



WORKING EVERY DAY IN THE INTEREST  
OF OUR CUSTOMERS AND SOCIETY

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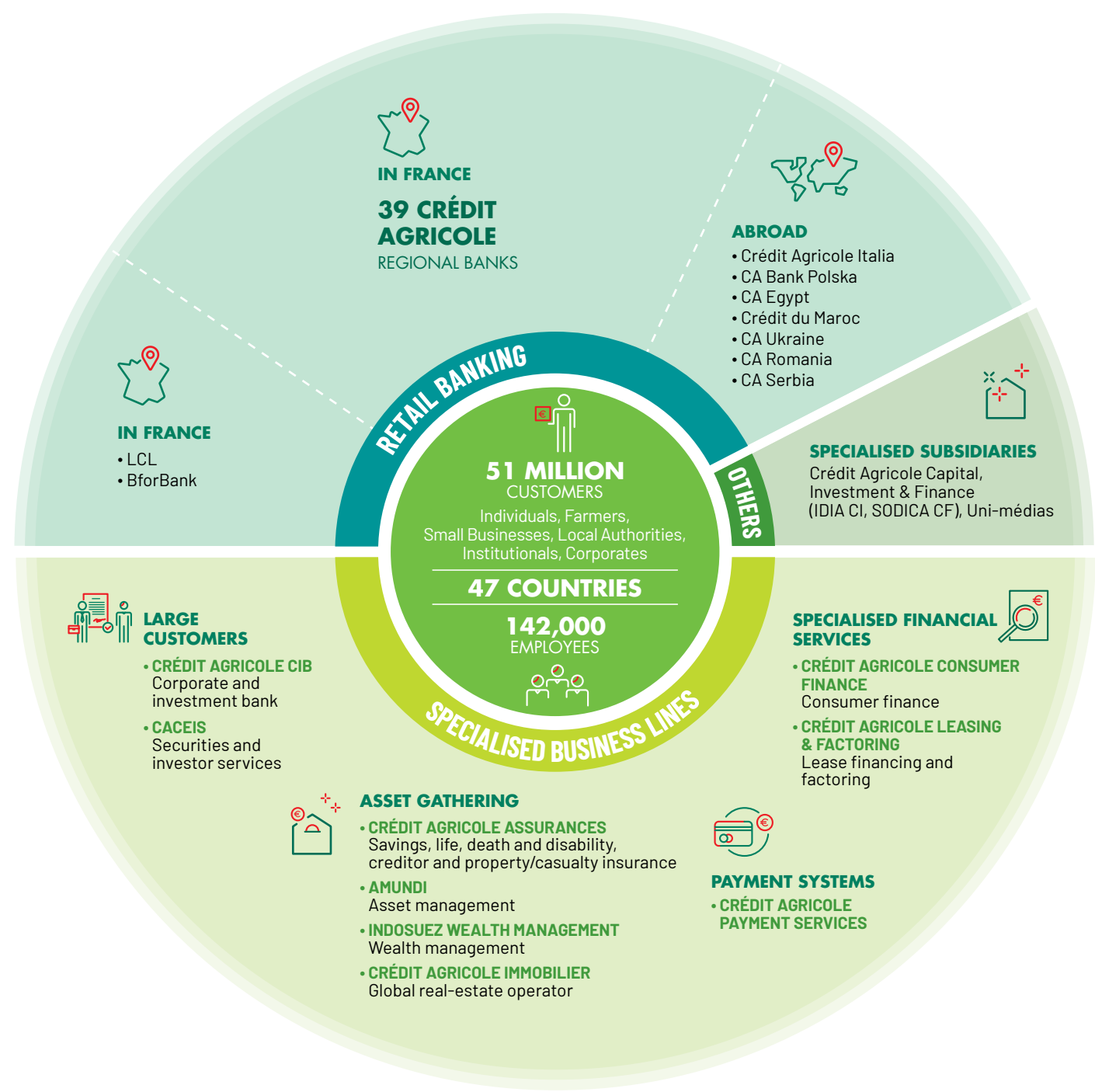
2019  
**INTEGRATED  
REPORT**



CRÉDIT AGRICOLE  
S.A.

# CUSTOMER-FOCUSED UNIVERSAL BANKING

Crédit Agricole has rolled out a unique customer-focused universal banking model based on the Group's complimentary activities. As such, its local networks offer all customers a complete range of banking and non-banking services suited to their needs, through all channels and created with specialised business lines, leaders in their respective fields in France as well as internationally.



## CRÉDIT AGRICOLE GROUP'S RAISON D'ÊTRE

### WORKING EVERY DAY IN THE INTEREST OF OUR CUSTOMERS AND SOCIETY

**Crédit Agricole's end purpose, is to be a trusted partner to all its customers:**

Its solid position and the diversity of its expertise enable CA to offer all its customers ongoing support on a daily basis and for their projects in life, in particular by helping them to guard against uncertainties and to plan for the long term.

CA is committed to seeking out and protecting its customers interests in all it does. It advises them with transparency, loyalty and pedagogy.

It places human responsibility at the heart of its model : it is committed to helping all its customers benefit from the best technological practices, while guaranteeing them access to competent, available local teams that can ensure all aspects of the customer relationship.

**Proud of its cooperative and mutualist identity and drawing on a governance representing its customers, Crédit Agricole:**

Supporting the economy, entrepreneurship and innovation in France and abroad: it is naturally committed to supporting its regions.

It takes intentional action in societal and environment fields, by supporting progress and transformations.

It serves everyone: from the most modest to the wealthiest households, from local professionals to large international companies.

**This is how Crédit Agricole demonstrates its usefulness and availability to its customers, and the commitment of its 142,000 employees to excellence in customer relations and operations.**

**10<sup>th</sup>**  
bank  
worldwide

**1<sup>st</sup>**  
cooperative  
worldwide

**1<sup>st</sup>**  
bank  
in France

**1<sup>st</sup>**  
insurer  
in France

**1<sup>st</sup>**  
European  
asset manager

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 **No. 1**  
provider of financing  
to the French economy  
*Internal source Econ Studies*

 **In the Top 3**  
companies  
that recruit in France  
*Source Le Figaro September 2019*

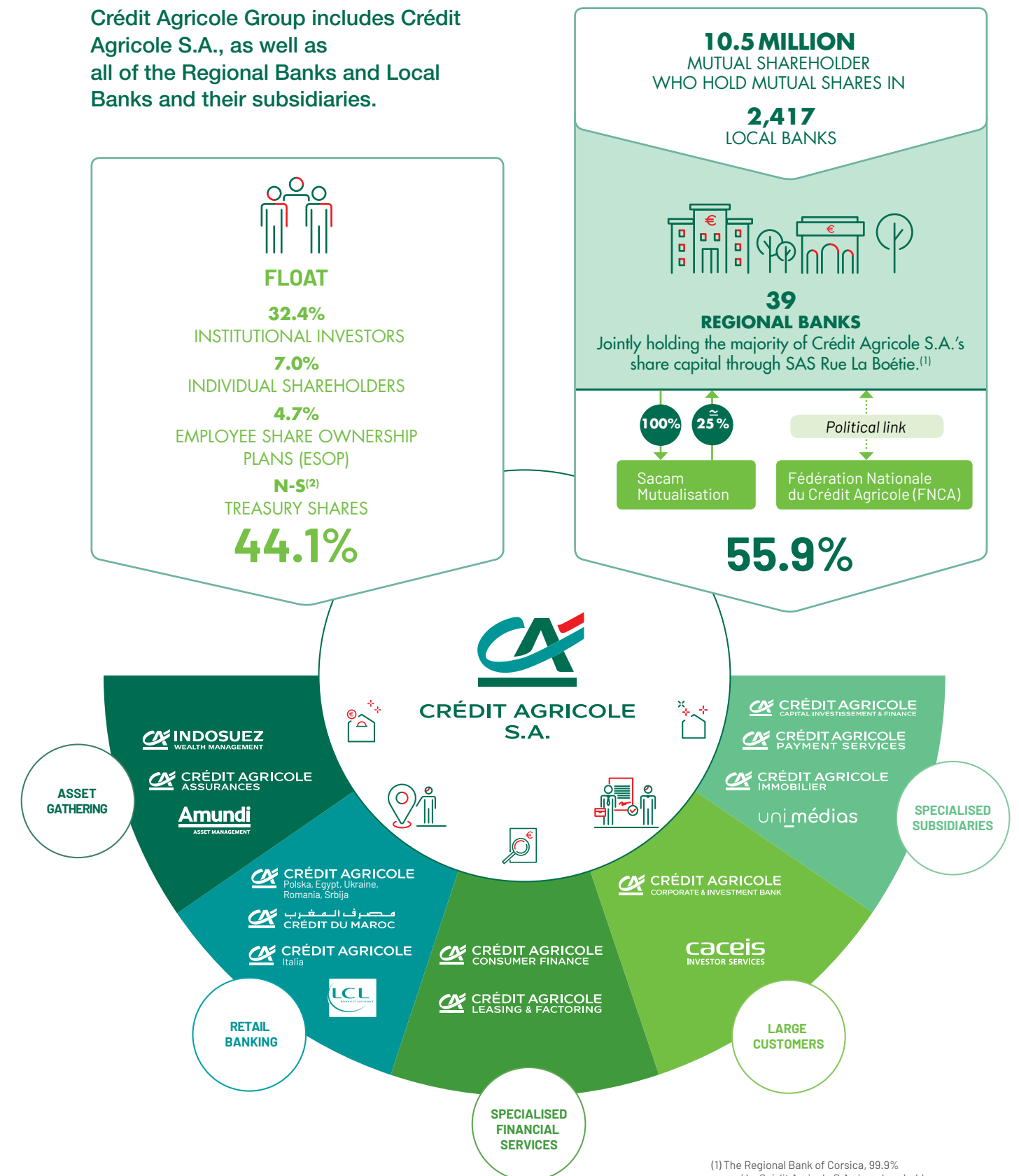
 **No. 1**  
bookrunner worldwide  
for green bonds  
all currencies in volume and market share  
*Source Bloomberg*

 **51**  
million customers  
of which 31 million in Retail  
Banking in France

Additional information is available in the Universal Registration Document (URD).

## ABOUT CRÉDIT AGRICOLE

Crédit Agricole Group includes Crédit Agricole S.A., as well as all of the Regional Banks and Local Banks and their subsidiaries.



(1) The Regional Bank of Corsica, 99.9% owned by Crédit Agricole S.A., is a shareholder of Sacam Mutualisation.  
(2) Non-significant.



# LOCAL CUSTOMER-FOCUSED TEAMS AND UNIVERSALITY: WHAT DRIVES US

Among the highlights of Crédit Agricole Group in 2019, one exceeds the others by its strength and scope: it is the expression of a *Raison d’Être*, not statutory, but that commits us both internally and with respect to our stakeholders. Much more than a roadmap, our *Raison d’Être*, unveiled last June, expresses the true meaning of our activities. It is the link between our history, our values and the Group Project. It fuels the responsible relationship-based banking model that characterises us.

“  
Accompanying  
the energy transition and  
monitoring the impacts  
of our financing combine  
social and environmental  
considerations.”

Dominique Lefebvre  
Chairman of the Board of Directors

### What is the particular importance of the Group’s *Raison d’Être*?

**D. L.:** The *Raison d’Être* drives our commitment to our customers and society as a whole. It is both our compass for the future and the synthesis of the values that are the strength of Crédit Agricole and the basis for its usefulness for more than 125 years. It places our project in a virtuous dynamic where each individual decision is made in the common interest.

**P. B.:** The *Raison d’Être* is the cornerstone of our Group Project, which is divided into three pillars that reinforce each other. The Societal Project aims to finance a greener economy and for the Group to be a useful player committed to enabling inclusive development in each and every region. These topics are already known to us, but the challenge is to change the scale and take them into account: it is to move from an added responsibility to an integrated responsibility, at the heart of our activities and ambitions. The Customer Project and the Human-centric Project are closely linked to reach excellence in customer relations: digital transformation allows women and men of the Group to bring all their added value to customers, in order for them to benefit from excellence in customer relations and direct access to an empowered relationship manager.

### What strategic orientation have you implemented to serve this ambition?

**P. B.:** The results of the year are positive in terms of activity, operational efficiency and performance. In addition to the above, another factor of satisfaction is the fact that 2019 has strengthened the recognition of our relationship-based banking model. This model is based on the aggregation over time of all the business lines



that are useful to a global response to the needs of its customers. The Group participates in international banking consolidation, not through cross-border banking mergers, but through the signing of partnerships, *through* business lines, with other players in Europe and Asia. In 2019, we signed or strengthened many distribution agreements in France, Italy, Spain and China. The sustainability of this process is based on its effectiveness.



“  
This is about shifting  
from added responsibility to  
integrated responsibility,  
at the heart of our activities  
and ambitions.”

Philippe Brassac  
Chief Executive Officer

### When will we be able to assess the good conduct of the Group Project? What is its trajectory?

**D. L.:** The strength of Crédit Agricole allows it to project itself in the future in any context. Although the Group Project does not fit into a defined timetable, we can nevertheless assess its relevance at different times: in the assessment that will be carried out for the 2022 Medium-Term Plan, and later at more distant times, in 2030, in particular, which is the time frame of many environmental and societal commitments made at national and international levels.

Our goals, to pursue our commitment to inclusion and to make sustainable finance one of the keys to the Group’s growth are concrete and responsible. They are concrete because, when it comes to inclusion, we rely on a comprehensive range of offers that takes into account the needs of all our customers, including the most vulnerable. Concerning climate, we are amplifying our approach to help customers transition towards a cleaner economy. We are also strengthening our tools to measure the environmental impacts of our financing and investment decisions. The financing of large-scale renewable energy projects will be amplified. These goals are also responsible because they link our corporate interest to that of our environment. Ensuring that our banking services, in terms of pricing and physical or digital accessibility, are within the reach of all, combines corporate interest and responsibility toward our fellow citizens. Accompanying the energy transition and monitoring the impacts of our financing combine corporate and environmental interest.

### The addition of geopolitical, social and health risks, with their effects on the global economy, rates and markets, are transforming the banking business environment. How does the Group react to this environment?

**P. B.:** Our Group has strengths that allow it to deal with an adverse environment. We are the tenth largest bank in the world, one of the strongest in the European Union. Our universal customer-focused banking model is robust and diverse, and our social commitment, at the heart of our Medium-Term Plan, is our strength, in times of crisis and beyond. Our level of capitalisation and our liquidity reserves are considerable. This strength allows us, during these uncertain times, to support all our customers, individuals, SMEs and small businesses, and corporates. Our priority is to work in favour of the economic development of all and of all regions, and then to contribute to the recovery of the economy. That is our *Raison d’être*.

The global health crisis we are experiencing is an unprecedented phenomenon for our modern societies, the long-term effects of which we do not yet know, whether they are health-, social- or economy-related. The rate at which it has spread, having turned global in a few weeks, should make us question our ability to take coherent and collective action, not only in the face of health and economic crises, but also in the face of other global challenges, including climate crises. This crisis is a warning, we must draw the consequences of it, collectively.

# A GROUP IN FULL-GROWTH MODE

The tenth largest bank in the world today, Crédit Agricole was created more than 125 years ago to meet the financing needs of farmers. The Group has always developed with two guiding principles. Utility through the great transformations of society, and the Universal reach of its business lines, offers, regions and customers.

## AMPLIFICATION AND ACCELERATION

- 2019 Group Project and 2022 Medium-Term Plan  
Expression of the *Raison d'Être* of the Group  
Merger of CACEIS and Santander
- 2018 Partnership of CACF with Bankia and Banco BPM  
Partnership of CAA with Creval, Novo Banco
- 2017 Amundi's acquisition of Pioneer Investments  
Integration of Banca Leonardo and three Italian banks

## SIMPLIFICATION

- 2016 Completion of the Eureka transaction to simplify the Group's capital structure  
Presentation of the 2020 Strategic Ambition Medium-Term Plan
- 2015 Amundi IPO

## DIVERSIFICATION

- 2010 Creation of CACF, CAL&F and CACIB. New head office in Montrouge
- 2009 Launch of BforBank, creation of CAA and Amundi
- 2006 Acquisition of Cariparma, CA Egypt, CA Ukraine and Emporiki
- 2005 Creation of CACEIS
- 2003 Acquisition of Crédit Lyonnais (renamed LCL in 2005) and acquisition of Finaref

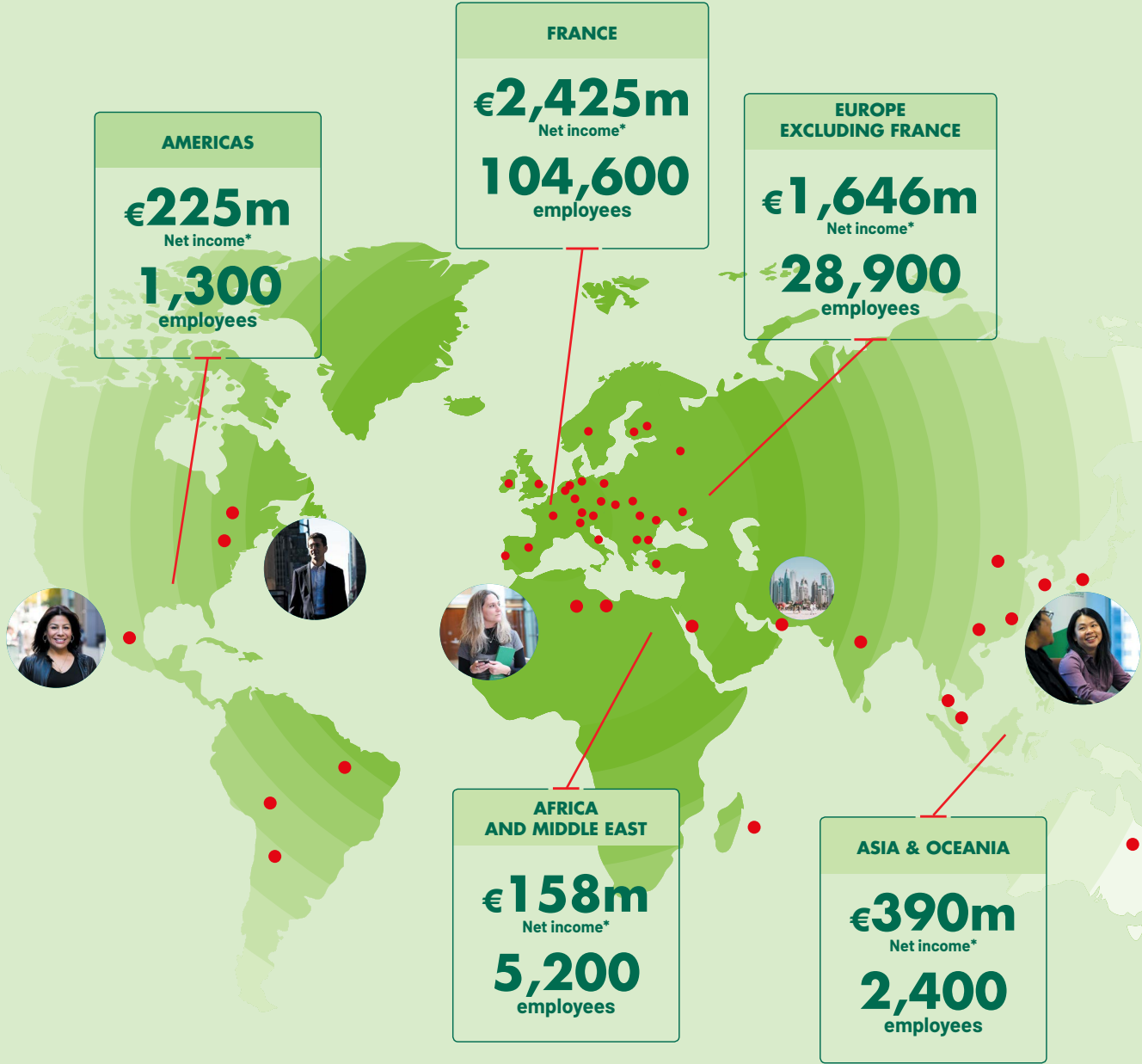
## REINFORCEMENT

- 2001 CNCA renamed Crédit Agricole S.A., IPO on 14 December 2001
- 1990 Creation of Pacifica (property and casualty insurance)
- 1988 Act organising the transfer of ownership of CNCA, which became a public company, to the Regional Banks.
- 1986 Creation of Predica (life insurance)

## CREATION AND DEVELOPMENT

- 1959 Order allowing Crédit Agricole to distribute housing loans, in rural areas, to non-farming households
- 1945 Creation of Fédération Nationale du Crédit Agricole (FNCA), the sounding board for the Regional Banks
- 1899 Viger Act (Articles of Association of the Regional Banks) which allowed the creation of the Regional Banks
- 1894 Birth certificate of Crédit Agricole, the Méline Act, allowing the creation of the first Local Banks
- 1885 Creation of the first Local Bank in Poligny (Jura)

## A presence in 47 COUNTRIES



## THE GROUP IN THE WORLD

\* Net income Group share published in 2019 in millions of euros.



# WE ARE ADOPTING “SMART COMPLIANCE”

The goals of our compliance policy are to protect Crédit Agricole Group with respect to regulations, to place ethics and loyalty at the heart of the relationship with our customers, to provide them with services and organisations with the best standards. These issues are presented in the “*Smart Compliance*” programme.

Our Compliance business lines have been meeting the need for increased protection for 15 years: combating money laundering and terrorist financing, complying with international sanctions, protecting customers and their personal data, preventing fraud and corruption, promoting ethical values within the Group.

The main challenge is to accompany the Group's business lines on a daily basis for the Compliance culture to be “natively” integrated into behaviours and processes, so that it can create value.



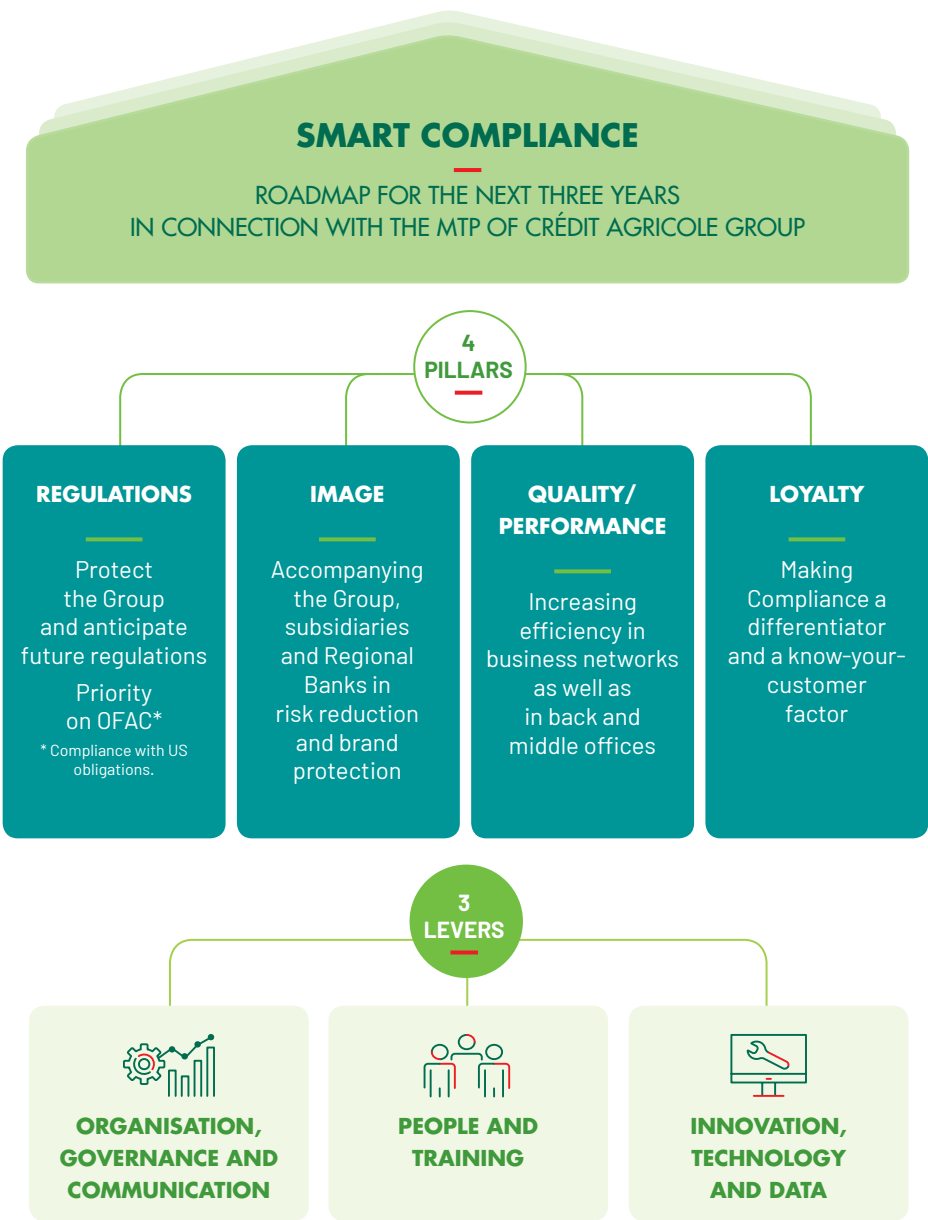
The Compliance business line is cross-functional to all entities



95% of employees trained in Compliance requirements



Creation of the Compliance Valley Community, composed of Group employees, to stimulate innovation




# OUR EXCHANGES WITH STAKEHOLDERS

Through regular dialogue and at all levels with stakeholders, Crédit Agricole listens to their expectations to provide value-creating responses.




# OUR ACTIONS IN FAVOUR OF STAKEHOLDERS

The needs of stakeholders are multiple, complex, and constantly evolving. Through its new Medium-Term Plan, Crédit Agricole S.A. provides and adapts its short-, medium- and long-term responses to build lasting relationships with each of the players.

 *I find that Crédit Agricole S.A.'s communication with its shareholders is accessible and detailed, and that the company strives to educate about its strategy and results."*



J. Duparchy, individual shareholder, member of the Liaison Committee

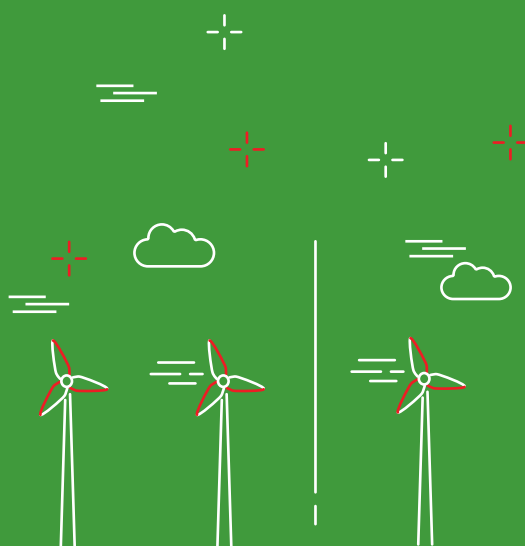
 CUSTOMERS	 EMPLOYEES	 SHAREHOLDERS & INVESTORS	 PARTNERS	 PUBLIC AUTHORITIES & REGULATOR	 CIVIL SOCIETY & THE GENERAL PUBLIC
<p>&gt; ISSUES &amp; EXPECTATIONS IDENTIFIED</p> <ul style="list-style-type: none"><li>• Offers accessible to all</li><li>• Innovation and efficiency</li><li>• Excellence in financial advice and services</li><li>• Ease of use, personalisation and availability</li><li>• Value-added pricing</li><li>• Secure payment instruments</li><li>• Data security and confidentiality</li></ul> <p>&gt; OUR ANSWERS</p> <ul style="list-style-type: none"><li>• Offers adapted to all, from entry-level products to wealth management</li><li>• Partner of choice for large corporates and institutions</li><li>• Monitoring satisfaction with the Net Promoter Score</li><li>• 100% human 100% digital accessibility</li><li>• Support toward sustainable economic and social models</li><li>• Steering of actions to improve excellence in customer relations (<i>Customer Champions</i>, Academy for Excellence in customer relations, customer survey process)</li><li>• Development of e-marketing and analytical models</li><li>• Steering innovation</li></ul> <p>&gt; MAIN SDGS* CONCERNED</p> <div><div>8 DECENT WORK AND ECONOMIC GROWTH</div><div>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</div><div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div></div>	<p>&gt; ISSUES &amp; EXPECTATIONS IDENTIFIED</p> <ul style="list-style-type: none"><li>• Empowering work organisation</li><li>• Strengthened training and support</li><li>• Amplified diversity policy</li><li>• Quality social dialogue</li><li>• Compensation and benefits</li></ul> <p>&gt; OUR ANSWERS</p> <ul style="list-style-type: none"><li>• Agreement/Charter of telecommuting within the entities</li><li>• 2,313,929 hours of training completed</li><li>• 18 gender diversity networks within Crédit Agricole S.A. and its subsidiaries, of which 8 are in France and 10 abroad, accounting for more than 2,600 members, of which almost 20% are men</li><li>• Signing of an International Framework Agreement, providing a common social foundation for all employees</li><li>• Capital increases reserved for employees</li></ul> <p>&gt; MAIN SDGS* CONCERNED</p> <div><div>3 GOOD HEALTH AND WELL-BEING</div><div>5 GENDER EQUALITY</div><div>10 REDUCED INEQUALITIES</div></div>	<p>&gt; ISSUES &amp; EXPECTATIONS IDENTIFIED</p> <ul style="list-style-type: none"><li>• Transparency, reliability and clarity of information</li><li>• Profitability</li><li>• Responsible governance</li><li>• Risk management</li></ul> <p>&gt; OUR ANSWERS</p> <ul style="list-style-type: none"><li>• Investor roadshows and conferences</li><li>• Governance and ESG roadshows</li><li>• Publication of results, Universal Registration Document, Integrated Report, Shareholder's Guide</li><li>• Toll-free number for individual shareholders</li><li>• Balanced distribution policy</li></ul> <p>&gt; MAIN SDGS* CONCERNED</p> <div><div>8 DECENT WORK AND ECONOMIC GROWTH</div><div>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</div></div>	<p>&gt; ISSUES &amp; EXPECTATIONS IDENTIFIED</p> <ul style="list-style-type: none"><li>• Sustainable and balanced relationships</li><li>• Respect for the interests of suppliers</li><li>• Financial equity (payment terms)</li><li>• Steering of supplier relations and development of mediation</li><li>• Developing inclusive purchases</li></ul> <p>&gt; OUR ANSWERS</p> <ul style="list-style-type: none"><li>• Establishment of commercial or capital partnerships</li><li>• Charter of responsible purchasing integrated in calls for tenders</li><li>• Supplier Relationship and Responsible Purchasing Label</li><li>• "Responsible purchasing" e-learning training</li><li>• Integration of CSR performance of suppliers</li><li>• Action on payment terms</li><li>• Annual Supplier Survey</li><li>• Third edition of CSR dedicated Supplier Meetings</li></ul> <p>&gt; MAIN SDGS* CONCERNED</p> <div><div>8 DECENT WORK AND ECONOMIC GROWTH</div><div>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</div><div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div></div>	<p>&gt; ISSUES &amp; EXPECTATIONS IDENTIFIED</p> <ul style="list-style-type: none"><li>• Respecting regulations</li><li>• Compliance</li><li>• Transparency</li></ul> <p>&gt; OUR ANSWERS</p> <ul style="list-style-type: none"><li>• Publication of results and press releases</li><li>• Publication of a Universal Registration Document</li><li>• Publication of the fourth Integrated Report</li></ul> <p>&gt; MAIN SDGS* CONCERNED</p> <div><div>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</div></div>	<p>&gt; ISSUES &amp; EXPECTATIONS IDENTIFIED</p> <ul style="list-style-type: none"><li>• Financing the economy</li><li>• Transparency and ongoing dialogue</li><li>• Local coverage in the regions</li><li>• Positive impact on the environment and society</li><li>• Supporting inclusion</li></ul> <p>&gt; OUR ANSWERS</p> <ul style="list-style-type: none"><li>• Climate strategy and gradual exit from coal</li><li>• Steering toward a more sustainable economy (ESG approach)</li><li>• Adherence to the <i>Principles for Responsible Banking</i></li><li>• Support for culture, sport and solidarity with sports sponsorship, and the "Sport as a school of life program"</li><li>• Program for 300 students (14 to 15 years of age) from priority education areas for their workplace internship</li><li>• Fondation Grameen Crédit Agricole for the economic development of rural areas in emerging countries</li><li>• A renewed partnership with Plastic Odyssey to combat plastic pollution in the oceans</li></ul> <p>&gt; MAIN SDGS* CONCERNED</p> <div><div>4 QUALITY EDUCATION</div><div>5 GENDER EQUALITY</div><div>3 GOOD HEALTH AND WELL-BEING</div><div>11 SUSTAINABLE CITIES AND COMMUNITIES</div></div>



## CHAPTER 1

OUR VALUE  
CREATION

Society is undergoing profound changes in all its dimensions: the political and social context, ecology, the regions and the financial environment, etc.; all of these changes challenge the trajectories of the banking industry and lead us to respond to new challenges.

ADAPTING  
TO MAJOR  
CHANGESADAPTING TO BIG CHANGES  
ECONOMIC

## A NEW WORLD ORDER

- Erosion of the dynamics of globalisation, economic fragmentation and geopolitical tensions
- Deterioration of multilateralism and challenging of institutions and international agreements
- Strengthening of regional growth hubs, with a shift towards Asia

## Opportunities

- Positions that can be expanded in Asia

## Risks

- Significant market volatility
- Increase in legal risks due to the growing number of regulations

## OUR ACTIONS

- Launch in November 2019 of a **Panda bond issue**, denominated in Chinese yuan, to diversify our sources of financing and support the development of CACIB in China

## AN UNCERTAIN FINANCIAL ENVIRONMENT

- Increased volatility of financial variables
- Context of lasting low interest rate environment
- Complex market valuation of new risk factors (geopolitical, health-related and non-financial)

## Opportunities

- Development of credit solutions to support people launching new projects
- Recomposition of business models and differentiation of revenue sources

## Risks

- Bank balance sheet exposure to the risk of a sharp increase in interest rates
- Decline in retail banking margins
- Reduced attractiveness of savings products and life insurance funds in euros

## OUR ACTIONS

- Diversification of our services with the creation of non-banking offers
- Help to create a business with **Jesuisentrepreneur**, a complete platform created to inspire and support entrepreneurs
- Life insurance: broadening the range of offers in unit-linked contracts

## MULTI-FACETED COMPETITION

- Presence of new players and diverse models (aggregators, *FinTech* companies, Google, Amazon, Facebook and Apple, etc.)
- Steady roll-out of new technologies that challenge the traditional banking model
- Growing number of participants in the value chain
- New fee models, such as *freemium* and *low-cost* offers, that increase pricing pressure

## Opportunities

- Assertion of our position as a trusted third party
- Using new technologies and artificial intelligence to provide more personalised and effective support
- Development of commercial and distribution partnerships

## Risks

- Eroding revenues and market share
- Disintermediation (customer relationship, payments, data, etc.)
- Decoupling of offerings and limited opportunities for cross-selling
- Difficult development in relation to *FinTech* companies

## OUR ACTIONS

- Merger of **CACEIS** and **Santander**
- Strengthening consumer finance partnerships between **CACF** and **Banco BPM**
- Signature of an insurance partnership between **CAA** and **Abanca** in Spain

## SUSTAINED REGULATORY REQUIREMENTS

- Stronger protection for customers and investors
- Fight against money laundering and financing of terrorism
- Multiple regulatory authorities and tighter prudential rules
- Transparency requirement
- Taking into account climate and ESG risks

## Opportunities

- Confirmation of our role as provider of financing to the economy
- Continuous improvement in the Group's processes and ethical framework
- Continued management of new risks

## Risks

- Higher capital requirements and stricter liquidity management
- Increase in compliance and operating costs (HR, IT, etc.)
- Distorted competition with new, less-regulated players

## OUR ACTIONS

- €310.9bn assets under management using ESG criteria
- Signature of the **Principles for Responsible Banking**



ADAPTING TO BIG CHANGES

# SOCIETAL

## NEW CUSTOMER BEHAVIOURS AND NEW TECHNOLOGIES

- Search for immediacy, fluidity and ease
- Desire for personalisation, responsiveness and advice
- Security of personal data and cybersecurity
- Excellence of tools and services

> MAIN SDGS\* CONCERNED



**Opportunities**

- Positioning as a truly multi-channel bank with a tightly woven regional presence
- Diverse range of expertise and services offered to customers
- Information systems performance that enhances cybersecurity and ensures customers' data is safe

**Risks**

- Decrease in branch traffic/profitability
- Failure to move swiftly in adapting internal processes, distribution and services

> OUR ACTIONS

- **Globe Trotter offer from Regional Banks for the 18-to-30 age group** offering a no-fee card abroad
- **Biometric card**, available in 2020 for contactless payments of over €30 thanks to its digital fingerprint
- **A strong new authentication service** for online payments by individual customers

## GEOGRAPHIC DIVIDES AND A RISE IN SOCIAL TENSIONS

- Regional divides within countries creating inequality
- Jobs and growth concentrated in urban areas
- Loss of purchasing power of the middle class
- Instability of social cohesion

> MAIN SDGS\* CONCERNED



**Opportunities**

- Broad regional coverage *through* the Group's different networks
- Development of banking, social and entrepreneurial accessibility

**Risks**

- Decline in banking margins in certain geographic areas

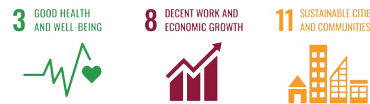
> OUR ACTIONS

- Access to essential services through a network of more than 8,400 Crédit Agricole and LCL branches in France, supplemented by 5,900 Relais CA in rural areas
- LCL, a partner in the **APELS program** to promote the integration through sport of young people with few qualifications
- Offers accessible to all with **EKO** and **LCL Essentiel**

## LIFE'S UNCERTAINTIES

- In Western countries:
  - ageing populations
  - an increasing dependence
  - a diversification of family models and types of employment
- Unexpected events and more variable career and life paths

> MAIN SDGS\* CONCERNED



**Opportunities**

- Highlighted positioning as a trusted third party that supports its customers locally, over the long term and at all of life's milestones: education, first job, marriage, business creation, retirement, etc.

**Risks**

- Perceived lack of support from the bank
- Higher credit/delinquency risk
- Incomplete risk assessment models

> OUR ACTIONS

- Inclusive finance set-ups: **Points Passerelle** to support customers in financial difficulty and prevent over-indebtedness at CACF and LCL
- **First Internship/first Job System:** contribution to the employment of young people by connecting them with the companies that are recruiting



In 2015, the United Nations Member States adopted the 2030 Agenda for Sustainable Development and its 17 Sustainable Development Goals (SDGs), which provide a blueprint for achieving a better and more sustainable future for all. The SDGs address major global challenges related to poverty, inequality, climate change, environmental deterioration, prosperity, peace and justice.

ADAPTING TO BIG CHANGES

# ENVIRONMENTAL



## AN ENVIRONMENTAL IMPERATIVE

- Global commitment to combat climate change and preserve biodiversity
- Growing number of regulatory and fiscal initiatives to reduce greenhouse gas emissions
- Urgent need to limit the scope of climate change and adapt behaviours and business models to the new situation, notably in high CO<sub>2</sub>-emitting business sectors such as energy, transport, building and public works, and farming

> MAIN SDGS\* CONCERNED



**Opportunities**

- Development of investment and financing solutions to support institutional customers, corporates, SMEs and small businesses in adopting a low-carbon trajectory
- Additional products and services to help consumers adapt their behaviors to an economy that consumes less energy, in line with the Paris Agreement. These include solutions for green mobility, energy efficiency upgrades and specific insurance
- Financial innovation to address the new business models

**Risks**

- Higher costs and economic losses due to the consequences of climate change, both directly, related to bank transactions, and indirectly, related to customers' activities
- Uncertainty over the nature and timetable of the unavoidable transition to a low-carbon economy
- Delays in the deployment of offers in relation to customer needs

> OUR ACTIONS

- Definition of our **climate strategy in 2019**
- **New offers of green mobility and housing loans** to finance low-polluting vehicles or work to achieve energy savings in one's housing
- Continued issuance of **Green bonds in 2019:**
  - > €1bn by Crédit Agricole S.A.
  - > €1,25bn by Crédit Agricole Home Loan SFH\*

\* Housing financing company (Société de financement de l'habitat) of Crédit Agricole Group.

# CRÉDIT AGRICOLE'S STRENGTHS

In an environment facing deep changes, and a banking sector under regulatory and competitive pressures, Crédit Agricole has major assets in terms of stability and solidity, the backbone of which is its *Raison d'Être*.



Nearly **30,000 directors** who bring their expectations to the heart of the Group

**PRESENT IN 47 COUNTRIES**



In France, with close to **8,400 branches** of Crédit Agricole and LCL



In Italy, with close to **1,000 branches**



In other countries, with more than **1,000 branches**

## A COOPERATIVE AND MUTUALIST IDENTITY

More than 10 million mutual shareholders form the basis of the cooperative organisation of Crédit Agricole and make it the world's largest cooperative and mutualist group.

The mutual shareholders own the capital of the 2,417 Local Banks in the form of mutual shares; these Local Banks in turn hold the capital of the 39 Regional Banks. According to the democratic vote "1 person = 1 vote", each mutual shareholder has the same weight in voting in Local Bank Annual General Meetings, regardless of the amount of mutual shares held. Nearly 30,000 directors elected each year bring their expectations within the Group's bodies, and ensure good knowledge and consideration of customer needs. The pooling of these experiences is the heart of the mutualist model, which promotes customer-focused action.

## A UNIVERSAL AND CUSTOMER-FOCUSED MODEL

Thanks to its resilient universal banking model, Crédit Agricole makes a comprehensive range of banking, specialised financial and insurance services available to all its individual customers, farmers, SMEs and small businesses, large corporates and institutions.

With the deployment of new business or capital partnerships, and the increase in collaborations between its subsidiaries, the Group is strengthening its expertise in France and internationally to meet the expectations and needs of its customers.

This diversified business model ensures secure and sustainable revenue development and provides long-term organic growth capacity for the Group.

## A WIDE TERRITORIAL NETWORK

As close as possible to its customers, Crédit Agricole relies on a regional foothold and a territorial network covering rural areas, urban centres and large cities, to be accessible to all.

## SOCIAL AND ENVIRONMENTAL COMMITMENTS

Crédit Agricole Group, with the will to inscribe its societal utility natively in all of its activities, business lines and processes, has developed its Group Project and 2022 Medium-Term Plan on the backbone of its *Raison d'être*.

The Group wishes to strengthen its cooperative footprint by consolidating the "living together" aspect of the regions and promoting solidarity and inclusive actions. All Group entities have committed to promoting inclusion with entry-level offers, working against over-indebtedness and encouraging entrepreneurship.

A world leader in green bonds, a pioneer in climate finance, Crédit Agricole is convinced of the urgency of decarbonising the economy while preserving value creation. In order to strengthen its action and commitments to the energy transition, in 2019 Crédit Agricole adopted a proactive Group climate strategy, aligned with the Paris Agreement, applied by all its entities, which allows for a gradual reallocation of its financing, investment and

## FINANCIAL RATINGS

AT 01/03/2020

S&P Global

A+

Stable outlook

MOODY'S

AA3

Stable outlook

Fitch Ratings

A+

Stable outlook



AA (Low)

Stable outlook

## NON-FINANCIAL RATINGS

AT 01/03/2020

MSCI

A

vigeo eiris

63

ISS-ekom

Prime



Referenced

managed assets portfolios for the benefit of the energy transition. Crédit Agricole was the world's first commercial bank to announce the exit from thermal coal financing in 2030 in the EU and the OECD and in 2040 in the rest of the world.

## FINANCIAL STRENGTH AND MUTUAL GUARANTEE

In terms of solvency, Crédit Agricole Group ranks with the best-in-class among comparable European banks, with a CET1 ratio of 15.9% at 31 December 2019. This greatly exceeds the minimum regulatory requirement of 9.7% at 31/12/2019.

In accordance with the French Monetary and Financial Code, Crédit Agricole S.A. is responsible for taking all the necessary measures to ensure the liquidity and solvency of each member of the Crédit Agricole network and of its affiliated members, chief among them the Regional Banks and Crédit Agricole Corporate Investment Bank (CIB). Crédit Agricole S.A. also acts as the central body for the Regional Banks and in this capacity can intervene when refinancing is necessary. In addition, the Regional Banks guarantee all of Crédit Agricole S.A.'s obligations towards third party creditors under an agreement on a joint and several basis, and they also cross-guarantee each other in the event of an asset shortfall at Crédit Agricole S.A. in the course of its bankruptcy or dissolution.



## AWARDS & PRIZES

Upgrade of the long-term credit rating\* by Moody's

\* Regional Banks, Crédit Agricole S.A. and CACIB

**No. 1** financial company in France in terms of diversity

according to the Financial Times Diversity Leaders 2020 ranking

**CACIB**  
2019 Global Capital SRI Awards  
**Best worldwide Green/SRI bank of the year**

**AMUNDI**  
2019 PRI Award  
**"Real World Impact Initiative of the Year"**  
for the Amundi Planet Emerging Green One fund

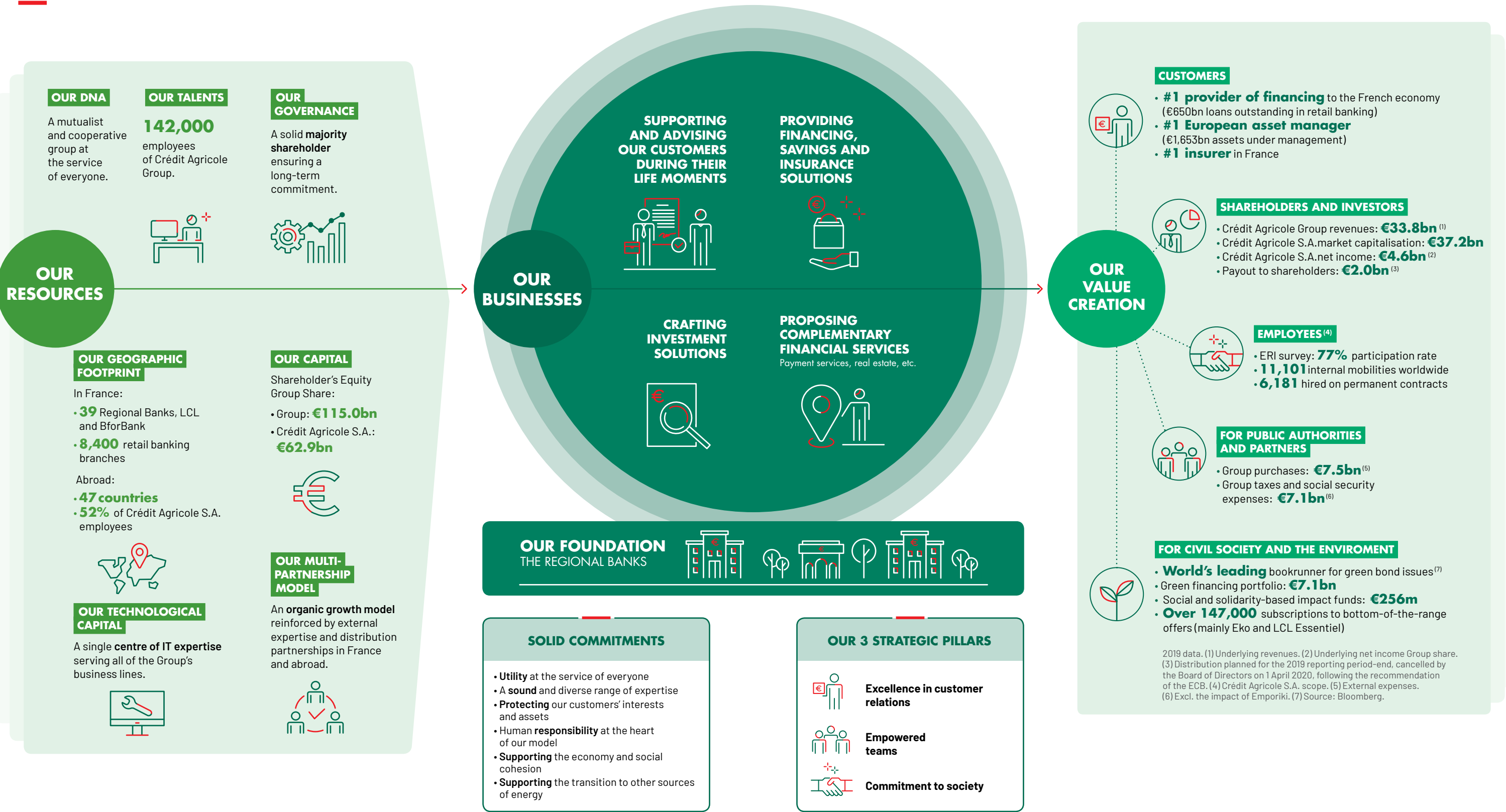
## CRÉDIT AGRICOLE ASSURANCES

**93%**  
customer satisfaction in non-life insurance

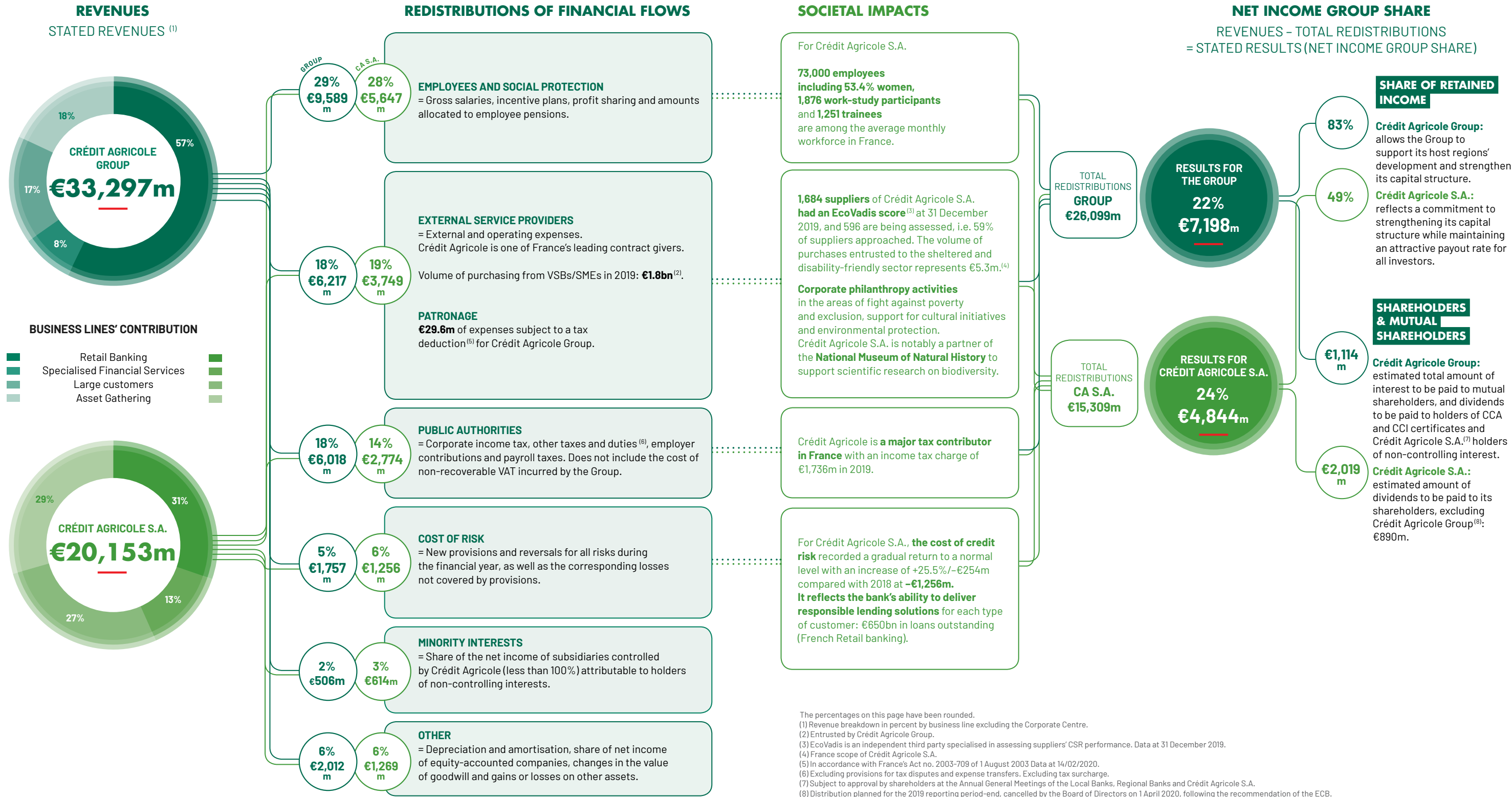
Source "Baromètre sinistres Pacifica 2018-IARD – a study conducted by Kantar TNS in 2019"



# TO BE A PLAYER IN A SUSTAINABLE SOCIETY



# MAKING OUR DIRECT CONTRIBUTION TO SOCIETY





# GROUP PROJECT AND MEDIUM-TERM PLAN 2022

An ambitious new joint project based on three pillars of development. Our ambition is to be useful to all, which is why we put human responsibility, commitment to society, and excellence in customer relations at the heart of our model.

## 2022 FINANCIAL TARGETS

**>€5bn**

Growth in Crédit Agricole S.A.'s net income

**PROFITABILITY > 11%**

for return on equity <sup>(1)</sup>

**↑ STRENGTH**

With a capital ratio<sup>(2)</sup> of **11%** for Crédit Agricole S.A. and **16%** for the Group

**↑ SECURITY**

Net income secured by diversified mix of revenues and an annual growth of **+2,5%**

## 100% HUMAN, 100% DIGITAL

Through a unique relational model, the Group aims to bring real added value to its customers by investing in new technologies to be at the forefront of digital, and to be human-centric through empowered relationship management.

## THREE LEVERS OF SUCCESS

Growth on all our markets



**No.1**

in customer acquisition

Synergy of revenues



**€10bn**

in 2022

Technological transformation



**€15bn**

allocated over 4 years

(1) RoTE. (2) CET1.

# OUR STRATEGY: ACCELERATE AND AMPLIFY





# CUSTOMER PROJECT

## EXCELLENCE IN CUSTOMER RELATIONS AT THE HEART OF OUR ORGANISATION

Our new Customer Project reaffirms the place we give it within the Group. Our ambition is to become the preferred bank in France in all customer segments.

### HOW?

Through the collective mobilisation of the entire Group around the satisfaction of our customers, the further development of digital services and the enhancement of our banking and non-banking services.



### AMBITION

# 1

#### COLLECTIVELY MANAGING EXCELLENCE IN CUSTOMER RELATIONS

- By mobilising all business lines around one goal: customer satisfaction
- By driving this goal at the highest level by using the Net Promoter Score (NPS) in the assessment of employees, managers and senior executives
- By installing a zero-defect culture and implementing a system to target pain points

### AMBITION

# 2

#### BECOMING A BEST-IN-CLASS DIGITAL BANK

- Bringing all our tools and apps to the highest standards across all our markets
- Being present where our customers are, where they need it: e-commerce sites, social networks, search engines
- Capitalising on data to better serve our customers

### AMBITION

# 3

#### OFFERING CUSTOMERS A BROAD RANGE OF BANKING AND NON-BANKING SERVICES

- Adapting our offerings to new customer behaviours and societal concerns
- Providing services and utility to customers for a range of needs

### OUR 2022 TARGET NUMBERS

#### No.1 in NPS

(retail banks in France)

#### 1 million

additional customers in France and Italy in net new customers

#### +20pt

in digital use rate by 2022

### OUR ACHIEVEMENTS

#### CUSTOMER SUPPORT

- Thanks to the **EKO** offers of the Regional Banks and **LCL Essentiel** offering banking services at €2/month to individual customers, the Group obtained more than 147,000 subscriptions
- Crédit Agricole offers, and LCL will soon offer, **Trajectoires Patrimoine**, certified and personalised advising-based wealth management starting from the 1<sup>st</sup> euro, supported by a new digital tool shared by the customer and the advisor
- Due to the historical link between Crédit Agricole and farmers, loans in this market increased by more than 10% in 2019
- LCL makes its 17,300 employees customer satisfaction players with the launch of an “I ♥ Mon Client” charter, comprising 10 strong commitments
- New positioning of CA Italia closest to its customers, “*la banca al passo con la tua vita*”: the bank that follows the rhythm of your life

#### NET PROMOTER SCORE (NPS)

It is measured by subtracting the number of customers who are detractors from the number of customers who are promoters in response to the question “would you recommend your main bank to your family, a friend or a colleague?”. It is obtained by means of a survey by an independent institute.



*They are available and listen to our concerns, they are very accessible; I've been with Crédit Agricole for a long time now, there is a relationship of trust, they know us well.”*

Extract from the 2019 NPS survey

#### DIGITAL AND INNOVATIONS

- The “**Ma Banque**” app of the Regional Banks exceeded 5.1 million users in 2019 – “**LCL Mes comptes**” was voted Best Banking App for the third consecutive year\*
- Crédit Agricole Group ranks second among retail banks in France on digital performance by the D-Rating rating agency
- On social networks (Facebook, Twitter, Instagram), with almost 1 million subscribers, Crédit Agricole is first among French banks in number of fans
- The “**Ma Santé**” app, from Crédit Agricole Assurances, offers employees of the policyholder company a set of services at each event of their healthcare journey: digitised contract management, telemedicine visit, health coaching programs, etc.
- Crédit Agricole continues to support innovation and *start-ups* with the opening of four new Villages by CA in 2019

\* 2020 Bank Trophies organised by Meilleurebanque.com.

#### THE CUSTOMER ACQUISITION STRATEGY

The Group's gross acquisition is very dynamic in France and Italy, with **1,800,000** individual customers and entrepreneurs, and the business fund grew by 370,000 customers in 2019, including 280,000 individual customers.





# HUMAN-CENTRIC PROJECT

## ACCOUNTABLE TEAMS HAVE BECOME A NECESSITY

Our Human-centric Project is, de facto, our main lever for us to achieve all of our ambitions. It focuses on empowered teams to provide customers with ongoing access to a trained, independent point of contact with the authority to take action.

Our ambition: to become the preferred employer in the Top 5 in Europe in financial services.

### HOW?

By the power of the collective.  
By women and men who are committed and proud to work for Crédit Agricole.  
By a coherent social pact.



### AMBITION

1

#### EMPOWERING TEAMS WITH A DEEP MANAGEMENT TRANSFORMATION

- Managers who provide a framework of trust and help their teams move forward through the decision-making authority that they take on
- Autonomous women and men who foster a new bond of trust between themselves and the customers.

### AMBITION

2

#### TRANSFORMING THE ORGANISATION FOR MAXIMUM RESPONSIVENESS

- An organisation that strengthens individual responsibility
- Delegation of decision-making authority to reduce bureaucracy

### AMBITION

3

#### STRENGTHENING THE SOCIAL PACT TO CREATE A FRAMEWORK OF TRUST THAT DRIVES INITIATIVES

- An amplified social pact for greater trust among all stakeholders in the Group
- Diversity that mirrors our diverse customer base and encourages working as a team and seizing the initiative

### OUR 2022 TARGET NUMBERS

Preferred employer in **the top 5** in Europe in financial services

**100%** of our executives trained in our new *leadership* model

**Engagement and Recommendation Index (ERI):** increase in the participation rate

### OUR ACHIEVEMENTS

#### A NEW MANAGEMENT MODEL

A managerial transformation for more autonomy and engagement:

- **Executives** who embody the managerial transformation
- **Entrepreneurial managers** who disseminate the new codes of conduct
- **Employees who are involved** in their careers and who are trained in digital, behavioural and cross-functional skills

#### Action

Crédit Agricole S.A., corporate entity, has built, in partnership with IFCAM, the managerial program “Responsibility, Trust, Initiative” for all Crédit Agricole S.A. managers. It aims to transform *leadership* and *management* to move toward more individual and collective responsibility, trust and initiative.

#### A STRENGTHENED FRAMEWORK OF TRUST

It results in:

- Social dialogue built on transparency and partnership
- Strong commitments in terms of social and gender diversity and integration

#### Action

Crédit Agricole S.A. and UNI Global Union negotiated an International Framework Agreement at the end of July 2019 with the aim of providing the same social foundation for all Group employees.

The agreement includes the establishment of a 16-week paid maternity leave for all employees of the Group.



*Even when the system seems to work properly, we can miss our target. With discernment, initiative and responsibility, we can avoid this. It is what is specifically human that makes the difference.”*

Extract from the 2019 ERI survey

#### AN ORGANISATIONAL TRANSFORMATION

Providing our customers with direct access to an empowered relationship manager is achieved internally through greater cross-functionality and collective agility while at the same time adapting to the digital disruption that is changing the way we work. This simplified organisational structure results in:

- a flatter reporting structure
- greater responsibility and greater cross-functionality
- faster decision-making
- new workspaces and more and more teleworking

#### Action

CA Consumer Finance’s continuous “In the customer’s shoes” improvement approach: the entire management circle of the Human Development Direction (HD) went to meet with its internal customers through visits to listen to them and gather feedback.

#### LISTENING TO OUR EMPLOYEES AND ENCOURAGING COMMITMENT

Carrying out the fourth campaign on the Engagement and Recommendation Index (ERI): This year, the scope included the 20 Crédit Agricole S.A. entities in France and abroad, as well as 25 entities in the Regional Banks scope, i.e. more than 100,000 employees in 47 countries.

The areas that have shown improvement over the past four years are:

- the growing attachment to Crédit Agricole Group
- the knowledge and understanding of the strategy that builds trust in our senior executives
- the increased convergence between the scope of the Regional Banks and that of the entities

#### Action

The organisation of work, the tools and the means available to employees are areas for improvement for which action plans are being implemented.



# SOCIETAL PROJECT SUPPORTING OUR CUSTOMERS TOWARDS A FAIR TRANSITION

Our responsibility is to help create the conditions for a successful transition. Today, all societies, all economies are operating massively through fossil fuels. And when they don't work with fossil fuels themselves, they import goods that have been produced by carbon energy. The urgency of changing this state of fact does not make the task easier, on the contrary.

## HOW?

Through socially responsible investment and financing, because all of these changes must follow a balanced path that does not penalize the most vulnerable populations.



## AMBITION

1

### PURSUING OUR MUTUALIST COMMITMENT TO INCLUSIVE DEVELOPMENT

- Drawing upon our strong local network, in particular through the presence of the Regional Banks in the regions, to promote fairer economic development
- Developing new forms of social and environmental impact companies and intervening in favour of the economic development of populations in emerging countries
- Reinforcing social ties locally

## AMBITION

2

### MAKING GREEN FINANCE A KEY GROWTH DRIVER FOR THE GROUP

- Committing all the Group's entities to a common climate strategy, in line with the Paris Agreement; its implementation will be certified by an independent body and published in 2020 based on the recommendations of the *Task Force on Climate-related Financial Disclosures* (TCFD)
- Strengthening our commitments to finance the energy transition: total disengagement of thermal coal in 2030 for EU and OECD countries, and in 2040 for the rest of the world
- Assigning a transition rating to large corporate customers in order to structure dialogue with them on their energy transition roadmap

## AMBITION

3

### BEING AN INFLUENTIAL PLAYER IN A MORE INCLUSIVE AND LESS CARBON-INTENSIVE ECONOMY

- Becoming the leading European player in responsible investment
- Promoting green and responsible investment policies
- Implementing actions to preserve biodiversity

## OUR 2022 TARGET NUMBERS

€20bn

Current Environmental Initiatives (Amundi)

Double the size of our green finance portfolio to reach

€13bn (Crédit Agricole CIB)

100%

of assets under active management with an ESG rating (Amundi, by 2021)

Invest €6bn

of the cash portfolio in socially responsible financial products (Crédit Agricole S.A.)

## OUR ACHIEVEMENTS

### PREVENTION OF OVER-INDEBTEDNESS

- In 2019, CA Consumer Finance France identified 15,624 customers in situations of vulnerability (15,010 in 2018). Among these, 3,617 customers benefited from personalised support from the Customer Support Agency
- The Group also offers **personalised support** to customers in situations of vulnerability, whether due to circumstances (following a life crisis) or to the need for structural support, through the national LCL Parenthèse unit and the Regional Banks' Points Passerelle scheme



*We congratulate Crédit Agricole for adopting a coal strategy aligned with the Paris Agreement, and for its commitment to exclude from its portfolio any company that develops coal-related projects. The bank has thus shown exemplary behaviour. Nevertheless, we expect Crédit Agricole to follow the same requirements for other oil and gas companies."*

Cécile Duflo, Executive Director of OXFAM France



*All of our business lines and activities must foster positive evolutions on the societal front, and contribute to improve the environment. Responsibility is no longer added but incorporated into the business lines."*

Philippe Brassac, Chief Executive Officer

## INNOVATIVE CLIMATE GOVERNANCE

- In order to ensure the steering and success of employment-related commitments, the Group has established a **Societal Project Committee** consisting of 12 senior executives from all the entities of Crédit Agricole Group and two operational committees to guide its recommendations: a **Monitoring Committee** and a **Scientific Committee**; this governance will steer the climate strategy by ensuring that the Paris Agreement is followed in line with the economic development of the regions and climate transition

## CLIMATE RISK MANAGEMENT AND ESG

- For several years, the Group has engaged in work to better understand and manage climate risks: by estimating the **carbon footprint of its finance and investment portfolio** and defining four scenarios related to climate risks (physical impacts and transition risks)
- As part of its climate strategy, the Group has put in place a **"transition rating"** to measure the level of commitment and capacity of corporate customers to adapt their economic model to the challenges posed by the fight against global warming and the energy transition. Both a dialogue and decision-making tool, this rating will be added to the financial rating and will provide a better-rounded picture of the customer's business case; the rating will be defined by 2020 and based on the combined expertise of CACIB and Amundi

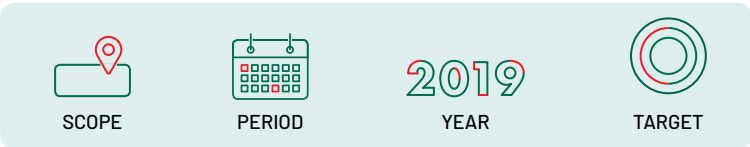
## WORLD LEADER IN GREEN FINANCE

In 2019, CACIB structured €42.9bn of *Green bonds* and innovated by participating in the issuance of the very first *Sustainability Linked Bond* for Enel.

# STRATEGIC PLAN

## TRACKING INDICATORS

For the implementation of its joint project, the Group has defined a number of indicators aimed at formalising its ambitions, demonstrating the efforts of its employees and the work carried out, and shining objective light on its level of success.



### FINANCIAL INDICATORS

		2019	
<b>Results (Net income Group share)<sup>(1)</sup></b>			
Crédit Agricole S.A.	2022	€4.6bn	> €5bn
<b>Return on equity (RoTE ratio)<sup>(1)</sup></b>			
Crédit Agricole S.A.	2022	11.9%	> 11%
<b>Capital ratio (CET1)</b>			
Crédit Agricole S.A.	2022	12.1%	11%
<b>Earnings per share<sup>(1)</sup></b>			
Crédit Agricole S.A.	2022	€1.39	> €1.6
<b>Operational efficiency (C/I ratio excluding SRF)<sup>(1)</sup></b>			
Crédit Agricole S.A.	2022	61%	< 60%
<b>Payout ratio</b>			
Crédit Agricole S.A.	2018-2022	50%	50% cash
<b>Capital ratio (CET1)</b>			
Crédit Agricole Group	2022	15.9%	> 16%
<b>Partial unwinding of the Switch</b>			
Crédit Agricole Group	2018-2022	-	50%
<b>IT expense account</b>			
Crédit Agricole Group	Cumulative 2019-2022	€4bn	€15bn
<b>Revenue synergies</b>			
Crédit Agricole Group	2022	€9bn	€10bn
<b>Revenue synergies Italy</b>			
Italy	2022	€885m	€1bn

### BUSINESS LINES STRATEGY

		2019	
<b>Premium income from property and casualty insurance</b>			
CAA	2018-2022	+8%	+31%
<b>Growth in savings and retirement assets</b>			
CAA	2018-2022	+6.6%	+13%
<b>CAGR<sup>(2)</sup> net income</b>			
Amundi	2018-2022	6.6%	5%
<b>Assets under management</b>			
CAIWM	2022	€132.1bn	> €140bn
<b>Retail customers</b>			
LCL	2018-2022	+51,465	+200,000 net combined individual customers and SMEs and small businesses
<b>Group revenue synergies</b>			
CA Italia	2018-2022	+8%	+20%
<b>Gross managed loans</b>			
CACF	2018-2022	+€3.6bn	+€22bn
<b>Revenues in China</b>			
CACIB	2018-2022	+€10m	+€100m
<b>Assets under custody (includes Santander and KAS Bank)</b>			
CACEIS	2022	€3,879bn	€4,000bn

(1) Underlying. (2) )Compounded annual growth rate.



### HUMAN-CENTRIC PROJECT

		2019	
<b>Best company to work for in the financial services sector<sup>(2)</sup></b>			
France	2022	3 <sup>rd</sup>	1 <sup>st</sup>
Europe	2022	3 <sup>rd</sup>	Top 5
<b>Percentage of women in the top decision-making bodies in Group entities</b>			
Crédit Agricole S.A.		24%	30%
<b>Increase in the participation rate of the Engagement and Recommendation Index</b>			
		+7 pp	Positive change
<b>Share of leaders trained in the new leadership model</b>			
		42%	100%
<b>Share of "international handover" in succession plans</b>			
		12.90%	20%

(2) Source Le Figaro September 2019.



### SOCIETAL PROJECT

		2019	
<b>Finance 1 out of 3 renewable energy projects</b>			
CAL&F & Unifergie	2022	1 of 4	1 of 3
<b>Double the green finance portfolio in France</b>			
CACIB	2022	€7.1bn	€13bn
<b>Notional amount of specific environmental initiatives</b>			
Amundi	2022	€12.3bn	€20bn
<b>Group liquidity portfolio invested in socially responsible financial products</b>			
Crédit Agricole Group	2022	€5.6bn	€6bn



### CUSTOMER PROJECT

		2019	
<b>Net Promoter Score<sup>(1)</sup></b>			
Regional Banks	2022	3 <sup>rd</sup>	1 <sup>st</sup>
LCL	2022	5 <sup>th</sup>	
<b>Digital uses (mobile applications) by customers</b>			
Crédit Agricole	2018 vs 2022	+4 pp	+20 pp usage rate
LCL	2018 vs 2022	+5 pp	
<b>Villages by CA France and Italy</b>			
FNCA	2022	33	46 villages
<b>Net individual customers acquisition</b>			
RB, LCL, BforBank, CA Italia	2018-2022	+277,000	> 1m
<b>Market share in home loans in France</b>			
Regional Banks	2022	25.1%	26%
<b>Property and casualty insurance equipment rate</b>			
RB	2018-2022	+1.5 pp	+5 pp

(1) Ranking among retail banks in France.

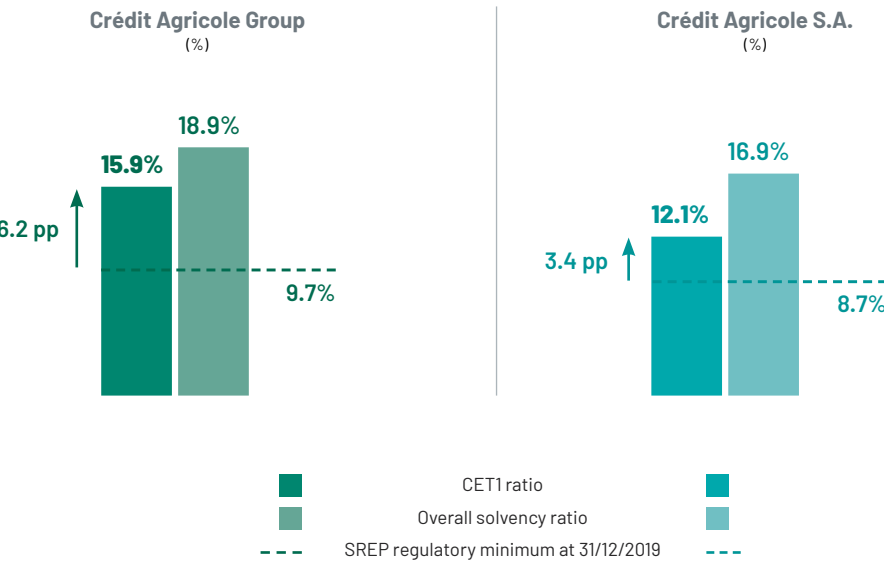


# FINANCIAL RESULTS

The Group benefits from a stable, diversified and cost-effective economic model to support organic growth in all its business lines, particularly through synergies between specialised business lines and retail banking. Its operational efficiency and low cost of risk provide room for manoeuvre for its development investments.

## CONTINUE TO STRENGTHEN THE GROUP'S SOLVENCY

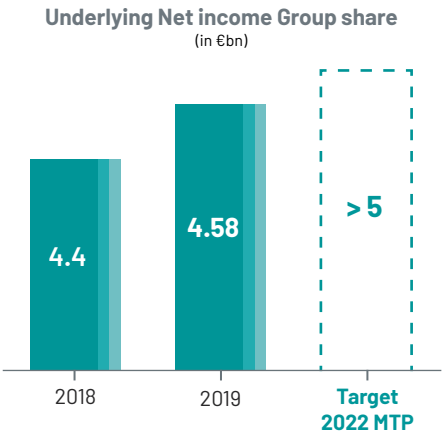
### SOLVENCY RATIOS, FULLY LOADED



The solvency level of Crédit Agricole S.A. remains high, with a Common Equity Tier 1 (CET1) ratio of 12.1%, up by +0.6 percentage point from end-December 2018. The increase was due in particular to the significant positive impact of +32 basis points related to the favourable outcome of the tax dispute on Emporiki, which generated a profit in earnings of €1,038m. This benefit will be fully allocated to the partial unwinding of the Switch guarantee with an effect of approximately -40 basis points on the CET1 ratio.

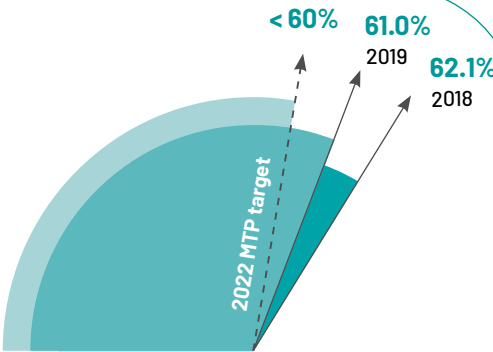
## INCREASE RESULTS AND IMPROVE OPERATIONAL EFFICIENCY

### CRÉDIT AGRICOLE S.A.'S NET INCOME GROWTH



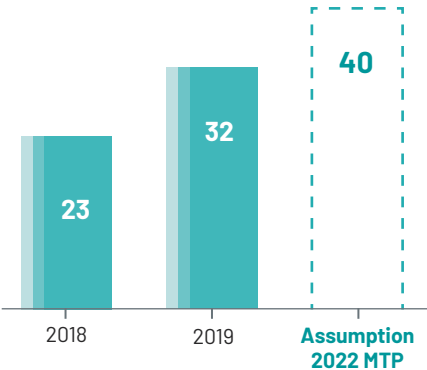
The underlying income of **Crédit Agricole S.A.** increased sharply and reached a historic level over the year with an amount of €4,582m, an increase of 4.0%. It benefits from the positive contribution of all business lines, with dynamic revenues (+3.3%), and from the control of changes in expenses (+1.5%).

### COST/INCOME RATIO OF CRÉDIT AGRICOLE S.A. (underlying excl. SRF)



The cost/income ratio improved from 1.1 pp year-on-year to 61% while integrating investments to support, on the one hand, the development of the asset management and insurance business, and, on the other hand, CACEIS as part of its recent partnerships with Santander and KAS Bank.

### COST OF RISK/OUTSTANDING CRÉDIT AGRICOLE S.A. (in basis points)



The year 2019 shows a return of the **cost of risk to a normal level** in CIB (Corporate and Investment Banking). The +25.5% increase from 2018 was mainly due to the Large customers division, which recorded a risk charge of -€160m at end-December 2019, compared with a net recovery of +€64m at end-December 2018.

### SWITCHING OFF



The **Switch guarantee mechanism** corresponds to a transfer to the Regional Banks of part of the regulatory prudential requirements applying to Crédit Agricole S.A. related to its insurance activities against a fixed fee.

Partial unwinding at 35% (target 50% by 2022) of this intragroup transaction in March 2020 strengthens the beneficiary capacity of Crédit Agricole S.A. with an accretive impact of €58m in 2020 and about €70m in full year on Net income Group share. This transaction has no impact at the Group level.

# RISK MANAGEMENT

Crédit Agricole is the number one provider of financing in the French economy. It supports all of its customers in their personal and professional projects. Guided by a culture of prudence, the Group has developed a comprehensive framework for managing the risks related to its business activities.

## GROUP RISK APPETITE STATEMENT

Crédit Agricole Group has published a risk appetite statement in compliance with European regulations<sup>(1)</sup>. This statement is an integral, structuring part of the governance framework covering the Group's strategy, commercial objectives, risk management and financial management. Risk appetite refers to the type and aggregate level of risk that the Group is prepared to take on within the framework of its strategic objectives. It is determined on the basis of Crédit Agricole's financial and risk management policies. Risk appetite is one of the factors that Executive Management and the Board of Directors take into account to define the Group's growth path and devise the related operating strategies, in keeping with the Medium-Term Plan.

The Group's risk appetite is determined, in particular, with reference to its financial and risk management policies, which are based on six areas:

- a selective, responsible financing policy that combines a prudent lending approach guided by risk strategies, a focus on corporate social responsibility and a system of delegated authorities;
- a focus on maintaining low exposure to market risk;
- strict management of exposure to operational risk;
- mitigation of compliance risk;
- careful tracking of changes in risk-weighted assets;
- control of asset-liability management risks.

The Risk Committee and Board of Directors regularly review and monitor the Group's risk profile. The Executive Committee receives regular updates on the status of the Group's risk profile in relation to its risk appetite. Risk management is an integral part of Crédit Agricole's internal control system. The Group implements the necessary resources to manage risks and maintain an appropriate alignment with risk appetite by leveraging:

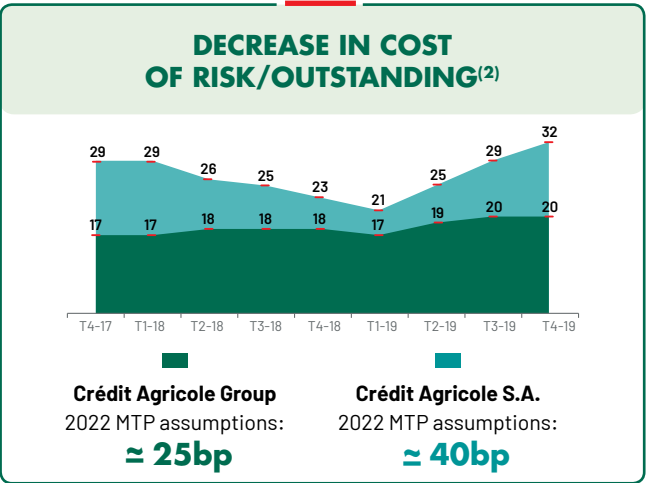
- the three lines of defence involved in the Group's internal control: the Operational business lines, the Risk Management and Compliance business lines, and the Audit business line;
- a process to identify key risks and create a shared base for identification, prevention, assessment, risk appetite management, stress tests, risk strategies, ICAAP and internal control;
- specific committees that participate in Group risk management.

## CRÉDIT AGRICOLE AND CRÉDIT AGRICOLE S.A. KEY RISKS IN 2019

The global economic slowdown observed in 2019 did not generally lead to a significant deterioration in the quality of stocks or marked adverse changes in risk indicators despite some tensions on the corporate portfolio with the default over the year of a limited number of high amount cases. The major sectoral attention points are global, heavy industry and metals, oil and gas, automotive (including automotive distribution), shipping, retail and commercial real estate. In France, particular attention was paid to the sugar and pork sectors, as well as to distribution and tourism.

In 2019, the Group conducted an in-depth analysis to identify CSR issues and key risks to our activities, business model and geographic locations. This work was conducted by the CSR, Risk, Compliance and Human Resources departments.

The Covid-19 epidemic is expected to have significant negative impacts on the global economy, which could get worse if the epidemic is not contained quickly. The macroeconomic consequences would impact the activities of banks, including Crédit Agricole S.A., which announced support measures for its corporate and private customers during the crisis.



(1) EU regulation 575/2013, Article 435 (1)(f).  
(2) In basis points over four rolling quarters.

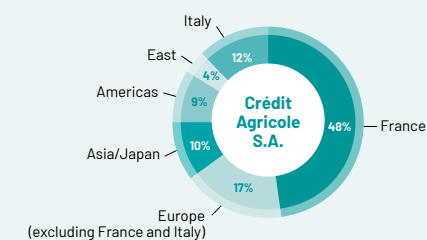
## MAJOR RISKS

### CREDIT RISKS

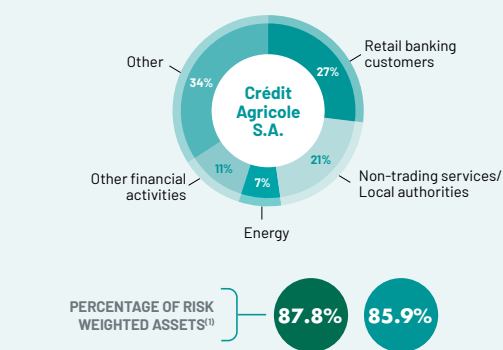
(including country risk)

Risk of loss from the failure of a counterparty and its resulting inability to meet commitments.

#### GEOGRAPHIC BREAKDOWN OF RISK EXPOSURE



#### BREAKDOWN BY COUNTERPARTY



### MARKET RISKS

Risk of loss arising from changes in market parameters.

#### VAR (99% - 1 DAY) MUTUALISED

of Crédit Agricole S.A. : **€9m**  
at end-December 2019



### OPERATIONAL RISKS

Risk of loss resulting from inadequate or failed processes, personnel, information systems (including information security and privacy, as well as cyberspace risks that deliver telecommunications systems and means), or external events.



(1) Fully-loaded Basel 3 risk-weighted assets. (2) Environmental, social and governance. (3) Task Force on Climate-related Financial Disclosures.

### INSURANCE RISKS

Risk of loss arising from inadequate pricing, claims reserving or reinsurance.

### COMPLIANCE AND LEGAL RISKS

Risks arising from failure to comply with regulations and legislation governing banking and financial activities. Risks arising from exposure to civil or criminal legal proceedings.

#### PROVISIONS FOR LITIGATION:

Crédit Agricole Group **€852m**  
Crédit Agricole S.A. **€607m**

### ASSET AND LIABILITY MANAGEMENT RISKS

Risk of loss arising from structural balance sheet risks, interest rate risk, exchange rate risk and liquidity and funding risk.

Crédit Agricole Group:

SURPLUS OF STABLE RESOURCES  
as at 31/12/2019, in accordance with  
the MTP target

**> €100bn**

LIQUIDITY RESERVES  
as at 31/12/2019

**€298bn**

### STRATEGIC RISKS

Risks related to losses, revenue or income decreases due to decisions related to our strategic choices and/or competitive positioning, as well as the macroeconomic, political and regulatory environment.

### CLIMATE AND ESG RISKS<sup>(2)</sup>

Environmental, social and governance risks related to financing and investment.

According to the recommendations of the TCFD<sup>(3)</sup>, sensitivity to climate risks is assessed through four scenarios. Each scenario has led to a **climate trajectory** and a **carbon price** level in the short, medium and long term.

Environmental and/or social impacts related to financing and investments are taken into account using three pillars: application of the Equator Principles, CSR sector policies, and an assessment of the environmental and social aspects of operations (notably the possible controversies).

## OUR GOVERNANCE

It balances the interests of customers of the entities comprising the Group, societal issues and the respect for the cooperative values that form the basis of the identity of Crédit Agricole Group.

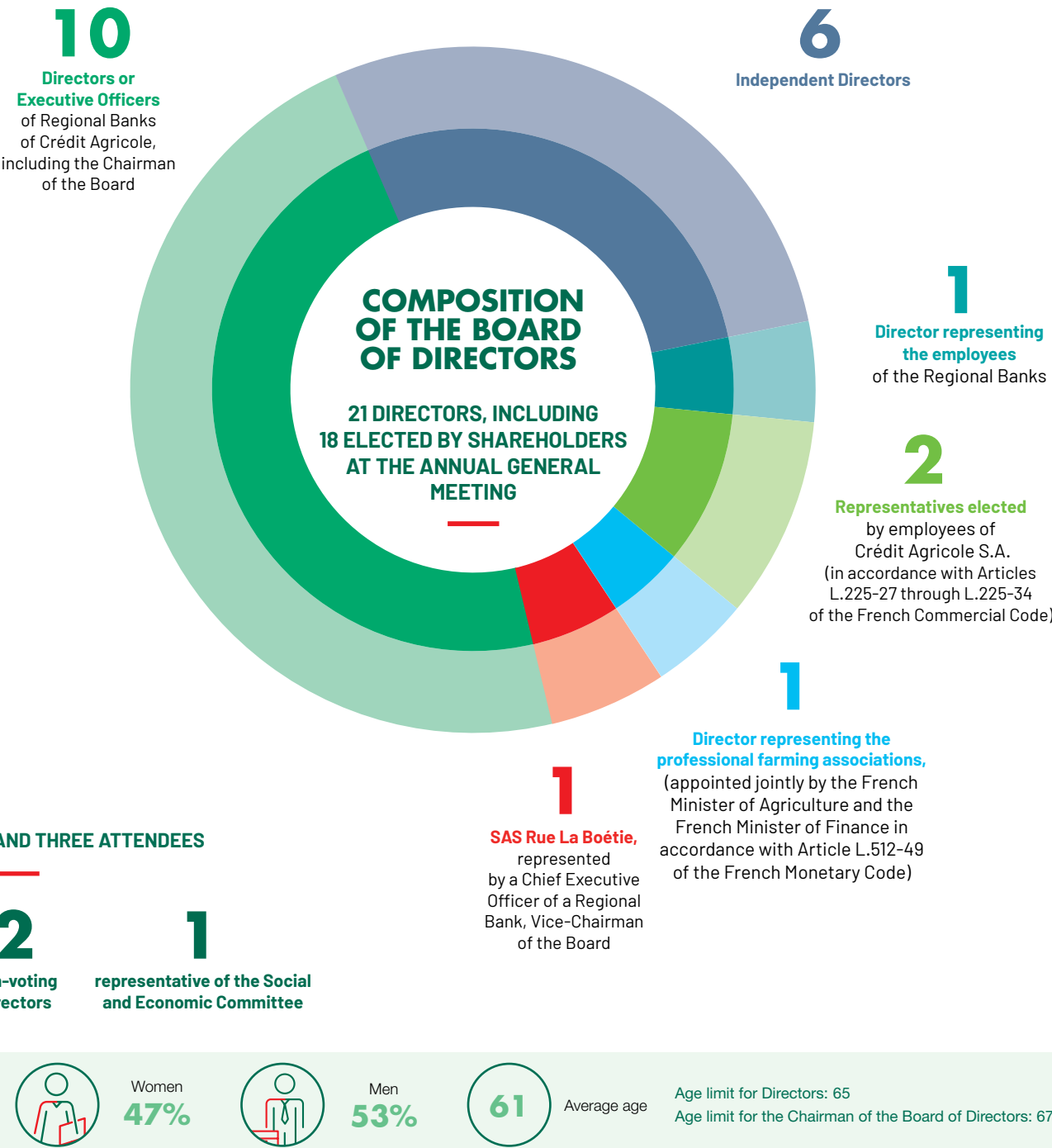
The governance of Crédit Agricole S.A., which is both the corporate centre of Crédit Agricole Group and the listed company that is a member of the CAC 40 index, holding company of the business lines, relies on:

- **A clear dissociation between executive functions and control and supervisory functions.** Crédit Agricole S.A. has always operated in this way, even before the separation of responsibilities was legally mandated in the banking industry. In accordance with the law, the Chairman of the Board of Directors must be a Director of a Regional Bank. In accordance with the Articles of Association, he or she must also be the Chairperson of a Regional Bank. Since 2015, the Chairman of Crédit Agricole S.A. has also been Chairman of Fédération Nationale du Crédit Agricole. All of this strengthens the bond between the cooperative base and the listed company.
- **Majority representation of the Regional Banks on the Board of Directors** (52 % of voting Directors), reflecting Crédit Agricole S.A.'s capital structure and the provisions of the Articles of Association. The presence of Directors and Executive Officers who are a Regional Bank Chairperson or Chief Executive Officer maintains the commitment to mutual values and ensures a sustainable, fair development model for the entire Crédit Agricole Group and benefiting all stakeholders, including customers, mutual shareholders, shareholders, investors, suppliers and employees.
- **Technical expertise and managerial skills** provided by the six independent Directors occupying or having held high responsibilities in major international groups. With the exception of the Strategy and CSR Committee, chaired by the Chairman of the Board, the Risk, U.S. Risk, Audit, Appointments and Governance and Compensation Committees are chaired by independent Directors.
- **The operational knowledge of the business lines and social service** provided by the three Directors representing employees.

**Through its collective intelligence, Crédit Agricole S.A.'s Board of Directors brings together:**

- extensive experience in banking, finance and insurance, with deep expertise in auditing and risk management;
- in-depth knowledge of France's regional economies, the foundation of the Group's business, and, in most cases, official responsibilities at the local or national level;
- experience as Directors of large corporates, mainly multi-nationals, in the service, technology and industry sectors;
- recognised experts in governance and social responsibility issues.

# OUR RESPONSIBLE AND COMMITTED GOVERNANCE





BOARD ACTIVITIES IN 2019

The activities of the Board at the heart of the Group's major strategic issues.

The Board was very active in 2019, with 10 plenary meetings and a seminar on strategic orientations for 2022.

The definition of the new Group Project and the 2022 Medium-Term Plan was an important part of its work on the agenda of each of its meetings from August 2018 to June 2019. The Board remained highly attentive to the environment in which its activities are taking place, in particular the new interest rate context, the effects of international trade tensions

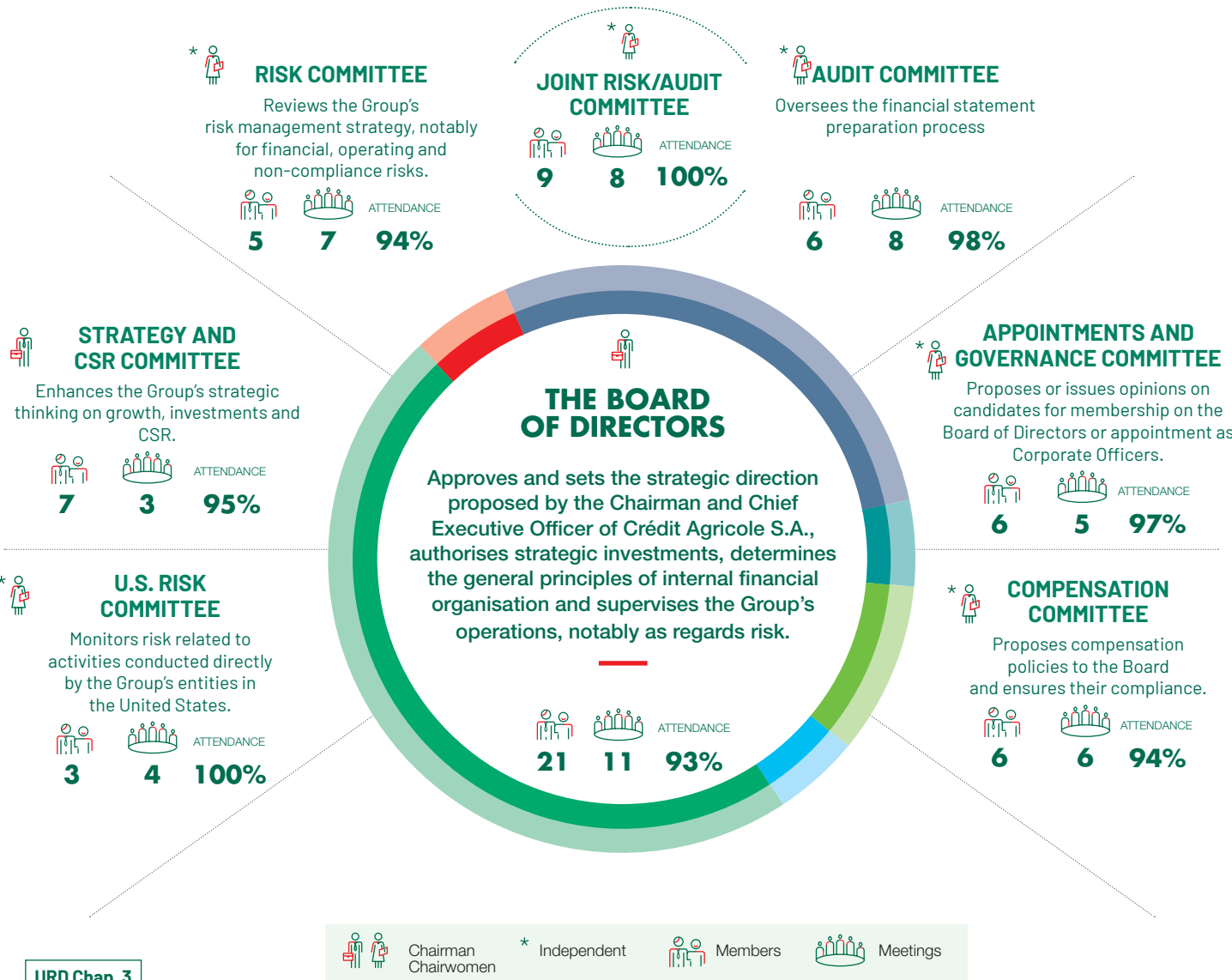
and the competitive environment, the subject of discussion and exchanges with Executive Management.

As part of its strategic development, the Board also examined the operations of structural acquisitions such as the Santander-CA-CEIS partnership and the acquisition of KAS Bank by CACEIS, in line with its strategy of consolidation by the business lines.

In the context of risk monitoring, the Board ensured that a prudent approach was followed by each of the Group's activities, with the aim of preserving the high level of solvency, one of the strongest in European banks. It also monitors the social and environmental issues of the cases presented to it.

The Risk Appetite Statement, the ICAAP processes for capital and ILAAP for liquidity, and risk strategies such as the dashboard, or the Crédit Agricole S.A. vigilance plan for non-financial risks are tools available to the Board for risk management.

In carrying out its missions, the Board relies on six specialised committees, which held **41 meetings** in 2019. The three pillars of the MTP have fuelled their debates with a cross-functional approach to major subjects such as societal and environmental commitments, or a more individualised approach for the Human-centric Project, particularly from the perspective of gender diversity politics and gender equality at work.



EXECUTIVE COMMITTEE

Main executive body of Crédit Agricole S.A., the Executive Committee implements the strategy and steers the Group's activity. The Executive Committee meets twice a month.

- 1 **Philippe Brassac**  
Chief Executive Officer
- 2 **Xavier Musca**  
Deputy Chief Executive Officer

CORPORATE FUNCTIONS

- 3 **Bertrand Corbeau**  
Deputy General Manager Development, Client and Innovation
- 4 **Michel Ganzin**  
Deputy General Manager Operations and Transformation
- 5 **Jérôme Grivet**  
Deputy General Manager Group Finance
- 6 **Jean-Paul Mazoyer**  
Deputy General Manager\* Digital Transformation and Group IT
- 7 **Bénédicte Chrétien**  
Group Head of Human Resources
- 8 **Véronique Faujour**  
Corporate Secretary

CONTROL FUNCTIONS

- 9 **Alexandra Boleslawski**  
Group Chief Risk Officer
- 10 **Martine Boutinet**  
Group Head of Compliance
- 11 **Michel Le Masson**  
Group Head of Internal Audit

BUSINESS LINES

- 12 **Philippe Dumont**  
Deputy General Manager Insurance
- 13 **Michel Mathieu**  
Deputy General Manager Retail Banking Subsidiaries
- 14 **Yves Perrier**  
Deputy General Manager Savings and Real Estate
- 15 **Stéphane Priami**  
Deputy General Manager Specialised Financial Services
- 16 **Jacques Ripoll**  
Deputy General Manager Large Customers
- 17 **Giampiero Maioli**  
Head of Crédit Agricole S.A. Group for Italy

\* From 01/05/2020.

A RESPONSIBLE REWARD POLICY

# AT THE SERVICE OF THE *RAISON D'ÊTRE* OF THE GROUP

Crédit Agricole S.A. has defined a responsible reward policy that promotes the Group’s values and is based on fair and consistent treatment of all employees. It is at the service of its *Raison d’Être*, the Group Project and the 2022 Medium-Term Plan, and in particular its Human-centric Project.

REWARD POLICY APPLICABLE TO ALL EMPLOYEES

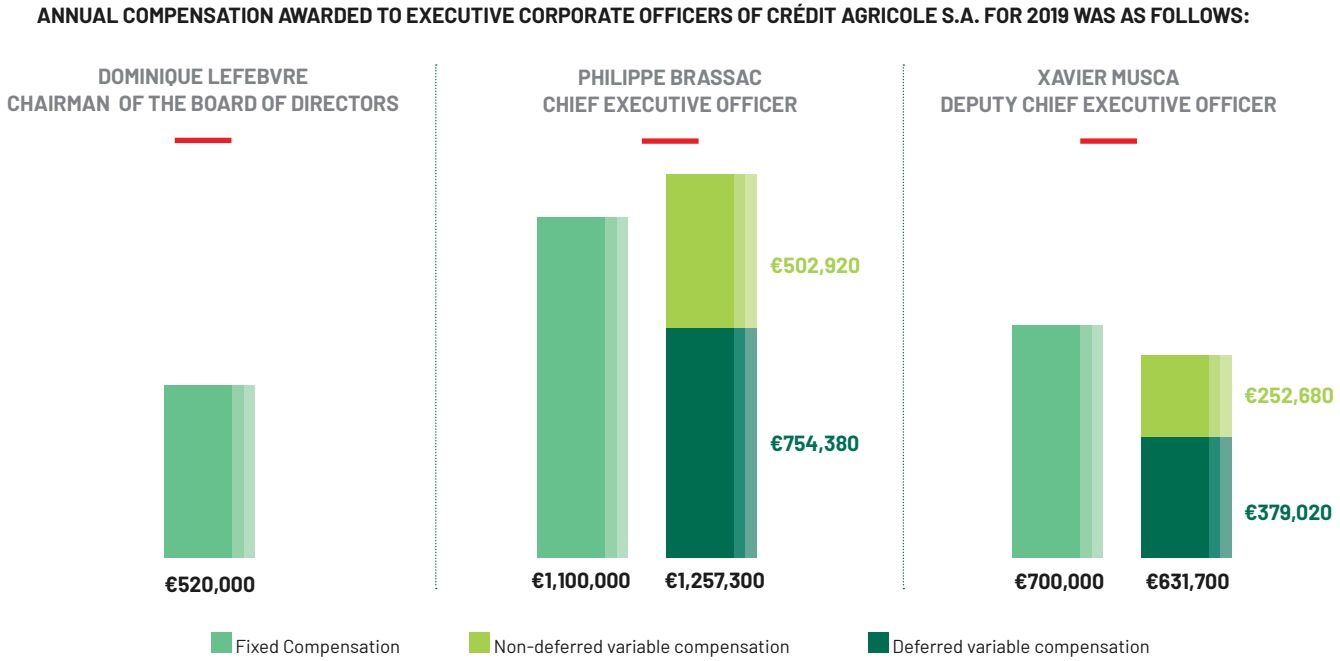
The reward policy participates in the three founding principles of the Human-centric Project: accountability of employees, strengthening the focus on customers and developing a framework of trust. Reward combines elements of compensation in the strict sense of the word, notably those submitted to shareholder approval, as well as social benefits and peripheral compensation. Each of the components corresponds to different targets, in particular as concerns compensation related to short-, medium- and long-term performance, consistent with the 2022 MTP. All or part of these elements may be offered to each employee, according to their level of responsibility, skills and performance.

ELEMENTS OF COMPENSATION	SYSTEM	PEOPLE ELIGIBLE
<b>FIXED COMPENSATION</b> Offering competitive and attractive compensation	<b>BASE SALARY</b>	<b>ALL EMPLOYEES</b>
	Base salary is commensurate with expertise and level of responsibility and is competitive with local market conditions for each business line.	
<b>ANNUAL VARIABLE COMPENSATION</b> Linking the interests of employees with those of the Group and shareholders as part of the deployment of the 2022 Medium-Term Plan	<b>VARIABLE COMPENSATION</b>	<b>ALL EMPLOYEES</b>
	Variable compensation is awarded on the basis of the achievement of individual targets and the results of each entity, in compliance with regulatory principles. Variable compensation is directly related to the annual performance and implementation of the three pillars of the 2022 MTP: Customer, Human-centric and Societal Projects. Conduct risk, non-compliance with rules and procedures and failure to meet performance targets all directly affect variable compensation.	
<b>LONG-TERM VARIABLE COMPENSATION</b> Rewarding the long-term, collective performance of the Group and its entities	<b>LONG-TERM INCENTIVE PLAN</b>	<b>EXECUTIVE MANAGERS, KEY GROUP EXECUTIVES</b>
	This component, which rounds out the variable compensation mechanism, is designed to unify, motivate and retain talent. The Group will carry out the allocation of bonus shares beginning in 2020, in particular to the high potentials and rare expertises*.	
<b>COLLECTIVE VARIABLE COMPENSATION</b> Linking all employees to the Group's results to enable the collective sharing of value created	<b>PROFIT SHARING AND INCENTIVE PLANS</b>	<b>ALL EMPLOYEES IN FRANCE</b>
	<b>PROFIT SHARING</b>	<b>ALL EMPLOYEES OF CERTAINS INTERNATIONAL ENTITIES</b>
	<b>EMPLOYEE SHAREHOLDING</b>	<b>ALL EMPLOYEES EXCEPT FOR IN A FEW COUNTRIES</b>
<b>PERIPHERAL COMPENSATION</b>		
<b>Covering/supplementing</b> health care reimbursements in the event of employees illness <b>Protecting employees</b> against life's uncertainties	<b>LIFE AND HEALTH INSURANCE PLANS</b>	<b>ALL EMPLOYEES IN FRANCE</b>
	<b>SUPPLEMENTARY PENSION SCHEME</b>	<b>EXECUTIVE MANAGERS</b>
	In addition to direct compensation, peripheral compensation in the form of pension plans, health and life insurance have been set up within the framework of collective plans specific to each entity.	

\* Subject to the approval of the General Meeting of 13 May 2020.

COMPENSATION FOR 2019 AWARDED TO EXECUTIVE CORPORATE OFFICERS

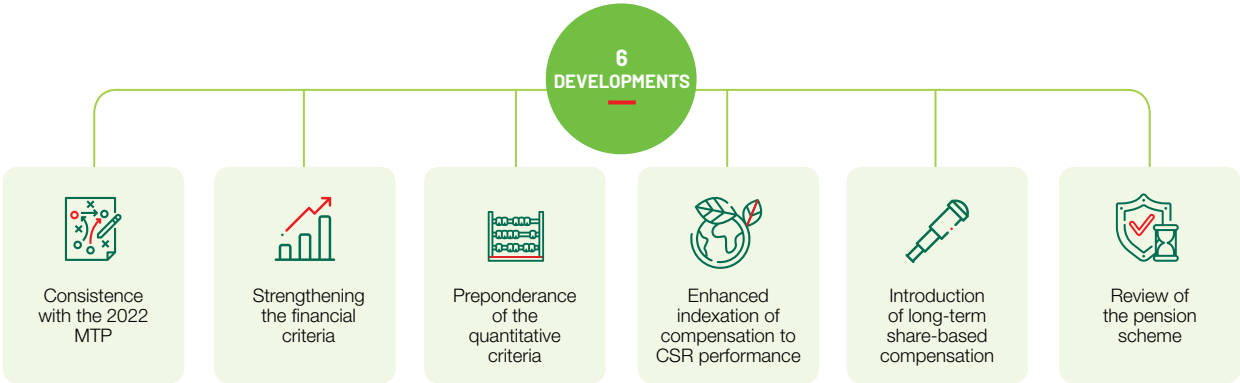
The Chairman of the Board of Directors receives only fixed compensation. Executive corporate officers’ annual compensation includes an immediate portion and a deferred portion awarded in the form of instruments that vest subject to the fulfilment of performance conditions and the executive’s continued employment within the Group.



Mr Brassac and Mr Musca decided on 8 April 2020 to give up 50% of the amount of their variable compensation to contribute to the solidarity fund for the elderly created by Crédit Agricole in the context of the Covid-19 outbreak.

REWARD OF CRÉDIT AGRICOLE S.A. CORPORATE OFFICERS

The reward policy for Executive Corporate Officers is designed primarily to recognise long-term performance and the effective implementation of the Group's strategic plan. In line with the company's social focus, this policy goes beyond short-term business results to take sustainable performance aspects into account. Each year, the Board of Directors reviews and approves the compensation of corporate officers, acting on the Compensation Committee's recommendations. Compensation policy for the coming year and the amounts paid for the year ended are presented to shareholders for approval at the Annual General Meeting. In order to take into account the 2022 MTP, the new regulatory framework and investor expectations, the Board of Directors proposes to its shareholders a revision of this policy in 2020. Six major developments are proposed:





PERFORMANCE MEASUREMENT FOR 2020

ANNUAL VARIABLE COMPENSATION

To ensure complete independence in the performance of his duties, the Chairman of the Board of Directors does not receive any variable compensation.

The Chief Executive Officer and Deputy Chief Executive Officer are eligible for individual variable compensation with a target set at 100% and 80%, respectively, of their fixed compensation, capped at 120 % if the target is exceeded. The amount awarded for a given financial year is contingent on performance.

This is based on criteria defined by the Board of Directors described below.

ANNUAL VARIABLE COMPENSATION CRITERIA

			CEO	DEPUTY CEO
FINANCIAL CRITERIA <div>&gt;</div> 60%	FINANCIAL PERFORMANCE	UNDERLYING NET INCOME GROUP SHARE	20%	20%
		COST/INCOME RATIO EXCL. SRF	20%	20%
		RoTE	20%	20%
NON-FINANCIAL CRITERIA <div>&gt;</div> 40%	THREE PILLARS OF THE MTP	CUSTOMER PROJECT EXCELLENCE IN CUSTOMER RELATIONS	9%	7%
		HUMAN-CENTRIC PROJECT EMPOWERED TEAMS FOR CUSTOMERS	9%	7%
		SOCIETAL PROJECT OUR COMMITMENT TO SOCIETY	9%	7%
	TECHNOLOGICAL TRANSFORMATION		3%	9%
	RISK AND COMPLIANCE MANAGEMENT		5%	10%
	COLLECTIVE MOMENTUM WITH THE GROUP		5%	0%

LONG-TERM INCENTIVE PLAN

Subject to the approval at the Annual General Meeting of 13 May 2020 of the thirty-ninth resolution, effective 2020, the Chief Executive Officer and the Deputy Chief Executive Officer are now eligible for the allocation of bonus performance shares, in order to strengthen their association with the creation of long-term value of Crédit Agricole S.A.

The number of shares awarded each year by the Board of Directors is capped at 20% of annual fixed compensation. The vesting of these shares will be conditioned in particular by the achievement of three demanding economic, stock market and societal performance conditions, assessed over a period of three years. The vesting will be followed by a two-year lock-up period.

The Chief Executive Officer and the Deputy Chief Executive Officer are required to retain, until the end of their term in office, 30% of the shares vested each year.

GLOSSARY

Acronyms	
CAGR	Compounded annual growth rate
CCE	Construction and Civil Engineering
CRD	Capital Requirement Directive (see Basel 3 Agreements)
CSR	Corporate Social Responsibility
ESG	Environmental, Social and Governance
EU	European Union
GAFA	Google, Apple, Facebook, Amazon
GDPR	General Data Protection Regulation
GHG	Greenhouse gas
ICAAP	Internal Capital Adequacy Assessment Process
IFRS	International Financial Reporting Standards
IT	Information technology
MCC	Mid-cap companies
MTP	Medium-Term Plan
NGO	Non-Governmental Organisation
NPS	Net Promoter Score
OECD	Organisation for Economic Co-operation and Development
OFAC	Office of Foreign Assets Control
REn	Renewable energy
SDG	Sustainable Development Goals
SME	Small- and Medium-sized Enterprises
SREP	Supervisory Review and Evaluation Process
VSb	Very Small Business

**A**  
**ASSET MANAGEMENT.** Management of negotiable or other assets, for the manager's own account or for third-party (institutional or retail) investors. In third-party asset management, assets are adapted via funds or in the framework of management mandates. Specialised products are offered to meet the range of customer expectations in terms of geographical and sector diversification, short-term or long-term investing and the desired level of risk.

**ASSETS UNDER MANAGEMENT.** Operating activity indicator not reflected in the Group's consolidated financial statements, reflecting the assets marketed by the Group, whether they are managed, advised or delegated to an external fund manager. Assets under management are measured for each fund by multiplying net asset value per unit (as calculated by an external appraiser in line with current regulations) by the number of units/shares outstanding. Amundi fully consolidates all the assets under management by its joint ventures at 100% and not its share in the joint ventures.

**B**  
**BASEL 3.** Regulatory standards for banks, which replace the previous Basel 2 Agreements by increasing the quality and quantity of the minimum capital that banks are required to hold against the risk they take. It also introduces minimum standards for liquidity risk management (quantitative ratios), defines measures attempting to curb the financial system's pro-cyclicality (capital buffers varying according to the economic cycle) and tightens the requirements on institutions considered as systemically important. In the European Union, these regulatory standards were introduced under Directive 2013/36/EU (CRD 4 – Capital Requirements Directive) and the (EU) Regulation.

**BASIS POINT (BP).** A basis point is one hundredth of one percentage point (0.01 %) or one ten thousandth.

**C**  
**COMBINED RATIO.** The combined ratio is used to measure the profitability of non-life insurance activities. It is calculated by dividing the sum of incurred losses and expenses by earned premiums.

**COMMON EQUITY TIER 1 OR CET1 RATIO.** A ratio used to measure the capital strength of financial institutions. It is the ratio of core capital (Common Equity Tier 1) to risk-weighted assets.

**CORPORATE GOVERNANCE.** Any mechanism that can be implemented to achieve transparency,

equality between shareholders and a balance of powers between management and shareholders. These mechanisms encompass the methods used to formulate and implement strategy, the operation of the Board of Directors, the organisation framework between different governing bodies and the compensation policy for Directors and executive managers.

**COST/INCOME RATIO\* = OPERATIONAL EFFICIENCY.** The cost/income ratio is calculated by dividing operating expenses by revenues, indicating the proportion of revenues needed to cover expenses.

**COST OF RISK.** The cost of risk reflects allocations to and reversals from provisions for all banking risks, including credit and counterparty risk (loans, securities, off-balance sheet commitments) and operational risk (litigation), as well as the corresponding losses not covered by provisions.

**COST OF RISK/OUTSTANDINGS\*.** Calculated by dividing the cost of credit risk (over four quarters on a rolling basis) by outstandings (over an average of the past four quarters, beginning of the period).

**CUSTOMER RECOMMENDATION INDEX (CRI).** Index measuring how likely customers are to recommend their bank to their family and friends. Based on polling conducted every quarter, this index reflects the number of customers who are critical of, neutral on or willing to promote the bank.

**D**  
**DIVIDEND.** Portion of net income or reserves paid out to shareholders. The Board of Directors proposes the dividend to be voted on by shareholders at the Annual General Meeting, after the financial statements for the year ended have been approved.

**E**  
**ESG.** An acronym used by the financial community to designate Environmental, Social and Governance (ESG) criteria, which are the three key components of non-financial analysis. These criteria are taken into consideration in socially responsible investment. (Source: Novethic.)

**F**  
**FACTORING.** Factoring is an arrangement in which a business sells its trade receivables to a third party, known as a factor, in exchange for cash. The factor then recovers the amount due from the debtor.

**FINTECH.** A FinTech is a non-banking company which uses information and communication technologies to deliver financial services.

\* Alternative performance indicator in accordance with Article 223-1 of the *Autorité des Marchés Financiers* (AMF.38) general regulations.



G

**GOI, GROSS OPERATING INCOME = CAPITAL RATIO.** Calculated as revenues less operating expenses (general operating expenses, such as employee expenses and other administrative expenses, depreciation and amortisation).

**GOODWILL.** Goodwill is the amount by which the acquisition cost of a business exceeds the value of the net assets revalued at the time of acquisition. Every year, goodwill is tested for impairment, and any reduction in its value is recognised in the income statement.

**GREEN BONDS.** Bonds issued by an approved entity (business, local authority or international organisation) to finance an eco-friendly and/or sustainability-driven project or activity. These instruments are often used in connection with the financing of sustainable agriculture, the protection of ecosystems, renewable energy and organic farming.

I

**IMPAIRED LOAN.** An impaired loan is a loan which has been provisioned due to a risk of non-repayment.

**INTERNATIONAL INTEGRATED REPORTING COUNCIL (IIRC).** The International Integrated Reporting Council is a global coalition of companies, investors, regulators, standard setters, the accounting profession and NGOs. It promotes communication about value creation as the next step in the evolution of corporate reporting.

**INSTITUTIONAL INVESTORS.** Businesses, public-sector bodies and insurance companies involved in securities investment, such as investing in the shares of listed companies. Pension funds and asset management and insurance companies come under this heading.

**ISSUER SPREAD.** Actuarial margin representing the difference between the actuarial rate of return at which the Group can borrow and that of a risk-free loan of identical duration.

L

**LEASING.** Leasing is a financing contract between a financial institution, known as the lessor, and another party (such as a business, an SME and small business, a local authority, etc.), known as the lessee, for the rental of property or equipment. When the contract reaches its term, ownership of the asset is transferred to the lessee. The lessee may also opt to buy out the lease early.

M

**MUTUAL INVESTMENT FUND (FCP).** Type of UCITS that issues units and does not have legal personality. By acquiring units, investors gain co-ownership of the securities, but do not have any voting rights. They are not shareholders. An FCP mutual fund is represented and managed from an administrative, financial and accounting perspective by a single management company, which may delegate these tasks.

N

**NET ASSET VALUE PER SHARE (NAVPS)/TANGIBLE NET ASSET VALUE PER SHARE (TNAVPS)\*.** Net asset value per share is one method used to calculate the value of a share. It corresponds to equity Group share adjusted for AT1 divided by the number of shares outstanding at the end of the period, excluding treasury shares.

Tangible net asset value per share corresponds to equity Group share, adjusted for AT1, i.e. restated for intangible assets and goodwill, divided by the number of shares outstanding at the end of the period, excluding treasury shares.

**NET INCOME GROUP SHARE.** Net income/(loss) for the financial year (after corporate income tax). Net income Group share is equal to net income less the share attributable to non-controlling interests in fully consolidated subsidiaries.

O

**OPERATING INCOME.** Calculated as gross operating income less the cost of risk.

R

**RATING AGENCY.** Organisation specialised in assessing the solvency of issuers of debt securities, i.e. their ability to honour their repayment obligations (principal repayments and interest payments over the contractual period).

**RESOLUTION.** Shortened form of "resolution of crises and bank failures." In practice, two types of plan need to be drawn up for every European bank: 1) a preventative recovery plan prepared by the bank's senior managers, and 2) a preventative resolution plan put in place by the competent supervisory authority. Resolution is before bankruptcy of the bank, to plan its ordered dismantling and avoid systemic risk.

**REVENUES.** Revenues correspond to the difference between banking income (interest income, fee and commission income, capital gains from market activities and other income from banking operations) and banking expenses (interest paid by the bank on its funding sources, fee expenses, capital losses arising on market activities and other expenses incurred by banking operations).

**RISK APPETITE.** Level of risk that the Group is willing to assume in pursuit of its strategic objectives. It is determined by type of risk and by business line. It may be stated using either quantitative or qualitative criteria. Establishing risk appetite is one of the strategic management tools available to the Group's decision-making bodies.

**RISK-WEIGHTED ASSETS (RWA).** Assets and risk commitments (loans, etc.) held by a bank weighted by a prudential factor and based on the risk of loss and used, when added together, as the denominator for various capital ratios.

**RoTE, RETURN ON TANGIBLE EQUITY = RETURN ON EQUITY)\*.** Measures the return on tangible equity (the bank's net assets restated to eliminate intangibles and goodwill).

S

**SHARE.** A unit of ownership in a company entitling the owner — the shareholder — to a proportional share in any distribution of earnings or net assets and to vote on major corporate matters in general shareholders' meetings.

**SHAREHOLDERS' EQUITY.** Shareholders' equity represents the resources belonging to the shareholders that are usually left permanently in the company (unlike liabilities, which have to be repaid). It comprises share capital, reserves, unrealised or deferred gains and losses, net income for the period and non-controlling interests in consolidated subsidiaries.

**SINGLE RESOLUTION FUND (SRF).** The SRF is a supranational fund built up by the banks of European Union member states since 2016 as part of the Single Resolution Mechanism (SRM), to help finance a resolution scheme in the event that a failing bank's shareholders and creditors are unable to bear the full burden. Each bank's contribution is based on its total liabilities minus own funds minus covered deposits and adjusted for its risk profile.

**SOCIALLY RESPONSIBLE INVESTMENT (SRI).** Systematic and clearly documented incorporation of environmental, social and governance criteria in investment decisions.

**SOLVENCY.** Measures the ability of a business or an individual to repay its debt over the medium to long term. For a bank, solvency reflects its ability to cope with the losses that its risk profile is likely to trigger. Solvency analysis is not the same as liquidity analysis. The liquidity of a business is its ability to honour its payments in the normal course of its business, to find new funding sources and to achieve a balance at all times between its incomings and outgoings. For banks, solvency is governed by the CRD 4 Directive and CRR Regulation. For an insurance company, solvency is covered by the Solvency 2 Directive (see Solvency 2).

**SOLVENCY 2** European directive on insurance and reinsurance undertakings intended to ensure that they

comply at all times with their commitments towards policyholders in view of the specific risks incurred by such businesses. It aims to achieve an economic and prospective assessment of solvency *based* on three pillars: quantitative requirements (Pillar 1), qualitative requirements (Pillar 2) and information for the public and the supervisor (Pillar 3). Adopted in 2014, it was transposed into national law in 2015 and came into force on 1 January 2016.

**STRESS TEST.** Exercise simulating extreme economic and financial conditions to study the ramifications on banks' balance sheets, profit and loss, and on solvency in order to measure their ability to withstand these kinds of situations.

**SYSTEMICALLY IMPORTANT BANK.** Crédit Agricole Group is on the list of the 30 global systemically important banks (G-SIBs) published by the Financial Stability Board (FSB), updated every year. A systemically important bank has to put in place a basic capital buffer of between 1% and 3.5% in relation to Basel 3 requirements.

T

**TLAC (TLAC RATIO – TOTAL LOSS ABSORBING CAPACITY).** Designed at the G20's request by the Financial Stability Board, it aims to provide an indication of the loss-absorbing capacity and of the ability to raise additional capital of the systemically important banks (G-SIBs).

**TREASURY SHARES.** Shares held by a company in its own capital. Shares held in treasury do not carry a voting right and are not used in EPS calculations as they receive no dividend and have no right to reserves.

U

**UNDERLYING NET INCOME GROUP SHARE\*.** Underlying net income Group share corresponds to the stated Net income Group share less specific (non-recurring or exceptional).

**UNDERTAKINGS FOR COLLECTIVE INVESTMENT IN TRANSFERABLE SECURITIES (UCITS).** A UCITS is a portfolio of negotiable securities (equities, bonds, etc.) managed by professionals (management companies) and held collectively by retail or institutional investors. There are two types of UCITS — SICAVs (open-ended investment companies) and FCPs (mutual investment funds).

V

**VAR – VALUE-AT-RISK.** Synthetic indicator used to track on a day-to-day basis the market risks taken by the Group, particularly in its trading activities (VaR is calculated using a 99%-confidence interval, over ten days, in line with the regulatory internal model). Reflects the largest exposure obtained after eliminating 1% of the most unfavourable occurrences over a one-year history.

\* Alternative performance indicator in accordance with Article 223-1 of the *Autorité des Marchés Financiers* (AMF.38) general regulations.

2020 FINANCIAL CALENDAR\*



\* Subject to developments related to the context of the Covid-19 epidemic.

METHODOLOGY

This fourth Integrated Report presents the Crédit Agricole S.A. strategy to provide a vision of our financial and non-financial commitments and performance to all of our stakeholders. It was composed according to the guiding principles of the International Integrated Reporting Council (IIRC) and is based on a continuous improvement approach.

It covers the Crédit Agricole S.A. scope, which is to say Crédit Agricole S.A. (UES) and its subsidiaries, but also mentions, where useful, information on the Group's policies and action plans to inform our stakeholders about the highly integrated dimension of our operations and to present social, environmental and societal impacts of the entire Crédit Agricole Group.

The preparation of the Integrated Report is led by the Financial Communication department of Crédit Agricole S.A. It is the result of a collective effort that involved the CSR, Finance, Human Resources, Customer and Innovation, Strategy, Compliance, Risk, Communication, Corporate Secretary's Office, Economic Studies and Public Affairs departments of Crédit Agricole S.A., its subsidiaries and the FNCA, which together held a great number of preparatory meetings.

NEW THIS YEAR

This year, the publication of the new strategic plan guided the composition of the report. The business model has been updated, in particular in connection with our new *Raison d'Être*. A stakeholder and Compliance presentation was added. Through all this work, Crédit Agricole Group is once again implementing an integrated approach recognised by its stakeholders.

The Board of Directors is involved in the implementation of this integrated strategy, including through the work of the Strategy and CSR Committee. On the recommendation of the Committee, the Board of Directors delivered a favourable opinion on this Report at its meeting on 14 April 2020.

ACKNOWLEDGEMENTS

Many thanks to all Crédit Agricole Group teams who helped design and produce this document, as well as to the members of the Steering Committee.

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