
# CREDIT UPDATE

## June 2019 – Group Project & Medium Term Plan

# DISCLAIMER

- This document has been prepared by Crédit Agricole S.A. on the basis of proprietary information and is available on its website (https://www.credit-agricole.com/finance/finance/espace-investisseurs/dette). It may not be reproduced by any person, or be forwarded or distributed to any person unless so authorised by Crédit Agricole S.A.. Failure to comply with this directive may result in a violation of applicable laws. None of Crédit Agricole S.A. or its affiliates, advisers, dealers or representatives takes any responsibility for the use of these materials by any person.

- This document does not constitute regulated financial information on Crédit Agricole S.A. and Crédit Agricole Group. Regulatory financial information comprises the periodic financial results presentations, the financial reports, the registration document and the updates thereto, which are available on Crédit Agricole S.A.'s website (https://www.credit-agricole.com/en/finance/finance/financial-publications). Some of, but not all, the data presented in this document is derived from the aforementioned regulatory financial information.

- Save for the data that has been directly extracted from publications which have been reviewed by the Statutory auditors of Crédit Agricole S.A., the information contained in this document has not been independently verified. No representation or warranty expressed or implied is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained herein. None of Crédit Agricole S.A. or its affiliates, advisers, dealers or representatives, or any other person, shall have any liability whatsoever (in negligence or otherwise) for any loss arising from any use of this document or its contents or otherwise arising in connection with this document. This document is for preliminary informational purposes only and is not an offer to sell or the solicitation of an offer to purchase or subscribe for any securities and no part of it shall form the basis of or be relied upon in connection with any contract or commitment whatsoever. This document is not intended for distribution to, or use by, any person or entity in any jurisdiction or country where such distribution or use would be contrary to law or regulation.

**Forward-Looking and Prospective Statements**

- This documents may contain forward-looking information and prospective statements about Crédit Agricole S.A., that are not historical facts. These statements include financial projections and estimates and their underlying assumptions, statements regarding plans, objectives and expectations with respect to future operations, products and services, and statements regarding future performance. Such statements do not represent forecasts within the meaning of European Regulation 809/2004 of 29 April 2004 (chapter 1, article 2, § 10). Forward-looking statements may be identified by the words "believe," "expect," "anticipate," "target" or similar expressions. Although Crédit Agricole S.A.'s management believes that the expectations reflected in such forward-looking statements are reasonable, investors are cautioned that forward-looking information and statements are subject to various risks and uncertainties, many of which are difficult to predict and generally beyond the control of Crédit Agricole S.A., that could cause actual results and developments to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. These risks and uncertainties include, but are not limited to, those discussed or identified in the annual reports and other filings with the French Autorité des marchés financiers made or to be made by Crédit Agricole S.A. Crédit Agricole S.A. undertakes no obligation to publicly update its forward-looking statements, whether as a result of new information, future events, or otherwise.

# CONTENTS

# A leading player in the French economy and in Europe

## A strong regional foothold in our domestic markets

**10m**

**mutual shareholders**

The world's leading cooperative bank

**141,000**

**employees worldwide**[1]

The leading recruiter in financial services in France

**€6.1bn**

**largest tax contributor in France**[2]

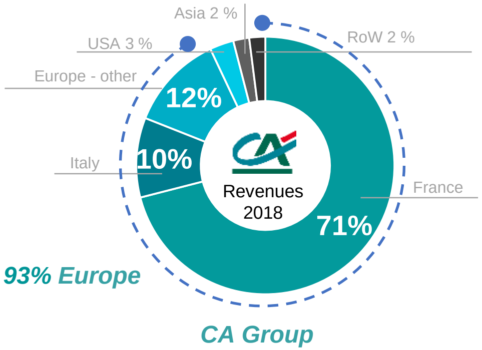
### 10,700 branches, mainly in France and Italy…

**France: 8,500** branches, **6,000** "points verts" (cash withdrawal)

- 87.5% of the Regional banks' profits invested locally
- LCL: 80% of branch in major cities

**Italy:** ~**1,000** branches mostly distributed across high-potential regions

### …with a strong European foothold




## Supporting the development of our regions through differentiating initiatives

Business development

**€460bn** **corporate loans by CA Group**

Innovation

**29** **Villages by CA**

Inclusion

**>100,000** **financially vulnerable individuals helped through the "Points Passerelle"**[3]

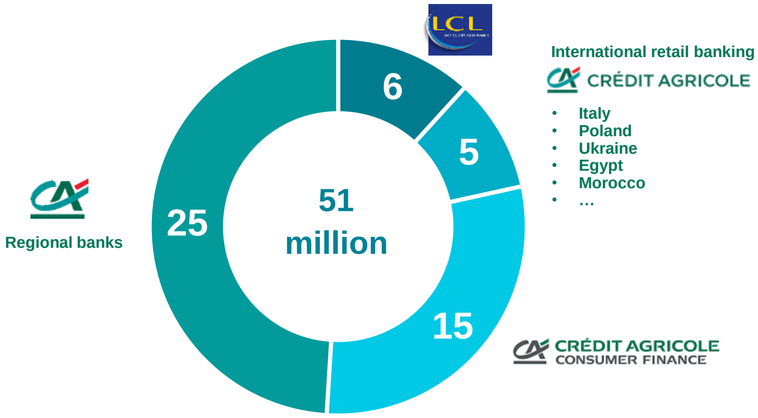
Energy transition

**1/3** **of zero-rate eco loans granted by the Regional banks**

*2018 data (1) In France: 111,000 employees, with 17,000 new recruits per annum (2) Source: Nouvel Obs survey, February 2019 based on 2017 data (3) Since their creation in 1997*

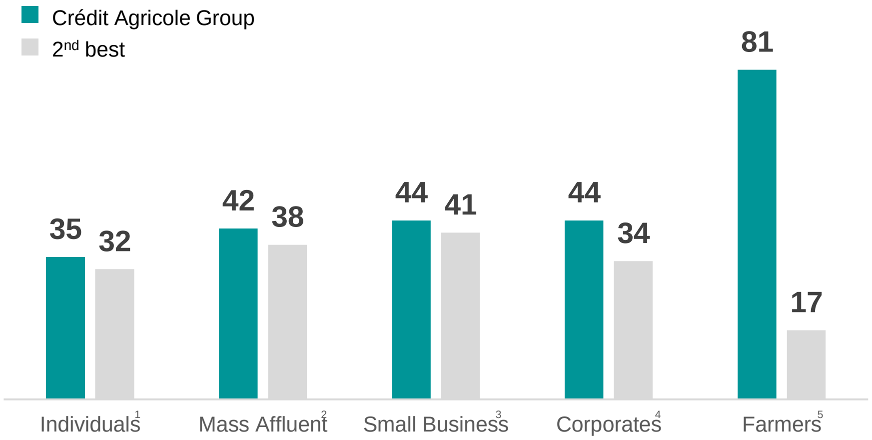
# The largest retail customer base in France and Europe

## 51m customers worldwide o/w 31m retail banking customers in France




*Excluding customers of Amundi, CAA, CAL&F and the Large customers Division*

## Highest penetration rate in France (in %)




**+3.3m new retail banking customers in France and Italy since end-2016**

Largest provider of financing to the French economy **(€607bn in loan outstandings)**

#6 largest bank in Italy[6]

#3 largest bank in Europe
#10 largest in the world[7]

*2018 data (1) SOFIA 2017 increase of 0.4pp, the only universal bank to show an increase (2) Baromètre Patrimonial 2018 Ipsos (3) Pépites/CSA 2017-2018 on a business basis only (4) Kantar TNS 2017 (5) ADquation 2018 (6) For customer savings (on-balance sheet and off-balance sheet) (7) Total assets and #13 largest bank in the world in terms of capital, The Banker*

# Top ranking and profitable specialised business lines

## Asset gathering

**Amundi** ASSET MANAGEMENT — **#1 European asset manager** — **€1.5tn** AuM

**CRÉDIT AGRICOLE ASSURANCES** — **#1 insurance company** in France[1]; **#1 *bancassureur*** in Europe[2] — **13.6m** P&C insurance contracts; **€285bn** AuM (life insurance and retirement)

**INDOSUEZ** WEALTH MANAGEMENT — **€123bn** assets under management

**C/I ratio: 48.0%[4]** **RONE: 28.0%[4]**

## Large customers

**CA CIB** — **#1 worldwide** arranger green bonds; **#2 worldwide** eurobonds originator; **#4 worldwide** in project financing

**caceis** INVESTOR SERVICES — **#1** in fund administration in France — **€1.7tn** AuA; **Top 5 worldwide**

**C/I ratio: 59.5%** **RONE: 12.5%**

## Retail Banking

## Specialised financial services & Payments

**CRÉDIT AGRICOLE CONSUMER FINANCE** — **Top 3** in consumer lending in Europe — **€88.5bn** loans managed

**CRÉDIT AGRICOLE LEASING & FACTORING** — Strong positions; **€14.6bn** in leasing outstandings; **€76.4bn** in factored turnover — **#1** in private financing of renewable energies in France

**C/I ratio: 49.2%[5]** **RONE: 16.3%[5]**

**PAYMENTS** — **Leader in payments** in France — **>11bn** operations; **27%** market share

**REAL ESTATE** — **#1 in financing** of real estate development[3] in France

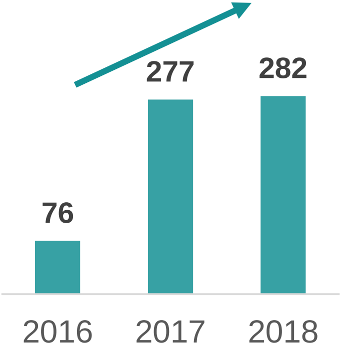
*Latest available data, all figures underlying, cost income ratios excl. SRF contributions (1) L'Argus de l' Assurance, December 2018, 2017 data (2) 2017 data (3) ACPR study (4) Asset gathering excl. CA Immobilier, proforma RONE 2018 considering, for Asset management, a capital allocation of 9.5% of RWAs (as a reminder, previous method included needs for Seed Money as well as stakes and investments) (5) SFS excl. payments*

# A brief look back: 3 years of continued improvement to deliver our 2020 MTP targets ahead of schedule

## A new Customer Project (100% human / 100% digital) and 4 strategic priorities

### Growth
(customer conquest[1])

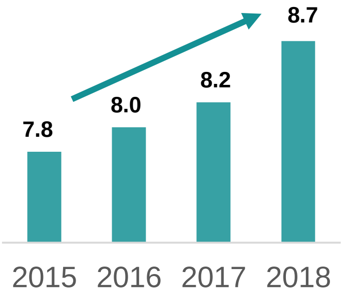
**+635,000 customers over three years**




**Net annual customer conquest (in thousands)**

### Revenue synergies

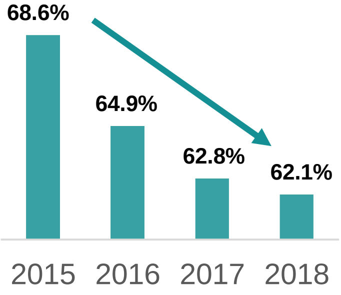
**+€0.9bn**




**€bn**

### Operational efficiency

**6.4pp improvement**




**Cost income ratio (underlying, excl. SRF contributions)**
*Crédit Agricole S.A.*

### Strategic refocusing
(from 2016 to 2018)

**Eureka: +72bp CET1[2]** through simplification of the Group financial structure

**€3.7bn** in acquisitions
**€2.8bn** from asset sales

**Major partnerships:**
Unicredit, Banco BPM, Creval, Bankia, etc.
significantly extending our European distribution capacity

*(1) Regional banks, LCL, CA Italia, BforBank*
*(2) For Crédit Agricole S.A.*

# Our Group Project: three pillars

*Customer Project*

## EXCELLENCE IN CUSTOMER RELATIONS

- All business lines committed to customer satisfaction and to a zero-defect culture
- An outstanding online customer experience and a best-in-class digital bank
- Innovative banking and extra-banking services

**#1** **in customer satisfaction (NPS[1])**


*Human-centric Project*

## EMPOWERED TEAMS FOR CUSTOMERS

- Always offer customers a direct access to empowered relationship managers
- Transform management and organisation to support this Human-centric Project

**#1** **best company to work for in the French financial services sector**

*Societal Project*

## COMMITMENT TO SOCIETY

- Offers available for all customers (EKO, LCL Essentiel) and a commitment to maintain local societal ties
- CA Group climate strategy in line with the Paris Agreement, with certified implementation

**#1** **European leader in responsible investment**

(1) Net Promoter Score

# Three levers

| GROWTH ON ALL OUR MARKETS | REVENUE SYNERGIES | TECHNOLOGICAL TRANSFORMATION FOR GREATER EFFICIENCY |
|---|---|---|
| **#1** | **€10bn** | **>€15bn** |
| in customer conquest on all our markets | of synergies in 2022, thanks to our universal banking model (+€1.3bn) | allocated over 4 years to IT (of which +13% for build vs. previous MTP) |

# Make payments a key driver for customer relations, customer loyalty and customer acquisition

## The most user-friendly and secure everyday services guaranteed to all our customers

### Individual customers:

**Offer all payment services, meet the highest standards and strengthen our leadership**

- **Mobile payments**: Paylib, SamsungPay & ApplePay end-2019[1]
- **Card-related innovations**: biometric card, prepaid card with services and virtual card
- **Instant Payment**: Paylib P2P, other channels
- **Digital services**: real-time alerts, biometric authentication and enriched payment options management

### Merchants & corporates:

**Support the development of our customers in France and Europe and capture market share**

- **Small and medium-sized merchants** (from 2019):
  - Rollout of digital and mobile payment solutions
  - Marketplace offering
- **Tier 1 merchants**: pan-European electronic payment offering
- **Healthcare professionals offering**
- **All segments** (from 2019):
  - State of the art e-commerce offering
  - Omni-channel collection offering
  - Loyalty programmes
  - Instant payment inc. mass payments

**Address new market segments (marketplaces, corporate cards) in addition to our Group banks: set up a central payment institution (PSP)**

## A leading market positioning to explore new ambitions

**A long-standing leader in France**

Market share: 27%

Top 5 payments actor in Europe

**A competitive expertise across the entire value chain**

**€450m**

invested in the Payments business (2019-2022)

**+€150m**

additional annual Group payments revenues by 2022[2]

*(1) SamsungPay for the Regional banks, ApplePay in 2020 for LCL*

*(2) Versus 2018 revenues, excluding interchange developments*

# International: make Europe our priority

## EUROPEAN UNION
Our natural market

- **In Italy, development of our retail banking network** and **P&C insurance**
- **In Germany**, selective growth of **CACIB** large clients customer base, development of **CAL&F** leasing operations, and strong growth across all business lines
- **In Poland**, **strengthened Universal Retail Banking model** (P&C insurance and consumer lending)
- **Elsewhere in Europe,** in particular in Spain, development through existing business lines

## ASIA
Connect Europe and high growth, savings-intensive regions

- **Amundi:** development of the joint ventures in India, China and South Korea, strengthened position in Japan, penetration of tier 2 institutional clients
- **CACIB:** focused development in China
- **CAIWM:** build on recent strategic acquisitions in Singapore and Hong Kong

## REST OF THE WORLD
Leverage Group synergies to support our customers

- Cost-efficient business lines structures to support **key customers**
- A selective presence based on **simple criteria: risk, profitability, compliance and Group synergies**

# In Europe and Asia, expand our universal model through the development of partnerships



## 1 ORGANIC GROWTH: our priority

## 2 PARTNERSHIPS: continue and accelerate

### A strong partnership portfolio

- A **long-standing and successful model of international development** through partnerships:

Amundi Asset Management, Crédit Agricole Consumer Finance **etc.**

- **Recent promising agreements**:

Crédit Agricole Assurances / Creval
Crédit Agricole Consumer Finance / Bankia, Banco BPM
Caceis Investor Services / Santander

- A **network of more than 90 international Group partners** to support SMEs and Midcaps, including working capital solutions

### Initiatives to increase the growth of our business lines

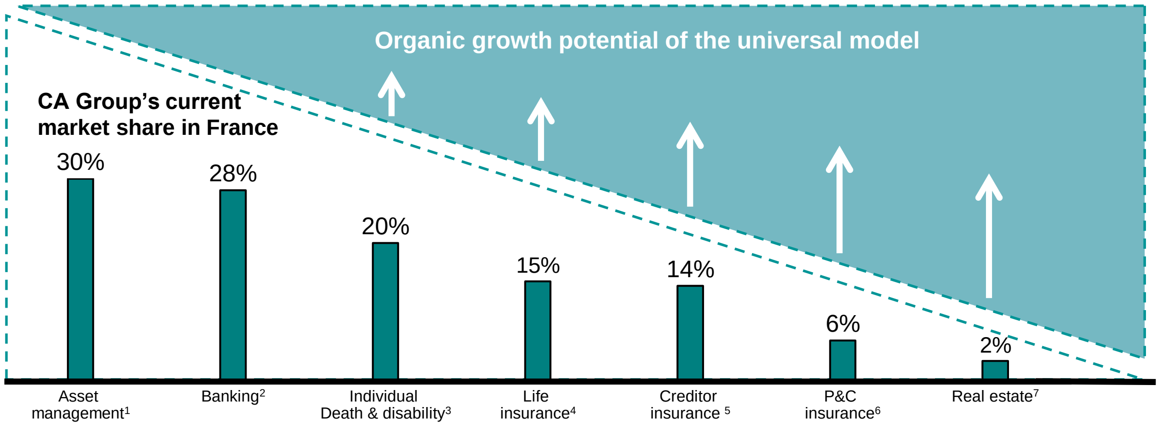
- Develop existing & new partnerships, **continue to grow joint ventures** (Amundi Asset Management)
- Develop the *bancassurance* model outside the Group through partnerships (Crédit Agricole Assurances)
- Strengthen our pan-European capacity in factoring and complete our geographic presence in leasing for **CAL&F** (Crédit Agricole Leasing & Factoring)
- Speed up partnerships with **major online and e/m-commerce platforms** (Crédit Agricole Consumer Finance)
- **Leverage the Wirecard partnership** to distribute payment services to merchants in Europe (Crédit Agricole Payment Services)

## 3 STRATEGIC ACQUISITIONS: only to accelerate organic growth

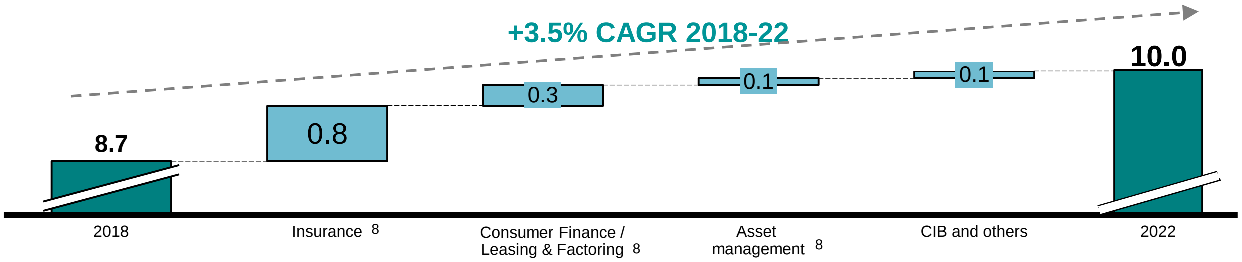
- **Under strict requirements:** strategic alignment with the Group, limited risk, profitability (return on investment above 10% within 3 years), proven integration capacity, synergy potential

# Target: €10bn revenue synergies by 2022

**Our universal banking model allows each and every business line to reach ultimately the retail banks' market share…**




**… This will generate €1.3bn additional revenue synergies for Crédit Agricole Group by 2022**




*Cumulated growth of revenue synergies, in €bn*

*(1) Mutual fund market share in France at end-December 2018 (2) Source: Crédit Agricole S.A. – France – Retail banking – Market share Q4 2017 (3) End-2017, scope: Term life + funeral + nursing care, insurance premiums (4) End-2018, scope: Prédica, based on outstandings (5) End-2017, insurance premiums perceived by CAA (total Group market share of 25% including 11% insured by CNP) (6) End-2017, P&C of Pacifica & La Médicale de France, insurance premiums. Market size: Argus de l'Assurance (7) Internal sources (8) Including revenues fees and commissions received by retail banks*

# Two main drivers: Insurance and Specialised financial services

## Insurance: +€800m

## Consumer finance, leasing & factoring: +€300m

### AMBITIOUS TARGETS FOR 2022

**+31%** premium income from **P&C insurance**[1]

**+35%** premium income from **Death & disability/Creditor/Group insurance**[2]

**€11.1bn** **additional outstandings of consumer credit**

**+ €110m** revenue synergies between **CAL&F and the Group entities**

### KEY DRIVERS…

- Increase in P&C, individual death & disability and group healthcare customer equipment rate in our retail banks in France and Italy
- Progressive ramp-up in creditor insurance

- Extension of the CACF partnership to all the Regional banks
- Acceleration of digitalisation (Digiconso) to increase equipment of our retail banking customers

### … AND NEW INITIATIVES

- New offers to address new customer behaviour: Group security offering, new mobility, E-health services
- New group retirement saving solution with the support of Amundi
- Launch of a P&C commercial lines insurance solution for Corporates

- New leasing offer: household/electronic equipment and automotive (Agil'auto)
- Broader leasing offers (financing of digital equipment, implementation of insurance and guarantee services, etc.)
- Dedicated consumer credit options for our partners' payment solutions
- Creditor insurance solutions for consumer loans with the support of CAA

*(1) P&C of Pacifica & La Médicale de France*
*(2) Group health and death & disability (excluding retirement)*

# Allocate >€15bn[1] to IT over 4 years to transform our technology (1/2)

## Align our technological fundamentals with the best standards on the market

### A revamped information system

- Finalise the rollout of data-centric architectures to improve customer service
- Increase the number of APIs and accelerate time-to-market on new products and services
- Focus our legacy information systems on their essential transactional functions and prefer data-centric architectures for value-added services

**2022 target**

**90%**

of Group entities with a data-centric architecture

### A stronger industrial platform

- Take advantage of the transformation of Group IT production within the Crédit Agricole Group Infrastructure Platform (CA-GIP)
- Broadly implement cloud technologies while guaranteeing data protection and making a distinction between private cloud and managed public cloud services use cases
- Amplify the impact of "*La Manufacture Digitale*" (CACD2)

**2022 target**

**€300m**

increased IT efficiency[2]

*(1) Cash out, of which 40% build (13% increase compared to previous MTP), and of which €11bn for Crédit Agricole S.A.*
*(2) Contributing to fund IT investments*

# Allocate >€15bn[1] to IT over 4 years to transform our technology (2/2)

## Speed up and anticipate the adoption of new technologies

### Investment in IT women and men

- Hire more than 2,000 staff to reduce external dependence and bolster our technological skills
- Create an IT University to continuously improve our technological expertise
- Raise the share of projects conducted in Agile/DevOps mode to 60% to strengthen our collective agility

**2022 target**

**100%**

IT staff trained in new technologies at the IT University

### Anticipating technological breakthroughs

- Reinforce our Applied Technology Research capacities[2]: bring companies, universities and high-performing fintechs together in one ecosystem to anticipate technological breakthroughs:
  - Security / Cybersecurity
  - Artificial intelligence
  - New types of customer interaction

**2022 target**

**100%**

emerging technologies tested on new services for business lines

*(1) Cash out, of which 40% build (13% increase compared to previous MTP), and of which €11bn for Crédit Agricole S.A.*
*(2) Complementary to other Group initiatives such as "DataLab" and "La Fabrique by CA"*

# Higher operational efficiency: 2pp improvement in Crédit Agricole S.A. cost income ratio by 2022



## Leverage automation to improve front-to-back operational efficiency

- **Promote online & mobile channels**
- Optimise the KYC process:
  - **Automate** KYC data collection
  - **Roll-out native KYC processes** in all customer journeys
  - **Share KYC data** between legal entities

*Examples from business lines initiatives:*

- Perform an end-to-end overhaul of CACF's critical processes (e.g. new customer relations, after-sale service) **in particular via RPA** (Robotic Process Automation)
- **Use robots in the back offices and support functions** of CAA to reallocate resources on high value-added tasks
- Automate credit approval processes and **use artificial intelligence to help review contracts** at Indosuez Wealth Management

## Simplify our structures and operating models

- **Share resources**
  - **Save €185m p.a. from 2023** leveraging the Group's Infrastructure and Production division (CA-GIP), created on January 2019
  - **Reduce processing costs by more than 10%** taking advantage of lower volumes of cash and cheques while also guaranteeing a local withdrawal service
  - Gradually converge towards shared IT solutions for all of the CAL&F entities and develop shared back- and middle-office platforms for European offers
- **Implement agile transformations**
  - Set-up new organisation and working methods at CATS[1] to **reduce project durations by one third**
- **Continue simplifying our legal structures**
  - Integrate Carispezia within Crédit Agricole Italia

(1) *Crédit Agricole Technology Services*

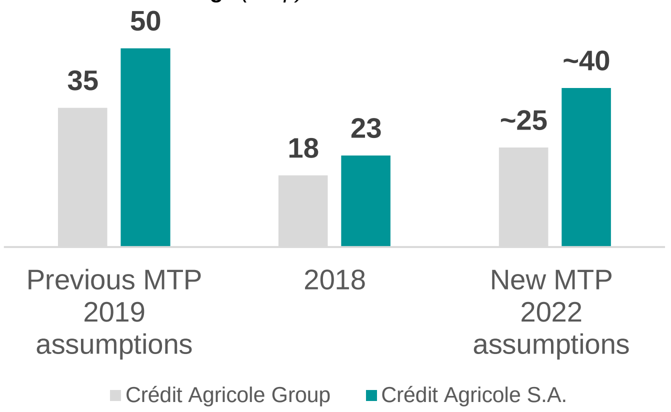
# A challenging economic and regulatory environment

## Expected subdued economic growth and low yields…

| | 2018 | 2022 forecasts |
|---|---|---|
| **Eurozone growth rate** | 1.80% | **~1.40%** |
| **Eurozone inflation** | 1.70% | **~1.60%** |
| **3-month Euribor** | -0.31% | **~0.85%** |
| **EUR 10-year Swap** | 0.74% | **~1.70%** |

## … leading to cautious cost of risk assumptions

**Cost of risk / outstandings** *(in bp)*




## Demanding and complex regulatory environment

**New accounting rules**
- IFRS 16
- IFRS 17[1]

**Reinforced regulatory constraints**
- CRR2 / CRD5
- Basel IV / CRR3 / CRD6

**Additional resolution requirements**
- MREL / TLAC
- BRRD2
- Growing SRF[2] contributions

*(1) Implementation assumed to take place after the end of the MTP*
*(2) Single Resolution Fund*

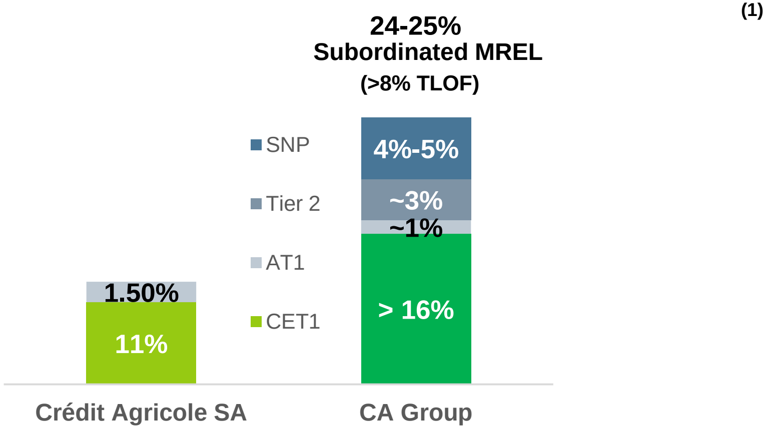
# Group Project and Medium Term Plan

## 2022 MTP Financial Targets

**CA Group: one of the most solid and robust financial groups amongst European G-SIBs**

**Strengthening CA Group CET1 capital to €100bn** by 2022
**Increasing our subordinated MREL ratio by +2-3pp** in order to maintain significant buffer and to secure our funding conditions

Permanently | By 2022




**Maintain our prudent liquidity management** relying on high level medium/long-term resources and reserves growing with activity development

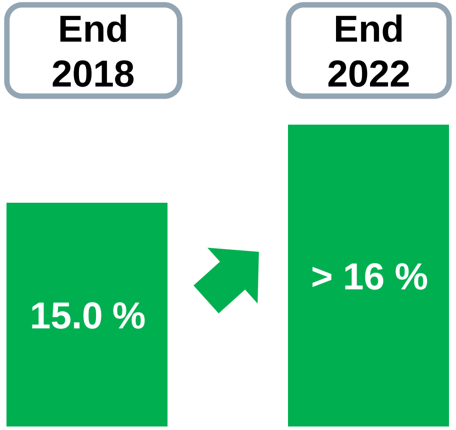
Permanently

- LCR [2]: ~ 110 % — Crédit Agricole S.A.; ~ 110 % — Crédit Agricole Group
- SRP [3]: > €100bn — Crédit Agricole Group
- NSFR [4]: > 100% — Crédit Agricole Group

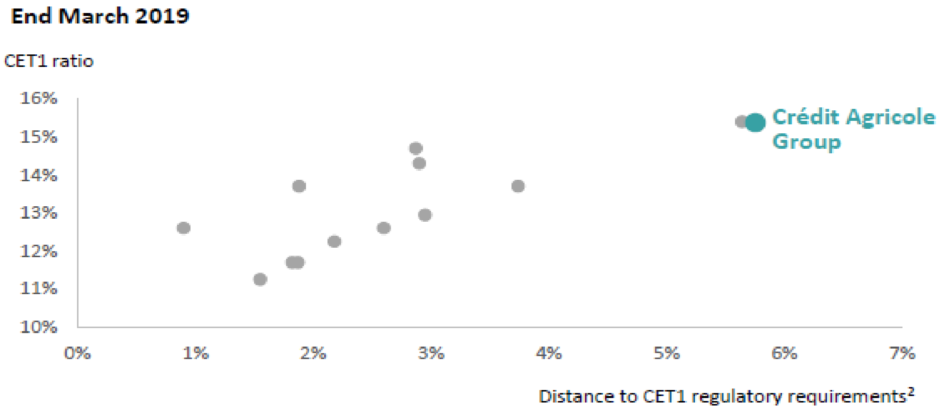
*[1] Excluding senior preferred debt; [2] LCR calculation: liquidity buffer / net outflows; [3] Stable Resources Position: surplus of long-term funding sources; [4] Calculation based on our understanding of the most recent texts (Basel standards not transposed yet in the EU regulation)*

# GROUP PROJECT AND MEDIUM TERM PLAN

## MTP Solvency keypoints




### High CET1 ratio compared to European peers[1]




**CET1 target can be reached thanks to :**

- **the strengthening of capital (retention of more than 80 % of the results)**
- **an asset agile model and a monitored RWA growth**

**Reaching and remaining above 16% despite Basel IV :**

- Estimated impact expected in 2022: **~-30 bp**

(1) Comparison sample is composed of European G-SIB (Barclays, BNP Paribas, BPCE, Crédit Agricole Group, Crédit Suisse, Deutsche Bank, HSBC, ING, Santander, Société Générale, Standard Chartered, UBS and Unicredit)
(2) SREP P2R for banks under EU single supervision

# CONTENTS

# CREDIT AGRICOLE GROUP Q1-19 HIGHLIGHTS

## Key messages for the quarter

**CRÉDIT AGRICOLE GROUP**

**CRÉDIT AGRICOLE S.A.**

### Underlying net income slightly up...

- … thanks to **good performance in all business lines**
- … despite a **significant increase in contribution to SRF**

**€1,435m**
Q1-19 underlying net income(1)

**+9.9%**
increase in underlying net income(1) Q1/Q1 in the business divisions (excl. CC)

### Confirmed **cost control**

**63.4%**
underlying cost/income ratio(1) excl. SRF Q1-19

**-1.1%**
decrease in underlying costs(1) excl. SRF Q1/Q1

### **Cost of risk** still at a **very low level**

Crédit Agricole SA
**21bp**
cost of credit risk / outstandings in Q1-19 *(avg. over 4 rolling quarters)*

Crédit Agricole Group
**17bp**
cost of credit risk / outstandings in Q1-19 *(avg. over 4 rolling quarters)*

### Solvency kept at high levels

- Further increase in **CAG's** ratio: +0.3pp
- **CASA** CET1 ratio above target (>11%)

Crédit Agricole SA
**11.5%**
CET1 ratio at 31/03/19
*stable Mar./Dec.*

Crédit Agricole Group
**15.3%**
CET1 ratio at 31/03/19
*+0,3pp Mar./Dec.*

*(1) Underlying: see slide 93 for further details on specific items, which had a negative impact of -€85m on Q1-19 net income (+€76m in Q1-18) for Crédit Agricole Group*
*(2) Excluding Corporate Centre (CC)*

# Credit Agricole Group Q1-19 Highlights

## Key figures

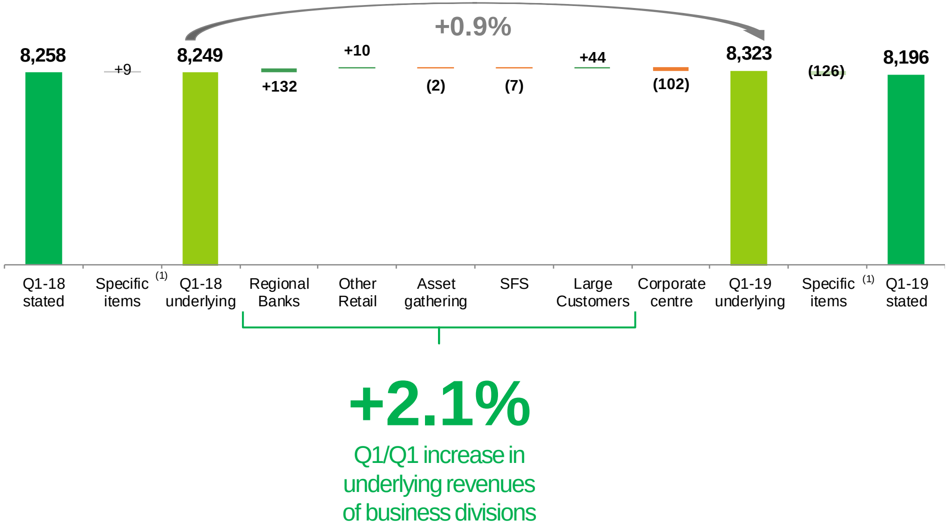
| CREDIT AGRICOLE GROUP Q1-19 | | CRÉDIT AGRICOLE S.A. Q1-19 |
|---|---|---|
| €1,350m<br>*-5.5% Q1/Q1* | Net income Group share - stated | €763m<br>*-10.9% Q1/Q1* |
| €1,435m<br>*+6.1% Q1/Q1* | Net income Group share - underlying (1) (2) | €796m<br>*+1.0% Q1/Q1* |
| | Earnings per share - underlying (1) (2) | €0.23<br>*-0.9% Q1/Q1* |
| | Net tangible asset value per share (3) | €12.3<br>*+€0.3 vs. 31/12/2018* |
| 15.3% | CET1 ratio (%) | 11.5% |

*(1) See slides 95 (Crédit Agricole S.A.) and 93 (Crédit Agricole Group) for further details on specific items*
*(2) After deduction of AT1 coupons, charged to net equity*
*(3) Not revaluated (i.e. excluding OCI reserves) and before deduction of dividend to pay*

# Credit Agricole Group Q1-19 Highlights

## Revenues from business lines[2] driven up by healthy activity

### Q1/Q1 change in underlying revenues[1], by division




- **Slight increase Q1/Q1 in the business divisions[2]**
  - **RB:** revenues from customer activities up +1.4%, of which fees +3.2%
  - **OR:** positive progress driven by excellent performance by LCL and growth of credit in all countries
  - **AG:** resilience of Asset management fees, cautious recognition level of investment margin in Life Insurance, amid falling interest rates and lower corporate income tax rate
  - **SFS:** heightened competitive pressure this quarter, very strong equity-accounted performance by automotive partnerships
  - **LC:** good level of activity in Financing and Capital Markets (FICC), flat for Investment banking; good performance in Asset Servicing

*(1) Underlying: see slide 93 for further details on specific items*
*(2) Excluding Corporate Centre (CC)*

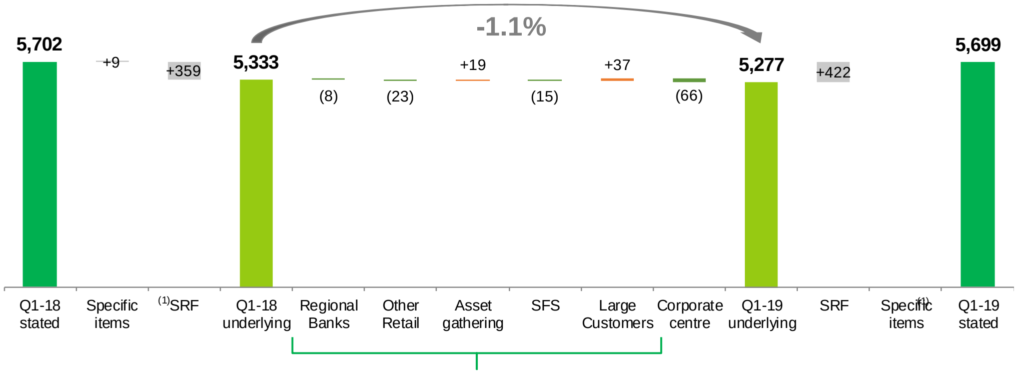
*RB: Regional banks; OR: Other Retail (LCL & International retail banking), AG: Asset gathering, including Insurance, SFS: Specialised financial services; LC: Large customers; CC: Corporate centre*

# CREDIT AGRICOLE GROUP Q1-19 HIGHLIGHTS

CRÉDIT AGRICOLE GROUP

## Costs: good cost control Q1/Q1

### Q1/Q1 change in underlying costs(1), by division




**+0.2%**

Q1/Q1 increase in underlying costs excl. SRF of business divisions

- **Slight decrease Q1/Q1 excl. SRF**
  - Confirmation of good control over operating costs in all business divisions, offsetting natural inflation of +1.5%/+2%
  - **RB:** stable -0.3%, with IFRIC21 expenses (excl. SRF) generating an impact of €83m versus €101m in Q1 2018
  - **OR:** productivity efforts by LCL and cost savings generated by consolidation of the three Italian banks for IRB Italy
  - **AG:** growth investments, cost savings from Pioneer's integration for Amundi
  - **CC:** continuation of synergies on support functions
- **IFRIC21 expenses: €663m, +9.8% Q1/Q1**
  - **Not recorded on a straight-line basis**, so affecting only Q1
  - Sharp increase in **contribution to SRF**: +17.4%/+€63m Q1/Q1 *(last year, additional SRF contribution of €30m booked in Q2)*
  - Decline in **other IFRIC21 expenses**: -1.4%/-€4m Q1/Q1 (€241m in Q1-19)

(1) *Underlying: see slide 93 for further details on specific items*

*RB: Regional banks; OR: Other Retail (LCL & International retail banking), AG: Asset gathering, including Insurance, SFS: Specialised financial services; LC: Large customers; CC: Corporate centre*

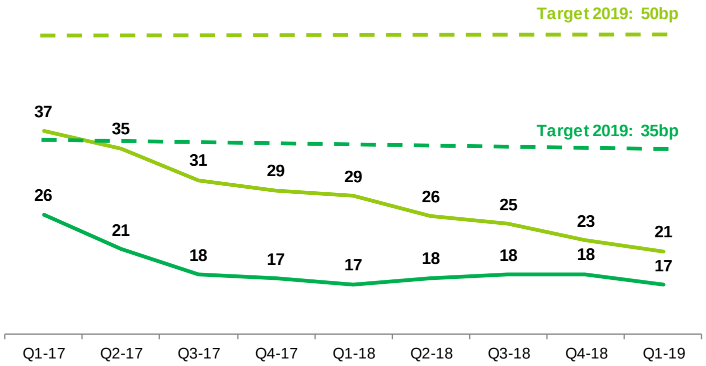
# CREDIT AGRICOLE GROUP Q1-19 HIGHLIGHTS

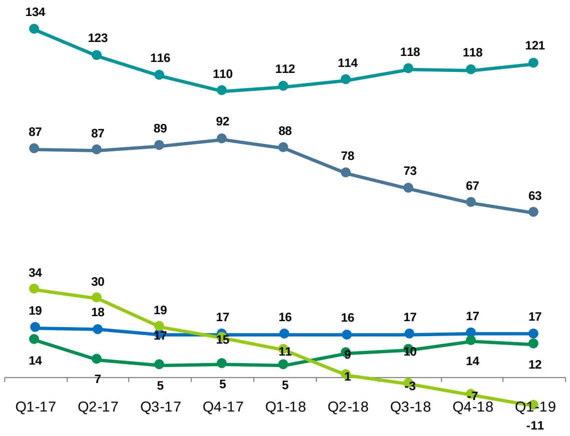
**CRÉDIT AGRICOLE GROUP**

**CRÉDIT AGRICOLE S.A.**

## Cost of credit risk: still very low

### Cost of risk / outstandings (in basis points over a rolling four-quarter period)




- **Crédit Agricole S.A.(1): 21bp**
  - Significant Q1/Q1 decrease: -7bp
  - Below MTP assumption of 50bp
- **Crédit Agricole Group(1): 17bp**
  - Low and stable
  - Below MTP assumption of 35bp

**Cost of risk significantly lower than MTP assumptions**

- **CACF: net charge of -€96m in Q1-19**
  - Volatility related to IFRS 9 around a level close to 120bp
  - IFRS 9 Buckets 1&2: net reversal of +€9m in Q1-19 (vs. +€7m in Q1-18)
- **CA Italia : net charge of -€67m in Q1-19, -25bp year-on-year**
  - In continual decline
  - MTP target at 60bp
  - IFRS 9 Buckets 1&2: net reversal of -€0.1m in Q1-19 (vs. -€2.0m in Q1-18)
- **CIB / Financing activities(2): -22 bp year-on-year**
  - Q1-19: net reversals of +€6m vs net charges of -€55m in Q1-18
  - No sign of decline in credit quality
  - IFRS 9 Buckets 1&2: net reversal of +€16m in Q1-19 (vs. charge of -€8m in Q1-18)
- **LCL: -€44m in Q1-19, stable at low level**
  - IFRS 9 Buckets 1&2: charge of -€16m in Q1-19 (vs. -€1m in Q1-18)
- **Regional Banks: +7bp year-on-year**
  - Charges of -€56m in Q1-19 vs. -€104m in Q1-18
- **Other business lines(3):** -€11m (vs. -€43m in Q1-18)

*Since this quarter, loans outstanding included in credit risk indicators are only loans to customers, before impairment*

*(1) Excluding non-specific provisions for legal risk in Q3-16 at €50m, Q1-17 at €40m, Q3-17 at €75m, Q2-18 at €5m and Q4-18 at €75m.*

*(2) Excluding impact of loss allowances for legal risks not allocated to specific accounts: in Q1-17 for €20m, in Q3-17 for €38m*

*(3) Asset gathering, International retail banking excl. Italy, Leasing and factoring, Capital markets and Investment banking, Asset servicing, Corporate centre*

# Credit Agricole Group Q1-19 Highlights

CRÉDIT AGRICOLE GROUP

## Net income: good performance in all business lines[2]

**Q1/Q1 change in underlying Net Income[1], by division**


**+9.9%**

Q1/Q1 increase in underlying net income of business divisions

- **Q1/Q1: growth of all business divisions excl. CC**
  - **RB:** upturn in revenues, positive jaws effect, continued fall in the cost of risk
  - **OR:** improvement in operational efficiency for LCL and decrease in cost of risk for IRB Italy
  - **AG:** resilience of the three business lines despite investors' wait-and-see stance
  - **SFS:** substantial reduction in costs and good performance by automotive partnerships
  - **LC:** high level of activity in all three business lines, net write-backs for CIB
- **Adverse base effect on CC division in Q1-18**
  - Real estate capital gains in Q1-18 and adverse change in accounting volatility factors
  - Q1/Q1 tax rate cut (-6.7pp to 25.4%) had a negative impact on this division
- **Effect of IFRIC21 expenses on net income**
  - -€556m, +13.0%/-€64m Q1/Q1, o/w SRF +15.6%/-€55m
  - Not restated as specific items

[1] *Underlying: see slide 93 for further details on specific items*
[2] *Excluding Corporate centre (CC)*

# Credit Agricole Group Q1-19 Highlights

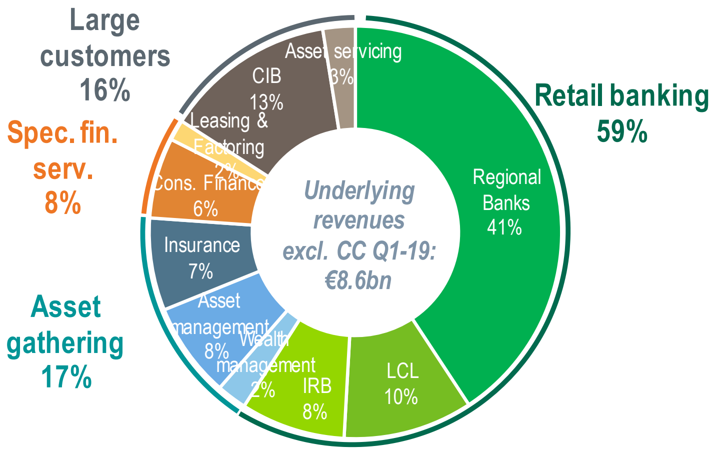
**CRÉDIT AGRICOLE GROUP**

## A stable, diversified and profitable business model

- **Predominance of Retail banking and related business lines**, generating **84%** of underlying revenues(1) and **87%** of underlying Net Income(1) in Q1-19
  - **Asset Gathering including Insurance** accounts for 17% of underlying revenues(1) and 25% of underlying Net Income(1) in Q1-19
  - **Leading franchises** in Retail banking (Regional Banks & LCL), Asset management (Amundi), Insurance (CAA) and in Consumer finance (CACF)

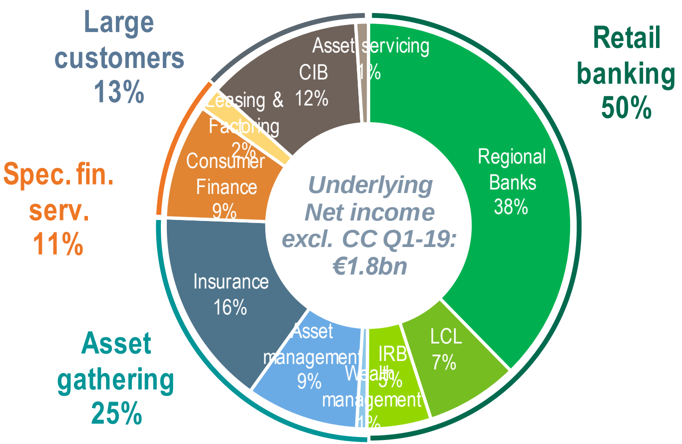
**Underlying revenues(1) Q1-19 by business line (excluding Corporate Centre) (%)**

*Q1-19: €6.8bn, +2,1% year-on-year*




**Underlying Net Income(1) Q1-19 by business line (excluding Corporate Centre) (%)**

*Q1-19: €1.8bn, +9,9% year-on-year*




*RB: Retail banking incl. Regional banks, LCL and International retail banking (IRB); AG: Asset gathering, including Insurance; SFS: Specialised financial services ; LC: Large customers*

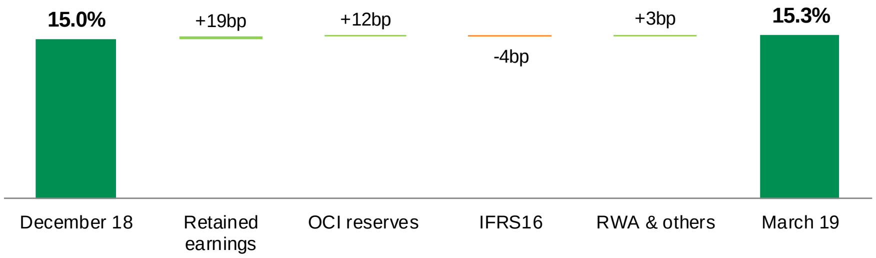
*(1) See slide 93 for details on specific items*

# CONTENTS

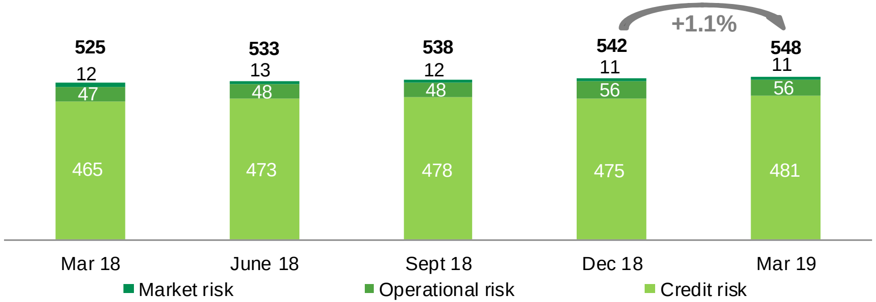
# FINANCIAL MANAGEMENT

## CET1 ratio at 15.3% at 31 March 2019

### Change in CET1 ratio (bp)




### Change in risk-weighted assets (€bn)




- **CET1 ratio +0.3pp vs. Dec. 2018**
  - **Good level of retained earnings**: +19bp
  - **Hidden reserves on securities portfolios:** +12bp related to favourable market environment; outstanding reserves at 31/03/2019: 28bp
  - **IFRS16:** estimated impact of about -4bp starting on 1/1/2019
  - Increase in **RWA** limited by an update to the credit risk models of the Regional Banks
- **CET1 ratio well above (5.8pp) the SREP/P2R threshold[1]**

- **Phased-in Tier 1 ratio: 16.7%**
- **Phased-in total ratio: 19.4%**
- **Phased-in leverage ratio[2]: 5.7% vs. 5.6% at end Dec-18**
  - Intra-quarter average measure of phased-in leverage ratio[3]: 5.3% in Q1-19

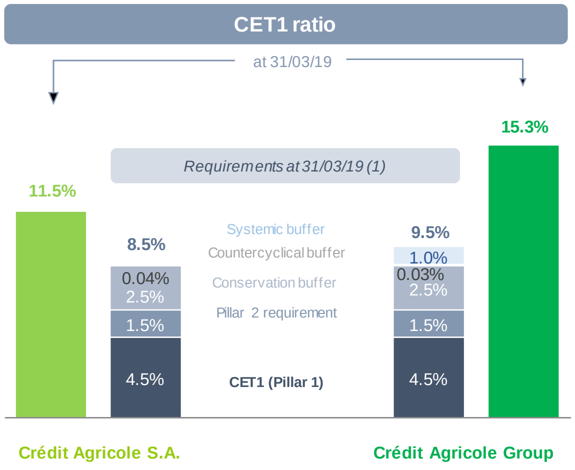
*Note: the effect of OCI reserves corresponds to the amount of unrealised gains in CET1 capital after deduction of the impact of insurance reserves on risk-weighted assets*

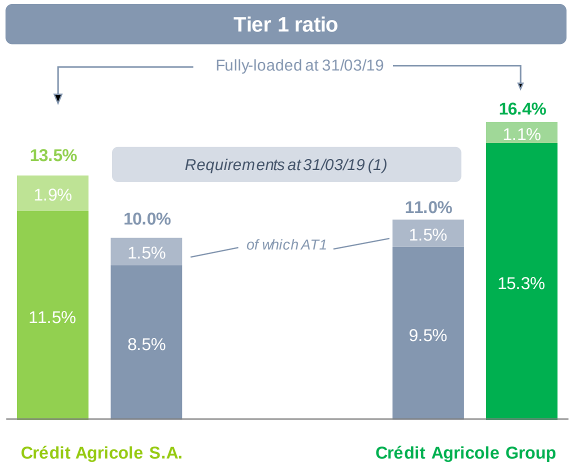
*[1] Based on SREP requirement of 9.5% (including countercyclical buffer); €31bn above trigger threshold for distribution restrictions*

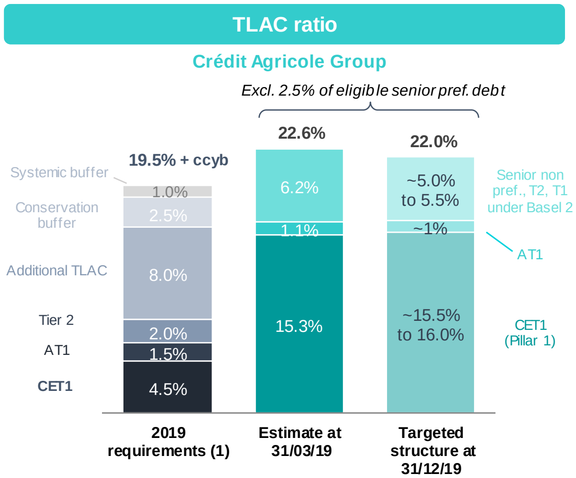
*[2] Following the authorisation received from the ECB (with application retroactive back to 2016), the leverage ratio at 31/03/2019 (and pro forma 31/12/2018) takes account of the exclusion of the exposures related to the centralisation of regulated savings at Caisse des Dépôts et Consignations*

*[3] Intra-quarter average refers to the average of end of month measures for the first two months of considered quarter*

# Capital planning targeting high solvency ratio, focused on TLAC management excluding eligible senior preferred debt



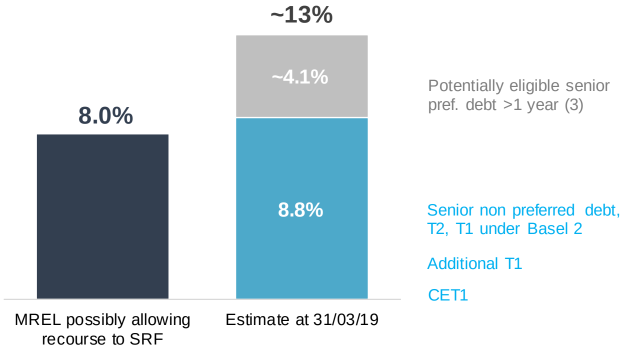

- Countercyclical buffer is set at 3bp for CA Group and 4bp for CASA at 31/03/2019
- Solvency ratios well above SREP requirements[(1)]: CET1 buffer of 5.8pp for CA Group and 3.0pp for CASA at 31/03/2019
- AT1 shortfall at CA Group level fulfilled with CET1 excess at Regional banks level
- TLAC ratio at 22.6% at end-March 19, already above the CA Group target set at 22% for 2019
- TLAC eligible debt issuance of €5bn to €6bn in 2019 (€4bn already issued at end-May 2019)

*[(1)] Based on information currently available. According to current version of texts, the minimum TLAC requirement is calculated including countercyclical buffer which is set at 0.03% for CA Group at 31/03/2019 and is expected to increase to 0.20% by end 2019, according to decisions known as of today; the minimum TLAC requirement will increase to 21.5% in 2022, plus countercyclical buffer.This hypothesis should not be construed as any form of guarantee in respect of the expected CET1 ratios and buffers going forward. It corresponds to the position of the EBA and the ECB, and to Crédit Agricole S.A.'s interpretation of the relevant texts.*

# Current MREL ratios: 2018 requirements met

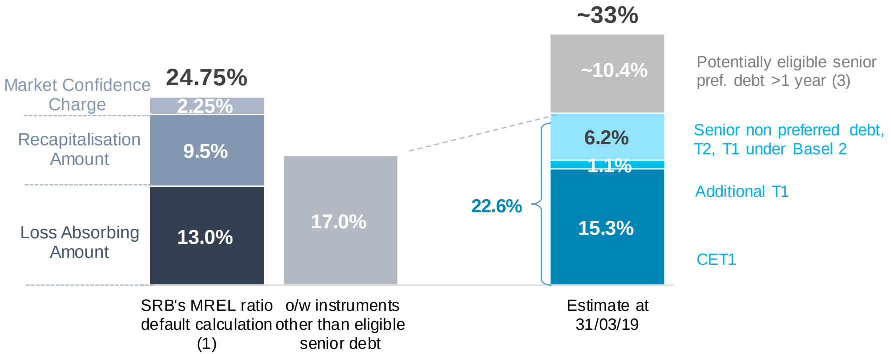
- **In 2018, Crédit Agricole Group was notified of its first MREL requirement at consolidated level: it was immediately binding, like for all banks that already meet their MREL requirements**
  - SRB's default calculation [1] stands at 24.75% of RWA

## MREL ratio at 31/03/2019 (% of TLOF [2])




- **MREL ratio at 31/03/19: 8.8% of TLOF, excluding potentially eligible senior preferred debt >1 year**
  - Level allowing potential recourse to the Single Resolution Fund (SRF), subject to decision of the Resolution Authority

## MREL ratio at 31/03/2019 (% of RWA)

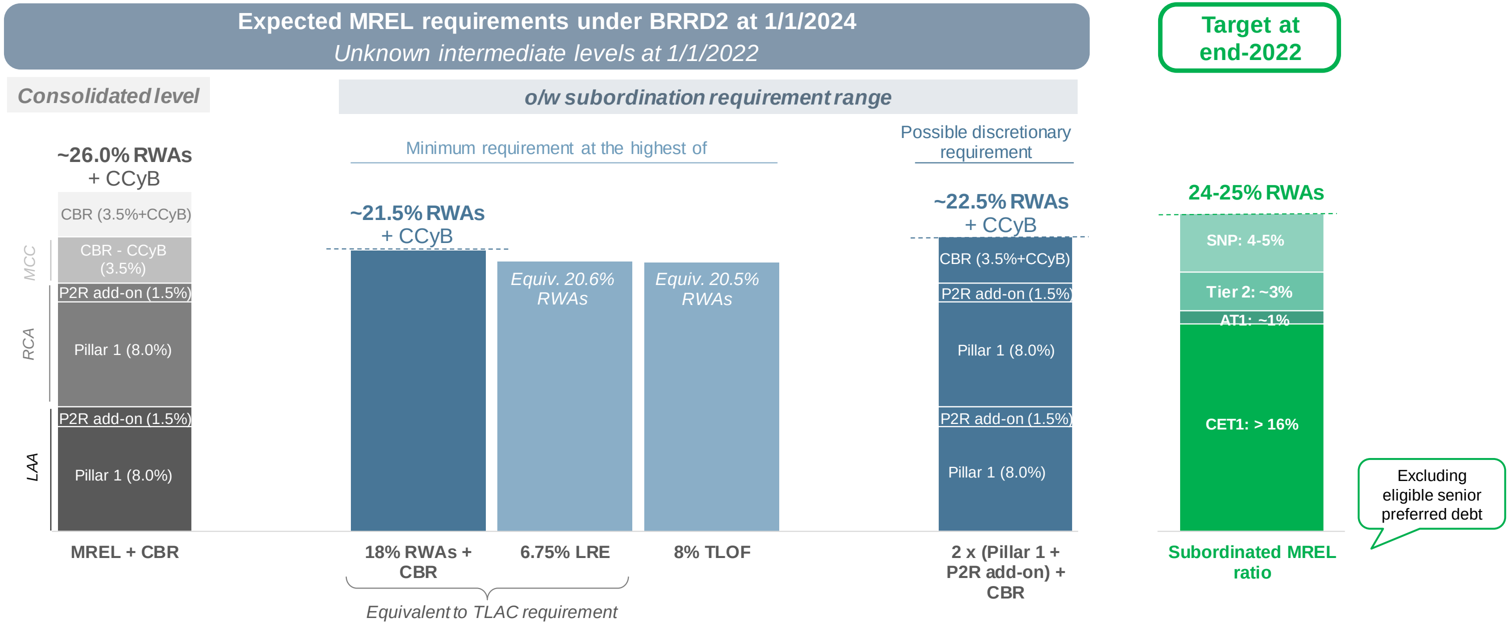



- **MREL ratio at 31/03/19: ~33% of RWA**
  - Estimated MREL ratio above the SRB's default calculation[2]
  - SRB's requirement for instruments other than eligible senior debt converging with that of TLAC for G-SIBs

*[1] According to the SRB's 2017 MREL policy and default calculation calibrated on end 2016 data; the 2018 MREL Policy published by the SRB in January 2019 describes the general framework that will apply to future requirements, to be set later in 2019 (ie not applicable yet); going forward, the SRB will update its MREL policy and adapt its framework to any new regulatory developments.*
*[2] In our understanding of texts, total liabilities and own funds (TLOF) is equivalent to prudential balance sheet after netting of derivatives*
*[3] Potentially eligible senior preferred debt > 1 year calculation is based on Crédit Agricole Group's understanding of the current applicable BRRD. In particular, senior unsecured debts issued externally by all entities of the Group (not only Crédit Agricole S.A.) are included. Liabilities governed by third country law and with no bail-in recognition clause are excluded.*

# Target set at 24-25% in 2022 for subordinated MREL

- **CA Group expects a minimum subordinated MREL requirement at ~ 21.5%-22.5% RWAs (+CCyB) under revised regulation in 1/1/2024**
  - Based on balance sheet structure at end-March 2019, measures in RWAs would be more constraining than those expressed in leverage (LRE) and total liabilities and own funds (TLOF)
  - Ratios of subordinated MREL and TLAC (as transposed in European law) will converge, thanks to closely aligned eligibility criteria for bail-inable liabilities
  - By end-2022, CA Group targets a subordinated MREL ratio at 24-25% RWAs and >8% TLOF




*CCyB = countercyclical buffer*
*CBR = combined buffer requirement*
*LAA = loss absorption amount*
*RCA = recapitalisation amount*
*MCC = market confidence charge*
*LRE = leverage ratio exposure*

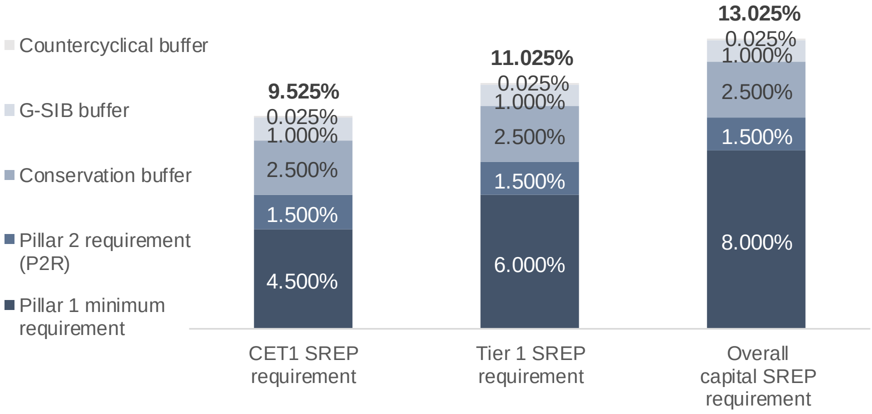
NB. According to our understanding of texts, which are not published yet. All figures are expressed without potential specific adjustments from the resolution authority. Requirements are presented based on current RWAs and solvency requirements (P2R add-on, combined buffer requirement, RWA) without prejudice to any future levels. Figures are presented without taking into account the possibility to include eligible senior preferred debt up to 3.5% of RWAs, subject to approval by the resolution authority.

# Buffers above distribution restrictions threshold



## Phased-in solvency ratios: Distance to SREP requirements

| | CET1 | Tier 1 | Total capital |
|---|---|---|---|
| 31.03.19 Phased-in solvency ratios | 15.3% | 16.7% | 19.4% |
| Distance to SREP requirements | 573bp | 569bp | 636bp |




## Distance to Maximum Distributable Amount (MDA) trigger threshold [(1)]

31.03.19 Risk Weighted Assets **€548bn**

*The lowest of the 3 buffers is the distance to MDA trigger threshold* **569bp**

**€31bn**

distance to restrictions on distribution

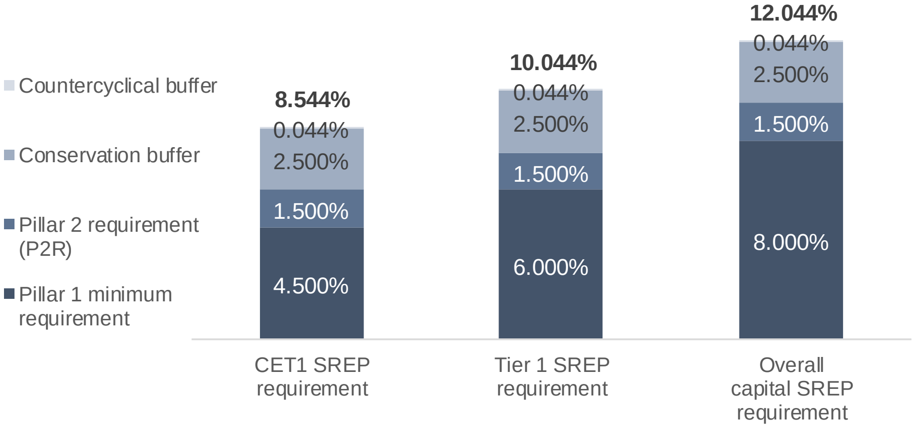
*[(1)] According to CRD IV, institutions must meet the combined capital buffer requirement (consisting of the capital conservation buffer, countercyclical buffer and systemic buffer). Failure to do so means the bank must calculate the Maximum Distributable Amount (MDA). MDA trigger threshold is 9.560% of RWA as of 31/03/2019 for Credit Agricole Group.*

# Buffers above distribution restrictions threshold



## Phased-in solvency ratios: Distance to SREP requirements

| | CET1 | Tier 1 | Total capital |
|---|---|---|---|
| 31.03.19 Phased-in solvency ratios | **11.5%** | **14.0%** | **18.3%** |
| Distance to SREP requirements | **297bp** | **397bp** | **623bp** |




## Distance to Maximum Distributable Amount (MDA) trigger threshold [1]

31.03.19 Risk Weighted Assets **€321bn**

*The lowest of the 3 buffers is the distance to MDA trigger threshold* **297bp**

**€10bn**

distance to restrictions on distribution

- **Distributable items at 31/03/19 for Crédit Agricole SA (individual accounts) amount to €38.4bn[2]**

*[1] According to CRD IV, institutions must meet the combined capital buffer requirement (consisting of the capital conservation buffer, countercyclical buffer and systemic buffer). Failure to do so means the bank must calculate the Maximum Distributable Amount (MDA). MDA trigger threshold is 8.544% of RWA as of 31/03/2019 for Credit Agricole S.A.*
*[2] Including reserves of €26.0bn and share issue premium of €12.4bn as of 31/03/19.*

# Key liquidity indicators: affirmed targets in the 2022 MTP



| | Regulatory requirement | | Ratio at 31/03/2019 | 2019-2022 MTP Target |
|---|---|---|---|---|
| LCR[1] | 100% from 01/01/2018 | Crédit Agricole S.A. | Avg. over 12 months: $\frac{177.6}{133.2}$ = 133.3% | ~110% |
| | | Crédit Agricole Group | Avg. over 12 months: $\frac{211.9}{159.6}$ = 132.8% | ~110% |
| SRP[2] | | Crédit Agricole Group | €121bn | >€100bn |
| NSFR[3] | 100% from 01/01/2018 (according to Basel standards) | Crédit Agricole Group | >100% | >100% |

- **LCR: the aim of the Group is to secure its compliance with regulatory requirements by maintaining a buffer of a magnitude of ~10%**
- **SRP: the Group's financial structure provides for a Stable Resources Position covering LCR needs (at 100%) of commercial activities. The Group intends to maintain this structure through the Medium-Term Plan**
- **NSFR: ongoing transposition in the EU legislative framework**
  - The NSFR is part of the CRR2/CRD5 legislative package, which is still subject to final publication
  - According to the most recent version of texts, the NSFR would apply at both individual and consolidated scopes
  - The NSFR is not expected to be applicable before 2021

*[1] LCR calculation: liquidity buffer / net outflows; [2] Stable Resources Position: surplus of long-term funding sources; [3] Calculation based on our understanding of the most recent texts (Basel standards not transposed yet in the EU regulation)*

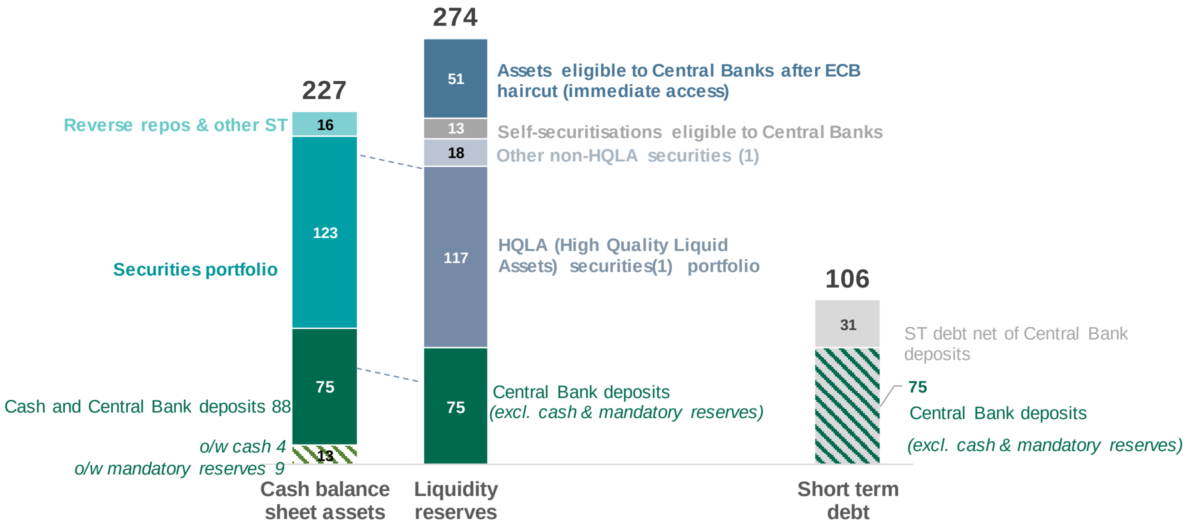
# Liquidity and funding



## Liquidity reserves at 31/03/19 (€bn)

**€274bn**

liquidity reserves
at 31/03/19



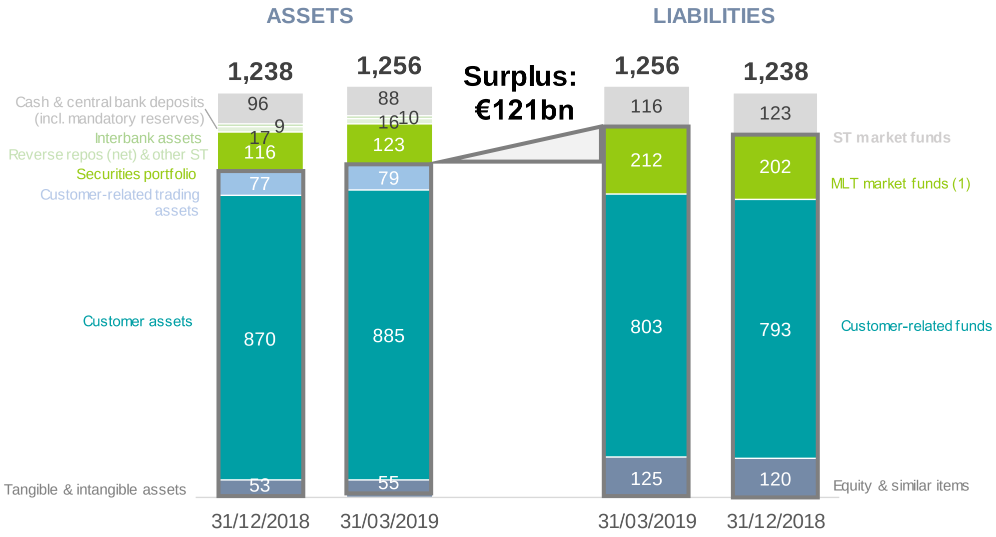

- **Short term debt (net of Central Bank deposits) covered more than 3 times by HQLA securities**
- **Average LCR ratios over 12 months: Crédit Agricole Group 132.8%, Crédit Agricole S.A. 133.3%, exceeding the MTP target of ~110%**

[1] *Available liquid market securities, at market value and after haircuts*

# Strong cash balance sheet



## Banking cash balance sheet at 31/03/19 (€bn)




**>€100bn**

MTP target for
Stable Resources Position

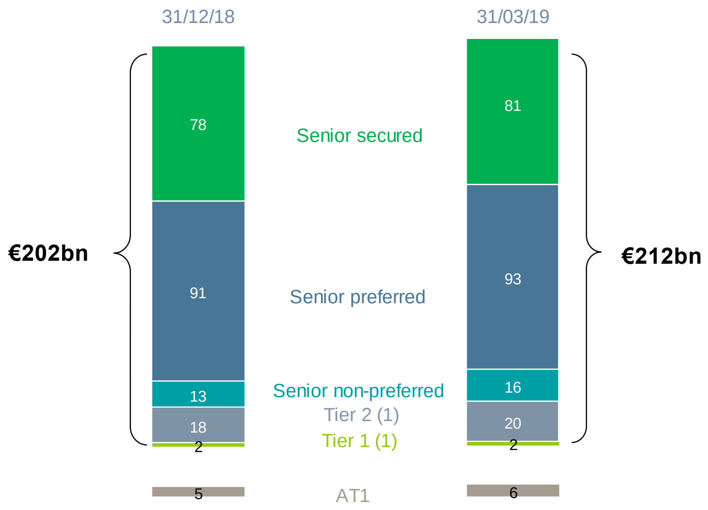
*Exceeded at 31/03/19*

- **The Stable Resources Position finances the HQLA securities portfolio generated by the LCR requirement of customer and customer-related activities**
  - Ratio of stable resources(1) / long term applications of funds at 111.9%

*(1) LT market funds include TLTRO drawings*

# Breakdown of MLT market funds outstanding

## MLT market funds outstanding at 31/03/19 (€bn)

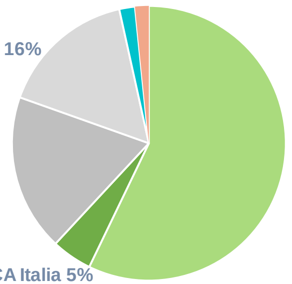



- **At €212bn, medium-to long term market funds increased by €10bn at end-March 2019 vs. end-December 2018**
  - Senior secured debt (incl. TLTRO) up by €3bn
  - Senior preferred debt up by €2bn
  - Senior non preferred debt up by €3bn
  - Tier 2 and Legacy Tier 1 debts up by €2bn

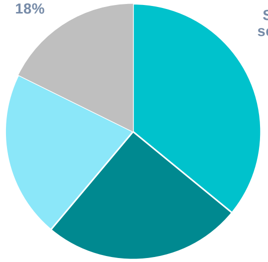
(1) *Notional amount*

# Crédit Agricole S.A.'s MLT market funding reached €10.4bn at end-May

**Crédit Agricole Group - MLT market issues**
**Breakdown by issuer : €15.7bn at 30/04/19**




**Crédit Agricole S.A. - MLT market issues**
**Breakdown by segment : €10.4bn at 31/05/19**

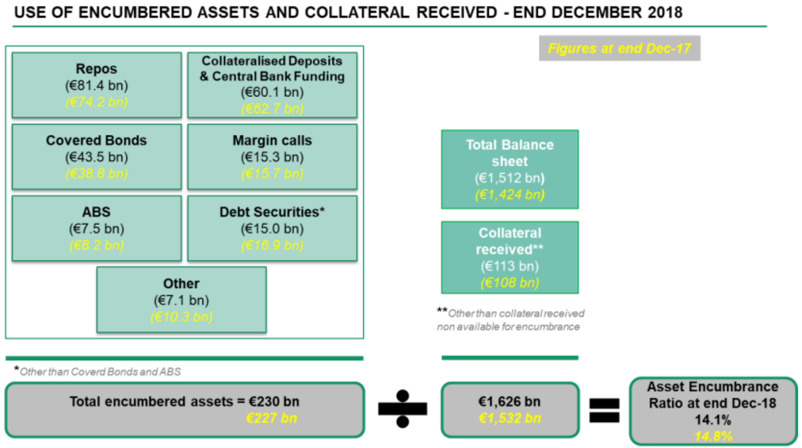


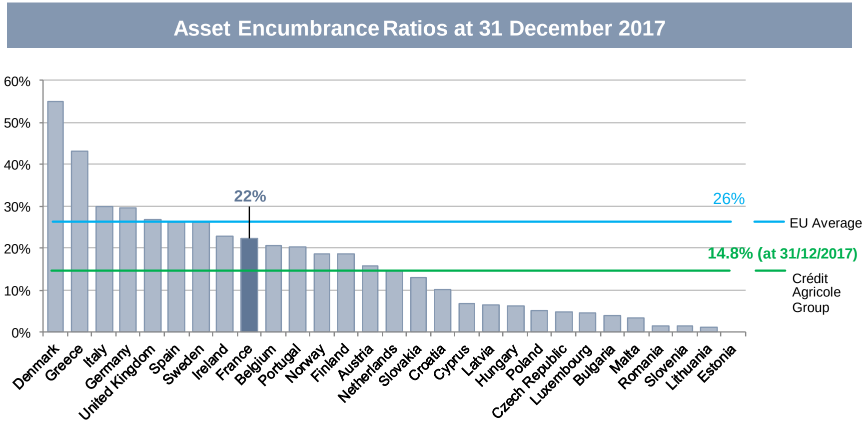

| | |
|---|---|
| **Senior preferred & senior secured**<br>Average maturity: 9.3 years<br>Spread vs 3m Euribor: 36bp | **€6.3bn** |
| **Senior non-preferred & Tier 2**<br>Average maturity: 9.1 years<br>Spread vs 3m Euribor: 143bp | **€4bn** |

- ## Crédit Agricole Group (at end-April)
  - **€15.7bn equivalent issued on the market by Group issuers**
  - **Highly diversified market funding mix** by types of instruments, investor categories and targeted geographic areas
  - **Besides, €1.4bn also placed in the Group's retail networks** (Regional Banks, LCL, CA Italia) and **other external retail networks**, as well as borrowing from **Supranational organisations**

- ## Crédit Agricole S.A. (at end-May)
  - **61% of the €17bn MLT market funding programme completed:** €10bn issued, a well diversified benchmark issuances in EUR, USD, JPY, CHF, SGD, AUD:
    - **Senior preferred and secured debt:** €6.3bn of which covered bonds (€3.7bn) and senior preferred debt (€2.6bn)
    - **Senior non-preferred and Tier 2 debt:** €4bn of which SNP (€2.2bn) and Tier 2 (€1.8bn)
  - **AT1: €1.1bn** (not included in the funding plan).

# Crédit Agricole Group: low asset encumbrance ratio




*Source: EBA*

**14.1%**

asset encumbrance ratio
at 31 December 2018

## Asset encumbrance in Europe

- EBA published its latest annual report based on data received for 2017
- **France's encumbrance ratio (~24%) remains below the average ratio in Europe (28%)**
- **Crédit Agricole Group's encumbrance ratio is significantly below France's ratio**

## Disclosure

- EBA guidelines provide three disclosure templates (based on the reporting templates of asset encumbrance) and a box for narrative information to be filled in by institutions on the level of encumbrance in their funding model
- These templates do not explicitly mention the encumbrance ratio defined as "Carrying amount of encumbered assets and collateral" / "Total assets and collateral"

# Crédit Agricole S.A.'s ratings reflect Crédit Agricole Group's improving credit fundamentals

## Moody's

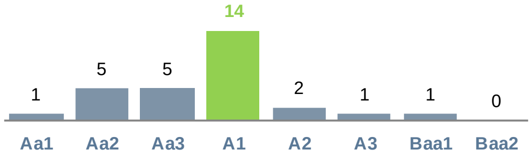
LT / ST: **A1 / P-1**

Outlook: **Positive**

Last rating action on **5/07/2018**:
- **Outlook changed to positive** from stable
- **LT/ST ratings affirmed**

**Rating drivers**:
The positive outlook reflects the possibility of an upgrade if GCA's CET1 ratio reached the objective currently set by the bank, while the group continues to generate solid earnings in the absence of significant deterioration in the group's operating environment, notably in Italy.

**Breakdown of 29 G-SIB LT ratings* at end-April**
*(by number of banks)*




## S&P Global Ratings

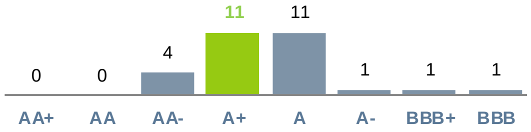
LT / ST: **A+ / A-1**

Outlook: **Stable**

Last rating action on **19/10/2018**:
- **FT ratings upgraded to A+**
- **ST ratings affirmed**

**Rating drivers**:
The stable outlook on the core operating entities forming GCA reflects that the group's stable retail banking activities and assets position the group well to withstand challenges posed by a potentially more adverse operating environment. It also reflects that GCA will continue to build its material buffer of bail-inable debt, mainly through the issuance of senior preferred debt.

**Breakdown of 29 G-SIB LT issuer ratings at end-April**
*(by number of banks)*




## Fitch Ratings

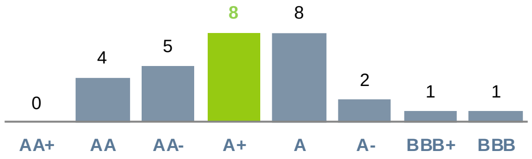
LT / ST: **A+ / F1**

Outlook: **Stable**

Last rating action on **4/12/2018**:
- **LT/ST ratings affirmed**
- **Stable outlook unchanged**

**Rating drivers**:
The stable outlook reflects the absence of tangible rating drivers up or down

**Breakdown of 29 G-SIB LT issuer ratings at end-April**
*(by number of banks)*




** Issuer ratings or senior preferred debt ratings*

# Crédit Agricole S.A.'s long-term ratings and 5-year CDS spreads

- **Contrasted senior non-preferred debt ratings reflect rating agencies' differing methodologies**

## Moody's

| *Ratings* | | *Debt instrument* |
|---|---|---|
| | Aa3 | |
| **LT Issuer Rating** | **A1** | **LT senior preferred debt** |
| | A2 | |
| | A3 | |
| *Adjusted Baseline Credit Assessment* | *baa1* | |
| | **Baa2** | Senior non-preferred **T2** |
| | Baa3 | |
| | **Ba1** | **Additional T1** (unsolicited rating) |

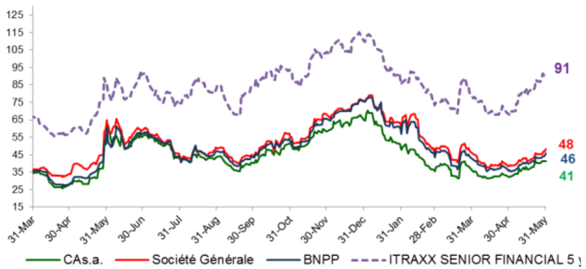
## S&P Global Ratings

| *Ratings* | | *Debt instrument* |
|---|---|---|
| | AA- | |
| **LT Issuer Credit Rating** | **A+** | **LT senior preferred debt** |
| *Stand-Alone Credit Profile* | a | |
| | A- | Senior non-preferred |
| | **BBB+** | **T2** |
| | **BBB** | |
| | BBB- | Additional T1 |
| | BB+ | |

## Fitch Ratings

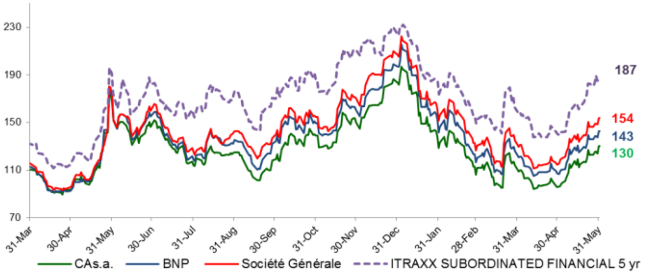
| *Ratings* | | *Debt instrument* |
|---|---|---|
| | AA- | |
| **LT Issuer Default Rating** *Viability Rating* | **A+** | **LT senior preferred debt** Senior non-preferred |
| | A | **T2** |
| | A- | |
| | BBB+ | |
| | BBB | |
| | **BBB-** | **Additional T1** |
| | BB+ | |

## 5-year CDS spreads – Senior Preferred (bp)




## 5-year CDS spreads – Senior Non-Preferred (bp)


## 5-year CDS spreads – Tier 2 (bp)

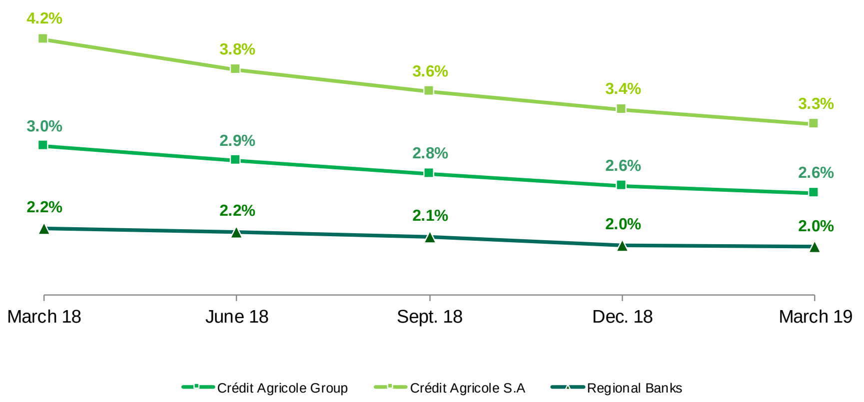



*Source: Bloomberg*

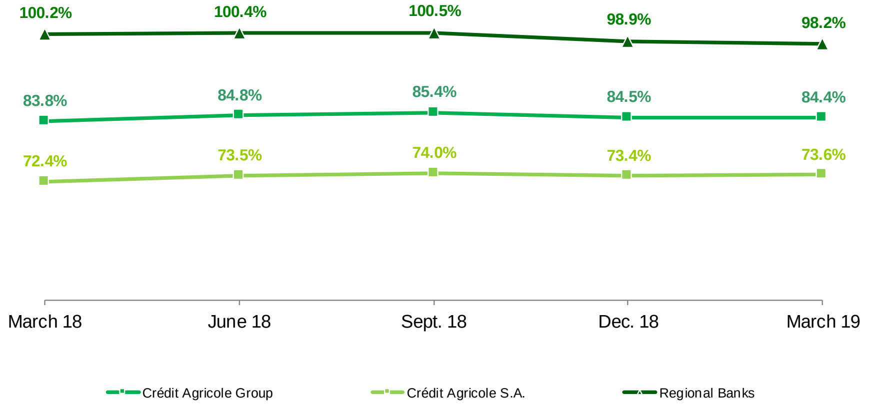
# CONTENTS

# Low risk profile and sharp rise in coverage ratio post IFRS9

## Impaired loans ratio




## Coverage ratio (incl. collective reserves)[1]




*[1] Calculated on the basis of outstandings not netted for available collateral and guarantees*

# RISKS
## Credit risk scorecard

| Crédit Agricole Group - Evolution of credit risk outstandings | | | |
|---|---|---|---|
| *€m* | **March 18** | **Dec. 18** | **March 19** |
| Gross customer loans outstanding | 827 100 | 874 156 | 889 820 |
| of which: impaired loans | 25 207 | 23 048 | 22 802 |
| Loans loss reserves (incl. collective reserves) | 21 120 | 19 475 | 19 250 |
| Impaired loans ratio | 3,0% | 2,6% | 2,6% |
| Coverage ratio (excl. collective reserves) | 60,6% | 60,6% | 60,3% |
| Coverage ratio (incl. collective reserves) | 83,8% | 84,5% | 84,4% |

| Crédit Agricole S.A. - Evolution of credit risk outstandings | | | |
|---|---|---|---|
| *€m* | **March 18** | **Dec. 18** | **March 19** |
| Gross customer loans outstanding | 356 475 | 379 011 | 389 601 |
| of which: impaired loans | 14 848 | 13 016 | 12 775 |
| Loans loss reserves (incl. collective reserves) | 10 745 | 9 555 | 9 401 |
| Impaired loans ratio | 4,2% | 3,4% | 3,3% |
| Coverage ratio (excl. collective reserves) | 57,1% | 56,4% | 56,4% |
| Coverage ratio (incl. collective reserves) | 72,4% | 73,4% | 73,6% |

| Regional Banks (French GAAP) - Evolution of credit risk outstandings | | | |
|---|---|---|---|
| *€m* | **March 18** | **Dec. 18** | **March 19** |
| Gross customer loans outstanding | 470 522 | 495 083 | 500 270 |
| of which: impaired loans | 10 356 | 10 027 | 10 023 |
| Loans loss reserves (incl. collective reserves) | 10 373 | 9 916 | 9 845 |
| Impaired loans ratio | 2,2% | 2,0% | 2,0% |
| Coverage ratio (excl. collective reserves) | 65,7% | 65,9% | 65,2% |
| Coverage ratio (incl. collective reserves) | 100,2% | 98,9% | 98,2% |

*Principal amounts, excluding finance lease with customers, excluding intragroup transactions within Crédit Agricole and accrued interest.*

*Since this quarter, loans outstanding included in credit risk indicators are only loans to customers, before impairment*

*(*) Calculated on the basis of outstandings, not netted for available collateral and guarantees*

# RISKS

CRÉDIT AGRICOLE S.A.

## Crédit Agricole in Italy : continuous improvement in asset quality

### Crédit Agricole Group in Italy

- **A comprehensive and profitable customer-focused universal model**
  - A retail bank focused on quality clients
  - Presence in all of the Group's businesses
  - 4 million clients

### Geographical footprint mainly in the Northern regions

CRÉDIT AGRICOLE Una grande banca, tutta per te.

Amundi ASSET MANAGEMENT

CRÉDIT AGRICOLE VITA

CRÉDIT AGRICOLE ASSICURAZIONI

caceis INVESTOR SERVICES

CRÉDIT AGRICOLE CORPORATE & INVESTMENT BANK

INDOSUEZ WEALTH MANAGEMENT

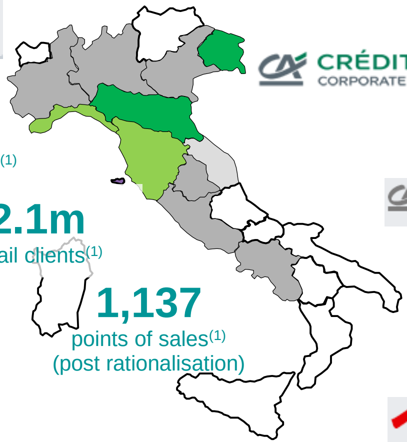
AGOS

FCA BANK

**3.9%** market share(1)

**2.1m** retail clients(1)

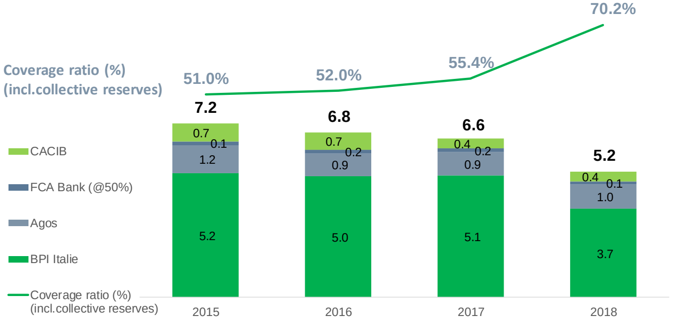
**1,137** points of sales(1) (post rationalisation)



Market shares: 0% | 0-2% | 2-5% | 5-10% | 10-20%

(1) *Retail banking only*

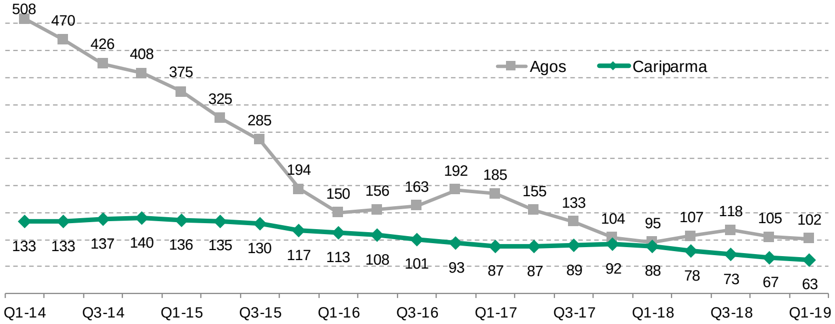
### Change in NPL and coverage ratio (Group in Italy)




**+19pp** increase in coverage ratio 2018 vs. 2015

**-27%** drop in NPL 2018 vs. 2015

### Cost of risk / outstandings (IRB Italy and Agos) (in basis points over a rolling four-quarter period)



# Crédit Agricole Group: French and retail credit risk exposures prevail

| By geographic region | Dec. 2018 | Dec. 2017 |
|---|---|---|
| France (retail banking) | 40% | 41% |
| France (excl. retail banking) | 28% | 29% |
| Western Europe (excl. Italy) | 9% | 9% |
| Italy | 7% | 8% |
| North America | 5% | 5% |
| Asia and Oceania excl. Japan | 3% | 3% |
| Japan | 3% | 1% |
| Africa and Middle-East | 2% | 2% |
| Eastern Europe | 1% | 1% |
| Central and South America | 1% | 1% |
| **Total** | **100%** | **100%** |

| By business sector | Dec. 2018 | Dec. 2017 |
|---|---|---|
| Retail banking | 48% | 49% |
| Non-merchant service / Public sector / Local authorities | 14% | 12% |
| Other non banking financial activities | 6% | 4% |
| Energy | 5% | 5% |
| Real estate | 4% | 4% |
| Automotive | 3% | 2% |
| Food | 3% | 3% |
| Others | 2% | 2% |
| Aerospace | 2% | 2% |
| Heavy industry | 2% | 2% |
| Banks | 1% | 3% |
| Construction | 1% | 2% |
| Retail and consumer goods | 1% | 2% |
| Healthcare / pharmaceuticals | 1% | 1% |
| Other industries | 1% | 1% |
| Shipping | 1% | 1% |
| IT / computing | 1% | 1% |
| Telecom | 1% | 1% |
| Other transport | 1% | 1% |
| Insurance | 1% | 1% |
| Tourism / hotels / restaurants | 1% | 1% |
| **Total** | **100%** | **100%** |

# Crédit Agricole S.A.: market risk exposure

- Crédit Agricole S.A.'s VaR (99% - 1 day) is computed taking into account the impact of diversification between the Group's various entities
- VaR (99% - 1 day) at 29 March 2019: €5m for Crédit Agricole S.A.

**Crédit Agricole SA - Market risk exposures**

| *€m* | VAR (99% - 1 day) 1st January to 29 March 2019 | | | | |
|---|---|---|---|---|---|
| | Minimum | Maximum | Average | **31 March** | 31/12/2018 |
| Fixed income | 2 | 3 | 3 | **3** | 3 |
| Credit | 3 | 4 | 3 | **3** | 2 |
| Foreign Exchange | 2 | 5 | 3 | **3** | 3 |
| Equities | 1 | 2 | 1 | **2** | 2 |
| Commodities | 0 | 0 | 0 | **0** | 0 |
| **Mutualised VaR for Crédit Agricole S.A.** | **4** | **7** | **5** | **5** | **5** |

# CONTENTS

# FRENCH HOUSING MARKET

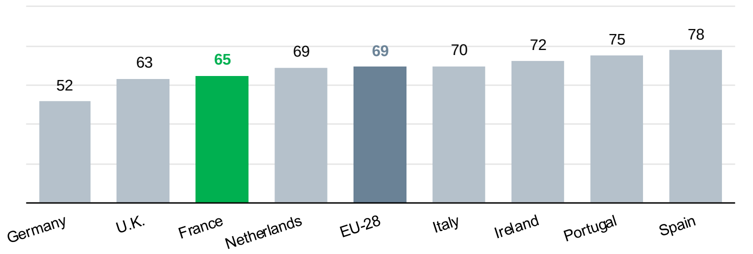
## Favourable structural fundamentals

- ### Strong demand-side factors
  - **Lower rate of home ownership** (64.9% of French households were owner-occupiers in 2016) compared with other European countries (69.3% in the EU)
  - A higher birth rate than in most Western European countries
  - Other factors also support demand (divorce, retirement planning, limited supply of rental accommodation)
  - **A “safe haven” effect**: in an uncertain environment and given the volatility of financial markets, French households are showing a preference for what is perceived as low-risk investments, in particular housing

- ### Weak supply
  - **France has a structural housing** deficit of about 600,000 units according to Crédit Agricole’s economic department
  - **Developers are cautious, adjusting their supply to fluctuating demand**. The stock of new housing units for sale is limited, and 72% of it was still at planning stage in Q4 2018, which limits the risk of oversupply

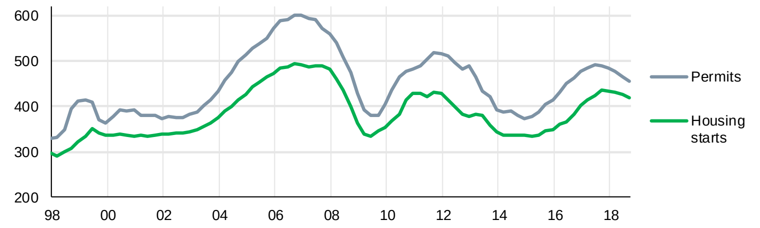
- ### A structurally sound home loan market
  - **Prudent lending** towards the most creditworthy buyers
  - **The French housing debt ratio** (housing debt outstanding/overall household disposable income) **is increasing but remains relatively moderate** compared with the rest of Europe

**Home ownership ratio in Europe** (in % of total households)



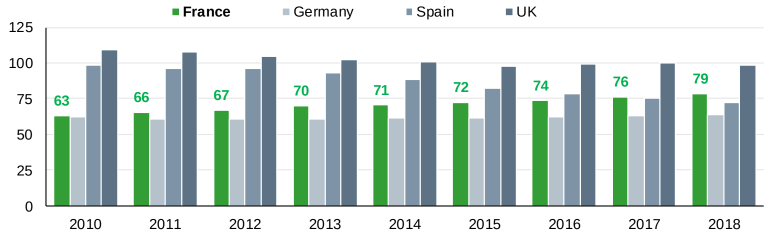

Source : 2016, Eurostat

**France: housing starts and permits** (in thousands,12-m aggregate)




Source : French Ministry of Ecology

**Households' housing debt ratio** (% housing debt / disposable income)



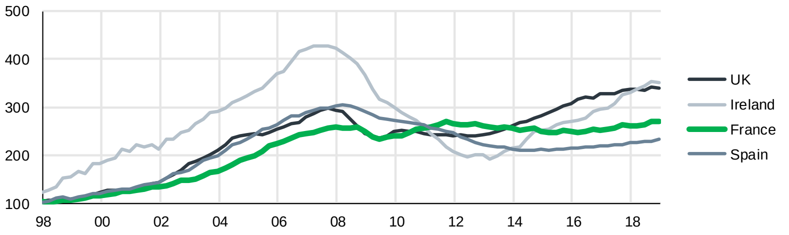

Source : Central Banks

# FRENCH HOUSING MARKET

## Far more resilient than the rest of Europe

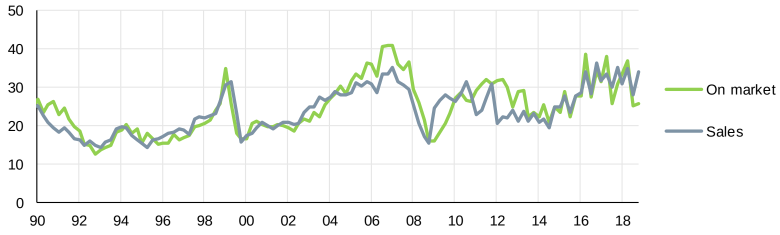
- **The French market did not experience a bubble** / excessive risk-taking, as seen in the US, the UK, Ireland and Spain between 1998 and 2007
- **The 2008-2009 recession put an end to the boom.** Since then, the housing sector has been undergoing a correction, with a cumulative decline in prices of 50% in Ireland, 35% in Spain, 20 % in Italy and the Netherlands. In the UK, prices dropped by 19% between 2009 and mid-2012. In France, the correction was very limited, as prices decreased by 5% only between 2008 and 2015
- **Currently, house prices are bottoming out in Italy and accelerating in the Netherlands, in Ireland and Spain. Prices are stabilizing in the UK** (with uncertainties linked to the Brexit process)
- **In France, a clear rebound has been experienced from 2015-2017**: housing sales reached record levels and prices accelerated, albeit modestly
  - For existing dwellings, the number of sales was up 15% in 2015 and 6% in 2016. It reached a historical record level in 2017: 968 000 units, up by 14%
  - For newly-built homes (in the developer segment), the number of sales rebounded by 15% in 2015, 20% in 2016 and 2% in 2017.
  - For existing dwellings, prices were stable in 2015 and slightly up, by 1.5%, in 2016. Prices accelerated in 2017, up by 3.3%. Prices in Paris rebounded more strongly, 8.6% in 2017
- **In 2018, transaction volumes remained high. They have stabilized at a very high level for existing dwellings. Yet, they have fallen, by around -6%, for newly-built homes, due to higher prices and changes in the Pinel buy-to-let scheme and the PTZ interest-free loan** (cf. next slide)**. Volumes should fall again, by 4%, in 2019. Price increases reached 3,2% in 2018 and should be close to 2% in 2019.**

**Housing price indices** (base 100 = Q1-97)



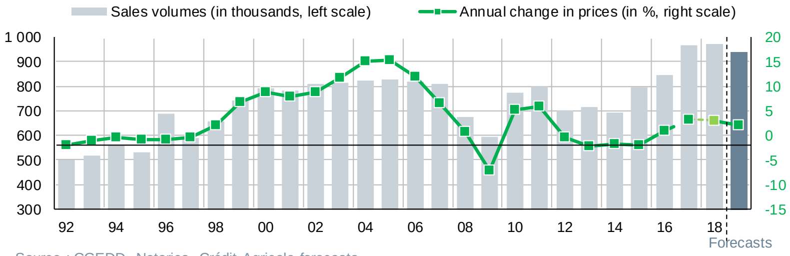

Source : Halifax, Ministerio de Fomento, INSEE, DS

**France: sales of newly-built homes** (in thousands per quarter)




Source : French Ministry of Ecology

**France: existing dwellings** (sales and prices)



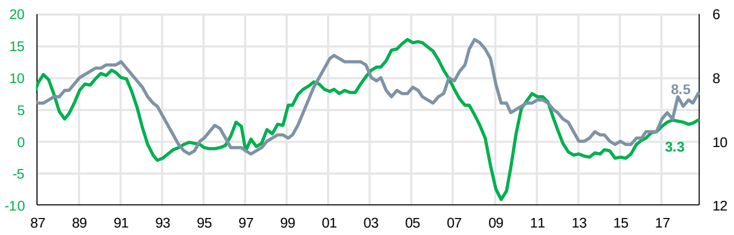

Source : CGEDD, Notaries, Crédit Agricole forecasts

# FRENCH HOUSING MARKET

## Negative and positive economic environment factors

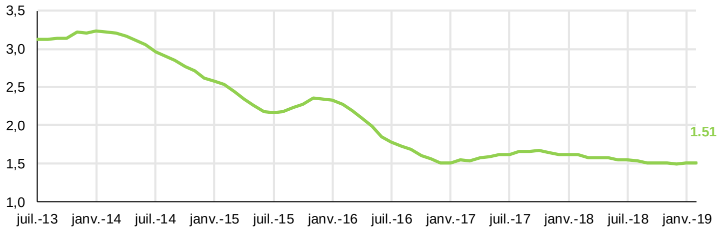
- **Positive economic factors but higher prices**
  - **GDP growth is relatively sustained**: 1.6% % in 2018 and 1.5% expected in 2019, after 2.3% in 2017. The unemployment rate is gradually decreasing: 8.7% in 2018 and 8.5% in 2019 after 9.1% in 2017
  - **Selling prices remain high and are recovering.** Households' real estate purchasing power rose significantly in recent years, due to the sharp drop in lending rates, whereas prices had fallen very little. This is starting to wane, however, as prices are rising again and lending rates are stabilising
- **Two recovery factors, record low lending rates and housing support plan to become less supportive in 2018-2019**
  - **Long-term fixed-rate mortgage lending rates declined until the end of 2016**, reaching a record low of 1.5% in December. Rates remained more or less stable in 2017 and 2018, and reach 1.5% in Q1 2019. These record low levels stimulated sales through a windfall effect. OAT and lending rates will remain quite low in 2019 (greater risk aversion in the face of multiple uncertainties, very accommodative ECB policy). The twin trend of stable lending rates and rising prices could lead to a slightly less upbeat market in 2019.
  - **The new housing market was boosted by two measures in 2016-2017**: **the Pinel scheme** for rental investment, with 6, 9, and 12-year options, including the possibility of renting to parents or children and a limitation on rent caps; and **the PTZ interest-free loan** with a higher income ceiling, loans of up to 40% of the purchase price compared with 18-26% previously, deferred repayments, and longer terms for loans
  - **In 2018, a new plan for housing has been implemented.** The main objectives are the freeing-up of public and private building land and a simplification of standards, to bring down prices in newly built housing. Those measures are positive, but their impact will not be immediate. The Pinel scheme and the PTZ interest-free loan are extended for four years. However, they are gradually refocusing on tight areas (the Greater Paris region, French Riviera, main large cities), which could lead to a 4% decrease in 2019 in new housing sales.

**France: housing prices and unemployment rate** (in %)




Source : Notaries, INSEE

**France: home loan rates** (in %, monthly average, excluding insurance)




Source : Banque de France, Crédit Agricole S.A.

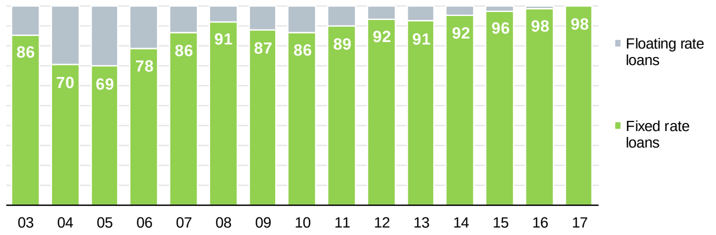
# FRENCH HOUSING MARKET
## Lending practices enhance borrower solvency

- **A cautious origination process**
  - **In France, the granting of a home loan is based on the borrower's ability to repay** and not on the value and quality of the housing asset. The ratio of repayments to income must not significantly exceed one third of the borrower's income

- **Low risk characteristics of the loans**
  - **Loans are almost always amortising**, with constant repayments
  - Most home loans have a fixed rate to maturity (97.9% for new loans in 2017). Most floating rates are capped. This has a stabilising effect on borrower solvency
  - **The initial maturity of new loans gradually lengthened between 2000 and 2008**, up to 20 years. Since then, it has shortened slightly and remains reasonable, standing at an average of 19 years in 2017 (and estimated at around 19.5 years in 2018), after 18.6 years in 2016.
  - **The LTV for new loans stood at 85.9% in 2016 and 87% in 2017**
  - **French home loan market largely based on guarantees** provided by Crédit Logement and home loan insurance companies
  - **Mortgage equity withdrawal mechanisms are highly regulated and are not used**

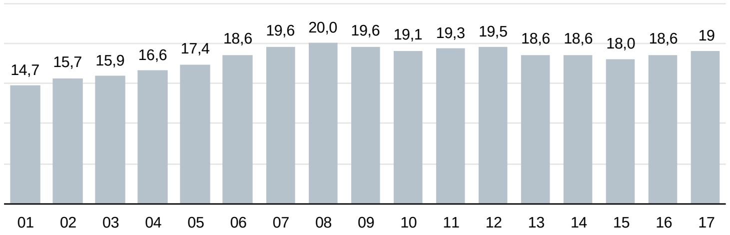
- **As a result the risk profile is very low**
  - **The non-performing loans ratio for home loans is rising slightly but remains low**, at 1.47% in 2017, after 1.53% in 2016.

**New home loans: fixed vs floating rates** (in % share)




Source : ACPR

**New home loans: initial average maturity** (in years)




Source : ACPR

**Ratio of non performing loans / Total home loans** (in %)


Source : ACPR

# CONTENTS

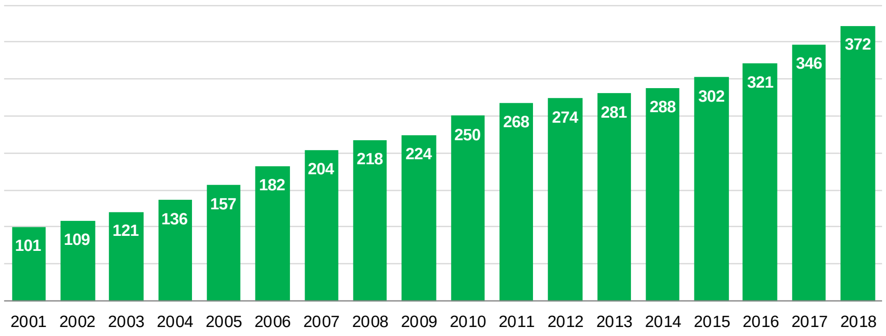
# CRÉDIT AGRICOLE HOME LOAN SFH
## Crédit Agricole: leader in home finance

- **Crédit Agricole Group is the unchallenged leader in French home finance**
  - €377.1bn in home loans outstanding at end Q1-19

**31.3%**

Crédit Agricole Group market share*
in French home loans at end Q4-18

**Crédit Agricole Group: French Home Loans Outstanding (€bn)**




Source: Crédit Agricole S.A.

- **Recognised expertise built on**
  - Extensive geographical coverage via the density of the branch network
  - Significant local knowledge
  - Insider view based on a network of real estate agencies

- **Home financing at the heart of client relationship management**
  - Home finance is the starting point in retail banking for product cross-selling (death and disability insurance, property and casualty insurance, home loan guarantee, current account facilities, etc…)

** Source: Crédit Agricole S.A. - Economic Department*

# CRÉDIT AGRICOLE HOME LOAN SFH

## Crédit Agricole's home loans: very low risk profile

- **Origination process relies on the borrower's repayment capability**
  - **Borrower risk is analysed through revenues and credit history checks** (3 pay slips, most recent tax statement, bank statements, Banque de France records)
  - **Analysis includes project features** (proof of own equity, construction and work bills, etc.)
  - **Borrower repayment capability** is measured with the income sufficiency test, which ensures that disposable income after all expenses exceeds a minimum amount, depending on the size and means of each household
  - In addition, credit risks are analysed before and after the granting of a guarantee

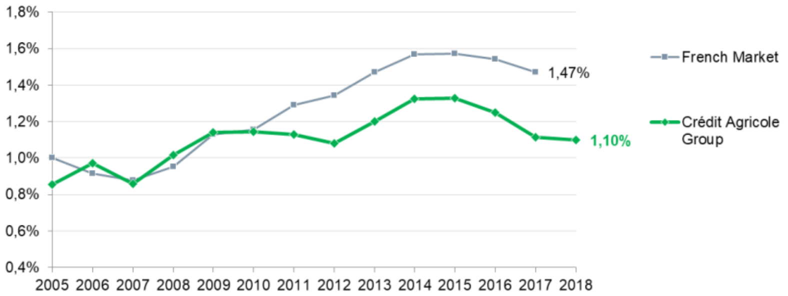
- **As a result, the risk profile is very low**
  - **The rate of non-performing loans* remains low**, despite a slight increase since 2007
  - **The provisioning policy is traditionally very cautious**, well above the French market (48% at end-2018)
  - **Final losses remain very low**: 0.021% in 2017

**0.021%**

Crédit Agricole Group final losses on French home loans in 2017

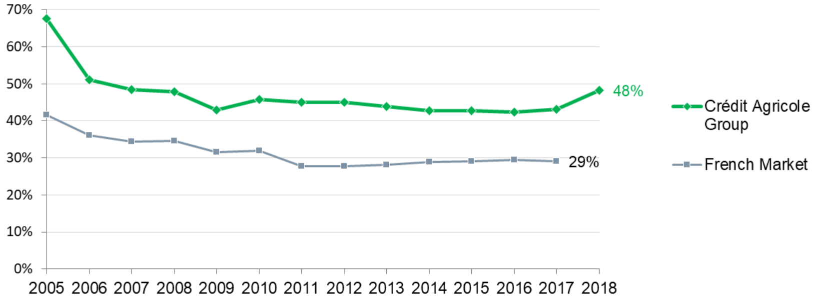
*Doubtful loans and irrecoverable loans

**Non-performing loans / Total home loans**




Source: ACPR, Crédit Agricole S.A.

**Non-performing loans coverage ratio**




Source: ACPR, Crédit Agricole S.A.

# CRÉDIT AGRICOLE HOME LOAN SFH

## A diversified guarantee policy, adapted to clients' risks and needs

- **Guaranteed loans: growing proportion, in line with the French market**
  - Mainly used for well known customers and low risk loans…
  - in order to avoid mortgage registration costs…
  - and to simplify administrative procedures both at the signing of the loan and at loan maturity…
  - via Crédit Logement (external institution jointly owned by major French banks) or CAMCA (internal mutual insurance company)
- **Mortgage**
- **French State guarantee for eligible borrowers in addition to a mortgage**
  - PAS loans (social accession loans)
- **Home loans by guarantee type**

| | Outstanding 2017 | New loans 2017 | Outstanding 2018 | New loans 2018 |
|---|---|---|---|---|
| Mortgage | 31.7% | 28.3% | 31.9% | 30.9% |
| Mortgage & State guarantee | 4.3% | 3.9% | 4.5% | 4.6% |
| Crédit Logement | 23.2% | 25.2% | 23.0% | 23.4% |
| CAMCA | 29.2% | 33.0% | 30.2% | 32.5% |
| Other guarantees + others | 11.5% | 9.6% | 10.3% | 8.6% |
| **Total** | **100.0%** | **100.0%** | **100.0%** | **100.0%** |

*Source: Crédit Agricole*

*Scope: Crédit Agricole Group French Home Loans*

# CRÉDIT AGRICOLE HOME LOAN SFH
## Issuer legal framework

- **Crédit Agricole Home Loan SFH (CA HL SFH), the Issuer**
  - A French credit institution, 100% owned by Crédit Agricole S.A. and licensed by the French financial regulator (ACPR, *Autorité de Contrôle Prudentiel et de Résolution*)
  - Formerly Crédit Agricole Covered Bonds (CACB), it was converted on 12 April 2011 into a SFH (*Société de Financement de l'Habitat*), a specialised bank created under the law dedicated to French home loan Covered Bonds

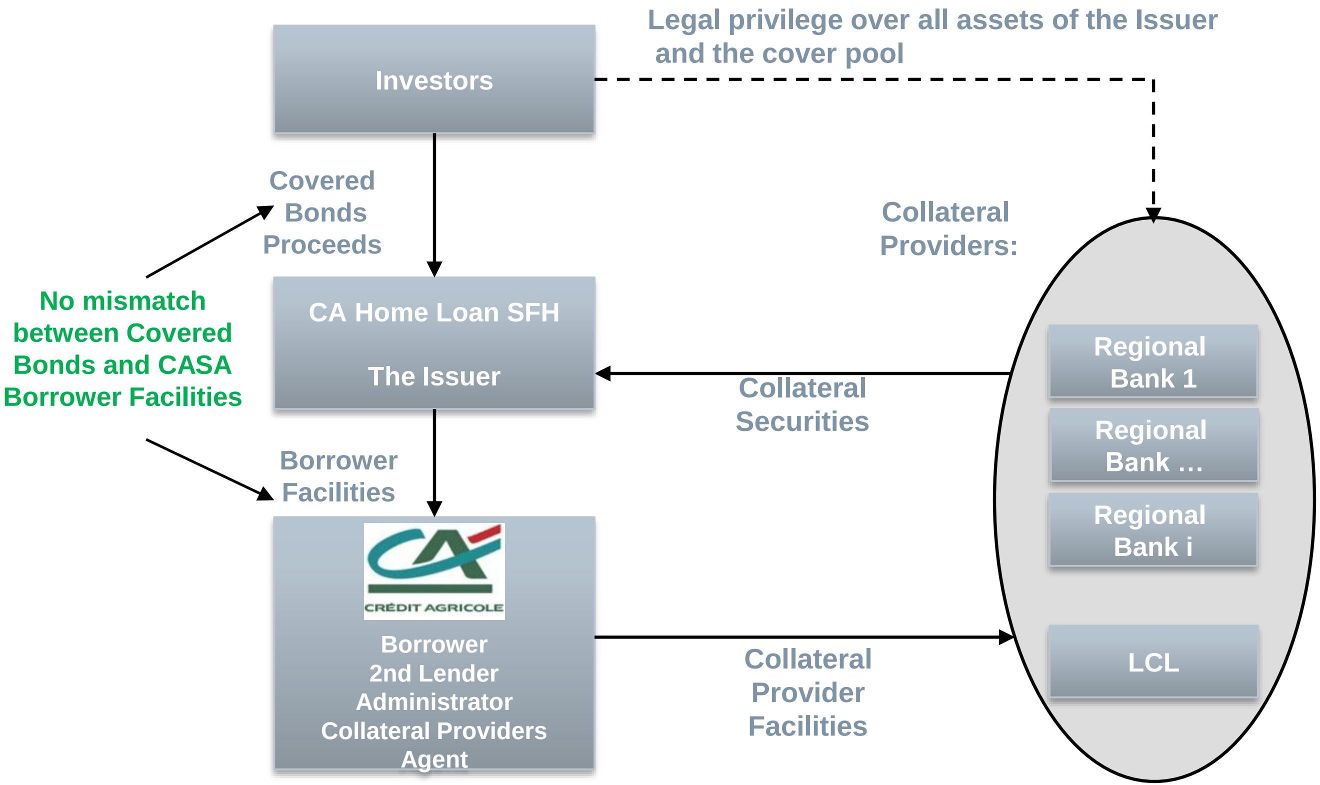
- **Investor benefits provided by the French SFH legal framework**

| | |
|---|---|
| **Strengthened Issuer** | ➢ Limited activity of the Issuer : exposure to eligible cover pool and issuance of CB (*Obligations à l'Habitat*, OH)<br>➢ Bankruptcy remoteness from bankruptcy of the parent company |
| **Protection given by the cover pool** | ➢ Eligibility criteria : pure residential loans, either 1st lien mortgage or guarantee by a credit institution, a financing company (*Société de financement*) or an insurance company, property located in France or another country in the European economic area or a highly rated country<br>➢ Over-collateralisation : 105% minimum, loan eligible amount capped at 80% of LTV<br>➢ Legal privilege : absolute priority claim on all payments arising from the assets of the SFH |
| **Enhanced liquidity** | ➢ Liquidity coverage for interest and principal amounts due over the next 180 days<br>➢ New source of liquidity as the Issuer may subscribe to its own Covered Bonds for pledge as collateral with the Central Bank, up to 10% of overall Covered Bonds outstanding |
| **CA HL SFH recognition** | ➢ ECB eligible : CA HL SFH Jumbo Covered Bond issues eligible in category II<br>➢ UCITS 52(4)-Directive compliant<br>➢ CRR 129 compliant with reduced risk weighting of 10% (Standard Approach)<br>➢ LCR eligible as Level 1 asset (M€ 500 and above CB issues) |
| **Controls** | ➢ Public supervision by the French regulator (ACPR)<br>➢ Ongoing control by the specific controller to protect bondholders |

# CRÉDIT AGRICOLE HOME LOAN SFH
## Structural features

- **Home loans cover pool**
  - Home loans granted as security in favour of the SFH
  - Self originated home loans by the Crédit Agricole Regional Banks or LCL
  - Property located in France
  - No arrears
- **Over-collateralisation**
  - Allowing for the AAA rating of the CB
  - Monitored by the Asset Cover Test, ensuring
    - credit enhancement
    - the coverage of carrying costs
- **Double recourse of the Issuer**
  - Recourse of the Issuer both on the cover pool and on Crédit Agricole S.A.
  - The structure relies on the European Collateral Directive provisions transposed into the French Financial and Monetary Code (Article L211-38, July 2005)
    - Assets of the cover pool are identified by the collateral providers as granted for the benefit of the Issuer; and…
    - will be transferred as a whole in case of enforcement of collateral security
- **Controls**
  - Audited by PWC and Ernst & Young
  - Ongoing control by the specific controller, Fides Audit, approved by the French regulator

# CRÉDIT AGRICOLE HOME LOAN SFH
## Structure overview




- Proceeds from the issuance of Covered Bonds will be used by the Issuer to grant Crédit Agricole S.A. **Borrower Facilities**, collateralised by the eligible cover pool
- Crédit Agricole S.A. will grant **Collateral Provider Facilities** to each of the 39 Regional Banks and LCL (the **Collateral Providers**)
- Each **Collateral Provider** will benefit from facilities with an attractive interest rate

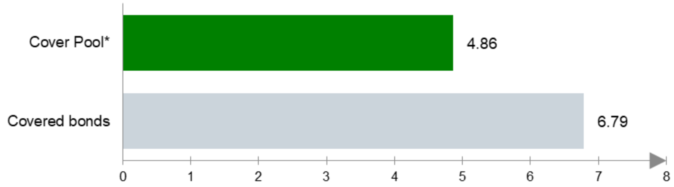
# CRÉDIT AGRICOLE HOME LOAN SFH

## Liquidity and market risk monitoring

- **Liquidity and interest rate risks**
  - Average life of the cover pool (including over-collateralisation) remains shorter than cover bonds (CB) notably due to the March 2016 LM exercise followed by longer term issues
  - Cover pool as well as CB are mostly fixed rate
  - Monthly control based on cash flow model to check timely payment of CB with cash from cover pool including over-collateralisation, with stressed interest rate and Conditional Prepayment Rate (CPR) scenarios

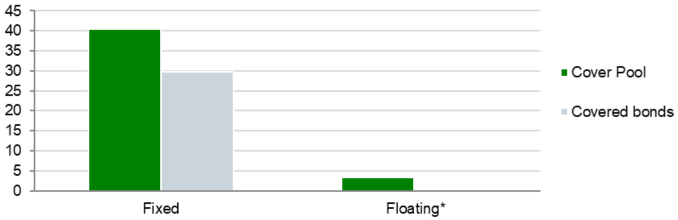
- **Currency risk**
  - A limited currency risk fully hedged through cross currency swaps with internal counterparty

**Average life** (in years)



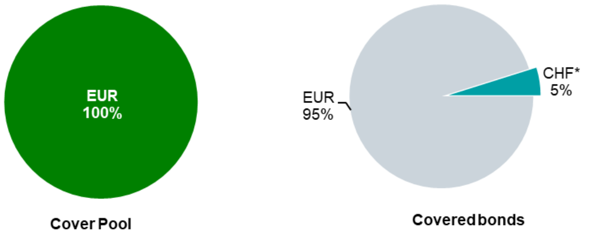

*CPR assumption based on historical data

**Breadown by interest rate** (€bn)




*Capped for cover pool loans

**Breadown by currency**



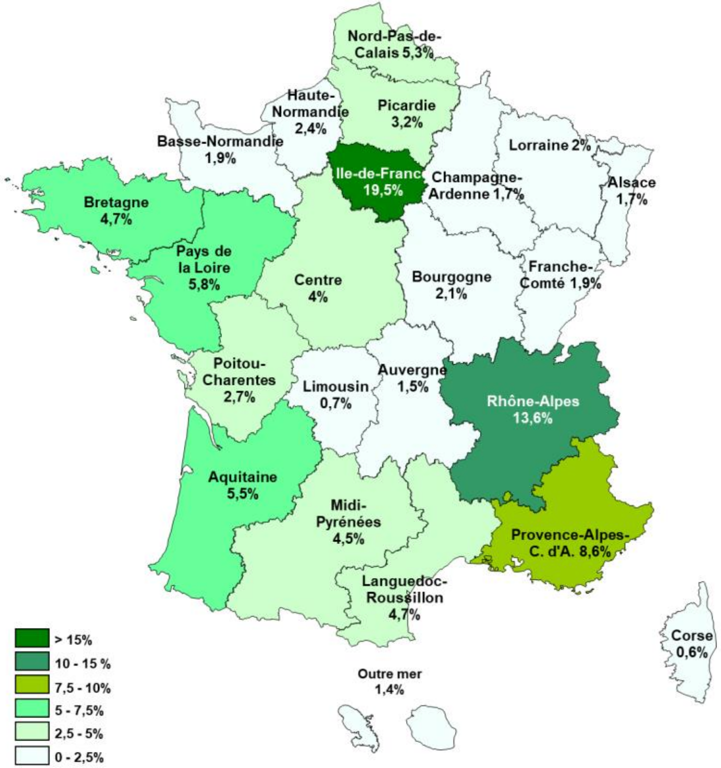

*Fully hedged into EUR via XCCY swaps

*Source: Crédit Agricole S.A., figures at end-March 2019*

# CRÉDIT AGRICOLE HOME LOAN SFH

## Cover pool at end-March 2019

| | |
|---|---|
| Total outstanding current balance | € 43 855 019 094 |
| Number of loans | 716 084 |
| Average loan balance | € 61 243 |
| Seasoning | 88 months |
| Remaining term | 161 months |
| WA LTV | 61.51% |
| Indexed WA LTV | 60.35% |
| Interest rates | 92.36% fixed<br>7.64% variable, capped |
| Guarantee type distribution | Mortgage : 65.7%<br>(of which 14.3% with additional guarantee of the French State)<br>Crédit Logement guarantee : 25.9%<br>CAMCA guarantee : 8.4% |
| Occupancy | 81.3% owner occupied homes |
| Origination | 100% home loans self originated in France by 39 Regional Banks and LCL |
| Key eligibility criteria | No arrears<br>Current LTV max 100% |



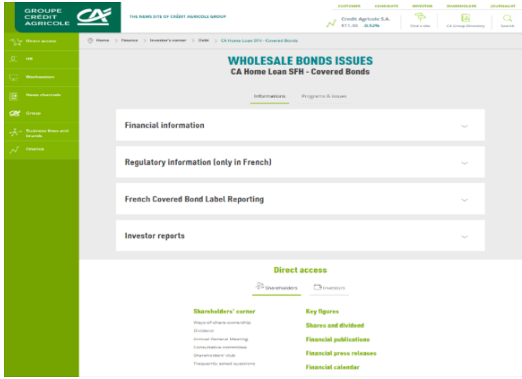

- **Excellent geographical diversification**
- **Very low LTV, allowing high recoveries, even in highly stressed scenarios**

# CRÉDIT AGRICOLE HOME LOAN SFH

## Programme features at end-March 2019

| | |
|---|---|
| Programme size | €35bn |
| Ratings | Aaa by Moody's, AAA by S&P Global Ratings, AAA by Fitch |
| Governing laws | French law, German Law |
| Outstanding series | 50 series - 56 tranches |
| Outstanding amount | €29.89bn |

- **Crédit Agricole Home Loan SFH is registered with the Covered Bond label**
  - ➢ https://coveredbondlabel.com/issuer/73/
- **Investor information available on Crédit Agricole's website**
  - ➢ https://www.credit-agricole.com/en/finance/finance/investor-s-corner/debt/wholesale-bonds-issues/ca-home-loan-sfh-covered-bonds



# CONTENTS

# CRÉDIT AGRICOLE PUBLIC SECTOR SCF

## Key features

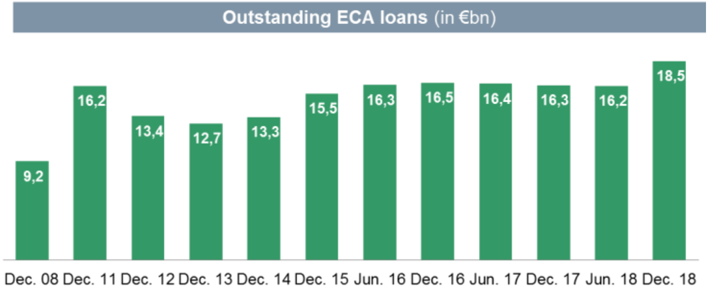
- **CA Public Sector SCF's objectives**
  - Expanding Crédit Agricole's export finance activities guaranteed by Export Credit Agencies (ECAs), acting in the name of Governments: a high credit quality/low margin business requiring low refinancing costs
  - Diversifying Crédit Agricole's funding sources at an optimal cost
- **A €10bn Covered Bond programme rated Aaa (Moody's) and AAA (S&P Global Ratings) since launch**
- **A regulated credit institution, licensed within the SCF French legal framework**
  - CA Public Sector SCF only refinances eligible exposures to public entities through Covered Bond issues (*Obligations Foncières*)
  - Value of cover pool must equal at least 105% of Covered Bonds issued, by Law
  - Investors in Covered Bonds benefit from legal privilege over the assets
  - Bankruptcy remoteness of the Issuer from the parent ensured by Law
  - By law, no early redemption or acceleration of the Covered Bonds in case of insolvency
  - Close monitoring and supervision (ACPR, specific controller, independent auditors)
- **Compliance with provision 52 (4) of the UCITS EU Directive**
- **Reduced risk weighting of 10% in Standard Approach according to EU Capital Requirements Regulation (CRR)**

# CRÉDIT AGRICOLE PUBLIC SECTOR SCF

## CACIB's Export Credit Agency (ECA) business

- **CACIB, 100% subsidiary of Crédit Agricole S.A., is an established leader in asset based finance**
  - Top 5 global Export Finance bank for 2016-2018
  - Leader in aircraft finance among European banks
  - Top player in shipping in the European and Asian markets
  - Major player in project finance and especially infrastructure, power and oil & gas
  - Experience of more than 25 years

- **ECA loan origination has continued to grow**
  - Loans are guaranteed by ECAs, acting in the name of their governments
  - Steady demand from exporters for long term financing given large infrastructure needs in emerging markets (construction, telecoms, energy, transportation, etc...)
  - Very low risk thanks to the recourse to ECAs and security packages in some cases as well
  - Very low capital consumption for banks
  - A portfolio of €18.5bn at end-December 2018

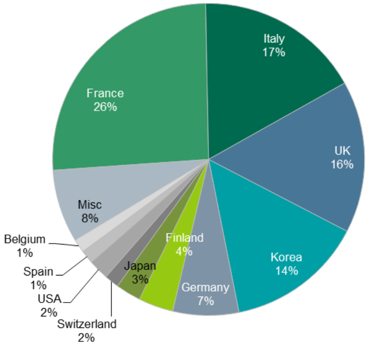


# CRÉDIT AGRICOLE PUBLIC SECTOR SCF

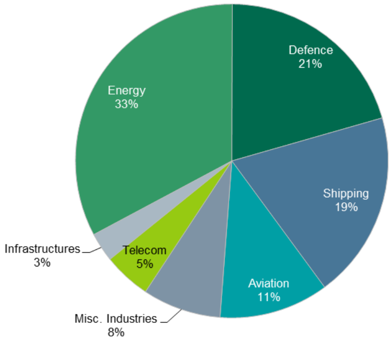
## CACIB's Export Credit Agency (ECA) business

- **CACIB continues to dedicate important resources to the ECA business**
  - Origination capacity in more than 25 countries
  - Close proximity to ECAs, and well established relations with them
  - Dedicated, experienced transaction teams based in Paris in charge of structuring and managing deals from signature to final repayment
- **Strong credit processes**
  - Annual strategy review by business line, including risk policy
  - Credit approval granted by specialised credit committees and by the top credit committee of the Bank
  - Annual portfolio review
- **Diversified portfolio**
  - Sovereign guarantees provided by a diversified group of guarantors
  - Good sector and geographic diversification

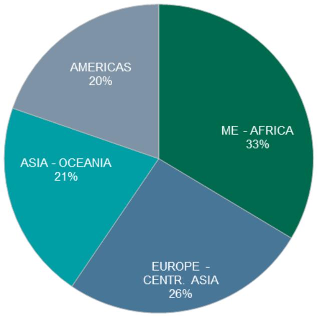
ECA mix




Sector mix




Borrowers' country mix




At end-December 2018

# CRÉDIT AGRICOLE PUBLIC SECTOR SCF
## Issuer legal framework

- **Crédit Agricole Public Sector SCF, the Issuer**
  - A French credit institution, 100% owned by Crédit Agricole S.A., licensed by the French financial regulator (ACPR, *Autorité de Contrôle Prudentiel et de Résolution*)
- **Investor benefits provided by the French SCF legal framework**

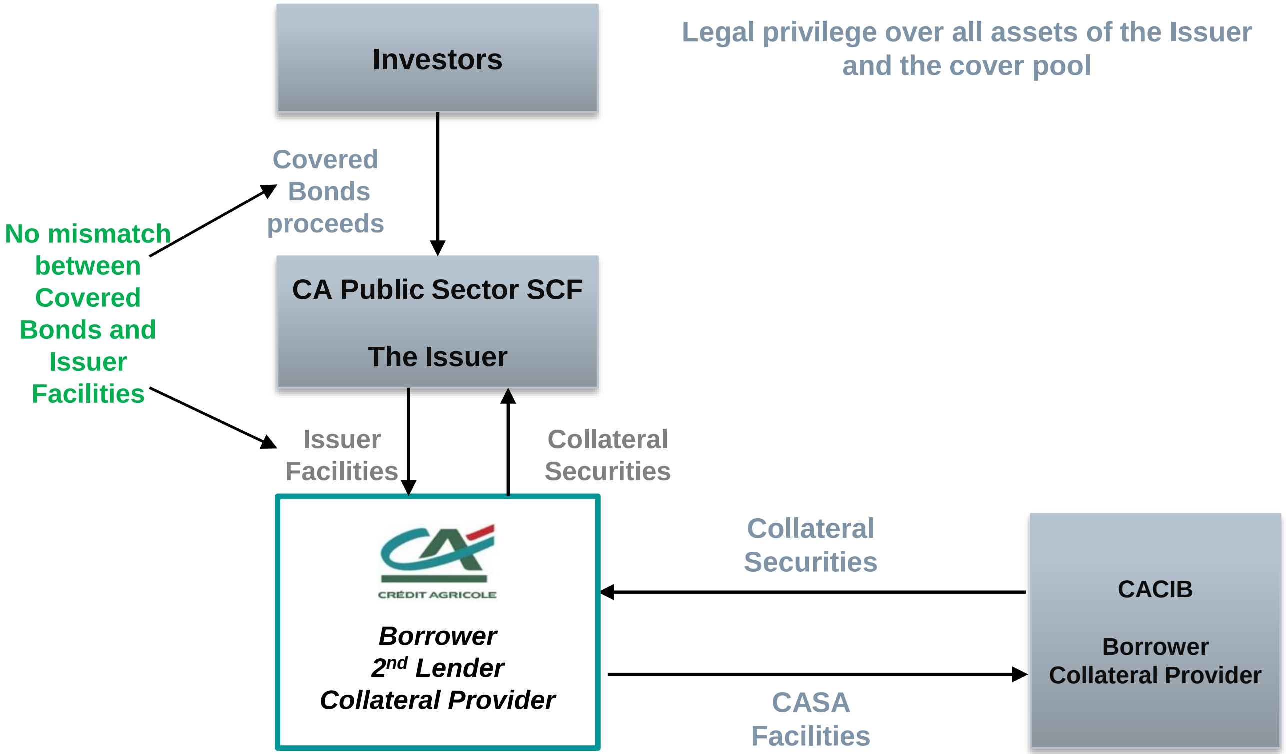
| | |
|---|---|
| **Strengthened Issuer** | ➢ Limited activity of the Issuer: exposure to eligible cover pool and issuance of Covered Bonds (*Obligations Foncières*)<br>➢ Bankruptcy remoteness from bankruptcy of the parent |
| **Protection given by the cover pool** | ➢ Eligibility criteria: public exposure, as defined by Law (public exposure to European Economic Area or country with a minimum rating of AA-)<br>➢ Over-collateralisation : 105% minimum<br>➢ Legal privilege: absolute priority claim on all payments arising from the assets of CA PS SCF |
| **Enhanced liquidity** | ➢ Liquidity coverage for interest and principal amounts due over the next 180 days<br>➢ Additional source of liquidity as the Issuer may subscribe to its own Covered Bonds for pledge as collateral with the Central Bank, up to 10% of overall Covered Bonds outstanding |
| **CA PS SCF Recognition** | ➢ ECB eligible : CA PS SCF Jumbo Covered Bond issues eligible in category II<br>➢ UCITS 52(4)-Directive compliant<br>➢ CRR 129 compliant with reduced risk weighting of 10% (Standard Approach)<br>➢ LCR eligible as Level 1 asset (500m€ and above CB issues) |
| **Control** | ➢ Public supervision by the French regulator (ACPR)<br>➢ Ongoing control by the Specific Controller to protect bondholders |

# CRÉDIT AGRICOLE PUBLIC SECTOR SCF

## Structural features

- **Programme**
  - €10bn programme of *Obligations Foncières*, with €3n of issues outstanding rated Aaa by Moody's and AAA by S&P Global Ratings since launch
- **Cover pool**
  - Loans fully guaranteed by ECAs acting on behalf of governments originated by CACIB
  - Loans to or fully guaranteed by multinational or national or regional authorities or public institutions originated by CACIB
  - Loan transfers achieved on a loan-by-loan basis
    - Due diligence performed by our French counsel
    - Review by local counsel in borrowers countries of all transfer formalities necessary to achieve a transfer binding and enforceable to the ECAs, the borrower and any third party
    - Completion of the formalities necessary for obtaining a valid transfer of the public exposure
  - Loans to, or guaranteed by, French national, regional authorities or public institutions only originated by the Crédit Agricole Group Regional Banks to be potentially included in the future
- **Over-collateralisation**
  - Over-collateralisation above the 105% legal requirement to reach the maximum achievable rating
  - Over-collateralisation ratio monitored by the monthly Asset Cover Test
- **Double recourse of the Issuer**
  - Recourse of the CA Public Sector SCF both on the cover pool and on Crédit Agricole S.A.
  - The structure relies on the European Collateral Directive provisions transposed into French Law (Article L211-38 July 2005, French Monetary and Financial Code )
    - Assets of the cover pool are identified by CACIB as granted for the benefit of the Issuer
    - Assets will be effectively transferred as a whole in case of enforcement of collateral security
- **Controls**
  - Audit by two auditors : PriceWaterhouseCoopers and Ernst & Young
  - Ongoing control by a Specific Controller approved by the French regulator (Fides Audit)

# CRÉDIT AGRICOLE PUBLIC SECTOR SCF
## Structure overview

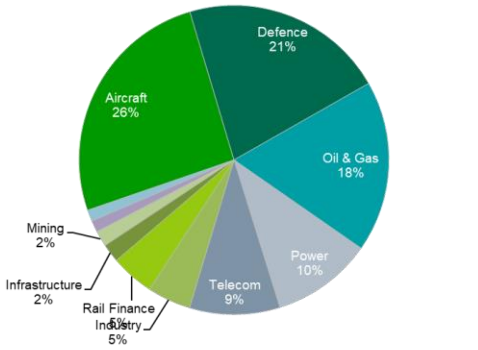



- Proceeds from the issuance of Covered Bonds will be used by the Issuer to grant Crédit Agricole S.A. **Issuer Facilities**,
- Crédit Agricole S.A. will grant **CASA Facilities** to CACIB (**the Collateral Provider**) with an attractive interest rate
- Eligible cover pool will be transferred by way of security, in accordance with the French Monetary and Financial code (Article L 211-38):
  - by CACIB to CASA as collateral of **CASA Facilities**,
  - and by CASA to CA PS SCF, as collateral of **Issuer Facilities**

# CRÉDIT AGRICOLE PUBLIC SECTOR SCF
## Cover pool at end-March 2019

- **€5.2bn eq. drawn ECA loans***
  - Total commitment of €6.3bn eq.
  - 188 loans
- **Sector mix (% of drawn amounts)**
  - 23% Aircraft (all aircraft loans are secured by mortgages)
  - 22% Defence
  - 55% Others

**Sector mix (drawn amounts)**

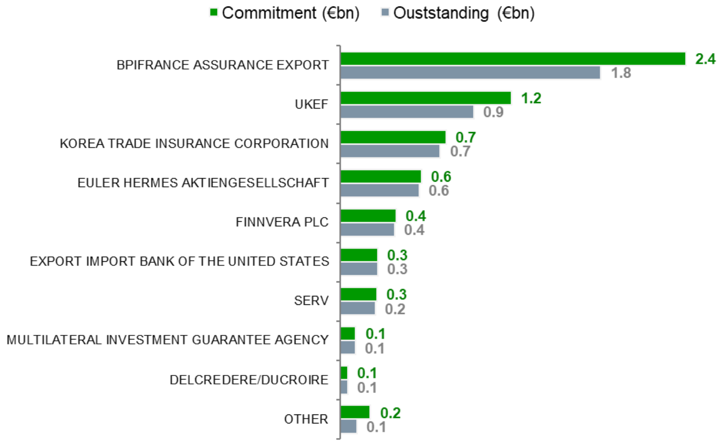



At end-March 2019

*€5.24bn transferred at end-March 2019 to CA PS SCF, of which:
•€5.21bn with required post transfer formalities completed and,
•€0.03bn with post transfer formalities in progress.

- **Strongly rated guarantors (% of drawn amounts)**
  - 35% France, rated Aa2/ AA/ AA (BPIFRANCE ASSURANCE EXPORT)
  - 18% UK, rated Aa2/ AA/ AA (UKEF)
  - 12% Germany, rated Aaa/ AAA/ AAA (mainly EULER-HERMES)
  - Enhancement of the pool diversification by inclusion of high quality guarantors of which mainly Korea (KSURE), Switzerland (SERV), Multilateral Investment Guarantee Agency, etc.

**Cover pool ECA mix**



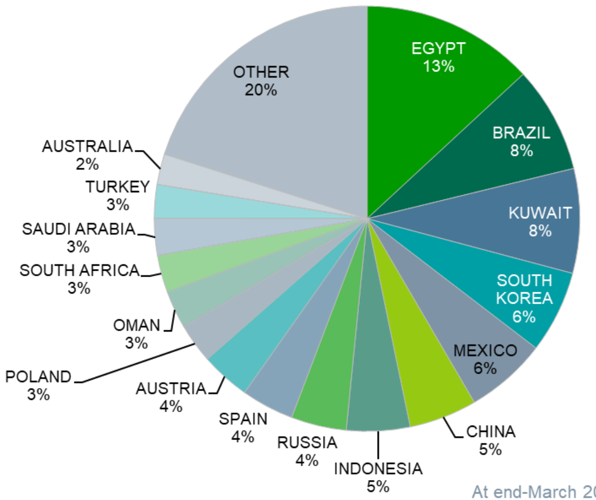

At end-March 2019

# CRÉDIT AGRICOLE PUBLIC SECTOR SCF

## Cover pool at end-March 2019

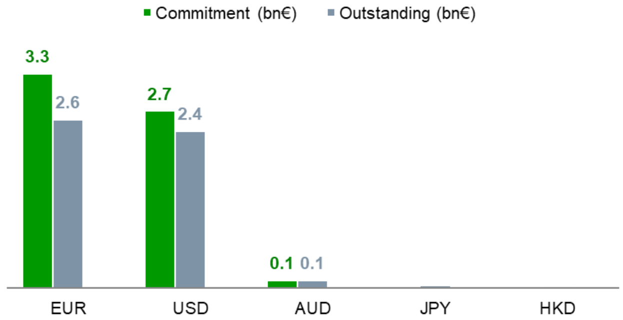
- **Borrower country mix**
  - ➢ Well diversified among 43 countries
- **Currency mix (% of drawn amount)**
  - ➢ 50% EUR
  - ➢ 47% USD
  - ➢ 2% AUD
  - ➢ 1% Other
- **Borrower interest rate**
  - ➢ 35% fixed rate
  - ➢ 65% floating rate
- **Cover pool maturity**
  - ➢ Average residual life : 4.1 years
  - ➢ Average residual term : 7.6 years
  - ➢ Average initial maturity : 12.1 years
  - ➢ Seasoning of the pool : 4.5 years

**Cover pool borrower country mix** (drawn amount)




At end-March 2019

**Cover pool currency mix**




At end-March 2019

# CRÉDIT AGRICOLE PUBLIC SECTOR SCF
## Programme features at end-March 2019

| | |
|---|---|
| Programme size | €10bn |
| Ratings | Aaa by Moody's, AAA by S&P Global Ratings |
| Governing laws | French law, German Law |
| Outstanding series | 6 series |
| Outstanding amount | €4.25bn |

- **Crédit Agricole Public Sector SCF is registered with the Covered Bond Label**
  - https://www.coveredbondlabel.com/issuer/12/
- **Investor information available on Crédit Agricole's website**
  - https://www.credit-agricole.com/en/finance/finance/investor-s-corner/debt/wholesale-bonds-issues/ca-public-sector-scf-covered-bonds

# CONTENTS

# 1. Key Data

# KEY DATA
## Crédit Agricole Group

### Leading French co-operative bank

- **10.1mn mutual shareholders** and **2,432 Local Credit Co-operatives in France**
- **38 Regional Banks owning 56.3% of Crédit Agricole S.A.** via SAS Rue La Boétie end Q1-19
- **51mn clients (o/w 27mn individuals in France); 141,000 employees worldwide**

### Leading player in Retail Banking and Savings Management in France

- **Leading lender to the French economy,** with loans outstanding in respect of Regional Banks and LCL of €614.5bn at end Q1-19
- **Leading market shares in non-financial customer deposits and loans in France: 24.6% and 22.1%** respectively at end Q4-18[1]
- **Leading banking Group in home loans**, with outstandings in respect of Regional Banks and LCL of €377.1bn at end Q1-19; market share of 31.3% at end Q4-18[1]
- **No. 1 insurance Group in France by written premiums**[2]; 15.2% market share of life insurance outstandings mainly through RB and LCL networks at end Q4-17[2]
- **No. 1 bancassurer in France**[2] **and in Europe**[2]
- **N° 1 in Europe by AuM and in the Top 10 worldwide**[3]
- **A leading consumer credit provider in Europe**[4]

### Resilient customer-focused universal banking model

- **Retail banking and related activities account for 87%** of Crédit Agricole Group's **underlying net income Group share (excl. Corporate Centre) at end-Q1-19**

### Solid fundamentals

- **Stated net income Group share:** €1,350m at Q1-19 (-5.5% Q1/Q1); **underlying net income Group share:** €1,435m at Q1-19 (+6.1% Q1/Q1)
- **Shareholders' equity:** €110.4bn at end Q1-19 vs. €101.8bn at end Q1-18
- **B3 CET1 ratio:** 15.3% at end Q1-19 vs. 14.6% at end Q1-18
- **Phased-in leverage ratio:** 5.7% at end Q1-19 vs. 5.4% at end Q1-18. *The fully-loaded leverage ratio amounts to 5.6%. Following the authorisation received from the ECB (with application retroactive back to 2016), the leverage ratio at 31/03/2019 (and pro forma 31/12/2018) takes account of the exclusion of the exposures related to the centralisation of deposits at Caisse des Dépôts et Consignations).*
- **Conglomerate ratio**: 155% on a phased-in basis at end Q4-18 vs. 167% at end Q4-17, far above 100% requirement
- **Estimated TLAC** ratio excl. eligible senior preferred debt of 22.6% at end Q1-19 vs. 21% at end Q1-18, as % of RWA; **estimated MREL ratio** excl. potentially eligible senior preferred debt of 8.8% at end Q1-19 vs 8.3% at end Q1-18 as % of prudential balance sheet; and of ca. 33% at end Q1-19 vs. ca. 38% at end Q1-18 as % of RWA including potentially eligible senior preferred debt.
- **Liquidity reserves:** €274bn at end Q1-19 vs. €244bn at end Q1-18; **liquidity reserves to ST debt ratio** of 258.5% at end Q1-19 vs. 277.3% at end Q1-18; **average LCR over 12 months:** 132.8% at end Q1-19 > ca. 110% MTP target, and NSFR > MTP target of >100% at end Q1-19
- **Broad base of very high quality assets** available for securitisation
- **Issuer ratings:** A+/Stable/A-1 (S&P), A1/Positive/P-1 (Moody's), A+/Stable/F1 (Fitch Ratings)

*Sources: [1] Crédit Agricole S.A. - Economic Department [2] Argus de l'Assurance, 21/12/2018 and Fédération Française de l'Assurance, data 2017 at 29/06/2018 [3] IPE 06/2018 [4] CACF*

# KEY DATA

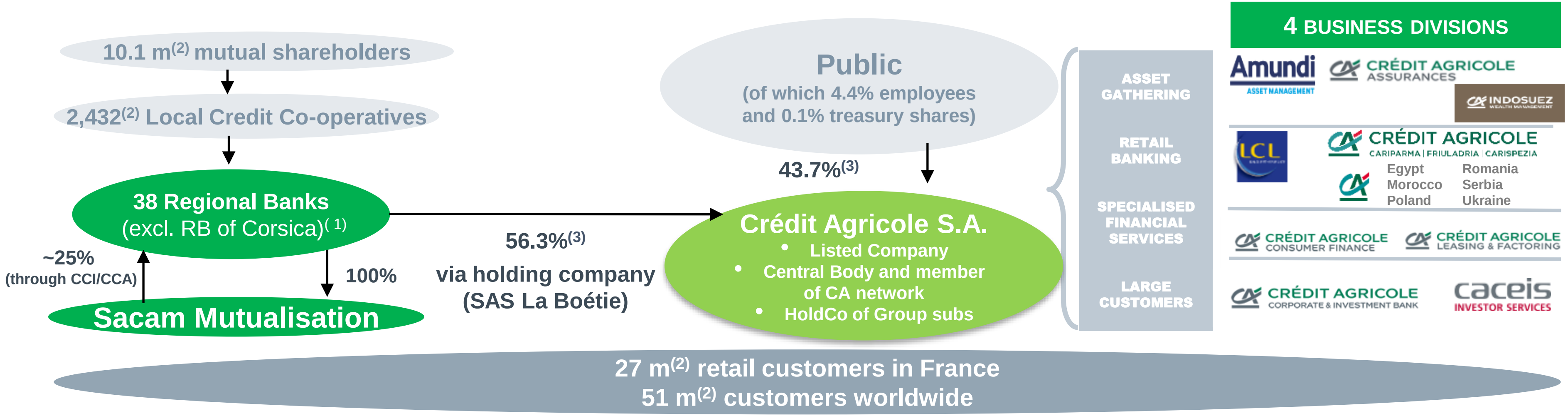
## Crédit Agricole S.A. and Crédit Agricole Group consolidated balance sheets at 31/03/2019

| Actif | Groupe Crédit Agricole | Crédit Agricole S.A. | Passif | Groupe Crédit Agricole | Crédit Agricole S.A. |
|---|---|---|---|---|---|
| Cash and Central banks | 72.1 | 68.7 | Central banks | 1.2 | 1.0 |
| Financial assets at fair value through profit or loss | 376.2 | 368.4 | Financial liabilities at fair value through profit or loss | 215.5 | 216.8 |
| Hedging derivative instruments | 19.9 | 18.4 | Hedging derivative instruments | 19.6 | 13.5 |
| Financial assets at fair value through other comprehensive income | 269.1 | 257.6 | | | |
| Loans and receivables due from credit institutions | 93.3 | 414.8 | Due to banks | 96.5 | 134.0 |
| Loans and receivables due from customers | 870.6 | 380.2 | Customer accounts | 792.9 | 598.7 |
| Debt securities | 87.9 | 64.9 | Debt securities in issue | 209.1 | 195.0 |
| Revaluation adjustment on interest rate hedged portfolios | 11.0 | 7.3 | Revaluation adjustment on interest rate hedged portfolios | 10.0 | 8.6 |
| Current and deferred tax assets | 5.7 | 4.3 | Current and deferred tax liabilities | 2.6 | 2.8 |
| Accruals, prepayments and sundry assets | 46.2 | 39.6 | Accruals and sundry liabilities | 57.1 | 52.5 |
| Non-current assets held for sale and discontinued operations | - | - | Liabilities associated with non-current assets held for sale | - | - |
| Investments in equity affiliates | 6.5 | 6.6 | Insurance Company technical reserves | 340.6 | 338.6 |
| Investment property | 6.9 | 6.4 | Provisions | 8.2 | 5.8 |
| Property, plant and equipment | 9.9 | 5.5 | Subordinated debt | 24.4 | 24.4 |
| Intangible assets | 2.4 | 2.2 | Shareholder's equity | 110.4 | 61.8 |
| Goodwill | 16.1 | 15.5 | Non-controlling interests | 5.6 | 6.9 |
| **Total actif** | **1,893.7** | **1,660.4** | **Total passif** | **1,893.7** | **1,660.4** |

# 2. Group Structure

# GROUP STRUCTURE

## Crédit Agricole Mutual Group: customer-focused universal banking model




- **The Local Credit Co-operatives form the foundation of the Group and hold nearly all of the share capital of Crédit Agricole's 39 Regional Banks, which in turn are the majority shareholders of Crédit Agricole S.A.**
  - **Local Credit Co-operatives**: Private law co-operative companies owned by their members, owning 100% of the voting rights and the majority of the share capital of the Regional Banks; no branches
  - **Regional Banks**: Private law co-operative companies and individually licensed banks, forming France's leading retail banking network; majority owned by Local Credit Co-operatives, Sacam Mutualisation (~25% through CCI/CCA) and, for 13 of them, by retail and institutional investors through non-voting shares with rights on net assets
  - **SACAM Mutualisation:** An entity to be wholly owned by the Regional Banks for the purpose of pooling part of their earnings.
  - **SAS La Boétie**: The HoldCo managing, on behalf of the Regional Banks, their 56.3% equity interest in Crédit Agricole S.A.
  - **Crédit Agricole S.A.**: A listed company of Group subsidiaries company and the Central Body of the Crédit Agricole Network, of which it is a member according to the French Monetary and Financial Code; at the same time, the holding and functionally, the lead institution of the Crédit Agricole Group

*(1) The Regional Bank of Corsica, which is 99.9%-owned by Crédit Agricole S.A., is also a shareholder of SACAM Mutualisation*
*(2) At 31 December 2018*
*(3) At 31 March 2019*

# GROUP STRUCTURE
# Internal support mechanisms

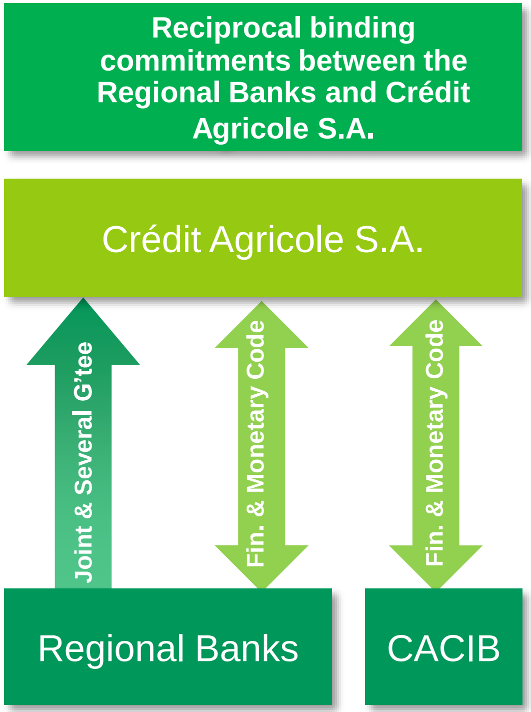
## Crédit Agricole S.A. obligations under the Financial & Monetary Code

**Crédit Agricole S.A., as the Central Body and as a member of the Crédit Agricole Network**

- is required (cf. Article L511-31) to take all necessary measures to ensure that each and all of the Crédit Agricole Network members and its affiliated members - essentially the Regional Banks and CACIB - (both defined in Article R512-18) maintain satisfactory liquidity and solvency; this requirement, being enshrined in law, it is considered to be even stronger than a guarantee
- acts as Central Bank to the Crédit Agricole Regional Banks in terms of refinancing, supervision and reporting to the Supervisory Authority
- reviews and monitors the credit and the financial risks of its affiliated members - essentially the Regional Banks and CACIB

## Regional Banks' joint and several guarantee

- Through a joint and several guarantee issued in 1988, the Regional Banks guarantee all of the obligations of Crédit Agricole S.A. to third parties and they also cross-guarantee each other, should Crédit Agricole S.A. become insolvent and after the liquidation and dissolution of Crédit Agricole S.A.
- **The potential liability of the Regional Banks under this guarantee is equal to the aggregate of their share capital, reserves and retained earnings, i.e. €72.5bn* at end-2018**
- In accordance with the Decree Law no. 2015-1024 dated 20/08/15, the Resolution Authorities may, at their discretion, impose a resolution on the Group prior to any liquidation or dissolution. The ACPR, the national Resolution Authority, considers the SPE resolution strategy as the most appropriate in France. As the central body, Crédit Agricole S.A. would be the single point of entry in a situation of resolution of Crédit Agricole. Any resolution mechanism could limit the likelihood of the occurrence of the conditions necessary for the application of the guarantee.
- Importantly, upon the institution of a resolution procedure, the Resolution Authorities must respect the "no creditor worse off in a resolution than in a liquidation" principle (cf. Art. L613-50 and L.613-57-I of the French Monetary and Financial Code, and Art. 34 and 73 of the BRRD). Because of this principle, Crédit Agricole S.A. believes that the existence of the guarantee granted in 1988 should be taken into account by the Resolution Authorities in a resolution, although it is not possible to determine how this will be done




**The alignment of the issuer ratings of the Regional Banks and CACIB with those of Crédit Agricole S.A. reflects the support mechanisms within the Group**

** Aggregate figures from French GAAP, audited individual accounts of the 39 Regional Banks*

# 3. Capital

# CAPITAL
## Crédit Agricole Group

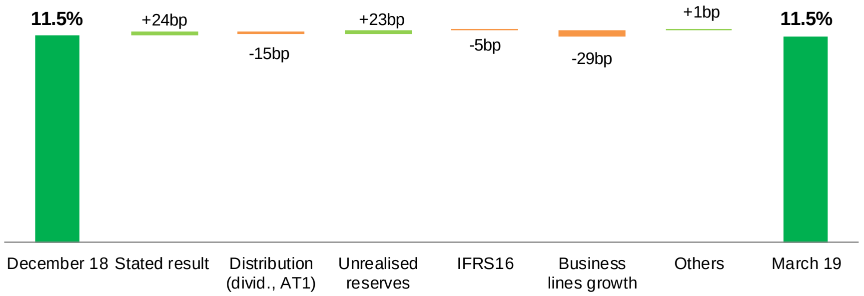
| €bn | Fully-loaded | | Phased-in | |
|---|---|---|---|---|
| | 31/03/2019 | 31/12/2018 | 31/03/2019 | 31/12/2018 |
| **EQUITY, GROUP SHARE (ACCOUNTING AMOUNT)** | **110.4** | **106.7** | **110.4** | **106.7** |
| Expected dividend payment on result of year Y | (1.1) | (1.1) | (1.1) | (1.1) |
| Filtered unrealised gains / (losses) (issuer spread, cash flow hedge) | (0.3) | (0.2) | (0.3) | (0.2) |
| Transitional treatment of OCI unrealised gains and losses | 0.0 | 0.0 | 0.0 | 0.0 |
| AT1 instruments included in accounting equity | (6.1) | (5.0) | (6.1) | (5.0) |
| Other regulatory adjustments | (0.4) | (0.3) | (0.4) | (0.3) |
| **CAPITAL AND RESERVES GROUP SHARE (REGULATORY AMOUNT)** | **102.5** | **100.1** | **102.5** | **100.1** |
| Minority interests (after partial derecognition) | 2.8 | 2.7 | 2.8 | 2.7 |
| *Prudent valuation* | (1.6) | (1.7) | (1.6) | (1.7) |
| Deductions of goodwill and other intangible assets | (18.6) | (18.6) | (18.6) | (18.6) |
| Amount exceeding the exemption threshold for CET1 instruments of significant financial stakes either >10% or equity-accounted and for DTA carry-forward | 0.0 | 0.0 | 0.0 | 0.0 |
| Other regulatory adjustments* | (1.5) | (1.5) | (1.5) | (1.5) |
| **COMMON EQUITY TIER 1 (CET1)** | **83.5** | **81.0** | **83.5** | **81.0** |
| ADDITIONAL TIER 1 (AT1) | 6.2 | **5.0** | 8.0 | 6.8 |
| **TOTAL TIER 1** | **89.8** | **86.0** | **91.6** | **87.8** |
| TIER 2 | 14.3 | 13.2 | 14.6 | 13.5 |
| **TOTAL CAPITAL** | **104.1** | **99.2** | **106.2** | **101.3** |
| **RWAs** | **547.7** | **541.8** | **547.7** | **541.8** |
| **CET1 ratio** | **15.3%** | **15.0%** | **15.3%** | **15.0%** |
| **Tier 1 ratio** | **16.4%** | **15.9%** | **16.7%** | **16.2%** |
| **Total capital ratio** | **19.0%** | **18.3%** | **19.4%** | **18.7%** |

** DTA timing differences, expected loss, deduction of UCIT-owned financial institutions and other transational adjustments*

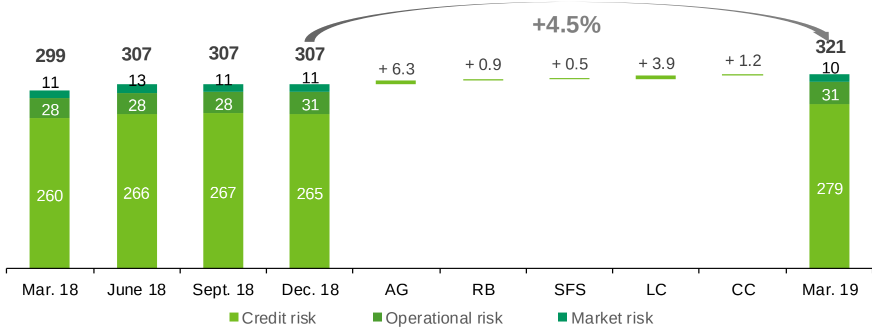
# CAPITAL

## CET1 ratio at 11.5% at 31 March 2019

### Change in CET1 ratio (bp)




### Change in risk-weighted assets (€bn)




- **CET1 ratio stable vs. Dec. and above the MTP target (>11%)**
  - **Good level of retained earnings:** +9bp, including a €0.11 dividend provision for Q1-19 (50% of attributable net income)
  - **Hidden reserves on securities portfolios:** +23bp related to favourable market environment; outstanding reserves at 31/03/2019: 52bp
  - **IFRS16:** limited effect of the initial application -5bp (+€1.5bn)
- **Phased-in Tier 1 ratio: 14.0%; phased-in Total ratio: 18.3%**
- **Phased-in leverage ratio[1]: 4.4% (vs. 4.2% at end Dec.18)**
  - **Intra-quarter average phased-in leverage ratio[2] :** 4.0% in Q1-19

- **Significant increase in business lines' RWA: +€13.7bn**
  - **AG:** +€6.3bn, of which +€3.9bn for Insurance (+€2.9bn due to OCI reserves)
  - **LC:** +€3.9bn, since the business line benefited from favourable market conditions, as in Q2-18

*Note: the effect of OCI reserves corresponds to the amount of unrealised gains in CET1 capital after deduction of the impact of insurance reserves on risk-weighted assets*

*[1] Following the authorization received from by the ECB (with retroactive application in 2016), the leverage ratio at 31/03/2019 (and pro-forma 31/12/2018) takes account of the exclusion of includes the exemption of centralization-related exposures deposits at according the CDC*

*[2] Intra-quarter average refers to the average of end of month measures for the first two months of considered quarter*

# CAPITAL
## Crédit Agricole S.A.

| in €bn | Fully loaded | | Phased in | |
|---|---|---|---|---|
| | 31/03/2019 | 31/12/2018 | 31/03/2019 | 31/12/2018 |
| **EQUITY, GROUP SHARE (ACCOUNTING AMOUNT)** | **61.8** | **58.8** | **61.8** | **58.8** |
| Expected dividend payment on result of year Y | (2.3) | (2.0) | (2.3) | (2.0) |
| Filtered unrealised gains / (losses) (issuer spread, cash flow hedge) | (0.3) | (0.2) | (0.3) | (0.2) |
| Transitional treatment of OCI unrealised gains and losses | 0.0 | 0.0 | 0.0 | 0.0 |
| AT1 instruments included in accounting equity | (6.1) | (5.0) | (6.1) | (5.0) |
| Other regulatory adjustments | (0.2) | (0.2) | (0.2) | (0.2) |
| **CAPITAL AND RESERVES GROUP SHARE (REGULATORY AMOUNT)** | **52.9** | **51.4** | **52.9** | **51.4** |
| Minority interests (after partial derecognition) | 3.7 | 3.7 | 3.7 | 3.7 |
| *Prudent valuation* | (1.1) | (1.2) | (1.1) | (1.2) |
| Deductions of goodwill and other intangible assets | (17.9) | (17.9) | (17.9) | (17.9) |
| Amount exceeding the exemption threshold for CET1 instruments of significant financial stakes either >10% or equity-accounted and for DTA carry-forward | 0.0 | 0.0 | 0.0 | 0.0 |
| Other regulatory adjustments* | (0.7) | (0.7) | (0.7) | (0.7) |
| **COMMON EQUITY TIER 1 (CET1)** | **36.9** | **35.4** | **36.9** | **35.4** |
| ADDITIONAL TIER 1 (AT1) | 6.2 | 5.0 | 8.0 | 6.8 |
| **TOTAL TIER 1** | **43.1** | **40.4** | **44.9** | **42.1** |
| TIER 2 | 13.5 | 12.4 | 13.7 | 12.6 |
| **TOTAL CAPITAL** | **56.6** | **52.7** | **58.6** | **54.7** |
| **RWAs** | **320.6** | **306.9** | **320.6** | **306.9** |
| **CET1 ratio** | **11.5%** | **11.5%** | **11.5%** | **11.5%** |
| **Tier 1 ratio** | **13.5%** | **13.1%** | **14.0%** | **13.7%** |
| **Total capital ratio** | **17.7%** | **17.2%** | **18.3%** | **17.8%** |

** DTA timing differences, expected loss, deduction of UCIT-owned financial institutions and other transitional adjustments*

# "Danish Compromise": non-deduction of insurance holdings

## The "Danish compromise"

- **Non-deduction of insurance holdings according to Article 49(1) of the CRR**
  - In the case of banks within a financial conglomerate under Directive 2002/87/EC, the CRR provides for a specific prudential treatment of insurance holdings. As a general rule, Article 36(1) of the CRR envisages that significant holdings in insurance undertakings should be deducted from banks' own funds. As an exception to this rule, Article 49(1) of the CRR grants the option to competent authorities, if requested by banks, to allow them not to deduct such holdings and to risk-weight them instead (100% to 370%), provided that a number of CRR conditions are met.
  - These departures from Basel III were included early in the elaboration of the CRR as a package known in specialised circles as the "Danish compromise", since it was negotiated during the Danish Presidency of the Council of the EU.
  - Crédit Agricole Group received the permission of the competent authorities (ACPR) on 18 October 2013 to use this option for entities within the Crédit Agricole Assurances scope.

## Status quo for the "Danish compromise" in the ECB Regulation

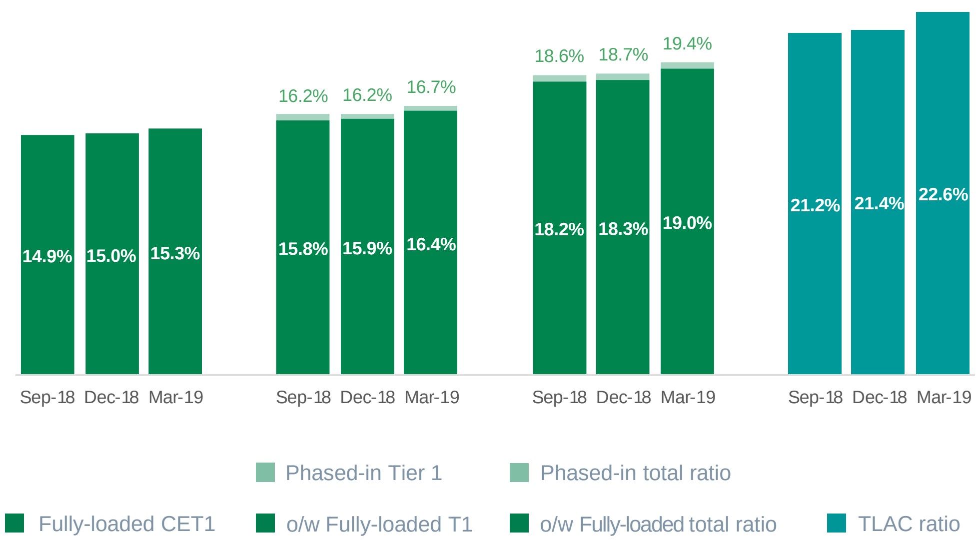
- **ECB Regulation on the exercise of options and discretions available in Union law**
  - The ECB has the power to exercise the options and discretions available in Union law. It published on 24 March 2016 a Regulation and a Guide on how to harmonise options and discretions in banking supervision.
  - The ECB Regulation and Guide do not reconsider previous decisions taken by the competent authority pursuant to Article 49(1) and related explanatory documents confirm that the ECB does not intend to do so:
    - "With regard to the non-deduction of holdings within the context of Article 49(1) of the CRR, significant credit institutions can expect the following treatment: (i) In cases where permission for non-deduction has already been granted by the national competent authority prior to 4 November 2014, the credit institutions may continue to not deduct the relevant holdings on the basis of that permission provided that appropriate disclosure requirements are met." (Extract from the ECB Guide)
    - "The Supervisory Board has decided to keep the status quo, i.e. decisions according to Article 49 of the CRR taken before 4 November 2014 will continue to apply for the time being. Incoming applications for new decisions will be assessed according to the CRR criteria." (Extract from the Explanatory memorandum)

- **As a consequence the "Danish compromise" is fully confirmed as its questioning would now necessitate a revision of the CRR on this particular point, which seems unlikely in the next few years as :**
  - The Commission, which has sole right of initiative in legislative matters, published a "CRR2/CRD5" legislative package on 23 November 2016. This legislative proposal dealt in particular with options and discretions.
  - The most recent version of texts, which are still subject to final publication, includes no amendment on article 49(1)

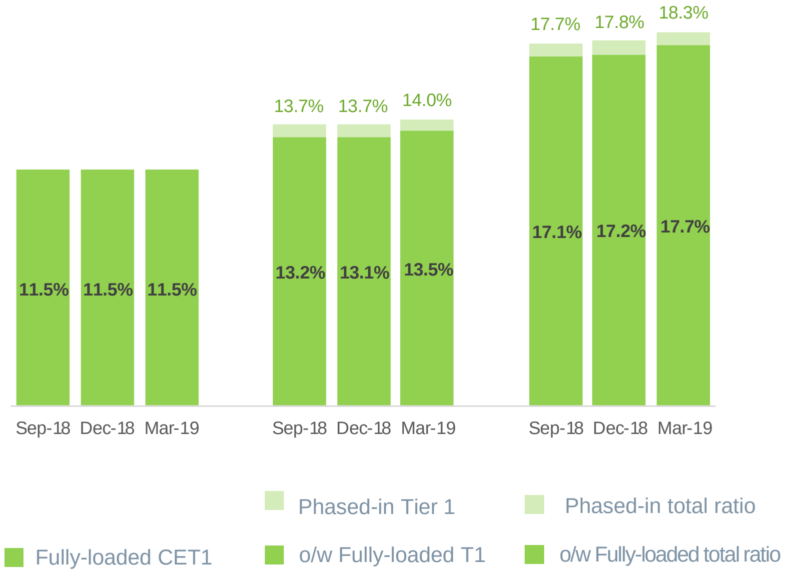
# CAPITAL

## Capital planning focused on TLAC targets

**CRÉDIT AGRICOLE GROUP**



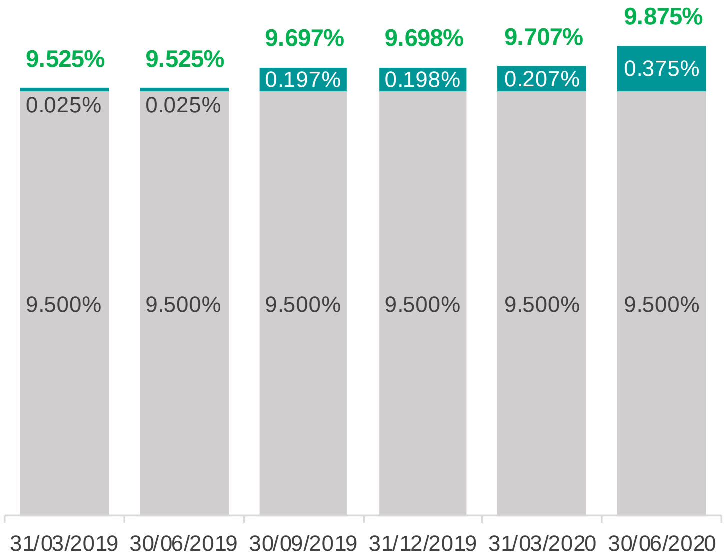

**CRÉDIT AGRICOLE S.A.**



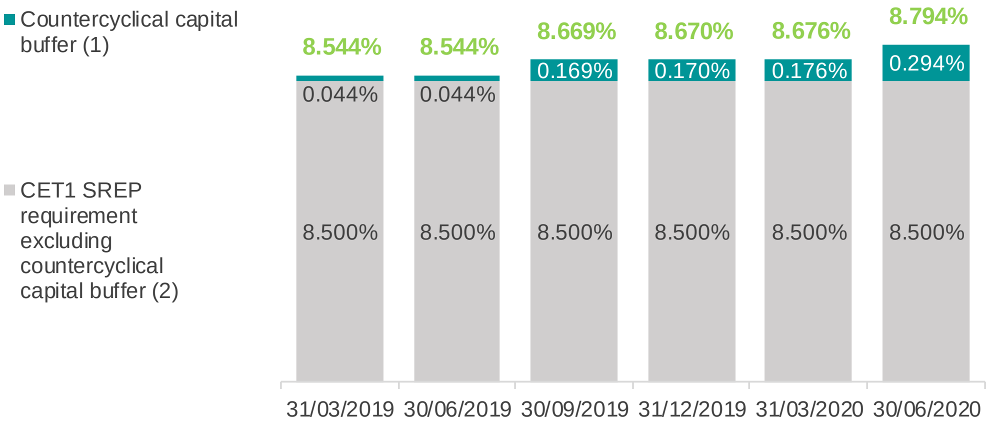
# CAPITAL
## Countercyclical capital buffer impact on CET1 SREP requirement

- **CET1 SREP requirement expected to increase with the countercyclical capital buffer on French relevant exposures set at 0.25% from 1 July 2019 and 0.50% from 2 April 2020**

### CRÉDIT AGRICOLE GROUP




### CRÉDIT AGRICOLE S.A.

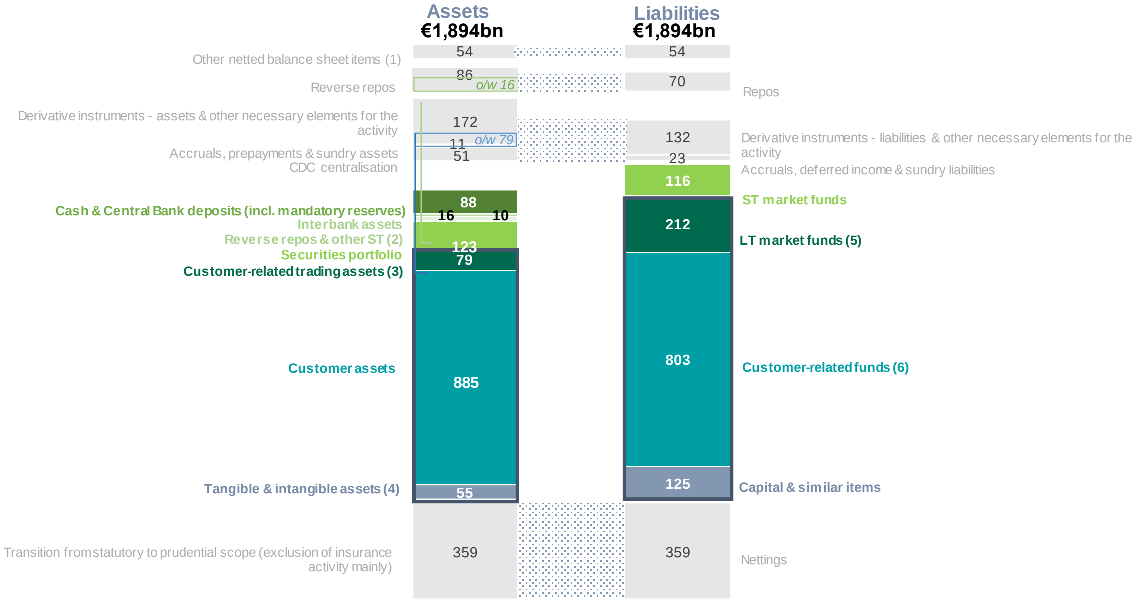



*(1) Based on relevant exposures as at 31/03/2019: countercyclical capital buffer according to decisions known as of today*
*(2) Assuming P2R remains unchanged over the period ; no G-SIB buffer at CASA level*

# 4. Liquidity

# Crédit Agricole Group: construction of the banking cash balance sheet

## ❑ After netting, the banking cash balance sheet amounts to €1,256bn at 31/03/19




*(1) Deferred tax, JV impacts, collective impairments, short-selling transactions and other assets and liabilities*
*(2) Netting of repos & reverse repos (excluding MLT repos) + Central Bank refinancing transactions (excluding T-LTRO) + netting of receivables and payables-related accounts*
*(3) Including CDC centralisation and netting of derivatives, margin calls, adjustment/settlement/liaison accounts and non-liquid securities held by CA-CIB*
*(4) Including fixed assets, equity investments and the netting of miscellaneous debtors & creditors*
*(5) Including MLT repos & T-LTRO*
*(6) Including EIB and CDC refinancing and other similar refinancing transactions (backed by customer loans), CDC centralisation and MLT issues placed by the branch networks .*
*NB: CA-CIB's bank counterparties with which there is a commercial relationship are considered as customers*

# 5. Q1-19 Results

## Crédit Agricole Group, Crédit Agricole S.A., Regional Banks & Business lines

## Reconciliation between stated and underlying results – Q1-19

| €m | Q1-19 stated | Specific items | Q1-19 underlying | Q1-18 stated | Specific items | Q1-18 underlying | ∆ Q1/Q1 stated | ∆ Q1/Q1 underlying |
|---|---|---|---|---|---|---|---|---|
| **Revenues** | **8,196** | **(126)** | **8,323** | **8,258** | **9** | **8,249** | (0.7%) | +0.9% |
| Operating expenses excl.SRF | (5,277) | - | (5,277) | (5,343) | (9) | (5,333) | (1.2%) | (1.1%) |
| SRF | (422) | - | (422) | (359) | - | (359) | +17.4% | +17.4% |
| **Gross operating income** | **2,497** | **(126)** | **2,623** | **2,556** | **0** | **2,556** | **(2.3%)** | **+2.6%** |
| Cost of risk | (281) | - | (281) | (421) | - | (421) | (33.2%) | (33.2%) |
| Cost of legal risk | - | - | - | - | - | - | n.m. | n.m. |
| Equity-accounted entities | 95 | - | 95 | 99 | - | 99 | (3.6%) | (3.6%) |
| Net income on other assets | 10 | - | 10 | 20 | - | 20 | (48.5%) | (48.5%) |
| Change in value of goodwill | - | - | - | 86 | 86 | - | (100.0%) | n.m. |
| **Income before tax** | **2,321** | **(126)** | **2,448** | **2,340** | **86** | **2,254** | **(0.8%)** | **+8.6%** |
| Tax | (848) | 41 | (889) | (767) | (0) | (767) | +10.6% | +16.0% |
| Net income from discont'd or held-for-sale ope. | (0) | - | (0) | (1) | - | (1) | (99.5%) | (99.5%) |
| **Net income** | **1,473** | **(85)** | **1,558** | **1,572** | **86** | **1,486** | **(6.3%)** | **+4.8%** |
| Non controlling interests | (123) | - | (123) | (143) | (10) | (134) | (14.2%) | (8.1%) |
| **Net income Group Share** | **1,350** | **(85)** | **1,435** | **1,429** | **76** | **1,352** | **(5.5%)** | **+6.1%** |
| **Cost/Income ratio excl.SRF (%)** | **64.4%** | | **63.4%** | **64.7%** | | **64.7%** | **-0.3 pp** | **-1.3 pp** |
| **Net income Group Share excl. SRF** | **1,754** | **(85)** | **1,839** | **1,777** | **76** | **1,701** | **(1.3%)** | **+8.1%** |

**€1,435m**

underlying Net Income
in Q1-19

## Alternative Performance Measures – specific items Q1-19

**-€85m**

impact of specific items in Net Income in Q1-19

| €m | Q1-19 | | Q1-18 | |
|---|---|---|---|---|
| | Gross impact* | Impact on Net income | Gross impact* | Impact on Net income |
| Issuer spreads (CC) | - | - | - | - |
| DVA (LC) | (8) | (6) | 5 | 4 |
| Loan portfolio hedges (LC) | (19) | (14) | 4 | 3 |
| Home Purchase Savings Plans (LCL) | (8) | (5) | - | - |
| Home Purchase Savings Plans (CC) | (13) | (8) | - | - |
| Home Purchase Savings Plans (RB) | (78) | (51) | - | - |
| Adjustment on liability costs (RB) | - | - | - | - |
| Liability management upfront payment (CC) | - | - | - | - |
| **Total impact on revenues** | **(126)** | **(85)** | **9** | **7** |
| Pioneer integration costs (AG) | - | - | (9) | (4) |
| Integration costs 3 Italian banks (IRB) | - | - | - | - |
| **Total impact on operating expenses** | **-** | **-** | **(9)** | **(4)** |
| Change of value of goodwill (CC) | - | - | 86 | 74 |
| **Total impact on change of value of goodwill** | **-** | **-** | **86** | **74** |
| **Total impact of specific items** | **(126)** | **(85)** | **86** | **76** |
| ***Asset gathering*** | ***-*** | ***-*** | ***(9)*** | ***(4)*** |
| ***French Retail banking*** | ***(87)*** | ***(57)*** | ***-*** | ***-*** |
| ***International Retail banking*** | ***-*** | ***-*** | ***-*** | ***-*** |
| ***Specialised financial services*** | ***-*** | ***-*** | ***-*** | ***-*** |
| ***Large customers*** | ***(27)*** | ***(20)*** | ***9*** | ***7*** |
| ***Corporate centre*** | ***(13)*** | ***(8)*** | ***86*** | ***74*** |

*(*) Impacts before tax (except for "impact on tax" items) and before non-controlling interest*

CRÉDIT AGRICOLE S.A.

## Reconciliation between stated and underlying results – Q1-19

| €m | Q1-19 stated | Specific items | Q1-19 underlying | Q1-18 stated | Specific items | Q1-18 underlying | ∆ Q1/Q1 stated | ∆ Q1/Q1 underlying |
|---|---|---|---|---|---|---|---|---|
| **Revenues** | **4,855** | **(48)** | **4,903** | **4,909** | **9** | **4,900** | **(1.1%)** | **+0.1%** |
| Operating expenses excl.SRF | (3,104) | - | (3,104) | (3,110) | (9) | (3,100) | (0.2%) | +0.1% |
| SRF | (332) | - | (332) | (291) | - | (291) | +13.9% | +13.9% |
| **Gross operating income** | **1,419** | **(48)** | **1,467** | **1,508** | **0** | **1,508** | **(5.9%)** | **(2.7%)** |
| Cost of risk | (225) | - | (225) | (314) | - | (314) | (28.4%) | (28.4%) |
| Cost of legal risk | - | - | - | - | - | - | n.m. | n.m. |
| Equity-accounted entities | 85 | - | 85 | 93 | - | 93 | (8.1%) | (8.1%) |
| Net income on other assets | 23 | - | 23 | 18 | - | 18 | +23.8% | +23.8% |
| Change in value of goodwill | - | - | - | 86 | 86 | - | (100.0%) | n.m. |
| **Income before tax** | **1,302** | **(48)** | **1,350** | **1,391** | **86** | **1,305** | **(6.4%)** | **+3.4%** |
| Tax | (394) | 14 | (409) | (362) | (0) | (362) | +8.9% | +12.8% |
| Net income from discont'd or held-for-sale ope. | (0) | - | (0) | (1) | - | (1) | n.m. | n.m. |
| **Net income** | **908** | **(34)** | **941** | **1,028** | **86** | **942** | **(11.7%)** | **(0.1%)** |
| Non controlling interests | (145) | 1 | (146) | (172) | (18) | (154) | (15.7%) | (5.6%) |
| **Net income Group Share** | **763** | **(33)** | **796** | **856** | **68** | **788** | **(10.9%)** | **+1.0%** |
| **Earnings per share (€)** | **0.22** | **(0.01)** | **0.23** | **0.25** | **0.02** | **0.23** | **(14.7%)** | **(0.9%)** |
| **Cost/Income ratio excl.SRF (%)** | **63.9%** | | **63.3%** | **63.3%** | | **63.3%** | **+0.6 pp** | **+0.0 pp** |
| **Net income Group Share excl. SRF** | **1,070** | **(33)** | **1,103** | **1,134** | **68** | **1,066** | **(5.6%)** | **+3.5%** |

**€796m**

Q1-19 underlying net income

**€0.23**

Q1-19 underlying earnings per share

# Alternative Performance Measures – Specific items Q1-19

**-€33m**

net impact of specific items on net income in Q1-19

| €m | Q1-19 | | Q1-18 | |
|---|---|---|---|---|
| | Gross impact* | Impact on Net income | Gross impact* | Impact on Net income |
| DVA (LC) | (8) | (6) | 5 | 4 |
| Loan portfolio hedges (LC) | (19) | (14) | 4 | 3 |
| Home Purchase Savings Plans (FRB) | (8) | (5) | - | - |
| Home Purchase Savings Plans (CC) | (13) | (8) | - | - |
| **Total impact on revenues** | **(48)** | **(33)** | **9** | **6** |
| Pioneer integration costs (AG) | - | - | (9) | (4) |
| **Total impact on operating expenses** | **-** | **-** | **(9)** | **(4)** |
| Change of value of goodwill (CC)(2) | - | - | 86 | 66 |
| **Total impact on change of value of goodwill** | **-** | **-** | **86** | **66** |
| ***Total impact of specific items*** | ***(48)*** | ***(33)*** | ***86*** | ***68*** |
| ***Asset gathering*** | ***-*** | ***-*** | ***(9)*** | ***(4)*** |
| ***French Retail banking*** | ***(8)*** | ***(5)*** | | ***-*** |
| ***International Retail banking*** | ***-*** | ***-*** | | ***-*** |
| ***Specialised financial services*** | ***-*** | ***-*** | ***-*** | ***-*** |
| ***Large customers*** | ***(27)*** | ***(20)*** | ***9*** | ***6*** |
| ***Corporate centre*** | ***(13)*** | ***(8)*** | ***86*** | ***66*** |

** Impact before tax and before minority interests*

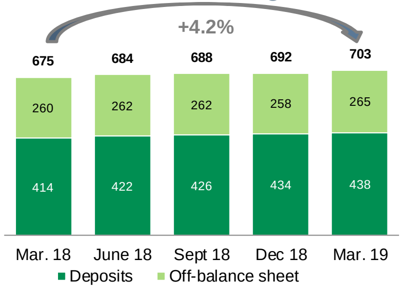
*(*) Impacts before tax (except for "impact on tax" items) and before non-controlling interest*
*(2) Additional negative goodwill on the three Italian banks*

# Q1-19 RESULTS

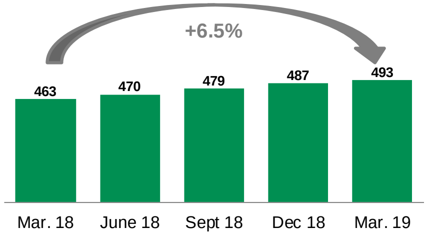
## Regional Banks

### Activity indicators (€bn)

**Customer savings***




**Loans outstanding**




*(*) Change in method in March: recognition of life insurance policies purchased from non-Group providers*

### Contribution to Crédit Agricole Group P&L

| €m | Q1-19 underlying | Q1-18 underlying | ∆ Q1/Q1 underlying |
|---|---|---|---|
| **Revenues** | **3,490** | **3,358** | +3.9% |
| Operating expenses excl.SRF | (2,192) | (2,200) | (0.3%) |
| SRF | (90) | (68) | +32.5% |
| **Gross operating income** | **1,208** | **1,090** | **+10.7%** |
| Cost of risk | (56) | (104) | (46.1%) |
| **Income before tax** | **1,155** | **993** | **+16.4%** |
| Tax | (490) | (405) | +20.8% |
| **Net income Group Share** | **665** | **587** | **+13.4%** |
| **Cost/Income ratio excl.SRF (%)** | **62.8%** | **65.5%** | **-2.7 pp** |

- **Continued buoyant business momentum supporting growth in Crédit Agricole S.A. business lines**
  - **Customer savings** driven upward by on-balance sheet deposits (+5.8%), specifically demand deposits (+10.4%) and passbook accounts (+10.5%); off-balance sheet savings (+1.5%) driven by life insurance (+3%)
  - Continued momentum in **outstanding loans** driven by home loans (+7.4%)
  - **Acquisitions still lively**: +35.5k individual customers since early 2019[1]; EKO offer: +15k new accounts over the period
  - **Equipment:** +10.8% premium cards and +4.5% existing property and personal insurance policies and life insurance policies / outstandings +3.6% (March/March)

- **Rebound in revenues, continued fall in the cost of risk**
  - **Revenues**[2]**:** up, with a good result in fees and a positive effect from the portfolio's valuation; revenues from customer activities up +1.4% Q1/Q1, of which fees +3.2% Q1/Q1
  - **Expenses:** stable Q1/Q1, of which €83m under IFRIC21 excl. SRF
  - **SRF:** up sharply; for the record an additional €19m was booked in Q2-18, for a total of €87m in H1-18 (vs. €90m in Q1-19)
  - **Cost of risk relative to outstandings at 12bp**[3], non-performing outstanding loans down, and coverage ratio at 98.2%

*(1) Data excluding BforBank*

*(2) Underlying; see slide 75 for specific items*
*(3) Average over a rolling 4-quarter period*

# Q1-19 RESULTS

## Crédit Agricole Group: results by business line

| €m | RB | LCL | IRB | AG | SFS | LC | CC | Total |
|---|---|---|---|---|---|---|---|---|
| | Q1-19 (stated) | | | | | | | |
| **Revenues** | **3,411** | **861** | **702** | **1,461** | **681** | **1,338** | **(257)** | **8,196** |
| Operating expenses excl. SRF | (2,192) | (593) | (439) | (753) | (342) | (819) | (139) | (5,277) |
| SRF | (90) | (30) | (15) | (5) | (18) | (186) | (78) | (422) |
| **Gross operating income** | **1,129** | **238** | **248** | **703** | **320** | **333** | **(474)** | **2,497** |
| Cost of risk | (56) | (44) | (88) | 4 | (107) | 10 | 1 | (281) |
| Cost of legal risk | - | - | - | - | - | - | - | - |
| Equity-accounted entities | 4 | - | - | 13 | 78 | (0) | - | 95 |
| Net income on other assets | (0) | 1 | 0 | 0 | 0 | 3 | 7 | 10 |
| Change in value of goodwill | - | - | - | - | - | - | - | - |
| **Income before tax** | **1,077** | **194** | **160** | **720** | **291** | **345** | **(466)** | **2,321** |
| Tax | (463) | (69) | (46) | (197) | (64) | (129) | 119 | (848) |
| Net income from discont'd or held-for-sale ope. | - | - | - | (0) | - | - | - | (0) |
| **Net income** | **614** | **125** | **114** | **523** | **227** | **216** | **(346)** | **1,473** |
| Non controlling interests | (0) | (0) | (24) | (73) | (33) | 0 | 7 | (123) |
| **Net income Group Share** | **614** | **125** | **90** | **450** | **194** | **216** | **(339)** | **1,350** |

| €m | RB | LCL | AG | IRB | SFS | LC | CC | Total |
|---|---|---|---|---|---|---|---|---|
| | Q1-18 (stated) | | | | | | | |
| **Revenues** | **3,358** | **858** | **1,463** | **703** | **688** | **1,331** | **(143)** | **8,258** |
| Operating expenses excl. SRF | (2,200) | (613) | (744) | (442) | (357) | (782) | (205) | (5,343) |
| SRF | (68) | (26) | (3) | (17) | (17) | (168) | (61) | (359) |
| **Gross operating income** | **1,090** | **219** | **716** | **245** | **314** | **381** | **(409)** | **2,556** |
| Cost of risk | (104) | (51) | (5) | (95) | (99) | (64) | (2) | (421) |
| Cost of legal risk | - | - | - | - | - | - | - | - |
| Equity-accounted entities | 5 | - | 12 | - | 62 | 1 | 19 | 99 |
| Net income on other assets | 2 | 2 | 0 | (0) | 0 | (0) | 17 | 20 |
| Change in value of goodwill | - | - | - | - | - | - | 86 | 86 |
| **Income before tax** | **993** | **170** | **723** | **149** | **277** | **317** | **(290)** | **2,340** |
| Tax | (405) | (59) | (209) | (48) | (64) | (108) | 127 | (767) |
| Net income from discont'd or held-for-sale ope. | - | (0) | (0) | - | - | - | - | (1) |
| **Net income** | **588** | **111** | **513** | **102** | **212** | **209** | **(163)** | **1,572** |
| Non controlling interests | (1) | 0 | (70) | (23) | (34) | 1 | (17) | (143) |
| **Net income Group Share** | **587** | **111** | **443** | **79** | **179** | **210** | **(180)** | **1,429** |

## CONTACT LIST:


**Olivier Bélorgey** **+ 33 1 57 87 19 24** **olivier.belorgey@ca-cib.com**
Chief Financial Officer, CACIB and Group Head of Treasury and Funding, Crédit Agricole Group

**Nadine Fedon** **+ 33 1 43 23 07 31** **nadine.fedon@ca-cib.com**
Head of Medium and Long Term Funding, Crédit Agricole Group
General Manager of Crédit Agricole Home Loan SFH / General Manager of Crédit Agricole Public Sector SCF

**Aurélien Harff** **+ 44 207 214 5011** **aurelien.harff@credit-agricole-sa.co.uk**
Head, Medium and Long Term Funding / London Desk

**Isabelle Roseau** **+ 33 1 57 72 61 50** **isabelle.roseau@ca-cib.com**
Head, Covered Bonds Structuring

**Cyril Meilland, CFA** **+ 33 1 43 23 53 82** **cyril.meilland@credit-agricole-sa.fr**
Head, Investors Relations

**Marie-Laure Malo** **+ 33 1 43 23 10 21** **marielaure.malo@credit-agricole-sa.fr**
Debt Investor Relations and Ratings

**Laurence Gascon** **+ 33 1 57 72 38 63** **laurence.gascon@credit-agricole-sa.fr**
Debt Investor Relations and Ratings

**Caroline Crépin** **+ 33 1 43 23 83 65** **caroline.crepin@credit-agricole-sa.fr**
Debt Investor Relations and Ratings


This *Credit Update* is available on our website at: www.credit-agricole.com/en/finance/finance/debt
See all our press releases at: www.credit-agricole.com - www.creditagricole.info

Crédit_Agricole Groupe Crédit Agricole créditagricole_sa

GROUPE CRÉDIT AGRICOLE