignments and services directly linked to the Statutory Auditors' mission(1)	4,763	3,392	3,761	4,172	8,524
Issuer	*785*	*726*	*1,051*	*1,052*	*1,836*
Fully consolidated subsidiaries	*3,978*	*2,666*	*2,710*	*3,120*	*6,688*
Other(1)	395	340	1,724	2,857	2,119
Non audit services(2)	1,568	-	2,461	-	4,029
TOTAL	**21,709**	**18,040**	**19,540**	**19,055**	**41,249**

(1) In 2016, work carried out between 1 January and 16 June 2016.

(2) In 2016, work carried out from 17 June 2016.

OTHER STATUTORY AUDITORS ENGAGED IN THE AUDIT OF FULLY CONSOLIDATED CRÉDIT AGRICOLE S.A. GROUP SUBSIDIARIES

	Mazars		KPMG		Deloitte		Other		
(in thousands of euros excluding taxes)	2016	2015	2016	2015	2016	2015	2016	2015	Total 2016
Independant audit, certification, review of parent company and consolidated financial statements	**1,151**	**1,161**	**282**	**471**	**83**	**141**	**349**	**287**	**1,865**
Other services	**10**	**-**	**55**	**46**	**4**	**9**	**24**	**22**	**93**
Ancillary assignments and services directly linked to the Statutory Auditors' mission(1)	-	-	35	46	4	9	24	22	63
Non audit services(2)	10	-	20	-	-	-	-	-	30
TOTAL	**1,161**	**1,161**	**337**	**517**	**87**	**150**	**373**	**309**	**1,958**

(1) In 2016, work carried out between 1 January and 16 June 2016.

(2) In 2016, work carried out from 17 June 2016.

4.7 Depreciation, amortisation and impairment of property, plant & equipment and intangible assets

(in millions of euros)	31/12/2016	31/12/2015 Restated
Depreciation charges and amortisation	**(694)**	**(651)**
Property, plant and equipment	(381)	(363)
Intangible assets	(313)	(288)
Impairment losses (reversals)	**(8)**	**(1)**
Property, plant and equipment	(8)	8
Intangible assets	-	(9)
DEPRECIATION, AMORTISATION AND IMPAIRMENT OF PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS	**(702)**	**(652)**

4.8 Cost of risk

(in millions of euros)	31/12/2016	31/12/2015 Restated
Charge to provisions and impairment losses	**(3,861)**	**(4,081)**
Fixed income available-for-sale financial assets	-	(150)
Loans and receivables	(3,390)	(3,014)
Held-to-maturity financial assets	-	-
Other assets	(59)	(60)
Financing commitments	(87)	(100)
Risks and expenses	(325)	(757)
Reversal of provisions and impairment losses	**2,154**	**1,884**
Fixed income available-for-sale financial assets	14	31
Loans and receivables	1,883	1,407
Held-to-maturity financial assets	-	-
Other assets	10	4
Financing commitments	46	104
Risks and expenses	201	338
Net charge to reversal of impairment losses and provisions	**(1,707)**	**(2,197)**
Realised gains (losses) on impaired fixed income available-for-sale financial assets	(13)	(31)
Bad debts written off, not impaired	(196)	(208)
Recoveries on bad debts written off	179	230
Discounts on restructured loans	(23)	(41)
Losses on financing commitments	-	-
Other losses	(27)	(46)
Other gains	-	-
COST OF RISK	**(1,787)**	**(2,293)**

4.9 Net gains (losses) on other assets

(in millions of euros)	31/12/2016	31/12/2015 Restated
Property, plant & equipment and intangible assets used in operations	**(45)**	**1**
Gains on disposals	13	12
Losses on disposals	(58)	(11)
Consolidated equity investments	**(7)**	**8**
Gains on disposals	-	30
Losses on disposals	(7)	(22)
Net income (expense) on combinations	**-**	**29**
NET GAINS (LOSSES) ON OTHER ASSETS	**(52)**	**38**

The definitions of the underlined words can be found in the Glossary on page 542.

4.10 Income tax charge

INCOME TAX CHARGE

(in millions of euros)	31/12/2016	31/12/2015 Restated
Current tax charge	(253)	(1,083)
Deferred tax charge	(442)	185
TAX CHARGE DURING THE PERIOD	**(695)**	**(898)**

RECONCILIATION OF THEORETICAL TAX RATE AND EFFECTIVE TAX RATE

AT 31 DECEMBER 2016

(in millions of euros)	Base	Tax rate	Tax
Pre-tax income, goodwill impairment, discontinued operations and share of net income of equity-accounted entities	3,320	34.43%	(1,143)
Impact of permanent differences		(9.31%)	309
Impact of different tax rates on foreign subsidiaries		(4.06%)	135
Impact of losses for the year, utilisation of tax loss carryforwards and temporary differences		1.60%	(53)
Impact of reduced tax rate		(4.36%)	145
Impact of tax rate change		4.84%	(161)
Impact of other items		(2.20%)	73
EFFECTIVE TAX RATE AND TAX CHARGE		**20.93%**	**(695)**

The theoretical tax rate is the standard tax rate (including the additional social contribution) on taxable profits in France at 31 December 2016.

AT 31 DECEMBER 2015 RESTATED

(in millions of euros)	Base	Tax rate	Tax
Pre-tax income, goodwill impairment, discontinued operations and share of net income of equity-accounted entities	3,356	38.00%	(1,275)
Impact of permanent differences		(0.77%)	26
Impact of different tax rates on foreign subsidiaries		(7.48%)	251
Impact of losses for the year, utilisation of tax loss carryforwards and temporary differences		1.73%	(58)
Impact of reduced tax rate		(2.50%)	84
Impact of other items		(2.21%)	74
EFFECTIVE TAX RATE AND TAX CHARGE		**26.77%**	**(898)**

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) to taxable profits in France for the year ended 31 December 2015.

4.11 Changes in other comprehensive income

BREAKDOWN OF TOTAL OTHER COMPREHENSIVE INCOME

(in millions of euros)	31/12/2016	31/12/2015 Restated
Other comprehensive income on items that may be reclassified subsequently to profit and loss		
Gains and losses on translation adjustments	**(245)**	**455**
Revaluation adjustment of the period	-	-
Reclassified to profit and loss	-	-
Other variations	(245)	455
Gains and losses on available-for-sale financial assets	**158**	**21**
Revaluation adjustment of the period	877	747
Reclassified to profit and loss	(735)	(420)
Other variations	16	(306)
Gains and losses on hedging derivative instruments	**(64)**	**(206)**
Revaluation adjustment of the period	(64)	(124)
Reclassified to profit and loss	-	(2)
Other variations	-	(80)
Pre-tax other comprehensive income on items that may be reclassified to profit and loss on equity-accounted entities	**39**	**116**
Income tax related to items that may be reclassified to profit and loss excluding equity-accounted entities	**172**	**73**
Income tax related to items that may be reclassified to profit and loss on equity-accounted entities	**4**	**(4)**
Net other comprehensive income on items that may be reclassified to profit and loss on equity-accounted entities on discontinued operations	**(238)**	**94**
Other comprehensive income on items that may be reclassified subsequently to profit and loss, net of income tax	**(174)**	**549**
Other comprehensive income on items that will not be reclassified subsequently to profit and loss		
Actuarial gains and losses on post-employment benefits	(127)	(38)
Other comprehensive income on items that will not be reclassified to profit and loss on equity-accounted entities	(9)	(6)
Income tax related to items that will not be reclassified excluding equity-accounted entities	23	3
Income tax related to items that will not be reclassified on equity-accounted entities	1	-
Net other comprehensive income on items that will not be reclassified to profit and loss on equity-accounted entities on discontinued operations	33	7
Other comprehensive income on items that will not be reclassified subsequently to profit and loss, net of income tax	**(79)**	**(34)**
OTHER COMPREHENSIVE INCOME NET OF INCOME TAX	**(253)**	**515**
Of which Group share	(141)	539
Of which non-controlling interests	(112)	(24)

BREAKDOWN OF TAX IMPACTS RELATED TO OTHER COMPREHENSIVE INCOME

	31/12/2015 Restated				Changes				31/12/2016			
(in millions of euros)	Gross	Income tax charges	Net of income tax	Net of income tax of which Group Share	Gross	Income tax charges	Net of income tax	Net of income tax of which Group Share	Gross	Income tax charges	Net of income tax	Net of income tax of which Group Share
Other comprehensive income on items that may be reclassified subsequently to profit and loss												
Gains and losses on translation adjustments	430	-	430	423	(245)	-	(245)	(153)	185	-	185	270
Gains and losses on available-for-sale financial assets	4,865	(1,324)	3,541	3,473	158	130	288	306	5,023	(1,194)	3,829	3,779
Gains and losses on hedging derivative instruments	1,045	(355)	690	675	(64)	42	(22)	(23)	981	(313)	668	652
Other comprehensive income on items that may be reclassified to profit and loss excluding equity-accounted entities	**6,340**	**(1,679)**	**4,661**	**4,571**	**(151)**	**172**	**21**	**130**	**6,189**	**(1,507)**	**4,682**	**4,701**
Other comprehensive income on items that may be reclassified to profit and loss on equity-accounted entities	322	(1)	321	314	39	4	43	41	361	3	364	355
Other comprehensive income on items that may be reclassified to profit and loss on equity-accounted entities on discontinued operations	322	(56)	266	266	(294)	56	(238)	(235)	28	-	28	31
Other comprehensive income on items that may be reclassified subsequently to profit and loss	**6,984**	**(1,736)**	**5,248**	**5,151**	**(406)**	**232**	**(174)**	**(64)**	**6,578**	**(1,504)**	**5,074**	**5,087**
Other comprehensive income on items that will not be reclassified subsequently to profit and loss												
Actuarial gains and losses on post-employment benefits	(630)	186	(444)	(421)	(127)	23	(104)	(102)	(757)	209	(548)	(523)
Other comprehensive income on items that will not be reclassified to profit and loss excluding equity-accounted entities	**(630)**	**186**	**(444)**	**(421)**	**(127)**	**23**	**(104)**	**(102)**	**(757)**	**209**	**(548)**	**(523)**
Other comprehensive income on items that will not be reclassified to profit and loss on equity-accounted entities	(26)	2	(24)	(24)	(9)	1	(8)	(8)	(35)	3	(32)	(32)
Other comprehensive income on items that will not be reclassified to profit and loss on equity-accounted entities on discontinued operations	(50)	17	(33)	(33)	50	(17)	33	33	-	-	-	-
Other comprehensive income on items that will not be reclassified to profit and loss	**(706)**	**205**	**(501)**	**(478)**	**(86)**	**7**	**(79)**	**(77)**	**(792)**	**212**	**(580)**	**(555)**
OTHER COMPREHENSIVE INCOME	**6,278**	**(1,531)**	**4,747**	**4,673**	**(492)**	**239**	**(253)**	**(141)**	**5,786**	**(1,292)**	**4,494**	**4,532**

NOTE 5 Segment reporting

DEFINITION OF OPERATING SEGMENTS

According to IFRS 8, information disclosed is based on the internal reporting that isused by the Executive Committee to manage Crédit Agricole S.A. Group, to assess performance, and to make decisions about resources to be allocated to the identified operating segments.

Operating segments according to the internal reporting consist of the business lines of the Group.

The operating segments changed as of 1 January 2016 to reflect both the Strategic Ambition 2020 plan and the simplification of the structure of Crédit Agricole S.A. Group.

From 1 January 2016, the share of net income of the CCIs and CCAs, previously recognised under Share of net income of equity-accounted entities, is no longer recognised in the net income of Crédit Agricole S.A. Group. Accordingly, the "French retail banking – Regional Banks" operating segment no longer included any amount within Crédit Agricole S.A. Group at 31 December 2016. From 3 August 2016, Crédit Agricole S.A.'s equity investment in the Regional Banks has been held by the Sacam Mutualisation holding company, wholly-owned by the Regional Banks.

In addition, the operating segment "Corporate and investment banking" is renamed "Large customers" and now also includes the operations of CACEIS (previously included in "Assets gathering").

At 31 December 2016, Crédit Agricole S.A.'s business activities were organised into six operating segments:

- The following five business lines:
  - Asset gathering,
  - French retail banking - LCL,
  - International retail banking,
  - Specialised financial services,
  - Large customers;
- as well as the "Corporate Centre".

PRESENTATION OF BUSINESS LINES

1. Asset gathering

This business line encompasses:

- insurance activity:
  - life insurance and personal insurance, conducted mainly by Predica in France and CA Vita in Italy,
  - property & casualty insurance, conducted primarily by Pacifica,
  - creditor insurance, conducted by Crédit Agricole Creditor Insurance;
- the asset management activities of the Amundi Group, offering savings solutions for individuals and investment solutions for institutions;
- as well as wealth management activities conducted mainly by Crédit Agricole Indosuez Wealth Management subsidiaries (Crédit Agricole Suisse, Crédit Agricole Luxembourg, Crédit Foncier de Monaco, CA Indosuez Wealth, etc.).

2. French retail banking - LCL

French retail banking network with a strong presence in urban areas. It is organised into four business lines: retail banking for individual customers, retail banking for small businesses, private banking and corporate banking.

LCL offers a full range of banking products and services, together with asset management, insurance and wealth management products.

3. International retail banking

This business line encompasses foreign subsidiaries and investments that are mainly involved in retail banking.

These subsidiaries and equity investments are primarily located in Europe: with Cariparma Group in Italy, Crédit Agricole Polska in Poland and others in Ukraine and Serbia.

Other subsidiaries operate around the Mediterranean through Crédit du Maroc and Crédit Agricole Egypt.

Finally, this division also includes banks that are not significant in size. Note that Belgium CA SAS was liquidated on 18 March 2016.

Foreign consumer credit, leasing and factoring subsidiaries (subsidiaries of Crédit Agricole Consumer Finance, Crédit Agricole Leasing & Factoring and EFL in Poland, etc.) are not included in this division, but in "Specialised financial services".

4. Specialised financial services

Specialised financial services comprises the Group subsidiaries that provide financial products and services to individual customers, small businesses, corporates and local authorities in France and abroad. These include:

- consumer finance companies around Crédit Agricole Consumer Finance in France and through its subsidiaries or partnerships outside France (Agos, Forso, Credit-Plus, Ribank, Credibom, Interbank Group and FCA Bank);
- specialised financial services for companies such as factoring and lease finance (Crédit Agricole Leasing & Factoring Group, EFL).

5. Large customers

The Large customers division includes the Corporate and Investment bank, which itself consists of two main lines of business most of which are carried out by Crédit Agricole CIB, and asset servicing for institutions (CACEIS):

- financing activities, which include corporate banking in France and internationally and structured finance. Structured Finance consists of originating, structuring and financing large-scale operations in exporting and investing, often collateralised by physical assets (planes, boats, office buildings, raw materials, etc.) and complex and structured credit instruments;

The definitions of the underlined words can be found in the Glossary on page 542.

- capital markets and investment banking activities bring together capital market activities (treasury, foreign exchange, interest rate derivatives, debt markets), and investment banking activities (mergers and acquisitions consulting and primary equity advisory);
- asset servicing for institutions: CACEIS Bank for custody and CACEIS Fund Administration for fund administration.

6. Corporate Centre

This segment mainly encompasses Crédit Agricole S.A.'s central body function, asset and liability management and management of debt connected with acquisitions of subsidiaries or equity investments.

It also includes:

- the results of the private equity business and results of various other Crédit Agricole S.A. Group companies (Uni-Éditions, Foncaris, etc.);
- the income from management companies, real-estate companies holding properties used in operations by several business lines and by activities undergoing reorganisation;
- the net impact of tax consolidation for Crédit Agricole S.A. as well as the revaluation of structured debt issued by Crédit Agricole CIB.

5.1 Operating segment information

Transactions between operating segments are effected at arm's length.

	31/12/2016							
	French Retail Banking							
(in millions of euros)	*Regional Banks*	*LCL*	International retail banking	Asset gathering	Specialised financial services	Large customers	Corporate Centre[1]	Total
Revenues	-	3,117	2,505	4,744	2,646	5,190	(1,349)	16,853
Operating expenses	-	(2,539)	(1,557)	(2,156)	(1,384)	(3,187)	(871)	(11,694)
Gross operating income	-	**578**	**948**	**2,588**	**1,262**	**2,003**	**(2,220)**	**5,159**
Cost of risk	-	(182)	(454)	(9)	(558)	(557)	(27)	(1,787)
Operating income	-	**396**	**494**	**2,579**	**704**	**1,446**	**(2,247)**	**3,372**
Share of net income of equity-accounted entities	-	-	-	28	208	211	71	518
Net gains (losses) on other assets	-	1	-	2	(2)	1	(54)	(52)
Change in value of goodwill	-	-	-	-	-	-	(491)	(491)
Pre-tax income	-	**397**	**494**	**2,609**	**910**	**1,658**	**(2,721)**	**3,347**
Income tax charge	-	(110)	(157)	(773)	(210)	(370)	925	(695)
Net gains (losses) on discontinued operations	-	-	(3)	23	-	11	1,272	1,303
Net income	**-**	**287**	**334**	**1,859**	**700**	**1,299**	**(524)**	**3,955**
Non-controlling interests	-	14	101	169	91	44	(4)	415
NET INCOME GROUP SHARE	**-**	**273**	**233**	**1,690**	**609**	**1,255**	**(520)**	**3,540**

(1) *The Crédit Agricole CIB issuer spread is classified under the Corporate Centre for -€158 million in Revenues, +€54 million in Income tax charge, -€104 million in Net income including -€2 million in Non-controlling interests.*

	31/12/2016							
	French retail banking							
(in millions of euros)	*Regional Banks*	*LCL*	**International retail banking**	Asset gathering	**Specialised financial services**	**Large customers**	**Corporate Centre**	**Total**
Segment assets								
of which investments in equity-accounted entities	-	-	-	2,095	1,863	2,302	840	7,100
of which goodwill	-	4,772	1,909	4,339	1,023	1,142	-	13,185
TOTAL ASSETS[1]	**-**	**131,841**	**64,121**	**407,372**	**75,687**	**715,642**	**129,569**	**1,524,232**

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	31/12/2015 Restated							
	French Retail Banking							
(in millions of euros)	*Regional Banks*	*LCL*	International retail banking	Asset gathering	Specialised financial services	Large customers	Corporate Centre[1]	Total
Revenues	-	3,631	2,622	4,614	2,629	5,057	(1,359)	**17,194**
Operating expenses	-	(2,561)	(1,532)	(2,156)	(1,336)	(3,136)	(862)	**(11,583)**
Gross operating income	**-**	**1,070**	**1,090**	**2,458**	**1,293**	**1,921**	**(2,221)**	**5,611**
Cost of risk	-	(134)	(589)	(29)	(657)	(655)	(229)	**(2,293)**
Operating income	**-**	**936**	**501**	**2,429**	**636**	**1,266**	**(2,450)**	**3,318**
Share of net income of equity-accounted entities	-	-	-	25	164	60	206	**455**
Net gains (losses) on other assets	-	(2)	2	10	4	(7)	31	**38**
Change in value of goodwill	-	-	-	-	-	-	-	**-**
Pre-tax income	**-**	**934**	**503**	**2,464**	**804**	**1,319**	**(2,213)**	**3,811**
Income tax charge	-	(340)	(161)	(844)	(213)	(454)	1,114	**(898)**
Net gains (losses) on discontinued operations	1,072	-	(14)	3	(1)	(2)	-	**1,058**
Net income	**1,072**	**594**	**328**	**1,623**	**590**	**863**	**(1,099)**	**3,971**
Non-controlling interests	-	29	102	135	106	33	50	**455**
NET INCOME GROUP SHARE	**1,072**	**565**	**226**	**1,488**	**484**	**830**	**(1,149)**	**3,516**

(1) The Crédit Agricole CIB issuer spread is classified under the Corporate Centre for +€245 million in Revenues, -€84 million in Income tax charge, +€161 million in Net income including +€5 million in Non-controlling interests.

	31/12/2015 Restated							
	French Retail Banking							
(in millions of euros)	*Regional Banks*	*LCL*	International retail banking	Asset gathering	Specialised financial services	Large customers	Corporate Centre	Total
Segment assets								
of which investments in equity-accounted entities	17,738	-	195	1,970	1,777	2,048	861	**24,589**
of which goodwill	-	5,263	1,961	4,172	1,022	1,131	-	**13,549**
TOTAL ASSETS	**11,254**	**129,129**	**62,737**	**388,441**	**80,295**	**711,091**	**146,347**	**1,529,294**

5.2 Segment information: geographical analysis

The geographical analysis of segment assets and results is based on the place where operations are booked for accounting purposes.

	31/12/2016				31/12/2015 Restated			
(in millions of euros)	Net income Group Share	Of which Revenues	Segment assets	Of which goodwill	Net income Group Share	Of which Revenues	Segment assets	Of which goodwill
France (including overseas departments and territories)	1,360	8,656	1,239,657	9,947	1,973	9,046	1,235,800	10,412
Other European Union countries	1,133	5,224	150,823	2,417	834	5,230	148,896	2,290
Other European countries	148	684	18,358	702	(360)	757	18,652	696
North America	315	960	57,148	38	459	920	67,834	37
Central and South America	4	58	1,140	-	10	47	1,623	-
Africa and Middle East	340	513	11,071	36	365	510	11,352	80
Asia-Pacific (ex. Japan)	145	467	21,411	23	168	462	21,036	12
Japan	95	291	24,624	22	67	222	24,101	22
TOTAL	**3,540**	**16,853**	**1,524,232**	**13,185**	**3,516**	**17,194**	**1,529,294**	**13,549**

5.3 Insurance specificities

GROSS INCOME FROM INSURANCE ACTIVITIES

(in millions of euros)	31/12/2016	31/12/2015 Restated
Premium written	30,775	30,369
Change in unearned premiums	(173)	(160)
Earned premiums	**30,602**	**30,209**
Other operating income	**105**	**137**
Investment income	7,849	8,404
Investment expenses	(421)	(315)
Gains (losses) on disposals of investments net of impairment and amortisation reversals	894	1,746
Change in fair value of investments at fair value through profit or loss	591	582
Change in impairment on investments	(248)	(243)
Investment income after expenses	**8,665**	**10,174**
Claims paid[(1)]	**(33,373)**	**(34,523)**
Income on business ceded to reinsurers	536	434
Expenses on business ceded to reinsurers	(603)	(528)
Net income (expense) on business ceded to reinsurers	**(67)**	**(94)**
Contract acquisition costs	(2,063)	(2,046)
Amortisation of investment securities and similar	(1)	(1)
Administration costs	(1,746)	(1,394)
Other current operating income (expense)	(243)	(243)
Other operating income (expense)	(12)	(5)
Operating income	**1,867**	**2,214**
Financing costs	(226)	(402)
Share of net income of associates	-	-
Income tax charge	(483)	(636)
Net income from discontinued operations	23	3
Consolidated net income	**1,181**	**1,179**
Non-controlling interests	**5**	**4**
NET INCOME GROUP SHARE	**1,176**	**1,175**

(1) Including -€22 billion of cost of claims at 31 December 2016 (-€21 billion at 31 December 2015), -€2 billion of changes in policyholder profit-sharing at 31 December 2016 (-€2 billion at 31 December 2015) and -€9 billion of changes in technical reserves at 31 December 2016 (-€12 billion at 31 December 2015).

INSURANCE COMPANY INVESTMENTS

	31/12/2016			31/12/2015 Restated		
(in millions of euros)	Carrying amount	Unrealised gains	Unrealised losses	Carrying amount	Unrealised gains	Unrealised losses
Treasury bills and similar securities	35,110	2,598	(91)	26,589	2,351	(172)
Bonds and other fixed income securities	168,131	15,891	(415)	162,962	14,814	(685)
Equities and other equity variable income securities	18,745	1,932	(364)	18,262	2,172	(473)
Non-consolidated equity investments	7,373	1,913	(62)	5,798	1,467	(16)
Total available-for-sale financial assets	**229,359**	**22,335**	**(932)**	**213,611**	**20,804**	**(1,346)**
Income tax charges	(6,207)	(6,506)	299	(6,190)	(7,058)	604
GAINS AND LOSSES ON AVAILABLE-FOR-SALE FINANCIAL ASSETS RECOGNISED IN OTHER COMPREHENSIVE INCOME (NET OF INCOME TAX)	**223,152**	**15,828**	**(633)**	**207,421**	**13,746**	**(742)**

	31/12/2016		31/12/2015 Restated	
(in millions of euros)	Carrying amount	Fair value	Carrying amount	Fair value
Bonds and other fixed income securities	3,059	3,934	3,050	3,910
Treasury bills and similar securities	8,039	9,872	10,504	12,415
Impairment	-	-	-	-
Total held-to-maturity financial assets	**11,098**	**13,806**	**13,554**	**16,325**
Loans and receivables	**6,131**	**6,113**	**5,682**	**5,663**
Investment property	**5,539**	**8,213**	**5,299**	**7,394**

	31/12/2016	31/12/2015 Restated
(in millions of euros)	Carrying amount	Carrying amount
Financial assets at fair value through profit or loss classified as held-for-trading or designated at fair value through profit or loss	**97,639**	**94,000**
Assets backing unit-linked contracts	52,432	49,056
Treasury bills and similar securities	3,718	3,628
Bonds and other fixed income securities	24,787	23,200
Equities and other equity variable income securities	15,008	16,276
Derivative instruments	1,694	1,840

	31/12/2016	31/12/2015 Restated
(in millions of euros)	Carrying amount	Carrying amount
TOTAL INSURANCE COMPANY INVESTMENTS	**349,765**	**334,596**

NOTE 6 Notes to the balance sheet

6.1 Cash central banks

	31/12/2016		31/12/2015 Restated	
(in millions of euros)	Assets	Liabilities	Assets	Liabilities
Cash	1,321		1,278	
Central banks	26,881	3,857	34,898	3,660
CARRYING AMOUNT	**28,202**	**3,857**	**36,176**	**3,660**

6.2 Financial assets and liabilities at fair value through profit or loss

STRUCTURED ISSUES OF CRÉDIT AGRICOLE CIB

In accordance with IFRS 13, the Group values its structured issues, recognised at fair value, by taking as a reference the issuer spread that specialist participants agree to receive to acquire new Group issues.

The change in issuer spread on structured issues issued by Crédit Agricole CIB, and valued on the basis of the last end-of-period share issue table, generated:

- at 31 December 2016: an expense of -€158 million in Revenues and a loss of -€104 million in Net income;
- at 31 December 2015: a €245 million gain in Revenues and profit of €161 million in Net income.

The definitions of the underlined words can be found in the Glossary on page 542.

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

(in millions of euros)	31/12/2016	31/12/2015 Restated
Financial assets held for trading	239,187	262,490
Financial assets designated at fair value through profit or loss	87,092	85,830
CARRYING AMOUNT	**326,279**	**348,320**
Of which lent securities	*876*	*296*

HELD-FOR-TRADING FINANCIAL ASSETS

(in millions of euros)	31/12/2016	31/12/2015 Restated
Equity instruments	**2,920**	**3,405**
Equities and other variable income securities	2,920	3,405
Debt securities	**14,471**	**21,471**
Treasury bills and similar securities	12,010	16,012
Bonds and other fixed income securities	2,461	5,459
Loans and advances	**72,488**	**81,871**
Loans and receivables due from customers	469	526
Securities bought under repurchase agreements	72,019	81,345
Derivative instruments	**149,308**	**155,743**
CARRYING AMOUNT	**239,187**	**262,490**

Securities acquired under repurchase agreements include those that the entity is authorised to use as collateral.

FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

(in millions of euros)	31/12/2016	31/12/2015 Restated
Equity instruments	**16,260**	**17,512**
Equities and other variable income securities	16,260	17,512
Debt securities	**70,832**	**67,673**
Assets backing unit-linked contracts	42,934	38,910
Treasury bills and similar securities	3,718	3,628
Bonds and other fixed income securities	24,180	25,135
Loans and advances	**-**	**645**
Loans and receivables due from customers	-	645
Loans ans recevables due from credit institutions	-	-
Securities bought under repurchase agreements	-	-
Pledged securities	-	-
CARRYING AMOUNT	**87,092**	**85,830**

FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

(in millions of euros)	31/12/2016	31/12/2015 Restated
Financial liabilities held for trading	212,728	222,532
Financial liabilities designated at fair value through profit or loss	31,280	31,983
CARRYING AMOUNT	**244,008**	**254,515**

HELD-FOR-TRADING FINANCIAL LIABILITIES

(in millions of euros)	31/12/2016	31/12/2015 Restated
Securities sold short	19,940	22,097
Securities sold under repurchase agreements	44,306	46,690
Debt securities	1	3
Derivative instruments	148,481	153,742
CARRYING AMOUNT	**212,728**	**222,532**

FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

	31/12/2016		31/12/2015 Restated	
(in millions of euros)	Fair value on the balance sheet	Difference between carrying amount and due on maturity	Fair value on the balance sheet	Difference between carrying amount and due on maturity
Deposits and subordinated liabilities	**5,803**	**-**	**7,247**	**-**
Deposits from credit institutions	-	-	-	-
Other deposits	5,803	-	7,247	-
Subordinated liabilities	-	-	-	-
Debt securities	**25,477**	**308**	**24,736**	**220**
Other financial liabilities	**-**	**-**	**-**	**-**
TOTAL FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT AND LOSS	**31,280**	**308**	**31,983**	**220**

6.3 Hedging derivative instruments

Detailed information is provided in Note 3.4 on cash flow and fair value hedges, and more particularly with respect to interest rates and foreign exchange rates.

6.4 Available-for-sale financial assets

(in millions of euros)	31/12/2016			31/12/2015 Restated		
	Carrying amount	Unrealised gains	Unrealised losses	Carrying amount	Unrealised gains	Unrealised losses
Treasury bills and similar securities	76,973	3,180	(254)	74,353	3,130	(317)
Bonds and other fixed income securities	209,137	16,324	(1,427)	196,795	15,262	(1,946)
Equities and other variable income securities	19,346	2,129	(420)	18,570	2,315	(530)
Non-consolidated equity investments	10,460	2,741	(123)	8,404	2,311	(45)
Total available-for-sale securities	**315,916**	**24,374**	**(2,224)**	**298,122**	**23,018**	**(2,838)**
Available-for-sale receivables	-	-	-	-	-	-
Total available-for-sale receivables	**-**	**-**	**-**	**-**	**-**	**-**
Carrying amount of available-for-sale financial assets[1]	**315,916**	**24,374**	**(2,224)**	**298,122**	**23,018**	**(2,838)**
Income tax charge	-	(6,961)	774		(7,558)	967
GAINS AND LOSSES ON AVAILABLE-FOR-SALE FINANCIAL ASSETS RECOGNISED IN OTHER COMPREHENSIVE INCOME (NET OF INCOME TAX)[2]	-	**17,413**	**(1,450)**	-	**15,460**	**(1,871)**

(1) The net carrying amount of impaired available-for-sale fixed-income securities is €5 million (€30 million at 31 December 2015) and the net carrying amount of impaired available-for-sale variable-income securities is €1,953 million (€2,111 million at 31 December 2015).

(2) For insurance companies, gains and losses on available-for-sale financial assets recognised in other comprehensive income (net of income tax) are offset by after-tax deferred policyholders' profit-sharing liability of €12,248 million at 31 December 2016 and €10,208 million at 31 December 2015 (see Note 6.19 "Insurance company technical reserves").

6.5 Loans and receivables due from credit institutions and due from customers

LOANS AND RECEIVABLES DUE FROM CREDIT INSTITUTIONS

(in millions of euros)	31/12/2016	31/12/2015 Restated
Credit institutions		
Debt securities	**6,367**	**9,597**
Securities not traded in an active market	6,367	9,597
Loans and receivables	**92,567**	**83,121**
Loans and receivables	71,545	63,283
of which performing current accounts in debit	*6,316*	*5,447*
of which performing overnight accounts and advances	*9,785*	*6,593*
Pledged securities	13	37
Securities bought under repurchase agreements	20,601	19,385
Subordinated loans	334	334
Other loans and receivables	74	82
Gross amount	**98,934**	**92,718**
Impairment	(435)	(467)
Net value of loans and receivables due from credit institutions	**98,499**	**92,251**
Crédit Agricole internal transactions		
Debt securities	**-**	**-**
Securities not traded in an active market	-	-
Loans and advances	**284,339**	**274,871**
Current accounts	1,224	1,387
Term deposits and advances	283,085	273,484
Subordinated loans	30	-
Net value of loans and receivables within Crédit Agricole	**284,339**	**274,871**
CARRYING AMOUNT	**382,838**	**367,122**

LOANS AND RECEIVABLES DUE FROM CUSTOMERS

(in millions of euros)	31/12/2016	31/12/2015 Restated
Loans and receivables due from customers		
Debt securities	**15,269**	**12,954**
Securities not traded in an active market	15,269	12,954
Loans and receivables	**326,894**	**314,607**
Trade receivables	23,956	21,151
Other customer loans	285,757	274,330
Securities bought under repurchase agreements	3,460	4,602
Subordinated loans	105	128
Insurance receivables	376	919
Reinsurance receivables	408	349
Advances in associates current accounts	125	134
Current accounts in debit	12,707	12,994
Gross amount	**342,163**	**327,561**
Impairment	(10,533)	(10,472)
Net value of loans and receivables due from customers	**331,630**	**317,089**
Finance leases		
Property leasing	6,015	6,114
Equipment leases, operating leases and similar transaction	8,881	8,138
Gross amount	**14,896**	**14,252**
Impairment	(272)	(270)
Net carrying amount of lease financing operations	**14,624**	**13,982**
CARRYING AMOUNT	**346,254**	**331,071**

6.6 Held-to-maturity financial assets

(in millions of euros)	31/12/2016	31/12/2015 Restated
Treasury bills and similar securities	11,295	13,151
Bonds and other fixed income securities	3,059	3,050
Total	**14,354**	**16,201**
Impairment	-	-
CARRYING AMOUNT	**14,354**	**16,201**

6.7 Transferred assets not derecognised or derecognised with on-going involvement

TRANSFERRED ASSETS NOT FULLY DERECOGNISED AT 31 DECEMBER 2016

	Transferred assets				
	Transferred assets				
Nature of assets transferred *(in millions of euros)*	*Carrying amount*	*Of which securisation (non-deconsolidating)*	*Of which securities sold/bought under repurchase agreements*	*Of which other[1]*	*Fair value[2]*
Held-for-trading	**5,949**	**-**	**5,949**	**-**	**5,949**
Equity instruments	2	-	2	-	2
Debt securities	5,947	-	5,947	-	5,947
Loans and advances	-	-	-	-	-
Designated at fair value through profit or loss	**2,286**	**-**	**2,286**	**-**	**2,261**
Equity instruments	-	-	-	-	-
Debt securities	2,286	-	2,286	-	2,261
Loans and advances	-	-	-	-	-
Available-for-sale	**17,303**	**-**	**14,609**	**2,694**	**17,299**
Equity instruments	1,024	-	-	1,024	1,024
Debt securities	16,279	-	14,609	1,670	16,275
Loans and advances	-	-	-	-	-
Loans and receivables	**11,948**	**9,252**	**1,377**	**1,319**	**11,948**
Debt securities	2,696	-	1,377	1,319	2,696
Loans and advances	9,252	9,252	-	-	9,252
Held-to-maturity	**875**	**-**	**875**	**-**	**872**
Debt securities	875	-	875	-	872
Loans and advances	-	-	-	-	-
Total financial assets	**38,361**	**9,252**	**25,096**	**4,013**	**38,329**
Finance leases	-	-	-	-	-
TOTAL TRANSFERRED ASSETS	**38,361**	**9,252**	**25,096**	**4,013**	**38,329**

(1) *Including securities lending without cash collateral.*

(2) *When the "counterparty" (counterparties) to the associated liabilities has (have) recourse only to the transferred assets (IFRS 7.42D (d)).*

still fully recognised						Transferred assets recognised to the extent of the entity's continuing involvement		
Associated liabilities					Assets and associated liabilities			
Carrying amount	*Of which securisation (non-deconsolidating)*	*Of which securities sold/bought under repurchase agreements*	*Of which other*(1)	*Fair value(2)*	*Net fair value*	Initial total carrying amount of assets prior to transfer	Carrying amount of assets still recognised (continuing involvement)	Carrying amount of associated liabilities
5,850	**-**	**5,850**	**-**	**5,850**	**99**	**-**	**-**	**-**
2	-	2	-	2	-	-	-	-
5,848	-	5,848	-	5,848	99	-	-	-
-	-	-	-	-	-	-	-	-
2,286	**-**	**2,286**	**-**	**2,286**	**(25)**	**-**	**-**	**-**
-	-	-	-	-	-	-	-	-
2,286	-	2,286	-	2,286	(25)	-	-	-
-	-	-	-	-	-	-	-	-
14,898	**-**	**14,517**	**381**	**14,898**	**2,401**	**-**	**-**	**-**
381	-	-	381	381	644	-	-	-
14,517	-	14,517	-	14,517	1,758	-	-	-
-	-	-	-	-	-	-	-	-
7,673	**6,296**	**1,377**	**-**	**7,673**	**4,275**	**-**	**-**	**-**
1,377	-	1,377	-	1,377	1,319	-	-	-
6,296	6,296	-	-	6,296	2,956	-	-	-
875	**-**	**875**	**-**	**875**	**(3)**	**-**	**-**	**-**
875	-	875	-	875	(3)	-	-	-
-	-	-	-	-	-	-	-	-
31,582	**6,296**	**24,905**	**381**	**31,582**	**6,747**	**-**	**-**	**-**
-	-	-	-	-	-	-	-	-
31,582	**6,296**	**24,905**	**381**	**31,582**	**6,747**	**-**	**-**	**-**

TRANSFERRED ASSETS NOT DERECOGNISED IN FULL AT 31 DECEMBER 2015

	Transferred assets				
	Transferred assets				
Nature of transferred assets *(in millions of euros)*	*Carrying amount*	*Of which securisation (non-deconsolidating)*	*Of which securities sold/bought under repurchase agreements*	*Of which other*(1)	*Fair value*(2)
Held-for-trading	**9,684**	**-**	**9,560**	**124**	**9,684**
Equity instruments	124	-	-	124	124
Debt securities	9,560	-	9,560	-	9,560
Loans and advances	-	-	-	-	-
Designated at fair value through profit or loss	**2,256**	**-**	**2,256**	**-**	**2,181**
Equity instruments	-	-	-	-	-
Debt securities	2,256	-	2,256	-	2,181
Loans and advances	-	-	-	-	-
Available-for-sale	**13,958**	**-**	**11,403**	**2,555**	**13,792**
Equity instruments	1,388	-	-	1,388	1,388
Debt securities	12,570	-	11,403	1,167	12,404
Loans and advances	-	-	-	-	-
Loans and receivables	**11,440**	**9,809**	**1,269**	**362**	**11,440**
Debt securities	1,631	-	1,269	362	1,631
Loans and advances	9,809	9,809	-	-	9,809
Held-to-maturity	**440**	**-**	**440**	**-**	**431**
Debt securities	440	-	440	-	431
Loans and advances	-	-	-	-	-
Total financial assets	**37,778**	**9,809**	**24,928**	**3,041**	**37,528**
Finance leases	**-**	**-**	**-**	**-**	**-**
TOTAL TRANSFERRED ASSETS	**37,778**	**9,809**	**24,928**	**3,041**	**37,528**

(1) Including securities lending without cash collateral.

(2) When the "counterparty" (counterparties) to the associated liabilities has (have) recourse only to the transferred assets (IFRS 7.42D (d)).

Securitisations

Consolidated securitisations with external investors are a transfer of assets within the meaning of the amendment to IFRS 7. The Group effectively has an indirect contractual obligation to deliver to external investors the cash flows from assets sold to the securitisation fund (although these assets are recorded in the Group balance sheet through the consolidation of the fund). Receivables assigned to the securitisation fund are used as collateral for investors.

Fully self-subscribed consolidated securitisations do not constitute a transfer of assets within the meaning of IFRS 7.

Crédit Agricole Consumer Finance Securitisations

At 31 December 2016, Crédit Agricole Consumer Finance managed 22 consolidated vehicles for securitisation of retail consumer loans and car dealer financing in Europe. Securitisation transactions carried out within Crédit Agricole Consumer Finance Group are not considered to form part of a deconsolidation transaction under IFRS and have therefore been reintegrated into Crédit Agricole S.A. Group's consolidated financial statements.

The definitions of the underlined words can be found in the Glossary on page 542.

still fully recognised						Transferred assets, but recognised to the extent of the entity's continuing involvement		
Associated liabilities					Assets and associated liabilities			
Carrying amount	*Of which securisation (non-deconsolidating)*	*Of which securities sold/bought under repurchase agreements*	*Of which other*[1]	*Fair value*[2]	*Net fair value*	Initial total carrying amount of assets prior to transfer	Carrying amount of asset still recognised (continuing involvement)	Carrying amount of associated liabilities
9,594	**-**	**9,470**	**124**	**9,594**	**90**	**-**	**-**	**-**
124	-	-	124	124	-	-	-	-
9,470	-	9,470	-	9,470	90	-	-	-
-	-	-	-	-	-	-	-	-
2,256	**-**	**2,256**	**-**	**2,256**	**(75)**	**-**	**-**	**-**
-	-	-	-	-	-	-	-	-
2,256	-	2,256	-	2,256	(75)	-	-	-
-	-	-	-	-	-	-	-	-
11,769	**-**	**11,304**	**465**	**11,769**	**2,023**	**-**	**-**	**-**
465	-	-	465	465	923	-	-	-
11,304	-	11,304	-	11,304	1,100	-	-	-
-	-	-	-	-	-	-	-	-
8,286	**5,977**	**2,309**	**-**	**8,286**	**3,154**	**-**	**-**	**-**
1,270	-	1,270	-	1,270	361	-	-	-
7,016	5,977	1,039	-	7,016	2,793	-	-	-
440	**-**	**440**	**-**	**440**	**(9)**	**-**	**-**	**-**
440	-	440	-	440	(9)	-	-	-
-	-	-	-	-	-	-	-	-
32,345	**5,977**	**25,779**	**589**	**32,345**	**5,183**	**-**	**-**	**-**
-	**-**	**-**	**-**	**-**	**-**	-	-	-
32,345	**5,977**	**25,779**	**589**	**32,345**	**5,183**	**-**	**-**	**-**

The carrying amounts of the relevant assets (net of related liabilities) amounted to €9,528 million at 31 December 2016. They include, in particular, outstanding customer loans with a net carrying amount of €14,538 million. The amount of securities mobilised on the market stood at €7,591 million. The value of securities still available to be mobilised stood at €1,950 million.

Cariparma Securitisations

At 31 December 2016, Cariparma managed two home loan securitisation vehicles. These securitisation transactions are not considered to form part of a deconsolidation transaction under IFRS and have therefore been reintegrated into Crédit Agricole S.A. Group's consolidated financial statements.

The carrying amounts of the relevant assets amounted to €8,236 million at 31 December 2016.

6.8 Impairment deducted from financial assets

(in millions of euros)	31/12/2015 Restated	Changes in scope	Depreciation	Reversals and utilisations	Translation adjustment	Transfers in non-current assets held for sale	Other movements	31/12/2016
Loans and receivables due from credit institutions	467	-	2	(42)	8	-	-	435
Loans and receivables due from customers	10,472	-	3,434	(3,383)	20	-	(10)	10,533
Of which collective impairment	*2,607*	-	*346*	*(479)*	*10*	-	*(39)*	*2,445*
Finance leases	270	-	142	(152)	-	-	12	272
Held-to-maturity securities	-	-	-	-	-	-	-	-
Available-for-sale financial assets	1,793	(2)	267	(501)	(3)	(138)	(8)	1,408
Other financial assets	128	-	66	(26)	4	-	1	173
TOTAL IMPAIRMENT OF FINANCIAL ASSETS	**13,130**	**(2)**	**3,911**	**(4,104)**	**29**	**(138)**	**(5)**	**12,821**

(in millions of euros)	01/01/2015 Restated	Changes in scope	Depreciation	Reversals and utilisations	Translation adjustment	Transfers in non-current assets held for sale	Other movements	31/12/2015 Restated
Loans and receivables due from credit institutions	430	-	5	(6)	38	-	-	467
Loans and receivables due from customers	10,735	(59)	2,999	(3,318)	205	(36)	(54)	10,472
Of which collective impairment	*2,653*	*(22)*	*292*	*(411)*	*99*	-	*(4)*	*2,607*
Finance leases	290	(12)	193	(209)	-	-	8	270
Held-to-maturity securities	-	-	-	-	-	-	-	-
Available-for-sale financial assets	1,573	203	432	(385)	15	-	(45)	1,793
Other financial assets	109	-	63	(36)	(6)	(4)	2	128
TOTAL IMPAIRMENT OF FINANCIAL ASSETS	**13,137**	**132**	**3,692**	**(3,954)**	**252**	**(40)**	**(89)**	**13,130**

6.9 Exposure to sovereign risk

The scope of sovereign exposures recorded covers exposures to Governments, but does not include local authorities. Tax debt is excluded from these amounts.

Exposure to sovereign debt corresponds to an exposure net of impairment (carrying amount) presented both gross and net of hedging.

The Group's significant exposure to sovereign risk is as follows:

BANKING ACTIVITY

	Exposures Banking activity net of impairment							
	Of which banking portfolio							
31/12/2016 *(in millions of euros)*	*Held-to-maturity financial assets*	*Available-for-sale financial assets*	*Financial assets at fair value through profit or loss*	*Loans and receivables*	Of which trading book (excluding derivatives)	Total banking activity before hedging	Hedging available-for-sale financial assets	Total banking activity after hedging
Germany	114	-	1	-	-	115	-	**115**
Saudi Arabia	-	-	-	617	-	617	-	**617**
Belgium	-	2,383	-	-	-	2,383	(168)	**2,215**
Brazil	-	-	-	41	5	46	-	**46**
China	-	69	-	-	6	75	-	**75**
Spain	-	2,202	-	150	-	2,352	(8)	**2,344**
United States	-	177	-	-	25	202	(7)	**195**
France	3,142	22,095	1	1,162	-	26,400	(1,388)	**25,012**
Greece	-	-	-	-	-	-	-	**-**
Hong Kong	-	1,165	-	-	28	1,193	-	**1,193**
Ireland	-	4	-	-	-	4	-	**4**
Italy	-	5,368	-	111	-	5,479	(286)	**5,193**
Japan	-	3,547	-	639	30	4,216	-	**4,216**
Morocco	-	404	-	-	131	535	-	**535**
Portugal	-	104	1	-	-	105	(5)	**100**
United Kingdom	-	-	-	-	-	-	-	**-**
Russia	-	34	-	-	10	44	-	**44**
Syria	-	-	-	-	-	-	-	**-**
Ukraine	-	23	-	-	-	23	-	**23**
Venezuela	-	-	-	4	-	4	-	**4**
Yemen	-	-	-	-	-	-	-	**-**
TOTAL	**3,256**	**37,575**	**3**	**2,724**	**235**	**43,793**	**(1,862)**	**41,931**

31/12/2015 Restated *(in millions of euros)*	Exposures Banking activity net of impairment							
	Of which banking portfolio							
	Held-to-maturity financial assets	*Available-for-sale financial assets*	*Financial assets at fair value through profit or loss*	*Loans and receivables*	Of which trading book (excluding derivatives)	Total banking activity before hedging	Hedging available-for-sale financial assets	Total banking activity after hedging
Germany	321	1,166	15	-	-	1,502	9	**1,511**
Saudi Arabia	-	-	-	-	-	-	-	**-**
Belgium	-	2,685	-	-	277	2,962	(141)	**2,821**
Brazil	-	-	-	48	104	152	-	**152**
China	-	137	-	-	13	150	-	**150**
Spain	-	2,261	1	150	-	2,412	(21)	**2,391**
United States	-	157	-	-	398	555	(5)	**550**
France	2,326	27,003	-	922	-	30,251	(1,429)	**28,822**
Greece	-	-	-	-	-	-	-	**-**
Hong Kong	-	686	-	-	67	753	-	**753**
Ireland	-	-	-	-	-	-	-	**-**
Italy	-	5,744	-	99	36	5,879	(267)	**5,612**
Japan	-	1,370	-	114	487	1,971	-	**1,971**
Morocco	-	371	-	-	140	511	-	**511**
Portugal	-	566	-	1	-	567	(2)	**565**
United Kingdom	-	-	22	-	-	22	-	**22**
Russia	-	18	-	-	9	27	-	**27**
Syria	-	-	-	-	-	-	-	**-**
Ukraine	-	-	-	-	-	-	-	**-**
Venezuela	-	-	-	6	-	6	-	**6**
Yemen	-	-	-	-	-	-	-	**-**
TOTAL	**2,647**	**42,164**	**38**	**1,340**	**1,531**	**47,720**	**(1,856)**	**45,864**

INSURANCE ACTIVITY

For the insurance activity, exposure to sovereign debt is presented as net of impairment, before hedging, and corresponds to an exposure before application of sharing mechanisms between insurer and policyholder specific to life insurance.

Gross exposure *(in millions of euros)*	**31/12/2016**	**31/12/2015 Restated**
Germany	247	252
Saudi Arabia	-	-
Belgium	2,421	427
Brazil	-	-
China	-	-
Spain	1,036	843
United States	14	5
France[1]	32,255	27,672
Greece	-	-
Hong Kong	-	-
Ireland	612	623
Italy	5,994	6,297
Japan	-	-
Morocco	-	-
Portugal	3	3
United Kingdom	-	-
Russia	-	-
Syria	-	-
Ukraine	-	-
Venezuela	-	-
Yemen	-	-
TOTAL EXPOSURE	**42,582**	**36,122**

(1) *The exposure on 31 December 2015 has been restated for -€10 million.*

6.10 Due to credit institutions and to customers

DUE TO CREDIT INSTITUTIONS

(in millions of euros)	31/12/2016	31/12/2015 Restated
Credit institutions		
Accounts and borrowings	55,131	64,047
Of which current accounts in credit	*7,744*	*7,535*
Of which overnight accounts and deposits	*2,738*	*3,405*
Pledged securities	-	105
Securities sold under repurchase agreements	24,682	29,982
Total	**79,813**	**94,134**
Crédit Agricole internal transactions		
Current accounts in credit	5,664	5,774
Term deposits and advances	26,851	39,537
Total	**32,515**	**45,311**
CARRYING AMOUNT	**112,328**	**139,445**

DUE TO CUSTOMERS

(in millions of euros)	31/12/2016	31/12/2015 Restated
Current accounts in credit	160,278	145,384
Special savings accounts	260,579	250,767
Other amounts due to customers	94,451	103,624
Securities sold under repurchase agreements	4,666	3,845
Insurance liabilities	749	1,060
Reinsurance liabilities	338	291
Cash deposits received from cedants and retrocessionaires against technical insurance commitments	767	756
CARRYING AMOUNT	**521,828**	**505,727**

6.11 Debt securities and subordinated debt

(in millions of euros)	31/12/2016	31/12/2015 Restated
Debt securities		
Interest bearing notes	147	174
Money-market instruments	15,127	16,461
Negotiable debt securities	60,860	60,095
Bonds(1)	80,049	78,419
Other debt instruments	3,097	3,392
CARRYING AMOUNT	**159,280**	**158,541**
Subordinated debt		
Dated subordinated debt(2)	23,996	22,574
Undated subordinated debt(3)	5,047	6,574
Mutual security deposits	163	155
Participating securities and loans	121	121
CARRYING AMOUNT	**29,327**	**29,424**

(1) *Includes the issue of €1.5 billion in senior non-preferred bonds and issues of covered bonds (see Note 2 "Major structural transactions and material events during the period").*

(2) *Includes issues of dated subordinated notes "TSR".*

(3) *Includes issues of deeply subordinated notes "TSS" and undated subordinated notes "TSDI".*

The definitions of the underlined words can be found in the Glossary on page 542.

At 31 December 2016, deeply subordinated notes issued before CRD 4/CRR came into force totalled €4,507 million, down from €4,587 million at 31 December 2015.

The debt instruments issued by Crédit Agricole S.A. and subscribed for by Crédit Agricole S.A. Group insurance companies were eliminated for euro contracts. They were eliminated for the portion backing unit-linked contracts with financial risk borne by the policyholder.

SUBORDINATED DEBT ISSUES

The issue of subordinated debt plays a part in regulatory capital management while contributing to refinancing all of Crédit Agricole S.A.'s operations.

The Capital Requirements Regulation and Directive (CRD 4/CRR) define the conditions under which subordinated instruments qualify as regulatory capital and set out the terms and conditions for progressive disqualification of older instruments that do not meet these requirements, between 1 January 2014 (effective date of the CRD 4/CRR) and 1 January 2022.

All subordinated debt issuance, whether new or old, is likely to be subject to Bail-in in certain circumstances, particularly in the event of resolution of the issuing bank, in accordance with the Order of 20 August 2015 containing various provisions adapting French legislation to EU law on financial matters, transposing EU Directive of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms (Bank Recovery and Resolution Directive, or BRRD).

Details of the types of subordinated debt issued by Crédit Agricole S.A. and still outstanding are as follows: they comprise undated subordinated debt (issued before CRD 4/CRR came into force), dated subordinated notes "TSR", deeply subordinated notes "TSS" issued before CRD 4/CRR came into force and deeply subordinated notes "TSS" issued after CRD 4/CRR came into force.

Deeply subordinated notes (TSS)

TSS – Volumes issued before CRD 4/CRR came into force

Deeply subordinated notes (TSS) issued by Crédit Agricole S.A. are either fixed or floating-rate and undated (unless they contain a contractually defined early redemption clause and subject to certain conditions). They are senior to Common Equity Tier 1 Capital (CET1), including Crédit Agricole S.A. shares, but subordinated (lower-ranking) to all other more senior subordinated debt (including dated subordinated notes and undated subordinated notes).

Deeply subordinated notes are generally fixed-rate then floating-rate beyond a certain duration and include early repayment options at the discretion of Crédit Agricole S.A. (with certain reserves) beyond this same duration.

The coupons are non-cumulative and payment of a dividend by Crédit Agricole S.A. entails the obligation to pay the coupon on the TSS for a period of one year. However, the coupons may not be paid if Crédit Agricole S.A. experiences a regulatory event, i.e., falls below the legal minimum equity ratio as defined by Pillar 1 or Pillar 2, or if the competent regulator anticipates such an event in the near future.

The notional amount and accrued interest are impaired, up to a maximum of 0.01 of the security's monetary unit if the issuer's total capital ratio falls below a minimum threshold, either contractual or regulatory, or by decision of the competent regulator.

Additional Tier 1 (AT1) TSS issued after CRD 4/CRR came into force

The Additional Tier 1 (AT1) deeply subordinated notes issued by Crédit Agricole S.A. are consistent with the new CRD 4/CRR rules.

The AT1 TSS issued by Crédit Agricole S.A. are either fixed and/or floating-rate and undated (unless they contain a contractually defined early redemption clause and subject to certain conditions). They are senior to Common Equity Tier 1 Capital (CET1), including Crédit Agricole S.A. shares, but subordinated to all other more senior subordinated debt and rank pari passu with TSS issued before CRD 4/CRR came into force.

AT1 TSS are generally fixed-rate but resettable beyond a certain duration and can include early repayment options subject to certain conditions beyond this same duration.

AT1 TSS issued by Crédit Agricole S.A. contain a clause providing for temporary partial impairment of the securities in the event the phased-in Basel III Common Equity Tier 1 regulatory ratio of Crédit Agricole Group falls below 7% or the phased-in Basel III Common Equity Tier 1 regulatory ratio of Crédit Agricole S.A. falls below 5.125%. They may be impaired up to a maximum of 0.01 of the issue's monetary unit.

Coupons are optional at the discretion of Crédit Agricole S.A. (which may decide on the suspension of interest payments) or at the competent regulator's request, and subject to regulatory limits if distributable amounts are insufficient or the Crédit Agricole Group or Crédit Agricole S.A. Group fails to meet regulatory requirements for total capital (including capital buffers).

Undated subordinated notes (TSDI) (issued before CRD 4/CRR came into force)

Undated subordinated notes (TSDI) issued by Crédit Agricole S.A. before CRD 4/CRR came into force are usually fixed-rate and pay interest quarterly, on a perpetual basis.

They are only redeemable in the event of Crédit Agricole S.A.'s liquidation (judicial or otherwise), unless they contain a contractually defined early redemption clause and subject to certain conditions (see "Early redemption as part of the conditions for all subordinated note issues (TSDI, TSR or TSS)" below).

Like the dated subordinated notes ("TSR" - see below "Issues of dated subordinated notes (TSR) and contingent capital securities"), they are subordinated securities (principal and interest) in reference to Article L. 228-97 of the French Commercial Code.

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In particular, the coupon may be suspended if the General Meeting of Shareholders of Crédit Agricole S.A. duly notes that there were no distributable earnings for the relevant financial year.

It should be noted that TSDI have a contractually defined rank senior to Common Equity Tier 1 Capital (CET1), including Crédit Agricole S.A. shares, TSS (deeply subordinated notes), participating notes granted to Crédit Agricole S.A. and participating securities issued it; they rank pari passu with other TDSI and TSR (see below) of the same rank and subordinate to all other more senior debt (notably preferred and non-preferred senior bonds).

Dated subordinated notes (TSR) and contingent capital securities

Dated subordinated notes (TSR) issued by Crédit Agricole S.A. are usually fixed-rate and pay interest on a quarterly or annual basis with a fixed maturity. They may be redeemed prior to maturity under contractually defined conditions and subject to certain conditions.

TSR are issued either on the French market under French law or on the international markets under UK, State of New York (United States) or Japanese law.

TSR differ from preferred and non-preferred senior bonds in terms of their ranking (principal and interest) as contractually defined by the subordination clause with reference to Article L. 228-97 of the French Commercial Code.

In the case of notes issued by Crédit Agricole S.A., in the event of liquidation (judicial or otherwise), dated subordinated notes (TSR) will be repaid after all other secured and unsecured creditors (including creditors of preferred and non-preferred senior bonds), but before either participating loans provided to Crédit Agricole S.A., or any participating notes issued by the Bank, as well as any deeply subordinated notes ("TSS", see above "Deeply subordinated notes (TSS)").

Early redemption as part of the conditions for all subordinated note issues (TSDI, TSR or TSS)

The above-mentioned TSDI, TSR or TSS may be the subject of:

- buy-back transactions, either on the market through public takeover bids or exchange offers subject to approval by the competent regulator where appropriate, and/or at the initiative of Crédit Agricole S.A., in accordance with the contractual clauses applicable to each issue;
- the exercise of an early redemption option at the initiative of Crédit Agricole S.A. ("call option"), under the conditions and subject to approval by the competent regulator, where appropriate, at the times defined by the contractual terms of the issue, in the event that the issuance agreement for the securities contains such a clause.

"SENIOR NON-PREFERRED" DEBT ISSUES

The law on transparency, the fight against corruption and the modernisation of the economy (also referred to as the "Sapin 2 Law") was published in the Official Journal on 10 December 2016 and became effective on 11 December, 2016, As part of this law, France created a new category of senior debt -- "senior non-preferred debt" -- meeting the eligibility criteria of the TLAC and MREL ratios (as they are presently defined). This new category of debt is also taken into account in the draft amendment to the Bank Recovery and Resolution Directive (BRRD) published on 23 November, 2016, which points to a harmonisation of banks' creditor ranking.

In the course of a resolution process (likely to occur prior to liquidation), it will be possible to impair senior non-preferred securities in full or in part, or to convert them into equity as part of the bail-in procedure, ahead of other senior debt securities (senior "preferred" debt securities), but only after the full depreciation or the conversion into equity of subordinated instruments. The latter include own funds-related instruments of first category (CET1 and Additional Tier 1) and second category instruments (Tier 2). Only if the impairment or conversion of these instruments is insufficient will senior-non preferred debt securities be used in the bail-in of a particular institution.

In a liquidation event, senior non-preferred securities will be redeemed if there still are funds available, after the repayment of all senior preferred instruments, but ahead of subordinated securities (in particular of redeemable subordinated debt securities ("TSR") known as second category own funds).

The inaugural issue of these new senior non-preferred debt securities was launched by Crédit Agricole S.A. on 13 December 2016. The outstanding amount of senior non-preferred securities of Crédit Agricole S.A. and Crédit Agricole Group thus stood at 1.5 billion euros at 31 December, 2016.

COVERED BOND-TYPE ISSUES

In order to increase the amount of medium and long-term financing, the Group issues Covered Bonds through two subsidiaries in France and one subsidiary in Italy:

- Crédit Agricole Home Loan SFH, whose initial issue was launched in January 2009. The total amount outstanding, in euro equivalent, was €22.3 billion at 31 December 2016;
- Crédit Agricole Public Sector SCF, whose initial issue was launched in October 2012. The total amount issued and outstanding was €2.5 billion at 31 December 2016;
- Cariparma: the total amount issued and outstanding at 31 December 2016 was €4.7 billion in OBG (covered bonds), including €1.2 billion held at 31 December 2016.

The definitions of the underlined words can be found in the Glossary on page 542.

6.12 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 agreements and similar agreements					
				Other amounts that can be offset under given conditions		
Type of financial instruments *(in millions of euros)*	*Gross amounts of recognised financial assets before offsetting*	*Gross amounts of recognised financial liabilities set off in the financial statements[(4)]*	*Net amounts of financial assets presented in the financial statements*	*Gross amounts of financial liabilities covered by master netting agreements*	*Amounts of other financial instruments received as collateral, including security deposits*	*Net amount after all offsetting effects*
Derivatives[(1)]	263,815	120,346	143,470	119,202	14,821	9,447
Reverse repurchase agreements[(2)]	62,367	16,374	45,993	17,452	28,491	51
Securities lent[(3)]	1,423	-	1,423	-	-	1,423
Other financial instruments	-	-	-	-	-	-
TOTAL FINANCIAL ASSETS SUBJECTS TO OFFSETTING	**327,606**	**136,720**	**190,886**	**136,554**	**43,311**	**10,921**

(1) The amount of derivatives subject to offsetting represents 83.78% of the derivatives on the asset side of the balance sheet at the end of the reporting period.

(2) The amount of reverse repurchase agreements subject to offsetting represents 47.86% of the reverse repurchase agreements on the asset side of the balance sheet at the end of the reporting period.

(3) The amount of securities lent subject to offsetting represents 32.11% of the securities lent on the asset side of the balance sheet at the end of the reporting period.

(4) Including margin calls.

	31/12/2015 Restated					
	Offsetting effects on financial assets covered by master netting agreements and similar agreements					
				Other amounts that can be offset under given conditions		
Type of financial instrument *(in millions of euros)*	*Gross amounts of recognised financial assets before offsetting*	*Gross amounts of recognised financial liabilities set off in the financial statements[(4)]*	*Net amounts of financial assets presented in the financial statements*	*Gross amounts of financial liabilities covered by master netting agreements*	*Amounts of other financial instruments received as collateral, including security deposits*	*Net amount after all offsetting effects*
Derivatives[(1)]	273,221	118,003	155,218	131,705	11,466	12,048
Reverse repurchase agreements[(2)]	96,160	6,941	89,219	38,513	44,288	6,418
Securities lent[(3)]	2,357	-	2,357	-	1,388	969
Other financial instruments	-	-	-	-	-	-
TOTAL FINANCIAL ASSETS SUBJECT TO OFFSETTING	**371,738**	**124,944**	**246,794**	**170,218**	**57,142**	**19,435**

(1) The amount of derivatives subject to offsetting represents 85.97% of the derivatives on the asset side of the balance sheet at the end of the reporting period.

(2) The amount of reverse repurchase agreements subject to offsetting represents 84.67% of the reverse repurchase agreements on the asset side of the balance sheet at the end of the reporting period.

(3) The amount of securities lent subject to offsetting represents 62.93% of the securities lent on the asset side of the balance sheet at the end of the reporting period.

(4) Including margin calls.

OFFSETTING – FINANCIAL LIABILITIES

Type of financial instrument *(in millions of euros)*	31/12/2016					
	Offsetting effects on financial liabilities covered by master netting agreements and similar agreements					
				Other amounts that can be offset under given conditions		
	Gross amounts of recognised financial liabilities before offsetting	*Gross amounts of recognised financial assets set off in the financial statements[3]*	*Net amounts of financial liabilities presented in the financial statements*	*Gross amounts of financial assets covered by master netting agreements*	*Amounts of other financial instruments given as guarantee, including security deposits*	*Net amount after all offsetting effects*
Derivatives[1]	265,872	120,385	145,487	119,202	18,548	7,737
Repurchase agreements[2]	54,481	16,374	38,107	17,452	17,591	3,064
Securities borrowed	-	-	-	-	-	-
Other financial instruments	-	-	-	-	-	-
TOTAL FINANCIAL LIABILITIES SUBJECT TO OFFSETTING	**320,353**	**136,759**	**183,594**	**136,654**	**36,139**	**10,801**

(1) *The amount of derivatives subject to offsetting represents 87.45% of the derivatives on the liability side of the balance sheet at the end of the reporting period.*

(2) *The amount of repurchase agreements subject to offsetting represents 51.73% of the repurchase agreements on the liability side of the balance sheet at the end of the reporting period.*

(3) *Including margin calls.*

Type of financial instrument *(in millions of euros)*	31/12/2015 Restated					
	Offsetting effects on financial liabilities covered by master netting agreements and similar agreements					
				Other amounts that can be offset under given conditions		
	Gross amounts of recognised financial liabilities before offsetting	*Gross amounts of recognised financial assets set off in the financial statements[3]*	*Net amounts of financial liabilities presented in the financial statements*	*Gross amounts of financial assets covered by master netting agreements*	*Amounts of other financial instruments given as guarantee, including security deposits*	*Net amount after all offsetting effects*
Derivatives[1]	274,088	118,008	156,080	131,705	15,262	9,113
Repurchase agreements[2]	64,627	6,941	57,686	38,513	10,964	8,210
Securities borrowed	-	-	-	-	-	-
Other financial instruments	-	-	-	-	-	-
TOTAL FINANCIAL LIABILITIES SUBJECT TO OFFSETTING	**338,715**	**124,949**	**213,766**	**170,218**	**26,226**	**17,323**

(1) *The amount of derivatives subject to offsetting represents 87.96% of the derivatives on the liability side of the balance sheet at the end of the reporting period.*

(2) *The amount of repurchase agreements subject to offsetting represents 71.55% of the repurchase agreements on the liability side of the balance sheet at the end of the reporting period.*

(3) *Including margin calls.*

6.13 Current and deferred tax assets and liabilities

(in millions of euros)	31/12/2016	31/12/2015 Restated
Current tax	1,417	1,762
Deferred tax	2,576	2,549
TOTAL CURRENT AND DEFERRED TAX ASSETS	**3,993**	**4,311**
Current tax	788	748
Deferred tax	2,313	1,892
TOTAL CURRENT AND DEFERRED TAX LIABILITIES	**3,101**	**2,640**

Net deferred tax assets and liabilities break down as follows:

(in millions of euros)	31/12/2016	31/12/2015 Restated
Temporary timing differences	**1,743**	**2,154**
Non-deductible accrued expenses	277	292
Non-deductible provisions for liabilities and charges	2,226	2,265
Other temporary differences[(1)]	(760)	(403)
Deferred tax on reserves for unrealised gains or losses	**(1,019)**	**(1,189)**
Available-for-sale assets	(735)	(880)
Cash flow hedges	(443)	(468)
Gains and losses/Actuarial differences	159	159
Deferred tax on Income	**(461)**	**(308)**
TOTAL DEFERRED TAX	**263**	**657**

(1) The portion of deferred tax related to tax loss carry-forwards is €425 million for 2016 compared to €899 million with respect to restated 2015 figures.

Deferred tax assets are netted on the balance sheet by taxable entity.

In order to assess the level of deferred tax assets to be recognised, Crédit Agricole S.A. takes into account for each company or tax group concerned the dedicated tax status and the earnings projections established during the budgetary process.

6.14 Accrued income and expenses and other assets and liabilities

ACCRUALS, PREPAYMENTS AND SUNDRY ASSETS

(in millions of euros)	31/12/2016	31/12/2015 Restated
Other assets	**38,075**	**33,216**
Inventory accounts and miscellaneous	129	112
Collective management of Livret de développement durable (LDD) savings account	-	
Sundry debtors[1]	34,327	30,674
Settlement accounts	1,864	774
Due from shareholders - unpaid capital	-	-
Other insurance assets	270	274
Reinsurers' share of technical reserves	1,485	1,382
Accruals and deferred income	**6,298**	**6,789**
Items in course of transmission	2,439	2,839
Adjustment and suspense accounts	828	590
Accrued income	2,275	2,225
Prepaid expenses	375	366
Other accrual prepayments and sundry assets	381	769
CARRYING AMOUNT	**44,373**	**40,005**

(1) *Including €41 million in respect of the contribution to the Single Resolution Fund in the form of a security deposit. The Single Resolution Fund may use the security deposit to provide funding unconditionally and at any time.*

ACCRUALS, DEFERRED INCOME AND SUNDRY LIABILITIES

(in millions of euros)	31/12/2016	31/12/2015 Restated
Other liabilities	**33,713**	**27,673**
Settlement accounts	2,579	1,297
Sundry creditors	30,967	26,254
Liabilities related to trading securities	138	89
Other insurance liabilities	29	33
Accruals and deferred income	**14,204**	**13,355**
Items in course of transmission	3,087	4,186
Adjustment and suspense accounts	4,497	2,484
Unearned income	1,375	1,422
Accrued expenses	4,342	4,412
Other accruals prepayments and sundry liabilities	903	851
CARRYING AMOUNT	**47,917**	**41,028**

6.15 Joint ventures and associates

FINANCIAL INFORMATION OF JOINT VENTURES AND ASSOCIATES

At 31 December 2016:

- the equity-accounted value of joint ventures totalled €1,719 million (€1,590 million at 31 December 2015);
- the equity-accounted value of associates totalled €5,381 million (€22,999 million at 31 December 2015) including €17,932 million relating to the Regional Banks. The Regional Banks exited the scope of consolidation in 2016 following the simplification of the equity structure of Crédit Agricole S.A. Group.

FCA Bank is a joint venture created with the Fiat Chrysler Automobiles group. In July 2013, Crédit Agricole S.A., Crédit Agricole Consumer Finance and Fiat Chrysler Automobiles (formerly Fiat Group Automobiles) signed an agreement to extend their 50/50 joint venture until 31 December 2021. Active in 16 European countries, the company manages all financing transactions for car dealers and private customers for the following brands: Fiat, Lancia, Alfa Romeo, Maserati, Chrysler, Jeep, Fiat Professional, Abarth, Ferrari in Europe as well as Jaguar Land Rover in continental Europe. It is key to the development of the Group's automotive joint venture business.

Material associates and joint ventures are presented in the table below. These are the main joint ventures and associates that make up the "Interest in equity-accounted entities".

	31/12/2016						
(in millions of euros)	% of interest	Equity-accounted value	Share of market value	Dividends paid to Group's entities	Share of net income[1]	Share of shareholders' equity[2]	Goodwill
Joint ventures							
FCA Bank[3]	50%	1,433	-	63	150	1,132	392
Others		286	-	5	23	524	39
Net carrying amount of investments in equity-accounted entities (Joint ventures)		**1,719**			**173**	**1,656**	**431**
Associates							
Banque Saudi Fransi	30.4%	2,302	2,459	46	211	2,334	-
Eurazeo	16.0%	648	597	25	46	616	41
Ramsay – Générale de Santé	38.4%	412	459	-	14	154	258
Infra Foch Topco	36.9%	92	168	26	10	(49)	141
Altarea	26.6%	498	740	39	17	395	104
Korian	23.7%	490	529	11	10	451	38
Others		939	-	52	145	814	122
Net carrying amount of investments in equity-accounted entities (Associates)		**5,381**			**453**	**4,715**	**704**
NET CARRYING AMOUNT OF INVESTMENTS IN EQUITY-ACCOUNTED ENTITIES		**7,100**			**626**	**6,371**	**1,135**

	31/12/2015 Restated						
(in millions of euros)	% of interest	Equity-accounted value	Share of market value	Dividends paid to Group's entities	Share of net income[1]	Share of shareholders' equity[2]	Goodwill
Joint ventures							
FCA Bank[3]	50%	1,378	-	46	121	1,077	392
Others		212	-	5	(184)	464	39
Net carrying amount of investments in equity-accounted entities (Joint ventures)		**1,590**			**(63)**	**1,541**	**431**
Associates							
Banque Saudi Fransi	30.4%	2,048	2,570	40	246	2,092	-
Regional Banks and subsidiaries	~ 25%	17,932	-	166	-	19,361	106
Eurazeo	15.1%	666	650	12	203	636	41
Ramsay – Générale de Santé	38.4%	486	443	-	15	228	258
Infra Foch Topco	36.9%	152	168	45	(1)	11	141
Altarea	27.7%	435	637	35	24	331	104
Korian	23.9%	492	640	11	62	453	38
Others		788	-	41	98	676	111
Net carrying amount of investments in equity-accounted entities (Associates)		**22,999**			**647**	**23,788**	**799**
NET CARRYING AMOUNT OF INVESTMENTS IN EQUITY-ACCOUNTED ENTITIES		**24,589**			**584**	**25,329**	**1,230**

(1) The share of income from insurance associates is recognised in Revenues through profit and loss.

(2) Shareholders' equity Group share in the financial statements of the joint venture or associate when the joint venture or associate is a sub-group.

(3) Formerly known as FGA Capital.

The market value shown 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. Investments in equity-accounted entities were subject to impairment tests, in case of an indication of impairment, using the same methodology as for goodwill.

Condensed financial information for the material associates and joint ventures of Crédit Agricole S.A. Group is shown below:

	31/12/2016			
(in millions of euros)	Revenues	Net income	Total assets	Total Equity
Joint ventures				
FCA Bank	725	301	23,301	2,263
Associates				
Banque Saudi Fransi	1,547	845	51,432	7,503
Eurazeo[(1)]	1,248	74	8,700	3,852
Ramsay – Générale de Santé	37	37	2,354	438
Infra Foch Topco	28	28	3,049	674
Altarea	64	64	6,872	2,552
Korian	42	42	6,292	1,911

(1) Net income in the above table corresponds to the sum of the net income of the second half of 2015 and of the first half of 2016.

	31/12/2015 Restated			
(in millions of euros)	Revenues	Net income	Total assets	Total Equity
Joint ventures				
FCA Bank	651	245	19,487	2,153
Associates				
Banque Saudi Fransi	1,518	974	44,966	6,724
Regional Banks and subsidiaries	15,065	4,133	543,667	74,610
Eurazeo[(1)]	3,686	1,258	7,349	4,199
Ramsay – Générale de Santé	5	5	2,374	610
Infra Foch Topco	11	11	2,869	764
Altarea	53	53	5,716	2,156
Korian	49	49	5,313	1,904

(1) Net income in the above table corresponds to the sum of the net income of the second half of 2014 and of the first half of 2015.

SIGNIFICANT RESTRICTIONS ON JOINT VENTURES AND ASSOCIATES

Crédit Agricole S.A. Group is prohibited from receiving dividends from certain companies for the following reasons:

Regulatory limitations

The subsidiaries of Crédit Agricole S.A. Group are subject to prudential regulation and regulatory capital requirements in their host countries. The minimum equity capital (solvency ratio), leverage ratio and liquidity ratio requirements limit the capacity of these entities to pay dividends or to transfer assets to Crédit Agricole S.A. Group.

Legal limitations

The subsidiaries of Crédit Agricole S.A. Group are subject to legal provisions concerning the distribution of capital and distributable earnings. These requirements limit the ability of the subsidiaries to distribute dividends. In the majority of cases, these are less restrictive than the regulatory limitations mentioned above.

Restriction on assets backing unit-linked contracts for the insurance business

Assets backing unit-linked contracts of Crédit Agricole S.A. Group are held for the benefit of policyholders. Assets of the insurance subsidiaries of Crédit Agricole S.A. Group are mainly held for satisfying their obligation towards their policyholders. Assets transfers to other entities are possible following the legal conditions. However, in case of a transfer, a part of the profit due to the transfer must be intended for the policyholders.

Other limitations

A subsidiary of Crédit Agricole CIB, Banque Saudi Fransi, is required to obtain prior approval for the payment of dividends from their prudential authorities (namely the Saudi Monetary Authority).

The definitions of the underlined words can be found in the Glossary on page 542.

6.16 Investment properties

(in millions of euros)	31/12/2015 Restated	Changes in scope	Increases (acquisitions)	Decreases (disposals and redemptions)	Translation adjustments	Other movements	31/12/2016
Gross amount	5,473	-	2,296	(2,135)	-	63	**5,697**
Amortisation and impairment	(83)	-	(2)	11	-	(6)	**(80)**
NET CARRYING AMOUNT[(1)]	**5,390**	**-**	**2,294**	**(2,124)**	**-**	**57**	**5,617**

(1) *Including investment property let to third parties.*

(in millions of euros)	01/01/2015 Restated	Changes in scope	Increases (acquisitions)	Decreases (disposals and redemptions)	Translation adjustments	Other movements	31/12/2015 Restated
Gross amount	4,214	-	1,711	(838)	-	386	**5,473**
Amortisation and impairment	(73)	-	(3)	15	-	(22)	**(83)**
NET CARRYING AMOUNT[(1)]	**4,141**	**-**	**1,708**	**(823)**	**-**	**364**	**5,390**

(1) *Including investment property let to third parties.*

FAIR VALUE OF INVESTMENT PROPERTIES

The market value of investment property recorded at amortised cost, as valued by expert appraisers, was €8,364 million at 31 December 2016 compared to €7,565 million at 31 December 2015.

(in millions of euros)		31/12/2016	31/12/2015 Restated
Quoted prices in active markets for identical instruments	Level 1	-	-
Valuation based on observable data	Level 2	8,312	7,511
Valuation based on unobservable data	Level 3	52	54
MARKET VALUE		**8,364**	**7,565**

All investment property are recognised at amortised cost in the balance sheet.

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6.17 Property, plant & equipment and intangible assets (excluding goodwill)

(in millions of euros)	31/12/2015 Restated	Changes in scope	Increases (Acquisitions, business combinations)	Decreases (disposals and redemptions)	Translation adjustments	Other movements	31/12/2016
Property, plant & equipment used in operations							
Gross amount	7,918	(29)	386	(417)	(65)	91	**7,884**
Depreciation and impairment(1)	(3,986)	10	(396)	332	29	(44)	**(4,055)**
CARRYING AMOUNT	**3,932**	**(19)**	**(10)**	**(85)**	**(36)**	**47**	**3,829**
Intangible assets							
Gross amount	5,267	-	465	(332)	(12)	(2)	**5,386**
Amortisation and impairment	(3,692)	3	(334)	256	8	(44)	**(3,803)**
CARRYING AMOUNT	**1,575**	**3**	**131**	**(76)**	**(4)**	**(46)**	**1,583**

(1) Including depreciation on fixed assets let to third parties.

(in millions of euros)	01/01/2015 Restated	Changes in scope	Increases (Acquisitions, business combinations)	Decreases (disposals and redemptions)	Translation adjustments	Other movements	31/12/2015 Restated
Property, plant & equipment used in operations							
Gross amount	7,846	(269)	522	(323)	55	87	**7,918**
Depreciation and impairment(1)	(3,885)	126	(372)	231	(32)	(54)	**(3,986)**
CARRYING AMOUNT	**3,961**	**(143)**	**150**	**(92)**	**23**	**33**	**3,932**
Intangible assets							
Gross amount	4,916	14	426	(97)	11	(3)	**5,267**
Amortisation and impairment	(3,372)	12	(324)	39	(10)	(37)	**(3,692)**
CARRYING AMOUNT	**1,544**	**26**	**102**	**(58)**	**1**	**(40)**	**1,575**

(1) Including depreciation on fixed assets let to third parties.

The definitions of the underlined words can be found in the Glossary on page 542.

6.18 Goodwill

(in millions of euros)	31/12/2015 Restated GROSS	31/12/2015 Restated NET	Increases (Acquisitions)	Decreases (Divestments)	Impairment losses during the period	Translation adjustments	Other movements	31/12/2016 GROSS	31/12/2016 NET
French Retail Banking	**5,263**	**5,263**	**-**	**-**	**(491)**	**-**	**-**	**5,263**	**4,772**
of which LCL Group	5,263	5,263	-	-	(491)	-	-	5,263	4,772
International retail banking	**3,318**	**1,961**	**-**	**-**	**-**	**(52)**	**-**	**3,224**	**1,909**
of which Italy	2,872	1,660	-	-	-	-	-	2,872	1,660
of which Poland	221	221	-	-	-	(7)	-	213	214
of which Ukraine	50	-	-	-	-	-	-	46	-
of which other countries	175	80	-	-	-	(45)	-	93	35
Asset gathering	**4,172**	**4,172**	**160**	**-**	**-**	**7**	**-**	**4,339**	**4,339**
of which asset management	2,158	2,158	160	-	-	-	-	2,318	2,318
of which insurance	1,214	1,214	-	-	-	-	-	1,214	1,214
of which international wealth management	800	800	-	-	-	7	-	807	807
Specialised financial services	**2,713**	**1,022**	**-**	**-**	**-**	**1**	**-**	**2,714**	**1,023**
of which Consumer finance	1,692	953	-	-	-	1	-	1,692	954
of which Consumer finance Agos	569	-	-	-	-	-	-	569	-
of which Factoring	452	69	-	-	-	-	-	453	69
Large customers	**2,356**	**1,131**	**11**	**-**	**-**	**-**	**-**	**2,367**	**1,142**
of which Corporate and investment banking (excluding brokers)	1,701	476	11	-	-	-	-	1,712	487
of which Asset servicing	655	655	-	-	-	-	-	655	655
Corporate Centre	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL	**17,822**	**13,549**	**171**	**-**	**(491)**	**(44)**	**-**	**17,907**	**13,185**
Group Share	**17,261**	**13,167**	**129**	**-**	**(491)**	**(45)**	**-**	**17,303**	**12,760**
Non-controlling interests	**561**	**382**	**42**	**-**	**-**	**1**	**-**	**604**	**425**

6

DETERMINING THE VALUE IN USE OF THE CGUS

Goodwill was subject to impairment tests based on the assessment of the value in use of the cash generating units (CGU) to which it is associated. The determination of value in use is calculated by discounting the CGUs' estimated future cash flows calculated from activities forecasts developed for Group management purposes.

The following assumptions were made:

- the European Central Bank's (ECB) ongoing highly accommodative monetary policy resulting in negative Euro short-term rates over the three-year cash flow forecast period;
- Eurozone growth that remains subdued and mixed: very gradual recovery in France on the back of consumption and consolidation of the progressive return to growth in Italy. Despite bouts of volatility, long-term interest rates in Europe are expected to remain low, although they may gradually rise;
- a slight pick-up in US growth following a modest 2016, driven by household consumption and loose monetary policy despite the expected gradual tightening;
- a slight return to growth is expected in emerging countries but with different outcomes depending on their economic environment: very gradual slowdown in the Chinese economy lasting a number of years, an improvement in Brazil and Russia, which are struggling to move out of recession.

At 31 December 2016, perpetual growth rates, discount rates and capital allocated rates were distributed by business lines as shown below:

In 2016	Perpetual growth rates	Discount rate	Capital allocated
French retail banking - LCL	2.0%	7.90%	8.0%
International retail banking	2,0% to 7,0%	9,2% to 18,5%	9,5%
Specialised financial services	2.0%	7,9% to 8,4%	8,0% to 9,5%
Asset gathering	2.0%	7,9% to 8,8%	9,5% 80% of solvability margin (Insurance)
Large customers	2.0%	8,4% to 9,7%	9.5%

The increase by the European Central Bank of regulatory requirements under Pillar 1 and Pillar 2 with effect from 2016 led Crédit Agricole S.A., starting last year, to raise the level of capital allocated as a percentage of risk weighted assets for some entities. The new capital requirements published at end-2016 following SREP reduced aggregate regulatory requirements under Pillar 2 applied to Crédit Agricole S.A. and to some of its subsidiaries. As a precaution, we nevertheless applied, for each CGU, a capital requirement corresponding to the higher of the ratio required under the Pillar 2 Requirement and the allocation rate used in 2015.

Thus, at 31 December 2016, the capital allocated to Large customers, Asset management, Asset servicing, Consumer finance and International retail banking activities remained at 9.5% of risk weighted assets.

The discount rates determined at 31 December 2016 for all business lines reflect the continued low long-term interest rates in Europe and more particularly in France. This has led to relative stability in the rates applied compared with end-2015.

The perpetual growth rates at 31 December 2016 are unchanged on those used at 31 December 2015 except for the rate applied to the business in Egypt to reflect the persistently higher inflation outlook in this country, the knock-on effect of which being the sharp increase in the discount rate.

SENSITIVITY OF CGUS VALUATION TO THE MAIN VALUATION PARAMETERS

	Sensitivity to capital allocated	Sensitivity to discount rates		Sensitivity to cost of risk in the final year	
In 2016	+100 bp	-50 bp	+50 bp	-10%	+10%
French retail banking - LCL	(4.8%)	+8.3%	(7.0%)	+2.4%	(2.4%)
International retail banking	(4.5%)	+7.0%	(6.1%)	+4.0%	(4.0%)
Specialised financial services	(6.7%)	+8.9%	(7.6%)	+10.4%	(10.4%)
Asset gathering	(0.6%)	+7.3%	(6.2%)	nm	nm
Large customers	(8.2%)	+7.3%	(6.4%)	+2.2%	(2.2%)

Sensitivity tests were conducted on goodwill Group share with changes in the main valuation parameters applied equally for all CGUs. These tests showed that the French retail banking CGUs in France and Italy, affected by the factoring in of persistently low rates, are the most sensitive to the downgraded parameters of the model. In the case of the French retail banking - LCL CGU, the goodwill allocated to it was impaired this year, the value in use being equal to the consolidated value.

- With regard to financial parameters, other than the French retail banking - LCL CGU for the reasons set out above, the tests only identify an indication of an impairment charge for the International retail banking - Italy CGU. Indeed:
  - a +50 basis point change in the discount rates would lead to an additional impairment charge of circa €630 million for the French retail banking - LCL CGU and an impairment charge of €140 million for the International retail banking - Italy CGU,

The definitions of the underlined words can be found in the Glossary on page 542.

  - a +100 basis point change in the capital levels allocated to the banking CGUs would lead to an additional impairment charge of circa €425 million for the French retail banking - LCL CGU and an impairment charge of around €60 million for the International retail banking - Italy CGU;
- With regard to operational parameters, these showed that the valuation of CGUs is particularly sensitive to downgraded cost-of-risk assumptions in the terminal year. Therefore:
  - a variation of +10% in cost of risk during the terminal year would lead to an impairment charge of around €320 million, allocated as follows:
    - €210 million on the French retail banking - LCL CGU,
    - €100 million on the consumer finance CGU (excluding Agos),
    - €10 million on the International retail banking - Italy CGU,
  - a scenario of a 100 basis point change in the cost/income ratio in the terminal year would lead to impairment of around €40 million for the International retail banking - Italy CGU and additional impairment of circa €300 million for the French retail banking - LCL CGU.

6.19 Insurance company technical reserves

BREAKDOWN OF INSURANCE TECHNICAL RESERVES

(in millions of euros)	31/12/2016 Life	Non-life	International	Creditor	Total
Insurance contracts	159,397	4,442	14,314	1,636	**179,789**
Investment contracts with discretionary profit-sharing	91,550	-	12,017	-	**103,567**
Investment contracts without discretionary profit-sharing	2,476	-	1,193	-	**3,669**
Deferred participation benefits (liability)	20,554	-	474	-	**21,028**
Total technical reserves	**273,977**	**4,442**	**27,998**	**1,636**	**308,053**
Deferred participation benefits (asset)	-	-	-	-	**-**
Reinsurers' share of technical reserves	(827)	(342)	(55)	(261)	**(1,485)**
NET TECHNICAL RESERVES	**273,150**	**4,100**	**27,943**	**1,375**	**306,568**

(in millions of euros)	31/12/2015 Restated Life	Non-life	International	Creditor	Total
Insurance contracts	149,093	3,414	13,140	1,542	**167,189**
Investment contracts with discretionary profit-sharing	94,317	-	10,825	-	**105,142**
Investment contracts without discretionary profit-sharing	2,349	-	1,139	-	**3,488**
Deferred participation benefits (liability)	18,612	-	701	-	**19,313**
Total technical reserves	**264,371**	**3,414**	**25,805**	**1,542**	**295,132**
Deferred participation benefits (asset)	-	-	-	-	**-**
Reinsurers' share of technical reserves	(817)	(214)	(50)	(302)	**(1,382)**
NET TECHNICAL RESERVES	**263,554**	**3,200**	**25,755**	**1,240**	**293,750**

Reinsurers' share in technical reserves and other insurance liabilities is recognised under "Accruals, prepayments and sundry liabilities". The breakdown of insurance company technical provisions contracts is presented before elimination of emissions in euro and in units of account subscribed by insurance companies.

Deferred policyholders' profit-sharing, before tax, at 31 December 2016 and 31 December 2015 breaks down as follows:

Deferred participation benefits *(in millions of euros)*	31/12/2016 Deferred participation benefits in liabilities	31/12/2015 Restated Deferred participation benefits in liabilities
Deferred participation on revaluation of held-for-sale securities and hedging derivatives	18,830	17,225
of which deferred participation on revaluation of held-for-sale securities[(1)]	*17,933*	*15,568*
of which deferred participation hedging derivatives	*897*	*1,657*
Deferred participation on trading securities mark-to-market adjustment	(323)	(711)
Other deferred participation (liquidity risk reserve cancellation)	2,521	2,799
TOTAL	**21,028**	**19,313**

(1) Note 6.4 *"Available-for-sale financial assets"*.

6.20 Provisions

(in millions of euros)	31/12/2015 Restated	Changes in scope	Depreciation charges	Reversals, amounts used	Reversals, amounts not used	Translation adjustments	Other movements	31/12/2016
Home purchase savings plan risks	380	-	83	-	-	-	-	**463**
Financing commitment execution risks	215	(1)	87	(1)	(46)	17	-	**271**
Operational risks	64	-	127	(10)	(14)	-	-	**167**
Employee retirement and similar benefits	1,719	-	210	(185)	(84)	(3)	105	**1,762**
Litigation	919	1	265	(103)	(156)	(2)	(29)	**895**
Equity investments	6	-	3	-	(2)	-	(1)	**6**
Restructuring	12	3	34	(5)	-	-	-	**44**
Other risks	776	-	191	(158)	(162)	3	25	**675**
TOTAL	**4,091**	**3**	**1,000**	**(462)**	**(464)**	**15**	**100**	**4,283**

(1) See Notes 7.4 "Post employment benefits" and 7.5 "Other employee benefits".

(in millions of euros)	01/01/2015 Restated	Changes in scope	Depreciation charges	Reversals, amounts used	Reversals, amounts not used	Translation adjustments	Other movements	31/12/2015 Restated
Home purchase savings plan risks	410	-	46	-	(76)	-	-	**380**
Financing commitment execution risks	238	2	100	(2)	(105)	(17)	(1)	**215**
Operational risks	68	-	27	(8)	(24)	-	1	**64**
Employee retirement and similar benefits	1,801	1	129	(203)	(40)	28	3	**1,719**
Litigation	1,240	(1)	675	(913)	(123)	43	(2)	**919**
Equity investments	10	-	3	(3)	(5)	-	1	**6**
Restructuring	22	(3)	-	(2)	(1)	-	(4)	**12**
Other risks	927	1	260	(41)	(385)	(5)	19	**776**
TOTAL	**4,716**	**-**	**1,240**	**(1,172)**	**(759)**	**49**	**17**	**4,091**

At 31 December 2016, employee retirement and similar benefits included €120 million (€131 million in 2015) of provisions arising from social costs of the plans and the provision for restructuring includes the non-social costs of those plans.

TAX AUDITS

Crédit Agricole S.A. tax audit

Crédit Agricole S.A. underwent a tax audit covering the years 2012 and 2013.

The tax authority issued a tax adjustment notice rejecting the tax deduction applied, following the loss on disposal of Emporiki shares resulting from the capital increase carried out on 28 January 2013, four days before Emporiki was sold to Alpha Bank. The tax authorities dispute the fact that the securities of this subsidiary were treated as investment securities.

This adjustment is being contested. In view of the circumstances of the case, no provision has been set aside.

On 13 January 2017, the National Tax Commission decided that the tax adjustment should be abandoned.

LCL tax audit

In 2010 and 2011, LCL was the object of an audit of accounts covering years 2007, 2008 and 2009, as well as an audit on regulated savings. All the resulting financial consequences have been paid, with only one sanction relating to regulated savings currently being the subject of a dispute.

LCL was the object of an audit of accounts covering years 2011, 2012 and 2013, as well as an audit on regulated savings. The audit ended in 2016 and all adjustments have been paid.

The provision covering all the consequences of the audit was reversed up to the amount of the payments made.

Crédit Agricole CIB Paris tax audit

Crédit Agricole CIB is currently the object of an audit of accounts covering years 2013, 2014 and 2015. An adjustment notice suspending the limitation period was received late 2016. Crédit Agricole CIB is challenging the proposed adjustments. A provision has been recognised to cover the estimated risk.

Merisma tax audit

Merisma, a Crédit Agricole CIB subsidiary, consolidated by Crédit Agricole S.A. Group for tax purposes, has been the object of tax adjustment notices for financial years 2006 to 2010, plus surcharges for abuse of law.

Although still challenged, provisions have been set aside for the adjustments.

Crédit Agricole CIB Milan and London tax audit regarding transfer pricing

Following audits, Crédit Agricole CIB Milan and London respectively received adjustment notices for 2005 to 2011, 2003 to 2006 and 2008 from the Italian and UK tax authorities regarding transfer pricing. Crédit Agricole CIB challenged the proposed adjustments. At the same time, the case has been referred to the competent

French - Italian and French - British authorities for all years. A provision was recognised to cover the estimated risk.

CLSA liability guarantee

In 2013 Crédit Agricole S.A. Group sold the CLSA entities to the Chinese group CITICS.

Following tax adjustments made to some CLSA entities in India and the Philippines, CITICS invoked the liability guarantee against Crédit Agricole S.A. Group. Reasoned arguments have been submitted challenging the adjustments. A provision was recognised to cover the estimated risk.

Crédit Agricole Indosuez Wealth

Crédit Agricole Indosuez Wealth (formerly Crédit Agricole Private Banking) underwent a tax audit covering the years 2012 and 2013. It received an adjustment notice in late 2015. Most of the adjustments were challenged and a provision recognised for the estimated risks. Discussions took place with the tax authorities in 2016. As there were still ongoing at 31 December 2016, this provision was maintained.

Crédit Agricole Indosuez Wealth is once again undergoing a tax audit covering the years 2014 and 2015. A provision was recognised to cover the estimated risks.

Crédit Agricole Assurances tax audit

Crédit Agricole Assurances underwent a tax audit covering the years 2008 and 2009. The notified adjustment, for a non-material amount, is currently the subject of a dispute and has been submitted to the Council of State in line with procedure. It was fully paid up.

Pacifica tax audit

Pacifica underwent a tax audit covering the years 2009 and 2010. A comprehensive settlement notice has been issued. Only one notified adjustment, which is fully provisioned, remains outstanding and is currently the subject of a dispute.

Pacifica was also the object of an audit of accounts covering the years 2013 and 2014. The notified adjustments have been challenged in part and provisions made.

INQUIRIES AND REQUESTS FOR REGULATORY INFORMATION

The main files linked to inquiries and requests for regulatory information are:

Office of Foreign Assets Control (OFAC)

In October 2015, Crédit Agricole S.A. and its subsidiary Crédit Agricole Corporate and Investment Bank (Crédit Agricole CIB) reached agreements with the US and New York authorities that have been conducting investigations regarding US dollar transactions between 2003 and 2008 subject to US economic sanctions.

Crédit Agricole CIB and Crédit Agricole S.A., which cooperated with the US and New York authorities in connection with their investigations, have agreed to pay a total penalty amount of $787.3 million (i.e. €692.7 million). The payment of this penalty has been allocated to the pre-existing reserve that had already been taken and, therefore, has not affected the accounts for the second half of 2015.

The agreements with the Board of Governors of the Federal Reserve System (Federal Reserve) and the New York State Department of Financial Services (NYDFS) are with CASA and Crédit Agricole CIB. The agreement with the Office of Foreign Assets Control (OFAC) of the US Department of the Treasury is with Crédit Agricole CIB. Crédit Agricole CIB also entered into separate deferred prosecution agreements (DPAs) with the United States Attorney's Office for the District of Columbia (USAO) and the District Attorney of the County of New York (DANY), the terms of which are three years. The USAO and DANY have agreed to take no further action against Crédit Agricole CIB, CASA, or any of Crédit Agricole CIB's subsidiaries or affiliates regarding the conduct subject to this investigation if Crédit Agricole CIB complies with its obligations under the DPAs.

Within the framework of the implementation of these agreements, Crédit Agricole continues to strengthen its internal procedures and its compliance programs regarding laws on internat ional sanctions and will continue to cooperate fully with the US and New York authorities regarding this matter, with its home regulators, the European Central Bank and the Autorité de contrôle prudentiel et de résolution, and with the other regulators across its worldwide network.

Pursuant to the agreements with NYDFS and the Federal Reserve, Crédit Agricole's compliance program will be subject to regular reviews to evaluate its effectiveness, including a review by an independent consultant who will be appointed by NYDFS for a term of one year and annual reviews by an independent consultant approved by the Federal Reserve.

Euribor/Libor and other indices (See "Note 2.7 Euribor/Libor")

Crédit Agricole S.A. and its subsidiary Crédit Agricole CIB, in their capacity as contributors to a number of interbank rates, have received requests for information from a number of authorities as part of investigations into: the calculation of the Libor (London Interbank Offered Rates) in a number of currencies, the Euribor (Euro Interbank Offered Rate) and certain other market indices; and transactions connected with these rates and indices. These requests cover a number of periods running from 2005 to 2012.

As part of its cooperation with the authorities, Crédit Agricole S.A. and its subsidiary Crédit Agricole CIB carried out investigations in order to gather the information requested by the various authorities and in particular the American authorities – the DOJ (Department of Justice) and CFTC (Commodity Future Trading Commission) – with which they are in discussions. It is currently not possible to know the outcome of these discussions, nor the date when they will be concluded.

Furthermore, Crédit Agricole CIB is currently under investigation opened by the Attorney General of the State of Florida on both the Libor and the Euribor.

Following its investigation and an unsuccessful settlement procedure, on 21 May 2014, the European Commission sent a notification of grievances to Crédit Agricole S.A. and to Crédit Agricole CIB pertaining to agreements or concerted practices for the purpose and/or effect of preventing, restricting or distorting competition in derivatives related to the Euribor. By a decision dated 7 December 2016, the European Commission fined €114.7 million, jointly and severally, on Crédit Agricole SA and Crédit Agricole CIB for participating in a cartel relating to euro interest rates derivatives. Crédit Agricole SA and Crédit Agricole CIB disagree with this decision, have lodged an appeal against this decision and requested its annulment before the European Union Tribunal.

Additionally, the Swiss competition authority, COMCO, is conducting an investigation into the market for interest rate derivatives, including the Euribor, with regard to Crédit Agricole S.A. and several Swiss and international banks. Moreover, the investigation initiated in September 2015 by the South Korean competition authority (KFTC) concerning Crédit Agricole CIB regarding the Libor index on various currencies, Euribor and Tibor indices, has been closed by the KFTC in June 2016. The investigation regarding certain derivatives on the foreign exchange markets (ABS-NDF) is still ongoing.

Regarding the two class actions in the United States of America in which Crédit Agricole S.A. and Crédit Agricole CIB have been named, since 2012 and 2013, along with other financial institutions – both as defendants for one ("Sullivan" for the Euribor) and only Crédit Agricole S.A. as defendant for the other ("Lieberman" for the Libor) – these are still at the preliminary stage of consideration of admissibility.

The "Lieberman" class action is suspended at present for procedural reasons in the United States District Court for the Southern District of New York. Regarding the "Sullivan" class action, Crédit Agricole S.A. and Crédit Agricole CIB have filed a motion to dismiss all claims.

Since July 1st, 2016, proceedings have been initiated against Crédit Agricole S.A and Credit Agricole CIB, as well as other banks, in a new class action in the United States (Frontpoint) related to the SIBOR rate (Singapore Interbank Offered Rate) and the SOR rate (Singapore Swap Offer Rate). Crédit Agricole SA and Crédit Agricole CIB filed a motion to dismiss the complaint.

These class actions are civil actions in which the plaintiffs allege that they are victims of the methods used to set the Euribor, Libor, Sibor and Sor rates, and seek repayment of the sums they allege were unlawfully received, as well as damages and reimbursement of costs and fees incurred.

Bonds SSA

Crédit Agricole CIB has received requests for information from various authorities in connection with their investigations into SSA (Supranational, Sub-Sovereign and Agencies) bonds trading activity by a number of banks. Crédit Agricole SA and Crédit Agricole CIB are defendants, amongst other banks, in several consolidated class action complaints filed in the federal district court for the Southern District of New York.

As part of its cooperation with the authorities concerned, Crédit Agricole CIB has carried out internal investigations in order to gather the information requested. This work will continue throughout 2017. It is not possible at this stage to predict the outcome of these investigations or the class actions, or the date on which they will end.

HOME PURCHASE SAVINGS PLAN PROVISION

DEPOSITS COLLECTED IN HOME PURCHASE SAVINGS ACCOUNTS AND PLANS DURING THE SAVINGS PHASE

(in millions of euros)	31/12/2016	31/12/2015 Restated
Home purchase savings plans		
Under 4 years old	41,725	33,038
Between 4 and 10 years old	26,152	25,103
Over 10 years old	25,919	26,448
Total home purchase savings plans	**93,796**	**84,589**
Total home purchase savings accounts	**11,380**	**11,554**
TOTAL DEPOSITS COLLECTED UNDER HOME PURCHASE SAVINGS CONTRACTS	**105,175**	**96,143**

Age of plan is determined in accordance with CRC Regulation 2007-01 of 14 December 2007.

Customer deposits outstanding, excluding government subsidies, are based on carrying amount at the end of November 2016 for the financial statements at 31 December 2016 and at the end of November 2015 for the financial statements at 31 December 2015.

OUTSTANDING LOANS GRANTED TO HOLDERS OF HOME PURCHASE SAVINGS ACCOUNTS AND PLANS

(in millions of euros)	31/12/2016	31/12/2015 Restated
Home purchase savings plans	10	15
Home purchase savings accounts	66	100
TOTAL OUTSTANDING LOANS GRANTED UNDER HOME PURCHASE SAVINGS CONTRACTS	**76**	**115**

PROVISION FOR HOME PURCHASE SAVINGS ACCOUNTS AND PLANS

(in millions of euros)	31/12/2016	31/12/2015 Restated
Home purchase savings plans		
Under 4 years old	22	19
Between 4 and 10 years old	8	9
Over 10 years old	433	352
Total home purchase savings plans	**463**	**380**
Total home purchase savings accounts	-	**-**
TOTAL PROVISIONS FOR HOME PURCHASE SAVINGS CONTRACTS	**463**	**380**

(in millions of euros)	31/12/2015 Restated	Depreciation charges	Reversals	Other movements	31/12/2016
Home purchase savings plans	380	83	-	-	463
Home purchase savings accounts	-	-	-	-	-
TOTAL PROVISIONS FOR HOME PURCHASE SAVINGS CONTRACTS	**380**	**83**	**-**	**-**	**463**

Age plan is determined based on the date of the midway point in the generation of plans to which they belong.

All of the home purchase savings plans and accounts collected by the Regional Banks are recognised at 100% as liabilities in the consolidated financial statements of Crédit Agricole S.A. Group.

Half of the amount of outstanding loans related to home purchase savings plans and accounts is recognised by Crédit Agricole S.A. Group and the other half by the Regional Banks in the tables above.

The amounts recognised under provisions represent the portion of risk borne by Crédit Agricole S.A. and LCL.

Consequently, the ratio between the provision booked and the outstanding amounts shown on Crédit Agricole S.A. Group's balance sheet is not representative of the level of provisioning for home purchase savings risk.

6.21 Equity

OWNERSHIP STRUCTURE AT 30 JUNE 2016

At 31 December 2016, to the knowledge of Crédit Agricole S.A., the distribution of capital and voting rights is as follows:

Shareholders	Number of shares at 31/12/2016	% of the share capital	% of voting rights
SAS Rue La Boétie	1,611,969,963	56.64%	56.69%
Treasury shares	2,765,736	0.10%	-
Employees (ESOP)	130,088,666	4.57%	4.58%
Public	1,101,280,161	38.69%	38.73%
TOTAL	**2,846,104,526**	**100.00%**	**100.00%**

Crédit Agricole S.A.'s share capital stood at €8,538,313,578 divided into 2,846,104,526 fully paid up ordinary shares each with a par value of €3.

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

Concerning Crédit Agricole S.A. stock, a liquidity agreement was signed on 25 October 2006 with Crédit Agricole Cheuvreux S.A., purchased by Kepler, and renamed Kepler Cheuvreux in 2013.

This agreement is automatically renewed every year. So that the operator can conduct the operations stipulated in the agreement with complete independence the agreement has been allocated an amount of €50 million.

To the Company's knowledge, no other shareholder owns 5% or more of the share capital or voting rights, either directly or indirectly or with others.

In 2016, Crédit Agricole S.A. carried out a capital increase reserved for employees and beneficiaries of Crédit Agricole Group amounting to a total of €278 million. This capital increase resulted in the creation of 36,813,711 new shares on 15 December 2016.

EARNINGS PER SHARE

	31/12/2016	31/12/2015 Restated(1)
Net income Group share during the period *(in millions of euros)*	3,540	3,516
Net income attributable to undated deeply subordinated securities	(474)	(353)
Net income attributable to holders of ordinary shares	**3,066**	**3,163**
Weighted average number of ordinary shares in circulation during the period	2,736,877,451	2,609,187,553
Adjustment ratio	1.000	1.000
Weighted average number of ordinary shares for calculation of diluted earnings per share	2,736,877,451	2,609,187,553
BASIC EARNINGS PER SHARE *(in euros)*	**1.120**	**1.212**
Basic earnings per share from ongoing activities *(in euros)*	**0.644**	**0.807**
Basic earnings per share from discontinued operations *(in euros)*	**0.476**	**0.405**
DILUTED EARNINGS PER SHARE *(in euros)*	**1.120**	**1.212**
Diluted earnings per share from ongoing activities *(in euros)*	**0.644**	**0.807**
Diluted earnings per share from discontinued operations *(in euros)*	**0.476**	**0.405**

(1) At 31 December 2015 and 31 December 2015, the share of income of the Regional Banks was recognized in the net result of discontinued operations in compliance with IFRS 5.

At 31 December 2016, the gains generated from the transfer of Crédit Agricole S.A.'s equity investment in the Regional Banks to Sacam Mutualisation are classified in Net income from discontinued operations in accordance with IFRS 5.

The earnings per share calculation includes the issuance costs and accrued interest on subordinated and deeply subordinated Additional Tier 1 debt issued in 2016 for the amount of -€474 million (€353 million in 2015).

Taking into consideration the change in the average price of Crédit Agricole S.A. share, all Crédit Agricole S.A. stock option plans are non-dilutive. Without any dilutive issue by Crédit Agricole S.A., the basic earnings per share are identical to the diluted earnings per share.

DIVIDENDS

In respect of 2016, Crédit Agricole S.A.'s Board of Directors' Meeting of 14 February 2017 decided to recommend to the General Meeting of Shareholders of 24 May 2017 the payment of a dividend of €0.60 per share in cash, plus a 10% loyalty bonus for shares eligible for a bonus dividend to be paid on 31 May 2017.

Proposal in respect of the year *(in euros)*	2016	2015	2014	2013	2012
Ordinary dividend	0.60	0.60	0.35	0.35	-
Loyalty dividend	0.66	0.66	0.385	0.385	-

DIVIDENDS PAID DURING THE REPORTING PERIOD

In respect of 2015, the General Meeting of Shareholders of 19 May 2016 voted to pay a dividend of €0.60 per share, with a 10% loyalty bonus for eligible shares and the option of taking the dividend in either cash or new shares.

An option was proposed to each shareholder between payment of the dividend in cash or payment in new Crédit Agricole S.A. shares. This option covered 100% of the dividend per share based on a price for newly issued shares equal to 90% of the average listed stock price over the 20 stock market trading sessions preceding the date of the decision by the General Meeting of Shareholders, less the net amount of the dividend. The discount of 10% corresponds to the maximum discount authorised by Article L. 232-19 of the French Commercial Code regarding scrip dividends.

Dividends of €1,590 million are shown in the statement of changes in equity. Payment was made for €1,322 million in Crédit Agricole S.A. shares (an issue of 169,963,858 shares) and €268 million in cash.

APPROPRIATION OF NET INCOME

The proposed appropriation of net income is set out in the draft resolutions to be presented by the Board of Directors at Crédit Agricole S.A.'s Combined General Meeting on Wednesday, 24 May 2017.

Crédit Agricole S.A. posted net income of €13,818,771,822.95 in 2016.

The Board of Directors proposes that the Annual General Meeting of Shareholders agree:

- to record that profit for the year and distributable earnings amount respectively to €13,818,771,822.95 and €15,863,336,254.35, taking into account retained earnings of €2,044,564,431.40;
- to set the ordinary dividend at €0.60 per share, and the loyalty dividend at €0.66 per share, rounded to the lower rounding figure, for shares meeting the eligibility conditions for the loyalty dividend at the date of the actual dividend payment;

The definitions of the underlined words can be found in the Glossary on page 542.

- to transfer €62,033,270.70 from net income for the year to the legal reserve to raise it to 10% of the share capital;
- to distribute the dividend charged out of distributable earnings in the amount of €1,717,626,404.46[1];
- to allocate the undistributed balance of €14,083,676,579.19[1] to retained earnings.

UNDATED SUBORDINATED AND DEEPLY SUBORDINATED DEBT

The main issues of undated subordinated and deeply subordinated debt classified in shareholders' equity Group share are:

					31/12/2016			
Issue date	Currency	Amount in currency at 31 December 2015 *(in millions of units)*	Partial repurchases and redemptions *(in millions of units)*	Amount in currency at 31 December 2016 *(in millions of units)*	Amount in euros at inception rate *(in millions of euros)*	Interests paid Group share *(in millions of euros)*	Issuance costs net of taxes *(in millions of euros)*	Shareholders' equity Group share *(in millions of euros)*
23/01/2014	USD	1,750	-	1,750	1,283	(347)	(8)	928
08/04/2014	GBP	500	-	500	607	(131)	(4)	472
08/04/2014	EUR	1,000	-	1,000	1,000	(176)	(6)	818
18/09/2014	USD	1,250	-	1,250	971	(168)	(6)	797
19/01/2016	USD			1,250	1,150	(85)	(8)	1,057
Crédit Agricole S.A. Issues					**5,011**	**(907)**	**(32)**	**4,072**
14/10/2014	EUR		-	-	-	(68)	(3)	(71)
13/01/2015	EUR		-	-	-	(43)	(3)	(46)
Insurance Issues			-	-	-	**(111)**	**(6)**	**(117)**
Issues subscribed in intern (Group share/ Non controlling interests effect)					-	**(7)**	-	**(7)**
TOTAL			-	-	**5,011**	**(1,025)**	**(38)**	**3,948**

The main issues of undated subordinated and deeply subordinated debt classified in shareholder's equity – Non controlling interests share (insurance) are:

Issue date	Currency	Amount in currency at 31 December 2015 *(in millions of units)*	Partial repurchases and redemptions *(in millions of units)*	Amount in currency at 31 December 2016 *(in millions of units)*	Amount in euros at inception rate *(in millions of euros)*
14/10/2014	EUR	745	-	745	745
13/01/2015	EUR	1,000	-	1,000	1,000
TOTAL			-	**1,745**	**1,745**

Changes relating to undated subordinated and deeply subordinated debt affecting shareholders' equity Group share are as follows:

(in millions of euros)	31/12/2016	31/12/2015 Restated
Undated deeply subordinated notes		
Interest paid accounted as reserves	(390)	(316)
Income tax savings related to interest paid to security holders recognised in net income	134	120
Issuance costs (net of tax)	(8)	-
Undated subordinated notes		
Interest paid accounted as reserves	(76)	(34)
Income tax savings related to interest paid to security holders recognised in net income	26	13
Issuance costs (net of tax)	-	(3)

(1) *This amount will be adjusted where appropriate to reflect the following events: (a) creation of new shares eligible for dividends before the ex-dividend date, (b) change in the number of treasury shares prior to the ex-dividend date, (c) loss of entitlement to the additional 10% dividend for some registered shares before the payment date.*

6.22 Non-controlling interests

INFORMATION ON SIGNIFICANT NON-CONTROLLING INTERESTS

The table below presents information on the consolidated subsidiaries and structured entities with significant non-controlling interests in relation to the total equity of the Group or of the sub-group level or where the total balance sheet of the entities held by the non-controlling interests is significant.

	31/12/2016				
(in millions of euros)	% of voting rights held by non-controlling interests	% of ownership interests held by non-controlling interests	Net income allocated to non-controlling interests during the reporting period	Accumulated non-controlling interests at the end of the reporting period	Dividends paid to non-controlling interests
Cariparma Group	23%	23%	56	1,189	48
Amundi Group	26%	26%	143	1,103	89
CACEIS Group	15%	15%	18	219	-
Agos	39%	39%	87	489	66
Others[1]			111	2,661	83
TOTAL			**415**	**5,661**	**286**

(1) *Of which €1,745 million related to the issuance of Additional Tier 1 undated subordinated bonds realised on 14 October 2014 and 13 January 2015 by Crédit Agricole Assurances, accounted for in equity of non-controlling interests.*

	31/12/2015 Restated				
(in millions of euros)	% of voting rights held by non-controlling interests	% of ownership interests held by non-controlling interests	Net income allocated to non-controlling interests during the reporting period	Accumulated non-controlling interests at the end of the reporting period	Dividends paid to non-controlling interests
Cariparma Group	23%	23%	59	1,212	32
Amundi Group	26%	26%	120	1,044	52
CACEIS Group	15%	15%	17	199	6
CA Preferred Funding LLC	0%	0%	49	-	54
Agos	39%	39%	102	467	-
Others[1]			108	2,700	107
TOTAL			**455**	**5,622**	**251**

(1) *Of which €1,745 million related to the issuance of Additional Tier 1 undated subordinated bonds realised on 14 October 2014 and 13 January 2015 by Crédit Agricole Assurances, accounted for in equity of non-controlling interests.*

INDIVIDUAL SUMMARY FINANCIAL INFORMATION ON SIGNIFICANT NON-CONTROLLING INTERESTS

The table below presents summary information on subsidiaries with significant non-controlling interests for Crédit Agricole S.A. Group on the basis of the IFRS financial statements.

	31/12/2016			
(in millions of euros)	Total assets	Revenues	Net income	Net income and other comprehensive income
Cariparma Group	52,992	1,710	219	125
Amundi Group	13,918	1,677	569	602
CACEIS Group	62,087	750	118	198
Agos	17,078	913	240	240
TOTAL	**146,075**	**5,050**	**1,146**	**1,165**

	31/12/2015 Restated			
(in millions of euros)	Total assets	Revenues	Net income	Net income and other comprehensive income
Cariparma Group	51,377	1,770	230	266
Amundi Group	12,932	1,657	520	512
CACEIS Group	54,999	748	114	135
CA Preferred Funding LLC	-	12	12	12
Agos	17,154	973	298	300
TOTAL	**136,462**	**5,160**	**1,174**	**1,225**

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6.23 Breakdown of financial assets and financial liabilities by contractual maturity

The breakdown of balance sheet financial assets and liabilities is made according to contractual maturity date.

The maturities of derivative instruments held for trading and for hedging correspond to their date of contractual maturity.

Equities and other variable-income securities are by nature without maturity; they are classified "Indefinite".

Value adjustments on interest rate risk hedged portfolios are considered to have an indefinite maturity given the absence of a defined maturity.

	31/12/2016					
(in millions of euros)	≤ 3 months	> 3 months up to ≤ 1 year	> 1 year up to ≤ 5 years	> 5 years	Indefinite	Total
Cash, central banks	28,202	-	-	-	-	**28,202**
Financial assets at fair value through profit or loss	85,926	28,160	44,925	94,391	72,877	**326,279**
Hedging derivative instruments	1,942	2,873	6,225	10,888	-	**21,928**
Available-for-sale financial assets	17,675	28,752	86,956	149,077	33,456	**315,916**
Loans and receivables due from credit institutions	101,735	86,156	123,237	70,983	727	**382,838**
Loans and receivables due from customers	81,212	34,381	125,848	102,227	2,586	**346,254**
Value adjustment on interest rate risk hedged portfolios	8,190	-	-	-	-	**8,190**
Held-to-maturity financial assets	666	312	4,296	9,080	-	**14,354**
TOTAL FINANCIAL ASSETS BY MATURITY	**325,548**	**180,634**	**391,487**	**436,646**	**109,646**	**1,443,961**
Central banks	1,957	-	1,900	-	-	**3,857**
Financial liabilities at fair value through profit or loss	72,745	21,118	52,291	97,823	31	**244,008**
Hedging derivative instruments	1,222	1,830	5,486	9,352	-	**17,890**
Due to credit institutions	51,364	11,475	28,871	20,589	29	**112,328**
Due to customers	442,298	36,505	36,427	5,587	1,011	**521,828**
Debt securities	47,856	29,009	37,965	44,450	-	**159,280**
Subordinated debt	906	176	7,394	15,612	5,239	**29,327**
Value adjustment on interest rate risk hedged portfolios	9,444	-	-	-	-	**9,444**
TOTAL FINANCIAL LIABILITIES BY MATURITY	**627,792**	**100,113**	**170,334**	**193,413**	**6,310**	**1,097,962**

	31/12/2015 Restated					
(in millions of euros)	≤ 3 months	> 3 months up to ≤ 1 year	> 1 year up to ≤ 5 years	> 5 years	Indefinite	Total
Cash, central banks	36,176	-	-	-	-	**36,176**
Financial assets at fair value through profit or loss	94,991	23,056	53,301	104,077	72,895	**348,320**
Hedging derivative instruments	1,720	3,034	7,342	12,715	(5)	**24,806**
Available-for-sale financial assets	19,847	23,154	86,581	137,193	31,347	**298,122**
Loans and receivables due from credit institutions	86,618	92,812	123,514	63,371	807	**367,122**
Loans and receivables due from customers	76,387	34,776	117,736	99,110	3,062	**331,071**
Value adjustment on interest rate risk hedged portfolios	13,684	-	-	-	-	**13,684**
Held-to-maturity financial assets	-	2,680	2,382	11,139	-	**16,201**
TOTAL FINANCIAL ASSETS BY MATURITY	**329,423**	**179,512**	**390,856**	**427,605**	**108,106**	**1,435,502**
Central banks	2,257	-	1,403	-	-	**3,660**
Financial liabilities at fair value through profit or loss	72,983	17,179	58,187	106,260	(94)	**254,515**
Hedging derivative instruments	1,475	1,370	7,773	13,094	(5)	**23,707**
Due to credit institutions	62,090	19,175	35,131	22,651	398	**139,445**
Due to customers	427,662	32,127	38,747	5,907	1,284	**505,727**
Debt securities	46,189	55,066	35,378	21,908	-	**158,541**
Subordinated debt	1	953	9,355	12,429	6,686	**29,424**
Value adjustment on interest rate risk hedged portfolios	13,153	-	-	-	-	**13,153**
TOTAL FINANCIAL LIABILITIES BY MATURITY	**625,810**	**125,870**	**185,974**	**182,249**	**8,269**	**1,128,172**

NOTE 7 Employee benefits and other compensation

7.1 Analysis of employee expenses

(in millions of euros)	31/12/2016	31/12/2015 Restated
Salaries[1]	(4,503)	(4,426)
Contributions to defined-contribution plans	(364)	(375)
Contributions to defined-benefit plans	(52)	(27)
Other social security expenses	(1,100)	(1,097)
Profit-sharing and incentive plans	(224)	(235)
Payroll-related tax	(348)	(348)
TOTAL EMPLOYEE EXPENSES	**(6,591)**	**(6,508)**

(1) *Regarding deferred variable compensation paid to market professionals, the Crédit Agricole S.A. Group booked a charge for share-based payments of €55 million at 31 December 2016 compared to €56 million at 31 December 2015.*

Among the various collective variable compensation plans within Crédit Agricole S.A. Group, the *rémunération variable collective* (RVC) is a global plan encompassing the discretionary incentive scheme and the compulsory profit-sharing scheme. The amount is calculated in accordance with the Company's performance as measured on the basis of Crédit Agricole S.A.'s net income Group share.

A given level of net income Group share will give rise to an entitlement equal to a given percentage of the total payroll.

The amount of the profit-sharing component is calculated in accordance with the standard legal formula and is deducted from the total RVC to obtain the amount of the discretionary incentive entitlement.

7.2 Headcount at year-end

Number of employees	31/12/2016	31/12/2015
France	36,968	37,559
International	33,862	33,936
TOTAL	**70,830**	**71,495**

7.3 Post-employment benefits, defined-contribution plans

Employers contribute to a variety of compulsory pension schemes. Plan assets are managed by independent organisations and the contributing companies have no legal or implied obligation to pay additional contributions if the funds do not have sufficient assets to cover all benefits corresponding to services rendered by employees during the year and during prior years. Consequently, Crédit Agricole S.A. Group companies have no liability in this respect other than the contributions payable.

Within the Group, there are several compulsory defined-contribution plans, the main ones being Agirc/Arrco, which are French supplementary retirement plans, and some supplementary plans in place notably within UES Crédit Agricole S.A.

ANALYSIS OF SUPPLEMENTARY PENSION PLANS IN FRANCE

Business Line	Entity	Compulsory supplementary pension plans	Number of employees covered Estimate at 31/12/2016	Number of employees covered Estimate at 31/12/2015
Central Support functions	UES Crédit Agricole S.A.	Agriculture industry plan 1.24%	2,883	2,843
Central Support functions	UES Crédit Agricole S.A.	"Article 83" Group Executive managers plan	202	211
French retail banking	LCL	"Article 83" Group Executive managers plan	338	330
Large customers	CACIB	"Article 83" type plan	4,402	4,275
Savings management and Insurance	Predica/CAA/Caagis/Pacifica/SIRCA/ LA MDF	Agriculture industry plan 1.24%	3,511	3,351
Savings management and Insurance	Predica/CAA/Caagis/Pacifica/CACI/ LA MDF	"Article 83" Group Executive managers plan	68	69
Savings management and Insurance	CACI/CA Indosuez Wealth (France)/ CA Indosuez Gestion/CA Indosuez Wealth (Group)	"Article 83" type plan	758	723

7.4 Post-employment benefits, defined-benefit plans

CHANGE IN ACTUARIAL LIABILITY

	31/12/2016			31/12/2015 Restated
(in millions of euros)	Eurozone	Outside Eurozone	All Zones	All Zones
Actuarial liability at 31/12/N-1	1,414	1,589	3,002	2,939
Translation adjustments	-	(87)	**(87)**	**129**
Current service cost during the period	53	42	**95**	**97**
Financial cost	23	35	**58**	**63**
Employee contributions	-	13	**13**	**12**
Benefit plan changes, withdrawals and settlement	(19)	(29)	**(48)**	**(43)**
Changes in scope	10	-	**10**	**13**
Benefits paid (mandatory)	(70)	(59)	**(128)**	**(185)**
Taxes, administrative expenses, and bonuses	-	-	**-**	**-**
Actuarial (gains)/losses arising from changes in demographic assumptions[1]	2	(57)	**(55)**	**7**
Actuarial (gains)/losses arising from changes in financial assumptions	71	169	**240**	**(30)**
ACTUARIAL LIABILITY AT 31/12/N	**1,484**	**1,616**	**3,100**	**3,002**

BREAKDOWN OF NET CHARGE RECOGNISED IN THE INCOME STATEMENT

	31/12/2016			31/12/2015 Restated
(in millions of euros)	Eurozone	Outside Eurozone	All Zones	All Zones
Service cost	(34)	(13)	**(47)**	**(53)**
Income/expenses on net interests	(12)	(5)	**(17)**	**(18)**
IMPACT IN PROFIT AND LOSS AT 31/12/N	**(46)**	**(18)**	(64)	(71)

BREAKDOWN OF CHARGE RECOGNISED IN OCI THAT WILL NOT BE RECLASSIFIED TO PROFIT AND LOSS

	31/12/2016			31/12/2015 Restated
(in millions of euros)	Eurozone	Outside Eurozone	All Zones	All Zones
Revaluation from net liabilities (from net assets)	-	-	**-**	**-**
Total amount of actuarial gains or losses recognised in OCI that will not be reclassified to profit and loss at 31/12/N-1	**312**	**307**	**619**	**573**
Translation adjustment	-	1	**1**	**23**
Actuarial gains/losses on assets	3	(75)	**(72)**	**43**
Actuarial (gains)/losses arising from changes in demographic assumptions[1]	2	(57)	**(55)**	**7**
Actuarial (gains)/losses arising from changes in financial assumptions	71	169	**240**	**(30)**
Adjustment of assets restriction's impact	-	-	**-**	**-**
IMPACT IN OCI AT 31/12/N	**76**	**38**	**114**	**43**

(1) Of which actuarial gains/losses related to experience adjustment.

CHANGE IN FAIR VALUE OF ASSETS

	31/12/2016			31/12/2015 Restated
(in millions of euros)	Eurozone	Outside Eurozone	All Zones	All Zones
Fair value of assets at 31/12/N-1	**375**	**1,252**	**1,627**	**1,570**
Translation adjustments	-	(88)	**(88)**	**103**
Interests on asset (income)	7	30	**37**	**42**
Actuarial gains/(losses)	(2)	75	**73**	**(42)**
Employer contributions	14	73	**87**	**46**
Employee contributions	1	12	**13**	**12**
Benefit plan changes, withdrawals and settlement	-	-	**-**	**-**
Changes in scope	8	-	**8**	**-**
Tax, administrative costs and bonuses	-	-	**-**	**(1)**
Benefits paid out under the benefit plan	(17)	(57)	**(74)**	**(103)**
FAIR VALUE OF ASSETS AT 31/12/N	**386**	**1,297**	**1,683**	**1,627**

CHANGE IN FAIR VALUE OF REIMBURSEMENT RIGHTS

	31/12/2016			31/12/2015 Restated
(in millions of euros)	Eurozone	Outside Eurozone	All Zones	All Zones
Fair value of reimbursement rights at 31/12/N-1	**289**	**-**	**289**	**261**
Translation adjustments	-	-	**-**	**-**
Interests on reimbursement rights	4	-	**4**	**4**
Actuarial gains/(losses)	(1)	-	**(1)**	**(1)**
Employer contributions	47	-	**47**	**52**
Employee contributions	-	-	**-**	**-**
Benefit plan changes, withdrawals and settlement	-	-	**-**	**-**
Changes in scope	2	-	**2**	**9**
Tax, administrative costs and bonuses	-	-	**-**	**-**
Benefits paid out under the benefit plan	(17)	-	**(17)**	**(36)**
FAIR VALUE OF REIMBURSEMENT RIGHTS AT 31/12/N	**324**	**-**	**324**	**289**

NET POSITION

	31/12/2016			31/12/2015 Restated
(in millions of euros)	Eurozone	Outside Eurozone	All Zones	All Zones
Closing actuarial liability	**(1,484)**	**(1,616)**	**(3,100)**	**(3,002)**
Impact of asset restriction	-	-	**-**	**-**
Fair value of assets at end of period	386	1,297	**1,683**	**1,627**
NET POSITION OF ASSETS/(LIABILITIES) AT END OF PERIOD	**(1,098)**	**(319)**	**(1,417)**	**(1,375)**

6

DEFINED-BENEFIT PLANS: MAIN ACTUARIAL ASSUMPTIONS

	31/12/2016		31/12/2015	
	Eurozone	Off Eurozone	Eurozone	Off Eurozone
Discount rate[1]	1.20%	1.85%	1.66%	2.42%
Actual return on plan assets and on reimbursement rights	1.32%	8.39%	1.16%	0.21%
Expected salary increase rates[2]	1.37%	1.87%	1.36%	1.83%
Rate of change in medical costs	4.59%	10.00%	4.60%	10.00%

(1) Discount rates are determined as a function of the average duration of the commitment that is the arithmetic mean of durations calculated between the assessment date and the payment date weighted by assumptions of staff turnover. The underlying use is the discount rate by reference to the iBoxx AA.

(2) Depending on the employees concerned (managers or non-managers).

INFORMATION OF PLAN ASSETS: ALLOCATION OF ASSETS[1]

	Eurozone			Outside Eurozone			All zones		
(in millions of euros)	%	Amount	of which listed	%	Amount	of which listed	%	Amount	of which listed
Equities	7.7%	55	54	24.6%	319	319	18.6%	374	373
Bonds	49.5%	351	342	49.3%	639	639	49.3%	990	981
Property/Real estate	3.7%	26		7.1%	93		5.9%	119	
Other	39.2%	277		19.0%	248		26.1%	524	

(1) Of which fair value of reimbursement rights.

At 31 December 2016, the sensitivity analysis showed that:

- a 50 basis point increase in discount rates would reduce the commitment by 6.80%;
- a 50 basis point decrease in discount rates would increase the commitment by 7.68%.

The benefits expected to be paid in respect of post-employment plans for 2017 are as follows:

- benefits paid by the employer or by reimbursement rights funds: €106 million (compared to €55 million in 2016);
- benefits paid by plan assets: €75 million (compared to €73 million in 2016).

Crédit Agricole S.A.'s policy on covering employee benefit obligations reflects local rules on funding post-employment benefits in countries with minimum funding requirements. Overall, commitments arising from the Group's post-employment obligations were 65% covered at 31 December 2016 (including reimbursement rights).

7.5 Other employee benefits

In France, the Group's main entities pay long-service awards. The amounts vary according to practices and collective bargaining agreements in place.

The provisions funded by Crédit Agricole S.A. Group for these other employee benefit obligations amounted to €339 million at 31 December 2016.

7.6 Share-based payments

7.6.1 STOCK OPTION PLAN

The last stock option plan from 2008 expired on 15 July 2015. The exercise price was not reached. No new plans were implemented in 2015 or 2016.

7.6.2 DEFERRED VARIABLE COMPENSATION SETTLED EITHER IN SHARES OR IN CASH INDEXED TO THE SHARE PRICE

The deferred variable compensation plans implemented by the Group take two forms:

- equity-settled plans;
- cash-settled plans indexed to the Crédit Agricole S.A. share price.

Since 1 January 2016, all existing and future deferred variable compensation plans are now cash-settled plans indexed to the Crédit Agricole S.A. share price. The impact of the revaluation of the commitment on the basis of the Crédit Agricole S.A. share price, which is not material, was recognised in other comprehensive income.

This deferred variable compensation is subject to continued employment and a performance condition. It is broken down into thirds which are payable in March 2017, March 2018 and March 2019.

The expense related to these plans is recognised in compensation expenses on a straight-line basis over the vesting period to factor in continued employment, and a liability is recorded in employee expenses, the amount of which is subject to periodical revaluation through profit or loss until the settlement date, depending on the evolution of the share price of Crédit Agricole S.A. and on vesting conditions (continued employment and performance).

7.6.3 SHARE SUBSCRIPTIONS OFFERED TO EMPLOYEES UNDER THE COMPANY SAVINGS SCHEME

The 2016 capital increase reserved for employees was subscribed to by 22,240 Group employees and beneficiaries for a total of €278 million for both plans on offer (employees were able to subscribe *via* a “traditional plan” and/or leveraged “multiple plan”).

The share subscription price was €7.56 under the traditional plan (€8.17 in the United States). This price is the average of the opening prices for Crédit Agricole S.A. shares over the 20 trading sessions from 10 October to 4 November 2016 inclusive (the “reference price”), minus a 20% discount (15% under the traditional plan for the US using the average price from 4 to 7 November 2016).

The resulting employee benefit granted gave rise to the recognition of a -€16 million expense, representing the difference between the 20% discount applied to the reference price and the lock-up cost of each plan.

7.7 Executive compensation

Senior management includes all members of the Executive Committee, namely the Chief Executive Officer, Deputy Chief Executive Officer, Deputy Chief Executive Officers for the Group’s different divisions, Chief Executive Officers of the main subsidiaries and the heads of the Group’s core business activities.

Compensation and benefits paid to the members of the Executive Committee in 2016 were as follows:

- short-term benefits: €19.7 million for fixed and variable compensation (of which €1.7 million paid in share-indexed instruments), including social security expenses and benefits in kind;
- post-employment benefits: €4.4 million for end-of-career benefits and for the supplementary pension plan for Group Senior Executive Officers;
- other long-term benefits the amount of long-service awards granted was not material;
- employment contract termination indemnities: not material;
- other share-based payment: not applicable.

Total Directors’ fees paid to members of Crédit Agricole S.A.’s Board of Directors in 2016 in consideration for serving as Directors of Crédit Agricole S.A. amounted to €669,004.

These amounts included the compensation and benefits paid to the Chief Executive Officer and Deputy Chief Executive Officer of Crédit Agricole S.A.

NOTE 8 Financing and guarantee commitments and other guarantees

Financing and guarantee commitments and other guarantees include discontinued or held-for-sale operations.

COMMITMENTS GIVEN AND RECEIVED

(in millions of euros)	31/12/2016	31/12/2015 Restated
Commitments given		
Financing commitments	**164,999**	**150,087**
Commitments given to credit institutions	26,838	27,567
Commitments given to customers	138,161	122,520
● Confirmed credit lines	110,761	102,805
Documentary credits	*4,803*	*3,138*
Other confirmed credit lines	*105,958*	*99,667*
● Other commitments given to customers	27,400	19,715
Guarantee commitments	**79,464**	**80,991**
Credit institutions	6,748	7,648
● Confirmed documentary credit lines	2,238	2,140
● Other	4,510	5,508
Customers	72,716	73,343
● Property guarantees	2,395	2,205
● Other customer guarantees	70,321	71,138
Commitments received		
Financing commitments	**83,572**	**73,329**
Commitments received from credit institutions	80,028	69,450
Commitments received from customers	3,544	3,879
Guarantee commitments	**248,146**	**253,571**
Commitments received from credit institutions[1]	74,730	82,148
Commitments received from customers	173,416	171,423
● Guarantees received from government bodies or similar institutions	20,886	20,884
● Other guarantees received	152,530	150,539

(1) *Of which €9.2 billion for the Insurance Switch guarantee put in place on 1 July 2016, amending the previous guarantee granted on 2 January 2014 for €23.9 billion.*

FINANCIAL INSTRUMENTS GIVEN AND RECEIVED AS COLLATERAL

(in millions of euros)	31/12/2016	31/12/2015 Restated
Carrying amount of financial assets provided as collateral (including transferred assets)		
Securities and receivables provided as collateral for the refinancing structures (Banque de France, CRH, etc.)	181,227	190,110
Securities lent	11,726	9,030
Security deposits on market transactions	26,488	23,670
Other security deposits	-	-
Securities sold under repurchase agreements	73,664	80,623
TOTAL CARRYING AMOUNT OF FINANCIAL ASSETS PROVIDED AS COLLATERAL	**293,105**	**303,433**
Carrying amount of financial assets received in guarantee		
Other security deposits[1]	3,102	8,059
Fair value of instruments received as reusable and reused collateral		
Securities borrowed	5	319
Securities bought under repurchase agreements	233,246	239,767
Securities sold short	19,937	22,092
TOTAL FAIR VALUE OF INSTRUMENTS RECEIVED AS REUSABLE AND REUSED COLLATERAL	**253,188**	**262,178**

(1) *The simplification of the equity structure, which gave rise to the disposal of CCI/CCA securities on 3 August 2016, went hand-in-hand with two amendments to the switch mechanism, which took effect on 1 July 2016. In this respect, the scope of the overall switch guarantee (CCI/CCA guarantee and Insurance guarantee) and the cash deposit were partly reduced. Accordingly, the maximum amount of the guarantee was reduced by the amount of the component linked to Crédit Agricole S.A.'s equity investments in the Regional Banks (CCIs/CCAs) and the corresponding portion of the cash deposit was refunded. Following this transaction, the entity retains a €3.1 billion deposit relating to the regulatory requirements linked to the equity-accounting of the equity investments in Crédit Agricole Assurances held by Crédit Agricole S.A.*

RECEIVABLES PLEDGED AS COLLATERAL

At 31 December 2016, Crédit Agricole S.A. deposited €73,6 billion of receivables (mainly on behalf of the Regional Banks) for refinancing transactions to the Banque de France, compared to €72,3 billion at 31 December 2015, and €14,5 billion of receivables were deposited directly by subsidiaries.

At 31 December 2016, Crédit Agricole S.A. deposited €16,6 billion of receivables for refinancing transactions to the *Caisse de Refinancement de l'Habitat* on behalf of the Regional Banks, down from €17,1 billion at 31 December 2015, and €5,9 billion of receivables were deposited directly by LCL.

At 31 December 2016, €3,9 billion of Regional Banks and €1.4 billion of Crédit Agricole CIB receivables had been pledged as collateral for the covered bonds issued by European Secured Notes Issuer (ESNI), a French securitisation company formed by five banks including Crédit Agricole Group.

At 31 December 2016, €31,1 billion of Regional Banks and LCL receivables had been pledged as collateral for the covered bond issues of Crédit Agricole Home Loan SFH, a financial company wholly owned by Crédit Agricole S.A.

These processes, for which there is no transfer of contractual cash flows, do not form part of the asset transfers mentioned in Note 6.7 "Transferred assets not derecognised or derecognised with on-going involvement".

GUARANTEES HELD

Guarantees held and assets received as collateral by Crédit Agricole S.A. Group which it is allowed to sell or to use as collateral are mostly within Crédit Agricole S.A. for €92,2 billion and within Crédit Agricole CIB for €105,9 billion. The majority of these are receivables pledged as collateral by the Regional Banks to Crédit Agricole S.A., the latter acting as the central body with regard to the external refinancing organisations, in order to obtain refinancing. These receivables (property-related, or loans to businesses or local authorities) are selected and rated for their quality and retained on the balance sheet of the Regional Banks.

The majority of these guarantees consist of mortgage liens, collateral or guarantees received, regardless of the quality of the assets guaranteed. They are mainly related to repurchase agreements and securities pledged to guarantee brokerage transactions.

Crédit Agricole S.A. Group policy is to sell seized collateral as soon as possible. Crédit Agricole CIB and Crédit Agricole S.A. had no such assets at 31 December 2016.

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NOTE 9 Reclassification of financial instruments

PRINCIPLES APPLIED BY CRÉDIT AGRICOLE S.A. GROUP

Reclassifications outside the categories "Financial assets held-for-trading" and "Available-for-sale financial assets" were decided and performed in accordance with IAS 39 amended, adopted by the European Union on 15 October 2008. They were entered in the new accounting category at fair value on the reclassification date.

RECLASSIFICATIONS PERFORMED BY CRÉDIT AGRICOLE S.A. GROUP

Pursuant to the amendment to IAS 39 as published and adopted by the European Union on 15 October 2008, reclassifications were carried out as authorised by this amendment. Information on these and previous reclassifications is shown below.

Nature, justification and amount of reclassifications

In 2016, the Group implemented reclassifications from "Financial assets at fair value through profit or loss" to "Loans and receivables".

Reclassifications in prior years concern reclassifications from "Available-for-sale financial assets" and "Financial assets at fair value through profit and loss" to "Loans and receivables".

For assets reclassified during 2016, the table below shows their value on the reclassification date, as well as the value, at 31 December 2016, of assets reclassified before this date and still included in the Group's assets at that date:

	Total reclassified assets		Assets reclassified in 2016			Assets reclassified before			
(in millions of euros)	Carrying amount 31/12/2016	Estimated market value at 31/12/2016	Reclassification value	Carrying amount 31/12/2016	Estimated market value 31/12/2016	Carrying amount 31/12/2016	Estimated market value 31/12/2016	Carrying amount 31/12/2015 Restated	Estimated market value 31/12/2015 Restated
Financial assets at fair value through profit or loss reclassified as loans and receivables	638	629	-	9	8	629	621	806	795
Available-for-sale financial assets reclassified as loans and receivables	139	139	-	-	-	139	139	359	359
TOTAL RECLASSIFIED ASSETS	**777**	**768**	**-**	**9**	**8**	**768**	**760**	**1,165**	**1,154**

CONTRIBUTION OF RECLASSIFIED ASSETS TO NET INCOME SINCE THE RECLASSIFICATION DATE

The contribution of the transferred assets since the date of reclassification to net income for the year includes all gains, losses, income and expenses recognised in profit or loss or in other comprehensive income.

Analysis of the impact of the transferred assets:

	Reclassified assets in 2016		Assets reclassified before					
	Impact in 2016		*Cumulative impact at 31/12/2015 Restated*		*Impact in 2016*		Cumulative impact at 31/12/2016	
(in millions of euros)	Actual income and expenses recognised	If asset had been retained in its former category (change in fair value)	Actual income and expenses recognised	If asset had been retained in its former category (change in fair value)	Actual income and expenses recognised	If asset had been retained in its former category (change in fair value)	Actual income and expenses recognised	If asset had been retained in its former category (change in fair value)
Financial assets at fair value through profit or loss reclassified as loans and receivables	-	-	(39)	(119)	1	(3)	(38)	(122)
Available-for-sale financial assets reclassified as loans and receivables	-	-	20	20	-	-	20	20
TOTAL RECLASSIFIED ASSETS	**-**	**-**	**(19)**	**(99)**	**1**	**(3)**	**(18)**	**(102)**

NOTE 10 Fair value of financial instruments

Fair value is the price that would be received at the sale of an asset or paid to transfer a liability in a standard transaction between market participants at the measurement date.

Fair value is defined on the basis of the exit price.

The fair values shown below are estimates made on the reporting date using observable market data wherever possible. These are subject to change in subsequent periods due to developments in market conditions or other factors.

The calculations represent best estimates. They are based on a number of assumptions. It is assumed that market participants act in their best economic interest. To the extent that these models contain uncertainties, the fair values shown may not be achieved upon actual sale or immediate settlement of the financial instruments concerned.

The fair value hierarchy of financial assets and liabilities is broken down according to the general observability criteria of the valuation inputs, pursuant to the principles defined under IFRS 13.

Level 1 applies to the fair value of financial assets and liabilities quoted in active markets.

Level 2 applies to the fair value of financial assets and liabilities with observable inputs. This agreement includes market data relating to interest rate risk or credit risk when the latter can be revalued based on Credit Default Swap (CDS) spread. Securities bought or sold under repurchase agreements with underlyings quoted in an active market are also included in Level 2 of the hierarchy, as are financial assets and liabilities with a demand component for which fair value is measured at unadjusted amortised cost.

Level 3 indicates the fair value of financial assets and liabilities with unobservable inputs or for which some data can be revalued using internal models based on historical data. This mainly includes market data relating to credit risk or early redemption risk.

In some cases, market values are close to carrying amounts. This applies primarily to:

- assets or liabilities at variable rates for which interest rate changes do not have a significant influence on the fair value, since the rates on these instruments frequently adjust themselves to the market rates;
- short-term assets or liabilities where the redemption value is considered to be close to the market value;
- instruments executed on a regulated market for which the prices are set by the public authorities;
- demand assets and liabilities;
- transactions for which there are no reliable observable data.

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10.1 Fair value of financial assets and liabilities measured at cost

Amounts presented below include accruals and prepayments and are net of impairment.

FINANCIAL ASSETS RECOGNISED AT COST AND MEASURED AT FAIR VALUE ON THE BALANCE SHEET

(in millions of euros)	Value at 31 December 2016	Estimated fair value at 31 December 2016	Quoted prices in active markets for identical instruments: Level 1	Valuation based on observable data: Level 2	Valuation based on unobservable data: Level 3
Financial assets not measured at fair value on balance sheet					
Loans and receivables	**729,092**	**755,412**	**-**	**464,363**	**291,049**
Loans and receivables due from credit institutions	**382,838**	**389,757**	**-**	**389,145**	**612**
Current accounts and overnight loans	17,311	17,311	-	17,275	36
Accounts and term deposits	338,095	345,010	-	344,838	172
Pledged securities	13	13	-	-	13
Securities bought under repurchase agreements	20,614	20,614	-	20,614	-
Subordinated loans	364	368	-	74	294
Securities not listed on an active market	6,367	6,367	-	6,270	97
Other loans and receivables	74	74	-	74	-
Loans and receivables due from customers	**346,254**	**365,655**	**-**	**75,218**	**290,437**
Trade receivables	38,469	38,590	-	19,000	19,590
Other customer loans	276,151	294,746	-	39,983	254,763
Securities bought under repurchase agreements	3,460	3,460	-	3,345	115
Subordinated loans	104	105	-	3	102
Securities not listed on an active market	15,101	15,101	-	168	14,933
Insurance receivables	376	376	-	-	376
Reinsurance receivables	408	408	-	2	406
Advances in associates current accounts	125	125	-	11	114
Current accounts in debit	12,060	12,744	-	12,706	38
Held-to-maturity financial assets	**14,354**	**17,044**	**16,378**	**666**	**-**
Treasury bills and similar securities	11,295	13,110	12,444	666	-
Bonds and other fixed Income securities	3,059	3,934	3,934	-	-
TOTAL FINANCIAL ASSETS OF WHICH FAIR VALUE IS DISCLOSED	**743,446**	**772,456**	**16,378**	**465,029**	**291,049**

(in millions of euros)	Value at 31 December 2015 Restated	Estimated fair value at 31 December 2015 Restated	Quoted prices in active markets for identical instruments: Level 1	Valuation based on observable data: Level 2	Valuation based on unobservable data: Level 3
Financial assets not measured at fair value on balance sheet					
Loans and receivables	**698,193**	**724,777**	**-**	**448,958**	**275,819**
Loans and receivables due from credit institutions	**367,122**	**373,408**	**-**	**372,723**	**685**
Current accounts and overnight loans	13,427	13,819	-	13,813	6
Accounts and term deposits	324,260	330,153	-	329,914	239
Pledged securities	37	37	-	-	37
Securities bought under repurchase agreements	19,385	19,386	-	19,386	-
Subordinated loans	334	334	-	40	294
Securities not listed on an active market	9,597	9,597	-	9,488	109
Other loans and receivables	82	82	-	82	-
Loans and receivables due from customers	**331,071**	**351,369**	**-**	**76,235**	**275,134**
Trade receivables	35,000	35,808	-	18,004	17,804
Other customer loans	264,811	283,619	-	40,907	242,712
Securities bought under repurchase agreements	4,602	4,602	-	4,449	153
Subordinated loans	127	127	-	3	124
Securities not listed on an active market	12,799	12,800	-	152	12,648
Insurance receivables	919	919	-	-	919
Reinsurance receivables	349	349	-	-	349
Advances in associates current accounts	134	133	-	11	122
Current accounts in debit	12,330	13,012	-	12,709	303
Held-to-maturity financial assets	**16,201**	**18,957**	**18,957**	**-**	**-**
Treasury bills and similar securities	13,151	15,047	15,047	-	-
Bonds and other fixed Income securities	3,050	3,910	3,910	-	-
TOTAL FINANCIAL ASSETS OF WHICH FAIR VALUE IS DISCLOSED	**714,394**	**743,734**	**18,957**	**448,958**	**275,819**

FINANCIAL LIABILITIES RECOGNISED AT COST AND MEASURED AT FAIR VALUE ON THE BALANCE SHEET

(in millions of euros)	Value at 31 December 2016	Estimated fair value at 31 December 2016	Quoted prices in active markets for identical Instruments: Level 1	Valuation based on observable data: Level 2	Valuation based on unobservable data: Level 3
Financial liabilities not measured at fair value on balance sheet					
Due to credit institutions	**112,328**	**112,847**	**-**	**112,025**	**822**
Current accounts and overnight loans	16,146	16,146	-	16,146	-
Accounts and term deposits	71,500	72,017	-	71,195	822
Pledged securities	-	-	-	-	-
Securities sold under repurchase agreements	24,682	24,684	-	24,684	-
Due to customers	**521,828**	**521,848**	**-**	**186,472**	**335,376**
Current accounts in credit	160,278	160,278	-	156,858	3,420
Special savings accounts	260,579	260,579	-	846	259,733
Other amounts due to customers	94,451	94,463	-	24,059	70,404
Securities sold under repurchase agreements	4,666	4,674	-	4,674	-
Insurance liabilities	749	749	-	35	714
Reinsurance liabilities	338	338	-	-	338
Cash deposits received from cedants and retrocessionaires against technical insurance commitments	767	767	-	-	767
Debt securities	**159,280**	**175,634**	**25,044**	**150,374**	**216**
Subordinated debt	**29,327**	**29,649**	**26,720**	**2,824**	**105**
TOTAL FINANCIAL LIABILITIES OF WHICH FAIR VALUE IS DISCLOSED	**822,763**	**839,978**	**51,764**	**451,695**	**336,519**

(in millions of euros)	Value at 31 December 2015 Restated	Estimated fair value at 31 December 2015 Restated	Quoted prices in active markets for identical Instruments: Level 1	Valuation based on observable data: Level 2	Valuation based on unobservable data: Level 3
Financial liabilities not measured at fair value on balance sheet					
Due to credit institutions	**139,445**	**140,223**	**-**	**139,373**	**850**
Current accounts and overnight loans	16,714	16,713	-	16,713	-
Accounts and term deposits	92,644	93,416	-	92,566	850
Pledged securities	105	105	-	105	-
Securities sold under repurchase agreements	29,982	29,989	-	29,989	-
Due to customers	**505,727**	**506,584**	**-**	**176,680**	**329,904**
Current accounts in credit	145,384	145,655	-	145,557	98
Special savings accounts	250,767	250,767	-	-	250,767
Other amounts due to customers	103,624	104,216	-	27,279	76,937
Securities sold under repurchase agreements	3,845	3,844	-	3,844	-
Insurance liabilities	1,060	1,055	-	-	1,055
Reinsurance liabilities	291	291	-	-	291
Cash deposits received from cedants and retrocessionaires against technical insurance commitments	756	756	-	-	756
Debt securities	**158,541**	**178,798**	**32,611**	**144,751**	**1,436**
Subordinated debt	**29,424**	**29,748**	**24,706**	**2,330**	**2,712**
TOTAL FINANCIAL LIABILITIES OF WHICH FAIR VALUE IS DISCLOSED	**833,137**	**855,353**	**57,317**	**463,134**	**334,902**

10.2 Information about financial instruments measured at fair value

VALUATION METHODS

Financial instruments are valued by management information systems and checked by a team that reports to the Risk Management department and is independent from the market operators.

Valuations are based on the following:

- prices or inputs obtained from independent sources and/or validated by the Market risk department using a series of available sources such as pricing service vendors, market consensus data and brokers;
- models validated by the Market risk department's quantitative teams.

The valuation produced for each instrument is a mid-market valuation, which does not take account of the direction of the trade, the bank's aggregate exposure, market liquidity or counterparty quality. Adjustments are then made to the market valuations to incorporate those factors, as well as the potential uncertainties inherent in the models or inputs used.

The main types of valuation adjustments are the following:

Mark-to-market adjustments: these adjustments correct any potential variance between the mid-market valuation of an instrument obtained using internal valuation models and the associated inputs and the valuation obtained from external sources or market consensus data. These adjustments can be positive or negative.

Bid/ask reserves: these adjustments incorporate the bid/ask spread for a given instrument in order to reflect the price at which the position could be reversed. These adjustments are always negative.

Uncertainty reserves: these adjustments constitute a risk premium taken into account by potential acquirers. These adjustments are always negative:

- input uncertainty reserves seek to incorporate any uncertainty that might exist as regards one or more of the inputs used;
- model uncertainty reserves seek to incorporate any uncertainty that might exist due to the choice of model used.

Furthermore, Crédit Agricole S.A. makes a Credit Valuation Adjustment (CVA) to its derivative assets to reflect counterparty risk and a Debit Valuation Adjustment or own credit risk (DVA) to its derivative liabilities to reflect the risk of non-execution.

The CVA factors in the credit risk are associated with the counterparty (risk of non-payment of sums due in the event of default). It is calculated on an aggregate basis by counterparty according to the future exposure profile of the transactions after deducting any collateral. This adjustment is always negative and is deducted from the fair value of the financial assets.

The Debit Value Adjustment (DVA) factors in the risk are carried by our counterparties. It is calculated on an aggregate basis by counterparty according to the future exposure profile of the transactions. This adjustment is always positive and is deducted from the fair value of the financial liabilities.

The CVA/DVA is calculated on the basis of an estimate of expected losses based on the probability of default and loss given default. The methodology used maximises the use of observable market inputs. The probability of default is calculated first and foremost directly using quoted CDSs, or CDS proxys, when they are considered to be sufficiently liquid.

Funding Valuation Adjustment (FVA)

The value of non-collateralised derivative instruments incorporates a FVA related to the financing of these instruments.

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BREAKDOWN OF FINANCIAL INSTRUMENTS AT FAIR VALUE BY VALUATION MODEL

Financial assets measured at fair value

(in millions of euros)	31/12/2016	Quoted prices in active markets for identical instruments: Level 1	Valuation based on observable data: Level 2	Valuation based on unobservable data: Level 3
Financial assets held for trading	**239,187**	**19,620**	**217,004**	**2,563**
Loans and recevables due from credit institutions	-	-	-	-
Loans and receivables due from customers	469	-	-	469
Securities bought under repurchase agreements	72,019	-	72,019	-
Pledged securities	-	-	-	-
Securities held for trading	17,391	15,925	1248	218
Treasury bills and similar securities	*12,010*	*11,134*	*876*	-
Bonds and other fixed income securities	*2,461*	*1,894*	*349*	*218*
Equities and other equity variable income securities	*2,920*	*2,897*	*23*	-
Derivative instruments	149,308	3,695	143,737	1,876
Financial assets designated at fair value through profit or loss	**87,092**	**52,010**	**30,907**	**4,175**
Loans and receivables due from credit institutions	-	-	-	-
Loans and receivables due from customers	-	-	-	-
Assets backing unit-linked contracts	42,934	22,943	19,989	2
Securities designated at fair value through profit or loss	44,158	29,067	10,918	4,173
Treasury bills and similar securities	*3,718*	*3,718*	-	-
Bonds and other fixed income securities	*24,180*	*17,254*	*6,746*	*180*
Equities and other equity variable income securities	*16,260*	*8,095*	*4,172*	*3,993*
Available-for-sale financial assets	**315,916**	**271,078**	**42,400**	**2,438**
Treasury bills and similar securities	76,973	76,512	461	-
Bonds and other fixed income securities	209,137	174,881	33,981	275
Equities and other equity variable income securities	29,806	19,685	7,958 (1)	2,163
Available-for-sale receivables	-	-	-	-
Hedging derivative instruments	**21,928**	**3**	**21,908**	**17**
TOTAL FINANCIAL ASSETS MEASURED AT FAIR VALUE	**664,123**	**342,711**	**312,219**	**9,193**
Transfers from level 1: Quoted prices in active markets for identical instruments			9,697	9
Transfers from level 2: Valuation based on observable data		870		260
Transfers from level 3: Valuation based on unobservable data		4	1,372	
TOTAL TRANSFERS TO EACH LEVEL		**874**	**11,069**	**269**

(1) *SAS Rue La Boétie shares have been included in Equities and other equity variable income securities in the Level 2 for €47 million.*

Level 1 to Level 2 transfers involve available-for-sale securities.

Level 2 to Level 3 transfers mainly involve interest rate derivatives.

Level 3 to Level 2 transfer mainly involve interest rate derivatives.

(in millions of euros)	31/12/2015 Restated	Quoted prices in active markets for identical instruments: Level 1	Valuation based on observable data: Level 2	Valuation based on unobservable data: Level 3
Financial assets held for trading	**262,490**	**25,806**	**233,381**	**3,303**
Loans and receivables due from customers	526	-	-	526
Securities bought under repurchase agreements	81,345	-	81,345	-
Securities held for trading	24,876	23,109	1,493	274
Treasury bills and similar securities	*16,012*	*15,810*	*202*	-
Bonds and other fixed income securities	*5,459*	*3,894*	*1,291*	*274*
Equities and other equity variable income securities	*3,405*	*3,405*	-	-
Derivative instruments	155,743	2,697	150,543	2,503
Financial assets designated at fair value through profit or loss	**85,830**	**58,408**	**23,180**	**4,242**
Loans and receivables due from credit institutions	645	-	645	-
Loans and receivables due from customers	-	-	-	-
Assets backing unit-linked contracts	38,910	23,391	15,501	18
Securities designated at fair value through profit or loss	46,275	35,017	7,034	4,224
Treasury bills and similar securities	*3,628*	*3,628*	-	-
Bonds and other fixed income securities	*25,135*	*21,977*	*2,977*	*181*
Equities and other equity variable income securities	*17,512*	*9,412*	*4,057*	*4,043*
Available-for-sale financial assets	**298,122**	**260,866**	**34,785**	**2,471**
Treasury bills and similar securities	**74,353**	**73,967**	**386**	**-**
Bonds and other fixed income securities	196,795	167,807	28,859	129
Equities and other equity variable income securities	26,974	19,092	5,540(1)	2,342(2)
Available-for-sale receivables	-	-	-	-
Hedging derivative instruments	**24,806**	**8**	**24,781**	**17**
TOTAL FINANCIAL ASSETS MEASURED AT FAIR VALUE	**671,248**	**345,088**	**316,127**	**10,033**

Transfers from level 1: Quoted prices in active markets for identical instruments			1,115	109
Transfers from level 2: Valuation based on observable data		1,740		61
Transfers from level 3: Valuation based on unobservable data		17	453	
TOTAL TRANSFERS TO EACH LEVEL		**1,757**	**1,568**	**170**

(1) *SAS Rue La Boétie shares have been included in Equities and other equity variable income securities in the Level 2 for €47 million.*

(2) *Including € 245 million of unrealized gain (including -€ 13 million of deferred tax) recognized on securities redeemed Visa Europe June 21, 2016 (see Note 2.6 "Repurchase of Visa Inc. Visa Europe").*

Level 1 to Level 3 transfers involve bonds.

Level 2 to Level 3 transfers mainly involve interest rate derivatives.

Level 3 to Level 1 transfers mainly involve Available-for-sale securities and bonds.

Level 3 to Level 2 transfers mainly involve interest rate derivatives.

Financial liabilities measured at fair value

(in millions of euros)	31/12/2016	Quoted prices in active markets for identical instruments: Level 1	Valuation based on observable data: Level 2	Valuation based on unobservable data: Level 3
Financial liabilities held for trading	**212,728**	**23,199**	**186,319**	**3,210**
Securities sold short	19,940	19,376	504	60
Securities sold under repurchase agreements	44,306	389	43,917	-
Debt securities	1	1	-	-
Derivative instruments	148,481	3,433	141,898	3,150
Financial liabilities designated at fair value through profit or loss	**31,280**	**4,093**	**18,483**	**8,704**
Hedging derivative instruments	**17,890**	**-**	**17,456**	**434**
TOTAL FINANCIAL ASSETS MEASURED AT FAIR VALUE	**261,898**	**27,292**	**222,258**	**12,348**

Transfers from level 1: Quoted prices in active markets for identical instruments			505	9
Transfers from level 2: Valuation based on observable data		-		731
Transfers from level 3: Valuation based on unobservable data		-	808	-
TOTAL TRANSFERS TO EACH LEVEL		**-**	**1,313**	**740**

Level 1 to Level 2 transfers mainly involve financial liabilities held for trading.

Level 2 to Level 3 transfer involves negotiable debt securities accounted under the fair value option.

Level 3 to Level 2 transfer involves mainly concern marketable debt securities accounted under the fair value option.

(in millions of euros)	31/12/2015 Restated	Quoted prices in active markets for identical instruments: Level 1	Valuation based on observable data: Level 2	Valuation based on unobservable data: Level 3
Financial liabilities held for trading	**222,532**	**25,370**	**193,949**	**3,213**
Securities sold short	22,097	22,096	-	1
Securities sold under repurchase agreements	46,690	390	46,300	-
Debt securities	3	3	-	-
Derivative instruments	153,742	2,881	147,649	3,212
Financial liabilities designated at fair value through profit or loss	**31,983**	**8,762**	**16,349**	**6,872**
Hedging derivative instruments	**23,707**	**1**	**23,303**	**403**
TOTAL FINANCIAL ASSETS MEASURED AT FAIR VALUE	**278,222**	**34,133**	**233,601**	**10,488**

Transfers from level 1: Quoted prices in active markets for identical instruments			-	-
Transfers from level 2: Valuation based on observable data		46		176
Transfers from level 3: Valuation based on unobservable data		-	306	
TOTAL TRANSFERS TO EACH LEVEL	-	**46**	**306**	**176**

Level 2 to Level 3 transfers mainly involve interest rate derivatives and marketable debt instruments designated as at fair value through profit or loss.

Level 3 to Level 2 mainly involve interest rate derivatives and marketable debt instrument designated as at fair value through profit or loss.

Financial instruments classified in Level 1

Level 1 comprises all derivatives quoted in an active market (options, futures, etc.), regardless of their underlying (interest rate, exchange rate, precious metals, key stock indices), as well as equities and bonds quoted in an active market.

A market is considered as being active if quoted prices are readily and regularly available from exchange, brokers, dealers, pricing services or regulatory agencies, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Corporate and government and agency bonds that are valued on the basis of prices obtained from independent sources, deemed to be enforceable and updated regularly are classified in Level 1. This covers the bulk of sovereign and agency and corporate bonds held. Issuers whose bonds are not quoted are classified in Level 3.

Financial instruments classified in Level 2

The main financial instruments classified in Level 2 are:

- liabilities designated at fair value through profit or loss

  Financial liabilities designated at fair value are classified in Level 2 when their embedded derivative is deemed to be classified in Level 2;
- over-the-counter derivatives

The main OTC derivatives classified in Level 2 are those valued using inputs considered to be observable and where the valuation technique does not generate any significant exposure to a model risk.

Level 2 therefore mainly includes:

- linear derivative products such as interest rate swaps, currency swaps and forward FX. They are valued using simple models widely used in the market, based either on directly observable inputs (foreign exchange rates, interest rates), or inputs derived from observable market prices (currency swaps);
- non-linear vanilla instruments such as caps, floors, swaptions, currency options, equity options and credit default swaps, including digital options. They are valued using simple models widely used in the market, based either on directly observable inputs (foreign exchange rates, interest rates, share prices) or inputs that can be derived from observable market prices (volatilities);
- simple exotic single-underlying instruments such as cancellable swaps, currency baskets of major currencies. They are valued using models that are sometimes slightly more complex but still widely used in the market. The inputs are mainly observable inputs and market prices, obtained notably from brokers and/or market consensus data, which can be used to corroborate internal valuations;
- securities listed on a market deemed inactive and for which independent valuation data are available.

Financial instruments classified in Level 3

Financial instruments classified in Level 3 are those which do not meet the conditions for classification in Level 1 or 2. They are therefore mainly financial instruments with a high model risk whose valuation requires substantial use of unobservable inputs.

The initial margin on all new transactions classified in Level 3 is reserved at the date of initial recognition. It is reintegrated in the profit or loss account either spread over the period during which the inputs are considered to be unobservable or in full on the date when the inputs become observable.

Level 3 therefore mainly comprises:

- Securities

  Level 3 securities mainly include:
  - unlisted shares or bonds for which no independent valuation is available,
  - ABSs and CLOs for which there are indicative independent quotes but which are not necessarily executable,
  - ABSs, CLOs and super senior and mezzanine CDO tranches where it cannot be demonstrated that the market is active;
- Liabilities designated at fair value through profit or loss

  Financial liabilities designated at fair value are classified in Level 3 when their embedded derivative is deemed to be classified in Level 3;
- Over-the-counter derivatives

Products that are not observable due to the underlying items: some products, which are mostly classified in Level 2, may be considered to fall within Level 3 due to their underlying currency or maturity. An observability table defines the maximum maturity considered to be observable for each instrument/currency pair. Observability is a function of the input's liquidity and the availability of observable sources enabling its valuation.

Level 3 mainly comprises:

- interest rate exposures or very long-dated currency swaps;
- equity exposures, mainly through products traded on shallow option markets or indexed to volatility and long-dated forward or futures contracts;

- exposures to non-linear long-dated products (interest rate or currency) on key currencies/indices. It also includes vanilla options and simple exotic derivatives such as cancellable swaps;
- non-linear exposures to emerging market currencies.

Complex derivatives: complex derivatives are classified in Level 3 as their valuation requires the use of unobservable inputs. The main exposures involved are:

- products whose underlying is the difference between two interest rates, such as options, binary options or exotic products. These products are based on a correlation between the two rates, which is considered to be unobservable due to reduced liquidity. The valuation of these exposures is nonetheless adjusted at the month-end on the basis of correlation levels derived from market consensus data;
- products whose underlying is the forward volatility of an index (Euribor, CMS spread). These products are deemed unobservable as there is significant model risk and their thin liquidity prevents regular accurate estimates of inputs;
- securitisation swaps generating an exposure to the prepayment rate. The prepayment rate is determined on the basis of historical data on similar portfolios. The assumptions and inputs used are checked regularly on the basis of actual prepayments;
- hybrid long-term interest rate/FX products, such as Power Reverse Dual Currency notes, which mainly involve the USD/JPY currency pair or products whose underlying is a basket of currencies. The correlation parameters between interest rates and currencies as well as between the two interest rates are determined using an internal methodology based on historical data. Results are cross-checked against market consensus data to ensure that the overall method is coherent;
- multiple-underlying products generating an exposure to correlations, regardless of the underlying items under consideration (interest rates, credit, FX, inflation). This category includes cross-asset products such as dual range, emerging market currency baskets and Credit Default Baskets. Correlations are determined conservatively as a function of the bank's aggregate exposure, based on historical data. If the diversity of correlations is high, exposures to each one remain measured;
- equity correlation and hybrid equity products, whose payoff depends on the relative performance of shares or indices in a basket (a basket which may sometimes include not just equities but other instruments such as indices or commodities). Measurements of these products are sensitive to the correlation between the basket components and may be classed as Level 3 depending on their maturity, hybrid nature and the composition of the underlying basket;
- interest rate derivatives whose coupon is indexed to forward volatility (Vol bonds);
- CDOs based on corporate credit baskets. The valuation model for these products uses both observable inputs (CDS prices) and unobservable inputs (default correlations). For the least liquid Senior tranches, Crédit Agricole CIB has introduced valuation inputs that are tailored to its assessment of the intrinsic risk of its exposures. Market risk of the CDO derivatives book was sold to a fund managed by Blue Mountain Capital in 2012;
- market risk on complex equity derivative portfolios was transferred to an external counterparty on 31 December 2013.

For most of these products, the table below shows the valuation techniques and the main unobservable inputs with their value interval. This analysis has been carried out on Corporate and investment banking's derivative instruments.

AT 31 DECEMBER 2016

Instrument classes	Carrying amount (in millions of euros)		Main product types comprising Level 3	Valuation technique used	Main unobservable inputs	Unobservable data interval
	Assets	Liabilities				
Interest rate derivatives	1,766	3,200	Long-dated cancellable products (*cancellable* swaps, *cancellable* zero coupon swaps)	Interest rate options valuation model	Forward *volatility*	
			Options on interest rate differentials		CMS correlations	0%/100%
			Securitisation swaps	Prepayment modelling and discounted future cash flows	Prepayment rate	0%/50%
			Long-dated hybrid interest rate/ exchange rate products (PRDC)	Interest rate/FX hybrid product valuation model	Interest rate/interest rate correlation	50%/80%
					Interest rate/FX correlation	-50%/50%
			Multiple-underlying products (dual range, etc.)	Valuation models for instruments with multiple underlyings	Fx/equity correlation	-50%/75%
					FX/FX correlation	-20%/50%
					Interest rate/equity correlation	-25%/75%
					Interest rate/interest rate correlation	-10%/100%
					Interest rate/FX correlation	-75%/75%
Credit derivatives	70	30	CDOs indexed to corporate credit baskets	Correlation projection techniques and expected cash flow modelling	Default correlations	50%/90%

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NET CHANGE IN FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE ACCORDING TO LEVEL 3

FINANCIAL ASSETS MEASURED AT FAIR VALUE ACCORDING TO LEVEL 3

		Financial assets held for trading				
			Securities held for trading			
(in millions of euros)	Total	Loans and receivables due from customers	*Bonds and other fixed income securities*	*Equities and other variable income securities*	Securities held for trading	Derivative instruments
Opening balance restated (01/01/2016)	**10,033**	**526**	**274**	**-**	**274**	**2,503**
Gains or losses during the period	155	(72)	(55)	-	(55)	(77)
Recognised in profit and loss	***254***	*(65)*	*(55)*	-	*(55)*	*(77)*
Recognised in other comprehensive income	***(99)***	*(7)*	-	-	-	-
Purchases	**1,608**	75	4	-	4	229
Sales	**(1,814)**	(385)	(2)	-	(2)	(207)
Issues	**83**	-	-	-	-	-
Settlements	**(96)**	-	(1)	-	(1)	(121)
Reclassifications	**325**	325	-	-	-	-
Changes associated with scope during the period	**6**	-	-	-	-	-
Transfers	**(1,107)**	-	(2)	-	(2)	(451)
Transfers to Level 3	***269***	-	-	-	-	*25*
Transfers from Level 3	***(1,376)***	-	*(2)*	-	*(2)*	*(476)*
CLOSING BALANCE (31/12/2016)	**9,193**	**469**	**218**	**-**	**218**	**1,876**

Financial assets designated at fair value through profit or loss					Available-for-sale financial assets			
		Securities designated as at fair value through profit or loss						
Assets backing unit-linked contracts	Loans and receivables due from customers	*Bonds and other fixed income securities*	*Equities and other variable income securities*	*Securities designated at fair value through profit or loss*	Treasury bills and similar securities	Bonds and other fixed income securities	Equities and other variable income securities	**Hedging derivative instruments**
18	**-**	**181**	**4,043**	**4,224**	**-**	**129**	**2,342**	**17**
(8)	-	(1)	68	67	-	247	53	-
(8)	-	*(1)*	*68*	*67*	-	*247*	*145*	-
-	-	-	-	-	-	-	*(92)*	-
-	-	-	1,130	1,130	-	26	144	-
(8)	-	-	(602)	(602)	-	(253)	(357)	-
-	-	-	-	-	-	-	83	-
-	-	-	-	-	-	-	26	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	(3)	9	-
-	-	-	(646)	(646)	-	129	(137)	-
-	-	-	*2*	*2*	-	*223*	*19*	-
-	-	-	*(648)*	*(648)*	-	*(94)*	*(156)*	-
2	**-**	**180**	**3,993**	**4,173**	**-**	**275**	**2,163**	**17**

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FINANCIAL LIABILITIES MEASURED AT FAIR VALUE ACCORDING TO LEVEL 3

		Financial liabilities held for trading				
(in millions of euros)	Total	Securities sold short	Securities sold under repurchase agreements	Derivative instruments	Financial liabilities designated at fair value through profit or loss	Hedging derivative instruments
Opening balance restated (01/01/2016)	**10,488**	**1**	**-**	**3,212**	**6,872**	**403**
Gains or losses during the period	**98**	60	-	94	(102)	46
Recognised in profit and loss	***98***	*60*	*-*	*94*	*(102)*	*46*
Recognised in other comprehensive income	**-**	-	-	-	-	-
Purchases	**187**	-	-	185	-	2
Sales	**(221)**	(1)	-	(220)	-	-
Issues	**3,191**	-	-	-	3,169	22
Settlements	**(1,327)**	-	-	(85)	(1,212)	(30)
Reclassifications	**-**	-	-	-	-	-
Changes associated with scope during the period	**-**	-	-	-	-	-
Transfers	**(68)**	-	-	(36)	(23)	(9)
Transfers to Level 3	***740***	-	-	*41*	*699*	-
Transfers out of Level 3	***(808)***	-	-	*(77)*	*(722)*	*(9)*
CLOSING BALANCE (31/12/2016)	**12,348**	**60**	**-**	**3,150**	**8,704**	**434**

SENSITIVITY ANALYSIS FOR FINANCIAL INSTRUMENTS MEASURED USING THE LEVEL 3 VALUATION MODEL

The use of unobservable inputs introduces uncertainty, which we have assessed below using a sensitivity calculation on instruments valued using these inputs.

As regards interest rate derivatives, two key inputs are considered to be unobservable and require products valued on this basis to be classified in Level 3: correlation and prepayment rates (i.e. early redemption).

Correlation

Many products are sensitive to a correlation input. However, this input is not unique and there are many different types of correlation including:

- forward correlation between two successive indices in the same currency: e.g. 2-year CMS/10-year CMS;
- interest rate/interest rate correlation (different indices): e.g. Libor 3M USD/Libor 3M EUR;
- interest rate/FX correlation (or Quanto): e.g. USD/JPY – USD;
- equity/equity correlation;
- equity/FX correlation;
- equity/interest rate correlation;
- FX/FX correlation.

The biggest source of correlation exposure is, within the Non-Linear business line, the cross asset business.

Prepayment rate

The prepayment rate is the rate of early repayment on securitisation portfolios, whether voluntary or involuntary (default). As the nominal amount of securitisation swaps is adjusted automatically to the nominal amount of the underlying portfolio, with no mark-to-market payment, the prepayment rate plays a significant part in their valuation.

Calculation of impact:

With respect to correlation

The results presented below have been obtained by applying the following shocks:

- correlations between successive indices in the same currency (i.e. CMS correlations): 3%;
- cross-asset correlations (e.g. Equity/FX or IR/Equity) and between two interest-rate curves in different currencies: 5%.

The result of the stress test is obtained by adding up the absolute values obtained. For each correlation type, we took the absolute values by currency and by book, therefore assuming that the correlations were not correlated among themselves. For the CMS correlations, we considered the various underlyings independently (e.g. 1y10y, 2y10y).

At 31 December 2016, sensitivity to the inputs used in the interest rate derivative models was therefore +/-€6.8 million, down slightly on 31 December 2015 (+/-€6.7 million). There are no longer any Legacy activities, the transactions having been unwound or transferred to the Euro, Non Euro and JPY structured books.

The main contributors are now:

- Cross Asset: €2 million (versus €3.3 million at 31 December 2015) with the -€1.3 million decline being mainly due to the decline in the EUR/GBP interest rate - interest rate correlation following the unwinding of certain transactions;
- Non-Euro structured: €1.9 million (versus €1.3 million);
- Euro structured: €2 million. The increased stress on structured activities is due to the growth of the business and hence the rise in this risk factor;
- Long Term FX: €0.6 million (versus €0.8 million).

Contributions from other scopes are immaterial.

With respect to the prepayment rate

Direct exposure to assets comprising a prepayment risk concerns securitisations such as RMBS and CLO and mezzanine CDO tranches. These exposures are marginal. They can be taken into account through sensitivity to a 1 bp change in credit spreads. This sensitivity being very low (< €50K/bp), exposure to prepayment rate is thus considered to be negligible.

The prepayment rate is not an observable market input and the valuation model used for the securitisation swaps is particularly conservative. The valuation used is defined as the lower of the valuation obtained using a very fast prepayment rate and using a very slow prepayment rate. A "normal" variation in the prepayment rate will therefore have no material impact on mark-to-market, no Day One thus being used for these products.

10.3 Estimated impact of inclusion of the margin at inception

The deferred margin is the portion of the margin that is not booked upon initial recognition. It comprises the difference between the transaction price paid or received for a financial instrument upon initial recognition and its fair value on that date.

It concerns Level 3 financial instruments for which fair value is determined on the basis of complex valuation models using unobservable inputs.

The deferred margin is reintegrated in the profit or loss account either spread over the period during which the inputs are considered to be unobservable or in full on the date when the inputs become observable.

(in millions of euros)	31/12/2016	31/12/2015 Restated
Deferred margin at 1st January	**45**	**65**
Margin generated by new transactions during the period	33	16
Recognised in net income during the period		
Amortisation and cancelled/reimbursed/matured transactions	(9)	(36)
Profit-sharing and incentive plans	-	-
Effects of inputs or products reclassified as observable during the period	-	-
DEFERRED MARGIN AT THE END OF THE PERIOD	**69**	**45**

NOTE 11 Impacts of accounting changes and other events

INCOME STATEMENT

IMPACTS ON THE FINANCIAL STATEMENTS AT 31 DECEMBER 2015 OF SIMPLIFYING THE GROUP'S EQUITY STRUCTURE

(in millions of euros)	31/12/2015 Restated	Operation Impact	31/12/2015 Stated
Interest and similar income	26,269	-	26,269
Interest and similar expenses	(14,711)	-	(14,711)
Fee and commission income	8,157	-	8,157
Fee and commission expenses	(5,238)	-	(5,238)
Net gains (losses) on financial instruments at fair value through profit or loss	3,757	-	3,757
Net gains (losses) on available-for-sale financial assets	2,602	-	2,602
Income on other activities	35,029	-	35,029
Expenses on other activities	(38,671)	-	(38,671)
Revenues	**17,194**	**-**	**17,194**
Operating expenses	(10,931)	-	(10,931)
Depreciation, amortisation and impairment of property, plant & equipment and intangible assets	(652)	-	(652)
Gross operating income	**5,611**	**-**	**5,611**
Cost of risk	(2,293)	-	(2,293)
Operating income	**3,318**	**-**	**3,318**
Share of net income of equity-accounted entities	455	(1,079)	1,534
Net gains (losses) on other assets	38	-	38
Change in value of goodwill	-	-	-
Pre-tax income	**3,811**	**(1,079)**	**4,890**
Income tax charge	(898)	-	(898)
Net income from discontinued operations	1,058	1,079	(21)
Net income	**3,971**	**-**	**3,971**
Non-controlling interests	455	-	455
NET INCOME GROUP SHARE	**3,516**	**-**	**3,516**

NET INCOME AND OTHER COMPREHENSIVE INCOME

IMPACTS ON THE FINANCIAL STATEMENTS AT 31 DECEMBER 2015 OF SIMPLIFYING THE GROUP'S EQUITY STRUCTURE

(in millions of euros)	31/12/2015 Restated	Operation Impact	31/12/2015 Stated
Net income	**3,971**	**-**	**3,971**
Actuarial gains and losses on post-employment benefits	(38)	-	(38)
Pre-tax other comprehensive income on items that will not be reclassified to profit and loss excluding equity-accounted entities	**(38)**	**-**	**(38)**
Pre-tax other comprehensive income on items that will not be reclassified to profit and loss on equity-accounted entities	**(6)**	**(11)**	**5**
Income tax related to items that will not be reclassified to profit and loss excluding equity-accounted entities	**3**	**-**	**3**
Income tax related to items that will not be reclassified to profit and loss on equity-accounted entities	**-**	**4**	**(4)**
Other comprehensive income on items that will not be reclassified subsequently to profit and loss net of income tax	**7**	**7**	**-**
Other comprehensive income on items that may not be reclassified subsequently to profit and loss net of income tax	**(34)**	**-**	**(34)**
Gains and losses on translation adjustments	455	-	455
Gains and losses on available-for-sale financial assets	21	-	21
Gains and losses on hedging derivative instruments	(206)	-	(206)
Pre-tax other comprehensive income on items that may be reclassified to profit and loss excluding equity-accounted entities	**270**	**-**	**270**
Pre-tax other comprehensive income on items that may be reclassified to profit and loss on equity-accounted entities, Group Share	**116**	**(61)**	**177**
Income tax related to items that may be reclassified to profit and loss excluding equity-accounted entities	**73**	**-**	**73**
Income tax related to items that may be reclassified to profit and loss on equity-accounted entities	**(4)**	**(19)**	**15**
Other comprehensive income on items that may be reclassified to profit and loss from discontinued operations	**94**	**80**	**14**
Other comprehensive income on items that may be reclassified subsequently to profit and loss net of income tax	**549**	**-**	**549**
Other comprehensive income net of income tax	**515**	-	**515**
NET INCOME AND OTHER COMPREHENSIVE INCOME	**4,486**	-	**4,486**
Of which Group share	4,055	-	4,055
Of which non-controlling interests	431	-	431

CASH FLOW STATEMENT

IMPACTS ON THE FINANCIAL STATEMENTS AT 31 DECEMBER 2015 OF SIMPLIFYING THE GROUP'S EQUITY STRUCTURE

(in millions of euros)	31/12/2015 Restated	Operation Impact	31/12/2015 Stated
Pre-tax income	**3,811**	**(1,079)**	**4,890**
Net depreciation and impairment of property, plant & equipment and intangible assets	667	-	667
Impairment of goodwill and other fixed assets	-	-	-
Net depreciation charges to provisions	17,017	-	17,017
Share of net income (loss) of equity-accounted entities	(579)	1,079	(1,658)
Net income (loss) from investment activities	(38)	-	(38)
Net income (loss) from financing activities	3,765	-	3,765
Other movements	(6,087)	-	(6,087)
Total non-cash and other adjustment items included in pre-tax income	**14,745**	**1,079**	**13,666**
Change in interbank items	7,619	-	7,619
Change in customer items	10,422	-	10,422
Change in financial assets and liabilities	(38,643)	-	(38,643)
Change in non-financial assets and liabilities	(3,359)	-	(3,359)
Dividends received from equity-accounted entities	530	-	530
Tax paid	(1,615)	-	(1,615)
Net change in assets and liabilities used in operating activities	**(25,046)**	-	**(25,046)**
Cash provided (used) by discontinued operations	**4**	-	**4**
Total Net cash flows from (used by) OPERATING activities (A)	**(6,486)**	-	**(6,486)**
Change in equity investments	**(442)**	-	**(442)**
Change in property, plant & equipment and intangible assets	**(868)**	-	**(868)**
Cash provided (used) by discontinued operations	**-**	-	**-**
Total Net cash flows from (used by) INVESTMENT activities (B)	**(1,310)**	-	**(1,310)**
Cash received from (paid to) shareholders	**(1,614)**	-	**(1,614)**
Other cash provided (used) by financing activities	**(6,475)**	-	**(6,475)**
Cash provided (used) by discontinued operations	**-**	-	**-**
Total Net cash flows from (used by) FINANCING activities (C)	**(8,089)**	-	**(8,089)**
Impact of exchange rate changes on cash and cash equivalent (D)	**3,919**	-	**3,919**
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENT (A + B+ C + D)	**(11,966)**	-	**(11,966)**
Cash and cash equivalents at beginning of period	**41,299**	-	**41,299**
Net cash accounts and accounts with central banks	50,619	-	50,619
Net demand loans and deposits with credit institutions	(9,320)	-	(9,320)
Cash and cash equivalents at end of period	**29,333**	-	**29,333**
Net cash accounts and accounts with central banks	32,546	-	32,546
Net demand loans and deposits with credit institutions	(3,213)	-	(3,213)
NET CHANGE IN CASH AND CASH EQUIVALENTS	**(11,966)**	-	**(11,966)**

The definitions of the underlined words can be found in the Glossary on page 542.

NOTE 12 Scope of consolidation at 31 December 2016

12.1 Information on subsidiaries

12.1.1 RESTRICTIONS ON ENTITIES

Crédit Agricole S.A. Group is subject to the following restrictions:

Regulatory constraints

The subsidiaries of Crédit Agricole S.A. Group are subject to prudential regulation and regulatory capital requirements in their host countries. The minimum equity capital (solvency ratio), leverage ratio and liquidity ratio requirements limit the capacity of these entities to pay dividends or to transfer assets to Crédit Agricole S.A. Group.

Legal constraints

The subsidiaries of Crédit Agricole S.A. Group are subject to legal provisions concerning the distribution of capital and distributable earnings. These requirements limit the ability of the subsidiaries to distribute dividends. In the majority of cases, these are less restrictive than the regulatory limitations mentioned above.

Restriction on assets backing unit-linked contracts for the insurance business

Assets backing unit-linked contracts of Crédit Agricole S.A. Group are held for the benefit of policyholders. Assets of the insurance subsidiaries of Crédit Agricole S.A. Group are mainly held for satisfying their obligation towards their policyholders. Assets transfers to other entities are possible following the legal conditions. However, in case of a transfer, a part of the profit due to the transfer must be intended for the policyholders.

Other constraints

Two subsidiaries of Crédit Agricole S.A., Crédit Agricole CIB Algérie and Crédit Agricole Ukraine, are required to obtain prior approval for the payment of dividends from their prudential authority (Banque d'Algérie and Banque Nationale d'Ukraine).

The payment of CA Egypt dividends is subject to a currency translation restriction on the Egyptian pound imposed by the Banque Centrale d'Égypte.

12.1.2 SUPPORT FOR STRUCTURED ENTITIES UNDER GROUP CONTROL

Crédit Agricole CIB has contractual arrangements with some consolidated structured entities that equate to commitments to provide financial support.

To meet its funding needs, Crédit Agricole CIB uses structured debt issuance vehicles to raise cash on financial markets. Securities issued by these entities are fully underwritten by Crédit Agricole CIB. At 31 December 2016, the outstanding volume of these issues was €21 billion compared to €19 billion at 31 December 2015.

As part of its third-party securitisation business, Crédit Agricole CIB provides liquidity lines to its ABCP conduits (see Note 1.1 for more detail). At 31 December 2016, these liquidity lines totalled €31 billion compared to €25 billion at 31 December 2015.

Crédit Agricole S.A. provided no other financial support for any structured entities consolidated at 31 December 2016 and 31 December 2015.

12.1.3 SECURITISATION TRANSACTIONS AND DEDICATED FUNDS

Various Group entities conduct securitisation operations on their own account as part of collateralised refinancing transactions. Depending on the circumstances, these transactions can be wholly or partially placed with investors, sold under repurchase agreements or kept on the issuer's balance sheet as liquid securities reserves that can be used to manage refinancing. Following the IAS 39 decision tree, these transactions are considered to form part of deconsolidating or non-deconsolidating transactions: for non-deconsolidating transactions, the assets are retained on the consolidated balance sheet of Crédit Agricole S.A. Group.

12.2 Scope of consolidation

Crédit Agricole S.A. Group Scope of consolidation	(1)	(a)	Principal place of business	Country of incorporation (*if different from the principal place of business*)	Nature of entity and control (b)	% control 31/12/2016	% control 31/12/2015	% interest 31/12/2016	% interest 31/12/2015
French retail banking									
Banking and financial institutions									
Banque Chalus	▲	D4; S2	France		A		25.0		25.0
Banque Thémis	■		France		S	100.0	100.0	95.1	95.1
Caisse Régionale Alpes Provence	▲	D4; S2	France		A		25.2		25.2
Caisse Régionale Alsace Vosges	▲	D4; S2	France		A		25.0		25.0
Caisse Régionale Aquitaine	▲	D4; S2	France		A		29.3		29.3
Caisse Régionale Atlantique Vendée	▲	D4; S2	France		A		25.6		25.6
Caisse Régionale Brie Picardie	▲	D4; S2	France		A		27.3		27.3
Caisse Régionale Centre Est	▲	D4; S2	France		A		25.0		25.0
Caisse Régionale Centre France	▲	D4; S2	France		A		25.0		25.0
Caisse Régionale Centre Loire	▲	D4; S2	France		A		27.7		27.7
Caisse Régionale Centre Ouest	▲	D4; S2	France		A		25.0		25.0
Caisse Régionale Champagne Bourgogne	▲	D4; S2	France		A		25.0		25.0
Caisse Régionale Charente Maritime - Deux Sèvres	▲	D4; S2	France		A		25.0		25.0
Caisse Régionale Charente-Périgord	▲	D4; S2	France		A		25.0		25.0
Caisse Régionale Côtes D'Armor	▲	D4; S2	France		A		25.0		25.0
Caisse Régionale de L'Anjou et du Maine	▲	D4; S2	France		A		25.0		25.0
Caisse Régionale des Savoie	▲	D4; S2	France		A		25.0		25.0
Caisse Régionale Finistère	▲	D4; S2	France		A		25.0		25.0
Caisse Régionale Franche Comte	▲	D4; S2	France		A		25.0		25.0
Caisse Régionale Guadeloupe	▲	D4; S2	France		A		25.0		25.0
Caisse Régionale Ille et Vilaine	▲	D4; S2	France		A		26.0		26.0
Caisse Régionale Languedoc	▲	D4; S2	France		A		25.8		25.8
Caisse Régionale Loire - Haute Loire	▲	D4; S2	France		A		25.4		25.4
Caisse Régionale Lorraine	▲	D4; S2	France		A		25.0		25.0
Caisse Régionale Martinique	▲	D4; S2	France		A		25.0		25.0
Caisse Régionale Morbihan	▲	D4; S2	France		A		28.1		28.1
Caisse Régionale Nord de France	▲	D4; S2	France		A		25.0		25.0
Caisse Régionale Nord Midi Pyrénées	▲	D4; S2	France		A		25.0		25.0
Caisse Régionale Nord-Est	▲	D4; S2	France		A		26.5		26.5
Caisse Régionale Normandie	▲	D4; S2	France		A		25.0		25.0
Caisse Régionale Normandie Seine	▲	D4; S2	France		A		25.6		25.6
Caisse Régionale Paris et Ile de France	▲	D4; S2	France		A		25.6		25.6
Caisse Régionale Provence - Côte D'Azur	▲	D4; S2	France		A		25.0		25.0
Caisse Régionale Pyrénées Gascogne	▲	D4; S2	France		A		25.0		25.0
Caisse Régionale Réunion	▲	D4; S2	France		A		25.0		25.0
Caisse Régionale Sud Méditerranée	▲	D4; S2	France		A		25.0		25.0
Caisse Régionale Sud Rhône Alpes	▲	D4; S2	France		A		25.8		25.8
Caisse Régionale Toulouse 31	▲	D4; S2	France		A		26.5		26.5
Caisse Régionale Touraine Poitou	▲	D4; S2	France		A		26.4		26.4
Caisse Régionale Val de France	▲	D4; S2	France		A		25.0		25.0
Cofam	▲	D4; S2	France		A		25.4		25.4
CRCAM SUD MED. SUC	▲	D4; S2	Spain	France	A		25.0		25.0
Interfimo	■		France		S	99.0	99.0	94.1	94.1
LCL	■		France		S	95.1	95.1	95.1	95.1
LCL succursale de Monaco	■		Monaco	France	B	95.1	95.1	95.1	95.1
Sircam	▲	D4; S2	France		A		25.4		25.4
Lease financing companies									
Locam	▲	D4; S2	France		A		25.4		25.4
Investment companies									
Bercy Participations	▲	D4; S2	France		A		25.6		25.6
CA Centre France Développement	▲	D4; S2	France		A		25.0		25.0
CACF Immobilier	▲	D4; S2	France		A		25.0		25.0
CADS Développement	▲	D4; S2	France		A		25.0		25.0
Calixte Investissement	▲	D4; S2	France		A		25.0		25.0
Crédit Agricole F.C. Investissement	▲	D4; S2	France		A		25.0		25.0

(1) Consolidation method: ■ Full ▲ Equity Accounted ● Parent

Crédit Agricole S.A. Group Scope of consolidation	(1)	(a)	Principal place of business	Country of incorporation (if different from the principal place of business)	Nature of entity and control (b)	% control 31/12/2016	% control 31/12/2015	% interest 31/12/2016	% interest 31/12/2015
L'Immobilière d'A Côté	▲	D4; S2	France		SA		25.2		25.2
Nord Capital Investissement	▲	D4; S2	France		A		25.0		26.8
NECI	▲	D4; S2	France		A		26.5		26.5
Nord Est Expansion	▲	D4; S2	France		SA		26.5		26.5
Sequana	▲	D4; S2	France		SA		25.0		25.0
Socadif	▲	D4; S2	France		A		25.6		25.7
GROUPE ROSSEL LA VOIX	▲	D1; D4; S2	France		A		25.0		6.3
Audaxis France	▲	D4; S2	France		A		6.3		1.6
Cercle Bleu	▲	D4; S2	France		A		25.0		6.3
CINENEWS	▲	D4; S1	France		A		9.4		2.4
Contact FM	▲	D4; S2	France		A		25.0		6.3
Courrier Picard	▲	D4; S2	France		A		24.7		6.2
Images en Nord	▲	D4; S2	France		A		13.1		3.3
Internep	▲	D4; S2	France		A		25.0		6.3
La Voix Conseil	▲	D4; S2	France		A		25.0		6.3
La Voix du Nord	▲	D4; S2	France		A		24.0		6.1
L'Aisne Nouvelle	▲	D4; S2	France		A		25.0		6.3
L'Indépendant du Pas de Calais	▲	D4; S2	France		A		12.4		3.1
Nord Eclair	▲	D4; S2	France		A		25.0		6.3
Nord Littoral	▲	D4; S2	France		A		25.0		6.3
NORDISPRESS	▲	D4; S2	France		A		25.0		6.3
Nep TV	▲	D4; S2	France		A		22.4		5.6
Picardie Matin	▲	D4; S2	France		A		25.0		6.3
Presse Flamande	▲	D4; S2	France		A		24.7		6.2
LA VOIX MEDIAS	▲	D1; D4; S2	France		A		25.0		6.3
Répondances	▲	D4; S2	France		A		22.9		5.8
STM	▲	D4; S2	France		A		15.5		3.9
TELE SAINT QUENTIN	▲	D4; S2	France		A		5.6		1.4
Imprimerie du Messager	▲	D1; D4; S2	France		A		25.0		6.3
Voix du Nord Etudiant	▲	D4; S2	France		A		12.5		3.2
Tourism - property development									
Aquitaine Immobilier Investissement	▲	D4; S2	France		A		29.3		29.3
Franche Comté Développement Foncier	▲	D4; S2	France		A		25.0		25.0
Franche Comté Développement Immobilier	▲	D4; S2	France		A		25.0		25.0

Crédit Agricole S.A. Group Scope of consolidation	(1)	(a)	Principal place of business	Country of incorporation (if different from the principal place of business)	Nature of entity and control (b)	% control 31/12/2016	% control 31/12/2015	% interest 31/12/2016	% interest 31/12/2015
L'Allan Immobilier Montbeliard	▲	D4; S2	France		A		25.0		25.0
Immeuble Franche Comté	▲	D4; S2	France		A		25.0		25.0
Caroline Immo	▲	D4; S2	France		A		25.0		25.0
Square Jura	▲	D4; S2	France		A		25.0		25.0
Nacarat	▲	D4; S2	France		A		25.0		7.7
Nord Est Aménagement Promotion	▲	D4; S2	France		A		26.5		26.5
Nord Est Gestion Immobilière	▲	D4; S2	France		A		26.5		26.5
Nord Est Immo	▲	D4; S2	France		A		26.5		26.5
Nord Est Optimmo S.A.S.	▲	D4; S2	France		A		26.5		26.5
Nord Est Patrimoine Immobilier	▲	D4; S2	France		A		26.5		26.5
Native Immobilier	▲	D1; D4; S2	France		A		26.5		10.6
Normandie Seine Foncière	▲	D4; S2	France		A		25.6		25.6
S.A. Foncière de l'Erable	▲	D4; S2	France		A		25.0		25.0
S.A.S. Chalons Mont Bernard	▲	D4; S2	France		A		26.5		26.5
S.A.S. Charleville Forest	▲	D4; S2	France		A		26.5		26.5
SCI Euralliance Europe	▲	D4; S2	France		A		25.0		25.0
S.A.S. Laon Brosselette	▲	D4; S2	France		A		26.5		26.5
SCI 15 PLACE DU GENERAL DE GAULLE	▲	D4; S1	France		A		17.5		17.5
SAS CENTRE D'AFFAIRES DU PARC LUMIERE	▲	D4; S2	France		A		25.0		25.0
SCI LE BRETAGNE	▲	D4; S2	France		A		18.8		18.8
SCI Crystal Europe	▲	D4; S2	France		A		25.0		25.0
SCI Quartz Europe	▲	D4; S2	France		A		25.0		25.0
Square Habitat Nord de France	▲	D4; S2	France		A		25.0		25.0
Other									
Adret Gestion	▲	D4; S2	France		SA		25.0		25.0
Alsace Elite	▲	D4; S2	France		SA		25.0		23.7
Amundi diversifié 1	▲	S1	France		SA		25.6		25.6
Anjou Maine Gestion	▲	D4; S2	France		A		25.0		25.0
Aquitaux Rendement	▲	D4; S2	France		A		29.3		29.3
Armor Fonds Dédié	▲	D4; S2	France		A		25.0		25.0
Bercy Champ de Mars	▲	D4; S2	France		A		25.6		25.6
BFT diversifié 1	▲	S1	France		SA		25.6		25.6

(1) Consolidation method: ■ Full ▲ Equity Accounted ● Parent

Crédit Agricole S.A. Group Scope of consolidation	(1)	(a)	Principal place of business	Country of incorporation (if different from the principal place of business)	Nature of entity and control (b)	% control 31/12/2016	% control 31/12/2015	% interest 31/12/2016	% interest 31/12/2015
Brie Picardie Croissance	▲	D4; S2	France		SA		27.3		27.3
C.L. Verwaltungs und Beteiligungsgesell-schaft GmbH	■		Germany		S	100.0	100.0	95.1	95.1
CA Aquitaine Agences Immobilières	▲	D4; S2	France		A		29.3		29.3
CA Aquitaine Immobilier	▲	D4; S2	France		A		29.3		29.3
CA Participations	▲	D4; S2	France		A		25.0		25.0
Caapimmo 4	▲	D4; S2	France		SA		25.2		24.9
Caapimmo 6	▲	D4; S2	France		SA		25.2		25.2
CAP Actions 2	▲	D4; S2	France		A		25.2		25.2
CAP ACTIONS 3	▲	D4; S2	France		SA		25.2		25.2
CAP Obligataire	▲	D4; S2	France		A		25.2		25.2
CAP Régulier 1	▲	D4; S2	France		SA		25.2		25.2
CAPI Centre-Est	▲	D4; S2	France		A		25.0		25.0
Centre France Location Immobilière	▲	D4; S2	France		A		25.0		25.0
Chabrillac	▲	D4; S2	France		A		25.0		22.2
CPR diversifié 1	▲	S1	France		SA		25.6		25.6
Crédit Agricole Centre Est Immobilier	▲	D4; S2	France		A		25.0		25.0
Prestimmo	▲	D4; S2	France		A		25.0		25.0
Sepi	▲	D4; S2	France		A		25.0		25.0
Mercagentes	▲	D4; S2	Spain		A		30.0		28.7
CAM ENERGIE SAS	▲	D4; S2	France		A		25.0		25.0
Crédit Lyonnais Développement Économique (CLDE)	■		France		S	100.0	100.0	95.1	95.1
Edokial	▲	D4; S2	France		A		25.0		14.7
Emeraude Croissance	▲	D4; S2	France		SA		26.0		26.0
Europimmo	▲	D4; S2	France		A		25.0		25.0
ARGOAT Finances	▲	D4; S2	France		A		25.0		25.0
Everbreizh	▲	D4; S2	France		SA		26.0		26.0
FCP Centre Loire	▲	D4; S2	France		SA		27.7		27.7
FCT Crédit Agricole Habitat 2015 (sauf compartiment Corse)[2]	▲	D4; S2	France		CSE		Env. 25%		Env. 25%
Financière PCA	▲	D4; S2	France		SA		25.0		25.0
Finarmor Gestion	▲	D4; S2	France		A		25.0		25.0
Fonds dédié Elstar	▲	D4; S2	France		A		25.0		25.0
Force 29	▲	D4; S2	France		A		25.0		25.0
Force Alsace	▲	D4; S2	France		SA		25.0		25.0
Force Charente Maritime Deux Sèvres	▲	D4; S2	France		A		25.0		25.0
Force Iroise	▲	D4; S2	France		SA		25.0		25.0
Force Languedoc	▲	D4; S2	France		SA		25.8		25.8
Force Lorraine Duo	▲	D4; S2	France		SA		25.0		25.0
Force Profile 20	▲	D4; S2	France		A		25.6		25.8
Force Run	▲	D4; S2	France		A		25.0		25.0
Force Toulouse Diversifié	▲	D4; S2	France		SA		26.5		26.5
Force 4	▲	D4; S2	France		SA		25.0		25.0
Inforsud Diffusion	▲	D4; S2	France		A		25.0		22.2
Inforsud Gestion	▲	D4; S2	France		SA		25.0		22.2
Merico Delta Print	▲	D4; S2	France		A		25.0		22.2
Morbihan Gestion	▲	D4; S2	France		SA		28.1		28.1
NMP Gestion	▲	D4; S2	France		SA		25.0		25.0
Ozenne Institutionnel	▲	D4; S2	France		SA		26.5		26.5
PCA IMMO	▲	D4; S2	France		A		25.0		25.0
PG IMMO	▲	D4; S2	France		A		25.0		25.0
PG Invest	▲	D4; S2	France		A		25.0		25.0
Pyrénées Gascogne Altitude	▲	D4; S2	France		A		25.0		25.0
Pyrénées Gascogne Gestion	▲	D4; S2	France		A		25.0		25.0
SAS Brie Picardie Expansion	▲	D4; S2	France		A		27.3		27.3
SNC Les Fauvins	▲	D4; S2	France		SA		25.2		25.2
Scica HL	▲	D4; S2	France		A		25.4		25.1
Sud Rhône Alpes Placement	▲	D4; S2	France		A		25.8		26.0
Toulouse 31 Court Terme	▲	D4; S2	France		SA		26.5		26.5
Val de France Rendement	▲	D4; S2	France		A		25.0		25.0
Société d'exploitation des téléphériques Tarentaise-Maurienne	▲	D4; S2	France		A		25.0		9.5
International retail banking									
Banking and financial institutions									
Arc Broker	■		Poland		S	100.0	100.0	100.0	100.0
Banca Popolare Friuladria S.p.A.	■		Italy		S	80.7	80.2	61.7	61.3
Bankoa	▲	D4; S2	Spain		A		30.0		28.7
Crédit Agricole Cariparma	■	D1	Italy		S	76.5	76.5	76.5	76.5
Carispezia	■		Italy		S	80.0	80.0	61.2	61.2

(1) Consolidation method: ■ Full ▲ Equity Accounted ● Parent
(2) Each compartment of FCT Crédit Agricole Habitat 2015 is consolidated at the same holding percentage and according to the same consolidation method than its holding Regional Bank.

Crédit Agricole S.A. Group Scope of consolidation	(1)	(a)	Principal place of business	Country of incorporation (if different from the principal place of business)	Nature of entity and control (b)	% control 31/12/2016	% control 31/12/2015	% interest 31/12/2016	% interest 31/12/2015
Crédit Agricole Financement	▲	D4; S2	Switzerland		A		34.9		32.2
Crédit Agricole Group Solutions	■		Italy		CSE	100.0	100.0	74.8	74.8
CREDIT AGRICOLE BANK	■		Ukraine		S	100.0	100.0	100.0	100.0
Crédit Agricole Bank Polska S.A.	■		Poland		S	100.0	100.0	100.0	100.0
Crédit Agricole Banka Srbija a.d. Novi Sad	■		Serbia		S	100.0	100.0	100.0	100.0
Crédit Agricole Egypt S.A.E.	■		Egypt		S	60.5	60.5	60.2	60.2
Crédit Agricole Polska S.A.	■		Poland		S	100.0	100.0	100.0	100.0
Credit Agricole Romania	■		Romania		S	100.0	100.0	100.0	100.0
Credit Agricole Service sp z o.o.	■		Poland		S	100.0	100.0	100.0	100.0
Crédit du Maroc	■		Morocco		S	78.7	78.7	78.7	78.7
Lukas Finanse S.A.	■		Poland		S	100.0	100.0	100.0	100.0
Other									
Belgium CA S.A.S.	▲	S1	France		A		10.0		33.2
Crédit du Maroc Succursale de France	■	D4	France	Morocco	B	78.7	78.7	78.7	78.7
IUB Holding	■		France		S	100.0	100.0	100.0	100.0
Specialised financial services									
Banking and financial institutions									
Agos	■		Italy		S	61.0	61.0	61.0	61.0
Alsolia	▲		France		A	20.0	20.0	20.0	20.0
Antera Incasso B.V.	■		Netherlands		S	100.0	100.0	100.0	100.0
Crealfi	■		France		S	51.0	51.0	51.0	51.0
Credibom	■		Portugal		S	100.0	100.0	100.0	100.0
Crediet Maatschappij "De Ijssel" B.V.	■		Netherlands		S	100.0	100.0	100.0	100.0
EUROFACTOR POLSKA S.A.	■		Poland		S	100.0	100.0	100.0	100.0
Crédit Agricole Consumer Finance	■		France		S	100.0	100.0	100.0	100.0
Crédit Agricole Consumer Finance Nederland	■		Netherlands		S	100.0	100.0	100.0	100.0
Creditplus Bank AG	■		Germany		S	100.0	100.0	100.0	100.0
De Kredietdesk B.V.	■		Netherlands		S	100.0	100.0	100.0	100.0
DNV B.V.	■		Netherlands		S	100.0	100.0	100.0	100.0
EFL Services	■		Poland		S	100.0	100.0	100.0	100.0
EUROFACTOR GmbH	■		Germany		S	100.0	100.0	100.0	100.0
Eurofactor Hispania S.A.	■	S4	Spain		S		100.0		100.0
Eurofactor Italia S.p.A.	■		Italy		S	100.0	100.0	100.0	100.0

Crédit Agricole S.A. Group Scope of consolidation	(1)	(a)	Principal place of business	Country of incorporation (if different from the principal place of business)	Nature of entity and control (b)	% control 31/12/2016	% control 31/12/2015	% interest 31/12/2016	% interest 31/12/2015
EUROFACTOR NEDERLAND	■	E2	Netherlands	Germany	B	100.0		100.0	
Eurofactor SA - NV (Benelux)	■		Belgium		B	100.0	100.0	100.0	100.0
Eurofactor S.A. (Portugal)	■		Portugal		S	100.0	100.0	100.0	100.0
Eurofintus Financieringen B.V.	■		Netherlands		S	100.0	100.0	100.0	100.0
FCA Capital France S.A.	▲		France		JV	50.0	50.0	50.0	50.0
FCA Bank	▲		Italy		JV	50.0	50.0	50.0	50.0
FCA Capital Danmark A/S	▲		Denmark		JV	50.0	50.0	50.0	50.0
FCA Capital España EFC S.A.	▲		Spain		JV	50.0	50.0	50.0	50.0
FCA Capital Ireland Plc	▲		Ireland		JV	50.0	50.0	50.0	50.0
FCA Capital Nederland B.V.	▲		Netherlands		JV	50.0	50.0	50.0	50.0
FCA Capital Suisse S.A.	▲		Switzerland		JV	50.0	50.0	50.0	50.0
FCA GROUP BANK POLSKA S.A.	▲	D1	Poland		JV	50.0	50.0	50.0	50.0
FCA Bank Germany GmbH	▲		Germany		JV	50.0	50.0	50.0	50.0
FCA Bank GmbH	▲		Austria		JV	50.0	50.0	50.0	50.0
FCA Bank Gmbh, Hellenic Branch	▲		Greece		JV	50.0	50.0	50.0	50.0
FCA Capital Belgium S.A.	▲		Belgium		JV	50.0	50.0	50.0	50.0
FGA Capital Danmark A/S, Finland Branch	▲		Finland		JV	50.0	50.0	50.0	50.0
FCA Capital Hellas S.A.	▲		Greece		JV	50.0	50.0	50.0	50.0
FCA Capital IFIC	▲		Portugal		JV	50.0	50.0	50.0	50.0
FCA Capital Re Limited	▲		Ireland		JV	50.0	50.0	50.0	50.0
FCA Automotive Services UK Ltd	▲		United Kingdom		JV	50.0	50.0	50.0	50.0
FCA Dealer Services Portugal S.A.	▲		Portugal		JV	50.0	50.0	50.0	50.0
FCA Insurance Hellas S.A.	▲		Greece		JV	50.0	50.0	50.0	50.0
FCA Leasing GmbH	▲		Austria		JV	50.0	50.0	50.0	50.0
FCA Leasing Polska	▲		Poland		JV	50.0	50.0	50.0	50.0
FCA DEALER SERVICES ESPANA SA, Morocco Branch	▲	E3	Morocco	Spain	JV	50.0		50.0	
FCA Dealer Services UK Ltd	▲		United Kingdom		JV	50.0	50.0	50.0	50.0
FERRARI FINANCIAL SERVICES GMBH	▲	E3	Germany		JV	50.0		25.0	
Financierings Data Netwerk B.V.	▲		Netherlands		JV	50.0	50.0	50.0	50.0
NL Findio B.V.	■		Netherlands		S	100.0	100.0	100.0	100.0

(1) Consolidation method: ■ Full ▲ Equity Accounted ● Parent

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Crédit Agricole S.A. Group Scope of consolidation	(1)	(a)	Principal place of business	Country of incorporation *(if different from the principal place of business)*	Nature of entity and control (b)	% control 31/12/2016	% control 31/12/2015	% interest 31/12/2016	% interest 31/12/2015
Finata Bank N.V.	■		Netherlands		S	100.0	100.0	100.0	100.0
Finata Zuid-Nederland B.V.	■		Netherlands		S	97.9	97.9	97.9	97.9
FCA Leasing France	▲		France		JV	50.0	50.0	50.0	50.0
FORSO Denmark	▲		Denmark		JV	50.0	50.0	50.0	50.0
Forso Finance OY	▲		Finland		JV	50.0	50.0	50.0	50.0
Forso Norge	▲		Norway		JV	50.0	50.0	50.0	50.0
Forso Nordic A.B.	▲		Sweden		JV	50.0	50.0	50.0	50.0
GAC - Sofinco Auto Finance Co.	▲		China		A	50.0	50.0	50.0	50.0
GSA Ltd	■		Mauritius		S	100.0	100.0	100.0	100.0
IDM Finance B.V.	■		Netherlands		S	100.0	100.0	100.0	100.0
IDM Financieringen B.V.	■		Netherlands		S	100.0	100.0	100.0	100.0
IDM lease maatschappij N.V.	■		Netherlands		S	100.0	100.0	100.0	100.0
Iebe Lease B.V.	■		Netherlands		S	100.0	100.0	100.0	100.0
FCA Capital Norge AS	▲		Norway		JV	50.0	50.0	50.0	50.0
InterBank group	■		Netherlands		S	100.0	100.0	100.0	100.0
FCA Capital Sverige	▲		Sweden		JV	50.0	50.0	50.0	50.0
Krediet '78 B.V.	■		Netherlands		S	100.0	100.0	100.0	100.0
Mahuko Financieringen B.V.	■		Netherlands		S	100.0	100.0	100.0	100.0
Menafinance	▲		France		JV	50.0	50.0	50.0	50.0
Money Care B.V.	■		Netherlands		S	100.0	100.0	100.0	100.0
NVF Voorschotbank B.V.	■		Netherlands		S	100.0	100.0	100.0	100.0
Ribank	■		Netherlands		S	100.0	100.0	100.0	100.0
Ste Européenne de développement du financement	■		France		S	100.0	100.0	100.0	100.0
Themis Courtage	▲	E3	Morocco		A	49.0		49.0	
VoordeelBank B.V.	■		Netherlands		S	100.0	100.0	100.0	100.0
Wafasalaf	▲		Morocco		A	49.0	49.0	49.0	49.0
Lease financing companies									
Auxifip	■		France		S	100.0	100.0	100.0	100.0
CAL Espagne	■		Spain	France	B	100.0	100.0	100.0	100.0
Carefleet S.A.	■		Poland		S	100.0	100.0	100.0	100.0
Crédit Agricole Leasing & Factoring	■		France		S	100.0	100.0	100.0	100.0
Crédit Agricole Leasing Italia	■		Italy		S	100.0	100.0	80.0	80.0
Crédit du Maroc Leasing et Factoring	■	D1	Morocco		S	100.0	100.0	85.8	85.8
Europejski Fundusz Leasingowy (E.F.L.)	■		Poland		S	100.0	100.0	100.0	100.0
FAL Fleet Services	▲		France		JV	50.0	50.0	50.0	50.0
FCA Dealer services España, S.A.	▲		Spain		JV	50.0	50.0	50.0	50.0
FCA Fleet Services Uk Ltd	▲		United Kingdom		JV	50.0	50.0	50.0	50.0
Finamur	■		France		S	100.0	100.0	100.0	100.0
Leasys	▲		Italy		JV	50.0	50.0	50.0	50.0
Lixxbail	■		France		S	100.0	100.0	100.0	100.0
Lixxcourtage	■		France		S	100.0	100.0	100.0	100.0
Lixxcredit	■		France		S	100.0	100.0	100.0	100.0
Ucafleet	▲		France		A	35.0	35.0	35.0	35.0
Unifergie	■		France		S	100.0	100.0	100.0	100.0
Investment companies									
Argence Investissement S.A.S.	■	S5	France		S		100.0		100.0
Insurance									
ARES Reinsurance Ltd.	■		Ireland		S	100.0	100.0	61.0	61.0
Other									
SMART PREPAID	▲	D1	France		A	49.0	49.0	49.0	49.0
Crédit LIFT	■		France		S	100.0	100.0	100.0	100.0
Green FCT Lease	■		France		CSE	100.0	100.0	100.0	100.0
Ste Européenne de développement d'assurances	■		France		S	100.0	100.0	100.0	100.0
EFL Finance S.A.	■		Poland		S	100.0	100.0	100.0	100.0
Sofinco Participations	■		France		S	100.0	100.0	100.0	100.0
SAVINGS MANAGEMENT									
Banking and financial institutions									
ABC-CA Fund Management CO	▲		China		A	33.3	33.3	24.7	24.7
AMUNDI ASSET MANAGEMENT	■		France		S	100.0	100.0	74.1	74.2
AMUNDI (UK) Ltd.	■		United Kingdom		S	100.0	100.0	74.1	74.2
Amundi AI LONDON BRANCH	■	S4	United Kingdom		B		100.0		74.2
AMUNDI AI S.A.S.	■	S4	France		S		100.0		74.2
AMUNDI ASSET MANAGEMENT BELGIUM	■	D1	Belgium		B	100.0	100.0	74.1	74.2
AMUNDI ASSET MANAGEMENT DEUTSCHLAND	■	D1	Germany		B	100.0	100.0	74.1	74.2
Amundi Distributors Usa Llc	■		United States		S	100.0	100.0	74.1	74.2

(1) Consolidation method: ■ Full ▲ Equity Accounted ● Parent

Crédit Agricole S.A. Group Scope of consolidation	(1)	(a)	Principal place of business	Country of incorporation *(if different from the principal place of business)*	Nature of entity and control (b)	% control 31/12/2016	% control 31/12/2015	% interest 31/12/2016	% interest 31/12/2015
AMUNDI Finance	■		France		S	100.0	100.0	74.1	74.2
AMUNDI Finance Emissions	■		France		S	100.0	100.0	74.1	74.2
AMUNDI GLOBAL SERVICING	■		Luxembourg		S	100.0	100.0	74.1	74.2
AMUNDI	■		France		S	74.3	74.2	74.1	74.2
AMUNDI Hellas MFMC S.A.	■		Greece		S	100.0	100.0	74.1	74.2
AMUNDI ASSET MANAGEMENT HONG KONG BRANCH	■	D1	Hong Kong		B	100.0	100.0	74.1	74.2
AMUNDI Hong Kong Ltd.	■		Hong Kong		S	100.0	100.0	74.1	74.2
AMUNDI Iberia S.G.I.I.C S.A.	■		Spain		S	100.0	100.0	74.1	84.8
AMUNDI Immobilier	■		France		S	100.0	100.0	74.1	74.2
AMUNDI India Holding	■		France		S	100.0	100.0	74.1	74.2
AMUNDI Intermédiation	■		France		S	100.0	100.0	74.1	74.2
AMUNDI Issuance	■	E1	France		S	100.0		74.1	
AMUNDI Japan	■		Japan		S	100.0	100.0	74.1	74.2
AMUNDI Japan Holding	■		Japan		S	100.0	100.0	74.1	74.2
AMUNDI Japan Securities Cy Ltd.	■	S4	Japan		S		100.0		74.2
AMUNDI ASSET MANAGEMENT LONDON BRANCH	■	D1	United Kingdom		B	100.0	100.0	74.1	74.2
AMUNDI Luxembourg S.A.	■		Luxembourg		S	100.0	100.0	74.1	74.2
AMUNDI Malaysia Sdn Bhd	■		Malaysia		S	100.0	100.0	74.1	74.2
AMUNDI ASSET MANAGEMENT NEDERLAND	■	D1	Netherlands		B	100.0	100.0	74.1	74.2
AMUNDI Polska	■		Poland		S	100.0	100.0	74.1	74.2
AMUNDI Private Equity Funds	■		France		S	100.0	100.0	74.1	74.2
AMUNDI Real Estate Italia SGR S.p.A.	■		Italy		S	100.0	100.0	74.1	74.2
AMUNDI SGR S.p.A.	■		Italy		S	100.0	100.0	74.1	74.2
AMUNDI Singapore Ltd.	■		Singapore		S	100.0	100.0	74.1	74.2
AMUNDI Smith Breeden	■		United States		S	100.0	100.0	74.1	74.2
AMUNDI Suisse	■		Switzerland		S	100.0	100.0	74.1	74.2
AMUNDI Tenue de Comptes	■		France		S	100.0	100.0	74.1	74.2
AMUNDI USA Inc	■		United States		S	100.0	100.0	74.1	74.2
AMUNDI Ventures	■		France		S	100.0	100.0	74.1	74.2
Amundi Austria	■	D1	Austria		S	100.0	100.0	74.1	74.2
BFT INVESTMENT MANAGERS	■		France		S	100.0	100.0	74.1	74.2
CA Indosuez Gestion	■		France		S	100.0	100.0	97.8	97.8
CA Indosuez Wealth (France)	■	D1	France		S	100.0	100.0	97.8	97.8
Clam Philadelphia	■	S4	France		S		100.0		74.2
CPR AM	■		France		S	100.0	100.0	74.1	74.2
CA Indosuez Wealth (Europe)	■	D1	Luxembourg		S	100.0	100.0	97.8	97.8
CA Indosuez Wealth (Europe) Belgium Branch	■	D1	Belgium	Luxembourg	B	100.0	100.0	97.8	97.8
CA Indosuez Wealth (Europe) Spain Branch	■	D1	Spain	Luxembourg	B	100.0	100.0	97.8	97.8
CA Indosuez Wealth (Europe) Italy Branch	■	D1	Italy	Luxembourg	B	100.0	100.0	97.8	97.8
CA Indosuez (Switzerland) S.A.	■	D1	Switzerland		S	100.0	100.0	97.8	97.8
CA Indosuez (Suisse) S.A. Hong Kong Branch	■	D1	Hong Kong	Switzerland	B	100.0	100.0	97.8	97.8
CA Indosuez (Suisse) S.A. Singapore Branch	■	D1	Singapore	Switzerland	B	100.0	100.0	97.8	97.8
CFM Indosuez Wealth	■	D1	Monaco		S	70.1	70.1	67.4	67.4
Etoile Gestion	■		France		S	100.0	100.0	74.1	74.2
CA Indosuez Finanziaria S.A.	■	D1	Switzerland		S	100.0	100.0	97.8	97.8
Fund Channel	▲		Luxembourg		A	50.0	50.0	37.1	37.1
IKS KB	■		Czech Republic		S	100.0	100.0	74.1	74.2
KBI Global Investors Limited	■	E3	Ireland		S	87.5		74.1	
KBI Fund Managers Limited	■	E3	Ireland		S	87.5		74.1	
KBI Global Investors (North America) Limited	■	E3	Ireland		S	87.5		74.1	
LCL Emissions	■		France		S	100.0	100.0	74.1	74.2
NH-AMUNDI ASSET MANAGEMENT	▲	D1	South Korea		A	30.0	30.0	22.2	22.2
Société Générale Gestion (S2G)	■		France		S	100.0	100.0	74.1	74.2
State Bank of India Fund Management	▲		India		A	37.0	37.0	27.4	27.4
TOBAM HOLDING COMPANY	▲	E3	France		A	25.6		18.9	
TOBAM	▲	E3	France		A	4.1		14.8	
WAFA Gestion	▲		Morocco		A	34.0	34.0	25.2	25.2

(1) Consolidation method: ■ Full ▲ Equity Accounted ● Parent

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Crédit Agricole S.A. Group Scope of consolidation	(1)	(a)	Principal place of business	Country of incorporation *(if different from the principal place of business)*	Nature of entity and control (b)	% control		% interest	
						31/12/2016	31/12/2015	31/12/2016	31/12/2015
Investment companies									
CA Indosuez Wealth (Brazil) S.A. DTVM	■	D1	Brazil		S	100.0	100.0	97.8	97.8
CA Indosuez Wealth (Group)	■	D1	France		S	100.0	100.0	97.8	97.8
Insurance									
ASSUR&ME	■	D3	France		CSE	100.0		100.0	
CA Assicurazioni	■		Italy		S	100.0	100.0	100.0	100.0
CACI DANNI	■		Italy	Ireland	B	100.0	100.0	100.0	100.0
CACI LIFE LIMITED	■		Ireland		S	100.0	100.0	100.0	100.0
CACI NON LIFE LIMITED	■		Ireland		S	100.0	100.0	100.0	100.0
CACI NON VIE	■		France	Ireland	B	100.0	100.0	100.0	100.0
CACI Reinsurance Ltd.	■		Ireland		S	100.0	100.0	100.0	100.0
CACI VIE	■		France	Ireland	B	100.0	100.0	100.0	100.0
CACI VITA	■		Italy	Ireland	B	100.0	100.0	100.0	100.0
CALIE Europe Succursale France	■		France		B	100.0	100.0	100.0	100.0
CALIE Europe Succursale Pologne	■		Poland	Luxembourg	B	100.0	100.0	100.0	100.0
Crédit Agricole Assurances (CAA)	■		France		S	100.0	100.0	100.0	100.0
Crédit Agricole Creditor Insurance (CACI)	■		France		S	100.0	100.0	100.0	100.0
Crédit Agricole Life	■	D4	Greece		S	100.0	100.0	100.0	100.0
Crédit Agricole Life Insurance Company Japan Ltd.	■		Japan		S	100.0	100.0	100.0	100.0
Crédit Agricole Life Insurance Europe	■		Luxembourg		S	100.0	100.0	99.9	99.9
Crédit Agricole Reinsurance S.A.	■	D4	Luxembourg		S	100.0	100.0	100.0	100.0
Crédit Agricole Vita S.p.A.	■		Italy		S	100.0	100.0	100.0	100.0
Finaref Assurances S.A.S.	■		France		S	100.0	100.0	100.0	100.0
Finaref Risques Divers	■		France		S	100.0	100.0	100.0	100.0
Finaref Vie	■		France		S	100.0	100.0	100.0	100.0
GNB SEGUROS	■		Portugal		S	50.0	50.0	50.0	50.0
Médicale de France	■		France		S	100.0	100.0	100.0	100.0
Pacifica	■		France		S	100.0	100.0	100.0	100.0
Predica	■		France		S	100.0	100.0	100.0	100.0
Predica - Prévoyance Dialogue du Crédit Agricole	■		Spain		B	100.0	100.0	100.0	100.0
Space Holding (Ireland) Limited	■		Ireland		S	100.0	100.0	100.0	100.0
Space Lux	■		Luxembourg		S	100.0	100.0	100.0	100.0
Spirica	■		France		S	100.0	100.0	100.0	100.0

Crédit Agricole S.A. Group Scope of consolidation	(1)	(a)	Principal place of business	Country of incorporation *(if different from the principal place of business)*	Nature of entity and control (b)	% control		% interest	
						31/12/2016	31/12/2015	31/12/2016	31/12/2015
UCITS									
ACACIA	■		France		CSE	100.0	100.0	74.1	74.2
ACAJOU	■		France		CSE	100.0	100.0	74.1	74.2
AMUNDI ARMONIA	■	S4	Italy		CSE		100.0		100.0
AMUNDI GRD 24 FCP	■		France		CSE	100.0	100.0	100.0	100.0
Amundi Hk - Green Planet Fund	■		Hong Kong		CSE	99.4	98.9	73.6	73.4
Amundi Performance Absolue Equilibre	■		France		CSE	100.0	100.0	74.1	74.2
AMUN TRESO CT PC 3D	■	S2	France		CSE		54.2		54.2
BFT opportunité	■		France		CSE	100.0	100.0	100.0	100.0
CAA 2013 COMPARTIMENT 5 A5	■		France		CSE	100.0	100.0	100.0	100.0
CAA 2013-2	■		France		CSE	100.0	100.0	100.0	100.0
CAA 2013-3	■		France		CSE	100.0	100.0	100.0	100.0
CAA 2014 COMPARTIMENT 1 PART A1	■		France		CSE	100.0	100.0	100.0	100.0
CAA 2014 INVESTISSMENT PART A3	■		France		CSE	100.0	100.0	100.0	100.0
CAA PRIV.FINANC. COMP.1 A1 FIC	■		France		CSE	100.0	100.0	100.0	100.0
CAA PRIV.FINANC. COMP.2 A2 FIC	■		France		CSE	100.0	100.0	100.0	100.0
CAREPTA R 2016	■	E1	France		CSE	100.0		100.0	
CAA SECONDAIRE IV	■	E1	France		CSE	100.0		100.0	
CEDAR	■	E2	France		CSE	100.0		74.1	
RED CEDAR	■	E2	France		CSE	100.0		74.1	
Chorial Allocation	■		France		CSE	99.7	99.7	73.9	73.9
CNP ACP 10 FCP	▲		France		SJV	50.2	49.9	50.2	49.9
CNP ACP OBLIG	▲		France		SJV	50.2	50.0	50.2	50.0
CA-EDRAM OPPORTUNITES FCP 3DEC	■		France		CSE	100.0	100.0	100.0	100.0
FPCI Cogeneration France I	■	E3	France		CSE	100.0		100.0	
FCPR CAA 2013	■		France		CSE	100.0	100.0	100.0	100.0
CAA 2013 FCPR B1	■		France		CSE	100.0	100.0	100.0	100.0
CAA 2013 FCPR C1	■		France		CSE	100.0	100.0	100.0	100.0
CAA 2013 FCPR D1	■		France		CSE	100.0	100.0	100.0	100.0
CAA 2016	■	E2	France		CSE	100.0		100.0	
IAA CROISSANCE INTERNATIONALE	■	E2	France		CSE	100.0		100.0	
CAA INFRASTRUCTURE	■	D3	France		CSE	100.0		100.0	

(1) Consolidation method: ■ Full ▲ Equity Accounted ● Parent

Crédit Agricole S.A. Group Scope of consolidation	(1)	(a)	Principal place of business	Country of incorporation *(if different from the principal place of business)*	Nature of entity and control (b)	% control 31/12/2016	% control 31/12/2015	% interest 31/12/2016	% interest 31/12/2015
CA VITA PRIVATE DEBT CHOICE FIPS cl.A	■	E2	France		CSE	100.0		100.0	
FCPR CAA COMP TER PART A3	■		France		CSE	100.0	100.0	100.0	100.0
FCPR CAA COMPART BIS PART A2	■		France		CSE	100.0	100.0	100.0	100.0
FCPR CAA COMPARTIMENT 1 PART A1	■		France		CSE	100.0	100.0	100.0	100.0
FCPR CAA France croissance 2 A	■		France		CSE	100.0	100.0	100.0	100.0
FCPR PREDICA 2007 A	■		France		CSE	100.0	99.9	100.0	99.9
FCPR PREDICA 2007 C2	■		France		CSE	100.0	100.0	100.0	100.0
FCPR PREDICA 2008 A1	■		France		CSE	100.0	100.0	100.0	100.0
FCPR PREDICA 2008 A2	■		France		CSE	100.0	100.0	100.0	100.0
FCPR PREDICA 2008 A3	■		France		CSE	100.0	100.0	100.0	100.0
ARTEMID	■		France		CSE	100.0	90.0	100.0	90.0
FCPR PREDICA SECONDAIRE I A1	■		France		CSE	100.0	100.0	100.0	100.0
FCPR PREDICA SECONDAIRE I A2	■		France		CSE	100.0	100.0	100.0	100.0
FCPR PREDICA SECONDAIRES II A	■		France		CSE	100.0	100.0	100.0	100.0
FCPR PREDICA SECONDAIRES II B	■		France		CSE	100.0	100.0	100.0	100.0
FCPR Roosevelt Investissements	■		France		CSE	100.0	100.0	100.0	100.0
FCPR UI CAP AGRO	■		France		CSE	100.0	100.0	100.0	100.0
FCPR UI CAP SANTE A	■		France		CSE	100.0	100.0	100.0	100.0
FCT BRIDGE 2016-1	■	E1	France		CSE	100.0		100.0	
FCT CAREPTA - COMPARTIMENT 2014-1	■		France		CSE	100.0	93.8	100.0	93.8
CA VITA INFRASTRUCTURE CHOICE FIPS c.l.A.	■	E2	France		CSE	100.0		100.0	
CA VITA PRIVATE EQUITY CHOICE	■		France		CSE	100.0	100.0	100.0	100.0
FCT CAREPTA - COMPARTIMENT 2014-2	■		France		CSE	100.0	100.0	100.0	100.0
FCT CAREPTA - COMPARTIMENT RE-2016-1	■	E2	France		CSE	100.0		100.0	
FCT CAREPTA 2-2016	■	E1	France		CSE	100.0		100.0	
FCT MID CAP 2 05/12/22	■		France		CSE	100.0	100.0	100.0	100.0
Federval	■		France		CSE	100.0	100.0	100.0	100.0
Genavent	■		France		CSE	52.3	52.3	38.7	38.8
Genavent Partners Lp	■	S1	United States		CSE		100.0		74.2
GRD TOBAM AB A	■		France		CSE	100.0	100.0	100.0	100.0
GRD01	■		France		CSE	100.0	100.0	100.0	100.0
GRD02	■		France		CSE	100.0	100.0	100.0	100.0
GRD03	■		France		CSE	100.0	100.0	100.0	100.0
GRD04	■		France		CSE	100.0	100.0	100.0	100.0
GRD05	■		France		CSE	100.0	100.0	100.0	100.0
GRD07	■		France		CSE	100.0	100.0	100.0	100.0
GRD08	■		France		CSE	100.0	100.0	100.0	100.0
GRD09	■		France		CSE	100.0	97.0	100.0	97.0
GRD10	■		France		CSE	100.0	100.0	100.0	100.0
GRD11	■		France		CSE	100.0	100.0	100.0	100.0
GRD12	■		France		CSE	100.0	100.0	100.0	100.0
GRD13	■		France		CSE	100.0	100.0	100.0	100.0
GRD14	■		France		CSE	100.0	100.0	100.0	100.0
GRD16	■		France		CSE	100.0	100.0	100.0	100.0
GRD17	■		France		CSE	100.0	100.0	100.0	100.0
GRD18	■		France		CSE	100.0	100.0	100.0	100.0
GRD19	■		France		CSE	100.0	100.0	100.0	100.0
GRD20	■		France		CSE	100.0	100.0	100.0	100.0
FCT CAREPTA - RE 2015 -1	■		France		CSE	100.0	100.0	100.0	100.0
GRD21	■		France		CSE	100.0	100.0	100.0	100.0
GRD23	■		France		CSE	100.0	100.0	100.0	100.0
Londres Croissance C16	■		France		CSE	100.0	100.0	74.1	74.2
FEDERIS CORE EU CR 19 MM	■		France		CSE	43.6	43.6	43.6	43.6
LRP - CPT JANVIER 2013 0.30 13-21 11/01A	■		Luxembourg		CSE	84.2	84.2	84.2	84.2
OBJECTIF LONG TERME FCP	■		France		CSE	100.0	100.0	100.0	100.0
Peg - Portfolio Eonia Garanti	■		France		CSE	96.4	95.1	71.4	70.6
Predica 2005 FCPR A	■		France		CSE	100.0	99.9	100.0	99.9
Predica 2006 FCPR A	■		France		CSE	100.0	100.0	100.0	100.0
Predica 2006-2007 FCPR	■		France		CSE	100.0	100.0	100.0	100.0
PREDICA 2010 A1	■		France		CSE	100.0	100.0	100.0	100.0
PREDICA 2010 A2	■		France		CSE	100.0	100.0	100.0	100.0
PREDICA 2010 A3	■		France		CSE	100.0	100.0	100.0	100.0
PREDICA SECONDAIRES III	■		France		CSE	100.0	100.0	100.0	100.0
Predicant A1 FCP	■		France		CSE	100.0	100.0	100.0	100.0

(1) Consolidation method: ■ Full ▲ Equity Accounted ● Parent

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Crédit Agricole S.A. Group Scope of consolidation	(1)	(a)	Principal place of business	Country of incorporation *(if different from the principal place of business)*	Nature of entity and control (b)	% control 31/12/2016	% control 31/12/2015	% interest 31/12/2016	% interest 31/12/2015
Predicant A2 FCP	■		France		CSE	100.0	100.0	100.0	100.0
Predicant A3 FCP	■		France		CSE	100.0	100.0	100.0	100.0
Prediquant Eurocroissance A2	■	E2	France		CSE	100.0		100.0	
Prediquant opportunité	■		France		CSE	100.0	100.0	100.0	100.0
PREDIQUANT STRATEGIES	■		France		CSE	99.6	100.0	99.6	100.0
PREMIUM GR 0% 28	■		Ireland		CSE	100.0	94.9	100.0	94.9
PREMIUM GREEN 4.52%06-21 EMTN	■		Ireland		CSE	100.0	100.0	100.0	100.0
PREMIUM GREEN 4.54%06-13.06.21	■		Ireland		CSE	100.0	100.0	100.0	100.0
PREMIUM GREEN 4.5575%21 EMTN	■		Ireland		CSE	100.0	100.0	100.0	100.0
PREMIUM GREEN 4.56%06-21	■		Ireland		CSE	100.0	100.0	100.0	100.0
PREMIUM GREEN 4.7% EMTN 08/08/21	■		Ireland		CSE	100.0	100.0	100.0	100.0
PREMIUM GREEN 4.72%12-250927	■		Ireland		CSE	100.0	80.7	100.0	80.7
PREMIUM GREEN PLC 4.30%2021	■		Ireland		CSE	100.0	100.0	100.0	100.0
PREMIUM GREEN TV 06/22	■		Ireland		CSE	100.0	100.0	100.0	100.0
PREMIUM GREEN TV 07/22	■		Ireland		CSE	100.0	100.0	100.0	100.0
PREMIUM GREEN TV 07-22	■		Ireland		CSE	100.0	100.0	100.0	100.0
PREMIUM GREEN TV 22	■		Ireland		CSE	100.0	100.0	100.0	100.0
PREMIUM GREEN TV 26/07/22	■		Ireland		CSE	100.0	100.0	100.0	100.0
PREMIUM GREEN TV06-16 EMTN	■		Ireland		CSE	100.0	100.0	100.0	100.0
PREMIUM GREEN TV07-17 EMTN	■		Ireland		CSE	100.0	100.0	100.0	100.0
PREMIUM GREEN TV2027	■		Ireland		CSE	100.0	75.9	100.0	75.9
PREMIUM GREEN TV23/05/2022 EMTN	■		Ireland		CSE	100.0	100.0	100.0	100.0
PREMIUM GREEN 4.33% 06-29/10/21	■		Ireland		CSE	100.0	100.0	100.0	100.0
CAA 2015 COMPARTIMENT 1	■		France		CSE	100.0	100.0	100.0	100.0
CAA 2015 COMPARTIMENT 2	■		France		CSE	100.0	100.0	100.0	100.0
CORSAIR 1.5255% 25/04/35	■		Ireland		CSE	100.0	100.0	100.0	100.0
PREMIUM GREEN 1.24% 25/04/35	■		Ireland		CSE	100.0	100.0	100.0	100.0
AGRICOLE RIVAGE DETTE	■		France		CSE	100.0	88.0	100.0	88.0

Crédit Agricole S.A. Group Scope of consolidation	(1)	(a)	Principal place of business	Country of incorporation *(if different from the principal place of business)*	Nature of entity and control (b)	% control 31/12/2016	% control 31/12/2015	% interest 31/12/2016	% interest 31/12/2015
Unit-linked funds (Fonds UC)									
74 United-linked funds with a detention rate equal or above 95%	■		France		CSE	> 95%	/	> 95%	/
AF EQUI.GLOB. AHE CAP	■		Luxembourg		CSE	88.3	50.8	88.3	50.8
AF INDEX EQ JAPAN AE CAP	■		Luxembourg		CSE	47.0	48.5	47.0	48.5
AF INDEX EQ USA A4E	■		Luxembourg		CSE	69.3	82.7	69.3	82.7
AM.AC.EU.ISR-P-3D	■	S2	France		CSE		81.2		41.6
AM CR 1-3 EU PC 3D	■	S3	France		CSE		75.3		75.3
AMUNDI 3 M P	■	E1	France		CSE	77.6		77.6	
AMUN.TRES.EONIA ISR E FCP 3DEC	■		France		CSE	87.6	88.9	84.6	86.3
AMUNDI ACTIONS FRANCE C 3DEC	■		France		CSE	50.3	36.1	50.3	36.1
AMUNDI AFD AV DURABL P1 FCP 3DEC	■		France		CSE	72.7	67.2	72.7	67.2
AMUNDI B EU COR AEC	■	S3	Luxembourg		CSE		59.4		59.4
AMUNDI CRED.EURO ISR P FCP 3DEC	■		France		CSE	62.0	62.5	62.0	62.5
AMUNDI EQ E IN AHEC	■		Luxembourg		CSE	58.6	68.8	58.6	68.8
AMUNDI GBL MACRO MULTI ASSET P	■		France		CSE	71.4	70.8	71.4	70.8
AMUNDI HORIZON 3D	■		France		CSE	65.2	64.0	65.2	64.0
AMUNDI PATRIMOINE C 3DEC	■		France		CSE	81.4	77.1	81.4	77.1
AMUNDI PULSACTIONS	■		France		CSE	57.0	44.4	57.0	44.4
AMUNDI VALEURS DURAB	■		France		CSE	52.3	45.1	52.3	45.1
AMUNDI 12 M P	■		France		CSE	79.8	88.8	79.8	88.8
ANTINEA FCP	■		France		CSE	53.9	54.3	53.9	54.3
ARAMIS PATRIM D 3D	■		France		CSE	44.4	48.0	44.4	48.0
ARC FLEXIBOND-D	■		France		CSE	60.7	61.4	60.7	61.4
ATOUT EUROPE C FCP 3DEC	■		France		CSE	81.4	80.6	81.4	80.6
ATOUT FRANCE C FCP 3DEC	■		France		CSE	41.1	40.7	41.1	40.7
AM.AC.MINER.-P-3D	■		France		CSE	44.6	42.6	44.6	42.6
ATOUT MONDE C FCP 3DEC	■		France		CSE	87.9	87.6	87.9	87.6
ATOUT SERENACTIONS	■	S4	France		CSE		99.6		99.6
ATOUT VERT HORIZON FCP 3 DEC	■		France		CSE	35.1	34.3	35.1	34.3

(1) Consolidation method: ■ Full ▲ Equity Accounted ● Parent

Crédit Agricole S.A. Group Scope of consolidation	(1)	(a)	Principal place of business	Country of incorporation (if different from the principal place of business)	Nature of entity and control (b)	% control 31/12/2016	% control 31/12/2015	% interest 31/12/2016	% interest 31/12/2015
TRIALIS 6 ANS N3 FCP	■	E3	France		CSE	60.1		60.1	
SOLIDARITE AMUNDI P	■	E1	France		CSE	47.4		47.4	
AMUNDI BD EU HY AEC	■	S3	Luxembourg		CSE		32.0		32.0
AXA EUR.SM.CAP E 3D	■		France		CSE	53.9	40.8	53.9	40.8
BEST BUS MODELS RC	■	S4	France		CSE		44.5		44.5
CA MASTER EUROPE	■		France		CSE	47.3	49.3	47.3	49.3
CONVERT.EUROP.AE	■		Luxembourg		CSE	59.5	39.1	59.5	39.1
CPR CONSO ACTIONNAIRE FCP P	■		France		CSE	49.9	52.2	49.9	52.2
CPR EUROLAND P 3D	■	E1	France		CSE	50.1		50.1	
CPR GLO SILVER AGE P	■	E1	France		CSE	85.2		85.2	
CPR OBLIG 12 M.P 3D	■		France		CSE	41.2	37.5	41.2	37.5
CPR REFL.RESP.0-100 P FCP 3DEC	■		France		CSE	61.5	62.6	61.5	62.6
CPR RENAISSANCE JAPON HP 3D	■	S2	France		CSE		44.5		44.5
CPR SILVER AGE P 3DEC	■		France		CSE	43.2	41.3	43.2	41.3
DNA 0% 12-211220	■		Luxembourg		CSE	92.7	86.8	92.7	86.8
DNA 0% 16/10/2020	■	S2	Luxembourg		CSE		92.6		92.6
DNA 0% 21/12/20 EMTN	■		Luxembourg		CSE	71.1	70.6	71.1	70.6
DNA 0% 23/07/18 EMTN INDX	■		Luxembourg		CSE	77.5	77.9	77.5	77.9
DNA 0% 27/06/18 INDX	■		Luxembourg		CSE	82.9	80.9	82.9	80.9
DNA 0%11-231216 INDX	■		Luxembourg		CSE	77.7	76.8	77.7	76.8
DNA 0%12-240418 INDX	■		Luxembourg		CSE	79.9	82.7	79.9	82.7
ECOFI MULTI OPPORTUN.FCP 3DEC	■		France		CSE	87.9	84.5	87.9	84.5
EMERITE	■	S2	France		CSE		99.8		99.8
CPR CROIS.REA.-P	■		France		CSE	23.4	20.3	23.4	20.3
FONDS AV ECHU N 1 3DEC	■	S2	France		CSE		97.7		97.7
HMG GLOBETROTTER D	■		France		CSE	57.3	61.8	57.3	61.8
IND.CAP EMERG.-C-3D	■		France		CSE	59.6	59.0	59.6	59.0
INDO.FLEX.100 -C-3D	■		France		CSE	92.7	92.6	92.7	92.6
INDOCAM FLAMME FCP 3DEC	■	S2	France		CSE		99.8		99.8
INVEST RESP S3 3D	■		France		CSE	62.6	63.2	62.6	63.2
JAYANNE 5 FCP 3DEC	■	S2	France		CSE		98.9		98.9
JAYANNE 6 FCP	■	S2	France		CSE		98.0		98.0
JAYANNE 7 FCP 3DEC	■	S1	France		CSE		100.0		100.0
JPM-US S E P-AEURA	■	S2	Luxembourg		CSE		88.0		88.0
LCL AC.DEV. DU.EURO	■		France		CSE	49.3	46.2	49.3	46.2
LCL AC.EMERGENTS 3D	■		France		CSE	49.9	47.1	49.9	47.1
LCL ACT.IMMOBI.3D	■		France		CSE	75.5	48.1	75.5	48.1
LCL ACT.USA ISR 3D	■		France		CSE	49.7	48.9	49.7	48.9
LCL ACTIONS EURO C	■		France		CSE	68.1	77.5	68.1	77.5
LCL ALLOCATION DYNAMIQUE 3D FCP	■		France		CSE	94.4	99.9	94.4	94.6
LCL ALLOCATION EQUILIBRE 3DEC	■	S4	France		CSE		96.5		92.1
LCL D.CAPT.JU.10 3D	■		France		CSE	84.3	84.4	84.3	84.4
LCL D.H.2-4 ANS AV NOV 13	■	S2	France		CSE		100.0		100.0
LCL DEVELOPPEM. PME C	■		France		CSE	75.3	80.2	75.3	80.2
LCL FDS ECH. MONE.3D	■		France		CSE	84.6	85.1	84.6	85.1
INDOS.EURO.PAT. PD 3D	■		France		CSE	45.6	40.5	45.6	40.5
LCL FLEX 30	■		France		CSE	67.0	60.0	67.0	60.0
LCL INVEST.EQ C	■	E2	France		CSE	91.8		91.8	
LCL INVEST.PRUD.3D	■	E2	France		CSE	91.6		91.6	
LCL MGEST 60 3DEC	■		France		CSE	83.9	85.3	83.9	85.3
LCL MGEST FL.0-100	■		France		CSE	81.0	81.9	81.0	81.9
LCL OBLIGATIONS INFLATION C EUR	■	S3	France		CSE		39.8		39.8
LCL ORIENTATION DYNAM FCP3D	■	S4	France		CSE		89.9		89.9
LCL ORIENTATION EQUIL.FCP 3DEC	■	S4	France		CSE		91.0		91.0
LCL ORIENTATION PRUDENT	■	S4	France		CSE		92.6		92.6
LCL PHOENIX VIE 2016	■	E2	France		CSE	93.7		93.7	
LCL PREMIUM VIE 14 C	■	S1	France		CSE		95.3		95.3
LCL PREMIUM VIE 2015	■		France		CSE	94.8	95.3	94.8	95.3
LCL SEC 106(MARS 10)FCP 3DEC	■	S1	France		CSE		99.8		99.8
LCL SECU.100(JUIL.11)	■		France		CSE	48.4	48.7	48.4	48.7
LCL TRIPLE HORIZON AV 09/13 C 3D	■	S1	France		CSE		97.4		97.4

(1) *Consolidation method:* ■ *Full* ▲ *Equity Accounted* ● *Parent*

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LCL TRIP HORIZ SEP16	■	E2	France		CSE	78.3		78.3	
LCL VOCATION RENDEMENT NOV 12 3D	■		France		CSE	79.9	79.7	79.9	79.7
LCL MONETAIRE -C-	■	S2	France		CSE		40.2		40.2
OBJECTIF PRUDENCE FCP	■		France		CSE	94.9	99.2	94.9	99.2
OPCIMMO LCL SPPICAV 5DEC	■		France		CSE	93.1	94.1	93.1	94.1
OPCIMMO PREM SPPICAV 5DEC	■		France		CSE	94.9	96.1	94.9	96.1
OPTALIS DYNAMIQUE C FCP 3DEC	■	S1	France		CSE		92.6		92.6
LCL TR 3 MOIS PC 3D	■	S2	France		CSE		65.5		65.5
OPTIMIZ BES TIMING II 3DEC	■		France		CSE	87.3	88.6	87.3	88.6
PIMENTO 4 FCP	■	S1	France		CSE		98.7		98.7
PIMENTO 5 FCP 3DEC	■	S1	France		CSE		100.0		100.0
RONDEYS 2 3DEC FCP	■	S1	France		CSE		99.3		99.3
RONDEYS 3 FCP	■	S2	France		CSE		98.4		98.4
SOLIDARITE INITIATIS SANTE	■		France		CSE	83.9	56.7	83.9	56.7
TRIALIS 6 ANS N2 C	■	E2	France		CSE	61.0		61.0	
TRIALIS C	■		France		CSE	66.7	67.0	66.7	67.0
TRIANANCE 5 ANS	■	S1	France		CSE		57.6		57.6
TRIANANCE 6 ANS	■		France		CSE	61.6	61.3	61.6	61.3
VAR FLAMME FCP	■	S2	France		CSE		100.0		100.0
CPR ACTIVE US -P-	■	S2	France		CSE		29.9		29.9
LCL ACT.E-U ISR 3D	■	S2	France		CSE		39.7		39.7
AMUNDI OBLIG EURO C	■		France		CSE	43.6	41.2	43.6	41.2
CPR RENAI.JAP.-P-3D	■		France		CSE	56.0	46.2	56.0	46.2
AM AC FR ISR PC 3D	■		France		CSE	46.2	44.5	46.2	44.5
BNP PAR.CRED.ERSC	■		France		CSE	64.7	65.7	64.7	65.7
OBLIG INF CM CIC 3D	■	S2	France		CSE		45.0		45.0
BARCLAYS QUAN MER AR	■	S2	Ireland		CSE		100.0		100.0
VENDOME INV.FCP 3DEC	■		France		CSE	91.5	90.6	91.5	90.6
TRIALIS 6 ANS	■		France		CSE	68.0	69.1	68.0	69.1
Real estate collective investment fund (OPCI)									
OPCI Camp Invest	■		France		CSE	80.1	68.8	80.1	68.8
OPCI ECO CAMPUS SPPICAV	■		France		CSE	100.0	100.0	100.0	100.0
OPCI Immanens	■		France		CSE	100.0	100.0	74.1	74.2
OPCI Immo Emissions	■		France		CSE	100.0	100.0	74.1	74.2
OPCI Iris Invest 2010	■		France		CSE	80.1	80.1	80.1	80.1
OPCI KART	■		France		CSE	100.0	100.0	100.0	100.0
OPCI MASSY BUREAUX	■		France		CSE	100.0	89.4	100.0	89.4
OPCI Messidor	■		France		CSE	94.5	93.7	94.5	93.6
Nexus 1	■		Italy		CSE	100.0	100.0	100.0	100.0
Predica OPCI Bureau	■		France		CSE	100.0	100.0	100.0	100.0
Predica OPCI Commerces	■		France		CSE	100.0	100.0	100.0	100.0
Predica OPCI Habitation	■		France		CSE	100.0	100.0	100.0	100.0
Non-trading real estate investment company (SCI)									
SCI BMEDIC HABITATION	■		France		S	100.0	100.0	100.0	100.0
SCI CAMPUS MEDICIS ST DENIS	■		France		S	70.0	70.0	70.0	70.0
SCI CAMPUS RIMBAUD ST DENIS	■		France		S	70.0	70.0	70.0	70.0
SCI FEDERALE PEREIRE VICTOIRE	■		France		S	99.0	99.0	99.0	99.0
SCI FEDERALE VILLIERS	■		France		S	100.0	100.0	100.0	100.0
SCI FEDERLOG	■		France		S	99.9	99.9	99.9	99.9
SCI FEDERLONDRES	■		France		S	100.0	100.0	100.0	100.0
SCI FEDERPIERRE	■		France		S	100.0	100.0	100.0	100.0
SCI GRENIER VELLEF	■		France		CSE	100.0	100.0	100.0	100.0
SCI IMEFA 001	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 002	■	D3	France		S	100.0		100.0	
SCI IMEFA 003	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 004	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 005	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 006	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 008	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 009	■	D3	France		S	100.0		100.0	
SCI IMEFA 010	■	D3	France		S	100.0		100.0	
SCI IMEFA 011	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 012	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 013	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 016	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 017	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 018	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 020	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 022	■		France		S	100.0	100.0	100.0	100.0

(1) *Consolidation method: ■ Full ▲ Equity Accounted ● Parent*

Crédit Agricole S.A. Group Scope of consolidation	(1)	(a)	Principal place of business	Country of incorporation (if different from the principal place of business)	Nature of entity and control (b)	% control 31/12/2016	% control 31/12/2015	% interest 31/12/2016	% interest 31/12/2015
SCI IMEFA 025	■		France		CSE	100.0	100.0	100.0	100.0
SCI IMEFA 032	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 033	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 034	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 035	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 036	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 037	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 038	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 039	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 042	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 043	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 044	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 047	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 048	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 051	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 052	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 054	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 057	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 058	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 060	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 061	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 062	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 063	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 064	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 067	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 068	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 069	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 072	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 073	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 074	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 076	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 077	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 078	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 079	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 080	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 081	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 082	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 083	■		France		S	100.0	100.0	100.0	100.0

Crédit Agricole S.A. Group Scope of consolidation	(1)	(a)	Principal place of business	Country of incorporation (if different from the principal place of business)	Nature of entity and control (b)	% control 31/12/2016	% control 31/12/2015	% interest 31/12/2016	% interest 31/12/2015
SCI IMEFA 084	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 085	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 089	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 091	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 092	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 096	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 100	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 101	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 102	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 103	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 104	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 105	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 107	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 108	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 109	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 110	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 112	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 113	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 115	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 116	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 117	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 118	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 120	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 121	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 122	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 123	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 126	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 128	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 129	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 131	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 132	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 140	■		France		CSE	99.0	99.0	99.0	99.0
SCI IMEFA 148	■		France		S	99.0	99.0	99.0	99.0
SCI IMEFA 149	■	E1	France		S	99.0		99.0	
SCI IMEFA 156	■		France		S	90.0	99.0	90.0	99.0
SCI IMEFA 157	■	D3	France		S	90.0		90.0	
HDP BUREAUX	■	D1; D3	France		S	95.0		95.0	
HDP HOTEL	■	D1; D3	France		S	95.0		95.0	

(1) *Consolidation method:* ■ *Full* ▲ *Equity Accounted* ● *Parent*

Crédit Agricole S.A. Group Scope of consolidation	(1)	(a)	Principal place of business	Country of incorporation *(if different from the principal place of business)*	Nature of entity and control (b)	% control 31/12/2016	% control 31/12/2015	% interest 31/12/2016	% interest 31/12/2015
HDP LA HALLE BOCA	■	D1; D3	France		S	95.0		95.0	
SCI IMEFA 169	■	D3	France		S	99.0		99.0	
SCI IMEFA 170	■	E2	France		S	99.0		99.0	
SCI IMEFA 171	■	E2	France		CSE	99.0		99.0	
SCI IMEFA 172	■	D3	France		CSE	99.0		99.0	
SCI IMEFA 173	■	E1	France		S	99.0		99.0	
SCI IMEFA 174	■	E1	France		S	99.0		99.0	
SCI IMEFA 175	■	E1	France		S	99.0		99.0	
SCI IMEFA 176	■	E1	France		S	99.0		99.0	
SCI LE VILLAGE VICTOR HUGO	■		France		S	100.0	96.4	100.0	96.4
SCI MEDI BUREAUX	■		France		S	100.0	100.0	100.0	100.0
SCI PACIFICA HUGO	■		France		S	100.0	100.0	100.0	100.0
SCI PORTE DES LILAS - FRERES FLAVIEN	■		France		S	100.0	100.0	100.0	100.0
SCI VALHUBERT	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 150	■		France		S	99.0	99.0	99.0	99.0
SCI IMEFA 155	■		France		S	99.0	74.0	99.0	74.0
SCI IMEFA 158	■		France		S	99.0	99.0	99.0	99.0
SCI IMEFA 159	■		France		S	99.0	99.0	99.0	99.0
SCI IMEFA 164	■		France		S	99.0	99.0	99.0	99.0
Other									
AMUNDI IT Services	■		France		S	99.6	99.8	74.8	76.3
CACI Gestion	■		France		S	100.0	82.0	100.0	82.0
CA Indosuez Wealth (Global Structuring)	■	D1; S4	Luxembourg		S		100.0		97.8
CA Indosuez Wealth (Asset Management)	■	D1	Luxembourg		S	100.0	100.0	97.8	97.8
FONCIERE HYPERSUD	▲	E1	France		JV	51.4		51.4	
SA RESICO	■		France		S	100.0	100.0	100.0	100.0
SAS Caagis	■		France		S	50.0	50.0	50.2	62.9
Via Vita	■		France		S	100.0	100.0	100.0	100.0
ALTAREA	▲		France		A	26.6	27.7	26.6	27.7
EUROPEAN MOTORWAY INVESTMENTS 1	■	E3	Luxembourg		S	60.0		60.0	
EUROSIC	▲		France		A	24.3	21.3	24.3	21.3
FREY	▲		France		A	20.0	20.0	20.0	20.0
PREDIPARK	■		France		S	100.0	100.0	100.0	100.0
RAMSAY - GENERALE DE SANTE	▲		France		A	38.4	38.4	38.4	38.4
INFRA FOCH TOPCO	▲		France		A	36.9	36.9	36.9	36.9
KORIAN	▲		France		A	23.7	23.9	23.7	23.9

Crédit Agricole S.A. Group Scope of consolidation	(1)	(a)	Principal place of business	Country of incorporation *(if different from the principal place of business)*	Nature of entity and control (b)	% control 31/12/2016	% control 31/12/2015	% interest 31/12/2016	% interest 31/12/2015
Corporate and investment banking									
Banking and financial institutions									
Banco Crédit Agricole Brasil S.A.	■		Brazil		S	100.0	100.0	97.8	97.8
Banque Saudi Fransi - BSF	▲		Saudi Arabia		A	31.1	31.1	30.4	30.4
CACEIS S.A.	■		France		S	85.0	85.0	85.0	85.0
CACEIS (USA) Inc.	■		United States		S	100.0	100.0	85.0	85.0
CACEIS (Canada) Ltd.	■		Canada		S	100.0	100.0	85.0	85.0
CACEIS Bank Deutschland GmbH	■	S4	Germany		S		100.0		85.0
CACEIS Bank S.A., Germany Branch	■	E2	Germany		B	100.0		85.0	
CACEIS Bank	■	D1	France		S	100.0	100.0	85.0	85.0
CACEIS Bank Luxembourg	■	S4	Luxembourg		S		100.0		85.0
CACEIS Bank, Luxembourg Branch	■	E2	Luxembourg		B	100.0		85.0	
CACEIS Bank, Netherlands Branch	■	D1	Netherlands		B	100.0	100.0	85.0	85.0
CACEIS Bank, Belgium Branch	■	D1	Belgium		B	100.0	100.0	85.0	85.0
CACEIS Bank, Ireland Branch	■	D1	Ireland		B	100.0	100.0	85.0	85.0
CACEIS Bank, UK Branch	■	D1	United Kingdom		B	100.0	100.0	85.0	85.0
CACEIS Bank, Italy Branch	■	D1	Italy		B	100.0	100.0	85.0	85.0
CACEIS Bank, Switzerland Branch	■	D1	Switzerland		B	100.0	100.0	85.0	85.0
CACEIS Belgium	■		Belgium		S	100.0	100.0	85.0	85.0
CACEIS Corporate Trust	■		France		S	100.0	100.0	85.0	85.0
CACEIS Fund Administration	■		France		S	100.0	100.0	85.0	85.0
CACEIS Ireland Limited	■		Ireland		S	100.0	100.0	85.0	85.0
CACEIS Switzerland S.A.	■		Switzerland		S	100.0	100.0	85.0	85.0
Crédit Agricole CIB S.A.	■		France		S	97.8	97.8	97.8	97.8
Crédit Agricole CIB (ABU DHABI)	■		United Arabe Emirates	France	B	97.8	97.8	97.8	97.8
Crédit Agricole CIB (Hong-Kong)	■		Hong Kong	France	B	97.8	97.8	97.8	97.8
Crédit Agricole CIB (Allemagne)	■		Germany	France	B	97.8	97.8	97.8	97.8
Crédit Agricole CIB (Îles Caïmans)	■		Cayman Islands	France	B	97.8	97.8	97.8	97.8
Crédit Agricole CIB (Inde)	■		India	France	B	97.8	97.8	97.8	97.8
Crédit Agricole CIB (Italie)	■		Italy	France	B	97.8	97.8	97.8	97.8
Crédit Agricole CIB (Japon)	■		Japan	France	B	97.8	97.8	97.8	97.8

(1) Consolidation method: ■ Full ▲ Equity Accounted ● Parent

Crédit Agricole S.A. Group Scope of consolidation	(1)	(a)	Principal place of business	Country of incorporation *(if different from the principal place of business)*	Nature of entity and control (b)	% control 31/12/2016	% control 31/12/2015	% interest 31/12/2016	% interest 31/12/2015
Crédit Agricole CIB (Luxembourg)	■		Luxembourg	France	B	97.8	97.8	97.8	97.8
Crédit Agricole CIB (Belgique)	■		Belgium	France	B	97.8	97.8	97.8	97.8
Crédit Agricole CIB (Canada)	■	E2	Canada	France	B	97.8		97.8	
Crédit Agricole CIB (Chicago)	■	S3	United States	France	B		97.8		97.8
Crédit Agricole CIB (Corée du Sud)	■		South Korea	France	B	97.8	97.8	97.8	97.8
Crédit Agricole CIB (Dubai)	■		United Arabe Emirates	France	B	97.8	97.8	97.8	97.8
Crédit Agricole CIB (Dubai DIFC)	■		United Arabe Emirates	France	B	97.8	97.8	97.8	97.8
Crédit Agricole CIB (Miami)	■		United States	France	B	97.8	97.8	97.8	97.8
Crédit Agricole CIB (New-York)	■		United States	France	B	97.8	97.8	97.8	97.8
Crédit Agricole CIB (Royaume-Uni)	■		United Kingdom	France	B	97.8	97.8	97.8	97.8
Crédit Agricole CIB (Singapour)	■		Singapore	France	B	97.8	97.8	97.8	97.8
Crédit Agricole CIB (Suède)	■		Sweden	France	B	97.8	97.8	97.8	97.8
Crédit Agricole CIB (Espagne)	■		Spain	France	B	97.8	97.8	97.8	97.8
Crédit Agricole CIB (Finlande)	■		Finland	France	B	97.8	97.8	97.8	97.8
Crédit Agricole CIB (Taipei)	■		Taiwan	France	B	97.8	97.8	97.8	97.8
Crédit Agricole CIB (Vietnam)	■		Vietnam	France	B	97.8	97.8	97.8	97.8
Crédit Agricole CIB Algérie Bank Spa	■		Algeria		S	100.0	100.0	97.8	97.8
Crédit Agricole CIB AO	■		Russia		S	100.0	100.0	97.8	97.8
Crédit Agricole CIB Australia Ltd.	■		Australia		S	100.0	100.0	97.8	97.8
Crédit Agricole CIB China Ltd.	■		China		S	100.0	100.0	97.8	97.8
Crédit Agricole CIB Services Private Ltd.	■		India		S	100.0	100.0	97.8	97.8
Ester Finance Titrisation	■		France		S	100.0	100.0	97.8	97.8
UBAF	▲		France		JV	47.0	47.0	46.0	46.0
UBAF (Corée du Sud)	▲		South Korea	France	JV	47.0	47.0	46.0	46.0
UBAF (Japon)	▲		Japan	France	JV	47.0	47.0	46.0	46.0
UBAF (Singapour)	▲		Singapore	France	JV	47.0	47.0	46.0	46.0
Stockbrokers									
Crédit Agricole Securities (USA) Inc	■		United States		S	100.0	100.0	97.8	97.8
Credit Agricole Securities (Asia) Limited Hong Kong	■	E3	Hong Kong		S	100.0		97.8	
Credit Agricole Securities (Asia) Limited Seoul Branch	■	E3	South Korea		B	100.0		97.8	

Crédit Agricole S.A. Group Scope of consolidation	(1)	(a)	Principal place of business	Country of incorporation *(if different from the principal place of business)*	Nature of entity and control (b)	% control 31/12/2016	% control 31/12/2015	% interest 31/12/2016	% interest 31/12/2015
Investment companies									
Compagnie Française de l'Asie (CFA)	■		France		S	100.0	100.0	97.8	97.8
Crédit Agricole CIB Air Finance S.A.	■		France		S	100.0	100.0	97.8	97.8
Crédit Agricole CIB Holdings Ltd.	■		United Kingdom		S	100.0	100.0	97.8	97.8
Crédit Agricole Global Partners Inc.	■		United States		S	100.0	100.0	97.8	97.8
Crédit Agricole Securities Asia BV	■		Netherlands		S	100.0	100.0	97.8	97.8
Crédit Agricole Securities Asia BV (Tokyo)	■		Japan	Netherlands	B	100.0	100.0	97.8	97.8
Crédit Agricole Securities Taiwan	■	D4; S2	Taiwan		S		100.0		97.8
Doumer Finance S.A.S.	■		France		S	100.0	100.0	97.8	97.8
Fininvest	■		France		S	98.3	98.3	96.1	96.1
Fletirec	■		France		S	100.0	100.0	97.8	97.8
I.P.F.O.	■		France		S	100.0	100.0	97.8	97.8
Indosuez CM II Inc.	■	S1	United States		CSE		100.0		97.8
L.F. Investment Inc.	■	S1	United States		S		100.0		97.8
L.F. Investment L.P.	■	S1	United States		S		100.0		97.8
Insurance									
CAIRS Assurance S.A.	■		France		S	100.0	100.0	97.8	97.8
Other									
Acieralliage EURO FCC	■		France		CSE	100.0	100.0	0.0	0.0
Acieralliage USD FCC	■		United States		CSE	100.0	100.0	0.0	0.0
Armo-Invest	■	S4	France		S		100.0		94.5
Atlantic Asset Securitization LLC	■		United States		CSE	100.0	100.0	0.0	0.0
Benelpart	■		Belgium		S	100.0	100.0	95.3	94.5
Calciphos	■	S4	France		S		100.0		94.4
Calixis Finance	■		France		CSE	100.0	100.0	97.8	97.8
Calliope SRL	■		Italy		CSE	100.0	100.0	97.8	97.8
Crédit Agricole CIB Pension Limited Partnership	■		United Kingdom		CSE	100.0	100.0	97.8	97.8
Clifap	■		France		S	100.0	100.0	97.8	97.8
CLSA Financial Products Ltd	■	S3	Bermuda		CSE		100.0		97.8
Crédit Agricole America Services Inc.	■		United States		S	100.0	100.0	97.8	97.8
Crédit Agricole Asia Shipfinance Ltd.	■		Hong Kong		S	100.0	100.0	97.8	97.8
Crédit Agricole CIB Finance (Guernsey) Ltd.	■		Guernesey		CSE	99.9	99.9	97.7	97.7

(1) Consolidation method: ■ Full ▲ Equity Accounted ● Parent

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Crédit Agricole S.A. Group Scope of consolidation	(1)	(a)	Principal place of business	Country of incorporation (if different from the principal place of business)	Nature of entity and control (b)	% control 31/12/2016	% control 31/12/2015	% interest 31/12/2016	% interest 31/12/2015
Crédit Agricole CIB Financial Prod. (Guernsey) Ltd.	■		Guernesey		CSE	99.9	99.9	97.7	97.7
Crédit Agricole CIB Financial Solutions	■		France		CSE	99.7	99.6	97.5	97.3
Crédit Agricole CIB Global Banking	■		France		S	100.0	100.0	97.8	97.8
Crédit Agricole Leasing (USA) Corp.	■		United States		S	100.0	100.0	97.8	97.8
DGAD International SARL	■		Luxembourg		S	100.0	100.0	97.8	97.8
Elipso Finance S.r.l	▲		Italy		SJV	50.0	50.0	48.9	48.9
ESNI (compartiment Crédit Agricole CIB)	■		France		CSE	100.0	100.0	97.8	97.8
Eucalyptus FCT	■		France		CSE	100.0	100.0	0.0	0.0
FCT Cablage FCT	■		France		CSE	100.0	100.0	0.0	0.0
FIC-FIDC	■		Brazil		CSE	100.0	100.0	97.8	97.8
Financière des Scarabées	■		Belgium		S	100.0	100.0	96.5	96.2
Financière Lumis	■	E3	France		S	100.0		97.8	
Héphaïstos EUR FCC	■		France		CSE	100.0	100.0	0.0	0.0
Héphaïstos GBP FCT	■		France		CSE	100.0	100.0	0.0	0.0
Héphaïstos Multidevises FCT	■		France		CSE	100.0	100.0	0.0	0.0
Héphaïstos USD FCT	■		France		CSE	100.0	100.0	0.0	0.0
Immobilière Sirius S.A.	■	S3	Luxembourg		S		100.0		97.8
Indosuez Holding SCA II	■		Luxembourg		CSE	100.0	100.0	97.8	97.8
Indosuez Management Luxembourg II	■		Luxembourg		CSE	100.0	100.0	97.8	97.8
Investor Service House S.A.	■		Luxembourg		S	100.0	100.0	85.0	85.0
Island Refinancing SRL	■		Italy		CSE	100.0	100.0	97.8	97.8
La Fayette Asset Securitization LLC	■	E2	United States		CSE	100.0		0.0	
Lafina	■		Belgium		S	100.0	100.0	95.6	94.9
LMA SA	■		France		CSE	100.0	100.0	0.0	0.0
Merisma	■		France		CSE	100.0	100.0	97.8	97.8
Miladim	■	S4	France		S		99.2		93.6
Molinier Finances	■		France		S	100.0	100.0	95.0	94.4
Pacific EUR FCC	■		France		CSE	100.0	100.0	0.0	0.0
Pacific IT FCT	■		France		CSE	100.0	100.0	0.0	0.0
Pacific USD FCT	■		France		CSE	100.0	100.0	0.0	0.0
Partinvest S.A.	■		Luxembourg		S	100.0	100.0	85.0	85.0
Placements et réalisations immobilières (SNC)	■		France		S	100.0	100.0	95.3	94.6
Sagrantino Italy SRL	■		Italy		CSE	100.0	100.0	97.8	97.8
Shark FCC	■		France		CSE	100.0	100.0	0.0	0.0

Crédit Agricole S.A. Group Scope of consolidation	(1)	(a)	Principal place of business	Country of incorporation (if different from the principal place of business)	Nature of entity and control (b)	% control 31/12/2016	% control 31/12/2015	% interest 31/12/2016	% interest 31/12/2015
SNGI	■		France		S	100.0	100.0	97.8	97.8
SNGI Belgium	■		Belgium		S	100.0	100.0	97.8	97.8
Sococlabecq	■		Belgium		S	100.0	100.0	95.6	94.9
Sofipac	■		Belgium		S	98.6	99.6	93.9	94.0
TCB	■		France		S	98.7	98.6	95.3	95.0
Triple P FCC	■		France		CSE	100.0	100.0	0.0	0.0
Vulcain EUR FCT	■		France		CSE	100.0	100.0	0.0	0.0
Vulcain GBP FCT	■		France		CSE	100.0	100.0	0.0	0.0
Vulcain USD FCT	■		France		CSE	100.0	100.0	0.0	0.0
ItalAsset Finance SRL	■		Italy		CSE	100.0	100.0	97.8	97.8
Corporate Centre									
Crédit Agricole S.A.									
Crédit Agricole S.A.	●		France		Parent company	100.0	100.0	100.0	100.0
Branch Crédit Agricole SA	■		United Kingdom	France	B	100.0	100.0	100.0	100.0
Banking and financial institutions									
Caisse régionale de Crédit Agricole mutuel de la Corse	■		France		S	99.9	99.9	99.9	99.9
CL Développement de la Corse	■		France		S	99.9	99.9	99.9	99.9
Crédit Agricole Home Loan SFH	■		France		CSE	100.0	100.0	100.0	100.0
Fia-Net	■	S2	France		S		50.0		50.0
Foncaris	■		France		S	100.0	100.0	100.0	100.0
Investment companies									
Crédit Agricole Capital Investissement et Finance (CACIF)	■		France		S	100.0	100.0	100.0	100.0
Delfinances	■		France		CSE	100.0	100.0	100.0	100.0
Eurazeo	▲		France		A	23.2	22.1	16.0	15.1
Sodica	■		France		S	100.0	100.0	100.0	100.0
Other									
CA Grands Crus	■		France		S	77.9	100.0	77.9	82.5
Crédit Agricole Payment Services	■	D1	France		CSE	50.0	50.0	50.3	63.0
Crédit Agricole Immobilier	▲		France		JV	50.0	50.0	50.0	50.0
Crédit Agricole Immobilier Facilities	▲	S4	France		JV		50.0		50.0
Crédit Agricole Public Sector SCF	■		France		CSE	100.0	100.0	100.0	100.0
ESNI (compartiment Crédit Agricole S.A.)	■		France		CSE	100.0	100.0	100.0	100.0
FCT Evergreen HL1	■		France		CSE	100.0	100.0	100.0	100.0
FCT Crédit Agricole Habitat 2015 Compartiment Corse	■	D3	France		CSE	100.0	100.0	99.9	99.9
Fia Net Europe	■		Luxembourg		S	50.0	50.0	50.0	50.0

(1) Consolidation method: ■ Full ▲ Equity Accounted ● Parent

Crédit Agricole S.A. Group Scope of consolidation	(1)	(a)	Principal place of business	Country of incorporation (if different from the principal place of business)	Nature of entity and control (b)	% control 31/12/2016	% control 31/12/2015	% interest 31/12/2016	% interest 31/12/2015
Finasic	■		France		S	100.0	100.0	100.0	100.0
IDIA	■		France		S	100.0	100.0	100.0	100.0
S.A.S. Evergreen Montrouge	■		France		CSE	100.0	100.0	100.0	100.0
SCI D2 CAM	▲		France		JV	50.0	50.0	50.0	50.0
SCI Quentyvel	■		France		S	100.0	100.0	100.0	100.0
SILCA	■		France		CSE	100.0	100.0	93.9	94.9
SIS (Société Immobilière de la Seine)	■		France		S	72.9	72.9	72.9	79.8
SNC Kalliste Assur	■		France		S	100.0	100.0	99.9	99.9
UI Vavin 1	■		France		S	100.0	100.0	100.0	100.0
Unibiens	▲	S4	France		JV		50.0		50.0
Uni-Edition	■		France		S	100.0	100.0	100.0	100.0
Tourism - property development									
Crédit Agricole Immobilier Entreprise	▲	S4	France		JV		50.0		50.0
Crédit Agricole Immobilier Promotion	▲	D1	France		JV	50.0	50.0	50.0	50.0
Crédit Agricole Immobilier Services	▲	D1	France		JV	50.0	50.0	50.0	50.0
SASU Crédit Agricole Immobilier Investors	▲	S4	France		JV		50.0		50.0
Selexia S.A.S.	▲	S4	France		JV		50.0		50.0
SNC Alsace	▲	S1	France		JV		50.0		50.0
SNC Eole	▲		France		JV	50.0	50.0	50.0	50.0

Branches are mentioned in italic.

(a) **Scope changes**

Inclusions (E) into the scope of consolidation:

E1: Breach of threshold

E2: Creation

E3: Acquisition (including controlling interests)

Exclusions (S) from the scope of consolidation:

S1: Discontinuation of business (including dissolution and liquidation)

S2: Sale to non-Group companies or deconsolidation following loss of control

S3: Deconsolidated due to non-materiality

S4: Merger or takeover

S5: Transfer of all assets and liabilities

Other:

D1: Change of company name

D2: Change in consolidation method

D3: First time listed in the Note on scope of consolidation

D4: IFRS 5 entities

(b) **Nature of control**

S: Subsidiary

B: Branch

CSE: Consolidated structured entity

JV: Joint venture

SJV: Structured joint venture

JO: Joint operation

A: Associate

SA: Structured associate

(1) *Consolidation method:* ■ *Full* ▲ *Equity Accounted* ● *Parent*

NOTE 13 Investments in non-consolidated companies and structured entities

13.1 Investments in non consolidated companies

This line item amounted to €10,460 million at 31 December 2016, compared with €8,404 million at 31 December 2015. At 31 December 2016, the main investment in non-consolidated companies where percentage of control is greater than 20% and which have significant value on the balance sheet is Crédit Logement (shares A and B). The Group's investment represents 33% of Crédit Logement's capital and amounts to €617 million but does not confer any significant influence on this entity, which is jointly held by various French banks and companies.

13.2 Non-consolidated structured entities

INFORMATION ON THE NATURE AND EXTENT OF INTERESTS HELD

At 31 December 2016, Crédit Agricole S.A. Group entities had interests in certain non-consolidated structured entities, the main characteristics of which are presented below on the basis of their type of activity:

Securitisation

Crédit Agricole S.A. Group, mainly through its subsidiaries in the Large customers business line, is tasked with structuring securitisation vehicles through the purchase of trade or financial receivables. The vehicles fund such purchases by issuing multiple tranches of debt and equity investments, with repayment being linked to the performance of the assets in such vehicles. It invests in and provides liquidity facilities to the securitisation vehicles it has sponsored on behalf of customers.

Asset management

Crédit Agricole S.A. Group, through its subsidiaries in the Asset gathering business line, structures and manages entities on behalf of customers wishing to invest in specific assets in order to obtain the best possible return having regard to the chosen level of risk. Crédit Agricole S.A. Group entities may thus either be required to hold interests in such entities in order to ensure a successful launch or to guarantee the performance of such structures.

Investment funds

Entities in the Asset gathering business line of Crédit Agricole S.A. Group invest in companies established in response to requests from investors in connection a) with treasury management and b) with the investment of insurance premiums received from insurance company customers pursuant to the regulatory provisions set out in the French Insurance Code. Insurance company investments are meant to cover commitments to policyholders over the life of insurance policies. Their value and returns are correlated to these commitments.

Structured finance

Lastly, Crédit Agricole S.A. Group, *via* its subsidiaries in the Large customers business line, is involved in special purpose asset acquisition entities. These entities may take the form of asset financing companies or lease financing companies. In structured entities, the financing is secured by the asset. The Group's involvement is often limited to the financing or to financing commitments.

Sponsored entities

Crédit Agricole S.A. Group sponsors structured entities in the following instances:

- Crédit Agricole S.A. Group is involved in establishing the entity and that involvement, which is remunerated, is deemed essential for ensuring the proper completion of transactions;
- structuring takes place at the request of Crédit Agricole S.A. Group and it is the main user thereof;
- Crédit Agricole S.A. Group transfers its own assets to the structured entity;
- Crédit Agricole S.A. Group is the manager;
- the name of a subsidiary or of the parent company of Crédit Agricole S.A. Group is linked to the name of structured entity or to financial instruments issued by it.

Gross revenues from sponsored entities mainly comprise commissions in securitisation and investment funds, in which Crédit Agricole Assurances and Crédit Agricole CIB do not hold any interests at the reporting date. For Crédit Agricole Assurances they amount to €48 million and for Crédit Agricole CIB €3 million at 31 December 2016.

The definitions of the underlined words can be found in the Glossary on page 542.

INFORMATION ON THE RISKS RELATED TO INTERESTS

Financial support for structured entities

In 2016, Crédit Agricole S.A. did not provide financial support to any non-consolidated structured entities.

At 31 December 2016, Crédit Agricole S.A. did not intend to provide financial support to any non-consolidated structured entities.

Risks related to interests in non-consolidated structured entities

	31/12/2016							
	Securitisation vehicles		Asset management		Investment Funds[1]		Structured finance[1]	
		Maximum loss		Maximum loss		Maximum loss		Maximum loss
(in millions of euros)	*Carrying amount*	*Maximum exposure to losses*	*Carrying amount*	*Maximum exposure to losses*	*Carrying amount*	*Maximum exposure to losses*	*Carrying amount*	*Maximum exposure to losses*
Financial assets held for trading	394	394	885	885	335	335	67	67
Financial assets designated at fair value through profit or loss	-	-	462	462	17,444	17,444	-	-
Available-for-sale financial assets	56	56	1,555	1,555	4,187	4,187	92	92
Loans and receivables	16,770	16,770	-	-	171	171	3,461	3,461
Held-to maturity financial assets	-	-	-	-	-	-	-	-
Total assets recognised relating to non-consolidated structured entities	**17,220**	**17,220**	**2,902**	**2,902**	**22,137**	**22,137**	**3,620**	**3,620**
Equity instruments issued	-	-	-		-	-	-	
Financial liabilities held for trading	1,099	-	1,220		609	-	6	
Financial liabilities designated at fair value through profit or loss	-	-	-		-	-	-	
Liabilities	1,642	-	-		1,153	-	646	
Total liabilities recognised relating to non-consolidated structured entities	**2,741**		**1,220**		**1,762**		**652**	
Commitments given								
Financing commitments		13,442		-		9		975
Guarantee commitments		-		17,487		-		222
Others		-		-		-		-
Provisions for execution risks - commitments given		-		(8)		-		-
Total commitments (net of provision) to non-consolidated structured entities		**13,442**		**17,479**		**9**		**1,197**
TOTAL BALANCE SHEET RELATING TO NON-CONSOLIDATED STRUCTURED ENTITIES	**17,401**	**-**	**76,484**	**-**	**224,029**	**-**	**3,809**	**-**

(1) Non-sponsored structured entities generate no specific risk related to the nature of the entity. Information concerning these exposures is set out in Note 3.1 "Maximum exposure to credit risk" and Note 3.2 "Market risk". These are investment funds in which the Group is not a manager, and structured financing entities in which the Group has only granted a loan.

	31/12/2015 Restated							
	Securitisation vehicles		Asset management		Investment Funds[1]		Structured finance[1]	
		Maximum loss		Maximum loss		Maximum loss		Maximum loss
(in millions of euros)	*Carrying amount*	*Maximum exposure to losses*	*Carrying amount*	*Maximum exposure to losses*	*Carrying amount*	*Maximum exposure to losses*	*Carrying amount*	*Maximum exposure to losses*
Financial assets held for trading	379	396	604	604	350	350	109	109
Financial assets designated at fair value through profit or loss	-	-	1,163	1,163	16,954	16,954	-	-
Available-for-sale financial assets	43	43	1,228	1,227	5,536	5,536	107	107
Loans and receivables	13,183	13,183	-	-	5	5	3,602	3,371
Held-to maturity financial assets	-	-	-	-	-	-	-	-
Total assets recognised relating to non-consolidated structured entities	**13,605**	**13,622**	**2,995**	**2,994**	**22,845**	**22,845**	**3,818**	**3,587**
Equity instruments issued	-		-		-		-	
Financial liabilities held for trading	976		1,265		144		6	
Financial liabilities designated at fair value through profit or loss	-		-		--			
Liabilities	1,570				436		775	
Total liabilities recognised relating to non-consolidated structured entities	**2,546**	**-**	**1,265**	**-**	**580**	**-**	**781**	**-**
Commitments given								
Financing commitments		15,539		-		1,237		735
Guarantee commitments		33		18,150		-		237
Others		-		-		-		-
Provisions for execution risks - commitments given		2		(6)		-		-
Total commitments (net of provision) to non-consolidated structured entities	-	**15,574**	-	**18,144**	-	**1,237**	-	**972**
TOTAL BALANCE SHEET RELATING TO NON-CONSOLIDATED STRUCTURED ENTITIES	**17,117**		**82,398**		**220,502**		**4,893**	

(1) *Non-sponsored structured entities generate no specific risk related to the nature of the entity. Information concerning these exposures is set out in Note 3.1 "Maximum exposure to credit risk" and Note 3.2 "Market risk". These are investment funds in which the Group is not a manager, and structured financing entities in which the Group has only granted a loan.*

MAXIMUM EXPOSURE TO LOSS RISK

The maximum exposure to loss risk on financial instruments corresponds to the value recognised on the balance sheet, with the exception of option sale derivatives and credit default swaps for which the exposure corresponds to assets for the notional amount and to liabilities for the notional amount less the mark-to-market. The maximum exposure to loss risk on commitments given corresponds to the notional amount and the provision for commitments given in the amount recognised on the balance sheet.

NOTE 14 Events subsequent to 31 December 2016

No significant events have occurred since the year end.

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

This is a free translation into English of the Statutory Auditors' report issued in French. It is provided solely for the convenience of English speaking users. The Statutory Auditors' report includes information required specifically by French law in such reports, whether qualified or not. This information presents below the opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements.

This report should be read and construed in accordance with French law and professional auditing standards applicable in France.

For the year ended December 31, 2016

To the Shareholders

In compliance with the assignment entrusted to us by your General Meeting of Shareholders, we hereby report to you, for the year ended December 31, 2016, on:

- the audit of the accompanying consolidated financial statements of Crédit Agricole S.A. ;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by Board of Directors Our role is to express an opinion on these consolidated financial statements based on our audit.

I - Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sample techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2016 and of the results of its operations for the year then ended in with International Financial Reporting Standards as adopted by the European Union.

II - Justification of our assessments

In accordance with the requirements of article L.823-9 of the French Commercial Code (Code de Commerce) relating to the justification of our assessments, we bring to your attention the following matters:

- Your Group accounts for impairment reserves to cover identified credit risk, which are inherent to its business activities. We have reviewed the procedures implemented by management to identify and assess these risks and to determine the amount of impairment considered necessary. We have also verified that these accounting estimates were based on documented methods that comply with the principles described in Note 1.3 to the consolidated financial statements.
- As stated in Notes 1.3 and 10.2 to the consolidated financial statements, your Group uses internal models to measure financial instruments with unobservable inputs, and to assess some fair value adjustments of financial instruments. We have reviewed the control procedures around these models, the assumptions used and the way the risks associated with such instruments are taken into consideration.
- As stated in Notes 1.4, 2.4 and 6.18 to the consolidated financial statements, your Group has performed impairment tests on goodwill and investments which led, where required, to recognizing impairment losses during this period. We have reviewed the terms and conditions related to these tests, the main parameters and assumptions used as well as the estimates made leading, where required, to recognizing impairment losses. We have also verified that the information included in these notes was appropriate.
- As stated in Notes 1.3 to the consolidated financial statements, your Group establishes provisions to cover the legal and tax risks to which it is exposed. We have examined the mechanism implemented by management to identify and evaluate these risks and to determine the necessary amount of provisions. We have also verified the appropriateness of the information given in Notes 2.7, 2.8 and 6.20 to the financial statements.
- As part of its consolidated financial statements preparation process, your Group has made other accounting estimates, as explained in Note 1.3 to the consolidated financial statements, in particular regarding the valuation and impairment of non-consolidated equity securities, the pension and future employee benefits engagements, reserves for operational risks, reserves for legal risks, insurance company technical reserves and deferred taxes assets. We have reviewed the methods and assumptions used and ensured that the accounting estimates are appropriately documented in conformity with the principles described in Note 1.3 to the consolidated financial statements.

The definitions of the underlined words can be found in the Glossary on page 542.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III - Specific verification

As required by law, we have also verified in accordance with professional standards applicable in France the information presented in the Group's management report.

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

Neuilly-sur-Seine and Paris-La Défense, on March 20, 2017

The statutory auditors

PricewaterhouseCoopers Audit

Anik Chaumartin

ERNST & YOUNG et Autres

Valérie Meeus

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PARENT COMPANY FINANCIAL STATEMENTS

at 31 December 2016 approved by the Crédit Agricole S.A. Board of Directors on 14 February 2017 and submitted for approval to the Ordinary General Meeting of 24 May 2017

Parent company **financial statements**

Key Figures

Net Income	€13,819 m
• Revenues	€1,335 m

Total assets	€555,326 m
• Crédit Agricole internal transactions (assets)	€285,622 m
• Financial investments	€62,284 m
• Equity (excluding FGBR)	€49,249 m

PARENT COMPANY FINANCIAL STATEMENTS

BALANCE SHEET AT 31 DECEMBER 2016

ASSETS

(in millions of euros)	Notes	31/12/2016	31/12/2015
Money market and interbank items		**142,726**	**151,285**
Cash, due from central banks		2,857	2,891
Treasury bills and similar securities	5	21,160	24,351
Loans and receivables due from credit institutions	3	118,709	124,043
Crédit Agricole internal transactions	**3**	**285,622**	**275,947**
Loans and receivables due from customers	**4**	**3,816**	**3,082**
Portfolio securities		**40,514**	**36,152**
Bonds and other fixed income securities	5	40,507	36,142
Equities and other variable income securities	5	7	10
Fixed assets		**62,421**	**65,457**
Equity investments and other long term equity investments	6-7	1,182	7,413
Investments in subsidiaries and affiliates	6-7	61,102	57,899
Intangible assets	7	23	30
Property, plant & equipment	7	114	115
Due from shareholders – unpaid capital		**-**	**-**
Treasury shares	**8**	**31**	**45**
Accruals, prepayments and sundry assets		**20,196**	**29,823**
Other assets	9	5,341	7,842
Accruals and deferred income	9	14,855	21,981
TOTAL ASSETS		**555,326**	**561,791**

The definitions of the underlined words can be found in the Glossary on page 542.

EQUITY AND LIABILITIES

(in millions of euros)	Notes	31/12/2016	31/12/2015
Money market and interbank items		**85,577**	**95,181**
Due to Central banks		3	3
Due to credit institutions	11	85,574	95,178
Crédit Agricole internal transactions	**11**	**32,734**	**45,523**
Due to customers	**12**	**237,271**	**230,655**
Debt instruments	**13**	**89,104**	**87,273**
Accruals, deferred income and sundry liabilities		**25,840**	**31,467**
Other liabilities	14	9,115	7,984
Accruals and deferred income	14	16,725	23,483
Provisions and subordinated debt		**34,475**	**35,222**
Provisions	15-16-17	1,661	1,569
Subordinated debt	19	32,814	33,653
Fund for general banking risk (FGBR)	**18**	**1,076**	**1,040**
Equity (excluding FGBR)	**20**	**49,249**	**35,430**
Share capital		8,538	7,918
Share premiums		12,206	11,227
Reserves		12,624	12,605
Revaluation adjustments		-	-
Regulated provisions and investment subsidies		17	26
Retained earnings		2,045	2,208
Net income/(loss) for the year		13,819	1,446
TOTAL EQUITY AND LIABILITIES		**555,326**	**561,791**

OFF-BALANCE SHEET AT 31 DECEMBER 2016

(in millions of euros)	Notes	31/12/2016	31/12/2015
COMMITMENTS GIVEN		**22,438**	**36,782**
Financing commitments	26	6,181	14,254
Guarantee commitments	26	16,257	22,528
Commitments on securities		-	-
COMMITMENTS RECEIVED		**61,465**	**51,104**
Financing commitments	26	51,179	26,370
Guarantee commitments	26	10,286	24,734
Commitments on securities		-	-

INCOME STATEMENT AT 31 DECEMBER 2016

(in millions of euros)	Notes	31/12/2016	31/12/2015
Interest and similar income	28	10,446	10,566
Interest and similar expenses	28	(12,849)	(12,866)
Income from variable-income securities	29	3,513	4,014
Fee and commission (income)	30	941	921
Fee and commission (expenses)	30	(869)	(974)
Net gains (losses) on trading book	31	81	(146)
Net gains (losses) on short term investment portfolios and similar	32	46	356
Other banking income	33	85	80
Other banking expenses	33	(59)	(52)
Revenues		**1,335**	**1,899**
Operating expenses	34	(746)	(735)
Depreciation, amortisation and impairment of property, plant & equipment and intangible assets		(14)	(15)
Gross operating income		**575**	**1,149**
Cost of risk	35	(16)	(220)
Operating income		**559**	**929**
Net gains (losses) on fixed assets	36	13,074	(807)
Pre-tax income on ordinary activities		**13,633**	**122**
Net extraordinary items		-	-
Income tax charge	37	213	1,357
Net allocation to FGBR and regulated provisions		(27)	(33)
NET INCOME FOR THE FINANCIAL YEAR		**13,819**	**1,446**

The definitions of the underlined words can be found in the Glossary on page 542.

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

Detailed summary of the notes

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The definitions of the underlined words can be found in the Glossary on page 542.

Detailed summary of the notes

The definitions of the underlined words can be found in the Glossary on page 542.

NOTE 1 Legal and financial background - significant events in 2016

1.1 Legal and financial background

Crédit Agricole S.A. is a French Public Limited Company (*Société Anonyme*) with share capital of €8,538,314 thousand, divided into 2,846,104,526 shares with a par value of €3 each.

At 31 December 2016, the share capital of Crédit Agricole S.A. was held as follows:

- 56.64% by SAS Rue La Boétie;
- 43.26% free float (including employees).

In addition, Crédit Agricole S.A. held 2,765,736 treasury shares at 31 December 2016, representing 0.10% of its share capital, compared with 4,027,798 treasury shares at 31 December 2015.

Crédit Agricole S.A. coordinates the activities of the Regional Banks, is responsible for exercising administrative, technical and financial control over them and has right of supervision in accordance with the French Monetary and Financial Code. By virtue of its duties as a central body, as confirmed by the Monetary and Financial Code, it is responsible for ensuring the cohesion and proper functioning of the network, as well as each Regional Bank's compliance with operating standards. It guarantees their liquidity and solvency. Moreover, in 1988, the Regional Banks granted guarantees to third-party creditors of Crédit Agricole S.A. on a joint and several basis up to the aggregate amount of their own funds. This guarantee may be called upon if the assets of Crédit Agricole S.A. are insufficient in bankruptcy or dissolution proceedings.

1.2 Crédit Agricole internal funding mechanisms

Affiliation with the Crédit Agricole network moreover means being part of a system of financial relationships that operates as described below:

REGIONAL BANKS' CURRENT ACCOUNTS

Each Regional Bank holds a current account with Crédit Agricole S.A., which records the financial movements resulting from internal financial transactions within the Group. This account may be in credit or debit and is presented in the balance sheet under "Crédit Agricole internal transactions – Current accounts".

SPECIAL SAVINGS ACCOUNTS

Funds held in special savings accounts (popular savings plans (*Livret d'épargne populaire*), sustainable development passbook accounts (*Livret de développement durable*), home purchase savings plans and accounts, youth passbook accounts and *Livret A* passbook savings accounts) are collected by the Regional Banks on behalf of Crédit Agricole S.A. These funds are required to be transferred to the latter. Crédit Agricole S.A. recognises them on its balance sheet as "Due to customers".

TERM DEPOSITS AND ADVANCES

The Regional Banks also collect savings funds (passbook accounts, bonds, certain term accounts and related accounts, etc.) on behalf of Crédit Agricole S.A. These funds are transferred to Crédit Agricole S.A. and are recognised as such on its balance sheet.

Special savings accounts and time deposits and advances are used by Crédit Agricole S.A. to make "advances" (loans) to the Regional Banks, with a view to funding their medium and long term loans.

A series of four internal financial reforms has been implemented. These reforms have permitted the transfer back to the Regional Banks, in the form of advances (loans) of a specific percentage of the funds collected by them (first 15%, 25%, then 33% and, lastly, with effect since 31 December 2001, 50%), *via* "mirror advances" with maturities and interest rates precisely matching those of the savings funds received, and which they are free to use at their discretion.

Since 1 January 2004, the financial margins generated by the centralised management of funds collected (and not transferred back *via* mirror advances) are shared by the Regional Banks and Crédit Agricole S.A. and are determined by using replacement models and applying market rates.

Furthermore, 50% of new loans written since 1 January 2004 and falling within the field of application of financial relations between Crédit Agricole S.A. and the Regional Banks may be refinanced in the form of advances negotiated at market rates with Crédit Agricole S.A.

As such, there are currently two types of advances: advances governed by the financial rules prior to 1 January 2004 and those governed by the new rules.

Crédit Agricole S.A. may also make additional financing available to the Regional Banks at market rates.

TRANSFER OF REGIONAL BANKS' LIQUIDITY SURPLUSES

The Regional Banks may use their monetary deposits (demand deposits, non-centralised term deposits and negotiable certificates of deposit) to finance lending to their customers. Surpluses must be transferred to Crédit Agricole S.A. where they are booked as current or term accounts, under "Crédit Agricole internal transactions".

INVESTMENT OF REGIONAL BANKS' SURPLUS CAPITAL WITH CRÉDIT AGRICOLE S.A.

Available surplus capital may be invested with Crédit Agricole S.A. in the form of three to ten-year instruments with the same characteristics of interbank money market transactions in all respects.

FOREIGN CURRENCY TRANSACTIONS

Crédit Agricole S.A. represents the Regional Banks with respect to the Bank of France and centralises their foreign currency transactions.

MEDIUM AND LONG TERM NOTES ISSUED BY CRÉDIT AGRICOLE S.A.

These are placed mainly on the market or by the Regional Banks with their customers. They are booked by Crédit Agricole S.A. under liabilities either as "Debt securities" or "Provisions and subordinated debt", depending on the type of security issued.

The definitions of the underlined words can be found in the Glossary on page 542.

COVERAGE OF LIQUIDITY AND SOLVENCY RISKS

European legislation relating to the resolution of banking crises adopted in 2014 (the BRRD directive and the regulation establishing a Single Resolution Mechanism, transposed into French law by Ordinance 2015-1024 of 20 August 2015) introduced a number of significant changes to the regulations applicable to credit institutions.

The new framework, which includes measures to prevent and to resolve banking crises, is intended to preserve financial stability, to ensure the continuity of activities, services and operations of institutions whose failure could significantly impact the economy, to protect depositors and to avoid or limit, as much as possible, the use of public financial support. In this context, the Single Resolution Board, the European resolution authority, has been granted extensive powers to take all necessary measures in connection with the resolution of all or part of a credit institution or the group to which it belongs.

The European resolution framework does not affect the legal internal financial solidarity mechanism enshrined in Article L. 511-31 of the French Monetary and Financial Code, which applies to the Crédit Agricole network, as defined in Article R. 512-18 of the same Code. Crédit Agricole S.A. considers that, in practice, this mechanism should be implemented prior to any resolution procedure, given that, as central body and network member, Crédit Agricole must take all necessary measures to ensure the liquidity and solvency of each network member, as well as the network as a whole. As a result, each member of the network (including Crédit Agricole S.A.) benefits from this internal financial solidarity mechanism.

Moreover, in connection with the institution of a resolution procedure, the French Regulatory and Resolution Supervisory Authority (ACPR) must respect the fundamental principle that no creditor should suffer losses in connection with a resolution procedure that are greater than those it would suffer if the entity had been liquidated in a normal insolvency procedure (the "No Creditor Worse Off than on Liquidation" – NCWOL – principle, laid down in Article L. 613-57-1 of the French Monetary and Financial Code, and Article 73 of the BRRD directive). Because of this principle, Crédit Agricole S.A. believes that the existence of the guarantee granted in 1988 by the Regional Banks in favour of the creditors of Crédit Agricole S.A. should be taken into account by the ACPR, although it is not possible to determine how this will be done. This guarantee of the obligations of Crédit Agricole S.A. to third party creditors was granted in 1988 by the Regional Banks on a joint and several basis up to the aggregate amount of their own funds.

Lastly, in connection with Crédit Agricole S.A.'s IPO in 2001, CNCA (now Crédit Agricole S.A.) signed an agreement with the Regional Banks governing internal relations within Crédit Agricole Group. The agreement notably provided for the creation of a Fund for Bank Liquidity and Solvency Risks (FRBLS) designed to enable Crédit Agricole S.A. to fulfil its role as central body by providing assistance to any affiliated members that may experience difficulties. The main provisions of this agreement are set out in Chapter III of the registration document filed by Crédit Agricole S.A. with the *Commission des Opérations de Bourse* on 22 October 2001 under number R. 01-453.

SPECIFIC GUARANTEES PROVIDED BY THE REGIONAL BANKS TO CRÉDIT AGRICOLE S.A. (SWITCH)

Following the simplification of the Group's structure, which resulted in the transfer of CCIs/CCAs held by Crédit Agricole S.A. to Sacam Mutualisation, a company wholly owned by the Regional Banks, Crédit Agricole S.A. no longer holds any of the Regional Banks' share capital (except for four Regional Banks for which Crédit Agricole S.A. retained a small number of CCAs for legal reasons). The transaction was accompanied by the signing of two amendments to the Framework Agreement governing the Switch Guarantee on 17 February (addendum No. 2) and 21 July (addendum No. 3) respectively, resulting notably in the end of the guarantee on the CCIs/CCAs.

The modified mechanism took effect on 1 July 2016, and now limits transfers to the Regional Banks to the prudential requirements relating to Crédit Agricole S.A.'s shares in Crédit Agricole Assurances (CAA) within the bounds of a contractual ceiling: we now talk of Switch Insurance.

The effectiveness of the mechanism is secured by cash deposits paid by the Regional Banks to Crédit Agricole S.A. These security deposits are calibrated to show the capital savings generated by Crédit Agricole S.A., and are remunerated at a fixed rate based on conditions prevailing for long term liquidity.

The Switch Insurance guarantees accordingly protect Crédit Agricole S.A. from a decline in the overall equity-accounted value of these equity investments, subject to payment by the Regional Banks of compensation from the security deposit. Likewise, if the equity-accounted value later recovers, Crédit Agricole S.A. can return previously paid compensation in accordance with a clawback provision.

Guarantees are recognised as off-balance sheet commitments. They are treated as first demand guarantees given, and their compensation is recognised in stages in the interest margin under Revenues. In the event of a call on guarantees, or following a return to better fortune, where applicable, the compensation payment or redemption proceeds would be recognised under Cost of risk.

It should be noted that the Switch Insurance guarantees are triggered on a half-yearly basis, and assessed on the basis of half-yearly changes in the equity-accounted value of the CAA equity investments. At the close of the quarterly accounts, the Regional Banks are obliged to estimate whether there is a risk of having to pay compensation and to set aside funds to cover the risk if necessary. No income can be recognised in the event of the likely use of clawback provisions, as it is not certain. At the close of the half-yearly accounts, if the conditions are met, the Regional Banks record the effects of triggering the guarantees (call or clawback).

The definitions of the underlined words can be found in the Glossary on page 542.

1.3 Significant events in 2016

SIMPLIFICATION OF THE CRÉDIT AGRICOLE GROUP

The simplification transaction announced by the Crédit Agricole Group on 17 February 2016 was completed on 3 August 2016. The majority of the cooperative investment certificates ("CCI") and the cooperative associate certificates ("CCA") held by Crédit Agricole S.A. were transferred to a holding company ("Sacam Mutualisation") held jointly by the Regional Banks. The sale price initially determined on the basis of the Regional Banks' balance sheets was adjusted for the impact of the change in the Regional Banks' consolidated adjusted equity under IFRS between 31 December 2015 and 30 June 2016. This adjustment amounted to €517 million, such that the final sale price of the CCIs and CCAs transferred by Crédit Agricole S.A. to Sacam Mutualisation (a wholly owned subsidiary of the Regional Banks) was €18.542 billion. The transfer of the securities generated a capital gain of €12.153 billion in Crédit Agricole S.A.'s separate financial statements. Sacam Mutualisation was financed through a capital contribution from the Regional Banks (subscription by each Regional Bank to a capital increase of Sacam Mutualisation, allowing them to acquire the CCIs/CCAs held by Crédit Agricole S.A.). Crédit Agricole S.A. granted the Regional Banks senior loans in the total amount of €11 billion to finance part of the Sacam Mutualisation capital increase.

The operation is designed to simplify the group's structure and to share the earnings of the Regional Banks. It will maintain and reinforce the economic interdependence that already existed among the Regional Banks through Crédit Agricole S.A.'s equity interest and the CCI/CCA Switch guarantee.

Its implementation entails the unwinding of the Switch guarantee with effect from 1 July 2016 as regards the component covering the CCIs/CCAs and the refund of the related deposit to Crédit Agricole S.A. (€5 billion for all of the Regional Banks).

OPTIMISING THE DEBT OF THE CRÉDIT AGRICOLE GROUP

As part of the announcement made to the market on 17 February 2016 by Crédit Agricole S.A. of a plan to reorganise the Group, an effort to optimise the balance sheet was announced, consisting of reinvesting a portion of the capital gains generated by the Group's capital simplification transaction in order to lower the cost of its liabilities.

In this connection, and with the approval of the European Central Bank (ECB), on 14 March 2016, Crédit Agricole S.A. made a public bond buyback offer, closing on 21 March 2016 and settled on 24 March 2016, involving:

- three Tier 2 subordinated euro securities with a total value of €4.7 billion and one Tier 2 subordinated GBP security of £450 million issued by Crédit Agricole S.A. and cancelled in the amounts of €1.1 billion and £73 million respectively;
- one deeply subordinated note of €500 million issued by Crédit Agricole S.A. and subscribed by Predica.

In addition, seven cash loans with Crédit Agricole Home Loan totalling €12.2 billion were cancelled in the amount of €3.1 billion.

The early redemption fees and the costs of settlement of the micro-hedging swaps in a negative amount of - €683 million were recognised in the income statements of Crédit Agricole S.A. for the period.

ISSUANCE OF ADDITIONAL TIER 1 (AT1) SECURITIES

On 19 January 2016, Crédit Agricole S.A. issued Additional Tier 1 deeply subordinated bonds in the amount of €1.2 billion. The bonds meet the new CRD 4 rules on coupon payment and bail-in.

SENIOR NON-PREFERRED PROGRAMME

On 13 December 2016, Crédit Agricole S.A. issued senior non-preferred bonds in the amount of one billion five hundred million euros. For the Crédit Agricole Group and the Paris market, this was the maiden issue of bonds in the new category of debt securities created by the Sapin 2 Act, which came into force on 11 December 2016.

This new category of securities, which ranks below ordinary unsecured debt, was introduced to enable the major French banking groups to comply with the TLAC (total loss absorbing capacity) requirements. It also optimises the liability structure and associated costs.

These requirements were adopted by the Financial Stability Board on 9 November 2015 and were incorporated at European level into the proposal for amending the CRD 4 package, the BRRD directive and the Single Resolution Mechanism published on 23 November 2016.

PURCHASES OF "ADDITIONAL TIER 1" SUBORDINATED BONDS OF GROUP SUBSIDIARIES

As part of the process designed to strengthen their regulatory capital, some of the Group's subsidiaries (Crédit Agricole CIB, LCL, CA Consumer Finance and Cariparma) conducted, during 2016, several "Additional Tier 1" deeply subordinated perpetual bond issuance programmes in euros and dollars, purchased by Crédit Agricole S.A. in the amount of €1.9 billion.

SUBSCRIPTION OF CA ASSURANCES DEEPLY SUBORDINATED NOTE

On 30 June 2016, Crédit Agricole Assurances issued €1 billion of Tier 2 subordinated notes to strengthen its capital and solvency ratio (Solvency 2). These notes were purchased by Crédit Agricole S.A.

END OF THE REGIONAL BANKS – CRÉDIT AGRICOLE S.A. – CRÉDIT AGRICOLE CIB TRIPLING MECHANISM

Tripling is the mechanism used for registering derivatives between Crédit Agricole Corporate and Investment Bank (Crédit Agricole CIB) and the Regional Banks, in which Crédit Agricole S.A. intervenes systematically between the parties. The purpose of this mechanism was to enable the Group to make savings in terms of equity capital, with Crédit Agricole S.A. benefiting from a favourable regime in its relations with its subsidiary Crédit Agricole CIB and also with the Regional Banks, for which it is the central body, whereas the direct relationship between the parties did not benefit therefrom.

Changes in the group's organisation remove the advantage of tripling. Crédit Agricole CIB now benefits from the same favourable regime as Crédit Agricole S.A. in respect of the Regional Banks, and CRD 4 creates a favourable environment for intra-group transactions, including in mutual structures.

Transactions carried out following the ending of the tripling mechanism are concluded directly between Crédit Agricole CIB and the Regional Banks. They meet the regulatory requirements, notably those introduced by EMIR, on the weekly reconciliation of these transactions. The Regional Banks can now directly negotiate this type of transaction with Crédit Agricole CIB, thereby avoiding having to transit through the Crédit Agricole S.A. financial statements.

Following the cancellation of the contracts, a reduction of the nominal off-balance sheet amount of around €110 billion was observed.

CAPITAL INCREASE OF THE GROUP'S SUBSIDIARIES

In the second quarter of 2016, Crédit Agricole S.A. increased its holdings in certain Group subsidiaries following the capital increases and the payment of dividends in shares, notably:

- Crédit Agricole CIB in the amount of €1,080 million. The percentage interest stands at 97.33%;
- Crédit Agricole Consumer Finance in the amount of €899 million. The percentage interest stands at 99.99%;
- Crédit Agricole Assurances in the amount of €249 million. The percentage interest stands at 100%;
- Crédit Agricole-Caisse d'Épargne Investor Services in the amount of €32 million. The percentage interest stands at 85%.

VISA EUROPE – VISA INC.

The acquisition of Visa Europe by Visa Inc., announced on 2 November 2015, was completed on 21 June 2016.

The transaction had three phases:

- the sale of securities held for €10 generating a capital gain of €90.7 million;
- the allocation of free shares recorded in the balance sheet in the amount of €25.1 million;
- an additional cash payment on the third anniversary of closing (payment deferred for three years) in the amount of €7.8 million.

This transaction generated a total capital gain of €122.8 million.

BUYBACK OF ZERO-COUPON BONDS EXCHANGEABLE FOR EURAZEO EQUITIES ISSUED IN 2013 MATURING IN 2016

On 27 September 2016, Crédit Agricole S.A. bought back 4,964,119 Eurazeo exchangeable bonds for a total of €334 million, *i.e.* €67.33 per bond. These bonds represented 97.63% of the 2013 issue. The settlement date for these securities was 3 October 2016.

Following the redemptions, 120,463 2013 exchangeable bonds remained outstanding. Upon maturity, on 6 December 2016, Crédit Agricole S.A. redeemed them for cash. The exchangeable bonds bought back by Crédit Agricole S.A. were cancelled in accordance with the issue prospectus and the law.

In parallel with this bond buyback, on 27 September 2016 Crédit Agricole S.A. issued 4,633,042 Eurazeo zero-coupon exchangeable bonds maturing in 2019, with a settlement date of 3 October 2016. This issue represented 6.4% of the share capital of Eurazeo at the transaction date.

The exchangeable bonds, with a par value of €66.53, represented an issue of €308 million. They were issued at €69.27 per security, for a total of €321 million, representing an annual redemption yield of -1.34%.

Crédit Agricole S.A. has the following options as regards the repayment of the exchangeable bonds:

- one Eurazeo share for one exchangeable bond; or
- rather than delivering Eurazeo equities, payment of the full or partial equivalent value in cash.

These listed bonds are hybrid instruments designated at fair value through profit or loss.

CAPITAL INCREASE RESERVED FOR EMPLOYEES

Following the decision of the Board of Directors on 19 May 2016, the capital increase of Crédit Agricole S.A. reserved for employees (2016 Reserved Capital Increase), with the subscription/waiver period running from 8 to 11 November 2016, was concluded on 15 December 2016.

More than 22,000 employees of the Crédit Agricole Group, in France and in 18 other countries, subscribed in a total amount of €278 million.

IMPAIRMENT OF INVESTMENTS

As of 31 December 2016, following a review of the impairment testing of the Group's subsidiaries:

- a reversal of impairment was made in the amount of €1,236 million on Crédit Agricole Consumer Finance, thereby cancelling the impairment loss;
- at the same time, an additional impairment charge of €483 million was recognised on LCL, bringing the total impairment loss of €2.2 billion.

EUROPEAN COMMISSION FINE ON INTEREST RATE DERIVATIVES DENOMINATED IN EUROS

On 7 December 2016, the European Commission jointly ordered Crédit Agricole S.A. and Crédit Agricole CIB to pay a fine of €115 million for infringement of the competition rules contained in the Treaty on European Union in the proceeding concerning interest rate derivatives denominated in euros (known as "Euribor").

As the split between Crédit Agricole S.A. and Crédit Agricole CIB was not set in the decision, and as the Group has decided to file an application for annulment before the European Union Tribunal, Crédit Agricole S.A. will provisionally pay the full amount of the penalty in 2017, acting in its capacity as the central body and as the guarantor of the liquidity and solvency of all of its affiliates, including Crédit Agricole CIB.

The allocation of the final amount of any penalty that may ultimately be paid will be made once appeals before the European courts have been exhausted.

CRÉDIT AGRICOLE CIB TAX CONSOLIDATION

On 15 November 2016, Crédit Agricole S.A. and Crédit Agricole CIB signed an amendment to the tax consolidation agreement for the 2015-2019 period.

Its implementation is reflected in the financial statements for the period ended 31 December 2016 by a charge of €1,076 million representing compensation for the losses provided by the Crédit Agricole CIB subgroup to the tax group.

CHEQUE IMAGE EXCHANGE LITIGATION

In a ruling of 20 September 2010, 11 French banks including Crédit Agricole S.A. Group were convicted by the Competition Authority of illegal collusion on the fees for processing cheques. The expense recognised for this fine was €103 million, of which €21 million was for LCL and €82 million for Crédit Agricole Group, split equally among the Regional Banks and Crédit Agricole S.A.

On 23 February 2012, the Paris Court of Appeals struck down the Competition Authority ruling of 20 September 2010, finding that collusion had not been proved.

On 23 March 2012, the Competition Authority filed a further appeal against this decision by the Paris Court of Appeal. Since the Court of Appeal's decision is final and the further appeal did not stay the decision, the fines previously paid by the credit institutions in 2010 were refunded on 11 April 2012. In light of the estimated likelihood of legal risk and of the decision by the other banks party to the litigation, the Group decided not to provision for a liability.

Since the decision by the Paris Court of Appeals was overturned by the Court of Cassation on 14 April 2015 on procedural grounds and since the matter has been sent back before the same Court of Appeals, the Group gave back the amount received in 2012 and has decided to pursue the matter in the court to which it has been referred. The hearing before the Paris Court of Appeals was held on 3 and 4 November 2016. The decision is scheduled to be handed down on 11 May 2017. No provision has been made for this dispute.

1.4 Events after the 2016 reporting period

SENIOR NON-PREFERRED PROGRAMME

On 10 January 2017, Crédit Agricole S.A. issued three senior non-preferred bonds for a total amount of $2.3 billion.

NOTE 2 Accounting policies and principles

Crédit Agricole S.A. prepares its financial statements in accordance with the accounting principles applicable to banks in France.

The presentation of the financial statements of Crédit Agricole S.A. complies with the provisions of ANC Regulation 2014-07 of 26 November 2014, which, for periods beginning on or after 1 January 2015, combines in a single regulation all accounting standards applicable to credit institutions, pursuant to established law.

Changes in accounting policies and the presentation of the financial statements compared with the previous year relate to the following:

Regulations	Date published by the French government	Date of first-time application: financial years from	Applicable within Crédit Agricole S.A.
ANC Regulation 2015-06 amending ANC Regulation 2014-03 concerning the general plan of accounts.	23 November 2015	1 January 2016	Yes
ANC Regulation 2016-07 amending ANC Regulation 2014-03 concerning the general plan of accounts.	4 November 2016	1 January 2016	Yes

ANC Regulation 2015-06 and 2016-07 had no impact on the income and net equity of Crédit Agricole S.A.

2.1 Loans and financing commitments

Loans and receivables to credit institutions, entities of the Crédit Agricole Group and customers are governed by Articles 2211-1 to 2251-13 (Part 2 "Accounting Treatment of Credit Risk" of Book II "Special Transactions") of ANC Regulation 2014-07 of 26 November 2014.

They are presented in the financial statements according to their initial term or the nature of the receivable:

- demand and time deposits for credit institutions;
- current accounts, time loans and advances for Crédit Agricole internal transactions;
- trade receivables and other loans and receivables to customers.

In accordance with regulations, the customers category also includes transactions with financial customers.

Subordinated loans and repurchase agreements (represented by certificates or securities) are included under the various categories of loans and receivables according to counterparty type (interbank, Crédit Agricole, customers).

Amounts receivable are recognised on the balance sheet at face value.

Pursuant to Article 2131-1 of ANC Regulation 2014-07 of 26 November 2014, the fees and commissions received and the marginal transaction costs borne are deferred over the effective term of the loan and are thus included in the outstanding amount of the relevant loan.

Accrued interest is recognised on the balance sheet under the appropriate category of loans and advances and booked to the income statement as interest income.

Financing commitments recognised as off-balance sheet represent irrecoverable commitments to cash advances and guarantee commitments that have not resulted in fund movements.

Advances made by Crédit Agricole S.A. to the Regional Banks do not represent a direct risk for Crédit Agricole S.A. with respect to the corresponding customer loans made by the Regional Banks. They do, however, represent a potential indirect risk with respect to the financial strength of the Regional Banks. Crédit Agricole S.A. has not made any provisions for such advances to the Regional Banks.

The application of Part 2 "Accounting Treatment of Credit Risk" of Book II "Special Transactions" of ANC Regulation 2014-07 of 26 November 2014 has led Crédit Agricole S.A. to account for loans with a risk of arrears in accordance with the following rules. External and/or internal rating systems are used to help assess whether there is a credit risk.

RESTRUCTURED LOANS

These are loans to counterparties in financial difficulty, such that the bank alters their initial characteristics (term, interest rate, etc.) to allow counterparties to honour the repayment schedule.

They consist of loans classified as in default and performing loans at the date they are restructured.

Restructured loans do not include loans whose characteristics have been renegotiated on a commercial basis with counterparties not showing any insolvency problems.

The reduction of future flows granted to a counterparty, or the postponing of these flows as part of a restructuring, results in the recognition of a discount. It represents future loss of cash flow discounted at the original effective interest rate. It is equal to the difference between:

- the nominal value of the loans; and
- the sum of theoretical future cash flows from the restructured loan, discounted at the original effective interest rate (defined at the date of the financing commitment).

The discount recognised when a loan is restructured is recorded under cost of risk. Its amortisation then affects the interest margin.

Restructured loans are rated in accordance with Basel rules and are impaired on the basis of the estimated credit risk. They are individually impaired within thirty days of a missed payment.

At 31 December 2016, Crédit Agricole S.A. did not hold any restructured loans.

DOUBTFUL OR IRRECOVERABLE LOANS

Loans and receivables of all kinds, even those which are guaranteed, are classified as doubtful if they carry an identified credit risk arising from one of the following events:

- the loan or advance is at least three months in arrears;
- the borrower's financial position is such that an identified risk exists regardless of whether the loan or advance is in arrears;
- the bank and borrower are in legal proceedings.

For overdrafts, the age of the overdue amount is calculated as from the date on which the borrower has exceeded an authorised limit that the bank has brought to its attention, has been notified that the outstanding overdraft exceeds a limit set by the bank as part of its internal control procedures, or has drawn sums without an overdraft authorisation.

Subject to certain conditions, in lieu of the above criteria, the bank may calculate the age of the overdue amount from the date on which the bank has issued a demand for total or partial repayment of the overdraft by the borrower.

Crédit Agricole S.A. makes the following distinction between irrecoverable loans and doubtful loans:

- doubtful loans:

  All doubtful loans which do not fall into the irrecoverable loans category are classified as doubtful loans;
- irrecoverable loans:

  Irrecoverable loans are those for which the prospects of recovery are highly impaired and which are likely to be written off in time.

In the case of doubtful loans, interest continues to be recognised so long as the receivable is deemed to be doubtful, but is no longer recognised after the loss has been transferred to irrecoverable loans.

IMPAIRMENT RESULTING FROM IDENTIFIED CREDIT RISK

Once a loan is classified as doubtful, an impairment loss is deducted by Crédit Agricole S.A. from the asset in an amount equal to the probable loss. These impairment losses represent the difference between the carrying amount of the receivable and estimated future cash flows discounted at the contractual rate, taking into account the borrower's financial condition, its business prospects and any guarantees, after deducting the cost of enforcing such guarantees.

Possible losses in respect of portfolios of small loans with similar characteristics may be estimated on a statistical basis rather than individually assessed.

Probable losses in respect off-balance sheet commitments are covered by provisions recognised as liabilities.

ACCOUNTING TREATMENT OF IMPAIRMENT LOSSES

Impairment losses and reversals of impairment losses for non-recovery risk on doubtful loans are recognised in cost of risk and any increase in the carrying amount resulting from the reversal of impairment losses as a result of the passage of time is recognised in the interest margin.

PROVISIONS FOR CREDIT RISK NOT INDIVIDUALLY ALLOCATED TO LOANS

Crédit Agricole S.A. also books provisions on the liabilities side of the balance sheet to cover customer risks that are not individually allocated to loans, such as provisions for country risks or sector provisions generally calculated based on Basel 2 models. These provisions are designed to cover identified risks for which there is a statistical or historical probability of partial non-recovery against loans classified as performing or not individually impaired.

COUNTRY RISKS

Country risks (or risks on international commitments) consist of "the total amount of unimpaired loans, both on and off-balance sheet, carried by an institution directly or *via* hive-off vehicles, involving private or public debtors residing in the countries identified by the French Regulatory and Resolution Supervisory Authority (ACPR), or where settlement thereof depends on the position of public or private debtors residing in those countries" (French Banking Commission memo dated 24 December 1998).

Where these receivables are not classified as doubtful, they continue to be carried under their original classification.

WRITE-OFFS

Decisions as to when to write off are taken on the basis of expert opinion. Crédit Agricole S.A. determines this in conjunction with its Risk Management department, having regard to its business knowledge.

2.2 Securities portfolio

The rules on recognition of securities portfolios are defined by Articles 2311-1 to 2391-1 (Part 3 "Recognition of Securities Transactions" of Book II "Special Transactions") and Articles 2211-1 to 2251-13 (Part 2 "Accounting Treatment of Credit Risk" of Book II "Special Transactions") of ANC Regulation 2014-07 of 26 November 2014 for the determination of credit risk and the impairment of fixed income securities.

These securities are presented in the financial statements according to their asset class: treasury bills (treasury bonds and similar securities), bonds and other fixed income securities (negotiable debt securities and interbank market instruments) and equities and other variable-income securities.

They are classified in portfolios defined by regulation (trading, short term investment, long term investment, medium-term portfolio, other long term equity investments and investments in subsidiaries and affiliates), depending on the initial intention for holding the securities as identified in the accounting IT system at the time they were acquired.

2.2.1 TRADING SECURITIES

These are securities that were originally:

- bought with the intention of selling them in the near future, or sold with the intention of repurchasing them in the near future;
- or held by the bank as a result of its market-making activity. The classification of these securities as trading securities depends on the effective turnover of the securities and on a significant trading volume taking into account market opportunities.

These securities must be tradable on an active market and resulting market prices must represent real transactions regularly undertaken in the market on an arm's length basis.

Trading securities also include:

- securities bought or sold as part of specialised management of the trading portfolio, including forward financial instruments, securities or other financial instruments that are managed collectively and on which there is an indication of recent short term profit taking;
- securities on which there is a commitment to sell as part of an arbitrage transaction on an organised exchange for financial instruments or similar market.

Except as provided in accordance with Articles 2381-1 to 2381-5 (Part 3 "Recognition of Securities Transactions" of Book II "Special Transactions") of ANC Regulation 2014-07 of 26 November 2014, trading securities may not be reclassified into another accounting category. They continue to be presented and measured as trading securities until they are removed from the balance sheet after being sold, fully redeemed or written off.

Trading securities are recognised on the date they are purchased in the amount of their purchase price, excluding transaction expenses and including accrued interest.

Liabilities relating to securities sold short are recognised on the liabilities side of the seller's balance sheet in the amount of the selling price excluding transaction expenses.

At each reporting date, securities are measured at the most recent market price. The overall amount of differences resulting from price changes is taken to the income statement and recorded under "Net gains (losses) on trading book".

2.2.2 SHORT TERM INVESTMENT SECURITIES

This category consists of securities that do not fall into any other category.

The securities are recorded at purchase price, including transaction expenses.

Crédit Agricole S.A.'s portfolio of short term investment securities consists mostly of bonds denominated in euros and foreign currencies and Mutual Fund Units.

Bonds and other fixed-income securities

These securities are recognised at acquisition cost including interest accrued at the acquisition date. The difference between the purchase price and the redemption value is spread over the remaining life of the security on an actuarial basis.

Income is recorded in the income statement under "Interest income from bonds and other fixed income securities".

Equities and other variable income securities

Equities are recognised on the balance sheet at their purchase price including transaction expenses. The associated dividends are recorded as income under "Income from variable-income securities".

Income from mutual funds is recognised when received under the same heading.

At each reporting date, short term investment securities are measured at the lesser of acquisition cost and market value. If the current value of an item or a homogeneous set of securities (calculated from market prices at the reporting date, for example) is lower than its carrying amount, an impairment loss is recorded

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for the unrealised loss without being offset against any gains recognised on other categories of securities. Gains from hedging within the meaning of Article 2514-1 of ANC Regulation 2014-07 of 26 November 2014, in the form of purchases or sales of forward financial instruments, are factored in for the purposes of calculating impairment losses. Potential gains are not recorded.

Impairment intended to take into account counterparty risk and recognised under the cost of risk is booked on fixed income securities as follows:

- in the case of listed securities, impairment is based on market value, which intrinsically reflects credit risk. However, if Crédit Agricole S.A. has specific information on the issuer's financial position that is not reflected in the market value, a specific impairment loss is recorded;
- in the case of unlisted securities, impairment is recorded in the same way as on loans and receivables to customers based on identified probable losses (see Note 2.1 Loans and financing commitments – Impairment resulting from identified credit risk).

Sales of securities are deemed to take place on a first-in, first-out basis.

Impairment losses and reversals and disposal gains or losses on short term investment securities are recorded under "Net gains (losses) on short term investment portfolios" in the income statement.

2.2.3 LONG TERM INVESTMENT SECURITIES

Long term investment securities are fixed income securities with a fixed maturity date that have been acquired or transferred to this category with the manifest intention of holding them until maturity.

This category only includes securities for which Crédit Agricole S.A. has the necessary financial ability to continue holding them until maturity and that are not subject to any legal or other restriction that could interfere with its intention to hold them until maturity.

Long term investment securities are recognised at their purchase price, including acquisition costs and accrued interest.

The difference between the purchase price and the redemption price is spread over the remaining life of the security.

Impairment is not booked for long term investment securities if their market value falls below cost. On the other hand, if the impairment arises from a risk relating specifically to the issuer of the security, impairment is recorded under "Cost of risk", in accordance with Part 2 "Accounting Treatment of Credit Risk" of Book II "Special Transactions" of ANC Regulation 2014-07 of 26 November 2014.

In the case of the sale or reclassification to another category of long term investment securities representing a material amount, the reporting entity is no longer authorised to classify securities previously bought or to be bought as long term investment securities during the current financial year and the two subsequent financial years, in accordance with Article 2341-2 of ANC Regulation 2014-07 of 26 November 2014.

2.2.4 MEDIUM-TERM PORTFOLIO SECURITIES

In accordance with Articles 2351-2 to 2352-6 (Part 3 "Recognition of Securities Transactions" of Book II "Special Transactions") of ANC Regulation 2014-07 of 26 November 2014, these securities are "investments made on a normal basis, with the sole aim of securing a capital gain in the medium-term, with no intention of investing in the issuer's business on a long term basis or taking an active part in its management".

Securities can only be included in this category if the activity is carried out to a significant extent and on an ongoing basis within a structured framework and gives the reporting entity a recurring return mainly in the form of capital gains on disposals.

Crédit Agricole S.A. meets these conditions and some of its securities can be classified in this category.

Medium-term portfolio securities are recorded at purchase price, including transaction expenses.

They are recognised at the end of the reporting period at the lower of historical cost or value in use, which is determined on the basis of the issuer's general outlook and the estimated remaining time horizon for holding the securities.

For listed companies, value in use is generally the average quoted price over a sufficiently long period of time, depending on the estimated time horizon for holding the securities, to mitigate the impact of substantial fluctuations in stock prices.

Impairment losses are booked for any unrealised losses calculated for each line of securities, and are not offset against any unrealised gains. Unrealised losses are recorded under "Net gains or losses on short term investment portfolios" along with impairment losses and reversals on these securities.

Unrealised gains are not recognised.

2.2.5 INVESTMENTS IN SUBSIDIARIES AND AFFILIATES, EQUITY INVESTMENTS AND OTHER LONG TERM EQUITY INVESTMENTS

- Investments in subsidiaries and affiliates are investments in companies that are under exclusive control and that are or are liable to be fully consolidated into a given group that can be consolidated.
- Equity investments are investments (other than investments in subsidiaries and affiliates), of which the long term ownership is judged beneficial to the reporting entity, in particular because it allows it to exercise influence or control over the issuer.
- Other long term equity investments consist of securities held with the intention of promoting long term business relations by creating a special relationship with the issuer, but with no influence on the issuer's management due to the small percentage of voting rights held.

These securities are recognised at purchase price, including transaction expenses.

At the reporting date, the value of these securities is measured individually, based on value in use, and they are recorded on the balance sheet at the lesser of historical cost or value in use.

Value in use represents the price the reporting entity would be prepared to pay to acquire these securities if it had to buy them having regard to its reasons for holding them.

Value in use may be estimated on the basis of various factors such as the issuer's profitability and prospective profitability, its equity, the economic environment, the average share price in the preceding months or the mathematical value of the security.

When value in use is lower than historical cost, impairment losses are booked for these unrealised gains and are not offset against any unrealised gains.

The definitions of the underlined words can be found in the Glossary on page 542.

Impairment losses and reversals and disposal gains or losses on these securities are recorded under "Net gains (losses) on fixed assets".

2.2.6 MARKET PRICE

The market price at which the various categories of securities are measured is determined as follows:

- securities traded on an active market are measured at the latest price;
- if the market on which the security is traded is not or no longer considered active or if the security is unlisted, Crédit Agricole S.A. determines the likely value at which the security concerned would be traded using valuation techniques. Firstly, these techniques take into account recent transactions carried out in normal competition conditions. If required, Crédit Agricole S.A. uses valuation techniques commonly used by market participants to price these securities, when it has been demonstrated that these techniques provide reliable estimates of prices obtained in actual market transactions.

2.2.7 RECORDING DATES

Crédit Agricole S.A. records securities classified as long term investment securities on the settlement date. Other securities, regardless of type or classification, are recognised on the trading date.

2.2.8 SECURITIES SOLD/BOUGHT UNDER REPURCHASE AGREEMENTS

Securities sold under repurchase agreements are kept on the balance sheet. The amount received, representing the liability to the buyer, is recorded as a liability.

Securities bought under repurchase agreements are not recorded on the balance sheet, but the amount paid, representing the receivable from the seller, is recorded as an asset on the balance sheet.

Securities sold under repurchase agreements are subject to the accounting principles corresponding to the portfolio from which they originate.

2.2.9 RECLASSIFICATION OF SECURITIES

In accordance with Articles 2381-1 to 2381-5 (Part 3 "Recognition of Securities Transactions" of Book II "Special Transactions") of ANC Regulation 2014-07 of 26 November 2014, the following securities reclassifications are allowed:

- from "trading securities" to "long term investment securities" or "Short term investment securities" in case of exceptional market conditions or, for fixed income securities that are no longer tradable in an active market and if the entity has the intention and ability to hold the securities for the foreseeable future or until maturity;
- from "short term investment securities" to "long term investment securities" in case of exceptional market conditions or for fixed income securities that are no longer tradable in an active market.

In 2016, Crédit Agricole S.A. did not make any reclassifications as allowed by ANC Regulation 2014-07 of 26 November 2014.

2.2.10 TREASURY SHARES BUYBACK

Treasury shares bought back by Crédit Agricole S.A., including shares and stock options held to cover stock option plans, are recognised as assets under a specific balance sheet heading.

They may, where necessary, be impaired where the current value is below the purchase price, except for transactions connected with employee free share allocation plans and stock option and share subscription plans as per ANC Regulation 2014-03 of 5 June 2014.

2.3 Fixed assets

Crédit Agricole S.A. applies ANC Regulation 2014-03 of 5 June 2014 relating to the depreciation, amortisation and impairment of assets.

Crédit Agricole S.A. applies component accounting for all of its property, plant and equipment. In accordance with this method, the depreciable base takes account of the potential remaining value of property, plant and equipment.

ANC Regulation 2015-06 changes the way in which technical merger losses are recognised on the balance sheet and monitored in the financial statements. Losses are no longer required to be comprehensively and systematically recognised under "Goodwill"; they must be recognised in the balance sheet depending on asset items to which they are allocated as "Other property, plant and equipment, intangible assets and financial assets, etc.". The loss is amortised, impaired and written off in the same way as the underlying asset.

The acquisition cost of fixed assets includes the purchase price plus any incidental expenses, namely expenses directly or indirectly incurred in connection with bringing the asset into service or "into inventory".

Land is stated at acquisition cost.

Buildings and equipment are stated at acquisition-cost less accumulated depreciation, amortisation and impairment losses since the time they were placed in service.

Purchased software is measured at purchase price less accumulated depreciation, amortisation and any impairment losses since acquisition.

Proprietary software is measured at cost less accumulated depreciation, amortisation and impairment losses booked since completion.

Intangible assets other than software, patents and licences are not amortised. They may be subject to impairment.

Fixed assets are depreciated over their estimated useful lives.

The following components and depreciation periods have been adopted by Crédit Agricole S.A. following the application of

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component accounting for fixed assets. These depreciation periods are adjusted according to the type of asset and its location:

Component	Depreciation period
Land	Not depreciable
Structural works	30 to 80 years
Non-structural works	8 to 40 years
Plant and equipment	5 to 25 years
Fixtures and fittings	5 to 15 years
Computer equipment	4 to 7 years (accelerated or straight-line)
Special equipment	4 to 5 years (accelerated or straight-line)

Based on available information on the value of its fixed assets, Crédit Agricole S.A. has concluded that impairment testing would not lead to any change in the existing depreciable base.

2.4 Amounts due to customers and credit institutions

Amounts due to credit institutions, to Crédit Agricole entities and to customers are presented in the financial statements according to their initial term or their nature:

- demand and time deposits for banks;
- current accounts, time loans and advances for Crédit Agricole internal transactions;
- special savings accounts and other deposits for customers (notably including financial customers).

Repurchase agreements (represented by certificates or securities) are included under these various headings, according to counterparty type.

Accrued interest on these deposits is recognised under accrued interest and taken to profit and loss.

2.5 Debt securities

Debt securities are presented according to their form: interest-bearing notes, interbank market instruments, negotiable debt securities and bonds, excluding subordinated securities, which are classified in liabilities under "Subordinated debt".

Accrued interest but not yet due is recognised under accrued interest and taken to profit and loss.

Issue or redemption premiums on bonds are amortised over the maturity period of each bond issue. The corresponding charge is recorded under "Interest expenses on bonds and other fixed income securities".

Redemption premiums can be amortised in two ways:

- based on accrued interest on a *prorata* basis for bonds issued before 1 January 1993, or for those with a redemption premium of less than 10% of the issue price; or
- on an actuarial basis for debt issued after 1 January 1993 with a redemption premium of more than 10% of the issue price.

Crédit Agricole also amortises borrowing expenses in its parent company's financial statements.

Fee and commission expenses on financial services paid to the Regional Banks are recognised as expenses under "Fee and commission expenses".

2.6 Provisions

Crédit Agricole S.A. applies ANC Regulation 2014-03 of 5 June 2014 for the recognition and measurement of provisions.

Provisions include provisions relating to financing commitments, retirement and early retirement liabilities, litigation and various risks.

The provisions also include country risks. All these risks are reviewed quarterly.

Provisions are set aside for country risks following an analysis of the types of transactions, the term of commitments, their form (receivables, securities, market products) as well as country quality.

Crédit Agricole S.A. partially hedges provisions on these foreign currency-denominated receivables by buying foreign currency, to limit the impact of changes in exchange rates on provision levels.

The provision for home purchase savings scheme imbalance risk is designed to cover obligations in the event of unfavourable movements in home purchase savings schemes. These obligations are: i) to pay a fixed rate of interest on the savings contract from inception for an undefined period of time; and ii) to grant a loan to home purchase savings plan savers at a rate fixed at inception of the contract. The provision is calculated for each generation of a home purchase savings plan and for all home purchase savings accounts, with no netting of obligations between generations.

The amount of these obligations is calculated taking account notably of:

- saver behaviour, as well as an estimate of the amount and term of the loans that will be granted in the future. These estimates are based on historical observations over a long period;
- the yield curve for market rates and reasonably foreseeable trends.

This provision is calculated in accordance with Part 6 "Regulated Savings" of Book II "Special Transactions" of ANC Regulation 2014-07 of 26 November 2014.

2.7 Fund for general banking risk (FGBR)

In accordance with the Fourth European directive and CRBF Regulation 90-02 of 23 February 1990 as amended relating to capital, funds for general banking risks are constituted by Crédit Agricole S.A., at the discretion of its management, to meet any charges or risks relating to banking operations but whose incidence is not certain.

Provisions are released to cover any incidence of these risks during a given period.

2.8 Transactions on forward financial instruments and options

Hedging and market transactions on forward interest rate, foreign exchange or equity instruments are recorded under the provisions of Part 5 "Financial Futures" of Book II "Special Transactions" of ANC Regulation 2014-07 of 26 November 2014.

Commitments relating to these transactions are recorded off the balance sheet at the nominal value of the contracts. This amount represents the volume of pending transactions.

Gains or losses relating to these transactions are recorded on the basis of the type of instrument and the strategy used:

HEDGING TRANSACTIONS

Gains or losses realised on hedging transactions (category "b" Article 2522-1 of ANC Regulation 2014-07) are taken to the income statement symmetrically with the recognition of income and expenses on the hedged item and under the same accounting heading.

Income and expenses relating to forward financial instruments used for hedging and managing Crédit Agricole S.A.'s overall interest rate risk (category "c" Article 2522-1 of ANC Regulation 2014-07) are recorded on a *prorata* basis under "Interest and similar income (expenses) – Net gains (losses) on macro-hedging transactions". Unrealised gains and losses are not recorded.

MARKET TRANSACTIONS

Market transactions include:

- isolated open positions (category "a" Article 2522-1 of ANC Regulation 2014-07);
- specialised management of a trading portfolio (category "d" Article 2522 of ANC Regulation 2014-07).

They are measured in reference to their market value on the closing date.

If there is an active market, the instrument is stated at the quoted price on that market. In the absence of an active market, fair value is determined using internal valuation techniques and models.

Instruments

- for isolated open positions traded on organised or similar exchanges, all realised and unrealised gains and losses are recognised;
- for isolated open positions traded over the counter, only unrealised losses are recognised, *via* a provision. Realised gains and losses are taken to profit or loss when the transaction is completed;
- as part of a trading portfolio, all realised or unrealised gains and losses are recognised.

Counterparty risk on derivative instruments

In accordance with ANC Regulation 2014-07 of 26 November 2014, Crédit Agricole S.A. makes a Credit Valuation Adjustment (CVA) to the market value of its derivative assets to reflect counterparty risk. For this reason, Credit Valuation Adjustments are only made to derivatives recognised as isolated open positions and as part of a trading portfolio (derivatives classified in categories "a" and "d" Article 2522-1 of the aforementioned regulation).

The CVA makes it possible to calculate counterparty losses expected by Crédit Agricole S.A.

The CVA is calculated on the basis of an estimate of expected losses based on the probability of default and loss given default. The methodology used maximises the use of observable market inputs.

It is based:

- primarily on market data such as registered and listed CDS (or Single Name CDS) or index CDS;
- in the absence of registered CDS on the counterparty, an approximation based on a basket of Single Name CDS of counterparties with the same rating operating in the same sector and located in the same area.

In certain circumstances, historical default data may also be used.

2.9 Foreign currency transactions

Monetary receivables and liabilities denominated in foreign currencies and forward foreign exchange contracts included in off-balance sheet commitments are translated using the exchange rate at the closing date or at the next earlier date.

Income received and expenses paid are recorded at the exchange rate on the transaction date. Accrued income and expenses not yet due are translated at the closing rate.

Capital funds allocated to branches, fixed assets in offices abroad and long term investment securities and equity investments bought in foreign currencies against euros are translated into euros at the transaction date. A provision may be booked if there is a permanent deterioration in the exchange rate affecting Crédit Agricole S.A.'s foreign equity interests.

At each reporting date, forward foreign exchange transactions are measured at the relevant forward exchange rate. Recognised gains or losses are taken to the income statement under "Gains or losses on trading book – Gains (losses) on foreign currency transactions and similar financial instruments".

Pursuant to the implementation of Part 7 "Recognition of Foreign Currency Transactions" of Book II "Special Transactions" of ANC Regulation 2014-07 of 26 November 2014, Crédit Agricole S.A. has instituted multi-currency accounting to enable it to monitor its currency position and to measure its exposure to foreign exchange risk.

2.10 Consolidation of foreign branches

Branches keep separate accounts that comply with the accounting rules in force in the countries in which they are based.

At each reporting date, the branches' balance sheets and income statements are adjusted according to French accounting rules, translated into euros and integrated with the accounts of their head office after the elimination of intra-group transactions.

The rules for translation into euros are as follows:

- balance sheet items are translated at the closing rate;
- expenses paid and income received are recorded at the exchange rate on the transaction date, whereas accrued income and expenses are translated at the closing rate.

Gains or losses resulting from this translation are recorded on the balance sheet under "Accruals, prepayments and sundry assets" or "Accruals, deferred income and sundry liabilities".

The definitions of the underlined words can be found in the Glossary on page 542.

2.11 Off-balance sheet commitments

Off-balance sheet items mainly reflect the unused portion of financing commitments and guarantee commitments given and received.

A charge is booked to provisions for commitments given if there is a probability that calling in the commitment will result in a loss for Crédit Agricole S.A.

Reported off-balance sheet items do not mention commitments on forward financial instruments or foreign exchange transactions. Similarly, they do not include commitments received concerning treasury bonds, similar securities and other securities pledged as collateral.

However, these items are detailed in Notes 24, 25 and 26 to the financial statements.

2.12 Employee profit-sharing and incentive plans

Employee profit-sharing is recognised in the income statement in the year in which the employees' rights are earned.

Incentive plans are covered by the 21 June 2011 agreement.

The cost of employee profit-sharing and incentive plans is included in "Employee expenses".

2.13 Post-employment benefits

2.13.1 RETIREMENT, EARLY RETIREMENT AND END-OF-CAREER ALLOWANCE COMMITMENTS – DEFINED-BENEFIT PLANS

Since 1 January 2013, Crédit Agricole S.A. has applied ANC recommendation 2013-02 of 7 November 2013 relating to the measurement and recognition of retirement and similar benefit obligations, such recommendation having then been repealed and incorporated in section 4 of chapter II of part III of ANC Regulation 2014-03 of 5 June 2014.

In accordance with this regulation, Crédit Agricole S.A. sets aside provisions to cover its retirement and similar benefit obligations falling within the category of defined-benefit plans.

These obligations are stated on the basis of actuarial, financial and demographic assumptions, and in accordance with the projected unit credit method. Under this method, for each year of service, a charge is booked in an amount corresponding to the employee's vested benefits for the period. The charge is calculated based on the discounted future benefit.

Crédit Agricole S.A. has opted for method 2 which allows in particular for the recognition of gains or losses arising from changes to defined-benefit plans when the curtailment or settlement occurs.

The regulation also allows for the recognition of actuarial gains and losses using the "corridor method" or any other method that results in faster recognition in profit or loss.

Crédit Agricole S.A. elected to immediately recognise the actuarial gains or losses in profit or loss, and accordingly the amount of the provision is equal to:

- the present value of the obligation to provide the defined benefits at the reporting date, calculated in accordance with the actuarial method advised by the regulation;
- less, where applicable, the fair value of plan assets. These may be represented by an eligible insurance policy. In the event that the obligation is fully covered by such a policy, the fair value of the policy is deemed to be the value of the corresponding obligation, *i.e.* the amount of the corresponding actuarial liability.

2.13.2 RETIREMENT PLANS – DEFINED CONTRIBUTION PLANS

Employers contribute to a variety of compulsory pension schemes. Plan assets are managed by independent organisations and the contributing companies have no legal or implied obligation to pay additional contributions if the funds do not have sufficient assets to cover all benefits corresponding to services rendered by employees during the year and during prior years.

Consequently, Crédit Agricole S.A. has no liabilities in this respect other than the contributions payable for the period ended.

The amount of contributions under the terms of these retirement plans is shown under "Employee expenses".

2.14 Stock options and share subscriptions offered to employees under the Employee Share Ownership Plan

STOCK OPTION PLANS

Stock option plans granted to certain categories of employees are recorded when exercised. Exercise gives rise to either an issue of shares, recorded in accordance with requirements relating to capital increases, or the transfer to employees of treasury shares, previously purchased by Crédit Agricole S.A. and recognised in accordance with the terms set out in the "Treasury share buyback" section.

SHARE SUBSCRIPTION UNDER THE EMPLOYEE SHARE OWNERSHIP PLAN

Share issues offered to employees under the Company savings scheme, with a maximum discount of 20%, do not have a vesting period but are subject to a five-year lock-up period. These share subscriptions are recognised in accordance with requirements relating to capital increases.

2.15 Extraordinary income and expenses

These comprise income and expenses that are extraordinary in nature and relate to transactions that do not form part of Crédit Agricole S.A.'s ordinary activities.

The definitions of the underlined words can be found in the Glossary on page 542.

2.16 Income tax charge

In general, only the current tax liability is recognised in the parent company's financial statements.

The tax charge appearing in the income statement is the income tax due in respect of the reporting period. It includes the effect of the 3.3% additional social contribution on profits.

When tax credits on income from securities portfolios and amounts receivable are effectively used to pay income tax due for the year, they are recognised under the same heading as the income with which they are associated. The corresponding tax charge continues to be recognised under the "Income tax" charge heading in the income statement.

Crédit Agricole S.A. has had a tax consolidation mechanism since 1990. At 31 December 2016, 1,243 entities had signed tax consolidation agreements with Crédit Agricole S.A. Under these agreements, each company that is part of the tax consolidation mechanism recognises in its financial statements the tax that it would have had to pay in the absence of the mechanism.

Given that the legislative intent when introducing the tax credit for competitiveness and employment (*Crédit d'Impôt pour la Compétitivité et l'Emploi* – CICE) was to reduce employee expenses, Crédit Agricole S.A. chose to recognise the CICE (Article 244 *quater* C of the French Tax Code) as a reduction in employee expenses rather than a tax reduction.

NOTE 3 Loans and receivables due from credit institutions – Analysis by remaining maturity

	31/12/2016							31/12/2015
(in millions of euros)	≤ 3 months	> 3 months ≤ 1 year	> 1 year ≤ 5 years	> 5 years	Total principal	Accrued interest	Total	Total
Credit institutions								
Loans and receivables								
• demand	2,033	-	-	-	**2,033**	1	**2,034**	**3,019**
• time	9,018	12,005	65,128	17,460	**103,611**	133	**103,744**	**112,180**
Pledged securities	-	-	-	-	**-**	-	**-**	**-**
Securities bought under repurchase agreements	-	1,000	-	-	**1,000**	-	**1,000**	**826**
Subordinated loans	275	135	1,276	10,232	**11,918**	17	**11,935**	**8,022**
Total	**11,326**	**13,140**	**66,404**	**27,692**	**118,562**	**151**	**118,713**	**124,047**
Impairment							**(4)**	**(4)**
NET CARRYING AMOUNT							**118,709**	**124,043**
Crédit Agricole internal transactions								
Current accounts	1,209	-	-	-	**1,209**	2	**1,211**	**1,386**
Time loans and advances	45,762	78,738	89,854	69,617	**283,971**	370	**284,341**	**274,534**
Securities bought under repurchase agreements	10	-	-	-	**10**	3	**13**	**-**
Subordinated loans	-	-	-	56	**56**	1	**57**	**27**
Total	**46,981**	**78,738**	**89,854**	**69,673**	**285,246**	**376**	**285,622**	**275,947**
Impairment								
NET CARRYING AMOUNT							**285,622**	**275,947**
TOTAL							**404,331**	**399,990**

NOTE 4 Loans and receivables due from customers

4.1 Loans and receivables due from customers – Analysis by remaining maturity

	31/12/2016							31/12/2015
(in millions of euros)	≤ 3 months	> 3 months ≤ 1 year	> 1 year ≤ 5 years	> 5 years	Total principal	Accrued interest	Total	Total
Trade receivables	-	-	-	-	**-**	-	-	-
Other customer loans	1,094	601	986	843	**3,524**	6	**3,530**	**2,885**
Pledged securities	-	-	-	-	**-**	-	**-**	**-**
Current accounts in debit	287	-	-	-	**287**	-	**287**	**198**
Impairment							**(1)**	**(1)**
NET CARRYING AMOUNT							**3,816**	**3,082**

4.2 Loans and receivables due from customers – Geographic analysis

(in millions of euros)	31/12/2016	31/12/2015
France (including overseas departments and territories)	2,339	3,019
Other European Union countries	1,465	58
Rest of Europe	-	-
North America	7	-
Central and South America	-	-
Africa and Middle East	-	-
Asia-Pacific (ex. Japan)	-	-
Japan	-	-
Non allocated and international organisations	-	-
Total principal	**3,811**	**3,077**
Accrued interest	6	6
Impairment	(1)	(1)
NET CARRYING AMOUNT	**3,816**	**3,082**

4.3 Loans and receivables due from customers – Doubtful and irrecoverable loans and impairment losses: geographical analysis

	31/12/2016					31/12/2015				
(in millions of euros)	Gross outstanding	o/w doubtful loans	o/w irrecoverable loans	Impairment of doubtful loans	Impairment of irrecoverable loans	Gross outstanding	o/w doubtful loans	o/w irrecoverable loans	Impairment of doubtful loans	Impairment of irrecoverable loans
France (including overseas departments and territories)	2,345	1	1	(1)	(1)	3,025	1	1	(1)	(1)
Other European Union countries	1,465	-	-	-	-	58	-	-	-	-
Rest of Europe	-	-	-	-	-	-	-	-	-	-
North America	7	-	-	-	-	-	-	-	-	-
Central and South America	-	-	-	-	-	-	-	-	-	-
Africa and Middle East	-	-	-	-	-	-	-	-	-	-
Asia-Pacific (ex. Japan)	-	-	-	-	-	-	-	-	-	-
Japan	-	-	-	-	-	-	-	-	-	-
Non allocated and international organisations	-	-	-	-	-	-	-	-	-	-
TOTAL	**3,817**	**1**	**1**	**(1)**	**(1)**	**3,083**	**1**	**1**	**(1)**	**(1)**

4.4 Loans and receivables due from customers – Analysis by customer type

	31/12/2016					31/12/2015				
(in millions of euros)	Gross outstanding	o/w doubtful loans	o/w irrecoverable loans	Impairment of doubtful loans	Impairment of irrecoverable loans	Gross outstanding	o/w doubtful loans	o/w irrecoverable loans	Impairment of doubtful loans	Impairment of irrecoverable loans
Individual customers	-	-	-	-	-	-	-	-	-	-
Farmers	-	-	-	-	-	-	-	-	-	-
Other small businesses	-	-	-	-	-	-	-	-	-	-
Financial institutions	2,100	-	-	-	-	570	-	-	-	-
Corporates	1,713	1	1	(1)	(1)	2,511	1	1	(1)	(1)
Local authorities	4	-	-	-	-	2	-	-	-	-
Other customers	-	-	-	-	-	-	-	-	-	-
TOTAL	**3,817**	**1**	**1**	**(1)**	**(1)**	**3,083**	**1**	**1**	**(1)**	**(1)**

NOTE 5 Trading, short term investment, long term investment and medium term portfolio securities

	31/12/2016					31/12/2015
(in millions of euros)	Trading securities	Short term investment securities	Medium-term portfolio securities	Long term investment securities	Total	Total
Treasury bills and similar securities	-	17,778	-	3,222	**21,000**	**24,114**
o/w residual net premium	-	*451*	-	*255*	***706***	***993***
o/w residual net discount	-	*79*	-	*3*	***82***	***303***
Accrued interest	-	152	-	18	**170**	**239**
Impairment	-	(10)	-	-	**(10)**	**(2)**
Net carrying amount	**-**	**17,920**	**-**	**3,240**	**21,160**	**24,351**
Bonds and other fixed income securities[1]						
Issued by public bodies	-	2,578	-	-	**2,578**	**1,113**
Other issuers	-	37,827	-	-	**37,827**	**34,937**
o/w residual net premium	-	*316*	-	-	***316***	***197***
o/w residual net discount	-	*36*	-	-	***36***	***31***
Accrued interest	-	267	-	-	**267**	**264**
Impairment	-	(165)	-	-	**(165)**	**(172)**
Net carrying amount	**-**	**40,507**	**-**	**-**	**40,507**	**36,142**
Equities and other variable income securities (including treasury shares)	-	10	-	-	**10**	**13**
Accrued interest	-	-	-	-	**-**	**-**
Impairment	-	(3)	-	-	**(3)**	**(3)**
Net carrying amount	**-**	**7**	**-**	**-**	**7**	**10**
TOTAL	**-**	**58,434**	**-**	**3,240**	**61,674**	**60,503**
Estimated values	**-**	**60,564**	**-**	**3,239**	**63,803**	**62,651**

(1) Of which €6,219 million of subordinated debt (excluding accrued interest) at 31 December 2016 compared to €5,449 million at 31 December 2015.

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5.1 Trading, short term investment, long term investment and medium term portfolio securities (excluding treasury bills) – Breakdown by major category of counterparty

(in millions of euros)	31/12/2016	31/12/2015
Government and central banks (including central governments)	1,532	1,113
Credit institutions	17,260	16,162
Financial institutions	13,721	14,952
Local authorities	1,046	-
Corporates, insurance companies and other customers	6,856	3,836
Other and non-allocated	-	-
Total principal	**40,415**	**36,063**
Accrued interest	267	264
Impairment	(168)	(175)
NET CARRYING AMOUNT	**40,514**	**36,152**

5.2 Breakdown of listed and unlisted securities between fixed and variable income securities

	31/12/2016				31/12/2015			
(in millions of euros)	Bonds and other fixed income securities	Treasury bills and similar securities	Equities and other variable income securities	Total	Bonds and other fixed income securities	Treasury bills and similar securities	Equities and other variable income securities	Total
Fixed income and variable income securities	40,405	21,000	10	**61,415**	36,050	24,114	13	**60,177**
o/w listed securities	*34,036*	*21,000*	-	***55,036***	*30,451*	*24,114*	*3*	***54,568***
o/w unlisted securities[(1)]	*6,369*	-	*10*	***6,379***	*5,599*	-	*10*	***5,609***
Accrued interest	267	170	-	**437**	264	239	-	**503**
Impairment	(165)	(10)	(3)	**(178)**	(172)	(2)	(3)	**(177)**
NET CARRYING AMOUNT	**40,507**	**21,160**	**7**	**61,674**	**36,142**	**24,351**	**10**	**60,503**

(1) UCITS break down as follows: Foreign UCITS €5 million in capitalisation UCITS.

BREAKDOWN OF MUTUAL FUNDS BY TYPE AT 31 DECEMBER 2016

(in millions of euros)	Carrying amount	Cash-in value
Money market funds	-	-
Bond funds	-	-
Equity funds	5	6
Other funds	2	2
TOTAL	**7**	**8**

The definitions of the underlined words can be found in the Glossary on page 542.

5.3 Treasury bills, bonds and other fixed income securities – Analysis by remaining maturity

	31/12/2016							31/12/2015
(in millions of euros)	≤ 3 months	> 3 months ≤ 1 year	> 1 year ≤ 5 years	> 5 years	Total principal	Loans and receivables	Total	Total
Bonds and other fixed-income securities								
Gross amount	2,166	5,792	12,777	19,670	**40,405**	267	**40,672**	**36,314**
Impairment	-	-	-	-	**-**	-	**(165)**	**(172)**
NET CARRYING AMOUNT	**2,166**	**5,792**	**12,777**	**19,670**	**40,405**	**267**	**40,507**	**36,142**
Treasury bills and similar securities								
Gross amount	767	7,921	5,106	7,206	**21,000**	170	**21,170**	**24,353**
Impairment	-	-	-	-	**-**	-	**(10)**	**(2)**
NET CARRYING AMOUNT	**767**	**7,921**	**5,106**	**7,206**	**21,000**	**170**	**21,160**	**24,351**

5.4 Treasury bills, bonds and other fixed income securities – Geographical analysis

	31/12/2016		31/12/2015	
(in millions of euros)	Gross outstanding	o/w doubtful loans	Gross outstanding	o/w doubtful loans
France (including overseas departments and territories)	39,103	-	38,528	-
Other European Union countries	18,523	150	18,356	-
Rest of Europe	1,824	-	1,309	-
North America	1,444	-	1,266	-
Central and South America	-	-	-	-
Africa and Middle East	-	-	-	-
Asia-Pacific (ex. Japan)	511	-	706	-
Japan	-	-	-	-
Total principal	**61,405**	**150**	**60,165**	**-**
Accrued interest	437	-	503	-
Impairment	(175)	(150)	(174)	-
NET CARRYING AMOUNT	**61,667**	**-**	**60,494**	**-**

NOTE 6 Equity investments and subsidiaries

			(in millions of original currency)			*(in millions of euros)*		*(in millions of euros)*				
			Financial Information			Carrying amounts of securities owned						
Company	Address	Currency	Share capital 31/12/2016	Equity other than share capital 31/12/2016	Percentage of share capital owned (in %) 31/12/2016	Gross amount	Net amount	Loans and receivables granted by the Company and not yet paid back	Amount of guarantees and other commitments given by the Company	NBI or revenue (ex VAT) for the year ended[2]	Net income for the year ended 31/12/2016	Dividends received by the Company during the year
Investments whose carrying amount exceeds 1% of Crédit Agricole S.A.'s share capital												
1) Investments in banking related parties (more than 50% owned)												
Banco Bisel	Corrientes 832, 1° Piso Rosario, Provincia De Santa Fe, Argentina	ARS	N.A.	N.A.	99	237	-	N.A.	N.A.	N.A.	N.A.	N.A.
Cariparma	Via Universita n°1, 43121 Parma, Italy	EUR	877	3,680[1]	77	5,086	4,079	2,468	-	1,505[1]	216[1]	121
Crédit Agricole Srbija	Brace Ribnikara 4-6, 21000 Novi Sad, Republic of Serbia	RSD	8,420	21(1)	100	249	67	107	127	44[1]	1	-
Crédit du Maroc	48-58, boulevard Mohamed V, Casablanca, Morocco	MAD	1,088	2,872[1]	79	377	377	-	125	257[1]	8[1]	5
EFL SA	Pl. Orlat Lwowskich 1, 53 605 Wroclaw, Poland	PLN	674	184[1]	100	334	321	846	1,050	143[1]	17[1]	13
PJSC Crédit Agricole Ukraine	42/4 Pushkinska Street, Kiev 01004, Ukraine	UAH	1,222	418[1]	100	360	63	63	3	134[1]	15[1]	15
Crédit Agricole Polska SA	Pl. Orlat Lwowskich 1, 53 605 Wroclaw, Poland	PLN	1	540[1]	78	433	433	84	-	9[1]	-[1]	-
Crédit Agricole Corporate and Investment Bank	12, place des États-Unis, CS 70052, 92547 Montrouge Cedex	EUR	7,852	2,791[1]	97	19,052	19,052	27,278	325	3,689[1]	434[1]	830
Amundi Group	91-93 boulevard Pasteur, Immeuble Cotentin, 75015 Paris	EUR	420	2,756[1]	74	3,693	3,693	64	-	506[1]	461[1]	254
Crédit Agricole Leasing & Factoring	12, place des États-Unis, CS 70052, 92548 Montrouge Cedex	EUR	195	257[1]	100	839	839	16,504	734	140[1]	43[1]	67
Crédit Agricole Consumer Finance	Rue du Bois Sauvage, 91038 Evry Cedex	EUR	554	2,905[1]	100	7,607	7,607	15,854	3,447	826[1]	229[1]	349
Crédit Lyonnais	18, rue de la République, 69002 Lyon	EUR	1,848	1,585[1]	95	10,897	8,698	23,297	596	3,456[1]	513[1]	363
Crédit Agricole Home Loan SFH	12, place des États-Unis, 92127 Montrouge Cedex	EUR	550	3[1]	100	550	550	224	-	5[1]	-	-
Foncaris	12, place des États-Unis, 92127 Montrouge Cedex	EUR	225	132[1]	100	320	320	-	397	23[1]	2	8
Caisse Régionale Corse	1 avenue Napoleon-III, BP 308, 20193 Ajaccio	EUR	99	22	100	99	99	-	9	70	6	-
2) Investments in banking associates (10 to 50% owned)												
Banco Espirito Santo	Avenida de Libertade 195, 1250 Lisbonne, Portugal	EUR	N.A.	N.A.	12	684	-	-	-	N.A.	N.A.	-
Crédit Agricole Egypt SAE	P/O Box 364, 11835 New Cairo, Egypt	EGP	1,243	1,226[1]	47	258	258	20	-	181	54	28
Crédit Logement	50, boulevard Sébastopol, 75003 Paris	EUR	1,260	253[1]	16	215	215	-	-	435	236	-
Caisse de Refinancement de l'habitat	35 rue La Boétie, 75008 Paris	EUR	540	23[1]	25	141	141	-	-	3	-	-

The definitions of the underlined words can be found in the Glossary on page 542.

			(in millions of original currency)			*(in millions of euros)*		*(in millions of euros)*				
		Financial Information				Carrying amounts of securities owned						
Company	Address	Currency	Share capital 31/12/2016	Equity other than share capital 31/12/2016	Percentage of share capital owned (in %) 31/12/2016	Gross amount	Net amount	Loans and receivables granted by the Company and not yet paid back	Amount of guarantees and other commitments given by the Company	NBI or revenue (ex VAT) for the year ended[(2)]	Net income for the year ended 31/12/2016	Dividends received by the Company during the year
3) Investments in other subsidiaries and affiliates (more than 50% owned)												
Crédit Agricole Assurances	50-56, rue de la Procession, 75015 Paris	EUR	1,490	7,227[(1)]	100	10,516	10,516	1,094	-	31[(1)]	966[(1)]	1,063
Crédit Agricole Capital Investissement & Finance	100, boulevard du Montparnasse, 75014 Paris	EUR	688	403[(1)]	100	1,145	1,145	-	-	-[(1)]	(2)[(1)]	16
Crédit Agricole Immobilier	12 place des États-Unis, 92545 Montrouge Cedex	EUR	125	62[(1)]	50	91	91	60	-	30[(1)]	11[(1)]	4
Delfinances	12, place des États-Unis, 92127 Montrouge Cedex	EUR	151	73[(1)]	100	171	171	-	-	-[(1)]	6[(1)]	6
Evergreen Montrouge	12, place des États-Unis, 92127 Montrouge Cedex	EUR	475	(109)[(1)]	100	475	475	23	-	26[(1)]	(23)[(1)]	-
IUB HOLDING	12, place des États-Unis, 92127 Montrouge Cedex	EUR	37	18	100	112	47	-	-	-[(1)]	(8)	-
CACEIS	1-3, place Valhubert, 75013 Paris	EUR	654	498[(1)]	85	1,392	1,392	606	6,502	100[(1)]	100[(1)]	32
4) Other investments (< 50% owned)												
Eurazeo	32, rue de Monceau, 75008 Paris	EUR	214	3,161[(1)]	15	364	364	-	-	536[(1)]	467[(1)]	25
Deposit Resolution Guarantee Fund	65 rue de la victoire, 75009 Paris	EUR	-	1	-	149	149	-	-	-	-	-
Investments whose carrying amount is under 1% of Crédit Agricole S.A.'s share capital		**EUR**				**719**	**602**	**-**	**-**	**536**	**467**	**311**
TOTAL SUBSIDIARIES AND ASSOCIATES						**66,565**	**61,764**	**88,593**	**13,314**	**-**	**-**	**3,510**
Fundable advances and accrued interest		EUR				521	521	-	-	-	-	-
CARRYING AMOUNTS						**67,086**	**62,285**	**88,593**	**13,314**	**-**	**-**	**3,510**

(1) Data for 2015.

(2) Refers to revenues for subsidiaries other than the Regional Banks.

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6.1 Estimated value of equity investments

	31/12/2016		31/12/2015	
(in millions of euros)	Net carrying amount	Estimated values	Net carrying amount	Estimated values
investments in subsidiaries and affiliates				
Unlisted securities	60,373	70,632	58,139	64,986
Listed	4,328	8,809	4,328	6,982
Advances available for consolidation	511	511	327	327
Accrued interest	1	1	1	1
Impairment	(4,111)	-	(4,896)	-
NET CARRYING AMOUNT	**61,102**	**79,953**	**57,899**	**72,296**
Equity investments and other long term equity investments				
Equity investments				
Unlisted securities	1,326	1,031	7,181	6,663
Listed	364	597	918	1,204
Advances available for consolidation	8	8	9	9
Accrued interest	-	-	-	-
Impairment	(691)	-	(695)	-
Sub-total of equity investments	**1,007**	**1,636**	**7,413**	**7,876**
Other long term equity investments				
Unlisted securities	150	150	1	1
Listed	25	27	-	-
Advances available for consolidation	-	-	-	-
Accrued interest	-	-	-	-
Impairment	-	-	-	-
Sub-total of other long term equity investments	**175**	**177**	**1**	**1**
NET CARRYING AMOUNT	**1,182**	**1,813**	**7,414**	**7,877**
TOTAL EQUITY INVESTMENTS	**62,284**	**81,766**	**65,313**	**80,173**

	31/12/2016		31/12/2015	
(in millions of euros)	Net carrying amount	Estimated value	Net carrying amount	Estimated value
Total gross amount				
Unlisted securities	61,849		65,322	
Listed	4,717		5,245	
TOTAL	**66,566**		**70,567**	

Estimated values include fundable advances and accrued interest. They are determined based on the value in use of the securities, which is not necessarily the market value.

NOTE 7 Movements in fixed assets

7.1 Financial investments

(in millions of euros)	01/01/2016	Increases (acquisitions)	Decreases (disposals, due date)	Other movements[1]	31/12/2016
Investments in subsidiaries and affiliates					
Gross amount	62,467	2,263	(29)	-	**64,701**
Advances available for consolidation	327	186	(2)	-	**511**
Accrued interest	1	1	(1)	-	**1**
Impairment	(4,896)	(573)	1,358	-	**(4,111)**
NET CARRYING AMOUNT	**57,899**	**1,877**	**1,326**	**-**	**61,102**
Equity investments and other long term equity investments					
Equity investments					
Gross amount[2]	8,098	-	(6,408)	-	**1,690**
Advances available for consolidation	9	-	(1)	-	**8**
Accrued interest	-	-	-	-	**-**
Impairment	(695)	-	4	-	**(691)**
Sub-total of equity investments	**7,412**	**-**	**(6,405)**	**-**	**1,007**
Other long term equity investments					
Gross amount	1	174	-	-	**175**
Advances available for consolidation	-	-	-	-	**-**
Accrued interest	-	-	-	-	**-**
Impairment	-	-	-	-	**-**
Sub-total of other long term equity investments	**1**	**174**	**-**	**-**	**175**
NET CARRYING AMOUNT	**7,413**	**174**	**(6,405)**	**-**	**1,182**
TOTAL	**65,312**	**2,051**	**(5,079)**	**-**	**62,284**

(1) "Other movements" namely include the impact of exchange rate fluctuations on the value of fixed assets accounted for in foreign currencies.

(2) Crédit Agricole S.A. has transferred the CCIs, the CCAs and the mutual shares it held in the Regional Banks (approximately 25% of their capital) to Sacam Mutualisation for a sale price of €18.542 billion, generating a capital gain of €12.153 billion excluding transfer costs.

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7.2 Intangible assets and property, plant and equipment

(in millions of euros)	01/01/2016	Increases (acquisitions)	Decreases (disposals, due date)	Other movements[(1)]	31/12/2016
Property, plant & equipment					
Gross amount	153	2	(8)	-	**147**
Depreciation and impairment	(38)	(1)	6	-	**(33)**
Technical merger losses on property, plant and equipment	**-**	**-**	**-**	**-**	**-**
Gross amount	-	-	-	-	-
Depreciation and impairment	-	-	-	-	**-**
NET CARRYING AMOUNT	**115**	**1**	**(2)**	**-**	**114**
intangible assets					
Gross amount	84	7	-	(4)	**87**
Depreciation and impairment	(54)	(14)	-	4	**(64)**
Technical merger losses on intangible assets					
Gross amount	-	-	-	-	**-**
Depreciation and impairment	-	-	-	-	**-**
NET CARRYING AMOUNT	**30**	**(7)**	**-**	**-**	**23**
TOTAL	**145**	**(6)**	**(2)**	**-**	**137**

(1) *"Other movements" namely include the impact of exchange rate fluctuations on the value of fixed assets accounted for in foreign currencies.*

NOTE 8 Treasury shares

	31/12/2016				31/12/2015
(in millions of euros)	Trading securities	Short term investment securities	Fixed assets	Total	Total
Number	995,000	1,770,736	-	**2,765,736**	**4,027,798**
Carrying amounts	12	19	-	**31**	**45**
Market values	12	21	-	**33**	**44**

Par value of share: €3.00.

The definitions of the underlined words can be found in the Glossary on page 542.

NOTE 9 Accruals, prepayments and sundry assets

(in millions of euros)	31/12/2016	31/12/2015
Other assets[1]		
Financial options bought	8	105
Inventory accounts and miscellaneous	-	-
Miscellaneous debtors	5,332	7,735
Collective management of Livret de développement durable (LDD) savings account securities	-	-
Settlement accounts	1	2
NET CARRYING AMOUNT	**5,341**	**7,842**
Accruals and deferred income		
Items in course of transmission	4,224	4,442
Adjustment accounts	5,785	12,424
Unrealised losses and deferred losses on financial instruments	2	21
Prepaid expenses	1,285	1,058
Accrued income on commitments on forward financial instruments	2,975	3,523
Other accrued income	144	94
Deferred charges	437	420
Other accruals, prepayments and sundry assets	3	-
NET CARRYING AMOUNT	**14,855**	**21,982**
TOTAL	**20,196**	**29,824**

(1) *Amounts including accrued interest.*

NOTE 10 Impairment losses deducted from assets

(in millions of euros)	Balance at 01/01/2016	Depreciation changes	Reversals and utilisations	Accretion	Other movements	Balance at 31/12/2016
Cash, money-market and interbank items	6	12	(4)	-	-	**14**
Loans and receivables due from customers	1	-	-	-	-	**1**
Securities transactions	175	14	(21)	-	-	**168**
Fixed assets	5,591	573	(1,362)	-	-	**4,802**
Other assets	48	19	(4)	-	3	**66**
TOTAL	**5,821**	**618**	**(1,391)**	**-**	**3**	**5,051**

NOTE 11 Due to credit institutions – Analysis by remaining maturity

	31/12/2016							31/12/2015
(in millions of euros)	≤ 3 months	> 3 months ≤ 1 year	> 1 year ≤ 5 years	> 5 years	Total principal	Accrued interest	Total	Total
Credit institutions								
Accounts and borrowings:								
• demand	10,174	-	-	-	**10,174**	4	**10,178**	**13,969**
• time	16,313	5,461	27,631	24,256	**73,661**	366	**74,027**	**80,263**
Pledged securities	-	-	-	-	**-**	-	**-**	**-**
Securities sold under repurchase agreements	319	1,050	-	-	**1,369**	-	**1,369**	**946**
NET CARRYING AMOUNT	**26,806**	**6,511**	**27,631**	**24,256**	**85,204**	**370**	**85,574**	**95,178**
Crédit Agricole internal transactions								
Current accounts	5,846	-	-	-	**5,846**	-	**5,846**	**5,874**
Term deposits and advances	1,152	2,677	8,660	14,186	**26,675**	213	**26,888**	**39,649**
Securities bought under repurchase agreements	-	-	-	-	**-**	-	**-**	**-**
NET CARRYING AMOUNT	**6,998**	**2,677**	**8,660**	**14,186**	**32,521**	**213**	**32,734**	**45,523**
TOTAL	**33,804**	**9,188**	**36,291**	**38,442**	**117,725**	**583**	**118,308**	**140,701**

NOTE 12 Due to customers

12.1 Due to customers – Analysis by remaining maturity

	31/12/2016							31/12/2015
(in millions of euros)	≤ 3 months	> 3 months ≤ 1 year	> 1 year ≤ 5 years	> 5 years	Total principal	Accrued interest	Total	Total
Current accounts in credit	1,041	-	-	-	**1,041**	-	**1,041**	**1,419**
Special savings accounts	172,033	21,627	24,280	1,667	**219,607**	-	**219,607**	**210,483**
• demand	125,816	-	-	-	**125,816**	-	**125,816**	**122,464**
• time	46,217	21,627	24,280	1,667	**93,791**	-	**93,791**	**88,019**
Other amounts due to customers	1,063	11,416	2,465	652	**15,596**	530	**16,126**	**17,332**
• demand	295	-	-	-	**295**	-	**295**	**227**
• time	768	11,416	2,465	652	**15,301**	530	**15,831**	**17,105**
Pledged securities	494	-	-	-	**494**	3	**497**	**1,421**
CARRYING AMOUNT	**174,631**	**33,043**	**26,745**	**2,319**	**236,738**	**533**	**237,271**	**230,655**

12.2 Due to customers – Geographic analysis

(in millions of euros)	31/12/2016	31/12/2015
France (including overseas departments and territories)	234,365	227,732
Other European Union countries	2,373	2,391
Rest of Europe	-	-
North America	-	-
Central and South America	-	-
Africa and Middle East	-	-
Asia-Pacific (ex. Japan)	-	-
Japan	-	-
Non allocated and international organisations	-	-
Total principal	**236,738**	**230,123**
Accrued interest	533	532
CARRYING AMOUNT	**237,271**	**230,655**

12.3 Due to customers – Analysis by customer type

(in millions of euros)	31/12/2016	31/12/2015
Individual customers	190,368	183,987
Farmers	14,070	13,604
Other small businesses	11,931	11,309
Financial institutions	12,628	13,643
Corporates	2,268	2,787
Local authorities	1,164	680
Other customers	4,309	4,113
Total principal	**236,738**	**230,123**
Accrued interest	533	532
CARRYING AMOUNT	**237,271**	**230,655**

NOTE 13 Debt securities

13.1 Debt securities – Analysis by remaining maturity

	31/12/2016							31/12/2015
(in millions of euros)	≤ 3 months	> 3 months ≤ 1 year	> 1 year ≤ 5 years	> 5 years	Total principal	Accrued interest	Total	Total
Interest bearing notes	-	-	-	-	**-**	-	-	-
Money-market instruments	-	1,112	3,567	5,552	**10,231**	237	**10,468**	**11,673**
Negotiable debt securities[1]	2,150	4,002	101	30	**6,283**	5	**6,288**	**8,638**
Bonds	2,490	5,480	25,593	36,639	**70,202**	2,146	**72,348**	**66,962**
Other debt instruments	-	-	-	-	**-**	-	-	-
CARRYING AMOUNT	**4,640**	**10,594**	**29,261**	**42,221**	**86,716**	**2,388**	**89,104**	**87,273**

(1) Of which €957 million issued abroad.

13.2 Bonds (by currency of issuance)

	31/12/2016				31/12/2015
(in millions of euros)	Remaining maturity ≤ 1 year	Remaining maturity > 1 year ≤ 5 years	Remaining maturity > 5 years	Outstanding Amount	Outstanding Amount
Euro	**5,012**	**14,628**	**33,587**	**53,227**	**48,939**
Fixed-rate	4,273	8,917	30,559	43,749	36,457
Floating-rate	739	5,711	3,028	9,478	12,482
Other European Union currencies	**-**	**304**	**-**	**304**	**354**
Fixed-rate	-	292	-	292	340
Floating-rate	-	12	-	12	14
US Dollar	**2,125**	**6,565**	**1,186**	**9,876**	**9,562**
Fixed-rate	987	4,269	1,186	6,442	5,777
Floating-rate	1,138	2,296	-	3,434	3,785
Yen	**810**	**3,370**	**770**	**4,950**	**4,356**
Fixed-rate	-	2,232	770	3,002	2,389
Floating-rate	810	1,138	-	1,948	1,967
Other currencies	**23**	**726**	**1,096**	**1,845**	**1,452**
Fixed-rate	-	726	1,096	1,822	1,429
Floating-rate	23	-	-	23	23
Total principal	**7,970**	**25,593**	**36,639**	**70,202**	**64,663**
Fixed-rate	5,260	16,436	33,611	55,307	46,392
Floating-rate	2,710	9,157	3,028	14,895	18,271
Accrued interest	-	-	-	2,146	2,300
CARRYING AMOUNT	**7,970**	**25,593**	**36,639**	**72,348**	**66,963**

NOTE 14 Accruals, deferred income and sundry liabilities

(in millions of euros)	31/12/2016	31/12/2015
Other liabilities[1]		
Counterparty transactions (trading securities)	-	-
Liabilities relating to stock lending transactions	-	-
Optional instruments sold	-	92
Settlement and negotiation accounts	-	-
Miscellaneous creditors	9,114	7,889
Payments on securities in process	1	3
CARRYING AMOUNT	**9,115**	**7,984**
Accruals and deferred income		
Items in course of transmission	6,269	6,148
Adjustment accounts	5,338	11,667
Unrealised gains and deferred gains on financial instruments	-	17
Unearned income	1,590	2,962
Accrued expenses on commitments on forward financial instruments	2,975	2,001
Other accrued expenses	540	673
Other accruals and deferred income	13	15
CARRYING AMOUNT	**16,725**	**23,483**
TOTAL	**25,840**	**31,467**

(1) *Amounts including accrued interest.*

NOTE 15 Provisions

(in millions of euros)	Balance at 01/01/2016	Depreciation changes	Reversals, amounts used	Reversals, amounts not used	Other movements	Balance at 31/12/2016
Provisions for employee retirement and similar benefits	320	3	-	(36)	33	**320**
Provisions for other liabilities to employees	12	1	(2)	(4)	-	**7**
Provisions for financing commitment execution risks	85	5	(2)	(9)	13	**92**
Provisions for tax disputes[1]	88	25	-	-	-	**113**
Provisions for other litigation[4]	151	-	-	(115)	-	**36**
Provisions for country risk	-	-	-	-	-	**-**
Provisions for credit risks	-	-	-	-	-	**-**
Provisions for restructuring	-	-	-	-	-	**-**
Provisions for tax[2]	419	36	-	(20)	-	**435**
Provisions on equity investments[3]	-	-	-	-	-	**-**
Provisions for operational risks[4]	-	115	-	-	-	**115**
Provisions for home purchase savings scheme imbalance risks	264	66	-	-	-	**330**
Other provisions[5]	230	125	(31)	(113)	2	**213**
CARRYING AMOUNT	**1,569**	**376**	**(35)**	**(297)**	**48**	**1,661**

(1) *Provisions for tax adjustment notices received.*

(2) *Mainly comprises tax liabilities due to subsidiaries under the tax consolidation scheme.*

(3) *Including joint ventures, EIGs, property risks of equity instruments.*

(4) *Reclassification of the provision for other litigation amounting to €115 million covering a fine following the decision of the European Commission in the proceedings relating to "Euribor" euro-denominated interest rate derivatives to the provision for operational risks.*

(5) *Including provisions for economic interest group investment risks.*

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Crédit Agricole S.A. tax audit

Crédit Agricole S.A. underwent a tax audit covering the years 2012 and 2013.

The tax authority issued a tax adjustment notice rejecting the tax deduction applied, following the loss on disposal of Emporiki shares resulting from the capital increase carried out on 28 January 2013, four days before Emporiki was sold to Alpha Bank. The tax authorities dispute the fact that the securities of this subsidiary were treated as investment securities.

This adjustment is being contested. In view of the circumstances of the case, no provision has been set aside.

On 13 January 2017, the National Tax Commission decided that the tax adjustment should be abandoned.

Euribor/Libor and other indices

Crédit Agricole S.A. and its subsidiary Crédit Agricole CIB, in their capacity as contributors to a number of interbank rates, have received requests for information from a number of authorities as part of investigations into: the calculation of the Libor (London Interbank Offered Rates) in a number of currencies, the Euribor (Euro Interbank Offered Rate) and certain other market indices; and transactions connected with these rates and indices. These requests cover a number of periods running from 2005 to 2012.

As part of its cooperation with the authorities, Crédit Agricole S.A. and its subsidiary Crédit Agricole CIB carried out investigations in order to gather the information requested by the various authorities and in particular the American authorities – the DOJ (Department of Justice) and CFTC (Commodity Future Trading Commission) – with which they are in discussions. It is currently not possible to know the outcome of these discussions, nor the date when they will be concluded.

Furthermore, Crédit Agricole CIB is currently under investigation opened by the Attorney General of the State of Florida on both the Libor and the Euribor.

Following its investigation and an unsuccessful settlement procedure, on 21 May 2014, the European Commission sent a notification of grievances to Crédit Agricole S.A. and to Crédit Agricole CIB pertaining to agreements or concerted practices for the purpose and/or effect of preventing, restricting or distorting competition in derivatives related to the Euribor. By a decision dated 7 December 2016, the European Commission fined €114.7 million, jointly and severally, on Crédit Agricole S.A. and Crédit Agricole CIB for participating in a cartel relating to euro interest rates derivatives. Crédit Agricole S.A. and Crédit Agricole CIB disagree with this decision, have lodged an appeal against this decision and requested its annulment before the European Union Tribunal.

Additionally, the Swiss competition authority, COMCO, is conducting an investigation into the market for interest rate derivatives, including the Euribor, with regard to Crédit Agricole S.A. and several Swiss and international banks. Moreover, the investigation initiated in September 2015 by the South Korean competition authority (KFTC) concerning Crédit Agricole CIB regarding the Libor index on various currencies, Euribor and Tibor indices, has been closed by the KFTC in June 2016. The investigation regarding certain derivatives on the foreign exchange markets (ABS-NDF) is still ongoing.

Regarding the two class actions in the United States of America in which Crédit Agricole S.A. and Crédit Agricole CIB have been named, since 2012 and 2013, along with other financial institutions – both as defendants for one (“Sullivan” for the Euribor) and only Crédit Agricole S.A. as defendant for the other (“Lieberman” for the Libor) – these are still at the preliminary stage of consideration of admissibility.

The “Lieberman” class action is suspended at present for procedural reasons in the United States District Court for the Southern District of New York. Regarding the “Sullivan” class action, Crédit Agricole S.A. and Crédit Agricole CIB have filed a motion to dismiss all claims.

Since July 1st, 2016, proceedings have been initiated against Crédit Agricole S.A. and Crédit Agricole CIB, as well as other banks, in a new class action in the United States (Frontpoint) related to the SIBOR rate (Singapore Interbank Offered Rate) and the SOR rate (Singapore Swap Offer Rate). Crédit Agricole S.A. and Crédit Agricole CIB filed a motion to dismiss the complaint.

These class actions are civil actions in which the plaintiffs allege that they are victims of the methods used to set the Euribor, Libor, Sibor and Sor rates, and seek repayment of the sums they allege were unlawfully received, as well as damages and reimbursement of costs and fees incurred.

NOTE 16 Home purchase savings contracts

DEPOSITS COLLECTED IN HOME PURCHASE SAVINGS ACCOUNTS AND PLANS DURING THE SAVINGS PHASE

(in millions of euros)	31/12/2016	31/12/2015
Home purchase savings schemes		
Under 4 years old	38,466	30,419
Between 4 and 10 years old	24,478	23,381
Over 10 years old	22,912	23,274
Total home purchase savings plans	**85,856**	**77,074**
Total home purchase savings accounts	**10,032**	**10,163**
TOTAL DEPOSITS COLLECTED UNDER HOME PURCHASE SAVINGS SCHEMES	**95,888**	**87,237**

The definitions of the underlined words can be found in the Glossary on page 542.

PROVISION FOR HOME PURCHASE SAVINGS ACCOUNTS AND PLANS

(in millions of euros)	31/12/2016	31/12/2015
Home purchase savings plans		
Under 4 years old	-	-
Between 4 and 10 years old	-	-
Over 10 years old	330	264
Total home purchase savings plans	**330**	**264**
Total home purchase savings accounts	**-**	**-**
TOTAL PROVISIONS FOR HOME PURCHASE SAVINGS SCHEMES	**330**	**264**

CHANGES IN PROVISIONS

(in millions of euros)	01/01/2016	Depreciation changes	Reversals	31/12/2016
Home purchase savings plans	264	66	-	330
Home purchase savings accounts	-	-	-	-
TOTAL PROVISIONS FOR HOME PURCHASE SAVINGS SCHEMES	**264**	**66**	**-**	**330**

NOTE 17 Liabilities to employees – Post-employment benefits, defined-benefit plans

CHANGE IN ACTUARIAL LIABILITY

(in millions of euros)	31/12/2016	31/12/2015
Actuarial liability at 31/12/N-1	**320**	**289**
Current service cost during the period	14	13
Interest cost	4	4
Employee contributions	-	-
Benefit plan changes, withdrawals and settlement	(8)	(6)
Changes in scope	2	9
Early retirement allowances	-	-
Benefits paid (mandatory)	(16)	(36)
Actuarial (gains)/losses	3	47
ACTUARIAL LIABILITY AT 31/12/N	**319**	**320**

BREAKDOWN OF CHARGE RECOGNISED IN INCOME STATEMENT

(in millions of euros)	31/12/2016	31/12/2015
Service cost	14	13
Financial cost	4	4
Expected return on assets	-	-
Past service cost	-	-
Net actuarial (gains)/losses	3	47
(Gains)/(losses) on plan reductions and settlements	(8)	(6)
(Gains)/(losses) due to asset restriction changes	(4)	(3)
NET CHARGE RECOGNISED IN INCOME STATEMENT	**9**	**55**

CHANGES IN FAIR VALUE OF PLAN ASSETS

(in millions of euros)	31/12/2016	31/12/2015
Fair value of assets/reimbursement rights at 31/12/N-1	**262**	**235**
Expected return on assets	-	-
Actuarial net gains/(losses)[1]	4	3
Employer contributions	42	49
Employee contributions	-	-
Benefit plan changes, withdrawals and settlement	-	-
Changes in scope	2	9
Early retirement allowances	-	-
Benefits paid out under the benefit plan	(16)	(34)
FAIR VALUE OF ASSETS/REIMBURSEMENT RIGHTS AT 31/12/N	**294**	**262**

(1) Interest on refund entitlements.

NET POSITION

(in millions of euros)	31/12/2016	31/12/2015
Actuarial liability at 31/12/N	**(319)**	**(320)**
Impact of asset restriction	-	-
Fair value of assets at end of period	294	262
NET POSITION (LIABILITIES)/ASSETS AT 31/12/N	**(25)**	**(58)**

NOTE 18 Fund for general banking risk (FGBR)

(in millions of euros)	31/12/2016	31/12/2015
Fund for general banking risk	1,076	1,040
CARRYING AMOUNT	**1,076**	**1,040**

NOTE 19 Subordinated debt – Analysis by remaining maturity

(in millions of euros)	31/12/2016 ≤ 3 months	> 3 months ≤ 1 year	> 1 year ≤ 5 years	> 5 years	Total principal	Accrued interest	Total	31/12/2015 Total
Fixed-term subordinated debt	**511**	**296**	**7,322**	**13,997**	**22,126**	**303**	**22,429**	**21,898**
Euro	511	296	7,322	10,444	**18,573**	259	**18,832**	**18,534**
Other European Union currencies	-	-	-	440	**440**	1	**441**	**615**
Swiss Franc	-	-	-	112	**112**	1	**113**	**111**
US Dollar	-	-	-	2,372	**2,372**	40	**2,412**	**2,335**
Yen	-	-	-	629	**629**	2	**631**	**304**
Other currencies	-	-	-	-	**-**	-	**-**	**-**
Participating securities and loans	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Other subordinated term loans	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Undated subordinated debt[(1)]	**-**	**-**	**-**	**10,270**	**10,270**	**115**	**10,385**	**11,754**
Euro	-	-	-	2,501	**2,501**	53	**2,554**	**4,738**
Other European Union currencies	-	-	-	1,305	**1,305**	25	**1,330**	**1,834**
Swiss Franc	-	-	-	-	-	-	-	-
US Dollar	-	-	-	6,299	**6,299**	37	**6,336**	**4,984**
Yen	-	-	-	-	**-**	-	**-**	**-**
Other currencies	-	-	-	165	**165**	-	**165**	**198**
Frozen current accounts of Local Banks	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Mutual security deposits	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
CARRYING AMOUNT	**511**	**296**	**7,322**	**24,267**	**32,396**	**418**	**32,814**	**33,652**

(1) Remaining maturity of perpetual subordinated debt classified by default in > 5 years.

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NOTE 20 Changes in equity (before appropriation)

CHANGE IN EQUITY

(in millions of euros)	Share capital	Legal reserve	Statutory reserve	Share premiums, reserves and retained earnings	Translation revaluation adjustments	Regulated provisions and investment subsidies	Net income	Total equity
Balance at 31/12/2014	**7,729**	**567**	**436**	**22,262**	**-**	**28**	**3,112**	**34,134**
Dividends paid in respect of 2014	-	-	-	(906)	-	-	-	**(906)**
Change in share capital	189	-	-	-	-	-	-	**189**
Change in share premiums and reserves	-	206	-	363	-	-	-	**569**
Appropriation of 2014 parent company net income	-	-	-	3,112	-	-	(3,112)	**-**
Retained earnings	-	-	-	-	-	-	-	**-**
Net income for 2015	-	-	-	-	-	-	1,446	**1,446**
Other changes	-	-	-	-	-	(2)	-	**(2)**
Balance at 31/12/2015	**7,918**	**773**	**436**	**24,831**	**-**	**26**	**1,446**	**35,430**
Dividends paid in respect of 2015	-	-	-	(1,590)	-	-	-	**(1,590)**
Change in share capital	620	-	-	-	-	-	-	**620**
Change in share premiums and reserves	-	19	-	960	-	-	-	**979**
Appropriation of 2015 parent company net income	-	-	-	1,446	-	-	(1,446)	**-**
Retained earnings	-	-	-	-	-	-	-	**-**
Net income for 2016	-	-	-	-	-	-	13,819	**13,819**
Other changes	-	-	-	-	-	(9)	-	**(9)**
BALANCE AT 31/12/2016	**8,538**	**792**	**436**	**25,647**	**-**	**17**	**13,819**	**49,249**

The amount of dividends paid by Crédit Agricole S.A. in 2016 amounted to -€1,590 million, breaking down as follows after the neutralisation of dividends on treasury shares in the amount of €2.67 million:

- *-€267.95 million in cash;*
- *-€1,322.32 million by allocation of shares, breaking down as a capital increase of €509.89 million and a share premium of €812.43 million.*

NOTE 21 Composition of capital

(in millions of euros)	31/12/2016	31/12/2015
Equity	49,249	35,430
Fund for general banking risk	1,076	1,040
Subordinated debt and participating securities	32,814	33,653
Mutual security deposits	-	-
TOTAL CAPITAL	**83,139**	**70,123**

NOTE 22 Transactions with subsidiaries and affiliates, and equity investments

(in millions of euros)	Balance at 31/12/2016	Balance at 31/12/2015
Loans and receivables	**393,529**	**404,687**
Credit and other financial institutions	374,020	386,985
Customers	2,070	2,047
Bonds and other fixed income securities	17,440	15,655
Debt	**142,741**	**184,462**
Credit and other financial institutions	131,136	172,846
Customers	11,605	10,679
Debt securities and subordinated debt	-	937
Commitments given	**18,202**	**25,449**
Financing commitments given to credit institutions	4,590	4,972
Financing commitments given to customers	-	-
Guarantees given to credit and other financial institutions	3,288	4,536
Guarantees given to customers	10,323	15,941
Securities acquired with repurchase options	-	-
Other commitments given	-	-

NOTE 23 Foreign currency denominated transactions

ANALYSIS OF THE BALANCE SHEET BY CURRENCY

	31/12/2016		31/12/2015	
(in millions of euros)	Assets	Equity and liabilities	Assets	Equity and liabilities
Euro	514,255	496,590	516,320	494,909
Other European Union currencies	2,511	2,976	2,848	3,962
Swiss Franc	8,361	4,876	8,584	4,787
US Dollar	17,800	23,488	15,152	24,846
Yen	577	5,613	620	4,695
Other currencies	1,047	1,032	1,124	701
Gross amount	**544,551**	**534,575**	**544,648**	**533,900**
Accruals, prepayments, deferred income and sundry assets and liabilities	15,827	20,751	23,057	27,891
Impairment	(5,052)	-	(5,914)	-
TOTAL	**555,326**	**555,326**	**561,791**	**561,791**

NOTE 24 Foreign exchange transactions, loans and borrowings

	31/12/2016		31/12/2015	
(in millions of euros)	To be received	To be delivered	To be received	To be delivered
Spot foreign exchange transactions	**103**	**103**	**101**	**101**
Foreign currency	76	27	83	90
Euro	27	76	18	11
Forward currency transactions	**19,596**	**19,004**	**23,577**	**23,067**
Foreign currency	12,983	7,166	17,664	8,188
Euro	6,613	11,838	5,913	14,879
Foreign currency denominated loans and borrowings	**25**	**61**	**640**	**160**
TOTAL	**19,724**	**19,168**	**24,318**	**23,328**

NOTE 25 Transactions on forward financial instruments

	31/12/2016			31/12/2015
(in millions of euros)	Hedging transactions	Other	Total	Total
Futures and forwards	**602,939**	**278,500**	**881,439**	**1,048,727**
Exchange-traded[1]	-	-	-	-
Interest rate futures	-	-	-	-
Currency forwards	-	-	-	-
Equity and stock index instruments	-	-	-	-
Other futures	-	-	-	-
Over-the-counter[1]	602,939	278,500	881,439	1,048,727
Interest rate swaps	601,857	278,347	880,204	1,046,777
Other interest rate forwards	-	-	-	-
Currency forwards	-	153	153	386
FRAs	-	-	-	-
Equity and stock index instruments	1,082	-	1,082	1,564
Other futures	-	-	-	-
Options	**1,255**	**-**	**1,255**	**7,299**
Exchange-traded	-	-	-	-
Exchange-traded interest rate futures	-	-	-	-
• Bought	-	-	-	-
• Sold	-	-	-	-
Equity and stock index instruments	-	-	-	-
• Bought	-	-	-	-
• Sold	-	-	-	-
Currency futures	-	-	-	-
• Bought	-	-	-	-
• Sold	-	-	-	-
Over-the-counter	1,255	-	1,255	7,299
Interest rate swap options	-	-	-	-
• Bought	-	-	-	-
• Sold	-	-	-	-
Other interest rate forwards	-	-	-	-
• Bought	1,255	-	1,255	5,227
• Sold	-	-	-	2,072
Currency futures	-	-	-	-
• Bought	-	-	-	-
• Sold	-	-	-	-
Equity and stock index instruments	-	-	-	-
• Bought	-	-	-	-
• Sold	-	-	-	-
Other futures	-	-	-	-
• Bought	-	-	-	-
• Sold	-	-	-	-
Credit derivatives	-	-	-	-
Credit derivative contracts	-	-	-	-
• Bought	-	-	-	-
• Sold	-	-	-	-
TOTAL	**604,194**	**278,500**	**882,694**	**1,056,026**

(1) The amounts shown in respect of futures and forwards must correspond to aggregate long and short positions (interest rate swaps and interest rate swap options), or to aggregate purchases and sales of contracts (other contracts).

7

25.1 Transactions on forward financial instruments – Analysis by remaining maturity

	Total 31/12/2016			o/w over-the-counter			o/w exchange traded and equivalent		
(in millions of euros)	≤ 1 year	> 1 year ≤ 5 years	> 5 years	≤ 1 year	> 1 year ≤ 5 years	> 5 years	≤ 1 year	> 1 year ≤ 5 years	> 5 years
Futures	-	-	-	-	-	-	-	-	-
Currency options	-	-	-	-	-	-	-	-	-
Interest rate options	-	-	-	-	-	-	-	-	-
Currency futures	153	-	-	153	-	-	-	-	-
FRAs	-	-	-	-	-	-	-	-	-
Interest rate swaps	419,418	218,139	242,647	419,418	218,139	242,647	-	-	-
Caps, Floors, Collars	440	415	400	440	415	400	-	-	-
Interest rate forwards	-	-	-	-	-	-	-	-	-
Equity, equity index futures and forwards	-	1,082	-	-	1,082	-	-	-	-
Equity and equity index options	-	-	-	-	-	-	-	-	-
Equity, equity index and precious metals derivatives	-	-	-	-	-	-	-	-	-
Credit derivatives	-	-	-	-	-	-	-	-	-
Subtotal	**420,011**	**219,636**	**243,047**	**420,011**	**219,636**	**243,047**	**-**	**-**	**-**
Currency swaps	6,924	14,169	8,790	6,924	14,169	8,790	-	-	-
Forward currency transactions	8,405	276	36	8,405	276	36	-	-	-
Subtotal	**15,329**	**14,445**	**8,826**	**15,329**	**14,445**	**8,826**	**-**	**-**	**-**
TOTAL	**435,340**	**234,081**	**251,873**	**435,340**	**234,081**	**251,873**	**-**	**-**	**-**

	Total 31/12/2015			o/w over-the-counter			o/w exchange traded and equivalent		
(in millions of euros)	≤ 1 year	> 1 year ≤ 5 years	> 5 years	≤ 1 year	> 1 year ≤ 5 years	> 5 years	≤ 1 year	> 1 year ≤ 5 years	> 5 years
Futures	-	-	-	-	-	-	-	-	-
Currency options	-	-	-	-	-	-	-	-	-
Interest rate options	-	-	-	-	-	-	-	-	-
Currency futures	-	-	-	-	-	-	-	-	-
FRAs	-	-	-	-	-	-	-	-	-
Interest rate swaps	442,929	291,356	312,492	442,929	291,356	312,492	-	-	-
Caps, Floors, Collars	2,177	3,093	2,029	2,177	3,093	2,029	-	-	-
Interest rate forwards	-	-	-	-	-	-	-	-	-
Equity, equity index futures and forwards	2	1,562	-	2	1,562	-	-	-	-
Equity and equity index options	-	-	-	-	-	-	-	-	-
Equity, equity index and precious metals derivatives	-	-	-	-	-	-	-	-	-
Credit derivatives	-	-	-	-	-	-	-	-	-
Subtotal	**445,108**	**296,011**	**314,521**	**445,108**	**296,011**	**314,521**	**-**	**-**	
Currency swaps	3,234	18,291	7,570	3,234	18,291	7,570	-	-	-
Forward currency transactions	16,518	977	55	16,518	977	55	-	-	-
Subtotal	**19,752**	**19,268**	**7,625**	**19,752**	**19,268**	**7,625**	**-**	**-**	**-**
TOTAL	**464,860**	**315,279**	**322,146**	**464,860**	**315,279**	**322,146**	**-**	**-**	**-**

25.2 Forward financial instruments – Fair value

(in millions of euros)	31/12/2016 Fair value *Positive*	31/12/2016 Fair value *Negative*	31/12/2016 Outstanding notional	31/12/2015 Fair value *Positive*	31/12/2015 Fair value *Negative*	31/12/2015 Outstanding notional
Futures	-	-	-	-	-	-
Currency options	-	-	-	-	-	-
Interest rate options	-	-	-	91	93	-
Currency futures	-	-	153	-	-	-
FRAs	-	-	-	-	-	-
Interest rate swaps	20,942	17,740	880,204	30,129	27,666	1,046,777
Caps, Floors, Collars	59	56	1,255	222	203	7,299
Interest rate forwards	-	-	-	-	-	-
Equity, equity index futures and forwards	393	72	1,082	-	-	-
Equity and equity index options	-	-	-	-	-	-
Equity, equity index and precious metals derivatives	-	-	-	329	120	1,564
Credit derivatives	-	-	-	-	-	-
Subtotal	**21,394**	**17,868**	**882,694**	**30,771**	**28,082**	**1,055,640**
Currency swaps	283	80	29,883	121	78	29,095
Forward currency transactions	63	51	8,717	379	147	17,550
Subtotal	**346**	**131**	**38,600**	**500**	**225**	**46,645**
TOTAL	**21,740**	**17,999**	**921,294**	**31,271**	**28,307**	**1,102,285**

NOTE 26 Information on counterparty risk on derivative products

(in millions of euros)	31/12/2016 Fair value	31/12/2016 Potential credit risk[1]	31/12/2016 Total counterparty risk	31/12/2015 Fair value	31/12/2015 Potential credit risk[1]	31/12/2015 Total counterparty risk
Risk regarding OECD governments, central banks and similar organisations	-	-	**-**	-	-	**-**
Risk regarding OECD financial institutions and similar organisations	21,571	6,094	**27,665**	31,028	7,734	**38,762**
Risk on other counterparties	169	270	**439**	160	300	**460**
Total before impact of netting contracts	**21,740**	**6,364**	**28,104**	**31,188**	**8,034**	**39,222**
Risk on:						
Interest rate, exchange rate and commodities contracts	21,347	6,277	**27,624**	30,859	7,909	**38,768**
Equity and index derivative contracts	393	87	**480**	329	125	**454**
Total before impact of netting contracts	**21,740**	**6,364**	**28,104**	**31,188**	**8,034**	**39,222**
Impact of netting and collateralisation contracts	-	-	**-**	-	-	**-**
TOTAL AFTER IMPACT OF NETTING AND COLLATERALISATION CONTRACTS	**21,740**	**6,364**	**28,104**	**31,188**	**8,034**	**39,222**

(1) Calculated under Basel 2 regulatory standards.

NOTE 27 Commitments given and received

(in millions of euros)	31/12/2016	31/12/2015
Commitments given		
Financing commitments	**6,181**	**14,254**
Commitments given to credit institutions	5,836	14,235
Commitments given to customers	345	19
● Confirmed credit lines	-	-
Documentary credits	-	-
Other confirmed credit lines	-	-
● Other commitments given to customers	345	19
Guarantee commitments	**16,257**	**22,528**
Credit institutions	3,763	4,978
● Confirmed documentary credit lines	-	-
● Other	3,763	4,978
Customers	12,494	17,550
● Property guarantees	-	-
● Other customer guarantees	12,494	17,550
Commitments on securities	**-**	**-**
Securities acquired with repurchase options	-	-
Other commitments to be given	-	-
Commitments received		
Financing commitments	**51,179**	**26,370**
Commitments received from credit institutions	51,179	26,370
Commitments received from customers	-	-
Guarantee commitments	**10,286**	**24,734**
Commitments received from credit institutions(1)	10,284	24,732
Commitments received from customers	2	2
● Guarantees received from government bodies or similar institutions	-	-
● Other guarantees received	2	2
Commitments on securities	**-**	**-**
Securities sold with repurchase options	-	-
Other commitments received	-	-

(1) Of which €9.165 billion for the Switch Insurance guarantee constituted on 1 July 2016, amending the previous guarantee granted on 2 January 2014 in the amount of €23.865 billion.

NOTE 28 Net interest and similar income

(in millions of euros)	31/12/2016	31/12/2015
Interbank transactions	1,939	2,155
Crédit Agricole internal transactions	3,676	4,208
Customer transactions	217	311
Bonds and other fixed income securities	1,632	1,739
Net gains on macro-hedging transactions	722	325
Debt securities	2,253	1,820
Other interest income	7	8
Interest and similar income	**10,446**	**10,566**
Interbank transactions	(2,496)	(2,421)
Crédit Agricole internal transactions	(1,283)	(1,545)
Customer transactions	(4,343)	(4,509)
Net losses on macro-hedging transactions	-	-
Bonds and other fixed income securities	(1,208)	(1,147)
Debt securities	(3,295)	(3,239)
Other interest expense	(224)	(5)
Interest and similar expenses	**(12,849)**	**(12,866)**
NET INTEREST AND SIMILAR INCOME	**(2,403)**	**(2,300)**

NOTE 29 Income from securities

(in millions of euros)	31/12/2016	31/12/2015
Investment in subsidiaries and affiliates, equity investments and other long term equity investments	3,513	4,013
Short term investment securities and medium-term portfolio securities	-	1
Other securities transactions	-	-
TOTAL INCOME FROM VARIABLE-INCOME SECURITIES	**3,513**	**4,014**

NOTE 30 Net fee and commission income

	31/12/2016			31/12/2015		
(in millions of euros)	Income	Expense	Net	Income	Expense	Net
Interbank transactions	105	(31)	74	96	(21)	75
Crédit Agricole internal transactions	801	(767)	34	796	(881)	(85)
Customer transactions	-	-	-	-	-	-
Securities transactions	-	-	-	-	(1)	(1)
Foreign exchange transactions	-	-	-	-	-	-
Forward financial instruments and other off-balance sheet transactions	-	-	-	-	-	-
Financial services	35	(71)	(36)	29	(71)	(42)
Provisions for fee and commission risks	-	-	-	-	-	-
TOTAL NET FEE AND COMMISSION INCOME	**941**	**(869)**	**72**	**921**	**(974)**	**(53)**

NOTE 31 Net gains (losses) on trading book

(in millions of euros)	31/12/2016	31/12/2015
Gains (losses) on trading securities	3	6
Gains (losses) on foreign currency transactions and similar financial instruments	53	(197)
Gains (losses) on other forward financial instruments	25	45
NET GAINS (LOSSES) ON TRADING BOOK	**81**	**(146)**

NOTE 32 Gains (losses) on short term investment portfolios and similar

(in millions of euros)	31/12/2016	31/12/2015
Short term investment securities	**-**	**-**
Impairment losses	(26)	(72)
Reversals of impairment losses	25	52
Net losses/reversals	**(1)**	**(20)**
Gains on disposals	49	380
Losses on disposals	(2)	(4)
Net gains (losses) on disposals	**47**	**376**
Net gains (losses) on short term investment securities	**46**	**356**
Medium term portfolio securities	**-**	**-**
Impairment losses	-	-
Reversals of impairment losses	-	-
Net losses/reversals of impairment	**-**	**-**
Gains on disposals	-	-
Losses on disposals	-	-
Net gains (losses) on disposals	**-**	**-**
Net gains (losses) on medium term portfolio securities	**-**	**-**
GAINS (LOSSES) ON SHORT TERM INVESTMENT PORTFOLIOS AND SIMILAR	**46**	**356**

NOTE 33 Other banking income and expenses

(in millions of euros)	31/12/2016	31/12/2015
Other income	7	7
Share of joint ventures	-	-
Charge-backs and expense reclassifications	78	73
Reversals of provisions	-	-
Other banking income	**85**	**80**
Sundry expenses	(54)	(43)
Share of joint ventures	(5)	(8)
Charge-backs and expense reclassifications	-	(1)
Depreciation charges to provisions	-	-
Other banking expenses	**(59)**	**(52)**
TOTAL OTHER BANKING INCOME AND EXPENSES	**26**	**28**

NOTE 34 Operating expenses

(in millions of euros)	31/12/2016	31/12/2015
Employee expenses[1]		
Salaries	(162)	(201)
Wages and salaries	(147)	(155)
o/w contributions to defined-contribution post-employment benefit plans	(77)	-
Profit-sharing and incentive plans	(21)	(17)
Payroll-related tax	(36)	(36)
Total employee expenses	**(366)**	**(409)**
Charge-backs and reclassification of employee expenses	40	44
Net employee expenses	**(326)**	**(365)**
Administrative expenses[2]		
Taxes other than on income or payroll-related	(98)	(117)
External services and other administrative expenses	(428)	(346)
Total administrative expenses	**(526)**	**(463)**
Charge-backs and reclassification of administrative expenses	106	93
Net administrative expenses	**(420)**	**(370)**
OPERATING EXPENSES	**(746)**	**(735)**

(1) At 31 December 2016, the compensation of members of the Board of Directors and Executive Committee paid by Crédit Agricole S.A. amounted to €24.1 million of which €4.4 million in post-employment benefits.

(2) Information on fees paid to Statutory Auditors is indicated in the notes to the consolidated financial statements of Crédit Agricole S.A. Group.

HEADCOUNT BY CATEGORY
(average number of active employees in proportion to activity)

Employee categories	31/12/2016	31/12/2015
Managers	2,001	1,987
Non-managers	254	280
TOTAL	**2,255**	**2,267**
o/w: France	2,238	2,251
Foreign	17	16
o/w: Detached employees	179	221

NOTE 35 Cost of risk

(in millions of euros)	31/12/2016	31/12/2015
Depreciation charges to provisions and impairment	**(167)**	**(438)**
Impairment of doubtful loans and receivables	-	(159)
Other depreciation and impairment losses	(167)	(279)
Reversal of provisions and impairment losses	**188**	**282**
Reversal of impairment losses on doubtful loans and receivables	-	9
Other reversals of provisions and impairment losses	188	273
Change in provisions and impairment	**21**	**(156)**
Losses on non-impaired irrecoverable loans	-	(17)
Losses on impaired irrecoverable loans	(37)	(48)
Discounts on restructured loans	-	-
Recoveries on loans written off	-	1
Other losses	-	(137)
Other income	-	137
COST OF RISK	**(16)**	**(220)**

NOTE 36 Net gains (losses) on fixed assets

(in millions of euros)	31/12/2016	31/12/2015
Financial investments		
Impairment losses	**(573)**	**(1,312)**
Long term investment securities	-	-
Investments in subsidiaries and affiliates, equity investments and other long term equity investments	(573)	(1,312)
Reversals of impairment losses	**1,362**	**84**
Long term investment securities	-	-
Investments in subsidiaries and affiliates, equity investments and other long term equity investments	1,362	84
Net losses/reversals	**789**	**(1,228)**
Long term investment securities	-	-
Investments in subsidiaries and affiliates, equity investments and other long term equity investments	789	(1,228)
Gains on disposals	**12,286**	**423**
Long term investment securities	-	-
Investments in subsidiaries and affiliates, equity investments and other long term equity investments(1)	12,286	423
Losses on disposals	**(4)**	**(2)**
Long term investment securities	-	-
Investments in subsidiaries and affiliates, equity investments and other long term equity investments	(4)	(2)
Losses on receivables from equity investments	-	-
Net gains (losses) on disposals	**12,282**	**421**
Long term investment securities	-	-
Investments in subsidiaries and affiliates, equity investments and other long term equity investments	12,282	421
Net gains (losses)	**13,071**	**(807)**
Property, plant & equipment and intangible assets		
Gains on disposals	3	-
Losses on disposals	-	-
Net gains (losses)	**3**	**-**
NET GAINS (LOSSES) ON FIXED ASSETS	**13,074**	**(807)**

(1) Crédit Agricole S.A. has transferred the CCIs, the CCAs and the mutual shares it held in the Regional Banks (approximately 25% of their capital) to Sacam Mutualisation for a sale price of €18.542 billion, generating a capital gain of €12.153 billion excluding transfer costs.

NOTE 37 Income tax charge

(in millions of euros)	31/12/2016	31/12/2015
Income tax charge(1)	254	1,360
Net provisions for taxes under the tax consolidation scheme	(41)	(3)
NET BALANCE	**213**	**1,357**

(1) The tax gain mainly consists of the taxes that Crédit Agricole S.A., as head of the tax consolidation group, collected from the subsidiaries included in the tax consolidation scheme.

NOTE 38 Presence in non-cooperative States and territories

At 31 December 2016, Crédit Agricole S.A. had no direct or indirect presence in non-cooperative states or territories within the meaning of Article 238-0 A of the French General Tax Code.

The definitions of the underlined words can be found in the Glossary on page 542.

STATUTORY AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

This is a free translation into English of the Statutory Auditors' report issued in French. It is provided solely for the convenience of English speaking users. The Statutory Auditors' report includes information required specifically by French law in such reports, whether qualified or not. This information presents below the opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements.

This report should be read and construed in accordance with French law and professional auditing standards applicable in France.

For the year ended December 31, 2016

To the Shareholders

In compliance with the assignment entrusted to us by your General Meeting of Shareholders, we hereby report to you, for the year ended December 31, 2016, on :

- the audit of the accompanying financial statements of Crédit Agricole S.A.
- the justification of our assessments;
- the specific verifications and information required by law.

These financial statements have been approved by 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 the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sample techniques or other methodes 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 and liabilities and of the financial position of the Company as at December 31,2016 and of the results of its operations for the year then ended in accordance with French accounting principles.

Without qualifying our opinion, we draw your attention to Note 2 to the financial statements, which mentions the changes to the accounting methods and presentation that occurred during this financial year, including the first time application of ANC 2015-06 regulation and its impact on the accounting treatment of merger losses as explained in Note 2.3 to the financial statements.

II. Justification of our assessments

In accordance with the requirements of article L.823-9 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we bring to your attention the following matters:

- As stated in Note 2.2.5 to the financial statements, equity investments, other long-term investments and investments in subsidiaries and affiliates are measured at their value in use. As part of our assessment of these estimates, we have examined the elements used in determining the value in use for the main operations.
- As stated in Notes 2.6 and 15 to the financial statements, your Company establishes provisions to cover the legal and tax risks to which it is exposed. We have examined the mechanism implemented by management to identify and evaluate these risks and to determine the necessary amount of provisions. We have also verified the appropriateness of the information given in Note 15 to the financial statements.
- As part of its financial statements preparation process, your Company has made accounting estimates, in particular regading the valuation of loans and advances granted and the pension and future employees' benefits provisions. We have examined the assumptions used and verified that these accounting estimates are based on documented methods that comply with the principles set forth in Note 2 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 which is expressed in the first part of this report.

III. Specific verifications and information

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information provided in the management report of the Board of Directors, and in the documents addressed to the shareholders with respect to the financial position and the financial statements.

Concerning the information provided in accordance with the requirements of Article L. 225-102-1 of the French Commercial Code (Code de Commerce) related to compensations and benefits received by the Directors and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from companies controlling your Company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders or holders of the voting rights has been properly disclosed in the management report.

Neuilly-sur-Seine and Paris-La Défense, on March 20, 2017

The statutory auditors

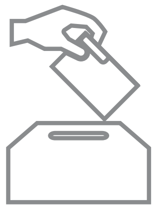
PricewaterhouseCoopers Audit
Anik Chaumartin

ERNST & YOUNG et Autres
Valérie Meeus

8 GENERAL INFORMATION

General Meeting of Shareholders **in Tours**

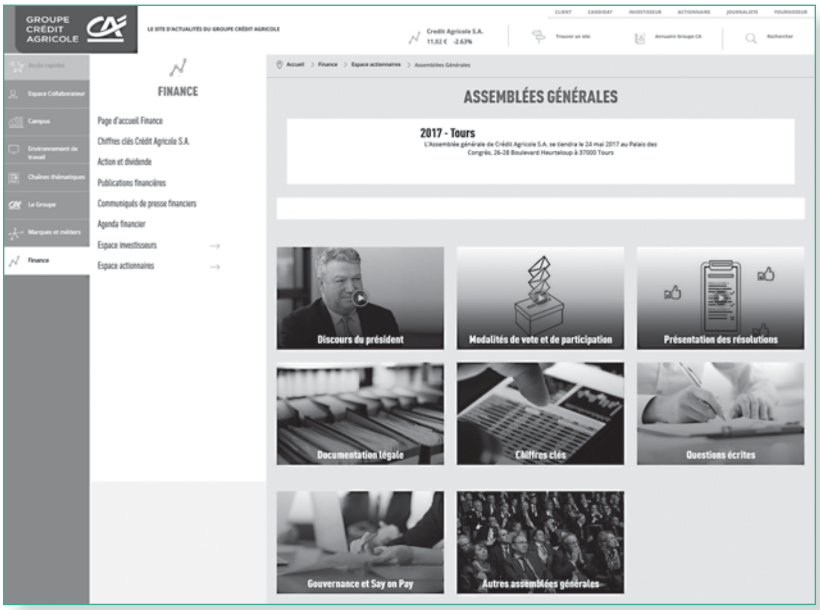
Wednesday, 24 May 2017, in Tours



Palais des Congrès – Le Vinci
26-28 boulevard Heurteloup
37000 Tours – France

Agenda and draft resolutions available on the website:

www.credit-agricole.com/en/finance/finance/individual-shareholders/annual-general-meeting



8

MEMORANDUM AND ARTICLES OF ASSOCIATION

CRÉDIT AGRICOLE S.A.

A French Company *(société anonyme)* with share capital of €8,538,313,578

Registered with the Nanterre Trade and Company Registry under number 784 608 416

Registered office:
12, place des États-Unis – 92127 Montrouge Cedex – France
Tel.: +33 (0)1 43 23 52 02

ARTICLES OF ASSOCIATION

Updated version of 15 December 2016.

Article 1 - Form

Crédit Agricole S.A. (the "Company") is a French company *(société anonyme)* with a Board of Directors *("Conseil d'administration")* governed by ordinary corporate law, notably Book II of the French Commercial Code.

Crédit Agricole S.A. is also subject to the provisions of the Monetary and Finance Code, in particular Articles L. 512-47 *et seq.*, and those provisions of former Book V of the Rural Code which have not been repealed, and Act No. 88-50 of 18 January 1988 concerning the Reorganisation of the Caisse Nationale de Crédit Agricole as a Mutual Company.

Prior to the Extraordinary General Meeting of 29 November 2001, the Company was called "Caisse Nationale de Crédit Agricole", abbreviated "C.N.C.A."

The Company was born of the transformation of the Caisse Nationale de Crédit Agricole, an *"Établissement Public Industriel et Commercial",* following the merger of the Mutual Guarantee Fund of the Caisses Régionales de Crédit Agricole Mutuel (the Regional Banks); it continues to hold all of the rights, obligations, guarantees and security interests of those legal entities prior to their transformation; it exercises all rights relating to mortgages granted in favour of the State.

Article 2 - Name

The name of the Company is: Crédit Agricole S.A.

In all deeds and documents of the Company that are intended for third parties, the corporate name shall be immediately preceded or followed by the words *"Société Anonyme"* or the initials "S.A.", *"régie par le livre deuxième du Code de commerce et par les dispositions du Code monétaire et financier"* ("governed by Book II of the French Commercial Code and the provisions of the Monetary and Finance Code") and by the amount of the share capital.

Article 3 - Object

Crédit Agricole S.A. has for object to facilitate and promote the activities and development of the Caisses Régionales de Crédit Agricole Mutuel and the Crédit Agricole Group. In furtherance of this purpose:

1. Crédit Agricole S.A. operates as a central financial institution and ensures that the Group acts as a single financial unit in its dealings with third parties with the object of optimising the financial management of funds and, in return, the allocation of the financial resources so collected.

   Crédit Agricole S.A. collects and manages the excess deposits and savings of the Regional Banks, as well as savings collected by such Banks on its behalf.

   Crédit Agricole S.A. grants facilities to the Regional Banks to permit the funding of their medium and long-term loans. It ensures that the transformation risks pertaining to the Company, its subsidiaries and the Regional Banks are assumed. It implements the mechanisms for guaranteeing transactions by the Caisses Régionales de Crédit Agricole Mutuel. In its own name and on behalf of the companies in the Crédit Agricole Group, Crédit Agricole S.A. negotiates and enters into domestic and international agreements which may affect the credit of the Group. It executes all nation-wide agreements with the State.

2. In France and abroad, Crédit Agricole S.A. performs all types of banking, financial, credit, investment or securities transactions and related services under the Monetary and Finance Code, guaranty, arbitrage, brokerage and commission transactions, whether for its own account or for the account of others, without infringing on the remit of the Caisses Régionales de Crédit Agricole Mutuel.

3. In accordance with the provisions of the Monetary and Finance Code, as the Central Organ of Crédit Agricole Mutuel, Crédit Agricole S.A. ensures the cohesion of the Crédit Agricole Mutuel network, the proper operation of the credit institutions that are a part thereof, and compliance by such institutions with the applicable laws and regulations by exercising administrative, technical and financial supervision thereof; it guarantees the liquidity and solvency of the entire network and all institutions affiliated therewith.

   And, as a general matter, Crédit Agricole S.A. engages in all types of commercial, financial, personal and real property transactions and provides all services directly or indirectly related to its purpose, provided that they are in furtherance thereof.

Article 4 - Registered office

The registered office of the Company is situated at 12, Place des États-Unis, 92127 Montrouge Cedex.

Article 5 - Duration

The Company, born out of the transformation described in the last paragraph of Article 1 of these Articles of Association, shall terminate on 31 December 2086 unless extended or dissolved in advance by the Shareholders at an Extraordinary General Meeting.

Article 6 - Share capital

The share capital of the Company is €8,538,313,578 divided into 2,846,104,526 Ordinary Shares with a par value of €3, all of them paid up in full.

In accordance with the applicable laws and regulations, non-voting Preferred Shares with the rights defined by these Articles of Association may be created and issued pursuant to Articles L. 228-11 *et seq.* of the French Commercial Code.

Several classes of Preferred Shares may be created with different characteristics, with respect, *inter alia,* to (i) their Issue Date; (ii) their Issue Price; and (iii) their Rate. Consequently, the corporate body that shall decide to issue Preferred Shares shall amend this Article 6, "Share capital", accordingly, in order to specify the designation (A, B, C, etc.) and the characteristics of the class issued in this manner, and in particular, those characteristics referred to in items (i) to (iii) above.

For purposes of these Articles of Association:

- **"Ordinary Shares"** means the Ordinary Shares of the Company;
- **"Preferred Shares"** means the non-voting Preferred Shares, regardless of class, that may be issued by the Company and their attached rights, as defined in these Articles of Association;
- **"Shares"** means Ordinary Shares and Preferred Shares collectively;
- **"Meeting"** means any General Meeting or Special Meeting;
- **"General Meeting"** means the General Meeting of Ordinary Shareholders in which Preferred Shareholders may participate;
- **"Extraordinary General Meeting"** means the General Meeting convened to vote on extraordinary business;
- **"Ordinary General Meeting"** means the General Meeting convened to vote on ordinary business;
- **"Special Meeting"** means the Special Meeting of holders of a given class of Preferred Shares;
- **"Issue Date"** means, for a given class of Preferred Shares, the date of issue of the Preferred Shares of the relevant class;
- **"Issue Price"** means, for a given class of Preferred Shares, the Issue Price per Preferred Share in the relevant class, or its par value plus any share premium;
- **"Adjusted Issue Price"** means, for a given class of Preferred Shares, the Issue Price, less any amount that may be paid and/or the value of any asset, as determined by an expert appointed by the Board of Directors (or, failing which, by an order of the Presiding Judge of the Paris Commercial Court ruling in summary proceedings in accordance with Article 1843-4 of the French Civil Code), due for each outstanding Preferred Share in the given class following a capital reduction not due to losses;
- The **"Rate"** means the Rate set by the relevant corporate body at the time of the issue of Preferred Shares and used as a basis for determining the Preferred Dividend, it being specified that this shall equal the average of the 10-year Constant Maturity Treasury (CMT) (yield on a 10-year government bond) (or any other index that may be substituted for the 10-year CMT) over the three business days preceding the date of the decision to issue the shares, plus a margin of no more than 12%.

In the event of a stock split or reverse split applying to Ordinary Shares, the split or reverse split shall also apply to the Preferred Shares under the same conditions and their characteristics shall be adjusted automatically. More specifically, the new dividend rights and the new Adjusted Issue Price of the Preferred Shares belonging to a given class shall be the same as the dividend rights and Adjusted Issue Price, as the case may be, of the given class, in effect before the beginning of the transaction multiplied by the ratio obtained by dividing (i) the number of Preferred Shares in the given class included in the share capital before the transaction by (ii) the number of Preferred Shares in the given class included in the share capital after the transaction.

In the event of a bonus issue of Preferred Shares to the holders of Preferred Shares by the capitalisation of any share premiums and/or of the legal reserve, the characteristics of the Preferred Shares shall be adjusted automatically. More specifically, the new dividend rights and the new Adjusted Issue Price of the Preferred Shares of a given class shall be the same as the dividend rights and Adjusted Issue Price, as the case may be, of the given class, in effect before the beginning of the transaction multiplied by the ratio obtained by dividing (i) the number of Preferred Shares in the given class included in the share capital before the transaction by (ii) the number of Preferred Shares in the given class included in the share capital after the transaction. No adjustment shall be made in the event of an increase in the nominal value by capitalisation of any share premiums and/or of the legal reserve.

Article 7 - Changes in the share capital: capital increases, reductions and redemptions

A. Capital increases

1. The share capital may be increased by any method and in any manner authorised by law.
2. The Extraordinary General Meeting shall have exclusive authority to decide whether to increase the share capital or to authorise such a decision, pursuant to the applicable laws and regulations and subject to the provisions pertaining to payment of the dividend in Shares provided in paragraph 9 of Article 31, "Determination, allocation and distribution of profit" of the Articles of Association.
3. Pursuant to the applicable laws and regulations, holders of Ordinary Shares have a pre-emptive right to subscribe for Shares and securities granting rights to Shares in the Company, in proportion to the quantity of Ordinary Shares that they own.

   The Preferred Shares do not have pre-emptive rights to subscribe to any subsequent issue of Shares and securities granting a right to shares in accordance with the option provided in Article L. 228-11, paragraph 5 of the French Commercial Code.
4. The holders of Preferred Shares shall not benefit from capital increases resulting from a bonus issue of new Shares or by an increase in the nominal amount of Ordinary Shares outstanding resulting from the capitalisation of reserves (other than the legal reserve) or earnings, or the bonus issue of securities granting rights to Shares as part of a bonus issue for Ordinary Shareholders. However, in the event of a capital increase by means of a bonus issue of new Shares or by an increase in the nominal amount of outstanding Ordinary Shares through capitalisation of any share premiums or of the legal reserve, the Ordinary Shareholders and the Preferred Shareholders shall be entitled to subscribe to the capital increase in proportion to their rights to the Notional Capital (as defined in Article 31, "Determination, allocation and distribution of profit" of the Articles of Association) and, with respect to the Preferred Shares, up to a maximum of the positive difference between their Adjusted Issue Price and their par value (i.e., the total amount of increases in the

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nominal value of the Preferred Shares, or the total nominal amount of any new Preferred Shares issued by capitalisation of any share premiums and/or of the legal reserve shall not exceed the product of (i) the positive difference between their Adjusted Issue Price and their par value multiplied by (ii) the number of Preferred Shares outstanding calculated at the date on which the relevant capital increase was effected). If the capital increase is effected by a bonus issue of new Shares, the new Shares awarded for no consideration shall be of the same class as the Shares that entitled the holder to the award of bonus shares.

5. In-kind contributions must be approved by the Extraordinary General Meeting, pursuant to the applicable laws and regulations.

B. Capital reductions

1. Capital reductions are decided or authorised by the Extraordinary General Meeting, which may delegate to the Board of Directors all powers for purposes of carrying out capital reductions. This excludes capital reductions following a Preferred Share buyback effected under the terms of Article 32 of the Articles of Association, "Repurchases of Preferred Shares by the Company", paragraph B, "Option to repurchase Preferred Shares at the Company's initiative", which may be decided by the Board of Directors.
2. Any capital reduction due to losses is allocated to the share capital among the different Shares in proportion to the percentage of share capital they represent.

   Losses shall first be charged against the following accounts, in the following order: 1) retained earnings, 2) distributable reserves, 3) other reserves, 4) statutory reserves, 5) any share premiums, 6) the legal reserve, and 7) equity.
3. The Company may carry out capital reductions for reasons other than losses under the conditions stipulated by laws and regulations, to be allocated among Ordinary Shares and Preferred Shares in the proportions that it shall determine.

C. Redemption of the share capital

The share capital may be redeemed in accordance with Articles L. 225-198 *et seq.* of the French Commercial Code.

Article 8 - Form of Shares

The Shares may be in registered or bearer form, at the holders' election, subject to applicable statutory and regulatory provisions.

They shall be registered in shareholders' accounts on the terms and conditions provided for by law. They may be transferred between accounts.

Article 9 - Declarations regarding reaching thresholds and shareholder identification

A. Declarations regarding reaching thresholds

Without prejudice to the ownership threshold disclosures provided by law and applicable to Ordinary Shares and Preferred Shares, any person or legal entity, acting solely or with others, who directly or indirectly comes into possession of a number of Ordinary Shares representing 1% of the share capital or voting rights must inform the Company, by recorded delivery with advice of delivery, at its registered office, within five days of the date on which the shares enabling such person to reach or breach said threshold were registered, of the total number of Ordinary Shares and the number of voting rights it owns, as well as the total number of securities which may grant rights to the Company's equity in the future, any voting rights which may be attached thereto, and the total number of Preferred Shares it owns.

The said declaration must be renewed as set forth above each time that the number of shares or voting rights attains a multiple of a 1% threshold (through either a purchase or sale of shares) of the total shares or voting rights.

If a Shareholder has not issued the required declarations as set forth above, he shall lose his right to vote on the Ordinary Shares exceeding the level which should have been reported, as provided for by law, if one or more holders of Ordinary Shares representing at least 2% of the shares or voting rights so request during a General Meeting.

B. Shareholder identification

In accordance with applicable laws and regulations, and in order to identify the holders of bearer securities, the Company shall have the right to request at any time, at its expense, that the central custodian of its securities account provide the name, nationality, year of birth or formation, and the address of the holders of securities which provide a present or future right to vote at its General Meetings and Special Meetings, as well as the number of securities held by each and the restrictions, if any, which may apply to the said securities.

Based on the list provided by the central custodian, and subject to the same terms and conditions, the Company shall have the right to request, either from said central custodian or directly from the persons on the list who the Company feels may be acting as intermediaries on behalf of third party, the information regarding said securities holders set forth in the preceding paragraph.

If they are intermediaries, said persons must disclose the identity of the holders of said securities. The information should be provided directly to the financial intermediary that maintains the account and said entity must then transmit the information to the Company or to the central custodian.

For registered securities, the Company shall also have the right at any time to request that the intermediary that has registered on behalf of third parties disclose the identity of the holders of said securities and the number of securities held by each of them.

For so long as the Company feels that certain holders of securities (whether registered or bearer), the identity of which has been provided to it, are holding said securities on behalf of third parties, it shall have the right to request said holders to disclose the identity of the owners of the securities as set forth above and the number of securities held by each of them.

After the information set forth above has been requested, the Company shall have the right to request any legal entity which holds more than one-fortieth of the share capital or voting rights of the Company to disclose to the Company the identity of the persons who directly or indirectly hold more than one-third of the share capital or voting rights (which are exercised at General Meetings) of the said legal entity.

If a person who has been the subject of a request in accordance with the provisions of the present Article 9.B. fails to disclose the requested information within the legally required period or discloses incomplete or incorrect information regarding its capacity or the holders of the securities, or the number of securities held by each of them, the Shares or securities which give rise to present or future rights to the Company's share capital which said person has registered, shall immediately lose their voting rights at any General Meeting or Special Meeting until complete information has been provided. Dividend payments shall also be suspended until that date.

In addition, in the event that the registered person deliberately misconstrues the above provisions, the court which has territorial jurisdiction over the Company's registered office may, at the request of the Company or of one or more Shareholders holding at least 5% of the share capital, revoke in whole or in part the voting rights regarding which the information was requested and, possibly, the corresponding dividend payment of the Shares, for a period which may not exceed five years.

Article 10 -Voting rights - indivisibility of the Shares - rights and obligations attached to the Shares

A. Voting rights

The voting rights attached to the Company's Shares are proportional to the share capital that they represent and each Share entitles its holder to one vote. The Company's Shares (including any that might be freely allocated as part of a capital increase via a capitalisation of reserves, profits or issue premiums) do not carry double voting rights in accordance with the last sub-paragraph of Article L. 225-123 of the French Commercial Code.

B. Indivisibility of the Shares

The Shares are indivisible with regard to the Company.

Voting rights attached to the Ordinary Shares are exercised by the beneficial owner at Ordinary General Meetings and by the legal owner at Extraordinary General Meetings.

Voting rights attached to the Preferred Shares are exercised by the legal owner at Special Meetings of holders of the relevant class of Preferred Shares.

The joint owners of indivisible Shares are represented at General Meetings or Special Meetings, as the case may be, by one of them or by a single representative. In the event of a dispute, their representative shall be appointed by the Court at the request of the first joint owner to refer this matter to the Court.

The right to the award of new Shares following the capitalisation of reserves, profits or any share premiums belongs to the legal owner, subject to the rights of the beneficial owner.

C. Rights and obligations attached to the Shares

1. Ownership of a Share automatically entails compliance with the Articles of Association and, subject to the stipulations contained in Article 29, "Special Meetings" herein, with resolutions duly adopted by General Meetings.

2. Each Ordinary Share gives the holder the same right of ownership in the Company's assets and profits, as defined in Article 34 "Dissolution - Liquidation" and Article 31 "Determination, allocation and distribution of profit" herein.

Each Ordinary Share gives the holder the right to attend General Meetings and to vote therein, under the conditions set forth by law and by the Articles of Association. Each Ordinary Share shall give the holder the right to cast one vote at General Meetings. An Ordinary Share does not give the holder the right to attend Special Meetings or to vote therein.

3. Each Preferred Share of the same class gives the holder the same rights to the Company's assets and profits, as defined in Article 34 "Dissolution-Liquidation" and Article 31 "Determination, allocation and distribution of profit" herein.

Preferred Shares do not give their holders the right to vote at General Meetings.

Each Preferred Share of a given class gives the holder the right to attend General Meetings and to attend and to vote in Special Meetings of the holders of the relevant class of Preferred Shares, under the conditions stipulated by law and by the Articles of Association. Preferred Shares of a given class do not give the holder the right to attend or to vote in Special Meetings of holders of other classes of Preferred Shares.

4. Whenever it is necessary to hold several Shares to exercise a given right, such as in the case of an exchange, consolidation or allocation of Shares, or as a result of an increase or reduction of the share capital regardless of whether this is due to accumulated losses, or in the case of a merger or other corporate transaction, the holders of individual Shares, or those who do not own the required number of Shares, may exercise such rights only if they personally arrange for the consolidation of the Shares and purchase or sell the required number of Shares or fractional Shares, where necessary.

Article 11 - Board of Directors

1. The Company shall be governed by a Board of Directors composed of between 3 and 21 members, of which:

- at least 3 and no more than 18 directors shall be elected by the General Meeting in accordance with the provisions of Article L. 225-18 of the French Commercial Code;
- one director representing the professional agricultural organisations, shall be appointed in accordance with the provisions of Article L. 512-49 of the Monetary and Finance Code; and
- 2 directors shall be elected by the staff in accordance with Articles L. 225-27 to L. 225-34 of the French Commercial Code.

The following individuals may also attend Board Meetings in an advisory capacity:

- non-voting Board Members appointed in accordance with Article 12 of these Articles of Association;
- one member of the Works Council designated thereby.

In the event that one of the positions held by the directors elected by the staff or by the director who represents the professional agricultural organisations becomes vacant, the Board Members elected by the General Meeting may validly convene the Board of Directors.

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The age limit for directors is 65. When a director reaches the age of 65, he will be deemed to have resigned at the end of the next Ordinary General Meeting of Shareholders.

2. Directors elected by the General Meeting of Shareholders

Directors elected by the General Meeting of Shareholders shall be natural persons or legal entities.

The term of office of directors is three years. However, a director appointed to replace another director whose term of office has not yet expired shall remain in office only for the balance of his predecessor's term.

Directors who are natural persons may not be elected to more than four consecutive terms of office. However, if a director is appointed to replace an outgoing director whose term of office has not yet expired, the director appointed for the remainder of the outgoing director's term may seek a fifth term, for a period not exceeding four consecutive terms of office. He will be deemed to have resigned at the end of the next Ordinary General Meeting following the twelfth anniversary of his first appointment.

A director's duties shall terminate at the end of the Ordinary General Meeting called to consider the accounts for the previous financial year that is held during the year in which such director's term expires.

With the exception of the directors elected by the staff and the director who represents the professional agricultural organisations, one third of the seats of the directors elected by the General Meeting of Shareholders (or the nearest whole number, with the last group adjusted as necessary) shall turn over each year at the Ordinary General Meeting of Shareholders so that all seats turn over every three years.

If the number of elected directors is increased, lots shall be drawn (if necessary and prior to the first Ordinary General Meeting following the date on which said directors assume their seats) to determine the order in which said seats will turn over. The partial term of the directors selected by the drawing of lots shall be disregarded when determining whether they have reached the four-term limit.

3. Director representing the professional agricultural organisations

The term of office of the director representing the professional agricultural organisations is three years. He may be re-appointed or removed at any time by the authority that appointed him.

4. Directors elected by the staff

The status and procedures for the election of the directors elected by the staff are set out in L. 225-27 *et seq.* of the French Commercial Code in the following provisions:

The term of office of the two directors elected by the staff is three years. Their duties terminate on the third anniversary of the date of their election and the Company shall take all steps necessary to hold a new election within the three-month period prior to the expiration of the term of said directors.

They may not be elected to more than four consecutive terms.

One of the directors is elected by the managerial staff, whilst the other is elected by the other employees of the Company.

In the event that the seat of a director elected by the staff falls vacant as a result of his death, resignation, removal or the termination of his employment contract, his successor shall take office immediately. If there is no successor able to carry out the director's duties, a new election shall be held within three months.

The first ballot of the election of directors by the staff shall be conducted in accordance with the following procedures:

The lists of voters, indicating their respective surnames, given names, dates and places of birth and domiciles, are prepared by the Chief Executive Officer and posted at least five weeks prior to the election date. One list of voters is prepared for each of the two groups. Within fifteen days after the lists are posted, any voter may submit a request to the Chief Executive Officer either that another voter who was omitted be registered, or that another voter who was erroneously registered be removed from the list. Within the same time period, any person whose name was omitted may also submit a request for registration.

The candidates must belong to the group whose votes they are seeking.

In each group of voters, each announcement of a candidacy must specify not only the name of the candidate, but also the name of any successor.

The Chief Executive Officer closes and posts the lists of candidates at least three weeks prior to the election date.

In the absence of a candidate for a given group, the seat of the director representing such group shall remain vacant for the entire term for which it would have been filled.

Results are recorded in minutes which shall be posted no later than three days after voting is closed. The Company shall keep a copy of the minutes in its records.

The organisation of elections and their requirements are determined by the Chief Executive Officer and shall be posted no less than five weeks prior to the date of the election.

Voting procedures are determined by Articles L. 225-28 *et seq.* of the French Commercial Code. Any voter may vote either in person at the locations provided for that purpose, or by mail.

If no candidate for a given group obtains a majority of the votes cast on the first ballot, a second ballot shall be held within fifteen days.

Article 12 - Non-voting Directors

Upon recommendation from the Chairman, the Board of Directors may appoint one or more non-voting directors.

Non-voting directors shall be notified of and participate at meetings of the Board of Directors in an advisory capacity.

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

In consideration of services rendered, they may be remunerated as determined by the Board of Directors.

Article 13 - Directors' shares

Each director must own at least one Ordinary Share. If, on the date of his appointment or during his term of office, a director does not own or no longer owns at least one Ordinary Share and fails to correct this situation within three months, he will be deemed to have resigned.

Article 14 - Deliberations of the Board of Directors

1. The Board of Directors shall meet as often as the interests of the Company so require, upon notice by its Chairman, by any person authorised for that purpose by the Board of Directors, or by at least one-third of its members to address a specific agenda if the last meeting was held more than two months previously.

If necessary, the Chief Executive Officer may request the Chairman to call a meeting of the Board of Directors to address a specific agenda.

Meetings may be held at the registered office or at any other place specified in the notice of the meeting.

Generally, notice of a meeting shall be given at least three days in advance by letter or by any other means. However, if all of the directors so agree, notice may be given orally and need not be in advance.

Notices of meetings shall set forth the principal items of business on the agenda.

2. The physical presence of at least one half of the directors is required for deliberations to be valid.

At the Chairman's request, employees in positions of responsibility in the group may attend Board Meetings.

A majority of the votes of the directors present or represented is required for a resolution to pass. Each director has one vote and is not authorised to represent more than one of his fellow directors.

The Chairman shall have the casting vote in the event of a tie.

The directors and any individuals requested to attend the Board of Directors' Meetings must exercise discretion with respect to the Board's deliberations and any confidential information and documents described as such by the Chairman of the Board of Directors.

Article 15 - Powers of the Board of Directors

The Board of Directors determines and ensures compliance with the business focus of the Company.

Except for the powers expressly reserved to the General Meeting of Shareholders and within the limits established by the Company's purpose, the Board of Directors is responsible for all issues related to the Company's operations and business. In its relations with third parties, the Company may be bound by the acts of the Board of Directors which fall outside the Company's object unless the Company can prove that the said third party knew that the act was *ultra vires* or that it could not have been unaware, in light of the circumstances, that the act was *ultra vires.* The publication of the Articles of Association shall not constitute proof thereof.

The Board of Directors may conduct any inspections or audits that it deems necessary. Each director shall receive the information necessary to accomplish the Board's duties; management shall furnish to any director those documents that the said director deems necessary or appropriate.

The Board may decide to set up various committees to examine issues raised by itself or its Chairman and render an opinion.

The Board shall be responsible for determining the composition and powers of committees which do their work under its authority.

Article 16 - Chairmanship of the Board of Directors

In accordance with Article L. 512-49 of the Monetary and Finance Code, the Board of Directors shall elect a Chairman from among its members who are directors of a Caisse Régionale de Crédit Agricole Mutuel and shall fix his term of office, which may not exceed his term of office as a director.

The Board of Directors shall elect one or more Vice-Chairmen whose term shall also be established by the Board, but which may not exceed his (their) term of office as a director.

The Chairman of the Board of Directors represents the Board of Directors. He organises and directs the activities thereof and reports to the General Meeting on its activities.

He is responsible for the proper operation of the Company's entities, and, in particular, insures that directors are able to fulfil their duties.

As an exception to the provisions of the last paragraph of Article 11-1, the age limit for serving as Chairman of the Board of Directors is 67. Subject to this age limit, and as an exception to the provisions of Article 11-2, paragraph 3 of the Articles of Association, a serving Chairman may seek a fifth consecutive term of office.

Article 17 - General management

A. Chief Executive Officer

In accordance with Article L. 512-49 of the Monetary and Finance Code, the Board of Directors appoints the Chief Executive Officer of the Company and may terminate his appointment.

The Chief Executive Officer shall enjoy the broadest powers to act in all cases on behalf of the Company. He may exercise his authority within the limits of the Company's object and subject to that authority expressly reserved to General Meetings and to the Board of Directors.

He represents the Company in its relations with third parties.

The Company shall be bound by those actions of the Chief Executive Officer which are *ultra vires* unless the Company can prove that the said third party knew that the act was *ultra vires* or that it could not have been unaware, in light of the circumstances, that the act was *ultra vires.* Publication of the Articles of Association shall not constitute proof thereof.

Provisions of the Articles of Association and decisions of the Board of Directors that limit the Chief Executive Officer's powers are not binding on third parties.

He shall attend the meetings of the Board of Directors.

He shall appoint all employees and fix their compensation.

He may delegate part of his authority to as many individuals as he deems advisable.

B. Deputy Chief Executive Officers

Upon recommendation of the Chief Executive Officer, the Board of Directors may appoint one or more persons responsible for assisting the Chief Executive Officer who shall have the title "Deputy Chief Executive Officer" *(Directeur général délégué).*

There may not be more than five Deputy Chief Executive Officers.

With the consent of the Chief Executive Officer, the Board of Directors shall determine the scope and term of the authority granted to the Deputy Chief Executive Officers.

Deputy Chief Executive Officers shall have the same authority as the Chief Executive Officer with respect to third parties.

In the event that the Chief Executive Officer ceases or is unable to perform his duties, the Deputy Chief Executive Officers shall continue to perform their duties until the appointment of a new Chief Executive Officer, unless the Board of Directors decides otherwise.

Article 18 - General provision on age limits

Any officer or director who reaches the age limit set by the Articles of Association or the law shall be deemed to have resigned at the close of the Annual General Meeting of Shareholders that follows said anniversary date.

Article 19 - Directors' remuneration

The General Meeting may elect to pay directors' fees. The Board of Directors shall allocate any such fees as it deems fit.

Article 20 - Statutory Auditors

Audits of the accounts shall be exercised in accordance with the law by two Statutory Auditors appointed by the Ordinary General Meeting of Shareholders; the Meeting shall also appoint two alternate Statutory Auditors.

The term of office of the Statutory Auditors shall be six financial years.

Statutory Auditors whose term of office expires may be re-appointed.

The Statutory Auditors may act jointly or separately, but must submit a joint report on the Company's accounts. They must submit their report to the Annual Ordinary General Meeting of Shareholders.

Article 21 - Shareholders' meetings

Collective resolutions shall be adopted at General Meetings which are either ordinary or extraordinary depending on the decisions they are called upon to take.

Holders of Preferred Shares are entitled to attend General Meetings but do not have the right to vote therein.

All of the Shareholders in a single class convene in Special Meetings to vote on any modification to the rights attached in that class.

Subject to the provisions of Article 29, "Special Meetings" hereunder, decisions adopted at General Meetings are binding on all Shareholders.

Article 22 - Notice and venue of shareholders' meetings

Meetings of Shareholders shall be convened and shall deliberate in accordance with the applicable laws and regulations.

Meetings of Shareholders may be held at the registered office or at any other place specified in the notice of the meeting.

Article 23 - Agenda and minutes of meetings

The person calling the Meeting shall draft the agenda for the Meeting in accordance with the applicable laws and regulations.

Minutes must be drawn up and copies or extracts of the deliberations shall be issued and certified in accordance with the law.

Article 24 - Access to meetings - Proxies

A. Access to General Meetings - Proxies

Any Shareholder, regardless of the number of Shares he/she owns, has the right to attend General Meetings, either in person or by proxy, subject to the conditions laid down by law and in these Articles of Association, by providing proof of identity and ownership of the Shares, provided that the Shares have been registered, either in his/her name or in the name of the intermediary registered on his/her behalf, by 12 midnight Paris time, on the second business day before the General Meeting:

- holders of registered Shares must register their shares in the registered share accounts kept in the Company's registers;
- holders of bearer Shares must deposit their Shares in the bearer share accounts held by the authorised intermediary. This entry or filing is evidenced by a certificate of Share ownership delivered by the intermediary or electronically, as applicable.

If an Ordinary Shareholder cannot attend the General Meeting in person or by proxy, he/she may participate in one of the following two ways:

- cast a vote remotely;

  or
- forward a proxy to the Company without naming a proxy holder;

in accordance with the applicable laws and regulations.

B. Access to Special Meetings - Proxies

Any holder of Preferred Shares belonging to a given class, regardless of the number of Preferred Shares he/she owns, has the right to attend Special Meetings of Preferred Shareholders of the class in question, either in person or by proxy, subject to the conditions laid down by law and in these Articles of Association, by providing proof of identity and ownership of the Shares, provided that the Shares have been registered, either in his/her name or in the name of the intermediary registered on his/her behalf, by 12 midnight Paris time, on the second business day before the Special Meeting:

- holders of registered Preferred Shares must register their Shares in the registered share accounts kept in the Company's registers;
- holders of bearer Shares must deposit their shares in the bearer share accounts held by the authorised intermediary. This entry is evidenced by a certificate of share ownership delivered by the intermediary or electronically, as applicable.

If a holder of Preferred Shares cannot attend a Special Meeting in person or by proxy, he/she may participate in one of the following two ways:

- cast a vote remotely;

  or
- forward a proxy to the Company without naming a proxy holder;

in accordance with the applicable laws and regulations.

C. Provisions applicable to all Meetings

If the Shareholder has requested an admission card or a certificate of share ownership, or has cast his/her vote remotely or sent a proxy, he/she may no longer choose to take part in the Meeting in another manner. However, he/she may sell all or part of his/her shares at any time.

If ownership is transferred before 12 midnight CET on the second business day before the Meeting, the Company shall invalidate or make the necessary changes to the remote vote, the proxy, the admission card or the certificate of share ownership, as appropriate. To that end, the authorised intermediary, acting as account holder, shall notify the Company or its agent of such a transfer and forward the necessary information to it.

The authorised intermediary shall not issue a notification of transfer of ownership taking place after 12 midnight CET on the second business day before the Meeting, nor shall the Company take such a transfer into consideration.

Shareholders in the Company who are not domiciled in France may be registered in an account and represented at Meetings by any intermediary that has been registered on their behalf and given a general power of attorney to manage the Shares. When opening its account, however, the intermediary must have declared its status, as an intermediary holding shares on behalf of third parties, to the Company or the financial intermediary acting as account holder, in accordance with the applicable and regulatory provisions.

Following a decision by the Board of Directors published in the notice convening the meeting, Shareholders may participate in Meetings by videoconferencing, or by any other means of telecommunication or remote transmission, including the internet, in accordance with the legal and regulatory provisions in force. The Board of Directors shall determine the terms governing participation and voting, ensuring that the procedures and technologies used meet the technical criteria required to ensure that the Meeting's deliberations are continuously and simultaneously relayed and that the votes are accurately recorded.

Provided that they comply with the relevant deadlines, Shareholders who use the electronic voting form provided on the website set up by the entity in charge of the Meeting's formalities shall be counted as being present or represented at the Meeting. The electronic form may be completed and signed directly online using any procedure, including a username and password combination that has been approved by the Board of Directors and complies with the requirements set out in the first sentence of the second sub-paragraph of Article 1316-4 of the French Civil Code.

A proxy or vote issued before the Meeting using such electronic means and the subsequent acknowledgement of receipt thereof shall be deemed to be irrevocable and enforceable against all parties, it being understood that if the ownership of Shares is transferred before 12 midnight CET on the second business day before the Meeting, the Company shall invalidate or make the necessary changes to the proxy or vote issued before that time and date, as appropriate.

Article 25 - Attendance list - Officers of the meeting

1. An attendance list setting out the information required by law is kept for each Meeting of Shareholders.

   This list, which must be duly initialled by all Shareholders present or their proxies, and to which are attached all proxy forms given to each of the proxies and any ballots cast remotely, shall be certified as accurate by the officers of the Meeting.

2. The Chairman of the Board, or in his absence a Vice-Chairman or a director expressly authorised for that purpose by the Board of Directors, shall chair Meetings of Shareholders.

   If a Meeting of Shareholders is convened at the request of one or more Statutory Auditors, one of the Statutory Auditors shall chair the Meeting.

   Whenever the person entitled or designated to chair is absent, the Meeting of Shareholders shall elect its Chairman.

   The officers of the Meeting appoint a secretary who needs not be a Shareholder.

   The officers of the Meeting are in charge of verifying, certifying and signing the attendance list, ensuring that the debate is conducted in good order, resolving problems which may arise during the Meeting, checking the ballots cast and verifying that they are not void, and ensuring that minutes of the Meeting are drawn up.

Article 26 - Quorum - Voting - Number of votes

The quorum at General Meetings is calculated on the basis of the total number of Ordinary Shares and the quorum at Special Meetings is calculated on the basis of the total number of Preferred Shares in the relevant class, less those shares not entitled to vote in accordance with the provisions of the law or of the Articles of Association.

In the case of remote voting, only ballots received by the Company prior to the Meeting within the time periods and under the conditions prescribed by the applicable laws and regulations shall be counted.

In the event of a proxy vote without naming a proxy holder, the Chairman shall add a vote in favour of the resolutions presented or approved by the Board of Directors and a vote against all other resolutions.

Except in the special cases provided for by law, each Shareholder at a General Meeting shall have the right to cast as many votes as Ordinary Shares he holds for which all capital calls have been met and each Shareholder at a Special Meeting of a given class shall have the right to cast as many votes as Preferred Shares he holds for which all capital calls have been met.

The Company shall have the right to request from an intermediary registered on behalf of a Shareholder who is not domiciled in France, but which has a general power of attorney to manage the securities of that Shareholder, to provide a list of Shareholders which it represents and whose votes will be exercised at a Meeting.

The votes or proxies exercised by an intermediary which has not disclosed that it is acting in that capacity in accordance with applicable laws and regulations or the Articles of Association, or which has not disclosed the identity of the securities holders, shall not be counted.

Article 27 - Ordinary General Meetings

1. All decisions which do not amend the Articles of Association are taken by the Ordinary General Meeting of Shareholders.

   The Ordinary General Meeting must meet at least once a year within the period prescribed by the applicable laws and regulations to consider and vote on the accounts for the prior financial year.

   Its powers include the following:

   - to approve, modify or reject the accounts submitted to it;

- to decide on the distribution and allocation of profit in accordance with the Articles of Association;
- to discharge or refuse to discharge directors;
- to appoint and dismiss directors;
- to approve or reject temporary appointments of directors by the Board of Directors;
- to authorise the purchase of Ordinary Shares or Preferred Shares under share buyback programmes established under the conditions stipulated by Articles L. 225-209 *et seq.* of the French Commercial Code (or equivalent regulations applicable as of the date of the relevant transaction);
- to appoint the Statutory Auditors;
- to consider and vote on the special report of the Statutory Auditors concerning transactions subject to prior authorisation by the Board of Directors.

2. The deliberations of the Ordinary General Meeting of Shareholders convened following the first notice shall be valid only if the Ordinary Shareholders present, represented or voting remotely at the Meeting hold, in the aggregate, at least one fifth of all voting Ordinary Shares.

There is no quorum requirement for the Meeting following the second notice.

In order to pass, resolutions require a majority of the votes of the Ordinary Shareholders present, represented or voting remotely.

Article 28 - Extraordinary General Meetings

1. The Extraordinary General Meeting of Shareholders shall have exclusive authority to amend any of the provisions of the Articles of Association. However, it shall not increase the obligations of the Shareholders other than through transactions, duly authorised and carried out, which are the result of an exchange or consolidation of Shares.

2. The deliberations of the Extraordinary General Meeting of Shareholders convened following the first notice shall be valid only if the holders of Ordinary Shares present, represented or voting remotely at the Meeting hold, in the aggregate, at least one fourth of all voting Ordinary Shares, or one fifth of all voting shares following the second notice. If this last quorum is not met, the second Extraordinary General Meeting may be postponed to a date not later than two months after the date for which it was scheduled.

In order to pass, resolutions require a two-thirds majority of the votes of the holders of Ordinary Shares present, represented or voting remotely.

3. Notwithstanding the foregoing provisions, and as permitted by law, an Extraordinary General Meeting which approves a capital increase through the capitalisation of reserves, profits or share premiums shall be subject to the same quorum and majority voting requirements as an Ordinary General Meeting.

Article 29 - Special Meetings

1. All holders of Preferred Shares of the same class are convened in Special Meetings.

Holders of Ordinary Shares do not have the right to attend Special Meetings and have no voting rights therein.

In accordance with the law, the deliberations of Special Meetings convened following the first notice shall be valid only if the holders of Preferred Shares belonging to the class for which the Special Meeting is to be held and present or represented hold, in the aggregate, at least one-third, or, following the second notice, one-fifth of all Preferred Shares with voting rights at Special Meetings, and if it is proposed that the rights attached to those shares be amended. If this last quorum is not met, the second Special Meeting may be postponed to a date not later than two months after the date for which it was scheduled.

In order to pass, resolutions require a two-thirds majority of the votes of the Preferred Shareholders present or represented.

2. Collective resolutions falling under the authority of Ordinary General Meetings or Extraordinary General Meetings are not subject to approval by Special Meetings.

However, in accordance with the provisions of Article L. 225-99 of the French Commercial Code, any collective resolutions falling under the authority of Ordinary General Meetings and amending individual rights attached to one or more classes of Preferred Shares under the Articles of Association shall be final only after they have been approved by the Special Meeting of Preferred Shareholders for each relevant class of Preferred Shares, voting no later than on the date of the General Meeting. Furthermore, in accordance with the provisions of Article L. 228-17 of the French Commercial Code, any proposed merger or demerger of the Company under which the Preferred Shares would not be exchangeable for shares entitling the individual holders to equivalent rights shall be subject to approval by a Special Meeting of such Shareholders.

3. In addition to the aforesaid statutory provisions, the following shall be subject to approval by Special Meetings of the relevant class of Preferred Shareholders:

- any issue of Shares giving the holders access to securities granting a right of priority payment in the event of a Distribution (as defined in paragraph 4, Article 31 "Determination, allocation and distribution of profit" herein) and/or liquidation dividend over the Preferred Shares of the relevant class and/or appropriation of losses below the proportional share that such securities represent in the share capital in the event of a capital reduction for reasons not due to losses; and
- any proposal to reincorporate the Company in another legal form.

For information, it is duly noted that decisions including but not limited to the following shall not be subject to approval by Special Meetings of holders of existing Preferred Shares:

- issues of Ordinary Shares, or issues of a new class of Preferred Shares with characteristics identical to those of the Preferred Shares already issued except for the Issue Price, Issue Date and/or Rate and the consequences of these characteristics for the voting rights of Preferred Shares belonging to a given class; and
- Share buybacks and/or cancellations under the terms of (i) buybacks of Preferred Shares by the Company pursuant to Article 32 "Repurchases of Preferred Shares by the Company", paragraph B "Option to repurchase Preferred Shares at the Company's initiative" herein; (ii)

The definitions of the underlined words can be found in the Glossary on page 542.

Share buyback programmes carried out under the terms and conditions provided by Articles L. 225-209 *et seq.* of the French Commercial Code; and (iii) a public offer to buy Ordinary Shares or any class of Preferred Shares.

Article 30 - Financial year

The financial year shall begin on 1 January and end on 31 December of each year.

Article 31 - Determination, allocation and distribution of profit

1. Five per cent of the profit for a financial year less any accumulated losses shall be posted to the legal reserve until the reserve reaches one-tenth of the share capital.

2. The balance, increased by retained earnings, if any, shall constitute the distributable profit which the Ordinary General Meeting of Shareholders shall:

- allocate to one or more ordinary or extraordinary, optional reserve accounts, with or without a specific purpose;
- distribute to the Ordinary Shareholders and to the Preferred Shareholders as a dividend.

The Ordinary General Meeting may also decide to distribute amounts from reserves distributable by the Shareholders.

Any Distribution (as defined in paragraph 4 hereinafter) shall be effected under the terms and conditions set out in paragraphs 3 to 9 below.

3. Any Ordinary Shareholders and any Preferred Shareholders who provide proof, at the end of a financial year, that their shares have been registered in their name for at least two years and are still registered in their name on the date the dividend distributed for that financial year is paid shall be entitled to the dividend increase awarded to Ordinary Shares and Preferred Shares registered in the aforesaid manner, which will not exceed 10% of the dividend paid to other Shares, including when the dividend is paid in the form of new Ordinary Shares or Preferred Shares. The increased dividend shall be rounded down to the nearest cent if necessary.

The number of Shares that are eligible for the increased dividend per shareholder cannot exceed 0.5% of the share capital as at the end of the relevant financial year.

It is specified that in the event a dividend is paid in Shares, the Shares allocated as payment shall be of the same class as the Shares on which the dividend is paid, and that all these Shares shall immediately be fully fungible with the Shares previously held by the Ordinary Shareholder or the Preferred Shareholder as regards entitlement to the dividend increase.

However, in the event a dividend is paid in Shares and fractional Shares are allocated, Ordinary Shareholders or Preferred Shareholders satisfying the legal requirements may pay the balance in cash to instead obtain one additional Share.

The foregoing shall apply for the first time to dividend payments for the financial year ended 31 December 2013 (as determined by the ordinary general meeting to be held in 2014).

4. The Ordinary General Meeting or, in the case of an interim dividend, the Board of Directors, may, for a given financial period, decide to pay or not to pay a dividend to the Ordinary Shareholders and the Preferred Dividend (as defined in paragraph 6.A. of this Article) to the Preferred Shareholders, in order to comply with the Company's prudential requirements, *inter alia*.

It is hereby specified that in order to pay the Preferred Dividend to the Preferred Shareholders, the Ordinary General Meeting must also have decided to make a Distribution, regardless of the amount, to the Ordinary Shareholders. Preferred Shareholders shall, however, have a right of priority under the terms set out in paragraph 5 of this Article.

For purposes of this paragraph 4, any payment made to Ordinary Shareholders under a Share buyback shall be deemed to be a Distribution to Ordinary Shareholders and therefore give rise to the payment of the full amount of the Preferred Dividend to the Preferred Shareholders (even if no dividend is paid to Ordinary Shareholders), it being specified that the following shall not be deemed to be a Distribution to Ordinary Shareholders: (i) purchases of Shares under the terms of Share buyback programmes carried out under the conditions stipulated by Articles L. 225-209 *et seq.* of the French Commercial Code (or any equivalent regulations applicable as of the date of the relevant transaction), unless such purchases are effected by means of a public offer to buy shares; and (ii) public offers to buy shares that are tendered to all Ordinary Shareholders and Preferred Shareholders in proportion to their ownership of the share capital. In the event of a share buyback that is deemed to be a Distribution, the Preferred Dividend shall be payable on the Date on which the relevant event occurred, which shall then be deemed to be a "Payment Date" as defined in paragraph 9 of this Article.

Should there arise a Prudential Event affecting the Company, no Preferred Dividend shall be paid to the Preferred Shareholders (including in the case covered by the foregoing paragraph) and no dividend (including in the form of an interim dividend) shall be paid to the Ordinary Shareholders.

For purposes of the foregoing paragraph, a **"Prudential Event"** means any one of the following two situations:

(i) the Company's capital adequacy ratio on a consolidated basis is below the minimum percentage required by applicable banking regulations;

(ii) the Company has received written notification from the SGCB that its financial position will, in the near future, cause its capital adequacy ratio to fall below the minimum percentage cited in paragraph (i).

5. Any distribution, regardless of form, approved by the Ordinary General Meeting or Extraordinary General Meeting, or, if in the form of an interim dividend, by the Board of Directors, that is charged against any of the equity accounts (profits, including profits based on an interim balance sheet in the case of an interim dividend; retained earnings; reserves; share premiums; or other accounts) (a "Distribution") shall be allocated as follows:

The definitions of the underlined words can be found in the Glossary on page 542.

(i) first, to the Preferred Shareholders, up to the amount of the Preferred Dividend (as defined in this Article, in paragraph 6.A. below); and

(ii) the balance, to the Ordinary Shareholders.

Consequently, no Distribution shall be paid to the Ordinary Shareholders in respect of a given financial year if the Preferred Dividend payable to the Preferred Shareholders for such year has not been distributed and paid in full.

A Distribution is allocated to the financial period in respect of which it is paid, except in the case of interim dividends. An interim dividend paid before the General Meeting convened to vote on the financial statements for Year "n" is allocated to Year "n+1". These rules for allocating Distributions apply to all Distributions, whether paid out to Ordinary Shareholders or to Preferred Shareholders in the form of a Preferred Dividend.

6. If the Preferred Dividend in respect of a given year is not distributed, the undistributed amount of the Preferred Dividend shall not be carried forward and the Company shall have no obligation to distribute this amount to the Preferred Shareholders.

6.A. In the event of a Distribution under the terms and conditions set out in paragraphs 4 and 5 of this article, the amount of the dividend (the "Preferred Dividend") payable per Preferred Share of a given class in respect of each financial year to which it is allocated (other than the first year in which a Preferred Dividend is payable to Preferred Shareholders, in the amount determined under the conditions set out in paragraph 6.B. below), shall be calculated by multiplying:

(i) the Rate applicable to the relevant class; by

(ii) the ratio obtained by dividing the Outstanding Amount (as defined in paragraph 6.C.) in the given class by the number of Preferred Shares in the given class outstanding as of the date of the decision to distribute the Dividend.

For purposes of this calculation, the Outstanding Amount shall be determined after taking into account the Reduction of the Outstanding Amount or the Restitution of the Outstanding Amount arising, respectively, from the Net Loss or the Profit (as defined in paragraph 6.C. herein) for the year immediately preceding the year in which the Preferred Dividend is payable.

It is hereby specified that, in the event that a Preferred Dividend is paid before the date of a Reduction of the Outstanding Amount or a Restitution of the Outstanding Amount, the Preferred Dividend shall be deemed to have been determined on a provisional basis (based on the Outstanding Amount calculated on the basis of the last available certified annual consolidated financial statements). The Preferred Dividend shall be recalculated immediately following completion of the Reduction of the Outstanding Amount or the Restitution of the Outstanding Amount. In the event that the Preferred Dividend recalculated in this manner is higher than the Dividend already paid, an additional dividend shall be paid to the Preferred Shareholders on the next date on which a Distribution is paid to the Ordinary Shareholders. Conversely, in the event that the Preferred Dividend recalculated in this manner is lower than the dividend already paid, the Preferred Shareholders shall not be required to refund any amounts, notwithstanding any statutory or regulatory provisions to the contrary.

6.B. In the event that the Initial Meeting decides to distribute a Preferred Dividend, the resulting Preferred Dividend payable per Preferred Share shall be calculated by applying to the amount obtained by multiplying (i) by (ii) as defined in paragraph 6.A. above, the ratio obtained by dividing (a) the number of days elapsed between the period from the Date of Issue (inclusive) and the Payment Date (exclusive) by (b) 365;

where **"Initial Meeting"** means the first General Meeting held after the end of the financial year during which the Preferred Shares are issued and that has approved a Distribution to the Ordinary Shareholders and/or convened to vote on the Company's financial statements for the financial year in which the Preferred Shares are issued.

By exception to the first subparagraph of paragraph 6.B. above, in the event of a distribution of one or more interim dividend(s) to the Ordinary Shareholders before the Initial Meeting, a sum equal to the product of (i) multiplied by (ii) as defined in paragraph 6.A. above shall be paid to the Preferred Shareholders on the date on which the first interim dividend was paid to the Ordinary Shareholders. If this sum is less than the amount indicated in paragraph 6.B. of this Article as calculated on the date of the Initial Meeting and if the Initial Meeting is the Meeting convened to vote on the Company's financial statements for the financial year in which the Preferred Shares are issued and duly noting the payment of one or more interim dividend(s) to the Preferred Shareholders and Ordinary Shareholders, an additional amount equal to the difference, if positive, between the amount indicated in paragraph 6.B. of this Article paid to the Preferred Shareholders and the amount of the first interim dividend already paid to the Ordinary Shareholders shall be paid to the Preferred Shareholders. The said additional amount shall be paid on the day after the date of the Initial Meeting.

6.C. For purposes of these Articles of Association, the **"Outstanding Amount"** means the product obtained by multiplying the outstanding number of Preferred Shares in a given class by the Adjusted Issue Price for the given class, (i) less the amount of each Reduction of the Outstanding Amount (as defined below) applicable to the given class, (ii) plus the amount of each Restitution of the Outstanding Amount (as defined below) applicable to the given class, in each instance from the Date of Issue of the Preferred Shares in the given class.

If consolidated net income – Group share is negative (the **"Loss"**) as reflected in the Company's certified annual consolidated financial statements after taking the Exempt Amount into account (the **"Net Loss"**), the Outstanding Amount applicable to the given class of Preferred Shares shall be reduced by an amount (the **"Reduction of the Outstanding Amount"**) calculated by multiplying (i) the Net Loss and (ii) the Percentage of the Preferred Shares in the Notional Capital of the given class (as defined below) determined on the date of publication of the certified consolidated financial statements reflecting the Loss in question. The Reduction of the Outstanding Amount shall be deemed to have been carried out on the date of publication of the certified consolidated financial statements reflecting the Loss in question.

For purposes of the foregoing paragraph, **"Exempt Amount"** means the difference between (i) the amount of consolidated shareholders' equity - Group share, excluding consolidated equity instruments of the Company to

The definitions of the underlined words can be found in the Glossary on page 542.

which the Preferred Shares are subordinated, as reflected in the Company's certified annual consolidated financial statements, and (ii) the amount of the Notional Capital as reflected in the Company's certified annual consolidated financial statements.

If, following a Reduction of the Outstanding Amount, positive consolidated net income - Group share, as reflected in the Company's certified annual consolidated financial statements, is recognised (a **"Profit"**), the Outstanding Amount applicable to the given class of Preferred Shares shall be increased by an amount (the **"Restitution of the Outstanding Amount"**) calculated by multiplying (i) the Profit and (ii) the Percentage of Preferred Shares in the Notional Capital of the given class determined on the date of publication of the certified consolidated financial statements reflecting the Profit in question.

The Restitution of the Outstanding Amount shall be deemed to have been carried out on the date of publication of the certified consolidated financial statements reflecting the Profit in question after a Reduction of the Outstanding Amount.

Notwithstanding the foregoing, for purposes of calculating the Preferred Dividend payable in respect of a given financial year, the Restitution of the Outstanding Amount, barring prior approval by the SGCB, shall not be taken into account, as indicated above, unless a Preferred Dividend (regardless of the amount thereof) was distributed in respect of the previous two financial years.

In any event, the Outstanding Amount for a given class of Preferred Shares shall be no greater than the product of the outstanding number of Preferred Shares in the given class multiplied by the Adjusted Issue Price for the given class.

The **"Percentage of Preferred Shares in the Notional Capital"** means, for a given class of Preferred Shares, the ratio obtained by dividing the Notional Capital of the Preferred Shares in the given class by the Notional Capital.

Where:

"Notional Capital" means the share capital composed of Ordinary Shares and Preferred Shares, plus the amount of any share premiums and of the legal reserve, based on the Company's accounts at a given date.

"Notional Capital of the Preferred Shares" means, for a given class of Preferred Shares, at a given date:

(i) the product of the number of Preferred Shares in the given class initially issued multiplied by their Issue Price;

(ii) plus, for each new issue of Preferred Shares of the same class or any increase in the par value of the Preferred Shares effected since their issue, the increase in the nominal amount of the share capital and any increase in any corresponding share premiums of any kind; for information, it is duly noted that any issues of Preferred Shares or increases in the par value of Preferred Shares by the capitalisation of any share premiums and/or of the legal reserve shall have no impact on the Notional Capital of the Preferred Shares, as the increase in the share capital is offset by a reduction in any share premiums of any kind and/or in the legal reserve;

(iii) plus a share of any increase in the legal reserve effected since the issuance of the Preferred Shares in proportion to the Percentage of the Preferred Shares in Notional Capital of the given class determined immediately before the given increase in the legal reserve;

(iv) less the sum of any reductions in the Notional Capital to be allocated to the Preferred Shares in the given class since the issuance of the Preferred Shares in the given class, that is, the sum of the following amounts:

(A) an amount equal to the share of capital reductions due to losses, which is to be allocated to the Preferred Shares in the given class;

(B) an amount equal to the product *(x)* of any reduction in the amount of any share premiums and/or of the legal reserve effected as part of a capital reduction due to losses or a loss which is allocated to such accounts, and *(y)* the Percentage of Preferred Shares in the Notional Capital in the given class determined immediately before the given capital reduction due to losses or the allocation of the given loss; and

(C) for capital reductions for a reason other than losses, an amount equal to:

(x) the amount paid, and/or the value of any asset, as determined by an expert appointed by the Board of Directors (failing which, by an order of the Presiding Judge of the Paris Commercial Court ruling in summary proceedings under the terms of Article 1843-4 of the French Civil Code), owing to Preferred Shareholders of the given class and charged against the share capital, any share premiums and/or the legal reserve, and

(y) in the event of a cancellation of Preferred Shares that does not give rise to any payment or allocation of assets to Preferred Shareholders upon cancellation (in case of cancellation of Preferred Shares held in treasury, *inter alia*), the product of the number of cancelled Preferred Shares in the given class multiplied by their Adjusted Issue Price as of the cancellation date.

7. Preferred Shares shall be entitled to the dividend on the first day of the financial year in which they are issued. No Preferred Dividend shall be payable during the said year, except in the event that an interim dividend in respect of the following year is paid to the Ordinary Shareholders.

8. The Preferred Dividend is payable on the date on which Distributions are made or are deemed (in accordance with the second subparagraph of paragraph 4 above) to be made to the Ordinary Shareholders (the **"Payment Date"**).

9. The Ordinary General Meeting may offer each Ordinary Shareholder and each Preferred Shareholder, up to the limits and under the conditions that it shall determine, the option of receiving all or part of the dividend payment, including payment of any Preferred Dividend or interim dividend, either in cash or in Shares to be issued, where the Shares awarded in this case are of the same class as the Shares that entitled the holder to the dividend, that is, in the form of either Ordinary Shares or Preferred Shares of the same class.

Article 32 - Repurchases of Preferred Shares by the Company

A. Share buyback programme and public buyback offer

Having regard to Preferred Shares, and subject to prior approval by the General Meeting, the Board of Directors may, with the authority to further delegate such power pursuant to the applicable laws and regulations, and subject to prior approval by the Secretary General of the French Banking Commission (or any supervisory authority that may come to replace it) (the **"SGCB"**) buy back Preferred Shares and/or Ordinary Shares and, if applicable, cancel such Shares, in the proportions that it shall determine, under the terms of (i) a Share buyback programme carried out under the terms and conditions stipulated by Articles L. 225-209 *et seq.* of the French Commercial Code (or any equivalent regulations applicable as of the date of the relevant transaction) or (ii) any public buyback offer.

B. Option to repurchase Preferred Shares at the Company's initiative

1.1 EXERCISE OF THE PREFERRED SHARE BUYBACK OPTION

1. The Board of Directors may, with the right to further delegate such powers, pursuant to the applicable laws and regulations, buy back Preferred Shares, subject to prior approval by the SGCB, under the terms and conditions set out in this Article in paragraph 1.2, "Cases in which the Company may exercise its option to buy back Preferred Shares".
2. Any buyback notice under the terms of this Article 32.B is irrevocable, it being specified that a buyback notice may be contingent upon there being no objection from the Company's creditors.
3. If the buyback applies to only part of the Preferred Shares, the Preferred Shares will be repurchased from the holders of Preferred Shares of a given class on a proportional basis. In the event that the number of Preferred Shares to be repurchased proportionately is not a whole number, the number of Preferred Shares effectively bought back from the holder shall be the next lower whole number.
4. All Preferred Shares bought back in this manner shall be cancelled as of the buyback date.
5. The reports of the Board of Directors and of the Statutory Auditors stipulated in Article R. 228-19 of the French Commercial Code shall be made available to the Shareholders at the Company's registered office no later than fifteen days following the Board Meeting that carried out the buyback. These reports shall also be brought to the attention of the Shareholders at the next General Meeting.

1.2 CASES IN WHICH THE COMPANY MAY EXERCISE ITS OPTION TO BUY BACK PREFERRED SHARES

Under the conditions set out in paragraph 1.1 "Exercise of the Preferred Share buyback option" of this Article, the Board of Directors may, with the right to further delegate such powers pursuant to the applicable laws and regulations, subject to prior approval by the SGCB, repurchase the Preferred Shares in the following cases:

(i) subject to providing written notice to the Preferred Shareholders of the given class in writing or by a notice published in a daily business and financial news publication with a wide circulation in Paris at least 30 calendar days and no more than 60 calendar days in advance, the Board of Directors may arrange to repurchase, at any time after the tenth anniversary of the Date on which the given Preferred Shares were issued, all or part of the relevant Preferred Shares at the Buyback Amount (as defined in this Article in paragraph 1.3, "Determination of the Buyback Amount in the event that the Company exercises its option to buy back the Preferred Shares") on the date stated in the notice, provided that (i) a Preferred Dividend has been distributed in respect of the last two financial years before the buyback, unless the SGCB waives this condition for the Company, and (ii) the Outstanding Amount applicable to the given class of Preferred Shares is no less than the product of the Adjusted Issue Price of the given class multiplied by the number of outstanding Preferred Shares of the given class;

(ii) if an issue, conversion, merger or demerger is subject to approval by a Special Meeting of Preferred Shareholders belonging to a given class, and if such Special Meeting does not approve such an issue, exchange, merger or demerger under the quorum and majority requirements provided by these Articles of Association, and subject to providing notice to the Preferred Shareholders of the given class in writing or by means of a notice published in a daily business and financial news publication with a wide circulation in Paris at least 30 calendar days and no more than 60 calendar days in advance, the Board of Directors may arrange to repurchase all (and not just part) of the Preferred Shares in the said class at the Buyback Amount (as defined in this Article in paragraph 1.3, "Determination of the Buyback Amount in the event that the Company exercises its option to buy back the Preferred Shares") on the date stated in the notice;

(iii) if, due to a change in French law or regulations, or due to a change in the official application or interpretation thereof that may come into effect after the Date of Issue of the Preferred Shares, the proceeds from the issue of the Preferred Shares ceases to fully qualify as Core Capital (as defined in this Article, in paragraph 1.3, "Determination of the Buyback Amount in the event that the Company exercises its option to buy back the Preferred Shares") and subject to providing notice to the Preferred Shareholders of the given class in writing or by a notice published in a daily business and financial news publication with a wide circulation in Paris at least 30 calendar days and no more than 60 calendar days in advance, the Board of Directors may arrange to repurchase all (and not just part) of the portion of the Preferred Shares (where each class of Preferred Shares shall receive equal treatment based on its pro rate share of the Percentage of Preferred Shares in the Notional Capital applicable thereto) that cease to fully qualify as Core Capital (as defined in this Article, in paragraph 1.3, "Determination of the Buyback Amount in the event that the Company exercises its option to buy back the Preferred Shares"), as of a date stated in the notice which shall not be earlier than the date on which the proceeds from the issue of the Preferred Shares cease to fully qualify as Core Capital (as defined in this Article, in paragraph 1.3, "Determination of the Buyback Amount in the event that the Company exercises its option to buy back the Preferred Shares");

(iv) if, due to illegality or to a change in French laws or regulations or in the official application or interpretation thereof that may come into effect after the Date of Issue of Preferred Shares of a given class, and that may result in an unfavourable change in the financial condition of the holders of these Preferred Shares, the Board of Directors may, in order to protect the legitimate interests of the Company and of the holders of such Preferred Shares, and subject to providing notice to the Preferred Shareholders

The definitions of the underlined words can be found in the Glossary on page 542.

of the given class in writing or by a notice published in a daily business and financial news publication with a wide circulation in Paris at least 30 calendar days and no more than 60 calendar days in advance, arrange to repurchase all (and not just part) of the relevant Preferred Shares at the Buyback Amount (as defined in this Article, in paragraph 1.3, "Determination of the Buyback Amount in the event that the Company exercises its option to buy back the Preferred Shares"), as of a date stated in the notice which shall not be earlier than the effective date of the illegality, of the change in French laws or regulations, or in the official application or interpretation thereof, as the case may be.

1.3 DETERMINATION OF THE BUYBACK AMOUNT IN THE EVENT THAT THE COMPANY EXERCISES ITS OPTION TO BUY BACK THE PREFERRED SHARES

For purposes of this Article 32.B,

- **"Core Capital"** means tier one capital (i) as defined in Article 2 of CRBF *(Comité de la Réglementation Bancaire et Financière)* Regulation 90-02 of 23 February 1990, as amended; or (ii) funds qualified as such by the SGCB, without any upper limit;
- **"Buyback Amount"** means, for each Preferred Share of a given class:

(i) the Adjusted Issue Price applicable to that class,

(ii) plus an amount calculated by multiplying (a) the ratio obtained by dividing the Outstanding Amount applicable to the given class by the number of Preferred Shares of the given class outstanding as of the buyback date, by (b) the Rate and (c) the ratio obtained by dividing the number of days elapsed during the Calculation Period by 365 days;

- **"Calculation Period"** means the period between:

(a) first,

- the Payment Date (inclusive) of the Preferred Dividend paid in respect of Year "n-1" or, if no Preferred Dividend was paid in respect of that year, the anniversary date of the issue in Year "n-1" (inclusive), if:

(x) the Ordinary General Meeting convened to vote on the appropriation of net income for Year "n-1" has not yet been held and a preferred dividend has not been approved for Year "n", or

(y) the Ordinary General Meeting convened to vote on the appropriation of net income for Year "n-1" has been held and a Preferred Dividend has been approved for Year "n" and such Dividend has not yet been paid and will not have been paid as of the buyback date, or

- the Payment Date (inclusive) of the Preferred Dividend in respect of Year "n" or, if no Preferred Dividend is paid in respect of that year, the anniversary date of the issue in Year "n" (inclusive), if:

(x) a Preferred Dividend has been approved for Year "n" and such Dividend has been paid or will be paid as of the buyback date, or

(y) the Ordinary General Meeting convened to vote on the allocation of net income for Year "n-1" has been held and a Preferred Dividend was not approved for Year "n",

(b) second, the buyback date (exclusive), which is deemed to occur during Year "n" for purposes of this paragraph.

As an exception to the foregoing, if the last Preferred Dividend paid in respect of Year "n-1" or Year "n" was paid when an interim dividend was paid, the Calculation Period shall be:

(a) the period between the date of the Ordinary General Meeting convened to vote on the financial statements for the year in respect of which an interim dividend was paid, if the meeting is held before the buyback date, and the buyback date; or

(b) zero, if the Ordinary General Meeting convened to vote on the financial statements for the year in respect of which an interim dividend was paid, is held after the buyback date.

Article 33 - Conversion of Preferred Shares

1. The Board of Directors may, with the right to further delegate such powers pursuant to the applicable laws and regulations, in the cases and under the conditions set out in paragraph 2 of this Article, convert all (and not just part) of the Preferred Shares of a given class into Ordinary Shares, using a conversion ratio (calculated to three decimal points; the fourth decimal point is rounded to the next nearest decimal point and 0.0005 is rounded to the next highest one-thousandth, that is, to 0.001) (the "Conversion Ratio"), determined for the Ordinary Shares, on the basis of the Value of an Ordinary Share (as defined in paragraph 8 of this Article) and for the Preferred Shares, on the basis of the Buyback Amount (as defined in paragraph 1.3, "Determination of the Buyback Amount in the event that the Company exercises its option to buy back the Preferred Shares" of Article 32, "Repurchases of Preferred Shares by the Company" of the Articles of Association).

2. The conversion procedure shall be implemented only if the following two events occur:

- in the case of a merger or demerger requiring approval by a Special Meeting of a given class of Preferred Shareholders, if the Special Meeting does not approve the merger or demerger under the quorum and majority requirements stipulated herein; and
- if the Company has filed for prior SGCB approval of the proposed transaction and not secured such approval in time to carry out the buyback of the given class of Preferred Shares in accordance with subparagraph (ii) of paragraph 1.2, "Cases in which the Company may exercise its option to buy back Preferred Shares" and Article 32 "Repurchases of Preferred Shares by the Company", and inasmuch as the terms and conditions set forth below are met as of the conversion date:

(i) the Extraordinary General Meeting has approved or authorised the conversion, and

(ii) approval for the conversion has been secured from the SGCB.

3. When carrying out the conversion procedure, the Company shall undertake to identify a reasonable way, under then-prevailing market conditions, to enable those Preferred Shareholders who wish to do so to reclassify the Ordinary Shares to which the conversion of their Preferred Shares will entitle them.

4. The holders of the Preferred Shares in the given class shall be notified of the decision to convert their Shares in writing or by a notice published in a daily business and financial news publication with a wide circulation in Paris at least

The definitions of the underlined words can be found in the Glossary on page 542.

30 calendar days and no more than 60 calendar days before the effective date of conversion.

5. If the total number of Ordinary Shares to be received by a Preferred Shareholder obtained by applying the Conversion Ratio to the number of Preferred Shares held by the Shareholder is not a whole number, such Shareholder shall receive the next lowest number of Ordinary Shares; in this case, the Shareholder shall receive a sum equal to the fractional Value of the fractional Ordinary Share.
6. Any notice of conversion under the terms of these provisions shall be irrevocable, it being specified that a conversion notice may be subject to certain conditions.
7. All Preferred Shares converted in this manner shall be fully fungible with the Ordinary Shares as of their conversion date.
8. For purposes of this Article, **"Value of an Ordinary Share"** means the greater of the following two values:
   - **(a)** the volume-weighted average quoted price of an Ordinary Share on Euronext Paris (or any other exchange that may come to replace it) over the last fifteen trading days following but not including the date of publication of the notice indicated in paragraph 4 above (failing which, the date on which the written notices indicated paragraph 4 above are sent); and
   - **(b)** 95% of the volume-weighted average quoted price of the Ordinary Shares on Euronext Paris (or any other exchange that may come to replace it) over the last fifteen trading days preceding but not including the date of publication of the notice indicated in paragraph 4 above (failing which, the date on which the written notices indicated paragraph 4 above are sent).
9. The Board of Directors' reports and Statutory Auditors' reports provided by Article R. 228-18 of the French Commercial Code shall be made available to the Shareholders at the Company's registered office (i) if the Extraordinary General Meeting approves the conversion, no later than the date on which that meeting is convened; or (ii) if the Extraordinary General Meeting delegates its powers to carry out the conversion to the Board of Directors, no later than fifteen days after the meeting at which the Board uses the authority granted to it by the Extraordinary General Meeting. These reports shall also be brought to the attention of the Shareholders at the next General Meeting.

Article 34 - Dissolution - Liquidation

1. The Company shall be in liquidation as from the time that it is dissolved, for any reason whatsoever. Its legal personality shall subsist for purposes of such liquidation and until completion thereof.

   The Shares may continue to be traded until liquidation has been completed.

   Dissolution of the Company shall be effective as against third parties only as from the date on which the notice of dissolution is published in the Paris Trade and Company Registry.

   At the end of the life of the Company or if it is dissolved in advance by an Extraordinary General Meeting of Shareholders, said Meeting shall fix the rules governing liquidation. Voting in accordance with the quorum and majority voting requirements applicable to Ordinary General Meetings, it shall appoint one or more liquidators whose powers it shall determine, and who shall carry out their responsibilities in accordance with the law. Upon appointment of the liquidators, the functions of the directors, the Chairman, the Chief Executive Officer and the Deputy Chief Executive Officers shall cease.

   Throughout the duration of liquidation, the General Meeting and the Special Meetings of Shareholders shall continue to exercise the same powers as they did during the life of the Company.
2. The liquidator shall represent the Company. He shall be vested with the broadest powers to dispose of its assets, even informally. He is authorised to pay creditors and distribute the remaining balance.

   The General Meeting may authorise the liquidator to continue pending business or to undertake new business for the purpose of the liquidation.
3. In the event of the Company's liquidation, the Preferred Shares shall rank *pari passu* amongst themselves and with the Ordinary Shares as set forth below.

   After all of the Company's liabilities have been settled, the Preferred Shares and the Ordinary Shares shall have identical rights to the net assets, proportional to the percentage of Notional Capital represented by each class of Shares, and, with respect to the Preferred Shares in each class, up to the amount of their Adjusted Issue Price (as defined in Article 6, "Share Capital" of the Articles of Association).

   The par value of the Ordinary Shares and of the Preferred Shares shall be reimbursed proportional to their share of the Company's share capital, and any liquidation dividend shall be distributed, such that the principle set out in the foregoing paragraph is observed, and, for all of the foregoing, and with respect to the Preferred Shares, up to the Adjusted Issue Price.

Article 35 - Disputes

Courts having jurisdiction under Ordinary law shall resolve any dispute which may arise during the life of the Company or during liquidation following dissolution, either among the Shareholders, the managing and governing bodies and the Company, or among the Shareholders themselves, in connection with corporate business or compliance with the provisions of the Articles of Association.

The definitions of the underlined words can be found in the Glossary on page 542.

INFORMATION ON THE COMPANY

ACQUISITIONS MADE BY CRÉDIT AGRICOLE S.A. OVER THE PAST THREE YEARS

Completed acquisitions

Date	Investments	Financing
06/05/2014	Increase in Crédit Agricole S.A.'s stake **in Amundi**: purchase of 8,339,584 shares from Société Générale (5% of the share capital)	Acquisitions made in 2014 were financed by own funds generated and retained during the year and by subordinated and non-subordinated medium term notes
17/09/2014	Increase in Crédit Agricole S.A.'s stake **in Cariparma**: purchase of 13,151,424 shares from Fondazione Cariparma (1.5% of the share capital)	
10/02/2015	Acquisition of **BAWAG P.S.K. Invest** by Amundi (later renamed Amundi Austria): BAWAG P.S.K. Invest becomes a wholly owned subsidiary of Amundi	Acquisitions made in 2015 and 2016 were financed by own funds generated and retained during the year
31/08/2016	Acquisition of **Kleinwort Benson Investors** (renamed the same day KBI Global Investors). KBI Global Investors becomes a wholly-owned subsidiary of Amundi	

N.B.: we cannot disclose certain information about investment amounts without violating confidentiality agreements or revealing information to our rivals that could be detrimental to us.

Acquisitions in progress

On 12 December 2016, Amundi announced the acquisition of Pioneer Investments from Unicredit for a total consideration in cash of 3,545 million euros.

This transaction should be funded by own funds, as well as by a rights issue for approximately 1.4 billion euros and debt for approximately 0.6 billion euros.

The signing of the final agreement is submitted to the achievement of the usual closing conditions, and in particular the approval of the competent regulatory authorities. The transaction could be closed before the end of the second quarter of 2017.

NEW PRODUCTS AND SERVICES

The entities of the Group regularly offer new products and services to customers. Information is available on the Group's websites, especially through press releases on the website www.credit-agricole.com.

MATERIAL CONTRACTS

In the framework of the IPO of Crédit Agricole S.A. in 2001, CNCA (now Crédit Agricole S.A.) signed an agreement with the Regional Banks aiming to govern internal relations within Crédit Agricole Group. The main provisions of this agreement are set out in Chapter IV of the registration document filed by Crédit Agricole S.A. with the *Commission des opérations de bourse* on 22 October 2001 under number R. 01-453. The agreement notably provided for the creation of a Fund for Bank Liquidity and Solvency Risks ("FRBLS") designed to enable Crédit Agricole S.A. to fulfil its role as central body by providing assistance to any of the members of the Crédit Agricole network as defined by the French Monetary and Financial Code who would experience difficulties. To allow for changes in the way the FRBLS works following Crédit Agricole Corporate and Investment Bank's affiliation to the Crédit Agricole network, Crédit Agricole S.A. approved new regulations at its 13 December 2011 Board Meeting, which set new rules for the contributions paid by Crédit Agricole S.A. on behalf of its affiliates.

The fund was originally allocated €610 million in assets. At 31 December 2016 it totalled €1,076 million, having been increased by €36 million in the course of the year.

Furthermore, since CNCA's reorganisation as a mutual company in 1988, the Regional Banks have committed to making up any shortfall suffered by creditors should Crédit Agricole S.A. become insolvent or experience similar financial difficulties as a result of a court-supervised liquidation, or once dissolution-related formalities are complete. The Regional Banks' potential commitment under this guarantee is equal to the sum of their share capital and reserves.

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Operation to simplify Crédit Agricole Group ("Eureka")

The simplification of Crédit Agricole Group's structure announced on 17 February 2016 was completed on 3 August 2016. Most of the cooperative investment certificates (*Certificats coopératifs d'investissement*, or CCIs) and cooperative associate certificates (*Certificats coopératifs d'associés*, or CCAs) held by Crédit Agricole S.A. were reclassified in a holding company ("SACAM Mutualisation") jointly owned by the Regional Banks. The sale price, initially set on the basis of the balance sheets of Crédit Agricole Regional Banks at 31 December 2015, or €18.025 billion, was adjusted for the impact of the change in the adjusted consolidated IFRS shareholders' equity of the Regional Banks between 31 December 2015 and 30 June 2016. The adjustment amounted to €517 million. Thus, the final sale price of the CCIs and CCAs transferred by Crédit Agricole S.A. to SACAM Mutualisation (a wholly owned subsidiary of the Regional Banks) was €18.542 billion. The share disposal generated a capital gain of €12.153 billion in the parent company financial statements of Crédit Agricole S.A. SACAM Mutualisation was financed through a capital contribution from the Regional Banks (each Regional Bank subscribed to a capital increase of SACAM Mutualisation, allowing it to acquire the CCIs/CCAs held by Crédit Agricole S.A.). Crédit Agricole S.A. granted the Regional Banks senior loans totalling €11 billion to finance part of SACAM Mutualisation's capital increase.

This operation was designed to simplify the Group's structure and enhance the sharing of earnings between the Regional Banks. It will maintain and reinforce the economic interdependence that already indirectly existed among the Regional Banks through Crédit Agricole S.A.'s equity interest and the CCI/CCA Switch guarantee.

Implementing this operation resulted in the unwinding of the Switch guarantee with effect from 1 July 2016 for the component covering the CCIs and CCAs, and repayment of the associated deposit to Crédit Agricole S.A. (€5 billion for all of the Regional Banks).

Switch guarantee

The Switch mechanism was implemented on 23 December 2011 as part of the financial relationship framework between Crédit Agricole S.A., as central body, and the mutualist network of Crédit Agricole Regional Banks.

It initially enabled the transfer of the regulatory requirements applying to Crédit Agricole S.A.'s interests in the Regional Banks, which were accounted for under the equity method in the consolidated financial statements of Crédit Agricole S.A. before the Eureka operation was carried out.

By the amendment signed on 19 December 2013, Crédit Agricole S.A. and the Regional Banks decided to extend the guarantee base granted by the Regional Banks to Crédit Agricole S.A. on 23 December 2011 to Crédit Agricole S.A.'s equity investment in Crédit Agricole Assurances (CAA). The new guarantees came into effect on 2 January 2014 and subsequently allowed the transfer of regulatory requirements applying to Crédit Agricole S.A.'s interests both in the Regional Banks (CCI/CCA) and in CAA.

As part of the Eureka operation, the Switch guarantee mechanism was amended in 2016 by two amendments, signed respectively on 17 February (amendment no. 2) and 21 July (amendment no. 3).

With these amendments, Crédit Agricole S.A. and the Regional Banks decided: i) to limit the scope of the guarantees previously granted by the Regional Banks to Crédit Agricole S.A. exclusively to Crédit Agricole S.A.'s interest in Crédit Agricole Assurances (CAA), following the transfer of Crédit Agricole S.A.'s interest in the Regional Banks to SACAM Mutualisation; ii) to change the conditions of expiry of the coverage obligation for insurance entities to enable the beneficiary to gradually reduce the guaranteed amount; iii) to replace the quarterly calculation with a half-yearly calculation. The new scope and guarantee terms came into effect on 1 July 2016.

The effectiveness of the mechanism is secured by a security deposit paid by the Regional Banks to Crédit Agricole S.A.

The guarantee transfers to the Regional Banks the risk of a fall in the equity-accounted value of Crédit Agricole S.A.'s interests in CAA.

Indeed, as soon as a drop in value is observed, the guarantee mechanism is activated and Crédit Agricole S.A. receives compensation drawn from the cash security deposit. If the equity-accounted value later recovers, Crédit Agricole S.A. can return previously paid compensation in accordance with a financial recovery clause.

The guarantee expires on 1 March 2027, when it may be extended by tacit consent. The guarantee may be terminated early, under certain circumstances and subject to prior notification of the ACPR.

The guarantee deposit is remunerated at a fixed rate based on conditions prevailing for long term liquidity. The guarantee attracts a fixed remuneration covering the present value of the risk and cost of capital of the Regional Banks.

The definitions of the underlined words can be found in the Glossary on page 542.

SIGNIFICANT CHANGES

The financial statements at 31 December 2016 were approved by the Board of Directors at its meeting of 14 February 2017. Since this date, there have been no significant changes in the financial position or business operations of Crédit Agricole S.A. parent company and Group.

PUBLICLY AVAILABLE DOCUMENTS

This document is available on the websites of Crédit Agricole S.A. (www.credit-agricole.com/en/Investor-and-shareholder) and of the *Autorité des marchés financiers* (AMF), www.amf-france.org.

All regulated information as defined by the AMF (in Title II of Book II of the AMF's General Regulations) is available from the Company's website at www.credit-agricole.com/en/finance/finance/investor-s-corner/financial-information. Crédit Agricole S.A. Articles of Association are reproduced, in full, in this document.

GENERAL MEETING OF SHAREHOLDERS OF 24 MAY 2017

The agenda and draft resolutions presented to the Ordinary and Extraordinary General Meeting on Wednesday, 24 May 2017 are available from the website: www.credit-agricole.com/en/finance/finance/individual-shareholders/annual-general-meeting

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STATUTORY AUDITORS' SPECIAL REPORT ON RELATED PARTY AGREEMENTS AND COMMITMENTS

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

General Meeting of Shareholders to approve the financial statements for the year ended 31 December 2016

To the Shareholders,

In our capacity as Statutory Auditors of your Company, we hereby report on the agreements and commitments with related parties.

We are required to inform you, on the basis of the information provided to us, of the terms and conditions of those agreements and commitments indicated to us, or that we may have identified in the performance of our engagement. We are not required to comment as to whether they are beneficial or appropriate or to ascertain the existence of any other agreements and commitments. It is your responsibility, in accordance with Article R. 225-31 of the French commercial code (Code de commerce), to evaluate the benefits resulting from these agreements and commitments prior to their approval.

In addition, we are required, where applicable, to inform you in accordance with Article R.225-31 of the French commercial code (Code de commerce) on the implementation, during the year, of agreements and commitments previously approved by the General Meeting of Shareholders.

We performed those procedures which we considered necessary to comply with professional guidance issued by the national auditing body (Compagnie Nationale des Commissaires aux Comptes) relating to this type of engagement. These procedures consisted in verifying that the information provided to us is consistent with the documentation from which it has been extracted.

Agreements and commitments submitted for approval by the General Meeting of Shareholders

In accordance with Article R. 225-30 of the French commercial code (Code de commerce), we have been advised of the following agreements and commitments which received an initial approval by your Board of Directors.

1. WITH THE REGIONAL BANKS OF VAL DE FRANCE, AQUITAINE, CÔTES D'ARMOR, NORMANDIE, LANGUEDOC, SUD RHÔNE-ALPES, FINISTÈRE, LOIRE HAUTE-LOIRE, ANJOU AND MAINE, LORRAINE, CENTRE LOIRE AND S.A.S. RUE LA BOÉTIE

Persons concerned

Messrs Lefebvre, Bouin, Andrieu, Epron, Ms Flachaire, Messrs Gaillard, Kerrien, Ouvrier-Buffet, Roveyaz, Ms Talamona and Mr Thibault Chairman or Directors of your Company and Chief Executives or Vice-Presidents of the entities mentioned above.

Nature and purpose

The Board of Directors of your company, in its meeting of 19 May 2016, authorised the signing signature of an agreement defining the implementation of the "Eureka" operation.

This consists of a simplification of the Group's structure and the strengthening of Crédit Agricole S.A.'s capital level, through a held by Crédit Agricole S.A. stake reallocation, in the form of Certificats Coopératifs d'Investissement (CCI) and Certificats Coopératifs d'Associés (CCA), to the capital of Regional Banks (« Eureka » operation). CCI/CCA emitted by Regional Banks and held by Crédit Agricole S.A. are so transferred to Sacam Mutualisation, entity fully held by Regional Banks.

The master agreement specifies the transaction dates carried out and confirms the financial terms of the « Eureka » operation listed in the letter of intent signed on 17 February 2016, whose signature had been authorised by the Board of Directors of your Company of 16 February 2016 and approved by the General Meeting of Shareholders on 19 Mai 2016, on Statutory Auditor's special report on 15 March 2016, as mentioned in the part « agreements and commitments already approved by the general meeting » of this report.

Conditions

Following the final report of independent experts appointed by the parties entering to express an opinion regarding the fairness of the financial conditions of the CCI/CCA's transfer, master agreement was signed on 21 July 2016.

The operation fixed in master agreement is valued at €18.025 billion fixing the global valuation of 1,05 time the CCI/CCA's share ceded in consolidated IFRS equity capital restated for Regional Banks as of 31 December 2015. However, the memorandum of understanding has also specified that an equal adjustment to CCI/CCA's share ceded in the variation of consolidated IFRS equity capital restated between 31 December 2015 and 30 June 2016 will be carried out. After this adjustment, the value of the transaction was set at €18.542 billion.

The definitions of the underlined words can be found in the Glossary on page 542.

Motivation for the convention for the Company

Your Board justified the convention in the following manner:

The « Eureka » operation aims to simplify and increase the transparency of the Group structure. It allows in particular to improve the Group readability by the markets (by helping to reduce the discount of complexity that affects the market value of Crédit Agricole S.A), to improve the quality of the capital of Crédit Agricole S.A. by the unwinding of Switch 1 following the intra-group transfer of CCI/CCA, and to reinforce reinforce the capital level of Crédit Agricole S.A. The master agreement specifies the dates out of the operation and confirms the financial conditions of the « Eureka » operation listed in the letter of intent signed on 17 February 2016.

2. WITH SACAM MUTUALISATION

Persons concerned

Mrs Lefebvre, Bouin, Andrieu, Epron, Ms Flachaire, Mrs Gaillard, Kerrien, Ouvrier-Buffet, Roveyaz, Ms Talamona et Mr Thibault, Chairman or Directors of your Company and managers or representatives of the partnership jointly and severally liable from Sacam Mutualisation.

Nature and purpose

The Board of Directors of your company, in its meeting of 19 Mai 2016, has authorised the signature of the assignment contract that the purpose is to determine the conditions for carrying out the transfer of CCI/CCA detained by Crédit Agricole S.A. with Sacam Mutualisation, in accordance with the master agreeement.

Conditions

The signature of the contract took place on 1st August 2016. This contract specified the terms and conditions of the transaction setting the final value at €18.542 billion.

Motivation for the convention for the Company

Your Board justified the convention in the following manner:

The assignment contract allows the operational achievement of "Eureka" operation, by setting the final amount of the divestiture price, the terms and conditions of payment of the price and terms and conditions of CCI/CCA's delivery.

3. WITH THE REGIONAL BANKS OF VAL DE FRANCE, AQUITAINE, CÔTES D'ARMOR, NORMANDIE, LANGUEDOC, SUD RHÔNE-ALPES, FINISTÈRE, LOIRE HAUTE-LOIRE, ANJOU AND MAINE, LORRAINE AND CENTRE LOIRE

Persons concerned

Messrs Lefebvre, Bouin, Andrieu, Epron, Mrs Flachaire, Messrs Gaillard, Kerrien, Ouvrier-Buffet, Roveyaz, Mrs Talamona et Mr Thibault, Chairman or Directors of your Company and Chief Executives or Vice-Presidents of the entities mentioned above.

Nature and purpose

The Board of Directors of your company, in its meeting of 19 Mai 2016, has authorised the signature of the amendment that is designed to modify scoring protocol concluded on le 22 November 2001, which describes the conditions of implementation of preliminary operations to the scoring of the Caisse Nationale de Crédit Agricole "CNCA", and which has been modified by amendment as of 6 Mai 2009. The amendment modifies the article 4 (CNCA equity investment in Regional Banks capital) of the scoring protocol in order to take account of the achievement of the CCI/CCA's internal reclassification detained by Crédit Agricole S.A. with Sacam Mutualisation.

Conditions

The signature of the Amendment to the Memorandum took place on 21 July 2016.

Motivation for the convention for the Company

Your Board justified the convention in the following manner:

Following the implementation of the "Eureka" operation, the amendment allows to update the provisions of the scoring protocol, by modifying or deleting the articles of the protocol related to the shareholdings of Crédit Agricole S.A. in the share capital of Regional Banks in the form of CCI/CCA. This amendment allows consequently to take account of the fact that Crédit Agricole S.A. does not hold shareholdings in Regional Banks anymore coming from "Eureka" operation.

4. WITH THE REGIONAL BANKS OF VAL DE FRANCE, AQUITAINE, CÔTES D'ARMOR, NORMANDIE, LANGUEDOC, SUD RHÔNE-ALPES, FINISTÈRE, LOIRE HAUTE-LOIRE, OF ANJOU AND MAINE, LORRAINE AND CENTRE LOIRE

Persons concerned

Mssrs Lefebvre, Bouin, Andrieu, Epron, Ms Flachaire, Messrs Gaillard, Kerrien, Ouvrier-Buffet, Roveyaz, Mrs Talamona et Mr Thibault, Chairman or Directors of your Company and Chairmen or Chief Executives of the entities mentioned above.

Nature and purpose

The Board of Directors of your Company, in its meeting of 19 Mai 2016, authorised the signature of the amendment n°3 to the guarantee agreement Switch between Crédit Agricole S.A. and Regional Banks.

Within the framework of "Eureka" operation, the parties have decided to modify some terms and conditions of the Switch Agreement for the Insurance part, under which the Regional Banks ensure Crédit Agricole S.A. against a decrease in the equity value of investments it holds in the share capital of Crédit Agricole Assurances, and to create conditions of restoring the amount of Cash-Pledges related to applicable warranty to CCI/CCA.

The definitions of the underlined words can be found in the Glossary on page 542.

This amendment provides the following changes to the Switch warranty arising from the participation of Crédit Agricole S.A. in Crédit Agricole Assurances:

- Credit Agricole S.A. can decide to partially terminate the Switch Assurance mechanism by gradually reducting the amount guaranteed
- Substitution of the quarterly calculation periodicity by a semi-annual periodicity.

Conditions

The signature of the amendment n°3 to the guarantee agreement Switch took place on 21 July 2016, which effect from 1 July 2016.

The amount of guarantees provided by Regional Banks mentioned below under the Insurance part amounts to €2,847.14 million and their guarantee deposits to €963.76 million as of 31 December 2016.

The compensation paid or to be paid by Crédit Agricole S.A. to Regional Banks responsible mentioned above, for the period from 1 July 2016, effective date of the amendment, as of 31 December 2016 amounts to €45.67 million.

Motivation for the convention for the Company

Your Board justified the convention in the following manner:

This amendment allows your Company to conserve the Switch warranty arising from the participation of Crédit Agricole S.A. in Crédit Agricole Assurances. Crédit Agricole S.A. may then adapt the terms and conditions of the cancellation of the guarantee, and soften over time the impact of the change in value of Credit Agricole S.A.'s stake in Crédit Agricole Assurances, for the Regional Banks.

5. WITH THE REGIONAL BANKS OF VAL DE FRANCE, AQUITAINE, CÔTES D'ARMOR, NORMANDIE, LANGUEDOC, SUD RHÔNE-ALPES, FINISTÈRE, LOIRE HAUTE-LOIRE, ANJOU AND MAINE, LORRAINE AND CENTRE LOIRE

Persons concerned

Messrs Lefebvre, Bouin, Andrieu, Epron, Mrs Flachaire, Messrs Gaillard, Kerrien, Ouvrier-Buffet, Roveyaz, Mrs Talamona et Mr Thibault, Chairman of the Board of Directors or Directors of your Company and Chairmen of the Board of Directors or Directors of the Companies mentioned above.

Nature and purpose

The Board of Directors at its meeting on 19 May 2016, authorized the amendment of the collective agreements on taxation between Crédit Agricole S.A. and the Regional Banks.

The Board had authorized, during its meeting on 21 January 2010, and renewed at its 15 December 2015 meeting, the collective tax agreements between Crédit Agricole S.A. and the Regional Banks. These agreements, initially established with a duration of five years, stated that the half tax savings generated by the dividends received by these entities, as well as by the dividends received by Crédit Agricole S.A. from these entities, would be allocated to them.

An amendment to these agreements was signed on 21 July 2016, establishing that the entirety of the tax savings generated by the Group through intragroup dividends received by the Regional Banks would be reallocated to these entities.

Conditions

Total tax saving distributed in respect of the agreements binding Crédit Agricole S.A. and the aforementioned entities was €9 million in 2016.

Motivation for the convention for the Company

Your Board justified the convention in the following manner:

Considering, first, the transfer by Crédit Agricole S.A. of the CCI/CCA to Sacam Mutualisation on 3 August 2016, and second, the modifications of articles 216 and 223B of the *Code Général des Impôts* enacted by the amended Financial Law for 2015, applicable as of 1 January 2016, relating to the suppression of the fiscal neutrality of intragroup dividends (suppression of neutralization of the expenses quota on intragroup dividend and correlated reduction of that quota on expenses), the redistribution mechanism established by the collective agreements was modified.

6. WITH SACAM MUTUALISATION

Persons concerned

Messrs Lefebvre, Bouin, Andrieu, Epron, Mrs Flachaire, Messrs Gaillard, Kerrien, Ouvrier-Buffet, Roveyaz, Mrs Talamona and Mr Thibault, Chairman of the Board of Directors or Directors of your Company and managers or representatives of the jointly and severally liable partners of Sacam Mutualisation.

Nature and purpose

The Board of Directors of your Company, at its 19 May 2016 meeting, authorized the signing of a collective tax agreement between Crédit Agricole S.A. and Sacam Mutualisation.

This collective agreement was implemented on 21 July 2016. Based on the same mechanism as the collective tax agreement binding Crédit Agricole S.A. and the Regional Banks, the agreement entails that the tax savings, generated within the Group by intragroup dividends received by Sacam Mutualisation, are to be entirely allocated to that entity.

Conditions

No reallocation in 2016.

The definitions of the underlined words can be found in the Glossary on page 542.

Motivation for the convention for the Company

Your Board justified the convention in the following manner:

Following the transfer by Crédit Agricole S.A. of the CCI/CCA to Sacam Mutualisation on 1 August 2016, Crédit Agricole S.A. and Sacam Mutualisation settled the terms of a collective tax agreement determining the relations between these entities and also defining the reallocation mechanism for possible tax savings. Furthermore, the collective agreement accounts for the modifications of articles 216 and 223 B of the Code Général des Impôts enacted by the amended Financial Law for 2015, described above.

7. WITH THE REGIONAL BANKS OF VAL DE FRANCE, AQUITAINE, CÔTES D'ARMOR, NORMANDIE, LANGUEDOC, SUD RHÔNE-ALPES, FINISTÈRE, LOIRE HAUTE-LOIRE, ANJOU AND MAINE, LORRAINE AND CENTRE LOIRE

Persons concerned

Messrs Lefebvre, Bouin, Andrieu, Epron, Mrs Flachaire, Messrs Gaillard, Kerrien, Ouvrier-Buffet, Roveyaz, Mrs Talamona and Mr Thibault, Chairman of the Board of Directors or Directors of your Company and Chairmen of the Board of Directors or Directors of the Companies mentioned above.

Nature and purpose

The Board of Directors at its meeting on 19 May 2016, authorized the granting of loans, from Crédit Agricole S.A. to the Regional Banks, according to the option selected by the latter parties. Regardless of the option retained by these entities, the average annual interest rate of the operation will be 2.15%.

Upon reviewing the contract of the transaction and notably the terms of article 4.4.42(iii), the Regional Banks may benefit from financing via senior and/or subordinated debt (in varying proportions, by option, and depending on their necessity).

Your Company committed itself to extending a total loan (for all the Regional Banks) of €11 billion in the form selected by the Regional Banks, either 100% senior debt, or a mix of senior and subordinated debt, with a proportion of subordinated debt set at 10%, 20%, 30% or 40%. Considering that the global interest rate (senior + subordinated) is to be maintained at 2.15% per annum, the duration and senior interest rate will decrease proportionately to the increase in subordinated debt.

Conditions

The loan contracts were signed by Crédit Agricole S.A. and the Regional Banks on 21 July 2016 and were implemented on 3 August 2016. The loans granted by Crédit Agricole S.A. to the Regional Banks were all in the form of senior debt with a ten year maturity, redeemable at maturity or callable bi-annually after the fourth anniversary, given twelve months' notice, and with a 2.15% annual fixed rate.

The total financing granted to the Regional Banks concerned by the collective nature of these agreements amounts to €3,217 million.

Motivation for the convention for the Company

Your Board justified the convention in the following manner:

For the purpose of the settlement of the Eureka transaction, the loans granted by Crédit Agricole S.A. are meant to allow the Regional Banks to finance their participation in the capitalization of Sacam Mutualisation.

8. WITH S.A.S. RUE LA BOÉTIE, S.A.S. SÉGUR, S.A.S. MIROMESNIL, SACAM AVENIR, SACAM DEVELOPPEMENT, SACAM INTERNATIONAL, SACAM PARTICIPATIONS, SACAM FIA-NET EUROPE, SACAM FIRECA, SACAM IMMOBILIER, SACAM MACHINISME AND SACAM ASSURANCE CAUTION

Persons concerned

Messrs Lefebvre, Bouin, Andrieu, Epron, Mrs Flachaire, Messrs Gaillard, Kerrien, Ouvrier-Buffet, Roveyaz, Mrs Talamona and Mr Thibault, Chairman of the Board of Directors or Directors of your Company and Chairmen of the Board of Directors, Vice-Chairman, Partners, Managers or Directors of the Companies mentioned above.

Nature and purpose

The Board of Directors at its meeting on 13 December 2016, authorized the amendment of the collective agreements on taxation between Crédit Agricole S.A. and the following entities: S.A.S. Rue La Boétie, S.A.S. Ségur, S.A.S. Miromesnil and the federation's holdings (Sacam Avenir, Sacam Développement, Sacam International, Sacam Participations, Sacam Fia-net Europe, Sacam Fireca, Sacam Immobilier, Sacam Machinisme, Sacam Assurance Caution).

The Board of Directors of your Company authorized, during its meeting on 21 January 2010, and renewed at its 15 December 2015 meeting, the collective agreements on taxation binding the above mentioned entities. These agreements, initially established with a duration of five years, stated that half the tax savings generated by the dividends received by these entities, as well as the dividends received by Crédit Agricole S.A. from these entities, would be allocated to them.

These collective agreements were amended on 21 July 2016, on the same basis as the amendment made on the collective tax agreement with the Regional Banks, the agreement entails that the tax savings, generated within the Group by intragroup dividends received by the aforementioned entities, are to be entirely allocated to the entities.

Conditions

Total tax saving distributed in respect of the agreements binding Crédit Agricole S.A. and the aforementioned entities was €26.7 million in 2016.

Motivation for the convention for the Company

Your Board justified the convention in the following manner:

Considering, first, the divestiture of the CCI/CCA by Crédit Agricole S.A., and second, the modifications of articles 216 and 223 B of the *Code général des impôts* enacted by the amended Financial Law for 2015, applicable as of 1 January 2016, relating to the suppression of the fiscal neutrality of intragroup dividends (suppression of neutralization of the expenses quota on intragroup dividend and correlated reduction of that quota on expenses), the aforementioned collective agreements were amended as described above.

9. WITH CRÉDIT AGRICOLE CIB

Persons concerned

Messrs Philippe Brassac, François Veverka, Jean-Louis Roveyaz, and François Thibault, Chief Executive or Directors of your Company and Chairman of the Board of Directors or Directors of Crédit Agricole CIB.

Nature and purpose

The Board of Directors at its meeting on 7 November 2016, authorized the amendment of the collective agreements on taxation between Crédit Agricole S.A. and Crédit Agricole CIB.

Crédit Agricole S.A. has had a collective agreement on taxation with Crédit Agricole CIB since 1996; it was renewed on 22 December 2015 for 2015-2019. Its purpose is to define the relations between Crédit Agricole S.A., on one side, and Crédit Agricole CIB and its subsidiaries, on the other, notably concerning the distribution of the tax expenses between the companies.

The collective agreement on taxation allowed Crédit Agricole CIB to receive the proportion of the Group's tax savings generated by the individual tax loss imputed by the Group. This collective agreement was amended on 15 November 2016, in order to allow Crédit Agricole CIB to benefit from the extension of the monetization of the entire deficit of the subgroup imputed by Crédit Agricole S.A. as Group parent company, including tax loss carryforwards of the subgroup for fiscal years prior to 1 January 2016 already imputed to Crédit Agricole S.A.

Conditions

Total tax savings generated by the tax losses of the entire Crédit Agricole CIB subgroup at 31 December 2016 and distributed in respect of the agreements binding Crédit Agricole S.A. and Crédit Agricole CIB was €1,076 million.

Motivation for the convention for the Company

Your Board justified the convention in the following manner:

The principal motivation for the modification of the collective tax agreement is to extend the monetization, currently limited to the individual tax losses of Crédit Agricole CIB, to the entire Crédit Agricole CIB integrated subgroup, of which certain subsidiaries are implicated in leasing operations to finance ships which were interrupted prematurely by the stakeholders.

Agreements and commitments already approved by the General Meeting of Shareholders

Agreements and commitments approved in prior years

In accordance with Article R. 225-30 of the French commercial code (Code de commerce), we have been advised that the implementation of the following agreements and commitments which were approved by the General Meeting of Shareholders in prior years continued during the year.

1. WITH THE REGIONAL BANKS OF VAL DE FRANCE, AQUITAINE, CÔTES D'ARMOR, PARIS AND D'ILE-DE-FRANCE, CENTRE LOIRE, NORMANDIE, LANGUEDOC, SUD RHÔNE-ALPES, FINISTÈRE, LOIRE HAUTE-LOIRE, ANJOU AND MAINE

Persons concerned

Messrs Lefebvre, Bouin, Andrieu, Célérier, Thibault, Epron, Mrs Flachaire, Messrs Gaillard, Kerrien, Ouvrier-Buffet, and Roveyaz, Chairman of the Board of Directors or Directors of your Company and Chairmen of the Board of Directors or Directors of the Companies mentioned above.

Nature and purpose

The Board of Directors at its meeting of 21 January 2010, authorized the extension of your Company's tax group in accordance with Article 223 A alinea 3 of French Tax code (*Code général des impôts*). This extension is mandatory for all Regional and Local Banks subject to corporate income tax at the normal rate, and compulsory for their subsidiaries. It is controlled by an agreement between the central body and each entity thereby included in this tax group.

The collective agreements on taxation linking the corporate center to each entity integrated in the Group due to its evolution were initially concluded for a span of five years, starting 1 January 2010. These agreements are renewable for five years spans by explicit joint accord of all the concerned entities.

At its meeting on 15 December 2015, the Board of Directors of your Company approved the renewal of the Group's collective tax agreements, at the same conditions and for a span of five years, starting 1 January 2015.

The definitions of the underlined words can be found in the Glossary on page 542.

Conditions

Taking into account the cession of CCI/CCA achieved by Crédit Agricole S.A to the benefit of Sacam Mutualisation, as well as legislative amendments to articles 216 and 223 A of the General Tax Code set out in the amended Financial Law for 2015, those tax sharing agreements were the subject of an amendment as described in part « Agreements and commitments subjected to the approval of the general meeting » of this report, authorised by the Board of Directors during its meeting of 19 Mai 2016. On the basis of this amendment, the tax savings realized by the tax consolidation Crédit Agricole group as a result of the neutralisation of the intra-group dividends received by the Regional Banks are expected to be fully reallocated to them.

2. WITH CRÉDIT AGRICOLE CIB

Persons concerned

Messrs Philippe Brassac, François Veverka, Jean-Louis Roveyaz, François Thibault, Directors or executive corporate officers of your Company and Chairman of the Board of Directors, Chief Executive Officer or Directors of Crédit Agricole CIB.

Nature and purpose

Following the merging of the corporate and investment banking businesses of Crédit Agricole and Crédit Lyonnais, Crédit Lyonnais made a partial asset transfer to Crédit Agricole Indosuez (which became Calyon and then Crédit Agricole CIB).

In view of the above transaction, it was deemed necessary to increase Crédit Agricole CIB's shareholders' equity. During its meeting on 9 March 2004, the Board of Directors of your Company authorized your Company to carry out a series of transactions aimed at increasing Crédit Agricole CIB's shareholders equity by a total amount of up to €3 billion.

Conditions

Following this authorization, your Company notably subscribed to an issue of deeply subordinated notes for an amount of $1,730 million in 2004. Throughout the year 2014, one of the issuances for the amount of $1,260 million underwent early repayment on 28 February 2014.

The sole remaining $470 million ongoing issuance this current fiscal year generated a total interest of $13.03 million for 2016, excluding default interest.

3. WITH CRÉDIT AGRICOLE CIB, LCL AND WITH THE REGIONAL BANKS OF VAL DE FRANCE, LANGUEDOC AND ANJOU AND MAINE

Persons concerned

Mrs Flachaire, Messrs Lefebvre and Gaillard for the financial guarantee agreement and its amendment, Messrs Brassac, Roveyaz, Veverka and Thibault for the entire agreements, Chairman of the Board of Directors, Directors or executive corporate officers of your Company and Chairmen of the Board of Directors, Chief Executive Officers or Directors of the Companies mentioned above.

Nature and purpose

To increase or secure the short-term liquidity reserves, that can be used in the refinancing operations of the Eurosystem, the Board of Directors of your Company, at its meeting on 18 December 2012, authorized the creation of a "*Fonds Commun de Titrisation*" (FCT - Securitisation Fund), allowing the issuance of AAA rated senior bonds, for a total amount of €10 billion, secured by receivables from individuals on residential mortgage loans and owned by Group entities (Regional Banks and LCL).

In this context, the Board authorized the completion by your Company of program documents subject to related party agreements and commitments procedures. The related party agreements and commitments procedures have been signed in April 2013 and this FCT (named "Evergreen HL1") has issued for a total amount of €10 billion in April 2013.

Conditions

On 31 December 2016, the total amount of the FCT issuances is €9,000 million.

Agreements and commitments approved during the financial year just ended

We have been furthermore been informed of the implementation, during the past year, the following guarantees and agreements, already approved by the general meeting in its meeting of 19 Mai 2016, on Statutory Auditors' special report of 15 March 2016.

1. WITH THE COMPANIES S.A.S. RUE LA BOÉTIE, SACAM MUTUALISATION AND THE REGIONAL BANKS OF VAL DE FRANCE, AQUITAINE, CÔTES D'ARMOR, PARIS AND ILE DE-FRANCE, CENTRE LOIRE, NORMANDIE, LANGUEDOC, SUD RHÔNE-ALPES, FINISTÈRE, LOIRE HAUTE-LOIRE, ANJOU AND MAINE

Persons concerned

Messrs Lefebvre, Bouin, Andrieu, Célerier, Thibault, Epron, Ms Flachaire, Messrs Gaillard, Kerrien, Ouvrier-Buffet, and Roveyaz, Chairman of the Board of Directors or Directors of your Company and Chairmen of the Board of Directors or Directors or Chief Executive Officers or Managers of the Companies mentioned above.

Nature and purpose

Your company has a initiated a project that aims to simplify and increase the transparency the group structure and to reinforce the capital level of your company, through a reclassification of the stake held by your company, in form of *Certificats Coopératifs d'Investissement* (CCI) et de *Certificats Coopératifs d'Associés* (CCA), in the share capital of Regional Banks, to an entity fully held by the Regional Banks and Sacam Mutualisation.

The Board of Directors of your Company (16 February 2016), and the Boards of Directors of each of the Regional Banks (15 February 2016) and of S.A.S. Rue La Boétie (16 February 2016), as well as the manager of Sacam Mutualisation, have authorized the signing of a Letter of Intent, describing guiding principles of this simplification and detailing the state of discussions between parties.

The Boards of Directors of the Regional Banks and of your Company approved the signing of the document after receiving counsel from their respective independent experts regarding the fairness of the project's financial terms, both for your Company and for the Regional Banks.

Conditions

Pursuant to the letter of intent, the transaction is estimated at €18 billion for the share of these assets, allowing for usual adjustments depending on the transaction date. This valuation represents 17.2 times the contribution of the Regional Banks to the Group net income, and to 1.05 times their Equity as of 31 December 2015.

As mentioned in the section « Guarantees and commitments subjected to approval of the general meeting » of this report, final financial conditions of « Eureka » operation have been fixed in the Master Agreement signed on July 21, 2016.

2. WITH THE REGIONAL BANKS OF VAL DE FRANCE, AQUITAINE, CÔTES D'ARMOR, PARIS AND D'ILE-DE-FRANCE, CENTRE LOIRE, NORMANDIE, LANGUEDOC, SUD RHÔNE ALPES, FINISTÈRE, LOIRE HAUTE-LOIRE, ANJOU AND MAINE

Persons concerned

Messrs Lefebvre, Bouin, Andrieu, Célérier, Thibault, Epron, Ms Flachaire, Messrs Gaillard, Kerrien, Ouvrier-Buffet, and Roveyaz, Chairman of the Board of Directors or Directors of your Company and Chairmen of the Board of Directors or Directors of the Companies mentioned above.

Nature and purpose

At its meeting on 16 February 2016, the Board of Directors of your Company authorized the signature of the amendments to the Switch mechanism between your Company and the Regional Banks.

The original agreement, signed by your Company and the Regional on 16 December 2011 and modified on 19 December 2013, notably guarantees your Company against any decrease in the equity-accounted value of the CCI/CCA stake held by your Company in the Regional Banks. This guarantee, upheld by the Regional Banks, exists in order to prevent the requalification of these assets on a prudential level.

The simplification process described above, which includes the disposal of the CCI/CCA held by your Company, will void the Switch guarantee agreement regarding the CCI/CCA (authorized by the Board of Directors on 16 December 2011 and approved by the General Meeting of Shareholders on 22 May 2012). The Switch agreement covering the equity-accounted value of the Insurance activities (addendum to the Switch guarantee agreement authorized by the Board of Directors on 19 December 2013 and approved by the General Meeting of Shareholders of 21 May 2014) holds in place.

By the terms of this agreement, the voiding of the Switch CCI/CCA could have occurred as early as the announcement of the planned operation due to the change in accounting methods of the CCA and CCA in the consolidated accounts of your Company. They will no longer be equity-accounted on that date.

Therefore, the Board of Directors of your Company has authorized the signing of an addendum to this agreement in order to maintain the Switch CCI/CCA until the effective execution of the operation.

Conditions

The guarantees pledged by the Regional Banks mentioned above for the Switch CCI/CCA mechanism amounted until 1 July 2016, which was the effective date of the amendment n°3 mentioned in the section « Guarantees and agreements subjected to the approval of the general meeting" of this report, to €7,817.34 million and their guarantee deposits to €2,639.76 million.

This agreement was signed on 17 February 2016 and produced its effects until 1 July 2016.

Paid or to be paid compensation by Crédit Agricole S.A. to the above-mentioned Regional Banks for the guarantees given from 1 January to 1 July 2016 amounts to €122.58 million.

Neuilly-sur-Seine and Paris-La Défense, 20 March 2017

The statutory auditors

PricewaterhouseCoopers Audit	ERNST & YOUNG et Autres
Anik Chaumartin	Valérie Meeus

PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT

Mr Philippe Brassac, Chief Executive Officer of Crédit Agricole S.A.

RESPONSIBILITY STATEMENT

I hereby certify that, to my knowledge and after all due diligence, the information contained in this registration document is true and accurate and contains no omissions likely to affect the import thereof.

I hereby certify that, to my knowledge, the financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the financial position and results of the Company and all entities included in the consolidated group, and that the management report (whose cross-reference table can be found in chapter 8 of this registration document) herewith provides a true and fair view of the business trends, results and financial condition of the Company data and all entities included in the consolidated group, together with a description of the main risks and uncertainties that they face.

I have obtained a letter from the Statutory Auditors, PricewaterhouseCoopers Audit and Ernst & Young et Autres, upon completion of their work, in which they state that they have verified the information relating to the financial position and financial statements provided in this registration document and read the document as a whole.

Montrouge, 21 March 2017

The Chief Executive Officer of Crédit Agricole S.A.

Philippe Brassac

STATUTORY AUDITORS

Statutory Auditors

Ernst & Young	PricewaterhouseCoopers Audit
Company represented by Valérie Meeus	Company represented by Anik Chaumartin
1-2, place des Saisons 92400 Courbevoie, Paris - La Défense 1	63, rue de Villiers 92208 Neuilly-sur-Seine
Statutory Auditors, Member, *Compagnie régionale des Commissaires aux comptes de Versailles*	Statutory Auditors, Member, *Compagnie régionale des Commissaires aux comptes de Versailles*

The Crédit Agricole S.A. Board of Statutory Auditors remained unchanged in 2011/2012/2013/2014/2015/2016. The signatories remained unchanged in 2011/2012/2013 and 2014, Valérie Meeus for Ernst & Youngand Catherine Pariset for PricewaterhouseCoopers Audit. Since 2015, the signatory of Ernst & Young has remained unchanged, although the signatory of PricewaterhouseCoopers Audit is now Anik Chaumartin instead of Catherine Pariset.

Alternate Statutory Auditors

Picarle et Associés	Pierre Coll
Represented by Denis Picarle	
1-2, place des Saisons 92400 Courbevoie, Paris - La Défense 1	63, rue de Villiers 92208 Neuilly-sur-Seine, France
Statutory Auditors, Member, *Compagnie régionale des Commissaires aux comptes de Versailles*	Statutory Auditors, Member, *Compagnie régionale des Commissaires aux comptes de Versailles*

Ernst & Young was appointed Statutory Auditor under the name Barbier Frinault at the Ordinary General Meeting of 31 May 1994. This term of office was renewed for a further six years at the Combined General Meeting of 22 May 2012.

Ernst & Young is represented by Valérie Meeus.

Picarle et Associés was appointed Alternate Auditor for Ernst & Young at the Combined General Meeting of 17 May 2006. This term of office was renewed for a further six years at the Combined General Meeting of 22 May 2012.

PricewaterhouseCoopers Audit was appointed Statutory Auditor at the Ordinary General Meeting of 19 May 2004. This term of office was renewed for a further six years at the Combined General Meeting of 22 May 2012.

PricewaterhouseCoopers Audit is represented by Anik Chaumartin.

Pierre Coll was appointed Alternate Auditor for PricewaterhouseCoopers Audit at the Ordinary General Meeting of 19 May 2004. This term of office was renewed for a further six years at the Combined General Meeting of 22 May 2012.

CROSS-REFERENCE TABLE

The following table indicates the page references corresponding to the main information headings required by EC Regulation 809/2004 (annex I), enacting the terms of the "Prospectus" directive.

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N.A.: not applicable.

(1) In accordance with Article 28 of EC Regulation 809/2004 and Article 212–11 of the AMF's General Regulations, the following are incorporated by reference:

- *the annual and consolidated financial statements for the year ended 31 December 2014 and the corresponding Statutory Auditors' Reports which contains one observation (whose cross-reference table can be found on page 540 of this registration document), as well as the Group's management report, appearing respectively on pages 437 to 484 and 291 to 434, on pages 485 and 435 to 436 and on pages 165 to 196 of the Crédit Agricole S.A. registration document 2014 registered by the AMF on 20 March 2015 under number D.15-0180;*
- *the annual and consolidated financial statements for the year ended 31 December 2015 and the corresponding Statutory Auditors' Reports, as well as the Group's management report, appearing respectively on pages 454 to 504 and 306 to 451, on pages 505 and 452 to 453 and on pages 186 to 217 of the Crédit Agricole S.A. Registration Document 2015 registered by the AMF on 16 March 2016 under number D.16-0148.*

The sections of the registration documents number D.15-0180 and number D.16-0148 not referred to above are either not applicable to investors or are covered in another part of this registration document.

Regulated information within the meaning of the AMF's General Regulations contained in this registration document can be found on the pages shown in the correspondence table below.

This registration document, which is published in the form of an annual report, includes all components of the **2016 Annual Financial Report** referred to in paragraph I of Article L. 451-1-2 of the French Monetary and Financial Code as well as in Article 222-3 of the AMF's General Regulations:

ANNUAL FINANCIAL REPORT

In accordance with Articles 212-13 and 221-1 of the AMF's General Regulations, this registration document also includes the following regulated information:

GLOSSARY

Acronyms

ACPR
French prudential and resolution supervisory authority (ACPR)

AFEP-Medef
French business and employers associations

AMF
French financial markets regulation authorities

CSR
Corporate social responsibility

EBA
European Banking Authority

ECB
European Central Bank

ESG
Environment, Social, Governance

GOI
Gross operating income

IFRS
International Financial Reporting Standards

MSE
Medium-sized enterprise

MTP
Medium-term plan

SME
Small and medium-sized enterprise

VSB
Very small business

DEFINITIONS

Accretion

A transaction is described as "accretive" when it increases the portion of net asset value (e.g. net book value per share) or earnings (e.g. earnings per share) attributable to each share in the company.

ALM *Asset and Liability Management*

Management of the financial risks borne by an institution's balance sheet (interest rate, currency, liquidity) and its refinancing policy in order to protect the bank's asset value and/or its future profitability.

Asset management

Management of negotiable or other assets, for the manager's own account or for third-party (institutional or retail) investors. In third-party asset management, assets are adapted via funds or in the framework of management mandates. Specialised products are offered to meet the range of customer expectations in terms of geographical and sector diversification, short-term or long-term investing and the desired level of risk.

Assets under management

Operating activity indicator not reflected in the Group's consolidated financial statements, reflecting the assets marketed by the Group, whether they are managed, advised or delegated to an external fund manager. Assets under management are measured for each fund by multiplying net asset value per unit (as calculated by an external appraiser in line with the regulations in force) by the number of units/shares outstanding. Amundi fully consolidates all the assets under management by its joint ventures at 100% and not its share in the joint ventures.

AT1 *(Additional Tier 1 capital)*

Capital eligible under Basel 3 made up of undated debt instruments without any redemption incentive or obligation. It is subject to a loss absorption mechanism where the CET1 ratio falls below a given threshold, fixed in the issue prospectus.

Basel 3 *(Agreements)*

New development in the regulatory standards for banks, which replace the previous Basel 2 agreements by increasing the quality and quantity of the minimum capital that banks are required to hold against the risk they take. It also introduces minimum standards for liquidity risk management (quantitative ratios), defines measures attempting to curb the financial system's pro-cyclicality (capital buffers varying according to the economic cycle) and tightens the requirements on institutions considered as systemically important. In the European Union, these regulatory standards were introduced under Directive 2013/36/EU (CRD4 - Capital Requirements Directive) and Regulation (EU) No. 575/2013 (CRR - Capital Requirements Regulation).

Benchmark rate

Interest rate set by a country's or currency zone's central bank to regulate economic activity. Principal tool in a central bank's arsenal for fulfilling its role of regulating economic activity, which, for the European Central Bank (ECB) is inflation and, for the US Federal Reserve (Fed), is both inflation and growth.

CCA *Cooperative member certificate (Certificat Coopératif d'Associés)*

Unlisted securities, which may be traded over the counter and may be issued only by cooperative companies. They may be subscribed by members of the issuing Regional Banks and affiliated Local Banks. They do not carry voting rights but give their holders rights to a share of the net assets and to receive dividends.

CCI *Cooperative Investment Certificate (Certificat Coopératif d'Investissement)*

Securities quoted on the stock exchange that do not carry voting rights and may be issued only by cooperative companies. They give their holders rights to a share of the net assets and to receive a dividend payment.

Collateral

A transferable asset or a guarantee that provides security for the repayment of a loan, should the recipient of the loan fail to meet their repayment obligations.

The definitions of the underlined words can be found in the Glossary on page 542.

Corporate governance

Any mechanism that can be implemented to achieve transparency, equality between shareholders and a balance of powers between management and shareholders. These mechanisms encompass the methods used to formulate and implement strategy, the operation of the Board of Directors, the organisation framework between different governing bodies and the compensation policy for Directors and senior executives.

Cost of risk

The cost of risk reflects allocations to and reversals from provisions for all banking risks, including credit and counterparty risk (loans, securities, off-balance sheet commitments) and operational risk (litigation), as well as the corresponding losses not covered by provisions.

Cost of risk/outstandings*

Calculated by dividing the cost of risk (over four quarters on a rolling basis) by outstandings (over an average of the past four quarters, beginning of the period).

Cost/income ratio

The cost/income ratio is calculated by dividing expenses by revenues, indicating the proportion of revenues needed to cover expenses.

Credit rating

Measurement of credit quality in the form of an opinion issued by a rating agency (Standard & Poor's, Moody's, Fitch Ratings, etc.). The rating may apply to a specific issuer (business, government, public-sector authority) and/or specific issues (bonds, securitised notes, secured bonds, etc.). The credit rating may influence an issuer's borrowing terms (interest rate it pays, its access to funding) and its market image (see Rating agency).

Credit spread

Actuarial margin (difference between a bond's yield to maturity and that on a risk-free borrowing with an identical maturity).

CVA *(Credit Valuation Adjustment)*

Expected loss arising from the risk of a counterparty default which aims at building in the possibility that the full market value of instruments may not be recovered. The methodology used to determine the CVA is based largely on the same type of market parameters that market participants use.

Deeply subordinated notes

Undated subordinated issue giving rise to perpetual returns. Their perpetual maturity arises from the fact that they do not have a contractual redemption date, with redemption taking place at the option of the issuer. Should the issuer be liquidated, these notes are redeemed after all the other creditors have been repaid.

Dilution

A transaction is described as "dilutive" when it reduces the portion of net asset value (e.g. net book value per share) or earnings (e.g. earnings per share) attributable to each share in the company.

Dividend

Portion of net income or reserves paid out to shareholders. The Board of Directors proposes the dividend to be voted on by shareholders at the Annual General Meeting, after the financial statements for the relevant financial year have been approved.

Doubtful loan

Loan on which the borrower has fallen behind with the contractually agreed interest payments or capital repayments, or for which there is a reasonable doubt that this could occur.

DVA *Debit Valuation Adjustment*

Symmetrical to the CVA and represents the expected loss from the counterparty's perspective on passive valuations of financial instruments. It reflects the impact of the entity's own credit risk on the valuation of these instruments.

EAD *Exposure at Default*

Value exposed to risk. This is the Group's exposure should the counterparty default. The EAD includes on- and off-balance sheet exposures. Off-balance sheet exposures are converted into balance sheet equivalents using internal or regulatory conversion factors (draw-down scenarios).

EL *Expected Loss*

Loss likely to be incurred depending on the quality of the counterparty in view of the structure of the transaction and any risk mitigation measures, such as collateral. It is computed by multiplying the exposure at default (EAD) by the probability of default (PD) and by the loss given default (LGD).

EPS *Earnings per share**

Net income Group share divided by the average number of shares in issue excluding Treasury shares. It indicates the portion of profit attributable to each share (not the portion of earnings paid out to each shareholder, which is the dividend). It may decrease, assuming the net income Group share remains unchanged, if the number of shares increases (see Dilution).

FCP *(Fonds commun de placement) - mutual fund*

Type of UCITS that issues units and does not have legal personality. By acquiring units, investors gain co-ownership of the securities, but do not have any voting rights. They are not shareholders. An FCP mutual fund is represented and managed from an administrative, financial and accounting perspective by a single management company, which may delegate these tasks.

FCPE *(Fonds commun de placement d'entreprise) - corporate mutual fund*

Employee savings vehicle used by companies offering this type of arrangement to their employees. Savers hold units in FCP mutual funds that are allotted in return for their payments and any top-up payments made by their employer (employer contribution).

FinTech *(Finance, technology)*

A FinTech is a non-banking company which uses information and communication technologies to deliver financial services.

FReD *(Fides, Respect, Demeter)*

Initiative to implement, manage and measure the progress made by the CSR programme. FReD has 3 pillars with 19 commitments that aim to bolster trust (Fides), grow individuals and the corporate ecosystem (Respect) and protect the environment (Demeter). Every year since 2011, the FReD index has provided a measure of the progress made by the CSR programme being pursued by Credit Agricole S.A. and its subsidiaries. PricewaterhouseCoopers conducts an annual audit of this index.

Free float

Percentage of a listed company's share capital held by non-core shareholders. Non-core shareholders means any shareholders likely to buy or sell the shares at any time without having to worry about the effects of their decision on the control of the business and not bound by a contract limiting their right of disposal (eg shareholders' agreement). Shares held by retail investors (including employees) and by SICAV and FCP mutual funds are included in the free float. In contrast, the investment held by a majority shareholder is not included in the free float.

FSB *(Financial Stability Board)*

The Financial Stability Board's remit is to identify vulnerabilities in the global financial system and establish principles serving as a basis for the regulation and oversight of financial stability. It is made up of the governors, finance ministers and supervisors of G20 countries. Its primary objective is to coordinate at international level the work of the national financial authorities and of the international standard-setters in the regulation and supervision of financial institutions. Founded at the G20 meeting in London in April 2009, the FSB is the successor to the Financial Stability Forum set up by the G7 in 1999.

Goodwill

Amount by which the acquisition cost of a business exceeds the value of the net assets revalued at the time of acquisition. Every year, goodwill has to be tested for impairment, and any reduction in its value is recognised in the income statement.

Green Bonds

Bonds issued by an approved entity (business, local authority or international organisation) to finance an eco-friendly and/or sustainability-driven project or activity. These instruments are often used in connection with the financing of sustainable agriculture, the protection of ecosystems, renewable energy and organic farming.

GRI *(Global Reporting Initiative)*

An organisation consisting of stakeholders and partners (businesses, audit firms, human rights, environmental protection, labour organisations, and government representatives) which has created a joint framework for the development of sustainability reporting.

* *APM indicator*

The definitions of the underlined words can be found in the Glossary on page 542.

Gross operating income *(GOI)*

Calculated as revenues less operating expenses (general operating expenses, such as employee expenses and other administrative expenses, depreciation and amortisation).

HQLA *(High Quality Liquid Assets)*

Unencumbered high-quality liquid assets that can be converted easily and immediately in private markets into cash in the event of a liquidity crisis.

Impaired loan

Loan which has been provisioned due to a risk of non-repayment.

Institutional investors

Businesses, public-sector bodies and insurance companies involved in securities investment and in particular in investing in the shares of listed companies. Pension funds and asset management and insurance companies come under this heading.

LCR *Liquidity Coverage Ratio*

This 1-month ratio aims to enhance the short-term resilience of a bank's liquidity risk profile. The LCR obliges banks to hold sufficient risk-free, highly liquid assets to cover outflows (net of inflows) assessed under stressed assumptions, to see it through a crisis period of 30 days without relying on any support from Central banks.

Leverage ratio

A voluntarily simple ratio that is intended to control the size of banks' total assets. The leverage ratio establishes a link between Tier 1 regulatory capital and on-/off-balance sheet assets, after restatement of given items.

LGD *(Loss Given Default)*

Ratio between the loss experienced on an exposure on a counterparty at default and the size of the exposure at default.

MREL *(MREL ratio - Minimum Requirement for own funds and Eligible Liabilities)*

Ratio defined in the European Bank Recovery and Resolution Directive indicating the minimum requirement for own funds and eligible liabilities that have to be available to absorb losses in the event of resolution (see Chapter 5 on Risk factors and Pillar 3/Regulatory indicators and ratios).

Mutual shareholders

Holders of mutual shares, which make up the capital of the Local Banks, and the Local Banks own the share capital of the Regional Bank with which they are affiliated. They receive returns in respect of their mutual shares, the interest rate on which is capped by law. The members come together once a year at the Annual General Meeting at which they approve the financial statements of the Local Banks and elect its Directors. Each individual member has one vote at these general meetings, irrespective of the number of mutual shares that she/he owns.

Mutual shares

Portion of the capital of a Local Bank or Regional Bank. Mutual shares receive an annual interest payment. Ownership units are reimbursed at their nominal value and give no right to reserves or to liquidation proceeds

NAV per share - *Net asset value per share/***NTAV per share -** *Net tangible asset value per share**

One of the methods for calculating the value of a share. Net asset value per share represents the net equity Group share divided by the number of shares in issue at end of period.

Net tangible assets per share represents the tangible net equity Group share, *i.e.* after deduction of the Group share in intangible assets and goodwill, divided by the number of shares in issue at end of period (see calculation tables at the end of this glossary).

Net income Group share

Net income/(loss) for the financial year (after corporate income tax). Equal to net income less the share attributable to non-controlling interests in fully consolidated subsidiaries.

NPS *Net Promoter Score*

Index measuring how likely customers are to recommend their bank to their family and friends. Based on polling conducted every quarter, this index reflects the number of customers who are critical of, neutral on or willing to promote the bank.

NSFR *(Net Stable Funding Ratio)*

Ratio intended to promote longer-term resilience through the introduction of additional incentives for banks to fund their activities using more stable sources of finance (namely with longer maturities). This structural liquidity ratio covering a one-year period has been designed to provide a viable structure for asset and liability maturities.

Operating income

Calculated as gross operating income less the cost of risk.

P/E ratio *(price/earnings ratio)*

Ratio of the share price to earnings per share. For shareholders, it represents the number of years' earnings needed to recoup their initial investment. It is an indicator used to compare different stocks within the same sector of activity, for example. A high P/E rating reflects expectations of strong earnings growth or a situation where a company's value is not fully reflected in its earnings (e.g. it may have substantial cash holdings). If a company has a P/E of 15x, it is said to capitalise its earnings 15 times.

Rating agency

Organisation specialised in assessing the solvency of issuers of debt securities, i.e. their ability to honour their repayment obligations (principal repayments and interest payments over the contractual period).

Resolution

Shortened form of "resolution of crises and bank failures". In practice, two types of plan need to be drawn up for every European bank: 1) a preventative recovery plan prepared by the bank's senior managers, and 2) a preventative resolution plan put in place by the competent supervisory authority. Resolution is before bankruptcy of the bank, to plan its ordered dismantling and avoid systemic risk.

Revenues

Difference between banking income (interest income, fee income, capital gains from market activities and other income from banking operations) and banking expenses (interest paid by the bank on its funding sources, fee expenses, capital losses arising on market activities and other expenses incurred by banking operations).

Risk appetite

Level of risk that the Group is willing to assume in pursuit of its strategic objectives. It is determined by type of risk and by business line. It may be stated using either quantitative or qualitative criteria. Establishing the risk appetite is one of the strategic management tools available to the Group's governing bodies.

RoE - *Return on Equity**

Indicator measuring the return on equity, calculated by dividing a company's net income by its equity.

RoTE - *Return on Tangible Equity**

Measures the return on tangible equity (the bank's net assets restated to eliminate intangibles and goodwill).

RWA - *Risk-Weighted Assets*

Assets and risk commitments (loans, etc.) held by a bank weighted by a prudential factor and based on the risk of loss and used, when added together, as the denominator for various capital ratios.

SICAV *(Société d'investissement à capital variable) - open-ended investment company*

A type of UCITS which enables investors to invest in a portfolio of financial assets without holding them directly and to diversify their investments. It manages a portfolio of stocks or other assets and may specialise in a specific market, an asset class, an investment profile, or a specific sector. From a tax perspective, a SICAV unit is like a share.

Solvency

Measures the ability of a business or an individual to repay its debt over the medium to long term. For a bank, solvency reflects its ability to cope with the losses that its risk profile is likely to trigger. Solvency analysis is not the same as liquidity analysis. The liquidity of a business is its ability to honour its payments in the normal course of its business, to find new funding sources and to achieve a balance at all times between its incomings and outgoings. For an insurance company, solvency is covered by the Solvency 2 Directive, see Solvency 2.

* *APM indicator*

The definitions of the underlined words can be found in the Glossary on page 542.

Solvency 2

European directive on insurance and reinsurance undertakings intended to ensure that they comply at all times with their commitments towards policyholders in view of the specific risks incurred by such businesses. It aims to achieve an economic and prospective assessment of solvency based on three pillars – quantitative requirements (Pillar 1), qualitative requirements (Pillar 2) and information for the public and the supervisor (Pillar 3). Adopted in 2014, it was enacted into national law in 2015 and came into force on 1 January 2016.

SRI *(Socially Responsible Investing)*

Systematic and clearly documented incorporation of environmental, social and governance criteria in investment decisions.

Stress tests

Exercise simulating extreme economic and financial conditions to study the ramifications on banks' balance sheets, profit and loss and solvency in order to measure their ability to withstand these kinds of situations.

Subordinated notes

Issues made by a company, the returns on and/or redemption of which are contingent upon an event (conditional upon payment of a dividend or achievement of an outcome).

Systemically important bank

Crédit Agricole Group appears on the list of the 30 global systemically important banks (G-SIBs) published by the Financial Stability Board (FSB) in November 2012 and updated in November 2016. A systemically important bank has to put in place a basic capital buffer of between 1% and 3.5% in relation to Basel 3 requirements.

TLAC *(TLAC ratio) - Total Loss Absorbing Capacity*

Designed at the G20's request by the Financial Stability Board. It aims to provide an indication of the loss-absorbing capacity and of the ability to raise additional capital of the systemically important banks (G-SIBs) (see Chapter 5 on Risk factors and Pillar 3/ Indicators and regulatory ratios).

Treasury shares

Shares held by a company in its own capital. Shares held in treasury do not carry a voting right and are not used in EPS calculations as they receive no dividend and have no right to reserves.

UCITS - *Undertakings for Collective Investment in Transferable Securities*

Portfolio of negotiable securities (equities, bonds, etc.) managed by professionals (management companies) and held collectively by retail or institutional investors. There are two types of UCITS – SICAVs (open-ended investment companies) and FCPs (mutual investment funds).

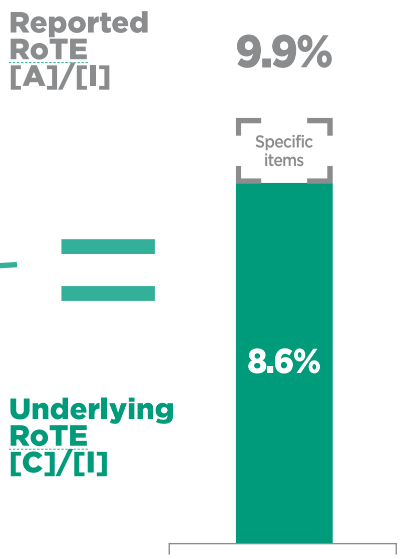
VaR - *Value-at-Risk*

Synthetic indicator used to track on a day-to-day basis the market risks taken by the Group, particularly in its trading activities (VaR is calculated using a 99%-confidence interval, over one day, in line with the regulatory internal model). Reflects the largest exposure obtained after eliminating 1% of the most unfavourable occurrences over a 1-year history.

DATA PER SHARE AND PROFITABILITY OF TANGIBLE CAPITAL

(€m)		2016
Net income Group share		3,541
- Interests on AT1, before tax, including issuance costs		-474
Net income Group share attributable to ordinary shares	[A]	**3,067**
Total shares in issue, excluding treasury shares (average number)	[B]	2,736.9
Net earnings per share	[A]/[B]	**1.12 €**
Dividend per share		**0.60 €**
Underlying net income Group share		3,137
Underlying net income Group share attributable to ordinary shares	[C]	**2,663**
Underlying net earnings per share	[C]/[B]	**0.97 €**

(€m)		31/12/2016
Shareholder's equity Group share		58,277
- AT1 issuances		-5,011
- Unrealised gains and losses on AFS - Group share		-3,779
- Payout assumption on annual resuts		-1,716
Net not revaluated asset attributable to ordinary shares	[D]	**4,771**
- Goodwill & intangibles(1) - Group share		-15,479
Net tangible not revaluated asset attributable to ordinary shares	[E]	**32,292**
Total shares in issue, excluding treasury shares (period end)	[F]	2,843.3
Net asset value per share, after deduction of dividend to pay (€)	[D]/[F]	**16.8 €**
Net tangible asset value per share, after deduction of dividend to pay (€)	[G] = [E]/[F]	**11.4 €**
+ Dividend to pay for the year (€)	[H]	**0.6 €**
Net tangible asset value per share, dividend to pay included (€)	[G]+[H]	**12.0 €**
Average net tangible not revaluated asset attributable to ordinary shares	[I] = AVG[E]	**31,054**



(1) *Including goodwill in non-controlling interests.*

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