



Crédit Agricole Q1 2025 Results

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Overview

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Key Messages and Figures

Good morning or good afternoon -- I don't know -- depending on the time zone in which each of you is located. I'm happy to present these results today.

We can go directly to Page 4 of the presentation. I know the day is quite busy for analysts. And I don't want to make it too long.

So I'll start directly with the key messages on these results, where we can see that Credit Agricole S.A. and the Group are posting this quarter record levels in terms of revenues. Credit Agricole S.A., in addition, is posting a very high return on tangible equity. The cost income ratios are stable or slightly increasing, but at a very competitive level in both cases and the cost of risk is also stable at a moderate level.

Last point on this page, solvency ratios are very significantly improving on both perimeters. And we are going to explain a little bit more in detail the reason why we see this significant improvement of the CET1 ratios.

Last point on this page, we've continued, as in every quarter, to develop our activities with the conclusion of the progresses of different strategic operations, be it the creation of the joint venture with GAC in China for car leasing, be it the conclusion of the partnership between Amundi and Victory Capital in the USA or be it the completion of our investment in Banco BPM, which is now an investment of 19.8% of the capital in Banco BPM.

On the following page, you have more precise figures on all these elements.

As I've said, revenues are sharply up, plus 5.5% for the Group globally, above EUR 10 billion, and plus 6.6% on Credit Agricole S.A., EUR 7.3 billion. Gross operating income is also up on both perimeters, plus 3%, above EUR 4 billion on the Group, and plus 4%, EUR 3.3 billion on Credit Agricole S.A.

Last point, pre-tax incomes are up quite significantly, by 1.6% for the Group and by 4.6% for Credit Agricole S.A. And there is, this quarter, a very specific effect, which is the effect of a French taxation increase, punctual increase, that has been imposed by the French legislator and that is impacting quite significantly the Group and Credit Agricole S.A.

It's going to continue to impact us for the rest of the year, but for the first quarter only we are taking more than half, actually five-eighths of the total estimate of the tax, this represents more than EUR 200 million for the Group and more than EUR 120 million for Credit Agricole S.A and this explains why with a pre-tax income that is up we finally end up with a net income after-tax, which is down on both perimeters.

Crédit Agricole Q1 2025 Summary

Excellent performance in CIB and Asset Gathering Division

If I go now on Page 7 of the slides, showing some elements regarding the level of activity on all businesses within the Group, what we can see is that we are posting a new record in terms of revenues in the CIB activities. There is also a very high level of net inflows at Amundi with the record level of assets under management, EUR 2.25 trillion assets under management. There is also a record level of premium income at Credit Agricole Assurances, close to EUR 15 billion this quarter, up 20% as compared to Q1 2024.

The loan production in France in the retail network is continuing to recover as compared to the first quarter of 2024. It's slightly down as compared to Q4 2024, but there is a seasonality effect and actually what we are seeing on the ground now in March and also in April is that the rebound continues as compared to the same period of last year.

In the Consumer Finance business, we've seen a slight decrease in the production of new loans, but the level in absolute terms continues to be high and it's mainly triggered by a certain decline in the level of Car Financing activities.

Lastly, in International Banking activities, we've continued to see a good level of new loan production.

Record revenues registering strong growth

If I go on the following page, this translates into a record level of revenues, as I've said in my introduction.

On the right-hand side of this page, you can see the trajectory we've been following in the last eight years for Credit Agricole S.A.

We have had a steady and regular growth of the topline, plus 5.6% on average over the last eight years. And if we analyze a little bit the evolution of the topline amongst the different business divisions this quarter, what you can see is that we've had a very sharp increase in the level of revenues for the Asset Gathering Business division, which is partially linked, of course, to the scope

effect and the integration of Degroof Petercam, but the organic growth has also been very significant.

It's also the case in the Large Customers division with a record level of revenues at CACIB, as I've mentioned, and a good dynamic also at CACEIS.

In the Specialized Financial Services division, revenues are also up with the continuation of the trend that we had seen already in the fourth quarter of last year at CAPFM. And it's only in the Retail Banking business division that we see a slight decline in the level of revenues that is mostly due to a specific base effect in international Retail Banking activities, especially in Egypt, where we had seen back in Q1 2024 a very high level of revenues in connection with very strong rate movements and a high level of activity in forex businesses.

Lastly, in the Corporate Center, the revenues are also up, benefiting amongst the other elements from the impact of the valuation of our shares in the capital of Banco BPM.

Support for business lines' development, low cost/income ratio at 55.0%

On the following page, we have some indication regarding the evolution of the cost base, and I know that you have asked already a significant number of questions to the team regarding the evolution of our cost basis, so I want to spend some minutes on this point and on this page actually.

If we start on the right-hand side bar chart of the page, what you can see is that actually, we start with an increase of EUR 322 million of the cost basis, but EUR 138 million comes from scope effects and from integration costs, so non-recurring. And then EUR 72 million come from the IFRIC impact, so all the taxes that we have to account for in the first quarter of the year, and they are quite significantly up this quarter. Actually, it happens that in 2024, some adjustment had to be made in the second quarter, which is not going to be the case this year. And so there is also, to say so, a base effect, and this is triggering this sharp increase in IFRIC costs this quarter.

And so this leaves us with only EUR 130 million of, I would say, economic growth of the cost base, EUR 105 million for staff costs including an adjustment of the provision for variable compensation in connection with the very high level of activity at CACIB and at Amundi, and a close to EUR 40 million increase in IT investment costs.

So all in all, an economic evolution of 3.2%, which would compare to an evolution of the topline of around 4%, 4.1% to be precise, if we restate the topline from the scope effect. So still, if we try to assess economically the evolution of the cost basis as compared to the topline evolution, we have jaws effect which would be positive.

Stable cost of risk

On the following page, we have some elements regarding the cost of risk. To put it in a nutshell the cost of risk is stable at a moderate level.

On the perimeter of Credit Agricole S.A, EUR 413 million of cost of risk in the first quarter of 2025, which compares to EUR 400 million in the first quarter of 2024.

So a very limited evolution, plus 3.4%.

And what you can see is that in terms of cost of risk, of bps, as compared to the outstanding, we are also very stable. And it's also more or less the case on the global perimeter of the group, 27 bps of cost of risk as compared to the outstanding. Again, very, very stable, no significant evolution.

The NPL ratios are also stable, 2.3% on the perimeter of Credit Agricole S.A and 2.1% on the perimeter of the Group. And the coverage of this NPL by our different categories of provisions continue to be high and even increases on the perimeter of Credit Agricole S.A.

Cost of risk by business line

By business division, what you can see is that we have a slight increase in the Consumer Credit business, CAPFM, which is mainly triggered by some international subsidiaries outside Italy. The cost of risk actually at Agos does not deteriorate this quarter. And all in all, it's the moderate cost of risk according to the standards of the Consumer Credit business.

What you can see also is that the cost of risk continues to decline in Credit Agricole Italia and also at LCL.

It increases a little bit for the regional banks, but it's mostly due to technical effects triggering an increase in the IFRS9 provisions, so no deterioration in the incurred cost of risk. And it continues to be very low at CACIB for the financing activities of CACIB. And actually, we even have a net reversal of provision this quarter, mainly due to some synthetic securitization.

Increased pre-tax income

This is leading to the evolution of the net profit that is illustrated on Page 12.

If we start again with the right-hand side of the page in terms of net profit, it is, as I've said, slightly down, minus 4% between Q1 2024 and Q1 2025.

But again, this is more than explained by the evolution of the corporate tax level including EUR 123 million of this specific tax surcharge that we have to pay in France. When you look at the gross operating income, it's indeed up, plus 4% plus EUR 129 million.

And on the left-hand side of the page, this is the evolution of the net profit before tax, net income before tax. And what you can see is that it's up 4.6% plus EUR 127 million. And this improvement is mainly driven by the Asset Gathering and Large Customers division. Net profit is more or less stable for the Specialized Financial Services division and Retail Banking activities and also at the level of the Corporate Center.

Good level of solvency ratio (target at 11%)

On the following page, some indication regarding the evolution of the solvency ratio at CASA.

I remind you that the target continues to be 11% and we indeed have a sharp increase of the CET1 ratio this quarter, plus 40 bps from 11.7% to 12.1%. And there is, of course, a technical element that is explaining this situation.

It's the first application of CRR3.

So you could consider that at the end of the day, Basel IV ends up being positive for us, which is not the case.

I want to be clear on that.

But we started to feel the negative impact of Basel IV already some time ago with the TRIM exercises that were a front-loading part of the Basel IV implementation.

Then you remember that in Q4 2024, we had the prudential consolidation of Leasing activities that represented a significant hit also on our solvency. And ahead of us at CASA, there is also going to be the application of the Fundamental Review of the Trading Book, possibly in 2026 or maybe later.

So this positive impact in Q1 2025 must be read, I would say, assessed in the global landscape in which we have had already some negative impacts and we possibly will have also some additional negative impacts going forward.

Besides this element, we have retained earnings that represent 21 bps of additional ratio. The consumption of solvency by the organic development of the business line represents 9 bps of ratio. And then some technical elements including the last phase of phasing in of IFRS 9, plus also some bits and pieces of regulatory effects, M&A and different things, represents an additional hit of 10 bps.

So we end up this quarter at 12.1%, but I want you to be aware of the fact that as soon as beginning of April, some elements are going to consume around 30 bps.

So I would say the starting point for this second quarter is more 11.8% than 12.1%. These elements that are going to impact the second quarter are the conclusion of the Victory Capital transaction, which is translating for the Group into a significant holding in a financial company that has to be deducted above the franchise, which is going to be the case.

And it's the same situation for our investment in Banco BPM, because beginning of April, we've transformed our derivative into actual shares. And again, this is also partially exceeding the franchise.

So this is also going to be partially deducted from our CET1 ratio.

So the pro forma figure is closer to 11.8%.

And lastly, but this is not included in the 11.8%, we will conclude and close, possibly end of Q2, or maybe beginning of Q3, the closing of the transaction with Santander in order to buy back their 30% in the capital of CACEIS. That would also represent an impact of possibly close to 30 bps of CET1 ratio.

But again, this is not an issue considering the fact that we continue to have a target at 11%. Lastly, we've already provisioned EUR 0.28 a share of dividend at the end of the first quarter of the year.

Very High capital

On the following page, you have the same evolutions regarding the Group globally. And again, we have the same element explaining an evolution which goes into the same direction from 17.2% end of last year up to 17.6% end of March. The pro forma figure beginning of Q2 is not as much impacted as for Credit Agricole S.A because the threshold, the franchise are much higher at group level than at CASA level. So we can consider that we are also, beginning of Q2, close to 17.6% for the Group.

Strong liquidity position

Lastly, on the liquidity position of the Group, nothing much to mention.

Of course, we are talking about the end of Q1.

So it was before all the turmoil on the market that were triggered by some threats on the tariff regime globally.

But nevertheless, this hasn't changed a lot the situation of our liquidity, which continues to be inside the second quarter very strong and without any threat.

But nevertheless, at the end of the first quarter, we've had an improvement of our reserves. We've had an improvement of our different ratios, LCR and NSFR. And we continue to have a customer deposit basis, which is ample and which is very diversified and very secure.

Continued support of transition

Lastly, we provide here on Page 16, some updates on our transition plan, which continues to be organized around the same three pillars, which is the acceleration of the development of our financing to the development of renewable and low carbon energy sources. And we continue to very significantly increase our financing to this sector. You have the figures provided on this page with very sharp increases as compared to the basis of comparison of 2020.

We continue to help our different categories of customers in their own transition. And we are providing to our customers a lot of financing dedicated to help them transition, be it for individual, SMEs or large corporates.

And lastly, we continue to decrease, but it's only the conclusion of the first two elements, we continue to decrease our financing to carbon based energy sources. And indeed, we are now reaching very low levels as compared to the starting point of 2020.

So let me conclude simply by reassessing that we are publishing very positive results this quarter, with revenues again up and reaching record levels, with a cost income ratio which continues to be very competitive and very significantly below the target of, or the ceiling of, 58% that we are committed to respect in the course of this medium-term plan. We continue to have a cost of risk, which is very moderate. And despite the fact that we have a net profit that is impacted by the surcharge that has been put in place in France regarding the corporate taxes, we publish a return on tangible equity which is close to the highest level ever, close to 16%. And I'm happy to say that next time you'll have the pleasure to have this presentation by Clotilde, whom you know very well.

Thanks for listening. And I'm ready now to take your questions.

Q&A

Tarik El Mejjad (Bank of America): congratulations for the confirmation of your role and I'm looking forward to working again with Clotilde. So first of all, I mean on the costs, sorry to come back on that. I mean yes, admittedly, you have 16% almost ROTE, so we have to keep that in mind. But still, we're looking for more cost efficiency here. And now I guess, you are in preparation or starting preparation of the new plan. What are the areas where you think there is more effort to do or if it's a cost issue, it could be maybe revenues that will actually come faster? But in terms of cost, what are the areas you think there is more to deliver and more to work on? And then the second question is on capital. The 44 bps Basel IV has a positive impact in Q1. I understand the mechanics of this, but is there a risk that you see some reversal of this in the next quarter or is this a definite final impact from Basel IV? And lastly, I think in the Bloomberg interview this morning, you mentioned that you will wait until the end of BBPM offer period before deciding. I just want to understand really what you meant by that and what can you tell us on the Italian situation as of today? Thank you.

Jérôme Grivet: First point on the cost evolution, you were mentioning the fact that we must keep in mind we are publishing a return on tangible equity at 16%, which is absolutely true and thank you for mentioning it. But you also can keep in mind that we are posting a cost income ratio of 55%. So definitely, which is the best way to assess the cost efficiency is the cost income ratio and we are posting a cost income ratio, which is very significantly below the level to which we are committed. So definitely, I think that, the cost efficiency is not an issue within the different businesses of Credit Agricole S.A. Nevertheless, it's a permanent effort to work on the cost base and to permanently assess what is the relevant cost level that is compatible with the level of revenues.

And this is an issue that cannot be decided globally at the level of CASA. It needs to be permanently reassessed at the level of each business line. You know that it's been clearly one of the keys of our capacity to improve significantly the cost income ratio over the course of the last 10 years, which is to decentralize the responsibility of monitoring the cost basis and we will continue to do so. So of course, I cannot in advance, ahead of the presentation of the medium-term plan, tell you where we are going to increase or reduce the cost basis. It will depend on the capacity of each business to generate revenues. But you know that we are going to keep the same stance regarding the management of the cost base, which is to decentralize the responsibility of the management of the cost base to the heads of the businesses and to make every head of business accountable for reaching the cost income ratio that we deem relevant for their businesses.

When it comes to the capital evolution, yes, 44 bps of impact day one of CRR3 is higher than what we had in mind. You know that we are always prudent. So we were targeting probably half of that initially. This is where we've guided the market and we end up with a better improvement than expected. But we do not foresee any reversal regarding this level. Simply, we are now evolving in a new environment with new ways of compounding the risk weighted assets in the different categories of risk, be it credit risk, equity risk or operational risk. And so we will have certainly to learn over time how the calculation of the risk weighted assets in the different businesses are going to evolve under this new framework. But no reversal per se of these 44 bps of positive impact that we are posting this quarter.

Last point on BBPM. What I've said to Bloomberg, what Philippe Brassac has said also during the press conference that we've had on the result is simply logical. It happens that we own close to 20% of a bank on which there is an offer, which has been opened only two days ago, last Monday. So of course, we will have before the end of the offer period to make a decision, whatever the decision we can take. But it's not a passive approach from our side. We will have to take a positive decision, which can be to contribute or not to contribute. And this decision has not been taken yet, by definition, because we need to have the maximum of information available before taking a decision. So that's the only point I wanted to stress. By definition, as a shareholder of BBPM, we will have to take a decision. This decision is not taken and it's going to be taken, whatever the sense of this decision, before the end of the offer period.

Delphine Lee (JPMorgan): Yes. Good morning, Jérôme. Thank you for taking my question. My first question is on French Retail. I'm just wondering, when do you see the inflection on net interest income? I think that you previously mentioned that you were expecting a small increase in 2025. So just wondering your confidence level on achieving this and when we can see that. My second question is on capital. Sorry if I missed this, but with that 44 basis points, what was the surprise coming from on the impact of Basel IV? And then also, I mean it looks like you're running much closer to 12% rather than 11%. Would you consider changing your dividend policy to reflect that? Thank you.

Jérôme Grivet: Thank you, Delphine, for your question. On French Retail, we have said and we continue to say that we are going to see an inflection regarding the net interest margin or net interest income over the course of 2025. We all know that it depends on several parameters, which I remind you, the first one is, of course, the level of short-term rates. Because you know that the global hedging portfolio that we have is a portfolio of swaps in which we pay the long fixed rate and we receive the short floating rate. And so, of course, what we are going to receive on this front is going to depend on the evolution of short-term rates. It's going also to depend on the breakdown

of customer deposits. What we are seeing now is that the breakdown of customer deposits is more or less stabilized, but needs to be confirmed, of course. And then it's going also to depend on the asset side, first on volumes. And what we have seen is that volumes of new loans in the first quarter of this year were up as compared to the first quarter of 2024, but slightly down as compared to the fourth quarter of 2024. So we have to see inside 2025 how this is going to evolve. And it's also going to depend on the pricing of new loans and you will know that in France, competition is very, very fierce. And so at the same time we all wish to see a better pricing of new home loans and we all have to behave accordingly to what we see in the competition. You know that usually, historically, we had a pricing of fixed-rate home loans of 20 years of maturity that were close to 100 bps above the 10-year treasury rate in France, OAT. And it's no longer the case because the 10-year OAT is at 3.20% and it's more or less the level of the pricing of new home loans. So the competition is fierce. And we have, of course, to be inside this competitive market because it's a matter also of developing our business model, attracting new customers, and then being able to develop with them a global relationship over time. So it's going to depend, but definitely all the pieces are moving into the direction of this stabilization of net interest income inside 2025.

On the capital front and the effect of Basel IV, there is no single surprise. It happens that we've been prudent in assessing the different components of the impact. And so being prudent and conservative in every element of the calculation, we end up with a more positive result. But there is not a specific element that we had missed in the assessment of all that and the improvement comes at the same time from the equity risk weighting, from the credit risk weighting, and despite, as we've expected, a significant increase in the risk weighting of the operational risk components. And so the impact is spread in terms of reduction of the level of RWA between Large Customer activities, Retail Banking activities, and also, of course, Asset Gathering activities because of the risk weighting of the carrying value of the Insurance activities. Nothing much in the Specialized Financial Services division, which is more or less not impacted by Basel IV. It had been impacted end of last year by the prudential consolidation of the Leasing activities.

And the last point on the dividend policy, it's way too early to tell what we are going to put in our new medium-term plan. But my best guess is that we will find out again that a 50-50 policy in which we keep 50% to fuel our development and we distribute 50% to our shareholders makes sense.

Jacques-Henri Gaulard (Kepler Cheuvreux): Yes. Good morning everyone, and obviously congratulations to everyone. I had missed that completely, but then I went to bed very early yesterday night. The two questions, I guess. The first one, yes. On the SFS division, the Consumer

Finance in particular was a little bit disappointing, difficult to predict again. Obviously one of your competitors went to a huge restructuring on that business. Are you comfortable that we're operating to some cyclical issues that you've mentioned in your slides, particularly cost of risk on international subsidiaries and also on the equity accounting? So if you could reassure about the trajectory of that business, that would be great. And that coming back on the plan, interestingly, obviously back in 2022, your ROTE was higher than 12% clearly, which you've beaten consistently. So I'm not going to ask you to tell me you're going to reach 15% or 16%, but more accurately, the one thing you've done very well is to increase the EPS and the ROTE on the back of your inorganic growth. Could you actually, even in generic terms, put inorganic growth, uplift in profitability into your targets for 2028? Thank you.

Jérôme Grivet: Thank you, Jacques-Henri. On the Specialized Financial Services division, it's clear that it's a business that is having a more difficult period of time than what we were used to back three years, four years ago. There is clearly the effect of the sharp increase of risk that we had to withstand starting in 2023, triggering a significant increase in the refinancing costs of this business that was long and difficult to pass through to customers. It has now started to operate. So we are going to continue to have a better level of margin over time and this has started this quarter and even last quarter of 2024. We do not foresee a massive restructuring because we are permanently actually reshuffling our setup, reshuffling our cost basis in order to try and adjust as quickly as possible to the evolution of the parameters of the business. So we are seeing that some competitors are more, I would say, intensely restructuring, but it's probably partially because they started to do so quite later than what we did. We've been permanently, again, reassessing the setup in order to try and adjust to the possible evolution of the revenues. So we are going, of course, to provide more details in the medium-term plan, but be assured that we are not just standing here waiting simply for the interest income to improve. We are permanently reassessing the setup.

Regarding the financial targets of the medium-term plan, you have the answer. We are not going to disclose now what we are ready to disclose end of the year. So we'll see exactly where we end up.

But when it comes to inorganic growth, it's difficult to base a medium-term plan on the assumption that we will have all the inorganic growth opportunity that we want in the businesses, in the geographies, with the level of pricing, with the level of profitability that we dream of. Inorganic growth is a matter of opportunity, is a matter of being able to seize opportunities. So it's a matter also of being strong by ourselves, because inorganic growth is simply, I would say, the positive sanction of the winners of organic growth. So we are going to continue to target our plans on

organic growth and organic development, and we are ready to seize inorganic growth opportunities if they arise, and if they arise with parameters that fit our standards and criteria.

Stefan Stalmann (Autonomous Research): Yes. Good morning Jérôme. Good morning. I wanted to ask, please, are you actually planning to keep your stake in BBPM at fair value through the P&L or are you considering moving it, let's say, into equity, assuming that you keep it? The second question, Slide 14, mentions that the regional banks apparently bought about EUR 500 million worth of Credit Agricole's shares during the quarter, but I don't see this on Slide 40, where the number of shares that the Rue La Boetie owns is still the same and could you maybe add a bit of color on what has happened there? And the final one I wanted to ask, please, in the regional banks results, the Insurance distribution fees were coming down 4% year-on-year. Is that because something changed about how you share revenue with the regional banks or is there a real reduction of Insurance contracts that have been sold through the regional banks?

Jérôme Grivet: Okay. Thank you. So let me start with the stake in Banco BPM. Starting, beginning of April this year, which is the moment when we have had access to all the shares that were up to the end of Q1, partially under the form of derivatives. So now we own directly 19.8% of the shares of BPM, so it represents around 300 million shares. Half of this stake was since the beginning accounted for through P&L and is going to continue to be accounted for through P&L. But part of it is hedged. So the volatility that we are going to have through the P&L is going to be limited. The second half, which is the half to which we have had access only beginning of April when we had the authorization to change our derivative position into shares, is going to be accounted for against equity through OCI. So it's not going to move the P&L directly. Of course, the variation in the valuation are going to impact the capital and the OCI but not through P&L. Last point, of course, we have also another element that is going to impact us positively, which is the level of the dividends that BBPM is intending to pay. And you know that they intend to pay, I think, around EUR 0.60 per share in May. So of course, we will have access to the dividend paid by BBPM.

On the operation that was announced by SAS Rue La Boetie back in, I think, in February. So they have announced that they intended to buy up to EUR 500 million of shares in the capital of CASA. But they have said that this could last up to probably the beginning of May. So it's not completed yet, and definitely it was not completed end of March. And it was a maximum amount. So it's not certain that even beginning of May, when their program is going to end, they will have purchased all these shares. So it's an information that is going to be updated with Q2 numbers, but it was simply a maximum. So I understand that their program of purchase is still going on, still in progress on the market.

And last point regarding Insurance fees paid to the regional banks. So minus 4%, 3.9% to be precise. I think that there is a matter of base effect in Q1 2024. Some positive adjustments that were paid in addition to the normal level back in Q1 2024. So I understand that besides this base effect, there is an increase of the Insurance fees that have been paid to the regional banks by around 7%, which is a high level, correlated to the high level of policies sold and premium collected. But it's up definitely and it's perfectly coherent with the good behavior of this business.

Giulia Aurora Miotto (Morgan Stanley): Yes. Hi. Good morning, Jérôme. Question for me around the tariff and the macro uncertainty. You haven't taken any provisions. Is there a plan to do so? Any overlays? And then more broadly, how do you expect this macro uncertainty to impact your business? I think SFS is particularly impacted this quarter, I guess, on the Auto Consumer Finance side. But I don't know for example, if you expect impact also in CIB or anywhere else? Thank you.

Jérôme Grivet: Well thank you. It's true that we have not taken specifically into account an overlay in connection with the tariff debate. But I think the first point that you must take into account is the fact that within the loan loss reserves that we have, EUR 9.4 billion at CASA level and EUR 21.4 billion at Group level. We have a very high proportion of those provisions that are actually IFRS9 provisions, so provisions related to performing loans. I think it's in the region of 30% to 35% for CASA and even closer to 40% for the Group globally. So we have permanently, and this is a specificity of the group, a very high level of provisions that do not cover specifically incurred risks, but that are different categories of overlays.

The second point is that when we calculate and when we update on every quarter the level of our overlays, we do it by taking into account some economic scenarios, a blend of different economic scenarios. And in the first quarter of this year, within this blend, again, if I'm not mistaken, the adverse economic scenario, which is not a specific tariff scenario, but which is an adverse scenario in which growth is plummeting and in which by definition the cost of risk is increasing. So this adverse scenario represents close to 50% of the total weighting of the different economic scenarios that we are using. So definitely to a certain extent, even if we did not take into account a specific tariff scenario, the adverse economic scenario is, I would say, playing a significant role in the level of overlays that we have in our books and I think that we do not need to take into account a specific tariff overlay, at least at this stage.

Then how did the present situation impact our business up to now? Well not very significantly, actually. What is happening on the Car Financing business is much more connected to the economic backdrop in Europe, to the fact that some consumers are a little bit puzzled by some uncertainties,

technical uncertainties regarding electric vehicles, for example. Also some difficulties triggered to specific European carmakers by the evolution of the European regulation regarding cars and CO2 emissions. So all these elements are playing a role in the lower level of production of new Car Financing in Europe. And in addition to that, you know that we have also a significant Car Financing business in China where the competition is fierce and actually the sales of GAC, which is our partner, were a little bit impacted by the overall competition in China. So nothing specific coming from the tariff issue, tariff situation, but much more connected to local specificities in Europe and in China.

Matthew Clark (Mediobanca): Hi. Some more questions on capital and Banco BPM, please. So firstly, I just wanted to confirm whether the TRIM impact which you talked about previously is embedded within that CRR impact that you've given us this quarter or whether that's still to come in future quarters. I think it was like EUR 4 billion or EUR 5 billion risk-weighted assets, if I remember rightly, that we've been waiting for a few quarters now. Secondly, on Banco BPM, could you just give us the P&L impact in euro million terms from the revaluation of both your synthetic and cash stakes in the first quarter? That would be helpful. And then finally, on Banco BPM, you said that your cash stake will be partially hedged going forward to limit the P&L volatility. Sorry, the amount that's through P&L will be partly hedged. Will the amount that's held through OCI also be hedged? Is there a kind of an over-hedging P&L impact going forward or will the part that's held through the OCI be unhedged? Thank you.

Jerome Grivet: First point, on TRIM, it's been a global exercise that was undertaken under the oversight, the supervision of the ECB, as you know and it's been going on in the last three years, four years, I would say. So regularly, every quarter, we had to strengthen and make more severe different models. And so this exercise is now completely behind us, so there is no further TRIM impact to foresee. But I cannot pretend that we will never have in the future some new requests or asks from the ECB on different models because they have a permanent right. And I can tell you that they exercise this right to oversee and review our models. So TRIM specifically is behind us, but the regular supervision of our models by the ECB will continue in the long run.

When it comes to BBPM, I would say that roughly, I don't have the precise figures in mind, but I would say that in this quarter, the P&L impact, the revenue impact of the valuation of BBPM was probably in the region of EUR 300 million, as compared to roughly EUR 200 million in Q1 2024. But just take into account the fact that in Q1 2024, we had only shares, so the level of taxation on this re-evaluation was very limited, whereas in Q1 2025, part of it was simply the re-evaluation of the derivative and the taxation on derivative is the normal corporate tax rate.

So the difference in terms of revenues would be in the region of EUR 100 million but probably a little bit below considering the different level of taxes if you want to assess the net contribution to the profit.

Then regarding hedging, there is only a hedge that has been put in place over part of the shares that we have and that we account for through P&L. No specific hedges regarding the shares that we have on OCI.

Chris Hallam (Goldman Sachs): Yes. Good afternoon and two questions for me. I'm afraid they're on BBPM and capital as well. So can you help me understand just what is the latest capital ratio impact from the BBPM stake? I know we have the 30 basis points headwind coming from the stake increase, but I've lost track a bit on the total amount given the deduction thresholds, et cetera. So just what is the total impact on the CASA CET1 ratio as of today? And then, as you mentioned, you have a decision to make there. There are a few different options open to you. If you determine that the best option is to release some or all of that capital, you're already at 11.5% pro forma, 50 bps above your target. Then you'd have the tailwind from the BBPM capital release. So in that context, how would you think about dealing with that excess capital position and how does that capital redeployment flexibility feed into the formulation of the MTP, and where would you want to push incremental investment across the businesses? Thank you.

Jérôme Grivet: Thank you. On the BBPM capital impact, it's a difficult question to answer precisely for two reasons. The first reason is that part of the capital impact depends on the valuation of the shares. You know that for the shares that we have in our portfolio, the fact that we have them as an investment is triggering the fact that the capital deduction, where we have to make a deduction, depends precisely on the valuation of the share. So it varies day-after-day. And then the second element, which makes the answer a little bit technically difficult, is the fact that we have a global franchise under which we can risk weight the participations, the significant stakes, and above which we have to deduct. So we can decide whether the franchise is allocated to one stake, for example, the Victory one or the BBPM one, or if we spread the franchise on all participations equally, and then we deduct also with the same proportion each stake above the threshold. So the answer is not clear-cut, excuse me to be a little bit detailed on that, but the answer is not clear-cut. I would say that globally, and not end of Q1, of course, but now that we have the shares, I would say that roughly the total capital consumption regarding the BBPM stake, so the 19.8% stake that we have in the capital of BPM, would be in the region of 40 bps to 45 bps of CET1 ratio for CASA. But again,

depending on the share price, and depending on some internal, I would say, regulations that we could decide on the way we allocate the usage of the franchise.

And then your second question, if we have excess capital at a certain point in time what would we do with this excess of capital? Clearly, again, this is a question that we may answer within the course of the presentation of the medium-term plan, but we're not going to talk about excess of capital. As of now it's way too early to debate about this issue. So for the time being, we have a very ample capital position, we are going to continue to generate results that are going to feed this capital position, and we'll see end of the year, when we present the medium-term plan, when we set the distribution rate, and so on and so forth, and when we start, when we set the level of dividends.

Pierre Chedeville (CIC): Yes. Good afternoon, Jérôme. No more left questions. I would say, maybe a question as we get to the end of the strategic plan and the end of Philippe Brassac governance. I remember that when he launched the plan, he was very enthusiastic regarding the creation of two divisions, Credit Agricole Transitions and Energies and Credit Agricole Health and Territories, and he was also very enthusiastic to launch an offer regarding insurance for SMEs, and more generally for companies. What would you say at the end of the plan regarding the success or not of this division, because you never talk about them? My second question is regarding the home loans. Of course, you said that we are in an ultra-competitive level playing field, I would say, but we see that one of your peers is retrenching from this business because he considers that margins are too thin. And other one, and I'm talking about LCL here, not Caisses Regionales, which is completely different. The other one is on the contrary accelerating, seems to accelerate strongly on home loans. I wanted to know where do you stand at LCL? Thank you very much.

Jérôme Grivet: Thank you. Regarding CAST and CATE, I think the first steps of those two new businesses are indeed a success because the businesses now exist. The operating entities have been created. They have started to operate in different services areas. Actually, we are regularly updating the market on what we do, which acquisitions we've made, and so on and so forth. But what I can tell you is that in both divisions, we have now operational activities which have started to sell their products and services to our customers. Of course, in terms of numbers, it's not moving the needle yet and we didn't expect the needle to move in the course of the last or the present medium-term plan, but it's absolutely certain that we are going to set new targets and to be more precise when we present the new medium-term plan regarding those new activities. But again, let me reiterate that we have indeed started to operate concretely in those two businesses.

When it comes to home loans, we are neither in the accelerating camp nor in the retrenching camp because we simply think that considering the business model we developed, we need to have this offer, we need to have it competitive and we do not stop and go, because the profitability that we make on a home loan at a specific moment is good or bad. The home loan is part of the global set of services that we want to sell to our clients. The profitability of the relationship must be assessed on the basis of the client and in the long run, not on the basis of a product and in the short-term. And so we do not want to make this stop and go policy that we've seen some competitors doing since many, many years. So no stop and go at LCL, no acceleration because it would suppose to be a better yield at a certain moment, and no significant slowdowns because it would be less interesting to sell home loans.

Regarding Insurance, it's the same. It's not a new business because it's part of the Insurance activities, but we have launched corporate P&C Insurance and we are developing these businesses. We are patient, and this is a key of the success of Credit Agricole Group. We have time so for the time being, again, this does not represent a massive component of the EUR 14.8 billion of premium income of Credit Agricole Assurance in the first quarter of the year, but definitely it has indeed started to represent a significant level of activity for Pacifica, which is the P&C insurance company of the Group.

Flora Bocahut (Barclays): Thank you. Hello, Jérôme. Three questions actually for me. The first is, we've seen comments lately from the SSM or even some of the ECB governors around the willingness to simplify regulation, as they call it. So have you seen already any tangible sign of that happening, and is this something that you think can make a difference? Secondly, a question on the steepening of the yield curve, because the way you describe the macro hedge at LCL makes me think like this is actually pointing to the steepening of the curve being a headwind. So if you could elaborate whether this is actually a positive or a negative to Credit Agricole P&L, the steepening of the curve. And lastly, a quick question on U.S. dollar exposure. I imagine it's not much for Credit Agricole, so the effect headwind here from the weaker dollar. I guess maybe in the financing operations of the CIB, I would assume you have quite a bit of U.S. dollar denominated revenues against euro costs. So is this negligible or something we should be aware of? Thank you.

Jérôme Grivet: Any sign of simplification of the regulation? If I want to be frank and blunt, no. No sign. No sign of real simplification of the regulation and this is not in the hands of the ECB and the SSM. Regulation is clearly in the hands of lawmakers. And lawmakers are considering but nothing concrete for the time being, to simplify or to ease a little bit the constraints for smaller players. But I think that large banks, as we are, are completely outside of their scope of reflection as of today. And when it comes to the ECB itself, so it's much more supervision than regulation,

there's no move in the direction of simplification as of today. We continue to have a lot of reporting. We continue to have a lot of requests. And so there's nothing that we can note in terms of easing of the supervision.

Steepening of the yield curve. Globally, if you assess, if the steepening of the yield curve is only through a decrease of short-term rates, it's not representing a very significant and very positive impact, because the yield of the loan book is not going to change, is not going to improve if long-term rates continue to be where they are and it's clear that the hedge portfolio is going to yield less. At the same moment, probably the cost of some dated customer resources that we have, for example, term deposit or the cost of market funding that we collect in order to complement customer resources, is also going to decrease. So all in all, it's not negative, but it's not going to be massively positive. What is the best is if the steepening comes from short-term rates that should stay where they are, and long-term rates increase significantly, which is the case when the economic situation is sharply improving, which is not the case as of now. So definitely, we do not expect a lot, neither bad nor good, from this steepening of the yield curve that we are seeing now.

U.S. dollar exposure, so two effects that we can look at. The first one is on solvency, and we try to be as immunized as possible by having components of our capital position, which are in proportion at the same levels as the components of the risk-weighted assets that we have in dollars, in order to be as much as possible neutral regarding the evolution of the forex.

Then when it comes to P&L, we have costs in dollars, we have revenues in dollars. It's clear that we have more revenues in dollars than costs in dollars. And so, of course, if the value of the dollar decreases, the translation of these revenues or the net profit in dollars translated into euros is going to shrink a little bit. It's not massive, and we regularly sell the dollars that we get from the day-to-day activities, so we do not keep significant exposure to the dollar in our books. So yes, of course, if the dollar shrinks, it's going to be a little bit negative but not massive.

Sharath Kumar (Deutsche Bank): Thank you for taking my questions. Sorry, this has been asked already. So are there any updated thoughts on the interim dividend decision? Can you confirm if you have put this proposal to the Board and should there be a positive decision whether it could apply on current day profits already? The second one is a clarification on capital versus your 11.8% pro forma CET1 ratio that you mentioned in your slides. I would expect a further 30 basis points impact from the asset services acquisition. So when do you expect this transaction to conclude? Also are there any other material items that we need to be aware of for the capital trajectory? Thank you.

Jérôme Grivet: Thank you. Interim dividend, as I said in the Q4 last year conference call, we are absolutely agnostic regarding this question. If it becomes a market practice, we can perfectly adapt, but there is no decision taken regarding that for the time being. What we see is that some French corporates are doing it already, some European banks also, but it's not a common practice. There is some administrative costs to do so because we need to assess and to formalize a little bit more the H1 results. But if it becomes a market practice, we can easily adapt so that it's not a political decision, I would say. And no decision has been made whatsoever on this front.

When it comes to the capital, it's absolutely clear that pro forma, the transactions completed beginning of April, we are at 11.8% and we foresee a 30 bps hit coming from the CACEIS acquisition. This may take place either end of Q2 or beginning of Q3. So as of now we continue to target end of Q2, but we cannot completely rule out beginning of Q3 because we are collecting a huge number of administrative approvals to secure these transactions and some of them may take a longer time than expected. So we do everything we can in order to try and complete it end of Q2 would be better and more clear cut. But if it's not possible, it would be beginning of Q3 and we'll keep you informed.

Jérôme Grivet: I think it was the last question. So thanks all of you for attending this meeting. For me, it's going to be my last meeting as main speaker, I would say. I would be always very pleased to meet every one of you in the coming weeks, months and quarters. So it's not a farewell but it's a change of role and I'm happy to hand it to Clotilde starting with Q2 numbers.

So have a good end of day, everyone. And see you soon. Bye, bye.

[END OF TRANSCRIPT]