

Montrouge, 15 December 2020

Goodwill impairment charge of about €900 million recognised against CA Italia in Crédit Agricole S.A.'s financial statements, no impact on solvency or liquidity

Taking into consideration the ever prolonged period of very low interest rates, which will weigh on Crédit Agricole Italia's interest margins and therefore on its value in use for Crédit Agricole S.A. and Crédit Agricole Group, Crédit Agricole S.A.'s Board of Directors decided today to recognise an impairment charge against the goodwill carried on Crédit Agricole Italia. This non-deductible impairment will be booked in the fourth quarter 2020 consolidated financial statements of Crédit Agricole S.A. for an amount of about €900 million and of Crédit Agricole Group for an amount of about €1 billion.

This charge does not involve any cash flow and will have no impact on Crédit Agricole S.A. or Crédit Agricole Group's solvency ratios, as goodwill is already fully deducted from prudential own funds. It will be classified as a specific item and will therefore not affect the underlying results of Crédit Agricole S.A. or Crédit Agricole Group, nor net tangible book value. It also has no effect on its distributive capacity and therefore on the dividend that will be proposed to the General Shareholders' Meeting of 12 May 2021.

Italy, the Group's second largest domestic market, offers significant growth potential and our confidence in this market and our ambitions remain intact.

Crédit Agricole Italia's business is dynamic and is one of Italy's strongest banks, particularly in terms of asset quality. It has achieved a sustained growth in customer acquisition (+85,000 customers over the first nine months of 2020, +1.7% growth in outstandings in Sept/Sept 20 excluding SGL), a strong growth in fees and commissions and an excellent customer satisfaction (2nd in Italy in 2020).

Over the first nine months of 2020, Crédit Agricole S.A. generated a net income of €423 million in Italy, i.e. 15% of its total net income, thanks to its universal banking strategy, which allows for growth in all the Group's business lines and for the development of revenue synergies, as well as partnerships with other players, financial and non-financial.

Results for the fourth quarter and full year 2020 will be published on 11 February 2021, financial documents will be available on the website <https://www.credit-agricole.com/en/finance/finance/financial-publications> at 7 a.m. Paris time.

CREDIT AGRICOLE PRESS CONTACTS

Charlotte de Chavagnac + 33 1 57 72 11 17
Olivier Tassain + 33 1 43 23 25 41

charlotte.dechavagnac@credit-agricole-sa.fr
olivier.tassain@credit-agricole-sa.fr

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