Annual report 2020

FONDS DE GARANTIE
DES DÉPÔTS ET
DE RÉSOLUTION

French deposit insurance and resolution fund

Annual Report Financial Year 2020

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The FGDR team

Foreword

No two years are the same, and 2020 will remain a strange year for everyone, a painful year for some and, in any case, unprecedented to say the least. While the FGDR has, by nature, an agile structure and has clearly adapted its own organisation and method of operation to the restrictions arising from the health crisis, the past year was, above all, one of intense preparation and heightened activity.

It is true that the French banking and financial sector remains very resilient, which everyone can be pleased about. As is the case every year, some players left the market, unscathed, while others entered it, and there were no claims involving credit institutions, investment services providers or bond agencies.

The financial sector therefore continued to earn the public's confidence. As evidenced by the poll conducted each year by the FGDR with its partner, Harris Interactive, this confidence has even grown from one year to the next despite both the health and economic concerns.

So, why this preparation and heightened activity?

It is, of course, in the FGDR's genetic code to be prepared in all circumstances to fully meet its operational readiness requirements, which are directly linked to its mission to protect customers. For the public, the need to access banking and financial services at all times is essential. The lockdown periods in 2020 could therefore in no way justify a failure to fulfil any of these requirements. On the contrary, the FGDR took advantage of this difficult period to test – with success, we might add – its crisis management systems under complex real-life conditions that one could only imagine until then.

Progress was also made in many other areas. The FGDR completely overhauled its internal control system to better detect, measure and reduce the various types of risks to which it may be exposed in carrying out its day-to-day and crisis management activities. Steadfast efforts to improve the security of the information systems continued. A fully rewritten and redesigned website was launched to best meet the general public's need for information. Enhancements were made to the compensation and communication platform, which now features a new version of the Secure Compensation Area (SCA) and provides the ability to work directly with customers of European branches of French banks in five languages.

Further expansion of the range of tools available to the FGDR to manage a failure was explored. A new method of collecting member contributions is also being implemented to facilitate and speed up collection if necessary, while a new €1.5 billion stand-by line of credit was negotiated with a pool of large member banks. In addition, the investment policy entered a new phase in terms of socially responsible investment.

On the international front, a great deal of groundwork was done, as the European authorities have now begun to focus on recasting the deposit guarantee scheme directive. The areas covered by the directive are sensitive, and at times complex (notification of depositors, stress tests, definition of resources, transfer of a member institution from one guarantee scheme to another, etc.) and the FGDR intends to fully contribute to it in order to defend and promote advanced solutions aimed at protecting French savers and ensuring financial stability.

The year 2020 marked the end of the term of office of the Supervisory Board, which led to several changes and the election of a new Chair. There were also changes to the FGDR team, including the departure of several of its "old" members and the arrival of new employees. We offer our best wishes to all those who supported us until now, in some cases for a very long time, and sincerely thank them for sharing their talent and passion with the FGDR. We also wish to thank those who are still with us (not that we could forget them) and of course those who have joined us and who we know are already fully committed to our mission.

My hope is that this report will provide insight into our activities, objectives and priorities and demonstrate how committed we are to this mission.

Thierry DISSAUX
Chairman of the Executive Board

Michel CADELANO
Member of the Executive Board

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The FGDR's missions and framework of activity

1.1. Missions

The Fonds de Garantie des Dépôts et de Résolution (FGDR) is a financial crisis operator.

It was born out of a need, which is in its DNA: to protect customers of financial institutions, particularly banks, and preserve financial stability. Of course, both these things work together. The public's confidence is needed for financial sector stability. And the financial sector must ensure that this confidence is deserved, through the quality of its services and its practices and through its soundness. It must go even further and assure the public that, if a bank does fail, as rare as that may be, the interests of those who trusted it – the customers – are protected.

That is where the FGDR comes in. Within the "financial safety net", alongside the Prudential Supervision and Resolution Authority (ACPR), the Banque de France and the public authorities, its own mission is to intervene in crisis management, either before a crisis occurs or, when necessary, afterwards, if the crisis has already occurred, by compensating customers.

It is a complex undertaking that entails, at the legal and operational levels, developing specific tools and making them available to all those concerned over the long term. It is also an undertaking with an important international dimension, since its regulatory framework derives largely from European texts, while exchanges with other European and international deposit schemes are crucial to performance, progress and planning.

The FGDR is a financial sector body. Created by law in 1999 and reinforced by public oversight, it has private law status and governance that comes from the financial sector itself, which reflects the guarantee mechanisms it manages. This demonstrates the conviction shared by public authorities and private players alike – that financial stability and customer protection are a common goal in which everyone has a part to play.

The FGDR manages three guarantee mechanisms:

- the deposit guarantee scheme, which protects bank customers;
- the investor compensation scheme, which protects customers of investment firms; and
- the performance bonds guarantee scheme, which covers performance bonds issued by authorised financial intermediaries to customers of certain regulated professions (real estate agents, travel agents, etc.).

In addition to these schemes, there is also a mechanism for funding the resolution of credit institutions and other financial intermediaries.

The FGDR's intrinsic mission is to promote sustainability and social responsibility. It works to support the public interest and serve the public; its role is to anticipate crises, prevent them from occurring or minimise their impact, while the mechanisms for building up its reserves, through risk-based contributions, favour the strongest, best managed institutions. The FGDR also strives to strengthen Corporate Social Responsibility (CSR) and to present itself, to both the public and its financial sector members, as one of the faces of responsible finance to which they themselves are committed and contribute. Overall, the mission and raison d'être of the FGDR is to be a crisis operator in support of sustainable finance.

The guarantee mechanisms managed by the FGDR

Deposit guarantee scheme
The deposit guarantee scheme covers amounts of up to €100,000 per person, per bank left in passbook or other accounts by the customers of a failed institution. It covers all bank customers, including natural persons, whether minors or adults, business owners, associations, civil and commercial partnerships, with the exception of financial institutions.

Compensation is made available to depositors within seven working days of the ACPR's decision noting the unavailability of the institution's deposits.

The guarantee may be increased up to an additional €500,000 per event to cover various cases of large deposits made within the three months preceding the failure (sale of residential property, compensation for harm, estate, etc.).

Investor compensation scheme
This guarantee covers all the securities and financial instruments held by investors through their investment services providers (banks, investment firms) in an amount of up to €70,000 per person, per institution. Like the deposit guarantee scheme, it covers all investors, including private individuals and legal entities, with the exception of financial institutions.

The products covered include shares, bonds, units of open-end investment companies or mutual funds, certificates of deposit and negotiable debt instruments, whether held directly (securities accounts) or through an equity savings scheme (PEA). The cash associated with these securities and instruments is also covered up to an additional amount of €70,000. When the service provider is a bank, this cash coverage is included in the €100,000 provided under the deposit guarantee scheme.

Compensation is paid within three months, which may be extended once after determination by the ACPR and the Financial Markets Authority (AMF) that the securities have disappeared and that the institution at which the accounts were held is no longer able to return or repay them.

Performance bonds guarantee
The performance bonds guarantee scheme covers regulated performance bonds that an authorised bank or financial institution must issue to certain regulated professions (real estate agents, travel agents, developers, etc.) to guarantee the proper completion of their customers' projects.

If the bank or financial institution fails, the FGDR takes over and honours the performance bond until the project is completed. If, in the meantime, the professional itself fails vis-à-vis its customers, the FGDR pays compensation in an amount up to 90% of the harm sustained by the customer, with a deductible amount of €3,000.

1.2. Organisation

The FGDR has the skills and resources necessary for its operation both under normal circumstances and during a crisis, while controlling its cost base. The internal team is supported by an ecosystem of service providers that can rapidly deploy the resources needed to manage an intervention (call centre, processing centre, media agency, printing, electronic document management, etc.) based on a pre-set, clearly defined and regularly tested modus operandi. It also outsources IT services to a French group for core operational systems such as the Compensation and Communication System (CCS) and the member database.

The Executive Board is tasked with specifying the FGDR's main annual objectives, defining the organisation and managing its activities, which are carried out in four departments that work interactively: operations, communication, legal and finance.

The FGDR employed 15 people at year-end 2020. All FGDR employees carry out their tasks in accordance with the rules governing the FGDR's missions, including the internal regulations and the confidentiality and ethics charter.

At the end of 2020, the operations department consisted of six people, including the Head of Operations. It is built around three key functions:
- define, create and update the processes that support the FGDR's compensation activities, with a view to compensation;
- develop, operate and update the FGDR's information systems;
- ensure the operational capability of the system as a whole, particularly by performing regular controls with credit institutions, but also by co-managing stress tests along with the FGDR's other departments.

The communication and training department consisted of two people at the end of 2020, including the Head of Communications and a Communications Officer. The department is responsible for defining the communication channels and for developing information content regarding the FGDR's missions and activity intended for the general public, the authorities and the press. In addition, this department provides training for the compensation operators together with the operations department and implements the continuous training plan for FGDR employees.

The legal and administrative department consists of one person, its manager, who is tasked with analysing, monitoring, and implementing regulations regarding the FGDR's activity, monitoring lawsuits related to the FGDR's interventions and managing the FGDR's business activities (including acting as secretary of the Supervisory Board). This department also defines and implements the internal control policy and handles labour law matters.

The finance department consists of three people, including the Chief Financial Officer. It handles the FGDR's administrative management and accounting and produces the financial statements, ensures compliance with the operating budget through appropriate management control, determines the amount of member contributions together with the ACPR and collects them. In addition, the Head of Finance is responsible for implementing the FGDR's asset management policy in accordance with the objectives and criteria set by the Supervisory Board.

The FGDR's office manager, who reports directly to the Executive Board, ensures that the organisation runs smoothly and assists all the departments with their respective activities.

1.3. Members

All companies that are licensed by the ACPR to operate as a credit institution, an investment services provider or a financial intermediary authorised to issue regulated performance bonds are members of the FGDR under the deposit guarantee, investor compensation or performance bonds guarantee schemes, respectively. This membership is mandatory and a prerequisite for obtaining the licence.

All financial institutions that fall within the scope of resolution at the national level and are therefore contributors to the National Resolution Fund (NRF), are also members of the FGDR.

At 31 December 2020, the FGDR had 453 members, 12 fewer than at 31 December 2019 for all mechanisms. Many of these members participate in several schemes. Taken separately, each mechanism has:

- for the deposit guarantee scheme: 337 members (-2 year on year);
- for the investor compensation scheme: 294 members (-10);
- for the performance bonds guarantee scheme: 282 members (-4);
- for the National Resolution Fund: 92 members (+8).

1.4. Legal framework

The FGDR's legal framework is mainly derived from the French Monetary and Financial Code (particularly Articles L. 312-4 to L. 312-18 for the FGDR's missions, intervention mechanisms and governance and for the deposit guarantee scheme; Articles L. 322-1 to L. 322-10 for the investor compensation scheme; and Articles L. 313-50 to L. 313-51 for the performance bonds guarantee scheme). This framework was originally established by Law No. 99-532 of 25 June 1999 on savings and financial security.

More recently, Order No. 2015-1024 of 20 August 2015 containing various provisions for adapting legislation to European Union financial law transposed both Directive No. 2014/49/EU of the European Parliament and of the Council of 16 April 2014 on deposit guarantee schemes ("DGSD2") and Directive No. 2014/59/EU of the European Parliament and of the Council of 15 May 2014 on the resolution of credit institutions ("BRRD"). It revised the framework applicable to the deposit guarantee scheme and made changes to the FGDR's governance for all guarantee mechanisms.

The resulting overall legal framework is summarised below.

1.4.1. Provisions relating to the guarantee mechanisms

The French Monetary and Financial Code establishes, in Articles L. 3124, L. 312-4-1, L. 312-16 and L. 312-18, the general principles governing the various guarantee mechanisms (deposit, investor compensation and performance bonds): the institutions concerned, scope of the guarantees and their exclusions, limitation periods, obligations to inform customers of the institutions about these guarantees, and the framework of cooperation between the FGDR and its European counterparts, particularly in terms of cross-border compensation under the deposit guarantee scheme.

For the deposit guarantee scheme, and pursuant to Article L. 312-16 of the Code, these legislative provisions were supplemented on 27 October 2015 (*Official Journal* of 30 October) by:

- a decree on the implementation of the guarantee scheme, specifying its scope, the persons covered (customers of institutions, but also successors and attaching creditors), the compensation ceiling (including specific provisions regarding temporary high balances), the terms and conditions of compensation, the role and powers of the FGDR to prepare compensation, and the appeal and claims procedures. This decree was amended in 2019 to also set out the provisions applicable to factoring activities;
- a decree on the notification of depositors regarding the deposit guarantee scheme which defined the content and type of information that must be provided by the FGDR and by the institutions;
- a decree on the connection between the deposit guarantee scheme managed by the FGDR and savings accounts guaranteed by the French government (Article 120 of amending finance law No. 2008-1443 of 30 December 2008 for 2008), applicable in practice to *Livret* type "A" savings accounts and former *Livret Bleu* savings accounts, *Livret* type "LDDS" savings accounts and *Livret* type "LEP" savings accounts, which sets out the conditions under which the FGDR fulfils its mission as operator of the French government guarantee on behalf of the latter.

Changes to the regulatory framework in 2020

In 2020, various texts regarding the investment of the FGDR's cash assets and the calculation of contributions to the guarantee mechanisms modified the legislative and regulatory framework governing its activities. Other texts are also being reviewed.

Centralisation of the FGDR's cash assets at the Public Treasury
Law No. 2020-734 of 17 June 2020 authorised the French government to issue a series of orders aimed at resolving the problems resulting from the health crisis related to the COVID-19 pandemic and the withdrawal of the United Kingdom from the European Union. In particular, Article 58 of this law allowed the government to require "legal entities subject to the rules of public accounting" and "public or private bodies, established by law, with a public service mission and whose cash assets mainly come from resources provided for by law […]", to deposit their cash assets into the account at the Treasury.

Order No. 2020-1496 of 2 December 2020 established the list of public and private bodies affected by the law and subject to this requirement to transfer their cash assets to the Public Treasury, which included the FGDR (Article 1); this article also specifies that such deposit would not give rise to any remuneration. In addition, Article 5 of the order specifies that a decree in Council of State will set the conditions under which an exception to this transfer requirement may be granted.

The measure is set to take effect in the autumn of 2021. In this early part of 2021, the question remains open as to whether the public interest mission assigned to the FGDR is also a public service mission as required by the law of 17 June and, if so, the extent to which an exception may be granted.

Whether or not this provision is applied, in whole or in part, the funds in question will remain the property of the FGDR and will be readily available to it so as not to impact its intervention capacity.

Calculation of contributions to the deposit guarantee scheme
ACPR decision No. 2020-C-62 of 14 December 2020 establishing the methods for calculating contributions to the deposit guarantee scheme, taken with the approval of the FGDR's Supervisory Board, did not substantively change the way in which contributions to the deposit guarantee scheme are calculated, but is mainly an extensive rewrite of decision No. 2016-C-51 which it replaced and made easier to understand.

However, this decision, which required a significant amount of groundwork on the part of the ACPR and the FGDR, above all allowed clarification of the method for calculating the stock of contributions in "interim" situations, when various calls for contributions must be made during the same year or when contributions must be collected without all the necessary data being updated relative to the previous call. This decision therefore establishes the principle and terms of an "absorption" of the previous call by the current call in such interim cases between two closings of the FGDR's accounts.

This makes it possible to schedule a call for contributions in the first half of 2024, which was difficult to envisage before and will enable the FGDR to then adjust resources as necessary to comply with the EU objective regarding reserves of guarantee schemes by July 2024.

Calculation of contributions to the investor compensation and performance bonds guarantee schemes
ACPR decisions No. 2020-C-63 of 14 December 2020 establishing the methods for calculating contributions to the investor compensation scheme and No. 2020-C-64 of 14 December 2020 establishing the methods for calculating contributions to the performance bonds guarantee scheme, both of which were also taken with the approval of the FGDR's Supervisory Board, unified the previous decisions on these subjects in terms of their drafting and terms (No. 2015-C-113 and No. 2015-C-112).

In substance, the new texts establish the separate creation of a contribution to fund the FGDR's missions (increase in reserves), assessed on a risk-adjusted basis, and a contribution to cover operating expenses, not assessed on a risk-adjusted basis. This latter contribution now entails a minimum amount, which is also harmonised for the three guarantee schemes and set at €1,000 (versus €4,000 previously for the deposit guarantee scheme, €800 for the investor compensation scheme and €4,000 for the performance bonds guarantee scheme).

These decisions also define the method for calculating contributions in the event that an institution does not provide data and eliminate the specific calculation previously used for central bodies and their members.

A risk indicator related to return on assets was also added for the performance bonds guarantee.

Texts under review
The FGDR is working with the public authorities on a revision of CRBF Regulation 99-14 of 23 September 1999 regarding the rules for implementing the investor compensation scheme. Other texts are being reviewed, such as to allow the FGDR to mobilise borrowings from its members and to ensure adequate coverage of the costs of collecting contributions to the Single Resolution Fund, which the FGDR does on its behalf.

The above three decrees apply to the investor compensation scheme and the performance bonds guarantee scheme where relevant. Otherwise, amended CRBF Regulations No. 99-14 and 99-16 of 23 September 1999 and amended CRBF Regulations No. 99-12 of 9 July 1999 and 2000-06 of 6 September 2000, respectively, currently have precedence.

In addition, the revision in 2015 of the regulatory framework of the deposit guarantee scheme made it necessary to revise that of the investor compensation scheme, without waiting for an update to European Directive 97/9/EC on that scheme. The investor compensation scheme and the deposit guarantee scheme may be implemented simultaneously for the same member, which means that both mechanisms must function in a consistent manner. The FGDR therefore prepared, in agreement with the banking industry (FBF and AMAFI), a draft decree on the implementation of the investor compensation scheme designed to replace CRBF Regulation No. 99-14. This draft decree remains subject to a review by the public authorities, but could result in a new text in 2021.

In the meantime, the order transposing Directive 2014/65/EU ("MIF/MiFID 2") regarding markets in financial instruments authorised market undertakings "to provide the investment services referred to in sections 8 and 9 of Article L. 321-1" of the French Monetary and Financial Code and, in return, requires them to join the FGDR's investor compensation scheme. The authorisation for market undertakings to manage trading facilities ("MTF/SMN" or "OTF/SON") has been effective since 3 January 2018. The method used to calculate their contributions was developed together with the AMF and the ACPR.

1.4.2. Provisions relating to the FGDR's terms of intervention

Pursuant to Articles L. 312-5 to L. 312-6-1 of the French Monetary and Financial Code, the FGDR may intervene in a troubled institution through compensation, on a preventive basis or through resolution. It is also entrusted with the management of the National Resolution Fund (NRF) and is responsible for collecting contributions to the fund from the institutions that fall within its scope; it also collects contributions to the European Single Resolution Fund (SRF).

With respect to prevention and resolution, the FGDR may intervene at various levels, through capital or financing of the failed institution, through capital or financing of a bridge institution or defeasance structure, through the acquisition of assets or by assuming the cost of measures intended to restore the institution's solvency. It may also replace certain creditors in the bail-in cascade if the Resolution Authority decides to exclude such creditors from this mechanism for reasons of feasibility or excessive risk of contagion (Article L. 613-55-1).

With respect to the deposit guarantee scheme, the FGDR may also be asked to participate in the bail-in of the institution under resolution in the event that the deposits must be drawn on, but under two conditions: firstly, given the preference established (see below), the deposits covered by the guarantee scheme, below €100,000, are used last and are not affected (the FGDR bears the cost of the adjustment), and secondly, the amount of the FGDR's contribution may not exceed the losses that it would have incurred if the institution had been liquidated (fourth subparagraph of paragraph III of Article L. 312-5).

Moreover, in the event of court-ordered liquidation, the law established a depositor preference in the hierarchy of creditors (Article L. 613-30-3), immediately after the preferential creditors and up to the €100,000 ceiling of the guarantee provided by the FGDR.

1.4.3. Provisions relating to the FGDR's funding

Articles L. 312-7 to L. 312-8-2 of the French Monetary and Financial Code define the FGDR's funding principles. The FGDR is funded by its members through contributions, which are calculated based on a method established by the ACPR after obtaining the opinion of the FGDR's Supervisory Board; however, the total amount, or the rate, of contributions is set by the FGDR's Supervisory Board, at the Executive Board's proposal and after obtaining the assent of the ACPR.

The texts also establish the types of instruments that may be used for this purpose: premiums, member's certificates, certificates of membership and collateralised payment commitments, which are allocated to losses in a specific order in the event of an intervention. The Code also stipulates that the FGDR's reserves are not distributable (third subparagraph of Article L. 312-9).

These provisions are supplemented by various decrees:

- a first decree of 27 October 2015, amended by a decree of 13 April 2017 on the FGDR's financial resources. This decree specifies the procedure for collecting annual and special contributions, in particular the population concerned, the legal and accounting scheme relating to the various contribution instruments, various accounting provisions relating to the definition of losses, and the terms and conditions of possible loans and borrowings between the FGDR and its European counterparts;
- a second decree of 27 October 2015 on the criteria to be taken into account for opinions issued by the ACPR on decisions regarding the contributions collected by the

FGDR, and on the conditions under which the power of substitution may be exercised by the ACPR in the event of a disagreement with the Supervisory Board on such matters.

The method used to calculate contributions to the guarantee mechanisms is derived from three ACPR instructions:

- decision No. 2020-C-62 of 14 December 2020 for the deposit guarantee scheme;
- joint ACPR and AMF decision No. 2020-C-63 of 14 December 2020 for the investor compensation scheme;
- decision No. 2020-C-64 of 14 December 2020 for the performance bonds guarantee scheme.

The FGDR's accounting and tax scheme is derived from amending finance law No. 2016-1918 of 29 December 2016 for 2016. In keeping with earlier provisions, Article 92 of this law authorised the creation of a provision for intervention risk for each mechanism or scheme in the FGDR's accounting system. This provision is equal to all excess income, including income resulting from the conversion of certificates and guarantee deposits into premiums in the event of an intervention, and the sums collected following an intervention, but excluding non-recurring income, relative to all the expenses for the year, including intervention expenses. It is added to the FGDR's reserves and is reversed in the event of an intervention by the FGDR under the conditions set out in Article L. 317-7 of the French Monetary and Financial Code.

In terms of taxation, this same article of the law added an Article 39 *quinquies* GE to the General Tax Code stipulating that this provision for intervention risk must be tax-exempt.

This accounting and fiscal framework, specific to the FGDR, is the reference framework used for the closing of the accounts since 2016 and, therefore, for this year.

Lastly, the FGDR's borrowing capacity is established by Law No. 2018-32 of 22 January 2018 on public finance planning for the years 2018 to 2022. At the end of 2016, the FGDR was statistically reclassified by the national (INSEE) and European (Eurostat) statistics bodies as a "public administration", thereby losing the ability to contract new loans of more than one year under French domestic law. Article 25 of the above-mentioned law lifted this prohibition as a matter of principle, while an additional decree of 25 March 2019 specified the terms and limits of such borrowings and loans of more than 12 months. Similarly, the total amount of certificates of membership is capped, while the term of guarantee deposits provided as collateral for payment commitments is unrestricted.

1.4.4. Provisions relating to the FGDR's organisation and operation

The FGDR's organisation and operation are defined in Articles L. 312-9 to L. 312-15 of the French Monetary and Financial Code, particularly as regards its governance method, with a Supervisory Board that includes full members and elected members representing each of the mechanisms, an Executive Board, and a non-voting member appointed by the Minister for the Economy. The text defines the powers conferred on each body, as well as voting rules (proportional to contributions, but with the principle of "one member/one vote" applied for decisions related to contributions).

As the FGDR has no articles of association in the usual sense of the term, its internal regulations (dated 29 March 2017, approved by ministerial decree of 28 April 2017) apply for provisions that are covered neither by law nor by implementing decrees. These internal regulations include additional information about the FGDR's organisation and operation (Supervisory Board, Executive Board, ethics), as well as rules regarding the use of funds and accounting rules.

1.5. International framework

The FGDR's activity is governed at the European level by various directives of the European Union, including in particular:

- Directive No. 2014/49/EU of 16 April 2014 on deposit guarantee schemes, DGSD2;
- Directive No. 97/9/EC of 3 March 1997 on investor compensation schemes, "ICSD";
- Directive No. 2014/59/EU of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms, BRRD, amended by Directive No. 2019/879/EU ("BRRD2").

These directives were transposed into French law through the above-mentioned texts.

The FGDR's activity also has a highly international dimension, as evidenced by supranational projects to overhaul or update the banking and financial crisis management framework, including the single European Deposit Insurance Scheme project, and by the FGDR's exchanges with European authorities in general and the European Banking Authority (EBA) in particular, and with its counterparts around the world. These counterparts are members of two associations: the European Forum of Deposit Insurers (EFDI) and the International Association of Deposit Insurers (IADI).

In this area, together with the authorities and its counterparts, the FGDR plays an active role both when regulations are developed and at the time of their individual and collective operational implementation.

1.5.1. Single European Deposit Insurance Scheme – EDIS project

In November 2015, the European Commission unveiled its proposal to create a single European Deposit Insurance Scheme (EDIS).

This initiative aims to complete the "third pillar" of the Banking Union by organising a euro-area wide system of reinsurance/coinsurance among the national funds. It fulfils the desire to de-link sovereign risk and banking risk and responds to concerns that the guarantee schemes of some countries may be unable to deal with a local bank crisis if the failed institutions whose compensation they would need to pay became too large in size.

In late 2016, Esther de Lange, the European Parliament's Rapporteur on this matter, presented an alternative EDIS project that places more emphasis on reducing risks and is built around a phase of liquidity sharing among European funds, followed by a reinsurance phase for excess loss.

In substance, the BRRD directive and the Single Resolution Mechanism (SRM) regulation introduced powerful Europe-wide bank crisis resolution instruments, particularly for systemic crises. Under this new framework, excluding residual participation in the financing of extreme bank crisis resolution, deposit guarantee schemes today have greater resources than they had previously, and only to deal with non-systemic local crises. From this standpoint, whether there is a need to go beyond the institutional system recently created pursuant to the DGSD2 directive is probably related less to a concern about financial stability than to an objective of solidarity within the euro zone.

While the DGSD2 directive made great strides towards harmonisation at the European level, the EDIS project would eventually add full sharing of the costs of the guarantee scheme among all banks in the euro zone. This would therefore imply further harmonisation of the national deposit guarantee schemes, particularly in terms of defining covered deposits and coverage rules, as well as the costs borne by each national system.

Moreover, once common rules are adopted, it will be important for the European principle of subsidiarity to prevail: local operators, in which depositors place their trust, must remain the players on the ground that implement the deposit guarantee scheme at an operational level. They must therefore have immediate access to resources. The activity of a deposit guarantee scheme must also be rooted in national and local realities: the failure is local, as are the banking products concerned, the applicable law, particularly bankruptcy law, civil law and consumer law, the use of language and direct contact with the depositor whose fast and efficient compensation is an absolute priority in order to maintain confidence in the banking system.

In a consistent manner, and independently of the political options that would involve varying degrees of solidarity among Member States of the euro zone, the FGDR is endeavouring to send a mainly technical message: to ensure depositors' trust, the deposit guarantee scheme may be European, but must at the same time remain local in its practical application; even before sharing of the financial burden, the most important thing for a deposit guarantee scheme is access to liquidity; lastly, a more effective system, as the EDIS must be, is also less expensive than the existing one and, in any case, avoids increasing the expenses of the banking system.

The work that began in Brussels on this draft text is still under way between the Council, the Parliament and the Commission. It involves the very structure of the single European guarantee fund, an important issue for the FGDR which is aware of the concerns of its members, and includes an important component aimed at reducing the risks of the national banking sectors as a precondition for partially or totally collective financing.

The EFDI, for its part, published an in-depth analysis in December 2018 regarding the technical feasibility of the EDIS project (Technical Considerations for the Design of EDIS: www.efdi.eu/publications), which was approved by all the European Union's guarantee funds and made various recommendations regarding access to liquidity, governance of the system, the method of contribution and the inclusion of preventative and alternative interventions in banking crises (see section 1.5.3. Activities of the European Forum of Deposit Insurers – EFDI).

It has become increasingly clear since 2019 that the proposed single European Deposit Insurance Scheme, on which attention has long been focused, could be just one of several elements of a real Banking Union. In light of its goals, the Banking Union project requires that multiple components, summarised at end-2019 by the High-Level Working Group formed for this purpose at the EU level, be taken into account, including perhaps:

- a study on the establishment of capital margins and concentration ratios on banks' sovereign exposures;
- the harmonisation of liquidation procedures applicable to banks;
- broader use by guarantee schemes of crisis management measures other than compensation;
- a change in the "public interest test" criterion to allow a possible extension of the resolution scheme to small and medium-sized banks;
- identification of prudential and non-prudential obstacles to greater trans-border integration of banking groups.

In parallel to its work, in 2020 the European Commission launched various projects and consultations to recast the DGSD2 directive, with the aim of presenting a new text by the end of 2021.

1.5.2. The EBA's guidelines – Task force on deposit guarantee schemes ("TFDGS")

Since the entry into force of the DGSD2 directive, the EBA has published four guidelines concerning the deposit guarantee scheme and relating to the following fields:

- general rules for calculating contributions to deposit guarantee schemes;
- characteristics of the "collateralised payment commitments" by which institutions may fulfil up to 30% of their contribution-related obligations;
- stress tests that must be conducted by deposit guarantee schemes to assess the degree of preparation and resistance of their intervention systems;
- definition of the cooperation agreements among the Union's deposit guarantee schemes to allow the arrangement of cross-border compensation, as well as any loans and transfers of contributions between funds.

The last two guidelines are the most recent (2016). The FGDR's activity was already compliant with these guidelines, but the following years were also an opportunity to further implement the FGDR's objectives corresponding to these guidelines, particularly in terms of stress tests. In 2020, the FGDR began to implement its multi-year 2020-2022 stress test programme. In 2019 and 2020, the EBA conducted a general evaluation of the stress tests of the European Union's deposit guarantee schemes, in which the FGDR of course took part and at the end of which a report was sent to the European Commission. On that basis, the EBA began working with the EU's guarantee schemes to revise its guidelines on stress tests of deposit guarantee schemes, which are expected to be formalised in mid-2021.

In 2019, the EBA's task force mainly focused on collecting data and analysis on the implementation of the DGSD2 directive within the EU, as part of the review that it was required to conduct pursuant to the directive, together with the European Commission. This work led to the issuance in the second half of 2019 and in 2020 of three very detailed "Opinions" regarding eligibility, coverage and cooperation among schemes, the compensation processes, and the resources of the deposit guarantee schemes and the use thereof, respectively. The main issues covered by these Opinions were the level and types of resource instruments of the guarantee schemes, the use of additional resources (ex-post contributions, lines of credit), the investment policy of the schemes, the eligibility and coverage of specific types of deposits (temporary high balances, accounts with successors, etc.), the processing of fraudulent or suspicious transactions, and cross-border compensation, issues on which the EFDI often developed common positions prior to the work of the task force. This work offers a unique summary of the diverse practices for implementing the DGSD2 directive. It also points to the adjustments that may be included in the proposals for the recast of DGSD2 planned by the European Commission by the end of 2021.

The European Banking Authority

The European Banking Authority (EBA), created on 1 January 2011 pursuant to EU Regulation No. 1093/2010 of 24 November 2010 to strengthen the European system of financial supervision, is an independent authority of the European Union that works to ensure effective and consistent prudential regulation and supervision across the European banking sector. Its main objectives are to maintain financial stability in the European Union and ensure the integrity, efficiency and orderly functioning of the banking sector. The EBA contributes to the creation of a single rulebook in the banking sector by adopting binding technical standards and guidelines. The guidelines are subject to prior consultations with the relevant public, and then to decisions of the Authority's competent college, before being proposed to the Member States based on a comply or explain procedure. Although these regulations are therefore not directly binding, they have the full scope of a legal rule because of the manner in which they are developed and the general discipline of the States.

The EBA also has authority with respect to deposit guarantee schemes. Article 26 of the above-mentioned regulation stipulates that: "The Authority shall contribute to strengthening the European system of national deposit guarantee schemes […] with the aim of ensuring that national deposit guarantee schemes are adequately funded by contributions from financial institutions […] and provide a high level of protection to all depositors in a harmonised framework throughout the Union."

With the conclusion in May 2014 of the main constituent provisions of the Banking Union, and particularly the directive on European Union deposit guarantee schemes (DGSD2), the EBA was tasked with developing extensive secondary regulations relating to deposit guarantee schemes.

In the autumn of 2018, the EBA launched a task force known as TFDGS with the EU's public authorities and guarantee funds, which serves as a platform of cooperation on the technical and operational aspects of deposit guarantee activity. The FGDR has participated in the task force since its creation, along with the ACPR.

In keeping with this same goal of recasting the directive, and in parallel to the projects already under way (revision of the guidelines on stress tests in particular), in 2020 the task force began further work on defining the resources of the guarantee schemes and on the connection between the schemes' activity and anti-money laundering and counter-terrorism financing requirements.

1.5.3. Activities of the European Forum of Deposit Insurers – EFDI.

To facilitate its operation and expand the scope of services provided to its members while remaining lightweight, the association adopted a permanent structure, with its own Secretary General, in early 2018. The recruitment of the Secretary General, followed by the recruitment of an assistant in 2019, gave new momentum to the activities of the association, which is now fully operational.

The roadmap adopted by the association for the coming years covers various objectives, particularly in terms of scheduling and conducting stress tests (Stress Test Working Group), the guarantee schemes' relations with the public (Public Relations and Communication Committee), research (Research Working Group – risk-based contribution systems, transfer of contributions between guarantee schemes, changes in covered deposits, etc.), cooperation among investor compensation schemes (ICS Working Group), and of course a specific programme for the European Union's deposit guarantee schemes (EU Committee).

Within the EU Committee and under the guidance of the EU Management Executive, the main work priorities were updated at the end of 2020 to meet the requirements of the collective practice and consideration of the European Union's deposit guarantee schemes, in the context of the planned revision of both the DGSD and the general framework of intervention in banking crises. Three main groups are involved in this work:

- the D3 Working Group (for "DGSD3"), which is focusing on areas in which, excluding the general architecture of intervention in banking crises, there appears to be a need to update the European text by integrating the experience gained with DGSD2 (this group is also continuing the work undertaken by the EFDI on Non-Binding Guidance for the implementation of European regulations – see https://www.efdi.eu/publications);
- the Banking Union Working Group, which is examining the feasibility and technical procedures for applying the objectives of the Banking Union, particularly the EDIS project (see the above-mentioned Technical Considerations for the Design of EDIS report of November 2018) and Commission projects aimed at updating the general framework of intervention in banking crises;
- the Cross Border Working Group, which is responsible for harmonising the way in which the European schemes interact in terms of cross-border cooperation and compensation and which began work on updating and expanding the Multilateral Cooperation Agreement prepared by the EFDI in 2016 to define these technical terms of cooperation.

A noteworthy project launched last year by the EFDI, at the initiative of the FGDR, was the development of a sustainability charter for European and international deposit guarantee and investor compensation schemes. This charter, which demonstrates and calls for a commitment to a set of principles of sustainability and social responsibility specific to the activities of guarantee schemes, was adopted by the association at its annual meeting in September 2020 and signed by more than a dozen institutions, including the FGDR, even before the end of the year.

Through the election of its Chair as head of the EFDI and his re-election in September 2019, and with the collective support of its teams, the FGDR has proudly taken on

The EFDI's activities

Since its creation in 2002, the European Forum of Deposit Insurers (EFDI) has brought together all European funds (deposit guarantee and investor compensation schemes), including those of countries outside the European Union, to enable deposit insurance practitioners to exchange experiences and share their thoughts on the European legal framework specific to their activities.

The revision of the EFDI's statutes, which took place over a long period of time, was submitted to the community of 57 European member guarantee schemes and approved almost unanimously at an extraordinary general meeting held in Brussels in May 2017.

The changes to the statutes, which sought to preserve the association's genetic code (exchanges among practitioners, priority given to the technical approach, consensus building, lightweight operation), resulted in an operating framework characterised mainly by the following elements:

- redefinition of the missions so as to encompass resolution activities;
- the ability to issue non-binding guidance/insights to members;
- better integration of members and issues relating to investor compensation schemes;
- enhanced governance for the EU Committee, the centre of the EFDI's activities, through an independent EU Management Executive responsible for coordinating the work regarding the European Union's schemes;
- maximum fee increased to €10,000;
- less onerous quorum rules and more stringent proxy rules.

the challenging responsibility of managing this association since September 2016, giving it a greater role than ever in the European and international dimension of deposit guarantee schemes.

1.5.4. Activities of the International Association of Deposit Insurers (IADI)

The IADI elected its new Chairman in 2020. Mr Yuri Isaev, General Director of the State Corporation Deposit Insurance Agency (Russian Federation), was elected for a two-year term.

The IADI's governance continues to revolve around its Chairman and the elected members of the association's Board, including Mr Michel Cadelano, FGDR Executive Board member, since October 2019.

In the absence of significant new regulations in terms of guidance or research, in early 2020 the IADI launched a task force on defining its three-year strategic plan.

As a result, its strategic priorities, which aim, in particular, to ensure the dissemination of deposit insurance principles worldwide, provide technical cooperation and expertise in this regard to jurisdictions that express a need for this, and produce analysis and research related to deposit guarantee schemes, were confirmed and remain the same.

The operational implementation of a new major objective, aimed at enhancing the association's effectiveness, is expected in 2021.

The IADI's activities

The International Association of Deposit Insurers (IADI) was founded in 2002 with the aim of increasing the effectiveness of deposit insurance worldwide through the issuance of guidelines and through international cooperation among deposit insurers. At the end of 2014, the IADI issued a revised set of Core Principles for Deposit Insurance. The Core Principles constitute the basic doctrine of all deposit insurers around the world, as well as the standard used by the International Monetary Fund as the basis for the periodic assessments of national financial sectors and regulation that it conducts in all Member States (Financial Sector Assessment Program - FSAP).

The new set of Core Principles provided a more solid and more rigorous structure to the previous version and attempted to address the issues of moral hazard and resolution and define increasingly stringent action principles. It includes a seven-day target repayment period, the shortest possible compensation initiation times, rules related to funding and management, and monitoring or elimination of conflicts of interest.

In accordance with these Core Principles, the IADI has subsequently finalised another key element of the standards for the deposit guarantee scheme, the Assessor Handbook. This handbook is a detailed technical guide to the Core Principles for FSAP assessors and clearly defines a content of recommended standards for deposit insurers.

2

Management bodies

2.1. Composition and operation of the Executive Board

The composition of the Executive Board is as follows:

Position	Name	Effective date of appointment	End of current term
Chair	Thierry DISSAUX	Reappointed on 23 August 2018	22 August 2022
Member	Michel CADELANO	Appointed on 1 October 2019	30 September 2023

The contractual framework applicable to members of the Executive Board was set by the Supervisory Board at its meeting on 8 December 2010. As it does each year, at its meeting on 15 May 2020, the Supervisory Board reviewed the aspects relating to the compensation of the members of the Executive Board, at the recommendation of the Nomination and Compensation Committee.

2.2. Composition and operation of the Supervisory Board

Pursuant to Article L. 312-10 of the French Monetary and Financial Code, the seven banking groups that are the largest contributors to the deposit guarantee scheme are entitled members of the Supervisory Board. The others are elected at a rate of two members for the deposit guarantee scheme, two members for the investor compensation scheme, and one member for the performance bonds guarantee scheme.

2.2.1. Composition until 15 May 2020

The table below shows the composition of the Supervisory Board and the committees until 15 May 2020, the date on which the Supervisory Board approved the 2019 financial statements and the end date of the term of office of its representatives.

Chair	
Nicolas DUHAMEL Advisor to the Chair of the Executive Board in charge of public affairs - BPCE GROUP	
Vice-Chair	
Gilles BRIATTA Secretary General - SOCIÉTÉ GÉNÉRALE	
Members	
Jean-Jacques SANTINI Director Institutional Affairs – BNP PARIBAS	**Isabelle FERRAND** Deputy Chief Executive Officer – CNCM and CCM
Jérôme GRIVET Deputy Chief Executive Officer – CRÉDIT AGRICOLE S.A.	**Jean-Marc VILON** Chief Executive Officer – CRÉDIT LOGEMENT
Frédéric BOURDON Chief Executive Officer – EPSENS	**Benoît CATHERINE** Deputy Managing Director – EXANE

Jean BEUNARDEAU Managing Director – HSBC FRANCE	**François GÉRONDE** Chief Financial Officer – LA BANQUE POSTALE
Christophe TADIÉ Manager – ODDO BHF SCA	**Delphine d'AMARZIT** Deputy Managing Director – ORANGE BANK
Non-voting member appointed by the Minister for the Economy	
Jérôme REBOUL Assistant Director Banking and General-Interest Financing - Treasury Directorate	

Audit Committee	
Chair	
Jean-Jacques SANTINI	
Members	
Gilles BRIATTA	**Jérôme GRIVET**

Nomination and Compensation Committee	
Chair	
Nicolas DUHAMEL	
Members	
Delphine d'AMARZIT	**Jean BEUNARDEAU**

The Supervisory Board held two meetings, on 17 February and 15 May 2020, which mainly covered the following:

- **meeting of 17 February 2020**: preliminary outline of discussions regarding the collection of contributions to the three guarantee mechanisms in 2020;
- **meeting of 15 May 2020** (originally scheduled for 26 March 2020, postponed due to restrictions linked to the first 2020 lockdown): measures taken by the FGDR in response to the COVID-19 crisis, start of negotiations on the future credit line, asset management, information on cyber risk, results of the Supervisory Board elections. The Supervisory Board also approved the 2019 financial statements and the Executive Board's management report.

2.2.2. Composition as of 15 May 2020

A meeting was held on 15 May 2020 to set up the Supervisory Board and appoint its new members.

Pursuant to Article L. 312-10 of the French Monetary and Financial Code, the seven banking groups that are the largest contributors to the deposit guarantee scheme for the length of the Board's term of office are now: Crédit Agricole, BPCE, Crédit Mutuel, Société Générale, BNP Paribas, La Banque Postale and RCI Bank and Services. They have appointed their permanent representative to the FGDR's Supervisory Board.

The other members of the Supervisory Board were elected by the members of each mechanism following an election process that ended on 18 March 2020, it being stipulated that, based on the applicable rules:

- only credit institutions not represented by the entitled members may elect members for the two seats to be filled for the deposit guarantee scheme;
- only members of the investor compensation scheme that are not credit institutions (for all practical purposes, investment firms) may elect members for the two seats to be filled for the investor compensation scheme;
- only members of the guarantee of performance bonds scheme that are not credit institutions (for all practical purposes, financing companies) may elect the member for the seat to be filled for the guarantee of performance bonds scheme.

Elected for the deposit guarantee scheme were Oddo BHF SCA and Orange Bank.
Elected for the investor compensation scheme were Epsens and Exane.
Elected for the performance bonds guarantee scheme was Crédit Logement.

At the initial meeting on 15 May 2020, the Supervisory Board elected its Chair and Vice-Chair. It also appointed the members of its committees, as well as the Board Secretary, Ms Clara Cohen, Head of Legal at the FGDR.

The Supervisory Board's term of office will end after the meeting at which it approves the financial statements for the fourth year of its term of office.

Following the meeting of 15 May 2020, the composition of the Supervisory Board was as follows:

Chair	
Gilles BRIATTA Secretary General – SOCIÉTE GÉNÉRALE	
Vice-Chair	
Jérôme GRIVET Deputy Chief Executive Officer – CRÉDIT AGRICOLE S.A.	
Members	
Jean-Jacques SANTINI Director Institutional Affairs – BNP PARIBAS	**Isabelle FERRAND** Deputy Chief Executive Officer – CNCM and CCM
Jean-Marc VILON Chief Executive Officer – CRÉDIT LOGEMENT	**Frédéric BOURDON** Chief Executive Officer – EPSENS
Benoît CATHERINE Deputy Managing Director – EXANE	**Benoît de la CHAPELLE BIZOT** Advisor to the Chair of the Executive Board in charge of public affairs – BPCE GROUP **(Nicolas DUHAMEL until 1st July 2020)** Advisor to the Chair of the Executive Board in charge of public affairs – BPCE GROUP
François GÉRONDE Chief Financial Officer – LA BANQUE POSTALE	**Grégoire CHARBIT** Manager – ODDO BHF SCA
Delphine d'AMARZIT Deputy Managing Director – ORANGE BANK	**Joao Miguel LEANDRO** Chief Executive Officer – RCI BANK AND SERVICES
Non-voting member appointed by the Minister for the Economy	
Jérôme REBOUL Assistant Director Banking and General-Interest Financing – TREASURY DIRECTORATE	

Audit Committee		
Chair		
Jean-Jacques SANTINI		
Members		
Benoît de la CHAPELLE BIZOT	**François GÉRONDE**	**Jérôme GRIVET**

Nomination and Compensation Committee	
Chair	
Gilles BRIATTA	
Members	
Delphine d'AMARZIT	**Isabelle FERRAND**

In addition to the meeting on 15 May 2020, the newly formed Supervisory Board held three meetings, on 1 July, 30 September and 9 December 2020, during which detailed reports were routinely presented on asset management (performance and outlook), issues being discussed with the authorities and international developments.

In addition, the main topics discussed at the 2020 Supervisory Board meetings included, but were not limited to, the following:

- **meeting of 1 July 2020**: approval of the 2019 internal control report and presentation of planned changes for internal control (assessment method, new tools); preparation of the future credit line; draft decree on the investor compensation scheme and discussion on the impacts of Law No. 2020-734 of 17 June 2020 requiring centralisation of the FGDR's cash assets at Agence France Trésor;
- **meeting of 1 October 2020**: management of confidentiality and conflicts of interest in the event of a crisis, centralisation of cash assets, credit line, coverage of collection costs for the SRF and ACPR projects related to methods for calculating contributions to the deposit guarantee, investor compensation and performance bonds guarantee schemes;
- **meeting of 9 December 2020**: budget package (2020 income forecasts and 2021 budget), planning related to collections of contributions for the deposit guarantee scheme, credit line, presentation of internal control work, training grants and cash centralisation project.

The breakdown of votes on the FGDR's Supervisory Board after 15 May 2020, the date of appointment of new members, is as follows:

Group or Member name	Represented by	Breakdown of votes deposit guarantee	Breakdown of votes investor compensa-tion	Breakdown of votes performance bonds guarantee	Breakdown of votes all guarantees
CRÉDIT AGRICOLE GROUP	Mr Jérôme GRIVET	31.21%	19.62%	14.23%	30.78%
BPCE GROUP	Mr Nicolas DUHAMEL	23.03%	12.83%	19.93%	22.75%
CRÉDIT MUTUEL GROUP	Ms Isabelle FERRAND	15.60%	9.31%	8.72%	15.39%
SOCIÉTÉ GÉNÉRALE GROUP	Mr Gilles BRIATTA	9.40%	15.53%	20.59%	9.65%
BNP PARIBAS GROUP	Mr Jean-Jacques SANTINI	8.56%	3.53%	0.06%	8.36%
LA BANQUE POSTALE	Mr François GÉRONDE	7.84%	19.33%	24.06%	8.26%
RCI BANK & SERVICES GROUP	Mr Joao Miguel LEANDRO	1.20%	0%	0.05%	1.16%
ORANGE BANK	Ms Delphine d'AMARZIT	2.70%	0.13%	0.10%	2.61%
ODDO BHF SCA	Mr Grégoire CHARBIT	0.45%	0.82%	0%	0.46%
EXANE	Mr Benoît CATHERINE	0%	16.13%	0%	0.41%
EPSENS	Mr Frédéric BOURDON	0%	2.77%	0%	0.07%
CRÉDIT LOGEMENT	Mr Jean-Marc VILON	0%	0%	12.26%	0.10%
TOTAL		**100%**	**100%**	**100%**	**100%**

3

Activity during the year

3.1. Collection of resources

The FGDR's resources come from the contributions paid by its members. These are annual contributions determined in accordance with the regulations outlined below.

3.1.1. Regulatory framework and collection of contributions

Except for contributions to the two resolution funds for which different procedures exist, Articles L. 312-8-1 and L. 312-10 of the French Monetary and Financial Code, resulting from Order No. 2015-1024 of 20 August 2015 applicable since the collection of 2015 contributions, stipulate that:

- the Prudential Supervision and Resolution Authority (ACPR) determines the method used to calculate each member's contributions, after obtaining the opinion of the FGDR's Supervisory Board. This calculation method includes defining the basis of calculation, each member's specific risk factors, their weighting and how they are taken into account in the calculation in terms of increasing or decreasing the contributions, all of which must reflect the guidelines issued by the European Banking Authority (EBA);
- the Supervisory Board sets the amount or rate and the nature of the contributions levied each year, at the recommendation of the Executive Board and after obtaining the assent of the ACPR.

The Supervisory Board has a choice of two methods: either it sets the amount of an overall contribution to be allocated among the members, or it sets the rate to be applied to the basis weighted by each member's risks and adjustment factors to determine its individual contribution. It also determines the possible legal forms of the contributions (premiums, member's certificate, certificate of membership and payment commitment backed by a guarantee deposit in an equal amount given to the FGDR);

- lastly, the ACPR calculates the individual contributions, by incorporating the risk factors specific to each institution, and notifies the members and the FGDR, which then collects them.

Pursuant to the decrees of 27 October 2015, since the calculation methods for the three mechanisms are now established, contributions for the three guarantee mechanisms are set based on the following sequence:

- transmission to the ACPR of a proposal for discussion by the FGDR's Supervisory Board of the amount or rate and the nature of the contributions to be levied for a given year for each of the mechanisms;
- opinion of the ACPR's Collège de Supervision regarding this proposal;
- final decision of the Supervisory Board on this basis, in compliance with the opinion of the ACPR. If the decision does not comply with the opinion of the ACPR, the procedure is repeated, on an urgent basis (eight days), based on a draft decision prepared by the ACPR. If the non-compliance persists, a finding of non-compliance is issued by the ACPR whereby its opinion becomes the decision.

It should be noted that, for contributions to be levied for the investor compensation scheme, the opinion of the Financial Markets Authority (AMF) must also be obtained before each decision is taken.

3.1.2. Contributions collected in 2020

The procedures for collecting contributions have remained largely unchanged since 2016. The contributions are broken down into two categories:

- the first, and largest, portion (98.2%) is intended to provide the FGDR with the resources needed for a possible intervention;
- the second, and smaller, portion is intended to finance the FGDR's operating expenses.

The net contributions collected by the FGDR in 2020 totalled €624.2 million (including €612.7 million for the deposit guarantee scheme and €11.5 million for the investor compensation and performance bonds guarantee schemes and the national resolution fund).

They broke down as follows:
- call of €145.9 million in premiums, including €12.5 million to finance the FGDR's operating expenses;
- call of €675 million in member's certificates;
- repayment of €196.7 million in guarantee deposits.

The amount of contributions collected in 2020 therefore increased by €172.1 million compared with 2019. In addition, the types of contributions were rebalanced, with the share of guarantee deposits reduced to 30% of total resources for the deposit guarantee scheme. This rebalancing explains the repayment of €196.7 million in guarantee deposits during the 2020 call for contributions.

Following the collection of contributions, the FGDR's own funds for all mechanisms totalled €5.326 billion at 31 December 2020.

The FGDR is also responsible for collecting contributions on behalf of the Single Resolution Fund (SRF) and transferring them to that fund after receipt.

3.1.3. Other resources

To supplement its available resources, in January 2018 the FGDR took out a one-year stand-by line of credit, which could be renewed twice, in the amount of €1.4 billion. At the end of 2019, the due date of the line of credit was extended until January 2021.

In advance of this loan's due date, at the end of 2020 the FGDR negotiated a new €1.5 billion stand-by line of credit with the same lenders as the previous line. This credit took effect in January 2021 and its due date is January 2023; however, subject to approval by the lenders, options to extend the due date until January 2025 may be exercised.

As provided in the French Monetary and Financial Code, in 2020 the FGDR also collected €0.5 million in monetary penalties imposed on investment services providers by the AMF.

3.2. Changes to the integrated Compensation and Communication System (CCS)

The year 2020 was marked by structural changes to the FGDR's already highly functional Compensation and Communication System (CCS) and by the continued implementation of its new 2019-2022 stress test plan, which is essential to ensuring the operational capability of the compensation system and increasingly a part of the teams' day-to-day work.

In 2020, the work on the Compensation and Communication System for the deposit guarantee scheme focused mainly on three areas:
- a thorough revision of the Secure Compensation Area (SCA) user interface to ensure the most intuitive and efficient compensation process for depositors;
- adaptation of the SCA and all communications to depositors in five foreign languages to best cover the expanded scope of possible compensation;
- automatic monitoring of processing by external service providers for compensation requiring the involvement of operators.

3.2.1. Revision of the Secure Compensation Area (SCA) depositor interface

The first version of the SCA was released in 2016. After several updates through 2019, a new core version was launched in 2020 which significantly improves depositor support thanks to two new features:
- a streamlined, simplified flow that allows depositors to enrol more easily on the site without needing to contact the FGDR;
- display of the status of the depositor's compensation file and the potential compensation amount in the form of an illustrated infographic.

In both cases, the aim was to make the electronic compensation process more efficient and give depositors a better sense that they understand and feel secure during the process.

3.2.2. Implementation of the SCA and the set of communications in five foreign languages

This implementation was necessary in view of the following:
- it is essential to be able to exchange documents, manage special circumstances and pay compensation to depositors who have entered into contracts in a foreign language;
- it is necessary to adapt to changes in the banking environment, such as the emergence of bank aggregators with multilingual customers (operators that centralise all accounts held at various banks in a single tool);
- it is important that the FGDR be able to handle cross-border compensation when the existing principles cannot be applied (the FGDR is responsible for compensating customers of an EU-based branch of a French credit institution, but the operator of this compensation is the guarantee scheme of the host country).

Therefore, in 2020 the new version of the SCA and a set of communications between the FGDR and depositors necessary to complete the compensation process were translated into five languages. These include a large number of documents, such as:
- compensation form letters;
- forms to request documents needed to process files (which can be sent by mail, email or text message);
- questions/answers about the SCA;
- claim and correspondence forms.

3.2.3. Automatic verification of the processing of depositor files

The FGDR improved the processing of depositor files by the Teleperformance service provider by implementing an automatic control to check that files are processed based on the procedure created for each special circumstance.

Until now, these controls were performed manually and on a sampling basis. This change therefore:
- allows certain controls to be standardised and systematised;
- makes the team leaders of FGDR or Teleperformance more available for high value-added controls (e.g. complex special circumstances);
- avoids claims by depositors in the event of incorrect processing.

In a first phase in 2020, the general automatic control mechanism was implemented and applied to several initial special circumstances (among those currently assigned to the Teleperformance processing centre). In a second phase in 2021, the control process will cover all special circumstances assigned to the Teleperformance processing centre.

3.3. Deployment of the stress test plan

The FGDR implemented an initial three-year stress test plan for 2015 to 2018 to progressively test each of the key elements of the compensation system for the deposit guarantee scheme. In late 2018, the FGDR developed its new test methodology and created its 2019-2022 plan. The actions taken in 2020 were, of course, in line with this plan.

The FGDR's stress test methodology

The aim of the 2019-2022 stress test plan is to ensure that the production of all those involved at the time of a credit institution's failure meets the necessary requirements in terms of processes, content, quality, lead times, volume capacities and security.

These tests concern all stakeholders including, in addition to the FGDR, the member credit institutions and the FGDR's partners and service providers. To cover fully the wide range of players and aspects to be tested, the tests are broken down into eight types.

Two types of tests conducted with credit institutions:
- **Regular controls:** ensure that each institution meets the FGDR's regulatory requirements. Control relates to production of the Single Customer View (SCV) file and final Deposit Account Statements (DAS), and to transmission to the FGDR of descriptive elements of the institution's communication systems.
- **Failure simulations:** exchange information about the compensation security protocols to be implemented in the event of a failure. The exchanges and developments, which take place in situ with a volunteer bank, concern the closing of customer transaction channels, crisis communication, generation of the SCV file and production of the DAS.

Six types of tests conducted with the FGDR's internal players, partners and service providers:
- **Operational test:** ensures that the service and the procedure applied are in line with the expected results. These tests, applied to a representative sample of depositors, ensure that the systems remain operational, and that vigilance is maintained regarding the probability of intervention.
- **Dimensioning test:** ensures the ability to determine the size of the system according to the contractual conditions. The development of these tests is based on a large failed institution.
- **Cross-border test:** in the event of the failure of an institution with branches in the European Union, verifies the operability of exchanges between the FGDR and its counterpart in the country where the institution is located. These exchanges are verified between the deposit guarantee scheme of the failed institution (home position) and the guarantee schemes of the country in which a branch of this institution is located (host position).
- **Total Flow test:** verifies the ability of the FGDR's system to handle all situations resulting from a compensation process. The compensation system is implemented in its entirety (all activities, all service providers, all organisations, all tools) to verify that it fully meets its objectives.
- **Area-specific simulation:** stresses a specific part of the system in order to improve it. This entails fully ensuring the operability, efficiency, robustness or security of a part of the system.
- **Intrusion test:** ensures that the computer systems are resistant to malicious attacks. Experts simulate attacks on the FGDR's computer systems (institutional website, CCS, contribution management platform, office equipment) in order to detect any security flaws.

3.3.1. Summary of the tests conducted in 2020

The actions taken in 2020 included:
- regular control of 202 institutions;
- a cross-functional Total Flow test for simulation of a compensation procedure;
- ten dimensioning tests compared with six in 2019;
- ten operational tests compared with eight in 2019;
- three counter-audits of intrusion tests;
- two cross-border tests versus three in 2019;
- a series of coordination workshops between the Communication and Operations teams.

Given the health restrictions, no tests were conducted with a volunteer institution in 2020.

All stakeholders were mobilised and actively involved in these operations. The vast majority of the results met the objectives, which confirmed strong overall performance. However, it is important to keep these test and simulation systems under stress since, when properly conducted, they always reveal areas of improvement and make it possible to alert external service providers and others involved in the compensation process and monitor their performance. The tests conducted this year revealed a need for improvements in:

- Teleperformance's response times during dimensioning tests (for both the contact centre and the processing centre);
- the ability of some European guarantee schemes to automatically integrate technical files sent to them by the FGDR for payment of compensation to depositors in their country on behalf of the FGDR.

All these improvements are currently under way.

The FGDR's Compensation and Communication System (CCS) partners

To fulfil its mission, the FGDR relies on a number of partners that are prepared to take action in the event of compensation:

- equensWorldline for the technical compensation platform;
- Edokial for printing letters and cheques sent to depositors;
- Tessi for the digitisation of all letters exchanged between the FGDR and depositors;
- Teleperformance for call centre and processing centre services;
- LCL, Banque de Tahiti and Banque de Nouvelle-Calédonie, for the payment of compensation to depositors;
- various assets managers for management of the portfolios;
- Claranet for website hosting;
- Insign for content administration and technical supervision of the FGDR website, and moderation of public social networks;
- Novalem for statistics tracking and natural and paid search engine optimisation;
- Skilld for technical development of the website;
- Clai for institutional communication, press relations and moderation of professional social networks.

3.3.2. Focus on regular controls with credit institutions

Of the 350 institutions that are members of the deposit guarantee scheme and for the 2020 campaign, 202 were subject to regular controls. In fact:

- 74 are not subject to regular controls because they did not collect deposits in 2020. As is the case each year, the effective manager of the institution in question requested an exemption from the requirement to submit an SCV file, which was approved by the FGDR after reviewing the situation justifying it.
- 74 others were not subject to regular controls in 2020 for the following reasons: they undergo regular controls every two years because they belong to a group with a satisfactory score, their licence is being revoked, etc.

3.3.2.1. General results of regular controls of Single Customer View (SCV) files

100% of the institutions (202) were subject to the control procedure:

- 82% of the institutions (165) had a "satisfactory" or "relatively satisfactory" score;
- for the remaining 18% of institutions (37):
  - 13% (27) had a "less than satisfactory" result,
  - 5% (10) had an "unsatisfactory" result.

3.3.2.2. Trend in the control results over three years

The percentage of "satisfactory" and "relatively satisfactory" scores remained stable compared with the previous campaigns (77% in 2018, 83% in 2019, 82% in 2020) despite the controls being more in-depth and robust.

3.3.2.3. Trajectory of the regular control process

For the seventh regular control campaign in 2021, the FGDR will pursue the policy of convergence towards the conditions regarding compensation, and particularly by again shortening the deadline for submitting the SCV file.

For the 2021 regular control campaign, the next phase is defined as follows:

- five working days advance notice of the control given by the FGDR (seven days in 2020);
- the SCV file generated by the institution on a date imposed by the FGDR within three days (five days in 2020).

On-site controls are expected to be conducted for the first time in 2021 at institutions according to selection criteria based on a risk analysis.

3.3.3. Focus on the cross-functional Total Flow test for simulation of a compensation procedure

Included in the 2019-2022 stress test plan, the 2020 Total Flow simulation exercise was carried out after the completion in late 2019 of a Happy Flow exercise, which covered the minimum compensation procedure based on the processing of simple, so-called "passing" cases.

"Passing cases" are files of customers of the failed credit institution that do not require special processing by the FGDR or its service providers in order to issue compensation.

The scope of a Total Flow exercise is broader and includes a more demanding crisis scenario and the processing of complex cases, in addition to passing cases.

The objectives of the 2020 Total Flow test were to:
- verify the operational capability of the FGDR's system to handle many situations resulting from a compensation process;
- implement the compensation system in its entirety based on the selected scope (all activities, all stakeholders, all organisations, all tools) to ensure that it fully meets its objectives.

These objectives were achieved:
- the overall compensation process was fully activated and numerous tests of the system's operational capability, including all players, were completed;
- dimensioning tests for service providers were also carried out.

Many valuable lessons were learned:
- all depositors received the correct amount of compensation within the required seven working day period;
- the service providers were mobilised within the specified time periods;
- communication occurred as expected.

However, the exercise revealed flaws or areas of improvement in the execution of certain actions within the process and in other areas (tools, procedures, etc.). Actions aimed at optimising the system were identified and documented in a remediation plan.

3.3.4. Focus on tests related to communication

The FGDR's communication channels also need to be tested regularly. The following were therefore conducted in 2020:
- an operational test of paid search engine optimisation and a crisis management test on the Facebook, Twitter and LinkedIn social networks;
- three media trainings.

3.3.5. Focus on cross-border tests

In 2020, two cross-border tests were carried out. The partner deposit guarantee schemes were Luxembourg's deposit guarantee scheme (CSSF) and the Netherlands' deposit guarantee scheme (DNB). These tests confirmed the ability of the FGDR's Compensation and Communication System to be operational for the transmission of an SCV file with the FGDR both in the home position, responsible for compensating customers of an EU-based branch of a French credit institution, but not as the operator of the compensation process (the operator being the guarantee scheme of the host country), and in the host position, where the FGDR is the service provider of another guarantee scheme for these same operations.

3.3.6. Focus on tests related to financial resources

Each year, the FGDR conducts stress tests to measure the time needed to sell its assets in order to have cash available for a possible intervention. These stress tests last several days, involve all the FGDR's fund managers and apply to all types of investments.

The test is carried out as follows: the FGDR gives the managers of its dedicated funds a few hours to indicate, based on the market conditions prevailing at the time of the test, the time needed to sell all the securities in the portfolio and any discounts that may be applied. The managers respond to this request using pre-defined methods.

These tests demonstrated the relevance of the allocation choices and the restrictions applicable to the FGDR's investments.

3.4. Communication and training

3.4.1. Principles and preparation of the FGDR's communication

In 2020, as in previous years, the FGDR's communication centred around communication "under normal circumstances" and "crisis" communication. For the FGDR, it is essential to provide information about the protective mechanisms to all its audiences (partners, financial institutions, media, industry professionals and the general public) and thereby further strengthen trust in the financial sector. In addition, controlling the effects of a media crisis and customer support processes are crucial in the event of an intervention.

The FGDR's six communication principles:

- **progressiveness:** being appropriately visible, without generating unnecessary questions or fuelling fears of a crisis;
- **education:** responding clearly to questions and conveying a strong message of customer protection and financial risk prevention for banks and financial institutions;
- **support:** being available quickly at the public's request, creating and nurturing a relationship of trust;
- **consistency:** being in line with the messages and information disseminated by the entire banking industry (authorities, banking institutions, representative bodies);
- **clarity:** conveying a strong message in support of customers and the financial sector regarding the progress made in terms of protecting customer deposits;
- **adaptability and responsiveness:** immediately initiating a crisis communication process as needed.

3.4.2. Communication under normal circumstances and in times of crisis

Communication under normal circumstances consists of the following activities:

- management of the website and updates to its content;
- relations with banking industry stakeholders: members and representative bodies (OCBF, FBF);
- continued efforts to educate the media and, in turn, the general public;
- management of social network accounts for interaction between the FGDR and external stakeholders: the banking profession, journalists, and the general public.

Work related to crisis communication has been a top priority since 2012 with:

- the development and management of the proprietary communication channels associated with the CCS: website, letters and compensation platform, call centre (see section 3.2. Changes to the integrated Compensation and Communication System);
- stress tests conducted according to the three-year plan (see section 3.3. Deployment of the stress test plan);
- the ramp-up and management of indirect external communication channels: media, social networks;
- the preparation for interaction through communication with an institution's communication departments in the event of a failure.

For this activity as a whole, work during the year focused mainly on:

- completion of the redesign of the website, the new version of which was launched in August 2020 to provide customers of financial institutions with a level of information that is readily available and in line with what the public now expects;
- ongoing media contacts and social network development, with the pace and content of posts adjusted during the first lockdown;
- further work with the banking industry on the coordination of communication between a failed bank and the FGDR in the event of an intervention for the purpose of compensation;
- nationwide extension of training for trainers and team leaders of the Teleperformance call centre to ensure more flexibility and faster response times in the event of an increase in activity;
- crisis preparation with 15 tests involving wide-scale communication and a range of topics.

In 2020, the communication activities achieved the objective of gradually increasing the FGDR's visibility. The expansion of the communication ecosystem was particularly rapid on social networks and in the media. The appointment of dedicated FGDR "Crisis Communication" correspondents strengthened interactivity with the member institutions considerably.

The health crisis triggered an increase in requests for information through visits to the website, enquiries from journalists and emails or phone calls from the general public. Under these very unusual, if not extraordinary, circumstances, the FGDR's communication system proved its worth. The survey conducted in May 2020 confirmed a significant improvement in the figures showing confidence in and knowledge of the deposit guarantee scheme.

The FGDR is therefore pursuing its objective of conveying a strong, clear message that of the banking industry about the mechanisms that protect customers and its role as a banking crisis operator in support of responsible finance.

3.4.3. Media and press relations

The FGDR has worked since the end of 2015 to cultivate the link with the community of journalists specialising in the economy and finance, which has gradually grown to include representatives of the regional press and the mainstream press.

The message of a deposit protection mechanism involving the entire industry continues to be effectively conveyed by the economic press, whether specialised or intended for the general public. The expansion of the communication ecosystem was particularly rapid in the media and on social networks, with the health crisis raising numerous questions among the entire French population.

The number of articles mentioning the FGDR in 2020 increased substantially to 131, which represents an equivalent of 67.5 million potential readers:

Year	Annual press mentions (mentions and articles)
2017	45
2018	67
2019	87
2020	131

Articles during the year included:

- *BFM Business*, "Good Morning Business" programme, May 2020: a report on the deposit guarantee scheme;
- *Femme actuelle*, April 2020: "Health crisis: are my savings safe?";
- *Notre Temps*, May 2020: "Your bank deposits guaranteed up to €100,000";
- *Le Parisien*, May 2020: "*Livret A*, current account, shares, life insurance… what guarantees for your money?";
- *L'Express*, October 2020: "What would happen if your bank were to fail?";
- *Le Figaro magazine + lefigaro.fr*, November 2020: "French people know they are covered in the event of a bank failure".

3.4.4. Social networks

These digital communication tools are becoming an increasingly important part of the work of journalists and in terms of media visibility. They are also used on a massive scale by the general public to express themselves individually and collectively.

The spread of information many times over prompted the FGDR to create Twitter and Facebook accounts, the first in 2016 and the second in 2018. As a preventative measure, the FGDR's presence on social networks provides a communication platform under normal circumstances that will be available in the event of a crisis. Activity on social networks increased significantly despite the fact that no posts were made during the height of the pandemic between March and May 2020. Knowledge of the FGDR and its visibility are on the rise, allowing the creation of a community among economic experts, the banking sector and the general public. Push activity on the FGDR's social media accounts was reduced throughout the first lockdown and resumed at its usual pace in the second half of the year.

As of 31 December 2020, the FGDR's Twitter account had close to 690 subscribers and 1,200 subscriptions. Nearly 130 tweets posted this year generated 215,772 views (compared with 425,000 in 2019) and 13,739 visits to the account (versus 9,225 in 2019).

FGDR Twitter account (account reactivated in April 2016)					
Year	Number of FGDR subscribers	Number of subscriptions	Number of tweets posted	Number of views	Number of visits to the FGDR's account
2016	534	544	72	-	-
2017	515	570	79	11,500	393
2018	564	630	185	198,497	5,494
2019	596	691	287	425,000	9,225
2020	689	1,207	129	215,772	13,739

In 2020, there were 63 posts on LinkedIn which were viewed 22,265 times:

FGDR LinkedIn account (created in November 2019)				
Year	Number of subscribers	Number of posts	Number of visits to the page	Number of times content viewed
2019	65	5	30	1,187
2020	343	63	1,116	22,265

On Facebook, the 2020 results confirm the performance of the strategy aimed at enhancing the FGDR's visibility: improvement in 2020 performance, with nearly 1,858,632 people reached, an engagement rate of 5.89%, and more than 265,000 video views at 95% of their length.

FGDR Facebook account (created in September 2018)					
Year	Number of subscribers	Number of posts	Number of people reached	Engagement rate	Video views at 95% of their length
2018	22	28	965	-	201
2019	67	51	694,505	11.92%	225,337
2020	161	47	1,858,632	5.89%	265,031

3.4.5. Institutional website

After six years of operation, a technical overhaul was necessary, and the first phase of the modernisation of the hosting platform and the technical platform was completed at the end of 2019. The functional overhaul continued in 2020 and the new site was launched in October 2020. The design, ergonomics, content structure and written content were completed throughout the first half of the year for an initial launch in early August 2020 and delivery of all the modules in French and English in October 2020. While the first site created in 2013 offered a clear presentation of the FGDR, its guarantees and regulations, the new site provides a more "service-oriented" structure that is geared towards users' needs thanks to knowledge of their behaviour in terms of pages read and expectations.

In terms of traffic, public interest in the FGDR and the guarantees it provides has grown each year. The year 2016 saw an increase in traffic with the publication of the annual information notices derived from the European directive.

Traffic in 2020 was particularly high, and more than twice that of 2019. During the year, traffic was at its highest in March with a peak of 120,496 visits (versus 16,386 the previous year). Traffic reached a low point in August with 20,374 visits before increasing to 48,025 visits in December 2020.

As in the past, the new site was built using natural search engine optimisation techniques. This content tagging allows the site to be listed at the top of responses to users' requests; it also enhances the site's visibility and encourages visits.

Traffic on the FGDR's institutional website (number of visits)	Number of visits per year	Monthly average
2014	52,194	4,350
2015	60,186	5,016
2016	201,560	16,797
2017	187,512	15,626
2018	186,234	15,520
2019	252,063	21,005
2020	604,895	50,408

Average monthly traffic	2020	2019
January	38,536	36,138
March	120,496	16,386
August	20,374	14,427
December	48,025	24,337

3.4.6. The annual awareness and recognition poll

For the general public

In 2020, confidence in the banking system rose by a few points (Q 1):

- 64% of French people say they are confident when they deposit their money at a bank compared with 59% in 2019. This score was 78% for people who say they know about the FGDR;
- 52% of French people say they are confident that they will not lose all their money if their bank fails (+2 points compared with 2019). This score was 61% for those who say they know about the FGDR.

More than Half of French people now have general knowledge of bank deposit protection:

- 53% of French people say they know that a deposit guarantee scheme exists, 3 points higher than in 2019 (Q 3);
- 62% are aware that their current accounts are covered, the same score as in 2019 (Q 3); and
- 56% of French people are aware of the guarantee that covers savings accounts (-6 points) (Q 5), which confirms the difficulty in understanding the protection provided by the deposit guarantee scheme, for current accounts and savings accounts and plans, and the French government guarantee, for *Livret* type "A", "LDDS" and "LEP" savings accounts;
- 49% of French people say they have heard of the FGDR, 3 points higher than in 2019 (Q 13);

The details of the deposit guarantee scheme about which most of those surveyed are still unclear are the compensation amount and the compensation period:

- less than one-fourth of French people (23%) are able to give the maximum compensation amount of €100,000 per person, per institution, -2 points (Q 16);
- 8% of French people have precise knowledge of the seven working day compensation period (Q 16ter).

For banking sector professionals

The banking sector professionals interviewed continue to have a confidence level of 99%, and 85% believe that customers would not lose all their money in the event of a bank failure (scores the same as in 2019).

Methodology of the FGDR/Harris Interactive awareness and recognition poll

In accordance with international public awareness best practices derived from the Core Principles for Depositors Insurers issued by the International Association of Deposit Insurers (IADI), the Harris Interactive poll on reputation and image was conducted again for the fifth straight year and, although there is still some progress to be made, measured the increase in the FGDR's visibility.

Online poll of a sample of 2,152 people representative of the French population and its 13 administrative regions conducted from 25 May to 12 June 2020.

Along with a telephone survey of:
- 120 banking sector professionals within institutions based on the quota method;
- 70 opinion leaders, including 35 journalists and section editors from business and financial media outlets, saver association managers and expert "economy" bloggers, and 35 journalists from mainstream media outlets.

Banking sector professionals' knowledge of the existence of a deposit guarantee scheme rose to 95%, +5 points.

The FGDR's name recognition score was up by 11 points in 2020 to 84%, with a 26-point increase (Q 13) among young recruits for whom name recognition was low in 2019.

For opinion leaders

Opinion leaders' confidence in the banking system declined in 2020, presumably because of the prospect of an economic crisis linked to the COVID-19 pandemic:
- confidence in the banking system: 73%, 5 points lower than in 2019, with a score of 83% for specialised journalists and 63% for mainstream journalists (Q 1).

However, they continue to play a key role in terms of confidence and their knowledge of the scheme is increasing:

- confidence that all their money will not be lost in the event of a failure: 69% versus 59% in 2019 (Q 1);
- knowledge of the deposit guarantee scheme: 74%, +1 point compared with 2019 (Q 3);
- knowledge of the FGDR: 59%, down slightly by 3 points (Q 13).

To summarise, this poll shows that more than half of French people now know about the deposit guarantee scheme, with a score of 53% (+3 points versus 2019 and +9 points versus 2016). Nearly half of French people (49%) are aware of the FGDR (+3 points compared with 2019). Its role is also becoming a bit clearer, with 14% of French people saying they know what it does (+5 points). However, further education is needed to ensure that French people are more familiar with the products and amounts covered and the compensation period.

French people who say they know about the FGDR have a higher-than-average level of trust in the banking system, thereby demonstrating the ability of the deposit guarantee scheme to provide reassurance. The FGDR's mission is to maintain French people's trust in the banking system, and the progress made this year is again significant.

These results are also an incentive to step up educational efforts, particularly as regards the maximum amount of €100,000 per customer, per institution and the seven working day compensation period.

3.4.7. Relations with the banking industry in terms of communication

In terms of communication, the FGDR set up a financial working group in 2015 to deal specifically with customer information and communication, both under normal circumstances and in the event of compensation.

The banking communication working group had been reinstated in 2019 for the launch of the "Seven-Day Communication" project in order to collaboratively develop the coordination of communication between the FGDR and a member institution in the event of the institution's failure.

The year 2020 marked the start of a long-term endeavour to obtain the names of "Crisis Communication" correspondents appointed by each member of the FGDR's deposit guarantee scheme. This work is essential for the FGDR given the importance of proper coordination of communication within the industry in the event of a media crisis related to an intervention in a member institution. It will continue in the coming years.

As of 9 October 2020:
- 259 "Crisis Communication" correspondents had been appointed based on the 268 institutions contacted;
- 92% of the profiles are in line with the target functions: communication/marketing (56%), general management (19%) as a priority, and risk/compliance (17%) in third place;
- 239 files were received, i.e. nearly 90% of the institutions that responded.

This exchange of information about the communication systems in place and the resources to be activated in the event of an intervention by the FGDR was very valuable and allowed a sharing of practices regarding the prioritisation of communication channels, response

Question 2 of the 2020 Harris Interactive - FGDR Poll

"If a bank at which you have made deposits (into a current account, a passbook or other savings account, etc.) were to fail, do you think your money would be protected?"

__Opinion leaders (O.L.):__ results should be taken with caution given the smaller number of people polled for this target.

times for each channel if content needs to be adapted or closure if a crisis situation so requires. However, the workshop with a volunteer institution did not take place in 2020 as planned due to the pandemic.

More generally, the FGDR continued to meet with its members to address banking issues. In 2020, meetings with the FGDR's correspondents at member banks were held remotely and focused on work related to the Compensation and Communication System, the preparation, and results of regular controls of Single Customer View files and 2021 planning.

These meetings take place with support from the Office de coordination bancaire et financière (OCBF) and the Fédération bancaire française (FBF).

In terms of international workshops, the FGDR did not host any of the meetings scheduled for 2020, and all the work of the EFDI and the IADI was done remotely. However, the FGDR is proud of its active contribution to exchanges of best practices and the development of synergies among deposit guarantee schemes. It has coordinated the EFDI's Public Relations and Communication Committee since 2019. This committee consists of more than 80 participants. In 2020, six sessions were held remotely, each of which included the presentation of compensation cases, communication campaigns during the year, results of the awareness and recognition polls and crisis preparation work. The committee produced a fact-finding report on best practices in the field of reputation and image surveys for deposit guarantee schemes, based on the results of a consultation conducted within the association in late 2018.

With the support of the EFDI's Secretariat and Board, these meetings are an opportunity to implement the roadmap for work on cooperation and exchanges, which was validated at the association's annual general meeting.

3.4.8. Internal and external training

Training is provided to service partners through a skills maintenance programme for operators at the Teleperformance call centre and processing centre and to the back-up teams at the press relations centre set up at the Clai agency.

The operational stress tests conducted by the FGDR's teams with their service providers are, in essence, an intensive training and practice ground (see section 3.3. Deployment of the stress test plan).

The FGDR can fulfil its mission only if internal skills are maintained continuously and measured at regular intervals. Thus, as in 2019, the 2020 training programme was geared towards individualised choices, with a focus on business requirements and job profiles. A total of 224 hours of training was offered in communication, digital innovation, risk management, blockchain, fraud, fire, staff representatives, knowledge of the banking environment and English (compared with 150 hours in 2019).

3.5.
Asset management

The FGDR's investment policy was defined so as to meet the objectives of its mission.

These objectives are set out in the European directive on deposit guarantee schemes, with which the FGDR fully complies. The aim is to have the necessary resources for an intervention, particularly to compensate depositors within seven working days. This requirement, which implies, first and foremost, having access to financial resources within an extremely short time period, is therefore reflected in the investment policy.

In light of this, the FGDR has designed its investment policy with liquidity and capital preservation as its main objectives and performance as merely a secondary objective. As a result of this policy, there are strict requirements as to the quality of debt securities eligible for investment (A- for corporate securities and BBB for sovereign securities), dispersion of credit risk (maximum 4% per issuer) and asset allocation (minimum 60% money market investments).

Asset allocation is one of the key factors that enable the FGDR to meet its investment objectives. The allocation was reviewed at the Supervisory Board meeting on 15 December 2016 and then adjusted through a decision of the Executive Board on 13 December 2018 with respect to the amount of the capitalisation contracts. It prioritises asset classes considered the most liquid, while avoiding excessive concentration in a single market.

It is now as follows:

Historical value of units of mutual funds	
Equity investments	up to 5%
Bond investments	up to 35%
Money market investments	at least 60%, of which a maximum of 10% (6% of the total portfolio) in the form of capitalisation contracts

As regards the selection of asset management companies that will be tasked with implementing this investment policy, the FGDR launches tenders for which several criteria must be met, including in particular:
- compliance with investment constraints in the model portfolio presented;
- the management company's proven expertise in the management style in question (the assets under management entrusted by the FGDR must not exceed 10% of the total assets managed by the company for this management style);
- the price of the service;
- the quality of the risk control and monitoring process.

Moreover, as a banking crisis operator in support of responsible finance, the FGDR has included environmental, social and governance (ESG) criteria in its investment policy for the past several years. Its goal is therefore to contribute to the overall objectives of the banking sector in this area. To develop this investment policy, the FGDR's Executive Board has long been supported by an advisory committee on financial resources management, in accordance with the FGDR's internal regulations.

The role of this independent committee is to express opinions regarding asset management. It has at least five members, including a Chair. Its members are individuals chosen from member institutions and their subsidiaries who have acquired recognised experience in cash and fund management. They are appointed by the Executive Board.

As of 31 December 2020, the committee's members included the following:

Advisory Committee on Financial Resources Management	
Chair	**Isabelle REUX-BROWN** – NATIXIS
Members	**Laurent TIGNARD** – AMUNDI
	Alexandre ADAM – BNP PARIBAS
	Laurent CÔTE – CA-CIB
	Bernard DESCREUX – EDF
	Claudio KERNEL – BPCE GROUP
Members of the Executive Board participate in meetings.	

In 2020, the advisory committee assessed management in 2019 and monitored changes in the performance of the FGDR's asset portfolios in a market environment heavily impacted by the effects of the COVID-19 pandemic.

The committee was also asked to issue an opinion on:

- the choice of management style to be adopted in 2021 for the equities segment and, in particular, the appropriateness of using passive management;
- the choice of ESG criteria to be used for management of the equity portfolio;
- the selection by tender of the company responsible for implementing passive equity management;
- the reallocation of assets among bond managers and the selection of a new manager;
- investment of the contributions received by the FGDR in 2020.

3.5.1. Management decisions

After paying its operating and investment expenses, the FGDR invested the balance of the amounts received for 2020 contributions, i.e. €624.2 million, and the €129.6 million in cash pending investment at the end of 2019 in money market, bond and equity funds. The total amount of these investments rose by €736.6 million in book value and €709.3 million in market value. The increase in the book value of investments breaks down as follows:

- +€206.2 million in dedicated money market funds;
- +€492.8 million in dedicated bond funds;
- +€35.1 million in dedicated equity funds;
- +€2.5 million in capitalisation contracts.

These investments were made in accordance with the relative limits in historical values defined by the investment policy.

3.5.2. Return on the portfolio

Performance				
2020	**Net asset value (€ m)**	**Performance during the year (€ m)**	**Return %**	**Unrealised gains (€ m)**
Overall portfolio	5,424.1	-33.4	-0.75	+131.6
Equity portfolio	401.3	+4.7	+1.18	+122.5
Bond portfolio	1,847.5	-31.8	-2.13	+9.1
Money market portfolio	2,936.5	-8.8	-0.32	0
Capitalisation contracts	238.8	+2.5	+1.04	0

The portfolio's overall performance in 2020 was negative at -0.75% compared with a positive performance of +1.55% in 2019. Unrealised gains, i.e. not recorded in the profit and loss statement, represented 2.43% of the market value of the investment portfolio at 31 December 2020.

The equity portfolio was the main source of unrealised gains. The gain on this portfolio was €122.5 million at 31 December 2020 out of a total gain of €131.6 for the portfolio as a whole. Although highly volatile during the year, the portfolio's performance was slightly positive for the year (+1.18%) and benefited from the renewed risk appetite of investors in the second half of 2020.

The bond portfolio was the main contributor to the overall negative performance in 2020. Its yield of -€31.8 million (-2.13%) was heavily impacted by the rate environment and the economic crisis caused by the COVID-19 pandemic. This segment is managed by management companies with an absolute performance objective, but also with constraints in terms of volatility and maximum loss. In March 2020, the market downturn triggered a rapid decline in the funds' performance. Two of the four management companies that manage the FGDR's portfolio were forced to activate stop losses and sell all their exposures to meet their commitments. These two funds therefore crystallised their losses and did not benefit from the improvement in market conditions in the second half of the year. The FGDR therefore decided to reallocate the funds entrusted to these two management companies to a new management company and to the two remaining management companies. As a reminder, the investment objective of this segment is capital protection to ensure that financial resources are readily available regardless of market conditions. This objective precludes sharp drops in performance.

Money market investments had negative returns of -€8.8 million. This net return corresponds to a performance of -0.32%, which is significantly better than the average Eonia of -0.47% during the period. The portfolio benefited from the widening of issuers' credit margins following market tensions during the spread of the COVID-19 pandemic. At the end of the first quarter, the managers were therefore able to purchase securities with yields well above the Eonia rate. However, given the fast turnover of securities, this source of performance dried up as margins generally returned to pre-crisis levels in the second half of the year.

The return on the capitalisation contracts in euro funds was +€2.5 million in 2020, i.e. +1.04%. This return was down from 2019 (+1.28%) but is an attractive source of return since insurance companies guarantee a positive annual performance regardless of market conditions.

3.5.3. Portfolio analysis

Assets under management, measured at market value at 31 December 2020, amounted to €5.4241 billion, for a net book value of €5.2924 billion.

They break down as follows in market value:

Market value (€ m) Breakdown (%)	End of 2020	End of 2019	End of 2018	End of 2017	End of 2016
Equity mutual fund investments	401.3 7.4%	378.0 8.0%	281.7 6.7%	283.8 7.1%	244.1 6.6%
Bond mutual fund investments	1,847.5 34.1%	1,370.3 29.1%	1,364.6 32.7%	1,385.6 34.9%	1,207.0 32.7%
Money market mutual fund investments + capitalisation contracts	3,175.3 58.5%	2,966.5 62.9%	2,529.9 60.6%	2,304.8 58.0%	2,237.5 60.7%
Total	**5,424.1**	**4,714.8**	**4,176.2**	**3,974.2**	**3,688.6**

In historical value, the breakdown of investments reflects the Supervisory Board's decision.

Historical value (€ m) Breakdown (%)	End of 2020
Equity mutual fund investments	278.8 5.3%
Bond mutual fund investments	1,838.4 34.7%
Money market mutual fund investments + capitalisation contracts	3,175.2 60.0%
Total	**5,292.4**

a) Breakdown of counterparty risks

The management agreements stipulate that counterparties must have a rating of at least A1 (S&P) or P1 (Moody's) for short-term paper – with an exception up to A2/P2 for non-financial corporate issuers. For long-term paper, the minimum rating is BBB (S&P) or Baa2 (Moody's) for government securities and A- (S&P) or A3 (Moody's) for corporate securities. Risk dispersion rules limit the concentration of investments in issuers. Therefore, all asset classes combined, the 10 largest nominal exposures to credit risk represented 13.3% of the total exposure in 2020 (13.4% in 2019).

At 31 December 2020, this breakdown for all portfolios was as follows:

Rating	%
AAA	3.58
AA	14.57
A	48.55
BBB	6.93
< BBB	-
A1+ (ST)	-
A1 (ST)	19.42
A2 (ST)	6.95
A3 (ST)	-
Not rated	-

b) Sensitivity of the fixed-income portfolio and stress tests

At the end of 2020, the overall sensitivity of the portfolio to changes in interest rates, which is used to assess the overall interest-rate risk in the FGDR's portfolio, was -0.46. In other words, in the event of a 1% increase in market rates, the performance of the portfolio will vary by -0.46%, all things being equal. This level, far lower than in 2019 (-0.57), reflects the decision taken by the bond fund managers to limit the exposure of the funds to a potential increase in rates.

The annual risk assessment was carried out in accordance with the recommendations of the advisory committee on financial resources management and the Supervisory Board in 2007.

The VaR of the portfolio is calculated based on the parameter approach with probabilities of 95% and 99% and time horizons of one week, one month and one year.

At 31 December 2020, the VaR was as follows:

VaR	1 week	1 month	1 year
VaR 95%	-0.50%	-1.00%	-2.71%
VaR 99%	-0.72%	-1.45%	-4.27%

Over one year, the investment structure of the FGDR's portfolio is such that the probability of a rate of return of more than -4.27% is 99% (-3.75% at end-2019). The VaR thus determined for the various time horizons takes into account the market shock related to the COVID-19 pandemic. Market volatility in 2020 led to a deterioration of this indicator while, on the whole, the sensitivity of the bond portfolio decreased compared with the end of 2019.

The overall risk associated with the portfolio therefore remains limited, though not insignificant, as the stress tests confirm. Stress tests have a legislative nature and are not associated with a probability of occurrence. They are used to estimate losses based on significant changes in certain assets or interest rates. The main assumptions used are as follows:

- for equities: 20%, 30% and 40% asset deterioration;
- for interest rates: 0.5%, 1% and 2% rate increase;
- for money market and bond assets: 4 and 8 times the historical default per rating published by the rating agencies (S&P and Moody's).

For the extreme scenarios – applied to the portfolio at 31 December 2020 – for all risks taken simultaneously, this results in a loss of 4.11%, i.e. €222 million (versus 6.65%, €306 million in 2019). Risk declined significantly since the historical default rates published by S&P and Moody's used as a benchmark for stress tests were down substantially.

3.5.4. Socially responsible investment (SRI)

The FGDR's aim is to gradually incorporate environmental, social and governance (ESG) criteria into its investment and management company selection policy. These criteria are fully in line with its strategy as a "responsible finance operator". They are also taken into account during the FGDR's assessment of fund management performance. With this in mind, the FGDR launched various studies to decide which indicators and principles it would use in determining its investment policy and opted for the following:

- periodic assessment of the carbon footprint of the equity and bond portfolio;
- verification during fund management tenders that the service providers selected are signatories of the Principles for Responsible Investment (PRI) defined by the United Nations (UN);
- determination of the percentage of securities in its portfolio that is eligible for each management company's "socially responsible investment" (SRI) funds.

The FGDR also decided to add investment restrictions for the management of its equity portfolio in order to include ESG criteria. This change will take effect in February 2021. Shares of companies that fail to meet any of the following criteria will be excluded from the investment universe:
- compliance with the principles defined in the UN's Global Compact. These 10 principles relate to respect for human rights, international labour standards, the environment and anti-corruption;
- less than 5% of the company's business involves the use of coal;
- no production or sale of controversial weapons of any kind.

In the future, the FGDR plans to increase the use of ESG criteria in the tender selection of management companies responsible for its investments.

3.6. Internal control

The FGDR's internal control system is an essential and necessary component of its operation. It ensures compliance with laws and regulations, protects information and assets, and assesses and seeks to reduce the risks to which the FGDR is subject, within the limit of the risk tolerance defined by the FGDR. In this way, it helps to ensure that the FGDR has an effective level of operational capability under normal circumstances and, in particular, in the event of an intervention.

The internal control system is based on an internal control charter approved by the Supervisory Board. In the absence of a specific regulatory framework applicable to the FGDR, governance of internal control complies with best practices. The FGDR's means and resources are appropriate to its organisation and include an internal control officer who reports directly to the Supervisory Board, three successive lines of defence made up of permanent control carried out by each department, a level of control implemented by the internal control officer based on guidelines issued by the Executive Board, and review and approval by the Supervisory Board of a detailed annual internal control report.

3.6.1. Revision of the methodological approach and tools

FGDR has internal tools that are used to identify, measure and control risks. Based on an analysis of its system, in 2020 the FGDR began to develop a new tool that capitalises on the experience gained since 2014. The aim of this tool is to:
- build a comprehensive risk register that, in addition to the traditional macroscopic view, offers a granular view down to the detailed malfunction by action and/or process;
- draw up an inventory of remedial actions;
- adapt the action plans from previous years;
- formalise a system of internal control, at regular intervals, adapted to the FGDR, which will subsequently contribute to the risk assessment process;
- have a multifaceted graphical view of risks based on selected indicators (criticality, impact, type of residual risk) so as to define thresholds requiring attention.

In terms of approach, all the FGDR's departments have been and will continue to be involved in developing this tool during the risk assessment and remedial action phase. The goal is to have an overall risk assessment and treatment system.

The work was broken down as follows:
- a qualitative phase that allowed the definition of a new framework in line with the previous one, a comprehensive tool to identify all risks and their effects, the controls implemented or to be implemented, and the associated action plans;
- a quantitative phase for assessing risks;
- a phase for analysing and using the results;
- consolidation of the remediation plan; and
- updating of the control plan.

The analysis phase and formalisation of the action and control plans will continue in early 2021.

3.6.2. Internal control activity

In addition to defining methodologies and associated tools, as part of the risk control process internal control defines a set of controls to reduce the risks related to its processes. This plan is updated every year. For instance, the FGDR ensures that service providers that are essential for the fulfilment of its missions have continuity plans that are tested regularly. It also has a continuity plan that would allow it to continue its operations in the event of a crisis. This continuity plan was tested during the teleworking periods in 2020.

The other key event in the area of internal control in 2020 was the continuation of simulations of the compensation procedure for the deposit guarantee scheme. This entails measuring the ability of the FGDR, including that of its ecosystem, to play its role in the event of an intervention based on its objectives and obligations (see section 3.3. Deployment of the stress test plan). They provide valuable lessons and ensure continuous improvement of the processes.

In addition, in line with its strategy of continuously improving its level of IT security, during the year the FGDR pursued its policy of implementing intrusion tests performed by companies endorsed by the Agence nationale de la sécurité des systèmes d'information (ANSSI). As has been the case since 2014, intrusion tests were performed on the CCS and non-CCS environments (including the website). These tests demonstrated the high level of IT security of the FGDR's infrastructures while identifying potential improvements, which were made immediately. The intrusion tests help to continuously improve the security of the FGDR's information systems while also allowing the teams to remain focused on ongoing maintenance of the operational system (CCS and member database).

3.7. The FGDR during the COVID-19 crisis

In response to the COVID-19 health crisis, the FGDR made every effort to ensure the continuity of its mission given its primary responsibility with respect to the security of the banking system.

The Executive Board immediately took steps to ensure the safety of FGDR employees by introducing measures to protect their health and by allowing them to work entirely remotely on several occasions.

The FGDR's employees remained fully committed to continuing their work during this period and were able to adapt to unprecedented conditions. As a result, the FGDR did not need to reduce its operations and completed all the work originally planned, including the studies carried out in collaboration with other guarantee schemes.

It seized this opportunity to test all its processes, whether related to day-to-day management or crisis management and, for the latter, conducted various stress tests that enabled it to validate its decision-making, communication, and operational processes.

4

Monitoring of past interventions

4.1. Crédit martiniquais

4.1.1. Proceedings brought by the FGDR

Following proceedings brought in 2000 to hold the directors of the former Crédit martiniquais accountable for the problems encountered by the bank, which had justified the FGDR's preventive intervention in 1999, in September 2016 the FGDR appealed a ruling by the Paris Court of Appeal handed down in July of the same year. In a ruling rendered on 9 January 2019, the Commercial Chamber of the Court of Cassation rejected the FGDR's appeal. The Court based its decision to reject the appeal on the principle of sovereignty of discretion of appeal judges. It also found that the FGDR's action was statute-barred as it referred to a ruling of the Versailles Court of Appeal of 3 May 2007 which had allowed the FGDR's action. According to the Court, this limitation period had expired even before the FGDR's intervention, since it began in 1996 on the date of the managers' misconduct and ended in 1999, and not when the FGDR became aware of it. The ruling of 9 January 2019 marked the end of appeals that may be brought by the FGDR.

4.1.2. Proceedings brought by the liquidator

Crédit martiniquais, which became Financière du Forum, was placed in court-ordered liquidation by the Commercial Court of Paris on 24 June 2015. In accordance with the laws in force, the FGDR presented its claim in an amount of more than €237 million. On 29 May 2018, the liquidator subpoenaed the directors of Financière du Forum as part of an action to pay off that company's debt, including the FGDR's claim, at their expense. These proceedings, managed by the liquidator, are ongoing.

4.2. Européenne de gestion privée (EGP)

All the proceedings that were pending in France ended without any decision taken by the FGDR regarding the compensation of EGP's former clients being invalidated. Moreover, the criminal lawsuits in Italy against the former senior managers, and in which the FGDR was a plaintiff claiming damages, continued. In a ruling, the operative part of which was sent to the parties on 2 December 2016, the District Court of Rome, in addition to convicting the individuals charged, referred the determination of injury and the allocation of compensation to the civil court, to which the matter will be presented at the end of the criminal proceedings. Since the ruling of the District Court of Rome is being appealed, the quantification ruling by the civil court will only take place once the court of appeal has rendered its ruling. The criminal proceedings continued in 2019; the FGDR continues to be represented even though it is a lengthy process due to its complexity and the large number of parties represented. The hearings scheduled for 2020 were postponed due to the COVID-19 pandemic.

4.3. Géomarket (formerly Dubus SA)

In July 2020, the FGDR received the sum of €2,000,000 as part of the distribution of the proceeds from the sale of the real estate assets. Moreover, in a ruling handed down on 20 October 2020, the Commercial Court of Lille approved the additional payment of €800,000 (made in December) to the FGDR. The court postponed the review of the termination of the liquidation requested by the FGDR until November 2021.

5

Financial statements

5.1. Balance sheet

Balance sheet - all mechanisms

Assets (€ thousand)	31/12/2019	31/12/2020
Non-current assets	**2,204**	**1,481**
Net tangible and intangible assets	790	808
• *Gross amount*	*1,796*	*2,047*
• *Depreciation, amortisation and provisions*	*-1,006*	*-1,238*
Net compensation platform assets	1,414	673
• *Gross amount*	*18,349*	*18,434*
• *Depreciation, amortisation and provisions*	*-16,935*	*-17,761*
Short-term receivables	**901**	**5,515**
Amounts due from members	5	2
Other receivables (advances made and credit notes received)	4	4
Members – interest receivable	876	5,493
Net monetary penalties and court costs receivable	16	16
• *Gross amount*	*1,393*	*1,373*
• *Depreciation, amortisation and provisions*	*-1,378*	*-1,358*
Claim-related receivables	**0**	**0**
Net receivables	0	0
• *Gross amount*	*204,715*	*201,915*
• *Depreciation, amortisation and provisions*	*-204,715*	*-201,915*
Transferable securities and cash assets	**4,716,155**	**5,323,324**
Shares	243,689	278,802
Bonds	1,345,468	1,838,355
Money market instruments	2,730,238	2,936,495
Capitalisation contracts	236,301	238,764
Cash assets	160,459	30,908
Accruals	**129**	**144**
Pre-paid expenses	129	144
Total assets	**4,719,389**	**5,330,464**

Liabilities (€ thousand)	31/12/2019	31/12/2020
Equity	**2,378,443**	**3,188,811**
Profit/loss	0	0
Technical provision for intervention risk	1,091,117	1,227,391
Technical provision for compliance	886	0
Member's certificates	1,286,439	1,961,420
Subordinated debt	**2,333,666**	**2,136,884**
Certificates of membership	542,956	542,935
Guarantee deposits	1,790,710	1,593,949
Total equity	**4,712,109**	**5,325,695**
Provisions for claims	**158**	**158**
Provisions for risks and charges	**2,797**	**2,825**
Provisions for risks - capitalisation contracts	1,399	1,437
Provisions for charges	1,398	1,389
Current liabilities	**3,887**	**1,642**
Trade payables	1,005	649
Tax and social security liabilities	866	978
Advances received on monetary penalties	16	16
Misc. debtors	2,000	0
Liabilities to members	**439**	**144**
Members – licence revocations and overpayments	439	144
Accruals	**0**	**0**
Accrued income	0	0
Total liabilities	**4,719,389**	**5,330,464**

Between 2019 and 2020, the FGDR's balance sheet total grew by €611 million from €4.719 billion to €5.33 billion. This increase mainly resulted from the collection of contributions for the various guarantee mechanisms managed by the FGDR.

The contributions collected amounted to €625 million (including operating expenses and contributions resulting from transfers between European guarantee schemes) and break down as follows:
- €675 million in member's certificates;
- €144.1 million in premiums, including €12.5 million to finance operating expenses; and
- -€199.7 million in repayments of guarantee deposits.

The amount of repayments of guarantee deposits for the deposit guarantee scheme reflects the decision taken by the FGDR's Supervisory Board to reduce the amount of guarantee deposits relative to the total stock of contributions at the end of 2020 (30% versus 38% at end-2019).

On the asset side, the increase was linked to a rise in transferable securities and cash assets, which were up by €607 million. The bond and money market segments (up €492.9 million and €206.3 million, respectively) posted the largest increases, while cash assets fell by €129.6 million.

On the liabilities side, the increase was mainly due to:
- the €675 million increase in member's certificates for the deposit guarantee scheme;
- the €136.3 million increase in the technical provision for intervention risk (which corresponds to the FGDR's net profit before provision); and
- the €196.8 million decrease in guarantee deposits.

Deposit guarantee scheme balance sheet

Assets (€ thousand)	31/12/2019	31/12/2020
Non-current assets	**1,414**	**673**
Net compensation platform assets	1,414	673
• *Gross amount*	*18,349*	*18,434*
• *Depreciation, amortisation and provisions*	*-16,935*	*-17,761*
Short-term receivables	**877**	**5,288**
Amounts due from members	1	0
Other receivables (advances made and credit notes received)	0	0
Members – interest receivable	876	5,288
Net monetary penalties and court costs receivable	0	0
• *Gross amount*	*303*	*303*
• *Depreciation, amortisation and provisions*	*-303*	*-303*
Claim-related receivables	**0**	**0**
Net amount due from Crédit martiniquais	0	0
• *Gross amount*	*178,537*	*178,537*
• *Depreciation, amortisation and provisions*	*-178,537*	*-178,537*
Transferable securities and cash assets	**4,477,539**	**5,071,420**
Receivables related to committed costs	**2,593**	**5,987**
Total assets	**4,482,422**	**5,083,368**

Liabilities (€ thousand)	31/12/2019	31/12/2020
Equity	**2,224,609**	**3,025,212**
Profit/loss	0	0
Technical provision for intervention risk	937,284	1,063,792
Technical provision for compliance	886	0
Member's certificates	1,286,439	1,961,420
Subordinated debt	**2,257,336**	**2,057,538**
Certificates of membership	533,002	532,991
Guarantee deposits	1,724,333	1,524,548
Total equity	**4,481,945**	**5,082,750**
Provisions for claims	**158**	**158**
Current liabilities	**311**	**371**
Trade payables	308	368
Tax and social security liabilities	3	3
Liabilities to members	**9**	**89**
Members - interest payable	0	0
Members - licence revocations	9	89
Breakdown of balance sheet – committed costs	**0**	**0**
Liabilities related to committed costs	0	0
Total liabilities	**4,482,422**	**5,083,368**

Investor compensation scheme balance sheet

Assets (€ thousand)	31/12/2019	31/12/2020
Short-term receivables	**18**	**146**
Net amounts due from members	2	10
• *Gross amount*	*17*	*25*
• *Depreciation, amortisation and provisions*	*-14*	*-15*
Members – interest receivable	0	121
Net monetary penalties and court costs receivable	16	16
• *Gross amount*	*1,090*	*1,070*
• *Depreciation, amortisation and provisions*	*-1,075*	*-1,055*
Claim-related receivables	**0**	**0**
Net amounts due from EGP	0	0
• *Gross amount*	*22,436*	*22,436*
• *Depreciation, amortisation and provisions*	*-22,436*	*-22,436*
Net amounts due from Dubus SA	0	0
• *Gross amount*	*3,742*	*942*
• *Depreciation, amortisation and provisions*	*-3,742*	*-942*
Transferable securities and cash assets	**158,686**	**162,677**
Receivables related to committed costs	**0**	**0**
Total assets	**158,704**	**162,823**

Liabilities (€ thousand)	31/12/2019	31/12/2020
Equity	**108,912**	**112,224**
Profit/loss	0	0
Technical provision for intervention risk	108,912	112,224
Subordinated debt	**46,986**	**46,948**
Certificates of membership	9,954	9,944
Guarantee deposits	37,032	37,004
Total equity	**155,898**	**159,172**
Provisions for claims	**0**	**0**
Current liabilities	**64**	**94**
Advances received on monetary penalties	16	16
Trade payables	48	78
Tax and social security liabilities	1	1
Liabilities to members	**8**	**43**
Members - licence revocations	8	43
Breakdown of balance sheet – committed costs	**2,734**	**3,513**
Liabilities related to committed costs	2,734	3,513
Total liabilities	**158,704**	**162,823**

Performance bonds guarantee balance sheet

Assets (€ thousand)	31/12/2019	31/12/2020	Liabilities (€ thousand)	31/12/2019	31/12/2020
Short-term receivables	**-2**	**37**	**Equity**	**20,634**	**20,779**
Net amounts due from members	-2	-10	Profit/loss	0	0
• *Gross amount*	*-2*	*-6*	Technical provision for intervention risk	20,634	20,779
• *Depreciation, amortisation and provisions*	*0*	*-4*	**Subordinated debt**	**18,234**	**18,341**
Members - interest receivable	0	47	Certificates of membership	0	0
			Guarantee deposits	18,234	18,341
Claim-related receivables	**0**	**0**	**Total equity**	**38,868**	**39,120**
Transferable securities and cash assets	**39,961**	**40,399**	**Current liabilities**	**0**	**0**
			Trade payables	0	0
Transferable securities and cash assets	39,961	40,399	**Liabilities to members**	**16**	**12**
			Members – licence revocations	16	12
Breakdown of balance sheet – committed costs	**0**	**0**	**Breakdown of balance sheet – committed costs**	**1,075**	**1,304**
Receivables related to committed costs	0	0	Liabilities related to committed costs	1,075	1,304
Total assets	**39,959**	**40,436**	**Total liabilities**	**39,959**	**40,436**

National Resolution Fund (NRF) and Single Resolution Fund (SRF) resolution mechanisms balance sheet

Assets (€ thousand)	31/12/2019	31/12/2020	Liabilities (€ thousand)	31/12/2019	31/12/2020
Short-term receivables	**0**	**36**	**Equity**	**24,288**	**30,596**
Net amounts due from members	0	0	Profit/loss	0	0
			Technical provision for intervention risk	24,288	30,596
• *Gross amount*	*1*	*1*	**Subordinated debt**	**11,111**	**14,057**
• *Depreciation, amortisation and provisions*	*-1*	*-1*	Guarantee deposits	11,111	14,057
			Total equity	**35,398**	**44,653**
Members – penalties receivable	0	0	**Liabilities to members**	**407**	**1**
			Members – NRF licence revocations	407	1
Members – interest receivable	0	36	**Liabilities to the SRF**	**0**	**0**
Transferable securities and cash assets	**38,050**	**47,315**	SRF contributions collected	0	0
			SRF guarantee deposits collected	0	0
Transferable securities and cash assets	38,050	47,315	SRF contributions to be transferred	0	0
			SRF guarantee deposits to be repaid	0	0
Breakdown of balance sheet – committed costs	**0**	**0**	**Breakdown of balance sheet – committed costs**	**2,245**	**2,697**
Receivables related to committed costs	0	0	Liabilities related to committed costs	2,245	2,697
Total assets	**38,050**	**47,351**	**Total liabilities**	**38,050**	**47,351**

5.1.1. Composition of own funds

Equity (€ thousand)	Deposit guarantee scheme	Investor compensation scheme	Performance bonds guarantee scheme	Resolution mechanism	Total
Equity	**3,025,212**	**112,224**	**20,779**	**30,596**	**3,188,811**
Technical provision for intervention risk	1,063,792	112,224	20,779	30,596	1,227,391
Technical provision for regulatory compliance	0	0	0	0	0
Member's certificates	1,961,420	0	0	0	1,961,420
Subordinated debt	**2,057,538**	**46,948**	**18,341**	**14,057**	**2,136,884**
Certificates of membership	532,991	9,944	0	0	542,935
Guarantee deposits	1,524,548	37,004	18,341	14,057	1,593,949
Total equity	**5,082,750**	**159,172**	**39,120**	**44,653**	**5,325,695**

Provisions (€ thousand)	31/12/2019	Additions	Reversals	31/12/2020
Technical provision for intervention risk	1,091,117	136,274	0	1,227,391
Technical provision for regulatory compliance	886	0	886	0
Total	**1,092,003**	**136,274**	**886**	**1,227,391**

Member's certificates (€ thousand)	31/12/2019	Calls	Repayments	31/12/2020
Member's certificates	1,286,439	675,023	42	1,961,420
Member's certificates	**1,286,439**	**675,023**	**42**	**1,961,420**

Subordinated debt (€ thousand)	31/12/2019	Calls	Repayments	31/12/2020
Guarantee deposits	1,790,710	58,292	255,053	1,593,949
Certificates of membership	542,956	4	25	542,935
Total	**2,333,666**	**58,296**	**255,078**	**2,136,884**

5.1.2. Gross non-current assets

Gross non-current assets (€ thousand)	31/12/2019	Acquisitions	Disposals	31/12/2020
Tangible, intangible and financial assets	**1,797**	**332**	**82**	**2,046**
Intangible assets	**1,083**	**331**	**79**	**1,335**
• Software	*127*	*0*	*0*	*127*
• Website	*189*	*208*	*0*	*397*
• Member database	*688*	*98*	*0*	*786*
• Website - assets under construction	*79*	*15*	*79*	*15*
• Software - construction work in progress	*0*	*10*	*0*	*10*
Tangible assets	**639**	**0**	**0**	**639**
• General facilities and fixtures	*352*	*0*	*0*	*352*
• Office and computer equipment	*63*	*0*	*0*	*63*
• Furniture	*224*	*0*	*0*	*224*
Financial assets	**74**	**1**	**3**	**72**
• Miscellaneous	*3*	*0*	*3*	*0*
• Guarantee deposits paid	*71*	*1*	*0*	*72*
Compensation platform project	**18,349**	**195**	**111**	**18,434**
Compensation platform - operating assets	18,239	195	0	18,434
Compensation platform - asset under construction	111	0	111	0
Total non-current assets	**20,146**	**527**	**193**	**20,480**

5.1.3. Depreciation and amortisation

Depreciation/amortisation (€ thousand)	31/12/2019	Additions	Reversals	31/12/2020
Tangible, intangible and financial assets	**1,006**	**232**	**0**	**1,238**
Intangible assets	**537**	**164**	**0**	**701**
• *Software*	*108*	*9*	*0*	*117*
• *Website*	*188*	*10*	*0*	*198*
• *Member database*	*241*	*145*	*0*	*386*
Tangible assets	**468**	**69**	**0**	**537**
• *General facilities and fixtures*	*245*	*42*	*0*	*287*
• *Office and computer equipment*	*60*	*2*	*0*	*62*
• *Furniture*	*163*	*24*	*0*	*187*
Compensation platform project	**16,935**	**826**	**0**	**17,761**
Compensation platform - operating assets	16,935	826	0	17,761
Total depreciation and amortisation	**17,940**	**1,058**	**0**	**18,998**

5.1.4. Receivables and debts

Gross receivables (€ thousand)	31/12/2019	31/12/2020
Receivables due in less than one year	2,274	6,868
Receivables due in one year or more	204,715	201,915
Total receivables	**206,989**	**208,783**

Receivables due in one year or more represent the cost of past interventions which the FGDR tries to recover through the proceedings initiated by it.

Debt (€ thousand)	31/12/2019	31/12/2020
Debt due in less than 1 year	1,783,925	1,581,669
Debt due in 1 to 5 years	33	10
Debt due in more than 5 years	554,067	556,991
Total debt	**2,338,024**	**2,138,670**

Debt due in less than one year consists mainly of guarantee deposits received as collateral for payment commitments made by members. Debt due in more than five years includes certificates of membership issued to members of the deposit guarantee and investor compensation schemes, on the one hand, and guarantee deposits paid in respect of the NRF, on the other.

5.1.5. Transferable securities

Mutual funds	Total cost price (€ thousand)	Total net asset value 31/12/2020 (€ thousand)	Unrealised capital gain/loss (€ thousand)
Equity mutual funds	278,802	401,348	122,547
Bond mutual funds	1,838,355	1,847,514	9,159
Money market mutual funds	2,936,495	2,936,510	15
Total mutual funds	**5,053,652**	**5,185,372**	**131,720**

Capitalisation contracts – Amount (€ thousand)	31/12/2019	31/12/2020
Capitalisation contracts no. 1	50,000	50,000
Accrued interest on contract no. 1	4,904	5,557
Capitalisation contracts no. 2	50,000	50,000
Accrued interest on contract no. 2	4,661	5,567
Capitalisation contracts no. 3	60,000	60,000
Accrued interest on contract no. 3	958	1,299
Capitalisation contracts no. 4	20,000	20,000
Accrued interest on contract no. 4	316	430
Capitalisation contracts no. 5	45,000	45,000
Accrued interest on contract no. 5	462	911
Total	**236,301**	**238,764**

5.1.6. Revenue accruals

Revenue accruals – Gross amount (€ thousand)	31/12/2019	31/12/2020
Monetary penalties (Autorité des marchés financiers)	1,090	1,070
Members - interest receivable	876	5,493
Repayment of court costs receivable	303	303
Total	**2,269**	**6,866**

The two main categories of revenue accruals are interest receivable from members and monetary penalties. The amount of interest receivable reflects the negative performance of the money market funds. The FGDR will apply negative rates of return to certificates of membership and guarantee deposits for 2020, which means that it will collect €5,493,000 from its members in 2020 corresponding to a rate of return of -0.26%.

The penalties imposed in 2020 concerned one institution and totalled €500,000.

Monetary penalties Amount at 31/12/2019 (€ thousand)	Penalties imposed in 2020	Payments received in 2020	Amount at 31/12/2020
1,090	500	520	1,070

Provisions for monetary penalties at 31/12/2019 (€ thousand)	Additions	Reversals	Provision at 31/12/2020
1,075	0	20	1,055

5.1.7. Accrued expenses

Accrued expenses (€ thousand)	31/12/2019	31/12/2020
Trade and similar payables	704	321
Tax and social security liabilities	444	523
Liabilities to members	439	144
Total	**1,587**	**988**

Liabilities to members correspond to contributions to be repaid following the revocation of their licence.

5.1.8. Provisions for risks and charges

Provisions for risks and charges (€ thousand)	31/12/2019	Increases	Decreases	31/12/2019
Retirement and end-of-contract payments	1,399	188	259	1,328
Provision for claims	158	0	0	158
Provisions for risks - capitalisation contracts	1,399	37	0	1,436
Provisions for risks - litigation	0	62	0	62
Total	**2,956**	**288**	**259**	**2,984**

5.1.9. Off-balance sheet commitments

Financial commitments (€ thousand)	31/12/2020
Total commitments received / Line of credit	1,400,000

The off-balance sheet commitment relates to a €1.4 billion credit line that was set up in January 2018 and expired in January 2021.

On 4 January 2021, the FGDR secured a new credit line to replace the one that expired. Its amount was increased to €1.5 billion and it is set to expire in January 2023 with two one-year extension options.

Thanks to this credit line, which has not been drawn to date, the FGDR has an additional liquidity reserve that it can use in connection with the deposit guarantee scheme, in addition to its own resources for this mechanism totalling €5.1 billion. The FGDR thereby complies with the recommendations of the European Banking Authority with regard to available financial resources by securing access to additional financing. In this way, the FGDR demonstrates its commitment to actively contribute to the Banking Union's objectives set in 2014 by the DGSD2 European directive.

5.2.
Profit and loss statement

Income +; Expenses - (€ thousand)	31/12/2019 12 months	31/12/2019 12 months	Change 2019/2018
Income	**21,500**	**146,338**	**-**
Premiums	18,279	144,152	-
Income on licence revocations and European transfers	1,779	1,754	-1%
Other income	1,442	433	-70%
Cost of claims	**-86**	**2,712**	**-**
Risk management expenses	-77	-88	15%
Provisions for claims	-9	2,800	-
Claim-related income	0	0	-
Financial income/expenses	**-3,240**	**-5,070**	**56%**
Financial income (money market mutual funds)	57	0	-100%
Financial income (equities and bonds)	0	16,710	-
Financial income (capitalisation contract)	2,990	2,463	-18%
Provisions for risks (capitalisation contract)	-802	-37	-95%
Reversal of provision for impairment (capitalisation contract)	2,480	0	-
Capital loss on disposal of bond mutual funds	0	-16,034	-
Reversal of provision for impairment and capital loss on disposal of money market mutual funds	-6,356	-8,775	38%
Negative interest on bank accounts	-48	-119	-
Interest receivable from members	1,024	5,519	-
Credit line charges	-2,586	-4,797	85%
Overhead costs	**-8,230**	**-7,706**	**-6%**
Committed costs	-5,655	-5,697	1%
Depreciation and amortisation (computer equipment, furniture)	-84	-88	4%
New credit line set-up costs	0	-136	-
Directly assignable expenses	-106	-50	-53%
Compensation platform operation and member database expenses	-2,385	-2,342	-2%
Reversal of provision for compliance	0	668	-
Provision for risks and charges	0	-62	-
Non-recurring items	**0**	**0**	**-**
Technical provision for intervention risk	**-9,944**	**-136,274**	**-**
Profit/loss	**0**	**0**	**-**

5.2.1. Profit and loss statement by mechanism

Income +; Expenses - (€ thousand)	Deposit guarantee scheme	Investor compensation scheme	Performance bonds guarantee scheme	Resolution mechanism(1)	Total
Income	**137,494**	**1,569**	**396**	**6,879**	**146,338**
Premiums	124,755	0	0	6,879	131,633
Premiums, operating expenses	11,068	1,050	400	0	12,518
Income on licence revocations and European transfers	1,754	0	0	0	1,754
Other income	-82	519	-4	0	433
Cost of claims	**-12**	**2,723**	**0**	**0**	**2,712**
Risk management expenses	-12	-77	0	0	-88
Provisions for claims	0	2,800	0	0	2,800
Claim-related income	0	0	0	0	0
Financial income/expense	**-5,010**	**-52**	**5**	**-13**	**-5,070**
Financial income (equity mutual funds)	15,948	500	122	140	16,710
Financial income (capitalisation contract)	2,351	74	18	21	2,463
Provisions for risks (capitalisation contract)	-36	-1	0	0	-37
Capital loss on disposal of bond mutual funds	-15,303	-479	-117	-135	-16,034
Reversal of provision for impairment and capital loss on disposal of money market mutual funds	-8,375	-262	-64	-74	-8,775
Negative interest on bank accounts	-114	-4	-1	-1	-119
Interest receivable from members	5,315	121	47	36	5,519
Credit line charges	-4,797	0	0	0	-4,797
Overhead costs	**-5,965**	**-928**	**-256**	**-558**	**-7,706**
Committed costs	-4,219	-808	-198	-472	-5,697
Depreciation and amortisation (computer equipment, furniture)	-65	-12	-3	-7	-88
New credit line set-up costs	-136	0	0	0	-136
Directly assignable expenses	0	-50	0	0	-50
Compensation platform operation and member database expenses	-2,197	-44	-42	-60	-2,342
Reversal of provision for compliance	668	0	0	0	668
Provision for risks and charges	-16	-14	-13	-19	-62
Non-recurring items	**0**	**0**	**0**	**0**	**0**
Profit/loss before technical provision for intervention risk	**126,508**	**3,312**	**145**	**6,308**	**136,273**

(1) For 2020, the expenses attributable to the collection of contributions intended for the SRF totalled €326,000.

5.2.2. Income

Contributions to the deposit guarantee scheme amounted to €137.6 million and included €124.8 million in regular premiums, €11 million in premiums to finance operating expenses and €1.8 million for transfers of members between European funds.

The contributions to the other mechanisms were collected on the same basis as in previous years, namely:
- investor compensation scheme: €1.05 million contribution to maintain own funds;
- performance bonds guarantee scheme: €0.4 million contribution to maintain own funds;
- national resolution mechanism: €6.9 million in contributions.

Other income includes the monetary penalties imposed by the AMF on FGDR members which, as provided by law, are allocated to the investor compensation mechanism. In 2020, a €0.5 million penalty was recorded and collected.

5.2.3. Claim-related expenses/income

Mechanism	Claim-related expenses	Expenses	Change in provision	Cost of claims
Deposit guarantee scheme	Crédit martiniquais	-12	0	-12
Investor compensation scheme	EGP	-20	0	-20
Investor compensation scheme	Dubus SA	-57	2,800	2,743
Total		**-88**	**2,800**	**2,712**

In 2020, the FGDR collected €2.8 million in connection with its lawsuit to recover funds following its intervention related to the Dubus SA claim (see section 4.3 Géomarket (formerly Dubus SA)).

5.2.4. Compensation platform expenses

In 2020, the capital expenditure for the compensation platform was €195,000, bringing the total investment to €18,434,000. The share of these investments placed in service was amortised over five years, generating an addition of €826,000 during the year. This addition is partly offset by the reversal of the provision for regulatory compliance corresponding to the amortisation of the investments for the first amount, i.e. €218,000. In 2020, the balance of the provision in the amount of €669,000 was reversed in full given that the annual amounts of future reversals were small and spread over several years.

The amount of the project expenditure recorded as an expense was €2,147,000 and corresponds to operation and maintenance expenses (see section 3.2. Changes to the integrated Compensation and Communication System (CCS)).

5.2.5. Financial income/expense

The FGDR's financial expenditure was -€5 million. This amount breaks down as follows:
- +€2.4 million in capital gains on the capitalisation contracts;
- +€16.7 million in external capital gains on the equity portfolio;
- -€16 million in capital losses on the bond portfolio;
- -€8.8 million in capital losses on the money market portfolio;
- +€5.5 million in interest receivable from members on guarantee deposits and certificates of membership at a rate of return of 0.26%;
- -€4.8 million in credit line commitment fees.

5.2.6. Committed costs

Income +; Expenses – (€ thousand)	Actual 31/12/2019	Actual 31/12/2020	Change 2020-2019
Personnel expenses	**3,669**	**3,759**	**2%**
Gross salaries	2,149	2,038	-5%
Employer's contributions	1,356	1,480	9%
Other (including directors' fees)	164	241	47%
Administrative expenses	**1,404**	**1,461**	**4%**
Offices	468	470	0%
IT	172	219	27%
Supplies, documentation and telecoms	53	56	5%
Communication, travel and public relations	543	535	-2%
Other (general taxes, third-party liability insurance)	168	181	8%
Professional fees and external services	**581**	**427**	**-26%**
Audit, accounting and internal control	285	196	-31%
Asset management	77	89	16%
Legal fees	15	4	-71%
Other (recruitment fees, banking services)	204	188	-32%
Prior-year expenses	**0**	**0**	**-**
Total	**5,655**	**5,697**	**1%**

5.2.7. Breakdown of expenses by mechanism

The breakdown of committed costs and financial income/expenses is based on two separate keys. It remained stable relative to 2019:

- allocation key for committed costs, based on the estimated costing-based management cost of each mechanism (see section 5.3.2.7. Allocation key for committed costs):
  - deposit guarantee scheme: 74.06%,
  - investor compensation scheme: 14.18%,
  - performance bonds guarantee: 3.47%,
  - resolution mechanisms: 8.29%;
- allocation key for financial income (proportional to the managed resources accruing to each mechanism):
  - deposit guarantee scheme: 95.44%,
  - investor compensation scheme: 2.99%,
  - performance bonds guarantee: 0.73%,
  - National Resolution Fund (NRF): 0.84%.

5.2.8. Profit/loss

Profit before the technical provision for intervention risk was €136,274,000. It breaks down as follows:

- +€126,508,000 for the deposit guarantee mechanism;
- +€3,312,000 for the investor compensation mechanism;
- +€145,000 for the performance bonds guarantee mechanism;
- +€6,308,000 for the resolution mechanism (NRF and SRF).

In accordance with the accounting and tax rule established for the FGDR, this entire amount of €136,274,000 will be transferred to the technical provision for intervention in order to set accounting income to zero (see section 1.4.3. Provisions relating to the FGDR's funding).

5.2.9. Number of employees

Number of employees	2019	New hires	Departures	2020
Management staff – permanent contract	14	2	3	13
Non-management staff – permanent contract	1	0	0	1
Fixed-term contract	0	0	0	0
Total	**15**	**2**	**3**	**14**

5.3. Notes to the financial statements

5.3.1. Accounting rules and methods

General accounting conventions were applied in accordance with the chart of accounts based on the principle of conservatism and the following basic assumptions:

- going concern principle;
- consistency principle;
- time period principle.

5.3.2. Profit and loss statement

To best present the FGDR's fund investment activity and operation, the following interim balances and groupings have been used.

5.3.2.1. Income for the year

This includes definitive contributions, monetary penalties imposed by the Financial Markets Authority (AMF) (see section 5.3.2.7. Allocation key for committed costs), European transfers and penalties paid by members (other income).

In accordance with the regulations in force, contributions paid during the last 12 months to a European guarantee scheme by a member whose activities are transferred to another European guarantee scheme must be transferred to the latter. These provisions, which are derived from Article 14.3 of the DGSD2 directive, were transposed into French law by the decree of 27 October 2015 relating to the financial resources of the FGDR.

The following internal procedure is used to record monetary penalties:

- automatic recording of the penalty as soon as notice is given by the AMF, subject to expiration of the appeal period;
- automatic provision in the same amount, unless:
  - there is no appeal before the Council of State (or the appeal is rejected),
  - the debtor's solvency is certain (assessed differently depending on whether the debtor is an individual or a legal entity and, in the latter case, based on its situation);
- reversal of the provision as payments are received.

5.3.2.2. Cost of claims

The following income and expenses specific to each intervention are recorded in separate accounts and assigned directly to the intervention:

- the cost of compensation paid to the beneficiaries of the guarantees;
- the cost of preventative interventions;
- claim-related administrative expenses;
- provisions set up to manage risks or expenses related to a specific claim before their final account assignment;
- deductions from resources intended for the final financing of a claim.

5.3.2.3. Financial income/expense

This includes income and expenses resulting from asset management, financial provisions and provisions for interest payable on member's certificates, certificates of membership and guarantee deposits. The remuneration principles of these instruments are set out in the decree of 27 October 2015 on the FGDR's financial resources:

- member's certificates are remunerated based on a decision by the Supervisory Board at the Executive Board's proposal;
- certificates of membership are remunerated based on the conditions set by the Supervisory Board;
- guarantee deposits are remunerated based on a decision by the Executive Board.

The FGDR has taken out several capitalisation contracts since 2015. The accrued interest was set aside to cover the contractual withdrawal penalty clause in the event of divestiture before the end of a four-year holding period. This penalty may not exceed the return in the first 12 months of the contract. As the capitalisation contracts have been in place for more than four years since being signed, the income from their first annual performance was freed up.

5.3.2.4. Overhead costs
These include personnel expenses, external charges that are not directly assignable to a claim or mechanism, depreciation and amortisation and taxes.

5.3.2.5. Technical provision for intervention risk
Excess income is automatically and fully assigned to the technical provision for intervention risk.

5.3.2.6. Provision for regulatory compliance
Given the regulatory nature of the requirement that resulted in the compensation platform development project, to cover the future amortisation costs of this project, and given that the decision to undertake it was taken irrevocably in 2012, it was decided to create a "provision for regulatory compliance" which represents the investment needed for the specification and development of the initial "R1" version of the system. The creation of this provision was justified by the need to ensure that the FGDR is able to fulfil its legal and regulatory requirements related to depositor compensation. However, the subsequent updates to the CCS, particularly those resulting from the changes in the European framework (transposition of the 2014 DGSD2 directive on deposit guarantee schemes), will not be covered by such a provision since the investment is made as the need or obligation arises. The provision was funded by a deduction from the technical provision for intervention risk. It is reversed as amortisation is recorded for the line items for which it was created. Given its purpose, it is assigned directly and fully to the deposit guarantee mechanism.

5.3.2.7. Allocation key for committed costs
The allocation key for committed costs is based on the number of members per mechanism for personnel directly responsible for member management and on the estimated time spent on each mechanism for other personnel. Except in the event of an intervention, this estimate is comprehensive and fixed. The proportional allocation key that results from the combination of these two factors is then applied to the salaries of personnel and, on a pro rata basis, to all the committed costs.

In addition:
- the full amount of the expenses related to the compensation platform is allocated to the deposit guarantee scheme;
- contributions are levied by mechanism and allocated accordingly;
- monetary penalties (other income) imposed by the AMF on a member of the investor compensation scheme and those imposed on one of their managers or employees are allocated to this mechanism, as are the sums (gifts and patronage) deducted by the FGDR from these penalties to finance educational activities in the financial area (section III of Article L. 621-15 of the French Monetary and Financial Code);
- the cost of each claim, including directly assignable administrative expenses, is allocated, per claim, to the respective mechanism, as well as the sums collected by the FGDR;
- the costs for the new member database are allocated in proportion to the number of members (amortisation, maintenance).

Lastly, financial income and financial expenses are allocated in proportion to the balance sheet resources of each mechanism.

5.3.2.8. Balance sheet

5.3.2.9. Equity
Own funds include:
- under equity:
  - the technical provision for intervention risk,
  - member's certificates;
- under subordinated debt:
  - certificates of membership,
  - guarantee deposits.

5.3.2.10. Provisions for risks
In accordance with section III of Article L. 312-9 of the French Monetary and Financial Code and the decrees of 27 October 2015, and in the event of losses sustained by the FGDR for any of the guarantee mechanisms as a result of its intervention, the losses will be charged firstly to the member's certificates and then to the certificates of membership of the member for which the fund intervened, secondly to the member's certificates and then to the certificates of membership of the other members, and lastly to the reserves.

The commitments undertaken with respect to severance pay are measured based on the acquired rights of all active employees and salaries at 31 December of each year. No discount or employee turnover factors are applied.

5.3.2.11. Tangible and intangible assets
Assets are valued at their acquisition cost (purchase price and incidental costs, excluding asset acquisition costs).

Depreciation of office and computer equipment is calculated using the diminishing balance method. Depreciation of other assets is calculated using the straight-line method based on the probable useful life:

Tangible and intangible assets	Depreciation period
Software	1 year
Member database	5 years
General facilities	8 to 10 years
Office and computer equipment	3 years
Furniture	5 to 10 years
Website	5 years
Compensation platform	5 years

Since 1 January 2005, an impairment test has been performed when there is an indication of a possible significant loss in value of a tangible or intangible asset. The assets held are not suited to a breakdown by component given their lack of complexity, nor to impairment tests given their nature.

5.3.2.12. Equity interests, other long-term investments, transferable securities

The gross value includes the acquisition cost excluding incidental costs. When the inventory value is less than the gross value, a provision for impairment is set up to cover the difference.

The FGDR's resources are managed globally in dedicated mutual funds. Their management is delegated to specialised operators selected via tender procedures that are re-opened at regular intervals. The management objectives are, first and foremost, the liquidity of the resources, followed by the security of the principal amount and, lastly, performance. The mutual funds are divided into three categories, each of which complies with specific and uniform management rules:
- funds invested in equities;
- funds invested in bond products;
- funds invested in money market products.

The inventory value is the net asset value at 31 December. Provisions are set up for any unrealised capital losses on equity, bond and money market funds.

The FGDR also takes out capitalisation contracts in euro funds with insurance companies rated A or higher.

As of 1 January 2019, the FGDR decided to measure transferable securities at their weighted average unit cost.

5.3.2.13. Receivables

Receivables are measured at their face value. A provision for impairment is recorded when the inventory value is less than the face value.

5.4. Subsequent events

Between 31 December 2020 and 31 March 2021, the date on which the accounts were reviewed by the Supervisory Board, there were no events that could have a significant impact on the economic decisions made on the basis of these financial statements.

5.5. Auditors' reports

See following pages.

FONDS DE GARANTIE DES DEPOTS ET DE RESOLUTION

(Exercice clos le 31 décembre 2020)

PricewaterhouseCoopers Audit
63, rue de Villiers
92208 Neuilly-sur-Seine Cedex
France

MAZARS
61 rue Henri Regnault
92 400 Courbevoie
France

Rapport des commissaires aux comptes sur les comptes annuels

(Exercice clos le 31 décembre 2020)

FONDS DE GARANTIE DES DEPOTS ET DE RESOLUTION
65, Rue de la Victoire
75009 PARIS

Mesdames, Messieurs,

Opinion

En exécution de la mission qui nous a été confiée par votre Conseil de Surveillance, nous avons effectué l'audit des comptes annuels du Fonds de Garantie des Dépôts et de Résolution (FGDR) relatifs à l'exercice clos le 31 décembre 2020, tels qu'ils sont joints au présent rapport.

Nous certifions que les comptes annuels sont, au regard des règles et principes comptables français, réguliers et sincères et donnent une image fidèle du résultat des opérations de l'exercice écoulé ainsi que de la situation financière et du patrimoine de la société à la fin de cet exercice.

Fondement de l'opinion

Référentiel d'audit

Nous avons effectué notre audit selon les normes d'exercice professionnel applicables en France. Nous estimons que les éléments que nous avons collectés sont suffisants et appropriés pour fonder notre opinion.

Les responsabilités qui nous incombent en vertu de ces normes sont indiquées dans la partie « Responsabilités des commissaires aux comptes relatives à l'audit des comptes annuels » du présent rapport.

Indépendance

Nous avons réalisé notre mission d'audit dans le respect des règles d'indépendance prévues par le code de commerce et par le code de déontologie de la profession de commissaire aux comptes sur la période du 1er janvier 2020 à la date d'émission de notre rapport.

Justification des appréciations

La crise mondiale liée à la pandémie de COVID-19 crée des conditions particulières pour la préparation et l'audit des comptes de cet exercice. En effet, cette crise et les mesures exceptionnelles prises dans le cadre de l'état d'urgence sanitaire induisent de multiples conséquences pour les entreprises, particulièrement sur leur activité et leur financement, ainsi que des incertitudes accrues sur leurs perspectives d'avenir. Certaines de ces mesures, telles que les restrictions de déplacement et le travail à distance, ont également eu une incidence sur l'organisation interne des entreprises et sur les modalités de mise en œuvre des audits.

C'est dans ce contexte complexe et évolutif que, en application des dispositions des articles L.823-9 et R.823-7 du code de commerce relatives à la justification de nos appréciations, nous portons à votre connaissance les appréciations suivantes qui, selon notre jugement professionnel, ont été les plus importantes pour l'audit des comptes annuels de l'exercice.

Les appréciations ainsi portées s'inscrivent dans le contexte de l'audit des comptes annuels pris dans leur ensemble et de la formation de notre opinion exprimée ci-avant. Nous n'exprimons pas d'opinion sur des éléments de ces comptes annuels pris isolément.

Règles et principes comptables

L'annexe expose les règles comptables et de présentation des comptes qui sont spécifiques au FGDR. Ces règles ont été approuvées par le Conseil de Surveillance en application de l'article 2.4 du Règlement intérieur approuvé par la décision n°2000-01 du Comité de Règlementation Bancaire et Financière et homologué par arrêté du Ministère chargé de l'Economie en date du 6 septembre 2000.

Nous avons examiné la conformité des règles comptables et de présentations suivies par le FGDR avec celles arrêtées par le Conseil de Surveillance, en particulier pour le point suivant :

Estimations comptables

Comme indiqué, respectivement, en notes 5.3.2.1 et 5.3.2.2 de l'annexe, le FGDR constitue des dépréciations et des provisions pour couvrir les risques relatifs aux sinistres et le risque de non-recouvrement des sanctions pécuniaires à encaisser.

Dans le cadre de notre appréciation de ces estimations, nous avons examiné les éléments d'information disponibles sur la base desquels ces estimations sont fondées et avons procédé à l'appréciation de leur caractère raisonnable.

Vérifications spécifiques

Nous avons également procédé, conformément aux normes d'exercice professionnel applicables en France, aux vérifications spécifiques prévues par les textes légaux et réglementaires.

Informations données dans le rapport de gestion

Nous n'avons pas d'observation à formuler sur la sincérité et la concordance avec les comptes annuels des informations données dans le rapport de gestion du directoire arrêté le 23 mars 2021 et dans les autres documents sur la situation financière et les comptes annuels adressés aux adhérents / aux membres.

Responsabilités de la direction et des personnes constituant le gouvernement d'entreprise relatives aux comptes annuels

Il appartient à la direction d'établir des comptes annuels présentant une image fidèle conformément aux règles et principes comptables français ainsi que de mettre en place le contrôle interne qu'elle estime nécessaire à l'établissement de comptes annuels ne comportant pas d'anomalies significatives, que celles-ci proviennent de fraudes ou résultent d'erreurs.

Lors de l'établissement des comptes annuels, il incombe à la direction d'évaluer la capacité du FGDR à poursuivre son exploitation, de présenter dans ces comptes, le cas échéant, les informations nécessaires relatives à la continuité d'exploitation et d'appliquer la convention comptable de continuité d'exploitation, sauf s'il est prévu de liquider le FGDR ou de cesser son activité.

Les comptes annuels ont été arrêtés par le Directoire.

Responsabilités des commissaires aux comptes relatives à l'audit des comptes annuels

Il nous appartient d'établir un rapport sur les comptes annuels. Notre objectif est d'obtenir l'assurance raisonnable que les comptes annuels pris dans leur ensemble ne comportent pas d'anomalies significatives. L'assurance raisonnable correspond à un niveau élevé d'assurance, sans toutefois garantir qu'un audit réalisé conformément aux normes d'exercice professionnel permet de systématiquement détecter toute anomalie significative. Les anomalies peuvent provenir de fraudes ou résulter d'erreurs et sont considérées comme significatives lorsque l'on peut raisonnablement s'attendre à ce qu'elles puissent, prises individuellement ou en cumulé, influencer les décisions économiques que les utilisateurs des comptes prennent en se fondant sur ceux-ci.

Comme précisé par l'article L.823-10-1 du code de commerce, notre mission de certification des comptes ne consiste pas à garantir la viabilité ou la qualité de la gestion du FGDR.

Dans le cadre d'un audit réalisé conformément aux normes d'exercice professionnel applicables en France, le commissaire aux comptes exerce son jugement professionnel tout au long de cet audit. En outre :

- il identifie et évalue les risques que les comptes annuels comportent des anomalies significatives, que celles-ci proviennent de fraudes ou résultent d'erreurs, définit et met en œuvre des procédures d'audit face à ces risques, et recueille des éléments qu'il estime suffisants et appropriés pour fonder son opinion. Le risque de non-détection d'une anomalie significative provenant d'une fraude est plus élevé que celui d'une anomalie significative résultant d'une erreur, car la fraude peut impliquer la collusion, la falsification, les omissions volontaires, les fausses déclarations ou le contournement du contrôle interne ;

- il prend connaissance du contrôle interne pertinent pour l'audit afin de définir des procédures d'audit appropriées en la circonstance, et non dans le but d'exprimer une opinion sur l'efficacité du contrôle interne ;

- il apprécie le caractère approprié des méthodes comptables retenues et le caractère raisonnable des estimations comptables faites par la direction, ainsi que les informations les concernant fournies dans les comptes annuels ;

- il apprécie le caractère approprié de l'application par la direction de la convention comptable de continuité d'exploitation et, selon les éléments collectés, l'existence ou non d'une incertitude significative liée à des événements ou à des circonstances susceptibles de mettre en cause la capacité du FGDR à poursuivre son exploitation. Cette appréciation s'appuie sur les éléments collectés jusqu'à la date de son rapport, étant toutefois rappelé que des circonstances ou événements ultérieurs pourraient mettre en cause la continuité d'exploitation. S'il conclut à l'existence d'une incertitude significative, il attire l'attention des lecteurs de son rapport sur les informations fournies dans les comptes annuels au sujet de cette incertitude ou, si ces informations ne sont pas fournies ou ne sont pas pertinentes, il formule une certification avec réserve ou un refus de certifier ;

- il apprécie la présentation d'ensemble des comptes annuels et évalue si les comptes annuels reflètent les opérations et événements sous-jacents de manière à en donner une image fidèle.

Fait à Neuilly-sur-Seine et à Courbevoie, le 1er avril 2021

Les commissaires aux comptes

PricewaterhouseCoopers Audit

Laurent TAVERNIER

Mazars

Virginie CHAUVIN

FONDS DE GARANTIE DES DEPOTS ET DE RESOLUTION

Auditors' report on the year-end financial statements (Year ended 31 December 2020)

PricewaterhouseCoopers Audit
63, Rue de Villiers
92208 Neuilly-sur-Seine Cedex
France

MAZARS
61, Rue Henri Regnault
92 400 Courbevoie
France

FONDS DE GARANTIE DES DEPOTS ET DE RESOLUTION
65, Rue de la Victoire 75009 PARIS

Ladies and Gentlemen,

Opinion

Pursuant to the mission entrusted to us by your Supervisory Board, we audited the year-end financial statements of the Fonds de Garantie des Dépôts et de Résolution (FGDR) for the year ended 31 December 2020, as appended to this report.

We certify that the year-end financial statements are, based on French accounting rules and principles, true and correct and provide a fair view of the result of the operations of the past financial year and of the financial position and assets of the company at the end of said year.

Basis of the opinion

Audit standards

We conducted our audit in accordance with the professional standards applicable in France. We believe that we collected sufficient and appropriate information on which to base our opinion.

Our responsibilities pursuant to these standards are indicated in the section of this report entitled “Responsibilities of the auditors regarding the audit of the year-end financial statements”.

Independence

We conducted our audit in accordance with the rules regarding independence set out in the French Commercial Code and in the code of ethics for auditors for the period from 1 January 2020 to the date of issuance of our report.

Basis of our assessments

Due to the global crisis related to the COVID-19 pandemic, this year's financial statements have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in response to the health emergency have had numerous impacts on companies, particularly on their operations and financing, and have led to greater uncertainties regarding their future outlook. Some of those measures, such as travel restrictions and teleworking, have also had an impact on their internal organisation and the performance of audits.

It is in this complex and evolving context that, pursuant to the provisions of Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the basis of our assessments, we hereby inform you of the following assessments which, in our professional judgement, were the most significant for the audit of the year-end financial statements.

These assessments fall within the scope of the audit of the year-end financial statements taken as a whole and enabled us to form the opinion expressed above. We do not express an opinion on elements of these year-end financial statements taken separately.

Accounting rules and principles

The notes describe the specific accounting and presentation rules applicable to the financial statements of the FGDR. These rules were approved by the Supervisory Board pursuant to Article 2.4 of the Internal Regulations approved by decision No. 2000-01 of the French Banking and Financial Regulation Committee (*Comité de réglementation bancaire et financière*) and approved by order of the Ministry of the Economy on 6 September 2000.

We reviewed whether the accounting and presentation rules applied by the FGDR comply with those adopted by the Supervisory Board, particularly as regards the following:

Accounting estimates

As indicated in notes 5.3.2.1 and 5.3.2.2, respectively, the FGDR records provisions for impairment to cover risks associated with claims and the risk of non-recovery of monetary penalties receivable.

As part of our assessment of these estimates, we reviewed the available information that led to the determination of these estimates and assessed its reasonableness.

Specific verifications

In accordance with the professional standards applicable in France, we also performed the specific verifications required by laws and regulations.

Information provided in the management report

We have no comment as to the accuracy and consistency with the year-end financial statements of the information provided in the Executive Board's management report approved on 23 March 2021 and in the other documents sent to the members regarding the financial position and year-end financial statements.

Responsibilities of management and those charged with corporate governance regarding the year-end financial statements

It is the responsibility of management to prepare year-end financial statements that give a true and fair view in accordance with French accounting rules and principles and to implement internal control as it deems necessary for the preparation of year-end financial statements that contain no material misstatements, whether such misstatements are the result of fraud or errors.

When preparing the year-end financial statements, management must assess the FGDR's ability to continue to operate, present in its financial statements, where applicable, the necessary information regarding its continued operation and apply the going concern accounting convention, unless there are plans to liquidate the FGDR or discontinue its business.

The year-end financial statements were approved by the Executive Board.

Responsibilities of the auditors regarding the audit of the year-end financial statements

Our responsibility is to prepare a report regarding the year-end financial statements. Our objective is to obtain reasonable assurance that the year-end financial statements as a whole contain no material misstatements. Reasonable assurance is a high level of assurance, yet without guaranteeing that an audit conducted in accordance with generally accepted professional standards always leads to the detection of all material misstatements. Misstatements may result from fraud or errors and are considered material when there is a reasonable expectation that they can, when taken individually or combined, influence the economic decisions made by users of the financial statements on the basis of these financial statements.

As set out in Article L. 823-10-1 of the French Commercial Code, our task of certifying the financial statements does not entail guaranteeing the viability or quality of the FGDR's management.

When conducting an audit in accordance with professional standards applicable in France, the auditor exercises his/her professional judgement throughout the audit. Moreover, he/she:

- identifies and assesses the risk that the year-end financial statements contain material misstatements, whether such misstatements result from fraud or errors, defines and implements audit procedures to address these risks, and collects information that he/she considers a sufficient and appropriate basis for such opinion. The risk of not detecting a material misstatement resulting from fraud is higher than that of a material misstatement resulting from an error, as fraud may involve collusion, forgery, deliberate omissions, false statements or the override of internal control.

- reviews internal control relevant to the audit in order to define appropriate audit procedures under the circumstances, and not to express an opinion on the effectiveness of internal control;

- assesses the appropriateness of the accounting methods used and the reasonableness of the accounting estimates made by management, as well as related information provided in the year-end financial statements;

- assesses the appropriateness of management's application of the going concern accounting convention and, based on the information collected, whether or not significant uncertainty exists regarding events or circumstances likely to call into question the FGDR's ability to continue to operate. This assessment is based on information collected up to the date of his/her report, it being noted however that subsequent circumstances or events could call into question the continued operation. If the auditor concludes that significant uncertainty exists, he/she brings the information provided in the year-end financial statements regarding such uncertainty to the attention of readers of his/her report or, if such information is not provided or is not relevant, the auditor issues a qualified opinion or a denial of opinion;

- assesses the overall presentation of the year-end financial statements and determines whether they fairly present the underlying transactions and events.

Neuilly-sur-Seine and Courbevoie, 1 April 2021

The Auditors

PricewaterhouseCoopers Audit	Mazars
Laurent TAVERNIER	Virginie CHAUVIN

mazars

61 rue Henri Regnault
92 400 Courbevoie
France

pwc

63, rue de Villiers
92208 Neuilly-sur-Seine Cedex
France

FONDS DE GARANTIE DES DEPOTS ET DE RESOLUTION

Rapport spécial des commissaires aux comptes sur les conventions réglementées

Exercice clos le 31 décembre 2020

FONDS DE GARANTIE DES DEPOTS ET DE RESOLUTION

Siège social : 65, Rue de la Victoire 75009 PARIS

Rapport spécial des commissaires aux comptes sur les conventions réglementées

Exercice clos le 31 décembre 2020

Mesdames, Messieurs,

En notre qualité de commissaires aux comptes du Fonds de Garantie des Dépôts et de Résolution (ci-après « le FGDR »), nous vous présentons notre rapport sur les conventions réglementées.

Il nous appartient de vous communiquer, sur la base des informations qui nous ont été données, les caractéristiques et les modalités essentielles des conventions dont nous avons été avisés ou que nous aurions découvertes à l'occasion de notre mission, sans avoir à nous prononcer sur leur utilité et leur bien-fondé ni à rechercher l'existence d'autres conventions. Il vous appartient, selon les termes de l'article R. 225-58 du code de commerce, d'apprécier l'intérêt qui s'attachait à la conclusion de ces conventions en vue de leur approbation.

Par ailleurs, il nous appartient, le cas échéant, de vous communiquer les informations prévues à l'article R. 225-58 du code de commerce relatives à l'exécution, au cours de l'exercice écoulé, des conventions déjà approuvées par le Conseil de Surveillance.

Nous avons mis en œuvre les diligences que nous avons estimé nécessaires au regard de la doctrine professionnelle de la Compagnie nationale des commissaires aux comptes relative à cette mission.

CONVENTIONS SOUMISES A L'APPROBATION DU CONSEIL DE SURVEILLANCE

Nous vous informons qu'il ne nous a été donné avis d'aucune convention autorisée et conclue au cours de l'exercice écoulé à soumettre à l'approbation du Conseil de Surveillance en application des dispositions de l'article L. 225-86 du code de commerce.

CONVENTIONS DEJA APPROUVEES PAR LE CONSEIL DE SURVEILLANCE

Nous vous informons qu'il ne nous a été donné avis d'aucune convention déjà approuvée par le Conseil de Surveillance dont l'exécution se serait poursuivie au cours de l'exercice écoulé.

Les Commissaires aux comptes

Mazars	PricewaterhouseCoopers Audit
Courbevoie, le 1er avril 2021	Neuilly-sur-Seine, le 1er avril 2021
Virginie CHAUVIN	Laurent TAVERNIER

MAZARS
61, Rue Henri Regnault
92 400 Courbevoie
France

PWC
63, Rue de Villiers
92208 Neuilly-sur-Seine Cedex
France

Fonds de Garantie des Dépôts et de Résolution
Auditors' special report on regulated agreements
Year ended 31 December 2020

Fonds de Garantie des Dépôts et de Résolution
Head office: 65, Rue de la Victoire
75009 PARIS

Ladies and Gentlemen,

In our capacity as auditors of the Fonds de Garantie des Dépôts et de Résolution (hereinafter the "FGDR"), we present to you our report on regulated agreements.

It is our responsibility to inform you, based on the information provided to us, of the characteristics and essential terms and conditions of the agreements brought to our attention or about which we may have learned during the course of our audit, without our being required to comment on their usefulness and relevance or to determine the existence of other agreements. It is your responsibility, pursuant to Article R. 225-58 of the French Commercial Code, to assess the advantage of entering into these agreements with a view to their approval.

It is also our responsibility, where applicable, to provide you with the information set out in Article R. 225-58 of the French Commercial Code regarding the performance, during the previous year, of the agreements already approved by the Supervisory Board.

We have conducted the work that we deemed necessary in accordance with the accounting standards of the *Compagnie nationale des commissaires aux comptes* that apply to this audit.

AGREEMENTS SUBJECT TO THE APPROVAL OF THE SUPERVISORY BOARD

We inform you that we have not been advised of any agreement authorised and concluded during the previous year which is subject to the approval of the Supervisory Board pursuant to Article L. 225-86 of the French Commercial Code.

AGREEMENTS ALREADY APPROVED BY THE SUPERVISORY BOARD

We inform you that we have not been advised of any agreement already approved by the Supervisory Board which remained in effect during the previous year.

The Auditors

Mazars Courbevoie, 1 April 2021	PricewaterhouseCoopers Audit Neuilly-sur-Seine, 1 April 2021
Virginie CHAUVIN	Laurent TAVERNIER

Glossary

A	ACPR	*Autorité de contrôle prudentiel et de résolution* (Prudential Supervision and Resolution Authority)
	AMAFI	*Association française des marchés financiers* (French Financial Markets Association)
	AMF	*Autorité des marchés financiers* (Financial Markets Authority)
	ANSSI	*Agence nationale de la sécurité des systèmes d'information* (National Cyber security Agency of France)
	ASF	*Association française des sociétés financières* (French Financial Companies Association)
B	BRRD	Banking Resolution and Recovery Directive
C	CCM	*Caisse centrale du Crédit Mutuel*
	CCS	Integrated Compensation and Communication System
	CNCM	*Confédération nationale du Crédit Mutuel*
	CRBF	*Comité de la réglementation bancaire et financière* (French Banking and Financial Regulations Committee) – Banque de France
	CSSF	*Commission de surveillance du secteur financier* (Financial Sector Supervisory Commission) – Luxemburg deposit guarantee scheme
	CSR	Corporate Social Responsibility
D	DAS	Deposit Account Statement
	DGSD2	Deposit Guarantee Schemes Directive 2
	DNB	*De Nederlandsche Bank* – Netherland's deposit guarantee scheme
E	EBA	European Banking Authority
	EDIS	European Deposit Insurance Scheme
	EFDI	European Forum of Deposit Insurers
	ESG	Environmental, Social and Governance criteria
	EU	European Union
F	FBF	*Fédération bancaire française* (French Banking Federation)
	FCP	*Fonds commun de placement* (Mutual fund)
	FITD	*Fondo Interbancario di Tutela dei Depositi*
	FSAP	Financial Sector Assessment Program

I	IADI	International Association of Deposit Insurers
	ICSD	Investors Compensation Schemes Directive
L	LDDS	*Livret de développement durable et solidaire* (Savings account)
	LEP	*Livret d'épargne populaire* (Savings account)
M	MiFID2	Markets in Financial Instruments Directive 2
	MMF	Money Market Funds
	MTF/SMN	Multilateral Trading Facility or *Système multilatéral de négociation (SMN)*
N	NRF	National Resolution Fund
O	OCBF	*Office de coordination bancaire et financière*
	OTF/SON	Organised Trading Facility or *Système organisé de négociation (SON)*
P	PI/EMI	Payment Institution/Electronic Money Institution
	PRI	Principles for Responsible Investment
S	SCA	Secure Compensation Area
	SCV	Single Customer View
	SRF	Single Resolution Fund
	SRI	Socially Responsible Investment
	SRM	Single Resolution Mechanism
T	TFDGS	Task Force Deposit Guarantee Schemes
U	UN	United Nations
V	VaR	Value at Risk

FONDS DE GARANTIE
DES DÉPÔTS ET
DE RÉSOLUTION
French deposit insurance and resolution fund

65, rue de la Victoire
75009 Paris – France
Phone: +33 1 58 18 38 08
contact@garantiedesdepots.fr
www.garantiedesdepots.fr

Fonds de Garantie
des Dépôts et de Résolution
www.facebook.com/LeFGDR

@fgdrFrance
https://twitter.com/fgdrFrance

Fonds de Garantie
des Dépôts et de Résolution
www.linkedin.com/company/fonds-de-garantie-des-dépôts-et-de-résolution

Facts & figures

at 31/12/2020

Available resources at 31/12/2020

€5.32 billion

Member institutions

453 members

Deposit guarantee scheme members

337 members

Investor compensation scheme members

294 members

Performance bonds guarantee scheme members

282 members

Deposit guarantee scheme

Up to
€100,000
per customer, per institution

Compensation in 7 working days

Investor compensation scheme

Up to
€70,000
per customer, per institution

Compensation in 3 months

Performance bonds guarantee scheme

Up to
90%
of the harm sustained

FONDS DE GARANTIE DES DÉPÔTS ET DE RÉSOLUTION

French deposit insurance and resolution fund

Path of the FGDR

1999
Creation of the FGD
Law of 25 June 1999
Crédit martiniquais intervention

2000
Mutua-Équipement intervention

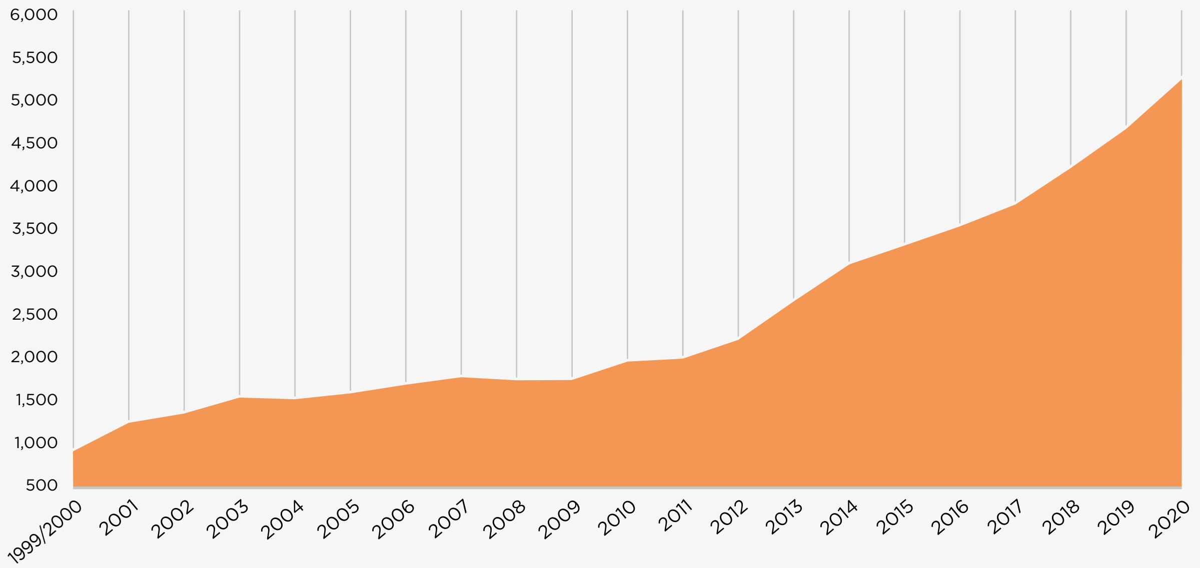
2009
Deposit guarantee scheme extended to €100,000
Timeframe of 20 working days
Directive of 11 March 2009

2010
EGP intervention

2012
Launch of the FGDR compensation system project

2013
The FGD becomes the FGDR
Law of 26 July 2013
Dubus SA intervention

The FGDR's resources since its creation (€m)



2014	2015	2016	2017	2018	2019	2020
	Coverage of high balances 7 working day timeframe	Agreements on cross-border compensation within the EU		Changes to the integrated Compensation and Communication System (CCS) Simulation and stress test plan		More than half of all French people know about the deposit guarantee scheme
DGSD2 Directive of 16 April and 'BRRD' Directive of 15 May 2014	Transposition order of 20 August 2015 Decrees of 27 October 2015	Validation by the European Banking Authority (EBA) on 21 June 2016	The FGDR's accounting and tax scheme	Launch of the European Banking Authority's "DGS Task Force"	Decree of 25 March 2019 on borrowing capacity over more than one year	

The FGDR's available resources (€m) at 31/12/2020

Guarantee mechanism	Available resources at 31/12/2020 (€m)	2020 contributions by mechanism at 31/12/2020 (€m)
Deposit guarantee scheme	5,083	602
Investor compensation scheme	159	0
Performance bonds guarantee scheme	39	0
National Resolution Fund	47	10
Total	**5,326**	**612**

Change in the FGDR's available resources (€m)

	2014	2015	2016	2017	2018	2019	2020
Deposit guarantee scheme	2,958	3,157	3,382	3,649	4,050	4,482	5,083
Investor compensation scheme	135	148	152	153	154	156	159
Performance bonds guarantee scheme	37	38	38	38	38	39	39
National Resolution Fund	-	11	14	17	26	35	47

The FGDR team

Thierry Dissaux
Chairman of the Executive Board

Michel Cadelano
Member of the Executive Board

Tania Badea-Nirin
Communications Manager

Magalie Boucheton
Office Manager

Marine Bréchaire
Communications Trainee

Corinne Chicheportiche
Membership Manager

E-Clara Cohen
Head of Legal

Marion Delpuech
Senior Payout Specialist

Pierre Dumas
Head of Operations

Ariel Eisenfisz
Payout Specialist

Sylvie Godron-Derozières
Head of Communications

Aminata Ly-Gauchet
Payout Specialist

Kevin Mendes
Analyst and Project Manager

Alexia Prudhomme
Accounting Manager

Arnaud Ribadeau-Dumas
Head of Operations

Arnaud Schangel
Head of Finance

Anne-Valérie Seguin
Senior Payout Specialist

Sana Shabbir
Payout Specialist

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