CRÉDIT AGRICOLE S.A.

# PRESS RELEASE

Montrouge, 7 November 2018

## Results for the third quarter and first nine months of 2018

# Q3-18: solid and growing results[1]

## Crédit Agricole S.A.

| Stated net income[2] | Stated net revenues | Fully-loaded CET1 ratio |
|---|---|---|
| **Q3: €1,101m** | **Q3: €4,802m** | **11.5%** |
| +3.2% Q3/Q3 | +5.0% Q3/Q3 | +11bp in Q3, |
| **9M: €3,393m** | **9M: €14,882m** | well above the MTP target (11%) |
| +4.0% 9M/9M | +6.4% 9M/9M | |

- **Underlying[1] net profit[2] Q3 €1,133m, +17.3% Q3/Q3** (9M: €3,338m, +9.5% 9M/9M)
- **Earnings per share[1]: Q3 €0.36, +18.6% Q3/Q3**, 9M €1.06, +10.9% 9M/9M; **ROTE[1] 13.1% 9M annualised**
- **Contribution by all the business divisions to growth in revenue and results**, with a particularly high level of profitability in CIB, and strong growth in CIB/Financing
- **Good cost control:** jaws effect[1] excluding SRF[3] > 2pp Q3/Q3, 1.7pp 9M/9M, improvement in C/I ratio[1] Q3/Q3 and 9M/9M
- **Still a very low cost of credit risk, with further decline:** 26bp[4] (-5bp Q3/Q3)
- **Fully-loaded CET1 ratio: +11bp** in Q3, good management of risk-weighted assets, 9M provision for dividend: €0.53

## Crédit Agricole Group*

| Stated net income[2] | Stated net revenues | Fully-loaded CET1 ratio |
|---|---|---|
| **Q3: €1,769m** | **Q3: €8,043m** | **14.9%** |
| -7.3% Q3/Q3 | +2.0% Q3/Q3 | +12bp in Q3 |
| **9M: €5,273m** | **9M: €24,729m** | 540bp above the P2R[5] |
| -6.1% 9M/9M | +2.8% 9M/9M | |

- Very strong, good quality activity in all business lines: Retail Banking, Specialised Businesses and the Large Customers division
- **Q3 underlying[1] net profit[2]: €1,815m, +3.2% Q3/Q3**; 9M: €5,224m, -3.8% 9M/9M after a sharp increase in the SRF[3] and a negative scope effect
- **Resumption of revenue growth[1]** for the **Regional banks**
- **A positive jaws effect[1] excluding the SRF[3] Q3/Q3** thanks to an increase in revenues across all business divisions, including Retail Banking France, and good cost control excluding the SRF (+2.8%)
- **Decrease in cost of credit risk** to 18bp[4] (Regional banks: -€104m in Q3-18, vs. just -51 in Q3-17)
- **S&P raised its long-term rating to A+/stable outlook on 19 October**; each rating agency has raised its long-term rating over the last three years

** Crédit Agricole S.A. and Regional banks at 100%*

*This press release comments on the results of Crédit Agricole S.A. and those of Crédit Agricole Group, which comprises the Crédit Agricole S.A. entities and the Crédit Agricole Regional banks, which own 56.3% of Crédit Agricole S.A. Please see from p. 15 onwards for details of specific items which, after restatement for the various related intermediary balances, are used to calculate underlying results. A reconciliation between the stated income statement and the underlying income statement can be found from p. 21 onwards for Crédit Agricole Group and from p. 17 onwards for Crédit Agricole S.A.*

1 *Underlying, excluding specific items. see p. 15 and following pages for more details on specific items and p. 25 for the ROTE calculation*
2 *Group share*
3 *Contribution to the Single Resolution Fund (SRF)*
4 *Average over last four rolling quarters, annualised*
5 *According to pro forma P2R for 2019 of 9.5% as notified by the ECB (excl. countercyclical buffer)*

# Crédit Agricole Group

**Crédit Agricole Group made a net profit Group share of €1,815 million in the third quarter, posting high profitability and further growth in relation to the same quarter last year. Commercial momentum remained strong across all business lines thanks to the capture of new customers by the Group's retail banks and cross-selling. All the business divisions generated revenue growth over the quarter, including Retail Banking France, the Regional banks and LCL, which seem to have reached the point where the decrease in interest margin is offset by growth in volumes and commission income. Tight cost control enabled a positive jaws effect of nearly one percentage point on an underlying[6] basis and an improvement in the cost/income ratio to 62.8%. Consequently, all the Group's business divisions posted growth in gross operating income, including Retail Banking France. There are some mixed developments behind the apparent stability of the cost of risk: credit quality continued to improve in Retail Banking in Italy and remained excellent for Corporate and Investment Banking, LCL and the Regional banks, even if the latter saw a doubling of their cost of risk as a result of reversals of collective provisions in the third quarter of 2017. As in the previous quarter, the strong level of results and related growth can be fully attributed to higher revenues and cost control. The fully-loaded Common Equity Tier 1 ratio at end-September 2018 increased by +12 basis points compared to end-June at 14.9%, 540 basis points above the required regulatory level[7].**

In line with the "Strategic Ambition 2020" medium-term plan (MTP), the Group's stable, diversified and profitable business model drove organic growth in all its business lines, largely through synergies between the specialised business lines and the retail networks, and ensured a high level of operating efficiency while generating leeway to invest in development.

The following highlights since the last quarterly publication must be taken into account:

- the **merger of each of the legal entities of the three Italian banks** acquired at the end of 2017 – CR Rimini, CR Cesena, CR San Miniato – was completed on 22 September on finalisation of the merger of CR Rimini with CA Italia; these four entities are now grouped together to optimise cost savings; the migration of their IT systems for this purpose was also finalised during the quarter;
- **CA Assurances (CAA),** in line with its **new strategy to expand distribution** to international partners outside of the Crédit Agricole Group, strengthened its property & casualty insurance partnership with Portuguese bank Novo Banco by signing a framework agreement on 15 October to increase its stake in the jointly-owned subsidiary GNB Seguros from 50% to 75% by acquiring the 25% stake held by the Portuguese insurance company Seguradoras Unidas;
- **S&P Global Ratings** upgraded its **senior long-term credit rating** for the Group and its main subsidiaries by one notch on 19 October from A to **A+** with a **stable outlook**, having factored in the improvement in the Group's risk profile and its resilience capacity, despite the less favourable environment for its activities;
- the results of the **EBA (European Banking Authority) stress tests** published on 2 November show a solid Group financial position and solid business lines, with Crédit Agricole Group's **CET1 ratio at 10.2%, remaining well above the required SREP level** of 9.5% even in an adverse scenario, without ever hitting the distribution restriction level;
- Concerning the **litigation matter with OFAC**, the US authorities (United States Attorney's Office for the District of Columbia and District Attorney of the County of New York) decided on 19 October 2018 to **cease the pursuit of criminal sanctions** which had been deferred for three years in line with the deferred prosecution agreement signed between CACIB and said authorities in October 2015; the authorities acknowledged that **CACIB has fulfilled all the obligations required of it under such**

[6] *Underlying, excluding specific items. see p. 15 and following pages for more details on specific items and p. 25 for the ROTE calculation*
[7] *According to pro forma P2R for 2019 of 9.5% as notified by the ECB (excl. countercyclical buffer)*

**agreements**, which have now expired; the US authorities thus acknowledged the improvements in compliance implemented by CACIB, which remains fully committed to strengthening its procedures and internal controls to ensure compliance with international economic sanctions;

**In third quarter 2018**, Crédit Agricole Group's **stated net income** came to **€1,769 million** compared to €1,907 million in third quarter 2017.

In line with previous quarters, there were few **specific items**, in line with previous quarters (no new elements) and the net effect on net income this quarter is limited: **-€46 million**. They include a cost of -€6 million (-12 before tax and non-controlling interests) related to the integration of Pioneer Investments in Amundi, integration costs related to the three Italian banks of -€3 million (-7 before tax and non-controlling interests), and the net balance of recurring volatile accounting items of -€37 million, namely DVA[8] in the amount of -€6 million, hedging of the loan portfolio of the Large Customers division in the amount of -€10 million and provisions for home purchase savings of -€22 million (-33 before tax, of which -22 related to the Regional banks and -2 related to LCL). **In third quarter 2017**, specific items had an impact on net income of **+€149 million**, notably a positive impact from the disposal of the stake in BSF (+€117 million in equity-accounted entities), the integration costs of Pioneer Investments in the amount of -€11 million (-27 million before tax and non-controlling interests), the initial integration costs of the three Italian banks in the amount of -€3 million (-5 before tax) and a net balance of +€46 million in net income from recurring volatile accounting items, namely issuer spread for -€23 million (-28 before tax), hedging of the loan portfolios of the Large Customers division for -€9 million and provisions for home purchase savings plans for +€78 million (+119 before tax), of which +80 related to the Regional banks and +8 related to LCL.

Excluding these specific items, **underlying net income** was [9] **€1,815 million**, representing an increase of +3.2% versus the third quarter of 2017. This is the second time since the third quarter of 2016[10] that the Group has surpassed €1.8 billion in the third quarter, as it traditionally records a decline in Q3 versus the first two quarters of the year due to seasonal effects. Underlying net income fell by -11.7% in relation to the second quarter of 2018 net income of €2,056 million, which was the highest quarterly underlying net income posted by the Group since it began publishing its quarterly results.

**Table 1. Consolidated results of Crédit Agricole Group in Q3-2018 and in Q3-2017**

| €m | Q3-18 stated | Q3-17 stated | Ch. Q3/Q3 stated | Q3-18 underlying | Q3-17 underlying | Ch. Q3/Q3 underlying |
|---|---|---|---|---|---|---|
| **Revenues** | **8,043** | **7,885** | +2.0% | **8,097** | **7,807** | +3.7% |
| Operating expenses excl.SRF | (5,102) | (4,974) | +2.6% | (5,083) | (4,947) | +2.8% |
| SRF | - | - | n.m. | - | - | n.m. |
| **Gross operating income** | **2,940** | **2,911** | **+1.0%** | **3,014** | **2,860** | **+5.4%** |
| Cost of risk | (323) | (317) | +1.9% | (323) | (317) | +1.9% |
| Cost of legal risk | - | (75) | (100.0%) | - | (75) | (100.0%) |
| Equity-accounted entities | 77 | 240 | (67.9%) | 77 | 123 | (37.4%) |
| Net income on other assets | 2 | 1 | +60.3% | 2 | 6 | (72.1%) |
| Change in value of goodwill | - | - | n.m. | - | - | n.m. |
| **Income before tax** | **2,696** | **2,760** | **(2.3%)** | **2,770** | **2,597** | **+6.6%** |
| Tax | (816) | (743) | +9.8% | (839) | (719) | +16.7% |
| Net income from discont'd or held-for-sale ope. | (1) | (2) | (52.9%) | (1) | (2) | (52.9%) |
| **Net income** | **1,879** | **2,015** | **(6.7%)** | **1,930** | **1,876** | **+2.9%** |
| Non controlling interests | (110) | (108) | +2.5% | (115) | (117) | (2.2%) |
| **Net income Group Share** | **1,769** | **1,907** | **(7.3%)** | **1,815** | **1,759** | **+3.2%** |
| **Cost/Income ratio excl.SRF (%)** | **63.4%** | **63.1%** | **+0.4 pp** | **62.8%** | **63.4%** | **-0.6 pp** |

[8] *Debt Valuation Adjustment, i.e. gains and losses on financial instruments related to changes in the Group's issuer spread*
[9] *Underlying, excluding specific items. See p. 15 and following pages for more details on specific items*
[10] *Underlying net income in the third quarter of 2016: €1,842 million*

Third-quarter **underlying revenues** increased by **+3.7%** in relation to third quarter 2017, at €8,097 million, surpassing the €8 billion mark despite the seasonal effect. All the business lines contributed to growth, including the two French Retail Banking networks, the Regional banks and LCL, that seem to have reached the inflection point for revenue growth after suffering pressure on their interest income as a result of lower interest rates. Growth in volumes, which remained very strong, particularly in all lending segments, and in commission income offset the year-on-year decrease in margins on home loans. Underlying revenues (excluding provisions for home purchase savings) of the Regional banks and LCL increased by +1.0% and +2.3% respectively in relation to the third quarter of 2017. These two networks are the two biggest contributors[11] to Group revenues, accounting for 50% of said revenues (40% for the Regional banks and 10% for LCL). All the other business lines contributed positively to growth, barring Amundi (-1.5%), which from the third quarter ceased to benefit from the scope effect related to Pioneer (integrated since 3 July 2017) and which posted a very low level of performance fees for the quarter; nevertheless, management fees, which are a more accurate reflection of the activity and growth in assets under management, grew by +3.6%.

Among the business lines that recorded growth, it is worth noting the Insurance activity and CIB/Financing, each of which accounted for 8% of total Group revenues this quarter, and which saw increases of +27.6% and +25.5% respectively in relation to the same quarter last year, without any scope effect. These business lines are the fourth and third largest contributors respectively to Group revenues. During the quarter, Crédit Agricole Assurances benefited from the normalisation of the recognition of its financial margin, in relation to a very low level in the third quarter of 2017, and continued strong premium income growth in non-life insurance, along with strict control of the combined ratio in property & casualty insurance despite climatic events. The CIB/Financing activities recorded strong commercial banking performances across all product lines, notably in trade finance, and a solid level of origination in structured financing.

**The Regional banks therefore recorded underlying revenue growth** for the second quarter in a row, at +1.0% to €3,242 million (compared to +0.5% in Q2 versus the same quarter last year). The environment of ongoing low interest rates continued to weigh on interest margin, but interest income stabilised thanks to strong growth in volumes, while the increase in fee and commission income (+1.5% in relation to third quarter 2017) enabled growth in revenues; they account for more than half of commercial banking revenues.

**Underlying operating expenses** increased at a slower pace than revenues, at **+2.8%** in relation to third quarter 2017. This gave a positive jaws effect of nearly one percentage point, while the **underlying cost/income ratio improved by 0.6 percentage point** in relation to third quarter 2017 at **62.8%**. Underlying **gross operating income** increased by **+5.4%** compared to third quarter 2017.

The **cost of credit risk** remained almost stable at -€323 million versus -€317 million in third quarter 2017, but it decreased in relation to the previous quarter (-€397 million). Behind this year-on-year stability there is in fact a decline when we exclude changes in provisions for the Regional banks, notably the continued high reversals in the third quarter of 2017: Excluding the Regional banks, the cost of risk decreased by -16.5%, attributable in particular to the Large Customers division, which recorded net reversals of +€57 million compared to net reversals of +€21 million in third quarter 2017, and Retail Banking in Italy, whose cost of risk decreased by -12.4% to -€70 million despite the integration of the three Italian banks since the end of 2017, thanks to the improvement in the quality of the loan portfolios. The **cost of credit risk relative to outstandings** remained low, at **18 basis points**[12], stable in relation to third quarter 2017 and second quarter 2018. It remained at a very low level for the Regional banks – 10 basis points – and decreased further for Retail Banking in Italy, at 73 basis points, versus 89 in the same period last year and 101 two years ago.

Adding the contribution from equity-accounted entities, which decreased by -37.4%/-€46 million to €77 million due to the deconsolidation of BSF (contribution of €46 million in third quarter 2017), **underlying pre-tax income rose by +6.6%** compared to third quarter 2017, reaching €2,770 million.

Several business lines – Regional banks, LCL, Insurance, Wealth Management, Consumer finance – recorded an **increase in their tax expense** in relation to a low comparison base in third quarter 2017 for different reasons

[11] *If we rank separately the two activities, Financing and markets, of Corporate and Investment Banking, which accounts for 14% of business divisions' revenues (excluding the Corporate centre).*

[12] *Average provisions on loans outstanding over last four quarters, annualised*

depending on the business line, which explains the higher increase in this item (**+16.7%**) than in pre-tax income, even after restatement for the contribution from equity-accounted entities (+8.9%), and therefore in the **effective tax rate to 31.1%** (+2.1 percentage points in relation to third quarter 2017.

Despite the decrease in non-controlling interests linked to the acquisition of the minority interests of CACEIS (-2.2%), this explains the **smaller increase of +3.2% in underlying net income to €1,815 million**.

**Table 2. Consolidated results of Crédit Agricole Group in 9M 2018 and in 9M 2017**

| €m | 9M-18 stated | 9M-17 stated | Ch. 9M/9M stated | 9M-18 underlying | 9M-17 underlying | Ch. 9M/9M underlying |
|---|---|---|---|---|---|---|
| **Revenues** | **24,729** | **24,062** | +2.8% | **24,748** | **24,080** | +2.8% |
| Operating expenses excl.SRF | (15,587) | (15,167) | +2.8% | (15,566) | (15,108) | +3.0% |
| SRF | (389) | (285) | +36.2% | (389) | (285) | +36.2% |
| **Gross operating income** | **8,754** | **8,610** | **+1.7%** | **8,794** | **8,686** | **+1.2%** |
| Cost of risk | (1,141) | (1,113) | +2.5% | (1,141) | (1,113) | +2.5% |
| Cost of legal risk | (5) | (115) | (96.0%) | - | (115) | (100.0%) |
| Equity-accounted entities | 256 | 683 | (62.6%) | 256 | 459 | (44.3%) |
| Net income on other assets | 39 | (0) | n.m. | 39 | 5 | x 8.4 |
| Change in value of goodwill | 86 | - | n.m. | - | - | n.m. |
| **Income before tax** | **7,989** | **8,065** | **(0.9%)** | **7,948** | **7,922** | **+0.3%** |
| Tax | (2,317) | (2,185) | +6.0% | (2,331) | (2,208) | +5.6% |
| Net income from discont'd or held-for-sale ope. | (3) | 43 | n.m. | (3) | 43 | n.m. |
| **Net income** | **5,669** | **5,923** | **(4.3%)** | **5,614** | **5,757** | **(2.5%)** |
| Non controlling interests | (395) | (310) | +27.6% | (390) | (327) | +19.2% |
| **Net income Group Share** | **5,273** | **5,614** | **(6.1%)** | **5,224** | **5,430** | **(3.8%)** |
| **Cost/Income ratio excl.SRF (%)** | **63.0%** | **63.0%** | **-0.0 pp** | **62.9%** | **62.7%** | **+0.2 pp** |

**Underlying net income in the first nine months of 2018** decreased by **-3.8%** in relation to the first nine months of 2017, and by **-0.2% excluding the SRF**. It should be noted that while a calculation on a like-for-like basis is no longer possible after the merger of the legal entities of the three Italian banks, the scope effect on growth over nine months is without doubt negative: the sale and deconsolidation of BSF and Eurazéo led to a loss in contribution to net income of +€203 million, while the contribution of Pioneer to be reintegrated over one six-month period had a positive impact on nine-month growth of just €75 million, and the three Italian banks and Banca Leonardo did not offset the difference.

**Underlying revenues** increased by **+2.8%**, with **underlying operating expenses excluding SRF** up by **+3.0%** and the **cost of credit risk** (excluding an unallocated legal provision of -€115 million in the first – -40 – and third – -75 – quarters of 2017) up by **+2.5%**. **Pre-tax income** therefore **remained almost stable (+0.3%)** at €7,948 million, but the increase in tax (+5.6%) already signalled in the third quarter and in minority interests linked mainly to the scope effect of Pioneer and the reduction in the stake in Amundi led to a reduction in underlying net income.

During the third quarter, the **Regional banks** saw continued good business growth, both in loans, with outstandings of €479.1 billion at end-September 2018, up +6.6% in relation to end-September 2017, and in customer savings, which increased by +3.8% to outstandings of €688.3 billion. As in the previous quarters, growth was particularly strong in home loans (+8.0%), consumer loans (+9.8%), and loans to businesses and professional clients (+8.8%). Life insurance assets under management increased by +3.5%, with the share of unit-linked up by +12.3% in relation to end-September 2017.

These improvements are associated with winning new customers, i.e. 136,000 additional individual customers (net new customers) since the beginning of the year, including 22,000 for BforBank. The launch of EKO in December 2017, an access banking solution for the Regional banks, made it possible to attract new prospects. Nearly 64,000 customers have opened an account since launch, i.e. 8% new accounts opened over the period, in line with the customer segment specifically targeted by the offer: 31% of the new relationships were formed online.

This commercial performance made a significant contribution to growth in Crédit Agricole S.A.'s business lines, which distribute a large number of products as the Group's main distribution network and the leading Retail Banking network in France.

**In the third quarter of 2018**, the **contribution of the Regional banks** to Crédit Agricole Group's **underlying net income** came to **€671 million**, representing a decrease of **-13.3%** compared to third quarter 2017, attributable to the aforementioned provision movements (cost of risk doubled from a very low level).

**Over nine months**, this contribution comes to **€1,866 million**, down **-19.3%** also, for the same reason (cost of risk nearly tripled from a very low level).

The performance of the other Crédit Agricole Group business lines is described in detail in the section of this press release on Crédit Agricole S.A.

Over the quarter, Crédit Agricole Group's financial solidity remained robust, with a **fully-loaded common equity Tier 1 (CET1) ratio[13] of 14.9%**, up by**+12 basis points** compared to end-June 2018. This ratio provides a substantial buffer above the distribution restriction trigger applicable to Crédit Agricole Group as of 1 January 2019, set at 9.5% by the ECB.

The **TLAC ratio** was **21.2%** at 30 September 2018, **excluding eligible senior preferred debt**, stable from end-June 2018 (21.2%) and up compared to end-September 2017 (20.6%). This ratio is 170 basis points above the minimum requirement excluding countercyclical buffer for 2019 of 19.5%, without taking into account senior preferred debt that is eligible at 2.5% of risk-weighted assets based on the regulatory calculation. The TLAC ratio target of 22% by 2019, excluding eligible senior preferred debt, has been confirmed, with a CET1 ratio target of 15.5% to 16% and 6% to 6.5% for senior non-preferred debt, Tier 2 and additional Tier 1 instruments. The Group **issued the equivalent of €6.0 billion in Tier 2 and senior non-preferred debt** over the first nine months of the year.

The **MREL ratio** was circa **13%** at 30 September 2018, of which **8.3% excluding eligible senior preferred debt**. Crédit Agricole Group was notified on 8 June 2018 of the immediately applicable minimum required level including eligible senior preferred debt. Crédit Agricole Group complied with this minimum level at 30 September 2018.

The **phased-in leverage ratio[14]** came to **5.4%**, **stable** compared to end-June 2018.

Crédit Agricole Group's **liquidity position** is solid. Its banking cash balance sheet, at €1,210 billion at 30 September 2018, shows a **surplus of stable funding resources over stable application of funds of €111 billion**, up €5 billion compared to end-June 2018. This surplus exceeds the MTP target of over €100 billion. The surplus of stable funds finances the HQLA (High Quality Liquid Assets) securities portfolio generated by the LCR (Liquidity Coverage Ratio) requirement for customers and customer-related activities. The **liquidity reserves**, which include capital gains and discounts on securities portfolios, stood at **€262 billion** on 30 September 2018, covering the level of short-term debt (€110 billion) more than twice over.

Crédit Agricole Group issuers **raised €26.1 billion equivalent of medium- and long-term debt** in the first nine months of 2018, versus just over €36.1 billion for the whole of 2017. Moreover, Crédit Agricole Group placed €2.4 billion in bonds with its retail banking networks (the Regional banks, LCL and CA Italia). **Crédit Agricole S.A.** raised a total of €12.2 billion over the first nine months of 2018, representing 47% of the total issuance of all the Group's issuers, thus achieving **102% of its issuance programme for 2018**.

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13 *Including first-half 2018 retained earnings.*

14 *The leverage ratio amounts to 5.6% subject to the issue by the ECB of an authorisation to exempt exposures linked to the centralisation of deposits with the Caisse des Dépôts et Consignations to take account of Judgement T-758/16 of the General Court of the European Union of 13 July 2018.*

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Dominique Lefebvre, Chairman of SAS Rue La Boétie and Chairman of Crédit Agricole S.A.'s Board of Directors, commented on the Group's nine-month 2018 results and activity as follows:*" Over the first nine months of the year, Crédit Agricole Group has demonstrated the soundness of the customer projects, organisation and business model adopted by it. Our retail banks on domestic markets in France and Italy all gained new customers.*

*Thanks to our customer-focused universal banking model, which underpins our overall relationship with our customers and the quality and diversity of the products and services proposed by our specialised business lines, we have been able to increase the equipment rate of our insurance and banking customers, notably in property & casualty insurance.The relevance of this banking model combined with steadfast financial soundness are strong attributes that can turn a persistently uncertain environment to good account."*

# Crédit Agricole S.A.

## Solid growth in Q3/Q3 and 9M/9M results, despite difficult markets in Q3

- **Underlying net income above €1bn: Q3-18 €1,133m**, the highest third-quarter level since the financial crisis; **+17.3% Q3/Q3, 9M-18 €3,338m, +9.5% 9M/9M** despite an increase in the SRF;
- **Contribution by all of the business divisions** to growth (SFS stable), with a particularly high level of growth and profitability in CIB/Financing;
- **Underlying annualised ROTE[15] 13.1%;** RONE Corporate and Investment Banking 13.1% after tax and AT1 costs;

## Strong activity, growth in revenue Q3/Q3 in all business lines

- Strong growth in **lending** for the Retail Banks, good resilience in **savings inflows** in a difficult market environment;
- **Underlying revenues up +5.9% Q3/Q3**, contribution by all the business divisions, strong increase in Insurance (+27.1%) and Large Customers (+5.5%), notably for the CIB/Financing activities (+25.5%);

## Confirmed cost control and further fall in the cost of risk

- Further **improvement in operating efficiency:** underlying expenses +3.6% Q3/Q3, strong jaws effect (>+2pp Q3/Q3) in all business lines (+1.7pp 9M/9M), further improvement in the underlying C/I ratio 1.4pp Q3/Q3 and 1.0pp 9M/9M;
- Further **decrease in the cost of credit risk**: -16.5% Q3/Q3; cost of risk relative to outstandings: 26bp;

## Financial solidity: increase in CET1 ratio Q3/Q2 and upgrade by S&P

- **Fully-loaded CET1 ratio 11.5%**, above the MTP target of 11%, +11bp in Q3;
- Capital generation through retained earnings (+16bp, including a 9M dividend provision at €0.53);
- RWA stable: +€0.5bn/end-June; impact from reserves booked under OCI: -7bp, of which -2bp related to the widening of spreads on Italian sovereign yields;
- Long-term rating by S&P raised to A+ (stable outlook), rating raised by each rating agency in the past three years (Moody's to A1/positive outlook and Fitch to A+/stable outlook);
- Settlement of OFAC litigation: definitive discharge from criminal prosecution at the end of the three-year probationary period.

Crédit Agricole S.A.'s Board of Directors, chaired by Dominique Lefebvre, met on 6 November 2018 to examine the financial statements for the third quarter and first nine months of 2018.

**In third quarter 2018, stated net income was €1,101 million** versus €1,066 million in the third quarter of 2017.

There were a small number of **specific items** this quarter, which had a **limited net negative effect of -€32 million on net income**, notably the cost of integrating Pioneer Investments in Amundi which amounted to -€6 million (-12 before tax and non-controlling interests), the cost of integrating the three Italian banks in the amount of -€4 million (-7 before tax and non-controlling interests), and the net balance of -€23 million in net income from recurring volatile accounting items, namely the DVA[16] for -€6 million, hedging of the loan portfolios of the Large Customers division for -€10 million and provisions for home purchase savings for -€7 million. **In third quarter 2017**, specific items had an impact on net income of +€100 million, notably a positive impact from the disposal of the stake in BSF[17] (+€117 million under equity-accounted entities), integration costs related to Pioneer Investments in the amount of -€14 million (-€27 million

*[15] See calculation of ROTE p. 25; annualised rate calculated without restating IFRIC21 charges, taking into account AT1 coupons deducted directly from Group net equity; RONE of the divisions and business lines calculated using the same method*
*[16] Debt Valuation Adjustment, i.e. gains and losses on financial instruments related to changes in the Group's issuer spread*
*[17] Disposal of 15.42% interest, consolidated using the equity method until disposal in June 2017; see press release of 6 June 2017*

before tax and non-controlling interests), and a net balance of +€3 million in net income from recurring volatile accounting items, namely issuer spread for -€14 million, hedging of the loan portfolios of the Large Customers division for -€9 million and provisions for home purchase savings plans for +€26 million.

Excluding these specific items, **underlying net income** for third quarter 2018 came to **€1,133 million,** an increase of +17.3% compared to third quarter 2017. This is the highest level of third-quarter underlying net income published by Crédit Agricole S.A. since the financial crisis[18].

**Underlying earnings per share came to €0.36,** an increase of **+18.6%** compared to third quarter 2017. **Tangible net asset per share** (not revaluated, excluding OCI reserves, before deduction of the dividend) came to **€11.5**, up **+3.2% versus end-September 2017** (including the IFRS9 impact of -€0.04 per share) and **+3.0% versus end-June 2018**.

**Table 3. Consolidated results of Crédit Agricole S.A. in Q3-2018 and in Q3-2017**

| €m | Q3-18 stated | Q3-17 stated | Ch. Q3/Q3 stated | Q3-18 underlying | Q3-17 underlying | Ch. Q3/Q3 underlying |
|---|---|---|---|---|---|---|
| **Revenues** | **4,802** | **4,575** | +5.0% | **4,834** | **4,564** | +5.9% |
| Operating expenses excl.SRF | (2,998) | (2,902) | +3.3% | (2,979) | (2,875) | +3.6% |
| SRF | - | - | n.m. | - | - | n.m. |
| **Gross operating income** | **1,804** | **1,672** | **+7.8%** | **1,856** | **1,689** | **+9.9%** |
| Cost of risk | (218) | (262) | (16.5%) | (218) | (262) | (16.5%) |
| Cost of legal risk | - | (75) | (100.0%) | - | (75) | (100.0%) |
| Equity-accounted entities | 78 | 239 | (67.3%) | 78 | 122 | (35.9%) |
| Net income on other assets | (0) | (7) | (98.7%) | (0) | (2) | (96.0%) |
| Change in value of goodwill | - | - | n.m. | - | - | n.m. |
| **Income before tax** | **1,663** | **1,567** | **+6.1%** | **1,715** | **1,472** | **+16.5%** |
| Tax | (434) | (367) | +18.3% | (449) | (364) | +23.3% |
| Net income from discont'd or held-for-sale ope. | (1) | (2) | n.m. | (1) | (2) | n.m. |
| **Net income** | **1,228** | **1,198** | **+2.5%** | **1,265** | **1,105** | **+14.4%** |
| Non controlling interests | (128) | (132) | (3.2%) | (132) | (139) | (5.3%) |
| **Net income Group Share** | **1,101** | **1,066** | **+3.2%** | **1,133** | **966** | **+17.3%** |
| **Earnings per share (€)** | **0.35** | **0.34** | **+3.1%** | **0.36** | **0.31** | **+18.6%** |
| **Cost/Income ratio excl.SRF (%)** | **62.4%** | **63.4%** | **-1.0 pp** | **61.6%** | **63.0%** | **-1.4 pp** |

**All the business lines contributed to growth in underlying net income** barring Specialised Financial Services, which saw a stable year-on-year performance. This growth was achieved despite a more difficult market environment, thanks to a high level of activity, albeit slower in some business lines due to annual seasonal effects (namely Asset and Wealth management). This activity was of good quality in terms of risk profile and profitability, notably because it was amplified by cross-selling between the Crédit Agricole S.A. businesses and the Crédit Agricole Group Retail Banks, including the Regional banks, in line with the medium-term plan (MTP) strategy to strengthen cross-selling. The revenue growth recorded in all of the business lines attest to this. The quarter was also marked by a continued improvement in operating efficiency, as reflected in positive jaws effects and an improvement in the underlying cost/income ratio. Finally, the reduction in the cost of risk, particularly in Italy, and the net reversals of credit provisions in Corporate and Investment Banking enabled an acceleration of growth in net income.

It should be noted that due to the legal merger of each of the three Italian banks with CA Italia it is no longer possible to calculate a scope effect from the third quarter of 2018. As for the Crédit Agricole Group, the scope effect was undoubtedly negative in terms of growth in underlying net income, as the contribution of BSF in the third quarter of 2017 (€46 million) was not yet offset by the contributions of the three Italian banks and Banca Leonardo. Conversely, the forex effect being much smaller than during the two previous quarters (the euro lost -1.3% vs. the US dollar on average in third quarter 2018 in relation to the same period in 2017), no forex effect was calculated for this quarter.

[18] *Underlying net income in the third quarter of 2007: €1,158 million*

**Third quarter 2018 underlying revenues** reached €4,834 million, up **+5.9%** thanks to a contribution by all the business lines, including Retail Banking, which saw an increase of +4.3% versus third quarter 2017, attributable to a strong performance by LCL, +2.3% (+3.5% excluding renegotiation fees and early redemptions) and the scope effect of the three Italian banks. Of particular note is the very strong performance by the Insurance activity (+27.1%) and Corporate and Investment Banking, whose revenues grew by +4.4% despite a high comparison base in the third quarter of 2017 and difficult markets in the third quarter of 2018. This increase was notably underpinned by Corporate Banking (+25.5%), which benefited during the quarter from strong performances in all Commercial Banking product lines and a high level of Structured financing activity.

Other notable activity developments among the business lines in the third quarter include:

- **a high level of lending activity in Retail Banking on the Group's domestic markets**, with growth in loans to businesses topping +10% for the Regional banks and LCL versus 30 September 2017, and strong home loan activity, which grew by +4.5% at LCL and +8.0% among the Regional banks; since December 2017, CA Italia has benefited from a scope effect related to the three Italian banks, which recorded a sharp sequential increase in their loan origination, e.g. new home loans up +26% in the third quarter versus the second quarter, after +61% in the second quarter versus the first quarter;
- **strong net inflows** in the Asset gathering & Insurance division, attributable in particular to life insurance (+€2.0 billion, of which €1.2 billion in unit-linked activity) and good resilience in asset management (+€6.1 billion), despite a difficult market environment and the announced loss in the second quarter of the Fineco mandate; the Insurance business continued to generate strong growth in property & casualty premiums, which reached +8.6%, thanks notably to growth in the customer equipment rate at the retail banks (+1.3 percentage points over nine months for the Regional banks to 35.9% and +1.1 for LCL at 23.5%);
- **good growth in Specialised Financial Services outstandings**, both in Consumer finance's managed loans (+6.9% versus end-September 2017 to €85.9 billion, showing an acceleration versus end-June), which were driven by partnerships with automotive companies and the Group networks, and in consolidated finance leases (+3.4% versus end-September 2017 to €14.3 billion, particularly international leases +10.2%), and factoring revenue (+3.6% in third quarter 2018 versus the same quarter in 2017);
- the high level of activity in CIB/Financing activities, which this quarter did not lead to an increase in risk-weighted assets thanks to good syndication activity and risk transfer: the **average primary distribution rate over twelve rolling months** was **38%**.

Since the last quarterly publication there has been a notable reinforcement of Crédit Agricole Assurances' **bancassurance partnership** with Portuguese bank Novo Banco, achieved by bringing CAA's interest in the brokerage firm GNB Seguros to 75% through the purchase of the 25% stake held by Portuguese insurance company Seguradoras Unidas. Details of the other highlights are provided in the section on Crédit Agricole Group.

**Revenue growth** was reinforced by **good cost control**, with underlying expenses growing by just **+3.6%** versus third quarter 2017. It should be noted that the bulk of this increase of +€104 million came from three business lines: Retail Banking in Italy (+16.5%/+€40 million) due to the scope effect, CIB/Financing activities thanks to its strong level of activity (+6.6%/+€15 million, but revenues rose by +25.5%) and the Corporate Centre (+€27 million/+14.8%) due to investment in information systems and payments. By contrast, the other business lines showed no change (Consumer finance, Insurance) or a decrease (Asset Management, LCL). This tight cost management made it possible to generate a **significant jaws effect** between growth in underlying revenues and in underlying expenses of more than +2 percentage points, leading to an **improvement in the cost/income ratio of 1.4 percentage points** versus third quarter 2017, to **61.6%**. All business divisions contributed to this good performance, each generating a positive underlying jaws effect.

**Underlying gross operating income** therefore increased by **+9.9%** compared to third quarter 2017.

**The cost of risk** decreased further to a very low level, reaching €218 million versus €262 million in third quarter 2017, **down -16.5%/-€44 million** in relation to third quarter 2017, notably attributable to the Large Customers division, which recorded net reversals of +€57 million compared to net reversals of +€21 million in third quarter 2017, and Retail Banking in Italy, whose cost of risk decreased by -12.4%/-€10 million despite the integration since the end of 2017 of the three Italian banks, thanks to an improvement in the quality of the loan portfolios. By contrast, the cost of risk increased for Specialised Financial Services (+10.3%/+€13 millions) and for Consumer finance in particular: the cost of risk relative to outstandings normalised at 118 basis points while consolidated outstandings increased. A slight increase also for LCL (+11.1%/+€5 million), but from a very low level. The **cost of credit risk relative to outstandings of Crédit Agricole S.A.** remained low at 26 basis points[19], down -5 basis points versus third quarter 2017 but stable in relation to second quarter 2018 and still lower than the 50 basis point assumption in the medium-term plan.

The **underlying contribution of equity-accounted entities** decreased by -35.9% to €78 million. Excluding the loss of the contribution from BSF, it would have increased by +3% notably due to the sharp increase in profitability of the Asset management joint ventures in Asia.

**Underlying pre-tax income[20] before discontinued operations and non-controlling interests increased by +16.5%** to €1,715 million. The third and second quarters of 2017 benefited from low tax on capital gains on the disposal by the Insurance business line, which saw the underlying effective tax rate come out at 27.0% versus 27.4% in third quarter 2018. The underlying tax expense therefore increased at a higher pace than pre-tax income, by +23.3% to €449 million. This brought growth in **net income before non-controlling interests to +14.4%**. The decrease in non-controlling interests, partly linked to the buyback of non-controlling interests in CACEIS last December, brought the increase in **underlying net income to +17.3%** versus third quarter 2017, at **€1,133 million**.

Stated net income **in the first nine months of 2018** amounted to €3,393 million, compared to €3,262 million in the first nine months of 2017, an increase of +4.0%.

**Specific items during the first nine months of 2018** had an impact of **+€54 million** on stated net income. In addition to the third quarter items already mentioned above, the first half 2018 items had a positive impact of +€87 million, including the adjustment of negative goodwill recognised at the time of acquisition of the three Italian banks totalling +€66 million, the cost of integrating Pioneer Investments of -€8 million (-€14 million over nine months), reversals of integration costs for the three Italian banks leading to net reversals over nine months of +€5 million and recurring specific items over nine months, namely the DVA for +€5 million, hedging of the loan portfolios of the Large Customers division for +€4 million, and provisions for home loan savings of -€7 million. **Specific items for the first nine months of 2017** had an impact of +€214 million on net income. They notably included an impact on net income from the integration costs of Pioneer in the amount of -€28 million, the capital gain on the disposal of BSF in the amount of +€107 million, the capital gain on the sale of Eurazeo in the amount of +€114 million, issuer spread of -€69 million, the DVA of -€39 million, hedging of the loan portfolio of the Large Customers division in the amount of -€34 million and provisions for home loan savings of +€165 million.

Excluding these specific items, **underlying net income reached €3,338 million,** increasing by **+9.5%** compared with the first nine months of 2017. It was impacted by the **sharp increase in the SRF (+24.5%)**; if we strip out this increase in the SRF, underlying net income would have grown by +10.5%.

**Underlying earnings per share came to €1.06**, an increase of **+10.9%** compared to the first nine months of 2017.

Annualised **ROTE**[21] (return on tangible equity excluding intangibles) net of coupons on Additional Tier 1 securities reached **13.1% in the first nine months of 2018**, a significant increase compared to the first nine months of 2017 (12.4%).

*[19] Average provisions on loans outstanding over last four quarters, annualised*
*[20] See p. 15 for more details on specific items related to Crédit Agricole S.A.*
*[21] See details on the calculation of the business lines' ROTE (return on tangible equity) and RONE (return on normalised equity) on p.25.*

## Table 4. Consolidated results of Crédit Agricole S.A. in 9M 2018 and in 9M 2017

| €m | 9M-18 stated | 9M-17 stated | Ch. 9M/9M stated | 9M-18 underlying | 9M-17 underlying | Ch. 9M/9M underlying |
|---|---|---|---|---|---|---|
| **Revenues** | **14,882** | **13,983** | +6.4% | **14,880** | **13,962** | +6.6% |
| Operating expenses excl.SRF | (9,074) | (8,693) | +4.4% | (9,053) | (8,635) | +4.9% |
| SRF | (301) | (242) | +24.5% | (301) | (242) | +24.5% |
| **Gross operating income** | **5,507** | **5,047** | **+9.1%** | **5,525** | **5,086** | **+8.6%** |
| Cost of risk | (755) | (972) | (22.3%) | (755) | (972) | (22.3%) |
| Cost of legal risk | (5) | (115) | (96.0%) | - | (115) | (100.0%) |
| Equity-accounted entities | 248 | 678 | (63.4%) | 248 | 454 | (45.3%) |
| Net income on other assets | 32 | (8) | n.m. | 32 | (3) | n.m. |
| Change in value of goodwill | 86 | - | n.m. | - | - | n.m. |
| **Income before tax** | **5,113** | **4,630** | **+10.4%** | **5,050** | **4,449** | **+13.5%** |
| Tax | (1,244) | (1,030) | +20.8% | (1,250) | (1,046) | +19.6% |
| Net income from discont'd or held-for-sale ope. | (3) | 43 | n.m. | (3) | 43 | n.m. |
| **Net income** | **3,866** | **3,643** | **+6.1%** | **3,797** | **3,447** | **+10.2%** |
| Non controlling interests | (473) | (381) | +24.1% | (459) | (399) | +15.0% |
| **Net income Group Share** | **3,393** | **3,262** | **+4.0%** | **3,338** | **3,048** | **+9.5%** |
| **Earnings per share (€)** | **1.08** | **1.03** | **+4.7%** | **1.06** | **0.96** | **+10.9%** |
| **Cost/Income ratio excl.SRF (%)** | **61.0%** | **62.2%** | **-1.2 pp** | **60.8%** | **61.8%** | **-1.0 pp** |

As during the quarter, this performance was achieved through strong growth in revenues, excellent cost control and a decrease in the cost of risk.

**Underlying revenues** increased by **+6.6%** in relation to the first nine months of 2017, with a positive contribution recorded by all the divisions, and the performance in the third quarter enabling the Large Customers division to make up the lag it recorded in the first half of the year.

**Underlying operating expenses** increased by **+4.9%**, excluding the contribution to the SRF, which increased by a significant +24.5% to €301 million during the first nine months of 2018 versus €242 million during the first nine months of 2017. Thanks to this positive jaws effect of +1.7 percentage points, the **underlying cost/income ratio excluding the SRF improved by 1.0 percentage point to 60.8%**.

The **cost of credit risk excluding unallocated legal provisions** (-€115 million in the first nine months of 2017) decreased by **-22.3%/+€217 million** compared to the first nine months of 2017, at -€755 million. As during the first half, this decrease can mainly be explained by the Large Customers division (+€204 million), with net reversals for this division over nine months (+€38 million) compared with net allocations (-€166 million) in the first nine months of 2017, notably Corporate Financing (+€237 million year-on-year). The contribution changes of the other activities more or less cancelled each other out: slight increase for Specialised Financial Services (+8.8%/-€30 million) and LCL (+5.3%/-€8 million), but a decrease for International Retail Banking (-15.7%/+€51 million).

As for the quarter, the **-45.3%/-€206 million** decrease in underlying results of the **equity-accounted companies** can be explained by the **deconsolidation of BSF and to a lesser extent of Eurazeo,** in the amount of -€204 million. After restatement for this item, growth was recorded in the Asset management and Consumer finance joint ventures. It should be noted that the equity-accounted companies contributed just 7% to underlying net income compared with 15% in the first nine months of 2017, even though there was an increase in the related results. The increase in the share of fully consolidated profit was a significant step in simplifying Crédit Agricole S.A. and in improving its cash control, enabling better coverage of dividends.

**Underlying pre-tax income** increased by **+13.5%,** surpassing the €5 billion mark, at **€5,050 million**. The decrease in the contribution of equity-accounted companies and the converse increase in the share of fully-consolidated income explains the higher increase in **taxation** than in pre-tax income, at **+19.6%**. Net income increased by just +10.2%, while the stronger increase in **non-controlling interests** (**+15.0%**), notably attributable to the sharp increase in Amundi's contribution after the integration of Pioneer, brought growth in **underlying net income to +9.5%**, at **€3,338 million**.

In third quarter 2018, Crédit Agricole S.A.'s financial solidity strengthened, with a **fully-loaded Common Equity Tier 1 (CET1) ratio[22] of 11.5%**, **up by+11 basis points compared to end-June 2018**. This increase can mainly be attributed to capital generation during the quarter (+16 basis points), after the deduction of coupons on additional Tier 1 securities accrued during the quarter and a prudential provision for the quarterly dividend accrual of €0.18 per share (€0.53 per share for the first nine months of 2018) and the capital increase reserved for employees settled on 1 August (+4 basis points), from which the negative effects of changes in OCI reserves (-7 basis points, of which -2 related to the broadening of spreads on Italian sovereign yields) and moderate growth in risk-weighted assets over the quarter (-1 basis point) were deducted. **Risk-weighted assets** amounted to **€307 billion** at end-September 2018, **stable** compared with end-June.

The phased-in **leverage ratio**[23] was **4.1%** at end-September 2018 as defined in the Delegated Act adopted by the European Commission.

Crédit Agricole S.A.'s average **LCR ratio** over twelve months stood at **134.5%** at end-September 2018 (134.2% related to Crédit Agricole Group), higher than the Medium-Term Plan target of over 110%.

**At end-September 2018**, Crédit Agricole S.A. had completed **102% of its €12 billion medium- to long term market funding programme for the year** (€12.2 billion). It raised the equivalent of €6.2 billion in senior preferred debt (uncollateralised) and collateralised senior debt and the equivalent of €6.0 billion in Tier 2 and senior non-preferred debt, the latter amounting to €4.6 billion.

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Philippe Brassac, Chief Executive Officer, commented on the third-quarter 2018 results and activity of Crédit Agricole S.A. as follows: *"During the third quarter, Crédit Agricole S.A. continued to develop in line with the MTP by successfully integrating recent acquisitions and achieving organic growth in all of its business lines. This development was efficiently achieved: expenses continued to be tightly managed, the cost/income ratio improved, and risk-weighted assets remained almost stable in relation to the previous quarter. Consequently, we achieved a strong increase in net income and high profitability, and further strengthened our financial soundness and the quality of our credit portfolios. This is reflected in the upgrade by one notch by S&P of the Group's long-term credit rating. The Group therefore is well equipped to thrive on all its markets."*

[22] *Including first half 2018 retained earnings.*

[23] *The leverage ratio amounts to 4.3% at this date subject to the issue by the ECB of an authorisation to exempt exposures linked to the centralisation of deposits with the Caisse des Dépôts et Consignations to take account of Judgement T-758/16 of the General Court of the European Union of 13 July 2018.*

# Corporate social and environmental responsibility

**Numerous awards for Crédit Agricole Group's CSR policy**

In recent months, Crédit Agricole S.A. and its subsidiaries have been awarded many prizes that reward its Corporate social and environmental responsibility policy, signs of the Group's success in integrating ESG criteria (environnement, society and governance) in its investment and lending criteria. Thus, Amundi was awarded the *Corbeille Epargne Salariale* by the French financial weekly *« Mieux vivre votre argent »*, LCL received the « Best employee savings plans 5-year management – Equity » award « Best 1-year PEA (Equity) fund range », Crédit Agricole was top-ranked for the *« Corbeille Long Terme »* (Long term – 5-year - fund management), the most prestigious prize. Crédit Agricole CIB received several awards at the *GlobalCapital Green/Sustainable and Responsible Capital Markets Awards*, benchmark prizes for green, social and sustainable bonds and loans. CA-CIB was voted *« Overall Most Impressive Investment Bank for Green/SRI Capital Markets »*. Finally, Crédit Agricole Assurances received the award *Global Invest Sustainable Insurance company of the year*, organised by the French financial daily l'Agefi, that rewards the engagement of CA Assurances in sustainable investments.

**Amundi's commitment to respectful management of ESG analysis**

A pioneer in responsible investment and European leader in asset management, Amundi recently launched an ambitious action plan to give its commitments new impetus. The use of ESG (Environmental, Social, Governance) criteria in its analysis will be rolled out across all of the Group's fund management within the next three years and the voting policy at general meetings will systematically incorporate the results of the companies' ESG rating. Amundi is further strengthening its responsible investment approach by doubling its investment in projects with an environmental impact and those dedicated to the social and solidarity economy.

**Integrated report**

Crédit Agricole S.A. published its third Integrated Report – jointly prepared and approved by the Board of Directors – at its Annual Shareholders' Meeting of 16 May. Prepared based on the recommendations of the IIRC (International Integrated Report Committee), of which Crédit Agricole S.A. has been a member since 2016, it offers a summary account of all the Group's other financial and extra-financial information and of its business model, strategy and key performance indicators. This document reflects the growing pace of integration of CSR in the Group's strategy and different business lines.

**Liquidity Green Supporting Factor**

In order to assist its business lines, Crédit Agricole CIB implemented an initiative under which projects to help combat climate change can benefit from a more advantageous internal funding rate. With the "Liquidity Green Supporting Factor" favourable terms can be offered to investors enabling an increase in responsible financing amounts.

# Appendix 1 – Specific items, Crédit Agricole S.A. and Crédit Agricole Group

**Table 5. Crédit Agricole S.A. - Specific items, Q3-18 and Q3-17, 9M-18 and 9M-17**

| €m | Q3-18 | | Q3-17 | | 9M-18 | | 9M-17 | |
|---|---|---|---|---|---|---|---|---|
| | Gross impact * | Impact on NIGS | Gross impact * | Impact on NIGS | Gross impact * | Impact on NIGS | Gross impact* | Impact on NIGS |
| Issuer spreads (CC) | - | - | (16) | (14) | - | - | (121) | (69) |
| DVA (LC) | (8) | (6) | (0) | (0) | 8 | 5 | (61) | (39) |
| Loan portfolio hedges (LC) | (14) | (10) | (13) | (9) | 6 | 4 | (53) | (34) |
| Home Purchase Savings Plans (FRB) | (2) | (1) | 8 | 5 | (2) | (1) | 63 | 39 |
| Home Purchase Savings Plans (CC) | (9) | (6) | 32 | 21 | (9) | (6) | 154 | 101 |
| Liability management upfront payment (CC) | - | - | - | - | - | - | 39 | 26 |
| **Total impact on revenues** | **(33)** | **(23)** | **10** | **3** | **2** | **3** | **20** | **23** |
| Pioneer integration costs (AG) | (12) | (6) | (27) | (14) | (30) | (14) | (59) | (28) |
| 3 Italian banks integration costs (IRB) | (7) | (4) | - | - | 9 | 5 | - | - |
| **Total impact on operating expenses** | **(19)** | **(10)** | **(27)** | **(14)** | **(21)** | **(10)** | **(59)** | **(28)** |
| ECB fine (CC) | | | - | - | (5) | (5) | - | - |
| **Total impact Non-allocated legal risk provisions** | | | **-** | **-** | **(5)** | **(5)** | **-** | **-** |
| Eurazeo sale (CC) | - | - | | | - | - | 107 | 107 |
| Disposal of BSF (LC) | - | - | 117 | 114 | - | - | 117 | 114 |
| **Total impact on equity affiliates** | **-** | **-** | **107** | **107** | | | **224** | **221** |
| Change of value of goodwill (CC) | - | - | - | - | 86 | 66 | - | - |
| **Total impact on change of value of goodwill** | **-** | **-** | **-** | **-** | **86** | **66** | **-** | **-** |
| CA Italy acquisition costs (IRB) | - | - | (5) | (3) | - | - | (5) | (3) |
| **Total impact on Net income on other assets** | **-** | **-** | **(5)** | **(3)** | **-** | **-** | **(5)** | **(3)** |
| **Total impact of specific items** | **(52)** | **(32)** | **95** | **100** | **62** | **54** | **181** | **214** |
| *Asset gathering* | *(12)* | *(6)* | *(27)* | *(14)* | *(30)* | *(14)* | *(59)* | *(28)* |
| *French Retail banking* | *(2)* | *(1)* | *8* | *5* | *(2)* | *(1)* | *63* | *39* |
| *International Retail banking* | *(7)* | *(4)* | *(5)* | *(3)* | *9* | *5* | *(5)* | *(3)* |
| *Specialised financial services* | *-* | *-* | *-* | *-* | *-* | *-* | *-* | *-* |
| *Large customers* | *(21)* | *(16)* | *103* | *106* | *13* | *10* | *3* | *41* |
| *Corporate centre* | *(9)* | *(6)* | *16* | *6* | *72* | *55* | *179* | *165* |

** Impacts before tax and minority interests*

## Table 6. Crédit Agricole Group - Specific items, Q3-18 and Q3-17, 9M-18 and 9M-17

| €m | Q3-18 | | Q3-17 | | 9M-18 | | 9M-17 | |
|---|---|---|---|---|---|---|---|---|
| | Gross impact * | Impact on NIGS | Gross impact * | Impact on NIGS | Gross impact* | Impact on NIGS | Gross impact* | Impact on NIGS |
| Issuer spreads (CC) | - | - | (28) | (23) | - | - | (145) | (91) |
| DVA (LC) | (8) | (6) | (0) | (0) | 8 | 6 | (61) | (40) |
| Loan portfolio hedges (LC) | (14) | (10) | (13) | (9) | 6 | 5 | (53) | (35) |
| Home Purchase Savings Plans (FRB) | (2) | (1) | 8 | 5 | (2) | (1) | 63 | 41 |
| Home Purchase Savings Plans (CC) | (9) | (6) | 32 | 21 | (9) | (6) | 154 | 101 |
| Home Purchase Savings Plans (RB) | (22) | (14) | 80 | 52 | (22) | (14) | 205 | 134 |
| Adjustment on liability costs (RB) | - | - | - | - | - | - | (218) | (148) |
| Liability management upfront payment (CC) | - | - | - | - | - | - | 39 | 26 |
| **Total impact on revenues** | **(54)** | **(37)** | **78** | **46** | **(19)** | **(11)** | **(17)** | **(12)** |
| Pioneer integration costs (AG) | (12) | (6) | (27) | (11) | (30) | (14) | (59) | (26) |
| 3 Italian banks integration costs (IRB) | (7) | (3) | - | - | 9 | 6 | - | - |
| **Total impact on operating expenses** | **(19)** | **(9)** | **(27)** | **(11)** | **(21)** | **(8)** | **(59)** | **(26)** |
| ECB fine (CC) | | | - | - | (5) | (5) | - | - |
| **Total impact Non-allocated legal risk provisions** | | | **-** | **-** | **(5)** | **(5)** | **-** | **-** |
| Eurazeo sale (CC) | - | - | | | - | - | 107 | 107 |
| Disposal of BSF (LC) | - | - | 117 | 117 | - | - | 117 | 117 |
| **Total impact on equity affiliates** | **-** | **-** | **117** | **117** | | | **224** | **224** |
| Change of value of goodwill (CC) | - | - | - | - | 86 | 74 | - | - |
| **Total impact on change of value of goodwill** | **-** | **-** | **-** | **-** | **86** | **74** | **-** | **-** |
| CA Italy acquisition costs (IRB) | - | - | (5) | (3) | - | - | (5) | (3) |
| **Total impact on Net income on other assets** | **-** | **-** | **(5)** | **(3)** | **-** | **-** | **(5)** | **(3)** |
| **Total impact of specific items** | **29** | **20** | **163** | **149** | **41** | **50** | **143** | **184** |
| *Asset gathering* | *(8)* | *(4)* | *(27)* | *(11)* | *(30)* | *(14)* | *(59)* | *(26)* |
| *French Retail banking* | *-* | *-* | *87* | *57* | *(24)* | *(15)* | *49* | *27* |
| *International Retail banking* | *16* | *9* | *(5)* | *(3)* | *9* | *6* | *(5)* | *(3)* |
| *Specialised financial services* | *-* | *-* | *-* | *-* | *-* | *-* | *-* | *-* |
| *Large customers* | *25* | *19* | *103* | *108* | *13* | *10* | *3* | *42* |
| *Corporate centre* | *(5)* | *(5)* | *4* | *(3)* | *72* | *63* | *155* | *143* |

** Impacts before tax and minority interests*

# Appendix 2 – Crédit Agricole S.A.: Stated and underlying detailed income statement

Table 7. Crédit Agricole S.A. – From stated to underlying results, Q3-18 and Q3-17

| €m | Q3-18 stated | Specific items | Q3-18 underlying | Q3-17 stated | Specific items | Q3-17 underlying | Ch. Q3/Q3 stated | Ch. Q3/Q3 underlying |
|---|---|---|---|---|---|---|---|---|
| **Revenues** | **4,802** | **(33)** | **4,834** | **4,575** | **10** | **4,564** | **+5.0%** | **+5.9%** |
| Operating expenses excl.SRF | (2,998) | (19) | (2,979) | (2,902) | (27) | (2,875) | +3.3% | +3.6% |
| SRF | - | - | - | - | - | - | n.m. | n.m. |
| **Gross operating income** | **1,804** | **(52)** | **1,856** | **1,672** | **(17)** | **1,689** | **+7.8%** | **+9.9%** |
| Cost of risk | (218) | - | (218) | (262) | - | (262) | (16.5%) | (16.5%) |
| Cost of legal risk | - | - | - | (75) | - | (75) | (100.0%) | (100.0%) |
| Equity-accounted entities | 78 | - | 78 | 239 | 117 | 122 | (67.3%) | (35.9%) |
| Net income on other assets | (0) | - | (0) | (7) | (5) | (2) | (98.7%) | (96.0%) |
| Change in value of goodwill | - | - | - | - | - | - | n.m. | n.m. |
| **Income before tax** | **1,663** | **(52)** | **1,715** | **1,567** | **95** | **1,472** | **+6.1%** | **+16.5%** |
| Tax | (434) | 15 | (449) | (367) | (2) | (364) | +18.3% | +23.3% |
| Net income from discont'd or held-for-sale ope. | (1) | - | (1) | (2) | - | (2) | n.m. | n.m. |
| **Net income** | **1,228** | **(37)** | **1,265** | **1,198** | **93** | **1,105** | **+2.5%** | **+14.4%** |
| Non controlling interests | (128) | 4 | (132) | (132) | 7 | (139) | (3.2%) | (5.3%) |
| **Net income Group Share** | **1,101** | **(32)** | **1,133** | **1,066** | **100** | **966** | **+3.2%** | **+17.3%** |
| **Earnings per share (€)** | **0.35** | **(0.01)** | **0.37** | **0.34** | **0.04** | **0.31** | **+3.4%** | **+18.9%** |
| **Cost/Income ratio excl.SRF (%)** | **62.4%** | | **61.6%** | **63.4%** | | **63.0%** | **-1.0 pp** | **-1.4 pp** |

## Table 8. Crédit Agricole S.A. – From stated to underlying results, 9M-18 and 9M-17

| €m | 9M-18 stated | Specific items | 9M-18 underlying | 9M-17 stated | Specific items | 9M-17 underlying | Ch. 9M/9M stated | Ch. 9M/9M underlying |
|---|---|---|---|---|---|---|---|---|
| **Revenues** | **14,882** | **2** | **14,880** | **13,983** | **20** | **13,962** | **+6.4%** | **+6.6%** |
| Operating expenses excl.SRF | (9,074) | (21) | (9,053) | (8,693) | (59) | (8,635) | +4.4% | +4.9% |
| SRF | (301) | - | (301) | (242) | - | (242) | +24.5% | +24.5% |
| **Gross operating income** | **5,507** | **(18)** | **5,525** | **5,047** | **(38)** | **5,086** | **+9.1%** | **+8.6%** |
| Cost of risk | (755) | - | (755) | (972) | - | (972) | (22.3%) | (22.3%) |
| Cost of legal risk | (5) | (5) | - | (115) | - | (115) | (96.0%) | (100.0%) |
| Equity-accounted entities | 248 | - | 248 | 678 | 224 | 454 | (63.4%) | (45.3%) |
| Net income on other assets | 32 | - | 32 | (8) | (5) | (3) | n.m. | n.m. |
| Change in value of goodwill | 86 | 86 | - | - | - | - | n.m. | n.m. |
| **Income before tax** | **5,113** | **62** | **5,050** | **4,630** | **181** | **4,449** | **+10.4%** | **+13.5%** |
| Tax | (1,244) | 6 | (1,250) | (1,030) | 16 | (1,046) | +20.8% | +19.6% |
| Net income from discont'd or held-for-sale ope. | (3) | - | (3) | 43 | - | 43 | n.m. | n.m. |
| **Net income** | **3,866** | **69** | **3,797** | **3,643** | **196** | **3,447** | **+6.1%** | **+10.2%** |
| Non controlling interests | (473) | (15) | (459) | (381) | 18 | (399) | +24.1% | +15.0% |
| **Net income Group Share** | **3,393** | **54** | **3,338** | **3,262** | **214** | **3,048** | **+4.0%** | **+9.5%** |
| **Earnings per share (€)** | **1.08** | **0.02** | **1.06** | **1.03** | **0.08** | **0.96** | **+4.7%** | **+10.9%** |
| **Cost/Income ratio excl.SRF (%)** | **61.0%** | | **60.8%** | **62.2%** | | **61.8%** | **-1.2 pp** | **-1.0 pp** |

# Appendix 3 – Crédit Agricole S.A.: Results by division

## Table 9. Crédit Agricole S.A.: Results by division, Q3-18 and Q3-17

| | Q3-18 (stated) | | | | | | |
|---|---|---|---|---|---|---|---|
| €m | AG | FRB (LCL) | IRB | SFS | LC | CC | Total |
| **Revenues** | **1,452** | **858** | **662** | **695** | **1,297** | **(162)** | **4,802** |
| Operating expenses excl. SRF | (680) | (578) | (417) | (339) | (773) | (212) | (2,998) |
| SRF | - | - | - | - | - | - | - |
| **Gross operating income** | **772** | **280** | **245** | **356** | **524** | **(374)** | **1,804** |
| Cost of risk | 14 | (50) | (95) | (141) | 57 | (2) | (218) |
| Cost of legal risk | - | - | - | - | - | - | - |
| Equity-accounted entities | 12 | - | - | 63 | 1 | 2 | 78 |
| Net income on other assets | (2) | 0 | 0 | 1 | 1 | (0) | (0) |
| Change in value of goodwill | - | - | - | - | - | - | - |
| **Income before tax** | **796** | **231** | **150** | **279** | **582** | **(375)** | **1,663** |
| Tax | (242) | (68) | (45) | (63) | (166) | 151 | (434) |
| Net income from discontinued or held-for-sale operations | (1) | - | - | (0) | - | - | (1) |
| **Net income** | **554** | **162** | **106** | **215** | **416** | **(224)** | **1,228** |
| Non controlling interests | (70) | (7) | (29) | (24) | (8) | 11 | (128) |
| **Net income Group Share** | **484** | **155** | **77** | **190** | **408** | **(213)** | **1,101** |

| | Q3-17 (stated) | | | | | | |
|---|---|---|---|---|---|---|---|
| €m | AG | FRB (LCL) | IRB | SFS | LC | CC | Total |
| **Revenues** | **1,302** | **848** | **619** | **675** | **1,236** | **(106)** | **4,575** |
| Operating expenses excl. SRF | (680) | (595) | (364) | (337) | (741) | (184) | (2,902) |
| SRF | - | - | - | - | - | - | - |
| **Gross operating income** | **622** | **253** | **255** | **338** | **495** | **(291)** | **1,672** |
| Cost of risk | 0 | (45) | (113) | (128) | 21 | 3 | (262) |
| Cost of legal risk | - | - | - | - | (75) | - | (75) |
| Equity-accounted entities | 9 | - | - | 68 | 163 | (1) | 239 |
| Net income on other assets | (0) | (0) | (8) | (1) | 2 | (1) | (7) |
| Change in value of goodwill | - | - | - | - | - | - | - |
| **Income before tax** | **631** | **208** | **134** | **277** | **607** | **(289)** | **1,567** |
| Tax | (113) | (59) | (42) | (60) | (197) | 103 | (367) |
| Net income from discontinued or held-for-sale operations | (1) | - | 0 | (2) | - | - | (2) |
| **Net income** | **518** | **149** | **92** | **215** | **410** | **(186)** | **1,198** |
| Non controlling interests | (63) | (7) | (28) | (24) | (13) | 3 | (132) |
| **Net income Group Share** | **455** | **142** | **64** | **191** | **397** | **(183)** | **1,066** |

## Table 10. Crédit Agricole S.A. : Results by division, 9M-18 and 9M-17

| 9M-18 (stated) | | | | | | | |
|---|---|---|---|---|---|---|---|
| €m | AG | FRB (LCL) | IRB | SFS | LC | CC | Total |
| **Revenues** | **4,308** | **2,592** | **2,028** | **2,078** | **4,158** | **(281)** | **14,882** |
| Operating expenses excl. SRF | (2,109) | (1,766) | (1,249) | (1,007) | (2,356) | (586) | (9,074) |
| SRF | (3) | (28) | (22) | (17) | (170) | (62) | (301) |
| **Gross operating income** | **2,195** | **798** | **757** | **1,054** | **1,633** | **(930)** | **5,507** |
| Cost of risk | 5 | (157) | (274) | (368) | 38 | 1 | (755) |
| Cost of legal risk | - | - | - | - | - | (5) | (5) |
| Equity-accounted entities | 38 | - | - | 190 | 2 | 19 | 248 |
| Net income on other assets | (2) | 3 | 0 | 1 | 14 | 16 | 32 |
| Change in value of goodwill | - | - | - | - | - | 86 | 86 |
| **Income before tax** | **2,236** | **643** | **483** | **877** | **1,686** | **(812)** | **5,113** |
| Tax | (599) | (201) | (146) | (204) | (472) | 377 | (1,244) |
| Net income from discontinued or held-for-sale operations | (1) | (1) | - | (0) | - | - | (3) |
| **Net income** | **1,635** | **441** | **338** | **673** | **1,215** | **(435)** | **3,866** |
| Non controlling interests | (225) | (20) | (93) | (88) | (23) | (24) | (473) |
| **Net income Group Share** | **1,410** | **422** | **245** | **585** | **1,191** | **(460)** | **3,393** |

| 9M-17 (stated) | | | | | | | |
|---|---|---|---|---|---|---|---|
| €m | AG | FRB (LCL) | IRB | SFS | LC | CC | Total |
| **Revenues** | **3,703** | **2,664** | **1,864** | **2,050** | **4,027** | **(326)** | **13,983** |
| Operating expenses excl. SRF | (1,876) | (1,814) | (1,098) | (1,021) | (2,283) | (601) | (8,693) |
| SRF | (3) | (15) | (10) | (14) | (139) | (61) | (242) |
| **Gross operating income** | **1,825** | **835** | **756** | **1,015** | **1,605** | **(988)** | **5,047** |
| Cost of risk | (1) | (149) | (325) | (338) | (166) | 7 | (972) |
| Cost of legal risk | - | - | - | - | (115) | - | (115) |
| Equity-accounted entities | 24 | - | - | 183 | 292 | 178 | 678 |
| Net income on other assets | (0) | 0 | (7) | (1) | 2 | (1) | (8) |
| Change in value of goodwill | - | - | - | - | - | - | - |
| **Income before tax** | **1,848** | **686** | **424** | **859** | **1,618** | **(805)** | **4,630** |
| Tax | (405) | (194) | (133) | (205) | (447) | 353 | (1,030) |
| Net income from discontinued or held-for-sale operations | 30 | - | 0 | 13 | - | - | 43 |
| **Net income** | **1,473** | **492** | **291** | **667** | **1,171** | **(452)** | **3,643** |
| Non controlling interests | (155) | (24) | (85) | (88) | (39) | 9 | (381) |
| **Net income Group Share** | **1,318** | **468** | **206** | **580** | **1,132** | **(443)** | **3,262** |

# Appendix 4 – Crédit Agricole Group: Stated and underlying detailed income statement

**Table 11. Crédit Agricole Group – From stated to underlying results, Q3-18 and Q3-17**

| €m | Q3-18 stated | Specific items | Q3-18 underlying | Q3-17 stated | Specific items | Q3-17 underlying | Ch. Q3/Q3 stated | Ch. Q3/Q3 underlying |
|---|---|---|---|---|---|---|---|---|
| **Revenues** | **8,043** | **(54)** | **8,097** | **7,885** | **78** | **7,807** | +2.0% | +3.7% |
| Operating expenses excl.SRF | (5,102) | (19) | (5,083) | (4,974) | (27) | (4,947) | +2.6% | +2.8% |
| SRF | - | - | - | - | - | - | n.m. | n.m. |
| **Gross operating income** | **2,940** | **(74)** | **3,014** | **2,911** | **51** | **2,860** | **+1.0%** | **+5.4%** |
| Cost of risk | (323) | - | (323) | (317) | - | (317) | +1.9% | +1.9% |
| Cost of legal risk | - | - | - | (75) | - | (75) | (100.0%) | (100.0%) |
| Equity-accounted entities | 77 | - | 77 | 240 | 117 | 123 | (67.9%) | (37.4%) |
| Net income on other assets | 2 | - | 2 | 1 | (5) | 6 | +60.3% | (72.1%) |
| Change in value of goodwill | - | - | - | - | - | - | n.m. | n.m. |
| **Income before tax** | **2,696** | **(74)** | **2,770** | **2,760** | **163** | **2,597** | **(2.3%)** | **+6.6%** |
| Tax | (816) | 23 | (839) | (743) | (24) | (719) | +9.8% | +16.7% |
| Net income from discont'd or held-for-sale ope. | (1) | - | (1) | (2) | - | (2) | (52.9%) | (52.9%) |
| **Net income** | **1,879** | **(51)** | **1,930** | **2,015** | **139** | **1,876** | **(6.7%)** | **+2.9%** |
| Non controlling interests | (110) | 4 | (115) | (108) | 10 | (117) | +2.5% | (2.2%) |
| **Net income Group Share** | **1,769** | **(46)** | **1,815** | **1,907** | **149** | **1,759** | **(7.3%)** | **+3.2%** |
| **Cost/Income ratio excl.SRF (%)** | **63.4%** | | **62.8%** | **63.1%** | | **63.4%** | **+0.4 pp** | **-0.6 pp** |

## Table 12. Crédit Agricole Group – From stated to underlying results, 9M-18 and 9M-17

| | 9M-18 stated | Specific items | 9M-18 underlying | 9M-17 stated | Specific items | 9M-17 underlying | Ch. 9M/9M stated | Ch. 9M/9M underlying |
|---|---|---|---|---|---|---|---|---|
| **Revenues** | **24,729** | **(19)** | **24,748** | **24,062** | **(17)** | **24,080** | +2.8% | +2.8% |
| Operating expenses excl.SRF | (15,587) | (21) | (15,566) | (15,167) | (59) | (15,108) | +2.8% | +3.0% |
| SRF | (389) | - | (389) | (285) | - | (285) | +36.2% | +36.2% |
| **Gross operating income** | **8,754** | **(40)** | **8,794** | **8,610** | **(76)** | **8,686** | **+1.7%** | **+1.2%** |
| Cost of risk | (1,141) | - | (1,141) | (1,113) | - | (1,113) | +2.5% | +2.5% |
| Cost of legal risk | (5) | (5) | - | (115) | - | (115) | (96.0%) | (100.0%) |
| Equity-accounted entities | 256 | - | 256 | 683 | 224 | 459 | (62.6%) | (44.3%) |
| Net income on other assets | 39 | - | 39 | (0) | (5) | 5 | n.m. | x 8.4 |
| Change in value of goodwill | 86 | 86 | - | - | - | - | n.m. | n.m. |
| **Income before tax** | **7,989** | **41** | **7,948** | **8,065** | **143** | **7,922** | **(0.9%)** | **+0.3%** |
| Tax | (2,317) | 14 | (2,331) | (2,185) | 23 | (2,208) | +6.0% | +5.6% |
| Net income from discont'd or held-for-sale ope. | (3) | - | (3) | 43 | - | 43 | n.m. | n.m. |
| **Net income** | **5,669** | **55** | **5,614** | **5,923** | **166** | **5,757** | **(4.3%)** | **(2.5%)** |
| Non controlling interests | (395) | (5) | (390) | (310) | 18 | (327) | +27.6% | +19.2% |
| **Net income Group Share** | **5,273** | **50** | **5,224** | **5,614** | **184** | **5,430** | **(6.1%)** | **(3.8%)** |
| **Cost/Income ratio excl.SRF (%)** | **63.0%** | | **62.9%** | **63.0%** | | **62.7%** | **-0.0 pp** | **+0.2 pp** |

# Appendix 5 – Crédit Agricole Group: Results by business line

**Table 13. Crédit Agricole Group – Contribution by division, Q3-18 and Q3-17**

| | Q3-18 (stated) | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| €m | RB | LCL | IRB | AG | SFS | LC | CC | Total |
| **Revenues** | **3,220** | **858** | **687** | **1,453** | **695** | **1,298** | **(169)** | **8,043** |
| Operating expenses excl. SRF | (2,077) | (578) | (433) | (680) | (339) | (773) | (223) | (5,102) |
| SRF | - | - | - | - | - | - | - | - |
| **Gross operating income** | **1,144** | **280** | **254** | **773** | **356** | **525** | **(391)** | **2,940** |
| Cost of risk | (104) | (50) | (96) | 14 | (141) | 57 | (2) | (323) |
| Cost of legal risk | - | - | - | - | - | - | - | - |
| Equity-accounted entities | 1 | - | - | 12 | 63 | 1 | - | 77 |
| Net income on other assets | 2 | 0 | 0 | (2) | 1 | 1 | (0) | 2 |
| Change in value of goodwill | - | - | - | - | - | - | - | - |
| **Income before tax** | **1,042** | **231** | **158** | **797** | **279** | **584** | **(394)** | **2,696** |
| Tax | (385) | (68) | (46) | (242) | (63) | (167) | 156 | (816) |
| Net income from discont'd or held-for-sale ope. | - | - | - | (1) | (0) | - | - | (1) |
| **Net income** | **656** | **162** | **112** | **555** | **215** | **417** | **(238)** | **1,879** |
| Non controlling interests | 0 | (1) | (24) | (66) | (24) | 0 | 4 | (110) |
| **Net income Group Share** | **657** | **161** | **88** | **489** | **190** | **417** | **(233)** | **1,769** |

| | Q3-17 (stated) | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| €m | RB | LCL | IRB | AG | SFS | LC | CC | Total |
| **Revenues** | **3,289** | **848** | **1,302** | **645** | **675** | **1,235** | **(109)** | **7,885** |
| Operating expenses excl. SRF | (2,035) | (595) | (680) | (386) | (337) | (741) | (199) | (4,974) |
| SRF | - | - | - | - | - | - | - | - |
| **Gross operating income** | **1,254** | **253** | **622** | **258** | **338** | **494** | **(308)** | **2,911** |
| Cost of risk | (51) | (45) | 0 | (113) | (128) | 21 | (2) | (317) |
| Cost of legal risk | - | - | - | - | - | (75) | - | (75) |
| Equity-accounted entities | (0) | - | 9 | - | 68 | 163 | 0 | 240 |
| Net income on other assets | 4 | (0) | (0) | (3) | (1) | 2 | (1) | 1 |
| Change in value of goodwill | - | - | - | - | - | - | - | - |
| **Income before tax** | **1,207** | **208** | **631** | **142** | **277** | **605** | **(311)** | **2,760** |
| Tax | (381) | (59) | (113) | (43) | (60) | (196) | 108 | (743) |
| Net income from discont'd or held-for-sale ope. | - | - | (1) | 0 | (2) | - | - | (2) |
| **Net income** | **826** | **149** | **518** | **100** | **215** | **409** | **(202)** | **2,015** |
| Non controlling interests | (0) | (0) | (60) | (22) | (24) | (5) | 3 | (108) |
| **Net income Group Share** | **826** | **149** | **458** | **78** | **191** | **405** | **(199)** | **1,907** |

## Table 14. Crédit Agricole Group – Contribution by division, 9M-18 and 9M-17

| €m | 9M-18 (stated) RB | LCL | IRB | AG | SFS | LC | CC | Total |
|---|---|---|---|---|---|---|---|---|
| **Revenues** | **9,805** | **2,592** | **2,104** | **4,301** | **2,078** | **4,160** | **(311)** | **24,729** |
| Operating expenses excl. SRF | (6,421) | (1,766) | (1,302) | (2,109) | (1,007) | (2,356) | (624) | (15,587) |
| SRF | (87) | (28) | (22) | (3) | (17) | (170) | (62) | (389) |
| **Gross operating income** | **3,297** | **797** | **780** | **2,189** | **1,054** | **1,634** | **(998)** | **8,754** |
| Cost of risk | (384) | (157) | (275) | 5 | (368) | 38 | 0 | (1,141) |
| Cost of legal risk | - | - | - | - | - | - | (5) | (5) |
| Equity-accounted entities | 8 | - | - | 38 | 190 | 2 | 19 | 256 |
| Net income on other assets | 7 | 3 | 0 | (2) | 1 | 14 | 16 | 39 |
| Change in value of goodwill | - | - | - | - | - | - | 86 | 86 |
| **Income before tax** | **2,928** | **643** | **506** | **2,229** | **877** | **1,688** | **(881)** | **7,989** |
| Tax | (1,076) | (201) | (151) | (598) | (204) | (472) | 384 | (2,317) |
| Net income from discontinued or held-for-sale operations | - | (1) | - | (1) | (0) | - | - | (3) |
| **Net income** | **1,852** | **441** | **355** | **1,630** | **673** | **1,216** | **(497)** | **5,669** |
| Non controlling interests | (0) | (0) | (75) | (214) | (88) | 1 | (19) | (395) |
| **Net income Group Share** | **1,852** | **441** | **280** | **1,416** | **585** | **1,217** | **(517)** | **5,273** |

| €m | 9M-17 (stated) RB | LCL | IRB | AG | SFS | LC | CC | Total |
|---|---|---|---|---|---|---|---|---|
| **Revenues** | **9,936** | **2,664** | **3,695** | **1,947** | **2,050** | **4,026** | **(255)** | **24,062** |
| Operating expenses excl. SRF | (6,334) | (1,814) | (1,876) | (1,154) | (1,021) | (2,283) | (684) | (15,167) |
| SRF | (43) | (15) | (3) | (10) | (14) | (139) | (61) | (285) |
| **Gross operating income** | **3,558** | **835** | **1,816** | **782** | **1,015** | **1,603** | **(1,000)** | **8,610** |
| Cost of risk | (132) | (149) | (1) | (328) | (338) | (166) | 2 | (1,113) |
| Cost of legal risk | - | - | - | - | - | (115) | - | (115) |
| Equity-accounted entities | 4 | - | 24 | - | 183 | 292 | 179 | 683 |
| Net income on other assets | 4 | 0 | (0) | (3) | (1) | 2 | (2) | (0) |
| Change in value of goodwill | - | - | - | - | - | - | - | - |
| **Income before tax** | **3,434** | **686** | **1,840** | **451** | **859** | **1,617** | **(820)** | **8,065** |
| Tax | (1,137) | (193) | (405) | (139) | (205) | (446) | 339 | (2,185) |
| Net income from discontinued or held-for-sale operations | - | - | 30 | 0 | 13 | - | - | 43 |
| **Net income** | **2,297** | **493** | **1,465** | **312** | **667** | **1,170** | **(481)** | **5,923** |
| Non controlling interests | (1) | (0) | (146) | (68) | (88) | (15) | 7 | (310) |
| **Net income Group Share** | **2,297** | **492** | **1,319** | **245** | **580** | **1,155** | **(474)** | **5,614** |

# Appendix 6 – Method used to calculate earnings per share, net assets per share and ROTE

**Table 15. Crédit Agricole S.A. – Data per share, net assets per share and ROTE**

| (€m) | | Q3-18 | Q3-17 | Ch. Q3/Q3 | Ch. 9M/9M |
|---|---|---|---|---|---|
| Net income Group share - stated | | 1,101 | 1,066 | +3.2% | +4.0% |
| - Interests on AT1, including issuance costs, before tax | | (91) | (92) | -0.7% | -4.0% |
| **NIGS attributable to ordinary shares - stated** | **[A]** | **1,009** | **974** | **+3.6%** | **+4.9%** |
| Average number shares in issue, excluding treasury shares (m) | [B] | 2,858.4 | 2,844.0 | +0.5% | +0.3% |
| **Net earnings per share - stated** | **[A]/[B]** | **0.35 €** | **0.34 €** | **+3.1%** | **+4.6%** |
| Underlying net income Group share (NIGS) | | 1,133 | 966 | +17.3% | +9.5% |
| **Underlying NIGS attributable to ordinary shares** | **[C]** | **1,042** | **874** | **+19.2%** | **+11.2%** |
| **Net earnings per share - underlying** | **[C]/[B]** | **0.36 €** | **0.31 €** | **+18.6%** | **+10.9%** |

| (€m) | | 30/09/2018 | 30/09/2017 |
|---|---|---|---|
| Shareholder's equity Group share | | 57,995 | 57,974 |
| - AT1 issuances | | (5,011) | (5,011) |
| - Unrealised gains and losses on AFS - Group share | | (2,249) | (3,385) |
| - Payout assumption on annual results* | | - | - |
| **Net book value (NBV), not revaluated, attributable to ordin. sh.** | **[D]** | **50,734** | **49,578** |
| - Goodwill & intangibles** - Group share | | (17,774) | (17,872) |
| **Tangible NBV (TNBV), not revaluated attrib. to ordinary sh.** | **[E]** | **32,961** | **31,706** |
| Total shares in issue, excluding treasury shares (period end, m) | [F] | 2,863.6 | 2,844.0 |
| **NBV per share , after deduction of dividend to pay (€)** | **[D]/[F]** | **17.7 €** | **17.4 €** |
| **+ Dividend to pay (€)** | **[H]** | **0.00 €** | **0.00 €** |
| **NBV per share , before deduction of dividend to pay (€)** | | **17.7 €** | **17.4 €** |
| **TNBV per share, after deduction of dividend to pay (€)** | **[G]=[E]/[F]** | **11.5 €** | **11.1 €** |
| **TNBV per sh., before deduct. of divid. to pay (€)** | **[G]+[H]** | **11.5 €** | **11.1 €** |

** dividend proposed to the Board meeting to be paid*

*** including goodwill in the equity-accounted entities*

| (€m) | | 9M-18 | 9M-17 |
|---|---|---|---|
| Net income Group share attributable to ordinary shares | [H] | 4,083 | 3,910 |
| Tangible NBV (TNBV), not revaluated attrib. to ord. sh. - avg*** | [J] | 30,698 | 31,642 |
| **Stated ROTE (%)** | **[H]/[J]** | **13.3%** | **12.4%** |
| Underlying Net income attrib. to ord. shares (annualised) | [I] | 4,011 | 3,910 |
| **Underlying ROTE (%)** | **[I]/[J]** | **13.1%** | **12.4%** |

**** including assumption of dividend for the current exercise*

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## Disclaimer

***The financial information for the third quarter and first nine months of 2018 for Crédit Agricole S.A. and the Crédit Agricole Group comprises this quarterly financial report, and the attached presentation and press release, available at https://www.credit-agricole.com/finance/finance/publications-financieres.***

*This report may include prospective information on the Group, supplied as information on trends. This data does not represent forecasts within the meaning of European Regulation 809/2004 of 29 April 2004 (chapter 1, article 2, §10).*

*This information was developed from scenarios based on a number of economic assumptions for a given competitive and regulatory environment. Therefore, these assumptions are by nature subject to random factors that could cause actual results to differ from projections.*

*Likewise, the financial statements are based on estimates, particularly in calculating market value and asset impairment.*

*Readers must take all these risk factors and uncertainties into consideration before making their own judgement.*

## Applicable standards and comparability

*The figures presented for the six-month period ending 30 June 2018 have been prepared in accordance with IFRS as adopted in the European Union and applicable at that date, and with prudential regulations currently in force. This financial information does not constitute a set of financial statements for an interim period as defined by IAS 34 "Interim Financial Reporting" and has not been audited.*

*Note: The consolidation scopes of the Crédit Agricole S.A. and Crédit Agricole Groups have not changed materially since the registration with the French market watchdog AMF of the 2017 Registration Document which contains all regulatory information on the Crédit Agricole Group.*

*The sum of values contained in the tables and analyses may differ slightly from the total reported due to rounding.*

*The income statements contained in this report show non-controlling interests with a minus sign such that the line item "net income" is the mathematical addition of the line item "net income" and the line item "non-controlling interests".*

*On 1 January 2017, Calit was transferred from Specialised Financial Services (Crédit Agricole Leasing & Factoring) to Retail Banking in Italy. Historical data have not been restated on a proforma basis.*

*Since 3 July 2017, Pioneer Investments has been included in the scope of consolidation of Crédit Agricole Group as a subsidiary of Amundi. Historical data have not been restated on a proforma basis.*

*Since 26 September 2017, Banque Saudi Fransi has been excluded from the scope of consolidation of Crédit Agricole Group further to the disposal of a majority of the holding (16.2% out of the 31.1% held prior to disposal). This subsidiary was consolidated using the equity method. Historical data have not been restated on a proforma basis.*

*Since 21 December 2017, Cassa di Risparmio (CR) di Cesena, CR di Rimini and CR di Miniato have been included in the scope of consolidation of Crédit Agricole Group as subsidiaries of Crédit Agricole Italy. Historical data have not been restated on a proforma basis.*

*Since 26 December 2017, Crédit Agricole S.A.'s stake in CACEIS has increased from 85% to 100%, further to the acquisition of the 15% stake in the company held by Natixis before that date.*

*Since 3 May 2018, Banca Leonardo has been included in the scope of consolidation of Crédit Agricole Group as a subsidiary of Indosuez Wealth Management. Historical data have not been restated on a proforma basis.*

*The costs related to the integration of Pioneer Investments in the first and third quarters of 2017 have been restated in specific items, unlike the treatment applied previously in both publications. Underlying net income has been adjusted for both quarters.*

# Financial calendar

- 14 February 2019 Publication of fourth quarter and full-year 2018 results
- 15 May 2019 Publication of first-quarter 2019 results
- 21 May 2019 Shareholders' meeting in Metz
- 2 August 2019 Publication of second quarter and first-half 2019 results
- 8 November 2019 Publication of third quarter 2019 results

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