

Montrouge, 24 June 2022

New risk factors relating to the Medium term plan “2025 Ambitions” announced by Crédit Agricole S.A. on 22 June 2022¹

Following the announcement by Crédit Agricole S.A. of its new Medium term Plan “2025 Ambitions” on 22 June 2022 (the “**2025 Medium-Term Plan**”), Crédit Agricole S.A. draw investors’ attention on the following risk factors relating to the achievement of the 2025 Medium-Term Plan targets.

¹ This press release cancels and replaces the press release entitled “Amendment to the risk factors of the Universal registration Document of Crédit Agricole S.A.” published by Crédit Agricole S.A. on 23 June 2022. The risk factors in Crédit Agricole S.A.’s Universal Registration Document are not modified by this press release, which is intended to draw investors’ attention to new risk factors following the announcement by Crédit Agricole S.A. of its new Medium term Plan “2025 Ambitions” on 22 June 2022. The text of the risk factors remains unchanged.

Crédit Agricole S.A. may not achieve the targets set out in its 2025 Medium-Term Plan

On 22 June 2022, Crédit Agricole S.A. announced its 2025 Medium-Term Plan “2025 Ambitions” (the “**2025 Medium-Term Plan**”). The 2025 Medium-Term Plan relies on the strength of the Crédit Agricole Group business model, based on the comprehensive and sustainable relationship for all clients, all regions and all channels. This development also leverages on business lines that have their own development dynamics and that have become leaders and consolidators on their respective markets. The 2025 Medium-Term Plan also relies on the organic growth strategy of Crédit Agricole Group. The Group targets 1 million additional customers in retail banking by 2025 and aims at increasing the customer equipment in P&C insurance savings solutions and real estate. It has the ambition of widening and adapting its offer range (more accessible, more responsible and more digital) so as to answer new customer needs. In addition, , the partnership and targeted acquisition strategy will be continued, with compliance to the profitability criteria (ROI > 10% by 3 years). Crédit Agricole S.A. targets new distribution partnerships with financial players as well as industrial and technological partnerships. In the 2025 Medium-Term Plan, Crédit Agricole S.A. aims at developing its worldwide business lines, increasing the pace of its growth on transversal businesses such as payments, real estate, digital banking and technology-as-a-service, and accelerating its technological, digital and human transformation.

The 2025 Medium-Term Plan includes a number of financial targets, notably on the cost to income ratio, the net income, the return on equity and capital adequacy ratios. These financial targets, established primarily for purposes of internal planning and allocation of resources, are based on a number of assumptions with regard to the economic climate and the activity of the business lines of the Crédit Agricole S.A. The financial targets do not constitute projections or forecasts of anticipated results. The actual results of Crédit Agricole S.A. are likely to vary (and could vary significantly) from these targets for a number of reasons, including the materialisation of one or more of the risk factors described in this section. For example, Crédit Agricole S.A. expects to achieve the following targets presented in the 2025 Medium-Term Plan: a net income group share in excess of €6 billion by 2025, a permanent ceiling of the cost to income ratio to below 60% which will be lowered to 59% post implementation of the IFRS17 reform, return on tangible equity (RoTE) in excess of 12% by 2025, a CET1 ratio of 11% across the 2025 Medium-Term Plan with a floor at all time of 250bp above the minimum SREP requirement (together with a strategy of optimisation of the AT1 bucket). The 2025 Medium-Term Plan also provides a dividend distribution target of 50% in cash, even in case of moves of the CET1 ratio around its 2025 Medium-Term Plan target. In 2023, it is Crédit Agricole S.A. intention to propose to the General Shareholder Meeting an additional dividend of €0.20 per share that was not distributed for 2019 dividend.

In addition, as a responsible and committed player, the Crédit Agricole Group adopts a fair climate transition approach that preserves social and territorial cohesion. This approach is based on three priorities: acting for climate, strengthening social cohesion, in particular by acting for equal access to healthcare, and ensuring the success of the agricultural and agri-food transitions.

For climate, the Group’s action is consistent with its contribution to global carbon neutrality by 2050. End 2021, Crédit Agricole initiated a major methodological project to define decarbonisation trajectories for ten economic sectors financed by the bank, applicable to each business line and each entity. These ten sectors account for 75% of global carbon emissions and 60% of the Group’s credit exposure. This work is based on the International Energy Agency’s Net Zero Emissions scenario and follows the Glasgow Financial Alliance principles to chart a progressive withdrawal from the highest CO2-emitting assets. The path is complex. It requires enhanced customer dialogue to facilitate decarbonisation of the economy while avoiding social shock.

Crédit Agricole Group has already mapped out its gradual withdrawal from the oil and gas sector by setting a target of decreasing sector-financing-related CO2 emissions by 30% in absolute value between 2020 and 2030. We are also committed to supporting the decarbonisation of the automotive sector by reducing the carbon intensity of our sector portfolio by 50% over the same period (Crédit Agricole CIB, Crédit Agricole Consumer Finance and Crédit Agricole Leasing & Factoring France portfolios).

The target for the reduction of our own carbon footprint, scope 1 and 2 (energy, fleet and business travel) is also set at a minimum of 50% by 2030.

The sectoral trajectories that we will continue to define and publish in 2022 and 2023 will be accompanied by action plans to ensure their implementation. For the oil and gas sector, the action plan will include the adoption of a new policy in line with the recommendations of the Glasgow Financial Alliance for Net Zero.

At the same time, Crédit Agricole is accelerating its support for renewable energies by targeting 60% growth in CACIB’s exposure to low-carbon energies by 2025 and the achievement of 14 GW of installed capacity via Crédit Agricole Assurances’ investments in 2025.

To go further, the Group is structuring itself and launching two new business lines:

- Crédit Agricole Transitions & Energies, to make energy transitions accessible to all,
- Crédit Agricole Santé & Territoires to facilitate access to healthcare and ageing services.

Non-compliance with these ESG commitments may cause damage to Crédit Agricole S.A.’s reputation, which could lead to a negative impact on its business.

More generally, the 2025 Medium-Term Plan success relies on a number of initiatives of different importance, to be rolled out in different Crédit Agricole Group entities. Though a big part of the 2025 Medium-Term Plan targets may be achieved, it is not possible to predict which ones will be achieved and which ones will not. The 2025 Medium-Term Plan also plans for significant investments, which return may be below projections if the 2025 Medium-Term Plan targets are not achieved at the end. Thus, if Crédit Agricole S.A. is not in capacity to achieve the 2025 Medium-Term Plan targets (either totally or partially), its financial position and its performance could be significantly impacted in an adverse manner.

The Crédit Agricole Group may not achieve the targets set out in the 2025 Medium-Term Plan

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For climate, the Group’s action is consistent with its contribution to global carbon neutrality by 2050. End 2021, Crédit Agricole initiated a major methodological project to define decarbonisation trajectories for ten economic sectors financed by the bank, applicable to each business line and each entity. These ten sectors account for 75% of global carbon emissions and 60% of the Group’s credit exposure. This work is based on the International Energy Agency’s Net Zero Emissions scenario and follows the Glasgow Financial Alliance principles to chart a progressive withdrawal from the highest CO2-emitting assets. The path is complex. It requires enhanced customer dialogue to facilitate decarbonisation of the economy while avoiding social shock.

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DISCLAIMER

In this press release, "Credit Agricole Group" is defined as the whole made up of Credit Agricole S.A. (the parent company and listed company), and its direct and indirect consolidated subsidiaries according to the meaning of Article L. 233-3. of the French Commercial Code (*Code de Commerce*), the *Caisses Régionales de Crédit Agricole Mutuel*, the *Caisses Locales de Crédit Agricole* and their respective direct and indirect subsidiaries.

This press release may include prospective information and considerations on Crédit Agricole S.A. and the Crédit Agricole Group related to trends.

The information and considerations include financial projections, the underlying considerations and assumptions on which these projections are based, statements on projects, targets and expectations regarding future transactions, products and services, as well as considerations on future performance. This data does not represent forecasts within the meaning of EU Delegated Act 2019/980 of 14 March 2019 (chapter 1, article 1,d).

This information was developed from scenarios based on a number of economic assumptions for a given competitive and regulatory environment. Therefore, these assumptions are by nature subject to random factors and uncertainties that are difficult to predict and that could cause the actual results to differ substantially from those presented, implied or arising from the prospective information and considerations mentioned. Likewise, the financial statements are based on estimates, particularly in calculating market value and asset impairment.

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

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