

Montrouge, 14 February 2019

Fourth quarter and full year 2018 results Very good results, solid and balanced

Crédit Agricole S.A.

Stated net income¹

Q4: €1,008m

x2.6 Q4/Q4

2018: €4,400m

+20.6% 2018/2017

Stated net revenues

Q4: €4,853m

+4.3% Q4/Q4

2018: €19,736m

+5.9% 2018/2017

Fully-loaded CET1 ratio

11.5%

stable in Q4, well above
the MTP target (11%)

- **Less favourable environment in Q4**, primarily for activities related to financial markets
- **High underlying net income²** with further strong growth: **Q4 €1,067m**, +21.6% Q4/Q4; **2018: €4,405m**, +12.2% 2018/2017
- **2018 ROTE² 12.7%**; **earnings per share²: Q4 €0.33**, +24.2% Q4/Q4; **2018 €1.39**, +13.8% 2018/2017;
- **Dividend proposed at the Shareholders' Meeting increased by +9.5%** 2018/2017 to **€0.69**
- **High level of activity and income for all the Group's business divisions in 2018**, despite the unfavourable market impact in Q4 on asset management and market activities
- **Good cost control**: positive jaws effect² excluding SRF³ > 1pp 2018/2017, in most business lines; C/I ratio² improved by 0.7pp 2018/2017 to 62.1%
- **Cost of credit risk still very low and declining**: 23bp⁴ (-6bp Q4/Q4); provision for non-specific legal risk of €75m in Q4
- **2019 MTP⁵ objectives already reached for NI, ROTE and CET1**; **new 2022 MTP** to be presented on **6 June 2019**

Crédit Agricole Group*

Stated net income¹

Q4: €1,571m

+70.3% Q4/Q4

2018: €6,844m

+4.7% 2018/2017

Stated net revenues

Q4: €8,110m

+0.8% Q4/Q4

2018: €32,839m

+2.3% 2018/2017

Fully-loaded CET1 ratio

15.0%

up 10bp in Q4
550bp above the P2R⁶

- **Sharp increase in stated net income** linked to a favourable base effect, in particular the tax surcharge in Q4-17
- **2018 underlying² net income¹: €6,849m**, -3.8% 2018/2017 after a sharp increase in the SRF³, a negative scope effect and a slight increase in the cost of risk ; Q4 : €1,626m, -3.9% Q4/Q4
- **Cost of risk still at a very low level**, at 18 bp⁴
- **Regional Banks (IFRS)**: negative impact of portfolio valuations in Q4 and a sharp rise in the cost of risk due to collective provision write-backs in 2017, but increase in business revenues and stabilisation of interest revenues

* Crédit Agricole S.A. and Regional banks at 100%

This press release comments on the results of Crédit Agricole S.A. and those of Crédit Agricole Group, which comprises the Crédit Agricole S.A. entities and the Crédit Agricole Regional banks, which own 56.3% of Crédit Agricole S.A. Please see from p. 16 onwards for details of specific items which, after restatement for the various related intermediary balances, are used to calculate underlying results. A reconciliation between the stated income statement and the underlying income statement can be found from p. 21 onwards for Crédit Agricole Group and from p. 18 onwards for Crédit Agricole S.A.

¹ Net income Group share

² Underlying, excluding specific items. see p. 16 and following pages for more details on specific items and p. 26 for the ROTE calculation

³ Contribution to the Single Resolution Fund (SRF)

⁴ Average over last four rolling quarters, annualised

⁵ Medium Term Plan; the MTP 2020 was published in March 2016 and set financial targets until 2019.

⁶ According to pro forma P2R for 2019 of 9.5% as notified by the ECB (excl. countercyclical buffers)

Crédit Agricole S.A.

Excellent results reflecting strong growth in 2018 and in Q4

- **MTP targets achieved a year ahead of schedule: Underlying 2018 NI of €4.4bn** (+12.2% 2018/17), **underlying ROTE⁷ of 12.7%** (objectives: €4.2bn and >10%, respectively);
- **Presentation of new 2022 Medium-Term Plan on 6 June 2019;**
- **Strong 2018/2017 growth: +12.2%** (EPS +13.9%), with a positive contribution from all the divisions;
- **Q4: Underlying net income of over €1bn** (€1,067m, +21.6% Q4/Q4) despite an unfavourable environment for activities related to financial markets (Asset management, CIB/Capital Markets) ;

Confirmed cost control

- **2018/17: further improvement in operational efficiency:** jaws effect >+1pp, further 0.7pp improvement in the underlying C/I ratio, excluding the SRF;
- **Q4:** tight control at +0.8% despite the scope effect of the three Italian banks, underlying C/I ratio 65.9%

Further improvement in credit quality

- **Sharp decline in the cost of credit risk** -23.4% 2018/17 and -26.6% Q4/Q4; cost of risk relative to outstandings: 23bp (-6bp 2018/17), decrease in the NPL ratio (2.8%, -0.4pp Dec./Dec.), rise in the coverage ratio (74.3%, +7pp Dec./Dec.);
- **Q4:** non-specific provision for legal risk -€75m (Corporate Centre)

Financial solidity: CET1 ratio 11.5%, dividend of €0.69 per share paid in cash

- **Fully-loaded CET1 ratio 11.5%**, above the MTP target of 11%, stable in Q4;
- Capital generation through retained earnings: +14bp, but impact of the **decline in OCI reserves**: -13bp;
- Risk-weighted assets stable at end-September, offsetting regulatory effects.

Crédit Agricole S.A.'s Board of Directors, chaired by Dominique Lefebvre, met on 13 February 2019 to examine the financial statements for the fourth quarter and full year 2018.

In fourth quarter 2018, stated net income reached 1,008 million euros, up sharply (x2.6) compared to fourth quarter 2017 (387 million euros), which notably saw the effects of the Finance Act in France, namely a corporate tax surcharge (-256 million euros, net of the refund of the dividend tax) and a revaluation of deferred taxes to take account of the expected decrease in corporate income tax rate in France and in the United States (-128 million euros).

There are few **specific items** for the quarter, which had a **limited negative effect of -59 million euros on net income**. These primarily involve a fine imposed by the Italian competition authority (AGCM) on FCA Bank⁸, with an impact on the Group this quarter of -67 million euros, which factors in the previous provisions booked to settle a dispute; the other specific items are far smaller amounts and partially offset each other (see the detail on p. 16). **In the fourth quarter of 2017**, specific items were much more substantial, particularly due to the effects of the measures planned under the 2018 Finance Act in France referred to above: these had an impact on net income of **-490 million euros**, of which -403 million euros related to tax adjustments. Also of note during the quarter was the recognition of negative goodwill linked to the consolidation of the three Italian banks, in the amount of +312 million euros (+408 million euros before non-controlling interests) which was offset by the impairment of all goodwill on the Polish entities in the amount of -222 million euros. Other specific items recorded for the quarter include the integration costs of Pioneer and the three Italian banks (total impact of -54 million euros on net income), the penalty associated with the Cheque Image Exchange (-58 million euros) and specific recurring accounting items⁹ comprising the rest for -65 million euros.

⁷ See calculation of ROTE p. 26; annualised rate calculated without restating IFRIC21 charges, taking into account AT1 coupons deducted directly from Group net equity; RONE of the divisions and business lines calculated using the same method

⁸ See press release published on 9 January 2019

⁹ DVA (Debit Valuation Adjustment), loan portfolio hedges, home purchases savings plan, see details p.16

Excluding these specific items, **underlying net income** for fourth quarter 2018 came to **1,067 million euros**, an **increase of +21.6%** compared with fourth quarter 2017.

Underlying earnings per share came to **0.33 euros**, an increase of **+24.2%** compared with fourth quarter 2017. **Tangible net book value per share** (not adjusted, excluding OCI reserves, before deduction of the dividend) came to **12.0 euros per share**, up **+6.8% compared to end-December 2017** and an increase of **+7.2%** on 1 January 2018 (including the IFRS9 impact of +0.04 euros per share), of which **+3.1% in fourth quarter 2018**.

Table 1. Crédit Agricole S.A. – stated and underlying results, Q4-2018 and Q4-2017

€m	Q4-18 stated	Q4-17 stated	Var. Q4/Q4 stated	Q4-18 underlying	Q4-17 underlying	Var. Q4/Q4 underlying
Revenues	4,853	4,651	+4.3%	4,814	4,810	+0.1%
Operating expenses excl. SRF	(3,213)	(3,268)	(1.7%)	(3,175)	(3,150)	+0.8%
SRF	-	-	n.m.	-	-	n.m.
Gross operating income	1,641	1,384	+18.6%	1,640	1,659	(1.2%)
Cost of risk	(246)	(335)	(26.6%)	(246)	(335)	(26.6%)
Cost of legal risk	(75)	-	n.m.	(75)	-	n.m.
Equity-accounted entities	7	50	(85.3%)	74	69	+7.2%
Net income on other assets	56	13	x 4.2	56	16	x 3.4
Change in value of goodwill	-	186	(100.0%)	-	0	(100.0%)
Income before tax	1,383	1,299	+6.5%	1,450	1,410	+2.8%
Tax	(222)	(703)	(68.4%)	(221)	(387)	(42.9%)
Net income from discount'd or held-for-sale ope.	(0)	(23)	n.m.	(0)	(23)	n.m.
Net income	1,161	573	x 2	1,229	1,000	+22.9%
Non-controlling interests	(154)	(186)	(17.4%)	(162)	(123)	+31.9%
Net income Group Share	1,008	387	x 2.6	1,067	878	+21.6%
Earnings per share (€)	0.31	0.09	x 3.3	0.33	0.26	+24.2%
Cost/Income ratio excl.SRF (%)	66.2%	70.2%	-4.1 pp	65.9%	65.5%	+0.4 pp

The strong growth of underlying net income was achieved despite a much less favourable environment than in fourth quarter 2017 and in the first three quarters of 2018, especially for the activities related to capital markets, and in particular for Asset and Wealth management and for Capital markets & investment banking. These are the only business lines that saw their contribution decline compared to fourth quarter 2017. The other business lines more than offset this under-performance, thanks to **excellent underlying revenues, very positive jaws effects** in most of the business lines less sensitive to the market environment and the **decline of the cost of credit risk** in all financing business lines. The Large customers division benefited from net provision write-backs as it did in the previous two quarters. It should be noted that the Group decided to recognise a non-specific legal provision of 75 million euros in fourth quarter 2018 booked in the corporate centre. The strong pick-up in growth between income before tax and net income group share, in both stated and underlying figures, is attributable to a **sharp decrease in tax expense** in stated figures owing mostly to the non-recurring tax surcharge which had affected the fourth quarter of 2017 and was classified as a specific item, and in underlying figure thanks to a higher share of the revenue generated in countries other than France with a lower tax rate and to the different effects of tax consolidation recognised in the fourth quarter but relating to the whole of the 2018 fiscal year.

Due to their negligible impact on net income, the scope and foreign exchange effects are not provided in detail this quarter. However, it should be noted that the acquisition of the three Italian banks, which were consolidated only in late December 2017, produced a scope effect on revenue, expenses and provisions which could not, however, be calculated after the merger of the legal entities in the third quarter of 2018.

An analysis of the fourth quarter 2018 income statement is provided below.

Standing at 4,814 million euros, **underlying revenues** were stable (+0.1%) thanks to the good resistance of business lines vulnerable to the unfavourable market environment and the growth of other business lines, in particular Insurance (+6.0%), Retail banking in Italy (+17.5%, primarily related to the effect of the integration of the three banks), other international retail banking (+7.2%), Leasing & factoring (+7.8%) and Consumer finance (+1.7%). Asset Management and Capital Markets and Investment Banking were the two business lines most affected by the market environment. Amundi saw a decline in revenue of -18.2%/-134 million euros compared to the fourth quarter of 2017, due mainly to the sharp drop in performance fees (-75.1%/-61 million euros) and financial income (change of -50 million euros), with asset management fees also declining, albeit more modestly, by -2.9%. Capital Markets and Investment Banking, operating mostly on the bond markets, in advisory and in equity origination, saw a decline of -29.3% in its revenues on the back of contracting credit volumes (bond issues in euros¹⁰ falling -12%), more satisfactory on foreign exchange and swaps, and a squeeze on customer margins. Also of particular note is the very negative impact of FVA (Fair Value Adjustment). In contrast, the Large customers division's Financing activities saw virtually no change in their revenues (-0.7%) despite the high comparison base in fourth quarter 2017, with the last quarter of 2018 closing out an excellent year for these activities (revenue up +7.6% compared to 2017) as well as for Commercial Banking and Structured Finance. LCL saw a slight drop in its revenues compared to fourth quarter 2017 of -0.6%/-5 million euros, virtually unchanged excluding renegotiation and early repayment fees, but including impairments of some equity interests, excluding which revenues would have been up.

Notable activity developments among the business lines in the fourth quarter include:

- **a further upward trend in the lending activity of Retail banking in the Group's domestic markets**, with continuing growth in loans to businesses for LCL compared to 31 December 2017 (+11%) and home loans: +6.6% for LCL and +10% for CA Italia; note that this last figure is like-for-like since the outstandings of the three Italian banks acquired in late 2017 had already been consolidated at 31 December 2017; since their integration, these banks have been recording sharp sequential increases in their loan origination; the number of new home loans granted was up +29% in the fourth quarter compared to the third quarter and doubled compared to the first quarter;
- the **net inflows** of the Asset Gathering & Insurance division were **uneven** for the quarter: although the Retirement & Savings segment of the Insurance business line recorded strong net inflows, up compared to the previous quarters, at +2.1 billion euros, including +1.3 billion euros/62% in unit-linked policies (69% over the full year 2018), Wealth Management was more modest at +0.6 billion euros and, significantly, Asset Management recorded net outflows of -6.5 billion euros, due primarily to institutional customers, while Retail reported positive net inflows of +0.5 billion euros; this net outflow was due to a particularly adverse environment in all markets this quarter, reflected in a market effect in assets under management of -43.7 billion euros in the last three months of the year, completely erasing the effects of the excellent net inflows reported by Amundi throughout 2018, namely +42.0 billion euros, including +36.3 billion euros in medium-long term assets; the Insurance business also continued its very strong growth (+7.9%) in Property & casualty policies, with total policies outstanding having increased +5.4% year-on-year, for net growth of 700,000 policies;
- the **excellent growth reported by Specialised Financial Services**: Consumer finance surpassed +10 billion euros in origination of managed outstandings in every quarter of 2018, including +11.2 billion euros in the fourth quarter. As a result, managed outstandings rose +7.2% compared to end-December 2017, to 88.5 billion euros, driven by automotive partnerships (+11.2%) and Group networks. Consolidated gross financial leasing outstandings were up +3.1% for the same period, to 14.6 billion euros, driven in particular by a +10% increase internationally; factored turnover grew by +4.1% year-on-year in fourth quarter 2018;
- a **high level of activity in CIB/Financing activities**, with a sharp increase in Commercial banking driven by activity on all product lines and a sustained level of activity in Structured Finance in line with previous quarters; it should be noted again this quarter that this good performance did not translate into an increase in risk-weighted assets, which have decreased compared to end-September, excluding one

¹⁰ All international investment grade issues in € - worldwide - bookrunner (Source: Refinitiv 31/12/2018)

regulatory change¹¹, thanks to good syndication activity and risk transfer: applying its Distribute to Originate model; Financing recorded an average primary syndication rate of 39% in the last 12 months, stable versus 2017 and up +13 percentage points compared to 2013, the year in which it ramped up this policy.

Of note since the last quarterly publication is the extension of the partnership between Agos and Banco BPM, giving Agos access to the distribution of consumer credit within the Banca Popolare di Milano network, which merged with Banco Popolare to create Banco BPM, the third largest bank in the country. A distribution agreement with the entire Banco BPM network for a period of 15 years is expected to be signed when this agreement is finalised before 30 September 2019.

Details of the other highlights are provided in the section of this press release on Crédit Agricole Group.

Stable revenues in a less favourable environment in the fourth quarter are combined with **tight control of costs**, which registered an underlying increase of only **+0.8%** compared to fourth quarter 2017. Note that this increase of +25 million euros between the two periods is more than accounted for by the Corporate Centre, whose costs rose by +68 million euros between the two periods given the investments in payment and information systems, additional costs that were mostly charged back as Corporate Centre revenue to other business lines. Underlying operating expenses of the Group's business lines were down -1.5% despite the scope effect of the three Italian banks and the provisions for "Macron grants" (15 million euros in all for the Crédit Agricole S.A. group). All the business lines played a role in the decrease except for Retail Banking due to CA Italia, which bore the brunt of the scope effect of the three banks.

The fall in **underlying gross operating income** was therefore limited to **-1.2%** compared to fourth quarter 2017. The **underlying cost/income ratio** stood at **65.9%**.

The **cost of risk** declined sharply, **down -26.6%** compared to fourth quarter 2017 to a very low level (246 million euros versus 335 million euros in fourth quarter 2017). This decline came almost entirely from businesses exposed to credit risk (only LCL and Leasing & Factoring were up slightly, by +8 million euros and +2 million euros, respectively). Retail banking in Italy continued on a downward trend (-14.0%) and CIB/Financing is again in a situation of net provision write-back in Buckets 1 and 2 (IFRS9) while provisions for specific risks are at a very low level. This reflects a further improvement in credit risk indicators (NPL ratio, coverage ratio) in all the vulnerable businesses. Crédit Agricole S.A. group's **cost of risk relative to outstandings**¹² fell -6 basis points compared to fourth quarter 2017, to 23 basis points. It remains stable quarter-on-quarter for LCL (17 basis points) and Consumer finance (118 basis points), but continued its decline for Retail banking in Italy (CA Italia, 67 basis points). Crédit Agricole S.A. group's NPL ratio is down -0.4 point at 2.8% compared to end December 2017 and the coverage ratio is up +7.0 points at 74.3%.

It was decided this quarter to recognise a non-specific **provision for legal risk** in the Corporate Centre in the amount of **75 million euros**.

The underlying contribution of **equity-accounted entities** rose by +7.2% to 74 million euros and reflects the sharp increase in profitability of automotive partnerships in Consumer finance and the Asset management joint ventures in Asia.

Net income from asset disposals reached 56 million euros this quarter compared to just 16 million euros in fourth quarter 2017, mainly at LCL: +47 million euros from the disposal of two operating buildings.

Underlying pre-tax income¹³ **before discontinued operations and non-controlling interests increased by +2.8%** to 1,450 million euros. By contrast, income tax charge fell sharply by -42.9%, notably as a result of the adjustment of annual tax rates in the last quarter of the year and a stronger than expected increase in revenues in countries with lower taxes than those in France. **Underlying net income before non-controlling interests therefore rose +22.9%.** **Non-controlling interests** increased by +31.9% or +39 million euros, mainly attributable to Corporate Centre in connection with the effect in 2017 of a newly consolidated subsidiary (Fireca) with an accumulation of losses, offset in part by the buy-back of non-controlling interests in CACEIS last

¹¹ See the comments on solvency on p. 19.

¹² Average cost of credit risk over the last four rolling quarters, annualised

¹³ See p. 16 for more details on specific items related to Crédit Agricole S.A.

December. **Underlying net income therefore increased by +21.6%** compared to fourth quarter 2017 to **1,067 million euros**.

Stated net income **for full-year 2018** amounted to 4,400 million euros, compared to 3,649 million euros in 2017, an increase of +20.6%.

Specific items in full-year 2018 had a negative impact of just **-5 million euros** on stated net income. The fourth quarter items already mentioned above more than cancelled out the impact of those in the first nine months of 2018, namely a positive impact of +54 million euros, including the adjustment of negative goodwill recognised at the time of acquisition of the three Italian banks totalling +66 million euros, -14 million euros for the costs of integrating Pioneer (-30 million euros before tax and non-controlling interests) and recurring volatile accounting items for +3 million euros (+2 million euros before tax). **Specific items for full-year 2017** had an impact of -€276 million euros on net income. In contrast to the aforementioned numerous negative specific items in the fourth quarter of 2017, the specific items for the first nine months of 2017 had an impact on net income of +214 million euros. These comprised the share of the liability management operations for +26 million euros (+39 million euros before tax), the impact of the disposal of BSF for +114 million euros and of Eurazeo for +107 million euros, recurring volatile accounting items, namely issuer spread for -69 million euros (-121 million euros before tax), DVA for -39 million euros (-61 million euros before tax), loan portfolio hedges in the Large customers division for -34 million euros (-53 million euros before tax) and provisions for home purchase savings plans for +166 million euros (+256 million euros before tax). The detail for the two periods can be found on p. 16 of this press release.

Since 1 January 2018 and the transition to IFRS9, the impact of issuer spread on the fair value of liabilities has been recognised directly under equity, without any impact on prudential capital. This effect in Group share terms amounts to +193 million euros for fourth quarter 2018 and +397 million euros for full-year 2018.

Excluding these specific items, **underlying net income** rose by **+12.2%** versus full-year 2017 to **4,405 million euros, beating the target set out in the Strategic Ambition 2020 Medium-Term Plan (4.2 billion euros), which it has reached one year ahead of schedule.**

Underlying earnings per share came to 1.39 euros, an increase of **+13.8%** compared with full-year 2017.

Crédit Agricole S.A.'s Board of Directors will make a proposal to the General Shareholder's Meeting of 21 May 2019 for the payment of an all-cash **dividend per share of 0.69 euro**, which is higher than the minimum level of 0.60 euro per share set in the third quarter of 2016 and **+9.5% higher** than the dividend paid for 2017. **The dividend pay-out ratio stands at 50% of both stated earnings per share and underlying earnings per share.**

Underlying **ROTE**¹⁴ (return on tangible equity) reached **12.7% in full-year 2018**, a significant increase of +1.6 percentage point compared to 2017, thanks to improvements in most business lines.

¹⁴ See details on the calculation of the ROTE (return on tangible equity) and business lines' RONE (return on normalised equity) on p. 26. ROTE is calculated by taking underlying net income for the first half of the year, including IFRIC21 costs and AT1 coupons, which are normally charged to net equity, multiplied by two.

Table 2. Crédit Agricole S.A. – stated and underlying results, 2018 and 2017

€m	2018 stated	2017 stated	Var. 2018/2017 stated	2018 underlying	2017 underlying	Var. 2018/2017 underlying
Revenues	19,736	18,634	+5.9%	19,694	18,772	+4.9%
Operating expenses excl.SRF	(12,287)	(11,961)	+2.7%	(12,228)	(11,785)	+3.8%
SRF	(301)	(242)	+24.5%	(301)	(242)	+24.5%
Gross operating income	7,147	6,431	+11.1%	7,165	6,745	+6.2%
Cost of risk	(1,002)	(1,307)	(23.4%)	(1,002)	(1,307)	(23.4%)
Cost of legal risk	(80)	(115)	(30.8%)	(75)	(115)	(34.8%)
Equity-accounted entities	256	728	(64.9%)	323	523	(38.3%)
Net income on other assets	89	6	x 15.5	89	14	x 6.5
Change in value of goodwill	86	186	(54.1%)	-	0	(100.0%)
Income before tax	6,496	5,929	+9.6%	6,500	5,859	+10.9%
Tax	(1,466)	(1,733)	(15.4%)	(1,471)	(1,433)	+2.7%
Net income from discount'd or held-for-sale ope.	(3)	20	n.m.	(3)	20	n.m.
Net income	5,027	4,216	+19.2%	5,026	4,447	+13.0%
Non-controlling interests	(627)	(568)	+10.5%	(620)	(521)	+18.9%
Net income Group Share	4,400	3,649	+20.6%	4,405	3,925	+12.2%
Earnings per share (€)	1.39	1.12	+23.4%	1.39	1.22	+13.8%
Cost/Income ratio excl.SRF (%)	62.3%	64.2%	-1.9 pp	62.1%	62.8%	-0.7 pp

This performance reflects the healthy revenue growth throughout the year, good cost control and the falling cost of risk.

Underlying revenues increased by **+4.9%** compared to 2017. The Large Customers division suffered in the fourth quarter due to a more adverse market environment; the decline was primarily concentrated this quarter and in Capital markets and investment banking, where underlying revenues fell by -16.1%/-378 million euros in full year 2018 compared to 2017. At -0.4% or -13 million euros, LCL's underlying revenues were virtually unchanged due to negative impacts in equity revaluations in the fourth quarter. All other Group businesses saw increases in their revenues, which in some cases was very significant: Asset management +11.1%, Wealth Management +7.5%, Retail banking in Italy +13.4% (these three businesses benefited from a scope effect), Insurance +9.3%, Leasing and factoring +5.7%, CIB/Financing +7.6%.

Underlying operating expenses increased by **+3.8%**, excluding the contribution to the Single Resolution Fund (SRF), which increased by a significant +24.5% to 301 million euros in 2018 versus 242 million euros in 2017 (mostly in the first half of both periods). Thanks to the positive jaws effect of +1.1 percentage point, the **underlying cost/income ratio excluding the SRF improved by 0.7 percentage point to 62.1%**.

The cost of credit risk, excluding non-specific legal provisions, fell **-23.4%/-306 million euros** compared to 2017. This drop is primarily due to the Large customers division (impact of +267 million euros before tax between the two periods), net write-backs for the business line in 2018 (+64 million euros) compared to net provisions (-203 million euros) in 2017, especially for Financing (impact of +285 million euros). The contribution changes of the other activities more or less cancelled each other out: slight increase for Specialised Financial Services (+6.1%/+27 million euros) and LCL (+7.5%/+15 million euros), but a decrease for International Retail Banking (-16.7%/-72 million euros), both in Italy and in the other regions.

It should be noted that the group decided to recognise a non-specific legal provision of 75 million euros in 2018 (in the fourth quarter) versus 115 million euros in 2017.

The **-38.3%/-200 million euros** decrease in underlying net income from **equity-accounted entities** can be explained by the **deconsolidation of BSF and to a lesser extent of Eurazeo**, in the amount of -249 million euros. After restatement for this item, growth was recorded in the Asset management and Consumer finance joint ventures. It should be noted that the equity-accounted entities contributed just 7% to underlying net income compared with 13% in 2017 (and almost one third in 2015). The increase in the share of fully consolidated income was a significant step in simplifying Crédit Agricole S.A. and in improving its cash control, enabling better coverage of dividends.

Underlying pre-tax income increased by **+10.9%**, to **6,500 million euros**. **Tax charge** increased by **+2.7%** due to stronger than expected growth in pre-tax income in countries with lower tax rates. Net income increased by **+13.0%**, while the stronger increase in **non-controlling interests (+18.9%)**, notably attributable to the sharp increase in Amundi's contribution after the integration of Pioneer, brought growth in **underlying net income to +12.2%**, at **4,405 million euros**.

Stripping out the substantial increase in the SRF, net income rose **+12.8%**.

In fourth quarter 2018, Crédit Agricole S.A.'s solvency remained very solid, with a **fully-loaded Common Equity Tier 1 (CET1)¹⁵ ratio of 11.5% at 31 December 2018, stable compared to 30 September 2018 despite the adverse effect of the declining market on OCI reserves¹⁶ (-13 basis points)**. This effect virtually offset the quarter's capital generation (+14 basis points), after the deduction of coupons on additional Tier 1 securities accrued during the quarter and the factoring in of the dividend of 0.69 euros per share to be proposed to the upcoming General Shareholders' Meeting on 21 May. At **307 billion euros**, the stability of **risk-weighted assets** this quarter conceals unfavourable regulatory changes of +4 billion euros/-15 basis points, linked to the initial effects of the targeted review of internal models (TRIM) by the single supervisor for 1 billion euros/-3 basis points and the early introduction of Basel 4 regarding non-financial operational risks¹⁷ (compulsory standard method), for 3 billion euros/-12 basis points. Excluding these two regulatory impacts, risk-weighted assets linked to business decreased. Turning to market risk, VaR¹⁸ remained virtually stable this quarter at an average of 5.1 million euros versus an average of 4.9 million euros in the third quarter of 2018.

The phased-in **leverage ratio¹⁹** was **4.0%** at end-December 2018 as defined in the Delegated Act adopted by the European Commission. The intra-quarter leverage ratio amounted to 3.7% in the fourth quarter of 2018.

Crédit Agricole S.A.'s average **LCR ratio** over twelve months stood at **133.3%²⁰** at end-December 2018, i.e. higher than the Medium-Term Plan target of over 110%.

For 2018 as a whole, Crédit Agricole S.A. issued 14.1 billion euros in medium-term debt instruments, i.e. 2.1 billion euros more than the annual financing plan (118%). It raised the equivalent of 7.3 billion euros in senior preferred debt (uncollateralised) and collateralised senior debt and the equivalent of 6.8 billion euros in Tier 2 and senior non-preferred debt, the latter amounting to 5.2 billion euros.

* * *

Philippe Brassac, Chief Executive Officer, commented on the fourth-quarter and full-year 2018 results and activity of Crédit Agricole S.A. as follows: *"In 2018, Crédit Agricole S.A.'s business lines surpassed the main objectives of the Medium-Term Plan one year ahead of schedule. This is proof of the strength of its universal banking model, which is the foundation of a strong, sustainable relationship. The Group is well equipped to handle the rising uncertainty, which was witnessed in the fourth quarter with a much more unfavourable market backdrop. This strength and the progress made together with the Regional Banks on the Group's customer project are assets for the next Medium-Term Plan, which will be unveiled on 6 June at Crédit Agricole S.A.'s Evergreen Campus."*

¹⁵ Including full year 2018 retained earnings.

¹⁶ Other comprehensive income, which recognises the unrealised capital gains and losses on securities (booked via equity)

¹⁷ Review of the non-financial operational risk models resulting in an increase in operational risk weighted assets. This increase constitutes a step in the implementation of the finalisation of Basel 3 (Basel 4), which in the future will authorise only the standard method.

¹⁸ Value at risk, calculated over one day with a confidence interval of 99%

¹⁹ The leverage ratio amounts to 4.2% at this date subject to the issue by the ECB of an authorisation to exempt exposures linked to the centralisation of deposits with the Caisse des Dépôts et Consignations to take account of Judgement T-758/16 of the General Court of the European Union of 13 July 2018.

²⁰ LCR Ratio (Liquidity Coverage Ratio) on a 12 months average ; numerator and denominator of the ratio respectively amounted to 174.1 billion euros and 130.6 billion euros for Crédit Agricole S.A.

Crédit Agricole Group

Credit Agricole Group's stated net income for 2018 totalled 6.8 billion euros, up +4.7% compared to 2017. Adjusted for specific items, in particular the exceptional tax surcharge in France in 2017, stated net income was still 6.8 billion euros, down -3.8%. The excellent level of customer acquisition throughout the year, especially for Retail Banking in France and in Italy (1.8 million in new business relationships) and continued cross-selling efforts have offset the negative effects of prolonged low interest rates, weak economic growth in Europe and an unfavourable market environment in the fourth quarter, to deliver underlying revenue growth. Growth investments and especially the increase in the contribution to the Single Resolution Fund (SRF) and the cost of risk compared to a low comparison base in 2017 account for the slight decrease in pre-tax income and underlying net income (-3.8%). The Regional Banks confirm the stabilisation of their revenues but their net income suffered from the effects of the market environment on their portfolio revenue and a virtual tripling of their cost of risk compared to the write-backs of collective provisions in 2017. The same trends were seen throughout the quarter for the Group and Regional Banks, intensified by more difficult underlying revenue generation due to the market environment. Financial solidity further appreciated in the fourth quarter with an improvement in the fully-loaded CET1 ratio of +0.1 percentage point to 15.0%, 550 basis points above the regulator's requirements²¹.

In line with the "Strategic Ambition 2020" Medium-Term Plan (MTP), the Group's stable, diversified and profitable business model drove organic growth in all its business lines, largely through synergies between the specialised business lines and the retail networks, and ensured a high level of operating efficiency while generating leeway to invest in development.

For the whole of 2018, the following highlights must be taken into account:

- the integration of the **three Italian banks** acquired at the end of 2017 – CR Rimini, CR Cesena, CR San Miniato – was completed with the merger of each of the legal entities with CA Italia and the migration of their IT systems; cost optimisation and cross-selling efforts have begun to have a positive impact and the year-on-year increase in revenue of the new entity now surpasses that of the costs in the fourth quarter, while the falling cost of risk is confirmed;
- The first full year of the integration of **Pioneer** following its acquisition by Amundi on 3 July 2017 generated **110 million euros in cost synergies**, i.e. 63% of the revised target of 175 million euros by 2020 and most of the integration costs, i.e. 192 million euros, were recognised in 2017 and 2018; this integration allowed Amundi to better withstand the unfavourable market environment in the fourth quarter;
- **CA Assurances (CAA)** delivered on its **new strategy to expand its distribution network** to its international partners outside the Crédit Agricole Group by signing **two international bancassurance partnership agreements**: the first with **Credito Valtellinese** ("Creval", 1 million customers) in Italy, achieved by the acquisition by CAA of 100% in Creval's insurance brokerage firm, an exclusive 15-year distribution agreement for the savings and death & disability products of CA Vita, a wholly-owned subsidiary of CAA, and the purchase of a 5% stake in the capital of Creval; second, the strengthening of its property & casualty insurance partnership with the Portuguese bank Novo Banco in order to increase its stake in the jointly-owned subsidiary GNB Seguros from 50% to 75% by acquiring the 25% stake held by the Portuguese insurance company Seguradoras Unidas;
- **CA Consumer Finance (CACF)** announced a **partnership** with the Spanish banking group, **Bankia** (8.1 million customers), to form a joint venture in Spain which will expand CACF's European presence and provide Bankia's customers with personal finance products designed by CACF; again, in the Consumer finance business line, Agos also renewed and extended its partnership with Banco BPM, which going forward will give it access to the distribution of consumer credit within the

²¹ According to pro forma P2R for 2019 of 9.5% as notified by the ECB (excl. countercyclical buffer)

Banca Popolare di Milano network, merged with Banco Popolare to create Banco BPM, the third-largest bank in the country; a 15-year distribution agreement with the entire Banco BPM network is expected to be signed with the closing of this agreement before 30 September 2019;

- In **Wealth Management**, the acquisition of a 94.1% stake in the private Italian bank, **Banca Leonardo**, was finalised on 3 May; it brought in 5.1 billion euros in assets under management to this business line;
- **S&P Global Ratings** upgraded its **senior long-term credit rating** for the Group and its main subsidiaries by one notch on 19 October from A to **A+**, with a **stable outlook**, having factored in the improvement in the Group's risk profile and its resilience capacity, despite the less favourable environment for its activities;
- the results of the **EBA (European Banking Authority) stress tests** published on 2 November show a solid Group financial position and solid business lines, with Crédit Agricole Group's **CET1 ratio at 10.2%** even in an adverse scenario, **remaining well above the required SREP level** of 9.5% without ever hitting the distribution restriction level;
- Concerning the **litigation matter with OFAC**, the US authorities (United States Attorney's Office for the District of Columbia and District Attorney of the County of New York) decided on 19 October 2018 to **cease the pursuit of criminal sanctions** which had been deferred for three years in line with the deferred prosecution agreement signed between CACIB and said authorities in October 2015; the authorities acknowledged that **CACIB has fulfilled all the obligations required of it under such agreements**, which have now expired; the US authorities thus acknowledged the improvements in compliance implemented by CACIB, which remains fully committed to strengthening its procedures and internal controls to ensure compliance with international economic sanctions;

In 2018, **stated net income** increased +4.7% to 6,844 million euros. The comparison base of stated net income in 2017 was impacted by some very substantial specific items amounting to -587 million euros in net income, of which -671 million linked to heavy non-recurring tax expenses in the fourth quarter of 2017, -83 million in integration costs for Pioneer and the three Italian banks, -123 million in liability management costs of the Group and the Regional Banks, -98 million in Cheque Image Exchange fines, -153 million in changes in issuer spread and, offsetting this, +131 million in changes in goodwill (negative goodwill of the three Italian banks net of the impairment of goodwill in Poland) and +205 million in capital gains on the disposal of BSF and Eurazeo. The other items almost entirely offset each other. For 2018 as a whole, specific items were offset, resulting in a net impact on net income of only -5 million euros (see the detail of specific items for all periods on p. 17).

Excluding these specific items, **underlying net income** for 2018 was down **-3.8%** compared to 2017, and **-2.4% excluding the very sharp rise in the SRF** (+36.2% to 389 million euros). It should be noted that while a calculation on a like-for-like basis is no longer possible after the merger of the legal entities of the three Italian banks, the scope effect on growth over the full year is negative: the sales and de-consolidations of BSF and Eurazeo led to a loss in contribution to net income of +203 million euros, while the contribution of Pioneer to be reintegrated (consolidated only in the second half of 2017) had a positive impact on year-on-year growth of just +75 million euros, and the three Italian banks and Banca Leonardo, in their first year of consolidation, are not yet making a significant positive contribution.

Underlying revenues increased by **+1.5%**, **underlying operating expenses excluding the SRF** rose **+2.7%**, and the **cost of credit risk** (excluding non-specific legal provisions of 115 million euros in 2017 and 75 million euros in 2018 allocated to the fourth quarter) rose **+6.8%**. **Underlying income before tax** was therefore **down slightly by -3.3%** to 10,123 million euros while underlying net income fell -3.8% to 6,849 million euros.

Table 3. Crédit Agricole Group – stated and underlying results, 2018 and 2017

€m	2018 stated	2017 stated	Var. 2018/2017 stated	2018 underlying	2017 underlying	Var. 2018/2017 underlying
Revenues	32,839	32,108	+2.3%	32,813	32,315	+1.5%
Operating expenses excl.SRF	(21,065)	(20,626)	+2.1%	(21,006)	(20,450)	+2.7%
SRF	(389)	(285)	+36.2%	(389)	(285)	+36.2%
Gross operating income	11,385	11,197	+1.7%	11,418	11,580	(1.4%)
Cost of risk	(1,640)	(1,536)	+6.8%	(1,640)	(1,536)	+6.8%
Cost of legal risk	(80)	(115)	(30.8%)	(75)	(115)	(34.8%)
Equity-accounted entities	266	732	(63.7%)	333	527	(36.9%)
Net income on other assets	87	5	x 17.2	87	16	x 5.6
Change in value of goodwill	86	186	(54.1%)	-	0	(100.0%)
Income before tax	10,105	10,470	(3.5%)	10,123	10,472	(3.3%)
Tax	(2,733)	(3,479)	(21.5%)	(2,743)	(2,912)	(5.8%)
Net income from discount'd or held-for-sale ope.	(3)	20	n.m.	(3)	20	n.m.
Net income	7,369	7,010	+5.1%	7,377	7,580	(2.7%)
Non-controlling interests	(525)	(474)	+10.6%	(527)	(457)	+15.5%
Net income Group Share	6,844	6,536	+4.7%	6,849	7,123	(3.8%)
Earnings per share (€)	64.1%	64.2%	-0.1 pp	64.0%	63.3%	+0.7 pp

In fourth quarter 2018, Crédit Agricole Group's **stated net income** came to **1,571 million euros** versus 922 million euros in fourth quarter 2017, +70.3% year-on-year.

There were few **specific items** this quarter and the net effect on net income was limited: **-55 million euros in net income**. They include the costs of integrating Pioneer Investments into Amundi and the three Italian banks into CA Italia, which came to -21 million euros (-38 million euros before tax and non-controlling interests), a further provision of -67 million euros to cover a fine imposed by the Italian competition authority (in equity-accounted entities) and the net balance of recurring volatile accounting items of +33 million euros. **In fourth quarter 2017**, specific items had a negative impact of -770 million euros on net income, of which -671 million euros related to very substantial non-recurring tax expense, -57 million euros in costs relating to the integration of Pioneer and the three Italian banks, -98 million euros in Cheque Image Exchange fines, -62 million euros in variations of issuer spread and +131 million euros in changes in goodwill (the negative goodwill of the three Italian banks, net of the impairment of goodwill in Poland). The other items were almost completely offset (see the detail of specific items for all periods on p. 17).

Excluding these specific items, **underlying net income²²** was **1,626 million euros**, down -3.9% versus fourth quarter 2017.

²² Underlying, excluding specific items. See p. 16 and following pages for more details on specific items

Table 4. Crédit Agricole Group – stated and underlying results, Q4-18 and Q4-17

€m	Q4-18 stated	Q4-17 stated	Var. Q4/Q4 stated	Q4-18 underlying	Q4-17 underlying	Var. Q4/Q4 underlying
Revenues	8,110	8,045	+0.8%	8,064	8,235	(2.1%)
Operating expenses excl.SRF	(5,478)	(5,459)	+0.3%	(5,440)	(5,342)	+1.8%
SRF	-	-	n.m.	-	-	n.m.
Gross operating income	2,632	2,586	+1.8%	2,624	2,893	(9.3%)
Cost of risk	(499)	(423)	+18.0%	(499)	(423)	+18.0%
Cost of legal risk	(75)	-	n.m.	(75)	-	n.m.
Equity-accounted entities	10	49	(78.9%)	77	68	+13.1%
Net income on other assets	48	5	x 8.9	48	8	x 5.7
Change in value of goodwill	-	186	(100.0%)	-	0	(100.0%)
Income before tax	2,116	2,404	(12.0%)	2,175	2,547	(14.6%)
Tax	(416)	(1,294)	(67.9%)	(412)	(704)	(41.4%)
Net income from discount'd or held-for-sale ope.	(0)	(23)	(99.9%)	(0)	(23)	(99.9%)
Net income	1,700	1,087	+56.4%	1,763	1,821	(3.2%)
Non-controlling interests	(130)	(165)	(21.4%)	(137)	(129)	+6.4%
Net income Group Share	1,571	922	+70.3%	1,626	1,692	(3.9%)
Earnings per share (€)	67.5%	67.9%	-0.3 pp	67.5%	64.9%	+2.6 pp

In the fourth quarter, **underlying revenues decreased by -2.1%** compared to the fourth quarter of 2017, coming out at 8,064 million euros. While the scope of Crédit Agricole S.A. is stable (see above), the decline posted for the Group as a whole is attributable to the unfavourable effect of the market environment on the investment portfolios of the Regional Banks. By contrast, their customer business revenues rose +2.2%, confirming the turning point identified in the third quarter of 2018.

Underlying operating expenses excluding the contribution to the SRF saw a modest increase of **+1.8%** compared to fourth quarter 2017, owing mainly to the change in the scope of consolidation of Crédit Agricole S.A. with the integration of the three Italian banks, and, with respect to the Regional Banks, to growth investments and “Macron grants”²³ (45 million euros, i.e. a total of 60 million euros for the whole Crédit Agricole Group). The **underlying cost/income ratio** stood at **67.5%**. Underlying **gross operating income** decreased by **-9.3%** compared to fourth quarter 2017.

The **cost of credit risk** rose sharply by +18.0% to 499 million euros versus 423 million euros in fourth quarter 2017. This rise is solely attributable to the Regional Banks, which had recorded write-backs of collective provisions in the third quarter of 2017 ahead of the transition to IFRS 9. However, at 14 basis points, the cost of risk relative to outstandings is very low for the Regional Banks. Crédit Agricole Group's **cost of credit risk relative to outstandings** remained low, at **18 basis points**²⁴, stable compared to fourth quarter 2017 and third quarter 2018. Crédit Agricole Group's NPL ratio is down -0.3 point at 2.4% compared to end December 2017 and the coverage ratio is up +4.8 points at 84.8%.

It should be noted that the group decided to recognise a non-specific legal provision of 75 million euros in 2018 (in the fourth quarter) versus 115 million euros in 2017.

Net income from asset disposals reached 48 million euros this quarter compared to just 8 million euros in fourth quarter 2017, mainly at LCL: +47 million euros from the disposal of two operating facilities.

Adding the contribution from equity-accounted entities, which increased by +13.1%/+9 million euros to 77 million euros, and despite the positive contribution from these three last items, **underlying pre-tax income fell by -14.6%** compared to fourth quarter 2017, to 2,175 million euros.

The drop in underlying tax charge (-41.4%) and the absence of contribution from discontinued operations (which was negative in fourth quarter 2017) moderated the downward trend of **underlying net income, which declined -3.9% to 1,626 million euros**.

²³ Extraordinary bonuses decided by the government that can be paid, subject to a fiscal cap, to employees of French companies and are exempt from tax and social security contributions for both the employee and the employer.

²⁴ Average cost of credit risk over the last four rolling quarters, annualised

The **Regional Banks** continue to pursue the universal customer-focused banking model. **Customer savings**, standing at 692 billion euros, rose **+2.7%** year on year. This growth was driven by the solid growth in **on-balance sheet deposits**: outstandings of 434 billion euros at the end of December 2018, **+5.0%** year-on-year. Growth continued to be driven by demand deposits (+8.6% year-on-year) and Livret A deposit accounts (+9.9%). **Off-balance sheet deposits** (258 billion euros) fell by just **-1.0%**, attributable to a difficult market environment in the fourth quarter which impacted the amount of securities held on behalf of customers (-8.2% versus December 2017). Life insurance assets under management rose +1.9%, driven by growth in multi-fund life insurance policies (+3 billion euros, +1.8%) and unit-linked contracts (share of unit-linked contracts in assets under management +6.1% compared to December 2017).

Loans outstanding rose by **+6.7%** versus 31 December 2017 to 487 billion euros. The growth of loans outstanding was underpinned by all credit categories: home loans (+7.8% versus 31 December 2017), loans to businesses (+10.4%) and consumer credit (+8.5%).

These improvements are associated with winning new customers, i.e. **more than 1.3 million net new customers relationship since the beginning of the year**, including BforBank. The launch of EKO in December 2017, an entry-level banking offer common across all Regional Banks, made it possible to attract new prospects (70% of the relationship input) and nearly 80,000 customers have opened an account since its launch, i.e. 8% of new accounts opened over the period, in line with the customer segment specifically targeted by the offer: 37% of the new relationships were formed online.

This commercial performance made a significant contribution to growth in Crédit Agricole S.A.'s business lines, which distribute a large number of products as the Group's main distribution network and the leading Retail Banking network in France.

For full-year 2018, the contribution to Crédit Agricole Group's **underlying net income** from the Regional banks came to **2,403 million euros**, a decrease of **-21.9%** compared to 2017. This drop is due to the fall in underlying revenues of -1.9%, primarily attributable to the lesser performance of investment portfolio income of the Regional banks and the low interest rate environment; their underlying revenues saw a more moderate decline of -0.9% compared to 2017. Operating expenses excl. SRF, climbed to +2.0% from +1.5%, mainly as the result of the "Macron grants" (45 million euros). This increase is attributable to growth investments. The underlying cost/income ratio excluding SRF came out at 66.3% for the period. Lastly, the cost of risk nearly tripled year-on-year, i.e. +416 million euros, reflecting substantial write-backs of collective provisions in 2017 in anticipation of the transition to IFRS9. The cost of risk relative to outstandings remains at a very low level, reflecting a stable non-performing loan ratio of 2% relative to total gross customer loans and a coverage ratio of 100%. Underlying income before tax declined by -19.2% to 3,688 million euros and underlying net income group share declined by -21.9%.

In fourth quarter 2018, the Regional Banks' contribution to **underlying net income was 537 million euros, down -29.7%** compared to fourth quarter 2017. This fall is attributable to the adverse market conditions that impacted underlying revenues, which fell -4.0% compared to fourth quarter 2017. However, customer business revenues rose +2.2%; the same base effect was seen on the cost of risk as the one for the whole year (substantial write-backs of collective provisions in 2017 linked to the transition to IFRS 9).

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

Over the quarter, Crédit Agricole Group further improved its financial solidity, with a **fully-loaded common equity Tier 1 (CET1) ratio²⁵ of 15.0%**, up by **+0.1 percentage point** compared to end-September 2018. This ratio provides a substantial buffer of 550 basis points above the SREP/P2R threshold applicable to Crédit Agricole Group as of 1 January 2019, set at 9.5% by the ECB.

²⁵ Including first-half 2018 retained earnings.

The **TLAC ratio** was **21.4%** at 31 December 2018, **excluding eligible senior preferred debt**, up slightly from end-September 2018 (21.2%) and up compared to end-December 2017 (20.6%). This ratio is 190 basis points above the minimum requirement excluding the countercyclical buffer for 2019 of 19.5%, without taking into account senior preferred debt that is eligible at 2.5% of risk-weighted assets based on the regulatory calculation. The TLAC ratio target of 22% by 2019, excluding eligible senior preferred debt, has been confirmed, with a CET1 ratio target of 15.5% to 16% and 6% to 6.5% for senior non-preferred debt, Tier 2 and additional Tier 1 instruments. The Group **issued the equivalent of 6.8 billion euros in Tier 2 and senior non-preferred debt** in 2018.

The **MREL ratio** was circa **12.4%** at 31 December 2018, of which **8.4% excluding eligible senior preferred debt**. Crédit Agricole Group was notified on 8 June 2018 of the immediately applicable minimum required level including eligible senior preferred debt. Crédit Agricole Group complied with this minimum level at 31 December 2018.

The **phased-in leverage ratio**²⁶ came to **5.4%**, **stable** compared to end-September 2018.

Crédit Agricole Group's **liquidity position** is solid. The Group's banking cash balance sheet, at 1 238 billion euros at 31 December 2018, shows a **surplus of stable funding resources over long-term applications of funds of more than of 100 billion euros**, which is the Medium-Term Plan target. The surplus of stable funds finances the HQLA (High Quality Liquid Assets) securities portfolio generated by the LCR (Liquidity Coverage Ratio) requirement for customers and customer-related activities. These securities (109 billion euros) cover short-term debt net from central banks deposits more than three times over. The **liquidity reserves**, which include capital gains and discounts on securities portfolios, stood at **272 billion euros** at 31 December 2018.

Crédit Agricole Group issuers **raised the equivalent of 34.1 billion euros of medium- and long-term debt** in 2018, versus just over 36.1 billion euros for the whole of 2017. Moreover, Crédit Agricole Group placed 4.4 billion euros in bonds with its retail banking networks (the Regional banks, LCL and CA Italia). **Crédit Agricole S.A.** raised a total of 14.1 billion euros in 2018, representing 41% of the total issuance of all the Group's issuers, thus **exceeding its issuance programme for 2018 by 2.1 billion euros**.

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Dominique Lefebvre, Chairman of SAS Rue La Boétie and Chairman of Crédit Agricole S.A.'s Board of Directors, commented on the Group's 2018 results and activity as follows:

"In 2018, Crédit Agricole Group continued to serve its clients, providing solutions to all on a day-to-day basis, in a spirit of inclusion and customer focus. With a growing number of new customers across all regions of operation, the group has shown that its range of products and services is in line with customer needs. In the face of a highly uncertain environment, the group demonstrated unwavering financial strength and high-quality results, which are the rewards of a strategy that has proven its relevance. This profitability and strength afford the group the opportunity to support all stakeholders. We are the leading provider of financing for the French economy, the number one provider of personal protection insurance in France and the largest asset manager in Europe. We support the economy, entrepreneurship and innovation, working closely with people, their projects and the regions where they work. We aim to promote inclusive finance through tailored, affordable solutions and services, and are committed to supporting the energy transition."

²⁶ The leverage ratio amounts to 5.6% subject to the issue by the ECB of an authorisation to exempt exposures linked to the centralisation of deposits with the Caisse des Dépôts et Consignations to take account of Judgement T-758/16 of the General Court of the European Union of 13 July 2018.

Corporate social and environmental responsibility

Crédit Agricole S.A. confirms its position as the leading arranger of green bonds

According to the Dealogic ranking, Crédit Agricole CIB confirmed its position as the world's leading bookrunner for green, social and sustainable bonds. In China, the bank has participated in 80% of issues of Chinese green bonds worldwide since January 2017. With a market share of 6.9% in 2018, Crédit Agricole CIB, committed for years to green financing, was once again recognised as the world leader. In 2019, CACIB will contribute to strengthening the growing trend of these instruments in combating climate change.

In addition, Crédit Agricole complemented its global leadership in green bonds in late 2018, with an initial issue of 1 billion euros to finance its energy transition commitments. This Crédit Agricole S.A. issue, structured by Crédit Agricole CIB, created a framework to allow the refinancing of projects supporting climate protection provided by all the entities of the Group who signed throughout France and its territories and worldwide.

Energy transition

Five years after the creation of FEIH (*Futures Energies Investissements Holding*), held 50/50 by Engie and Crédit Agricole Assurances tripled its original portfolio and reached 1.5 GW in solar and wind capacity in France. CAA is reinforcing its position in energy transition infrastructure, a sector in which it is the leading institutional investor in France.

Equal opportunity and the social integration of youth

As part of its social commitment, Crédit Agricole opens its doors to the students of the Educational Priority Network, ("REP+" or "REP") to allow them to find a high-quality internship. Jointly led by the Regional Banks, Crédit Agricole S.A. and the Fédération Nationale du Crédit Agricole, this effort is part of a strategy of social, financial and digital integration. Its aim is to welcome 750 students in their final year of middle school (aged 14) into the Educational Priority Network institutions. This represents 5% of the national effort by private sector companies urged by the Government. The first interns were welcomed to the Montrouge campus in January 2019 by the Crédit Agricole S.A. teams.

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

Table 5. Crédit Agricole S.A. – Specific items, Q4-18 et Q4-17, 2018 et 2017

€m	Q4-18		Q4-17		2018		2017	
	Gross impact *	Impact on NIGS	Gross impact *	Impact on NIGS	Gross impact *	Impact on NIGS	Gross impact*	Impact on NIGS
Issuer spreads (CC)	-	-	(95)	(62)	-	-	(216)	(131)
DVA (LC)	15	11	(5)	(4)	22	16	(66)	(42)
Loan portfolio hedges (LC)	17	12	(4)	(2)	23	17	(57)	(36)
Home Purchase Savings Plans (FRB)	1	1	2	1	(1)	(1)	65	40
Home Purchase Savings Plans (CC)	6	4	3	2	(3)	(2)	156	103
Liability management upfront payment (CC)	-	-	-	-	-	-	39	26
Check Image Exchange penalty(1)	-	-	(59)	(58)	-	-	(59)	(58)
Total impact on revenues	39	28	(158)	(123)	41	30	(138)	(100)
Pioneer integration costs (AG)	(27)	(14)	(77)	(32)	(56)	(29)	(135)	(60)
3 italian banks integration costs (IRB)	(11)	(6)	(41)	(22)	(2)	(1)	(41)	(22)
Total impact on operating expenses	(38)	(20)	(117)	(54)	(59)	(30)	(176)	(82)
ECB fine (CC)			-	-	(5)	(5)	-	-
Total impact Non-allocated legal risk provisions			-	-	(5)	(5)	-	-
Eurazeo sale (CC)	-	-	(4)	(4)	-	-	103	103
Disposal of BSF (LC)	-	-	(15)	(15)	-	-	102	99
FCA Bank fine (SFS)	(67)	(67)	-	-	(67)	(67)	-	-
Total impact on equity affiliates	(67)	(67)	(19)	(19)	(67)	(67)	205	203
Change of value of goodwill (CC)	-	-	186	91	86	66	186	91
Total impact on change of value of goodwill	-	-	186	91	86	66	186	91
Tax surcharge		-		(326)		-		(326)
3% dividend tax refund		-		69		-		69
Deferred tax revaluation		-		(128)		-		(128)
Total impact on tax		-		(384)		-		(384)
CA Italy acquisition costs (IRB)	-	-	(3)	(2)	-	-	(8)	(4)
Total impact on Net income on other assets	-	-	(3)	(2)	-	-	(8)	(4)
Total impact of specific items	(66)	(59)	(111)	(490)	(4)	(5)	70	(276)
Asset gathering	(27)	(14)	(77)	(147)	(56)	(29)	(135)	(176)
<i>French Retail banking</i>	<i>1</i>	<i>1</i>	<i>(19)</i>	<i>(118)</i>	<i>(1)</i>	<i>(1)</i>	<i>44</i>	<i>(79)</i>
<i>International Retail banking</i>	<i>(11)</i>	<i>(6)</i>	<i>(44)</i>	<i>(23)</i>	<i>(2)</i>	<i>(1)</i>	<i>(49)</i>	<i>(26)</i>
<i>Specialised financial services</i>	<i>(67)</i>	<i>(67)</i>	<i>-</i>	<i>43</i>	<i>(67)</i>	<i>(67)</i>	<i>-</i>	<i>43</i>
<i>Large customers</i>	<i>32</i>	<i>23</i>	<i>(24)</i>	<i>(108)</i>	<i>45</i>	<i>33</i>	<i>(21)</i>	<i>(67)</i>
<i>Corporate centre</i>	<i>6</i>	<i>4</i>	<i>51</i>	<i>(136)</i>	<i>78</i>	<i>59</i>	<i>231</i>	<i>28</i>

* Impacts avant impôts et avant intérêts minoritaires

Table 6. Crédit Agricole Group – Specific items, Q4-18 et Q4-17, 2018 et 2017

€m	Q4-18		Q4-17		2018		2017	
	Gross impact *	Impact on NIGS	Gross impact *	Impact on NIGS	Gross impact*	Impact on NIGS	Gross impact*	Impact on NIGS
Issuer spreads (CC)	-	-	(104)	(62)	-	-	(249)	(153)
DVA (LC)	15	11	(5)	(4)	22	16	(66)	(43)
Loan portfolio hedges (LC)	17	13	(4)	(2)	23	17	(57)	(37)
Home Purchase Savings Plans (LCL)	1	1	2	2	(1)	(1)	65	43
Home Purchase Savings Plans (CC)	6	4	3	2	(3)	(2)	156	103
Home Purchase Savings Plans (RB)	7	4	15	10	(15)	(10)	220	144
Adjustment on liability costs (RB)	-	-	-	-	-	-	(218)	(148)
Liability management upfront payment (CC)	-	-	-	-	-	-	39	26
Check Image Exchange penalty	-	-	(98)	(98)	-	-	(98)	(98)
Total impact in Revenues	46	33	(190)	(152)	26	21	(207)	(164)
Pioneer integration costs (AG)	(27)	(14)	(77)	(33)	(56)	(29)	(135)	(58)
3 italian banks integration costs (IRB)	(11)	(7)	(41)	(24)	(2)	(0)	(41)	(24)
Total impact on operating expenses	(38)	(21)	(117)	(57)	(59)	(29)	(176)	(83)
ECB fine (CC)	-	-	-	-	(5)	(5)	-	-
Total impact Non-allocated legal risk provisions	-	-	-	-	(5)	(5)	-	-
Eurazeo sale (CC)	-	-	(4)	(4)	-	-	103	103
Disposal of BSF (LC)	-	-	(15)	(15)	-	-	102	102
FCA Bank fine (SFS)	(67)	(67)	-	-	(67)	(67)	-	-
Total impact on equity affiliates	(67)	(67)	(19)	(19)	(67)	(67)	205	205
Change of value of goodwill (CC)	-	-	186	131	86	74	186	131
Total impact on change of value of goodwill	-	-	186	131	86	74	186	131
Tax surcharge	-	-	-	(343)	-	-	-	(343)
3% dividend tax refund	-	-	-	79	-	-	-	79
Deferred tax revaluation	-	-	-	(407)	-	-	-	(407)
Total impact on tax	-	-	-	(671)	-	-	-	(671)
CA Italy acquisition costs (IRB)	-	-	(3)	(2)	-	-	(11)	(6)
Total impact on Net income on other assets	-	-	(3)	(2)	-	-	(11)	(6)
Total impact of specific items	(59)	(55)	(143)	(770)	(19)	(5)	(2)	(587)
<i>Asset gathering</i>	<i>(27)</i>	<i>(14)</i>	<i>(77)</i>	<i>(153)</i>	<i>(56)</i>	<i>(29)</i>	<i>(135)</i>	<i>(178)</i>
<i>French Retail banking</i>	<i>8</i>	<i>5</i>	<i>(42)</i>	<i>(427)</i>	<i>(16)</i>	<i>(10)</i>	<i>8</i>	<i>(400)</i>
<i>International Retail banking</i>	<i>(11)</i>	<i>(7)</i>	<i>(44)</i>	<i>(26)</i>	<i>(2)</i>	<i>(0)</i>	<i>(51)</i>	<i>(30)</i>
<i>Specialised financial services</i>	<i>(67)</i>	<i>(67)</i>	<i>-</i>	<i>43</i>	<i>(67)</i>	<i>(67)</i>	<i>-</i>	<i>43</i>
<i>Large customers</i>	<i>32</i>	<i>24</i>	<i>(24)</i>	<i>(111)</i>	<i>45</i>	<i>34</i>	<i>(21)</i>	<i>(68)</i>
<i>Corporate centre</i>	<i>6</i>	<i>4</i>	<i>43</i>	<i>(95)</i>	<i>78</i>	<i>67</i>	<i>198</i>	<i>48</i>

* Impacts avant impôts et avant intérêts minoritaires

Appendix 2 – Crédit Agricole S.A.: Stated and underlying detailed income statement

€m	Q4-18 stated	Specific items	Q4-18 underlying	Q4-17 stated	Specific items	Q4-17 underlying	Var. Q4/Q4 stated	Var. Q4/Q4 underlying
Revenues	4,853	39	4,814	4,651	(158)	4,810	+4.3%	+0.1%
Operating expenses excl.SRF	(3,213)	(38)	(3,175)	(3,268)	(117)	(3,150)	(1.7%)	+0.8%
SRF	-	-	-	-	-	-	n.m.	n.m.
Gross operating income	1,641	1	1,640	1,384	(275)	1,659	+18.6%	(1.2%)
Cost of risk	(246)	-	(246)	(335)	-	(335)	(26.6%)	(26.6%)
Cost of legal risk	(75)	-	(75)	-	-	-	n.m.	n.m.
Equity-accounted entities	7	(67)	74	50	(19)	69	(85.3%)	+7.2%
Net income on other assets	56	-	56	13	(3)	16	x 4.2	x 3.4
Change in value of goodwill	-	-	-	186	186	0	(100.0%)	(100.0%)
Income before tax	1,383	(66)	1,450	1,299	(111)	1,410	+6.5%	+2.8%
Tax	(222)	(1)	(221)	(703)	(316)	(387)	(68.4%)	(42.9%)
Net income from discount'd or held-for-sale ope.	(0)	-	(0)	(23)	-	(23)	n.m.	n.m.
Net income	1,161	(67)	1,229	573	(427)	1,000	x 2	+22.9%
Non-controlling interests	(154)	8	(162)	(186)	(64)	(123)	(17.4%)	+31.9%
Net income Group Share	1,008	(59)	1,067	387	(490)	878	x 2.6	+21.6%
Earnings per share (€)	0.31	(0.02)	0.33	0.09	(0.17)	0.26	x 3.3	+24.2%
Cost/Income ratio excl.SRF (%)	66.2%		65.9%	70.2%		65.5%	-4.1 pp	+0.4 pp

Table 8. Crédit Agricole S.A. – From stated to underlying results, 2018 and 2017

€m	2018 stated	Specific items	2018 underlying	2017 stated	Specific items	2017 underlying	Var. 2018/2017 stated	Var. 2018/2017 underlying
Revenues	19,736	41	19,694	18,634	(138)	18,772	+5.9%	+4.9%
Operating expenses excl.SRF	(12,287)	(59)	(12,228)	(11,961)	(176)	(11,785)	+2.7%	+3.8%
SRF	(301)	-	(301)	(242)	-	(242)	+24.5%	+24.5%
Gross operating income	7,147	(18)	7,165	6,431	(314)	6,745	+11.1%	+6.2%
Cost of risk	(1,002)	-	(1,002)	(1,307)	-	(1,307)	(23.4%)	(23.4%)
Cost of legal risk	(80)	(5)	(75)	(115)	-	(115)	(30.8%)	(34.8%)
Equity-accounted entities	256	(67)	323	728	205	523	(64.9%)	(38.3%)
Net income on other assets	89	-	89	6	(8)	14	x 15.5	x 6.5
Change in value of goodwill	86	86	-	186	186	0	(54.1%)	(100.0%)
Income before tax	6,496	(4)	6,500	5,929	70	5,859	+9.6%	+10.9%
Tax	(1,466)	5	(1,471)	(1,733)	(300)	(1,433)	(15.4%)	+2.7%
Net income from discount'd or held-for-sale ope.	(3)	-	(3)	20	-	20	ns	ns
Net income	5,027	2	5,026	4,216	(230)	4,447	+19.2%	+13.0%
Non-controlling interests	(627)	(7)	(620)	(568)	(46)	(521)	+10.5%	+18.9%
Net income Group Share	4,400	(5)	4,405	3,649	(276)	3,925	+20.6%	+12.2%
Earnings per share (€)	1.39	(0.00)	1.39	1.12	(0.10)	1.22	+23.4%	+13.8%
Cost/Income ratio excl.SRF (%)	62.3%		62.1%	64.2%		62.8%	-1.9 pp	-0.7 pp

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

Table 9. Crédit Agricole S.A. – Results by business lines, Q4-18 and Q4-17

T4-18 (stated)							
€m	AG	FRB (LCL)	IRB	SFS	LC	CC	Total
Revenues	1,470	842	704	690	1,210	(63)	4,853
Operating expenses excl. SRF	(724)	(597)	(467)	(356)	(813)	(256)	(3,213)
SRF	-	-	-	-	-	-	-
Gross operating income	746	245	237	335	397	(319)	1,641
Cost of risk	(22)	(63)	(84)	(99)	26	(5)	(246)
Cost of legal risk	-	-	-	-	-	(75)	(75)
Equity-accounted entities	10	-	-	(2)	(1)	1	7
Net income on other assets	(1)	47	14	(0)	(0)	(3)	56
Change in value of goodwill	-	-	-	-	-	-	-
Income before tax	733	230	167	233	422	(401)	1,383
Tax	(176)	(87)	(39)	(40)	(79)	199	(222)
Net income from discontinued or held-for-sale operations	(0)	-	-	-	-	-	(0)
Net income	558	142	127	194	343	(202)	1,161
Non-controlling interests	(60)	(6)	(32)	(40)	(6)	(10)	(154)
Net income Group Share	498	136	96	154	337	(213)	1,008
T4-17 (stated)							
€m	AG	FRB (LCL)	IRB	SFS	LC	CC	Total
Revenues	1,560	827	617	671	1,305	(329)	4,651
Operating expenses excl. SRF	(830)	(613)	(449)	(372)	(816)	(188)	(3,268)
SRF	-	-	-	-	-	-	-
Gross operating income	730	215	168	299	489	(517)	1,384
Cost of risk	(24)	(55)	(104)	(102)	(37)	(13)	(335)
Cost of legal risk	-	-	-	-	-	-	-
Equity-accounted entities	9	-	-	58	(15)	(1)	50
Net income on other assets	4	6	(4)	(0)	10	(3)	13
Change in value of goodwill	-	-	0	-	-	186	186
Income before tax	719	165	60	255	447	(347)	1,299
Tax	(242)	(144)	(19)	(25)	(263)	(9)	(703)
Net income from discontinued or held-for-sale operations	(8)	-	(0)	(15)	-	-	(23)
Net income	468	21	41	216	184	(356)	573
Non-controlling interests	(67)	(1)	(12)	(30)	(9)	(67)	(186)
Net income Group Share	401	20	28	186	174	(423)	387

Table 10. Crédit Agricole S.A. – Results by business lines, 2018 and 2017

€m	AG	FRB (LCL)	IRB	SFS	LC	CC	Total
Revenues	5,778	3,433	2,732	2,769	5,368	(344)	19,736
Operating expenses excl. SRF	(2,833)	(2,363)	(1,716)	(1,363)	(3,169)	(842)	(12,287)
SRF	(3)	(28)	(22)	(17)	(170)	(62)	(301)
Gross operating income	2,941	1,043	994	1,389	2,030	(1,249)	7,147
Cost of risk	(17)	(220)	(358)	(467)	64	(5)	(1,002)
Cost of legal risk	-	-	-	-	-	(80)	(80)
Equity-accounted entities	47	-	-	187	0	21	256
Net income on other assets	(3)	50	14	1	14	13	89
Change in value of goodwill	-	-	-	-	-	86	86
Income before tax	2,969	873	650	1,110	2,108	(1,213)	6,496
Tax	(774)	(288)	(185)	(244)	(550)	576	(1,466)
Net income from discontinued or held-for-sale operations	(1)	(1)	-	(0)	-	-	(3)
Net income	2,193	584	465	866	1,557	(638)	5,027
Non-controlling interests	(285)	(26)	(124)	(128)	(30)	(35)	(627)
Net income Group Share	1,908	558	341	738	1,528	(672)	4,400
2017 (stated)							
€m	AG	FRB (LCL)	IRB	SFS	LC	CC	Total
Revenues	5,263	3,492	2,482	2,721	5,332	(656)	18,634
Operating expenses excl. SRF	(2,706)	(2,427)	(1,547)	(1,393)	(3,099)	(789)	(11,961)
SRF	(3)	(15)	(10)	(14)	(139)	(61)	(242)
Gross operating income	2,555	1,050	924	1,314	2,094	(1,505)	6,431
Cost of risk	(25)	(204)	(429)	(440)	(203)	(6)	(1,307)
Cost of legal risk	-	-	-	-	(115)	-	(115)
Net income on other assets	33	-	-	241	277	177	728
	4	6	(12)	(1)	13	(4)	6
Change in value of goodwill	-	-	0	-	-	186	186
Income before tax	2,567	851	483	1,114	2,065	(1,152)	5,929
Tax	(647)	(338)	(152)	(230)	(710)	344	(1,733)
Net income from discontinued or held-for-sale operations	21	-	0	(1)	-	-	20
Net income	1,942	513	331	883	1,355	(808)	4,216
Non-controlling interests	(222)	(25)	(97)	(118)	(48)	(58)	(568)
Net income Group Share	1,720	488	234	766	1,307	(865)	3,649

Appendix 4 – Crédit Agricole Group: Stated and underlying detailed income statement

€m	Q4-18 stated	Specific items	Q4-18 underlying	Q4-17 stated	Specific items	Q4-17 underlying	Var. Q4/Q4 stated	Var. Q4/Q4 underlying
Revenues	8,110	46	8,064	8,045	(190)	8,235	+0.8%	(2.1%)
Operating expenses excl.SRF	(5,478)	(38)	(5,440)	(5,459)	(117)	(5,342)	+0.3%	+1.8%
SRF	-	-	-	-	-	-	n.m.	n.m.
Gross operating income	2,632	8	2,624	2,586	(307)	2,893	+1.8%	(9.3%)
Cost of risk	(499)	-	(499)	(423)	-	(423)	+18.0%	+18.0%
Cost of legal risk	(75)	-	(75)	-	-	-	n.m.	n.m.
Equity-accounted entities	10	(67)	77	49	(19)	68	(78.9%)	+13.1%
Net income on other assets	48	-	48	5	(3)	8	x 8.9	x 5.7
Change in value of goodwill	-	-	-	186	186	0	(100.0%)	(100.0%)
Income before tax	2,116	(59)	2,175	2,404	(143)	2,547	(12.0%)	(14.6%)
Tax	(416)	(3)	(412)	(1,294)	(591)	(704)	(67.9%)	(41.4%)
Net income from discount'd or held-for-sale ope.	(0)	-	(0)	(23)	-	(23)	(99.9%)	(99.9%)
Net income	1,700	(63)	1,763	1,087	(734)	1,821	+56.4%	(3.2%)
Non-controlling interests	(130)	8	(137)	(165)	(36)	(129)	(21.4%)	+6.4%
Net income Group Share	1,571	(55)	1,626	922	(770)	1,692	+70.3%	(3.9%)
Cost/Income ratio excl.SRF (%)	67.5%		67.5%	67.9%		64.9%	-0.3 pp	+2.6 pp

Table 12. Crédit Agricole Group - Stated and underlying results, 2018 and 2017

€m	2018 stated	Specific items	2018 underlying	2017 stated	Specific items	2017 underlying	Var. 2018/2017 stated	Var. 2018/2017 underlying
Revenues	32,839	26	32,813	32,108	(207)	32,315	+2.3%	+1.5%
Operating expenses excl.SRF	(21,065)	(59)	(21,006)	(20,626)	(176)	(20,450)	+2.1%	+2.7%
SRF	(389)	-	(389)	(285)	-	(285)	+36.2%	+36.2%
Gross operating income	11,385	(32)	11,418	11,197	(383)	11,580	+1.7%	(1.4%)
Cost of risk	(1,640)	-	(1,640)	(1,536)	-	(1,536)	+6.8%	+6.8%
Cost of legal risk	(80)	(5)	(75)	(115)	-	(115)	(30.8%)	(34.8%)
Equity-accounted entities	266	(67)	333	732	205	527	(63.7%)	(36.9%)
Net income on other assets	87	-	87	5	(11)	16	x 17.2	x 5.6
Change in value of goodwill	86	86	-	186	186	0	(54.1%)	(100.0%)
Income before tax	10,105	(19)	10,123	10,470	(2)	10,472	(3.5%)	(3.3%)
Tax	(2,733)	10	(2,743)	(3,479)	(567)	(2,912)	(21.5%)	(5.8%)
Net income from discount'd or held-for-sale ope.	(3)	-	(3)	20	-	20	n.m.	n.m.
Net income	7,369	(8)	7,377	7,010	(569)	7,580	+5.1%	(2.7%)
Non-controlling interests	(525)	3	(527)	(474)	(18)	(457)	+10.6%	+15.5%
Net income Group Share	6,844	(5)	6,849	6,536	(587)	7,123	+4.7%	(3.8%)
Cost/Income ratio excl.SRF (%)	64.1%		64.0%	64.2%		63.3%	-0.1 pp	+0.7 pp

Appendix 5 – Crédit Agricole Group: Results by business line

Table 13. Crédit Agricole Group – Results by business line, Q4-18 and Q4-17

€m	Q4-18 (stated)							
	RB	LCL	IRB	AG	SFS	LC	CC	Total
Revenues	3,235	841	730	1,469	690	1,210	(66)	8,110
Operating expenses excl. SRF	(2,236)	(597)	(488)	(724)	(356)	(813)	(266)	(5,478)
SRF	-	-	-	-	-	-	-	-
Gross operating income	1,000	244	243	745	335	397	(331)	2,632
Cost of risk	(250)	(63)	(84)	(22)	(99)	26	(8)	(499)
Cost of legal risk	-	-	-	-	-	-	(75)	(75)
Equity-accounted entities	4	-	-	10	(2)	(1)	-	10
Net income on other assets	(9)	47	14	(1)	(0)	(0)	(3)	48
Change in value of goodwill	-	-	-	-	-	-	-	-
Income before tax	745	229	173	732	233	422	(418)	2,116
Tax	(204)	(87)	(41)	(175)	(40)	(79)	210	(416)
Net income from discount'd or held-for-sale ope.	-	-	-	(0)	-	-	-	(0)
Net income	541	142	132	557	194	343	(208)	1,700
Non-controlling interests	0	0	(26)	(57)	(40)	1	(8)	(130)
Net income Group Share	541	142	106	500	154	344	(216)	1,571

€m	Q4-17 (stated)							
	RB	LCL	IRB	AG	SFS	LC	CC	Total
Revenues	3,341	827	1,560	647	671	1,302	(303)	8,045
Operating expenses excl. SRF	(2,153)	(613)	(830)	(470)	(372)	(816)	(206)	(5,459)
SRF	-	-	-	-	-	-	-	-
Gross operating income	1,188	215	730	177	299	486	(509)	2,586
Cost of risk	(86)	(55)	(24)	(104)	(102)	(37)	(14)	(423)
Cost of legal risk	-	-	-	-	-	-	-	-
Equity-accounted entities	2	-	9	-	58	(15)	(4)	49
Net income on other assets	(8)	6	4	(4)	(0)	10	(2)	5
Change in value of goodwill	-	-	-	0	-	-	186	186
Income before tax	1,095	165	719	69	255	444	(343)	2,404
Tax	(635)	(145)	(242)	(21)	(25)	(262)	36	(1,294)
Net income from discount'd or held-for-sale ope.	-	-	(8)	(0)	(15)	-	-	(23)
Net income	460	20	468	48	216	182	(307)	1,087
Non-controlling interests	0	(0)	(63)	(12)	(30)	(6)	(54)	(165)
Net income Group Share	460	20	405	36	186	176	(361)	922

Table 14. Crédit Agricole Group – Results by business lines, 2018 and 2017

€m	2018 (stated)							
	RB	LCL	IRB	AG	SFS	LC	CC	Total
Revenues	13,040	3,433	2,835	5,770	2,769	5,370	(377)	32,839
Operating expenses excl. SRF	(8,657)	(2,363)	(1,790)	(2,833)	(1,363)	(3,169)	(890)	(21,065)
SRF	(87)	(28)	(22)	(3)	(17)	(170)	(62)	(389)
Gross operating income	4,296	1,042	1,023	2,934	1,389	2,031	(1,329)	11,385
Cost of risk	(634)	(220)	(359)	(17)	(467)	64	(8)	(1,640)
Cost of legal risk	-	-	-	-	-	-	(80)	(80)
Equity-accounted entities	12	-	-	47	187	0	19	266
Net income on other assets	(1)	50	14	(3)	1	14	13	87
Change in value of goodwill	-	-	-	-	-	-	86	86
Income before tax	3,673	872	678	2,961	1,110	2,109	(1,299)	10,105
Tax	(1,280)	(288)	(191)	(773)	(244)	(551)	594	(2,733)
Net income from discontinued or held-for-sale operations	-	(1)	-	(1)	(0)	-	-	(3)
Net income	2,393	583	487	2,186	866	1,559	(705)	7,369
Non-controlling interests	(0)	0	(101)	(271)	(128)	2	(27)	(525)
Net income Group Share	2,393	583	386	1,916	738	1,560	(732)	6,844

€m	2017 (stated)							
	RB	LCL	IRB	AG	SFS	LC	CC	Total
Revenues	13,277	3,491	5,255	2,594	2,721	5,328	(558)	32,108
Operating expenses excl. SRF	(8,487)	(2,427)	(2,706)	(1,624)	(1,393)	(3,099)	(890)	(20,626)
SRF	(43)	(15)	(3)	(10)	(14)	(139)	(61)	(285)
Gross operating income	4,746	1,049	2,546	960	1,314	2,089	(1,509)	11,197
Cost of risk	(218)	(204)	(25)	(433)	(440)	(203)	(12)	(1,536)
Cost of legal risk	-	-	-	-	-	(115)	-	(115)
Equity-accounted entities	6	-	33	-	241	277	175	732
Net income on other assets	(5)	6	4	(7)	(1)	13	(4)	5
Change in value of goodwill	-	-	-	0	-	-	186	186
Income before tax	4,529	851	2,559	520	1,114	2,060	(1,164)	10,470
Tax	(1,772)	(338)	(647)	(159)	(230)	(709)	375	(3,479)
Net income from discontinued or held-for-sale operations	-	-	21	0	(1)	-	-	20
Net income	2,758	513	1,933	361	883	1,352	(788)	7,010
Non-controlling interests	(0)	(0)	(209)	(80)	(118)	(21)	(47)	(474)
Net income Group Share	2,757	513	1,724	281	766	1,331	(835)	6,536

Appendix 6 – Method used to calculate earnings per share, net assets per share and ROTE

Table 15. Crédit Agricole S.A. – data per share, net book value per share and ROTE

(€m)		Q4-18	Q4-17	Var. Q4/Q4	Var. 2018/2017
Net income Group share - stated		1,008	387	x 2.6	+20.6%
- Interests on AT1, including issuance costs, before tax		(127)	(125)	+1.2%	-2.5%
NIGS attributable to ordinary shares - stated	[A]	881	262	x 3.4	+23.9%
Average number shares in issue, excluding treasury shares (m)	[B]	2,863.0	2,844.0	+0.7%	+0.4%
Net earnings per share - stated	[A]/[B]	0.31 €	0.09 €	x 3.3	+23.4%
Underlying net income Group share (NIGS)		1,067	878	+21.6%	+12.2%
Underlying NIGS attributable to ordinary shares	[C]	940	752	+25.0%	+14.2%
Net earnings per share - underlying	[C]/[B]	0.33 €	0.26 €	+24.2%	+13.8%

(€m)		31/12/2018	01/01/2018
Shareholder's equity Group share		58,811	57,135
- AT1 issuances		(5,011)	(4,999)
- Unrealised gains and losses on OCI - Group share		(1,696)	(2,709)
- Payout assumption on annual results*		(1,975)	(1,802)
Net book value (NBV), not revaluated, attributable to ordin. sh.	[D]	50,129	47,625
- Goodwill & intangibles** - Group share		(17,843)	(17,672)
Tangible NBV (TNBV), not revaluated attrib. to ordinary sh.	[E]	32,286	29,954
Total shares in issue, excluding treasury shares (period end, m)	[F]	2,862.1	2,844.0
NBV per share , after deduction of dividend to pay (€)	[D]/[F]	17.5 €	16.7 €
+ Dividend to pay (€)	[H]	0.69 €	0.63 €
NBV per share , before deduction of dividend to pay (€)		18.2 €	17.4 €
TNBV per share, after deduction of dividend to pay (€)	[G]=[E]/[F]	11.3 €	10.5 €
TNBV per sh., before deduct. of divid. to pay (€)	[G]+[H]	12.0 €	11.2 €

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

(€m)		2018	2017
Net income Group share attributable to ordinary shares	[H]	3,957	3,194
Tangible NBV (TNBV), not revaluated attrib. to ord. sh. - avg***	[J]	31,120	31,182
Stated ROTE (%)	[H]/[J]	12.7%	10.2%
Underlying Net income attrib. to ord. shares (annualised)	[I]	3,962	3,471
Underlying ROTE (%)	[I]/[J]	12.7%	11.1%

*** including assumption of dividend for the current exercise

Disclaimer

The financial information for the fourth quarter and full-year 2018 for Crédit Agricole S.A. and the Crédit Agricole Group comprises this quarterly financial report, and the attached presentation and press release, available at <https://www.credit-agricole.com/finance/finance/publications-financieres>.

This report may include prospective information on the Group, supplied as information on trends. This data does not represent forecasts within the meaning of European Regulation 809/2004 of 29 April 2004 (chapter 1, article 2, §10).

This information was developed from scenarios based on a number of economic assumptions for a given competitive and regulatory environment. Therefore, these assumptions are by nature subject to random factors that could cause actual results to differ from projections.

Likewise, the financial statements are based on estimates, particularly in calculating market value and asset impairment.

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

Applicable standards and comparability

The figures presented for the six-month period ending 30 June 2018 have been prepared in accordance with IFRS as adopted in the European Union and applicable at that date, and with prudential regulations currently in force. This financial information does not constitute a set of financial statements for an interim period as defined by IAS 34 "Interim Financial Reporting" and has not been audited.

Note: The scopes of consolidation of the Crédit Agricole S.A. and Crédit Agricole groups have not changed materially since the registration with the AMF, the French market watchdog, of the 2017 Registration Document including all regulatory information about Crédit Agricole Group.

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

The income statements contained in this report show non-controlling interests with a minus sign such that the line item "net income" is the mathematical addition of the line item "net income" and the line item "non-controlling interests".

On 1 January 2017, Calit was transferred from Specialised Financial Services (Crédit Agricole Leasing & Factoring) to Retail Banking in Italy. Historical data have not been restated on a proforma basis.

Since 3 July 2017, Pioneer has been included in the scope of consolidation of Crédit Agricole Group as a subsidiary of Amundi. Historical data have not been restated on a proforma basis.

Since 26 September 2017, Banque Saudi Fransi has been excluded from the scope of consolidation of Crédit Agricole Group further to the disposal of a majority of the holding (16.2% out of the 31.1% held prior to disposal). This subsidiary was consolidated using the equity method. Historical data have not been restated on a proforma basis.

Since 21 December 2017, Cassa di Risparmio (CR) di Cesena, CR di Rimini and CR di San Miniato have been included in the scope of consolidation of Crédit Agricole Group as subsidiaries of Crédit Agricole Italy. Historical data have not been restated on a proforma basis.

Since 26 December 2017, Crédit Agricole S.A.'s stake in CACEIS has increased from 85% to 100%, further to the acquisition of the 15% stake in the company held by Natixis before that date.

Since 3 May 2018, Banca Leonardo has been included in the scope of consolidation of Crédit Agricole Group as a subsidiary of Indosuez Wealth Management. Historical data have not been restated on a proforma basis.

The costs related to the integration of Pioneer Investments in the first and third quarters of 2017 have been restated in specific items, unlike the treatment applied previously in both publications. Underlying net income has been adjusted for both quarters.

Financial calendar

- 15 May 2019 Publication of first-quarter 2019 results
- 21 May 2019 Shareholders' meeting in Metz
- 6 June 2019 New MTP presentation in Montrouge
- 2 August 2019 Publication of second quarter and first-half 2019 results
- 8 November 2019 Publication of third-quarter 2019 results

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