CFM INDOSUEZ
WEALTH MANAGEMENT

/18

2018 Annual Report

CFM Indosuez Wealth Management

CRÉDIT AGRICOLE GROUP

Editorial

traces / pathways

The illustrations in this Annual Report are based on the theme of “traces & pathways”. A trace is defined as a series of footprints or a mark left by an activity. It also suggests something that is enduring, such as a memory. Chosen as the common conceptual and visual thread of this document, the trace symbol evokes the history of the Indosuez Wealth Management group and that of its customers, their decisions and actions. It expresses not only the footprint and geographical reach, but also what remains, the memory of the existence of a single and unique brand. Under its long, deep and strong lines, the pathway is a tribute to the Indosuez Wealth Management group’s various players, its customers, and to the wealth and diversity of their various gatherings. Furthermore, they recall the different forms of financial activity inherent to the wealth management business. These ideas embody the character of a strong, modern group which, by drawing on its past, is resolutely future-oriented and customer-focused.

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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

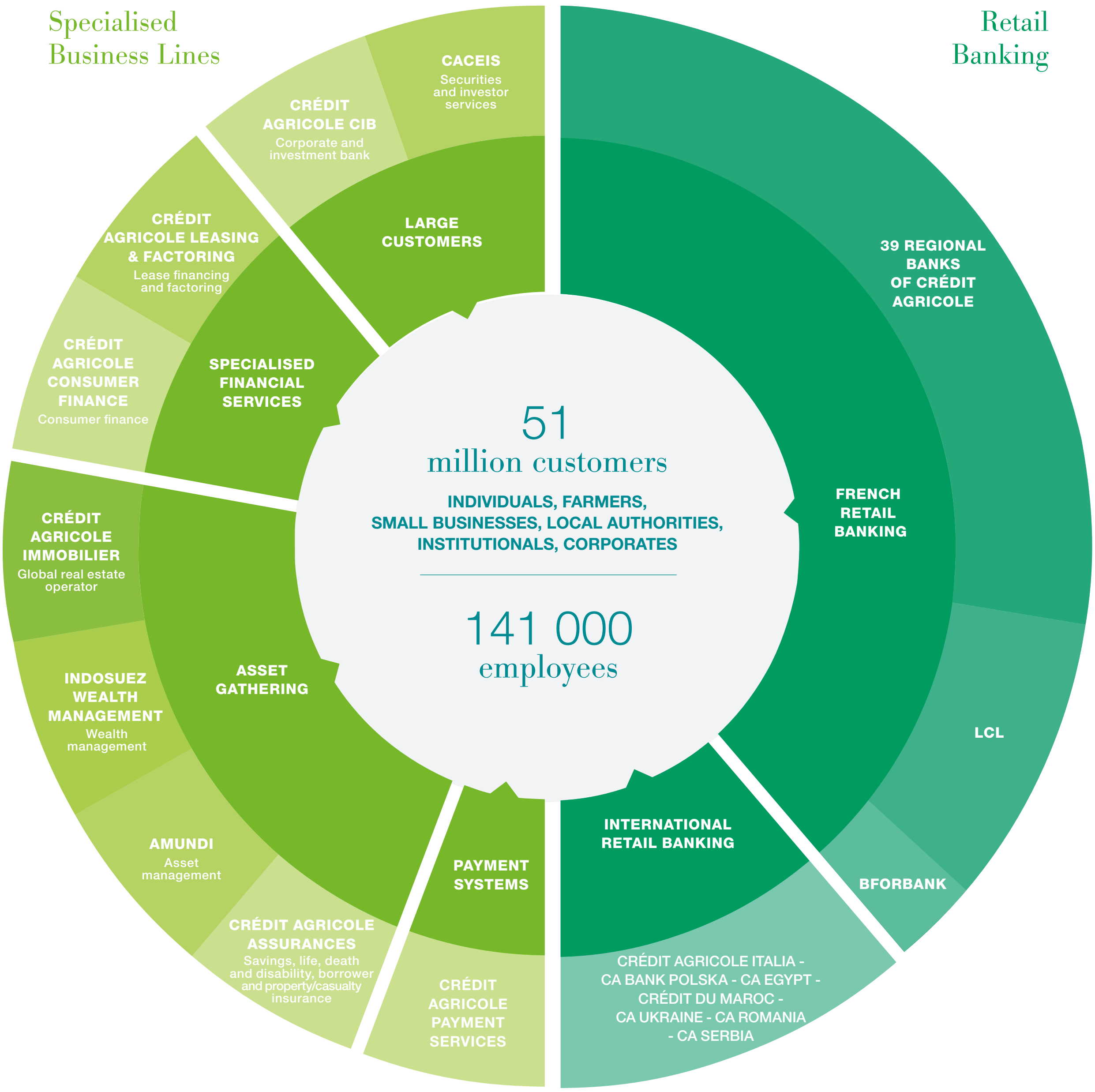
Group Organisation

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 everything

Jean-Yves Hocher

Chairman
CA Indosuez Wealth (Group)

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.

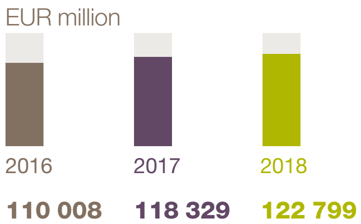
Jacques Prost

Chief Executive Officer
CA Indosuez Wealth (Group)

Our key figures as of 31 December 2018

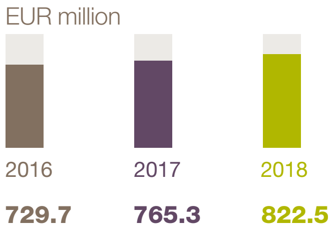
Americas Miami · Montevideo · Rio de Janeiro · São Paulo • **Europe** Monaco · Bordeaux · Lille · Lyon · Marseille · Nantes · Paris · Toulouse · Brussels · Antwerp · Bilbao · Madrid · Valencia · San Sebastian · Seville · Milan · Turin* · Lecco* · Florence* · Padua* · Rome* · Luxembourg · Geneva · Lugano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

*Banca Leonardo



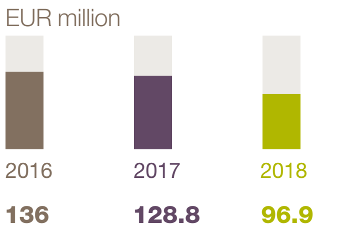
Assets under management

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

Solid client diversification thanks to our multiple growth drivers

Asset allocation

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
Chief Economist
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 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.”

- the positioning of the Swiss National Bank in reaction to the ECB and not as the first-mover;
- 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?

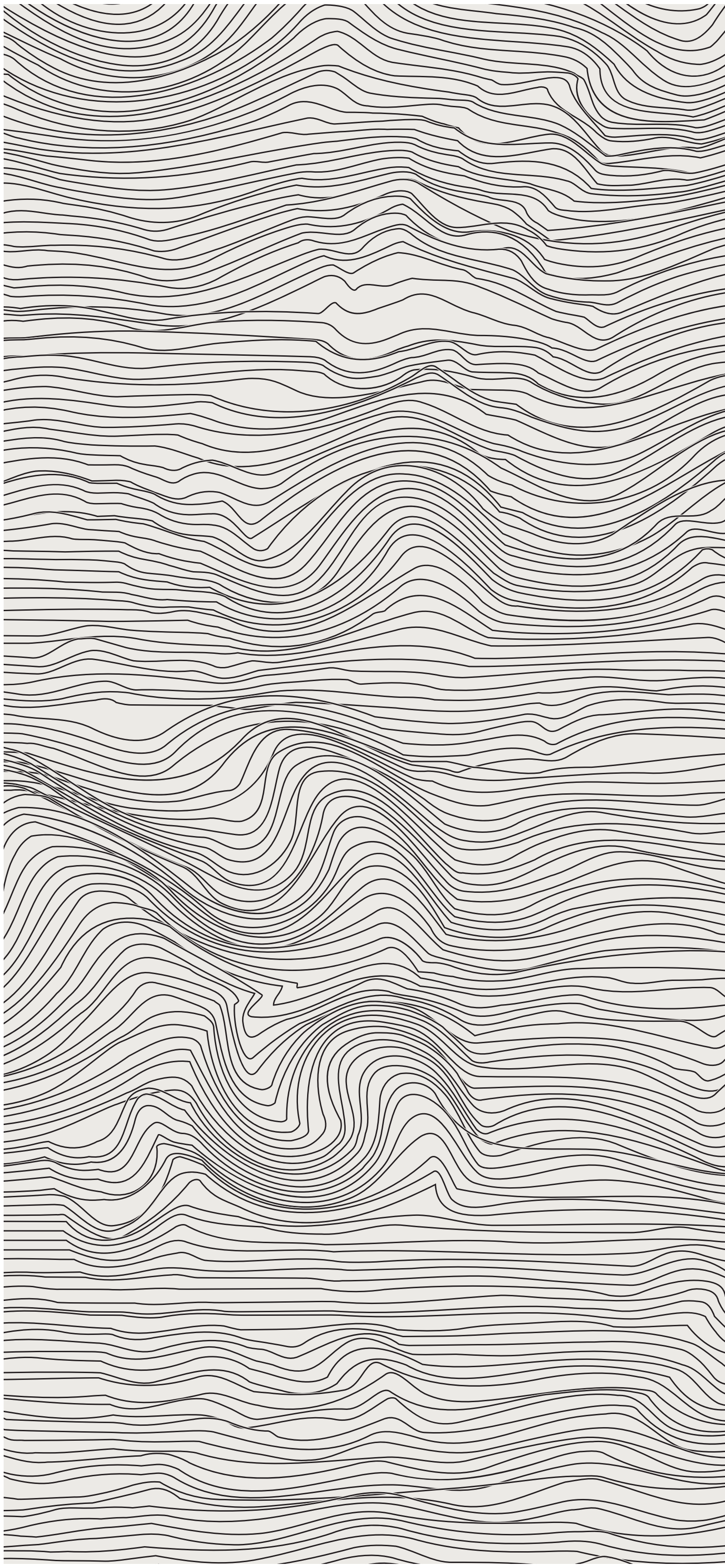
As previously explained, the answer is no. If you look at global growth, which is estimated at 3.4% in real terms for 2018, and given that inflation is generally close to the targets set by the major central banks, the two culprits that probably bear most of the responsibility for the poor results this 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.



CFM Indosuez Wealth Management, the leading bank in Monaco

As the number-one bank employer in Monaco, CFM Indosuez Wealth Management is the only bank on the market that can offer financial solutions to private investors, businesses, institutions, and professionals.

Created in 1922 by some of Monaco's leading families, some of whom are still stakeholders, CFM Indosuez Wealth Management is a 70%-owned subsidiary of Crédit Agricole Group. This backing by one of the world's top banking groups, paired with our deep roots in Monaco, is an essential guarantee of strength and sustainability for our customers, shareholders, employees, and partners.

Within the group, our Company is fully integrated in the Wealth Management Business, Indosuez Wealth Management. Our 3,150 experts in Wealth Management, 387 of whom are at CFM Indosuez Wealth Management in Monaco, create customised solutions for our customers in a country where we operate or by multibooking.

Together, they have a single calling: to help families and entrepreneurs create, cultivate, protect, and pass on their wealth.

Activity report

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The Monegasque Environment 2018

Those who choose Monaco as their place of residence of work have a thousand stories to tell to explain their encounter with the Principality, from love at first sight to more rational reasons. Whether in terms of its economy, culture or quality of life, the Principality of Monaco has always stood out in the world. The vitality of Monaco's economic fabric and the favourable conditions for conducting business have long guaranteed almost full employment in Monaco.

Marie-Odile Joris

General Secretary

A dynamic and diversified economy

Monaco's GDP for the year 2017 - the latest data published - was 5.68 billion euros, compared to 5.85 billion in 2016. It has dropped by -3.5% (in volume, corrected for inflation). Since 2013, the Principality's growth rate has slowed down (from +9.7% in 2013 to +3.4% in 2016). In 2016, growth was entirely based on the performance of the construction (real estate development) and other service sectors, which generated a significant gross operating surplus. In 2017, growth in these two sectors slowed down and there was even a certain downturn. Their results had a direct impact on the overall GDP of the Principality.

The three economic sectors that generate almost half of the wealth produced in the Principality are financial and insurance activities (17.8%), scientific and technical activities, administrative and support services (17%) and real estate activities (10%), which have benefited from the decline in construction to rise to higher positions. In 2018, the Principality's revenue, excluding financial and insurance activities, was up (+3.6%) compared to 2017. At more than 14 billion euros, it is close to the historical high of 2012. The GDP of the financial and insurance sector has passed the billion euro mark for the first time, with an increase of 7.7%.

In December 2018, Monaco had 51,601 employees in the private sector (+3.8%). Sixty percent of the salaried population in the private sector are men and 63.2% are French nationals. Employees are 41.8 years old on average and most of them are commuters. The tertiary sector employs almost all private sector employees.

The amount of bank assets has increased over 2018, thanks to a sharp rise in deposits (+5.8%). The amount of loans has also increased significantly (+ 6.9%). In the last quarter of 2018, despite a positive net inflow of about €570 M, there was a drop in the amount of assets under management due to the negative impact of market effects.

After dropping in 2017, the real estate resale market was up in 2018. The number of transactions has increased and the properties sold are larger. With the average price up 14% (45,000 to 50,000 euros), the real estate market is doing well, all trends combined. The delivery of the four blocks under the Stella program (89 apartments) has boosted the new real estate market.

The five projects that will transform Monaco

The Principality has more than 30 major projects for the next 10 years, contributing nearly 30% of the State's annual budget. These major urban planning operations in the country are aimed at developing useful tertiary and industrial areas that are essential for economic development. These include the five largest projects that will change the face of Monaco over the next decade: the offshore expansion operation of Portier cove will partly set the pace of Monaco life over nearly 10 years, allowing the Principality of Monaco to extend its territory on the sea by 6 hectares between the Grimaldi Forum and the Fairmont, by 2025. The first delivery of this district will take place in 2020, with underground parking and access to the new extension. It will then take at least five years to complete this district designed by Renzo Piano.

Pasteur Island, the last plot that is still undeveloped, started an active phase in 2016. By 2022, it will host the College Charles III, the new Léo Ferré space, the Municipal Media Library and 9000 m2 of office space and 900 parking spaces.

The future CHPG hospital centre project is one of the most important in the Principality, after the offshore expansion. This building is a colossal project. It will contain nearly 400 beds for medical procedures and 650 parking spaces. It is a modern hospital, whose foundations have just been laid at the top of Pasteur Avenue. Since there was a delay in phase 0, the work is expected to be completed in 2033.

From avenue Princesse-Grace to the boulevard d'Italie, the important operations conducted at the Testimonio II site, the last major building site in the Principality, will profoundly transform the district by 2021. Designed by architects Alexandre Giraldi and Arquitectonica, the project has a twenty-storey tower containing 150 homes on state-owned property on boulevard d'Italie. This private housing program will span the entire boulevard Larvotto. And in the lower sector, on the Monte-Carlo Bay roundabout, there will be several public facilities, including a childcare centre with 50 cradles, a four-level international school, and an underground car park with 900 parking spaces.

The energy transition under way

The Principality of Monaco is committed to reducing its greenhouse gas emissions by 50% by 2030 compared to 1990 and to be on the path towards carbon neutrality by 2050.

To support this approach, His Highness the Sovereign Prince has decided to launch the Mission for the Energy Transition to ensure the management of projects to limit greenhouse gas emissions and develop renewable energies.

The national action plan is focused on the three sectors that produce the most greenhouse gases: road transport, waste treatment and energy use in buildings. They account for about 90% of the country's emissions, at about 30% per sector.

An appeal enhanced by security and transparency

While the Principality remains a popular destination for visitors, tourism professionals have noted that stays are shorter and visits have dropped slightly in 2018. Although the number of overnight stays is increasing, the rise in the number of rooms for sale has resulted in a slight reduction in the occupancy rate. In addition, the number of stopovers and cruise passengers is increasing, particularly thanks to luxury cruise ships.

The Principality of Monaco's appeal is also due to its tax and international policies, the transparency of which is ensured by the implementation of the automatic exchange of financial account information as of 2018 on the information collected in 2017. Monaco is one of the signatories of the Multilateral Agreement between Competent Authorities on the automatic exchange of information on financial accounts, which elaborates on the already existing Convention. The signing of this agreement is part of an ongoing process of transparency and is yet another example of its policy of combating tax evasion and international tax fraud, as part of its commitment to execute agreements that comply with international standards developed by both the European Union and the OECD Global Forum in terms of the exchange of information.

The Principality has embarked on its digital revolution

The Principality's goal is to bring digital technology to the daily life of Monaco natives and residents and to position itself as a place of innovation. To conduct the digital transition in Monaco, an inter-ministerial delegate for the digital transition has been appointed, with significantly increased budgets and a team of 100 people. Its 3 priorities: platforms, services and the digital economy. This is a strategy that will place the digital transition at the core of the Principality's development.

Source: IMSEE
(Institute of Statistics and Economic Studies of Monaco)

Message from the Directors

In 2018, CFM Indosuez Wealth Management strengthened its position as the leading bank in the Monegasque market in terms of assets under management. This performance is all the more remarkable in that it was achieved in a context of highly volatile financial markets and increased competition in the Principality. Customers trust CFM Indosuez Wealth Management for its reliability, strength, quality of expertise and customer service.

This success is a testimony to the constant commitment of our employees, who have contributed for many years to the prosperity of our institution, as well as to the loyal support of our shareholders and the Monegasque Authorities, whom we wish to thank for their confidence and interest and interest in our development.

2018 was also marked by the continued development of CFM Indosuez Wealth Management to support the growth of our core business, wealth management. This has resulted in particular in the implementation of strategic projects:

- The strengthening of our subsidiary CFM Indosuez Gestion, as a result of which we have presented an annual report for the first time containing, in addition to the financial statements of the credit institution CFM Indosuez Wealth Management, the consolidated financial statements of CFM Indosuez Groupe in compliance with IFRS standards, thus integrating the subsidiaries into the scope of consolidation.

- The creation of investment advisor teams dedicated to our wealth management clients, in support of sales managers in all of our development areas, in Monaco and around the world. These financial experts add to the service excellence that we continuously seek for our clients.

- Digital development for our operational and commercial efficiency. For our clients, this resulted in the first phase of the launch of the application My Indosuez in 2018, which allows them to view their wealth, make transfers, receive specialist analyses or contact their banker. In terms of digital technology, CFM Indosuez Wealth Management's strategy is to place technology and innovations at the service of its clients and employees, in order to continuously improve their experience within our company.

Jean-Marie Sander

Chairman

"In 2019, we will promote a new dynamic and further strengthen our leadership position, by continuing our expansion while maintaining a controlled risk profile. "

In addition, our very high standards in terms of transparency, application of new regulatory standards, compliance and quality of advice for our clients and partners remain fundamental to CFM Indosuez Wealth Management. While they sometimes entail constraints, these very high standards are a major guarantee of the sustainability of our wealth management business.

2019, we will promote a new dynamic and further strengthen our leadership position, by continuing our expansion while maintaining a controlled risk profile. To do this, we will capitalise on our greatest strength: our human resources. CFM Indosuez Wealth Management is still the leading banking employer in the Principality. The quality of its employees' expertise, its capacity for innovation and its constant search for excellence in its customer services were again highlighted by one of the leading international financial magazines, Global Finance, which chose CFM Indosuez Wealth Management as best bank of the Principality in 2018. The prospects for 2019 also look promising because Global Finance has renewed its decision for the third year in a row.

Our position as a leading bank in the Principality gives us responsibilities in terms of CSR (Corporate Social Responsibility) policies. We are already greatly involved in this area in Monaco and beyond, with a commitment from the managers and the significant involvement of employees through the Citizen Days program. CFM Indosuez Wealth Management aims to be a trusted, reliable, respectful and continuously improving partner to its clients, employees, shareholders, suppliers and the Principality, which contributes positively to the world in which we operate.

Wealth Management

"CFM Indosuez Wealth Management has all the assets required to maintain and even strengthen our positions: depth of our offer, local roots, our first trading room and a diversified international clientele, with operations in all continents. "

Grégoire Faure

Head of Global Wealth Management

2018 was a year of commercial reinforcement and development of our offer, in order to increase the added value provided to our clients and to support the growth of our core business, wealth management. The high standards of our clientele, characterised by its high level of information, and the stricter regulations each year to which the participants of international Wealth Management are subject, require the continuous growth of our expertise.

To ensure this growth, CFM Indosuez Wealth Management relies on the know-how, the search for excellence and innovation of its 387 employees in Monaco, and all the Indosuez Wealth Management group's experts around the world. The bank also relies on the Crédit Agricole Group of which it is a part, in particular Crédit Agricole Corporate and Investment Banking (CA-CIB) and Amundi.

In 2018, the highly volatile market context faced by all financial players clearly weighed on our performance, but we achieved a net inflow, driven by the establishment of contacts, the development of our relations with third-party managers and a good level of credit production. The economic conjuncture also highlighted CFM Indosuez Wealth Management's

Stéphane Herpe

Head of Markets, Marketing and Development

decisive competitive advantage, thanks to the depth of the range of investment solutions offered to our clients, which is the largest available in Monaco. All of our expertise is focused on our Trading Room, the largest in the Principality and the Côte d'Azur, with 55 experts dedicated to investment solutions and value-added services. It is a leading platform for investors who wish to access market offers or funds in an open system. Our goal is to provide our clients with a level of responsiveness, transparency, security and innovation that fully meets their expectations. This exceptional closeness and the expertise of our market specialists are assets appreciated by our clients.

The developments of our offer in 2018 were focused in particular on investment consulting. Monitoring and consulting for the portfolios of the Discover and Explore offers were expanded while additional resources are now being used to meet the needs of the most affluent clients within the framework of the Design offer. These offers allow our private investor clients to receive advice from specialists dedicated to portfolio monitoring, information from custom reports and support in protecting and increasing the value of their assets.

The 2018 innovations include the new Specialized Insurance Fund (FAS), which offers investment advisory services under a Luxembourg life insurance policy.

We have also strengthened the investment advisor and credit advisor expertise centres to cover all of our clients' wealth management needs, both in terms of investments and financing, and our Business activity has increased, reflecting our leading role with Monaco business owners.

The development of the quality of service and advice of our sales teams as well as our experts, has contributed to the loyalty of our clients who trusted us during the referencing agreement with HSBC Private Bank (Monaco). This loyalty was associated with the successful integration of the teams that had joined us in the previous year.

We have also focused on the implementation of our digital transformation, in order to adapt our methods to new modes of consumption and communication. This has resulted in the introduction of new analysis and proposal tools, and the first phase of in the launch of the new My Indosuez mobile application.

CFM Indosuez Wealth Management has all the assets required to maintain and even strengthen our positions: depth of our offer, local roots, the first trading room and a diversified international clientele, with operations in all continents.

In 2019, we will also focus on the new generation, the "millenials," the future heirs of our clients, who will benefit from customised training provided by our experts in a "Club" spirit.

Based on these solid foundations, we remain highly mindful of and loyal to the special relationship that our clients have established with the women and men of our Firm who are passionate about their profession. This entrepreneurial spirit is the guarantee of our future success.

Management Bodies

Board of Directors

Honorary Chairmen
Yves Barsalou
Georges Mazaud

Chairman
Jean-Marie Sander

Senior Managers
Yves Barsalou
Bastien Charpentier
Michel Cresp
Jean Delamalle
Hervé Husson
Jacques Prost
Andrée Samat
François Veverka

Statutory Auditors

Regular Statutory Auditors:
Madame Sandrine Arcin
Monsieur Didier Merkies

Alternate Statutory Auditor:
Monsieur François Brych

Executive Committee

Mathieu Ferragut
Chief Executive Officer since 03/12/2018

Grégoire Faure
Head of Global Wealth Management

Yves Braccalenti
Head of Development

Stéphane Herpe
Head of Markets, Marketing and Development

Vincent Thomas
Deputy CEO, Head of Finance, IT, Operations and Organisation department

Ariel Barugel
Head of Human Resources

Marie-Odile Joris
General Secretary

Executive Committee

Front, from left to right: *Ariel Barugel, Human Resources Department • Vincent Thomas, Finance Department, IT, Operations and Organization • Marie-Odile Joris, General Secretariat*

Behind, from left to right: *Stéphane Herpe, Department of Markets, Marketing and Development • Mathieu Ferragut, General Management • Grégoire Faure, Customer Department, Yves Braccalenti, Development Department*

Consolidated key figures under IFRS standards

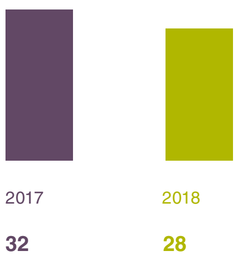
Our consolidated key figures (in millions of EUR)	31/12/2018	31/12/2017	Change in %
Shareholders' equity	335	339	-1.2%
Gross operating income	28	32	-12.5%
Balance sheet total	5,923	5,619	5.4%
Net income after income tax	23	29	N/A
NBI	120	126	-4.8%

Shareholders’ equity

In M EUR

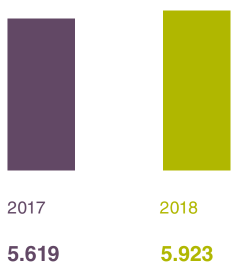
Gross operating income

In M EUR



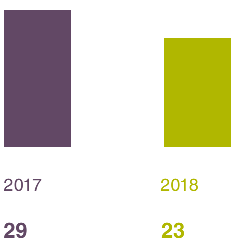
Balance sheet total

In M EUR



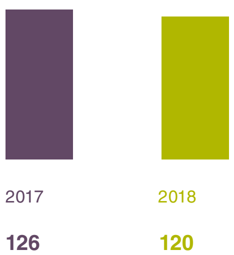
Net income after income tax

In M EUR



NBI

In M EUR



Activities and results

Bank activities and consolidated results

At its meeting on 19 March 2019, the Board of Directors of CFM Indosuez Wealth Management, under the chairmanship of Jean-Marie Sander, approved the consolidated financial statements for the 2018 financial year prepared in accordance with IFRS international accounting rules and principles.

Since 1 January 2018, investment services provider activities in connection with the management of Indosuez funds under Luxembourg and Monegasque law as well as discretionary management have been centralised and conducted within CFM Indosuez Gestion, a Monegasque subsidiary controlled by CFM Indosuez Wealth Management. Income and expenses are reallocated within the framework of intra-group agreements.

Consolidation of the accounts was carried out for the first time at the end of the 2018 financial year and includes the three entities of the CFM Indosuez Wealth Management Group, including the French subsidiary wholly owned by CFM Indosuez Wealth Management (called CFM Indosuez Conseil in Investment) and CFM Indosuez Gestion, providing an overall view of the operations and results of the CFM Indosuez Wealth Management group.

In order to be able to compare the results for 2017 and 2018, the 2017 pro forma consolidated financial statements have been prepared on the basis of the same scope as in 2018, applying applicable IFRS standards.

The consolidated net banking income of the CFM Indosuez Wealth Management Group in 2018 was €120.2 million, i.e. -4.9% compared to 2017, within a complex context in the financial markets.

The operating expenses of the CFM Indosuez Wealth Management Group were 92 million euros in 2018, i.e. -2.4% lower than in 2017, indicating control over expenses.

Gross operating income was 28.3 million euros in 2018 compared to 32.1 million euros in 2017, i.e. a 11.9% reduction.

Net profit was 23.0 million euros after integration of the cost of risk (-1.3 million euros) and the income tax provision (-4.0 million euros), compared to a realised income in 2017 of 29.1 million euros (-20.9%).

Consolidated results (in Millions of EUR) 2018 versus 2017 (proforma) under IFRS

	Fiscal year 2018	Previous fiscal year 2017- proforma	Change
Net banking income	120.2	126.4	-4.9 %
Operating expenses	-92.0	-94.3	-2.4 %
Gross operating income	28.3	32.1	-11.9 %
Cost of risk / extraordinary items	-1.3	-2.9	N/A
Income tax	-4.0	-0.2	
Net profit/loss	23.0	29.1	-20.9%

Bank activities and results
(in CFM Indosuez Wealth Management Group)

Held assets as of 31 December 2018 dropped by 4% compared to 31 December 2017. This reduction was due to a negative income effect (-1.2%), a negative market effect (-4%) and a positive currency effect (+1.2%).

Loans and advances issued to clients rose by +4% compared to 31 December 2017 up to €3.277 billion. Accounts payable to customers amounted to €5.162 billion, i.e. an increase of +1.3% compared to 31 December 2017.

Presentation of the CFM Indosuez Wealth Management Bank Individual Accounts 2018 (under French standards)

Corporate / individual accounts of CFM Indosuez Wealth under French accounting standards

The balance sheet total was 5.903 billion euros at 31 December 2018, up 6% compared to 31 December 2017. This amount includes the impact of the implementation of IFRS 9, applicable under the French GAAP, for an amount of €1.837 billion deducted from equity.

On the assets side, loans granted to clients amounted to 3.281 billion euros, i.e. an increase over the 2018 fiscal year (+4%).

The amount of securities outstanding as well as central bank deposits have made it possible to observe the liquidity coverage ratio (LCR).

The item “receivables from credit institutions” increased by €743 million to €1.792 billion following the implementation of transactions with members of the Crédit Agricole Group.

On the liabilities side, shareholders’ equity was 304 million euros, excluding funds for general banking risks for an amount of 4.5 million euros. Changes in equity from December 2017 to December 2018 (- €20 million) resulted from the drop in income from 2017 to 2018 and the appropriation of income for 2017.

The net banking income, down compared to the 2017 fiscal year, is stated in euros and cannot be compared to the previous year due to the transfer of management activities and the associated revenues.

Operating expenses are down -5% from the previous fiscal year. Fiscal year 2017 was marked by numerous projects that resulted in additional costs. In addition, following the strengthening of our management company, costs were transferred to this subsidiary.

The financial statements of CFM Indosuez Wealth Management indicate a €7.4 million profit in 2018 (after income tax for an amount of €4 million), i.e. down 74% compared to the previous year. This reduction mainly reflects the delegation of management and advisory activities to our subsidiary management company, from which we will only receive dividends as of the appropriation of income for fiscal year 2018, which will be recorded in the bank’s financial statements for 2019.

In view of our robust financial structure, as shown by the appropriate reserve levels and shareholders’ equity amounting to 304 million euros before distribution, excluding FGBR, the Board of Directors has proposed to the general meeting of shareholders that will meet on May 16, 2019 that the level of dividends distributed in 2018 be maintained, i.e. a dividend of €44.44 per share to be paid from 6 June 2019.

Appropriation of income

Net income for the financial year	**€7,433,305**
Retained earnings from the previous year	**€178,513,829**
Distributable amount	**€185,947,134**
Amount of proposed dividends	**€25,464,120**
Retained earnings following distribution of dividends	**€160,483,014**

On this basis, the unit dividend would be 44.44 EUR per share, the same amount as last year.

Presentation of the 2018 individual accounts of subsidiaries

Corporate / individual accounts of CFM Indosuez Gestion

The Management and Advisory business line was transferred from CFM Indosuez Wealth Management to its subsidiary CFM Indosuez Gestion on 1 January 2018.
CFM Indosuez Gestion's net profit was 16.6 million euros in 2018, compared to almost 0 profit in 2017. This profit is not comparable to previous years due to the reorganisation described above.
The meeting of the Board of CFM Indosuez Gestion of 11 March 2019 has proposed to the General Meeting of shareholders of the management company scheduled to be held on 9 May 2019 that 95% of its net income for the 2018 financial year be distributed, i.e. 15.79 million euros, with the differential being carried forward.
The impact of this dividend distribution from the subsidiary to the parent company will be reflected in CFM Indosuez Wealth's financial statements of 2019.

Corporate / individual accounts of CFM Indosuez Conseil en Investissement

The net profit of CFM Indosuez Conseil en Investissement was +0.2 million euros in 2018. It remains higher than the Realized profit for 2017 (+0.1 million euros). Net banking income was -0.3 million euros lower in 2017 following changes in the base of retrocessions paid by CFM Indosuez Wealth (under the MIFID II regulation) and the decline in the securities sector. The level of expenses appears to be decreasing, demonstrating control over our costs.

The sole shareholder of SASU CFM Indosuez Conseil en Investissement will propose that no dividends be distributed for the 2018 financial year and that the income be allocated to Retained earnings.

Annual financial statements
CFM Indosuez Wealth Management

/4

Resolutions of the General Shareholders' Meeting

First Resolution

After the reports of the Board of Directors and the Statutory Auditors were read, the General Shareholders' Meeting approved the annual financial statements for the year ending on 31 December 2018 as presented, as well as the management of the corporation, based on the examination of such statements and reports.

Consequently, the General Meeting granted the members of the Board of Directors full discharge in respect of their management for the fiscal year.

Second Resolution

After the reports of the Board of Directors and the Statutory Auditors were read, the General Shareholders' Meeting approved the consolidated financial statements for the year ending on 31 December 2018 as presented, as well as the management of the group, based on the examination of such statements and reports.

Consequently, the General Meeting granted the members of the Board of Directors full discharge in respect of their management for the fiscal year.

Third Resolution

The General Meeting decided, on the proposal of the Board of Directors, to allocate the profit for the year as follows:

Net income for the financial year	**€7,433,305**
Retained earnings from the previous year	**€178,513,829**
Distributable amount	**€185,947,134**
Amount of proposed dividends	**€25,464,120**
Retained earnings following distribution of dividends	**€160,483,014**

On this basis, the unit dividend amounts to €44.44 per share.

The dividend will be paid as of 6 June 2019.

Fourth Resolution

The General Shareholder' Meeting approved the amount of the statutory auditors' fees as allocated and indicated in the fees and expenses for the fiscal year.

Fifth Resolution

The General Shareholders' Meeting authorized the Board of Directors to pay an interim dividend on the 2019 dividend, if deemed appropriate, before the end of the fiscal year, on the basis of a balance sheet duly certified by the Company's Statutory Auditors.

Sixth Resolution

The General Shareholders' Meeting approved the appointment as Director of Mr. Jacques Prost, appointed by the Board of Directors on 18 May 2018, to replace Mr. Paul de Leusse for the remainder of his term of office, i.e. until the end of the General Shareholders' Meeting called in 2021 to approve the financial statements for the year 2020.

Seventh Resolution

The General Meeting renewed the term of office of Mr. Yves Barsalou, for a period of one year, which will expire at the end of the General Shareholders' Meeting scheduled to vote in 2020 on the financial statements for the 2019 fiscal year.

Eighth Resolution

The General Meeting renewed the term of office of Mr. Michel Cresp, for a period of one year, which will expire at the end of the General Shareholders' Meeting scheduled to vote in 2020 on the financial statements for the 2019 fiscal year.

Ninth Resolution

After the report of the Board of Directors and the Statutory Auditors' Reports was read, the General Shareholders' Meeting took note of the information provided for the last financial year on the transactions referred to in Article 23 of the Sovereign Ordinance of 6 March 1895.

It approved such operations and renewed its authorisation of the directors as provided for in Article 23 of the aforementioned Ordinance.

Tenth Resolution

All powers are granted to the bearer of a copy or an extract of these minutes for the completion of the required legal formalities.

Statutory Auditors' report on the consolidated financial statements

Financial year ending 31 December 2018

Dear Shareholders,

In this report, we provide information on the audit of your company's consolidated financial statements for the year ending on 31 December 2018, prepared in accordance with IFRS accounting principles.

The consolidated annual financial statements were drawn up by your Board of Directors. It is our responsibility, based on our audit, to express an opinion on these accounts.

We conducted our audit according to applicable professional standards; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated annual accounts are free of material misstatement. An audit consists of verifying, by sampling or other selection methods, the items justifying the amounts and information contained in the consolidated annual financial statements. It also involves assessing the accounting principles used, the significant estimates used and the overall presentation of the accounts. We believe that the evidence we have collected is sufficient and appropriate to provide a basis for our opinion.

Without calling into question the opinion expressed above, we would like to draw your attention to Notes 1.1 and 3.1 to the consolidated financial statements related to the application, as of 1 January 2018, of IFRS 9 "financial instruments."

We hereby certify that the consolidated annual financial statements give a true and fair view of the assets, financial standing and results of the group composed of the persons and entities included in the consolidation.

In accordance with the standards of the profession, we have also verified the information related to the Group provided in the report of your Board of Directors.

We have no comments to make as to their fairness and consistency with the consolidated financial statements.

Monaco, 30 April 2019

Didier Mekies

Statutory Auditor

Sandrine Arcin

Statutory Auditor

General report of the Statutory Auditors

Financial year ending 31 December 2018

Dear Shareholders,

In accordance with the provisions of Article 25 of the Law No. 408 of 20 January 1945, we report to you herein on the general and permanent assignment that you have entrusted to us under the provisions of Article 8 of the aforesaid law, by decision of the Regular General Shareholders' Meeting of 18 May 2017 for the fiscal years 2017, 2018 and 2019.

The financial statements and company documents, prepared by your Board of Directors, were made available to us within the legal deadlines.

- The balance sheet total amounts to €5,902,789,000
- The income statement shows a net profit of €7,433,000

Our assignment, which is to express an opinion on these financial statements, has been carried out in accordance with professional standards and by applying the rules related to the control of institutions governed by banking regulations. It has led us to examine the transactions carried out by your company during the 2018 fiscal year, the balance sheet as of 31 December 2018, the income statement for the year and the appendix, closed on such date.

These documents were prepared in accordance with the legal provisions and as per the same forms and using the same measurement methods as in the preceding period.

We have verified the various items included in the assets and liabilities as well as the methods used for their valuation and for the discrimination of expenses and income.

Our review was conducted in accordance with generally accepted accounting standards, according to which our work is to be planned and performed so as to obtain reasonable assurance that the financial statements are free from material misstatement.

An accounting audit includes an examination, by sampling, of the rationale for the amounts, the main estimates made by the company's management, the information contained in the financial statements, the assessment of the accounting principles used and the verification of the general presentation of these items.

We have also verified the financial information contained in the report of your Board of Directors, the proposal for the allocation of profit and compliance with the legal and statutory provisions governing the operation of your company.

In our opinion, the financial statements as of 31 December 2018, submitted for your approval, give a true and fair view, in accordance with legal requirements and professional practice, of the assets and liabilities of your company as of 31 December 2018 and the results of the twelve-month period ending on such date.

Monaco, 30 April 2019

Didier Mekies

Statutory Auditor

Sandrine Arcin

Statutory Auditor

Special report of the Statutory Auditors

Financial year ending 31 December 2018

Dear Shareholders,

In accordance with the provisions of article 24 of Law No 408 of 20 January 1945, we present you with a report on the operations referred to in Article 23 of the Sovereign Ordinance of 5 March 1895 carried out during 2018 and on the meetings held during the same period.

I. Operations referred to in Article 23 of the Sovereign Ordinance of 5 March 1895

We remind you that these cover any undertaking or contract comprising a series of successive services of the same or similar type conducted with or on behalf of the company and in which a director of your company has a direct or indirect interest.
The performance of these transactions during the 2018 financial year is described in the report prepared by the Board of Directors of your Company. We have no comments to make in that regard.

II. Meeting held during the 2018 financial year

During the year under review, you met at the

- **Regular General Shareholders' Meeting of 17 May 2018** in order to:
- approve the financial statements for the year ending on 31 December 2017;

For this meeting, we verified:

- compliance with legal and statutory provisions related to its holding;
- execution of the resolutions approved.

We did not find any irregularities.

Monaco, 30 April 2019

Didier Mekies

Statutory Auditor

Sandrine Arcin

Statutory Auditor

Consolidated financial statements under IFRS 2018

with financial statements and annexes

Contents

Consolidated financial statements under IFRS 2018

with financial statements and annexes

Consolidated income statement

(in thousands of euros)	NOTES	31/12/2018	31/12/2017
Interest and similar income	4.1	61,104	54,844
Interest and similar expense	4.1	-18,843	-12,506
Commission income	4.2	71,149	69,319
Commission expense	4.2	-10,015	-9,003
Net gains or losses on financial instruments at fair value through profit or loss	4.3	16,499	15,028
Net gains or losses on transaction assets / liabilities		3,775	
Net gains or losses on other assets / liabilities at fair value through profit or loss		12,724	
Net gains or losses on financial instruments at fair value through equity		-213	
Net gains or losses on debt instruments recognised in recyclable equity		-214	
Compensation of equity instruments recognised in non-recyclable equity (dividends)		1	
Net gains or losses on available-for-sale financial assets	4.4		7,614
Net gains or losses resulting from the derecognition of financial assets at amortised cost		0	
Net gains or losses resulting from the reclassification of financial assets at amortised cost under financial assets at fair value through profit or loss		0	
Net gains or losses from the reclassification of financial assets at fair value through equity under financial assets at fair value through profit or loss		0	
Income from other operations	4.5	2,194	1,964
Expenses from other operations	4.5	-1,630	-830
Reclassification of net gains or losses on financial assets related to the overlay approach		0	
Net banking income		**120,245**	**126,430**
General operating expenses	4.6	-89,768	-91,468
Amortisation and impairment of intangible and tangible non-current assets	4.7	-2,187	-2,835
Gross operating income		**28,290**	**32,126**
Cost of risk	4.8	-1,258	-5,465
Operating income		**27,032**	**26,661**
Share of net income of companies accounted for using the equity method		0	0
Net gains or losses on other assets	4.9	-16	2,587
Changes in the value of goodwill		0	0
Profit/Loss before tax		**27,016**	**29,248**
Income tax	4.10	-4,033	-175
Net profit/loss from discontinued operations		0	0
Net profit/loss		**22,983**	**29,074**
Non-controlling interests		0	0
NET PROFIT/LOSS		**22,983**	**29,074**

Net income and gains and losses recognised directly in equity (in thousands of €)

(in thousands of euros)	NOTES	31/12/2018	31/12/2017
NET PROFIT/LOSS		**22,983**	**29,074**
Actuarial gains and losses on retirement benefits	4.11	227	-416
Gains and losses on financial liabilities attributable to changes in own credit risk			
Gains and losses on equity instruments recognised in non-recyclable equity		23	
Gains and losses before tax recognised directly in non-recyclable equity excluding companies accounted for by the equity method	**4.11**	**250**	**-416**
Gains and losses before tax recognised directly in non-recyclable equity of companies accounted for by the equity method			
Taxes on gains and losses recognised directly in non-recyclable equity excluding companies accounted for by the equity method			
Taxes on gains and losses recognised directly in non-recyclable equity of companies accounted for by the equity method			
Net gains and losses recognised directly in non-recyclable equity on discontinued operations			
Net gains and losses recognised directly in non-recyclable equity		**250**	**-416**
Gains and losses on exchange differences			
Gains and losses on available-for-sale financial assets	4.11		-8,231
Gains and losses on debt instruments recognised in recyclable equity		553	
Gains and losses on derivative instruments	4.11	-1,403	-10,373
Reclassification of net gains or losses on financial assets related to the overlay approach			
Gains and losses before tax recognised directly in recyclable equity excluding companies accounted for by the equity method		**-850**	**-18,604**
Gains and losses before tax recognised directly in recyclable equity of companies accounted for by the equity method			
Taxes on gains and losses recognised directly in recyclable equity excluding companies accounted for by the equity method			
Taxes on gains and losses recognised directly in recyclable equity of companies accounted for by the equity method			
Net gains and losses recognised directly in recyclable equity on discontinued operations			
Net gains and losses recognised directly in recyclable equity	**4.11**	**-850**	**-18,604**
Net gains and losses recognised directly in equity		**-600**	**-19,020**
Net income and gains and losses recognised directly in equity		**22,383**	**10,054**
Of which non-controlling interests		0	0

Balance sheet assets

(in thousands of euros)	NOTES	31/12/2018	01/01/2018	31/12/2017
Cash, central banks	6.1	305,688	62,556	62,570
Financial assets at fair value through profit or loss	6.2	5,625	3,026	1,191
Financial assets held for trading		3,968	1,191	
Other financial assets at fair value through profit or loss		1,657	1,835	
Derivative instruments	3.2-3.4	28,531	40,920	40,920
Financial assets at fair value through equity		214,958	1,219,112	
Debt instruments recognised at fair value through recyclable equity		214,655	1,219,018	
Equity instruments recognised at fair value through non-recyclable equity		303	94	
Available-for-sale financial assets	6.4			1,221,462
Financial assets at amortised cost		5,245,321	4,196,744	
Loans and receivables from credit institutions	3.1-3.3-6.5	1,802,331	1,050,899	1,050,908
Loans and receivables from clients	3.1-3.3-6.5	3,277,040	3,145,331	3,146,373
Debt securities		165,950	514	
Revaluation surplus of portfolios hedged against interest rate risk		2,345	2,499	2,499
Financial assets held to maturity				0
Current and deferred tax assets	6.8	4,798	723	0
Accrual accounts and miscellaneous assets	6.9	64,151	41,496	41,496
Non-current assets held for sale and discontinued operations		0	0	0
Investments in companies accounted for by the equity method		0	0	0
Investment properties	6.10	1,270	1,270	1,270
Tangible assets	6.11	9,913	10,975	10,975
Intangible assets	6.11	40,638	39,803	39,803
Goodwill		0	0	0
TOTAL ASSETS		**5,923,238**	**5,619,124**	**5,619,467**

Balance sheet liabilities

(in thousands of euros)	NOTES	31/12/2018	01/01/2018	31/12/2017
Central Banks		0	0	0
Financial liabilities at fair value through profit or loss	6.2	3,476	243	243
Financial liabilities held for trading		3,476	243	
Financial liabilities at fair value through profit or loss as an option		0	0	
Derivative instruments	3.2-3.4	10,053	19,092	19,092
Financial liabilities at amortised cost		5,475,570	5,173,066	
Debts due to credit institutions	3.3-6.7	313,797	77,166	77,166
Debts due to clients	3.1-3.3-6.7	5,161,773	5,095,900	5,095,900
Debts represented by a security		0	0	0
Revaluation surplus of portfolios hedged against interest rate risk		13,126	15,130	15,130
Current and deferred tax liabilities	6.8	4,363	0	0
Accrual accounts and miscellaneous liabilities	6.9	71,452	63,350	63,350
Debts related to non-current assets held for sale and discontinued operations		0	0	0
Technical provisions of insurance contracts		0	0	0
Provisions	6.12	10,063	10,027	9,255
Subordinated debt		0	0	0
Total debts		**5,588,103**	**5,280,908**	**5,280,136**
Shareholders' equity		**335,135**	**338,216**	**339,331**
Capital and related reserves		301,577	298,486	298,484
Consolidated reserves		1,425	29,980	1,434
Gains and losses recognised directly in equity		9,150	9,750	10,339
Gains and losses recognised directly in equity on discontinued operations		0	0	0
Net income for the year		22,983		29,074
Non-controlling interests		0	0	0
TOTAL LIABILITIES		**5,923,238**	**5,619,124**	**5,619,467**

Cash flow statement

	Capital and related reserves				
(in thousands of euros)	Capital	Premium and consolidated reserves related to capital	Consolidation of investments	Other equity instruments	Total capital and consolidated reserves
Equity as of 1 January 2017	**34,953**	**296,480**			**331,433**
Capital increase					0
Change in treasury shares					0
Issuance of equity instruments					0
Compensation for issuance of equity instruments in 2017					0
Dividends paid in 2017		-31,515			-31,515
Dividends received from subsidiaries					0
Impact of acquisitions / sales on dividends Non-controlling					0
Transactions related to payments in shares					0
Shareholder transactions	**0**	**-31,515**	**0**	**0**	**-31,515**
Change in gains and losses recognised directly in equity					**0**
Share of changes in shareholders' equity excluding income from companies accounted for by the equity method des entreprises mises en équivalence					0
Profit/Loss for 2017					0
Other changes					0
Equity as of 31 December 2017	**34,953**	**264,965**	**0**	**0**	**299,918**
Appropriation of income for 2017		29,074			29,074
Equity as of 1 January 2018	**34,953**	**294,039**	**0**	**0**	**328,992**
Impact of the application of IFRS 9 (1)		-527			-527
Equity as of 1 January 2018 Restated	**34,953**	**293,512**	**0**	**0**	**328,465**
Capital increase					0
Change in treasury shares					0
Issuance of equity instruments					0
Compensation for issuance of equity instruments in 2018					0
Dividends paid in 2018		-25,464			-25,464
Dividends received from Regional Banks and subsidiaries					0
Impact of acquisitions / sales on non-controlling interests					0
Transactions related to payments in shares					0
Shareholder transactions					**0**
Change in gains and losses recognised directly in equity					**0**
Of which gains and losses on equity instruments at fair value through non-recyclable equity transferred to reserves					0
Of which gains and losses on changes in own credit risk transferred to reserves					0
Share of changes in equity excluding income from companies accounted for by the equity method					0
Profit/Loss for 2018					0
Other changes					0
EQUITY AS OF 31 DECEMBER 2018	**34,953**	**268,048**	**0**	**0**	**303,001**

1: Impact on equity of the application of IFRS 9 as of 1 January 2018

Gains and losses recognised directly in equity

Gains and losses recognised directly in recyclable equity	Gains and losses recognised directly in non-recyclable equity	Total gains and losses recognised directly in equity	Net profit/loss	Equity, Group Share	Equity, Share of non-controlling interest	Consolidated shareholders' equity
26,566	**2,793**	**29,359**		**360,792**	**0**	**360,792**
		0		0	0	0
		0		0	0	0
		0		0	0	0
		0		0	0	0
		0		-31,515	0	-31,515
		0		0	0	0
		0		0	0	0
		0		0	0	0
0	**0**	**0**	**0**	**-31,515**	**0**	**-31,515**
-18,604	**-416**	**-19,020**		**-19,020**	**0**	**-19,020**
		0	29,074	29,074	0	29,074
		0		0	0	0
7,962	2,377	10,339	29,074	339,331	0	339,331
		0	**-29,074**	**0**	**0**	**0**
7,962	2,377	10,339	0	339,331	0	339,331
-1,797	**1,209**	**-588**		**-1,115**	**0**	**-1,115**
6,165	3,586	9,751	0	338,216	0	338,216
		0		**0**	**0**	**0**
		0		0	0	0
		0		0	0	0
		0		0	0	0
		0		-25,464	0	-25,464
		0		0	0	0
		0		0	0	0
		0		0	0	0
		0		0	0	0
		0		**0**	**0**	**0**
-850	**250**	**-600**		**-600**	**0**	**-600**
		0		0	0	0
		0		0	0	0
		0		0	0	0
		0	22,983	22,983	0	22,983
		0		0	0	0
5,315	**3,836**	**9,151**	**22,983**	**335,135**	**0**	**335,135**

Cash flow statement

The cash flow statement is presented using the indirect method model.

Operating activities are representative of the CFM Indosuez Wealth Group's product-generating activities.

Tax flows are presented in full with the operational activities.

Investment activities represent cash flows for the acquisition and sale of interests in consolidated and non-consolidated businesses, and tangible and intangible non-current assets.

Financing activities are based on changes in financial structure transactions relating to equity and long-term borrowings.

Net cash flows attributable to the operating, investing and financing activities of discontinued operations are presented as separate items in the cash flow statement.

The concept of net cash includes cash, accounts receivable and debts with central banks, as well as accounts (assets and liabilities) and demand loans with credit institutions.

Cash flow statement

(in thousands of euros)	31/12/2018	31/12/2017
Profit/Loss before tax	**27,016**	**29,074**
Amortisation and impairment of intangible and tangible non-current assets	2,187	2,835
Impairment of goodwill and other non-current fixed assets	0	0
Net allocations to impairments and provisions	1,145	5,344
Share of net income of companies accounted for using the equity method	0	0
Net profit/loss from investment operations	16	0
Net profit/loss from financing operations	0	0
Other transactions	-686	715
Total non-monetary items included in net profit/loss before tax and other adjustments	**2,662**	**8,894**
Flows related to operations with credit institutions	-455,040	-281,388
Flows related to operations with clients	-66,623	464,386
Flows related to other transactions affecting financial assets or liabilities	839,485	133,291
Flows related to transactions affecting non-financial assets or liabilities	-13,928	32,900
Dividends received from companies accounted for by the equity method	0	0
Taxes paid	-3,579	0
Net change in assets and liabilities from operating activities	**300,315**	**349,189**
Flows from discontinued operations	**0**	**0**
Total net cash flow generated by operating activity (A)	**329,993**	**387,157**
Flows related to investments		**0**
Flows related to tangible and intangible non-current assets	**-1,966**	**-22,237**
Flows from discontinued operations		**0**
Total net cash flow from investing activities (B)	**-1,966**	**-22,237**
Cash flow from or to shareholders 1	**-25,464**	**-31,515**
Other net cash flows from financing activities	**0**	**0**
Flows from discontinued operations	**0**	**0**
Total Cash flow from financing activities (C)	**-25,464**	**-31,515**
Impact of foreign exchange rate changes on cash and cash equivalents (D)	**165**	
Net increase / (decrease) in cash and cash equivalents (a + b + c + d)	**302,728**	**333,405**
Cash and cash equivalents at the start of the year	**269,279**	**-64,125**
Net balance of cash accounts and central banks *	62,570	45,404
Net balance of accounts, demand loans/borrowings with credit institutions **	206,709	-109,529
Cash and cash equivalents at the end of the year	**572,007**	**269,279**
Net balance of cash accounts and central banks *	305,414	62,570
Net balance of accounts, demand loans/borrowings with credit institutions **	266,593	206,709
Change in net cash and cash equivalents	**302,728**	**333,405**

* Consisting of the net balance of "Cash and central banks," excluding accrued interest and including cash from entities reclassified as discontinued operations.
** Consists of the balance of the items "Ordinary non-impaired accounts receivable" and "Non-impaired accounts and overnight loans" and "Ordinary accounts payable" and "Accounts and overnight borrowings" (excluding accrued interest)

Notes on the effects of the application of IFRS 9 as of 1 January 2018

Transition from the balance sheet as of 31 December 2017 to 1 January 2018

Financial assets

		Reclassifications under IFRS 9 as of 01/01/2018					
			Financial assets at fair value through profit or loss				
				Other financial assets at fair value through profit or loss			
(in thousands of euros)	**Balance sheet value in accordance with IAS 39 as of 31/12/2017**	Central Banks	Financial assets held for trading	Equity instruments	Debt instruments that do not meet SPPI criteria	Assets representing unit-linked contracts	Financial assets at fair value through profit or loss as an option
Central Banks	**57,273**	57,273					
Financial assets at fair value through profit or loss	**1,191**		1,191	0	0	0	0
Financial assets held for trading	**1,191**		1,191	0	0	0	0
Financial assets at fair value through profit or loss as an option	**0**		0		0		0
Derivative instruments	**40,920**		0				
Available-for-sale financial assets	**1,221,462**		1,835	0	0		0
Loans and receivables from credit institutions	**1,050,907**		0		0		0
Loans and receivables from clients	**3,146,373**		0		0		0
Securities held to maturity	**0**		0		0		0
Non-current assets held for sale and discontinued operations	**0**				0		0
Investments in companies accounted for by the equity method	**0**				0		0
Accounting balances according to IFRS 9 valuation criteria	**5,518,127**						
Adjustment of book value under IFRS 9		-14					
Accounting balances according to IFRS 9 valuation criteria		**57,259**	**3,026**	**0**	**0**	**0**	**0**

IAS 39

	Financial assets at fair value through equity		Financial assets at amortised cost				
Derivative instruments	Debt instruments recognised at fair value through recyclable equity	Equity instruments recognised at fair value through non-recyclable equity	Loans and receivables from credit institutions	Loans and receivables from clients	Debt securities	Non-current assets held for sale and discontinued operations	Investments in companies accounted for by the equity method
0	0	0	0	0	0		
0	0	0	0	0	0	0	0
0	0		0	0			
40,920							
	1,219,019	94	0	0	514		
	0		1,050,907		0		
	0			3,146,374	0		
	0			0	0		
	0			0	0	0	
	0			0	0		0
	0		-9	-1,043			
40,920	**1,219,019**	**94**	**1,050,898**	**3,145,331**	**514**	**0**	**0**

Financial liabilities

IAS 39

(in thousands of euros)	Balance sheet value in accordance with IAS 39 as of 31/12/2017	Financial liabilities at fair value through profit or loss as of 01/01/2018	
		Financial liabilities held for trading	Financial liabilities at fair value through profit or loss as an option
Financial liabilities at fair value through profit or loss	**243**	243	0
Financial liabilities held for trading	**243**	243	
Financial liabilities at fair value through profit or loss as an option	**0**		0
Derivative instruments	**19,092**	0	
Debts due to credit institutions	**77,166**		0
Debts due to clients	**5,095,900**		0
Debts represented by a security	**0**		0
Debts related to non-current assets held for sale and discontinued operations	**0**		
Accounting balances according to IFRS 9 valuation criteria	**5,192,402**		
Adjustment of book value under IFRS 9			
Accounting balances according to IFRS 9 valuation criteria		**243**	**0**

	Financial liabilities at amortised cost			Debts related to non-current assets held for sale and discontinued operations
Derivative instruments	Loans and receivables from credit institutions	Loans and receivables from clients	Debt securities	Loans and receivables from credit institutions
0	0	0	0	0
	0	0	0	
19,092				
	77,166			
		5,095,900		
			0	
				0
19,092	**77,166**	**5,095,900**	**0**	**0**

Transition between impairments or provisions established in accordance with IAS 39 and impairment losses recognised under IFRS 9

Under the application of IFRS 9 as of 1 January 2018, provisioning methods are changing significantly. The following table presents the changes from impairments or provisions for liabilities recognised as of 31 December 2017 (in accordance with the provisions of IAS 39) to the impairment losses recognised as of 1 January 2018 (according to the provisions of IFRS 9):

			Reclassifications under IFRS 9 as of 31/12/2018					
				Financial assets at fair value through profit or loss				
					Other financial assets at fair value through profit or loss			
	(in thousands of euros)	**IAS 39 - Amount of impairment 31/12/2017**	Central Banks	Financial assets held for trading	Equity instruments	Debt instruments that do not meet SPPI criteria	Assets representing unit-linked contracts	Financial assets at fair value through profit or loss as an option
Impairment according to IAS 39	Central Banks	**0**						
	Available-for-sale assets	**0**						
	Loans and receivables from credit institutions	**0**						
	Loans and receivables from clients	**-9,239**						
	Securities held to maturity	**0**						
	Accounting balances of impairments in accordance with IAS 39	**-9,239**						
	Adjustment of impairment according to IFRS 9		-14					
	Of which adjustments of assets reclassified from the fair value through profit or loss category under IAS 39							
	Of which adjustments of assets reclassified from available-for-sale assets under IAS 39							
	Of which adjustments of assets reclassified from loans and receivables under IAS 39							
	Of which adjustments of assets reclassified from held-to-maturity securities under IAS 39							
1/01/2018	**Accounting balances according to IFRS 9 valuation criteria**		**-14**	**0**	**0**	**0**	**0**	**0**

Financial assets at fair value through equity		Financial assets at amortised cost		
Debt instruments recognised at fair value through recyclable equity	Equity instruments recognised at fair value through non-recyclable equity	Loans and receivables from credit institutions	Loans and receivables from clients	Debt securities
			-9,239	
			-9,239	
-330		-9	-1,043	
-330				
		-9	-1,043	
-330	**0**	**-9**	**-10,282**	**0**

Provisions for off-balance sheet commitments

(in thousands of euros)	31/12/2017 IAS 39 - Amount of provisions	Adjustments of provisions according to IFRS 9	01/01/2018 IFRS 9 - Amount of provisions
Financing commitments	0	-179	-179
Guarantee commitments	0	-593	-593
Accounting balances of provisions	**0**	**-772**	**-772**

The breakdown between collective impairment and individual impairment under IAS 39 as of 31 December 2017 is as follows:

Breakdown of impairment of financial assets under IAS 39

(in thousands of euros)	31/12/2017 Collective impairment	Individual depreciation
Accounting balances of impairments according to the provisions of IAS 39 Financing commitments	0	-9,239

The breakdown of impairments by stages of impairment (or buckets) under IFRS 9 as of 1 January 2018 is as follows:

Actifs financiers

	01/01/2018		
(in thousands of euros)	Bucket 1	Bucket 2	Bucket 3
Financial assets at fair value through equity	-330	0	0
Loans and receivables from credit institutions			
Loans and receivables from clients			
Debt securities	-330		
Financial assets at amortised cost	-832	-220	-9,239
Loans and receivables from credit institutions	-9		
Loans and receivables from clients	-823	-220	-9,239
Debt securities			
Total	**-1,162**	**-220**	**-9,239**

Off balance sheet commitments

	01/01/2018		
(in thousands of euros)	Bucket 1	Bucket 2	Bucket 3
Financing commitments	-167	-12	
Guarantee commitments	-313	-280	
Total	**-480**	**-292**	**0**

Impact on equity of the application of IFRS 9 as of 1 January 2018

(in thousands of euros)
Equity as of 31/12/2017 - IAS 39
Impact on reserves
Revaluation related to own credit risk on liabilities at fair value through profit or loss as an option
Reclassification from available-for-sale assets to fair value through profit or loss (including the cancellation of the provision if applicable;
for fair value hedges, reclassification of the unhedged portion only)
Reclassification from available-for-sale assets to fair value through non-recyclable equity: impact of the cancellation of the long-term impairment (if applicable)
Reclassification from available-for-sale assets to fair value through non-recyclable equity: reclassification of the hedged portion to fair value (if applicable)
Reclassification from amortised cost to fair value through profit or loss (including acquisition costs still to be spread, for fair value hedges reclassification of the unhedged portion only)
Assets (to fair value through profit or loss)
Liabilities (to fair value through profit or loss)
Reclassification from fair value through profit or loss to fair value through recyclable equity
Reclassification from fair value through profit or loss to amortised cost (including commissions still to be spread)
Assets (from fair value through profit or loss by type and as an option)
Liabilities (from fair value through profit or loss as an option)
Impact of hedge terminations excluding fair value hedge
Recognition of expected credit losses (on financial assets, assets falling within the scope of IAS 17 and IFRS 15, off-balance sheet commitments)
Reclassification of equity instruments from fair value through profit or loss as an option to fair value through non-recyclable equity
Impact of changes on financial assets / liabilities measured at amortised cost
Reclassification of net gains or losses on financial assets related to the application of the overlay approach
Reserves - excluding companies accounted for by the equity method
Reserves - companies accounted for using the equity method
Reserves - discontinued operations
Impact on gains and losses recognised directly in recyclable equity
Reclassification from available-for-sale assets to fair value through profit or loss (for fair value hedges, reclassification of the unhedged portion only)
Reclassification from available-for-sale assets to amortised cost (for fair value hedges, reclassification of the unhedged portion only)
Reclassification from amortised cost to fair value through recyclable equity (for fair value hedges, reclassification of the unhedged portion only)
Reclassification of equity instruments from available-for-sale assets to fair value through non-recyclable equity
Reclassification from fair value through profit or loss to fair value through recyclable equity
Impact of hedge terminations excluding fair value hedge
Recognition of expected credit losses on financial assets at fair value through recyclable equity
Reclassification of net gains or losses on financial assets related to the application of the overlay approach
Gains and losses recognised directly in recyclable equity (net of tax) - excluding companies accounted for by the equity method
Gains and losses recognised directly in recyclable equity (net of tax) - companies accounted for by the equity method
Net gains and losses recognised directly in recyclable equity on discontinued operations
Impact on gains and losses recognised directly in non-recyclable equity
Revaluation related to own credit risk on liabilities at fair value through profit or loss as an option
Reclassification of equity instruments from available-for-sale assets to fair value through non-recyclable equity
Reclassification of equity instruments from fair value through profit or loss as an option to fair value through non-recyclable equity
Gains and losses recognised directly in non-recyclable equity (net of tax) - excluding companies accounted for by the equity method
Gains and losses recognised directly in non-recyclable equity (net of tax) - companies accounted for by the equity method
Net gains and losses recognised directly in non-recyclable equity on discontinued operations
Total - Impact on equity related to the implementation of IFRS 9
Equity as of 01/01/2018 - IFRS 9

1: The amounts presented are net of taxes.

	Consolidated shareholders' equity	Consolidated shareholders' equity	Equity Non-controlling interests
	339,331	**339,331**	
	-527	**-527**	**0**
	917	917	
	-1,444	-1,444	
	-527	**-527**	**0**
	-1,797	**-1,797**	**0**
	-1,209	-1,209	
	-588	-588	
	-1,797	**-1,797**	**0**
	1,209	**1,209**	**0**
	1,209	1,209	
	1,209	**1,209**	**0**
	-1,115	**-1,115**	**0**
	338,216	**338,216**	**0**

Notes to the consolidated financial statements

Note 1 :
Principles and methods applicable to the Group, judgements and estimates used

1.1 Applicable standards and comparability

In accordance with EC Regulation No. 1606/2002, the consolidated financial statements have been prepared pursuant to IAS/IFRS and IFRIC interpretations applicable on 31 December 2017 and as adopted by the European Union (the so-called carve-out version), thus using certain exemptions to the application of IAS 39 for macro-hedge accounting.
They have been supplemented by the provisions of IFRS as adopted by the European Union on 31 December 2018, the application of which is mandatory for the first time in 2018. These relate to:

Standards, Amendments or Interpretations	Date of publication by the European Union	Date of first application: fiscal years starting on	Applicable to the Group
IFRS 9 Financial Instruments Replacement of IAS 39 - Financial Instruments: classification and measurement, impairment, hedging accounts and lo**ans**	22 November 2016 (UE 2016/2067)	1 January 2018	Yes
IFRS 15 Revenue from contracts with customers Replacement of IAS 11 on recognition of construction contracts and IAS 18 on the recognition of ordinary revenue	22 September 2016 (UE 2016/1905	1 January 2018	No
Amendment to IFRS 15 Revenue from contracts with customers Clarifications to IFRS 15	31 October 2017 (UE 2017/1987)	1 January 2018	No

Thus, for the first time, CFM Indosuez Wealth publishes its IFRS financial statements as of 1 January 2018, in accordance with IFRS 9 "Financial Instruments" and IFRS 15 "Revenue from contracts with customers."

IFRS 9 "Financial Instruments" replaces IAS 39 "Financial Instruments: Recognition and Measurement." It defines new principles for the classification and measurement of financial instruments, impairment due to credit risk and hedge accounting, excluding macro-hedging transactions.

IFRS 9 is applicable retrospectively and mandatory from 1 January 2018 by adjusting the opening balance sheet as of the date of the first application, without needing to restate the financial statements for the comparative period 2017. As a result, the assets and liabilities related to the 2017 financial instruments are recognised and measured in accordance with IAS 39.

The CFM Indosuez Wealth Group has chosen to apply IFRS 15 as of 1 January 2019. No significant impact on earnings or equity has been identified through the implementation of this new standard.

In addition, it should be noted that when the anticipated application of standards and interpretations adopted by the European Union is optional over a period, the option is not implemented by the Group, unless specifically mentioned.

This concerns in particular:

Standards, Amendments or Interpretations	Date of publication by the European Union	Date of first application: fiscal years starting on	Applicable to the Group
Amendment to IFRS 9 Financial Instruments Prepayment options with negative penalty	22 March 2018 (EU 2018/498)	1 January 2019 [(1)]	Yes
IFRS 16 Leases Replacement of IAS 17 on lease accounting	31 October 2017 (UE 2017/1986)	1 January 2019	Yes

[1] The Group has decided to apply the amendment to IFRS 9 in advance as of 1 January 2018.

IFRS 16 Leases

IFRS 16 "Leases" will replace IAS 17 and all related interpretations (IFRIC 4 "Determining whether an arrangement contains a lease," SIC 15 2Lease advantages" and SIC 27 "Evaluating the substance of transactions" involving the legal form of a lease). It will apply to fiscal years beginning on or after 1 January 2019.
The main change brought about by IFRS 16 concerns tenant accounting. For tenants, IFRS 16 will require the use of a model to recognise all leases in the balance sheet, recognising as a liability a lease debt representative of the commitments over the life of the lease, and on the assets side a right of use to be amortised.
CFM Indosuez Wealth has organised itself to implement IFRS 16 in a timely manner, integrating the accounting, finance, risk and purchasing functions. The group does not anticipate a significant impact related to this new standard.

1.2 Accounting principles and policies

Use of judgements and estimates in the preparation of financial statements

- By their nature, the assessments required to prepare the financial statements require the formulation of assumptions and involve risks and uncertainties as to their realisation in the future. Future realisations can be influenced by many factors, including:
- national and international market activities;
- fluctuations in interest rates and foreign exchange rates;
- economic and political conditions in certain industries or countries;
- changes in regulations or legislation. This list is not exhaustive.

Accounting estimates that require the formulation of assumptions are used primarily for the following valuations:
- financial instruments measured at fair value;
- pension plans and other future benefits;
- impairment of debt instruments at amortised cost or fair value through recyclable equity;
- provisions;
- deferred tax assets.

The procedures for using judgements or estimates are established in the relevant paragraphs below.

Financial instruments (IFRS 9, IAS 39 and IAS 32)

Definitions

IAS 32 defines a financial instrument as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity, that is, any contract representing contractual rights or obligations to receive or pay cash or other financial assets.
Derivatives are financial assets or liabilities whose value changes with the value of an underlying asset, which require little or no initial investment, and which are settled at a future date.
Financial assets and liabilities are treated in the financial statements in accordance with the provisions of IFRS 9 as adopted by the European Union.
IFRS 9 defines the principles for the classification and measurement of financial instruments, impairment due to credit risk and hedge accounting, excluding macro-hedging transactions.
However, it should be noted that the CFM Indosuez Wealth Group has made use of the option not to apply the general hedging model of IFRS 9. All hedging relations therefore remain in the scope of IAS 39 pending future macro-hedging provisions.

Agreements for valuing financial assets and liabilities:

Initial valuation

On initial recognition, financial assets and liabilities are measured at fair value as defined by IFRS 13.
Fair value as defined in IFRS 13 is the price that would be received for the sale of an asset or paid for the transfer of a liability in a normal transaction between market participants in the main market or the most advantageous market on the valuation date.

Subsequent valuation

After initial recognition, financial assets and liabilities are valued according to their classification either at amortised cost or at their fair value as defined by IFRS 13. For derivatives, they are always valued at fair value. Amortized cost is the amount at which the financial asset or financial liability is measured on initial recognition. The rule of incorporating transaction costs directly attributable to their acquisition or issue, less principal repayments, plus or minus accumulated amortisation calculated using the effective interest rate (EIR) method (not applicable to CFM Indosuez) of any difference (discount or premium) between the initial amount and the amount at maturity, is not applied since it is non-material (materiality study conducted on a quarterly basis). In the case of a financial asset, the amount is adjusted if necessary under impairment losses.

Financial assets

Classification and measurement of financial assets

Non-derivative financial assets (debt or equity instruments) are classified in the balance sheet in accounting categories that determine their accounting treatment and subsequent measurement. These financial assets are classified in one of three categories:
- financial assets at fair value through profit or loss;
- financial assets at amortised cost;
- financial assets at fair value through equity.

The criteria for the classification and measurement of financial assets depend on the nature of the financial asset, according to whether it is classified as: debt instruments (i.e. loans and fixed or determinable income securities); or equity instruments (i.e. shares).

Debt instruments

The classification and measurement of a debt instrument depends on two combined criteria: the management model and the analysis of contractual characteristics, unless the option is used at fair value.

The three management models:

The management model is representative of the strategy followed by CFM Indosuez Wealth management for the management of its financial assets, in the achievement of its objectives. The management model is specified for a portfolio of assets and is not a case-by-case approach for an individual financial asset.

There are three management models:
- The pure-collection model of which the objective is to collect contractual cash flows over the life of the assets; this model does not systematically involve holding all the assets until their contractual maturity; however, asset sales are strictly regulated;
- The mixed model of which the objective is to collect cash flows over the life of the asset and sale of the assets; in this model, the sale of financial assets and the inflow of cash are both essential; and
- The pure assignment model of which the main objective is to sell the assets. It relates in particular to portfolios of which the objective is to collect cash flows through assignments, portfolios whose performance is assessed on the basis of its fair value, and portfolios of financial assets held for trading.

Contractual characteristics
("Solely Payments of Principal & Interests" test):

The "SPPI" test includes a set of criteria, examined cumulatively, to establish whether the contractual cash flows meet the characteristics of simple financing (notional repayments and interest payments on the notional amount remaining due).
The test is passed when the financing is eligible only for the repayment of the principal and when the payment of the interest received reflects the time value of the money, the credit risk associated with the instrument, the other costs and risks of a conventional loan agreement and a reasonable margin, whether the interest rate is fixed or variable.
In simple financing, interest represents the cost of the passage of time, the price of credit and liquidity risk over the period, and other components related to the cost of carrying the asset (e.g. administrative costs).
In some cases, when this qualitative analysis is not conclusive, a quantitative analysis (or Benchmark test) is carried out. This additional analysis consists of comparing the contractual cash flows of the assets under review with the cash flows of a benchmark asset.

If the difference between the cash flows of the financial asset and the benchmark asset is to b e considered insignificant, the asset is considered to be simple financing.
The method of accounting for debt instruments resulting from the qualification of the management model coupled with the "SPPI" test can be presented in the form of the diagram below:

Debt instruments		Management models: Pure collecte	Mixte	Pure cession
SPPI test	Passed	Amortised cost	Fair value through recyclable equity	Fair value through profit or loss
	Not passed	Fair value through profit or loss	Fair value through profit or loss	Fair value through profit or loss

Debt instruments at amortised cost

Debt instruments are measured at amortized cost if they are eligible for the collection model and if they comply with the "SPPI" test. They are recorded on the settlement date and their initial valuation also includes accrued coupons and transaction costs.
This category of financial assets is subject to impairment under the conditions described in the specific paragraph "Provisioning for credit risk."

Debt instruments at fair value through recyclable equity

Debt instruments are measured at fair value through recyclable equity if they are eligible for the mixed model and if they comply with the "SPPI" test.
They are recorded on the trade date and their initial valuation also includes accrued coupons and transaction costs. The amortisation of any premiums / discounts and transaction costs of fixed income securities is recognised in profit or loss.
These financial assets are subsequently measured at fair value and changes in fair value are recorded in recyclable equity, offset against balances outstanding (excluding accrued interest).
In the event of sale, these changes are transferred to profit/loss.
This category of financial instruments is subject to impairment under the conditions described in the specific paragraph "Provisioning for credit risk" (this does not affect fair value on the balance sheet).

Debt instruments at fair value through profit or loss

Debt instruments are measured at fair value through profit or loss in the following cases:
- The instruments are classified in portfolios consisting of financial assets held for trading or whose main purpose is their sale;

Financial assets held for trading are assets acquired or generated by the business primarily for the purpose of selling them in the short term or as part of a portfolio of instruments jointly managed for the purpose of obtaining earnings related to short-term price fluctuations or an arbitraging margin. Although contractual cash flows are collected during the time that the CFM Indosuez Wealth Group holds the assets, the collection of these contractual cash flows is not essential but incidental.

- Debt instruments that do not meet the "SPPI" test criteria. This is particularly the case for UCITS;
- Financial instruments classified in portfolios for which CFM Indosuez Wealth chooses valuation at fair value in order to reduce a difference in accounting treatment in the income statement. In this case, it is an optional classification at fair value through profit or loss.

Financial assets measured at fair value through profit or loss are initially recognised at fair value, excluding transaction costs (directly recorded in profit or loss) and accrued coupons.
They are subsequently measured at fair value and changes in fair value are recognised in profit or loss, in Net banking income (NBI), offset against balances outstanding.
This category of financial assets is not subject to impairment. Debt instruments measured at fair value through profit or loss by type are recorded on the settlement date.
Debt instruments measured at fair value through profit or loss as an option are recorded on the trade date.

Equity instruments

Equity instruments are recognised by default at fair value through profit or loss, with the exception of an irrevocable option of classification at fair value through non-recyclable equity, provided that these instruments are not held for trading.

Equity instruments at fair value through profit or loss

Financial assets measured at fair value through profit or loss are initially recognised at fair value, excluding transaction costs (directly recorded in profit or loss). They are recorded on the settlement date - delivery.
They are subsequently measured at fair value and changes in fair value are recognised in profit or loss, in Net banking income (NBI), offset against balances outstanding.
This category of financial assets is not subject to impairment.

Equity instrument at fair value through non-recyclable equity (irrevocable option)

The irrevocable option to recognise equity instruments at fair value through non-recyclable equity is implemented at the transactional level (line by line) and is effective from the date of initial recognition. These securities are recorded on the trade date.

The initial fair value includes transaction costs.
In subsequent valuations, changes in fair value are recorded in non-recyclable equity. In the event of a sale, these changes are not recycled in profit or loss; the profit or loss is recognised in equity.

Only dividends are recognised in profit or loss.

Reclassification of financial assets

In the event of a major change in the economic model in the management of financial assets (new business, acquisition of entities, sale or discontinuation of a significant activity), a reclassification of these financial assets is required. The reclassification applies to all the financial assets of the portfolio from the date of reclassification. In other cases, the management model remains unchanged for existing financial assets. If a new management model is identified, it applies prospectively, to new financial assets, grouped in a new management portfolio.

Acquisition and temporary sale of securities

Temporary sales of securities (securities lending, securities sold under repurchase agreements) do not generally qualify for derecognition.
Securities lent or repurchase are kept on the balance sheet. For securities sold under repurchase agreements, the amount received, representing the debt to the transferee, is recorded as a liability on the balance sheet by the transferor.
Securities borrowed or received under repurchase agreements are not recorded in the transferee's balance sheet.
For securities transferred under reverse repurchase agreements, a debt in respect of the transferor is recorded in the transferee's balance sheet for the amount paid. In the event of the subsequent resale of the security, the transferee records a liability measured at fair value representing its obligation to return the security received under the agreement.
Income and expenses relating to these transactions are reported in the income statement pro rata temporis, except when assets and liabilities are classified at fair value through profit or loss.

Derecognition of financial assets

A financial asset (or group of financial assets) is derecognised in whole or in part:
• when the contractual rights to the cash flows related to it expire;
• or are transferred or considered as such because they beneficially belong to one or more beneficiaries and when substantially all the risks and benefits of the financial asset are transferred.
In this case, all rights and obligations created or retained in the transfer are recognised separately in assets and liabilities. When the contractual rights to cash flows are transferred but only a portion of the risks and benefits, as well as control, are retained, the entity continues to recognise the financial asset to the extent of its continuing involvement in that asset.
Financial assets renegotiated for commercial reasons in the absence of financial difficulties of the counterparty and for the purpose of developing or maintaining a commercial relationship are derecognised at the renegotiation date. New loans granted to clients are recorded at such date at their fair value at the renegotiation date. Subsequent accounting depends on the management model and the "SPPI" test.

Financial liabilities

Classification and measurement of financial liabilities

Financial liabilities are classified in the balance sheet in the following two accounting categories: financial liabilities at fair value through profit or loss, by type or option; financial liabilities at amortised cost.

Financial liabilities at fair value through profit or loss by type

Financial instruments issued primarily for the purpose of being redeemed in the short term, instruments that are part of a portfolio of identified financial instruments that are managed together with indications of a recent short-term profit-taking profile, and derivatives (with the exception of certain derivative instruments) are measured at fair value by type.
Changes in the fair value of this portfolio are recognised in the income statement.

Financial liabilities measured at amortised cost

All other liabilities that can be defined as a financial liability (excluding derivatives) are measured at amortised cost.
This portfolio is initially recorded at fair value (including income and transaction costs) and is subsequently recognised at amortised cost.

Collection revenue

Collection revenue is recognised in the category "Financial liabilities at amortized cost - Debts due to clients."
The initial measurement is made at fair value and the subsequent measurement, at amortised cost.

Reclassification of financial liabilities

The initial classification of financial liabilities is irrevocable. No subsequent reclassification is permitted. They can only be requalified (debt instrument versus equity).

Debts - equity distinction

The distinction between debt instruments and equity instruments is based on an analysis of the economic substance of the contractual arrangements.
A financial liability is a debt instrument if it includes a contractual obligation:
• to provide another entity with cash, another financial asset or a variable number of equity instruments; or
• to exchange financial assets and liabilities with another entity on potentially unfavourable terms.
An equity instrument is a non-repayable financial instrument that provides discretionary compensation showing a residual interest in an enterprise after deducting all of its financial liabilities (net assets) and is not considered a debt instrument.

Derecognition and modification of financial liabilities

A financial liability is derecognised in whole or in part:
• upon expiration; or
• when the quantitative or qualitative analyses conclude that it has been substantially modified in the event of restructuring.
A substantial change in an existing financial liability should be recorded as an expiration of the original financial liability and the recognition of a new financial liability (novation).

Any difference between the book value of the expired liabilities and the new liabilities will be recognised immediately in the income statement.

Provisioning for credit risk

Scope

In accordance with IFRS 9, the CFM Indosuez Wealth Group recognises a value adjustment for expected credit losses ("ECL") on the following amounts:

- financial assets of debt instruments carried at amortised cost or at fair value through recyclable equity (loans and receivables, debt securities);
- financing commitments that are not measured at fair value through profit or loss;
- guarantee commitments under IFRS 9 that are not measured at fair value through profit or loss;
- trade receivables generated by transactions in IFRS 15.

Equity instruments (at fair value through profit or loss or at fair value through non-recyclable OCI) are not affected by impairment provisions.

Credit risk and provisioning stages

Credit risk is defined as the risk of loss arising from the default of a counterparty resulting in its inability to meet its commitments to the Group.

The credit risk provisioning process includes three stages (Buckets):

- 1st stage (Bucket 1): upon initial recognition of the financial instrument (credit, debt security, guarantee, etc.), the entity recognises the expected credit losses over 12 months;
- 2nd stage (Bucket 2): If the credit quality is significantly impaired for a given transaction or portfolio, the entity recognises the expected losses at maturity;
- 3rd stage (Bucket 3): When one or more default events occur with the transaction or with the counterparty adversely affecting the estimated future cash flows, the entity recognises a credit loss recognised at maturity. Subsequently, if the conditions for classifying financial instruments in bucket 3 are no longer met, the financial instruments are reclassified to bucket 2 and then bucket 1 according to the subsequent improvement in the quality of the credit risk.

Definition of default

The definition of default for the purposes of ECL provisioning is identical to that used in management and for regulatory ratio calculations. Thus, a debtor is considered to have defaulted when at least one of the following two conditions is met:

- a payment delay generally greater than ninety days unless special circumstances show that the delay is due to causes unrelated to the debtor's situation;
- the entity considers it unlikely that the debtor will fully settle its credit obligations without resorting to any measures such as the enforcement of a security.

The definition of "default" is applied uniformly to all financial instruments, unless information becomes available that indicates that another definition of "default" is more appropriate for a particular financial instrument.

An outstanding loan (Bucket 3) is depreciated when one or more events have an adverse effect on the estimated future cash flows of that financial asset. The indications of impairment of a financial asset include observable data about the following events:

- significant financial difficulties of the issuer or borrower;
- a breach of contract, such as a default or overdue payment;
- the granting by the lender(s) to the borrower, for economic or contractual reasons related to the financial difficulties of the borrower, of one or more favours that the lender(s) would not have considered in other circumstances;
- the increasing probability of bankruptcy or financial restructuring of the borrower;
- the disappearance of an active market for the financial asset due to financial difficulties;
- the purchase or creation of a financial asset with a large discount, which reflects the credit losses sustained.

It is not necessarily possible to isolate a particular event, as the impairment of the financial asset may result from the combined effect of several events.

The defaulting counterparty will return to a sound situation only after it corrects the delay completely, as well as the other elements triggering the default (lifting of the default for the parent company, lifting of an alert which caused the default, etc.).

The notion of expected credit loss ("ECL")

ECL is defined as the likely expected weighted value of the credit loss (principal and interest) discounted. It is the current value of the difference between contractual cash flows and expected cash flows (including principal and interest).

The ECL approach aims to anticipate the recognition of expected credit losses as soon as possible.

Governance and measurement of ECL

The governance of the IFRS 9 measurement system is based on the organisation set up under the Basel framework. The Crédit Agricole Group Risk Department is responsible for defining the methodological framework and overseeing the provisioning mechanism for outstanding balances.

The Group relies primarily on the internal rating system and the current Basel processes to generate the IFRS 9 parameters needed to calculate the ECL. The assessment of the changes in credit risk is based on a model of anticipation of losses and extrapolation on the basis of reasonable scenarios. All available, relevant, reasonable and justifiable information, including forward looking information, should be used.

The calculation formula incorporates the parameters of probability of default, loss in the event of default and exposure at the time of default.

These calculations are largely based on the internal models used in the prudential framework, if any, but with adjustments to determine an economic ECL. IFRS 9 recommends an analysis at the end of the reporting period (Point in Time) while taking into account historical loss data and forward looking data, while the prudential view is analysed through the cycle for the probability of default and at downturn for loss in the event of default.

The accounting approach also results in the recalculation of certain Basel parameters, in particular to neutralise the internal recovery costs or floors that are imposed by the regulator in the regulatory calculation of the loss given default or "LGD."

The methods for calculating the ECL are to be assessed according to the types of products: financial instruments and off-balance sheet instruments.

Expected credit losses within the next 12 months are a portion of expected life-cycle credit losses, and represent cash flow shortfalls in the event of a default within the 12 months following the balance sheet date (or a shorter period if the expected life of the financial instrument is less than 12 months), weighted by the probability of default.

The IFRS 9 parameters are measured and updated according to the methodologies defined by the Crédit Agricole Group and are thus used to establish a first reference level, or shared base, of provisioning.
Forward-looking macro-economic data are taken into account in a methodological framework applicable at two levels:
- at the level of the Crédit Agricole Group in determining a shared framework for taking into account Forward Looking information in the projection of PD, LGD parameters over the amortisation time of operations;
- at the level of each entity with respect to its own portfolios.

Significant impairment due to credit risk

All entities of the CFM Indosuez Wealth Group must assess, for each financial instrument, the impairment due to credit risk from the start on each end date. According to this assessment of the changes in credit risk, entities classify their operations by risk class (Buckets).
In order to determine significant impairment, the CFM Indosuez Wealth Group implements a process based on 2 levels of analysis:
- a first level dependent on relative and absolute rules and criteria imposed on the entities of the CFM Indosuez Wealth Group;
- a second level linked to the assessment, according to the local Forward Looking expert, of the risk borne by each entity in its portfolios that may lead to an adjustment of the Group criteria for declassification in Bucket 2 (switch of portfolio or sub-portfolio in ECL at maturity).

The monitoring of significant impairment is conducted for each financial instrument, except in certain cases. No contagion is required for the switch from Bucket 1 to Bucket 2 of financial instruments of the same counterparty. The monitoring of significant impairment must relate to the changes in the credit risk of the principal debtor without taking into account the guarantee, including for operations with a shareholder guarantee.
For outstanding small loans with similar characteristics, examination by counterparty may be replaced by a statistical estimate of expected losses.
To measure significant impairment due to credit risk since initial recognition, it is necessary to retrieve the internal rating (from the Crédit Agricole group) and the PD (probability of default) at the start date.
The start date refers to the trading date, when the entity becomes a party to the contractual provisions of the financial instrument. For financing and guarantee commitments, the start date means the irrevocable commitment date.
For the scope without an internal rating model, the CFM Indosuez Wealth group uses the absolute unpaid amounts threshold greater than 30 days as the ultimate threshold of significant impairment and classification in Bucket 2.
For outstanding amounts (with the exception of securities) for which internal rating systems have been constructed (in particular exposures monitored by authorised methods), the CFM Indosuez Wealth Group considers that all the information included in the rating systems allows for a more relevant assessment than the sole criterion of unpaid amounts for more than 30 days.
If the impairment since the start date is no longer observed, the impairment can be classified as losses expected at 12 months (Bucket 1).
In order to compensate for the fact that certain significant deterioration factors or indicators are not identifiable at the level of a financial instrument considered separately, the standard allows the assessment of significant impairment for portfolios, portfolio groups or portions of financial instrument portfolios.

The establishment of portfolios for an assessment of the impairment on a collective basis can be based on common characteristics such as:
- the type of instrument;
- the credit risk rating (including the Basel II internal rating for entities with an internal rating system);
- the type of guarantee;
- the date of initial recognition;
- the period to maturity;
- the business sector;
- the geographic location of the borrower;
- the value of the asset securing the financial asset, if this affects the likelihood of default (for example, in the case of loans secured only by collateral in certain countries, or the financing ratio);
- he distribution channel, the purpose of the financing, etc.

Differentiation by market of significant impairments is therefore possible (housing, consumer credit, credit to farmers or professionals, credit to businesses, etc.).
The combination of financial instruments for the purpose of assessing changes in credit risk on a collective basis may change over time as new information becomes available.
For securities, the CFM Indosuez Wealth Group uses the approach of applying an absolute level of credit risk, in accordance with IFRS 9, below which exposures are classified in Bucket 1 and provisioned on the basis of an ECL at 12 months.
Thus, the following rules will apply for monitoring the significant impairment of securities:
- securities rated "Investment Grade," as of the end date, will be classified in Bucket 1 and provisioned on the basis of a ECL within 12 months;
- securities rated "Non-Investment Grade" (NIG), as of the end date, will need to be monitored for significant impairment, from the start date, and be classified in Bucket 2 (ECL at maturity) in the event of significant impairment due to credit risk.

The relative impairment must be assessed upstream of the occurrence of a known non-compliance (Bucket 3).

Restructuring due to financial difficulties

Debt instruments restructured due to financial difficulties are those for which the CFM Indosuez Wealth Group has modified the initial financial conditions (interest rate, maturity) for economic or legal reasons related to the financial difficulties of the borrower, according to terms and conditions that would not have been considered in other circumstances. Thus, they concern all debt instruments, regardless of the classification category of the security based on the impairment due to credit risk observed since initial recognition.
The restructuring of receivables includes all changes made to one or more credit agreements, as well as refinancing granted due to the financial difficulties encountered by the client.
This notion of restructuring must be assessed at the level of the contract and not at the client level (no contagion).
The definition of restructured loans due to financial difficulties therefore meets two cumulative criteria:

- Contract amendments or debt refinancing;
- A client in a difficult financial situation.

The term "contract amendment" refers to situations in which:

- There is a difference in favour of the borrower between the amended contract and the conditions prior to the contract;
- The changes to the contract lead to more favourable conditions for the borrower concerned than would have been possible for other borrowers with a similar risk profile to obtain from the bank at the same time.

"Refinancing" refers to situations in which a new debt is granted to the client to enable him to repay another debt in whole or in part for which he cannot meet the contractual conditions due to his financial situation.
The restructuring if a loan (in default or otherwise) indicates a presumption of the existence of a proven risk of loss (Bucket 3). The need to establish an impairment based on restructured exposure must therefore be analysed accordingly (restructuring does not systematically result in impairment for proven loss and a default classification).
The classification of "restructured debt" is temporary.
As of the restructuring operation, the exposure maintains this "restructured" status for a period of at least 2 years if the exposure status was good at the time of the restructuring, or
3 years if the exposure was in default at the time of the restructuring. These periods are extended in the case of certain events, provided for by the Group's standards (new incidents, for example).
In the absence of derecognition, the reduction in future cash flows assigned to the counterparty or the deferral of these flows over a longer period during restructuring results in the recording of a reduction in the cost of risk.
The calculation of the restructuring reduction is equal to the difference between:

- The book value of the receivable;
- and the sum of future "restructured" flows;

In case of abandonment of part of the capital, this amount is a loss to be recorded flat in cost of risk.
When the reduction is reversed, the share due to the effect of the passage of time is recorded in net banking income (NBI).

Uncollectibility

When a receivable is deemed uncollectible, that is to say that there is more hope of recovering all or part of it, it is appropriate to derecognise it in the balance sheet and to record the amount deemed uncollectible as a loss.
The assessment of the period after which it is recorded as a loss is based on an expert judgement. Each entity must therefore establish it according to the knowledge that it has of its activity. Before any loss is recorded, provisioning in Bucket 3 should have been performed (with the exception of assets at fair value through profit or loss).
For loans at amortised cost or at fair value through recyclable equity, the amount written off is recorded in the cost of risk for the notional amount, in NBI for interest.

Derivative financial instruments

Classification and measurement

Derivatives are financial assets or financial liabilities classified by default as held-for-trading derivatives except if they are classified as derivative instruments.
They are recorded on the balance sheet for their initial fair value at the trading date. They are subsequently valued at fair value.

At each accounting closure, the changes in the fair value of derivatives in the balance sheet is offset:

- in profit/loss, for derivative instruments held for trading purposes or fair value hedges;
- in equity, for cash flow hedging instruments or net investment in a foreign operation, for the effective portion of the hedge.

Hedge accounting

General framework

As determined by its parent company, CFM Indosuez Wealth does not apply the hedge accounting component of IFRS 9 in accordance with the option offered by the standard. All hedging relationships are documented according to the rules of the standard
IAS 39, at the latest until the date of application of the text on macro fair value hedges when it is adopted by the European Union. Nevertheless, the eligibility of financial instruments for
hedge accounting in accordance with IAS 39 takes into account the principles of classification and measurement of financial instruments in IFRS 9.
Under IFRS 9, and taking into account IAS 39 hedging principles, debt instruments at amortised cost and
at fair value through recyclable equity are eligible for fair value hedges and cash flow hedges.

Documentation

Hedging relationships must adhere to the following principles:

- The purpose of a fair value hedge is to hedge against an exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment attributable to the hedged risk(s) and which may affect the profit/loss (for example, hedging of all or part of changes in fair value due to the interest rate risk of a fixed rate debt);
- The purpose of a cash flow hedge is to hedge against an exposure to changes in the future cash flows of a recognised asset or liability or a highly likely future transaction attributable to the risk(s) hedged and that can or may (in the event of a planned but unrealised transaction) affect the profit/loss (for example, hedging of changes in all or part of future interest payments on variable rate debt).

In the event of a hedging intention, the following conditions must also be met for hedge accounting:
- Eligibility of the hedging instrument and the hedged instrument;
- Documentation formalised from the outset, including in particular the individual designation and characteristics of the hedged item, the hedging instrument, the nature of the hedging relationship and the nature of the hedged risk;
- Demonstration of the effectiveness of the hedge, from the start and retrospectively, through tests performed at each balance sheet date.

For interest rate risk hedges of a portfolio of financial assets or financial liabilities, the CFM Indosuez Wealth Group favours fair value hedge documentation as permitted by IAS 39 adopted by the European Union (the so-called carve out version). In particular:
- The Group documents these hedging relationships on the basis of a gross position of derivatives and hedged items;
- The rationale for the effectiveness of these hedging relationships is provided based on a schedule.

Valuation

Revaluations of derivatives at fair value are recorded as follows:
- fair value hedge: the revaluation of the derivative and the revaluation of the hedged item up to the hedged risk are symmetrically recorded in the income statement. Only the potential ineffectiveness of the hedge is recorded in the income statement;
- cash flow hedge: the revaluation of the derivative is recognised in the balance sheet offset against a specific gain and loss account recognised directly in recyclable equity for the effective portion, and the ineffective portion of the hedge is, where appropriate, recorded in the income statement. Gains or losses on the derivative accumulated in equity are then recycled to income when the hedged flows are realised.

When the conditions are no longer met for hedge accounting, the following accounting treatment must be applied prospectively:
- fair value hedge: only the hedging instrument continues to be revalued, offset in the income statement. The hedged item is fully recognised in accordance with its classification. For debt instruments at fair value through recyclable equity, changes in fair value after the termination of the hedging relationship are fully recorded in equity. For hedged items measured at amortised cost, which were hedged against interest rate risk, the revaluation surplus stock is amortised over the remaining life of these hedged items;
- cash flow hedge: the hedging instrument is valued at fair value through profit or loss. The amounts accumulated in equity in respect of the effective portion of the hedge remain in equity until the hedged item affects the profit/loss. For items that were hedged against interest rate risk, the impact on profit/loss is recorded as interest is paid. The revaluation surplus stock is therefore amortised over the remaining life of these hedged items.

Embedded derivatives

An embedded derivative is the component of a hybrid contract that meets the definition of a derivative. This term applies only to financial liabilities and non-financial contracts. Embedded derivatives must be accounted for separately from the host contract if the following three conditions are met:
- the hybrid contract is not measured at fair value through profit or loss;
- when considered separately from the host contract, the embedded item has the characteristics of a derivative;
- the characteristics of the derivative are not closely related to those of the host contract.

Determination of the fair value of financial instruments

The fair value of financial instruments is determined by maximising the use of observable inputs. It is presented according to the hierarchy defined by IFRS 13.

IFRS 13 defines fair value as the price that would be received for the sale of an asset or paid for the transfer of a liability in a normal transaction between market participants, in the main or most advantageous market, on the valuation date. Fair value applies to each financial asset or financial liability on an individual basis. By exception, it can be estimated by portfolio, if permitted by the risk management and monitoring strategy and if it is subject to appropriate documentation. As a result, certain fair value parameters are calculated on a net basis when a group of financial assets and financial liabilities is managed on the basis of its net exposure to market or credit risk.

The Group believes that the best indication of fair value is the reference to published quotations in an active market.

In the absence of such quotations, fair value is determined by the application of valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs.

When debt is measured at fair value through profit or loss (by type or option), the fair value takes into account the issuer's own credit risk.

Counterparty risk on derivatives

The Group includes in the fair value the valuation of counterparty risk for active derivatives (Credit Valuation Adjustment or CVA) and, according to a symmetrical approach, the risk of non-performance for passive derivatives (Debit Valuation Adjustment or DVA or own credit risk).

The CVA is used to determine the expected losses from the counterparty from the point of view of the group; the DVA use used to determine expected losses from the group from the point of view of the counterparty.

The CVA/DVA calculation is based on an estimate of the expected losses from the probability of default and loss in case of default. The methodology employed maximizes the use of observable inputs. It is primarily based on market parameters such as CDS Single Name or index CDS in the absence of a registered CDS for the counterparty. Under certain circumstances, historical default parameters may be used.

Hierarchy of fair value

The standard classifies fair values into three levels based on the observability of inputs used in the assessment.

- ***Level 1: fair values corresponding to (unadjusted) prices in active markets***

Level 1 includes financial instruments that are directly quoted in active markets for identical assets and liabilities that can be accessed by the entity at the measurement date. These include stocks and bonds quoted on an active market (such as the Paris Stock Exchange, the London Stock Exchange, the New York Stock Exchange, etc.), units of investment funds listed on an active market and derivatives contracted on an organised market, including futures.

A market is considered active if prices are readily and regularly available from a stock exchange, broker, trader, price assessment service or regulatory agency and these prices represent actual transactions that regularly occur on the market under normal competitive conditions.

For financial assets and liabilities with offsetting market risks, the group uses mid-prices as a basis for determining the fair value of these positions. For net short positions, bid prices are used and for net long positions, selling prices are used.

- ***Level 2: fair values valued on the basis of directly or indirectly observable data, other than level 1***

These data are directly observable (i.e. prices) or indirectly observable (derived from price data) and generally meet the following conditions: they are non-entity-specific data that are publicly available/accessible and based on a market consensus.

The following are presented in level 2:

- shares and bonds quoted on a market that is considered inactive, or not quoted in an active market, but for which the fair value is determined using a valuation method commonly used by market participants (such as discounting methods for future flows, the Black & Scholes model) and based on observable market data;
- instruments traded in over-the-counter markets for which valuation is performed with models that use observable market data, i.e. that can be obtained from multiple sources independent of internal sources and on a regular basis. For example, the fair value of interest rate swaps is generally determined using rate curves based on market interest rates prevailing at the reporting date.

When the models used are based particularly on standard models, and on observable market parameters (such as yield curves or implied volatility tables), the margin initially generated on the instruments thus valued is recognised in the income statement from the beginning.

- ***Level 3: fair values for which a significant part of the parameters used for their determination do not meet the observability criteria***

The determination of the fair value of certain complex market instruments not traded in an active market is based on valuation techniques using assumptions that are not supported by observable market data for the same instrument.

These products are presented in level 3.

These are essentially complex rate products, equity derivatives and structured credit products whose valuation requires, for example, correlation or volatility parameters that are not directly comparable to market data.

The original transaction price is deemed to reflect the market value and recognition of the initial margin is deferred.

The margin earned on these structured financial instruments is generally recognised in the income statement over the period during which the parameters are deemed unobservable. When market data becomes "observable," the margin remaining to be spread is immediately recognised in the income statement.

The methodologies and valuation models for financial instruments presented in Level 2 and Level 3 incorporate all the factors that market participants use to calculate a price. They must first be validated by an independent audit. The determination of the fair values of these instruments particularly takes into account liquidity risk and counterparty risk.

Offsetting financial assets and liabilities

In accordance with IAS 32, the CFM Indosuez Wealth Group offsets a financial asset and a financial liability and presents a net balance if and only if it has a legally enforceable right to offset the amounts recognised and intends to settle the net amount or realise the asset and realise the liability simultaneously.

Derivatives and repurchase agreements with clearing houses whose operating principles meet the two criteria established by IAS 32 are offset in the balance sheet.

Net gains or losses on financial instruments

Net gains or losses on financial instruments at fair value through profit or loss

For financial instruments recognised at fair value through profit or loss, this item includes the following items of income:

- Dividends and other income from equities and other variable income securities classified as financial assets at fair value through profit or loss;
- Changes in the fair value of financial assets or financial liabilities at fair value through profit or loss;
- Capital gains and losses realised on financial assets at fair value through profit or loss;
- Changes in fair value and income from the sale or termination of derivative instruments that are not subject to a fair value hedge or cash flow hedge relationship.

This item also includes ineffectiveness resulting from hedging transactions.

Net gains or losses on financial instruments at fair value through equity

For financial assets recognised at fair value in equity, this item includes the following items of income:

- Dividends from equity instruments classified as financial assets at fair value in non-recyclable equity;
- Capital gains and losses and income related to the termination of the hedging relationship on debt instruments classified as financial assets at fair value through recyclable equity;
- The results of the sale or termination of fair value hedges of financial assets at fair value through equity when the hedged item is sold.

Financing commitments and financial guarantees provided

Financing commitments that are not classified as assets at fair value through profit or loss or that are not considered to be derivative instruments within the meaning of IFRS 9 are not included in the balance sheet. However, they are subject to provisions in accordance with the provisions of IFRS 9.

A financial guarantee arrangement is a contract that requires the issuer to make specified payments to reimburse the holder for a loss that it sustains as a result of the default of a specified debtor who fails to make a payment upon maturity according to the initial or amended conditions of a debt instrument.

Financial guarantee contracts are initially measured at fair value and subsequently at the one of the following, whichever is greater:

- the amount of the value adjustment for losses determined in accordance with the provisions of IFRS 9, or
- the amount initially recognised less, if any, accumulated income recognised in accordance with the principles of IFRS 15 "Revenue from Contracts with Customers."

Revenue from contracts with customers (IFRS 15)

Commission income and expenses are recorded in the income statement according to the type of the services to which they relate. Commissions that are integral to the performance of a financial instrument are accounted for as an adjustment to the compensation of such instrument.
For other types of commissions, their recognition in the income statement must reflect the rate of transfer to the client of the control over the good or service sold:

- the result of a transaction associated with the provision of services is recognised under "Commissions" when transferring control of the service to the customer if it can be reliably estimated. This transfer can occur as the service is rendered (continuous service) or on a given date (one-time service);
- Commissions for continuous services (payment commissions, for example) are recorded in the income statement according to the degree of progress of the service rendered;
- Commissions received or paid for one-time services are, in turn, fully recognised in profit or loss when the service is rendered.

Commissions payable or receivable subject to the achievement of a performance objective are recognised at the amount for which it is highly likely that the income thus recognised will not be subject to a significant downward adjustment when the uncertainty is resolved. This estimate is updated at each closing date. In practice, this condition has the effect of postponing the recognition of certain performance fees until the expiry of the performance valuation period and until they are definitively acquired.

Provisions (IAS 37 et 19)

The CFM Indosuez Wealth Group identifies the obligations (legal or implicit), resulting from a past event, in cases in which it is likely that an outflow of resources will be required to settle them, whose due date or amount are uncertain but of which a reliable estimate can be made. These estimates may be updated if the impact is significant.
In respect of non-credit risk obligations, the CFM Indosuez Wealth group has set up provisions that include:

- employee benefits;
- risks of enforcement of signature commitments;
- litigation and liability guarantees.

Commitments are established taking into account, in particular:

- the modelled behaviour of the subscribers, using assumptions of changes in these behaviours, based on historical observations and which may not describe the actual future changes;
- an estimate of the amount and duration of future borrowings based on historical long-term observations;
- the curve of observable rates on the market and reasonably anticipated changes in such rates.

The valuation of the following provisions can also be estimated:

- Provisions for legal risks resulting from Management's best assessment, taking into account the information in its possession at the end date of the financial year.

Detailed information is provided in Note 6.12 "Provisions."

Employee benefits (IAS 19)

Employee benefits, in accordance with IAS 19, fall into four categories:

- short-term benefits, such as wages, social security contributions, holidays, profit-sharing, dividends and bonuses, are those expected to be paid within 12 months of the year in which the services were rendered;
- long-term benefits (long service awards, bonuses and compensation payable within twelve months or more as of the end of the fiscal year);
- termination benefits;
- retirement benefits, which are themselves classified into the two categories described below: defined benefit plans and defined contribution plans.

Long-term benefits

Long-term benefits are benefits to be paid to employees, other than retirement benefits and termination benefits, but not fully payable within twelve months following the end of the year in which the related services were rendered.
This includes bonuses and other deferred compensation paid twelve months or more after the end of the year in which they were earned, but which are not tied to shares.
The valuation method is similar to that used by the Group for retirement benefits in the defined benefit category.

Retirement benefits

Defined benefit plans

At each closing date, the CFM Indosuez Wealth Group determines its retirement and similar benefits as well as all the employee benefits granted under the category of defined benefit plans.
In accordance with IAS 19, these commitments are measured based on a set of actuarial, financial and demographic assumptions and according to the Projected Unit Credit method.
This method consists of allocating an expense corresponding to the entitlements earned over the fiscal year for each year of the employee's activity. The calculation of this expense is based on the discounted future benefit.
The calculation of employee retirement and future benefit expense is based on a discount rate, staff turnover rate or salary and social security contribution rates assumptions developed by Management. If actual figures differ from the assumptions used, the retirement benefit expense may increase or decrease in future years (see note 7.4 "Retirement benefits, defined benefit plans").
The discount rates are determined according to the average duration of the commitment, i.e. the arithmetical average of the durations calculated between the valuation date and the payment date weighted by the turnover assumptions.
The expected rate of return on plan assets is also estimated by Management. The estimated returns are based on the expected return on fixed income securities, including bond yields.
The expected return on plan assets is determined based on the discount rates used to measure the defined benefit obligation.
In accordance with the revised IAS 19 standard, the CFM Indosuez Wealth group records all recognised actuarial gains and losses directly in equity.
The amount of the provision is equal to:

- the present value of the defined benefit obligation as of the balance sheet date, calculated using the actuarial method recommended by IAS 19;
- less, if applicable, the fair value of the assets allocated to cover these commitments.

In respect of these unhedged commitments, a provision to cover retirement benefits is included in liabilities in the balance sheet under Provisions. This provision is equal to the amount of the

commitments concerning Crédit Agricole Group employees present at the end of the financial year, covered by the Collective Bargaining Agreement of the CFM Indosuez Wealth Group.
A provision to cover the cost of early retirement plans is included in the Provisions section. This provision covers the discounted additional cost of the various early termination agreements signed by the entities of the CFM Indosuez Wealth group which allow their employees of the required age to benefit from a dispensation from work.

Defined contribution plans

There are various compulsory pension schemes to which employers' associations contribute. The funds are managed by independent organisations and the contributing companies have no legal or implied obligation to pay additional contributions if the funds do not have enough assets to cover all the benefits corresponding to the services rendered by the staff during the fiscal year and prior fiscal years. As a result, the CFM Indosuez Wealth Group has no liability other than the contributions payable for the past financial year.

Current and deferred taxes

In accordance with IAS 12, income tax includes all taxes on income, whether due or deferred. It defines the tax payable as "the amount of income tax payable (recoverable) for taxable profit (tax loss) for a financial year." Taxable profit is the profit (or loss) of a given period according to the rules established by tax authorities.
The rates and rules applicable to determine the tax payable are those in effect in each country where Group companies are established.
The tax payable includes any income tax, due or receivable, of which the payment is not contingent upon the completion of future transactions, even if the payment is spread over several financial years.
The tax payable must be recognised as a liability, insofar as it is not paid. If the amount already paid in respect of the fiscal year and previous fiscal years exceeds the amount due for those fiscal years, the surplus must be recognised as an asset.
In addition, certain transactions carried out by the entity may have tax consequences that are not taken into account in determining the tax payable. The differences between the book value of an asset or liability and its tax base are classified in IAS 12 as temporary differences.
The standard requires the recognition of deferred taxes in the following cases:

- a deferred tax liability must be recognised for all taxable temporary differences, between the book value of an asset or liability on the balance sheet and its tax base, except to the extent that the deferred tax liability is generated by the initial recognition of an asset or liability in a transaction that is not a business combination and does not impact accounting profit or taxable profit (tax loss) as of the date of the transaction.
- a deferred tax asset must be recognised for all deductible temporary differences, between the book value of an asset or liability in the balance sheet and its tax base, to the extent that it is considered likely that a taxable profit, against which such deductible temporary differences may be offset, will be available;
- a deferred tax asset must also be recognised for the carry forward of tax losses and unused tax credits to the extent that it is likely that future taxable profits will be available against which such tax losses and unused tax credits may be offset.

The tax rates for each country are selected according to the case.
The calculation of deferred taxes is not discounted.
Unrealised capital gains on securities, when they are taxable, do not generate taxable temporary differences between the book value of assets and the tax base. They do not, therefore, give rise to the recognition of deferred taxes. When the relevant securities are classified as financial assets at fair value through equity, unrealised gains and losses are offset against equity. As a result, the tax expense or the actual tax benefit to the entity on these unrealised gains or losses is reclassified as a deduction from them.

Current and deferred tax is recognised in net profit/loss for the year except to the extent that tax is generated:

- by a transaction or event that is recognised directly in equity, in the same year or in a different year, in which case it is directly debited or credited to equity;
- or by a group of companies.

Deferred tax assets and liabilities are offset if, and only if:

- the entity has a legally enforceable right to offset current tax assets and liabilities;
- deferred tax assets and liabilities relate to income taxes levied by the same tax authority:
  a) on the same taxable entity,
  b) or on different taxable entities that intend to either settle the current tax liabilities and assets on a net basis or realise the assets and settle the liabilities concurrently in each of the following years in which it is expected that significant amounts of deferred tax assets or liabilities will be settled or recovered.

Treatment of non-current assets (IAS 16, 36, 38 and 40)

The CFM Indosuez Wealth Group applies the asset component accounting method to all of its tangible non-current assets. In accordance with the provisions of IAS 16, the depreciable base takes into account any residual value of non-current assets.
Land is recorded at acquisition cost, less any impairment.
Operating and investment properties are recorded at acquisition cost less depreciation and impairment since they are put into service.
Purchased software is recognised at acquisition cost less depreciation and impairment recorded since the date of acquisition.
Created software is recognised at cost of production less depreciation and impairment recorded since the date of completion.
In addition to software, intangible non-current assets mainly include assets acquired in business combinations resulting from contractual rights (e.g. distribution agreement). These have been valued according to their future economic benefits or the potential of the expected services.
Non-current assets are amortised according to their estimated useful lives.
The following amortisation components and periods have been used by the CFM Indosuez Wealth Group following the application of the recognition of tangible non-current assets by components. It should be noted that these amortisation periods are adapted to the nature of the buildings and their location:

Component	Amortisation period
Buildings	50 years
Fixtures & fittings	6 to 10 years
Furniture & equipment	5 to 10 years
Transportation equipment	5 years
IT equipment	3 years
Software and other intangible non-current assets	1 to 3 years

Based on the information available to CFM Indosuez Wealth on the value of its amortisable assets, it has concluded that impairment tests would not result in changes in the values entered in the balance sheet.

Foreign currency transactions (IAS 21)

In accordance with IAS 21, a distinction is made between monetary and non-monetary items.
As of the balance sheet date, monetary assets and liabilities denominated in foreign currencies are translated at the closing rate into the operating currency of the CFM Indosuez Wealth Group. Foreign exchange differences resulting from this translation are recognised in the income statement.
This rule has three exceptions:

- for debt instruments at fair value through recyclable equity, the component of the exchange difference calculated on the amortised cost is recognised in the income statement; the balance is recorded in recyclable equity;
- foreign exchange differences on items classified as cash flow hedges or as part of a net investment in a foreign entity are recognised in recyclable equity;
- for financial liabilities at fair value through profit or loss as an option, the exchange differences related to changes in the fair value of own credit risk is recorded in non-recyclable equity.

The treatment of non-monetary items differs according to the nature of these items:

- historical cost items are valued at the exchange rate on the day of the transaction;
- fair value items are measured at the exchange rate at the reporting date.

Foreign exchange differences on non-monetary items are recognised:

- in the income statement, if the gain or loss on the non-monetary item is recorded in the income statement;
- in non-recyclable equity if the gain or loss on the non-monetary item is recorded in non-recyclable equity.

Leases (IAS 17)

In accordance with IAS 17, leasing transactions are analysed according to their substance and financial reality. They are accounted for as appropriate, either as operating leases or financial leasing transactions.
The CFM Indosuez Wealth group has identified only operating leases, and has therefore recognised the payment charges in the income statement.

1.3 Consolidation principles and methods (IFRS 10, IFRS 11 and IAS 28)

Consolidation methods

The consolidation methods are established by IFRS 10 and IAS 28, as amended, respectively. They are based on the nature of the control exercised by CFM Indosuez Wealth over consolidable entities, regardless of the activity and whether or not they have legal status:

- general consolidation, for controlled entities, including entities with different account structures, even if their activity is not in line with that of CFM Indosuez Wealth;
- the equity method, for entities under significant influence and under joint control.

General consolidation consists of replacing the value of the securities with each of the assets and liabilities of the subsidiary. The share of non-controlling interests in equity and in income is indicated separately in the consolidated balance sheet and income statement.

The equity method consists of replacing the value of the securities with the Group's share of equity and the profit or loss of the companies concerned.
Since the 2 consolidated subsidiaries were created by the CFM Indosuez Wealth, no goodwill was recognised.

Adjustments and eliminations

The adjustments required to harmonise the valuation methods of the consolidated companies have been carried out.
The impact on the consolidated balance sheet and income statement of internal Group operations is eliminated for fully consolidated entities. Capital gains or losses from asset sales between consolidated companies are eliminated; any long-term impairments measured in the event of an internal transfer are recognised.

1.4 Scope of consolidation

The consolidated financial statements of the CFM Indosuez Wealth Group include:

Asset	Establishment	Registered office	% of control		% of interest	
			31/12/2018	31/12/2017	31/12/2018	31/12/2017
CFM Indosuez Wealth SAM	Monaco	11, bld Albert 1er - Monaco	head of the group		head of the group	
CFM Indosuez Conseil en Investissement SASU	France	1, Place de la liberté - 06320 CAP D'AIL	100%	100%	100%	100%
CFM Indosuez Gestion SAM	Monaco	11, bld Albert 1er - Monaco	100%	100%	100%	100%

In accordance with international accounting standards, all entities listed above are under the exclusive control of CFM Indosuez Wealth and are therefore fully consolidated (IG).
The accounts of all consolidated companies are kept in EUR, with the exception of the New Caledonian branch, whose accounts are kept in XPF, translated into EUR at the balance sheet date.

Note 2 :
Highlights of the period

The reorganisation of activities between the two Monegasque companies, the credit institution CFM Indosuez Wealth Management and the management company, CFM Indosuez Gestion, in the context of a change of business capital with the CMB and HSBC projects, resulted in the application of the income tax to the credit institution on 1 January 2018.

Note 3 :
Financial Management, risk exposure and hedging policy

CFM Indosuez Wealth's Financial Management is responsible for organising financial flows within the CFM Indosuez Wealth Group, defining and implementing refinancing rules, asset-liability management and the management of prudential ratios. It defines the principles and ensures the consistency of the Group's financial management.
Banking risks are managed within the Group by the Risk and Permanent Controls Department (DRC) and the Finance Department (DF). These departments operate under CFM Indosuez Wealth's General Management and are respectively responsible for ensuring the control and permanent monitoring of credit and operational risks (DRC) and the control and permanent monitoring of financial and liquidity risks (DF).

3.1 Credit risk

The monitoring of credit and counterparty risks at CFM Indosuez Wealth Management is carried out by the Risk and Permanent Monitoring Department.
Counterparty risk is focused on the client lending business and is part of the Risk Management strategy of the Asset Management business, approved by the decision-making bodies of CA CIB and CA SA.
CFM Indosuez Wealth Management is exposed to counterparty risks of natural persons, legal entities, asset structures whose economic beneficiaries are natural persons or commercial companies related to a business owner client, whose activity or decision-making centre is based in Monaco. Any exception to this scope of counterparties is subject to prior approval by the Indosuez Group General Management and its Risk Department.

Changes in book values and value adjustments for losses over the period

Value adjustments for losses are impairment losses on assets and provisions on off-balance sheet commitments recognised in net income (Cost of risk) for credit risk.
The various impairment stages ("Good-quality assets" - Bucket 1 and Bucket 2 and "Impaired assets" - Bucket 3) are explained in Note 1.2 "Accounting principles and methods," under the chapter "Financial instruments - Provisioning for credit risk."
The following tables present a reconciliation of the opening and closing balances of the value adjustments for losses recognised in Cost of risk and associated book values, by accounting category and type of instrument.

Financial assets at amortised cost: Debt securities

	Good-quality assets								
	Assets subject to ECL at 12 months (Bucket 1)		Assets subject to ECL on maturity (Bucket 2)		Impaired assets (Bucket 3)		Total		
(in thousands of euros)	Gross book value	Correction of value for losses	Gross book value	Correction of value for losses	Gross book value	Correction of value for losses	Gross carrying amount (a)	Correction of value for losses (b)	Net book value (a) + (b)
As of 1 January 2018	**514**	**0**					**514**	**0**	**514**
Transfers of assets during their lifetime from one bucket to another									
Transfers from ECL within 12 months (Bucket 1) to ECL at Maturity (Bucket 2)									
Reclassification from ECL at Maturity (Bucket 2) to ECL within 12 months (Bucket 1)									
Transfers to Impaired ECL at Maturity (Bucket 3)									
Reclassification from Impaired ECL at Maturity (Bucket 3) to ECL at Maturity (Bucket 2) / ECL within 12 months (Bucket 1)									
Total after transfers	**514**	**0**	**0**	**0**	**0**	**0**	**514**	**0**	**514**
Changes in Gross Book Values and value adjustments for losses									
New production: purchase, grant, creation, etc.	165,524	-88					165,524	-88	165,436
Derecognition: assignment, repayment, expiration, etc.									
Write-off									
Changes in flows on restructuring due to financial difficulties									
Changes in credit risk parameters of models over the period									
Changes in the model / methodology									
Scope changes									
Other									
Total	**166,038**	**-88**	**0**	**0**	**0**	**0**	**166,038**	**-88**	**165,950**
Changes in book value attributable to specific accounting valuation terms (with no significant impact on the loss adjustment amount) (1)									
As of 31 December 2018	**166,038**	**-88**	**0**	**0**	**0**	**0**	**166,038**	**-88**	**165,950**
Outstanding amounts of financial assets under contracts that have been written off during the period and are still subject to enforcement measures									

(1) Includes changes in the fair value revaluation of micro-hedged instruments, changes in the use of the interest rate method (including amortisation of premiums / discounts), changes in unwinding of discounts on restructured loans (reversal in NBI on the residual maturity of the asset)

Financial assets at amortised cost: Loans and receivables from clients

	Good-quality assets								
	Assets subject to ECL at 12 months (Bucket 1)		Assets subject to ECL on maturity (Bucket 2)		Impaired assets (Bucket 3)		Total		
(in thousands of euros)	Gross book value	Correction of value for losses	Gross book value	Correction of value for losses	Gross book value	Correction of value for losses	Gross carrying amount (a)	Correction of value for losses (b)	Net book value (a) + (b)
As of 1 January 2018	**1,050,907**	**-9**					**1,050,907**	**-9**	**1,050,898**
Transfers of assets during their lifetime from one bucket to another									
Transfers from ECL within 12 months (Bucket 1) to ECL at Maturity (Bucket 2)									
Reclassification from ECL at Maturity (Bucket 2) to ECL within 12 months (Bucket 1)									
Transfers to Impaired ECL at Maturity (Bucket 3)									
Reclassification from Impaired ECL at Maturity (Bucket 3) to ECL at Maturity (Bucket 2) / ECL within 12 months (Bucket 1)									
Total after transfers	**1,050,907**	**-9**	**0**	**0**	**0**	**0**	**1,050,907**	**-9**	**1,050,898**
Changes in Gross Book Values and value adjustments for losses									
New production: purchase, grant, creation, etc.	1,749,091	-98					1,749,091	-98	1,748,993
Derecognition: assignment, repayment, expiration, etc.	-997,701	5					-997,701	5	-997,696
Write-off									
Changes in flows on restructuring due to financial difficulties									
Changes in credit risk parameters of models over the period									
Changes in the model / methodology									
Scope changes									
Other	165	-29					165	-29	136
Total	**1,802,462**	**-131**	**0**	**0**	**0**	**0**	**1,802,462**	**-131**	**1,802,331**
Changes in book value attributable to specific accounting valuation terms (with no significant impact on the loss adjustment amount) (1)									
As of 31 December 2018	**1,802,462**	**-131**	**0**	**0**	**0**	**0**	**1,802,462**	**-131**	**1,802,331**
Outstanding amounts of financial assets under contracts that have been written off during the period and are still subject to enforcement measures									

(1) Includes changes in the fair value revaluation of micro-hedged instruments, changes in the use of the interest rate method (including amortisation of premiums / discounts), changes in unwinding of discounts on restructured loans (reversal in NBI on the residual maturity of the asset), changes in associated receivables.

Financial assets at amortised cost: Loans and receivables from clients

(in thousands of euros)	Good-quality assets						Total		
	Assets subject to ECL at 12 months (Bucket 1)		Assets subject to ECL on maturity (Bucket 2)		Impaired assets (Bucket 3)				
	Gross book value	Correction of value for losses	Gross book value	Correction of value for losses	Gross book value	Correction of value for losses	Gross carrying amount (a)	Correction of value for losses	Valeur nette comptable (a) + (b)
As of 1 January 2018	**3,124,277**	**-823**	**15,773**	**-220**	**15,563**	**-9,239**	**3,155,613**	**-10,282**	**3,145,331**
Transfers of assets during their lifetime from one bucket to another									
Transfers from ECL within 12 months (Bucket 1) to ECL at Maturity (Bucket 2)	-930		930						
Reclassification from ECL at Maturity (Bucket 2) to ECL within 12 months (Bucket 1)	3,603		-3,603						
Transferts vers ECL Maturité Dépréciés (Bucket 3)	-24,575		-3,005		27,580	-473	**0**	**-473**	**-473**
Reclassification from Impaired ECL at Maturity (Bucket 3) to ECL at Maturity (Bucket 2) / ECL within 12 months (Bucket 1)									
Total after transfers	**3,102,375**	**-823**	**10,095**	**-220**	**43,143**	**-9,712**	**3,155,613**	**-10,755**	**3,144,858**
Changes in Gross Book Values and value adjustments for losses									
New production: purchase, grant, creation, etc.	1,150,863	-353	3,911	-112			**1,154,774**	**-465**	**1,154,309**
Derecognition: assignment, repayment, expiration, etc.	-1,013,490	410	-7,296	234	-1,674	810	**-1,022,460**	**1,454**	**-1,021,006**
Write-off						83		**83**	**83**
Changes in flows on restructuring due to financial difficulties									
Changes in credit risk parameters of models over the period						-1,516	**0**	**-1,516**	**-1,516**
Changes in the model / methodology									
Scope changes		0	0	0			**0**	**0**	**0**
Other	165	28	2	4	14	-16	**181**	**16**	**197**
Total	**3,239,913**	**-738**	**6,712**	**-94**	**41,483**	**-10,351**	**3,288,108**	**-11,183**	**3,276,925**
Changes in book value attributable to specific accounting valuation terms (with no significant impact on the loss adjustment amount) (1)	14				101		**115**	**0**	**115**
As of 31 December 2018	**3,239,927**	**-738**	**6,712**	**-94**	**41,584**	**-10,351**	**3,288,223**	**-11,183**	**3,277,040**
Outstanding amounts of financial assets under contracts that have been written off during the period and are still subject to enforcement measures									

(1) Includes changes in the fair value revaluation of micro-hedged instruments, changes in the use of the interest rate method (including amortisation of premiums / discounts), changes in unwinding of discounts on restructured loans (reversal in NBI on the residual maturity of the asset)

Financial assets at fair value through equity: Debt securities

(in thousands of euros)	Good-quality assets: Assets subject to ECL at 12 months (Bucket 1) – Gross book value	Good-quality assets: Assets subject to ECL at 12 months (Bucket 1) – Correction of value for losses	Good-quality assets: Assets subject to ECL on maturity (Bucket 2) – Gross book value	Good-quality assets: Assets subject to ECL on maturity (Bucket 2) – Correction of value for losses	Impaired assets (Bucket 3) – Gross book value	Impaired assets (Bucket 3) – Correction of value for losses	Total – Gross book value	Total – Correction of value for losses
As of 1 January 2018	**1,218,545**	**-330**					**1,218,545**	**-330**
Transfers of assets during their lifetime from one bucket to another								
Transfers from ECL within 12 months (Bucket 1) to ECL at Maturity (Bucket 2)								
Reclassification from ECL at Maturity (Bucket 2) to ECL within 12 months (Bucket 1)								
Transfers to Impaired ECL at Maturity (Bucket 3)								
Reclassification from Impaired ECL at Maturity (Bucket 3) to ECL at Maturity (Bucket 2) / ECL within 12 months (Bucket 1)								
Total after transfers	**1,218,545**	**-330**	**0**	**0**	**0**	**0**	**1,218,545**	**-330**
Changes in Gross Book Values and value adjustments for losses								
Fair value revaluation over the period	292		18				310	
New production: purchase, grant, creation, etc.	1,183	-26	-18	-18			1,165	-44
Derecognition: assignment, repayment, expiration, etc.	-10,429	294					-10,429	294
Write-off								
Changes in flows on restructuring due to financial difficulties								
Changes in credit risk parameters of models over the period								
Changes in the model / methodology								
Scope changes								
Other	-22	-6					-22	-6
Total	**1,209,569**	**-68**	**0**	**-18**	**0**	**0**	**1,209,569**	**-86**
Changes in book value attributable to specific accounting valuation terms (with no significant impact on the loss adjustment amount) (1)	-994,914						-994,914	
As of 31 December 2018	**214,655**	**-68**	**0**	**-18**	**0**	**0**	**214,655**	**-86**
Outstanding amounts of financial assets under contracts that have been written off during the period and are still subject to enforcement measures								

Financing commitments

	Good-quality commitments				Impaired commitments (Bucket 3)		Total		
	Commitments subject to ECL within 12 months (Bucket 1)		Commitments subject to ECL within 12 months (Bucket 2)						
(in thousands of euros)	Amount of the commit-ment	Correction of value for losses	Amount of the commit-ment	Correction of value for losses	Amount of the commit-ment	Correction of value for losses	Amount of the commit-ment (a)	Correction of value for losses (b)	Net amount of the commitment (a) + (b)
As of 1 January 2018	**685,670**	**-167**		**-12**			**685,670**	**-179**	**685,491**
Transfers of commitments during their lifetime from one bucket to another									
Transfers from ECL within 12 months (Bucket 1) to ECL at Maturity (Bucket 2)		66		-2,439				-2,373	-2,373
Reclassification from ECL at Maturity (Bucket 2) to ECL within 12 months (Bucket 1)									
Transfers to Impaired ECL at Maturity (Bucket 3)									
Reclassification from Impaired ECL at Maturity (Bucket 3) to ECL at Maturity (Bucket 2) / ECL within 12 months (Bucket 1)									
Total after transfers	**685,670**	**-101**	**0**	**-2,451**	**0**	**0**	**685,670**	**-2,552**	**683,118**
Changes in commitment amounts and value adjustments for losses									
New commitments made	475,954	-114		-20			475,954	-134	475,820
Expiration of commitments	-293,257			4			-293,257	4	-293,253
Write-off									
Changes in flows on restructuring due to financial difficulties									
Changes in credit risk parameters of models over the period									
Changes in the model / methodology									
Scope changes									
Other	400	-2		2,439			400	2,437	2,837
As of 31 December 2018	**868,767**	**-217**	**0**	**-28**	**0**	**0**	**868,767**	**-245**	**868,522**

Guarantee commitments

(in thousands of euros)	Good-quality commitments				Impaired commitments (Bucket 3)		Total		
	Commitments subject to ECL within 12 months (Bucket 1)		Commitments subject to ECL within 12 months (Bucket 2)						
	Amount of the commit-ment	Correction of value for losses	Amount of the commit-ment	Correction of value for losses	Amount of the commit-ment	Correction of value for losses	Amount of the commit-ment (a)	Correction of value for losses (b)	Net amount of the commitment (a) + (b)
As of 1 January 2018	**221,658**	**-313**		**-280**	**135**		**221,793**	**-593**	**221,200**
Transfers of commitments during their lifetime from one bucket to another									
Transfers from ECL within 12 months (Bucket 1) to ECL at Maturity (Bucket 2)									
Reclassification from ECL at Maturity (Bucket 2) to ECL within 12 months (Bucket 1)									
Transfers to Impaired ECL at Maturity (Bucket 3)									
Reclassification from Impaired ECL at Maturity (Bucket 3) to ECL at Maturity (Bucket 2) / ECL within 12 months (Bucket 1)									
Total after transfers	**221,658**	**-313**	**0**	**-280**	**135**	**0**	**221,793**	**-593**	**221,200**
Changes in commitment amounts and value adjustments for losses									
New commitments made	23,207	-136		-1,420			23,207	-1,556	21,651
Expiration of commitments	-68,305	2,578		1,194	-135		-68,440	3,772	-64,668
Write-off									
Changes in flows on restructuring due to financial difficulties									
Changes in credit risk parameters of models over the period									
Changes in the model / methodology									
Scope changes									
Other	464	-2,438					464	-2,438	-1,974
As of 31 December 2018	**177,024**	**-309**	**0**	**-506**	**0**	**0**	**177,024**	**-815**	**176,209**

Impairment of financial assets as of 31 December 2017

(in thousands of euros)	31/12/2016	Scope changes	Allocations	Reversals and uses	Exchange difference	Transfers to non-current assets held for sale and discontinued operations	Other transactions	31/12/2017
Receivables from credit institutions								0
Customer receivables	7,517		1,861	-101	-38			9,239
of which collective impairments								0
Finance lease transactions								0
Financial assets held to maturity								0
Available-for-sale financial assets								0
Other financial assets								0
Total impairment of financial assets	**7,517**	**0**	**1,861**	**-101**	**-38**	**0**	**0**	**9,239**

Maximum exposure to credit risk

The maximum credit risk exposure of an entity is the book value, net of any impairment loss recognised and excluding assets held as collateral or other credit enhancements (for example, netting agreements that do not meet the offsetting conditions under IAS 32).
The tables below show the maximum exposures as well as the amount of assets held as collateral and other credit enhancement techniques to reduce this exposure.
Assets impaired as of the balance sheet date are impaired assets (Bucket 3).

Financial assets not subject to impairment requirements (recognised at fair value through profit or loss) as of 31 December 2018

(in thousands of euros)	Maximum exposure to credit risk	Reduced credit risk				
		Assets held as collateral			Other credit enhancement techniques	
		Financial instruments received as collateral	Mortgages	Pledges	Payment guarantees and other financial guarantees	Payment guarantees and other financial guarantees
Financial assets at fair value through profit or loss (excluding variable income securities and assets representing unit-linked contracts)	5,625					
Financial assets held for trading	3,968					
Debt instruments that do not meet SPPI criteria	1,657					
Financial assets at fair value through profit or loss as an option						
Derivative instruments	28,531					
Total	**34,156**					

Financial assets subject to impairment requirements as of 31 December 2018

(in thousands of euros)	Maximum exposure to credit risk	Reduced credit risk				
		Assets held as collateral			Other credit enhancement techniques	
		Financial instruments received as collateral	Mortgages	Pledges	Payment guarantees and other financial guarantees	Payment guarantees and other financial guarantees
Financial assets at fair value through recyclable equity:	**214,655**					
of which: impaired assets as of the balance sheet date						
Loans and receivables from credit institutions						
of which: impaired assets as of the balance sheet date						
Loans and receivables from clients						
of which: impaired assets as of the balance sheet date						
Debt securities	214,655					
of which: impaired assets as of the balance sheet date						
Financial assets at amortised cost	**5,245,321**					
of which: impaired assets as of the balance sheet date	**31,233**					
Loans and receivables from credit institutions	1,802,331					
of which: impaired assets as of the balance sheet date						
Loans and receivables from clients	3,277,040		550,203	2,172,597		
of which: impaired assets as of the balance sheet date	31,233					
Debt securities	165,950					
of which: impaired assets as of the balance sheet date	0					
Total	**5,459,976**					
of which: impaired assets as of the balance sheet date	**31,233**					

Off-balance sheet commitments subject to impairment requirements as of 31 December 2018

(in thousands of euros)	Maximum exposure to credit risk	Reduced credit risk				
		Assets held as collateral			Other credit enhancement techniques	
		Financial instruments received as collateral	Mortgages	Pledges	Payment guarantees and other financial guarantees	Payment guarantees and other financial guarantees
Guarantee commitments	**176,209**					
of which: impaired commitments as of the balance sheet date	0					
Financing commitments	**868,522**					
of which: impaired commitments as of the balance sheet date	0					
Total	**1,044,731**					
of which: impaired commitments as of the balance sheet date	0					

A description of the assets held as collateral is presented in Note 8 “Financing and guarantee commitments and other guarantees.”.

Maximum exposure to credit risk as of 31/12/2017

The maximum credit risk exposure of an entity is the gross book value, net of any offset amount and any impairment loss recognised.

(in thousands of euros)	31/12/2017
Financial assets at fair value through profit or loss (excluding variable income securities and assets representing unit-linked contracts)	1,191
Derivative instruments	40,920
Available-for-sale financial assets (excluding variable income securities)	1,221,462
Loans, receivables and security deposits with credit institutions	1,050,908
Loans, receivables and security deposits with clients	3,146,373
Financial assets held to maturity	0
Exposure to balance sheet commitments (net of impairment)	**5,460,854**
Financing commitments made	685,670
Financial guarantee commitments made	221,793
Provisions - Signature commitments	0
Exposure of off-balance sheet commitments (net of provisions)	**907,463**
Maximum exposure to credit risk	**6,368,317**

Modified financial assets

Modified financial assets are assets that were restructured due to financial difficulties. These are receivables for which the entity has modified the initial financial conditions (interest rate, duration) for economic or legal reasons related to financial difficulties of the borrower, under terms that would not have been considered in other circumstances. Thus, they include debts classified as default debts and good-quality debts, at the time of the restructuring. (A more detailed definition of restructured loans and their accounting treatment is provided in Note 1.2 "Accounting principles and policies," under the chapter "Financial instruments - Credit risk"). No modified assets were identified.

Concentrations of credit risk

The book values and amounts of the commitments are presented net of impairment and provisions.
Credit risk categories are presented by default probability intervals.

Financial assets at amortised cost as of 31/12/2018

(in thousands of euros)	Credit risk categories	Book value – Good-quality assets – Assets subject to an ECL 12 months (Bucket 1)	Assets subject to an ECL at maturity (Bucket 2)	Impaired assets (Bucket 3)	Total
Retail customers	PD < 0.5%	3,079,426	5,592		3,085,018
	0.5% < PD < 2%				
	2% < PD < 20%				
	20% < PD < 100%				
	PD = 100%			38,373	38,373
Total Retail customers		**3,079,426**	**5,592**	**38,373**	**3,123,391**
Non-retail customers	PD < 0.6%	2,129,001	1,120		2,130,121
	0.6% < PD < 12%				
	12% < PD < 100%				
	PD = 100%			3,211	3,211
Total Non-retail customers		**2,129,001**	**1,120**	**3,211**	**2,133,332**
Impairments		-957	-94	-10,351	-11,402
Total		**5,207,470**	**6,618**	**31,233**	**5,245,321**

Financial assets at fair value through recyclable equity as of 31/12/2018

(in thousands of euros)	Credit risk categories	Book value – Good-quality assets – Assets subject to an ECL within 12 months (Bucket 1)	Assets subject to ECL on maturity (Bucket 2)	Impaired assets (Bucket 3)	Total
Retail customers	PD < 0.5%				
	0.5% < PD < 2%				
	2% < PD < 20%				
	20% < PD < 100%				
	PD = 100%				
Total Retail customers					
Non-retail customers	PD < 0.6%	214,655			214,655
	0.6% < PD < 12%				
	12% < PD < 100%				
	PD = 100%				
Total Non-retail customers		**214,655**			**214,655**
Total		**214,655**			**214,655**

Financing commitments as of 31/12/2018

(in thousands of euros)	Credit risk categories	Amount of the commitment			
		Good-quality commitments			
		Commitments subject to an ECL within 12 months (Bucket 1)	Commitments subject to ECL on maturity (Bucket 2)	Impaired commitments (Bucket 3)	Total
Retail customers	PD < 0.5%	834,064			834,064
	0.5% < PD < 2%				
	2% < PD < 20%				
	20% < PD < 100%				
	PD = 100%				
Total Retail customers		**834,064**			**834,064**
Non-retail customers	PD < 0.6%	34,703			34,703
	0.6% < PD < 12%				
	12% < PD < 100%				
	PD = 100%				
Total Non-retail customers		**34,703**			**34,703**
Provisions		**-217**	**-28**		**-245**
Total		**868,550**	**-28**	**0**	**868,522**

Guarantee commitments as of 31/12/2018

(in thousands of euros)	Credit risk categories	Amount of the commitment			
		Good-quality commitments			
		Commitments subject to an ECL within 12 months (Bucket 1)	Commitments subject to ECL on maturity (Bucket 2)	Impaired commitments (Bucket 3)	Total
Retail customers	PD < 0.5%	60,871			60,871
	0.5% < PD < 2%				
	2% < PD < 20%				
	20% < PD < 100%				
	PD = 100%				
Total Retail customers		**60,871**			**60,871**
Non-retail customers	PD < 0.6%	116,153			116,153
	0.6% < PD < 12%				
	12% < PD < 100%				
	PD = 100%				
Total Non-retail customers		**116,153**			**116,153**
Provisions		**-309**	**-506**		**-815**
Total		**176,715**	**-506**	**0**	**176,209**

Concentration by economic operator of the credit activity

Financial assets at amortised cost as of 31/12/2018

(in thousands of euros)	Book value			
	Good-quality assets			
	Assets subject to an ECL 12 months (Bucket 1)	Assets subject to an ECL at maturity (Bucket 2)	Impaired assets (Bucket 3)	Total
General Management	65,234			65,234
Central Banks	574			574
CREDIT INSTITUTIONS	1,902,695			1,902,695
Large companies	160,498	1,120	3,211	164,829
Retail customers	3,079,426	5,592	38,373	3,123,391
Impairments	-957	-94	-10,351	-11,402
Total	**5,207,470**	**6,618**	**31,233**	**5,245,321**

Financial assets at fair value through recyclable equity by economic operator as of 31/12/2018

(in thousands of euros)	Book value			
	Good-quality assets			
	Assets subject to an ECL 12 months (Bucket 1)	Assets subject to an ECL at maturity (Bucket 2)	Impaired assets (Bucket 3)	Total
General Management	60,723			60,723
Central Banks				0
CREDIT INSTITUTIONS	113,386			113,386
Large companies	40,546			40,546
Retail customers				0
Total	**214,655**	**0**	**0**	**214,655**

Debts due to clients by economic operator

(in thousands of euros)	31/12/2018	31/12/2017
General Management	9,029	15,018
Companies	774,319	1,549,892
Individuals	4,378,425	3,530,990
Total debts to clients	**5,161,773**	**5,095,900**

Financing commitments by economic operator as of 31/12/2018

(in thousands of euros)	Amount of the commitment – Good-quality commitments – Commitments subject to an ECL within 12 months (Bucket 1)	Commitments subject to ECL on maturity (Bucket 2)	Impaired commitments (Bucket 3)	Total
General Management				
Central Banks				
Credit institutions				
Large companies	34,703			34,703
Retail customers	834,064			834,064
Provisions (1)	-217	-28		-245
Total	**868,550**	**-28**	**0**	**868,522**

(1) Expected and/or confirmed losses related to off-balance sheet commitments are taken into account as provisions on the liabilities side of the balance sheet..

Guarantee commitments by economic operator as of 31/12/2018

(in thousands of euros)	Amount of the commitment – Good-quality commitments – Commitments subject to an ECL within 12 months (Bucket 1)	Commitments subject to ECL on maturity (Bucket 2)	Impaired commitments (Bucket 3)	Total
General Management				
Central Banks				
Credit institutions	28,159			28,159
Large companies	87,994			87,994
Retail customers	60,871			60,871
Provisions (1)	-309	-506		-815
Total	**176,715**	**-506**	**0**	**176,209**

(1) Expected and/or confirmed losses related to off-balance sheet commitments are taken into account as provisions on the liabilities side of the balance sheet.

Loans and receivables from credit institutions and clients by economic operator as of 31/12/2017

(in thousands of euros)	Gross outstanding amounts	of which gross outstanding amounts impaired on an individual basis	Individual depreciation	Collective impairment	Total
General Management	0	0	0	0	0
Central Banks	0	0	0	0	0
Credit institutions	1,050,908	0	0	0	1,050,908
Companies	166,834	4,015	-4,008	0	162,826
Individuals	2,989,693	11,547	-5,231	0	2,983,547
Total loans and receivables from credit institutions and clients	**4,207,435**	**15,562**	**-9,239**	**0**	**4,197,281**

Commitments made to clients by economic operator as of 31/12/2017

(in thousands of euros)	31/12/2017
Financing commitments to clients	
General Management	0
Companies	45,750
Individuals	639,920
Total financing commitments	**685,670**
Guarantee commitments to clients	
General Management	0
Companies	156,231
Individuals	65,562
Total guarantee commitments	**221,793**

Concentration by geographical area of the credit activity

Financial assets at amortised cost by geographical area as of 31/12/2018

	Book value			
	Good-quality assets			
(in thousands of euros)	Assets subject to an ECL 12 months (Bucket 1)	Assets subject to an ECL at maturity (Bucket 2)	Impaired assets (Bucket 3)	Total
France (including overseas territories)	809,912	584	1,117	811,613
Other countries of the European Union	484,189		169	484,358
Other countries in Europe	3,629,549	6,128	40,298	3,675,975
North America	38,198			38,198
Central and South America	38,119			38,119
Africa and the Middle East	60,031			60,031
Asia and Oceania (excluding Japan)	127,166			127,166
Japan	21,263			21,263
Supranational organisations	0			0
Impairments	-957	-94	-10,351	-11,402
Total	**5,207,470**	**6,618**	**31,233**	**5,245,321**

Financial assets at fair value through recyclable equity by geographical area as of 31/12/2018

	Book value			
	Good-quality assets			
(in thousands of euros)	Assets subject to an ECL 12 months (Bucket 1)	Assets subject to an ECL at maturity (Bucket 2)	Impaired assets (Bucket 3)	Total
France (including overseas territories)	79,888			79,888
Other countries of the European Union	134,758			134,758
Other countries in Europe	9			9
North America				
Central and South America				
Africa and the Middle East				
Asia and Oceania (excluding Japan)				
Japan				
Supranational organisations				
Total	**214,655**	**0**	**0**	**214,655**

Debts due to clients by geographical area

(in thousands of euros)	31/12/2018	31/12/2017
France (including overseas territories)	93,793	260,525
Other countries of the EU	357,998	802,295
Other countries in Europe	4,473,245	2,937,367
North America	213	22,920
Central and South America	21,467	257,427
Africa and the Middle East	84,659	533,283
Asia and Oceania (excluding Japan)	121,451	125,558
Japan	8,947	156,525
Supranational organisations	0	0
Total debts to clients	**5,161,773**	**5,095,900**

Financing commitments by geographical area as of 31/12/2018

	Book value			
	Good-quality assets			
(in thousands of euros)	Assets subject to an ECL 12 months (Bucket 1)	Assets subject to an ECL at maturity (Bucket 2)	Impaired assets (Bucket 3)	Total
France (including overseas territories)	54,428			54,428
Other countries of the European Union	69,129			69,129
Other countries in Europe	698,797			698,797
North America				0
Central and South America	35,099			35,099
Africa and the Middle East	10,333			10,333
Asia and Oceania (excluding Japan)	981			981
Japan				0
Supranational organisations				0
Provisions (1)	-217	-28		-245
Total	**868,550**	**-28**	**0**	**868,522**

(1) Expected and/or confirmed losses related to off-balance sheet commitments are taken into account as provisions on the liabilities side of the balance sheet.

Guarantee commitments by geographical area as of 31/12/2018

(in thousands of euros)	Amount of the commitment			
	Good-quality commitments			
	Commitments subject to an ECL within 12 months (Bucket 1)	Commitments subject to ECL on maturity (Bucket 2)	Impaired commitments (Bucket 3)	Total
France (including overseas territories)	10,420			10,420
Other countries of the European Union	28,655			28,655
Other countries in Europe	131,536			131,536
North America	54			54
Central and South America	1,694			1,694
Africa and the Middle East	4,660			4,660
Asia and Oceania (excluding Japan)	5			5
Japan				0
Supranational organisations				0
Provisions (1)	-309	-506		-815
Total	**176,715**	**-506**	**0**	**176,209**

(1) Expected and/or confirmed losses related to off-balance sheet commitments are taken into account as provisions on the liabilities side of the balance sheet.

Loans and receivables from credit institutions and clients by geographical area as of 31/12/2017

(in thousands of euros)	Gross outstanding amounts	of which gross outstanding amounts impaired on an individual basis	Individual depreciation	Collective impairment	Total
France (including overseas territories)	252,250	1,589	-929	0	251,321
Other countries of the EU	441,620	0	0	0	441,620
Other countries in Europe	2,755,230	12,667	-8,299	0	2,746,931
North America	4,293	0	0	0	4,293
Central and South America	163,846	0	0	0	163,846
Africa and the Middle East	206,683	1,306	-11	0	206,672
Asia and Oceania (excluding Japan)	160,069	0	0	0	160,069
Japan	222,529	0	0	0	222,529
Supranational organisations	0	0	0	0	0
Total loans and receivables from credit institutions and clients	**4,206,520**	**15,562**	**-9,239**	**0**	**4,197,281**

Commitments made to clients by geographical area

(in thousands of euros)	31/12/2017
Financing commitments to clients	
France (including overseas territories)	67,834
Other countries of the EU	81,872
Other countries in Europe	377,413
North America	0
Central and South America	34,303
Africa and the Middle East	29,204
Asia and Oceania (excluding Japan)	12,126
Japan	82,918
Total financing commitments	**685,670**
Guarantee commitments to clients	
France (including overseas territories)	10,583
Other countries of the EU	34,349
Other countries in Europe	147,918
North America	0
Central and South America	7,821
Africa and the Middle East	19,791
Asia and Oceania (excluding Japan)	570
Japan	555
Total guarantee commitments	**221,587**

Information on financial assets that are outstanding or individually impaired

Financial assets that are past due or individually impaired as of 31/12/2018

	Assets with no significant increase in credit risk since initial recognition (Bucket 1)			Assets with significant increase in credit risk since initial recognition but not impaired (Bucket 3)			Impaired assets (Bucket 3)		
(in thousands of euros)	≤ 30 days	> 30 days à ≤ 90 days	impaired (Bucket 2)	≤ 30 days	> 30 days à ≤ 90 days	> 90 days	≤ 30 days	> 30 days à ≤ 90 days	> 90 days
Debt securities									
General Management									
Central Banks									
Credit institutions									
Large companies									
Retail customers									
Loans and receivables		**130**						**26 892**	**4 258**
General Management									
Central Banks									
Credit institutions									
Large companies									5
Retail customers		130						26 892	4 253
Total		**130**						**26 892**	**4 258**

Financial assets that are past due or individually impaired as of 31/12/2017

	Breakdown by age of unpaid outstanding amounts due						
(in thousands of euros)	≤90 days	> 90 days à ≤ 180 days	> 180 days à ≤ 1 year	> 1 year	Book value of outstanding financial assets	Net book value of individually impaired assets	Impairment of financial assets individually and collectively tested
Equity instruments	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Debt instruments					0	0	0
General Management					0	0	0
Central Banks					0	0	0
Credit institutions					0	0	0
Companies					0	0	0
Individuals					0	0	0
Loans and advances	**0**	**0**	**3,158**	**12,404**	**15,562**	**6,323**	**-9,239**
General Management					0	0	0
Central Banks					0	0	0
Credit institutions					0	0	0
Companies				4,015	4,015	7	-4,008
Individuals			3,158	8,389	11,547	6,316	-5,231
Total financial assets that are outstanding or individually impaired	**0**	**0**	**3,158**	**12,404**	**15,562**	**6,323**	**-9,239**

3.2 Market risk

The market risk function of CFM Indosuez Wealth Management through its Market Activity Monitoring (MAM) unit is responsible for the entire system for measuring, monitoring and controlling market risks, in order to minimise the cost of risk of different sectors due to market risk.
This unit has the dual mission of monitoring, validating and explaining management results (P&L) and risk indicators for all activities generating market risks.

Derivative transactions: residual duration analysis

The breakdown of the market values of derivative instruments is presented by residual contractual maturity.

Derivative instruments - fair value Assets

	31/12/2018				31/12/2017
	Transaction by maturity				
(in thousands of euros)	< 1 year	> 1 year to < 5 years	> 5 years	Total in market value	Total in market value
Interest rate instruments	**6,296**	**14,183**	**4,426**	**24,905**	**34,530**
Interest-rate swaps	6,296	14,183	4,426	24,905	34,530
Interest-rate options				0	0
Caps-floors-collars				0	0
Other options instruments				0	0
Currency and gold instruments	**3,626**	**0**	**0**	**3,626**	**6,390**
Forward exchange contracts	3,626			3,626	2,897
Currency options				0	3,493
Other instruments	**0**	**0**	**0**	**0**	**0**
Equity derivatives & stock indices				0	0
Total fair value of derivative instruments - assets	**9,922**	**14,183**	**4,426**	**28,531**	**40,920**

Derivative instruments - fair value Liabilities

	31/12/2018				31/12/2017
	Transaction by maturity				
(in thousands of euros)	< 1 year	> 1 year to < 5 years	> 5 years	Total in market value	Total in market value
Interest rate instruments	**231**	**4,178**	**1,399**	**5,808**	**11,563**
Interest-rate swaps	231	4,178	1,399	5,808	11,563
Interest-rate options				0	0
Caps-floors-collars				0	0
Other options instruments				0	0
Currency and gold instruments	**4,245**	**0**	**0**	**4,245**	**7,529**
Forward exchange contracts	4,245			4,245	4,036
Currency options				0	3,493
Other instruments	**0**	**0**	**0**	**0**	**0**
Equity derivatives & stock indices				0	0
Total fair value of derivative instruments - liabilities	**4,476**	**4,178**	**1,399**	**10,053**	**19,092**

Trading derivatives - fair value Assets

(in thousands of euros)	Operations on organised markets < 1 year	> 1 year to < 5 years	> 5 years	Over-the-counter market operations < 1 year	> 1 year to < 5 years	> 5 years	31/12/2018 Total in market value	31/12/2017 Total in market value
Interest rate instruments	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**20**
Futures								0
FRAs								0
Interest-rate swaps								20
Interest-rate options								0
Caps-floors-collars								0
Other options instruments								0
Currency and gold instruments	**0**	**0**	**0**	**3,288**	**379**	**0**	**3,667**	**592**
Forward exchange contracts				419	379		798	592
Currency options				2,869			2,869	0
Other instruments	**0**	**0**	**0**	**301**	**0**	**0**	**301**	**579**
Equity derivatives & stock indices				301			301	579
Precious metal derivatives								0
Commodity derivatives								0
Credit derivatives								0
Other								0
Total fair value of derivative instruments - assets	**0**	**0**	**0**	**3,589**	**379**	**0**	**3,968**	**1,191**

Trading derivatives - fair value Liabilities

(in thousands of euros)	Operations on organised markets < 1 year	> 1 year to < 5 years	> 5 years	Over-the-counter market operations < 1 year	> 1 year to < 5 years	> 5 years	31/12/2018 Total in market value	31/12/2017 Total in market value
Interest rate instruments	**0**	**0**	**0**	**0**	**5**	**3**	**8**	**0**
Futures								0
FRAs								0
Interest-rate swaps					5	3		0
Interest-rate options								0
Caps-floors-collars								0
Other options instruments								0
Currency and gold instruments	**0**	**0**	**0**	**3,209**	**259**	**0**	**3,468**	**243**
Forward exchange contracts				340	259			243
Currency options				2,869				0
Other instruments	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Equity derivatives & stock indices								0
Precious metal derivatives								0
Commodity derivatives								0
Credit derivatives								0
Other								0
Sub-total	**0**	**0**	**0**	**3,209**	**264**	**3**	**3,476**	**243**
Total fair value of derivative instruments - liabilities	**0**	**0**	**0**	**3,209**	**264**	**3**	**3,476**	**243**

Derivative transactions: amount of commitments

(in thousands of euros)	31/12/2018 Total notional outstanding amount	31/12/2017 Total notional outstanding amount
Interest rate instruments	**2,289,354**	**3,156,227**
Futures	0	0
FRAs	0	0
Interest-rate swaps	2,288,491	3,156,227
Interest-rate options	0	0
Caps-floors-collars	863	0
Other options instruments	0	0
Currency and gold instruments	**5,453,067**	**3,382,473**
Forward exchange contracts	4,080,129	2,610,027
Currency options	1,372,938	772,446
Other instruments	**68,474**	**0**
Equity derivatives & stock indices	68,474	0
Precious metal derivatives	0	0
Commodity derivatives	0	0
Credit derivatives	0	0
Other	0	0
Total notional amounts	**7,810,895**	**6,538,700**

Foreign exchange risk

Contribution of the different currencies to the consolidated balance sheet

	31/12/2018		31/12/2017	
(in thousands of euros)	Assets	Liabilities	Assets	Liabilities
EUR	3,893,074	3,893,333	3,044,427	3,442,127
Other EU currencies	503,262	502,877	362,723	532,005
USD	1,103,460	1,103,007	1,034,352	1,288,552
JPY	35,578	35,569	10,099	29,295
Other currencies	387,864	388,452	1,167,866	327,488
Balance sheet total	**5,923,238**	**5,923,238**	**5,619,467**	**5,619,467**

3.3 Liquidity and financing risk

LThe liquidity and financing risk management policy applies to the company CFM Indosuez Wealth Management according to the standard approach, without taking into account the subsidiaries, which are not subject to the control of the ACPR (French Prudential Supervision and Resolution Authority) and whose size and activities are deemed insignificant for the risks considered.

Liquidity risk management is monitored through two regulatory ratios: the Liquidity Coverage Ratio (LCR) for liquidity risk < 30 days and the Net Stable Funding Ratio (NSFR) for Medium and Long Term liquidity risk. These two ratios are derived from the Basel III agreements with an overall internal limit of 100%.

Loans and receivables from credit institutions and clients by residual maturity as of 31/12/2018

(in thousands of euros)	< 3 months	> 3 months to < 1 year	> 1 year to < 5 years	> 5 years	Indefinite	Total
Loans and receivables from credit institutions	1,759,740	34,012	0	8,710	0	1,802,462
Loans and receivables from clients (of which finance leases)	1 918 312	229 509	880 928	259 492	0	3 288 241
Total	**3,678,052**	**263,521**	**880,928**	**268,202**	**0**	**5,090,703**
Impairment						-11,332
Total loans and receivables from credit institutions and clients	**3,678,052**	**263,521**	**880,928**	**268,202**	**0**	**5,079,371**

Loans and receivables from credit institutions and clients by residual maturity as of 31/12/2017

(in thousands of euros)	< 3 months	> 3 months to < 1 year	> 1 year to < 5 years	> 5 years	Indefinite	Total
Loans and receivables from credit institutions	970,664	80,047	0	0	0	1,050,908
Loans and receivables from clients (of which finance leases)	2 000 245	163 807	788 807	202 753	0	3 155 612
Total	**2,970,909**	**243,854**	**788,807**	**202,753**	**0**	**4,206,520**
Impairment	-9,239	0	0	0	0	-9,239
Total loans and receivables from credit institutions and clients	**2,961,670**	**243,854**	**788,807**	**202,753**	**0**	**4,197,281**

Debts due to credit institutions and clients by residual maturity as of 31/12/2018

(in thousands of euros)	< 3 months	> 3 months to < 1 year	> 1 year to < 5 years	> 5 years	Indefinite	Total
Debts due to credit institutions	313,797					313,797
Debts due to clients	4,991,340	170,433				5,161,773
Total debts to credit institutions and clients	**5,305,137**	**170,433**	**0**	**0**	**0**	**5,475,570**

Debts due to credit institutions and clients by residual maturity as of 31/12/2017

(in thousands of euros)	< 3 months	> 3 months to < 1 year	> 1 year to < 5 years	> 5 years	Indefinite	Total
Debts due to credit institutions	77,166	0	0	0	0	77,166
Debts due to clients	4,919,341	176,559	0	0	0	5,095,900
Total debts to credit institutions and clients	**4,996,507**	**176,559**	**0**	**0**	**0**	**5,173,066**

Financial guarantees granted at risk by expected maturity

Regarding the Financial guarantees granted, none are classified under supervision, none are subject to provisions as of 31/12/2017 or 31/12/2018.

3.4 Cash flow and fair value hedges on interest rates and foreign exchange

Fair value hedges include the hedging of loans, securities and fixed rate deposits. These hedges convert fixed rate assets or liabilities into variable rate items.

- Micro-hedging policy: assets or liabilities of significant amounts and/or maturities are micro-hedged by swaps (e.g. long-term loans to clients, etc.).
- Macro-hedging policy: assets or liabilities of amounts that do not reach the threshold of feasibility for micro-hedging but of with significant maturities, are grouped by similarity and are macro-hedged.

CFM Indosuez Wealth Management's hedging instruments fall within the scope of a fair value hedging or cash flow hedging relationship. They are presented in Annex 19 to the bank's separate financial statements.

Fair value hedge

Fair value hedges change the risk of changes in the fair value of a fixed rate instrument caused by changes in interest rates. These hedges convert fixed rate assets or liabilities into variable rate items. Fair value hedges include the hedging of fixed-rate loans, securities, deposits and subordinated debt.

Cash flow hedge

Cash flow hedges modify, in particular, the risk inherent in the variability of cash flows related to variable rate instruments. Cash flow hedges include hedges of variable rate loans and deposits.

Derivative instruments

	31/12/2018			31/12/2017		
	Market value		Notional amount	Market value		Notional amount
(in thousands of euros)	positive	negative		positive	negative	
Fair value hedge	**15,791**	**5,400**	**1,333,623**	**27,311**	**9,874**	**2,562,863**
Interest rate	15,791	5,400	1,333,623	23,772	6,367	1,790,417
Equity instruments			0	0	0	
Currency			0	3,539	3,507	772,446
Credit			0	0	0	
Commodities			0	0	0	
Other			0	0	0	
Cash flow hedge	**12,740**	**4,653**	**854,833**	**13,609**	**9,218**	**2,409,775**
Interest rate	9,114	408	626,956	10,758	5,196	1,269,199
Equity instruments			0	0	0	
Currency	3,626	4,245	227,877	2,851	4,022	1,140,576
Credit			0	0	0	
Commodities			0	0	0	
Other			0	0	0	
Net investment hedges in foreign operations	**0**	**0**		**0**	**0**	
Total derivative instruments	**28,531**	**10,053**	**2,188,456**	**40,920**	**19,092**	**4,972,638**

Derivative instruments transactions: analysis by residual maturity (notional amounts) as of 31/12/2018

The breakdown of the notional amounts of derivative instruments is presented by residual contractual maturity.

(in thousands of euros)	Operations on organised markets			Over-the-counter market operations			Total notional amount
	<1 year	> 1 year to < 5 years	> 5 years	<1 year	> 1 year to < 5 years	> 5 years	
Interest rate instruments				**589,182**	**1,220,459**	**150,938**	**1,960,579**
Futures							
FRAs							
Interest-rate swaps				589,182	1,220,459	150,075	1,959,716
Interest-rate options							
Caps-floors-collars						863	863
Other options instruments							
Currency instruments							
Firm foreign exchange transactions							
Currency options							
Other instruments							
Other							
Sub-total				**589,182**	**1,220,459**	**150,938**	**1,960,579**
Forward exchange operations				227,877			227,877
Total notional amount of derivative instruments				**817,059**	**1,220,459**	**150,938**	**2,188,456**

Note 3.2 “Market risk - Derivative transactions: analysis by residual maturity” presents a breakdown of the market values of derivative instruments by residual contractual maturity.

Fair value hedge

Derivative instruments as of 31/12/2018

(en milliers d'euros)	Book value		Changes in fair value over the period (including hedge terminations during the period)	Notional amount
	Assets	Liabilities		
Fair value hedge				
Organised markets				
Interest rate				
Firm instruments				
Options				
Currency				
Firm instruments				
Options				
Other				
Over-the-counter markets	**10**	**2,861**	**-27**	**382,932**
Interest rate	10	2,861	-13	382,932
Firm instruments	10	2,861	-13	382,069
Options				863
Currency			-14	
Firm instruments			-14	
Options				
Other				
Total fair value micro-hedges	**10**	**2,861**	**-27**	**382,932**
Fair value hedging of the interest rate risk exposure of a portfolio of financial instruments	15,781	2,539	-1,850	950,691
Total Fair value hedge	**15,791**	**5,400**	**-1,877**	**1,333,623**

Changes in the fair value of derivative instruments are recognised in “Net gains or losses on financial instruments at fair value through profit or loss” in the income statement.

Hedged items

Micro-hedges as of 31/12/2018

(in thousands of euros)	Existing hedges		Terminated hedges	Fair value revaluations over the period related to hedging (including hedge terminations during the period)
	Book value	of which cumulative fair value revaluations related to hedging	Cumulative fair value revaluations related to hedging to be carried forward	
Debt instruments recognised at fair value through recyclable equity	**210,928**			
Interest rate	210,928			
Currency				
Other				
Debt instruments recognised at amortised cost	**168,160**	**3,045**		**15**
Interest rate	168,160	3,045		15
Currency				
Other				
Total fair value hedge on assets	**379,088**	**3,045**	**0**	**15**
Debt instruments recognised at amortised cost				
Interest rate				
Currency				
Other				
Total fair value hedge on liabilities				

The fair value of the hedged portions of the fair value micro-hedged financial instruments is recognised in the related balance sheet item. Changes in the fair value of hedged portions of fair value micro-hedged financial instruments are recognised in “Net gains or losses on financial instruments at fair value through profit or loss” in the income statement.

Macro-hedges as of 31/12/2018

(in thousands of euros)	Book value	Cumulative fair value revaluations related to hedging to be carried forward on terminated hedges
Debt instruments recognised at fair value through recyclable equity		
Debt instruments recognised at amortised cost		2,345
Total - Assets		**2,345**
Debt instruments recognised at amortised cost	950,691	13,126
Total - Liabilities	**950,691**	**13,126**
Total fair value hedging of the interest rate risk exposure of a portfolio of financial instruments	**950,691**	**15,471**

The fair value of the hedged portions of fair value macro-hedged financial instruments is recorded in the item “Revaluation surplus of portfolios hedged against interest rate risk” in the balance sheet. Changes in the fair value of hedged portions of fair value macro-hedged financial instruments are recognised in “Net gains or losses on financial instruments at fair value through profit or loss” in the income statement.

Profit/Loss from hedge accounting as of 31/12/2018

(in thousands of euros)	Net profit/loss (Profit/Loss from hedge accounting)		
	Change in fair value of hedging instruments (including hedge terminations)	Change in fair value of hedged items (including hedge terminations)	Hedge ineffectiveness share
Interest rate	-1,865	1,865	0
Currency	0	0	0
Other			
Total	**-1,865**	**1,865**	**0**

Cash flow and net investment hedge abroad

Derivative instruments as of 31/12/2018

(in thousands of euros)	Book value		Changes in fair value over the period (including hedge terminations during the period)	Notional amount
	Assets	Liabilities		
Cash flow hedge				
Organised markets				
Interest rate				
Firm instruments				
Options				
Currency				
Firm instruments				
Options				
Other				
Over-the-counter markets	**3,666**	**4,387**	**-786**	**628,833**
Interest rate	40	142	-742	400,956
Firm instruments	40	142	-742	400,956
Options				
Currency	3,626	4,245	-44	227,877
Firm instruments	3,626	4,245	-44	227,877
Options				
Other				
Total cash flow micro-hedges	**3,666**	**4,387**	**-786**	**628,833**
Hedging of the cash flow exposure of a portfolio of financial instruments to interest rate risk	9,074	266	-740	226,000
Hedging of the cash flow exposure of a portfolio of financial instruments to currency risk				
Total cash flow macro-hedges	**9,074**	**266**	**-740**	**226,000**
Total cash flow hedges	**12,740**	**4,653**	**-1,526**	**854,833**
Net investment hedges in foreign operations				

Changes in the fair value of derivative instruments are recorded in the “Gains or losses recognised directly in equity” except for the ineffective portion of the hedging relationship, which is recognised in the “Net gains or losses on financial instruments at fair value through profit or loss” in the income statement.

Profit/Loss from hedge accounting as of 31/12/2018

(in thousands of euros)	Gains and losses recognised directly in recyclable equity		Gains and losses recognised directly in recyclable equity
	Amount of the effective portion of the hedging relationship recognised over the period	Amount of the effective portion of the hedging relationship recognised over the period	Amount of the ineffective portion of the hedge
Cash flow hedge			
Interest rate	-1,482		
Currency	-58		
Other			
Total cash flow hedges	**-1,540**		
Net investment hedges in foreign operations			
Total cash flow and net investment hedging in a foreign operation	**-1,540**		

The above items are before any deferred Taxes.

3.5 Operational risks

The Indosuez Wealth Management Group has implemented a mapping of harmonised operational risks, consisting of a list of activities and processes, the structure of which is common to each entity. It applies to the internal monitoring scope of CFM Indosuez Wealth Management and its subsidiaries.

Each area of operational risk mapping is reviewed and validated annually by the business sector manager in association with Permanent Monitoring. The cross-divisional mapping of risks of non-compliance, internal, external and legal fraud is also validated annually by Compliance and the Legal Department. A synthesis of the mapping and the revision progress report are presented annually to the Internal Monitoring Committee which validates the mapping, the action plan and the backtesting results.

3.6 Capital management and regulatory ratios

In accordance with European regulation 575/2013 (CRR), the CFM Indosuez Wealth Group is subject to compliance with the solvency ratio. These ratios are managed directly by CA-CIB.

Note 4 :

Notes to the net income statement and gains and losses recognised directly in equity

4.1 Interest income and expenses

(in thousands of euros)	31/12/2018
On financial assets at amortised cost	**48,313**
Transactions with credit institutions	8,199
Internal Crédit Agricole transactions	
Transactions with Customers	40,108
Finance lease transactions	
Debt securities	6
On financial assets at fair value through equity	**446**
Transactions with credit institutions	
Transactions with Customers	
Debt securities	446
Accrued interest due on hedging instruments	**12,345**
Other interest and similar income	**0**
INTEREST INCOME	**61,104**
On financial liabilities at amortised cost	**-18,503**
Transactions with credit institutions	-549
Internal Crédit Agricole transactions	
Transactions with Customers	-17,954
Finance lease transactions	
Debts represented by a security	
Subordinated debt	
Accrued interest due on hedging instruments	**-340**
Interest and similar expenses	**0**
INTEREST EXPENSES	**-18,843**

(in thousands of euros)	31/12/2017
On transactions with credit institutions	768
On transactions with clients	32,101
Accrued interest due on available-for-sale financial assets	3,497
Accrued interest due on financial assets held to maturity	0
Accrued interest due on hedging instruments	18,478
On finance lease transactions	0
Other interest and similar income	0
INTEREST INCOME	**54,844**
On transactions with credit institutions	-993
On transactions with clients	-9,855
On debts represented by a security	0
On subordinated debt	0
Accrued interest due on hedging instruments	-1,658
On finance lease transactions	**0**
INTEREST EXPENSES	**-12,506**

4.2 Net commissions

(in thousands of euros)	31/12/2018			31/12/2017		
	Income	Expenses	Net	Income	Expenses	Net
On transactions with credit institutions	0	-69	-69	0	-66	-66
On transactions with clients	1,635	0	1,635	1,236	0	1,236
On securities transactions	10,919	0	10,919	9,107	0	9,107
On foreign exchange transactions	4,704	-5	4,699	4,552	0	4,552
On derivative transactions and other off-balance sheet transactions	93	0	93	89	0	89
On means of payment and other banking and financial services	18,300	-8,062	10,238	16,306	-6,951	9,355
Management of UCITS, trusts and similar activities	35,498	-1,879	33,619	38,029	-1,986	36,043
Net commission revenues	**71,149**	**-10,015**	**61,134**	**69,319**	**-9,003**	**60,316**

4.3 Net gains or losses on financial instruments at fair value through profit or loss

(in thousands of euros)	31/12/2018
Dividends received	
Unrealised or realised gains or losses on assets/liabilities held for trading	3,775
Unrealised or realised gains or losses on equity instruments at fair value through profit or loss	
Unrealised or realised capital gains or losses on debt instruments that do not meet SPPI criteria	-177
Net gains or losses on assets representing unit-linked contracts	
Unrealised or realised gains or losses on assets/liabilities at fair value through profit or loss as an option	
Balance of foreign exchange transactions and similar financial instruments (excluding profit/loss from net investment hedges in foreign operations)	12,901
Profit/Loss from hedge accounting	0
Net gains or losses on financial instruments at fair value through profit or loss	**16,499**

(in thousands of euros)	31/12/2017
Dividends received	0
Unrealised or realised gains or losses on assets/liabilities at fair value through profit or loss by type	4,083
Unrealised or realised gains or losses on assets/liabilities at fair value through profit or loss as an option	0
Balance of foreign exchange transactions and similar financial instruments (excluding profit/loss from net investment hedges in foreign operations)	10,945
Profit/Loss from hedge accounting	0
Net gains or losses on financial instruments at fair value through profit or loss	**15,028**

The breakdown of profit/loss from hedge accounting is as follows:

(in thousands of euros)	31/12/2018 Income	Loss	Net
Fair value hedge	**0**	**0**	**0**
Changes in the fair value of hedged items attributable to hedged risks			0
Changes in the fair value of derivative instruments (including hedge terminations)			0
Cash flow hedge	**0**		**0**
Changes in fair value of derivative instruments - ineffective portion			0
Net investment hedges in foreign operations	**0**		**0**
Changes in fair value of derivative instruments - ineffective portion			0
Fair value hedging of the interest rate risk exposure of portfolios of financial instruments	**1,865**	**-1,865**	**0**
Changes in fair value of hedged items	1,865		1,865
Changes in fair value of derivative instruments		-1,865	-1,865
Hedging of the cash flow exposure of a portfolio of financial instruments to interest rate risk	**0**		**0**
Changes in the fair value of the hedging instrument - ineffective portion			0
Total profit/loss from hedge accounting	**1,865**	**-1,865**	**0**

(in thousands of euros)	31/12/2017 Income	Loss	Net
Fair value hedge	**0**	**0**	**0**
Changes in the fair value of hedged items attributable to hedged risks	0	0	0
Changes in the fair value of derivative instruments (including hedge terminations)	0	0	0
Cash flow hedge	**0**	**0**	**0**
Changes in fair value of derivative instruments - ineffective portion	0	0	0
Net investment hedges in foreign operations	**0**	**0**	**0**
Changes in fair value of derivative instruments - ineffective portion	0	0	0
Fair value hedging of the interest rate risk exposure of portfolios of financial instruments	**20,989**	**-20,989**	**0**
Changes in fair value of hedged items	15,682	-5,307	10,375
Changes in fair value of derivative instruments	5,307	-15,682	-10,375
Hedging of the cash flow exposure of a portfolio of financial instruments to interest rate risk	**0**	**0**	**0**
Changes in the fair value of the hedging instrument - ineffective portion	0	0	0
Total profit/loss from hedge accounting	**20,989**	**-20,989**	**0**

4.4 Net gains or losses on financial instruments at fair value through equity

(in thousands of euros)	31/12/2018
Net gains or losses on debt instruments recognised in recyclable equity	-214
Compensation of equity instruments recognised in non-recyclable equity (dividends)	1
Net gains or losses on financial instruments at fair value through equity	**-213**

Net gains or losses on available-for-sale financial assets

(in thousands of euros)	31/12/2017
Dividends received	1
Gains or losses on sales of available-for-sale financial assets 1	7,613
Losses on permanently impaired securities (equity securities)	0
Gains or losses on sales of financial assets held to maturity and loans and receivables	0
Net gains or losses on available-for-sale financial assets	**7,614**

4.5 Net income and expenses from other activities

(in thousands of euros)	31/12/2018	31/12/2017
Gains or losses on non-operating non-current assets	0	0
Other net income from insurance activity	0	0
Change in technical provisions of insurance contracts	0	0
Net income from investment properties	0	0
Other net income (expenses)	564	1,134
Income (expenses) from other operations	**564**	**1,134**

4.6 General operating expenses

(in thousands of euros)	31/12/2018	31/12/2017
Staff costs	-56,577	-55,079
Taxes and regulated contributions	-287	-1,592
External services and other general operating expenses	-32,904	-34,797
General operating expenses	**-89,768**	**-91,468**

4.7 Amortisation and impairment of intangible and tangible non-current assets

(in thousands of euros)	31/12/2018	31/12/2017
Amortisations	**-2,187**	**-2,835**
Tangible assets	-2,001	-2,600
Intangible assets	-186	-235
Allocations (reversals) to impairments	**0**	**0**
Tangible assets	0	0
Intangible assets	0	0
Amortisation and impairment of intangible and tangible non-current assets	**-2,187**	**-2,835**

4.8 Cost of risk

(in thousands of euros)	31/12/2018
Net reversals of impairments on good-quality assets (Bucket 1 and Bucket 2)	**-39**
Bucket 1: Expected credit losses over the next 12 months	**2,538**
Debt instruments recognised at fair value through recyclable equity	268
Debt instruments recognised at amortised cost	-124
Signature commitments	2,394
Bucket 2: Expected credit losses over life time of assets	**-2,577**
Debt instruments recognised at fair value through recyclable equity	-18
Debt instruments recognised at amortised cost	122
Signature commitments	-2,681
Net reversals of impairments on impaired assets (Bucket 3)	-945
Bucket 3: Impaired assets	**-945**
Debt instruments recognised at fair value through recyclable equity	0
Debt instruments recognised at amortised cost	-945
Signature commitments	0
Other assets	0
Risks and expenses	-253
Net reversals of impairments and provisions	**-1,237**
Realised gains or losses on sales of debt instruments recognised in impaired recyclable equity	0
Realised gains or losses on debt instruments recognised at amortised cost	0
Losses on unimpaired bad loans and debts	0
Recoveries on loans and receivables	0
recognised at amortised cost	0
recognised in recyclable equity	0
Discounts on restructured loans	0
Losses on signature commitments	0
Other losses	-21
Other income	0
Cost of risk	**-1,258**

(in thousands of euros)	31/12/2017
Provisions and impairments	**-5,411**
Available-for-sale fixed-income financial assets	0
Loans and receivables	-1,711
Other assets	0
Signature commitments	0
Risks and expenses	-3,700
Reversals of provisions and impairments	**41**
Available-for-sale fixed-income financial assets	0
Loans and receivables	41
Other assets	0
Signature commitments	0
Risks and expenses	0
Net reversals of impairments and provisions	**-95**
Gains or losses on sales of impaired available-for-sale fixed-rate assets	0
Losses on unimpaired bad loans and debts	0
Recoveries on amortised loans and receivables	0
Discounts on restructured loans	0
Losses on signature commitments	-9
Other losses	-86
Other income	0
Cost of risk	**-5,465**

4.9 Net gains or losses on other assets

(in thousands of euros)	31/12/2018	31/12/2017
Tangible and intangible non-current operating assets	**-16**	**0**
Gains on sale		0
Losses on sale	-16	0
Consolidated equity securities	**0**	**2,587**
Gains on sale		2,587
Losses on sale		0
Net income (expenses) from consolidation transactions		**0**
Net gains or losses on other assets	**-16**	**2,587**

4.10 Taxes

(in thousands of euros)	31/12/2018	31/12/2017
Current tax charge	-4,111	-175
Deferred tax revenue/charge	78	
Tax charge for the period	**-4,033**	**-175**

4.11 Change in gains and losses recognised directly in equity

Breakdown of gains and losses recognised directly in equity

(in thousands of euros)	31/12/2018
Net gains and losses recognised directly in recyclable equity	
Gains and losses on exchange differences	**0**
Revaluation surplus for the period	
Transfer to profit/loss	
Other changes	
Gains and losses on debt instruments recognised in recyclable equity	**524**
Revaluation surplus for the period	310
Transfer to profit/loss	214
Other changes	
Gains and losses on derivative instruments	**-1,539**
Revaluation surplus for the period	-1,539
Transfer to profit/loss	
Other changes	
Reclassification of net gains or losses on financial assets related to the overlay approach	**0**
Revaluation surplus for the period	
Transfer to profit/loss	
Other changes	
Gains and losses before tax recognised directly in recyclable equity of companies accounted for by the equity method	
Tax on gains and losses recognised directly in recyclable equity excluding companies accounted for by the equity method	**165**
Tax on gains and losses recognised directly in recyclable equity of companies accounted for by the equity method	
Net gains and losses recognised directly in recyclable equity on discontinued operations	
Net gains and losses recognised directly in recyclable equity	**-850**
Net gains and losses recognised directly in non-recyclable equity	
Actuarial gains and losses on retirement benefits	227
Gains and losses on financial liabilities attributable to changes in own credit risk	**0**
Revaluation surplus for the period	
Transfer to reserves	
Other changes	
Gains and losses on equity instruments recognised in non-recyclable equity	**23**
Revaluation surplus for the period	23
Transfer to reserves	
Other changes	
Gains and losses before tax recognised directly in non-recyclable equity of companies accounted for by the equity method	
Tax on gains and losses recognised directly in non-recyclable equity excluding companies accounted for by the equity method	
Tax on gains and losses recognised directly in non-recyclable equity of companies accounted for by the equity method	
Net gains and losses recognised directly in non-recyclable equity on discontinued operations	
Net gains and losses recognised directly in non-recyclable equity	**250**
Net gains and losses recognised directly in equity	**-600**
Of which the Group share	
Of which non-controlling interests	

(in thousands of euros)	31/12/2017
Net gains and losses recognised directly in recyclable equity	**0**
Gains and losses on exchange differences	**0**
REVALUATION SURPLUS FOR THE PERIOD	0
Transfer to profit/loss	0
Other changes	0
Gains and losses on debt instruments recognised in recyclable equity	**-8,231**
REVALUATION SURPLUS FOR THE PERIOD	-8,231
Transfer to profit/loss	0
Other changes	0
Gains and losses on derivative instruments	**-10,373**
REVALUATION SURPLUS FOR THE PERIOD	-10,373
Transfer to profit/loss	0
Other changes	0
Gains and losses before tax recognised directly in recyclable equity of companies accounted for by the equity method	**0**
Tax on gains and losses recognised directly in recyclable equity excluding companies accounted for by the equity method	0
Tax on gains and losses recognised directly in recyclable equity of companies accounted for by the equity method	0
Net gains and losses recognised directly in recyclable equity on discontinued operations	0
Net gains and losses recognised directly in recyclable equity	**-18,604**
Net gains and losses recognised directly in non-recyclable equity	**0**
Actuarial gains and losses on retirement benefits	**-416**
Gains and losses before tax recognised directly in non-recyclable equity of companies accounted for by the equity method	**0**
Tax on gains and losses recognised directly in non-recyclable equity excluding companies accounted for by the equity method	**0**
Tax on gains and losses recognised directly in non-recyclable equity of companies accounted for by the equity method	**0**
Net gains and losses recognised directly in non-recyclable equity on discontinued operations	0
Net gains and losses recognised directly in non-recyclable equity	**-416**
Net gains and losses recognised directly in equity	**-19,020**
Of which the Group share	-19,020
Of which non-controlling interests	0

Note 5 : Sectoral information

The CFM Indosuez Wealth Group's sole business is wealth management.

Note 6 : Balance sheet note

6.1 Cash, central banks

	31/12/2018		31/12/2017	
(in thousands of euros)	Assets	Liabilities	Assets	Liabilities
Cash	5,227	0	5,297	0
Central Banks	300,461	0	57,273	0
Balance sheet value	**305,688**	**0**	**62,570**	**0**

6.2 Financial assets and liabilities at fair value through profit or loss

Financial assets at fair value through profit or loss

(in thousands of euros)	31/12/2018
Financial assets held for trading	3,968
Other financial assets at fair value through profit or loss	1,657
Equity instruments	0
Debt instruments that do not meet SPPI criteria	1,657
Assets representing unit-linked contracts	0
Financial assets at fair value through profit or loss as an option	0
Balance sheet value	**5,625**
Of which loaned securities	

(in thousands of euros)	31/12/2017
Financial assets held for trading	1,191
Financial assets at fair value through profit or loss as an option	0
Balance sheet value	**1,191**
Of which loaned securities	0

Financial assets held for trading

(in thousands of euros)	31/12/2018
Equity instruments	
Equities and other variable-income securities	
Debt securities	
Government securities and similar securities	
Bonds and other fixed-income securities	
FUNDS	0
Loans and receivables	**0**
Receivables from credit institutions	0
Customer receivables	
Securities received under reverse repurchase agreements with delivery of securities	
Securities received under reverse repurchase agreements	
Derivatives	**3,968**
Balance sheet value	**3,968**

(in thousands of euros)	31/12/2017
Equity instruments	**0**
Equities and other variable-income securities	0
Debt securities	**0**
Government securities and similar securities	0
Bonds and other fixed-income securities	0
Loans and receivables	**0**
Receivables from credit institutions	0
Customer receivables	0
Securities received under reverse repurchase agreements with delivery of securities	0
Securities received under reverse repurchase agreements	0
Derivatives	**1,191**
Balance sheet value	**1,191**

Debt instruments that do not meet SPPI criteria

(in thousands of euros)	31/12/2018
Debt securities	**1,657**
Government securities and similar securities	
Bonds and other fixed-income securities	
FUNDS	1,657
Loans and receivables	**0**
Receivables from credit institutions	
Customer receivables	
Securities received under reverse repurchase agreements with delivery of securities	
Securities received under reverse repurchase agreements	
Total debt instruments that do not meet SPPI criteria at fair value through profit or loss	**1,657**

Financial liabilities at fair value through profit or loss

(in thousands of euros)	31/12/2018	31/12/2017
Financial liabilities held for trading	3,476	243
Financial liabilities at fair value through profit or loss as an option	0	0
Balance sheet value	**3,476**	**243**

Financial liabilities held for trading

(in thousands of euros)	31/12/2018	31/12/2017
Securities sold short	0	0
Securities transferred under repurchase agreements	0	0
Debts represented by a security	0	0
Derivatives	3,476	243
Balance sheet value	**3,476**	**243**

6.3 Derivative instruments

Detailed information is provided in Note 3.4 on cash flow or fair value hedges, including interest rate and currency hedges.

6.4 Financial assets at fair value through equity

as of 31/12/2018

(in thousands of euros)	Balance sheet value	Unrealised gains	Unrealised losses
Debt instruments recognised at fair value through recyclable equity	214,655		
Equity instruments recognised at fair value through non-recyclable equity	303	85	
Total	**214,958**	**85**	**0**

Debt instruments recognised at fair value through recyclable equity as of 31/12/2018

(in thousands of euros)	Balance sheet value	Unrealised gains	Unrealised losses
Government securities and similar securities	9,047		
Bonds and other fixed-income securities	205,608		
Total debt securities	**214,655**	**0**	**0**
Loans and receivables from credit institutions	0		
Loans and receivables from clients	0		
Total loans and receivables	**0**	**0**	**0**
Total debt instruments recognised at fair value through recyclable equity	**214,655**	**0**	**0**
Taxes			29
Gains and losses recognised directly in equity on equity instruments recognised at fair value through recyclable equity (net of taxes)		**0**	**29**

Equity instruments recognised at fair value through non-recyclable equity 31/12/2018

Gains and losses recognised directly in equity on non-recyclable equity instruments

(in thousands of euros)	Balance sheet value	Unrealised gains	Unrealised losses	Unrealised gains / losses for the period
Equities and other variable-income securities	231	13	0	-22
Non-consolidated equity securities	72	72	0	46
Total equity instruments recognised at fair value through	**303**	**85**	**0**	**24**
Taxes				
Gains and losses recognised directly in equity on equity instruments recognised at fair value through non-recyclable equity (net of taxes)		**85**	**0**	**24**

Available-for-sale financial assets as of 31/12/2017

(in thousands of euros)	Balance sheet value	Unrealised gains	Unrealised losses
Government securities and similar securities	126,496	0	0
Bonds and other fixed-income securities	1,094,399	9,339	9,469
Equities and other variable-income securities	541	63	3
Non-consolidated equity securities	26	0	0
Total available-for-sale securities	**1,221,462**	**9,402**	**9,472**
Available-for-sale receivables	0	0	0
Total available-for-sale receivables	**0**	**0**	**0**
Balance sheet value of available-for-sale financial assets	**1,221,462**	**9,402**	**9,472**
Taxes	0	0	0
Gains and losses on available-for-sale financial assets recognised directly in equity (net of taxes)	**1,221,462**	**9,402**	**9,472**

6.5 Financial assets at amortised cost

(in thousands of euros)	31/12/2018
Loans and receivables from credit institutions	1,802,331
Loans and receivables from clients	3,277,040
Debt securities	165,950
Balance sheet value	**5,245,321**

Loans and receivables from credit institutions

(in thousands of euros)	31/12/2018
CREDIT INSTITUTIONS	
Accounts and loans	1,791,740
of which no doubtful ordinary accounts receivable	248,034
of which non-doubtful overnight accounts and loans	324,855
of good-quality term accounts and loans	1,218,851
Securities received under reverse repurchase agreements	0
Securities received under reverse repurchase agreements with delivery of securities	10,722
Subordinated loans	0
Other loans and receivables	0
Gross amount	**1,802,462**
Impairments	-131
Balance sheet value	**1,802,331**

(in thousands of euros)	31/12/2017
CREDIT INSTITUTIONS	
Debt securities	**0**
Securities not listed in an active market	0
Loans and advances	**1,050,908**
Accounts and loans	1,049,801
of which good-quality ordinary accounts receivable	77,055
of which good-quality overnight accounts and loans	201,124
of good-quality term accounts and loans	771,622
Securities received under reverse repurchase agreements	0
Securities received under reverse repurchase agreements with delivery of securities	1,107
Subordinated loans	0
Other loans and receivables	0
Gross amount	**1,050,908**
Impairments	0
Net value of loans and receivables from credit institutions	**1,050,908**

Loans and receivables from clients

(in thousands of euros)	31/12/2018
Transactions with Customers	
Trade receivables	837
Other customer loans	1,476,066
Securities received under reverse repurchase agreements	
Securities received under reverse repurchase agreements with delivery of securities	
Subordinated loans	
Receivables from direct insurance operations	
Receivables from reinsurance operations	
Advances in shareholders' current accounts	
Ordinary accounts receivable	1,800,969
Gross amount	**3,277,872**
Impairments	-832
Net value of loans and receivables from customers	**3,277,040**
Finance lease transactions	**0**
Real estate finance lease	0
Personal property finance lease, operating lease and similar transactions	0
Gross amount	**0**
Impairments	0
Net value of finance lease transactions	**0**
Balance sheet value	**3,277,040**

(in thousands of euros)	31/12/2017
Transactions with Customers	
Debt securities	0
Securities not listed in an active market	0
Loans and advances	**3,146,373**
Trade receivables	1,843
Other customer loans	1,472,197
Securities received under reverse repurchase agreements with delivery of securities	0
Subordinated loans	0
Receivables from direct insurance operations	0
Receivables from reinsurance operations	0
Advances in shareholders' current accounts	0
Ordinary accounts receivable	1,672,333
Gross amount	**3,146,373**
Impairments	0
Net value of loans and receivables from customers	**3,146,373**
Finance lease transactions	
Real estate finance lease	0
Personal property finance lease, operating lease and similar transactions	0
Gross amount	**0**
Impairments	0
Net value of finance lease transactions	**0**
Balance sheet value	**3,146,373**

Debt securities

(in thousands of euros)	31/12/2018
Government securities and similar securities	
Bonds and other fixed-income securities	166,038
Total	**166,038**
Impairments	-88
Balance sheet value	**165,950**

6.6 Exposure to sovereign risk

The scope of registered sovereign exposures includes exposures to the State, excluding local authorities. Tax receivables are excluded from the category. Exposure to sovereign debt involves exposures net of impairment (balance sheet value) presented both gross and net of hedging. The significant exposures of the CFM Indosuez Wealth Group to sovereign risk are as follows:

	Exposures net of impairment as of 31/12/2018						
	Financial assets at fair value through profit or loss						
(in thousands of euros)	Financial assets held for trading	Other financial assets at fair value through profit or loss	Financial assets at fair value through recyclable equity:	Financial assets at amortised cost	Total banking operations gross of hedging	Hedging	Total banking operations net of hedging
Slovakia			9,027		9,027		9,027
TOTAL	**0**	**0**	**9,027**	**0**	**9,027**	**0**	**9,027**

Exposures net of impairment as of 31/12/2017								
	Of which the banking portfolio							
(in thousands of euros)	Financial assets held to maturity	Other available-for-sale financial assets	Assets at fair value through profit or loss	Loans and recei-vables	Of which trading portfolio (excluding deriva-tives)	Total banking operations gross of hedging	Hedging of available-for-sale financial assets	Total banking operations net of hedging
Germany		2,018				2,018		2,018
Belgium		57,126				57,126		57,126
Netherlands		2,011				2,011		2,011
Slovakia		34,814				34,814		34,814
Sweden		30,756				30,756		30,756
TOTAL	**0**	**126,725**	**0**	**0**	**0**	**126,725**		**126,725**

6.7 Financial liabilities at amortised cost

(in thousands of euros)	31/12/2018
Debts due to credit institutions	313,797
Debts due to clients	5,161,773
Debts represented by a security	0
Balance sheet value	**5,475,570**

Debts due to credit institutions

(in thousands of euros)	31/12/2018	31/12/2017
CREDIT INSTITUTIONS		
Accounts and loans	313,797	77,166
of which ordinary accounts payable1	213,797	39,510
of which overnight accounts and loans1	100,000	37,656
Securities transferred under repurchase agreements	0	0
Securities transferred under repurchase agreements	0	0
Balance sheet value	**313,797**	**77,166**

1 These transactions partly include the item "Net balance of accounts, demand loans / borrowings with credit institutions" in the "Cash flow statement."

Debts due to clients

(in thousands of euros)	31/12/2018	31/12/2017
Ordinary accounts payable	4,082,628	4,051,746
Special scheme savings accounts	0	0
Other debts to clients	1,079,145	1,044,154
Securities transferred under repurchase agreements	0	0
Debts from direct insurance operations	0	0
Debts from reinsurance operations	0	0
Debts for cash deposits received from assignees and reinsurers representing technical commitments	0	0
Balance sheet value	**5,161,773**	**5,095,900**

6.8 Current and deferred tax assets and liabilities

(in thousands of euros)	31/12/2018	31/12/2017
Current taxes	3,421	0
Deferred taxes	1,377	0
Total current and deferred tax assets	**4,798**	**0**
Current taxes	3,953	0
Deferred taxes	410	0
Total current and deferred tax liabilities	**4,363**	**0**

In order to determine the level of deferred tax assets to be recognised, CFM Indosuez Wealth takes into account for each entity or tax group the applicable tax system and the projections of income established during the budget process.

6.9 Accrual accounts, assets, liabilities and miscellaneous

(in thousands of euros)	31/12/2018	31/12/2017
Other assets	**50,406**	**22,697**
Inventory account and miscellaneous uses	136	114
Miscellaneous receivables	7,343	3,245
Payment accounts	51	11,907
Security deposit on market transaction	39,698	6,465
Variable margin paid	3,178	966
Accrual accounts	**13,745**	**18,799**
Collection and transfer accounts	90	210
Adjustment and difference accounts	1,320	5,853
Income receivable	9,034	7,996
Prepaid expenses	2,863	4,721
Other accrual accounts	438	19
Balance sheet value	**64,151**	**41,496**

(in thousands of euros)	31/12/2018	31/12/2017
Other liabilities	**29,145**	**19,847**
Payment accounts	2	3
Miscellaneous payables	11,399	6,455
Remaining payments to be made on securities	0	0
Initial margin on market transaction	17,744	13,389
Accrual accounts	**42,307**	**43,503**
Collection and transfer accounts	0	0
Adjustment and difference accounts	0	0
Prepaid expenses	0	0
Expenses payable	37,117	41,332
Other accrual accounts	5,190	2,171
Balance sheet value	**71,452**	**63,350**

6.10 Investment properties

(in thousands of euros)	31/12/2017	01/01/2018	Scope changes	Increases (purchases)	Reductions (sales)	EXCHANGE DIFFERENCE	Other transactions	31/12/2018
Gross amount	1,270	1,270						1,270
Amortisations and impairment								0
Balance sheet value	**1,270**	**1,270**	**0**	**0**	**0**	**0**	**0**	**1,270**

(in thousands of euros)	31/12/2016	Scope changes	Increases (purchases)	Reductions (sales)	EXCHANGE DIFFERENCE	Other transactions	31/12/2017
Gross amount	1,270						1 270
Amortisations and impairment							0
Balance sheet value	**1,270**	**0**	**0**	**0**	**0**	**0**	**1 270**

Fair value of investment properties

The investment property recognised at amortised cost was purchased at the end of 2016 by auction. To date, its market value is greater than its book value.

6.11 Tangible and intangible non-current assets (excluding goodwill)

(in thousands of euros)	31/12/2017	01/01/2018	Scope changes	Increases (purchases)	Reductions (sales)	Exchange difference	Other transactions	31/12/2018
Tangible non-current operating assets								
Gross amount	49,805	49,805		80	-763			49,122
Amortisations and impairment	-38,830	-38,830		-2001	1622			-39,209
Balance sheet value	**10,975**	**10,975**	**0**	**-1,921**	**859**	**0**	**0**	**9,913**
Intangible assets								
Gross amount	55,924	55,924		1027	-266			56,689
Amortisations and impairment	-16,121	-16,121		-186	264			-16,051
Balance sheet value	**39,803**	**39,803**	**0**	**841**	**-2**	**0**	**0**	**40,638**

(in thousands of euros)	31/12/2016	Scope changes	Increases (purchases)	Reductions (sales)	Exchange difference	Other transactions	31/12/2017
Tangible non-current operating assets							
Gross amount	48,069	1,736	0	0	0	0	49,805
Amortisations and impairment	-36,233	-2,597	0	0	0	0	-38,830
Balance sheet value	**11,836**	**-861**				10,975	**10 975**
Intangible assets							
Gross amount	35,431	20,493	0	0	0	0	55,924
Amortisations and impairment	-15,881	-240	0	0	0	0	-16,121
Balance sheet value	**19,550**	**20,253**	**0**	**0**	**0**	**0**	**39,803**

6.12 Provisions

(in thousands of euros)	31/12/2017	01/01/2018	Scope changes	Allocations	Reversals used	Reversals not used	Exchange difference	Other transactions	31/12/2018
Risks on home savings products	0	0							0
Risks of enforcement of signature commitments	0	772		3,932	0	-3,645	1	0	1,060
Operational risks	0	0		0	0	0	0	0	0
(Pensions) and similar items	4,779	4,779		587	-413	-70	0	-227	4,656
Miscellaneous litigation	4,476	4,476		279	-382	-26	0	0	4,347
Equity investments	0	0		0	0	0	0	0	0
Restructuring	0	0		0	0	0	0	0	0
Other risks	**0**	**0**		**0**	**0**	**0**	**0**	**0**	**0**
Total	**9,255**	**10,027**	**0**	**4,798**	**-795**	**-3,741**	**1**	**-227**	**10,063**

(in thousands of euros)	31/12/2016	Scope changes	Allocations	Reversals used	Reversals not used	Exchange difference	Other transactions	31/12/2017
Risks on home savings products								0
Risks of enforcement of signature commitments								0
Operational risks								0
Employee commitments (pensions) and similar items	4,357	0	1,145	-723	0	0	0	4,779
Miscellaneous litigation	776	0	3,700	0	0	0	0	4,476
Equity investments								0
Restructuring								0
Other risks								0
Total	5,133	0	4,845	-723	0	0	0	9,255

6.13 Breakdown of financial assets and liabilities by contractual maturity

The balance sheet balance of financial assets and liabilities is broken down by contractual maturity date.
The maturity date of trading and derivative instruments is their contractual maturity date.
Equities and other variable income securities, by nature, have no contractual maturity. They are classified as “indefinite.”

31/12/2018 (in thousands of euros)	≤ 3 months	> 3 months to < 1 year	> 1 year to < 5 years	> 5 years	Indefinite	Total
Cash, central banks	305,688					305,688
Financial assets at fair value through profit or loss	3,242	489	379	1,515	0	5,625
Derivative instruments	8,800	1,122	14,183	4,426	0	28,531
Financial assets at fair value through equity	107,142	107,517	0	-4	303	214,958
Financial assets at amortised cost	3,699,079	334,723	942,729	268,790	0	5,245,321
Revaluation surplus of portfolios hedged against interest rate risk	2,345					2,345
Total financial assets by maturity	**4,126,296**	**443,851**	**957,291**	**274,727**	**303**	**5,802,468**
Central Banks						0
Financial liabilities at fair value through profit or loss	3,070	139	264	3	0	3,476
Derivative instruments	4,234	242	4,178	1,399	0	10,053
Financial liabilities at amortised cost	5,305,137	170,433	0	0		5,475,570
Subordinated debt						0
Revaluation surplus of portfolios hedged against interest rate risk	13,126					13,126
Total financial liabilities by maturity	**5,325,567**	**170,814**	**4,442**	**1,402**	**0**	**5,202,225**

31/12/2017 (in thousands of euros)	< 3 months	> 3 months to < 1 year	> 1 year to < 5 years	> 5 years	Indefinite	Total
Cash, central banks	62,570	0	0	0	0	62,570
Financial assets at fair value through profit or loss	812	43	336	0	0	1,191
Derivative instruments	36,134	1,806	2,980	0	0	40,920
Available-for-sale financial assets	386,941	403,281	430,673	0	567	1,221,462
Loans and receivables from credit institutions	970,861	80,047	0	0	0	1,050,908
Loans and receivables from clients	163,819	1,988,624	790,801	203,129	0	3,146,373
Revaluation surplus of portfolios hedged against interest rate risk	2,499	0	0	0	0	2,499
Financial assets held to maturity	0	0	0	0	0	0
Total financial assets by maturity	**1,623,636**	**2,473,801**	**1,224,790**	**203,129**	**567**	**5,525,923**
Central Banks	0	0	0	0	0	0
Financial liabilities at fair value through profit or loss	76	40	127	0	0	243
Derivative instruments	16,023	7	3,062	0	0	19,092
Debts due to credit institutions	77,166	0	0	0	0	77,166
Debts due to clients	4,918,955	176,945	0	0	0	5,095,900
Debts represented by a security	0	0	0	0	0	0
Subordinated debt	0	0	0	0	0	0
Revaluation surplus of portfolios hedged against interest rate risk	15,130	0	0	0	0	15,130
Total financial liabilities by maturity	**5,027,350**	**176,992**	**3,189**	**0**	**0**	**5,207,531**

Note 7 : Employee benefits and other compensation

7.1 Breakdown of staff costs

(in thousands of euros)	31/12/2018	31/12/2017
Salaries	42,202	40,727
Pension contributions	5,842	5,284
Payroll expenses	7,744	8,410
Profit-sharing	766	636
Taxes on remuneration	23	22
Total staff costs	**56,577**	**55,079**

7.2 Average and end of period headcount

(in thousands of euros)	Average headcount 31/12/2018	Headcount at end 31/12/2018	Headcount at end of period 31/12/2017
Monaco	392	383	385
Abroad	6	4	6
Total	**398**	**387**	**391**

7.3 Retirement benefits, defined contribution plans

There are various compulsory pension schemes to which employers' associations contribute. The funds are managed by independent organisations and the contributing companies have no legal or implied obligation to pay additional contributions if the funds do not have enough assets to cover all the benefits corresponding to the services rendered by the staff during the fiscal year and prior fiscal years. As a result, the CFM Indosuez Wealth Group has no liability in this regard other than the contributions payable.

7.4 Retirement benefits, defined benefit plans

(in thousands of euros)	31/12/2018 All areas	31/12/2017 All areas
Actuarial debt as of 31/12/N-1	**3,443**	**2,529**
Foreign exchange difference	0	0
Cost of serviceas rendered over the fiscal year	239	400
Financial cost	47	34
Employee contributions	0	0
Other highlights	0	136
Scope changes	0	0
Benefits paid by the employer	-99	-72
Taxes, administrative costs and premiums	0	0
Actuarial gains/losses - related to assumptions	-228	416
Actuarial debt as of 31/12/n	**3,402**	**3,443**

Defined benefit plans: key actuarial assumptions

(in thousands of euros)	31/12/2018	31/12/2017
Discount rate	1.31%	1.38%
Effective rates of return on plan assets and reimbursement rights	0.00%	0.00%
Expected salary increase rates	3.00%	3.00%
Inflation rate	1.75%	1.75%

7.5 Other employee benefits

In France and Monaco, the Group's main entities pay long service award bonuses. Amounts vary according to standard practise and collective bargaining agreements in effect. The provisions established by the CFM Indosuez Wealth group for these other employee benefits totalled €4,658 thousand as of 31 December 2018.

Note 8 : Financing and guarantee commitments and other guarantees

Commitments made and received

(in thousands of euros)	31/12/2018	31/12/2017
Commitments given		
Financing commitments	**868,767**	**685,670**
Commitments to credit institutions	0	0
Commitments to clients	868,767	685,670
Opening of confirmed lines of credit	868,537	685,469
Opening of letters of credit	893	1,936
Other confirmed lines of credit	867,644	683,533
Other commitments to clients	230	201
Guarantee commitments	**177,024**	**221,793**
General commitments to credit institutions	28,159	206
Confirmed openings of letters of credit	0	206
Other guarantees	28,159	0
General commitments to clients	148,865	221,587
Real estate guarantees	12,600	12,575
Other general commitments to clients	136,265	209,012
Commitments relating to securities	**0**	
Securities deliverable	0	
Commitments received		
Financing commitments	**0**	**0**
Commitments from credit institutions	0	0
Commitments from clients	0	0
Guarantee commitments	427,212	359,702
Commitments from credit institutions	5,506	8,636
Commitments from clients	421,706	351,066
Guarantees received from public administrations and similar guarantees	418,956	351,066
Other guarantees received	2,750	0
Commitments relating to securities	**0**	
Securities receivable	0	

Financial instruments provided and received as a guarantee

(in thousands of euros)	31/12/2018
Book value of financial assets provided as a guarantee (of which assets transferred)	
Securities and receivables provided as a guarantee for refinancing arrangements (Bank of France, CRH, etc.)	
Loaned securities	
Security deposits on market transactions	41,667
Other security deposits	
Securities transferred under repurchase agreements	
Total book value of financial assets provided as a guarantee	**41,667**
Book value of financial assets received as a guarantee	
Other security deposits	
Fair value of reusable and reused instruments received as a guarantee	
Securities borrowed	
Securities received under reverse repurchase agreements	1,764,362
Securities sold short	
Total Fair value of reusable and reused instruments received as a guarantee	**1,764,362**

Note 9 : Fair value of financial instruments

Fair value is the price that would be received for the sale of an asset or paid for the transfer of a liability in a normal transaction between market participants on the valuation date.

The fair value is based on the exit price (notional exit price). The fair value amounts shown below represent the estimates made at the reporting date primarily using observable market data. These may change in other periods due to changing market conditions or other factors.

The calculations made represent the best estimate that can be made. It is based on a number of assumptions. It is assumed that market participants act in their best economic interest.

To the extent that these models involve uncertainties, the fair values used may not materialise during the actual sale or immediate payment of the financial instruments in question.

The fair value hierarchy of financial assets and liabilities is broken down according to the general criteria of observability of the inputs used in the valuation, in accordance with the principles established by IFRS 13.

Level 1 of the hierarchy applies to the fair value of financial assets and liabilities quoted on an active market.

Level 2 of the hierarchy applies to the fair value of financial assets and liabilities for which there is observable data. These include parameters related to interest rate risk or credit risk parameters when it can be reassessed based on Credit Default Swap (CDS) spread quotations. Pensions received with underlying assets quoted on an active market are also included in level 2, as well as financial assets with a demand component of which the fair value is the unadjusted amortised cost.

Level 3 of the hierarchy shows the fair value of financial assets and liabilities for which there is no observable data or for which certain parameters can be re-assessed based on internal models that use historical data. These are primarily related to credit risk or prepayment risk.

In a number of cases, market values are close to the book value. These include, in particular:

- variable rate assets or liabilities for which changes in interest do not have a significant influence on fair value, since the rates of these instruments frequently adjust to market rates;
- short-term assets or liabilities for which we believe the redemption value is close to market value;
- assets or liabilities due on demand;
- operations for which there are no reliable observable data.

9.1 Fair value of financial assets and liabilities recognised at amortised cost

The amounts presented include associated receivables and payables and are net of impairment.

Financial assets recognised at amortised cost on the balance sheet valued at fair value

(in thousands of euros)	Balance sheet value as of 31/12/2018	Fair value as of 31/12/2018	Prices quoted on active markets for identical instruments Level 1	Valuation based on observable data Level 2	Valuation based on unobservable data Level 3
Debt instruments not measured at fair value on the balance sheet					
Loans and receivables					
Loans and receivables from credit institutions	**1,800,961**	**1,800,961**	**0**	**1,800,961**	**0**
Ordinary accounts and JJ loans	572,889	572,889		572,889	
Term accounts and loans	1,217,350	1,217,350		1,217,350	
Securities received under reverse repurchase agreements					
Securities received under reverse repurchase agreements with delivery of securities	10,722	10,722		10,722	
Subordinated loans					
Other loans and receivables					
Loans and receivables from clients	**3,282,001**	**3,282,001**	**0**	**1,806,793**	**1,475,208**
Trade receivables	1,294	1,294			1,294
Other customer loans	1,473,914	1,473,914			1,473,914
Securities received under reverse repurchase agreements					
Securities received under reverse repurchase agreements with delivery of securities					
Subordinated loans					
Receivables from direct insurance operations					
Receivables from reinsurance operations					
Advances in shareholders' current accounts					
Ordinary accounts receivable	1,806,793	1,806,793		1,806,793	
Debt securities	**165,115**	**165,115**	**165,115**	**0**	**0**
Government securities and similar securities					
Bonds and other fixed-income securities	165,115	165,115	165,115		
Total financial assets of which the fair value is indicated	**5,248,077**	**5,248,077**	**165,115**	**3,607,754**	**1,475,208**

The data do not include related receivables or collective provisions.

Financial liabilities recognised at amortised cost on the balance sheet valued at fair value

(in thousands of euros)	Balance sheet value as of 31/12/2018	Fair value as of 31/12/2018	Prices quoted on active markets for identical instruments Level 1	Valuation based on observable data Level 2	Valuation based on unobservable data Level 3
Financial liabilities not measured at fair value on the balance sheet					
Debts due to credit institutions	**313,797**	**313,797**	**0**	**313,797**	**0**
Ordinary accounts and JJ loans	306,361	306,361		306,361	
Term accounts and loans	6,079	6,079		6,079	
Other sums due	1,357	1,357		1,357	
Securities transferred under repurchase agreements					
Securities transferred under repurchase agreements					
Debts due to clients	**5,158,989**	**5,158,989**	**0**	**5,158,989**	**0**
Ordinary accounts payable	4,096,792	4,096,792		4,096,792	
Term accounts payable	1,062,024	1,062,024		1,062,024	
Other debts to clients	173	173		173	
Securities transferred under repurchase agreements					
Debts from direct insurance operations					
Debts from reinsurance operations					
Debts for cash deposits received from assignees					
and reinsurers representing technical commitments					
Debts represented by a security					
Subordinated debt					
Total financial liabilities of which the fair value is indicated	**5,472,786**	**5,472,786**	**0**	**5,472,786**	**0**

The data do not include related receivables.

9.2 Information on financial instruments measured at fair value

Breakdown of financial instruments at fair value by valuation model

The amounts presented include associated receivables and payables and are net of impairment.

Financial assets valued at fair value

(in thousands of euros)	31/12/2018	Prices quoted on active markets for identical instruments Level 1	Valuation based on observable data Level 2	Valuation based on unobservable data Level 3
Financial assets held for trading	**3,968**	**0**	**3,968**	**0**
Receivables from credit institutions	0			
Customer receivables	0			
Securities received under reverse repurchase agreements with delivery of securities	0			
Securities received under reverse repurchase agreements	0			
Securities held for trading	0	0	0	0
Government securities and similar securities	0			
Bonds and other fixed-income securities	0			
FUNDS	0			
Equities and other variable-income securities	0			
Derivatives	3,968		3,968	
Other financial assets recognised at fair value through profit or loss	**1,657**	**1,657**	**0**	**0**
Equity instruments at fair value through profit or loss	**0**	**0**	**0**	**0**
Equities and other variable-income securities	0			
Non-consolidated equity securities	0			
Debt instruments that do not meet SPPI criteria	**1,657**	**1,657**	**0**	**0**
Receivables from credit institutions	0			
Customer receivables	0			
Debt securities	1,657	1,657	0	0
Government securities and similar securities	0			
Bonds and other fixed-income securities	0			
FUNDS	1,657	1,657		
Assets representing unit-linked contracts	**0**	**0**	**0**	**0**
Government securities and similar securities	0			
Bonds and other fixed-income securities	0			
Equities and other variable-income securities	0			
FUNDS	0			
Financial assets at fair value through profit or loss as an option	**0**	**0**	**0**	**0**
Receivables from credit institutions	0			
Customer receivables	0			
Securities at fair value through profit or loss as an option	0	0	0	0
Government securities and similar securities	0			
Bonds and other fixed-income securities	0			
Financial assets recognised in equity	**214,958**	**214,958**	**0**	**0**
Equity instruments recognised in non-recyclable equity	303	303	0	0
Equities and other variable-income securities	231	231		
Non-consolidated equity securities	72	72		0
Debt instruments recognised in recyclable equity	**214,655**	**214,655**	**0**	**0**
Receivables from credit institutions	0			
Customer receivables	0			
Debt securities	214,655	214,655	0	0
Government securities and similar securities	9,047	9,047		
Bonds and other fixed-income securities	205,608	205,608		
Derivative instruments	**28,531**	**0**	**28,531**	**0**
Total financial assets valued at fair value	**249,114**	**216,615**	**32,499**	**0**
Transfers from Level 1: Prices quoted on active markets for identical instruments				
Transfers from Level 2: Valuation based on observable data				
Transfers from Level 3: Valuation based on unobservable data				
Total transfers to each level	**0**	**0**	**0**	**0**

(in thousands of euros)	31/12/2017	Prices quoted on active markets for identical instruments Level 1	Valuation based on observable data Level 2	Valuation based on unobservable data Level 3
Financial assets held for trading	**1,191**	**0**	**1,191**	**0**
Customer receivables	0	0	0	0
Securities received under reverse repurchase agreements with delivery of securities	0	0	0	0
Securities received under reverse repurchase agreements	0	0	0	0
Securities held for trading	0	0	0	0
Government securities and similar securities	0	0	0	0
Bonds and other fixed-income securities	0	0	0	0
Equities and other variable-income securities	0	0	0	0
Derivatives	1,191	0	1,191	0
Financial assets at fair value through profit or loss as an option	**0**	**0**	**0**	**0**
Receivables from credit institutions	0	0	0	0
Customer receivables	0	0	0	0
Assets representing unit-linked contracts	0	0	0	0
Securities at fair value through profit or loss as an option	0	0	0	0
Government securities and similar securities	0	0	0	0
Bonds and other fixed-income securities	0	0	0	0
Equities and other variable-income securities	0	0	0	0
Available-for-sale financial assets	**1,221,462**	**1,219,627**	**1,835**	**0**
Government securities and similar securities	126,496	126,496	0	0
Bonds and other fixed-income securities	1,094,399	1,092,564	1,835	0
Equities and other variable-income securities	567	567	0	0
Available-for-sale receivables	0	0	0	0
Derivative instruments	**40,920**	**0**	**40,920**	**0**
Total financial assets valued at fair value	**1,263,573**	**1,219,627**	**43,946**	**0**

Financial liabilities valued at fair value

(in thousands of euros)	31/12/2018	Prices quoted on active markets for identical instruments Level 1	Valuation based on observable data Level 2	Valuation based on unobservable data Level 3
Financial liabilities held for trading	**3,476**	**0**	**3,476**	**0**
Securities sold short				
Securities transferred under repurchase agreements				
Debts represented by a security				
Debts due to credit institutions				
Debts due to clients				
Derivatives	3,476		3,476	
Financial liabilities at fair value through profit or loss as an option	**0**	**0**	**0**	**0**
Derivative instruments	**10,053**	**0**	**10,053**	**0**
Total financial liabilities valued at fair value	**13,529**	**0**	**13,529**	**0**
Transfers from level 1: prices quoted on active markets for identical instruments				
Transfers from level 2: valuation based on observable data				
Transfers from level 3: valuation based on unobservable data				
Total transfers to each level				

(in thousands of euros)	31/12/2017	Prices quoted on active markets for identical instruments Level 1	Valuation based on observable data Level 2	Valuation based on unobservable data Level 3
Financial liabilities held for trading	**243**	**0**	**243**	**0**
Securities sold short	0	0	0	0
Securities transferred under repurchase agreements	0	0	0	0
Debts represented by a security	0	0	0	0
Debts due to credit institutions	0	0	0	0
Debts due to clients	0	0	0	0
Derivatives	0	0	0	0
Financial liabilities at fair value through profit or loss as an option	**0**	**0**	**0**	**0**
Derivative instruments	**19,092**	**0**	**19,092**	**0**
Total financial liabilities valued at fair value	**19,335**	**0**	**19,335**	**0**

Instruments classified at level 1

Level 1 includes all derivatives traded on active organised markets (options, futures, etc.), regardless of the underlying asset (interest rate, foreign exchange, precious metals, main equity indices) and equities and bonds listed on an active market.
A market is considered to be active when prices are readily and regularly available from stock exchanges, brokers, traders, price assessment services or regulatory agencies and such prices represent actual transactions that regularly occur on the market in conditions of normal competition.
Corporate and government and agency bonds whose valuation is based on prices obtained from independent sources that are considered executable and regularly updated are classified as Level 1. Most of the Sovereign Bonds stock is classified at this level.

Instruments classified at level 2

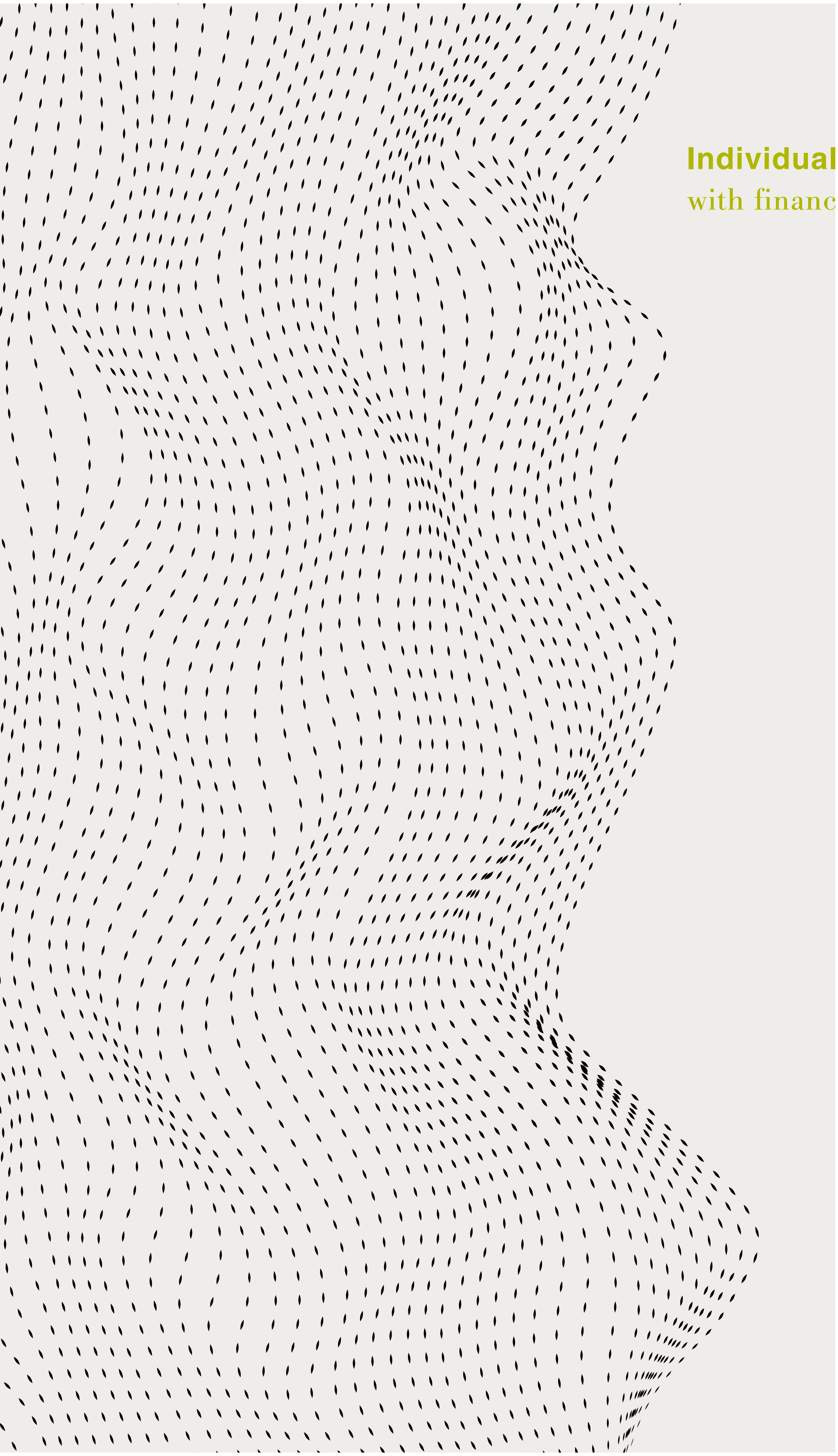
The main products recognised in Level 2 are:
- linear derivatives such as interest rate swaps, currency swaps, and foreign exchange forward contracts. These products are valued using simple models shared by the market, based on parameters that are either directly observable (exchange rate, interest rates) or that can be derived from the market price of observable products (foreign exchange swaps);
- non-linear vanilla products such as caps, floors, swaptions, currency options, stock options, credit default swaps, including digital options. These products are valued using simple models that are shared by the market on the basis of directly observable parameters (exchange rate, interest rates, stock prices) or that can be derived from the price of observable products on the market (volatilities).

Instruments classified at level 3

Level 3 products are those that do not meet the criteria for classification at level 1 and 2, and are thus mainly products with a high model risk or products whose valuation requires the use of significant unobservable parameters.

Note 10 : Highlights after 31 December 2018

None



Individual Accounts 2018
with financial statements

Balance sheet assets

(in thousands of euros)	NOTES	31/12/2018	31/12/2017
Inter-bank and similar transactions		**2,097,303**	**1,111,906**
Cash, central banks		305,415	62,570
Receivables from credit institutions	3	1,791,888	1,049,336
Transactions with Customers	**4**	**3,280,984**	**3,144,256**
Securities transactions		**391,607**	**1,220,324**
Bonds and other fixed-income securities	5	390,708	1,219,417
Equities and other variable-income securities	6	899	907
Fixed assets		**50,986**	**51,105**
Equity investments and other securities held on a long-term basis	7	608	514
Investments in related companies	8	297	297
Intangible assets	9	39,048	38,210
Tangible assets	9	11,033	12,084
Accrual accounts and miscellaneous assets		**81,909**	**57,843**
Other assets	13	51,560	24,942
Accrual accounts	13	30,349	32,901
TOTAL ASSETS		**5,902,789**	**5,585,434**

Balance sheet liabilities

(in thousands of euros)	NOTES	31/12/2018	31/12/2017
Bank transactions and similar		**312,695**	**76,897**
Debts due to credit institutions	10	312,695	76,897
Client payables	**11**	**5,182,477**	**5,096,287**
Accrual accounts and miscellaneous liabilities		**88,179**	**74,740**
Other liabilities	14	27,681	22,138
Accrual accounts	14	60,498	52,602
Provisions	**15**	**11,019**	**9,223**
Fund for general banking risks	**16**	**4,471**	**4,471**
Shareholders' equity excluding FGBR	**17**	**303,947**	**323,815**
Subscribed share capital		34,953	34,953
Issue Premiums		311	311
Reserves		82,736	82,736
Retained earnings		178,514	177,520
Result pending approval		0	0
Net income for the year		7,433	28,295
TOTAL LIABILITIES		**5,902,789**	**5,585,434**

2 / Off-balance sheet

(in thousands of euros)	NOTES	31/12/2018	31/12/2017
Commitments given			
Financing commitments	20	868,768	685,670
Guarantee commitments	20	162,545	210,863
Commitments relating to securities			
Commitments received			
Financing commitments			
Guarantee commitments	20	2,180,853	2,076,616
Commitments relating to securities			

3 / Income statement for the 2018 fiscal year

(in thousands of euros)	NOTES	31/12/2018	31/12/2017
Net interest and similar income		**42,704**	**41,763**
Interest and similar income	21	61,469	53,207
Interest and similar expense	21	-18,765	-11,444
Income from variable-income securities	**22**	**29**	**67**
Net commissions		**62,870**	**61,664**
Commission income	23	67,043	65,476
Commission expense	23	-4,173	-3,812
Net income from financial transactions		**17,416**	**23,188**
Gains or losses on trading portfolio transactions	24	16,753	14,405
Gains or losses on investment and similar portfolio transactions	25	663	8,783
Other net banking operating income		**-23,354**	**-3,973**
Other banking operating income	26	2,331	1,962
Other banking operating expense	26	-25,685	-5,935
NET BANKING INCOME		**99,666**	**122,709**
General operating expenses	27	-84,622	-88,827
Amortisation and depreciation and impairment of intangible and tangible assets	9	-2,149	-2,794
GROSS OPERATING INCOME		**12,895**	**31,088**
Cost of risk	28	-1,459	-5,380
OPERATING INCOME		**11,437**	**25,708**
Net income from fixed assets	29	-16	2,587
CURRENT INCOME BEFORE TAX		**11,421**	**28,295**
Non-recurring income		0	0
Income tax		-3,988	
NET INCOME FOR THE FINANCIAL YEAR		**7,433**	**28,295**

4 / Annexes to publishable accounts

Highlights:

The reorganisation of activities between the two Monegasque companies, the credit institution CFM Indosuez Wealth Management and the management company, CFM Indosuez Gestion, in the context of a change of business capital with the CMB and HSBC projects, resulted in the application of the income tax to the credit institution on 1 January 2018.

Note 1

Accounting principles and policies applied

1.1. Introduction

CFM Indosuez Wealth Management's financial statements are prepared in compliance with the regulations that apply to credit institutions in the Principality of Monaco, within the framework of the agreements between France and Monaco.

1.2. Accounting principles and policies

A) Translation of assets and liabilities denominated in foreign currencies

Assets and liabilities denominated in foreign currencies are translated at the market exchange rates at the balance sheet date.
The income and expenses resulting from these translations, together with the translation differences generated on transactions during the financial year are recognised in the income statement.

B) Foreign exchange transactions

Spot and forward foreign-exchange contracts

Spot foreign-exchange contracts are valued at the spot market rate for the currency in question at each balance sheet date.

Forward currency transactions are back-to-back transactions, and the rate used is the spot rate for the currency in question.

Currency options

Currency options are back-to-back transactions entered into on the over-the-counter market.

C) Forward interest-rate financial instruments

Interest rate swap transactions

These are primarily back-to-back contracts that form part of the asset and liability management process.
The expenses and income relating to these transactions are entered on the income statement on a pro rata basis.

Interest-rate options

Interest-rate options are back-to-back transactions entered into on the over-the-counter market.

D) Securities

Trading securities

Trading securities are securities purchased on an organised market that is sufficiently liquid, with a view to reselling them within a maximum timeframe of six months from the outset.
Trading securities are valued at their market value. Gains or losses generated are recorded as income or expenses for the year.

Investment securities

Investment securities are financial investments purchased in order to provide a financial return.
A provision is recorded where their market value is lower than their book value.

Equity investments

The recording of impairment provisions on equity investments is assessed on an individual basis, taking account of their value-in-use and of the economic and financial appraisal of each company concerned

E) Non-current assets

Tangible assets are entered at their historical cost and in accordance with the component method; repairs, maintenance and small items are posted as a debit in the year's expenses account. Intangible assets include the business assets purchased, software, and lease rights, and are shown on the balance sheet at their historical cost. The business assets purchased and lease rights are not amortised, and are subject to an impairment test.
The depreciation and amortisation charges for other fixed assets are calculated on a straight-line basis.

The depreciation and amortisation calculation periods selected are as follows:

Component	Amortisation period
Buildings	50 years
Fixtures & fittings	6 to 10 years
Furniture & equipment	5 to 10 years
Transportation equipment	5 years
IT equipment	3 years
Software and other intangible non-current assets	1 to 3 years

F) Provisions for customer-related risk

Provisions for customer-related risk are recorded in accordance with the risk of loss as soon as those risks are known; these provisions are deducted from the asset, where they relate to impaired receivables. In the other cases, they are recorded as liabilities.

G) Retirement pensions

Retirement pensions payable under the various compulsory pension schemes to which employers and employees contribute are paid by specialised external bodies. The contributions due for the financial year are recognised in the income statement for the period.
The bank raised the provision for retirement benefits to €3.353 million in 2018.

H) Other employee commitments

The bonuses for long-service awards paid to employees are included in personnel expenses.
The provision corresponding to the entitlements earned by staff in connection with these bonuses amounted to €1,222,000 at the end of the financial year.

Note 2

Equivalent value of assets and liabilities in foreign currencies

(in thousands of euros)	31/12/2018	31/12/2017
Total assets in foreign currencies	2,037,305	2,106,235
Total liabilities in foreign currencies	*2,034,595*	*2,104,105*

Note 3
Receivables from credit institutions

(in thousands of euros)	31/12/2018	31/12/2017
Accounts and loans		
demand	572,844	76,858
overnight	0	0
term	1,217,350	971,689
related receivables	1,694	789
Total credit institutions accounts	**1,791,888**	**1,049,336**
Provisions		
Net credit institution accounts	**1,791,888**	**1,049,336**

Note 4
Client receivables

(in thousands of euros)	31/12/2018	31/12/2017
Principal receivable amounts	3,288,644	3,150,945
Related receivables	2,690	2,550
Total customer receivables	**3,291,334**	**3,153,496**
Provisions	-10,350	-9,239
Net book value	**3,280,984**	**3,144,256**

Note 5
Bonds and other fixed-income securities

(in thousands of euros)	31/12/2018	31/12/2017
Negotiable debt securities	386,209	1,205,555
Related receivables	4,713	14,948
Sub-total	**390,922**	**1,220,504**
Provisions	-214	-1,087
Net book value	**390,708**	**1,219,417**

Note 6
Equities and other variable-income securities

(in thousands of euros)	31/12/2018	31/12/2017
Investment securities and shares	5	5
Accumulation UCITS	913	918
Sub-total	**918**	**923**
Provisions	-19	-16
Net book value	**899**	**907**

Note 7
Equity investments and other securities held on a long-term basis

(in thousands of euros)	31/12/2018	31/12/2017
Investments in credit institutions	29	29
Other securities	580	514
Sub-total	**609**	**543**
Provisions	-1	-29
Net book value	**608**	**514**

Note 8
Investments in related companies

(in thousands of euros)	31/12/2018	31/12/2017
Investments in credit institutions		
Other securities	297	297
Sub-total	**297**	**297**
Provisions		
Net book value	**297**	**297**

The bank holds almost all of the capital of CFM Indosuez Gestion, a Monegasque société anonyme (public limited company) with a capital of 150 thousand euros. The bank also holds 100% of the capital of CFM Indosuez Conseil en Investissement, a société française par action simplifiée unipersonnelle (French single-member simplified joint-stock company), with a capital of 150 thousand euros.

Note 9
Fixed assets

(in thousands of euros)	Intangible items	Tangible items
Gross value as of 1 January 2018	54,298	50,772
Net change during the financial year	761	-711
Gross value at 31 December 2018	**55,059**	**50,061**
Aggregate depreciation at the financial year-end	16,011	39,028
Net value at 31 December 2018	**39,048**	**11,033**
Depreciation charge for the 2018 financial year	186	1,963

The acquired business assets have not been amortised but were subject to impairment tests. No impairment required recognition at the end of 2018. Start-up costs are fully amortised at the end of the fiscal year.

Note 10
Debts due to credit institutions

(in thousands of euros)	31/12/2018	31/12/2017
Ordinary accounts payable	206,423	35,071
Term accounts	106,079	41,825
Related liabilities	193	1
Total credit institutions accounts	**312,695**	**76,897**

Note 11
Client payables

(in thousands of euros)	31/12/2018	31/12/2017
Special scheme savings accounts	108,971	134,927
Demand accounts	3,994,361	3,917,205
Term accounts	1,062,024	1,025,482
Other accounts	14,272	17,062
Related liabilities	2,849	1,611
Net balance sheet value	**5,182,477**	**5,096,287**

Note 12
Receivables and related liabilities

(in thousands of euros)	31/12/2018	31/12/2017
Interest accrued, not yet received (assets)		
Receivables from credit institutions	1,694	789
Customer receivables	2,690	2,550
Bonds and other fixed-income securities	4,713	14,949
Total interest included under assets	**9,097**	**18,288**
Interest accrued, not yet paid (liabilities)		
Debts due to credit institutions	193	1
Client payables	2,849	1,611
Total interest included under liabilities	**3,042**	**1,612**

Note 13
Other assets and accrual accounts

(in thousands of euros)	31/12/2018	31/12/2017
Other assets		
Miscellaneous receivables	386	206
Options purchased	2,869	3,493
Income tax advance	3,402	0
Securities settlement accounts	15,520	11,907
Security deposits	29,247	9,228
Other	136	108
Net balance sheet value	**51,560**	**24,942**
Accrual accounts		
Payment accounts	90	210
Foreign currency adjustments	1,296	5,853
Income receivable	21,532	21,024
Prepaid expenses	2,818	4,714
Other	4,613	1,100
Net balance sheet value	**30,349**	**32,901**
TOTAL	**81,909**	**57,843**

Note 14
Other liabilities and accrual accounts

(in thousands of euros)	31/12/2018	31/12/2017
Other liabilities		
Security deposits	17,743	13,389
Options sold	2,869	3,493
Miscellaneous payables	7,066	5,253
Securities settlement accounts	3	3
Other	0	0
Net balance sheet value	**27,681**	**22,138**
Accrual accounts		
Currency adjustments	0	0
Prepaid income	**0**	**0**
Expenses payable	51,536	49,438
Other accrual accounts	8,962	3,164
Net balance sheet value	**60,498**	**52,602**
TOTAL	**88,179**	**74,740**

Note 15
Provisions

(in thousands of euros)	Balance as of 31/12/2017	Allocations	Reversals	Exchange differences	Other transactions	Balance as of 31/12/2018
Provision deducted from assets						
Customer receivables	9,239	1,581	484	14		10,350
Investment securities	1,103	233	1,103			233
Financial investments	29		28			1
TOTAL	**10,371**	**1,814**	**1,615**	**14**	**0**	**10,584**
Provisions classified under balance sheet liabilities						
Customer-related risks	4,067	252				4,319
Employee commitments	4,747	383	555			4,575
Other allocated provisions	409	2,125	409			2,125
TOTAL	**9,223**	**2,760**	**964**	**0**	**0**	**11,019**

Note 16

Fund for general banking risks

(in thousands of euros)	31/12/2018	31/12/2017
Fund for general banking risks	4,471	4,471
Balance sheet value	**4,471**	**4,471**

This amount covers the bank's general risks in an undifferentiated manner. The fund for general banking risks is considered equity under the banking regulations in effect.

Note 17

Changes in equity (before distribution and excluding FGBR)

(in thousands of euros)	Capital	Premiums and reserves	Revaluation surplus	Retained earnings	Regulated provisions	Profit/Loss	Total shareholders' equity
Balance as of 31/12/2016	**34,953**	**83,047**	**0**	**164,031**	**0**	**45,004**	**327,035**
Increase / reduction							0
Dividends paid in 2017						-31,515	-31,515
Appropriation of income for 2016				13,489		-13,489	0
Profit/Loss for the year 2017						28,295	28,295
Balance as of 31/12/2017	**34,953**	**83,047**	**0**	**177,520**	**0**	**28,295**	**323,815**
Increase / reduction*				-1,837			-1,837
Dividends paid in 2018						-25,464	-25,464
Appropriation of income for 2017				2,831		-2,831	0
Profit/Loss for the year 2018						7,433	7,433
Balance as of 31/12/2018	**34,953**	**83,047**	**0**	**178,514**	**0**	**7,433**	**303,947**

* Reduction of Retained earnings due to the impact of the First Time Application (FTA) under the IFRS9 standard

Note 18

Breakdown of receivables and payables according to their residual maturity

(in thousands of euros) Excluding receivables & related liabilities	< 3 months	> 3 months	> 1an ≤ 5 ans	> 5 ans	Total
Receivables from credit institutions	1,758,194	32,000			1,790,194
Customer receivables	3,278,580	10,064			3,288,644
Receivables represented by a security	148,478	177,424	60,307		386,209
Debts due to credit institutions	312,501				312,501
Client payables	5,009,195	170,433			5,179,628

* The remaining term is calculated until the next due date and not until maturity

Note 19

Commitments on forward financial instruments: Notional outstanding amounts by remaining term

	31/12/2018			
(in thousands of euros)	< 1 year	from 1 to 5 years	> 5 years	Total
Forward transactions				
Interest-rate swaps:	**976,023**	**575,360**	**194,214**	**1,745,597**
Global interest-rate management	785,778	240,942	149,971	**1,176,691**
Other hedging transactions	190,245	334,418	44,243	**568,906**
Trading swaps	0	0		**0**
Forward currency transactions:	**227,878**	**0**	**0**	**227,878**
Euros receivable against foreign currencies payable	103,179	0		**103,179**
Foreign currencies receivable against euros payable	124,699	0		**124,699**
Option transactions				
Options purchased	688,298	14,462		702,760
Options sales	688,298	14,462		702,760

Amounts shown are cumulative lending and borrowing positions (interest rate swaps and interest rate swap options), or cumulative contract purchases and sales (other contracts).

Note 20

Off-balance-sheet items

(in thousands of euros)	31/12/2018	31/12/2017
Commitments given	**1,031,313**	**896,534**
- Financing commitments:	**868,768**	**685,670**
To clients	868,768	685,670
- Guarantee commitments:	**162,545**	**210,863**
To credit institutions	17,094	17,320
To clients	145,451	193,543
Commitments received	**2,180,853**	**2,076,616**
- Guarantee commitments:	**2,180,853**	**2,076,616**
From credit institutions	8,256	8,636
From clients	2,172,597	2,067,980

Note 21
Net interest and similar income from transactions

(in thousands of euros)	31/12/2018	31/12/2017
With credit institutions	20,530	18,194
With clients	40,487	32,529
On securities	452	2,484
Interest and similar income	**61,469**	**53,207**
With credit institutions	-811	-1,588
With clients	-17,954	-9,856
On securities	0	0
Interest and similar expense	**-18,765**	**-11,444**
Net interest and similar income	**42,704**	**41,763**

Note 22
Income from variable-income securities

(in thousands of euros)	31/12/2018	31/12/2017
Equity investments and other securities held on a long-term basis	3	0
Investments in related companies	26	67
Total	**29**	**67**

Note 23
Commissions

	31/12/2018			31/12/2017		
(in thousands of euros)	Income	Expenses	Net	Income	Expenses	Net
On transactions with credit institutions	0	-69	-69	0	-66	-66
On transactions with clients	5,821	-1,369	4,452	5,718	-1,338	4,380
On securities transactions	49,558	-2,735	46,823	49,162	-2,408	46,754
Other commissions	11,664	0	11,664	10,596	0	10,596
Total	**67,043**	**-4,173**	**62,870**	**65,476**	**-3,812**	**61,664**

Note 24
Gains or losses on trading portfolio transactions

(in thousands of euros)	31/12/2018	31/12/2017
On transaction securities	3,500	3,612
On foreign currency transactions and similar financial instruments	13,253	10,793
Balance of the trading portfolio transactions	**16,753**	**14,405**

Note 25
Gains or losses on investment portfolio transactions

(in thousands of euros)	31/12/2018	31/12/2017
Investment securities		
Net gains/losses	-214	8,627
Net changes in provisions	877	156
Net value	**663**	**8,783**

Note 26
Other banking operating income and expenses

(in thousands of euros)	31/12/2018	31/12/2017
Income		
Share in joint ventures	0	0
Re-invoiced and reclassified expenses	121	31
Miscellaneous banking operating income	2,142	1,861
Other income	68	70
Total income	**2,331**	**1,962**
Expenses		
Share in joint ventures	-1,004	-961
Miscellaneous banking operating expenses	-24,681	-4,974
Total expenses	**-25,685**	**-5,935**
Net Total	**-23,354**	**-3,973**

Note 27
General operating expenses

(in thousands of euros)	31/12/2018	31/12/2017
Personnel expenses		
Wages and benefits	39,923	38,461
Profit-sharing	735	627
Payroll expenses	12,924	13,391
Total personnel expenses	**53,582**	**52,479**
Administrative expenses	**31,040**	**36,348**
Of which Statutory Auditors' fees	156	156
Of which head office expenses*	2,590	2,895
Total General Operating Expenses	**84,622**	**88,827**

* Since 2017, head office expenses are invoiced by CA Indosuez Wealth (Group) on a yearly basis.
In 2018, the service agreement between CFM Indosuez Wealth and CFM Indosuez Gestion was redrafted.
The amount invoiced to the subsidiary is now €1,107,000.

Note 28
Cost of risk

(in thousands of euros)	31/12/2018	31/12/2017
Reversal of provisions for contingencies and charges	409	0
Reversals of provisions for doubtful receivables	443	59
Miscellaneous income	0	0
Total income	**852**	**59**
Provisions for impaired receivables and other assets	-1,305	-1,711
Losses on unrecoverable receivables covered by a provision	-466	-19
Additions to provisions for contingencies and charges	-540	-3,700
Miscellaneous expenses	0	-9
Total expenses	**-2,311**	**-5,439**
Total	**-1,459**	**-5,380**

Note 29
Gains and losses on fixed assets

(IN THOUSANDS OF EUROS)	31/12/2018	31/12/2017
Gains on the disposal of intangible and tangible assets		2,587
Losses on the disposal of intangible and tangible assets	-16	
Gains on the disposal of financial investments		
Additions and reversals of provisions for impairment of financial investments		
Total	**-16**	**2,587**

Note 30
Average headcount

Staff category	31/12/2018	31/12/2017
Executives	309	307
Supervisors	76	75
Employees		
Total	**385**	**382**

Note 31
Encumbered assets

CFM Indosuez Wealth monitors and manages the level of its underlying assets.
The total encumbered assets ratio amounts to 0% as of 31 December 2018.
We have not identified a source of underlying assets that meets the criteria defined by the executive order of 19 December 2014.

Assets

As of 31/12/2018 (in millions of euros)	Book value of encumbered assets	Fair value of encumbered assets	Book value of unencumbered assets	Fair value of unencumbered assets
Assets of the reporting institution	**0**	**0**	**5,903**	**5,939**
Capital instruments	0	0	0	0
Transactions with Customers	0	0	3,281	3,292
Securities transactions	0	0	392	411
Other assets	0	0	2,230	2,236

Guarantees received

As of 31/12/2018 (in millions of euros)	Fair value of the encumbered guarantee received or the encumbered own debt securities issued	Fair value of the guarantee received or the own debt securities issued available to be encumbered
Collateral received from the reporting institution	0	0

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