INDOSUEZ
WEALTH MANAGEMENT

/18

Annual Report 2018

CA Indosuez Wealth (Europe)

CRÉDIT AGRICOLE GROUP

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Crédit Agricole Group

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A whole bank just for you

Crédit Agricole has been its customers trusted partner for the past 125 years, and remains faithful to its customer focus, accountability and solidarity values.

Crédit Agricole is committed to establishing long-term relationships with all its customers, to support their projects, prepare for life's uncertainties and protect their interests.

Serving all types of customers, from low-income families to High Net Worth Individuals, from local merchants to farmers and multinationals, committed to transparency, loyalty and straightforward information.

Its customer-focused universal banking model underpins an ambitious Customer Project focused on building comprehensive and long-lasting relationships. The synergy between Crédit Agricole's different businesses provides each customer with a diverse pool of expertise and a distribution model that delivers a 100% human, 100% digital banking experience.

The Group aims for excellence in customer relations to the benefit of all, with:

day-to-day banking, lending and savings products, insurance, asset management, wealth management, leasing, factoring, corporate and investment banking, asset servicing, payment services and real estate.

Crédit Agricole's Corporate Social Responsibility policy lies at the heart of its cooperative and mutual identity, and its ambition.

It actively addresses environmental and social issues by supporting progress and change.

Systematic integration of climate risk into its financing and investment strategies (for asset management and insurance), as well as the bank's increasing involvement in renewable energy projects and its support to customers transitioning to a low-carbon economy illustrate its commitment.

This policy is embodied by the engagement of its 141 000 employees.

#1 Bancassurer in Europe
Provider of financing to the French economy European asset manager

51 M
customers

47
countries

141 000
employees

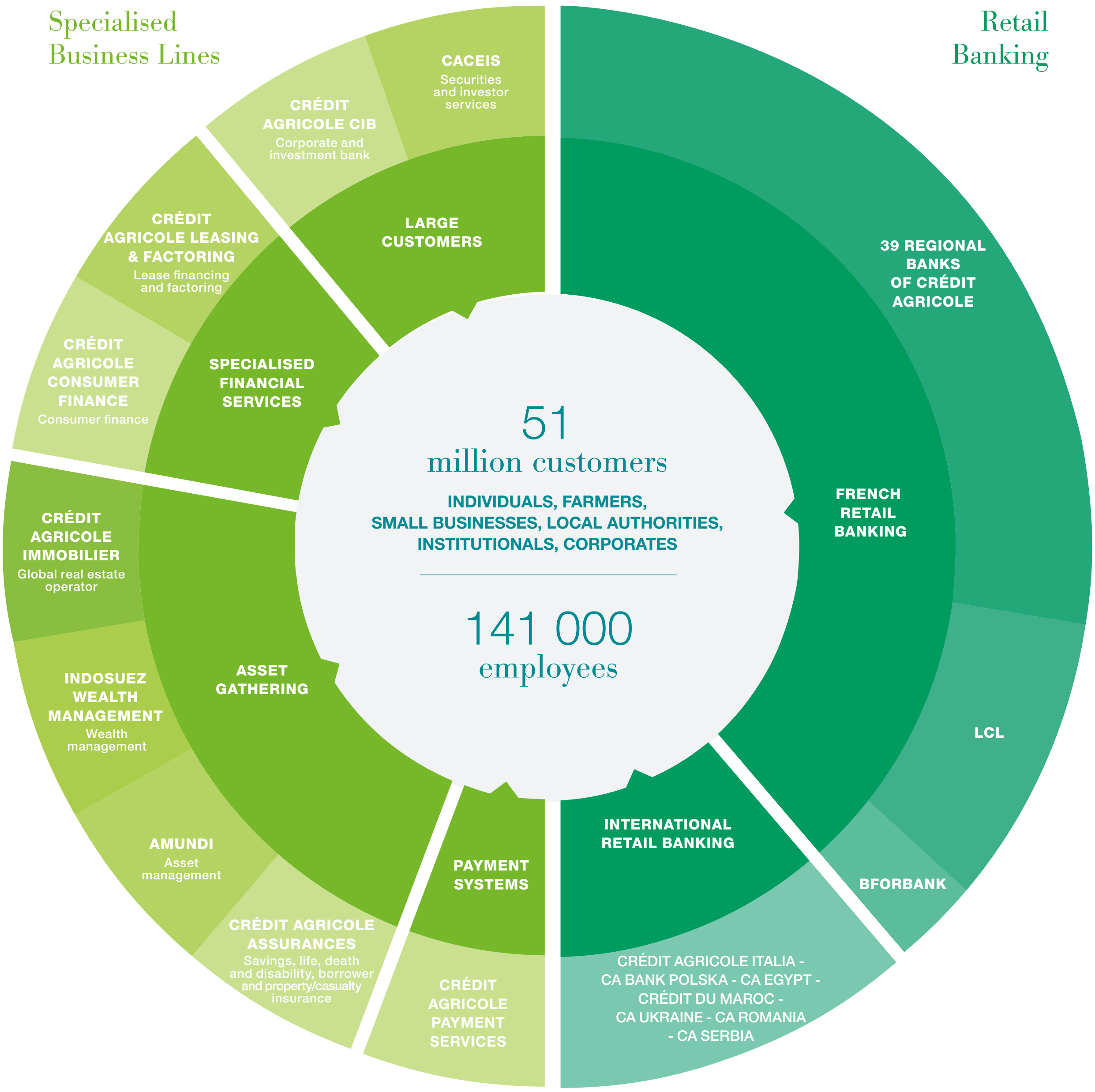
Group Organisation

More than 10 million mutual shareholders underpin Crédit Agricole's cooperative organisational structure. They own the capital of the 2 432 Local Banks in the form of mutual shares and they elect their representatives each year. More than 30 000 directors work in their best interests.

The Local Banks own the majority of the 39 Regional Banks' share capital.

The Regional Banks are cooperative regional banks offering their customers a comprehensive range of products and services. Their sounding board is the Fédération Nationale du Crédit Agricole, where the Group's strategic vision and policies are discussed.

Together, the Regional Banks own, via SAS Rue La Boétie, the majority (56.3%) of the share capital of Crédit Agricole SA. Working with its specialist subsidiaries, Crédit Agricole SA coordinates the various business lines' strategies in France and abroad.



Other specialised subsidiaries: Crédit Agricole Capital, Investissement & Finance, (Idia, Sodica), Uni-Médias

For 140 years we have advised entrepreneurs and families all over the world, supporting them with expert financial advice and exceptional personal service.
Today, we work alongside our clients to help them build, protect, and transmit their wealth.
As “Architects of Wealth” we offer state-of-the-art advice and unsurpassed service to define efficient wealth structures and best-in-class investment solutions.
By doing so, we ensure our clients can focus on achieving their personal goals, while relying on the flawless execution of our traditional Wealth Management services and the precision of the banking and financial services of Crédit Agricole Group.

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Indosuez Wealth Management

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Message from the General Management
of Indosuez Wealth Management Group

Investors will see 2018 as a transition year. The combination of geopolitical uncertainty and tensions over protectionism caused a market downturn. Moreover, ever-increasing regulatory sophistication and the competitive environment put strong pressure on both our costs and earnings.

Although these headwinds impacted our levels of activity, these remained steady thanks to the commitment of all our teams across the world, as well as our broad and distinctive offering.

A key achievement in 2018 was the completion of major projects, enabling our Bank to enter a new phase.

We consolidated our international positioning and successfully integrated a number of staff from our recent acquisitions in Asia and Monaco. In addition, we have hired new staff in Spain and the Middle East. The know-how of these new team members will enable us to strengthen our position on our most important markets.

The wealth management regulatory framework was tightened again during the year. The adaptation of our compliance and financial security standards in line with the stricter requirements of the Crédit Agricole Group remains a priority.

In this rapidly changing world, we have embarked on a major transformation, including the spin-off of Azqore, and Capgemini's acquisition of a stake in the new subsidiary. The two groups now have

Jean-Yves Hocher

Chairman
CA Indosuez Wealth (Group)

everything they need to pursue their strategic ambitions and create a new global benchmark in technology outsourcing services and banking transactions in the wealth management sector.

In 2019, we will continue to implement the transformation in progress in an agile way and build on our foundations. Our choices and achievements will be inspired by our steadfast commitment to make the client experience the best it can be, by improving the quality of our services and stepping up our operational and commercial efficiency.

We will accelerate our digitisation initiatives and continue our business development, while developing synergies with the Crédit Agricole Regional Banks and the Major Clients division.

We will expand our offering in order to meet the requirements of a growing number of clients worldwide (Socially Responsible Enterprise, real estate, financing).

In accordance with our deeply held convictions and our clients' expectations, we will continue our action plan aimed at promoting socially responsible investment.

We face many challenges, and our strategy is ambitious: we can leverage the appeal of our brand, the strength of our international network, the diversity of our talents, and the synergies generated with the Credit Agricole Group, along with its support, in order to offer our clients the best in wealth management services.

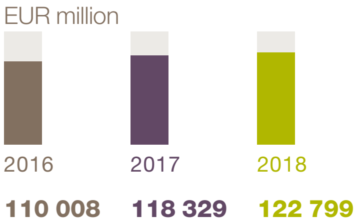
Jacques Prost

Chief Executive Officer
CA Indosuez Wealth (Group)

Our network and our key figures

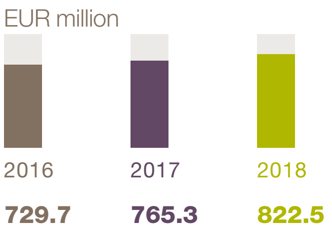
as of 15 October 2019

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



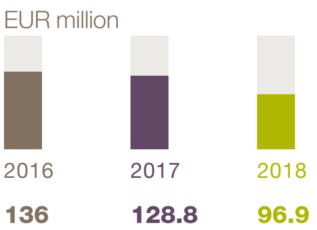
Assets under management

In 2018, the financial markets suffered a number of heavy losses which were exacerbated in the fourth quarter. Notwithstanding negative market and forex impacts (EUR -3.9bn), assets entrusted to the Indosuez Wealth Management group rose +3.6%, which is a sign of sustained sales momentum with net inflows of nearly EUR 5bn. Furthermore, 2018 was marked by the onboarding of assets from Banca Leonardo (EUR 5bn) in the second quarter.



NBI

Net Banking Income (NBI) rose by EUR 57.1m (i.e. +7%) in 2018, reaching EUR 822.5m. Negative forex impacts (EUR -12.4m) combined with the coming into effect of new regulations in Europe (EUR -16.5m) and the downturn in the financial markets (EUR -14m) were more than offset by positive aspects.
In fact, acquisitions in 2016 (a referral agreement in Monaco for HSBC clients) and in 2017 (acquisition of CIC's wealth management business in Asia) made a positive contribution to the increase in NBI (EUR +41m) in addition to the integration of Banca Leonardo (EUR +17.5m) and teams based in Spain (EUR +2.2m), i.e. a total of more than EUR 60m.
Furthermore, NBI directly related to sales remained strong, increasing of EUR 22.5m compared to 2017.



GOI

In 2018, gross operating income (GOI) fell compared to the previous year. It was particularly hurt by a number of different non-recurring expenses related to recent acquisition activities and by the costs associated with new regulatory requirements.

Geographic vision by country of residence

- 39.5 % Europe (including Switzerland and Monaco)
- 36.5 % France
- 9 % Asia-Pacific
- 8 % Middle East & Africa
- 6 % Latin America
- 1 % Eastern Europe

Solid client diversification thanks to our multiple growth drivers

Asset allocation

- 23 % Funds
- 20.5 % Cash assets
- 19.5 % Bonds
- 16 % Life insurance
- 13 % Equity
- 5 % Other (including Private Equity)
- 3 % Structured products

Diversified asset allocation, which results from our goal of protecting and growing our clients' wealth.

14

countries

3150

employees representing an array of expertise

2018 Macroeconomic analysis
and 2019 financial market outlook

“We can see that uncertainty about general economic policies has reached its highest level in more than twenty years. Ultimately, this has proven to be harmful for investment, both materially and monetarily.”

Paul Wetterwald
Chef Economiste
Indosuez Wealth Management

2018: Politics takes revenge on economics

There were many political uncertainties in 2018 which, for the most part, have not completely disappeared – quite the opposite. As such, intra-European tensions, in particular those linked to Brexit and to Italy's budget, the trade war started by the United States against China and Europe (and, albeit to a lesser extent, against its neighbours, Canada and Mexico) and, more generally, the rise of populist movements, made economic policy increasingly unclear. Uncertainty over general economic policy has reached its highest level in more than twenty years. Ultimately, this has proven to be harmful for investment, both materially and monetarily.

Robust growth achieved in 2018

This phenomenon managed to obscure the fact that last year economic growth was robust just about everywhere. In the developed economies, the surprise came from the United States, where GDP, annualised in real terms, rose by 4.2% and 3.4% in the second and third quarters, respectively, i.e. at a pace well above the long-term potential of the US economy. This has to do with the stronger than expected impact of the tax reform advocated by Donald Trump.

Among the emerging market economies, it has to be said that despite the uncertainties surrounding China's economy, it has been able to maintain a high rate of growth, i.e. 6.4% from Q4 2017 to Q4 2018. This means that China is responsible for more than one-third of world growth.

That said, world growth faltered at the end of the year, approaching a pace that we would characterise as more normal. Although we have probably moved beyond peak growth, it is too early to start talking about recession.

A temporary rise in inflation

Our 2018 oil price scenario predicted an average price of USD 65 (for WTI), which proved to be very close to reality. On the other hand, we did not expect to see so much oil price volatility. The increase in oil prices between September 2017 and September 2018 reacted with a degree of lag to the rate of inflation, which briefly flirted with 3% in the United States and exceeded 2% in the Euro Zone. With the sharp decline in oil prices in the autumn of 2018, we expect that a base effect driving consumer price indices (CPI) down will be felt in the next few months. This will impact not only headline inflation but also core inflation (i.e. excluding energy and food prices). In fact, the cost of transport, which is one item included in the calculation of core inflation but not headline inflation, is obviously strongly impacted by energy prices.

Unemployment down further

On the other hand, the significant improvement in the labour market continued. In the Euro Zone, unemployment amounted to 7.9% in November, its lowest since December 2008. In the United States, unemployment in December was 3.8%, a figure that has not been seen since December 1969.
This improvement could ultimately lead to a stronger rise in wages and solve the Phillips Curve conundrum by "reviving" the inverse relationship between unemployment rates and wage fluctuations.

Slightly less accommodative monetary policies in 2019

Recent monetary policies are not expected to change drastically, given:

- the continuation of Fed funds rate hikes and the US central bank's shrinking balance sheet;
- the tightening of monetary policy in the Euro Zone with a potential increase in key rates by the European Central Bank (ECB) in late 2019;
- the positioning of the Swiss National Bank in reaction to the ECB and not as the first-mover;

"The level of interest rates in US dollars make short-term investments in this currency look fairly attractive. Moreover, the greenback has been buoyed by the interest rate differential and has proven to be the strongest currency in 2018 except for the Japanese yen."

- strong monetary stimulus in China by shifting the focus away from the banking sector crackdown while simultaneously revitalising economic activities.

The Fed Funds Rate (USD) could reach 3% by the end of 2019 while the ECB's refinancing rate (EUR) could be increased to 0.25%.

We think a disorderly Brexit will be avoided, and so the Bank of England is expected to raise rates in 2019.

In Japan, the 2% inflation target was put on hold so priority can be given to managing the yield curve. The recent downward revision of wage growth data will only encourage the Bank of Japan to maintain its accommodative monetary policy.

Lastly, given Fleming's trilemma (a theory that states that it is impossible to have a fixed foreign exchange rate, free capital movement and an independent monetary policy the same time), the countries that opted to peg their currency to the US dollar will have to follow the United States' example and tighten their respective monetary policy. This is especially true in many Middle Eastern countries.

Financial markets: *"annus horribilis"*

Ranking followers are having a hard time identifying any asset classes that delivered significant nominal performance in 2018, not to mention real performance.

Within the equity space, there are a few rare exceptions such as the Brazilian equity market (+15% in local currency but 1.8% in USD), or the healthcare and utilities sectors outside the emerging markets.

On the bond market, most indices recorded overall negative performance. If we measure performance in local currency, we note a few exceptions among US, UK and Economic and Monetary Union (EMU) issues, Investment Grade corporate bonds in Japan and, even more surprisingly for casual investors, Investment Grade corporate bonds in China (+7.1%). These Chinese issues also delivered positive nominal performance in US dollars and in euros.

Results were more uneven in the commodities universe. While gold, oil and copper prices all fell, natural gas, wheat and cotton, to mention only a few, delivered positive performances.

If you add sky-rocketing volatility to this bleak picture, you can better understand why many portfolio managers have reported disappointing results.

Does the poor performance of the financial markets also reflect a struggling global economy?

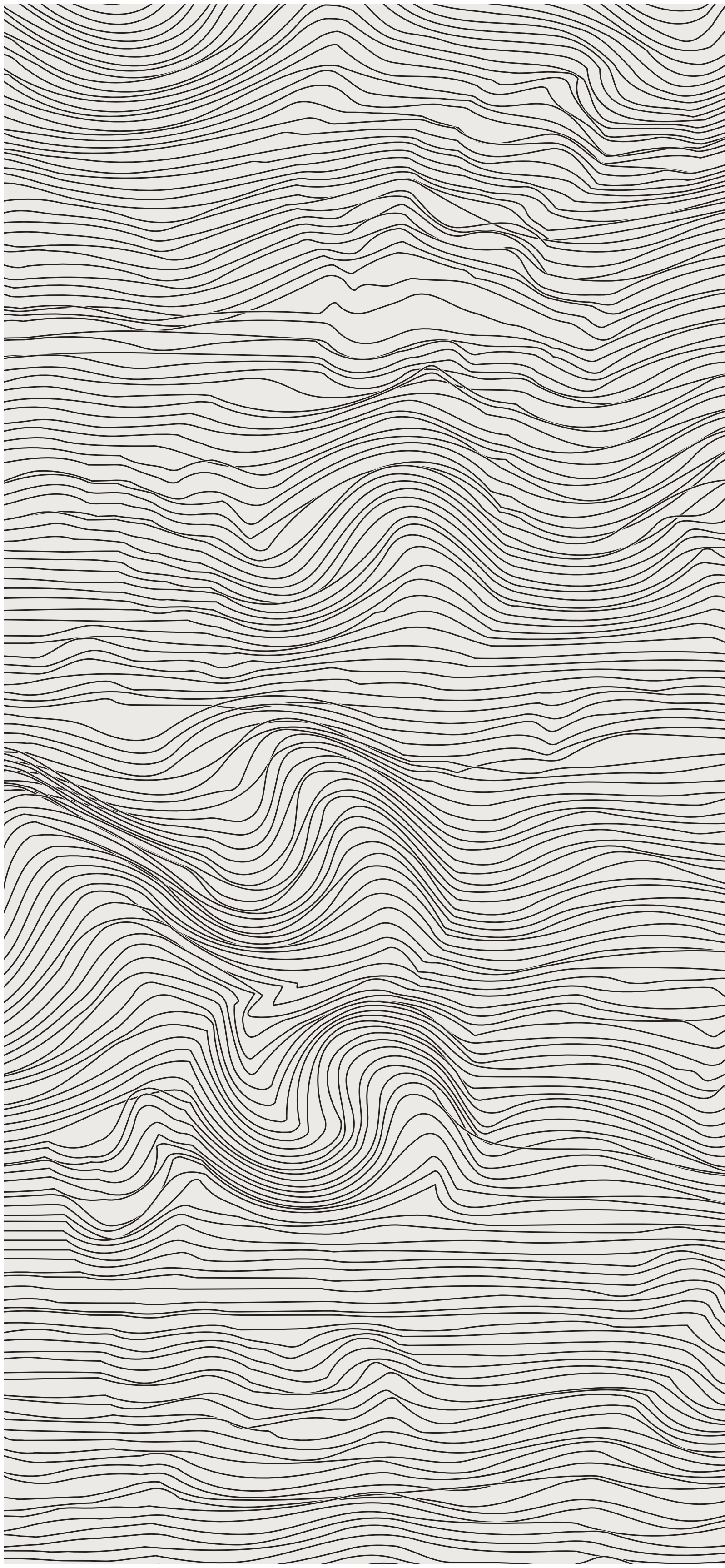
As previously explained, the answer is no. If you look at global growth, which is estimated at 3.4% in real terms for 2018, and given that inflation is generally close to the targets set by the major central banks, the two culprits that probably bear most of the responsibility for the poor results this year are
i) competition resulting from the higher interest rates paid on short-term dollar deposits and
ii) the presumed capacity of the markets to anticipate large-scale problems.

Admittedly, the level of interest rates in US dollars make short-term investments in this currency look fairly attractive. Moreover, the greenback has been buoyed by the interest rate differential and has proven to be the strongest currency in 2018 except for the Japanese yen.

Although short-term interest rates in US dollars are undeniably rising, we have a few doubts as to the validity of the second explanation. Neither European uncertainties nor the rise in protectionism are expected to derail the global economy in 2019.

Therefore, if our analysis is confirmed, it is too early to sell off risky assets.

Sent to press 25/01/2019.



Azqore, one of the subsidiaries of the Indosuez Wealth Management group dedicated to outsourcing services and banking transactions

Pierre Dulon

Azqore CEO

"2018 was the rebirth year: the company launch, rebranding and the signature of a partnership agreement with Capgemini. Azqore now has the building blocks to successfully complete its business development plan and help the Indosuez Wealth Management group with its own transformation."

Azqore SA, formerly Crédit Agricole Private Banking Services (CA-PBS), became a new Indosuez Wealth Management subsidiary in 2018.

Via its proprietary S2i platform, Azqore is a service company offering a comprehensive, end-to-end technological solutions, bank transaction processing services and consulting. It provides services to over thirty institutions, inside and outside Crédit Agricole Group, located in 10 countries and representing CHF 160bn in assets under management.

Capgemini's recent 20% investment in Azqore's capital (2 October 2018) confirms the strategic ambition of the two groups to set a global benchmark in technology outsourcing services and banking transactions for the Wealth Management sector and mid-sized universal banks. It is the result of more than five years of successful cooperation between Azqore and Capgemini and is based on the complementary nature of their areas of expertise.

In 2018, Azqore reported a 15% increase in revenues, notably as the result of business success in the Euro Zone and in Switzerland. This year also provided an opportunity to transfer 10 customers to the new UNIX computing platform and to further develop its products in connection with a number of different projects.

Notwithstanding the growth of the business, the quality of back office transactions serving customers remains exceedingly high. Lastly, the increase in the number of employees in the Singapore division to 100 at the end of 2018 reaffirmed its expansion ambitions in Asia.

In 2019 Azqore will continue to pursue its growth strategy in the Euro Zone, Switzerland and Asia while simultaneously completing the IT migration of Indosuez Wealth Management in France and enhancing its digital offering. Azqore can fully count on its new partner, Capgemini, to meet any future challenges.

Key figures

532	119	155
employees in Switzerland (31/12/2018)	*Total balance sheet (in millions of CHF)*	*Revenue (in millions of CHF)*

CA Indosuez Wealth (Europe)

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Activity Report

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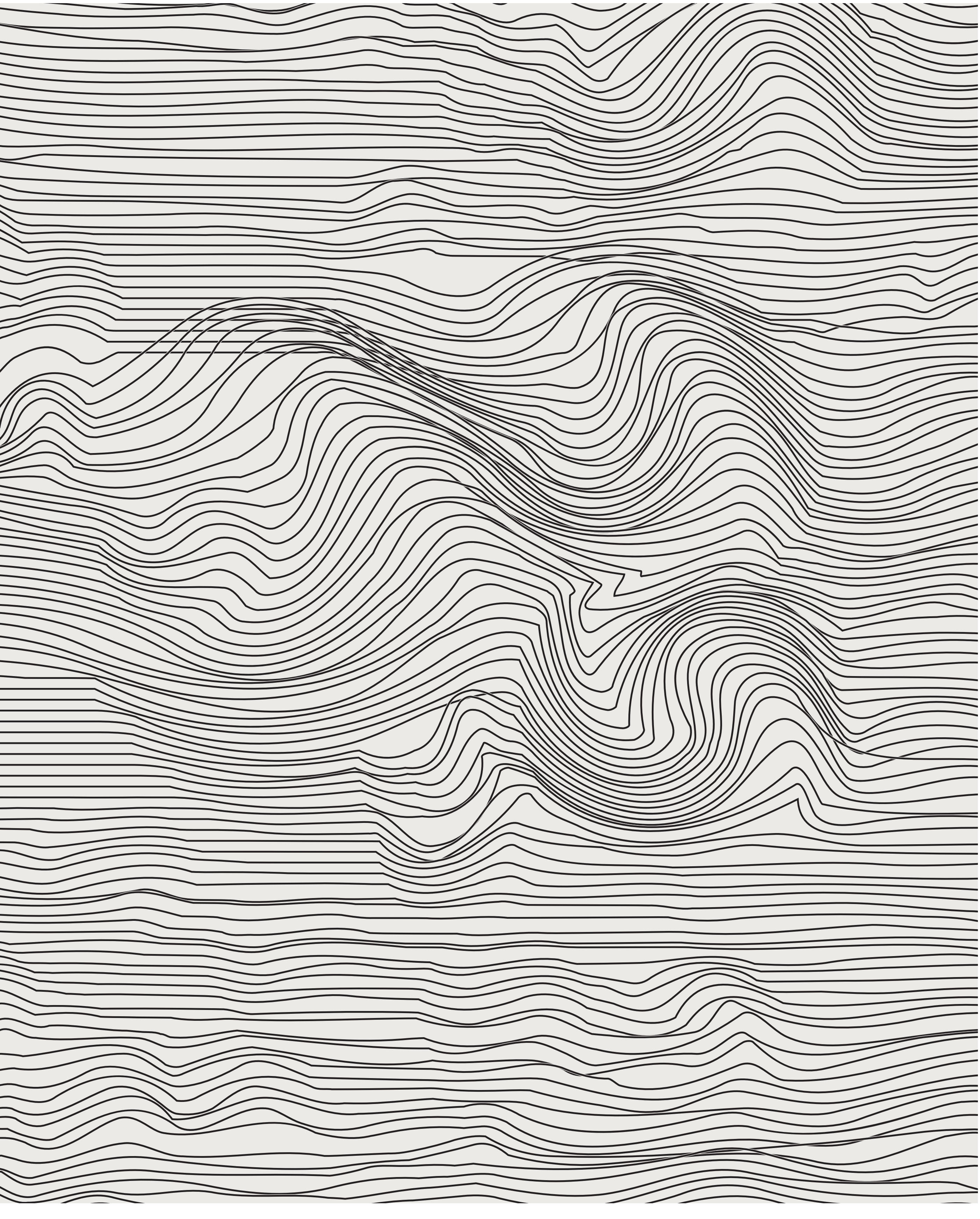

Management bodies
As of 31.12.2018

Board of Directors

Paul de LEUSSE (outgoing on 15/05/2018)
Jacques PROST (incoming on 14/08/2018)
Chairman

Olivier CHATAIN
Chief Executive Officer

Jean-François ABADIE
Director

Bastien CHARPENTIER
Director (incoming on 23/03/2018)

Gaétan des RIEUX
Director (incoming on 25/05/2018)

Paule CELLARD
Independent Director

Jean GUILL
Independent Director
(incoming on 23/03/2018)

Executive Committee

Olivier CHATAIN
Chief Executive Officer

Pierre-Louis COLETTE
Deputy Chief Executive Officer

Nicolas BAYET
Head of Markets, Investment & Structuring

Eric POLGE
Directeur de la Clientèle

Christian MOUFLE
Corporate Secretary

Activity Report
CA Indosuez Wealth (Europe)

CA Indosuez Wealth (Europe), the Crédit Agricole group's main Wealth Management entity in the eurozone, assists its clients, including families, entrepreneurs, associations and foundations, with the management, protection and transferring of their wealth. We combine strong international expertise, within our parent company based in Luxembourg, with the complementary know-how of our domestic network in Belgium, Spain and Italy, to provide bespoke, high added value services to our European clients.

In 2018, CA Indosuez Wealth (Europe) continued to implement its European growth strategy, a process that it began in 2017. In Luxembourg, the appeal of our private banking arm for UHNWI clients has been confirmed, as demonstrated particularly by the increase in new client assets under management. At the Belgian in 2018 the growth strategy took the form of the opening of new office in order to develop our presence in key regions that are rich in potential (in Ghent, in the Flemish region of Belgium). In Italy, the acquisition of Banca Leonardo, announced in 2017, and completed and approved by the regulatory authorities in 2018, is an important step for our development in this country, which is the Crédit Agricole group's second largest domestic market. Thanks to our increased presence as a result of this acquisition and the development of strong synergies with the Group, our short-term ambition is to confirm our position as a leading player in the local Wealth Management market, and to make good on the Group's slogan, "Toute une banque pour vous" (A whole bank for you), with Italy's leading families and entrepreneurs.

This ambitious European development strategy is in keeping with the trend seen within the Wealth Management industry, where the pressure on costs and sales margins linked to the investments resulting from regulatory changes requires development of the asset base to maintain a degree of investment capacity and increase profitability.

For our clients, 2018 first began with the entry into force of MiFID2, which redefined the nature of our relations, with advice that meets their needs as closely as possible, more detailed, enhanced communication from us and more transparent pricing. Our pricing brochure is therefore now supplemented with simulations of costs and fees according to the type of investment chosen.
Our financial service offering, based on three dynamic approaches, namely Discover, Explore and Design, has been recognised and is appreciated by our clients, with the signing of new Advisory contracts worth more than a billion euros. We have also developed and provided these clients with a comprehensive range of new publications available in numerous languages in order to better inform them about developments in the markets and the economy and more effectively assist them with the management of their portfolios.
Lastly, our ever more advanced, bespoke expertise in the structuring of financial products, such as structured products and loans, has resulted in many commercial successes again this year, and proved the full extent of the added value created by our "Markets, Investment & Structuring" division, which has nearly 100 employees in Europe.

2018 was a more difficult year on the financial markets than 2017. Political risk made a comeback last year (with the trade war between the US and China, Brexit and the Eurosceptic government in Italy, amongst other events), and there was a resurgence of country risk in the emerging zone (in Turkey, and in Argentina with its monetary crisis, for instance). Virtually none of the asset classes therefore managed to achieve a positive performance. Credit premiums, for companies, peripheral European countries and emerging countries, were significantly affected. Bonds values plummeted, resulting in a strong fall in liquidity. Finally, the global equity markets ended 2018 very much in the red, unlike in 2017. Against this backdrop of negative performances and rising risks, the number of transactions recorded in our clients' portfolios and the related income decreased compared with last year.

As a responsible operator, our Bank has, moreover, pursued its activities in accordance with ethical and compliance rules. In 2018, we shared a code of conduct with all of our employees to strenghten these rules. The new regulation protecting the personal data of our clients, service providers, suppliers and employees was also implemented during the course of the year. In addition, environmental protection and social issues were fully incorporated within our strategy. Our sustainable and environmentally-friendly paper policy is an example. Under this policy, we now prioritise the use of email and our new digital equipment.

Olivier Chatain

Chief Executive Officer
Head of Executive Committee
CA Indosuez Wealth (Europe)

Development of our Offer

Nicolas Bayet

Directeur Markets, Investment & Structuring CA Indosuez Wealth (Europe)

« 2018 set a new record in terms of volumes traded for both Structured Products and Foreign Exchange & Precious Metals, driven by our clients' appetite for specialised mandates in a low interest rate environment that is conducive to the sale of volatility. »

A global approach and bespoke solutions: our wealth management experts help our clients to structure their assets, invest them, or meet more complex or specific wealth management needs. These are all advantages enabling clients to comfortably get to grips with internationalisation and the increasing complexity of an ever changing environment, of which 2018 was a good example. Our teams have more than one hundred employees in Europe with some sixty investment experts and nearly forty experienced asset engineering professionals. The deployment of the Bank's investment product and service offering is continuing thanks to the contribution of all of Indosuez Europe's entities.

- The Investment Advisory offer was developed in 2018 to provide our clients with a high added value service while ensuring compliance with the Markets in Financial Instruments Directive (MiFID 2). New periodic publications appropriate to each client segment are now available to keep clients better informed about developments in the markets and the economy, and so more effectively assist them with the management of their portfolios with the help of professionals who are fully dedicated to this activity. Overall, our assets under advisory agreements have therefore grown by more than 1.1 billion despite a complex market environment, testifying to the success of this service with our clients.
- Our assets under Discretionary Management were unchanged in 2018, as net inflows offset the negative market effect. Our bespoke mandates using our European and US stock-picking expertise have been really successful. Exceptional

absolute and relative performances were recorded in 2017. Last year, however, the performance of our Indosuez fund range, and the industry as a whole, was subdued, affected by significant sector rotations and the higher volatility in every marketplace and every asset class.

- 2018 set a new record in terms of volumes traded for both Structured Products and Foreign Exchange & Precious Metals, driven by our clients' appetite for specialised mandates in a low interest rate environment that is conducive to the sale of volatility. We decided, furthermore, to consolidate all of this expertise within a single division, named Capital Markets Solutions, to more effectively support our most sophisticated clients with as comprehensive a range of OTC derivatives and structured products as possible.
- Our Private Equity expertise continues to be recognised in the various marketplaces where we operate, with major inflow successes in Italy and Spain. The offering now covers advisory agreements, direct co-investment, investment in thematic baskets, diversified funds of funds and dedicated vehicles, according to the client's 'MiFID' classification.
- The Real Estate product line continued to strengthen its multidisciplinary approach to residential and investment real estate matters, to help our individual clients to acquire, hold, finance and manage their assets under the best possible financial, tax and estate cost conditions. It was structured in 2018 to be able to assist our clients with the financing of commercial real estate assets.
- The Trading Desk accelerated the development of its direct market access offering, which joins the line-up of trading services provided by Indosuez Europe and its branches. It also became the trading hub for the Indosuez Wealth Management group's Swiss entity.

The deployment of this offering within CA Indosuez Wealth (Europe) as part of a matrix-based approach aims to converge offerings, in accordance with national regulations and specific local requirements, and in line with domestic clients' needs.

The presentation of the investment offering as part of a personalised approach is orchestrated by the Investment Services team that supports our Wealth Managers as they work with prospects and existing clients.

Asset engineering, which is now fully incorporated within the Bank's Product range, combines three activities for the benefit of clients:

- The legal and tax advisory business, named Wealth Planning, is at the heart of asset engineering. 2018 saw a greater specialisation of the team's experts, the Wealth Planners, by country and by scenario, in order to adequately respond to the increasing complexity of the regulatory environment in general. Our strength is our ability to support the Wealth Planners based in the branches in Belgium, Italy and Spain and other Indosuez Group entities with the handling of complex cross-border issues.
- The reorganisation of the European company creation/management/domiciliation business, named Corporate Services, was completed in 2018, in order to better serve our major clients.
- The Service Brokerage/Family Partnership business, officially launched at the end of 2017, performed a number of Art and Collections and relocation and concierge intermediation services.

Development of Business in 2018

In a year 2018 when the stock markets fell, investors were more risk averse given the uncertainties surrounding future economic growth and its consequences for company earnings.

Against this challenging backdrop, CA Indosuez Wealth (Europe) nevertheless continued its development efforts targeting major European clients, both directly from its parent company in Luxembourg and through our three European branches, in Belgium, Italy and Spain.
This was achieved by offering these clients an ever-expanding line of services and products and by making experienced specialists available to them. In mid-2018, we took the same approach towards the recently acquired Italian bank Banca Leonardo, where an entire team and a wealth of expertise are there to serve our clients.

« To better cater for our clients' expectations and aspirations, we segmented our service offering in keeping with their needs and the amount of their assets under management. »

Eric Polge

Directeur de la Clientèle
CA Indosuez Wealth (Europe)

Our many sales successes with HNWIs in 2018 were thanks in large part to our capacity to respond rapidly to their needs, and to our ability to assist with asset engineering and credit origination, with a greatly expanded offering.
We also increased the number of products per client for the 11 product lines promoted by the Markets, Investment & Structuring teams.

To better cater for our clients' expectations and aspirations, we segmented our service offering in keeping with their needs and the amount of their assets under management. We also wished to make our pricing clearer, taking steps towards greater transparency.

Finally, we paid constant special attention to improving our reporting to our clients, particularly on tax matters, in order to meet the standards of European domestic operators.

Our subsidiary CA Indosuez Wealth (Insurance Brokerage) continued to offer its insurance brokerage services to clients of the Bank and its branches in Belgium, Spain and Italy, in addition to the CALI Europe products distributed by the Bank.

The life insurance products offered are personalised and meet the specific needs of clients wishing to manage, preserve and transfer their wealth while benefiting from the Bank's management and financing expertise.

There were many regulatory changes in 2018, such as the PRIIPS (Packaged Retail Investment and Insurance Products) regulation and the Insurance Distribution Directive (IDD), that have made the distribution of life insurance policies more complicated.

Baudouin de Marnix
Chief Executive Officer
Indosuez Wealth Management Belgium

Giovanni Bertino
Chief Executive Officer
Indosuez Wealth Management Italy

Marco Migliore
Chief Executive Officer
Banca Leonardo

Antonio Losada
Chief Executive Officer
Indosuez Wealth Management Spain

BELGIUM

The other major event in Belgium in 2018, aside from the far-reaching changes linked to the implementation of new regulations (MiFID 2 and GDPR) and the bearish financial markets, was the introduction of the tax on securities accounts.

In these difficult conditions, our teams successfully continued with the deployment of our particularly comprehensive and differentiating offering, highlighting the contractual advisory service, which some private banks are gradually abandoning, private equity, which is immune to turbulence on the financial markets, and cash management, where some of our clients temporarily find it safer to invest. More specifically, the credit business has also developed strongly.

These successes are the result of a collective commitment from our teams, meeting our clients' more complex demands aimed more than ever at protecting, managing, structuring and transferring their international assets. Our presence in 14 countries is therefore a strength and an advantage appreciated by our clients.

Lastly, the expanding of our teams in the north of the country, with the moving of our Antwerp offices to more central, spacious premises, and the opening of a branch in Ghent will allow us to better serve our clients and prospects.

SPAIN

2018 was another positive year for the Spanish economy, in terms of economic growth, job creation, falling unemployment and price stability.
This positive change in economic conditions must be accompanied by structural reforms, however, which requires a broad consensus and political stability, and is a real challenge for 2019.

Moreover, in 2018, the Spanish financial sector continued the process of restructuring and recapitalisation begun in 2008 when the crisis broke. The savings bank model has virtually disappeared and the Spanish banking sector has shrunk by nearly half over the last nine years.
This transformation has facilitated the concentration of the banking sector between five main Spanish financial groups, which account for 70% of the market.

As a result of the Group's strategic plan, launched at the end of 2017, aimed at making Indosuez Wealth Management a wealth management market leader in Spain, with the hiring of a new CEO and the expanding of its sales, Compliance, Investments and Middle Office teams, the branch met its forecast targets in terms of the increase in its clients' assets (+37%), confirming its target of €6 billion by 2020.

A new branch will be opened in Seville in the first quarter of 2019. In addition, the Branch moved at the start of 2019, into new offices in the Group's iconic building in Madrid, Paseo de la Castellana 1.

Finally, in terms of products and services, the branch continued to develop the 'Redesign' project, whose aim is to increase the range and quality of the services provided to our clients, especially in the Contractual Advisory and Discretionary Management activities. This resulted in an increase in assets under discretionary management (€1.4 billion at the end of 2018, making a 28% rise compared with 2017), in a significantly expanded added-value financial services and products offering, such as private equity, forex, structured products and special mandates and, more generally, in a specialisation in seeking bespoke solutions for our clients.

ITALY

Our teams at the Milan branch successfully continued to bring in new assets from HNWI and UHNWI clients. Their cooperation with the parent company in Luxembourg resulted in some major successes. The credit solution offering, mostly composed of Lombard loans, was maintained and contributed to the development of our business in Italy.

The teams stepped up their cooperation with the other entities within the Crédit Agricole group, for which Italy is the second largest domestic market. They notably actively participated in the creation of the Village by CA Milano, the first start-up incubator created by the Crédit Agricole group outside France.

The branch's commitment to SRI (Socially Responsible Investment) was recognised and recompensed by the Indosuez Wealth Management teams' victory in Italy at the Private Banking Awards 2018, organised by Forbes magazine, in the "SRI Fund Selection" category. The branch was also named at these Awards as one of the top three non-Italian private banks.

CA Indosuez Fiduciaria S.p.A., a trust company under Italian law based in Milan, and a subsidiary owned 90% by CA Indosuez Wealth (Europe) and 10% by Agricole Italia S.p.A., continued the development of its activities serving Crédit Agricole Group clients in Italy, thanks to synergies with the other entities, and especially Banca Leonardo. As part of the Banca Leonardo group's integration, Leonardo Swiss, a Banca Leonardo subsidiary specialised in investments, was sold to CA Indosuez Finanziaria SA.

Following the acquisition of Banca Leonardo, announced in 2017, which was completed and approved by the regulatory authorities in 2018, the teams at CA Indosuez Wealth (Europe) made a strong commitment to this project during this same year. The teams in Italy and at the parent company in Luxembourg worked together to further the combining of these two entities, scheduled for the last quarter of 2019. Banca Leonardo, Gruppo CA Indosuez Wealth Management employees also assisted their clients by gradually giving them access to the Indosuez Wealth Management offering, whose richness, international scope and high level of expertise are real commercial assets.

Changes in the Balance Sheet

Pierre-Louis Colette

Deputy Chief Executive Officer
CA Indosuez Wealth (Europe)

Out of total liabilities of €8.10 billion as at 31 December 2018, client deposits represented €6.89 billion and inter-bank financing reached €0.64 million.

On the asset side, accounts receivable from credit institutions as at the end of December 2018 stood at €2.80 billion and accounts receivable from clients at €2.97 billion.

The Bank's shareholders' equity as at 31 December 2018 stood at€483 million, net income for the financial year included, versus €521 million at the end of 2017.

The Bank did not buy back any of its own shares. It did not have any research and development activities.

Return on assets

As at 31 December 2018, the return on assets of CA Indosuez Wealth (Europe) was close to -0.2%. The return on equity was at -3.7% in 2018, versus 5% in 2017.

Change in income

The loss for the 2018 financial year was €18,447,836 after taxes, compared with a net profit of €25,859,226 in 2017, a decrease of 171%. This loss is linked to the value adjustment recognised in respect of the interest in Banca Leonardo totalling €(31,558,044), less €6,162,839 to be received from the Escrow Accounts as determined at the time of the acquisition.

Without this extraordinary item, the earnings for the financial year would therefore be a pre-tax profit of €6,947,369.

This loss includes a €9,971,263 negative contribution from the Luxembourg entity (including a €25,395,205 negative amount linked to the interest in Banca Leonardo), a €3,294,705 positive contribution from the Belgian branch, and negative contributions of €7,073,085 from the Spanish branch, and €4,698,193 from the Italian branch.

Distributable profit amounted to €13,837,997, taking into account the earnings carried forward of €24,025,283, the loss for the financial year of €18,447,836 and the release of the special reserve for wealth taxes for 2013 for €8,260,550.

The Shareholders' Meeting is asked to carry forward earnings of €13,837,997.

Information on risks

Strategy for using financial instruments

The Bank's policy is to not be exposed to market risk.

Foreign exchange and interest rate risk are systematically hedged with the Crédit Agricole Corporate and Investment Bank Group as part of risk limits set by the Group. The Bank does not have a trading portfolio and is subject to the simplified solvency ratio due to the absence of market risks.

At 31 December 2018, the Bank had limited commitments relating to client transactions in the following instruments: OTC derivatives (forex, equity, etc.) and listed derivatives (such as futures and options); it systematically and fully hedges its derivative transactions, with the Group first and foremost, and with top tier counterparties for certain limited activities, in keeping with EMIR.

The Bank is not active in credit derivative markets.

Quantitative information on financial instruments can be found in note 3 of the notes to the annual financial statements as at 31 December 2018.

Policy and practices for risk management

Liquidity risk

Management of Indosuez Europe's liquidity risk is governed by the Crédit Agricole Group's corpus of management and supervision standards.
These standards are supplemented by standards specific to CA-CIB's activity.

The main objectives are to:

- ensure the availability of an adequate level of liquidity in the short term in a crisis situation, and in the medium term, to ensure the commercial activities' sustainability
- rotect the Group's sales margins against a change in the price of access to liquidity.

The Asset and Liability Management department is responsible for managing liquidity risk based on the decisions of the decision-making body, the Board of Directors (Indosuez Europe), which approves the system for the supervision and management of liquidity risk.

With respect to liquidity risk, the Asset and Liability Management department notably monitors the change in liquidity and the portfolio of high quality, liquid assets (HQLA). Invoicing/internal remuneration grids are defined by CA-CIB's Asset and Liability Management "Scarce Resources" Committee.

Finally, CA-CIB's Market Risk Department (MCR) approves liquidity indicator models and methodologies and helps to define short-term limits. MCR produces short-term liquidity indicators daily (particularly liquidity stress tests) and monitors the consumption of short-term liquidity limits, with the presence in Luxembourg of a team specially dedicated to Indosuez Europe.

In terms of regulatory ratios, at 31.12.2018:

- The LCR (Liquidity Coverage Ratio) is 123%.
- The NSFR (Net Stable Funding Ratio) is 184%.

These regulatory ratios are supplemented each month by ALMM (Additional Liquidity Monitoring Metrics), consisting of regulatory reporting that provides the relevant authorities with an understandable overview of Indosuez Europe's liquidity risk profile.

Interest rate risk

All cash is held by the CA-CIB Group. Differences are managed for up to twelve months while strictly adhering to the 'value at risk' limit set by our parent company.

Foreign exchange risk

Foreign exchange transactions are carried out for private clients with the CA-CIB Group, while adhering to the authorised limits.

Credit risk

Credit is a support product that helps build client loyalty or optimise clients' assets. Credit, particularly for very important clients, has become a strategic component of offerings. However, it must contribute to creating a lasting relationship based on holding assets. It helps build client loyalty or optimise clients' assets. These credit activities are part of a risk strategy designed by Indosuez Wealth Management or by CA-CIB's 'Structured Finance Solutions', 'Structured Finance' and 'Debt Origination and Distribution' business lines..

Operating and other risks

This category includes all other risks not previously mentioned. Operating risk is managed on a daily basis by all employees conducting operations while following strict procedures. In case of an incident, the Permanent Control department ensures that issues are resolved and that corrective measures are established. Ethical and legal risks are monitored respectively by the Compliance department and the Legal department within the framework of specific committees, amongst other things.

Additionally, the Bank has developed a system that aims to support and decentralise, at the business line managerial level, direct monitoring of compliance with applicable regulations and procedures within teams. This is done to guarantee risk management. This system applies to all departments of our Bank, as well as within our branches in Belgium, Spain and Italy.

Risk management procedure

The management and monitoring of credit risks have been placed under the responsibility of the local Risk and Permanent Control (RPC) office of CA Indosuez Wealth (Group) within its 'counterparty risk' unit. The tracking of 'ongoing risks', which particularly include operating risks, is conducted by the Permanent Control department.

Credit decisions

Credit decisions are taken on applications using the principle of double signing. Credit-granting powers are delegated to the Front Office, which makes offers and commitments on credit requests. To grant credit, a member of the Risk and Permanent Control department must issue a favourable opinion (with conditions, if necessary) and provide a second signature validating the request. If an unfavourable opinion is given, the application may be sent to a higher level for a decision in an appeal procedure.

Credit applications also include a counterparty rating system, a central mechanism of the Basel III process, which has been automated since July 2007 for the Wealth Management activities. This system makes it possible to continuously determine capital requirements and contributes to setting a fair price for transactions. An electronic workflow system ensuring that operations are fully traceable was deployed in 2018 for the Luxembourg and Belgian entities. It will be deployed in Spain and Italy in the near future.

Credit-granting powers

Local credit-granting powers are limited to the Wealth Management activities. Direct and indirect counterparty risks relating to banks and other financial institutions are outside the scope of locally delegated powers. Lending to these institutions must be authorised by the CA-CIB Risk Department. However, some 'corporate' operations have been recorded on the ledgers of the Bank within the scope of activities validated by CA-CIB and with its express authorisation.

Integration of Banca Leonardo

Following the acquisition of Banca Leonardo S.p.A. on 30 April 2018, Indosuez Europe has launched many projects aimed at monitoring and reducing the risk profile of its new subsidiary, including introducing committees in line with the Indosuez governance system, eliminating trading activities, concentrating treasury transactions within Indosuez Europe, drastically reducing bank counterparties, adapting the 'Risk Appetite Framework', expanding the Risk and Compliance teams, producing a risk summary, defining a control plan, defining a plan for the convergence of securities pledged as collateral, assigning lending authorisations and introducing Group reporting.

Banca Leonardo uses an IT system ('Cedacri') that is different from Azqore's S2i.

The integration work will continue in 2019.

Human resources

The Human Resources Department's activity included activities linked to the integration of Banca Leonardo's teams and training initiatives introduced to meet the demands of regulators with regard to the knowledge and expertise of employees expected to advise or inform clients about financial products.

As at 31 December 2018, there were 346.79 full-time equivalent (FTE) employees in Luxembourg. The branches had 38.70 FTE employees in Belgium, 74.13 in Spain and 37.5 in Italy. The subsidiary Banca Leonardo had 167.70 FTE at the same date.

Environmental information

Since 2009, CA Indosuez Wealth (Europe) has maintained an internal corporate social responsibility (CSR) programme. Initially oriented towards the environment, the mission of this programme has gradually evolved to cover all three pillars of sustainable development, thanks to joining the Group's CSR programme 'FReD' in 2011.

Indosuez Europe has appointed an individual to coordinate and monitor the proper implementation of corporate social responsibility and the FReD programme.

As part of this programme, Indosuez Europe establishes and monitors a portfolio of 12 projects annually, relying on three leading systems for environmental, social and economic responsibility. These systems establish the general framework for Indosuez Europe's actions:

- **F**IDES: fraud, interests of clients, ethics, market balance, financial security;
- **RE**SPECT: recognition, equality, security, participation, equity, consistency, territory;
- **D**EMETER: dialogue, external factors, markets, ecosystems, transport, energy, resources.

Each action plan includes a schedule, a budget, governance, quantified objectives, indicators and monitoring. The progress of projects is reviewed through an annual evaluation, used as the basis for a progress index.

Since 2015, a CSR Committee for all of the Indosuez Wealth Management Group's entities has been meeting twice a year to unite the entities around a shared CSR policy.

Social report - Non-financial information and information relating to diversity

The act of 23 July 2016 on the publication of non-financial information and information relating to diversity by certain large companies and certain groups (hereinafter the 'NFR Act') applies as of the 2017 financial year. This law requires the companies concerned, including banks, to publish in their management report or in a separate report relevant information on their policies, the related risks and the results obtained with regard to social, environmental, staff, respect for human rights and the fight against corruption, as well as diversity in the composition of their Board of Directors or Supervisory Board.

In accordance with the provisions of the NFR Act, CA Indosuez Wealth (Europe) is exempted from such publication because of the publication of a consolidated report by its parent company Crédit Agricole Corporate and Investment Bank.
This report, known as the 'Registration Document', is available on the CA-CIB website at the following address:

http://insideano.ca.cib/InsideLiveFR/Essentials/MediaLibrary/AnnualReport/Pages/default.aspx

Post-closing events for the financial year 2018 and the outlook for 2019

There have been no particular events likely to affect the accuracy of the numbers for the financial year 2018 that need mentioning.

As part of the integration of the Banca Leonardo group, the merging of our subsidiary with G.B.L. Fiduciaria, a specialised Banca Leonardo subsidiary, is planned for June 2019, and the takeover of Banca Leonardo, whose assets and workforce will be transferred to our branch in Milan, after this has been approved by the Luxembourg, Italian and European regulators, is planned for the fourth quarter. Given Brexit, the Bank has also requested the authorisations required to continue serving its clients in the United Kingdom.

In 2018, our European teams, consisting of more than 500 employees*, together implemented the parent company's strategy, by promoting synergies between the entities in order to make us more efficient, and making our clients and their expectations the focus of our concerns, so that we can give them the best that an international wealth management bank can offer. To conclude, the Board would like to sincerely thank them for their commitment throughout the year.

Luxembourg, 29 March 2019

The Board of Directors

* excluding Banca Leonardo

Key Figures

(in millions EUR)	31.12.18	31.12.17
Total assets	8,094	6,441
Capital and reserves	501	496
Net profit	-18.4	25.9
Year-end permanent staff	532	491
Solvency ratio (COREP)	18%	22%
Return on Equity (ROE)	-4%	5%

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Annual Accounts
CA Indosuez Wealth (Europe)

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Report of the registered independent auditor

To the Board of Directors of
CA Indosuez Wealth (Europe)
Limited Liability Company *(société anonyme)*
39, Allée Scheffer
L-2520 Luxembourg

Report on the audit of the financial statements

Opinion

We have carried out an audit of the financial statements of CA Indosuez Wealth (Europe) (the "Bank") at 31 December 2018 along with the profit and loss account for the financial year ended on that date, and the notes to the financial statements, including a summary of the main accounting methods applied.

In our opinion, the enclosed financial statements give a faithful image of the Bank's financial position at 31 December 2018, and of the results for the financial year ended on that date, in accordance with the statutory and regulatory obligations relating to the preparation and presentation of financial statements in force in Luxembourg.

Basis of opinion

We conducted our audit in compliance with Regulation (EU) No 537/2014, the law of 23 July 2016 on the audit profession (the "law of 23 July 2016») and international audit standards ("ISAs"), as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier ("CSSF"). Our responsibilities under this regulation, this law and these standards are described in more detail in the section "Responsibilities of the registered independent auditor for the audit of financial statements" of this report. We are also independent from the Bank, in accordance with the Code of Ethics for Accountants of the International Ethics Standards Board for Accountants (the "IESBA Code"), as adopted for Luxembourg by the CSSF, and the ethics rules applied to the audit of financial statements, and we have fulfilled the other responsibilities incumbent upon us according to these rules. We consider that the evidence we have gathered is sufficient and appropriate to form the basis of our audit opinion.

Key issues of the audit

The key issues of the audit are the issues that, in our professional judgement, were the most important in the audit of the financial statements for the period under review. These issues were explored within the context of our audit of the financial statements taken as a whole, and for the purposes of forming our opinion regarding them, and we do not express a separate opinion regarding these issues.

KEY ELEMENTS OF THE AUDIT	HOW THESE KEY ELEMENTS WERE ADDRESSED DURING OUR AUDIT

Value adjustments in respect of bad debt

The customer lending activity is a strategic component of the Bank's offer to its non-banking customers.

The Bank's policy is to recognise specific value adjustments in respect of any bad debt or unrecoverable debt resulting from this activity. The total value adjustments correspond to the positive difference between the gross book value of the debts concerned and their estimated recoverable value. The Bank re-examines all of its assets regularly and at least quarterly and assesses whether there is any evidence that a debt has lost value.

We considered that the valuation of value adjustments associated with loans granted to customers constitutes a key element of the audit. In fact, the determination of these value adjustments requires judgement, taking into account the complex and subjective nature of estimating future cash flows, evaluating guarantees received, where applicable, and determining provisioning rates. This element is particularly important since accounts receivable from clients constitute an important component of the Bank's overall balance sheet.

At 31 December 2018, accounts receivable from clients total EUR 2,966.1 million (i.e. 36.6% of the balance sheet total on that same date), taking account of value adjustments posted for EUR 1.4 million.

Refer to note 3 of the notes to the financial statements

We examined the system set in place within the Bank to identify debts to be impaired and to assess the total value adjustments to be entered in the accounts.

We tested the correct application of audit procedures in this matter. This included checks in connection with:

- The process for identification of the sensitive, doubtful nature of debts;
- The process for monitoring limit breaches and guarantees which have become insufficient;
- The review and approval by the competent committees of value adjustments to be recognised, used or written back;
- The process for valuation of guarantees received, where applicable, as hedging of loans granted;
- Determination of specific value adjustments taking account of the quality criterion attributed to the counterparty and estimated future cash flows.

We carried out substantive audit procedures on all impaired loans. We critically examined the assumptions applied by the Bank for the determination of value adjustments.

Furthermore, based on a sample of non-impaired loans - a sample made up of key elements and elements selected randomly -, we critically examined the evidence gathered by the Bank enabling it to consider these debts as not doubtful.

KEY ELEMENTS OF THE AUDIT	HOW THESE KEY ELEMENTS WERE ADDRESSED DURING OUR AUDIT

Provisions for specific risks

The Bank provides its services to a private customer base made up of a large number of customers. Although these activities are carried out in the context of defined internal procedures, the Bank is involved in some disputes with its customers.

Its policy consists of recognising provisions for specific risks when certain conditions are met.

We considered that the valuation of provisions for specific risks constitutes a key element of the audit. In fact, the decision to enter a provision into the accounts or not and the determination of the amount of that provision requires judgement due notably to the difficulty in calculating the outcome of pending disputes. Determination of provisioned amounts is very dependent on the assumptions applied by the Bank.

At 31 December 2018, provisions for specific risks total EUR 2.8 million.

Refer to note 15 of the notes to the financial statements

We took cognisance of the procedure for valuation of provisions for specific risks. Every quarter as a minimum, we met General Management, the Legal Department and key managers of the control functions in this area.

Our work also included the following procedures:

- Assessment of the justification of the assumptions applied by the Bank for determination of the provisions for specific risks based on the documents and information available;
- Analysis of movements in respect of provisions for specific risks observed over the financial year;
- Examination of customer complaints received during the financial year;
- Analysis of responses made by lawyers and external legal advisers hired by the Bank to our requests for external confirmation.

KEY ELEMENTS OF THE AUDIT	HOW THESE KEY ELEMENTS WERE ADDRESSED DURING OUR AUDIT

Acquisition of the company Banca Leonardo

In April 2018, CA Indosuez Wealth (Europe) acquired a 94.06% interest in Banca Leonardo, a banking company governed by Italian laws and regulations; the Sale and Purchase Agreement ("SPA") was signed on 6 November 2017 by the Bank and Banco Leonardo's five majority shareholders.

The acquisition price determined based on contractual clauses was EUR 151.3 million. Part of the acquisition price was deposited in Escrow Accounts, whose operation is described in detail in the SPA, particularly the conditions according to which part of the price paid might accrue to the Bank.

At 31 December 2018, Banca Leonardo generated a loss of EUR 33.5 million due partly to a provision for certain disputes and lawsuits, and value adjustments in respect of bad debt in the amount of EUR 15.5 million.

Some of these amounts, totalling EUR 6.2 million, were allocated to the various Escrow Accounts, in accordance with the contractual provisions. The Bank has therefore recorded a receivable of the same amount against Other operating income.

The Bank then recorded a valuation adjustment of EUR 31.6 million to reflect the deterioration of Banca Leonardo's financial position at 31 December 2018.

At 31 December 2018, the net amount of the Bank's interest in Banca Leonardo was therefore EUR 119.7 million, taking into account a value adjustment of EUR 31.6 million. At this same date, the Bank recorded a receivable of EUR 6.2 million in relation to the Escrow Accounts.

Refer to notes 7, 8, 11 and 22.2 of the notes to the financial statements.

We obtained a copy of the SPA and identified all of the clauses that may have an impact on the financial statements of CA Indosuez Wealth (Europe), more specifically the provisions relating to the determining of the acquisition price, price revisions and the operation of the *Escrow Accounts*.

We verified that:

- The acquisition price was determined in accordance with the contractual provisions;
- The payments to former Banca Leonardo shareholders and into the Escrow Accounts were made in accordance with the agreement's terms. We also obtained proof of the payments made;
- The provisions for disputes and lawsuits and the value adjustments in respect of bad debt recognised by Banca Leonardo that fall within the scope of the Escrow Accounts were correctly evaluated. This included interviews with the heads of legal at both the Bank and Banca Leonardo;
- The share of the Escrow Accounts accruing to the Bank was determined in accordance with the related contractual clauses;
- The value adjustment determined by the Bank was calculated based on Banca Leonardo's financial position at 31 December 2018.

We also sent audit instructions to Banca Leonardo's external auditors and reviewed their working documents.

Other information

Responsibility for other information lies with the Board of Directors. Other information is made up of the information contained in the management report but does not include the financial statements and our registered independent auditor's report on these financial statements.

Our opinion on the financial statements does not extend to other information and we do not express any form of assurance about this information.

Regarding our audit of the financial statements, our responsibility consists of reading other information and, in so doing, assessing whether there is significant inconsistency between that information and the financial statements or the knowledge that we have acquired during the audit, or whether other information seems otherwise to comprise a significant misstatement. If, in the light of the work we have carried out, we conclude on the presence of a significant misstatement in other information, we are required to report this fact. We have nothing to report in this respect.

Responsibilities of the Board of Directors and of the corporate governance managers for the financial statements

The Board of Directors is responsible for a faithful preparation and presentation of the financial statements in accordance with the statutory and regulatory obligations relating to the preparation and presentation of financial statements in force in Luxembourg, and also for the internal control that it considers necessary in order to allow the preparation of financial statements that do not contain any significant misstatements, whether these originate from fraud or from error.

During the preparation of financial statements, it is the responsibility of the Board of Directors to evaluate the Bank's capacity to continue its operation, to communicate, where applicable, the questions relating to continuity of operation and to apply the accounting principle of continuity of operation, unless the Board of Directors intends liquidating the Bank or ceasing its activity or if any other realistic solution is offered to it.

Responsibilities of the registered independent auditor for the audit of the financial statements

Our objectives are to obtain reasonable assurance that the financial statements, considered as a whole, do not contain any significant misstatements, whether these originate from fraud or from error, and to issue a registered independent auditor's report containing our opinion. Reasonable assurance corresponds to a high level of assurance, which does not, however, guarantee that an audit conducted in accordance with Regulation (EU) No 537/2014, the law of 23 July 2016 and the ISAs, as adopted for Luxembourg by the CSSF, will always make it possible to detect all the significant misstatements which might exist. Misstatements may originate from fraud or from error and are considered significant when it is reasonable to expect that, individually or collectively, they might influence the economic decisions which users of the financial statements take based on the financial statements.

In the context of an audit conducted in accordance with Regulation (EU) No 537/2014, the law of 23 July 2016 and the ISAs, as adopted for Luxembourg by the CSSF, we exercise our professional judgement and demonstrate a critical mind throughout this audit. In addition:

- We identify and assess the risks that the financial statements may contain significant misstatements, whether these originate from fraud or error, conceive and implement audit procedures in response to these risks, and bring together sufficient and appropriate proof on which to base our opinion. The risk of non-detection of a significant misstatement resulting from fraud is higher than that of a significant misstatement resulting from error, since fraud can involve collusion, falsification, intentional omissions, false declarations or evasion of internal control;
- We acquire an understanding of the elements of the internal control relevant for the audit in order to conceive audit procedures appropriate to the circumstances and not with a view to expressing an opinion on the effectiveness of the Bank's internal control;

- We assess the appropriate nature of the accounting methods applied and the reasonable nature of the accounting estimates made by the Board of Directors, along with the corresponding information provided by the latter;
- We draw a conclusion regarding the appropriate nature of the use by the Board of Directors of the accounting principle of continuity of operation and, depending on the proof obtained, regarding the existence or not of a significant uncertainty associated with events or situations likely to throw significant doubt on the Bank's capacity to continue its operation. If we conclude on the existence of a significant uncertainty, we are required to draw the attention of the readers of our report to the information provided in the financial statements regarding this uncertainty or, if this information is not adequate, to express a modified opinion. Our conclusions are based on the proof obtained up to the date of our report. However, future events or situations could require the Bank to cease its operation;
- We assess the overall presentation, form and content of the financial statements, including the information provided in the notes, and assess whether the financial statements represent the operations and underlying events in a way likely to give a faithful image.

We advise the corporate governance managers in particular of the extent and envisaged schedule of the audit work and our major findings, including any major deficiencies in internal control that we have noted during our audit.

We also provide the corporate governance managers with a declaration stating that we have complied with the relevant rules of ethics concerning independence and advise them of all the relationships and other factors which may reasonably be considered as likely to have an impact on our independence, along with the related safeguards, if any.

Among the issues communicated to the corporate governance managers, we determine which issues were most important in the audit of the financial statements for the period under review: these are the key issues of the audit. We describe these issues in our report unless legislation or regulation prevent publication of them.

Report on other statutory and regulatory obligations

We were designated as the registered independent auditor by the meeting of the Board of Directors on 5 December 2017, and the total term of our mission, without interruption, including extensions and previous renewals, is 13 years.

The management report conforms to the financial statements and has been drawn up in accordance with the applicable legal requirements.

We confirm that we have not supplied any services other than audit services that are prohibited as referred to in Regulation (EU) No 537/2014 and that we remained independent vis-à-vis the Bank during the audit.

Ernst & Young
Limited company
Registered independent auditing firm

Sylvie Testa
Luxembourg, 10 April 2019

1 / Balance sheet

At 31 December 2018

Assets

(expressed in EUR)	2018	2017
Cash, credit balances with central banks, and post office cheque accounts (Notes 3 and 4)	**1,699,517,606**	**1,306,133,112**
Accounts receivable from credit institutions (Notes 3 and 12)		
Demand debts	550,136,402	357,050,853
Other receivables	2,239,646,527	1,457,105,442
	2,789,782,929	**1,814,156,295**
Accounts receivable from customers (Notes 3, 12 and 23.2)	**2,966,114,097**	**2,565,908,238**
Bonds and other fixed-income securities (Notes 3, 5 and 6)		
From public issuers	95,784,698	335,818,267
	95,784,698	**335,818,267**
Equity interests (Notes 6 and 8)	**45,209**	**45,209**
Shares in affiliated companies (Notes 6, 7 and 8)	**496,361,053**	**376,648,412**
Intangible assets (Note 9)	**131,096**	**227,346**
Tangible assets (Note 10)	**8,406,059**	**8,032,419**
Other assets (Note 11)	**18,518,005**	**12,626,941**
Accruals	**19,987,120**	**21,592,739**
Total assets	**8,094,647,872**	**6,441,188,978**

Equity and Liabilities

(expressed in EUR)	2018	2017
Accounts payable to credit institutions (Notes 3 and 12)		
Demand debts	307,128,003	40,914,684
Debts with agreed maturity dates or notice periods	332,223,470	102,126
	639,351,473	**41,016,810**
Accounts payable to customers (Notes 3 and 12)		
Other debts		
Demand debts	5,116,887,355	4,534,902,781
Debts with agreed maturity dates or notice periods	1,769,090,785	1,248,691,380
	6,885,978,140	**5,783,594,161**
Other equity and liabilities (Note 14)	**26,617,602**	**29,028,743**
Accruals	**15,954,755**	**11,078,100**
Provisions		
Other provisions (Note 15)	41,634,765	52,912,191
	41,634,765	**52,912,191**
Special items with a share in reserves (Note 16)	**2,075,356**	**2,075,356**
Subscribed capital (Notes 17 and 19)	**415,000,000**	**415,000,000**
Reserves (Notes 18 and 19)	**62,458,334**	**59,515,373**
Earnings carried forward (Note 19)	**24,025,283**	**21,109,018**
Earnings for the year Note 19)	**(18,447,836)**	**25,859,226**
Total equity and liabilities	**8,094,647,872**	**6,441,188,978**

The notes are an integral part of the annual accounts.

2 / Off-balance sheet items
At 31 December 2018

Off-balance (expressed in EUR)	2018	2017
Contingent liabilities (Notes 3 and 20.1)	**177,587,365**	**175,130,936**
Of which:		
Guarantees and assets pledged as collateral security	177,587,365	175,130,936
Commitments (Notes 3 and 20.2)	**1,199,889,491**	**638,849,453**
Fiduciary transactions	**66,416,055**	**78,918,775**

3 / Profit and loss account
For the financial year ended 31 December 2018

Expenses (expressed in EUR)	2018	2017
Interest and similar expenses	**51,138,579**	**22,838,716**
Fees paid	**15,708,532**	**20,924,001**
Administrative overhead expenses		
Personnel expenses (Note 23)	72,595,763	72,192,947
of which:		
wages and salaries	*60,624,977*	*60,691,185*
social security contributions	*7,130,921*	*6,730,990*
of which:		
social security contributions for pensions	*2,368,782*	*3,326,602*
Other administrative expenses (Note 24)	58,247,059	52,361,732
	130,842,822	**124,554,679**
Value adjustments on intangible and tangible assets (Notes 9 and 10)	**2,741,091**	**2,454,519**
Other operating expenses (Note 22.1)	**1,275,666**	**4,162,883**
Value adjustments on receivables and provisions for contingent liabilities and for commitments	**14,193**	**459,128**
Value adjustments on securities considered long-term investments, equity interests and shares in affiliated companies (Note 8)	**31,587,160**	**-**
Taxes on earnings from ordinary activities (Note 22.3)	**-**	**13,000,684**
Other taxes not appearing in the above items	**331,148**	**792,112**
Earnings for the year	**-**	**25,859,226**
Total expenses	**233,639,191**	**215,045,948**

Income (expressed in EUR)	2018	2017
Interest and similar income	**85,303,418**	**87,989,498**
of which:		
Interest and similar income from fixed-income securities	*1,509,964*	*44,824,325*
Income from securities		
Income from equity interests	-	839,842
Income from shares in affiliated companies	944,478	-
Fees received	**101,012,843**	**111,560,819**
Earnings from financial transactions	**12,398,698**	**2,149,208**
Other operating income (Note 22.2)	**15,531,918**	**12,506,581**
Loss for the year	**18,447,836**	**-**
Total income	**233,639,191**	**215,045,948**

The notes are an integral part of the annual accounts.

Notes
At 31 December 2018

Note 1 – General information

Crédit Agricole Luxembourg S.A. (hereinafter the "Bank" or "CAL") was formed on 28 February 2003, following approval by the Extraordinary General Meeting of shareholders of Crédit Agricole Indosuez Luxembourg S.A. (hereinafter "CAIL"), as a result of the demerger of CAIL, approved on 10 January 2003 by the Board of Directors of CAIL.

CAIL had been created in the Grand Duchy of Luxembourg on 19 July 1989 in the form of a limited liability company under Luxembourg law.

The demerger of CAIL was carried out by the transfer of its entire asset base on 28 February 2003 with retroactive effect to 1 January 2003 to Crédit Agricole Indosuez Luxembourg S.A. and Crédit Agricole Investor Services Bank Luxembourg S.A.

Crédit Agricole Indosuez Luxembourg S.A. thus took over the traditional activities of services delivered to private customers, including account keeping, lending, custody of securities, portfolio management, investment advice, and related activities.

Following the decision of the Extraordinary General Meeting of shareholders of 1 July 2005, Crédit Agricole Indosuez Luxembourg S.A. proceeded with the takeover merger on 1 July 2005, with retroactive effect to 1 January 2005, of its subsidiary Crédit Lyonnais Luxembourg S.A. (hereinafter "CLL"). The Extraordinary General Meeting also decided on this same date to change the name of Crédit Agricole Indosuez Luxembourg to Crédit Agricole Luxembourg S.A.

As mentioned in the notarised merger declaration dated 26 April 2008, Crédit Agricole Luxembourg S.A. carried out the takeover merger on 26 April 2008, with accounting effect on 1 January 2008, of its subsidiary Crédit Agricole Luxembourg Bank S.A. (hereinafter "CALB").

On 3 November 2011, the Bank became a subsidiary of Crédit Agricole Private Banking through a transfer of the 195,480 shares constituting the Bank's share capital held by Crédit Agricole Corporate and Investment Bank, a bank under French law.

On 6 July 2012, the Bank created a branch in Spain under the name of Crédit Agricole Private Banking España (hereinafter “CAPBE”). In October 2012, this entity took over a private banking business of the Spanish branch of Crédit Agricole Corporate and Investment Banking (“CA-CIB”). The contribution to the total balance sheet was EUR 249 million, 3.1% of the Bank’s balance sheet at 31 December 2018. The impact on the Bank’s net earnings for 2018 was EUR (7,073,085).

On 12 April 2013, the Bank carried out a cross-border merger with its subsidiary Crédit Agricole Van Moer Courtens (“CAVMC”) and created the subsidiary Crédit Agricole Private Banking Belgium (hereinafter “CAPBB”). Its contribution to the total balance sheet was EUR 165 million, 2.0% of the Bank’s balance sheet at 31 December 2018. The impact on the Bank’s net earnings for 2018 was EUR 3,294,705.

On 9 December 2014, the Bank created a branch in Italy under the name of Crédit Agricole Private Banking Italia (hereinafter “CAPBI”). The contribution to the total balance sheet was EUR 186 million, 2.3% of the Bank’s balance sheet at 31 December 2018. The impact on the Bank’s net earnings for 2018 was EUR (4,698,193).

In 2015, the Bank carried out a takeover merger of its subsidiaries CAGP Belgium and Jumillia.

The Extraordinary General Meeting of shareholders of 15 January 2016 decided to change the name of Crédit Agricole Luxembourg to CA Indosuez Wealth (Europe).

Following the decision of the Extraordinary General Meeting of shareholders of 19 December 2016, the Bank carried out the takeover merger on 19 December 2016, without retroactive effect, of its subsidiary CA Indosuez Wealth (Global Structuring) S.A..

The Bank’s registered office is located at L-2520 Luxembourg, 39 allée Scheffer.

Consolidation within the CA-CIB group

The Bank is a subsidiary of Crédit Agricole Private Banking, a bank under French law. As such, the Bank’s annual accounts are included in the consolidated accounts prepared by Crédit Agricole CIB, themselves incorporated into the consolidated accounts of the Crédit Agricole S.A. Group. The consolidated accounts can be obtained from the registered office of Crédit Agricole CIB, 12, place des Etats-Unis, CS 70052, 92547 Montrouge.

Note 2 – Significant accounting policies

The significant accounting policies used by the Bank are as follows:

2.1. Basis of presentation

The consolidated annual accounts were prepared in accordance with generally accepted accounting principles in the banking sector in the Grand Duchy of Luxembourg. Apart from the rules laid down by law and by the Commission de Surveillance du Secteur Financier, the accounting policies and valuation principles were determined and introduced by the Board of Directors.

On the basis of the criteria established by Luxembourg law, the Bank is exempt from the obligation to draw up consolidated accounts and a consolidated management report for the financial year ended 31 December 2018. Accordingly, in compliance with the law of 17 June 1992 as amended, these accounts were drawn up on a non-consolidated basis.

2.2. Foreign currency conversion

The annual accounts are expressed in euros (EUR). The Bank uses the multi-currency accounting method, which involves recording all transactions carried out in currencies other than that of the share capital in the currency or currencies of those transactions. Income and expenses are converted into the currency of the share capital at the exchange rate in force on the date of the transaction.

2.2.1. Spot transactions

Asset and liability items denominated in foreign currencies are converted into the currency of the share capital at the spot rate in force at the balance sheet closing date.

However, equity interests, shares in affiliated companies considered long-term investments, as well as tangible and intangible assets not hedged on the spot or futures market are converted into the currency of the share capital at the exchange rates in force at the date of their acquisition.

Spot foreign currency transactions not yet closed out are converted into the currency of the share capital at the spot rate in force at the balance sheet closing date.

2.2.2. Forward transactions

Forward foreign currency transactions not yet closed out are converted into the currency of the share capital at the forward rate for the remaining term at the balance sheet closing date.

Unrealised foreign exchange losses on non-hedged forward transactions not closed out are recorded in the profit and loss account on the basis of the forward rates for the corresponding terms. Unrealised foreign exchange gains on non-hedged forward transactions are not recognised.

For hedged forward exchange transactions, negative valuation results are offset against previously recognised positive valuation results. A provision is recognised to cover losses that are not offset.

2.2.3. Foreign exchange gains and losses

Foreign exchange gains and losses recorded in respect of forward-hedged spot items and spot-hedged forward items are offset in the accrual accounts. Differences between spot and forward exchange rates (contango, backwardation) are recognised in the profit and loss account on a prorata basis for swaps related to balance sheet items.

Foreign exchange gains and losses recorded in respect of non-forward-hedged spot items are recognised in the profit and loss account.

The main rates used at 31 December 2018 and 2017 are:

	31.12.2018	31.12.2017
EUR/USD	1.1439	1.1993
EUR/CHF	1.1259	1.1701
EUR/GBP	0.8977	0.8872

2.3. Receivables

Receivables are recorded in the balance sheet at their acquisition price, and accrued interest not yet due is recorded in accrued income. The Bank's policy is to recognise, according to the circumstances and for the amounts determined by the responsible bodies, specific value adjustments to hedge the risk of losses and non-recovery for held receivables considered bad debt. These value adjustments are deducted from the assets concerned.

2.4. Debts

Debts are recorded in liabilities at their repayment amount.

2.5. Valuation of securities

For valuation purposes, the Bank has split its securities into three portfolio categories:

2.5.1. Long-term investments portfolio

This comprises fixed-income securities that were purchased with the intention of holding them until they mature as well as equity interests and shares in affiliated companies considered long-term investments.

Fixed-income securities considered long-term investments are recorded at their acquisition price in their original currency. The acquisition price is obtained by adding incidental expenses to the purchase price. They are subject to value adjustments in order to give them the lower value to be attributed to them at the balance sheet closing date if the Board of Directors considers that the impairment will be permanent.

Positive (premiums) and negative (discounts) differences between the acquisition price and the redemption value are recorded on a straight-line basis in the profit and loss account over the residual lifetime of the assets concerned.

Equity interests and shares in affiliated companies considered fixed assets are recorded in the balance sheet at their acquisition price and in the currency of the issuing company's share capital.
The acquisition price is obtained by adding incidental expenses to the purchase price. They are subject to value adjustments in order to give them the lower value to be attributed to them at the balance sheet closing date if the Board of Directors considers that the impairment will be permanent.

Affiliated companies refer to companies between which a dominant influence is directly or indirectly exerted. Equity interests include shares in the share capital of other companies intended to contribute to the company's activity through the creation of a permanent link.

2.5.2. Trading book

The trading book is made up of fixed- and variable-income securities acquired with the intention of reselling them in the short term. These are securities that can be traded on a market in which liquidity can be considered ensured and the market prices are constantly accessible to third parties.

The securities in the trading book appear in the balance sheet at their market value if they are listed fixed-income securities, or at the acquisition cost or market value, whichever is lower, if they are equities or other securities.

At 31 December 2018 and 2017, the Bank had no trading book.

2.5.3. Investment portfolio

The investment portfolio consists of securities acquired for investment or yield purposes or to create liquidity on the secondary market. It also includes securities not meeting the criteria of the two previous categories.

Securities in the investment portfolio appear in the balance sheet at their acquisition cost or market value, whichever is lower.

Premiums (positive differences between the acquisition price and the redemption value) are amortised on a straight-line basis.

2.5.4. Acquisition cost of securities of the same category

The valuation of securities of the same category is based on the weighted average cost method.

2.6. Fixed assets other than long-term investments

Fixed assets other than long-term investments are recorded at their historical acquisition cost.
The acquisition cost is obtained by adding incidental expenses to the purchase price. The acquisition cost of fixed assets with a time limit on use is decreased by value adjustments calculated so as to systematically amortise the value of these items over their estimated duration of use.

In case of permanent impairment, fixed assets with or without a time limit on use are the subject of value adjustments in order to give them the lower value to be attributed to them at the balance sheet closing date. These value adjustments are reversed when the reasons that motivated them have ceased to exist.

2.6.1. Intangible assets

Intangible assets other than goodwill are amortised on a straight-line basis at the annual rate of 33%. Goodwill is amortised over a period of five years.

2.6.2. Tangible assets

Tangible assets other than land are depreciated on a straight-line basis according to their estimated service life at the following rates:

Buildings	2.5% à 10%
Technical facilities and machines	10%
Other installations, tools and furniture	10% à 20%
IT equipment	20% à 33%

2.7. Derivatives

2.7.1. Interest rate swaps

Interest rate swaps traded on an over-the-counter market and not allocated to specific assets or liabilities are valued at the market price. Unrealised losses are recorded in the profit and loss account, whereas unrealised gains are disregarded.

Interest rate swaps traded on the OTC market and concluded for the hedging of the Bank's interest rate positions are not valued at market price.

2.7.2. Options

For options traded on the OTC market and not allocated to specific assets or liabilities, premiums paid or received are recorded in the balance sheet until the option is exercised or until maturity. Commitments in respect of issued options are recorded in off-balance sheet items. Options contracted for hedging purposes are not revalued.

Options not contracted for hedging purposes are valued at their market value. Provisions are recognised for unrealised losses on open positions as well as unrealised net losses on closed positions. Gains are recognised only at the exercise or maturity date.

Options traded on the organised market to hedge transactions in options in the opposite direction also concluded on an organised market and presenting identical characteristics are treated as follows: given that the position in these instruments is closed, the earnings generated from the premiums collected and paid is recorded in the profit and loss account.

2.8. Fixed provision

In accordance with Luxembourg law, the Bank's policy is to recognise a fixed provision calculated on the basis of the risk-weighted assets constituting the denominator of the solvency ratio.
By convention, the calculated fixed provision is deducted from "Accounts receivable from credit institutions - Other receivables". At 31 December 2018, the provision amounted to EUR 11,510,793 (2017: EUR 11,510,793).

Note 3 – Use of financial instruments

3.1. Analysis of financial instruments

3.1.1. Information on primary financial instruments

The tables below provide information about the level of the Bank's primary financial instrument activity, broken down as follows: by book value, by category of financial instruments and depending on the residual lifetime, after deducting the fixed provision.

At 31 December 2018 and 2017, the Bank did not hold primary financial instruments belonging to the trading book.

3.1.1.1. Financial assets at 31 December 2018 - Primary financial instruments (book value)

	PRIMARY INSTRUMENTS					
(book value – in EUR)	Up to 3 months	More than 3 months to 1 year	More than 1 year to 5 years	More than 5 years	No maturity date	**Total**
Instrument categories						
Cash, credit balances with central banks, and post office cheque accounts	1,699,517,606	-	-	-	-	**1,699,517,606**
Accounts receivable from credit institutions *	2,524,457,669	183,764,340	81,560,920	-	-	**2,789,782,929**
Accounts receivable from customers	1,262,048,616	1,023,719,693	498,442,560	181,903,228	-	**2,966,114,097**
Bonds and other fixed-income securities						
From public issuers	38,526,283	46,680,190	10,578,225	-	-	**95,784,698**
Total financial assets	**5,524,550,174**	**1,254,164,223**	**590,581,705**	**181,903,228**	**-**	**7,551,199,330**

* after deducting the fixed provision

3.1.1.2. Financial liabilities at 31 December 2018 - Primary financial instruments (book value)

	PRIMARY INSTRUMENTS					
(book value – in EUR)	Up to 3 months	More than 3 months to 1 year	More than 1 year to 5 years	More than 5 years	No maturity date	**Total**
Instrument categories						
Accounts payable to credit institutions						
Demand debts	307,128,003	-	-	-	-	**307,128,003**
Debts with agreed maturity dates or notice periods	304,544,711	27,632,133	46,626	-	-	**332,223,470**
Accounts payable to customers						
Other debts						
Demand debts	5,116,887,355	-	-	-	-	**5,116,887,355**
Debts with agreed maturity dates or notice periods	922,708,361	783,268,737	61,213,687	1,900,000	-	**1,769,090,785**
Commitments and contingent liabilities	243,155,448	150,946,623	220,504,155	762,870,630	-	**1,377,476,856**
Total financial liabilities	**6,894,423,878**	**961,847,493**	**281,764,468**	**764,770,630**	**-**	**8,902,806,469**

3.1.1.3. Financial assets at 31 December 2017 - Primary financial instruments (book value)

	PRIMARY INSTRUMENTS					
(book value – in EUR)	Up to 3 months	More than 3 months to 1 year	More than 1 year to 5 years	More than 5 years	No maturity date	**Total**
Instrument categories						
Cash, credit balances with central banks, and post office cheque accounts	1,306,133,112	-	-	-	-	**1,306,133,112**
Accounts receivable from credit institutions *	1,704,096,847	44,855,720	44,203,728	21,000,000	-	**1,814,156,295**
Accounts receivable from customers	1,192,505,129	989,456,369	224,293,992	159,652,748	-	**2,565,908,238**
Bonds and other fixed-income securities						
From public issuers	131,875,787	119,289,431	84,653,049	-	-	**335,818,267**
Total financial assets	**4,334,610,875**	**1,153,601,520**	**353,150,769**	**180,652,748**	**-**	**6,022,015,912**

* after deducting the fixed provision

3.1.1.4. Financial liabilities at 31 December 2017 - Primary financial instruments (book value)

	PRIMARY INSTRUMENTS					
(book value – in EUR)	Up to 3 months	More than 3 months to 1 year	More than 1 year to 5 years	More than 5 years	No maturity date	**Total**
Instrument categories						
Accounts payable to credit institutions						
Demand debts	40,914,684	-	-	-	-	**40,914,684**
Debts with agreed maturity dates or notice periods	-	-	46,626	55,500	-	**102,126**
Accounts payable to customers						
Other debts						
Demand debts	4,534,902,781	-	-	-	-	**4,534,902,781**
Debts with agreed maturity dates or notice periods	1,129,846,129	87,141,523	8,803,728	22,900,000	-	**1,248,691,380**
Commitments and contingent liabilities	415,181,608	136,966,457	60,548,127	201,284,197	-	**813,980,389**
Total financial liabilities	**6,120,845,202**	**224,107,980**	**69,398,481**	**224,239,697**	**-**	**6,638,591,360**

3.1.2. Information on derivatives

3.1.2.1. Description of derivatives used

At 31 December 2018, the Bank was engaged in transactions in the following instruments: currency forwards, interest rate swaps and exchange rate and interest rate options for the following purposes: hedging for management of assets/liabilities, working capital, and micro-hedging of customer transactions.

In accordance with its market risk management policy, the Bank hedges its transactions in derivatives with CA-CIB within the "VAR - Value at Risk" limits fixed by the shareholder.

3.1.2.2. Analysis of derivatives used at 31 December 2018

The table below provides information on the level of use of derivatives outside the trading book, broken down on the basis of the notional value and the residual lifetime since the closing date. At 31 December 2018 and 2017, the Bank did not use derivatives for trading purposes.

Derivatives outside the trading book (notional value) at 31 December 2018:

Categories of off-exchange financial instruments (in EUR)	Up to 3 months	More than 3 months to 1 year	More than 1 year to 5 years	More than 5 years	No maturity date
Interest rate instruments					
Swaps	481,141,264	814,477,994	926,675,017	652,782,400	**2,878,076,675**
Options (sold)	-	101,254,800	-	-	**101,254,800**
Foreign currency/gold instruments					
Futures contracts (currencies to be received)	1,025,062,097	166,726,353	11,114,271	-	**1,202,902,721** [1]
Options (sold)	269,438,397	583,895,016	816,610,749	-	**1,669,944,162**
Total	**1,775,641,758**	**1,666,354,163**	**1,757,400,037**	**652,782,400**	**5,852,178,358**

[1] At 31 December 2018, there were no deferred spot exchange transactions outstanding

The tables below provide information on the fair value of financial instruments (excluding options):

Financial assets (in EUR)	Notional amount	Positive fair value [1]
Categories of financial instruments		
Interest rate instruments		
Swaps	1,387,507,704	15,375,633
Foreign currency/gold instruments		
Futures contracts (currencies to be received)	468,653,513	3,844,601
Total	**1,856,161,217**	**19,220,234**

Financial liabilities (in EUR)	Notional amount	Negative fair value [1]
Categories of financial instruments		
Interest rate instruments		
Swaps	1,490,568,971	8,862,815
Foreign currency/gold instruments		
Futures contracts (currencies to be received)	734,249,208	3,224,857
Total	**2,224,818,179**	**12,087,672**

[1] Excluding accrued interest not due.

The Bank uses interest rate swaps for macro-hedging as part of ALM and for micro-hedging for a limited number of transactions on behalf of customers.

Transactions involving options on currencies and interest are exclusively carried out on behalf of customers and are therefore not revalued.

3.1.2.3. Analysis of derivatives used at 31 December 2017

Derivatives outside the trading book (notional value) at 31 December 2017:

Categories of off-exchange financial instruments (in EUR)	Up to 3 months	More than 3 months to 1 year	More than 1 year to 5 years	More than 5 years	Total
Interest rate instruments					
Swaps	515,336,452	590,976,011	835,777,512	605,711,135	**2,547,801,110**
Options (sold)	-	-	97,419,270	-	**97,419,270**
Foreign currency/gold instruments					
Futures contracts (currencies to be received)	492,774,926	90,031,884	8,693,274	-	**591,500,084**[1]
Options (sold)	279,916,907	490,915,762	290,827,437	-	**1,061,660,106**
Total	**1,288,028,285**	**1,171,923,657**	**1,232,717,493**	**605,711,135**	**4,298,380,570**

[1] At 31 December 2017, there were no deferred spot exchange transactions outstanding.

The tables below provide information on the fair value of financial instruments (excluding options):

Financial assets (in EUR)	Notional amount	Positive fair value [1]
Categories of financial instruments		
Interest rate instruments		
Swaps	1,543,473,277	8,237,291
Foreign currency/gold instruments		
Futures contracts (currencies to be received)	278,065,254	4,205,006
Total	**1,821,538,531**	**12,442,297**

Financial liabilities (in EUR)	Notional amount	Negative fair value [1]
Categories of financial instruments		
Interest rate instruments		
Swaps	1,004,327,833	9,186,941
Foreign currency/gold instruments		
Futures contracts (currencies to be received)	313,434,830	3,926,621
Total	**1,317,762,663**	**13,113,562**

[1] Excluding accrued interest not due.

The Bank uses interest rate swaps for macro-hedging as part of ALM and for micro-hedging for a limited number of transactions on behalf of customers.

Transactions involving options on currencies are exclusively carried out on behalf of customers and are therefore not revalued.

3.2. Credit risk

3.2.1. Description of credit risk

Credit risk is the risk that a third party will not meet its commitments according to the terms that had been set. Accordingly, the risk pertains not only to loans and securities but also guarantees, commitments, interbank deposits, forward exchange contracts, swaps, futures, options, etc.

The Bank's credit risk policy is as follows:

- Establishing and monitoring counterparty limits
- Investment in high-quality securities when making portfolio investments
- Prudent management of granted credit facilities. Prior to the development of a credit facility proposal, the following analyses are performed:
    - Analysis of the applicant's situation
    - Analysis of the coverage of the new commitment by a guarantee in favour of the Bank
    - Valuation of the amount of outstandings already existing with the Bank as well as the customer's likely cash position
- The need for the Credit Committee's prior approval for any loan commitment
- The establishment of a Provisions Committee intended to monitor potentially defaulting customers and overdrawn accounts.

3.2.2. Measurement of credit risk exposure

The Bank calculates the credit risk relating to derivatives in accordance with the provisions of the circulars issued by the supervisory authority.

The table below indicates the Bank's degree of credit risk exposure according to the notional amounts, the equivalent risk amount, and the net risk exposure taking into account any collateral.

Credit risk relating to off-market derivatives at 31 December 2018:

(expressed in EUR)	Notional amounts	Amounts exposed to risk	Guarantees	Net risk exposure
Degree of solvency of counterparties (on the basis of external or internal ratings)	(1)	(2)	(3)	(4)=(2)-(3)
Interest rate contracts	2,878,076,675	50,496,518	-	50,496,518
Foreign exchange contracts	1,202,902,721	10,683,519	7,256,528	3,426,991
Total	**4,080,979,396**	**61,180,037**	**7,256,528**	**53,923,509**

Credit risk relating to off-market derivatives at 31 December 2017:

(expressed in EUR)	Notional amounts	Amounts exposed to risk	Guarantees	Net risk exposure
Degree of solvency of counterparties (on the basis of external or internal ratings)	(1)	(2)	(3)	(4)=(2)-(3)
Interest rate contracts	2,547,801,110	44,800,332	-	44,800,332
Foreign exchange contracts	591,500,084	7,421,078	4,383,620	3,037,458
Total	**3,139,301,194**	**52,221,410**	**4,383,620**	**47,837,790**

3.2.3. Concentration of credit risk

The tables below indicate the concentration of credit risk by geographical area and by economic sector.

Geographical concentration

At 31 December 2018:

Geographical area (by country or by area) (expressed in EUR)	Credit facilities and other balance sheet items*	Commitments and contingent liabilities**	Off-market derivatives
EU	5,149,941,337	1,351,238,286	4,865,875,193
Switzerland	1,349,681,383	856,734	246,007,818
Outside EU and Switzerland	1,051,576,610	7,419,787	740,295,347
Total	**7,551,199,330**	**1,359,514,807**	**5,852,178,358**

* Note that the total includes the Bank's assets and receivables as well as bonds.
** Note that the total does not include forward asset sales of EUR 17,962,049.

At 31 December 2017:

Geographical area (by country or by area) (expressed in EUR)	Credit facilities and other balance sheet items*	Commitments and contingent liabilities**	Off-market derivatives
EU	4,396,762,616	784,154,435	3,538,760,289
Switzerland	1,384,166,562	858,245	212,690,599
Outside EU and Switzerland	241,086,734	9,962,464	546,929,682
Total	**6,022,015,912**	**794,975,144**	**4,298,380,570**

* Note that the total includes the Bank's assets and receivables as well as bonds.
** Note that the total includes deferred spot exchange transactions of EUR 19,005,245.

Concentration by economic sector

At 31 December 2018:

Economic sector (expressed in EUR)	Credit facilities and other balance sheet items*	Commitments and contingent liabilities**	Off-market derivatives
Credit Institutions	4,585,085,233	1,196,409,326	3,947,185,870
Other financial intermediaries	108,198,783	10,044,910	58,922,896
Financial holdings	670,302,938	4,459,260	343,364,551
UCITS	487,215,675	2,950,409	959,124,426
Other	1,700,396,701	145,650,902	543,580,615
Total	**7,551,199,330**	**1,359,514,807**	**5,852,178,358**

* Note that the total includes the Bank's assets and receivables as well as bonds.
** Note that the total does not include forward asset sales of EUR 17,962,049.

At 31 December 2017:

Economic sector (expressed in EUR)	Credit facilities and other balance sheet items*	Commitments and contingent liabilities**	Off-market derivatives
Credit Institutions	3,454,620,104	648,554,541	2,995,782,424
Other financial intermediaries	45,443,491	53,652,268	56,205,975
Financial holdings	1,366,685,492	3,619,205	444,542,106
UCITS	68,624,724	-	440,265,648
Other	1,086,642,101	89,149,130	361,584,417
Total	**6,022,015,912**	**794,975,144**	**4,298,380,570**

* Note that the total includes the Bank's assets and receivables as well as bonds.
** Note that the total does not include forward asset sales of EUR 19,005,245.

Note 4 – Cash, credit balances with central banks, and post office cheque accounts

In accordance with the requirements of the European Central Bank, the Central Bank of Luxembourg has put in place, since 1 January 1999, a system of mandatory reserves required of all Luxembourg credit institutions.

At 31 December 2018, the amount of assets with central banks, including the mandatory reserve, was EUR 1,698,978,274 (2017: EUR 1.305.321.117).

Note 5 – Bonds and other fixed-income securities

Bonds and other fixed-income securities break down as follows:

(expressed in EUR)	2018	2017
Securities in the investment portfolio	95,784,698	335,818,267
Total	**95,784,698**	**335,818,267**

At 31 December 2018, “Bonds and other fixed-income securities” consisted solely of securities of public issuers purchased in connection with the establishment of an HQLA (High Quality Liquid Assets) portfolio in order to move towards compliance with the LCR ratio requirement, which will be gradually applicable during the 2016-2019 period under the EU CRD4 regulation.

On 28 December 2009, the Bank subscribed for USD 750,000,000 of bonds redeemable for shares maturing on 25 May 2011 as part of a transaction on behalf of a customer. On 27 December 2011, this transaction was renewed until January 2014 and, as part of this, the Bank subscribed for USD 250,000,000 of new bonds redeemable for shares. This brought the amount of subscribed bonds to USD 1,000,000,000. This transaction was closed on 31 October 2017.

The amount of securities maturing in 2019 was EUR 85,262,680 (2017: amount of securities maturing in 2018: EUR 251,165,218).

Note 6 – Data regarding securities, equity interests and shares in listed and unlisted affiliated companies

At 31 December 2018 and 2017, only the securities in the HQLA portfolio are listed (see note 5).

Note 7 – Shares in affiliated companies

At 31 December 2018, the list of companies in which the Bank holds at least 20% of the share capital was as follows:

Shares in affiliated companies	Head office	Net book value in EUR	Share of share capital held	Equity in foreign currencies [3]		Earnings in foreign currencies	Currency
Immobilière Comète S.à r.l.	Luxembourg	1,490,497	100.00%	1,741,430	[1]	125,584	EUR
The Investors House S.A.	Luxembourg	746	100.00%	1,250,799	[1]	85,666	EUR
IImmobilière Sirius S.A. [b]	Luxembourg	13,174,593	100.00%	4,607,594	[1]	240,148	EUR
Indosuez Management II S.A.	Luxembourg	34,966	100.00%	55,775	[1]	(8,590)	USD
CA Indosuez Wealth (Insurance Brokerage)	Luxembourg	150,021	100.00%	331,987	[1]	72,292	EUR
Financière Lumis	France	351,521,129	100.00%	415,032,994	[1]	(2,074,792)	EUR
S.G.A. Services S.A.	Luxembourg	22,076	100.00%	31,139	[1]	9,963	EUR
Bph Finance S.A. [a]	Luxembourg	225,104	100.00%	204,089	[1]	6,096	EUR
Apeiron Advisors S.A.R.L. [a]	Luxembourg	12,500	100.00%	1,915	[2]	(23,467)	EUR
Gandhara Advisors S.A.R.L. [a]	Luxembourg	12,500	100.00%	3,894	[1]	(3,734)	EUR
Fms Services S.A. [a]	Luxembourg	31,000	100.00%	12,749	[1]	17,363	EUR
CA Fiduciaria [a]	Italy	2,489,422	90.00%	2,221,386	[1]	(263,448)	EUR
Banca Leonardo [c]	Italy	119,700,977	94.06%	113,754,599	[1]	(33,502,304)	EUR

[1] On the basis of the unaudited position at 31 December 2018.
[2] On the basis of the unaudited position at 31 December 2017.
[3] Including earnings for the financial year.

[a] In the opinion of the Bank's Board of Directors, any impairments of shares in affiliated companies at 31 December 2018 are not permanent. Accordingly, no value adjustments were recorded in respect of these shares in affiliated companies at 31 December 2018.
[b] No value adjustments were recognised in respect of this entity given that the properties held by Immobilière Sirius S.A. are maintained at acquisition costs, in accordance with the Luxembourg accounting principles, which are significantly lower than the estimated market values.
[c] At 31 December 2018, the Bank recorded a value adjustment of EUR 31.6 million in respect of its interest in Banca Leonardo, to reflect the decrease in the latter's funds at the end of 2018. At the same time, in line with the mechanisms provided for in the "Sale and Purchase Agreement" signed by the Bank and Banca Leonardo's former shareholders, a EUR 6.2 million receivable was recognised by the Bank at 31 December 2018 (see notes 11 and 22.2) equal to the share of the Escrow Accounts that the Bank believes that it will be able to recover.

Note 8 – Long-term investments

The movements in long-term investments during the financial year can be summarised as follows:

(expressed in EUR)	Equity interests	Shares in affiliated companies	Total long-term investments
Gross value at 1 January 2018	45,209	376,648,412	376,693,621
Incoming/conversion	-	151,304,197 [1]	151,304,197
Outgoing/conversion	-	(33,511)	(33,511)
Gross value at 31 December 2018	45,209	527,919,098	527,964,307
Cumulative value adjustments at 31 December 2018	-	(31,558,045) [1]	(31,558,045)
Net value at 31 December 2018	**45,209**	**496,361,053**	**496,406,262**

[1] In April 2018, the Bank acquired 94.06% of Banca Leonardo's share capital for EUR 151 million. At 31 December 2018, a EUR 31.6 million value adjustment was recorded (see Note 7).

Note 9 – Intangible assets

The movements in other intangible assets can be summarised as follows:

(expressed in EUR)	Softwares 2018	Softwares 2017
Gross value at 1 January	5,662,053	5,586,426
Incoming	-	75,627
Outgoing	-	-
Gross value at 31 December	5,662,053	5,662,053
Cumulative value adjustments at 31 December	(5,530,957)	(5,434,707)
Net value at 31 December	**131,096**	**227,346**

At 31 December 2018 and 2017, the net value of goodwill had a zero balance.

Note 10 – Tangible assets

The movements in tangible assets can be summarised as follows:

(expressed in EUR)	Land and buildings	Technical facilities and machines	Other fixtures and fittings, tools and furniture	Total tangible assets 2018	Total tangible assets 2017
Gross value at 1 January	18,217,212	18,898,235	7,529,250	44,644,697	43,090,492
Incoming	328,875	1,685,279	1,004,742	3,018,896	1,554,205
Outgoing	(1,968)	-	(1,955,400)	(1,957,368)	-
Gross value at 31 December	18,544,119	20,583,514	6,578,592	45,706,225	44,644,697
Cumulative value adjustments at 31 December	(14,967,801)	(17,467,164)	(4,865,201)	(37,300,166)	(36,612,278)
Net value at 31 December	**3,576,318**	**3,116,350**	**1,713,391**	**8,406,059**	**8,032,419**

The net value of land and buildings used as part of own activities was EUR 3,576,318 (2017: EUR 4,436,988).

Note 11 – Other assets

This item primarily consists of the following:

(expressed in EUR)	2018	2017
Amounts due from the tax authorities and VAT	8,051,339	3,779,683
Pension plan investments	507,069	560,962
Escrow accounts (see Note 7)	*6,162,839*	-
Other assets	3,796,758	8,286,296
	18,518,005	**12,626,941**

Note 12 – Accounts receivable from and payable to affiliated companies

Assets (expressed in EUR)	2018	2017
Accounts receivable from credit institutions *	2,712,141,176	1,759,339,847
Accounts receivable from customers	6,192,517	4,960,682
	2,718,333,693	**1,764,300,529**

* Before allocation of the fixed provision.

Liabilities (expressed in EUR)	2018	2017
Accounts payable to credit institutions	626,375,494	19,108,175
Accounts payable to customers	539,496,201	550,657,484
	1,165,871,695	**569,765,659**

Note 13 – Assets and liabilities denominated in foreign currencies

At 31 December 2018, the equivalent in euros of assets and liabilities in foreign currencies respectively amounted to EUR 2,340,951,860 (2017: EUR 1,577,922,785) and EUR 2,340,777,260 (2017: EUR 1,577,703,815).

Note 14 – Other liabilities

This item primarily consists of the following:

(expressed in EUR)	2018	2017
Pension fund for personnel	8,693,130	8,723,110
Miscellaneous creditors	11,310,025	10,324,881
Preferential creditors	6,567,131	9,953,708
Short-term debts	47,316	27,044
	26,617,602	**29,028,743**

Note 15 – Other provisions

This item primarily consists of the following:

(expressed in EUR)	2018	2017
FGDL/FRL/FRU/AGDL provision (Note 15.1)	15,528,549	17,704,452
Provision for personnel expenses	14,043,707	17,452,881
Provisions for overhead expenses	9,242,860	11,752,825
Provisions for specific risks	2,819,649	6,002,033
	41,634,765	**52,912,191**

15.1 Deposit guarantee and Resolution Fund

The law on resolution, recovery and liquidation measures for credit institutions and some investment firms, n deposit guarantee schemes and indemnification of investors (the "Law"), transposing into Luxembourg law Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms and Directive 2014/49/EU on deposit guarantee and investor indemnification schemes was passed on 18 December 2015.

The deposit guarantee and investor indemnification scheme in force up until then, implemented by the Association for the Guarantee of Deposits, Luxembourg (AGDL), has been replaced by a new contributory deposit guarantee and investor indemnification scheme. The new system will guarantee all eligible deposits of a depositor up to EUR 100,000, investments up to EUR 20,000. The Law further provides that deposits resulting from specific transactions, fulfilling a social objective, relating to special life events, are protected beyond EUR 100,000 for a period of 12 months.

The provisions recognised in the annual accounts over the years in order to be able to meet, where applicable, the obligations of banks with regard to the AGDL, are used as they are contributed to the Luxembourg Single Resolution Fund (FRU), or on the establishment of the new Luxembourg Deposit Guarantee Fund (FGDL).

By the beginning of 2024, the amount of financial resources of the FRU should reach at least 1% of the guaranteed deposits, as defined in Article 1 paragraph 36 of the Law, of all authorised credit institutions in all participating Member States. This amount will be collected from credit institutions through annual contributions during the financial years 2016 to 2023.

The target level of financial resources for the FGDL is set at 0.8% of the guaranteed deposits of member institutions, as defined in Article 153 paragraph 8 of the Law, and should be reached by the end of 2018. The contributions will be payable annually between 2016 and 2018. For the 2018 financial year, a provision of 0.2% of guaranteed deposits was recognised in anticipation of these contributions, against use of the existing AGDL provision.

When the level of 0.8% is reached, Luxembourg credit institutions will continue to contribute for eight additional years so as to provide an additional safety buffer of 0.8% of guaranteed deposits as defined in Article 153 paragraph 8 of the law.

At 31 December 2018, the FGDL/FRU provision totalled EUR 15,528,549 (2017: EUR 17,704,452), and the amount paid in 2018 for the FRU totalled EUR 1,330,826 (2017: EUR 799,811) and for the FGDL, EUR 831,673 (2017: EUR 725,609). An adjustment amount of EUR 13,404 was also paid in 2018.

Note 16 – Special items with a share of reserves

This item consists of reinvestment gains realised following the sale of two investments in 2000 and 2001 and the sale of an apartment in July 2009. At 31 December 2018, this totalled EUR 2,075,356 (2017: EUR 2,075,356) following the application of articles 53 and 54 of the income tax law.

Note 17 – Share capital

At 31 December 2018, the Bank's subscribed capital amounted to EUR 415,000,000 (2017: EUR 415,000,000) represented by 195,480 (2017: 195,480) fully paid-up shares with no par value.

At 31 December 2007, the Bank's subscribed capital amounted to EUR 84,200,000. During the Extraordinary General Meeting of 31 January 2008, it was decided to increase the Bank's share capital by EUR 458.8 million, bringing the sum to EUR 543 million through the issue of 165,168 new shares with no par value. CA-CIB S.A. subscribed for 165,168 fully paid-up new shares.

The Extraordinary General Meeting of 21 November 2008 carried out a share capital decrease of EUR 78 million, bringing it to EUR 465 million through the reduction of the book value of the shares. The purpose of this transaction was to permit the amortisation all at once of the goodwill generated following the merger with CALB of EUR 105.7 million.

The CSSF authorised the Bank to amortise the CALB goodwill all at once through a capital reduction of EUR 78 million, the elimination of the issue premium of EUR 27.2 million, and the decrease in other reserves for EUR 0.5 million.

On 3 November 2011, the Bank became a subsidiary of Crédit Agricole Private Banking through a transfer of the 195,480 shares constituting the Bank's share capital held by Crédit Agricole Corporate and Investment Bank, a bank under French law.

During the Extraordinary General Meeting of 29 July 2014, it was decided to decrease the Bank's share capital by EUR 50 million to EUR 415 million by reducing the book value of the 195,480 shares and repaying the sole shareholder.

At 31 December 2007, the Bank's authorised capital amounted to EUR 123,000,000. During the General Meeting of 21 November 2008, the Bank decided to eliminate the authorised capital.

Note 18 – Reserves

They include mainly:

18.1 Statutory reserve

In accordance with Luxembourg law, the Bank must allocate to the statutory reserve each year an amount equivalent to at least 5% of the net earnings for the financial year until this reserve reaches 10% of the subscribed capital. Distribution of this statutory reserve is not permitted. At 31 December 2018, the subscribed capital amounted to EUR 30,987,783 (2017: EUR 29,694,822).

18.2 Wealth tax reserve

In order to comply with the tax laws in force, the Bank decided to allocate an amount corresponding to five times the amount of the reduced wealth tax ("IF") to the special reserve. The period of this reserve's unavailability is five years. At 31 December 2018, the subscribed capital amounted to EUR 31,470,551 (2017: EUR 29,820,551).

The change in the wealth tax reserve is explained as follows:

(expressed in EUR)	
Special reserve for IF at 1 January 2018	29,820,551
Appropriation of the reserve for 2018 [1]	3,700,000
Releasing of the reserve for IF	(2,050,000)
	31,470,551

[1] According to the decision of the Ordinary General Meeting of 26 April 2018.

Note 19 – Shareholders' equity

The change in the Bank's shareholders' equity breaks down as follows:

(expressed in EUR)	Subscribed capital	Reserves	Earnings carried forward	Earnings for the financial year
Position at 1 January 2018	**415,000,000**	**59,515,373**	**21,109,018**	**25,859,226**
Appropriation of earnings for the financial year 2017 [1]	-	-	25,859,226	(25,859,226)
Appropriation to the statutory reserve [1]	-	1,292,961	(1,292,961)	-
Change in the special reserve	-	1,650,000	(1,650,000)	-
Distribution of dividends [1]	-	-	(20,000,000)	-
Earnings for the financial year ended 31 December 2018	-	-	-	(18,447,836)
Position at 31 December 2018	**415,000,000**	**62,458,334**	**24,025,283**	**(18,447,836)**

[1] According to the decision of the Ordinary General Meeting of 26 April 2018

Note 20 – Contingent liabilities and commitments

20.1 Contingent liabilities

At 31 December 2018 and 2017, the Bank was engaged in the following off-balance sheet transactions:

(expressed in EUR)	2018	2017
Guarantees and other direct credit substitutes		
To affiliated companies	37,009,007	37,032,790
To other third parties	140,578,358	138,098,146
	177,587,365	**175,130,936**

20.2 Commitments

At 31 December 2018 and 2017, the Bank was engaged in the following types of transactions:

(expressed in EUR)	2018	2017
Forward asset purchases		
To other third parties	16,754,540	48,370,785
Forward asset sales		
To other third parties	17,962,049	19,005,245
Credit facilities and other confirmed credit lines not used		
To affiliated companies	138,784,622	92,470,204
To other third parties	981,529,167	454,969,211
Other commitments*		
To affiliated companies	44,715,804	23,549,137
To other third parties	143,309	484,871
	1,199,889,491	**638,849,453**

* At 31 December 2018, accounts receivable from affiliated companies were pledged to third parties for EUR 143,309 to guarantee the Bank's bonds as regards these third parties, and this receivable was initially in the accounts of CA Indosuez Wealth (Global Structuring) (2017: EUR 484.871).

Note 21 – Management and representation services

The Bank provides management and representation services in the following areas:

- Wealth management and management advice
- Custody and administration of securities
- Hire of safe-deposit boxes
- Fiduciary representation.

Note 22 – Profit and loss account

22.1 Other operating expenses

This item primarily consists of the following:

(expressed in EUR)	2018	2017
Expenses for delivery of services	485,892	524,464
Allowances for other provisions	36,846	2,895,977
Other expenses	752,928	742,442
	1,275,666	**4,162,883**

At 31 December 2018, "Allowances for other provisions" also include the recognition of provisions for specific risks for EUR 36,846 (2017: EUR 2,895,977).

At 31 December 2018, "Other expenses" mainly consist of the cost related to operational errors for EUR 730,706 (2017: EUR 726,335)

22.2 Other operating income

This item primarily consists of the following:

(expressed in EUR)	2018	2017
Income from delivery of services	4,403,913	4,158,720
Recovery of tax of foreign branches	1,732,200	2,137,251
Writebacks of provisions	2,120,970	3,548,511
Escrow accounts (see Note 7)	6,162,839	-
Other income	1,111,996	2,662,099
	15,531,918	**12,506,581**

22.3 Corporate income tax

The Bank is subject to the local authority tax ("IRC") and the municipal commercial tax ("ICC") as well as the wealth tax ("IF"). Since 1 January 2003 and until the date of the takeover merger, the Bank was taxed as part of a tax consolidation group consisting of itself and its subsidiary CA Indosuez Wealth (Global Structuring).

The Bank was definitively taxed for IRC and ICC up to 2017.

Note 23 – Data relating to staff and management

23.1 Staff employed during the financial year

The number of staff members employed on average during the 2017 and 2018 financial years was:

Categories	2018 [1]	2017
Management	19	16
Supervisory staff	244	93
Employees	269	382
Total	**532**	**491**

The number of employed individuals includes the staff of the Bank and its three branches.

[1] In 2018, the Bank reviewed its classification of employees with regard to the three categories above.

23.2 Remuneration, pension commitments, and loans and advances granted to members of the management bodies

They can be summarised as follows at 31 December 2018:

(expressed in EUR)	Remuneration	Pension commitments	Loans and advances
Management bodies	6,561,238	520,661	282,900

They can be summarised as follows at 31 December 2017:

(expressed in EUR)	Remuneration	Pension commitments	Loans and advances
Management bodies	4,543,152	283,100	322,900

23.3 Pensions

The Bank has a commitment to its employees through a supplementary pension system. Part of this commitment is covered by reinsurance.

The amount of the pension fund appears in other liabilities. The amount of the reinsurance reserve appears in other assets.

The cost of pensions relating to members of the management bodies for the 2018 financial year was EUR 520,661 (2017: EUR 283,100).

Note 24 – Registered independent auditor’s fees

The fees relating to the services of the registered independent auditor of the annual accounts were as follows (excluding VAT):

(expressed in EUR)	2018	2017
Statutory audit of annual accounts (1)	160,000	160,000
Other audit-related services	54,000	54,000
Other services	68,080	-
	282,080	**214,000**

(1) At 31 December 2018 and 2017, the amounts carried forward under the heading Statutory audit of annual accounts included the fees relating to the issuing of the analytical audit report.

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