A solid Group, determined to support the economy as a whole

GCA and Crédit Agricole S.A. STATED AND UNDERLYING DATA 2020

Very strong results; prudent provisioning of performing loans; high capital level

	CRÉDIT AGRICOLE GROUP		CRÉDIT AGRICOLE S.A.	
	Stated	Underlying	Stated	Underlying
Revenues	**33,596 m€** +0.9% 12M/12M	**34,035 m€** +0.7% 12M/12M	**20,500 m€** +1.7% 12M/12M	**20,764 m€** +2.1% 12M/12M
Expenses	**21,266 m€** -0.6% 12M/12M	**21,169 m€** -0.9% 12M/12M	**12,452 m€** +0.3% 12M/12M	**12,366 m€** -0.3% 12M/12M
Gross operating income	**11,768 m€** +2.5% 12M/12M	**12,304 m€** +2.6% 12M/12M	**7,609 m€** +2.9% 12M/12M	**7,959 m€** +4.8% 12M/12M
Cost of risk	**3,651 m€** x2.1 12M/12M	**3,651 m€** x2.1 12M/12M[1]	**2,606 m€** X2.1 12M/12M	**2,606 m€** X2.1 12M/12M [2]
Net income Group share	**4,689 m€** -34.9% 12M/12M	**6,129 m€** -14.8% 12M/12M	**2,692 m€** -44.4% 12M/12M	**3,849 m€** -16.0% 12M/12M
Cost/income ratio (excl.SRF)	**63.3%** -0.9 pp 12M/12M	**62.2%** -1.0 pp 12M/12M	**60.7%** -0.9 pp 12M/12M	**59.6%** -1.4 pp 12M/12M

UNDERLYING DATA Crédit Agricole S.A. 2020

Gross operating income: +7.8% Q4/Q4 to €2,090m; cost of risk : x1.5 Q4/Q4 to -€500m
Net income Group share: -26.0% Q4/Q4 to €975m
Cost/ income ratio (excl. SRF) : 60.5% (-2.0 pp Q4/Q4)

Dividend policy adjusted for the current exceptional circumstances

	CRÉDIT AGRICOLE GROUP		CRÉDIT AGRICOLE S.A.	
Phased-in CET1	**17.2%**	+0.2 pp Q4/Q3	**13.1%**	+0.5 pp Q4/Q3
	+8.3 pp above SREP requirements		+5.2 pp above SREP requirements	
	€438 bn in liquidity at end Dec. 2020		**Dividend of €0.80/share with a scrip dividend option** **Unwinding of 100% of Switch by 2022** **Underlying ROTE : 9.3%**	

Post-lockdown rebound in activities; overall strong momentum over the full year, reflecting the strength of the global relationship model

CRÉDIT AGRICOLE GROUP	CRÉDIT AGRICOLE S.A.
French retail banking: loans outstanding: +5.0% excl. SGL **+1,500,000 new retail banking customers in 2020**	**Asset gathering: strong net inflows** **CIB: strengthened leading positions**

[1] 93% of the increase in Crédit Agricole Group cost of risk related to the provisioning of performing loans.
[2] 77% of the increase in Crédit Agricole S.A. cost of risk related to the provisioning of performing loans.

HIGHLIGHTS

→ **The Group is fully committed to supporting its customers through the crisis: €31.5 bn in SGLs in France, €2.4 bn in Italy; 552,000 moratoria in 2020 in France. Beginning of normalization (98% of expired payment holidays have resumed payments in the Regional Banks), but the Group continues to support its customers in difficulty**

→ **The crisis confirms the relevance of the Group project and the differentiating nature of the global relationship model.**

- **Digitisation: app utilisation rate up (+3.3 pp to 68.2% for Regional banks and +7.1pp to 53.4% for LCL, year-on-year)**
- **Customer satisfaction: NPS +7 points in Retail banking in France, Top 25 of brands having proven their utility during the lockdown**
- **Empowered local teams for customers: 80% ERI participation rate, managerial and organisational transformation**
- **Innovative solution ranges (Youzful, Blank, Up2Pay)**

→ **The Group supports societal transitions and is committed to regions and to climate**

- **Amundi: €22 bn in green and social loans in 2020**
- **CACIB: €11 bn green loans outstanding and #2 worldwide in green, social and sustainability bonds ($28 bn arranged) in 2020**
- **LCL: an LCL *impacts climat* green investment range, CAA *contrat solidaire***
- **PRI: A+ for Amundi; CDP: A- for the Crédit Agricole Group**

→ **Continued development initiatives in Europe and Asia, through business line partnerships (Asset management, Insurance, Consumer finance) and in Retail banking in Italy.**

Dominique Lefebvre,
Chairman of SAS Rue La Boétie and Chairman of the Crédit Agricole S.A. Board of Directors

"Facing Covid-19, Crédit Agricole demonstrates the strength of its model and the relevance of its action."

Philippe Brassac,
Chief Executive Officer of Crédit Agricole S.A.

"Thanks to our solid results, we are committed to support the economy as a whole over the long term."

Crédit Agricole Group

The Group is fully committed to supporting its customers through the crisis

Group commitment through the crisis

Thanks to its capital position and resilient model, since the beginning of the public health crisis, the Group has been fully committed to supporting its customers through the crisis and to fostering societal transitions.

Since the introduction of **State-Guaranteed Loans** (SGLs) on 25 March 2020, the Group has processed over 211,000 applications from SMEs and small businesses and corporates, for a total of €31.5 billion[3], i.e. close to 27% of all SGLs requested in France. With an acceptance rate exceeding 97%, the Group thus supports its customers in all its regions through its various networks (three quarters for Regional banks[4]). In Italy, CA Italia also granted €2.4 billion in SGLs to 40,000 customers. SGL outstandings within the Group rose slightly in the fourth quarter in France (+6.6% compared to 16 October 2020 for the SGLs), but more noticeably in Italy (+32.7% compared to end September 2020).

At the same time, the Group continues to support the economy by implementing loan repayment **moratoria**, notably for corporate, SME and small business customers, whose activities have been impacted by the economic consequences of the COVID-19 public health crisis. After a high of 552,000 payment holidays granted, for €4.2 billion in maturities extended in June 2020, as at 15 January 2021, a total of 95,300 payment holidays were still active at the Regional Banks and LCL, representing €0.7 billion in deferred maturities (of which 70% for SME and small business and corporate customers and 30% for households, and 87% at the Regional Banks and 13% at LCL[5]). This corresponds to total of remaining capital of €10.7 billion, of which €5.1 billion due from corporates, SMEs and small businesses and farmers.

A return to normal is thus gradually taking shape and several indicators point to certain risks steadily decreasing. Accordingly, the number of loans with a deferred maturity has very significantly decreased in the final quarter of 2020 (-45% since end September and -83% compared to end June 2020). Furthermore, in the specialised markets (corporate customers, SMEs and small businesses and farmers), in the Regional Banks, more than 98% of deferred maturities that expired at 31 December 2020 resumed payments, reflecting the Group's prudent policy in matters of risk management. At Crédit Agricole Consumer Finance, payments have resumed on 98% of expired payment holidays. Lastly, CACIB reported a return of drawdowns on liquidity facilities to pre-crisis levels (19% in December 2020, at the same level as in February 2020, but after a 32% peak recorded in March and April 2020) and regulatory VaR at 31 December 2020 was back to a low of €9.2 million, versus €22.2 million at 31 March 2020.

Along with these actions, the Group mobilised more than €300 million in the form of solidarity donations for its most vulnerable customers. Thus, in April 2020, the Group provided an extra-contractual mutualist stimulus (*geste mutualiste*) in the amount of €239 million to multi-risk business insurance policyholders with business interruption cover. Moreover, the various Group entities provided nearly €70 million in solidarity donations. Accordingly,

- Crédit Agricole Assurances paid €39 million into the solidarity fund set up for the very small businesses and independent workers in particularly hard hit sectors;
- Crédit Agricole in Italy made a €2 million donation to the Italian Red Cross and to hospitals;
- Crédit du Maroc contributed €8 million to the national COVID-19 solidarity fund

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[3] Amounts of SGLs requested (RBs, LCL and CACIB) at 15/01/2021, 97.3% acceptance rate

[4] Breakdown by number of customer applications. Breakdown by amounts: 62% for the RBs, 30% for LCL and 8% for CACIB.

[5] In deferred maturities.

- Collectively, the Crédit Agricole Group contributed €20 million to the financing of the protection of the elderly.

Despite the return to normal gradually taking shape, the Group continued its actions intended for its customers in greatest difficulty, by setting up targeted facilities. For individual customers, insurance coverage is preserved even in the event of late payment; for SMEs and small businesses, electronic payment subscriptions (payment terminal fees) are reimbursed for customers whose shops are closed; for the aerospace sector, the Group is the only bank with a €100 million contribution to the Ace investment fund dedicated to mid-caps and SMEs in the sector. Lastly, the Group extended by one year the first year of the SGL in accordance with public regulations.

The crisis confirms the relevance of the Group Project and the differentiating nature of the global relationship model.

- Firstly, as part of the Customer Pillar of its Group Project, presented in June 2019, the Group ramped up the digitisation of its offerings in the interests of customer satisfaction. Thus, the utilisation rate of Group apps (active profile on the apps or connection on the website in the last month) sharply increased, posting a rise in both banks of the Regional Banks and LCL (respectively +3.3 percentage points compared to end-2019 to 68.2% and by +7.1 percentage points to 53.4%). Likewise, the Group rolled out new digital tools intended for its customers to make their activities easier during lockdown, such as the Up2Pay Range (enabling remote payment through a digital loyalty program) and Click & Collect to support retailers in the new methods of consumption. Innovative non-banking services were also set up for young people and small businesses (Youzful, Blank, Agilauto).
- This translated into a sharp improvement in the Group's positioning in terms of customer satisfaction: the Group is thus the only bank among the 25 brands which have proven their utility during the lockdown[6], while the Net Promoter Score (NPS) was up in 2020 compared to 2019, both in the Regional Banks and at LCL (+7 points, to respectively +8 and +2[7]) and at CA Italia (+8 points compared to 2019), which became this year the second Italian bank in terms of customer satisfaction.
- This success was made possible as a result of the full commitment of Group employees and to strengthened local customer relations. The sharp increase in the participation rate of employees in the ERI (Engagement and Recommendation Index) survey to 80% (+3 points compared to 2019 and +21 points compared to 2016) illustrates this well. In addition, the Group launched innovative initiatives in managerial transformation, supported by organisational transformation, to ramp up our employee empowering process, aimed at creating more value for customers.

The Group supports societal transitions, and is more than ever committed for regions and for climate.

<u>Green finance and SRI</u>

As part of the human and societal pillars of the Group Project, the Group supports the societal transitions that its customers have requested and are experiencing. Accordingly, thanks to its leading position in SRI matters, through its various entities, the Group is able to offer its customers all the green and social solutions that they may need.

Accordingly, 100% of the funds opened by Amundi present a SRI score that is higher than their benchmark; at year-end 2020, Amundi exceeded its target for "green solutions" funds, which increased from €12.3 billion to €21.9 billion at year-end 2020. (2022 target: €20bn). In addition, Amundi has been selected to manage a eurozone equity index fund aligned with the Paris Agreement on climate change, on behalf of 12 institutional

[6] *Study Brand Asset Valuator, October 2020,all sectors, only one bank in the top.*
[7] *Net Promoter Score, internal sources 2020.*

investors on the Paris stock exchange who are launching an unprecedented initiative to promote climate issues. It is the first investment solution that is fully eligible for the future European “Paris Aligned Benchmark” label. Crédit Agricole Assurances and Amundi launched “Energies Vertes”, the first energy transition fund eligible for life-insurance policies.

CACIB saw its green loan outstandings increase from €7.1 billion to €11.7 billion in one year (2022 targets: €13bn). CACIB also ranks second worldwide in terms of green, social and sustainable bonds ($28 billion arranged in 2020). This year, the Federal Republic of Germany has entrusted the emission of its first green bond, for €6.5 billion, to the Crédit Agricole Group. It represents approximately 10% of the volume of sovereign green bonds outstanding and will be used to finance Germany’s climate and environmental strategy. CACIB took part in this historic transaction as associate bookrunner and also acted as exclusive adviser for Germany in the structuring of its Green Bonds program published in August 2020.

Meanwhile LCL rolled out a green investment range, LCL Impact Climat.

Finally, the Group reached its medium term objective in terms of green social or sustainable outstandings in the liquidity portfolio, with €9.3 bn outstandings end 2020.

These efforts were rewarded. The Group received two positive assessments from agencies in 2020: the international climate reference agency, the Carbon disclosure project (CDP) raised the Group’s rating from C to A-, and the annual evaluation of the Principles for Responsible Investment (PRI) led to Amundi being awarded a maximum rating of A+ for its SRI strategy and management.

As it committed to do under the Medium-Term Plan as launched in June of 2019, the Group has set up a global governance to drive its extra-financial performance. It is supported by a scientific committee of high-level experts. A SRI steering platform was developed in 2020. Unique in its kind, it enables the collection of external and internal extra-financial data in order to calculate the main societal impact indices for all Group entities. Based on public data, it generates a unique climate transition rating for listed companies. Amundi and Crédit Agricole CIB have been using this rating as a commercial tool for dialogue since 2020. In 2021, the transition rating will be expanded to include unlisted companies.

To monitor the extra-financial performance of unlisted companies, the Group also set up a standard SRI questionnaire that is currently being rolled out at LCL, the Regional Banks and in some international entities.

Inclusive finance

The Group also demonstrated its inclusive commitment by supporting regions and the young. For example, in 2020, the Group recruited 18,000 new employees[8], 30% of whom are under 30 years of age, as well as 4,700 work-study students (i.e.+50% in two years). The Group also posted a sharp increase in its attractiveness in higher education institutions for the last three years (ranked 47th out 130 (+23)) in business schools and 85th out of 130 (+17) in engineering schools[9]. Thus, the Group ranked 1st place in financial services in France among Diversity Leaders, the FT's European ranking (ranking 133rd out of 700[10]).

The Group also supports the solidarity economy through several initiatives: the Amundi Solidarité fund recorded €331 million at end 2020 and this year, Amundi launched CPR invest social impact, the first global equity fund to place reducing inequalities at the center of its investment process; lastly, Crédit Agricole Assurances created "Contrat solidaire", the first Finansol-certified social multi-vehicle life insurance policy. Crédit Agricole S.A. also completed its first social bond issue, for local, sustainable and inclusive growth in the regions. For the amount of €1 billion and subscribed 2.5 times, this bond is designed to finance businesses in areas with unemployment rates that exceed the national average, digital tools for the regions, development of the health sector, and the improving social cohesion.

The Group strengthens its universal customer-focused banking model, open to multi-business partnerships

The Group strengthened its universal customer focused banking model through the rollout of several internal projects. Thus, LCL sold to Crédit Agricole Assurances a home loan book for €445 million, making it possible to optimise the refinancing of LCL and to diversify the investment portfolio of Crédit Agricole Assurances; CACIB and CA Indosuez Wealth Management in turn created a joint team to assist high net worth customers and family holding companies. Finally, a Group level multi-business Group division was created for mid-cap corporates, and will be managed by CACIB. In the area of IT expenses, for the full year 2020 the Group allocated to the technological transformation €8 billion[11], of which 38% in investments notably for datacentricity or information system overhaul.

The rollout of synergies within Crédit Agricole Group is also reflected in the continued improvement in the equipment of retail banking customers with property and casualty insurance products[12]: 41.7% of Regional Bank customers (+1.0 point year-on-year), 25.5% of LCL customers (+0.5 point) and 17.1% of Crédit Agricole Italia customers (+1.7 point) have a property and casualty insurance policy with the Group.

The Group continued to open its universal customer-focused banking model in Europe through multi-business line partnerships in Europe and in Asia.

In Europe, Amundi, number one asset manager in Europe, finalised in January the Sabadell AM acquisition and entered into a strategic partnership with Banca Sabadell; in October, Crédit Agricole Assurances finalised the acquisition of 100% de GNB Seguros and along with this came the signature of a 22-year distribution partnership for non-life insurance products with Novo Banco in Portugal; Crédit Agricole Italia announced at the end of November the launch of a cash takeover bid for Credito Valtellinese and CACF announced in December the strengthening of its partnership agreement with Banco BPM. Furthermore, CACF printed an agreement with Bankia to buy back the 49% of capital owend by Bankia in their joint-venture in Spain (subject to Bank of Spain's approval). Lastly, Azqore, a subsidiary of Indosuez Wealth Management, signed an agreement with Société

[8] Total hires in 2020, including permanent contracts, fixed-term contracts and work-study contracts.
[9] Source Universum 2020.
[10] FT European ranking, No. 1 position in France in financial services.
[11] €15 billion planned for the entire duration of the MTP.
[12] Car, home, health, legal, all mobile phones or personal accident insurance.

Générale, in January 2021, to perform the back-office operations and a large percentage of the IT services internationally for the private bank Société Générale.

In Asia, Amundi and Bank of China created in September the first Wealth Management company in China with an international shareholder holding a majority stake. Furthermore, Amundi signed a technological alliance with BNY Mellon January 2021 in the field of asset management and the custody of securities.

Furthermore, the Group continued its refocusing outside the non-strategic entities. Thus, CACIB finalised the sale of its remaining stake in the capital of Banque Saudi Fransi in September; CACF announced the sale in progress of its subsidiary in the Netherlands; CA Indosuez Wealth Management initiated a planned sale of its private banking activities in Miami and Brazil, and Crédit Agricole S.A. announced the signature of an agreement to sell its Romanian subsidiary Crédit Agricole Bank Romania S.A. to Vista Bank Romania S.A.

Group activity

The fourth quarter 2020 was marked by a new lockdown in France during the month of November. Its impact on the economy has been more limited compared to the first lockdown in the second quarter. Accordingly, the volume of payments at merchants, recorded by the Regional Banks and LCL during November, represented 1.5 times the volumes recorded in April. In the fourth quarter, the Group's business lines showed strong momentum despite this new lockdown, and in 2020, business was generally good, thanks to rebounds after each lockdown.

Thus, Crédit Agricole Assurances reported a strong rebound in activities in the fourth quarter 2020 (+19% in fourth quarter compared to third quarter) with very strong UL inflows levels (+26.9% in fourth quarter 2020 compared to fourth quarter 2019 and +24.3% compared to third quarter 2020). In asset management, Amundi also reported strong net inflow levels (+€29.8 billion, excl. JVs). In Retail Banking, all loan, deposit and insurance product equipment activities grew in France and Italy. Loans outstanding in Retail Banking for all networks combined, in France and Italy and excluding SGL, thus reported a +4.9% increase at end December 2020 year-on-year. Similarly CACF recorded a net rebound in production at the end of the second lockdown, with production for the month of December up +16.8% compared to that of the month of November. In CIB, CACIB strengthened its leading syndicated loan and bond issue positions (world's 2nd largest arranger of green, social and sustainable bonds), in a context of normalizing markets.

Gross customer capture remained strong over the full year; the Group recorded +1,500,000 new customers between 2019 and 2020, with over +1,000,000 for the Regional Banks, +300,000 for LCL and close to +120,000 for CA Italia. Against this backdrop, the customer base continued to rise markedly during the year (+148,000 net additional customers in 2020).

Overall, the levels of activity of the Group's business lines demonstrated good resilience over the full year: accordingly, the overall home loan production in the Regional Banks and LCL for full year 2020 was 96% of the full year 2019 level; the volume of new business in property and casualty insurance represented 91% of the 2019 volume, while consumer finance production in 2020 represented 86% of the 2019 volume.

Group results

In the fourth quarter 2020, **Crédit Agricole Group's stated net income Group share** was **€530 million**, versus €2,186 million in fourth quarter 2019. This quarter, **specific items generated a net negative impact of -€898 million** on net income Group share.

Specific items this quarter included CA Italia's impairment of goodwill, with a negative impact of -€884 million on net income Group share. Also included under specific items is the reclassification of entities held for sale (CACF NL, CA Bank Romania) and the ongoing disposal project of the Private banking activities in Miami and Brazil, for a total de -€97 million on net income Group share, including on the one hand -€66 million for CACF NL and -€7 million for CA Bank Romania, and, on the other hand, -€24 million for Private banking. Specific items also included exceptional contributions related to the COVID-19 crisis: CAA's exceptional contribution for supplementary healthcare contributions in the amount of -€15 million in net income Group share and CA Italia's exceptional contribution to the Italian banks safeguard plan for -€7 million. Also included under specific items is the reversal of the provision AGCM (Italian Competition Authority) addressed to FCA Bank for +€89 million. The impact of the better fortune adjustment on the activation of Switch 2 was neutralised at Group level. The recurring accounting volatility items are to be added with a net positive impact of +€27 million in revenues and +€19 million in net income Group share, namely DVA (Debt Valuation Adjustment, i.e. gains and losses on financial instruments related to changes in the Group's issuer spread), totalling +€13 million, the hedge on the Large customers loan book amounting to -€21 million, and the variation in the provision for home purchase savings plans amounting to +€26 million. During the fourth quarter 2019, specific items had a **negative net impact of -€200 million on net income Group share** and included the recurring accounting volatility items, namely a DVA (Debt Valuation Adjustment, i.e. gains and losses on financial instruments related to changes in the Group's issuer spread) for -€4 million, the hedge on the Large customers loan book amounting to -€12 million and the change in the provision for home purchase savings plans amounting to -€119 million, as well as the positive impact of the outcome of the Emporiki litigation in the amount of +€1,038 million, LCL's goodwill impairment in the amount of -€664 million, Kas Bank's badwill in the amount of +€22 million, the reclassification of CA Bank Romania to assets held-for-sale in the amount of -€46 million and Kas Bank's integration / acquisition costs in the amount of -€16 million.

Excluding these specific items, **Crédit Agricole Group's**[13] **underlying net income Group share** amounted to **€1,429 million**, down -28.1% from fourth quarter 2019. Underlying GOI, at a solid level (€3,093 million in fourth quarter 2020, up +1.9% from fourth quarter 2019), made it possible to absorb the cost of risk (an expense of -€919 million in fourth quarter 2020, i.e. x1.9 compared to fourth quarter 2019).

[13] *Underlying, excluding specific items. See Appendixes for more details on specific items.*

Crédit Agricole Group – Stated and underlying results, Q4-2020 and Q4-2019

€m	Q4-20 stated	Specific items	Q4-20 underlying	Q4-19 stated	Specific items	Q4-19 underlying	∆ Q4/Q4 stated	∆ Q4/Q4 underlying
Revenues	**8,665**	**5**	**8,660**	**8,399**	**(202)**	**8,602**	+3.2%	+0.7%
Operating expenses excl.SRF	(5,585)	(18)	(5,567)	(5,582)	(15)	(5,566)	+0.1%	+0.0%
SRF	-	-	-	-	-	-	n.m.	n.m.
Gross operating income	**3,080**	**(13)**	**3,093**	**2,818**	**(218)**	**3,035**	**+9.3%**	**+1.9%**
Cost of risk	(919)	0	(919)	(494)	-	(494)	+86.1%	+86.1%
Equity-accounted entities	163	89	74	83	-	83	+96.4%	(11.1%)
Net income on other assets	(26)	-	(26)	15	(6)	21	n.m.	n.m.
Change in value of goodwill	(965)	(965)	-	(642)	(642)	-	+50.3%	n.m.
Income before tax	**1,334**	**(889)**	**2,223**	**1,780**	**(866)**	**2,646**	**(25.0%)**	**(16.0%)**
Tax	(634)	4	(638)	587	1,112	(525)	n.m.	+21.4%
Net income from discont'd or held-for-sale ope.	(91)	(98)	7	(46)	(46)	(0)	+98.0%	n.m.
Net income	**609**	**(983)**	**1,592**	**2,320**	**200**	**2,120**	**(73.7%)**	**(24.9%)**
Non controlling interests	(80)	84	(163)	(134)	-	(134)	(40.6%)	+21.7%
Net income Group Share	**530**	**(899)**	**1,429**	**2,186**	**200**	**1,986**	**(75.8%)**	**(28.1%)**
Cost/Income ratio excl.SRF (%)	**64.5%**		**64.3%**	**66.5%**		**64.7%**	**-2.0 pp**	**-0.4 pp**

In the fourth quarter 2020, **underlying revenues** increased by +0.7% compared to fourth quarter 2019, to €8,660 million, thanks to strong momentum across most business lines. The Asset gathering and Large customers business lines posted respectively increases of +2.1% (+€35 million) and +1.0% (+€14 million) in revenues; likewise for Retail banking in France, the Regional Banks posted an increase of +0.3%, i.e. +€12 million and LCL an increase of +4.5%, i.e. +€39 million. Specialised Financial Services have proven resilient, indeed while the underlying revenues decreases by -3.8%, excluding CACF NL the decrease in revenues remains limited -1.1% (-€7 million) despite a strong sensitivity of this activity to the economic environment. The International Retail Banking, in turn, posted, a decline of -2.8% (-€19 million), due to the drop in interest rates in Egypt, Poland and Ukraine.

Underlying operating expenses excluding SRF (Single Resolution Fund) were **stable (+0.0%)** compared to fourth quarter 2019 at €5,567 million. The Asset gathering and International retail banking business lines posted a drop in expenses for respectively -1.5% (-€11 million) and -1.6% (-€8 million). Expenses decreased in Specialised financial services by -3.8% (-€12 million), including the reclassification of CA Consumer Finance NL under IFRS 5 to activity held-for-sale. On a like-for-like basis, expenses increase by +4.0% in relation with the development of Specialised financial services in France and in Europe. Expenses rose marginally over the period for French Retail banking: +1.2% (+€36 million), and in the Large customers business line: +2.0% (+€18 million). Overall, the Group posted a positive +0.7 percentage points jaws effect. The contribution to the Single Resolution

Fund was nil this quarter, as in fourth quarter 2019. The **underlying cost/income ratio stood at 64.3%, an improvement of +0.4 percentage points** compared to the fourth quarter of 2019.

Underlying gross operating income was therefore up +1.9% to €3,093 million compared to fourth quarter 2019.

Cost of credit risk was up, albeit under control (x1.9 compared to fourth quarter 2019, with 93% of the increase attributable to performing loan provisioning in the context of the COVID-19 crisis for all business lines. It stood at €919 million (including €651 million in level 1 and 2 cost of risk and €334 million in level 3 cost of risk) versus €596 million in third quarter 2020, and €494 million in fourth quarter 2019. Asset quality remains good: the non-performing loan ratio was down to 2.4% at end December 2020 (-0.2 percentage point compared to third quarter 2020) and the coverage ratio[14], up to 84.0%, further strengthened this quarter (+3.6 percentage points). The diversified loan book is mainly geared towards home loans (47% of gross outstandings at Group level) and corporates (32% of gross outstandings at Group level). Loan loss reserves amounted to €19.6 billion at end September 2020, of which 34% was for performing loans (Stages 1 and 2). Loan loss reserves were down -€0.4 billion compared to September 2020 following the disposal of non-performing loans recorded by CA Italia. Starting in first quarter 2020, the context and uncertainties related to the global economic conditions were gradually taken into account and the expected effect of public measures were incorporated to anticipate future risks. Provisioning levels were established to reflect the sharp deterioration in the environment, taking into account **several weighted economic scenarios** and applying flat-rate adjustments for the retail banking portfolios and corporates portfolios and specific additions for some target sectors, namely tourism, automotive, aerospace, retail textile, and energy. Several weighted economic scenarios were used to determine the provisioning of performing loans, of which a more favourable scenario (GDP at +7.1% in France in 2021 and +2.7% in 2022) and a less favourable scenario (GDP at +3.0% in France in 2021 and +4.8% in 2022). These scenarios have been revised since second quarter 2020. As a reminder, they previously included a more favourable scenario with GDP at +7.3% in France in 2021 and +1.8% in 2022 and a less favourable scenario with GDP at +6.6% in France in 2021 and +8.0% in 2022.

Annualised cost of risk/outstandings[15] over the twelve months of 2020 was 38 basis points (37 basis points on a quarterly annualised basis). Cost of risk for Stages 1 and 2 amounted to -€651 million, versus a reversal of -€87 million in fourth quarter 2019 and -€170 million in third quarter 2020. Stage 3 cost of risk stood at -€334 million (versus -€602 million in fourth quarter 2019 and -€428 million in third quarter 2020).

Underlying pre-tax income stood at €2,223 million, a year-on-year decrease of -16.0% from fourth quarter 2019. In addition to the changes explained above, underlying pre-tax income also included the contribution from equity-accounted entities in the amount of €74 million (down -11.1% notably due to CA Consumer Finance) and net income on other assets, which stood at -€26 million this quarter versus +€21 million in fourth quarter 2019, related to declassified IT projects. The underlying **tax charge was up +21.4%** over the period. The underlying tax rate rose, due to a base effect (it had reached 20.5% in fourth quarter 2019, and currently stands at 29.7%. However, the effective tax rate is as usual not very representative on a quarterly basis, and the full year is more relevant, so at end 2020 it stood at 26.6% (versus 28.7% at end 2019). Underlying net income before non-controlling interests was down -25.0%. Non-controlling interests rose by +21.7%, notably due to a change in Insurance in the recognition methods used for subordinated debt (RT1) coupons, without impact on net earnings per share, and following CACEIS's acquisitions of 2020. Lastly, underlying net income Group share was €1,429 million, down compared to fourth quarter 2019 (-28.1%).

Over full year 2020, **underlying net income Group share declined by -14.8%** compared to 2019. Underlying revenues were stable (+0.7%), while underlying operating expenses excluding SRF were down -0.9%, resulting in a positive jaws effect of +1.7 percentage points. Underlying gross operating income totalled €12,304 million, up +2.6% compared to 2019. Cost of credit risk increased 2.1-fold, gains or losses on other assets rose 24.3% to €52 million and the tax charge was down -21.3% compared to full year 2019.

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[14] Provisioning rate calculated with outstandings in Stage 3 as denominator, and the sum of the provisions recorded in Stages 1, 2 and 3 as numerator
[15] Cost of risk on outstandings (in annualised basis points)

Résultats consolidés du Groupe Crédit Agricole au 12M-2020 et au 12M-2019

€m	2020 stated	Specific items	2020 underlying	2019 stated	Specific items	2019 underlying	∆ 2020/2019 stated	∆ 2020/2019 underlying
Revenues	**33,596**	**(439)**	**34,035**	**33,297**	**(493)**	**33,790**	+0.9%	+0.7%
Operating expenses excl.SRF	(21,266)	(96)	(21,169)	(21,386)	(15)	(21,371)	(0.6%)	(0.9%)
SRF	(562)	-	(562)	(426)	-	(426)	+31.9%	+31.9%
Gross operating income	**11,768**	**(536)**	**12,304**	**11,485**	**(508)**	**11,993**	**+2.5%**	**+2.6%**
Cost of risk	(3,651)	0	(3,651)	(1,757)	-	(1,757)	x 2.1	x 2.1
Equity-accounted entities	419	89	330	356	-	356	+17.6%	(7.5%)
Net income on other assets	52	-	52	36	(6)	42	+46.0%	+24.3%
Change in value of goodwill	(968)	(965)	(3)	(642)	(642)	-	+50.8%	n.m.
Income before tax	**7,620**	**(1,411)**	**9,031**	**9,478**	**(1,156)**	**10,634**	**(19.6%)**	**(15.1%)**
Tax	(2,165)	152	(2,317)	(1,737)	1,208	(2,945)	+24.7%	(21.3%)
Net income from discont'd or held-for-sale ope.	(262)	(268)	6	(38)	(46)	8	x 6.9	(21.2%)
Net income	**5,193**	**(1,528)**	**6,720**	**7,704**	**6**	**7,697**	**(32.6%)**	**(12.7%)**
Non controlling interests	(504)	87	(591)	(506)	-	(506)	(0.4%)	+16.9%
Net income Group Share	**4,689**	**(1,440)**	**6,129**	**7,198**	**6**	**7,191**	**(34.9%)**	**(14.8%)**
Cost/Income ratio excl.SRF (%)	**63.3%**		**62.2%**	**64.2%**		**63.2%**	**-0.9 pp**	**-1.0 pp**

Regional Banks

For Regional banks, the crisis led to an acceleration and a strengthening of the transformation of their distribution model, with a particular focus placed on the quality of the customer relationship, confirmed by the 8 percentage points improvement of the NPS (Net Promoter Score) over the full year. The customer base over the full year, with 1.1 million new customers, continued to grow and the actual attrition rate (excluding deaths) was down to 2.9% for the full year. Accordingly, note that the number of active demand deposits was up +0.7% year-on-year, an increase exceeding France's population growth rate over the same period. The Group is also continuing to develop its multi-channel model and recorded a +3.8-percentage point increase year-on-year in the number of digital customers, taking it to 68.2%,[16] as well as a +45% increase in online signatures year-on-year.

Commercial activity at the Regional Banks continued to be **buoyant** this quarter, with **growth in outstandings remaining strong**. **Loans outstanding** amounted to €563.7 billion (€547.1 billion excluding SGLs), up +8.4% from December 2019 (+5.2% excluding SGLs). There was a strong increase in **home loans** (+6.6%) and **loans to corporates, SMEs and small businesses, and farmers** (+12.6%, +3.3% excl. SGLs). The increase in specialised market loans excluding SGLs was particularly marked by corporate equipment loans being up +8.5% over the full year. **Loan production** was up compared to fourth quarter 2019 (+7.4%; +2.6% excl. SGLs). The decrease in new specialised markets[17] excl. SGLs (-8%) and in consumer finance was offset by the home loan momentum (+11%). **On-balance sheet deposits** stood at €517.9 billion, representing an increase from December 2019 of +12.3% (of which +25.3% for demand deposits and +11.8% for passbooks), while **off-balance sheet deposits** were unchanged (+0.4% to €272.4 billion) with life insurance outstandings up slightly (+0.5%; of which +6.3% unit-linked outstandings) and outstandings linked to securities and transferable securities stable (+0.2%) in line with the recovery in the markets during the quarter.

In fourth quarter 2020, underlying **revenues** of the Regional Banks amounted to €3,373 million, down -1.2% from fourth quarter 2019. Favourable refinancing conditions led to an increase in the **net interest margin** (+4.0%), while the overall level of **fee and commission income** was down in line with the lower penalty-based fees. **Operating expenses** were under control and slightly up over the period (+1.5% compared to fourth quarter 2019) related to the adjustment over the period of the employee profit-sharing and incentive plans, with other external services remaining down. Thus, underlying **gross operating income** was down in fourth quarter 2020 (-6.6%). Underlying **cost of risk** stood at -€415 million, sharply up compared to fourth quarter 2019 (x2.7). Provisions were primarily for performing loans and the non-performing loan ratio was down to 1.7% (versus 1.8% at end December 2019). Loan loss reserves were slightly up to €10.0 billion. This translated into a high coverage ratio, at 100.9%. The Regional Banks' contribution to underlying **net income Group share** thus stood at €470 million, down -30.8%.

In full year 2020, underlying **revenues** were down -1.4% compared to full year 2019. Operating expenses were down -1.1% despite the increase in SRF in the first half of the year (+42.6%). GOI was down -2.1% (-1.3% excl. SRF). The underlying **cost/income ratio** excluding SRF remained unchanged at 65.8%. Lastly, with underlying **cost of risk** up (x2.1) to €1.0 billion over the full year, the Regional Banks' contribution to the Group's underlying **net income Group share** was down -14.1% to €2,230 million.

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

[16] *Rate of digital customers : number of customers with an active profile on the Ma Banque app or who had visited CAEL (CA online) during the month / number of adult clients having an active demand deposit account*

[17] *Corporates, SMEs and small businesses, farmers and local authorities*

Crédit Agricole S.A.

Strong momentum across all business lines in fourth quarter 2020, reflecting the strength of the global relationship model

- **Strong net inflows in Asset gathering: +**€14.1 billion in Q4 2020 (including JVs), driven in insurance by UL (38.7% of gross inflows)
- **Sharp increase in LCL's loan outstandings:** +4.4% Dec./Dec. excl. SGL;
- **Rebound in consumer finance production:** +16.8% Dec/ Nov;
- **Strengthened leading positions in Corporate and investment banking** in a normalizing market in the fourth quarter: syndicated loans (No. 1 France, No. 3 EMEA); bonds (No. 1 France corporate bonds, No. 1 world financial bonds, No. 2 global green, social and sustainability bonds).

Continued partnership strategy in Europe and Asia:

- **Insurance:** stake in GNB Seguros increased to 100% in Portugal and distribution agreement signed with Novo Banco
- **Amundi:** acquisition of Sabadell AM and strategic partnership launched with Banca Sabadell
- **CA Italia:** announcement of a cash tender offer for Credito Valtellinese
- **CACF:** strengthening of CA Consumer Finance's partnership with Banco BPM
- **Amundi:** creation with Bank of China of the first Wealth Management company in China with an international shareholder holding a majority stake

Exit from non-strategic entities (Banque Saudi Fransi, CA Bank Romania, CA Consumer Finance NL, private banking activities in Miami and Brazil)

Excellent resilience of 2020 results, the operating income momentum making it possible to absorb a significant proportion of the 2.1-fold increase in the cost of risk

- **Dynamic revenues in 2020 (+2.1% 12M/12M) and stable expenses (-0.3% 12M/12M)**
- **Operational agility: 2022 cost/income ratio excluding SRF target (<60%) achieved two years ahead of schedule:** 59.6% in 2020;
- **Underlying gross operating income up**: +4.8% 12M/12M;
- Underlying **net income Group share of Crédit Agricole S.A.: -16.0% 12M/12M (-**€734 million 2020/2019, including +€1 bn in performing loan provisioning);
- **Underlying ROTE over 12 months 2020** of 9.3%[18]

Dividend policy adjusted for the current special circumstances

- **Very comfortable capital position:** CET1 CASA 13.1%, 5.2 pp above SREP requirements, CAG 17.2%, 8.3 pp above SREP requirements
- **Dividend:** 80 cents, a 8% yield, with a scrip dividend payment option. The set up strictly respects the ECB's latest recommendation
- **Switch:** 100% unwinding by 2022, with 50% unwound as early as Q1-21, completion of the simplification of the Group's structure

[18] *Stated ROTE excluding goodwill impairment for full year 2020 stood at 8.3%*

Crédit Agricole S.A.'s Board of Directors, chaired by Dominique Lefebvre, met on 10 February 2021 to examine the financial statements for the fourth quarter and full year 2020.

Activity

Crédit Agricole S.A.'s business lines recorded a robust business level in fourth quarter 2020, despite the impacts of the second lockdown in France on the economy. The commercial momentum remained buoyant, especially for **Amundi** which reported positive net inflows of +€14.4 billion (including JVs) in the quarter and +3.7% growth in assets under management year-on-year; **life-insurance** also posted strong net inflows in the quarter, up +€0.8 billion, driven by UL products, while **casualty insurance** confirmed its momentum with +7.7% increase in premium income in fourth quarter 2020 compared to fourth quarter 2019 and 5.8% year-on-year. **The share of UL products** in gross inflows increased (+9.8 percentage points from fourth quarter 2019 to 38.7%), as did the share in outstandings (+1.4 percentage point year-on-year), which rose to 24.2% to a record high. Premium income from **personal protection insurance** increased sharply (+8.9% compared to fourth quarter 2019). **Loans outstanding in Retail Banking** were up year-on-year, excluding SGL (+4.4% at LCL, +0.5% at CA Italia). **Inflows** at **LCL** continued on the sharp up trend already observed in previous quarters (on-balance sheet deposits up +11.5% year-on-year, driven by sight deposits (+15.5%) and off-balance sheet deposits dipped slightly by -1.1%). **CA Italia** also reported significant growth in savings outstandings (+8.8% increase in inflows). Consumer finance managed loans dipped slightly year-on-year (-1.3%), despite the reported rebound in production levels after each lockdown (production in fourth quarter 2020 shrank by -3.3% compared to fourth quarter 2019 and was down -14% for the full year). Lastly, the **Large customers** division remained dynamic in the fourth quarter and the leading syndicated loan and bond issue positions were confirmed in a market undergoing normalisation. Capital markets' revenues continue to normalise, after starting off the year at a high level (revenues were down -5.0% compared to very high fourth quarter 2019), financing activities remained dynamic (+3.9% compared to fourth quarter 2019 and +8.6% excluding forex effect). Risk profile was prudent, with moderate VaR at €9 million at 31 December 2020.

Results

Credit Agricole S.A. – Stated and underlying results, Q4-20 and Q4-19

€m	Q4-20 stated	Specific items	Q4-20 underlying	Q4-19 stated	Specific items	Q4-19 underlying	Q4/Q4 stated	Q4/Q4 underlying
Revenues	**5,251**	**(47)**	**5,299**	**5,119**	**(66)**	**5,184**	**+2.6%**	**+2.2%**
Operating expenses excl.SRF	(3,226)	(18)	(3,208)	(3,260)	(15)	(3,244)	(1.0%)	(1.1%)
SRF	-	-	-	(0)	-	(0)	(100.0%)	(100.0%)
Gross operating income	**2,025**	**(65)**	**2,090**	**1,859**	**(81)**	**1,940**	**+8.9%**	**+7.8%**
Cost of risk	(538)	(38)	(500)	(340)	-	(340)	+58.5%	+47.4%
Equity-accounted entities	137	89	47	76	-	76	+78.9%	(38.3%)
Net income on other assets	(9)	-	(9)	14	(6)	20	n.m.	n.m.
Change in value of goodwill	(903)	(903)	-	(589)	(589)	-	+53.2%	n.m.
Income before tax	**712**	**(916)**	**1,628**	**1,021**	**(677)**	**1,697**	**(30.3%)**	**(4.1%)**
Tax	(436)	33	(469)	847	1,065	(219)	n.m.	x 2.1
Net income from discont'd or held-for-sale ope.	(96)	(97)	1	(46)	(46)	(0)	n.m.	n.m.
Net income	**179**	**(981)**	**1,160**	**1,821**	**343**	**1,479**	**(90.2%)**	**(21.6%)**
Non controlling interests	(56)	129	(185)	(160)	1	(161)	(65.3%)	+15.0%
Net income Group Share	**124**	**(851)**	**975**	**1,661**	**343**	**1,318**	**(92.6%)**	**(26.0%)**
Earnings per share (€)	0.02	(0.30)	0.31	0.54	0.12	0.42	(97.1%)	(26.1%)
Cost/Income ratio excl. SRF (%)	**61.4%**		**60.5%**	**63.7%**		**62.6%**	**-2.2 pp**	**-2.0 pp**
Net income Group Share excl. SRF	**124**	**(851)**	**975**	**1,661**	**343**	**1,318**	**(92.6%)**	**(26.0%)**

In the fourth quarter 2020, Crédit Agricole S.A.'s **stated net income Group share** amounted to **€124 million** versus €1,661 million in fourth quarter 2019. 2020 and 2019 were characterised respectively by CA Italia's goodwill impairment for -€778 million in net income Group share impact on the one hand, and LCL's goodwill impairment for -€611 million and the outcome of the Emporiki litigation for +€1,038 million. Adjusted for these items, Crédit Agricole S.A.'s stated net income Group share for fourth quarter 2020 was €902 million, down -27.0% compared to fourth quarter 2019. In total, **specific items** in fourth quarter 2020 generated a **net negative impact of -€851 million on net income Group share**.

Excluding these specific items, **underlying net income Group share**[19] was **€975 million**, down -26.0% compared to fourth quarter 2019, in connection with the rise in the cost of risk related to the prudent provisioning of performing loans.

This quarter's **specific items** included CA Italia's goodwill impairment for -€903 million in goodwill impairment and -€778 million in net income Group share impact, net of non-controlling interests, better fortune adjustment of of the Switch 2 guarantee call (Insurance) for -€38 million in cost of risk and -€26 million in net income Group share. Specific items also included exceptional contributions related to the COVID-19 crisis: an exceptional contribution by CAA for supplementary healthcare contributions with an impact of -€22 million in revenues and -€15 million in net income Group share as well as an exceptional contribution by CA Italia to the Italian banks

[19] *Underlying, excluding specific items. See Appendixes for more details on specific items.*

safeguard plan for -€11 million in expenses and -€6 million net income Group share. The other non-recurring specific items stood at -€10 million including for CA Consumer Finance a reversal of a provision for the AGCM (Italian Competition Authority) fine of FCA Bank with an impact of +€89 million in net income Group share offset by the reclassification of CA Consumer Finance NL as asset held-for-sale for -€66 million to net income Group share; the planned disposal in progress of the private banking activities in Miami and Brazil for -€23 million to net income Group share, the reclassification of CA Bank Romania's asset held for sale for -€8 million to net income Group share and the consolidation costs for the acquisitions made by CACEIS (Kas and S3) with an impact of -€7 million to expenses and -€3 million to net income Group share. The recurring specific items this quarter had an impact on net income Group share of -€16 million, including the DVA (Debt Valuation Adjustment, i.e. gains and losses on financial instruments related to changes in the Group's issuer spread) for +€13 million, the hedge on the Large customers loan book amounting to -€21 million, and the change in the provision for home purchase savings plans amounting to -€9 million. **In fourth quarter 2019**, specific items had a **negative net impact of +€343 million on net income Group share** and included LCL's goodwill impairment for -€611 million offset by Kas Bank's negative goodwill for +€22 million, the outcome of the Emporiki litigation for +€1,038 million, and the consolidation and acquisition costs of Kas Bank and S3 for a total of -€16 million, only the recurring volatile accounting items, namely the DVA (Debt Valuation Adjustment, i.e. gains and losses on financial instruments related to changes in the Group's issuer spread) in the amount of -€4 million and hedging of the Large customers loan book for -€11 million and changes in provisions for home savings schemes for -€29 million.

The results of the business lines demonstrated excellent resilience in fourth quarter 2020 given the public health and economic context. Underlying **gross operating income** was up +7.8% compared to fourth quarter 2019, reaching €2,090 million, thanks to increased revenues (+2.2% to €5,299 million) and tight cost control by the business lines (-1.1% to -€3,208 million). Crédit Agricole S.A.'s excellent operational agility has once again been demonstrated this quarter, with an underlying cost/income ratio of 60.5%, up +2.0 percentage points from fourth quarter 2019 and with a positive jaws effect of 3.3 points in fourth quarter 2020. **Underlying net income Group share** was, however, down by -26.0%. This decline was due to the increased cost of risk, which stood at -€500 million in fourth quarter 2020 (x1.5 compared to fourth quarter 2019). Of that rise, 77% was due to increased provisioning for performing loans, primarily related to prudent provisioning in sensitive sectors (such as aerospace, hotels, tourism, restaurants and certain professionals). Thus, the Asset gathering business line was helped by market recovery and the good management of the funds thus generating performance fees and posted gross operating income of +6.2%, the business line's result posted a drop of -12.0% from fourth quarter 2019 due notably to a change in the recognition methods used for subordinated debt (RT1) coupons, without impact on net earnings per share. The Retail banking business line generated a +3.4% increase in its gross operating income, driven by strong growth in revenues, particularly at LCL (+4.5% from fourth quarter 2019) and by proven operational efficiency (underlying cost/income ratio excluding SRF of retail banks in fourth quarter 2020 of 66.0% (an improvement by +0.7 percentage point compared to fourth quarter 2019). Consequently, with a 1.5-fold increase in cost of risk compared to fourth quarter 2019, the Retail banking net income Group share posted a decline of -13.9% compared to fourth quarter 2019. Specialised financial services recorded a drop of -1.8% in gross operating income and of -5.5% on a like-for like basis[20] with a good general resistance of sales revenues (-2.8% and -1.1% on a like-for-like basis[20]) and of costs related to the development in France and in Europe (-3.8% and +4.0% on a like-for-like basis[20]). Lastly, the Large customers business line, despite stable underlying gross operating income (-0.4%) this quarter, was impacted by the 2.0-fold increase in the cost of risk, resulting in a -17.0% decline in net income Group share.

In fourth quarter 2020, **underlying revenues** stood at €5,299 million, up +2.2% compared to fourth quarter 2019. The revenues of the Asset gathering business line were helped by market recovery and by Amundi's excellent management performance and posted a +2.7% increase compared to fourth quarter 2019. Retail banking revenues (+1.2%) were driven by LCL's net interest margin increase due to the good refinancing conditions, even though international retail banking was still hit by the drop in different markets. Sales revenues of Specialised financial services showed good resistance (-1.1%[20] compared to fourth quarter 2019), and the post-lockdown

[20] *Excl. CA Consumer Finance NL*

rebound helped to limit the Q4/Q4 drop in production to -3%. Lastly, within the Large customer business line, financing activities recorded good performance (+3.9% in revenues compared to fourth quarter 2019), while market activities suffered a base effect, in the context of activities returning to normal (-5.0% in revenues compared to fourth quarter 2019). Lastly, Asset servicing revenues were up +8.1% thanks to a scope effect related to the latest acquisition of Santander Securities Services in 2020.

Underlying operating expenses were down -1.1% between fourth quarter 2019 and fourth quarter 2020, resulting in indicators that showed very good levels of operational efficiency: the underlying cost/income ratio was 60.5% in fourth quarter 2020, an improvement of +2.0 percentage points compared to fourth quarter 2019, while the jaws effect was positive at 3.3 percentage points. Within the Asset gathering business line, Insurance saw a sharp decline in expenses (-7.5% compared to fourth quarter 2019), offsetting the increase in asset management expenses (+3.0%), primarily related to a scope effect – the expenses of the Asset gathering business line, on a like-for-like basis[21] were down -0.9% compared to fourth quarter 2019. Retail banking confirmed its operational efficiency with a 66.0% underlying cost/income ratio excluding SRF, up +0.7 percentage points compared to fourth quarter 2019, thanks to stable expenses at LCL (+0.2% compared to fourth quarter 2019) and stable expenses for International retail banking (-0.1%) due to additional productivity efforts made within the entities following their decrease in revenues. Within the Large customers business line, Corporate and investment banking posted very good cost control (+0.3% compared to fourth quarter 2019), while Asset servicing posted an increase of +7.9% in expenses notably due to a scope effect. Specialised financial services posted a -3.8% decrease in expenses in underlying terms, but a +4.0% increase on a like-for-like basis[20] over the quarter.

Thus, **underlying gross operating income** rose high to €2,090 million, an increase of +7.8% from fourth quarter 2019. This was due to a strong and increased contribution from Asset gathering (+6.2% compared to fourth quarter 2019), Retail banking (+3.4%) and the resilience of the other business lines: Large customers -0.4%, Specialised financial services -1.8% in underlying terms and -5.5% on a like-for-like basis.

[21] *Excluding the scope effect of Sabadell and the establishment of Amundi Bank of China Wealth Management*

As at 31 December 2020, risk indicators confirmed **the high quality of Crédit Agricole S.A.'s assets and risk coverage level**. The diversified loan book is mainly geared towards home loans (28% of gross outstandings) and corporates (44% of Crédit Agricole S.A. gross outstandings). The non-performing loan ratio was still low at 3.2% (-0.2 percentage point compared to 30 September 2020), while the coverage ratio[22] was high, at 71.5% and up +1.7 percentage points for the quarter. Loan loss reserves totalled €9.6 billion for Crédit Agricole S.A., down compared to 30 September 2020, following loan disposals at CA Italia for €450 million. Of these loan loss reserves, 28% were for performing loan provisioning. Provisioning levels this quarter were based on **several weighted economic scenarios** – revised in fourth quarter 2020 – with notably for GDP in France: a more favourable scenario (+7.1% in 2021 and +2,7% in 2022) and a less favourable scenario (+3.0% in 2021 and +4.8% in 2022)[23], and included flat-rate adjustments for retail banking portfolios and for corporates and specific additions for some target sectors such as aerospace, hotels, tourism, restaurants.

The increase in **cost of risk** was kept under control (x1.5/-€161 million compared to fourth quarter 2019, at -€500 million, versus -€340 million in fourth quarter 2019 and -€577 million in third quarter 2020). 77% of the increased cost of risk compared to fourth quarter 2019 was due to additional performing loan provisioning (Stages 1 & 2), related notably to prudent provisioning in sensitive sectors (such as aerospace, cruise ships, hotels, tourism, restaurants and certain small businesses). The -€500 million expense in third quarter 2020 consisted of performing loan provisioning (Stages 1 & 2) totalling -€193 million (versus a reversal of €184 million in fourth quarter 2019 and an allocation of -€165 million in third quarter 2020) and provisioning for proven risks (Stage 3) amounting to -€291 million (versus -€531 million in fourth quarter 2019 and -€425 million in third quarter 2020). In full year 2020, the cost of risk on outstandings stood at 62 basis points (47 basis points in annualised quarters for fourth quarter 2020). Accordingly, LCL posted cost of risk at -€89 million (x1.4 compared to fourth quarter 2019 and a modest increase (+7.7%) since the third quarter 2020), with a ratio cost of risk relative to outstandings stable at 29 basis points for full year 2020 (25 basis points on an annualised quarterly basis); CA Italia recorded a cost of risk of -€113 million in fourth quarter 2020, i.e. 1.8 times the level of fourth quarter 2019, and an increase by +30% as compared to the third quarter 2020, with cost of risk relative to outstandings increasing to 93 basis points for full year 2020 (95 basis points on an annualised quarterly basis); CA Consumer Finance's cost of risk was stable at -€128 million compared to third quarter 2020 and up +11.0% in underlying terms and stable since the third quarter 2020 +1,3%, with cost of risk on outstandings at 179 basis points for full year 2020 (and 150 basis points on a quarterly annualised basis). Lastly, in financing activities, the cost of risk for the quarter stood at -€121 million, versus an allocation of just -€58 million in fourth quarter 2019, but was up +51% as compared to the third quarter 2020. Its cost of risk on outstandings was 67 basis points for full year 2020 (versus 41 basis points on a quarterly annualised basis).

The contribution in underlying terms of the **equity-accounted entities** was down **-38.3%**, to €47 million, notably due to Specialised financial services with deteriorated performance of international entities, partially compensated by the resilience of automobile joint-ventures.

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[22] *Provisioning rate calculated with outstandings in Stage 3 as denominator, and the sum of the provisions recorded in Stages 1, 2 and 3 as numerator*

[23] *A decrease of 10 points in the weight of the favourable scenario towards the less favourable scenario would lead to a change in "forward-looking central" ECL inventory of around 5% of total ECL inventory. However, such a change in the weight would not necessarily have a significant impact due to "forward looking local" adjustments, which could mitigate the effect.*

Net income on other assets this quarter showed a negative impact of -€9 million, related to declassified IT projects versus a positive impact of +€20 million in fourth quarter 2019 which was due to a real estate capital gain in Wealth Management.

Underlying income[24] before tax, discontinued operations and non-controlling interests was therefore down -4.1%, to €1,628 million. Underlying effective tax rate was 29.7%, up +16.2 percentage points compared to fourth quarter 2019, whose level had been very low at 13.5%, a consequence of favourable legal cases at Crédit Agricole CIB. The underlying tax charge therefore increased two-fold to -€469 million. At end 2020, it amounted to 22.6% (versus 24.4% in 2019). The **underlying net income before non-controlling interests was therefore down -21.6%.**

Non-controlling interests stood at -€185 million in fourth quarter 2020, i.e. a +15.0% increase, notably due to a change in Insurance in the recognition methods used for subordinated debt (RT1) coupons, without impact on net earnings per share, and following CACEIS's acquisitions of 2020.

Underlying net income Group share was down **-26.0%** from fourth quarter 2019 to **€1,318 million.**

[24] *See Appendixes for more details on specific items.*

Credit Agricole S.A. – Stated and underlying results, 2020 and 2019

€m	2020 stated	Specific items	2020 underlying	2019 stated	Specific items	2019 underlying	∆ 2020/ 2019 stated	∆ 2020/2019 underlying
Revenues	**20,500**	**(264)**	**20,764**	**20,153**	**(186)**	**20,339**	**+1.7%**	**+2.1%**
Operating expenses excl.SRF	(12,452)	(86)	(12,366)	(12,421)	(15)	(12,405)	+0.3%	(0.3%)
SRF	(439)	-	(439)	(340)	-	(340)	+29.1%	+29.1%
Gross operating income	**7,609**	**(351)**	**7,959**	**7,392**	**(201)**	**7,594**	**+2.9%**	**+4.8%**
Cost of risk	(2,606)	0	(2,606)	(1,256)	-	(1,256)	x 2.1	x 2.1
Equity-accounted entities	413	89	324	352	-	352	+17.5%	(7.9%)
Net income on other assets	75	-	75	54	(6)	60	+39.7%	+25.2%
Change in value of goodwill	(903)	(903)	-	(589)	(589)	-	+53.2%	n.m.
Income before tax	**4,588**	**(1,164)**	**5,752**	**5,952**	**(797)**	**6,749**	**(22.9%)**	**(14.8%)**
Tax	(1,129)	96	(1,225)	(456)	1,103	(1,559)	x 2.5	(21.4%)
Net income from discont'd or held-for-sale ope.	(221)	(221)	(0)	(38)	(46)	8	n.m.	n.m.
Net income	**3,238**	**(1,289)**	**4,527**	**5,458**	**260**	**5,198**	**(40.7%)**	**(12.9%)**
Non controlling interests	(546)	133	(679)	(614)	2	(616)	(11.1%)	+10.2%
Net income Group Share	**2,692**	**(1,157)**	**3,849**	**4,844**	**262**	**4,582**	**(44.4%)**	**(16.0%)**
Earnings per share (€)	**0.80**	**(0.40)**	**1.20**	**1.48**	**0.09**	**1.39**	**(45.8%)**	**(13.4%)**
Cost/Income ratio excl.SRF (%)	**60.7%**		**59.6%**	**61.6%**		**61.0%**	**-0.9 pp**	**-1.4 pp**
Net income Group Share excl. SRF	**3,085**	**(1,157)**	**4,241**	**5,159**	**262**	**4,897**	**(40.2%)**	**(13.4%)**

Over the full year 2020, stated net income Group share amounted to €2,692 million, versus €4,844 million for full year 2019, a decrease of -44.4%.

Specific items in full year 2020 had a negative impact of **-€1,157 million** on stated net income Group share. Added to the fourth-quarter items already mentioned above were first-nine-month 2020 items that had a negative impact of -€305 million and also corresponded to recurring volatile accounting items. These were the DVA for -€5 million, hedges of the Large customers' loan book for +€27 million, and changes in the provision for home purchase savings plans for -€10 million at LCL and -€34 million in the Corporate Centre business line. The non-recurring items comprised integration costs of Kas Bank and Santander Securities Services at CACEIS totalling -€6 million, support for SME and small business policyholders totalling -€97 million in Asset gathering and -€1 million at LCL, Switch activation totalling +€26 million, the Liability Management cash adjustment at CC totalling -€28 million, and COVID-19 solidarity donations totalling -€38 million in the Asset gathering business line, -€4 million in the International retail banking business line and -€10 million in Corporate Centre, the reclassification of CA Consumer Finance NL in entity held-for-sale with an impact of -€55 million under CC related to goodwill impairment and an impact of -€69 million at SFS related to the IFRS 5 treatment. **Specific items from 2019** had an impact of +€262 million on **net income Group share**. Compared to the specific fourth-quarter 2019 items mentioned above, these items had an impact of -€81 million on net income Group share in the first nine months of 2019 and corresponded to recurring volatile accounting items, specifically the DVA for -€11 million, hedges of the Large customers loan book for -€20 million, and changes in the provision for home purchase savings plans for -€12 million at LCL and -€38 million in the Corporate Centre business line.

Excluding these specific items, **underlying net income Group share stood at €3,849 million**, down **-16.0%** compared to full year 2019.

Underlying earnings per share for year 2020 came to €1.20 per share, a decrease of -13.4% compared to year 2019.

Underlying RoTE[25] net of coupons on Additional Tier 1 securities (return on equity Group share excluding intangible assets) was 9.3% in 2020. RoNE (Return on Net Equity) was down full year 2020, in connection with the decline in results, compared to full year 2019 and the increase in risk weighted assets compared to December 2019.

Underlying revenues rose by **+2.1%** compared to full year 2020, thanks to significant growth in revenues in the Large customers business line (+10.7%), while revenues in the other business lines overall demonstrated resilience: -1.4% in Retail banking, -3.0% for the Asset gathering business line and -7.0% in Specialised financial services, in underlying terms or -4.3% on a like-for-like basis[15]. Overall, recurring revenues, i.e. revenues attached to an inventory item (outstanding loans/customer assets, assets under management) or an insurance policy (property and casualty insurance, death and disability insurance), accounted for 76% of Crédit Agricole S.A.'s underlying revenues. Interest revenues contribute to 37% of the underlying full-year revenues, while commissions contribute by 41%, other revenues (including trading) 10% and insurance 12%.

Underlying **operating expenses** excluding SRF were stable (-0.3%). The contribution to the SRF and supervisory costs have increased significantly, it was up +24.7% to €540 million in full year 2020 compared to €433 million in full year 2019. Expenses were stable thanks to excellent operational efficiency by the business lines: Asset gathering reduced expenses by -2.4% compared to full year 2019, Retail banking by -2.1% and Specialised financial services by -5.6% in underlying terms and stable (0.0%) on a like-for-like basis. The Large customers business line reported a +6.0% increase in expenses over the full year, but this was mainly due to a scope effect (with the integration of Kas and S3 within Asset Servicing). The **underlying cost/income ratio excluding SRF was 59.6% over the full year,** an improvement of +1.4 percentage points compared to full year 2019, and **ahead of the target set out in the Medium-Term Plan in June 2019, i.e. 60%.**

Lastly, the **cost of risk** increased significantly during the period (x2.1/-€1,350 million to -€2,606 million versus -€1,256 million for full year 2019).

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[25] See Annexes for details on the calculation of the business lines' ROTE (return on tangible equity) and RONE (return on normalised equity). The stated ROTE for 2020 stands at 6.2%, and the stated ROTE excluding CA Italia goodwill impairment stand at 8.3%

Dividends

The dividend policy was adapted in 2020 to take the exceptional circumstances into account. Since Crédit Agricole Group and Crédit Agricole S.A. boast very comfortable levels of capital (a CET1 ratio of 17.2% or +8.3 percentage points above the SREP requirement for Crédit Agricole Group and 13.1% or 5.2 percentage points above the SREP requirement for Crédit Agricole S.A.), Crédit Agricole S.A.'s Board of Directors will submit to the 12 May 2021 General Assembly a 2020 dividend of 80 centimes per share, with a scrip dividend payment. The nominal amount exceeds what would have been our traditional payout ratio of 50% in cash, and allows us to compensate a portion of the unpaid 2019 dividend. This amount is made possible by SAS La Boétie's commitment to subscribe to the scrip dividend payment option. The proposed mechanism is in strict compliance with the ECB's 15 December 2020 recommendation.

The proposed dividend means that all shareholders will receive a return of 8%, based upon a €10 share price[26]. To limit the impact of this mechanism on earnings per share which, assuming zero public participation in the scrip dividend payment option, and assuming participation in said option by the employee mutual funds (FCPEs), would be less than -6%, Crédit Agricole S.A.commits to fully unwind the switch guarantee mechanism[27] by the end of 2022, with 50% of it (i.e. an additional 15%) completed by first quarter 2021. The full unwinding will have a positive impact on Crédit Agricole S.A.'s net income Group share of +€141 million (+€190 million in revenues) on a full year, and on earnings per share around 4%, resulting in an impact on Crédit Agricole S.A.'s CET1 ratio of -90 basis points (of which -20 basis points related to the unwinding of the additional 15% in first quarter 2021). Assuming zero public participation in the scrip dividend payment option, the overall effect on earnings per share would be around -1%. Crédit Agricole S.A. moreover intends to put in place a share buyback program, up to a maximum of 5% of capital, in two steps: after the payment of the dividend, in order to offset the EPS impact of the public participation in the scrip dividend payment, and, once regulatory constraints have been lifted, and with the usual authorization of the ECB, in order to correct the impact of the transaction on the net tangible assets per share.

[26] *Yield calculated based of a 10€ share price. Impact on the 2020 EPS <-6% assuming zero public opting for the scrip dividend payment, taking into account the formal commitment of SAS La Boétie to opt for a scrip dividend payment, and assuming that the employee mutual funds (FCPE's) also opt for the scrip dividend payment.*

[27] *The Insurance Switch guarantee transfers to the Regional Banks the regulatory prudential requirements related to Crédit Agricole S.A.'s equity interest in Crédit Agricole Assurances.*

Analysis of the results of Crédit Agricole S.A.'s divisions and business lines Activity

Asset gathering

In **Savings/Retirement**, Crédit Agricole Assurances continued to diversify its product mix in 2020, having made adjustments to its offering over the past year. Thus, net inflows were positive (+€1 billion), despite the euro outflow (-€3.9 billion), and thanks to robust UL net inflows (+26.9% versus fourth quarter 2019). Furthermore, the UL share accounted for 38.7% of gross inflows in 2020, an increase of +9.8 percentage points from 2019. In fourth quarter 2020, net inflows were negative in euro terms (-€0.5 billion) but up in terms of the number of unit-linked contracts (+€1.3 billion). Total net inflows stood at +€0.8 billion, down -€0.2 billion compared to fourth quarter 2019 but up +€0.4 billion from third quarter 2020. Assets (savings, retirement and death and disability) stood at €308.3 billion, up +1.4% from December 2019. Unit-linked contracts as a percentage of outstandings reached a historic high of 24.2%, up +1.4 percentage points from December 2019. Premium income amounted to €6.1 billion in fourth quarter 2020 (stable compared to fourth quarter 2019). Lastly, the Policy Participation Reserve (PPE) stood at €11.6 billion at 31 December 2020, which was 5.6% of total outstandings. The average yield of the Crédit Agricole Assurances group's assets was 2.13% in 2020, well above even the average guaranteed minimum rate (0.27% at end 2020) and the profit sharing rate of euro-denominated policies of 1.28% at the end of 2020. The adjustment these policies in the context of low interest rates, from 1.44% to 1.28%, allowed the spread between the return on assets and the return on liabilities to be maintained.

In **property and casualty insurance**, business in fourth quarter 2020 was dynamic compared fourth quarter 2019, with a growth of 7.7%, confirming the rebound seen in third quarter 2020. Premium income stood at €4.8 billion in 2020, up +5.8%[28] from 2019. With a net contribution for the year of more than 508,000 policies, the number of property and casualty policies in the portfolio of Crédit Agricole Assurances was close to 14.6 million at end 2020, a year-on-year increase of +3.6%. The equipment rate for individual customers[29] continued to increase in the Regional Bank networks (41.7% at end December 2020, i.e. a +1.0 percentage point increase since December 2019) and LCL (25.5% at end December 2020, i.e. a +0.5 percentage point increase since December 2019), as well as at CA Italia (17.1% at end December 2020, i.e. a +1.7 percentage point increase since December 2019). The combined ratio remained under control at 94.9%, down slightly year-on-year by -1.0 percentage points. This ratio was calculated excluding the cost of the extra-contractual mutualist mechanism for small businesses with operating loss cover, excluding the contribution to the solidarity fund for very small businesses and independent workers, and excluding the exceptional contribution for supplementary healthcare contributions. Excluding these adjustments, the combined ratio was 97.6%.

In **death & disability/creditor/group insurance**, premium income stood at €4.2 billion, an increase of +5,7%[26] from 2019, with a positive contribution from the three business lines. Premium income amounted to €1.1 billion this quarter, up 8.9%[28] compared with the fourth quarter of 2019.

Asset Management (Amundi) recorded good business growth this quarter, with strong momentum in net inflows excluding JVs (+€29.8 billion) thanks to a good level of net inflows in both MLT assets and treasury products. As a result, Amundi posted net MLT inflows of +€12.3 billion, driven by Retail excluding JVs (+€6.4 billion) and Institutionals & Corporates (+€5.8 billion). Inflows on treasury products remained high at +€17.5 billion, driven by Corporates. Net inflows on joint ventures totalled +€6.0 billion excluding outflows of low-margin products (-€21.6 billion) related to institutional mandates in India and channel business in China. Assets under management were up +4.6% from December 2019 to €1,729 billion at end December 2020. Assets under management include Sabadell AM, which has been included in Amundi's consolidation scope since July 1st 2020 with AUM of €20.7 billion. The market/foreign exchange impact on assets under management was +€52.1 billion compared to September 2020. Note that the joint venture with BOC Wealth Management, which was operational in Q4

28 *Increases adjusted for a change in accounting method; excluding adjustment, growth was +16.4% Q4/Q4 and +7.6% compared to 2019 in Property & Casualty insurance and +10.2% Q4/Q4 and +6.1% in Death & Disability/Creditor/Group insurance.*

29 *Equipment rate: percentage of individual banking customers holding at least one insurance product (Pacifica estimates). Scope: auto, home, health, life accidents, legal protection insurance and all mobile phones.*

2020, has targeted net income at 100% of €50 million by 2025. Lastly, this year Amundi established Amundi Technology, a technology services business line, with a target of €150 million in revenues by 2025. In January 2021, BNY Mellon and Amundi announced their technology partnership in order to provide asset management customers an integrated offering.

In **wealth management**, assets under management were down slightly in fourth quarter 2020. In January 2021, Azqore, a subsidiary of CAIWM, signed an agreement with Société Générale to perform the back-office operations and a large percentage of the IT services for the international part of Société Générale private bank.

The Asset Gathering (AG) business line posted underlying net income Group share of €513 million in fourth quarter 2020, down -12.0% compared to fourth quarter 2019 notably due to a change in the recognition methods used for subordinated debt coupons (without impact on net earnings per share). Net income Group share remained unchanged excluding this effect. The business line contributed by 41% to the underlying net income Group share of the Crédit Agricole S.A. core businesses (excluding the Corporate Centre division) in fourth quarter 2020 and 28% to underlying revenues excluding the Corporate Centre.

The Asset Gathering (AG) business line posted underlying net income Group share of €1,879 million in 2020, down -7.6% from 2019.

As at 31 December 2020, own funds allocated to the business line amounted to €10.6 billion, including €9.1 billion for Insurance, €1.0 billion for Asset Management, and €0.5 billion for Wealth Management. The business line's risk-weighted assets accounted for €43.0 billion, including €27.3 billion for Insurance, €10.7 billion for Asset Management and €5.0 billion for Wealth Management.

Underlying RONE (Return on Normalised Equity) stood at 22.5% for the full year of 2020, versus 27.5% for 2019.

Insurance

Underlying revenues totalled €734 million in fourth quarter 2020, a year-on-year increase of +3.4%, largely due to a positive market effect of +€60 million compared to fourth quarter 2019. Underlying expenses fell sharply by -7.5% in fourth quarter 2020 versus fourth quarter 2019, to €179 million. This was mainly due to tax cuts, which resulted in an increase in underlying GOI of +7.4% to €555 million in fourth quarter 2020. The underlying cost/income ratio in fourth quarter 2020 stood at 24.4%, an improvement of -2.9 percentage points compared to fourth quarter 2019. The tax charge was up +57% to €206 million due to non-deductible additions to provisions in fourth quarter 2020. Underlying net income thus totalled €351 million, down -8.9% compared to fourth quarter 2019. In the end, the business line's contribution to underlying net income Group share was down -17.6%, to €317 million, mostly due to non-controlling interests (€34 million in fourth quarter 2020) following a change in the recognition methods used for subordinated RT1 debt coupons (without impact on net earnings per share).

Underlying revenues totalled €2,557 million in 2020, down -2.3% from 2019. Underlying expenses remained under control, rising just +0.9% over the period to €761 million. As a result, underlying GOI decreased by -3.6% to €1,796 million, and the cost/income ratio deteriorated slightly by +1.0 percentage points to 29.8% for full-year 2020. Compared to 2019, underlying net income decreased by -3.4% to €1,287 million and underlying net income Group share by -9.2% to €1,207 million, mostly due to a change in the recognition methods used for subordinated RT1 debt coupons (without impact on net earnings per share). Without this impact, the decline in net income Group share would have been more limited (-3.4% versus 2019).

Crédit Agricole Assurances also demonstrated its solidity and resilience with a Solvency 2 regulatory prudential ratio still high at 227% at 31 December 2020.

Asset management

Underlying revenues totalled €712 million in fourth quarter 2020, up +1.4% on fourth quarter 2019. Net management revenues were up +2.0% on fourth quarter 2019, driven by the +0.9% increase in net management fee and commission income and the sharp +9.8% increase in performance fee and commission income. Underlying expenses excluding SRF remained under control (+3.0%), at €379 million. This increase can be explained by the Sabadell scope effect, and the creation of Amundi Bank of China WM. Without these different effects, expenses would have dropped -0.9%. Underlying GOI was stable (-0.3%) at €334 million and the cost/income ratio excluding SRF remained at a good level at 53.2%, slightly down year-on-year (+0.8 percentage points). The contribution of equity-accounted entities, comprising in particular income from Amundi's joint ventures in Asia, was up +49.9% on fourth quarter 2020 and reached €20 million. The underlying tax charge stayed unchanged (-0.9%) at €84 million this quarter. In the end, underlying net income Group share was solid and rose by +2.2% compared to fourth quarter 2019, to €180 million.

In full-year 2020, revenues fell -4.3% compared to 2019 to €2,522 million. Underlying expenses excluding SRF fell -2.5% to €1,367 million. Accordingly, underlying GOI was down -6.4% to €1,152 million and the underlying cost/income ratio excluding SRF remained at a good level (54.2%), slightly down 1.0 percentage point compared to 2019. Underlying income of equity-accounted entities rose sharply (+43.5%) to €66 million. In the end, underlying net income Group share decreased by -5.9% compared to 2019, to €600 million.

Wealth management

Underlying revenues rose +4.6% compared to fourth quarter 2019 to €219 million in fourth quarter 2020, thanks in particular to the resilience of performance fees. Underlying costs excluding SRF dropped (-4.2%) to €177 million mainly due to the savings plan. Accordingly, underlying GOI increased significantly year-on-year by +69.2%, to €42 million and the underlying cost/income ratio excluding SRF significantly improved by -7.4 percentage points to 80.7% in fourth quarter 2020. Cost of risk totalled €21 million and the tax charge dropped by -48.4% to €4 million. In the end, underlying net income Group share fell -27.9% to €15 million in fourth quarter 2020. The recognition, this quarter, of €23 million in specific items with an impact on net income Group share should be noted. These losses are related to an ongoing disposal plan for the Miami and Brazilian entities.

Revenues totalled €820 million in 2020, stable (-0.6%) compared with 2019. Underlying expenses excluding SRF decreased significantly (-5.7%) to €698 million. Accordingly, underlying GOI increased sharply (+48.5% to €119 million) and the underlying cost/income ratio excluding SRF improved (-4.7 percentage points) to 85.2%. Underlying net income Group share was up +8.4% to €72 million in 2020.

Retail Banking

The Group's **Retail banking** continued to support the economy and activity remains strong in the fourth quarter. The impact of the second lockdown ended up being limited, as reflected in the resumption of loan production: €7.8 billion for LCL (+13% since third quarter 2020 respectively), of which €1.9 billion in the corporate market (+59% since third quarter 2020 respectively) and €3.9 billion in the home loans market (stable since third quarter 2020 respectively); and €2.3 billion for CA Italia with record home loan production of €1.0 billion (+2.7% and +42.9% versus third quarter 2020 respectively). The level of outstanding loans remained high at €143.4 billion for LCL (+10.5% year-on-year) and €45.5 billion in Italy (+5.0% year-on-year), despite the disposal of non-performing loans amounting to €450 million in fourth quarter 2020. As at 31 December 2020, state-guaranteed loan outstandings stood at €8 billion for LCL and €2.4 billion for CA Italia. Excluding state-guaranteed loans, outstanding loans were also up year-on-year for LCL (+4.4%), driven by small business loans (+11.8%) and home loans (+4.5%). For CA Italia numbers were stable (+0.5%[30]). In France, renegotiations on LCL home loans continued to trend downwards in fourth quarter to €0.2 billion in outstandings, compared with €0.3 billion in the third quarter of 2020 and €1 billion in the fourth quarter of 2019. This was still well below the high point of €5.2 billion in fourth quarter 2016. Lastly, for all International retail banking excluding Italy, loan growth was +4.7%[25] at end December 2020 versus end December 2019, driven primarily by Ukraine (+18.4%[25]), Egypt (+10.0%[31]) and Poland (+2.5%[25]), with Morocco remaining stable (-0.7%[25]). On-balance sheet deposits at LCL were up +11.5% year-on-year in line with the increase in precautionary household savings and deposits of a portion of the state-guaranteed loans that were granted to promote corporate liquidity. Against this backdrop, demand deposits showed a rise for both individual customers (+15.5% Dec/Dec) and small business and corporate customers (+51.9% Dec/Dec). At CA Italia, on-balance sheet deposits were also up year-on-year (+8.9%), for the most part demand deposits of individual and corporate customers (+11.1%). Off-balance sheet savings were down slightly at LCL (-1.1%), particularly in life insurance (-1.6%), reflecting the market effects related to the public health crisis which were still negative for the year. At CA Italia, off-balance sheet deposits were up year-on-year (+8.8%), driven by life insurance deposits (+13.8%). Customer assets increased by +12.2% year-on-year for all International Retail Banking excluding Italy, driven by Ukraine (+50.1%[32]) and Poland (+12.5%[28]), with more modest growth in Morocco (+5.1%[28]) and Egypt (+4.1%[28]). The equipment rate in automotive, multi-risk household, healthcare, legal or accident insurance rose to 25.5% at LCL (+0.5 percentage point compared to end December 2019) and 17.1% at CA Italia (+1.7 percentage points compared to end December 2019).

French retail banking

Underlying revenues were up +4.5% compared to fourth quarter 2019, to €902 million in fourth quarter 2020. This increase was driven by the net interest margin (+16.2%), supported by good refinancing conditions. Fee and commission income dropped (-4.4%) with an electronic payments activity impacted by the sanitary crisis. Underlying costs excluding SRF remained under control at €599 million in fourth quarter 2020 (+0.2%), which leads to an improvement in the underlying cost/income ratio excluding SRF of 2.9 percentage points year-on-year, to 66.4%. This made it possible to achieve underlying gross operating income of €304 million, a sharp improvement (+14.2%) on fourth quarter 2019. Cost of risk stayed high (+39.1% compared to fourth quarter 2019) and totalled -€89 million in fourth quarter 2020. This increase can be explained by prudent provisioning of performing loans, which entails, first, prudent provisioning in sensitive sectors (such as hospitality, tourism, restaurants) and secondly, the update of economic scenarios. The doubtful loans ratio stands at 1.5% (-0.1 percentage point compared to third quarter 2020) and the coverage ratio stands at 86.2% (+1.6 percentage points compared to third quarter 2020). All in all, underlying net income Group share was up +0.6% compared to fourth quarter 2019, to €140 million in fourth quarter 2020.

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[30] *Excluding disposal of non-performing loans*
[31] *Excluding foreign exchange impact.*
[32] *Excluding foreign exchange impact.*

Revenues were up +1.4% in full-year 2020 compared to 2019, to €3,537 million. Underlying expenses excluding SRF decreased by -2.7%, due in particular to a continued improvement in external expenses, which resulted in a -2.7 percentage point improvement in the underlying cost/income ratio excluding SRF to 64.4%. Gross operating income thus fell sharply (+9.1% at €1,218 million). Cost of risk was up in full-year 2020 (+79.9% to €390 million), but this increase was mostly (+€191 million) due to performing loans provisioning. The business line's contribution to net income Group share fell -7.1% to €548 million.

The underlying RoNE (return on normalized equity) of LCL stood at 9.7% for 2020, compared to 10.8% for 2019.

International retail banking

International retail banking revenues fell by -2.8% to €692 million in fourth quarter 2020. Underlying costs remained virtually unchanged (-0.1%), at €453 million. As a result, underlying gross operating income decreased by -7.7% to €239 million. Cost of risk increased +67.5% this quarter to -€131 million. All in all, net income Group share of International retail banking was €70 million, down -33.3% compared to the fourth quarter 2019.

For the full-year 2020, underlying revenues decreased -4.9% to €2,659 million. Underlying operating expenses excluding SRF were down -1.3% to €1,708 million, resulting in a 2.3 percentage point deterioration in the underlying cost/income ratio to 64.3%. SRF increased by 14.2% to -€25 million. Gross underlying operating income totalled €925 million, down -11.2%. Excluding SRF, the drop in gross operating income is lowered to -10.7%. Provisioning increased by 70.2% to €569 million for full-year 2020. This translated into underlying net income Group share of €225 million for full-year 2020 (down -40.6%).

Italy

Crédit Agricole Italia's revenues were slightly up in fourth quarter 2020 compared to 2019 at €490 million (+0.9% compared to fourth quarter 2019). Net interest margin fell in spite of the favourable refinancing terms, and fee and commission income returned to the fourth quarter 2019 level thanks to credit insurance and UCITS. Underlying costs fell slightly year-on-year (+1.1%) following the investments made in new distribution models that were not offset by savings on recurring costs. Underlying cost/income ratio excluding SRF remained unchanged at 65.5% (+0.1 percentage points compared to fourth quarter 2019). Cost of risk increased +81.9% to -€113 million, a well-controlled level reflecting both an additional provisions on a €450 million doubtful loans disposal and an increase in provisions for proven risks (46% of the increase in cost of risk related to the provisioning of performing loans). The cost of risk on outstandings for the year therefore stood at 93 basis points. The ratio of non performing loans loans improved this quarter to 6.5% (-0.8 percentage points Dec/Sept) thanks to the loan disposal, and the coverage ratio stood at 60.8% on portfolio loans. Excluding loan disposals, the coverage ratio improved by 120 basis points.

For full-year 2020, revenues dropped -3.0% to €1,827 million. Operating expenses excluding SRF were down by only -0.9%, resulting in a deterioration in the underlying cost/income ratio excluding SRF, which stood at 64.0%, an increase of 1.4 percentage points Dec./Dec. Gross operating income was down -7.2%, to €632 million (-6.5% excluding SRF). Lastly, the business line's contribution to underlying net income Group share was down by -33.3% to €144 million.

The underlying RoNE (return on normalized equity) of CA Italia stood at 5.7% for the full-year 2020, compared to 9.3% for 2019.

Crédit Agricole Group in Italy

The Group's results in Italy were €579 million for full-year 2020, i.e. a -11% decrease compared to full-year 2019 due to the increase in cost of risk.

International Retail Banking – excluding Italy

Underlying revenues declined in fourth quarter 2020 compared to fourth quarter 2019 (-11.0%), mainly due to a net interest margin still impacted by the fall in reference interest rates in Egypt, Poland, Ukraine and Morocco, and fee and commission income affected by the slowdown in commercial activity. However, there was a +3.8% uptick in revenues compared to third quarter 2020. Underlying costs also fell by -2.8%. As expenses declined less than revenues, the underlying cost/income ratio of IRB excluding Italy deteriorated this quarter to 65.4%, up +5.5 points. Underlying gross operating income thus decreased by -23.1%. Cost of risk increased (+12.9%) to -€18 million in fourth quarter 2020. The coverage ratio was up 5 percentage points compared to third quarter 2020 at 109%. All in all, underlying net income Group share stood at €37 million, i.e. a decrease of -27.8%.

By country:

- CA Egypt [33]: underlying revenues were down -8% in fourth quarter 2020 compared to fourth quarter 2019, penalised by lower rates. The risk profile remained good with a low NPL ratio of 3.1% and a high coverage ratio of 166%.
- CA Poland[33]: revenues decreased this quarter (-20%), penalised by the decrease in reference rates and despite a sustained level of new business in the quarter (+16,000 clients). Costs also fell (-3%) leading to a -56% decline in gross operating income. The non performing loans coverage ratio rose to 116% .
- CA Ukraine[33]: underlying revenues were slightly up this quarter (+1%) as a result of a sharp upturn in commercial activity. The 17% increase in costs reflects investments made in digital technology and network transformation. NPL ratio improved to 1.4% (-2.7 percentage points compared to December 2019) and the coverage ratio stayed very high at 351%.
- Crédit du Maroc[33]: revenues remained unchanged, and costs fell sharply (-19%). Provisioning remained prudent, with the coverage ratio reaching 94% (+3 percentage points compared to September 2020).

For full-year 2020, revenues were down by -8.8% to €833 million. Operating expenses decreased by -2.3% only, which resulted in a deterioration of the underlying cost/income ratio to 64.7%, up by 4.3 percentage points Dec./Dec. Underlying gross operating income stood at €294 million, down -18.7%. Cost of risk totalled €142 million, up 69.6%. All in all, the business-line's contribution to net income Group share totalled €81 million, down -50.3%.

The underlying RoNE (return on normalized equity) of other IRB stood at 12.3% for the year 2020, compared to 19.3% for 2019.

The International retail banking business line contributed for 5% to the underlying net income Group share of Crédit Agricole S.A.'s core businesses (excluding the Corporate Centre division) in 2020 and 13% to underlying revenues excluding the Corporate Centre.

The entire Retail banking business line contributed for 17% to the underlying net income Group share of Crédit Agricole S.A.'s core businesses (excluding the Corporate Centre division) in 2020 and 30% to underlying revenues excluding the Corporate Centre.

As of 31 December 2020, the capital allocated to the division was €8.7 billion including €4.9 billion for French retail banking and €3.8 billion for International retail banking. Risk weighted assets totalled €91.6 billion including €52.0 billion for French retail banking and €49.5 billion for International retail banking.

[33] *Excluding forex effect*

Specialised Financial Services

Specialised financial services activity rebounded in December after a limited second lockdown impact. CA Consumer Finance's loan production in fourth quarter 2020 was up compared to third quarter 2020 (+1.8%), reaching €11.1 billion (-3% compared to fourth quarter 2019) returning to the average level of 2019. The reason for this was the strong performance of the automobile JVs (+11% in fourth quarter 2020 compared to fourth quarter 2019). In France, loan production withstood the impact of the second wave of covid-19, slipping by just -3% in fourth quarter 2020 compared to fourth quarter 2019. The production margin on depreciable loans remained stable, except for automobile JV this quarter. **Gross managed loans were more or less stable** year-on-year (-1.3% compared to December 2019), **resulting in the postponement to 2023 of the gross managed loans target initially announced for 2022, cost/income ratio and RoNE targets being achievable by 2022.** Nevertheless, the rebound in gross managed loans that began in September 2020 continued (+1.9% at end December 2020 compared with September, after +0.9% between June and September 2020). At CAL&F, **leasing production showed good momentum**, reaching €1.8 billion in fourth quarter 2020, higher than the already very good level of fourth quarter 2019 (+0.8%). This sharp upturn compared to third quarter 2020 (+28.7%) was driven by France's and Poland's performances. The **gross consolidated loans** were up year-on-year (+3.2% at December 2020 compared to 2019), driven by France. Factoring activity had a very good fourth quarter 2020 with **factored revenues up** by +4.4% from fourth quarter 2019. However, this level of activity was not directly reflected in the change in overall revenues because there was a decline in the share of turnover subject to factoring, in the context of lower liquidity requirements for corporates considering exceptional governmental liquidity support measures such as SGLs.

Fourth quarter 2020 results of **Specialised financial services** were resilient. **Gross operating income** was slightly down (-1.8% compared to fourth quarter 2019) and **cost/income ratio** improved to 48.8% (i.e. -0.5 percentage point decrease). In addition, the **cost of risk** increase was brought below 50% over the full year 2020. The results of the year have been marked by the reclassification under IFRS 5 on third quarter of the Dutch subsidiary CACF Nederland BV, an entity held for sale. In fourth quarter 2020, this translated into the posting of CA Consumer Finance NL's fourth quarter income to net income from held-for-sale operations of -€66 million (classified under specific items of the quarter and subtracted from underlying results). Accordingly, in fourth quarter 2020, the business line's **underlying net income Group share** stood at €165 million, i.e. a decline of -22.3% and of -25.4% at constant scope compared to fourth quarter 2019 (i.e. excluding CA Consumer Finance NL).

The business line contributed 13% to the underlying net income Group share of the Crédit Agricole S.A. core businesses (excluding the Corporate Centre Division) for full-year 2020

RoNE (return on normalised equity) of the business line stood at 11.7% for full-year 2020 compared to 16% in 2019. Own funds allocated to the business line totalled €4.9 billion, compared to €5.2 billion in 2019.

Consumer finance

In the fourth quarter 2020, CA Consumer Finance's **underlying revenues** totalled €502 million, down -4.0% compared to fourth quarter 2019, due to an unfavourable product mix and competitive pressures. However, on a constant scope basis, i.e., excluding CA Consumer Finance NL[34], underlying revenues contracted slightly by -1.9%. **Gross operating income** remained stable compared to fourth quarter 2019 (-0.3% and -5.2% excluding scope effect, due to a base effect on fourth quarter 2019 expenses). As such, the **cost/income ratio excluding SRF,** up 1.9 percentage points compared to fourth quarter 2019, stood at 48.1% this quarter (excluding scope effect, cost/income ratio increases of 1.8 percentage points, due to a base effect on fourth quarter 2019 expenses). **Equity-accounted entities** totalled €140 million this quarter, i.e. a multiplication by 2.2 compared to fourth quarter 2019, on account of a partial provision reversal on a €89 million fine issued to FCA Bank by AGCM, the Italian competition authority, restated under specific items. Consequently, the equity-accounted entities underlying contribution contracted by -22.7% compared to fourth quarter 2019, notably impacted by the results of the other international entities, especially Wafasalaf, slightly more affected by the crisis. However, **cost of risk** was kept under control during the second wave of the pandemic, up by a mere 1.3% compared to the previous quarter, and up by only 11.0% compared to fourth quarter 2019 (+23% excluding scope effect). **Cost of risk on outstandings** stood at 179 basis points, down 9 basis compared to annualised September 2020. **NPL ratio** stood at 6.8%, down 0.5 percentage point compared to September 2020. All in all, **underlying net income Group share** totalled €128 million this quarter, down 19% on fourth quarter 2019 and -23% excluding scope effect.

For full-year 2020, CACF recorded resilient results during the crisis, for instance, compared to 2019, CA-CF's **underlying revenues** dropped -7.1% and -3.7% excluding scope effect. **Cost/income ratio excluding SRF** slightly improved and reached 49.3% (compared to 49% on full year 2019). **Cost of risk** rose by only 41.3% this year compared to 2019. **Equity-accounted entities contribution** fell (-13.9%) due to the poor performance of other international entities (particularly at Wafasalaf, which was slightly more impacted by the health crisis) partly offset by the resilience of the automotive joint ventures. CA Consumer Finance's **underlying net income Group share** for the year decreased by -21.9% and by -22% excluding scope effect. Lastly, the **business line's contribution to net income Group share** in full-year 2020 was 11%.

Leasing & Factoring

In **fourth quarter 2020**, the **underlying revenues** of CAL&F totalled €152 million, slightly up by 1.5% compared to fourth quarter 2020, thanks to robust recovery of the activity that began in June 2020 but again curbed by a factoring business, which was penalised by a decrease in the share of factored turnover resulting from the impact of State-guaranteed loans for corporates. **Cost/income ratio** returned to a normal level at 51.1% this quarter, an improvement compared to third trimester 2020, but slightly down compared to fourth quarter 2019 (-4.3 percentage points). **Cost of risk** increased sharply (x2.1 compared to fourth quarter 2019, reaching €25 million) notably related to performing loans provisioning, which accounts for 80% of total outstandings. Nevertheless, CAL&F's **underlying net income Group share** was €37 million this quarter, down -32% compared to fourth quarter 2019, but up 8.9% compared to the previous quarter.

For full-year 2020, CAL&F **revenues** decreased by -6.7% compared to 2019 impacted by a lower factoring performance, strongly linked to the crisis and clients lower liquidity requirements. This lead to an increase in **cost/income ratio excluding SRF**, which rose by 4.6 percentage points to 54.6%. As the **cost of risk** doubled compared to 2019, CAL&F's **net income Group share** stood at €101 million, down -40.8% compared to 2019.

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[34] *Excluding IFRS 5 impact CACF NL in Q4-20*

Large customers

Corporate and Investment Banking activity was brisk in fourth quarter 2020 with stable underlying revenues (-0.5% to €1,157 million) compared to a very high fourth quarter 2019. **Capital markets and investment banking** (-5.0% to €545 million) continued its revenue normalisation initiated in the third quarter (FICC activities: -7.4%, including CVA) due to a slowdown in hedging activities caused by a massive return of liquidity and lower volatility. **Bond originations** were stable, with a good level of activity (same level in fourth quarter 2020 as in fourth quarter 2019). In a normalising market, Crédit Agricole CIB kept its **leadership positions** (No. 1 in All French Corporate bonds,[35] No. 1 in All Financial Bonds,[36] and No. 2 worldwide in Global Green and Sustainability bonds[37]). Regulatory **VaR** at 31 December 2020 **remained at a low level**, in line with the **prudent risk management** model (€9.2 at 31 December 2020 versus €22.2 million at 31 March 2020, average regulatory VaR: €10.9 million in fourth quarter 2020 versus €18.8 million in second quarter 2020). **Financing activities** reported higher underlying revenues (+3.9% and +8.6% excluding the foreign exchange impact) in fourth quarter 2020 compared to fourth quarter 2019, totalling €612 million. They were driven on the one hand by a good performance from commercial banking (+6.1% to €331 million), particularly in acquisition financing, and on the other hand by structured finance (+1.5% to €281 million in the telecoms and energy/infrastructure sectors). In particular, Crédit Agricole CIB maintained good positions in **syndicated loans**: Crédit Agricole CIB is the **leader in France** and No. **3 in the EMEA market**. The drawdown rate on revolving credit facilities (RCFs) returned almost to pre-crisis levels. It stood at 20% in fourth quarter 2020, very close to the pre-crisis level of 18%, having reached a high point of 32% at the end of April.

Lastly, **Asset Servicing** (CACEIS) recorded a good level of activity this quarter. Assets under custody totalled €4.2 trillion at end December 2020, up +8% year-on-year, exceeding the level in value set as a target in the 2022 Medium Term Plan. **Assets under administration** also increased by +6% to €2,175 billion. These increases were largely due to **customer capture** and **asset growth in existing customers**.

In **fourth quarter 2020**, underlying **net income Group share** for the Large customers business line amounted to €303 million, down -18.6% compared to third quarter of 2019. Gross operating income was stable (-0.4% in fourth quarter 2020 compared to fourth quarter 2019) thanks to robust activity across all business lines, and despite the ongoing normalisation for capital markets and investment banking. The business line still reported an increase, although it is slowing down, in provisioning (cost of risk increased two-fold to €111 million), particularly in financing activities (multiplied by 2.1 to €121 million in fourth quarter 2020).

In 2020, **underlying net income Group share** totalled €1,325 million, down -16.1% on the same period in 2019.

The business line contributed 29% to the **underlying net income Group share** of Crédit Agricole S.A.'s core businesses (excluding the Corporate Centre division) for full-year 2020 and 30% to **underlying revenues** excluding the Corporate Centre.

At 31 December 2020, **own funds allocated** to the business line totalled €11.7 billion and **risk weighted assets** amounted to €123.6 billion.

Underlying **RoNE** (return on normalised equity) of the business line stood at 10.7% for 2020 compared to 12.7% for 2019.

Corporate and investment banking

In **fourth quarter 2020**, Corporate and investment banking underlying **revenues** remain virtually unchanged with a slight -0.5% decrease to €1,157 million, the normalisation started in the third quarter for capital markets continued (-5% in fourth quarter 2020 compared to fourth quarter 2019 which was at a high level), subject to the

[35] *Sources: Dealogic*
[36] *Sources: Refinitiv N11*
[37] *Sources: Bloomberg*

effect of the slowdown in hedging activities caused by the massive return of liquidity and lower volatility, and in spite of maintaining a strong activity level on the primary bond market; financing activities reported an increase in net revenues (3.9% between the two quarters) with strong performance from commercial banking, driven by the acquisition financing sector and a good sales momentum on structured finance, particularly on the telecoms and energy/infrastructure business lines. Underlying operating expenses remained well controlled and recorded a slight increase of +0.3% in fourth quarter 2020 making it possible to post an underlying cost/income ratio of 59.3%, a +0.4-point slight improvement on fourth quarter 2019. Thus, underlying gross operating income fell slightly this quarter, down -1.5% compared to fourth quarter 2019. Cost of risk increased significantly compared to fourth quarter 2019. It doubled to €108 million, mainly due to the increase in performing loans provisioning, notably on the aircraft, shipping and hospitality sectors, weakened by the health crisis. Compared to third quarter 2020, cost of risk decreased -51%. In the end, underlying net income Group share was €303 million in fourth quarter 2020, a decline of -18.6% compared to fourth quarter 2019.

For full-year 2020, revenues recorded a marked increase of +8.8% on the same period in 2019. Operating expenses excluding SRF contributions recorded a very slight increase (+2.1%), enabling the production of a +6.7 percentage point jaws effect and the posting of cost/income ratio excluding SRF of 51.5%, a 3.4-point improvement between 2019 and 2020, and a level below the Medium-Term Plan target (less than 55%). Gross operating income was sharply up by +14.7%, between 2019 and 2020. However, cost of risk multiplied by 5.3 over the year, 86% of the increase in financing activities linked to performing loans. All in all, the contribution to net income Group share was €1,195 million, down -16.8% compared to 2019.

Risk-weighted assets as of December 2020 decrease by -€1.1 bn compared to end of September 2020. This decrease is due to a reduction of -€5.4 bn in business line activity, including the continued normalisation of VaR (lower market risk and CVA of -€2.3 bn) and a favourable exchange rate impact of -€1.6 bn. Those two downward elements are partially offset by the increase related to ratings downgrade for +€2.1 bn and model effects linked to TRIM for +€4.5 bn.

Asset servicing

In fourth quarter 2020, underlying revenues increased by +8.1% to €281 million. Apart from the scope effect linked to the consolidation of the results of Santander Securities Services (S3) since first quarter 2020 (outstandings were consolidated in fourth quarter 2019), underlying net revenues have been buoyed by a strong activity level. Assets under custody totalled €4.2 trillion at 31 December 2020, exceeding the target (4 trillion) of the 2022 Medium-Term Plan. They have increased +8% in one year at end December 2020 thanks to the arrival of new customers (mainly Groupama and Candriam) and assets growth for existing customers. Underlying operating expenses increased by 7.9% to €218 million. Excluding scope effect related to the consolidation of S3, underlying operating expenses increased 2.0% mainly as a result of IT developments and investments, including some related to the arrival of new large customers). Underlying gross operating income rose +9.1% to €63 million and cost/income ratio was 77.6% in fourth quarter 2020. Net underlying income totalled €53 million, up by +46.1%. After sharing €17 million with Santander's non-controlling interest, the business line's contribution to underlying net income Group share posted a drop of -1.1% year-on-year to €36 million.

Underlying revenues increased by +20.5% in 2020 compared to 2019, while underlying operating expenses excluding SRF increased by +20.2%. Underlying gross operating income increased by +17.1% and the underlying cost/income ratio excluding SRF was 75.7%, a slight -0.2 percentage point improvement compared to the same period in 2019. As a result, underlying **net income** increased by +34.5%. In the end, the business line's contribution to **net income Group share** was down -9.1% to €130 million due to the appearance of non-controlling interests in favour of Santander.

Corporate Centre

An analysis of the negative contribution of the Corporate Centre looks at both the "structural" contribution and other items. The "structural" contribution includes three types of activities:

- the activities and the role of the corporate centre of Crédit Agricole S.A. holding. This negative contribution reached -€195 million in fourth quarter 2020, down compared to the fourth quarter 2019 (-€52 million) due to an unfavourable tax effect partly offset by lower refinancing costs and temporary gains related to TLTRO III;
- the sub-divisions that are not part of the core businesses, such as CACIF (private equity) and CA Immobilier: their contribution of +€6 million in fourth quarter 2020 shows a decline compared to fourth quarter 2019 (-€19 million), due to low fee and commission income at CACIF and the impact of negative valuations in private equity entities;
- the Group's support functions: the fourth quarter 2020 recorded an increase in operating costs due to end-of-year project catch-up which amounted to -€26 million, down -€19 million.

"Other items" recorded a negative contribution of -€36 million this quarter, compared to a contribution of +€5 million in fourth quarter 2019. This negative variance is due to seasonal inflation and the impact of the intra-group eliminations subscribed by Predica and Amundi.

For 2020, the Corporate Centre division made a negative contribution of -€733, an improvement of +€80 million compared 2019. The structural component improved significantly over the period (+€113 million), in particular with regard to the activities and functions of the corporate entity Crédit Agricole S.A.'s corporate centre (+€187 million). The other items of the business line contributed +€31 million over the year, down -€33 million.

As at 31 December 2020, risk weighted assets amounted to €26.2 billion.

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Financial strength

Crédit Agricole Group

Over the quarter, the phased-in Common Equity Tier 1 (CET1) ratio up by +0.2 percentage points compared to end-June 2020 to reach 17.2%. Therefore, Crédit Agricole Group posted a substantial buffer of 8.3 percentage points between the level of its CET1 ratio and the 8.9% SREP requirement for Crédit Agricole Group, compared with 8.1 percentage points at 30 September 2020.

The fully loaded ratio, in other words excluding the impact of the phasing-in of IFRS 9 incorporated in second quarter 2020 as part of the "Quick fix", was 16.9%. The increase was mainly due to the effect of the stated result (+27 basis points) and by risk weighted assets (+17 basis points) which decrease in Large Customers (-€4.3 billion excluding foreign exchange impact). Risk weighted assets increase in retail banking (+€0.7 billion excluding foreign exchange impact) of which +1.4 billion for the Regional banks, +€0.3 for LCL and -€1.2 billion for CA Italia). Dividend and AT1 distribution had a downward impact on the CET1 amounting to -8 basis points, corresponding to the sum of the impacts related to the payment of a dividend of €0.80 per share[38] (-18 basis points), to provisions set aside on the basis of the usual pay-out policy (+12 basis points), and to AT1 coupons (-2 basis points). The "Methodology & regulatory effects" contributed to the decrease of the CET1 (-7 basis points), with an impact of the review of internal models (TRIM: -16 basis point) partially offset by the positive impact of new software processing (+9 basis points). Finally, the "M&A, OCI & Others" had a downward impact on CET1amounting to -2 basis points.

The phased-in leverage ratio stood at 6.1%, an increase of +0.3 point compared to end-September 2020 (increase at 5.6% compared to end-September 2020 before the neutralisation of ECB exposures). The phased-in Tier 1 ratio stood at 18.3%, the phased-in overall ratio was 21.1% and the phased-in average intra-quarter leverage ratio was 5.3% this quarter, before exclusion of the Central Bank exposures.

TLAC

The Financial Stability Board (FSB) has defined the calculation of a ratio aimed at estimating the adequacy of the bail-in and recapitalisation capacity of Global Systemically Important Banks (G-SIBs). This Total Loss Absorbing Capacity (TLAC) ratio provides resolution authorities with the means to assess whether G-SIBs have sufficient bail-in and recapitalisation capacity before and during resolution. It applies to Global Systemically Important Banks, and therefore to Crédit Agricole Group.

The elements that could absorb losses consist of equity, subordinated notes and debts to which the Resolution Authority can apply the bail-in.

The TLAC ratio requirement has been transposed into European Union law *via* CRR2 and has been applicable since 27 June 2019. As from that date, Crédit Agricole Group must comply with the following requirements at all times:

- a TLAC ratio above 16% of risk weighted assets (RWA), plus – in accordance with CRD5 – a combined capital buffer requirement (including, for the Crédit Agricole Group, a 2.5% capital conservation buffer, a 1% G-SIB buffer and the counter-cyclical buffer). Considering the combined capital buffer requirement, Crédit Agricole Group must adhere to a TLAC ratio of above 19.5% (plus the counter-cyclical buffer)
- a TLAC ratio of above 6% of the Leverage Ratio Exposure (LRE).

As from 1 January 2022, the minimum TLAC requirements will increase to 18% of risk weighted assets – plus the combined buffer requirement at that date – and 6.75% of the leverage ratio exposure.

[38] With a share-based dividend payment option, with a formal commitment by SAS Rue La Boétie to opt for payment in shares, and on the assumption that the employee mutual funds (FPCEs) also request the dividend to be paid in shares.

At 31 December 2020, **Crédit Agricole Group's TLAC ratio** stood at **25.5% of RWAs and 8.5% of leverage ratio exposure, excluding eligible senior preferred debt**[39]. The TLAC ratio rose 60bp compared to 30 September 2020, hand-in-hand with the first social bond issuance, realised in senior non-preferred format, for €1 billion in December, the increase in own funds during the quarter and the low increase in RWAs. Expressed as a percentage of the leverage ratio exposure (LRE), the TLAC ratio rose 40bp, taking into account the neutralisation of Central Bank exposures (it would stand at 7.7% before such neutralisation of these exposures). It exceeded the required 19.5% of RWAs (according to CRR2/CRD5, plus, at 31 December 2020, the counter-cyclical buffer of 0.01%) and 6% of the leverage ratio exposure, respectively, despite the fact that it was possible at that date to include up to 2.5% of RWAs in eligible senior preferred debt.

Achievement of the TLAC ratio is supported by a **TLAC debt issuance program of around €6 billion to €8 billion in the wholesale market in 2020.** At 31 December 2020, €8.4 billion equivalent had been issued in the market; the amount of the Crédit Agricole Group senior non-preferred debt taken into account in the computation of the TLAC ratio was €23.9 billion.

MREL

The MREL (Minimum Requirement for Own Funds and Eligible Liabilities) ratio is defined in the European "Bank Recovery and Resolution Directive" (BRRD). This Directive establishes a framework for the resolution of banks throughout the European Union, with the aim to provide resolution authorities with shared instruments and powers to pre-emptively tackle banking crises, preserve financial stability and reduce taxpayers' exposure to losses. Directive (EU) 2019/879 of 20 May 2019 known as "BRRD2" amended the BRRD and was transposed into French law by Order 2020-1636 of 21 December 2020.

The MREL ratio corresponds to an own funds and eligible liabilities buffer required to absorb losses in the event of resolution. The required minimum levels are decisions taken by resolution authorities and then communicated to each institution, then revised periodically.

In 2020, Crédit Agricole Group was notified of the revision of its total consolidated MREL requirement and of a new subordinated MREL requirement (from which senior debt are generally excluded in line with the TLAC standards). These two requirements were already met by the Group at the time of their notification. The two requirements were calibrated under BRRD and are applicable until the next notification, which will include the changes to the European regulatory framework (i.e. BRRD2).

Under BRRD, the MREL ratio is calculated as the amount of own funds and eligible liabilities expressed as a percentage of the institution's total liabilities and own funds, after certain prudential adjustments (TLOF[40]), or expressed as risk weighted assets (RWA). Regulatory capital, as well as subordinated notes, senior non-preferred debt instruments and certain senior preferred debt instruments with residual maturities of more than one year are eligible for the numerator of the MREL ratio.

Crédit Agricole Group's target is to reach a subordinated MREL ratio (excluding eligible senior preferred debt) of 24-25% of the RWAs by the end of 2022 and to maintain the subordinated MREL ratio above 8% of TLOF. This level would enable recourse to the Single Resolution Fund (subject to the decision of the resolution authority) before applying the bail-in to senior preferred debt, creating an additional layer of protection for investors in senior preferred debt.

[39] As part of its annual resolvability assessment, Crédit Agricole Group has chosen to waive the possibility offered by Article 72b(3) of the Capital Requirements Regulation to use senior preferred debt for compliance with its TLAC requirements in 2021.

[40] TLOF – Total Liabilities Own Funds, equivalent to the prudential balance sheet after netting of derivatives

At 31 December 2020, **Crédit Agricole Group posted an estimated MREL ratio [41] of around 11% of the TLOF and 8.5% excluding eligible senior preferred debt.** Expressed as a percentage of risk weighted assets, the Crédit Agricole Group's estimated MREL ratio was approximately **33%** at end-December 2020. **It was 25.5% excluding eligible senior preferred debt.** The MTP target regarding subordinated MREL has been met since September 2020.

Maximum Distributable Amount (MDA) trigger

The transposition of Basel regulations into European law (CRD) introduced a restriction mechanism for distribution that applies to dividends, AT1 instruments and variable compensation. The Maximum Distributable Amount (MDA, the maximum sum a bank is allowed to allocate to distributions) principle aims to place limitations on distributions in the event the latter were to result in non-compliance with combined buffer requirements.

The distance to the MDA trigger is the lowest of the respective distances to the SREP requirements in CET1 capital, Tier 1 capital and total capital. As from 12 March 2020 and considering the impact of the COVID-19 crisis, the European Central Bank brought forward the effective date of application of Article 104a of CRD5 and allowed institutions under its supervision to use Tier 1 and Tier 2 capital to meet the additional Pillar 2 requirement (P2R). Overall, the P2R can now be met with 75% Tier 1 capital including as a minimum 75% CET1 capital. The CET1 requirement of Crédit Agricole S.A. and Crédit Agricole Group has thus decreased by -66 basis points since first quarter 2020.

At 31 December 2020, **Crédit Agricole Group** posted a buffer of **764 basis points above the MDA trigger, i.e. €43 billion in CET1 capital**.

At 31 December 2020, **Crédit Agricole S.A.** posted a buffer of **525 basis points above the MDA trigger, i.e. €18 billion in CET1 capital**.

Crédit Agricole S.A.

At end-December 2020, Crédit Agricole S.A.'s solvency remained at a high level, with a phased-in **Common Equity Tier 1 (CET1) ratio of 13.1%** (i.e. including the impact of the IFRS 9 phasing-in incorporated in second quarter 2020 as part of the as part of the "quick fix"), **up +0.5 percentage points compared to end-September 2020, 5.2 percent points above the SREP. The fully loaded ratio is 12.9%.** The CET1 ratio benefited this quarter from the effect of the stated result, generating a positive impact of +30 basis points, the dividend and AT1 distribution : +5 basis points corresponding to the sum of the impacts related to the payment of a dividend of €0.80 per share for financial year 2020[42] (-27 basis points), to provisions set aside on the basis of the usual pay-out policy (+34 basis points), and to AT1 coupons (-2 basis points). Risk weighted assets had an upward impact on CET1 amounting to +33 basis points while impact of the methodology and regulatory effects had a negative impact amounting -6 basis point, with an impact of the review of internal models (TRIM: -20 basis points), partially offset by the favourable impact of new software processing (+14 basis points). Finally, the ratio include a negative impact of -7 basis points in the "M&A, OCI & Others" item, notably due to M&A, capital increase reserved for employees (+5 basis points), unrealised gains and/or losses on securities portfolios and foreign exchange impact. In the end, Crédit Agricole S.A. had a substantial buffer of 5.2 percentage points between the level of its CET1 ratio and the 7.9% SREP requirement, compared with 4.7 percentage points at 30 September 2020. The phased-in leverage ratio was 4.0% at end-December 2020, up +0.4 percentage point from end-September 2020 (up at 4.2% compared to end-September 2020, before neutralisation of ECB exposures). The phased-in average intra-quarter leverage ratio was 4.0% before the neutralisation of ECB exposures, the phased-in Tier 1 ratio was 14.9% and the phased-in overall ratio was 19.2% this quarter.

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[41] *Computation made in accordance with the BRRD applicable to the requirements in force. MREL eligible liabilities issued externally by all Group entities are included.*

[42] *With a share-based dividend payment option, with a formal commitment by SAS Rue La Boétie to opt for payment in shares, and on the assumption that the employee mutual funds (FPCEs) also request the dividend to be paid in shares*

Risk weighted assets amounted to €336 billion at end-December 2020, stable compared to the end-September (-0,5%). The business lines' contribution was negative in the amount of -€5.6 billion, (of which -€1.9 billion in foreign exchange impact) due to a decrease in risk weighted assets in the Large customers business line (-€4,5 billion excluding foreign exchange impact). Risk weighted assets in Retail banking decrease (-€1.2 billion excluding foreign exchange impact of which -€1.3 billion in CA Italia related to the disposal of NPL). The increase in the equity-accounted value of insurance had an upward impact on risk weighted assets in the amount of +€0.5 billion. The "Methodology & regulatory effects & M&A" item had a upward impact on risk weighted assets amounting to +€5.6 billion, the increase is mainly related to the review of internal models (TRIM: +€5.2 billion).

Liquidity and Funding

Liquidity is measured at Crédit Agricole Group level.

In order to provide simple, relevant and auditable information on the Group's liquidity position, the banking cash balance sheet's stable resources surplus is calculated quarterly.

The banking cash balance sheet is derived from Crédit Agricole Group's IFRS financial statements. It is based on the definition of a mapping table between the Group's IFRS financial statements and the sections of the cash balance sheet as they appear in the next table and whose definition is commonly accepted in the marketplace. It relates to the banking scope, with insurance activities being managed in accordance with their own specific prudential constraints.

Further to the breakdown of the IFRS financial statements in the sections of the cash balance sheet, netting calculations are carried out. They relate to certain assets and liabilities that have a symmetrical impact in terms of liquidity risk. Deferred taxes, fair value impacts, collective impairments, short-selling transactions and other assets and liabilities were netted for a total of €71 billion at end-December 2020. Similarly, €96 billion in repos/reverse repos were eliminated insofar as these outstandings reflect the activity of the securities desk carrying out securities borrowing and lending operations that offset each other. Other nettings calculated in order to build the cash balance sheet—for an amount totalling €169 billion at end-December 2020—relate to derivatives, margin calls, adjustment/settlement/liaison accounts and to non-liquid securities held by the Corporate and Investment banking division and are included in the "Customer-related trading assets" section.

Note that deposits centralised with Caisse des Dépôts et Consignations are not netted in order to build the cash balance sheet; the amount of centralised deposits (€65 billion at end-December 2020) is booked to assets under "Customer-related trading assets" and to liabilities under "Customer-related funds".

In a final stage, other restatements reassign outstandings that accounting standards allocate to one section, when they are economically related to another. As such, senior issues placed through the banking networks as well as financing by the European Investment Bank, the Caisse des Dépôts et Consignations and other refinancing transactions of the same type backed by customer loans, which accounting standards would classify as "Medium long-term market funds", are reclassified as "Customer-related funds".

Note that for central bank refinancing transactions, outstandings related to the T-LTRO (Targeted Longer-Term Refinancing Operation) are included in "Long-term market funds". Indeed, the T-LTRO 2 and T-LTRO 3 operations do not allow for early redemption at the ECB's discretion; given respectively their four-year and three-year contractual maturity, they are deemed equivalent to long-term secured refinancing, identical in liquidity risk terms to a secured issue.

Medium/long-term repos are also included in "Long term market funds".

Finally, the CIB's counterparties that are banks with which we have a commercial relationship are considered as customers in the construction of the cash balance sheet.

Standing at €1,500 billion at 31 December 2020, the Group's banking cash balance sheet shows a **surplus of stable funding resources over stable application of funds of €265 billion**, up €16 billion compared to September 2020 and up €139 billion compared to December 2019.

In line with initiatives already undertaken during the past quarters in connection with the Covid-19 crisis, the Group took part in December 2020 once again in the T-LTRO 3 medium-to-long-term refinancing transactions of the European Central Bank for €10.8 billion, increasing its level of stable resources. Total T-LTLRO 3 outstandings for the Group amounts to €133 billion[43] at 31 December 2020. Note that the bonification applicable to the refinancing rate for these operations is accrued over the drawdown period and the additional bonification is accrued over one year, as the Group already meets the lending trigger

Moreover, the Group has once again benefited from an increase of deposit during the quarter, however more modest. Over the quarter, deposits were up +€10 billion, while loans were up +€7 billion, also contributing to the improvement of stable resources.

The surplus of 265 billion euros, known as “stable resources position”, allows the Group to cover the LCR deficit generated by long term assets and stable liabilities (customer, tangible and intangible assets, long-term funds, own funds). Internal management excludes the temporary surplus of stable resources provided by the increase in T-LTRO 3 oustandings in order to secure the Medium-Term Plan’s objective of more than €100 billion, regardless of the future repayment strategy. The ratio of stable resources over long term applications of funds was 123.5%, up 1.3pp compared to the previous quarter.

Furthermore, given the excess liquidity, the Group remained in a short-term lending position at 31 December 2020 (central bank deposits exceeding the amount of short-term debt).

Medium-to-long-term market resources were €321 billion at 31 December 2020, up +€8 billion compared to end-September 2020.

They include senior secured debt of €199 billion, senior preferred debt of €79 billion, senior non-preferred debt of €24 billion and Tier 2 securities amounting to €19 billion.

The increase in senior secured debt is explained by the Group taking part in the T-LTRO 3 transactions of the European Central Bank.

At 31 December 2020, the Group’s liquidity reserves, at market value and after haircuts, amounted to €438 billion, up +€34 billion from end-September 2020 and up +€140 billion from 31 December 2019. They covered short-term debt more than four times over (excluding the replacements with Central Banks).

The high level of central bank deposits was the result of the replacement of significant excess liquidity: they amount to €186 billion at December 31, 2020, up +€8 billion compared to end-September 2020 and up +€80 billion compared to end-December 2019. Crédit Agricole Group has furthermore pursue its efforts to increase immediate available reserves (after recourse to ECB financing). Eligible central bank assets after haircut amount to €102 billion, up +€18 billion compared to end-September 2020 and +€32 billion compared to end-December 2019.

At end-December 2020, the numerator of the LCR ratio (including the HQLA securities portfolio, cash and central bank deposits, excluding mandatory reserves), calculated as an average over 12 months, stood respectively at €314.3 billion for Crédit Agricole Group and at €283.1 billion for Crédit Agricole S.A. The denominator of the ratio (representing net cash outflows), calculated as an average over 12 months, stood respectively at €211.0 billion for Crédit Agricole Group and at €191.0 billion for Crédit Agricole S.A.

The average LCR ratios over 12 months of Crédit Agricole Group and of Crédit Agricole S.A. stood at respectively 149.0% and 148.2% at end-December 2020. They exceeded the Medium-Term Plan target of around 110%.

[43] *Excluding Bankoa and FCA Bank*

Credit Institutions are subject to a threshold for this ratio, set at 100% from 1 January 2018. The end of period LCR ratios at 31 December 2020 are respectively 178.5% for Crédit Agricole Group and 169.4% for Crédit Agricole S.A.

In the context of the COVID-19 health crisis, the increase in the level of LCR ratios of Crédit Agricole Group and Crédit Agricole S.A. was in line with the recourse of the Group to T-LTRO 3 drawings from the central bank.

The Group continues to follow a prudent policy as regards medium-to-long-term refinancing, with a very diversified access to markets in terms of investor base and products**.**

In 2020, the Group's main issuers raised the equivalent of €31.0 billion[44] [45] in medium-to-long-term debt on the markets, 41% of which was issued by Crédit Agricole S.A. To be noted that:

- Crédit Agricole Next Bank (Switzerland) completed an inaugural issue in September of CHF 200 million 9-year in Covered bond format ;
- Crédit Agricole Assurances (CAA) issued a €1 billion 10-year Tier 2 bond in July to refinance intra-group subordinated debt.

In addition, €4.4bn was also borrowed from national and supranational organisations or placed in the Group's retail banking networks (Regional Banks, LCL, CA Italia) and other external retail networks at end 2020.

In 2020, Crédit Agricole S.A. completed 105% of its €12 billion medium-to-long-term market funding program for the year. The bank raised the equivalent of €12.6 billion[44,45], of which €6.2 billion in senior non-preferred debt and €2.2 billion in Tier 2 debt, as well as €4.0 billion in senior secured debt and €0.2 billion in senior preferred debt. The funding is diversified with various formats and currencies (EUR, USD, AUD, JPY, CNY, CHF):

- The inaugural Social bond issuance in senior non-preferred format of €1bn 7 years in December should be noted.

As a reminder, Crédit Agricole S.A. announced in its second quarter 2020 results that the target for senior non-preferred emissions or Tier 2 issues in 2020 had been revised to €6 to 8 billion, up from the initial target of €5 to 6 billion.

Crédit Agricole S.A. also repurchased €3.4 billion of preferred senior notes denominated in EUR, USD and GBP via a public offer launched at the end of May 2020, in order to optimise its balance sheet structure and debt management and to provide liquidity to holders of these bonds.

Furthermore, in October 2020 Crédit Agricole S.A. completed a €750 million PNC7.5 AT1 issuance at the initial rate of 4% to allow the Crédit Agricole Group to maintain its high flexibility in the management of its Tier 1 capital. The 2021 program is set at €9 billion, including €7 billion of TLAC-eligible debt (non-preferred senior debt or Tier 2). At the end January 2021, 29% of the funding plan was realised.

[44] *Gross amount before buy-back and amortisation*
[45] *Excluding EUR AT1 Issuance*

Economic and financial environment

Overview of 2020

The year 2020, initially marked by an orderly slowdown in the global economy, financial markets made to feel optimistic by the reduction in uncertainties (including a China-US trade agreement) and lasting accommodative monetary policies, will obviously be marked by the effects of the COVID-19 epidemic. COVID-19 is a shock unprecedented in nature firstly due to its disruption of the real economy: an external event that has impacted the economy globally and affects both supply and demand by forcing entire business sectors into inactivity, while at the same time causing consumption to contract with the resulting unintentional accumulation of extensive savings. The magnitude of the shock is another point of difference, being much greater than the 2008-2009 crisis. As early as April, the IMF thus delivered a forecast of a contraction of world GDP of -3% in 2020 (compared to a -0.1% decline in 2009). In June, the IMF stated that it expected a recession of -4.9% in 2020 followed by a recovery of 5.4% in 2021. In October, the forecasts of a recession followed by global recovery were both slightly revised (-4.4% followed 5.2%) to finally be revised favourably in January 2021 (-3.5% and 5.5%).

To cushion the anticipated recession and prevent the public health and economic crisis from being coupled with a financial crisis, we have thus witnessed the rapid and generalised implementation of monetary and budgetary support policies unprecedented in terms of size and capacity to overcome constraints. In monetary matters, central banks have had recourse to diverse combinations of various tools, while pursuing similar targets: easing of financing conditions, efficient transmission of monetary policy, better functioning of the financial and credit markets and, in the case of the ECB, easing of tensions on the most vulnerable sovereign bond spreads in the Eurozone. Thanks to massive support plans (partial unemployment, aid to the most vulnerable populations, temporary reduction in social contributions, deferral of tax charges and social security costs, public guarantees on loans to companies, government equity investments), the budgetary policies have sought to soften the shock by limiting the destruction of jobs and production capacities in order to ensure the best possible restart, once the pandemic has passed. While monetary and budgetary policies have made it possible to avoid a financial crisis and attenuate the recessionary effect of the pandemic, its effect has nonetheless been considerable but of varying magnitude by country depending, notably, on the countries' structural features (structure of GDP, employment, weight of different sectors), how robust they were pre-crisis, their public health strategies and how much leeway they had.

In the United States, in mid-March, the Federal Reserve took a series of radical easing measures,[46] some of which were then extended and supplemented in order to ensure a supply of liquidity to banks and markets (unlimited asset buying, expansion of the universe of purchasable securities). This accommodative stance was also reinforced by the adoption of average inflation targeting which explicitly allows the inflation target to be exceeded after periods in which inflation has been consistently below 2%. After its December meeting, the Federal Reserve made it clear that it would maintain an accommodative stance and its key rates at zero for an extended period as evidenced by the 'dot plot', in which the median projection of members of the FOMC shows unchanged rates until at least 2023. While feeling comfortable with the current set up, the Fed has said it was ready to do more (more bond purchases and/or maturity extensions) if necessary.

The US budgetary response was also rapid (March) and massive, in the form of a support plan known as the Coronavirus Aid, Relief, and Economic Security (CARES) Act (totalling nearly $2,200 billion (i.e.10% of GDP) aimed at providing financial assistance or relief to households and businesses, but also to hospitals and states. The flagship measures included the direct stimulus payment to low and moderate income households, an unemployment insurance assistance plan (authorising the extension of unemployment benefits which normally fall under the competence of the states), financial support to SMEs ($350 billion), loans to large corporates, to states and local governments ($500 billion), the release of loans to hospitals ($150 billion). An additional budget plan ($484 billion i.e. just over 2% of GDP), aimed at strengthening the CARES Act of March and "lengthening" the loan program for SMEs, was adopted in April.

[46] *Rate cut of 100 basis points (Fed funds range at [0; 0.25%]) of the marginal lending facility rate (discount window of 1.5% to 0.25%), lower reserve requirement rate, asset purchase program ($500 billion in Treasuries and $200 billion in mortgage-backed securities, MBS), liquidity for specific segments (Commercial Paper Funding Facility, Money Market Mutual Fund Liquidity Facility), forward guidance (no interest rate hike until the public health crisis is overcome and the economy evolves in line with its inflation and employment targets).*

In 2020[47], the US budget deficit therefore widened by nearly 10 points to 14.9% of GDP, while the debt grew by +20 percentage points to reach 100% of GDP. Activity nonetheless fluctuated throughout the year. After a decline of -1.3% in the first quarter (non-annualised quarterly change), the decline in GDP in the second quarter was violent (-9%) but followed by a more sustained rebound than expected (+7.5 % in the third quarter). Owing to the resurgence of the pandemic, the improvement in the labour market came to a halt in December (after peaking at 14.8% in May, the unemployment rate reached 6.7% against 3.5% before the crisis). In the fourth quarter, economic activity grew only +1%. **Despite massive monetary and budgetary support, the recession in the end stood at -3.5% (-2.5% in 2009); GDP was 2.5% below its pre-crisis level (end of 2019) and inflation reached 1.4% at end December.**

In the Eurozone, from March onwards, the ECB deployed aggressive accommodative measures which it then adapted to prevent any undesirable tightening of financial conditions: increase in Quantitative Easing (additional envelope of €120 billion), launch of a new temporary purchasing program (Pandemic Emergency Purchase Program or PEPP of €750 billion, initially until the end of 2020, purchases not constrained by the limit of holding no more than 33% of any one bond or issuer, which makes for easier compliance with the capital distribution key), introduction of transitional Long Term Refinancing Operations (LTRO) until June 2020 (with more favourable conditions as well as less stringent rules for collateral), easing of the TLTRO III conditions, new long-term refinancing operations Pandemic Emergency Longer-Term Operations (PELTRO) and, lastly, measures to alleviate the solvency and liquidity constraints on the banking sector. At the end of December, faced with the more severe impact of the second wave of the pandemic on the short-term scenario and the high uncertainties about growth (for which it revised the 2021 forecast downwards from 5% to 3.9%), the ECB sent a very clear signal of substantial and, above all, lasting presence; it renewed its incentive to lend to banks and its commitment to limit pressure on the risk premiums of vulnerable sovereigns: recalibration of the third series of targeted longer-term refinancing operations (TLTRO III, extension until June 2022 of the period during which very favourable conditions adopted in terms of interest rates[48] and easing of collateral apply), three additional operations planned for 2021 (June, September, December), increase in the total amount that the counterparties will be authorised to borrow during TLTRO III, four additional refinancing operations (PELTRO, from March to December 2021 for a period of one year), additional budget of €500 billion dedicated to the PEPP (a total of €1,850 billion), extension of the horizon for net purchases to the end of March 2022, reinvestment of principal repayment of maturing securities extended at least until the end of 2023.

The Eurozone's fiscal policy also quickly took an expansionary turn with national measures (support for the healthcare system, businesses and employment, public guarantees on new business loans). By easing constraints on national policies through the suspension of budgetary rules, the European Commission enabled the countries to respond immediately to the crisis. Faced with such diverse national latitudes that posed the risk of a detrimental fragmentation to the market and to the single currency, the pooling of resources was essential. The existing funds were first mobilised[49]. **As the scale of the crisis became clear, new pooled resources financed by debt emerged**: the SURE fund (support to mitigate unemployment risks, €100 billion), investment guarantees by the EIB (€200 billion), **a proposal from the European Commission in favour of a recovery and reconstruction support fund, redistributing in favour of the poorest countries and those most affected by the crisis: the Recovery Fund** (i.e. €750 billion raised by bond issue guaranteed by the EU budget).

In 2020, the boost to the economy provided by fiscal policy was slightly less than 4 percentage points of GDP on average in the Eurozone. Coupled with the cyclical deterioration of the budget balance (4 percentage points of GDP), the public deficit widened by almost 9.3% on average in the Eurozone and led to a sharp increase in public debt (almost 18 points on average to reach just over 104% of GDP). Despite monetary and fiscal arrangements, the economy nonetheless evolved with the pandemic and the mobility restriction measures it imposed. After an already substantial decline in the first quarter (-3.7% quarter-on-quarter), GDP fell by -11.7% in the second quarter before recording a spectacular rebound that was more robust than expected (+12.5%). In the last quarter, the decline was less severe than expected (-0.7%). **While inflation fell back (-0.3%, year-on-year in December; 0.3% on average), the recession thus reached 6.8% in 2020 (compared to -4.5% in 2009), leaving GDP down -5.1% on its level at end 2019 and showing significant differences between the large Eurozone countries.** For example, in Germany, after almost zero growth in the fourth quarter, GDP recorded an

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[47] 2020 fiscal year ended in September.

[48] 50 basis points (bp) below the refinancing rate for all outstandings and 50 bp below the deposit rate for any net outstandings equal to the level of outstandings granted between October 2020 and December 2021. The precondition for benefiting from this strong incentive to lend is therefore clear: the existing support must not be reduced.

[49] Reorientation of unused cohesion funds from the EU budget in the amount of €37 billion, guarantees to SMEs provided by the European Investment Bank (EIB), use of funds still available from the European Stability Mechanism (ESM) in the amount of €240 billion (or 2% of the area's GDP).

average contraction of 5.3% over 2020, which remains "limited" notably in view of the financial crisis of 2009 (a -5.7% decline).

In France, after a sharp rebound, the lockdown in November led to a smaller-than-expected contraction in GDP (-1.3% in the fourth quarter), less than estimated. Over full year 2020, GDP fell by -8.3%, a shock much greater than that of the 2009 crisis (-2.9%), but ultimately lower than what had been anticipated in the scenario of December or by the economists 'scenario which planned a contraction by around 9%. With a less maturity and extent, the second lockdown has been less negative for the economy than the spring's one. Thus, the level of activity in the fourth quarter is lower by 5% compared to the fourth quarter 2019, last quarter with a "normal" level of activity, whereas the second quarter 2020 was lower by 18.8%. In the fourth quarter, the contraction of activity is mainly due to the decline in consumption, caused by administrative closures and curfew measures. On the other hand, the investment continues its recovery thanks to the continuation of the activity in sectors such as building, and capital goods production.

By posting even moderate growth (around 2.3%), China was ultimately the only G20 economy not to have suffered a recession in 2020. After a historically low first quarter, Chinese activity was revived thanks to a policy focused on supply (support for companies through public orders and lines of credit). A two-speed recovery has thus started with, on the one hand, a V-shaped recovery for industrial production, exports and public investment and, on the other hand, a more gradual rebound in consumption, private investment and imports. Despite the recovery, almost a year after the public health crisis, some stigmas are still visible: retail sales, just like certain service activities (requiring a physical presence) have not caught up to their 2019 level and job creation is still insufficient to offset the destruction that took place in early 2020 and absorb new entrants.

In 2020, monetary activism made it possible to prevent the economic crisis from being coupled with a financial crisis: a clear success in view, on the one hand, of the shock to the real economy and, on the other hand, of the threats that hovered at the beginning of the year, particularly within the Eurozone. In the wake of a powerful wave of risk aversion, in March, the German ten-year interest rate plunged to -0.86%, a low quickly followed by a violent widening of risk premiums paid by the other countries. Risk premiums offered by France, Spain and Italy peaked at 66 basis points (bp), 147 bp and 280 bp, respectively, in mid-March. Completed by the European Recovery Fund, the monetary policy measures rolled out by the ECB made it possible, if not to significantly raise German rates, then to avoid a fragmentation of the Eurozone and to encourage the appreciation of the euro against the dollar (9% over the full year). At end December, while the Bund stood at -0.57%, French, Italian and Spanish spreads were only 23 bp, 62 bp and 111 bp respectively. US rates (10-year US Treasuries), which started from 1.90% at the beginning of the year, fell back to 0.50% in March and then moved within a relatively narrow range (0.60%-0.90%). At its 15-16 December meeting, the Fed opted for the status quo but confirmed that it was still possible, if necessary, to increase its bond purchases and extend their maturity. Rates therefore rose slightly before quickly easing off. Having followed a slow upward trend since the summer, rates ended the year at 0.91%. Finally, the abundance of liquidity and the commitment to maintain accommodative monetary conditions provided by central banks supported riskier markets. Thus, for example, while American and European equities posted declines of respectively -30% and -37% in mid-March compared to their level at the beginning of January, they ended the year with a respectable rise (+14%) and a limited decline (-6.5%).

2021 Outlook

The economic outlook is still clouded by major uncertainties related to problems in exiting the public health crisis (persistent virulence of the pandemic, more contagious virus mutations, a new rise in infections, and ongoing uncertainty about whether vaccination will lead to immunity). The profile and pace of growth will therefore continue to be impacted by the pandemic and the delicate trade-off between growth and public health safety. After a lacklustre first half, recovery should be very modest and very disparate, despite monetary and budgetary infusions. The major economies will continue to be helped out by massive budgetary support, highly accommodating monetary policies and favourable financial conditions. While some key markers may still fall (as in the scenario of negative interest rates in the UK, which cannot be ruled out), it seems that easing exercises have come to an end (in the sense that there will be no new tools) and reliance will now have to be on improving/extending existing mechanisms. Budgetary policy will be decisive in delivering short-term support and then stimulating the economy once the situation is "normalised". As is being demonstrated in Japan, where monetary innovation seems highly advanced, budgetary policy is playing a more direct role in reducing the output gap. This has the support of Bank of Japan, which is acting as an "integrated stabiliser" of long rates by controlling the yield curve.

In the **United States**, at a time when the resurgence of the virus poses a risk of sharp deceleration in first half 2021, the election of Joe Biden as President and the control of both houses of Congress by the Democrats is expected to result in additional stimulus measures on top of the $900-billion deal negotiated at the end of 2020. In fact, Joe Biden has already proposed a new stimulus bill worth $1.9 trillion. However, political constraints make it unlikely that a bill of that size will pass (a stimulus of around $1 trillion is more likely). In January, the Federal Reserve, with its wait-and-see attitude, extended its status quo,[50] while noting that the economy was slowing, that its scenario for boosting economic recovery in the second half was contingent on the progress of immunisation and that rumours of tapering were premature. Consequently, while budgetary support could contribute 1 percentage point to US growth, growth will not start to accelerate until the second half, once the vaccine rollout is more widespread and restrictions are eased, at which point it should be close to 4% (as an annual average).

In the **Eurozone**, uncertainty as to when the pandemic will be under control and the lack of a clear view of the economic situation will continue to weigh on spending decisions, both by consumers (risk of precautionary savings) and investors, throughout 2021. The risk of a massive and early withdrawal of budgetary support measures seems to be ruled out for 2021: the risk (including of business failures and increased unemployment) is expected to materialise later, once business activity begins to return to normal. Our scenario assumes growth in 2021 close to 3.8% (with a now-downward bias). Depending on structural characteristics (sectoral composition of supply and employment, services weighting, export capacity, adequacy of exported products, etc.) and national strategies (health/economy trade-offs, abundance and effectiveness of support measures), there will be enormous diversity in both the impact of the crisis and the speed and strength of the recovery. Our scenario assumes average growth rates close to 2.5% in Germany, 5.9% in France and 4% in Italy. At end 2021, the Eurozone's GDP is expected to be 2.4% below its pre-crisis level (i.e. at end 2019). While this gap should be limited to 2% in Germany, it is expected to be close to 7.4% in Spain and around 2.2% and 3.9% in France and Italy respectively.

The announcements made by the ECB in December removed any prospect of normalised monetary policy. The ECB has offered reassurance that there will be no early rise in interest rates while additional budgetary efforts are being rolled out and guaranteed its presence in the sovereign market until 2023. It is working to maintain the credit supply provided in recent months, ensuring banks have favourable conditions. In the medium term, the key issues are therefore less about the sustainability of public debt than about governance and the ability to mobilise public funds to organise a response to the crisis.

The **United Kingdom** left the single market and customs union on 1 January 2021, with a last-minute free-trade agreement. This avoids customs duties and quotas (subject to compliance with fair competition rules and rules of origin) but involves significant non-tariff barriers. Frictionless trade in goods and services has therefore come to an end, as has the free movement of people. In addition to the disruptions associated with setting up a new post-Brexit relationship, there are also the consequences of the pandemic: following a major contraction in 2020

[50] *Target range of the Federal funds at 0-0.25%; net purchases of securities at $120 billion per month, i.e. 2/3 Treasury securities and 1/3 MBS; forward guidance on key rates consisting of tolerating a "moderate" overshoot of the inflation target for "some time"; forward guidance on asset purchases indicating that they will continue at least at the current pace until "substantial progress" is made towards employment and inflation targets.*

estimated at -11.1%, growth is expected to be close to 4.5% in 2021, leaving GDP at the end of 2021 3.8% below its 2019 pre-crisis level.

In **emerging markets**, after a contraction of just under 3% in 2020, recovery looks to be close to 5.5%. However, this figure masks substantial diversity: an optical illusion that conceals both the immediate effects of the crisis, mostly the result of monetary and budgetary constraints that are more severe in emerging markets than in the developed world, and its lasting consequences in the form of a widening of the structural gap between the emerging markets in Asia and the others. Asia (particularly North Asia) has suffered less and is getting ready to rebound, led by China. At the fifth plenum, the Chinese authorities made public the initial objectives of the country's 14th Five-Year Plan. The plan aims for "sound and sustainable development" promoting "quality growth" with no formal economic growth target, perhaps to allow for more flexibility in economic policymaking. China is expected to rebound strongly in 2021 (+8%) before returning to its projected trajectory in 2022 (+5.1%). However, it seems unrealistic to count on China's momentum to invigorate Asia and promote the recovery of the rest of the world given the experience of 2009. With most of the catching-up now done, growth in China has slowed, and the country no longer has the means to tow the rest of the world in its wake. And nor does it want to. Its latest so-called "dual circulation" strategy, aimed at limiting its dependence on overseas markets, is proof of this.

A slow, uncertain and probably chaotic recovery, multiple uncertainties and monetary easing are all conditions conducive to maintaining extremely low interest rates. It will be necessary to wait until favourable news finally emerges, in terms of public health as well as the economy, before recovery can start to take shape – a start limited by the absence of inflation and excess capacity. In the meantime, progress made by the Eurozone can be judged by past interest rate changes: clear solidarity has avoided fragmentation, risk premiums paid by the so-called "peripheral" countries have been tightened, and the euro has put in a solid performance. Our scenario therefore assumes US and German 10-year sovereign rates of close to 1.50% and -0.40% respectively at end 2021, coupled with spreads of 20 basis points (bp), 50 bp and 100 bp above the Bund for France, Spain and Italy where it is assumed that political tensions will ease.

In keeping with a scenario where recovery might even be slow, timid and unsynchronised, the dollar could depreciate very slightly against the euro and currencies that are more procyclical or driven by risk appetite. The dollar's depreciation would, however, be tempered by the resurgence of Sino-American tensions that weigh on Asian currencies in particular: the current crisis has only temporarily overshadowed the dissent between the United States and China. While the timetable is uncertain (the US still has to install the new administration, manage its domestic problems and rebuild its global alliances), and despite the fact that Joe Biden's presidency augurs a change in tone, the roots of the conflict remain. The rise of protectionism and political risk hampered hyper-globalisation: the crisis should favour greater regionalisation of growth centres, as evidenced by the signing of the Regional Comprehensive Economic Partnership uniting China, ASEAN member countries and key US allies (Australia, South Korea, Japan and New Zealand).

Risk factors of Crédit Agricole S.A.

The main risks to which Crédit Agricole S.A. and the Crédit Agricole Group are exposed are set out respectively on pages 123 to 134 and 135 to 147 of Amendment A03 to the 2019 Universal Registration Document.

In Amendment A04 to the Universal Registration Document 2019 pertaining to risk factors to which Crédit Agricole S.A. is exposed, risk factor A 4. a) "The ongoing coronavirus (COVID-19) pandemic may negatively affect the business, operations and financial performance of Crédit Agricole S.A." is presented page 125 :

a) "The ongoing coronavirus (COVID-19) pandemic may negatively affect the business, operations and financial performance of Crédit Agricole S.A.

In December 2019, a new coronavirus strain (COVID-19) appeared in China. The virus has spread to many countries around the world, leading the World Health Organisation to describe the situation as a pandemic in March 2020. The pandemic has had and is expected to continue to have significant negative impacts on the world economy and financial markets.

The spread of COVID-19 and resulting government controls and travel bans implemented around the world have caused disruption to global supply chains and economic activity. The outbreak has led to supply and demand shocks, resulting in a marked slowdown in economic activity, due to the impact of containment measures on consumption, as well as production difficulties, supply chain disruptions and a slowdown of investment. Financial markets have been significantly impacted, with increased volatility, stock market indexes declining precipitously, falls in commodity prices and credit spreads widening for many borrowers and issuers. The extent of the adverse impact of the pandemic on the global economy and markets over the long term will depend, in part, on its length and severity, and on the impact of governmental measures taken to limit the spread of the virus and its impact on the economy. In this respect, in December 2020, the French Ministry of Economy and Finance revised its GDP growth forecasts for 2021 downwards to +5.0% versus +7.4% as previously announced.

The pandemic and its impact on the global economy and financial markets have had and are likely to continue to have a material adverse impact on the results of the divisions and the financial position of Crédit Agricole S.A. This impact included and is likely to include in the future (1) a deterioration in the Crédit Agricole Group's liquidity (which impacts its Liquidity Coverage Ratio (LCR)) due to various factors including in particular increased drawing by corporate customers on liquidity lines (up to 32% at end-April 2020), (2) a decline in revenue due in particular to (a) reduced production in activities such as home loans and consumer finance, (b) lower asset management inflows and banking and insurance fees and commissions and hence lower revenues from fees and commissions and (c) lower revenues in asset management and insurance, (3) a higher cost of risk resulting from a deterioration in the macroeconomic outlook, the granting of moratoria and, more generally, the deterioration in the repayment capacity of corporates and consumers, (4) an increased risk of a ratings downgrade following the sector reviews of certain rating agencies and following internal reviews of Crédit Agricole S.A. models and (5) higher Risk Weighted Assets (RWAs) due to the deterioration of risk parameters, which in turn could affect Crédit Agricole S.A.'s capital position (including its solvency ratio).

The health crisis and its effect on the economy in France, Europe and internationally have had a major impact on the levels of activity of the various business lines of the Group. In the course of 2020, several lockdowns have been imposed in several countries around the world, particularly in France and Italy, Crédit Agricole Group's two main domestic markets, with the following consequences: (1) Retail banking activities were strongly impacted by the imposed lockdown. Consequently, French retail banking housing loans in 2020 reached 96% of the business in 2019, and at CA Italia 102% of 2019. Similarly, 2020 consumer credit business of CA Consumer Finance was at 86% of 2019, and CAL&F's leasing was 98% of its 2019 level; (2) Insurance activities were also impacted by the lockdown. In relation to the risk-aversion by savers due to the volatility of the financial markets, total net inflows were +€1.0 billion, versus +€9.5 billion in 2019, and new non-life insurance business in 2020 reached

91% of new businesses recorded in 2019; (3) Clients drew heavily on credit lines with drawdown rates of up to 32% during the second quarter of 2020, although these drawdowns slowed down at the end of June 2020.

The cost of risk had been affected by the deterioration in the repayment capabilities of corporates (weakened companies, fraud revealed by the crisis) and consumers, the rating downgrades of counterparties whose outstanding move from "Stage 1" to "Stage 2", and in particular the sensitivity of some industries (i) related to restrictions on movement or gatherings of people, for aeronautics, tourism, hotels, restaurants, cruises, or (ii) whose demand levels were below normal, such as the automotive and shipbuilding industries, or lastly, (iii) that remain weak due to the weight of the global recession on demand in the distribution of non-food goods, and Oil & Gas sectors. In addition, the commercial real estate sector is a sector to watch, as the health crisis has accelerated pre-existing threats in some segments, such as shopping malls being hurt by online shopping and the office segment facing structural change if teleworking trends continue. At 31 December 2020, Crédit Agricole S.A. exposures to sectors considered "sensitive" were as follows: (a) aeronautics with €16.1 billion in Exposure at Default (EAD)[51], of which 6.4% in default, (b) tourism, hotels, restaurants with €7.6 billion in EAD, of which 3.7% in default, (c) the distribution of non-food goods with €13.0 billion in EAD, of which 3.7% in default, (d) automotive, with €22.5 billion in EAD, of which 0.8% in default, (e) Shipping with €13.0 billion in EAD of which 4.6% in default, and (f) Oil & Gas with €22.7 billion in EAD, of which 2.3% in default. These sectors have been subject to additional provisions to take their increased sensitivity into account. In the fourth quarter of 2020 the economic scenarios, revised downwards compared to the third quarter of 2020, also generated an additional burden of Stage 1 and Stage 2 cost of risk, due in particular to deteriorated GDP growth forecasts for 2021.

As a result, the underlying results for 2020 amounted to €3,849 million, down -16.0% compared to 2019. This is mainly explained by the increase in cost of risk reaching €2,606 million at the end of 2020, +€1,350 million compared to 2019.

The health crisis had a greater impact during the lockdown periods in France and Italy during the second and fourth quarters. In the second quarter: (1) new home loans were down in the second quarter of 2020 at LCL (-9.8% compared to second quarter of 2019) and stable at CA Italia (-0.8%). Similarly, new consumer finance at Crédit Agricole Consumer Finance was down -40% in the second quarter of 2020 compared to the second quarter of 2019. CAL&F also recorded a decline in new leasing business of -23.9%; (2) Insurance activities were also impacted by the lockdown. Total net inflows were negative at -€0.9 billion in second quarter 2020 and Property & Casualty insurance revenues were slightly down by -0.9% in second quarter 2020 compared to second quarter 2019; (3) Corporate and Institutional activities remained dynamic in the second quarter of 2020, but customers drew heavily on credit lines.

In the fourth quarter of 2020, the new lockdown imposed in France and in various European countries, while having a less significant impact on the economy, had the following consequences for Crédit Agricole S.A. in the fourth quarter of 2020:

(1) retail banking activities were affected throughout the new business of new loans to individuals (notably home loans and consumer finance). At LCL and Regional Banks, new housing loans in the fourth quarter of 2020 were stable reaching 104% of the production recorded over the same period in 2019. But at CACF, new consumer finance loans during the fourth quarter 2020 represented 97% of the production recorded during the fourth quarter 2019. CAL&F also recorded a stable leasing production during the fourth quarter 2020 reaching 101% of the production of the fourth quarter of 2019.

(2) Inflows in the insurance sectors remained stable, totalling +€1.0 billion in the fourth quarter of 2020 compared with +€1.0 billion in the fourth quarter of 2019.

Uncertainties continue to weigh on developments in the health situation in Europe, with the introduction of new restrictive measures in France and other European countries (curfews, closing of borders, lockdowns) and the

[51] Exposure at default: this is Crédit Agricole SA's exposure should the counterparty default. The EAD includes on- and off-balance sheet exposures. Off-balance sheet exposures are converted into balance sheet equivalents using internal or regulatory conversion factors (draw-down scenarios).

emergence of variants of the virus. Additional measures are therefore likely to be imposed, depending on the evolution of the pandemic. Although vaccines were announced at the end of 2020 and several countries have begun their phased roll-out, the timing of these roll-outs also remains highly uncertain, leading to uncertainties about the pace of recovery from the crisis. Lastly, there exists a considerable uncertainty about the pace of change and the rate at which states (particularly the French and Italian states) and central banks (particularly the European Central Bank) will implement measures to support the economy.

Lastly, in terms of solvency, the main impacts of the crisis on the CET1 ratio of Crédit Agricole S.A. were, in addition to a more modest level of retained earnings, an increase in risk-weighted assets due to rating downgrades, mainly in Corporate and Investment Banking (€5.4 billion in 2020). The fully loaded CET1 ratio of Crédit Agricole S.A. at 31 March thus deteriorated (11.4%, versus 12.1% at 31 December 2020) and 30 June 2020 (11.7%) before recovering at 30 September 2020 (12.4%) and at 31 December 2020 (12.9%). This increase does not predict the level the CET1 ratio will reach in the coming quarters. More specifically, there still remains a high uncertainty regarding the unemployment rate, the use of accumulated savings, the health scenario and the timetable for implementing and halting public measures and, more generally, about the consequences of any changes in economic activity on retained earnings, risk weighted assets and regulatory decisions.

Risk factors of Crédit Agricole Group

The main risks to which Crédit Agricole S.A. and the Crédit Agricole Group are exposed are set out respectively on pages 123 to 134 and 135 to 147 of Amendment A03 to the 2019 Universal Registration Document.

In Amendment A04 to the Universal Registration Document 2019 pertaining to risk factors to which Group Crédit Agricole is exposed, risk factor A 4. a) "The ongoing coronavirus (COVID-19) pandemic may negatively affect the business, operations and financial performance of Group Crédit Agricole" is presented page 127 :

a) "The ongoing coronavirus (COVID-19) pandemic may negatively affect the business, operations and financial performance of Group Crédit Agricole

In December 2019, a new coronavirus strain (COVID-19) appeared in China. The virus has spread to many countries around the world, leading the World Health Organisation to describe the situation as a pandemic in March 2020. The pandemic has had and is expected to continue to have significant negative impacts on the world economy and financial markets.

The spread of COVID-19 and resulting government controls and travel bans implemented around the world have caused disruption to global supply chains and economic activity. The outbreak has led to supply and demand shocks, resulting in a marked slowdown in economic activity, due to the impact of containment measures on consumption, as well as production difficulties, supply chain disruptions and a slowdown of investment. Financial markets have been significantly impacted, with increased volatility, stock market indexes declining precipitously, falls in commodity prices and credit spreads widening for many borrowers and issuers. The extent of the adverse impact of the pandemic on the global economy and markets over the long term will depend, in part, on its length and severity, and on the impact of governmental measures taken to limit the spread of the virus and its impact on the economy. In this respect, in December 2020, the French Ministry of Economy and Finance revised its GDP growth forecasts for 2021 downwards to +5.0% versus +7.4% as previously announced.

The pandemic and its impact on the global economy and financial markets have had and are likely to continue to have a material adverse impact on the results of the divisions and the financial position of Group Crédit Agricole. This impact included and is likely to include in the future (1) a deterioration in the Crédit Agricole Group's liquidity (which impacts its Liquidity Coverage Ratio (LCR)) due to various factors including in particular increased drawing by corporate customers on liquidity lines (up to 32% at end-April 2020), (2) a decline in revenue due in particular to (a) reduced production in activities such as home loans and consumer finance, (b) lower asset management inflows and banking and insurance fees and commissions and hence lower revenues from fees and commissions and (c) lower revenues in asset management and insurance, (3) a higher cost of risk resulting from a deterioration in the macroeconomic outlook, the granting of moratoria and, more generally, the deterioration in the repayment capacity of corporates and consumers, (4) an increased risk of a ratings downgrade following the sector reviews of certain rating agencies and following internal reviews of Group Crédit Agricole models and (5) higher Risk Weighted Assets (RWAs) due to the deterioration of risk parameters, which in turn could affect Group Crédit Agricole's capital position (including its solvency ratio).

The health crisis and its effect on the economy in France, Europe and internationally have had a major impact on the levels of activity of the various business lines of the Group. In the course of 2020, several lockdowns have been imposed in several countries around the world, particularly in France and Italy, Crédit Agricole Group's two main domestic markets, with the following consequences: (1) Retail banking activities were strongly impacted by the imposed lockdown. Consequently, French retail banking housing loans in 2020 reached 96% of the business in 2019, and at CA Italia 102% of 2019. Similarly, 2020 consumer credit business of CA Consumer Finance was at 86% of 2019, and CAL&F's leasing was 98% of its 2019 level; (2) Insurance activities were also impacted by the lockdown. In relation to the risk-aversion by savers due to the volatility of the financial markets, total net inflows were +€1.0 billion, versus +€9.5 billion in 2019, and new non-life insurance business in 2020 reached

91% of new businesses recorded in 2019; (3) Clients drew heavily on credit lines with drawdown rates of up to 32% during the second quarter of 2020, although these drawdowns slowed down at the end of June 2020.

The cost of risk had been affected by the deterioration in the repayment capabilities of corporates (weakened companies, fraud revealed by the crisis) and consumers, the rating downgrades of counterparties whose outstanding move from "Stage 1" to "Stage 2", and in particular the sensitivity of some industries (i) related to restrictions on movement or gatherings of people, for aeronautics, tourism, hotels, restaurants, cruises, or (ii) whose demand levels were below normal, such as the automotive and shipbuilding industries, or lastly, (iii) that remain weak due to the weight of the global recession on demand in the distribution of non-food goods, and Oil & Gas sectors. In addition, the commercial real estate sector is a sector to watch, as the health crisis has accelerated pre-existing threats in some segments, such as shopping malls being hurt by online shopping and the office segment facing structural change if teleworking trends continue. At 31 December 2020, Crédit Agricole S.A. exposures to sectors considered "sensitive" were as follows: (a) aeronautics with €16.5 billion in Exposure at Default (EAD)[52], of which 6.3% in default, (b) tourism, hotels, restaurants with €12.0 billion in EAD, of which 3.7% in default, (c) the distribution of non-food goods with €19.0 billion in EAD, of which 4.2% in default, (d) automotive, with €26.3 billion in EAD, of which 0.9% in default, (e) Shipping with €13.4 billion in EAD of which 5.1% in default, and (f) Oil & Gas with €23.7 billion in EAD, of which 2.2% in default. These sectors have been subject to additional provisions to take their increased sensitivity into account. In the fourth quarter of 2020 the economic scenarios, revised downwards compared to the third quarter of 2020, also generated an additional burden of Stage 1 and Stage 2 cost of risk, due in particular to deteriorated GDP growth forecasts for 2021.

As a result, the underlying results for 2020 amounted to €6,129 million, down -14.8% compared to 2019. This is mainly explained by the increase in cost of risk reaching +€1,895 million at the end of 2020, +€3,651 million compared to 2019.

The health crisis had a greater impact during the lockdown periods in France and Italy during the second and fourth quarters. In the second quarter: (1) activities related to retail banking were strongly impacted by the two months of lockdown imposed in France and in Italy. New home loans were down in the second quarter of 2020 within Regional Banks (-14.8% as compared to the second quarter 2020), at LCL (-9.8% compared to second quarter of 2019) and stable at CA Italia (-0.8%). Similarly, new consumer finance at Crédit Agricole Consumer Finance was down -40% in the second quarter of 2020 compared to the second quarter of 2019. CAL&F also recorded a decline in new leasing business of -23.9%; (2) Insurance activities were also impacted by the lockdown. Total net inflows were negative at -€0.9 billion in second quarter 2020 and Property & Casualty insurance revenues were slightly down by -0.9% in second quarter 2020 compared to second quarter 2019; (3) Corporate and Institutional activities remained dynamic in the second quarter of 2020, but customers drew heavily on credit lines.

In the fourth quarter of 2020, the new lockdown imposed in France and in various European countries, while having a less significant impact on the economy, had the following consequences for Crédit Agricole S.A. in the fourth quarter of 2020:

(1) retail banking activities were affected throughout the new business of new loans to individuals (notably home loans and consumer finance). At LCL and Regional Banks, new housing loans in the fourth quarter of 2020 were stable reaching 104% of the production recorded over the same period in 2019. But at CACF, new consumer finance loans during the fourth quarter 2020 represented 97% of the production recorded during the fourth quarter 2019. CAL&F also recorded a stable leasing production during the fourth quarter 2020 reaching 101% of the production of the fourth quarter of 2019.

(2) Inflows in the insurance sectors remained stable, totalling +€1.0 billion in the fourth quarter of 2020 compared with +€1.0 billion in the fourth quarter of 2019.

[52] Exposure at default: this is Crédit Agricole SA's exposure should the counterparty default. The EAD includes on- and off-balance sheet exposures. Off-balance sheet exposures are converted into balance sheet equivalents using internal or regulatory conversion factors (draw-down scenarios).

Uncertainties continue to weigh on developments in the health situation in Europe, with the introduction of new restrictive measures in France and other European countries (curfews, closing of borders, lockdowns) and the emergence of variants of the virus. Additional measures are therefore likely to be imposed, depending on the evolution of the pandemic. Although vaccines were announced at the end of 2020 and several countries have begun their phased roll-out, the timing of these roll-outs also remains highly uncertain, leading to uncertainties about the pace of recovery from the crisis. Lastly, there exists a considerable uncertainty about the pace of change and the rate at which states (particularly the French and Italian states) and central banks (particularly the European Central Bank) will implement measures to support the economy.

Lastly, in terms of solvency, the main impacts of the crisis on the CET1 ratio of Group Crédit Agricole were, in addition to a more modest level of retained earnings, an increase in risk-weighted assets due to rating downgrades, mainly in Corporate and Investment Banking (€5.4 billion in 2020). The fully loaded CET1 ratio of Group Crédit Agricole at 31 March thus deteriorated (15.5%, versus 15.9% at 31 December 2020) and 30 June 2020 (15.8%) before recovering at 30 September 2020 (16.7%) and at 31 December 2020 (16.9%). This increase does not predict the level the CET1 ratio will reach in the coming quarters. More specifically, there still remains a high uncertainty regarding the unemployment rate, the use of accumulated savings, the health scenario and the timetable for implementing and halting public measures and, more generally, about the consequences of any changes in economic activity on retained earnings, risk weighted assets and regulatory decisions.

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

Crédit Agricole Group - Specific items, Q4-20 et Q4-19, 2020 et 2019

€m	Q4-20		Q4-19		2020		2019	
	*Gross impact**	*Impact on Net income*	*Gross impact**	*Impact on Net income*	*Gross impact**	*Impact on Net income*	*Gross impact**	*Impact on Net income*
DVA (LC)	18	13	(6)	(4)	11	8	(21)	(16)
Loan portfolio hedges (LC)	(30)	(21)	(16)	(12)	10	7	(44)	(32)
Home Purchase Savings Plans (LCL)	2	1	(12)	(8)	(14)	(9)	(31)	(20)
Home Purchase Savings Plans (CC)	(14)	(10)	(32)	(21)	(64)	(44)	(90)	(59)
Home Purchase Savings Plans (RB)	52	35	(137)	(90)	(81)	(55)	(307)	(201)
Liability management upfront payment (CC)	-	-	-	-	(41)	(28)	-	-
Support to insured clients Covid-19 (AG)	-	-	-	-	(2)	(1)	-	-
Support to insured clients Covid-19 (AG)	-	-	-	-	(143)	(97)	-	-
Support to insured clients Covid-19 (RB)	-	-	-	-	(94)	(64)	-	-
Exceptional contribution on supplementary health insurance premiums (AG)	(22)	(15)	-	-	(22)	(15)	-	-
Total impact on revenues	**5**	**4**	**(202)**	**(135)**	**(439)**	**(298)**	**(493)**	**(329)**
Covid-19 donation (AG)	-	-	-	-	(38)	(38)	-	-
Covid-19 donation (IRB)	-	-	-	-	(8)	(4)	-	-
Covid-19 donation (CC)	-	-	-	-	(10)	(10)	-	-
Covid-19 donation (RB)	-	-	-	-	(10)	(10)	-	-
S3 / Kas Bank integration costs (LC)	(7)	(3)	(15)	(11)	(19)	(9)	(15)	(11)
Exceptional contribution to the Italian banks rescue plan (IRB)	(11)	(7)	-	-	(11)	(7)	-	-
Total impact on operating expenses	**(18)**	**(11)**	**(15)**	**(11)**	**(96)**	**(79)**	**(15)**	**(11)**
Triggering of the Switch2 (AG)	-	-	-	-	65	44	-	-
Triggering of the Switch2 (RB)	-	-	-	-	(65)	(44)	-	-
Adjustement on switch 2 activation (GEA)	-	-	-	-	(28)	(19)	-	-
Adjustement on switch 2 activation (RB)	-	-	-	-	28	19	-	-
Better fortune adjustment on switch 2 (AG)	(38)	(26)	-	-	(38)	(26)	-	-
Better fortune adjustment on switch 2 (RB)	38	26	-	-	38	26	-	-
Total impact on cost of credit risk	**0**	**0**	**-**	**-**	**0**	**0**	**-**	**-**

Crédit Agricole Group - Specific items, Q4-20 et Q4-19, 2020 et 2019

€m	Q4-20		Q4-19			2020		2019	
	Gross impact*	Impact on Net income	Gross impact*	Impact on Net income		Gross impact*	Impact on Net income	Gross impact*	Impact on Net income
Impairment LCL goodwill (CC)	-	-	(664)	(664)		-	-	(664)	(664)
Badwill Kas Bank (LC)	-	-	22	22		-	-	22	22
Impairment CA Italia goodwill (CC)	(965)	(884)	-	-		(965)	(884)	-	-
Total impact on change of value of goodwill	**(965)**	**(884)**	**(642)**	**(642)**	**-**	**(965)**	**(884)**	**(642)**	**(642)**
Emporiki litigation (CC)		-		1,038			-		1,038
Total impact on tax	**-**	**-**	**-**	**1,038**		**-**	**-**	**-**	**1,038**
Provision recovery on FCA bank fine (SFS)	89	89	-	-		89	89	-	-
Total impact equity-accounted entities	**89**	**89**	**-**	**-**	**-**	**89**	**89**	**-**	**-**
Santander/Kas Bank integration costs (LC)	-		(6)	(5)				(6)	(5)
Total impact on Net income on other assets	**-**	**-**	**(6)**	**(5)**		**-**	**-**	**(6)**	**(5)**
Impairment on goodwill (SFS)	-	-	-	-		(55)	(55)	-	-
Reclassification of held-for-sale operations (IRB)	(7)	(7)	(46)	(46)		(7)	(7)	(46)	(46)
Reclassification of held-for-sale operations (SFS)	(66)	(66)	-	-		(135)	(135)		-
Reclassification of held-for-sale operation Bankoa (IRB)	(1)	(1)	-	-		(42)	(42)	-	-
Reclassification of held-for-sale operations (IRB)	-	-	-	-		(5)	(5)	-	-
Ongoing sale project (WM)	(24)	(24)	-	-		(24)	(24)	-	-
Total impact on Net income from discounted or held-for-sale operations	**(98)**	**(98)**	**(46)**	**(46)**		**(268)**	**(268)**	**(46)**	**(46)**
Total impact of specific items	**(987)**	**(899)**	**(912)**	**200**		**(1,679)**	**(1,440)**	**(1,202)**	**6**
Asset gathering	**(83)**	**(64)**	**-**	**-**		**(227)**	**(174)**	**-**	**-**
French Retail banking	**91**	**62**	**(149)**	**(98)**		**(206)**	**(145)**	**(338)**	**(222)**
International Retail banking	**(20)**	**(16)**	**(46)**	**(46)**		**(68)**	**(60)**	**(46)**	**(46)**
Specialised financial services	**24**	**24**	**-**	**-**		**(45)**	**(45)**	**-**	**-**
Large customers	**(19)**	**(11)**	**(22)**	**(10)**		**3**	**6**	**(65)**	**(42)**
Corporate centre	**(979)**	**(894)**	**(696)**	**353**		**(1,136)**	**(1,021)**	**(754)**	**315**

** Impact before tax and before minority interests*

Crédit Agricole S.A. - Specific items, Q4-20 et Q4-19, 2020 et 2019

€m	Q4-20		Q4-19			2020		2019	
	Gross impact*	Impact on Net income	Gross impact*	Impact on Net income		Gross impact*	Impact on Net income	Gross impact*	Impact on Net income
DVA (LC)	18	13	(6)	(4)		11	8	(21)	(15)
Loan portfolio hedges (LC)	(30)	(20)	(16)	(11)		10	7	(44)	(32)
Home Purchase Savings Plans (FRB)	2	1	(12)	(8)		(14)	(9)	(31)	(20)
Home Purchase Savings Plans (CC)	(14)	(10)	(32)	(21)		(64)	(44)	(90)	(59)
Liability management upfront payment (CC)	-	-	-	-		(41)	(28)	-	-
Support to insured clients Covid-19 (LCL)	-	-	-	-		(2)	(1)	-	-
Support to insured clients Covid-19 (AG)	-	-	-	-		(143)	(97)	-	-
Exceptional contribution on supplementary health insurance premiums (AG)	(22)	(15)	-	-		(22)	(15)	-	-
Total impact on revenues	**(47)**	**(31)**	**(66)**	**(44)**	**-**	**(264)**	**(179)**	**(186)**	**(126)**
Covid-19 donation (AG)	-	-	-	-		(38)	(38)	-	-
Covid-19 donation (IRB)	-	-	-	-		(8)	(4)	-	-
Covid-19 donation (CC)	-	-	-	-		(10)	(10)	-	-
S3 / Kas Bank integration costs (LC)	(7)	(3)	(15)	(11)		(19)	(9)	(15)	(11)
Exceptional contribution to the Italian banks rescue plan (IRB)	(11)	(6)	-	-		(11)	(6)	-	-
Total impact on operating expenses	**(18)**	**(10)**	**(15)**	**(11)**	**-**	**(86)**	**(68)**	**(15)**	**(11)**
Triggering of the Switch2 (AG)	-	-	-	-		65	44	-	-
Adjustement on switch 2 activation (GEA)	-	-	-	-		(28)	(19)	-	-
Better fortune adjustment on switch 2 (AG)	(38)	(26)	-	-		(38)	(26)	-	-
Total impact on cost of credit risk	**(38)**	**(26)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Provision recovery on FCA bank fine (SFS)	89	89	-	-		89	89	-	-
Total impact equity-accounted entities	**89**	**89**	**-**	**-**	**-**	**89**	**89**	**-**	**-**
Santander/Kas Bank acquisition costs (LC)	-	-	(6)	(5)		-	-	(6)	(5)
Total impact Net income on other assets	**-**	**-**	**(6)**	**(5)**	**-**	**-**	**-**	**(6)**	**(5)**

Crédit Agricole S.A. - Specific items, Q4-20 et Q4-19, 2020 et 2019

€m	Q4-20 Gross impact*	Q4-20 Impact on Net income	Q4-19 Gross impact*	Q4-19 Impact on Net income	2020 Gross impact*	2020 Impact on Net income	2019 Gross impact*	2019 Impact on Net income
Impairment LCL goodwill (CC)	-	-	(611)	(611)	-	-	(611)	(611)
Badwill Kas Bank (LC)	-	-	22	22	-	-	22	22
Impairment CA Italia goodwill (CC)	(903)	(778)	-	-	(903)	(778)	-	-
Total impact on change of value of goodwill	**(903)**	**(778)**	**(589)**	**(589)**	**(903)**	**(778)**	**(589)**	**(589)**
Emporiki litigation (CC)	-	-	-	1,038	-	-	-	1,038
Total impact on tax	**-**	**-**	**-**	**1,038**	**-**	**-**	**-**	**1,038**
Reclassification of held-for-sale operations (IRB)	(7)	(7)	(46)	(46)	(7)	(7)	(46)	(46)
Reclassification of held-for-sale operations (SFS)	(66)	(66)	-	-	(135)	(135)	-	-
Impairment on goodwill (CC)	-	-	-	-	(55)	(55)	-	-
Ongoing sale project (WM)	(24)	(23)	-	-	(24)	(23)	-	-
Total impact on Net income from discounted or held-for-sale operations	**(97)**	**(96)**	**(46)**	**(46)**	**(221)**	**(221)**	**(46)**	**(46)**
Total impact of specific items	***(1,013)***	***(851)***	***(722)***	***343***	***(1,385)***	***(1,157)***	***(843)***	***262***
Asset gathering	***(83)***	***(64)***	***-***	***-***	***(227)***	***(174)***	***-***	***-***
French Retail banking	***2***	***1***	***(12)***	***(8)***	***(16)***	***(10)***	***(31)***	***(20)***
International Retail banking	***(19)***	***(14)***	***(46)***	***(46)***	***(27)***	***(18)***	***(46)***	***(46)***
Specialised financial services	***24***	***24***	***-***	***-***	***(45)***	***(45)***	***-***	***-***
Large customers	***(19)***	***(10)***	***(22)***	***(9)***	***3***	***6***	***(65)***	***(40)***
Corporate centre	***(917)***	***(788)***	***(643)***	***406***	***(1,074)***	***(915)***	***(701)***	***368***

** Impact before tax and before minority interests*

Appendix 2 – Credit Agricole Group: results by business lines

Credit Agricole Group – Contribution by divisions – Q4-20 & Q4-19

	Q4-20 (stated)							
€m	RB	LCL	IRB	AG	SFS	LC	CC	Total
Revenues	**3,425**	**904**	**712**	**1,634**	**654**	**1,424**	**(88)**	**8,665**
Operating expenses excl. SRF	(2,311)	(599)	(481)	(735)	(319)	(911)	(230)	(5,585)
SRF	-	-	-	-	-	-	-	-
Gross operating income	**1,114**	**305**	**230**	**899**	**335**	**513**	**(317)**	**3,080**
Cost of risk	(378)	(89)	(130)	(60)	(154)	(111)	2	(919)
Cost of legal risk	-	-	-	-	-	-	-	-
Equity-accounted entities	1	-	-	20	140	2	-	163
Net income on other assets	(7)	1	(0)	1	(10)	(0)	(9)	(26)
Change in value of goodwill	-	-	-	-	-	-	(965)	(965)
Income before tax	**731**	**216**	**100**	**861**	**311**	**405**	**(1,290)**	**1,334**
Tax	(205)	(68)	(16)	(274)	(44)	(55)	28	(634)
Net income from discont'd or held-for-sale ope.	5	-	(7)	(24)	(66)	-	0	(91)
Net income	**531**	**148**	**77**	**564**	**201**	**350**	**(1,262)**	**609**
Non controlling interests	0	(0)	(15)	(119)	(12)	(16)	82	(80)
Net income Group Share	**531**	**148**	**62**	**445**	**189**	**334**	**(1,180)**	**530**

	Q4-19 (stated)							
€m	RB	LCL	AG	IRB	SFS	LC	CC	Total
Revenues	**3,276**	**851**	**1,621**	**740**	**672**	**1,401**	**(163)**	**8,399**
Operating expenses excl. SRF	(2,276)	(598)	(746)	(478)	(331)	(902)	(251)	(5,582)
SRF	-	-	-	-	-	-	-	-
Gross operating income	**1,000**	**254**	**875**	**262**	**341**	**499**	**(414)**	**2,818**
Cost of risk	(155)	(64)	(5)	(77)	(127)	(55)	(10)	(494)
Cost of legal risk	-	-	-	-	-	-	-	-
Equity-accounted entities	2	-	14	-	65	3	-	83
Net income on other assets	1	1	11	3	(0)	7	(8)	15
Change in value of goodwill	-	-	-	-	-	22	(664)	(642)
Income before tax	**848**	**191**	**895**	**188**	**278**	**476**	**(1,096)**	**1,780**
Tax	(257)	(53)	(225)	(49)	(40)	(67)	1,277	587
Net income from discont'd or held-for-sale ope.	-	-	-	(46)	-	-	(0)	(46)
Net income	**590**	**138**	**670**	**93**	**238**	**409**	**181**	**2,320**
Non controlling interests	(0)	(0)	(85)	(25)	(25)	(1)	2	(134)
Net income Group Share	**590**	**138**	**585**	**69**	**213**	**408**	**184**	**2,186**

Credit Agricole Group – Contribution by divisions – 2020 & 2019

	2020 (stated)							
€m	RB	LCL	IRB	AG	SFS	LC	CC	Total
Revenues	**13,056**	**3,521**	**2,724**	**5,749**	**2,526**	**6,297**	**(278)**	**33,596**
Operating expenses excl. SRF	(8,712)	(2,277)	(1,785)	(2,865)	(1,268)	(3,523)	(836)	(21,266)
SRF	(123)	(42)	(25)	(6)	(20)	(260)	(86)	(562)
Gross operating income	**4,221**	**1,203**	**914**	**2,879**	**1,238**	**2,514**	**(1,200)**	**11,768**
Cost of risk	(1,042)	(390)	(566)	(55)	(732)	(829)	(36)	(3,651)
Cost of legal risk	-	-	-	-	-	-	-	-
Equity-accounted entities	2	-	-	66	344	7	(0)	419
Net income on other assets	(13)	2	72	3	(3)	1	(10)	52
Change in value of goodwill	(3)	-	-	-	-	-	(965)	(968)
Income before tax	**3,165**	**814**	**419**	**2,893**	**847**	**1,693**	**(2,212)**	**7,620**
Tax	(1,067)	(252)	(103)	(775)	(69)	(277)	378	(2,165)
Net income from discontinued or held-for-sale operations	(0)	-	(48)	(24)	(135)	-	(55)	(262)
Net income	**2,098**	**563**	**268**	**2,095**	**643**	**1,416**	**(1,889)**	**5,193**
Non controlling interests	(3)	(0)	(75)	(362)	(84)	(57)	77	(504)
Net income Group Share	**2,096**	**562**	**193**	**1,733**	**559**	**1,359**	**(1,812)**	**4,689**

	2019 (stated)							
€m	RB	LCL	AG	IRB	SFS	LC	CC	Total
Revenues	**13,117**	**3,457**	**6,061**	**2,898**	**2,716**	**5,601**	**(553)**	**33,297**
Operating expenses excl. SRF	(8,836)	(2,340)	(2,897)	(1,813)	(1,343)	(3,321)	(837)	(21,386)
SRF	(86)	(32)	(7)	(22)	(18)	(177)	(83)	(426)
Gross operating income	**4,196**	**1,085**	**3,157**	**1,063**	**1,354**	**2,103**	**(1,473)**	**11,485**
Cost of risk	(498)	(217)	(19)	(337)	(497)	(159)	(29)	(1,757)
Cost of legal risk	-	-	-	-	-	-	-	-
Equity-accounted entities	11	-	46	-	295	4	-	356
Net income on other assets	(6)	2	32	2	0	6	(1)	36
Change in value of goodwill	-	-	-	-	-	22	(664)	(642)
Income before tax	**3,703**	**870**	**3,215**	**728**	**1,152**	**1,976**	**(2,166)**	**9,478**
Tax	(1,307)	(274)	(879)	(201)	(233)	(407)	1,564	(1,737)
Net income from discontinued or held-for-sale operations	-	-	8	(46)	-	-	(0)	(38)
Net income	**2,396**	**596**	**2,345**	**481**	**919**	**1,569**	**(602)**	**7,704**
Non controlling interests	(0)	(0)	(309)	(105)	(104)	(0)	14	(506)
Net income Group Share	**2,396**	**596**	**2,035**	**375**	**815**	**1,569**	**(588)**	**7,198**

Appendix 3 – Crédit Agricole S.A.: results by business line

Crédit Agricole S.A. – Contribution by divisions – Q4-20 & Q4-19

Q4-20 (stated)							
€m	AG	FRB (LCL)	IRB	SFS	LC	CC	Total
Revenues	**1,644**	**904**	**692**	**654**	**1,426**	**(68)**	**5,251**
Operating expenses excl. SRF	(735)	(599)	(465)	(319)	(911)	(198)	(3,226)
SRF	-	-	-	-	-	-	-
Gross operating income	**909**	**305**	**228**	**335**	**514**	**(266)**	**2,025**
Cost of risk	(60)	(89)	(131)	(154)	(111)	6	(538)
Cost of legal risk	-	-	-	-	-	-	-
Equity-accounted entities	20	-	-	140	2	(26)	137
Net income on other assets	1	1	(0)	(10)	(0)	(0)	(9)
Change in value of goodwill	-	-	-	-	-	(903)	(903)
Income before tax	**871**	**216**	**96**	**311**	**406**	**(1,189)**	**712**
Tax	(275)	(68)	(15)	(44)	(55)	21	(436)
Net income from discontinued or held-for-sale operations	(24)	-	(7)	(66)	-	0	(96)
Net income	**572**	**148**	**74**	**201**	**351**	**(1,167)**	**179**
Non controlling interests	(123)	(7)	(19)	(12)	(23)	128	(56)
Net income Group Share	**449**	**141**	**56**	**189**	**328**	**(1,040)**	**124**

Q4-19 (stated)							
€m	AG	FRB (LCL)	IRB	SFS	LC	CC	Total
Revenues	**1,623**	**851**	**713**	**672**	**1,401**	**(141)**	**5,119**
Operating expenses excl. SRF	(746)	(598)	(454)	(331)	(902)	(229)	(3,260)
SRF	-	0	(0)	(0)	0	(0)	(0)
Gross operating income	**877**	**254**	**259**	**341**	**499**	**(370)**	**1,859**
Cost of risk	(5)	(64)	(78)	(127)	(55)	(10)	(340)
Cost of legal risk	-	-	-	-	-	-	-
Equity-accounted entities	14	-	-	65	3	(5)	76
Net income on other assets	11	1	3	(0)	7	(8)	14
Change in value of goodwill	-	-	-	-	22	(611)	(589)
Income before tax	**896**	**191**	**184**	**278**	**476**	**(1,004)**	**1,021**
Tax	(224)	(53)	(49)	(40)	(67)	1,278	847
Net income from discontinued or held-for-sale operations	-	-	(46)	-	-	(0)	(46)
Net income	**672**	**138**	**90**	**238**	**409**	**274**	**1,821**
Non controlling interests	(90)	(6)	(31)	(25)	(10)	2	(160)
Net income Group Share	**583**	**132**	**59**	**213**	**399**	**276**	**1,661**

Crédit Agricole S.A. – Contribution by divisions – 2020 & 2019

2020 (stated)							
€m	GEA	BP (LCL)	BPI	SFS	GC	AHM	Total
Revenues	**5,734**	**3,521**	**2,659**	**2,526**	**6,297**	**(238)**	**20,500**
Operating expenses excl. SRF	(2,864)	(2,277)	(1,728)	(1,268)	(3,523)	(792)	(12,452)
SRF	(6)	(42)	(25)	(20)	(260)	(86)	(439)
Gross operating income	**2,864**	**1,203**	**906**	**1,238**	**2,514**	**(1,116)**	**7,609**
Cost of risk	(55)	(390)	(569)	(732)	(829)	(29)	(2,606)
Cost of legal risk	-	-	-	-	-	-	-
Equity-accounted entities	66	-	-	344	7	(4)	413
Net income on other assets	3	2	72	(3)	1	0	75
Change in value of goodwill	-	-	-	-	-	(903)	(903)
Income before tax	**2,878**	**814**	**408**	**847**	**1,693**	**(2,052)**	**4,588**
Tax	(770)	(252)	(101)	(69)	(278)	341	(1,129)
Net income from discontinued or held-for-sale operations	(24)	-	(8)	(135)	-	(55)	(221)
Net income	**2,084**	**563**	**299**	**643**	**1,415**	**(1,766)**	**3,238**
Non controlling interests	(379)	(25)	(92)	(84)	(85)	119	(546)
Net income Group Share	**1,706**	**537**	**207**	**559**	**1,330**	**(1,647)**	**2,692**

2019 (stated)							
€m	AG	FRB (LCL)	IRB	SFS	LC	CC	Total
Revenues	**6,078**	**3,457**	**2,796**	**2,716**	**5,603**	**(497)**	**20,153**
Operating expenses excl. SRF	(2,896)	(2,340)	(1,731)	(1,343)	(3,321)	(789)	(12,421)
SRF	(7)	(32)	(22)	(18)	(177)	(83)	(340)
Gross operating income	**3,174**	**1,086**	**1,042**	**1,354**	**2,105**	**(1,369)**	**7,392**
Cost of risk	(19)	(217)	(335)	(497)	(160)	(28)	(1,256)
Cost of legal risk	-	-	-	-	-	-	-
Equity-accounted entities	46	-	-	295	4	6	352
Net income on other assets	32	2	2	0	6	12	54
Change in value of goodwill	-	-	-	-	22	(611)	(589)
Income before tax	**3,233**	**870**	**710**	**1,152**	**1,978**	**(1,991)**	**5,952**
Tax	(881)	(274)	(199)	(233)	(407)	1,539	(456)
Net income from discontinued or held-for-sale operations	8	-	(46)	-	-	(0)	(38)
Net income	**2,360**	**596**	**465**	**919**	**1,570**	**(452)**	**5,458**
Non controlling interests	(326)	(27)	(132)	(104)	(32)	7	(614)
Net income Group Share	**2,034**	**570**	**333**	**815**	**1,538**	**(445)**	**4,844**

Appendix 4 – Methods used to calculate earnings per share, net asset value per share

Crédit Agricole S.A. – Data per share, net book value per share and ROTE

(en m€)		T4-20	T4-19	2020	2019	Var T4/T4	Var 12M/12M
Net income Group share - stated		124	1,661	2,692	4,844	(92.6%)	(44.4%)
- Interests on AT1, including issuance costs, before tax		(79)	(105)	(373)	(587)	(24.8%)	(36.5%)
NIGS attributable to ordinary shares - stated	[A]	45	1,556	2,319	4,257	(97.1%)	(45.5%)
Average number shares in issue, excluding treasury shares (m)	[B]	2,893.4	2,883.5	2,885.3	2,873.4	+0.3%	+0.4%
Net earnings per share - stated	[A]/[B]	0.02 €	0.54 €	0.80 €	1.48 €	(97.1%)	(45.8%)
Underlying net income Group share (NIGS)		975	1,318	3,849	4,582	(26.0%)	(16.0%)
Underlying NIGS attributable to ordinary shares	[C]	896	1,213	3,476	3,995	(26.1%)	(13.0%)
Net earnings per share - underlying	[C]/[B]	0.31 €	0.42 €	1.20 €	1.39 €	(26.4%)	(13.4%)

(en m€)		31/12/2020	31/12/2019 restated	31/12/2019
Shareholder's equity Group share		65,217	62,921	62,921
- AT1 issuances		(5,888)	(5,134)	(5,134)
- Unrealised gains and losses on OCI - Group share		(3,083)	(2,993)	(2,993)
- Payout assumption on annual results*		(914)[53]	-	(2,019)
Net book value (NBV), not revaluated, attributable to ordin. sh.	**[D]**	**55,333**	**54,793**	**52,774**
- Goodwill & intangibles** - Group share		(17,488)	(18,011)	(18,011)
Tangible NBV (TNBV), not revaluated attrib. to ordinary sh.	**[E]**	**37,844**	**36,783**	**34,764**
Total shares in issue, excluding treasury shares (period end, m)	[F]	2,915.6	2,884.3	2,884.3
NBV per share , after deduction of dividend to pay (€)	[D]/[F]	19.0 €[54]	19.0 €	18.3 €
+ Dividend to pay (€)	[H]	0.31 €[55]		0.70 €
NBV per share , before deduction of dividend to pay (€)		19.3 €	19.0 €	19.0 €
TNBV per share, after deduction of dividend to pay (€)	[G]=[E]/[F]	13.0 €[54]	12.8 €	12.1 €
TNBV per sh., before deduct. of divid. to pay (€)	[G]+[H]	13.3 €	12.8 €	12.8 €

** dividend proposed to the Board meeting to be paid*
*** including goodwill in the equity-accounted entities*

[53] € 914 million correspond to the share of the distribution of the dividend made in cash assuming zero public opting for the scrip dividend payment.

[54] The NBV per share after deduction of dividend to pay and the TNBV per share after deduction of dividend to pay are calculated based on the total number of shares as of 31/12/2020

[55] 0,31€ correspond to the cash distribution

(€m)		2020	2019
Net income Group share attributable to ordinary shares	[H]	2,319	4,257
Tangible NBV (TNBV), not revaluated attrib. to ord. sh. - avg***	[I]	37,314[56]	33,525
Stated ROTE (%)	[H]/[I]	6.2%	12.7%
Net income Group share attributable to ordinary shares excl. CA Italia goodwill impairment	[J]	3,097	
Stated ROTE (%) excl CA Italia impairment	[H]/[J]	8.3%	
Underlying Net income attrib. to ord. shares (annualised)	[K]	3,476	3,995
Underlying ROTE (%)	[H]/[K]	9.3%	11.9%

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

[56] *Average of the TNBV not revaluated attrib. to ordinary shares calculated based on 31/12/2020 figures and 31/12/2019 restated figures*

Alternative Performance Indicators

NAVPS Net asset value per share – Net tangible assets per share

One of the methods for calculating the value of a share. NAV per share is net equity Group share restated from AT1 issues divided by the number of shares outstanding at the end of the period.

Net tangible assets per share is tangible net equity Group share, i.e. restated for intangible assets and goodwill, divided by the number of shares outstanding at the end of the period.

NBV Net Book Value

Net book value is net equity Group share, restated for AT1 issues, HTCS hidden reserves and proposed dividends on annual earnings.

EPS Earnings Per Share

Net income Group share (excluding AT1 issues interests) divided by the average number of shares outstanding, excluding Treasury shares. EPS indicates the portion of profits attributable to each share (not the portion of earnings paid out to each shareholder, which is the dividend). It may decrease, assuming net income Group share remains unchanged, if the number of shares increases (see Dilution).

Cost/income ratio

The cost/income ratio is calculated by dividing expenses by revenues, indicating the proportion of revenues needed to cover expenses.

Cost of risk/outstandings

Calculated by dividing the cost of risk (over four quarters on a rolling basis) by outstandings (over an average of the past four quarters, beginning of the period). The cost of risk on outstandings can also be calculated by dividing the annualised cost of risk of the quarter by the outstandings as of beginning of the period.

Since the first quarter 2019, loans outstanding considered are only loans to customers, before impairment

Impaired loans ratio

This ratio compares the gross impaired customer loans to total gross customer loans outstanding.

Coverage ratio

This ratio compares the total loans loss reserves to the gross impaired customer loans outstanding.

Net income Group share attributable to ordinary shares – stated

The net income attributable to equity attributable to ordinary equity corresponds to the group share of which the interest on the AT1 debt has been deducted, including the pre-tax issue costs

Underlying net income Group share

Underlying net income Group share is calculated as net income Group share restated for specific items (i.e. non-recurring or exceptional items).

ROE Return on Equity

Indicator measuring the return on equity, calculated by dividing a company's net income by its equity.

RoTE Return on Tangible Equity

Measures the return on tangible equity (the bank's net assets restated to eliminate intangibles and goodwill).

Disclaimer

The financial information on Crédit Agricole S.A. and Crédit Agricole Group for the fourth quarter and the full year 2020 comprises this presentation and the attached appendices and press release which are available on the website: https://www.credit-agricole.com/en/finance/finance/financial-publications.

This presentation may include prospective information on the Group, supplied as information on trends. 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 that could cause actual results to differ from projections. Likewise, the financial statements are based on estimates, particularly in calculating market value and asset impairment.

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

Applicable standards and comparability

The figures presented for the twelve-month period ending 31 December 2020 have been prepared in accordance with IFRS as adopted in the European Union and applicable at that date, and with prudential regulations currently in force. The Statutory Auditor's audit work on the financial consolidated statements is underway.

Note: the scopes of consolidation of the Crédit Agricole S.A. and Crédit Agricole Groups have not changed materially since the Crédit Agricole S.A. 2019 Universal Registration Document and its A.01 update (including all regulatory information about the Crédit Agricole Group) were filed with the AMF (the French Financial Markets Authority).

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

Since 30 September 2019, Kas Bank has been included in the scope of consolidation of Crédit Agricole Group as a subsidiary of CACEIS. SoYou has also been included in the scope of consolidation as a joint-venture between Crédit Agricole Consumer Finance and Bankia. Historical data have not been restated on a proforma basis.

Since 23 December 2019, Caceis and Santander Securities Services (S3) have merged their operations. As of said date, Crédit Agricole S.A. and Santander respectively hold 69.5% and 30.5% of the capital of Caceis.

On 30 June 2020, once all necessary regulatory approvals were secured, Amundi acquired the entire share capital of Sabadell Asset Management.

Financial Agenda

11 February 2021	Publication of the 2020 fourth quarter and full year results
7 May 2021	Publication of the 2021 first quarter results
12 May 2021	Annual General Meeting in Paris
5 August 2021	Publication of the 2021 second quarter and the first half year results
10 November 2021	Publication of the 2021 third quarter and first 9 months results

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