

# CONSOLIDATED FINANCIAL STATEMENTS 2019

# CACEIS

CACEIS is the asset servicing banking group of Crédit Agricole and Santander dedicated to asset managers, insurance companies, pension funds, banks, private equity and real estate funds, brokers and corporate clients. Through offices across Europe, North and South America, and Asia, CACEIS offers a broad range of services covering execution, clearing, forex, securities lending, custody, depositary and fund administration, fund distribution support, middle office outsourcing and issuer services.

**WITH ASSETS UNDER CUSTODY OF €3.9 TRILLION AND ASSETS UNDER ADMINISTRATION OF €2.1 TRILLION, CACEIS IS A EUROPEAN LEADER IN ASSET SERVICING AND ONE OF THE MAJOR PLAYERS WORLDWIDE.**

Figures as at 31 December 2019

## CONTENT

1.	INCOME STATEMENT	8
2.	NET INCOME AND OTHER COMPREHENSIVE INCOME	9
3.	BALANCE SHEET	10
	3.1. ASSETS	10
	3.2. LIABILITIES AND EQUITY	11
4.	STATEMENT OF CHANGES IN EQUITY	12
5.	STATEMENT OF CASH FLOWS	14

# EXTRACT FROM THE CONSOLIDATED FINANCIAL STATEMENTS

THE FINANCIAL STATEMENTS PRESENTED ARE EXTRACTED FROM CACEIS'S CONSOLIDATED FINANCIAL STATEMENTS THAT WERE CERTIFIED BY LEGAL AUDITORS AND LODGED AT PARIS' COMMERCIAL COURT ("GREFFE DU TRIBUNAL DE COMMERCE DE PARIS") WITH THE FOLLOWING PUBLICATION REFERENCE IN THE "BULLETIN DES ANNONCES LÉGALES OBLIGATOIRES" (BALO): ANNOUNCEMENT N°2002199 RELEASED ON THE 12<sup>TH</sup> OF JUNE 2020.

## APPLICABLE STANDARDS AND COMPARABILITY

Pursuant to EC Regulation no. 1606/2002, the consolidated financial statements have been prepared in accordance with IAS/IFRS standards and IFRIC interpretations applicable at 31 December 2019 and as adopted by the European Union (carve-out version), thus using certain exceptions in the application of IAS 39 on macro-hedge accounting.

These standards and interpretations are available on the European Commission website at: [https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting/financial-reporting\\_en](https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting/financial-reporting_en)

The standards and interpretations are the same as those applied and described in the Group's financial statements for the financial year ended 31 December 2018.

They have been supplemented by the IFRS standards as adopted by the European Union at 31 December 2019 and that must be applied for the first time in 2019. These cover the following:

Standards, Amendments and Interpretations	Date of publication by the European Union	Applicable within the Group	Date of first-time adoption - financial years beginning on or after
<b>IFRS 16 - Leases</b> Replacement of IAS 17 on accounting for leases and related interpretations (IFRIC 4 - Determining whether an Arrangement Contains a Lease, SIC 15 - Operating Leases - Incentives, and SIC 27 - Evaluating the Substance of Transactions in the Legal Form of a Lease)	31 October 2017 (EU 2017/1986)	Yes	1 January 2019
<b>Amendment to IFRS 9 - Financial Instruments</b> Prepayment Features with Negative Compensation	22 March 2018 (EU 2018/498)	Yes	1 January 2019 <sup>(1)</sup>
<b>Interpretation IFRIC 23 - Uncertainly over Income Tax Treatments</b> Clarifications to IAS 12 - Income Tax	24 October 2018 (EU 2018/1595)	Yes <sup>(2)</sup>	1 January 2019
<b>Annual Improvements to IFRS Standards 2015-2017 Cycle:</b>		Yes	1 January 2019
- IAS 12 - Income tax	15 March 2019 (EU 2019/412)	Yes	1 January 2019
- IAS 23 - Borrowing costs		Yes	1 January 2019
- IFRS 3/IFRS 11 - Business Combinations		Yes	1 January 2019
<b>Amendment to IAS 28 - Investments in Associates and Joins Ventures</b> Clarifications for the investor on how to recognise long-term interests granted to an associate/joint venture	11 February 2019 (EU 2019/237)	Yes	1 January 2019
<b>Amendment to IAS 19 - Employee Benefits</b> Clarifications concerning how to determine pension expenses when a pension plan is amended, curtailed or settled	14 March 2019 (EU 2019/402)	Yes	1 January 2018

<sup>(1)</sup> The Group decided to apply the amendment to IFRS 9 early from 1 January 2018 onwards.

<sup>(2)</sup> The adoption of IFRIC 23 did not have a material impact on the Group's equity at 1 January 2019. At the same date, CACEIS reclassified provisions for tax risks relating to income tax from "Provisions" to "Current tax liabilities" on the balance sheet.

Accordingly, the CACEIS Group has published its IFRS financial statements in accordance with IFRS 16 - Leases.

IFRS 16 - Leases replaces IAS 17 and all the related interpretations (IFRIC 4 - Determining whether an Arrangement Contains a Lease, SIC 15 - Operating Leases - Incentives, and SIC 27 - Evaluating the Substance of Transactions in the Legal Form of a Lease).

The main change introduced by IFRS 16 concerns accounting by lessees. IFRS 16 requires lessees to apply a model recognising all leases on the balance sheet, with a lease liability being recognised on the liabilities side in respect of obligations over the term of the lease and a right-of-use asset subject to depreciation on the asset side.

For the first-time adoption of IFRS 16, the Group has elected to apply the modified retrospective method without restating the 2019 comparative information in accordance with paragraph C5(b) of IFRS 16. Under this approach, the Group recognised at 1 January 2019 in respect of leases previously recognised as operating leases under IAS 17 a lease liability measured at the present value of the remaining lease payments and a right-of-use asset equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments recognised immediately before the date of initial application.

For leases previously classified as finance leases, CACEIS reclassified the carrying amount of the asset and liability recognised under IAS 17 immediately prior to the date of first-time adoption as a right-of-use (property, plant and equipment) and lease liability (miscellaneous liabilities) at the date of first-time application.

The adoption of IFRS 16 has no impact on equity.

At the transition date, the Group decided to apply the following simplification measures proposed by the standard:

- No adjustment in respect of leases with a residual term of less than 12 months at the date of first-time adoption. That affects so-called 3/6/9 commercial leases subject to tacit renewal at the date of first adoption.

In accordance with the March 2019 IFRIC update and AMF recommendation 2019-13, the Group has not taken into account the IFRS IC decision on determining the IFRS 16 lease term in the financial statements for the financial year ended 31 December 2019, in order to provide the time needed to analyse the accounting implications of this decision during FY 2020. As a result, the accounting principles and methods used in the annual financial statements for the financial year ended 31 December 2019 have not been affected.

- No adjustment in respect of leases of low value assets.
- Adjustment of the right-of-use by the amount recognised at 31 December 2018 on the balance sheet in respect of the provision for loss-making contracts.
- Exclusion of initial direct costs from the assessment of right-of-use assets.

The Group has also chosen not to reassess whether a contract is or contains a lease at the transition date. For contracts entered into before the transition date, the Group has applied IFRS 16 to contracts identified as leases under IAS 17 and IFRIC 4.

The discount rate used to calculate the right-of-use and the lease liability is the incremental borrowing rate on the date of the first-time adoption of IFRS 16, based on the residual term of the lease at 1 January 2019.

The rights-of-use recognised at the first-time adoption date mainly relate to real estate leases.

Moreover, as long as the early application of standards and interpretations adopted by the European Union is optional for a period, this option is not selected by the Group, unless otherwise stated.

This in particular applies to:

Standards, amendments or interpretations	Date published by the European Union	Date of first-time mandatory application: financial years from	Applicable in the Group
<b>Amendment to references to the conceptual framework in IFRS standards</b>	6 December 2019 (UE 2019/2075)	1 January 2020	Yes
<b>IAS 1 / IAS 8 Presentation of financial statements</b> Definition of materiality	10 December 2019 (UE 2019/2104)	1 January 2020	Yes
<b>IFRS 9, IAS 39 et IFRS 7</b> Amendments Financial instruments Reform of reference interests rates	15 January 2020 (UE 2020/34)	1 January 2020 <sup>(1)</sup>	Yes

<sup>(1)</sup> The Group decided to apply the amendment to IFRS 9, IAS 39 et IFRS 7 Financial instruments on the reform of reference interests rates early from 1 January 2019.

# 1. INCOME STATEMENT

(in thousands of euros)	31.12.2019	31.12.2018
Interest and similar income	609 994	569 093
Interest and similar expenses	-434 340	-412 831
Fee and commission income	862 219	812 638
Fee and commission expenses	-218 699	-194 275
Net gains (losses) on financial instruments at fair value through profit or loss	140 082	106 890
<i>Net gains (losses) on held-for-trading assets/liabilities</i>	-47 685	65 602
<i>Net gains (losses) on other financial assets/liabilities at fair value through profit or loss</i>	187 767	41 288
Net gains (losses) on financial instruments at fair value through other comprehensive income	242	8 698
<i>Net gains (losses) on debt instruments at fair value through other comprehensive income that may be reclassified subsequently to profit or loss</i>	44	8 698
<i>Remuneration of equity instruments measured at fair value through other comprehensive income that will not be reclassified subsequently to profit or loss (dividends)</i>	198	
Net gains (losses) arising from the derecognition of financial assets at amortised cost	1 865	
Net gains (losses) arising from the reclassification of financial assets at amortised cost to financial assets at fair value through profit or loss		
Net gains (losses) arising from the reclassification of financial assets at fair value through other comprehensive income to financial assets at fair value through profit or loss		
Income on other activities	17 790	16 897
Expenses on other activities	-40 349	-28 405
<b>REVENUES</b>	<b>938 804</b>	<b>878 704</b>
Operating expenses	-670 259	-627 942
Depreciation, amortisation and impairment of property, plant & equipment and intangible assets	-57 780	-25 182
<b>GROSS OPERATING INCOME</b>	<b>210 765</b>	<b>225 580</b>
Cost of risk	-6 544	2 689
<b>OPERATING INCOME</b>	<b>204 221</b>	<b>228 269</b>
Share of net income of equity-accounted entities	28	
Net gains (losses) on other assets	-9 833	10 020
Change in value of goodwill	21 661	
<b>PRE-TAX INCOME</b>	<b>216 077</b>	<b>238 289</b>
Income tax charge	-57 728	-60 763
Net income from discontinued operations		
<b>NET INCOME</b>	<b>158 349</b>	<b>177 526</b>
Non-controlling interests	219	
<b>NET INCOME GROUP SHARE</b>	<b>158 568</b>	<b>177 526</b>
Earnings per share (in euros)	9.23	10.51
Diluted earnings per share (in euros)	9.23	10.51

# 2. NET INCOME AND OTHER COMPREHENSIVE INCOME

(in thousands of euros)	31.12.2019	31.12.2018
<b>NET INCOME</b>	<b>158 348</b>	<b>177 526</b>
Actuarial gains and losses on post-employment benefits	-1 093	-1 535
Other comprehensive income on financial liabilities attributable to changes in own credit risk		
Other comprehensive income on equity instruments that will not be reclassified to profit or loss		
<b>Pre-tax other comprehensive income on items that will not be reclassified to profit or loss excluding equity-accounted entities</b>	<b>-1 093</b>	<b>-1 535</b>
<b>Pre-tax other comprehensive income on items that will not be reclassified to profit or loss on equity-accounted entities</b>	<b>15</b>	
<b>Income tax related to items that will not be reclassified to profit or loss excluding equity-accounted entities</b>	<b>34</b>	<b>573</b>
<b>Income tax related to items accounted that will not be reclassified to profit or loss on equity-accounted entities</b>	<b>-9</b>	
<b>Other comprehensive income on items that will not be reclassified to profit or loss from discontinued operations</b>		<b>145</b>
<b>OTHER COMPREHENSIVE INCOME ON ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS NET OF INCOME TAX</b>	<b>-1 054</b>	<b>-817</b>
Gains and losses on translation adjustments	-33	-18
Other comprehensive income on debt instruments that may be reclassified to profit or loss	62 597	-210 851
Gains and losses on hedging derivative instruments		
<b>Pre-tax other comprehensive income on items that may be reclassified to profit or loss excluding equity-accounted entities</b>	<b>62 564</b>	<b>-210 869</b>
<b>Pre-tax other comprehensive income on items that may be reclassified to profit or loss on equity-accounted entities, Group share</b>	<b>-1</b>	
<b>Income tax related to items that may be reclassified to profit or loss excluding equity-accounted entities</b>	<b>-14 810</b>	<b>54 331</b>
<b>Income tax related to items that may be reclassified to profit or loss on equity-accounted entities</b>		
<b>Other comprehensive income on items that may be reclassified to profit or loss from discontinued operations</b>		
<b>OTHER COMPREHENSIVE INCOME ON ITEMS THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS NET OF INCOME TAX</b>	<b>47 753</b>	<b>-156 538</b>
<b>OTHER COMPREHENSIVE INCOME NET OF INCOME TAX</b>	<b>46 699</b>	<b>-157 355</b>
<b>NET INCOME AND OTHER COMPREHENSIVE INCOME</b>	<b>205 047</b>	<b>20 171</b>
Of which Group share	205 273	20 171
Of which non-controlling interests	-225	

# 3. BALANCE SHEET

## 3.1. ASSETS

(in thousands of euros)	31.12.2019	31.12.2018
Cash, central banks	9 223 793	1 509 719
Financial assets at fair value through profit or loss	590 154	1 242 085
<i>Held-for-trading financial assets</i>	545 840	221 625
<i>Other financial instruments at fair value through profit or loss</i>	44 314	1 020 460
Hedging derivative instruments	31 277	8 622
Financial assets at fair value through other comprehensive income	13 096 263	14 568 741
<i>Debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss</i>	13 096 229	14 568 741
<i>Equity instruments at fair value through other comprehensive income that will not be reclassified to profit or loss</i>	34	
Financial assets at amortised cost	58 530 874	50 608 189
<i>Loans and receivables due from credit institutions</i>	31 478 071	29 441 117
<i>Loans and receivables due from customers</i>	6 999 345	5 082 911
<i>Debt securities</i>	20 053 458	16 084 161
Revaluation adjustment on interest rate hedged portfolios	3 527	415
Current and deferred tax assets	375 534	23 054
Accruals, prepayments and sundry assets	4 012 889	3 319 524
Non-current assets held for sale and discontinued operations		
Investments in equity-accounted entities	350 186	
Investment property		
Property, plant and equipment	111 192	34 830
Intangible assets	657 306	116 567
Goodwill	1 031 599	782 630
<b>TOTAL ASSETS</b>	<b>88 014 595</b>	<b>72 214 375</b>

## 3.2. LIABILITIES AND EQUITY

(in thousands of euros)	31.12.2019	31.12.2018
Central banks	72 148	64 929
Financial liabilities at fair value through profit or loss	587 500	195 903
<i>Held-for-trading financial liabilities</i>	587 500	195 903
<i>Financial liabilities designated at fair value through profit or loss</i>		
Hedging derivative instruments	547 996	178 179
Financial liabilities at amortised cost	76 764 891	63 359 826
<i>Due to credit institutions</i>	4 810 966	4 537 667
<i>Due to customers</i>	71 843 932	58 712 141
<i>Debt securities</i>	109 993	110 018
Revaluation adjustment on interest rate hedged portfolios	6 585	3 443
Current and deferred tax liabilities	266 513	79 956
Accruals, deferred income and sundry liabilities	5 404 206	5 388 363
Liabilities associated with non-current assets held for sale and discontinued operations		
Provisions	116 986	90 406
Subordinated debt	272 776	272 800
<b>TOTAL LIABILITIES</b>	<b>84 039 601</b>	<b>69 633 805</b>
<b>EQUITY</b>	<b>3 974 994</b>	<b>2 580 570</b>
• Equity, Group share	3 969 720	2 580 570
- Share capital and reserves	2 616 332	1 256 782
- Consolidated reserves	1 107 301	1 105 448
- Other comprehensive income	87 519	40 815
- Other comprehensive income on discontinued operations		
- Net income (loss) for the year	158 568	177 526
• Non-controlling interests	5 274	
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>88 014 595</b>	<b>72 214 375</b>

# 4. STATEMENT OF CHANGES IN EQUITY

(in thousands of euros)	Group share									Non-controlling interests					Total Consolidated equity	
	Share capital and reserves					Other comprehensive income				Net income	Total Equity	Capital, associated reserves and income	Other comprehensive income			
	Share capital	Share premium and consolidated reserves	Elimination of treasury shares	Other equity instruments	Total Capital and consolidated reserves	Other comprehensive income on items that may be reclassified to profit or loss	Other comprehensive income on items that will not be reclassified to profit or loss	Total Other comprehensive income	Other comprehensive income on items that may be reclassified to profit or loss				Other comprehensive income on items that will not be reclassified to profit or loss	Total Other comprehensive income		Total Equity
Equity at 1 January 2018	654 000	1 695 061	0	165 000	2 514 061	215 984	-17 812	198 172	0	2 712 233	0	0	0	0	0	2 712 233
Capital increase																
Changes in treasury shares held																
Issuance of equity instruments																
Remuneration of undated deeply subordinated notes		-5 813			-5 813					-5 813						-5 813
Dividends paid in 2018		-145 367			-145 367					-145 367						-145 367
Impact of acquisitions/disposals on non-controlling interests																
Changes due to share-based payments		76			76					76						76
<b>Changes due to transactions with shareholders</b>		<b>-151 104</b>			<b>-151 104</b>					<b>-151 104</b>						<b>-151 104</b>
<b>Changes in other comprehensive income</b>					<b>0</b>	<b>-156 538</b>	<b>-817</b>	<b>-157 355</b>		<b>-157 355</b>						<b>-157 355</b>
Share of changes in equity-accounted entities																
Net income for 2018									177 526	177 526						177 526
Other changes		-730			-730					-730						-730
Equity at 31 December 2018	654 000	1 543 227	0	165 000	2 362 227	59 446	-18 629	40 817	177 526	2 580 570	0	0	0	0	0	2 580 570
Appropriation of 2018 net income		177 526			177 526			0	-177 526	0				0	0	0
Equity at 1 January 2019	654 000	1 720 753	0	165 000	2 539 753	59 446	-18 629	40 817	0	2 580 570	0	0	0	0	0	2 580 570
Capital increase	287 008	722 542			1 009 550					1 009 550						1 009 550
Changes in treasury shares held																
Issuance of equity instruments <sup>(1)</sup>				350 000	350 000					350 000						350 000
Remuneration of undated deeply subordinated notes		-5 734			-5 734					-5 734						-5 734
Dividends paid in 2019		-177 526			-177 526					-177 526						-177 526
Impact of acquisitions/disposals on non-controlling interests		228			228					228	5 491				5 491	5 719
Changes due to share-based payments <sup>(2)</sup>		114			114					114						114
<b>Changes due to transactions with shareholders</b>	<b>287 008</b>	<b>539 624</b>		<b>350 000</b>	<b>1 176 632</b>					<b>1 176 632</b>	<b>5 491</b>				<b>5 491</b>	<b>1 182 123</b>
<b>Changes in other comprehensive income</b>						<b>47 756</b>	<b>-1 054</b>	<b>46 702</b>		<b>46 702</b>		<b>2</b>		<b>2</b>	<b>2</b>	<b>46 704</b>
Share of changes in equity-accounted entities																
Net income for 2019									158 568	158 568	-219				-219	158 349
Other changes		7 248			7 248					7 248						
<b>EQUITY AT 31 DECEMBER 2019</b>	<b>941 008</b>	<b>2 267 625</b>	<b>0</b>	<b>515 000</b>	<b>3 723 633</b>	<b>107 202</b>	<b>-19 683</b>	<b>87 519</b>	<b>158 568</b>	<b>3 969 720</b>	<b>5 272</b>	<b>2</b>	<b>0</b>	<b>2</b>	<b>5 274</b>	<b>3 974 994</b>

<sup>(1)</sup>In the frame of the strengthening of the Group's own funds, CACEIS issued an Additional Tier 1 perpetual super subordinated note on December 2019, with a total value of 350 million euros, subscribed by Crédit Agricole S.A.

<sup>(2)</sup>Linked to Crédit Agricole S.A capital increase reserved to Crédit Agricole Group's employees.

# 5. STATEMENT OF CASH FLOWS

(in thousands of euros)	31.12.2019	31.12.2018
Pre-tax income	216 077	238 289
Net depreciation and impairment of property, plant & equipment and intangible assets	57 783	29 000
Impairment of goodwill and other fixed assets	-21 661	
Net depreciation charges to provisions	18 379	4 009
Share of net income (loss) of equity-accounted entities	-28	
Net income (loss) from investment activities		
Net income (loss) from financing activities	11 070	24 806
Other movements	-40 160	-62 322
<b>Total non-cash and other adjustment items included in pre-tax income</b>	<b>25 382</b>	<b>-4 507</b>
Change in interbank items	-2 886 645	-1 470 346
Change in customer items	712 829	9 392 500
Change in financial assets and liabilities	687 900	-1 084 249
Change in non-financial assets and liabilities	-711 215	1 088 408
Dividends received from equity-accounted entities		
Tax paid	-374 418	-64 784
<b>Net change in assets and liabilities used in operating activities</b>	<b>-2 571 550</b>	<b>7 861 529</b>
<b>Cash provided (used) by discontinued operations</b>		
<b>Total Net cash flows from (used by) operating activities (A)</b>	<b>-2 330 091</b>	<b>8 095 311</b>
<b>Change in equity investments</b>	<b>8 183 068</b>	<b>2 417</b>
<b>Change in property, plant &amp; equipment and intangible assets</b>	<b>-33 258</b>	<b>-34 186</b>
<b>Cash provided (used) by discontinued operations</b>		
<b>Total Net cash flows from (used by) investment activities (B)</b>	<b>8 149 810</b>	<b>-31 770</b>
<b>Cash received from (paid to) shareholders</b>	<b>166 740</b>	<b>-151 180</b>
<b>Other cash provided (used) by financing activities</b>	<b>-37 795</b>	<b>-74 838</b>
<b>Cash provided (used) by discontinued operations</b>		
<b>Total Net cash flows from (used by) financing activities (C)</b>	<b>128 945</b>	<b>-226 018</b>
Impact of exchange rate changes on cash and cash equivalent (D)	203	214
<b>Net increase/(decrease) in cash &amp; cash equivalent (A + B + C + D)</b>	<b>5 948 867</b>	<b>7 837 737</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>25 717 477</b>	<b>17 879 740</b>
Net cash accounts and accounts with central banks *	1 444 791	1 088 828
Net demand loans and deposits with credit institutions **	24 272 686	16 790 912
<b>Cash and cash equivalents at end of period</b>	<b>31 666 344</b>	<b>25 717 477</b>
Net cash accounts and accounts with central banks *	9 151 647	1 444 791
Net demand loans and deposits with credit institutions **	22 514 697	24 272 686
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>5 948 867</b>	<b>7 837 737</b>

\* Consisting of the net balance of "Cash and due to central banks" excluding accrued interest.

\*\* Comprises the balance of "performing current accounts in debit" and "performing overnight accounts and advances" and "current accounts in credit" and "daylight overdrafts and accounts" (excluding accrued interest).



**caceis**  
INVESTOR SERVICES



[www.caceis.com](http://www.caceis.com)