CRÉDIT AGRICOLE S.A.

PRESS RELEASE

Results for the second quarter and first half of 2020 Montrouge, 6 August 2020

A V-shaped recovery for Crédit Agricole Group

Crédit Agricole Group*

Underlying revenues[1]	Underlying GOI[1]	Underlying net income[1]	CET1 ratio CET1
Q2: €8,536m	**Q2: €3,398m**	**Q2: €1,785m**	**16.1%**
stable Q2/Q2	+5,4% Q2/Q2	-3,3% Q2/Q2	+0.6pp June/March, +7.2pp above SREP[2]
H1: 16,914m	**H1: €5,843m**	**H1: €2,767m**	
+0,3% H1/H1	**stable H1/H1**	**-15,7% H1/H1**	

- **Q2 stated net income Group share: €1,483m** (-18.2% Q2/Q2), **H1: €2,391m** (-24.4% H1/H1); Q2 stated revenues: €8,096m (-4.6% Q2/Q2); H1: €16,462m (-1.3% H1/H1)
- **Strong recovery in Group business activity thanks to the Universal Customer-focused Banking model**: 685,000 new retail banking customers in H1-20, net promoter score up (+7 pts vs. 2019 in Regional Banks and LCL); growth in outstanding loans excluding State guaranteed loans (+5.9% June/June), accelerated roll-out of the three pillars of the Group project, especially in green finance.
- **One of the best levels of loan-loss reserves in Europe. Stable NPL ratio (2.4%), increase in coverage ratio (84.5% +0.2pp vs. March 2020)**; loan loss reserves of €20.1bn; **increase in provisioning (to €1,208m, x2 Q2/Q2)**, (70% of the increase related to provisioning on performing loans of €424m in Q2). Annualised cost of risk/outstandings in H1 45bp;
- **Very strong level of solvency, CET1 at 16.1%, 2022 MTP target already reached** (buffer above SREP: 7.2pp)
- **Excellent results for the Regional Banks**: Underlying net income €663m (+17.9% Q2/Q2). Underlying revenues up: +1.2% Q2/Q2, underlying costs excluding SRF down: -8.9% Q2/Q2; stable NPL ratio (1.8%), high coverage ratio (99.7%), increase in provisioning (+24.9% Q2/Q2)

** Crédit Agricole S.A. and 100% of Regional Banks*

Crédit Agricole S.A.

Underlying revenues[1]	Underlying GOI[1]	Underlying net income[1]	CET1 ratio
Q2: €5,185m	**Q2: €2,130m**	**Q2: €1,107m**	**12.0%**
+0.1% Q2/Q2	-0.5% Q2/Q2	-10.9% Q2/Q2	+0.6pp June/March, +4.1pp above the SREP[3]
H1: €10,322m	**H1: €3,713m**	**H1: €1,758m**	
+2.4% H1/H1	**+2.9% H1/H1**	-13.7% H1/H1	

- **Stated result**: €954m (-21.9% Q2/Q2); stated revenues: €4,897m (-4.9% Q2/Q2), stated GOI: €1,838m (-12.9% Q2/Q2)
- **GOI up in the first half**: €2.1bn Q2-20 -0.5% Q2/Q2; €3.7bn H1-20 +2.9% H1/H1; improvement in Q2 of the cost/income ratio of 1.2pp thanks to stable revenues (+0.1%) and lower expenses (-1.9%);
- **Increase in provisioning (€908m, x2.5 Q2/Q2),** of which €236m in provisioning on performing loans (48% of the increase). Annualised cost of risk/outstandings in H1 74bp; stable NPL ratio (3.2%), increase in coverage ratio (73.4% +0.9 pp vs. Mar. 20); loan loss reserves: €10.1bn.
- **CET1 ratio up sharply (+0.6pp) to 12.0%,** incorporating ECB regulatory adjustment measures (Quick Fix for +41bp) and the impact of the market upturn in the quarter on unrealised gains and/or losses on securities portfolios (+19bp)**.** Provision for Q2 dividends of €0.15 per share. **Buffer above SREP requirements: 4.1pp at 30 June, +0.6pp vs. March**
- Underlying earnings per share: Q2-20: €0.36, -10.1% Q2/Q2; H1-20; €0.53, -15.5% H1/H1.
- **Annualised H1 underlying RoTE 8.5%**
- **Liquidity indicators up (€405bn in reserves at 30/06/2020, an increase of €67bn vs. 31/03/2020).**
- **Activation of the Switch mechanism** due to market tensions during H1, stated cost of risk impact of €65m.

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 55.9% of Crédit Agricole S.A. Please see p. 32 onwards of this press release for details of specific items, which are restated in the various indicators to calculate underlying income. A reconciliation between the stated income statement and the underlying income statement can be found on p. 4 for Crédit Agricole Group and on p. 9 for Crédit Agricole S.A.

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[1] Underlying, excluding specific items. See p.32 and onwards for more details on specific items.
[2] Based on SREP requirement of 8.9%
[3] Based on SREP requirement of 7.9%

Crédit Agricole Group

Largest bank in France, the Group is massively committed to supporting the economy

The crisis has brought the Group even closer to its customers. Substantial support measures were introduced to **stay in contact with them**. 9 out of 10 branches and advisers throughout the Group's retail banking network could be contacted during the lockdown period, either in person or remotely. At CA Italia, there was a significant increase in remote interactions, with +30% of customers active online. For the Regional Banks, the growth rate for digital customers was up +0.8 of a percentage point.

The Group's strong efforts throughout this challenging period are also reflected in its **support for its hardest-hit customers.** The Group has been aligned from the outset with government strategies, with targeted measures for each customer category, and therefore continues to meet its customers' needs. On 6 March, Crédit Agricole Group granted a **six-month moratorium** on loan repayments for corporate, SME and small business customers impacted by COVID-19. As at 17 July 2020, a total of 552,000 moratoria was granted in French retail banking for a total amount of €4.2 billion in extended maturities (of which, 83% for SMEs, small businesses, and Corporates, 71% at the Regional Banks and 29% at LCL). The French government also announced the introduction on 25 March of **State guaranteed loans** (*Prêts Garantis par l'Etat*) to meet the cash flow requirements of businesses impacted by the coronavirus crisis. By virtue of its strong regional presence and universality, the Group supports all businesses, from the smallest company to the largest corporation, and to date has received 23.7% of all State guaranteed loan requests. As at 24 July 2020, a total of 179,500 applications had been received by the Group for an amount of €28.7 billion (of which 62% for Regional Banks, 30% for LCL and 8% for Crédit Agricole Corporate and Investment Bank). The Group has provided **specific support to its SME and small business customers insured against business interruption**, with mutualistic support totalling €239 million. Lastly, €2 billion of **moratoria and State Guaranteed loans have been provided** to CA Italia's customers.

Being available and **receptive to its most disadvantaged customers has been a key priority** for the Group in recent months, as the number of customers in a vulnerable situation rose significantly. The Group has responded by offering exemptions from penalty and overdraft facilities for SMEs and small businesses at the Regional Banks and LCL.

In the current context, **the Group Project is more than ever proving its relevance.** With regards to the **Customer Project**, the intensification of the relationship with customers has been reflected in their feedback and the Group is seeing an increase in its NPS[4] (Net Promoter Score) across all networks in 2020: +8 points for the Regional Banks (+7 points vs. 2019), +2 points for LCL (+7 points vs. 2019) and improvement of customer satisfaction for CA Italia. The Group is also continuing to steer its distribution and relationship model towards greater digitisation. Examples of this during the quarter include the increase in the contactless payment limit from €30 to €50 rolled out in six weeks, electronic signature of State guaranteed loan applications for SME and small business customers in Retail banking, paperless property and casualty insurance claims, and automatic processing of moratoria applications at CAL&F. The **Human Project** has been further strengthened, first and foremost by the total commitment of all employees to support customers, whether or not they have contact with them. Exceptional delegations have been set up in branches, illustrating the Group's sense of local responsibility. During the crisis, customers have demonstrated a greater appetite for ESG offerings, which has made the Group even more determined to step up its community involvement through the **Societal Project**. At end-June, it introduced a non-financial reporting platform at Group level to meet the challenges of implementing and managing the Group's societal targets. The approaches of the Crédit Agricole S.A. sub-divisions are also aligned with the Group's community involvement, which has led to the launch of the first global equity fund focused on reducing inequalities for Amundi and the first complete range of asset investments in the fight against global

[4] National Net Promoter Score for individuals in 2020: difference between promoters and detractors

warming for LCL. Crédit Agricole Corporate and Investment Bank, meanwhile, ranks Number 1 globally for social and green bonds. The Group is also very focused on diversity and youth employment and is determined to achieve its targets in these areas. Specifically, it has pledged to employ 4,000 work/study employees in 2020 (which places it in the Top 2 of the Figaro/Cadremploi ranking) and is making good process in the SBF 120's ranking of women in decision-making bodies, moving up 46 places in 2020 to rank in the Top 50. All of this attests to the **accelerated roll-out of the Group Project's three Pillars.**

The Group's commercial activity in the quarter was good, but especially buoyant at the end of the period. AuMs were up from second quarter 2019 (+7.1%), as were those of life insurance (+1.6%) with a rise in the percentage of unit-linked assets (+0.5 percentage point between June 2019 and June 2020 to 22.7%). In the retail banking networks in France and Italy, growth in outstandings remained strong. Loans outstanding amounted to €726.9 billion (€681.8 billion in France and €44.2 billion in Italy; €708.4 billion excluding State guaranteed loans), up +8.7% from second quarter 2019 (+9% in France and +4.9% in Italy), and up +5.9% excluding State guaranteed loans. On-balance sheet deposits stood at €671.8 billion, up +11% from second quarter 2019, while off-balance sheet deposits remained stable (+0.1% at €382.8 billion). Gross customer capture was particularly solid (+685,000 customers in 2020, of which 630,000 in France and 55,000 in Italy), with a sharp acceleration in June (+150,000 customers, +2.4% June/June). Against this backdrop, the customer base continued to grow significantly (+38,000 additional customers in 2020, of which 36,500 in France and 1,500 in Italy, +4.4% June/June). Consolidated consumer finance loans were stable (+0.2%), with sales regaining momentum in June (+170% between April and June 2020). Lastly, business in the Large Customers business line was extremely buoyant, especially in capital markets (revenues up +44% from second quarter 2019), with all sub-divisions making a strong contribution. Financing activities also posted good revenue growth (+6%) due to its ability to mobilise the full range of financing solutions for customers.

Group results

In the second quarter of 2020, Crédit Agricole Group's **stated net income Group share** amounted to **€1,483 million**, versus €1,813 million in second quarter 2019. The **specific items** recorded in the quarter generated a **net negative impact of -€302 million on net income Group share**.

Specific items, this quarter (-€302 million on net income Group share), included the impact of the cooperative support given to SME and small business customers with business interruption insurance amounting to -€94 million in Regional Bank revenues, -€2 million in LCL revenues and -€143 million in insurance revenues (impact on net income Group share of -€64 million, -€1 million and -€97 million respectively), as well as the impact of the cash adjustment on the Liability Management transaction carried out by Crédit Agricole S.A. at the beginning of June 2020 (-€41 million in revenues and -€28 million in net income Group share). The recurring accounting volatility items are to be added with a net negative impact of -€160 million in revenues and -€109 million in net income Group share, namely DVA (Debt Valuation Adjustment, i.e. gains and losses on financial instruments related to changes in the Group's issuer spread), in addition to which the Funding Valuation Adjustment (FVA) portion associated with the change in the issuer spread, which is not hedged, totalling -€5 million, the hedge on the Large Customers loan book amounting to -€51 million, and the change in the provision for home purchase savings plans amounting to -€53 million. Specific items also include integration costs for entities recently acquired by CACEIS (Kas Bank and S3) for -€5 million in operating expenses and -€2 million in net income Group share. The activation of the Switch guarantee in second quarter 2020 generated two opposite impacts on cost of risk amounting to €65 million in the Asset Gathering business lines (positive impact) and for the Regional Banks (-€65 million). In the second quarter 2019, specific items had had a **net negative impact of -€33 million on net income Group share**; they included only recurring accounting volatility items such as the Debt Valuation Adjustment (DVA, i.e. gains and losses on financial instruments related to changes in the Group's issuer spread) amounting to -€3 million, the hedge on the Large customers loan book for -€6 million, and the changes in the provisions for home purchase savings schemes in the amount of -€24 million.

Excluding these specific items, the **underlying net income Group share**[5] was **€1,785 million**, down -3.3% compared to second quarter 2019. This decline was mainly due to the effects of the COVID-19 crisis, particularly on outstanding loan provisioning.

Credit Agricole Group – Stated and underlying results, Q2-20 and Q2-19

€m	Q2-20 stated	Specific items	Q2-20 underlying	Q2-19 stated	Specific items	Q2-19 underlying	Q2/Q2 stated	Q2/Q2 underlying
Revenues	**8,096**	**(441)**	**8,536**	**8,485**	**(49)**	**8,534**	**(4.6%)**	**+0.0%**
Operating expenses excl.SRF	(5,036)	(5)	(5,031)	(5,308)	-	(5,308)	(5.1%)	(5.2%)
SRF	(107)	-	(107)	(4)	-	(4)	x 27.5	x 27.5
Gross operating income	**2,953**	**(445)**	**3,398**	**3,174**	**(49)**	**3,223**	**(7.0%)**	**+5.4%**
Cost of risk	(1,208)	-	(1,208)	(598)	-	(598)	x 2	x 2
Equity-accounted entities	78	-	78	94	-	94	(17.0%)	(17.0%)
Net income on other assets	78	-	78	(8)	-	(8)	n.m.	n.m.
Change in value of goodwill	(3)	-	(3)	-	-	-	n.m.	n.m.
Income before tax	**1,898**	**(445)**	**2,343**	**2,662**	**(49)**	**2,711**	**(28.7%)**	**(13.6%)**
Tax	(308)	142	(450)	(728)	16	(743)	(57.7%)	(39.5%)
Net income from discont'd or held-for-sale ope.	(0)	-	(0)	8	-	8	n.m.	n.m.
Net income	**1,590**	**(303)**	**1,893**	**1,942**	**(33)**	**1,976**	**(18.1%)**	**(4.2%)**
Non controlling interests	(107)	1	(108)	(130)	-	(130)	(17.4%)	(16.6%)
Net income Group Share	**1,483**	**(302)**	**1,785**	**1,813**	**(33)**	**1,846**	**(18.2%)**	**(3.3%)**
Cost/Income ratio excl.SRF (%)	**62.2%**		**58.9%**	**62.6%**		**62.2%**	**-0.3 pp**	**-3.3 pp**
Net income Group Share excl. SRF	**1,580**	**(302)**	**1,882**	**1,815**	**(33)**	**1,848**	**(13.0%)**	**+1.8%**

In the second quarter 2020, **underlying revenues** were stable compared to the same period in 2019 at €8,536 million. For core businesses excluding the Corporate Centre, they were up +2.2%. This level of revenue for the quarter was due to a level of activity that remained buoyant, despite the public health crisis, especially in the Large Customers business line, which posted revenue growth of +20.9% (+€310 million). The Regional Banks also recorded a slight increase in underlying revenues (+1.2% or +€39 million), as did the Asset Gathering business line (+1.6% or +€24 million). However, Retail banking in France and internationally and Specialised financial services recorded a decline in their revenues for the period, respectively posting a drop of -6.5%/-€106 million and -11.7%/-€80 million.

Underlying operating expenses excluding SRF (Single Resolution Fund) were **down -5.2%** compared to second quarter 2019 at -€5,031 million. Apart from the Large Customers business line, whose expenses increased by +€55 million (+7.0%), all other business lines posted lower expenses for the period, particularly all Retail banking (Regional Banks: -8.9%/-€198 million; LCL: -5.1%/-€29 million; International retail banking: -3.5%/-€16 million). These decreases were mainly due to lower HR and travel costs. Overall, the Group posted a positive +5.2 percentage points jaws effect (Regional Banks: +10.1 percentage points). The contribution to the Single Resolution Fund was supplemented this quarter by an additional €107 million (vs. €4 million euros in second quarter 2019). The **underlying cost/income ratio excluding SRF stood at 58.9%, an improvement of +3.3 percentage points** compared to second quarter 2019.

[5] *Underlying, excluding specific items. See p.32 and onwards for more details on specific items.*

Underlying gross operating income was therefore up +5.4% to €3,398 million compared to second quarter 2019. Excluding the SRF contribution, the underlying gross operating income was up +8.6% to €3,505 million, compared to the second quarter 2019.

Cost of credit risk was up significantly (x2 compared to second quarter 2019) due to increased provisioning on performing loans for all sub-divisions in the context of the COVID-19 crisis. It amounted to €1,208 million in second quarter 2020, versus €598 million in second quarter 2019. Asset quality was good: the non-performing loan ratio was stable at 2.4% at end-June 2020 and the coverage ratio stood at 84.5%, up +0.2 percentage point over the quarter. Loan loss reserves amounted to €20.1 billion at end-June 2020, 30% of which was for performing loans (Stages 1 and 2). Starting in the first quarter of 2020, the context and uncertainties related to the global economic conditions were gradually taken into account and the expected effect of public measures were incorporated to anticipate future risks. Provisioning levels were established to reflect the sharp deterioration in the environment, taking into account several weighted economic scenarios and applying flat rate adjustments for the retail banking portfolios and corporates portfolios and specific additions for some targeted sectors, namely tourism, automotive, aerospace, retail textile, energy, and supply chain. Several weighted economic scenarios were used to determine the provisioning of performing loans, of which a more favourable scenario (GDP at -7% in France in 2020, +7.3% in 2021 and +1.8% in 2022) and a less favourable scenario (GDP at -15.1% in France in 2020, +6.6% in 2021 and +8% in 2022).

The increase in provisioning on performing loans accounted for 70% of the total increase in provisioning between second quarter 2019 and second quarter 2020. **Annualised cost of risk/outstandings[6] in the first half of 2020 was 45 basis points** (vs. 33 basis points over a four rolling quarters and 51 basis points in annualised quarters). Provisioning on Stages 1 and 2 amounted to €424 million, versus €0 in second quarter 2019 and €398 million in first quarter 2020. Provisioning on proven risks amounted to €785 million (versus €588 million in second quarter 2019 and €516 million in first quarter 2020).

Underlying pre-tax income stood at €2,343 million, a year-on-year decrease of -13.6%. In addition to the changes in operating income explained above, underlying pre-tax income also includes the contribution from equity-accounted entities in the amount of €78 million (down -17.0%, mostly due to the Crédit Agricole Consumer Finance joint ventures) and net income on other assets, which stood at €78 million this quarter (versus -€8 million in second quarter 2019) and includes a real estate capital gain recorded by CA Italia. The underlying **tax charge fell -39.5%** over the period. The underlying tax rate dropped by -8.6 percentage points to 19.8%, mainly in line with the decrease of tax rate in France since the beginning of 2020. Accordingly, underlying net income before non-controlling interests was down -4.2% and underlying net income Group share was down -3.3% compared to second quarter 2019.

[6] *Cost of risk on outstandings (in annualised basis points)*

Credit Agricole Group – Stated and underlying results, H1-20 and H1-19

€m	H1-20 stated	Specific items	H1-20 underlying	H1-19 stated	Specific items	H1-19 underlying	H1/H1 stated	H1/H1 underlying
Revenues	16,462	(452)	16,914	16,682	(175)	16,857	(1.3%)	+0.3%
Operating expenses excl.SRF	(10,584)	(75)	(10,509)	(10,585)	-	(10,585)	(0.0%)	(0.7%)
SRF	(562)	-	(562)	(426)	-	(426)	+31.9%	+31.9%
Gross operating income	**5,316**	**(527)**	**5,843**	**5,671**	**(175)**	**5,846**	**(6.3%)**	**(0.0%)**
Cost of risk	(2,137)	-	(2,137)	(879)	-	(879)	x 2.4	x 2.4
Equity-accounted entities	168	-	168	188	-	188	(10.8%)	(10.8%)
Net income on other assets	84	-	84	3	-	3	x 29.2	x 29.2
Change in value of goodwill	(3)	-	(3)	-	-	-	n.m.	n.m.
Income before tax	**3,428**	**(527)**	**3,955**	**4,983**	**(175)**	**5,158**	**(31.2%)**	**(23.3%)**
Tax	(789)	148	(937)	(1,576)	57	(1,633)	(50.0%)	(42.6%)
Net income from discont'd or held-for-sale ope.	(1)	-	(1)	8	-	8	n.m.	n.m.
Net income	**2,638**	**(379)**	**3,017**	**3,415**	**(118)**	**3,534**	**(22.8%)**	**(14.6%)**
Non controlling interests	(248)	3	(251)	(253)	-	(253)	(2.0%)	(0.9%)
Net income Group Share	**2,391**	**(376)**	**2,767**	**3,163**	**(118)**	**3,281**	**(24.4%)**	**(15.7%)**
Cost/Income ratio excl.SRF (%)	**64.3%**		**62.1%**	**63.5%**		**62.8%**	**+0.8 pp**	**-0.7 pp**
Net income Group Share excl. SRF	**2,913**	**(376)**	**3,289**	**3,569**	**(118)**	**3,687**	**(18.4%)**	**(10.8%)**

In the first half of 2020, **underlying net income Group share declined by -15.7%** compared to first half 2019; Underlying revenues were up +0.3% and underlying operating expenses excluding SRF were down -0.7%, resulting in a positive jaws effect of +1.0 percentage point. The contribution to the SRF increased by 31.9% to €562 million. SRF contribution aside, the underlying gross operating income was up +2.1% to 6,405 million compared to the first half-year 2019. The cost of credit risk was multiplied by 2.4 and the tax charge fell 42.6% compared to first half 2019.

Regional banks

Commercial activity at the Regional Banks was **buoyant** in this quarter, with **growth in outstandings remaining strong**. **Outstanding loans** amounted to €543.3 billion (€530.6 billion excluding State guaranteed loans), up +8.4% from second quarter 2019 (+5.9% excluding State guaranteed loans). There was a strong increase in **home loans** (+7%) and **loans to SMEs and small businesses, and farmers** (+14%). **Loans** were up from second quarter 2019 (+32.6%) but down when State guaranteed loans are excluded (-14.8%). **Activity was particularly dynamic in June,** with a loan production level for June 2020 exceeding that of June 2019 (+36.1%, of which +6.9% in home loans, +2.9% excluding State guaranteed loans). Other indicators attesting to a strong recovery are the number of loan simulations and applications for savings accounts, up 75% and 63% (with 67% of the increase related to savings accounts on the balance sheet) respectively between March 2020 and June 2020. **On-balance sheet deposits** stood at €495.9 billion, representing an increase from second quarter 2019 of 11.1% (of which +25.2% for demand deposits and +8.7% for passbooks), while **off-balance sheet deposits** were stable (-0.5% at €264.7 billion) with life insurance AuM up slightly (+0.9%) and AuM linked to securities and transferable securities falling by -4.6%. Lastly, **gross customer capture remained very active** (+480,000 customers), with a sharp acceleration in June (+110 000 customers, +1.9% June/June), and a still-positive balance in banking mobility (+38,500 customers). Against this backdrop, the **customer base continued to show a marked increase** (+27,000 additional customers in 2020, +6.7% June/June).

In second quarter 2020, the Regional Banks' underlying **revenues** stood at €3,316 million, up from second quarter 2019 (+1.2%). The **net interest margin** held steady while the overall level of **fee and commission income** fell (-2.3%) due to lower penalty-based fees and a decrease in payment fees. **Portfolio revenues** were also down as a result of end-of-quarter valuations based on international standards, although they recovered from first quarter 2020. Underlying **costs excluding SRF** were kept under control, decreasing during the period (-8.9% in second quarter 2020 compared to second quarter 2019) in line with lower HR costs. As a result, underlying **gross operating income** increased in second quarter 2020 (+19.6%) thanks to a positive jaws effect (+10.1 percentage points). Ultimately, despite an increase in the underlying **cost of risk** (+24.9%), the Regional Banks' underlying **net income Group share** still rose +17.9% to €663 million.

Underlying **revenues** were down -3.2% in the first half of 2020 compared to first half 2019, as was underlying **gross operating income** (-5%), in line with the drop in **portfolio revenues** following the end-of-quarter valuations based on international standards. The underlying **cost/income ratio** was stable (+0.1 percentage point) with a decline in underlying **costs excluding SRF** (-3.1%). Lastly, with an increased underlying **cost of risk** (x2.1), the Regional Banks' contribution to the Group's underlying **net income Group share** was down -19.8%.

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.

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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 first quarter 2020 results and activity as follows: "Utility is achieved every day through what we do in concrete terms for citizens and for society. In these unprecedented times, the men and woman of the Group are fully committed to supporting customers and the economy. We are using our financial strength and performance to aid recovery, throughout France. That is, and always has been, our *Raison d'être"*.

Crédit Agricole S.A.

Solid results (-13.7% H1/H1) driven by GOI growth during the half year (+2.9%) and prudent provisioning; underlying ROTE[7] 8.5%

- **Stated result**: €954m (-21.9% Q2/Q2); stated revenues: €4,897m (-4.9%); stated GOI: €1,838m (-12.9%)
- **Underlying GOI stable** in Q2 (€2,130bn, -0.5% Q2/Q2), due to revenue stability (+0.1%) and very tight cost control (-1.9%)
- **Improvement in the cost/income ratio** of +1.2pt Q2/Q2 to 57.4%; positive jaws effect (+2.0pp)
- Underlying net income Group share down (-10.9%) as a result of increased provisioning (x2.5)
- Underlying earnings per share : Q2-20: €0.36, -10.1% Q2/Q2; H1-20; €0.53, -15.5% H1/H1

Sustained activity in loans, deposits and insurance, strong recovery across all Crédit Agricole S.A. business lines at quarter end

- **High level of customer acquisition** (+145,000 self-employed and individual customers in 2020 for LCL and +55,000 for CA Italia)
- **Q2/Q2 increase in AuM** (+7.1%), life insurance (+1.6%), loan outstandings excluding State guaranteed loans at LCL (home loans +7%, loans to small businesses +11%, and loans to corporates +6%), outstanding loans at CA Italia (+4.9%) and consolidated consumer finance outstandings (+2.2%).
- **Increase in inflows** at LCL (increase in on-balance sheet deposits of +13.6% and stability of off-balance sheet savings at -1.2%), and at CA Italia (increase in AuM of +5.4% and on-balance sheet deposits of 4.6%)
- Increased share of UL products in gross inflows (+12.4pp June/June to 41.6%) and in outstandings (+0.5pp June/June to 22.7%). Major rebound in post-lockdown property and casualty business, revenues proving resilient (-0.8% Q2/Q2)
- **Strong commercial activity in capital markets** (+44%) and robust activity in financing activities (+5.7%); prudent risk management (moderate VaR at €14m at 30 June)
- **Renewal of the partnership between Amundi and Société Générale** for five years.

Increase in provisioning (x2.5), with half related to provisioning for proven risks and half to provisioning for performing loans

- **Stable NPL ratio** (3.2%), **higher coverage ratio** (73.4%, +0.9pp vs. March 20); loan loss reserves of €10.1bn, of which 24% related to provisioning for performing loans; diversified loan book with 46% in corporate loans and 27% in home loans; 73% of EAD (exposure at default) investment grade
- **Increase in provisioning** (€908m, of which €236m for stage 1 and €667m for stage 3, x2.5 Q2/Q2, +46.2% Q2/Q1)
- H1-20 annualised cost of risk/outstandings 74bp

Robust solvency

- **Phased-in CET1 ratio up sharply (+0.6pp) to 12.0%, +4.1 above SREP requirement (+0.6pp June/March),** incorporating ECB regulatory adjustment measures (Quick Fix for +41bp) and the impact of the market upturn in the quarter on unrealised gains and/or losses on securities portfolios (+19bp). Provision for Q2 dividends of €0.16 per share. **Fully loaded ratio at 11.7%.** Pro forma phased-in ratio at 12.0% for the two-month period of SGLs.
- **RWA stable during the quarter:** decline in risk-weighted assets in the business lines (particularly SFS), with regulatory adjustment measures including supporting factor (-€2.6bn) and adjustements carried out by Crédit Agricole Corporate and Investment Bank (-€1.5bn) offsetting the increase in the equity-accounted value of Insurance (+€2.1bn). Pro forma for the two-month period of SGLs, decline in RWA of -€2.3bn.

Increase in liquidity

- **€405bn in reserves at 30/06, up €67bn vs. 31/03/2020. Increase in the LCR: 134.4%.**[8]
- In June 2020, **significant drawdown of €90bn on the TLTRO III facility** to support loan activity and benefit from competitive refinancing costs; repayment of the TLTRO II (partially) and LTRO drawdowns.
- 96% of the €12bn MLT market funding programme completed at end-July.

Switch activated because of tensions in the equity and bond markets during the half year.

- Positive impact on Crédit Agricole S.A.'s cost of risk, restated for specific items, in the amount of €65 million (+€44m in net income Group share); impact on solvency non-material.

[7] *Underlying ROTE calculated based on first half 2020, annualised*
[8] *12-month average ratio*

Crédit Agricole S.A.'s Board of Directors, chaired by Dominique Lefebvre, met on 5 August 2020 to examine the financial statements for the second quarter and first half of 2020.

Credit Agricole S.A. – Stated and underlying results, Q2-20 and Q2-19

€m	Q2-20 stated	Specific items	Q2-20 underlying	Q2-19 stated	Specific items	Q2-19 underlying	Q2/Q2 stated	Q2/Q2 underlying
Revenues	**4,897**	**(288)**	**5,185**	**5,149**	**(30)**	**5,179**	**(4.9%)**	**+0.1%**
Operating expenses excl.SRF	(2,980)	(5)	(2,976)	(3,033)	-	(3,033)	(1.7%)	(1.9%)
SRF	(79)	-	(79)	(6)	-	(6)	x 13.8	x 13.8
Gross operating income	**1,838**	**(293)**	**2,130**	**2,111**	**(30)**	**2,140**	**(12.9%)**	**(0.5%)**
Cost of risk	(842)	65	(908)	(358)	-	(358)	x 2.4	x 2.5
Equity-accounted entities	88	-	88	108	-	108	(18.3%)	(18.3%)
Net income on other assets	82	-	82	(1)	-	(1)	n.m.	n.m.
Change in value of goodwill	-	-	-	-	-	-	n.m.	n.m.
Income before tax	**1,166**	**(227)**	**1,393**	**1,861**	**(30)**	**1,890**	**(37.3%)**	**(26.3%)**
Tax	(86)	72	(158)	(485)	9	(494)	(82.3%)	(68.1%)
Net income from discont'd or held-for-sale ope.	(0)	-	(0)	8	-	8	n.m.	n.m.
Net income	**1,080**	**(155)**	**1,235**	**1,384**	**(20)**	**1,404**	**(21.9%)**	**(12.0%)**
Non controlling interests	(126)	2	(129)	(161)	0	(162)	(21.9%)	(20.5%)
Net income Group Share	**954**	**(153)**	**1,107**	**1,222**	**(20)**	**1,242**	**(21.9%)**	**(10.9%)**
Earnings per share (€)	**0.31**	**(0.05)**	**0.36**	**0.39**	**(0.01)**	**0.40**	**(22.0%)**	**(10.1%)**
Cost/Income ratio excl. SRF (%)	**60.9%**		**57.4%**	**58.9%**		**58.6%**	**+2.0 pp**	**-1.2 pp**
Net income Group Share excl. SRF	**1,020**	**(153)**	**1,173**	**1,227**	**(20)**	**1,247**	**(16.8%)**	**(6.0%)**

Results

In the second quarter of 2020, Crédit Agricole S.A.'s **stated net income Group share** amounted to **€954 million** versus €1,222 million in the second quarter of 2019. This quarter, **specific items** generated a **net negative impact of -€153 million on net income Group share**.

Excluding these specific items, the **underlying net income Group share**[9] was **€1,107 million**, down -10.9% compared to second quarter 2019. This decline was mainly due to the increased cost of risk. Half of that increase was related to provisioning for proven risks and the other half to the updating of the parameters for calculating provisioning for performing loans in the current context.

This quarter, **specific items** for this quarter (-€153 million on net income Group share) include the impact of the cooperative support given to SME and small business customers with business interruption insurance amounting to -€2 million in LCL revenues and -€143 million in insurance revenues (impact on net income Group share of respectively -€1 million and -€97 million), and the impact of the cash adjustment on the Liability Management transaction carried out by Crédit Agricole S.A. at the beginning of June 2020 (-€41 million in revenues and -€28 million in net income Group share). The recurring accounting volatility items are to be added with a net negative impact of -€68 million on net income Group share, namely DVA (Debt Valuation Adjustment, i.e. gains and losses on financial instruments related to changes in the Group's issuer spread), in addition to which the Funding Valuation Adjustment (FVA) portion associated with the change in the issuer spread, which is not hedged, totalling -€5 million, the hedge on the Large Customers loan book for -€50 million, and the change in the provision for home purchase savings plans for -€14 million. Specific items also include integration costs for entities recently acquired by CACEIS (Kas Bank and S3) for -€5 million in operating expenses and -€2 million in net income Group share. The activation of the Switch guarantee in second quarter 2020 generated a positive

[9] *Underlying, excluding specific items. See p.23 and onwards for more details on specific items.*

impact on cost of risk amounting to +€65 million in the Asset gathering business line. In second quarter 2019, specific items had a **net negative impact of -€20 million on net income Group share**; they included only recurring accounting volatility items such as the Debt Valuation Adjustment (DVA, i.e. gains and losses on financial instruments related to changes in the Group's issuer spread) amounting to -€3 million, the hedge on the Large Customers loan book for -€6 million, and the change in the provisions for home purchase savings schemes in the amount of -€11 million.

Sub-division results were impacted in second quarter 2020 by the two-month lockdown related to the COVID-19 crisis in France and in most European countries, which generated a near-shutdown of economies at the end of the first quarter 2020 and beginning of the second quarter. Nevertheless, **gross operating income** stood firm in the quarter at €2,130 million (-0.5% compared to second quarter 2019) thanks to stable revenues (+0.1% at €5,185 million) and tight cost control by the business lines (-1.9% at €2,976 million). This attests for the excellent operational efficiency of the Crédit Agricole S.A. business lines, with the cost/income ratio improving by 1.2 percentage points in second quarter 2020 compared to second quarter 2019. **Underlying net income Group share** was, however, down by -10.9%. This decline was due to the increase in the cost of risk, which amounted to €908 million in second quarter 2020 (x2.5 compared to second quarter 2019), half of it due to the increase in provisioning for proven risks and half to the updating of the parameters for calculating provisioning for performing loans. The Large customers business line, despite strong growth in gross operating income (+26.7%), was impacted by the five-fold increase in the cost of risk. It ended by posting a decrease in net income Group share of -5.3%. The Retail banking and Specialised financial services business lines were heavily impacted by the two-month lockdown and substantial increases in the cost of risk. They posted declines in their net income Group share of -39% and -27.9% respectively. By contrast, the Asset Gathering business line recorded an increase in its net income Group share for the quarter (+11.0%), benefiting from more favourable market conditions during the period which offset the adverse impact of the first quarter.

In the second quarter 2020, **underlying revenues** stood at €5,185 million, relatively unchanged from second quarter 2019 (+0.1%). The Asset Gathering business line recorded a moderate increase in revenues of +1.5%: insurance posted a sharp increase of +13.5%, benefiting from a market effect that was more positive in the second quarter than the first (€140 million in second quarter), while asset management (-7.5%) was adversely impacted by a drop in net management fee and commission income despite a solid level of performance fee and commission income and better financial results. Retail activities (Retail banking and Specialised financial services) were heavily impacted by the near-shutdown of economies and respectively recorded a drop in their underlying revenues of -6.6% and -11.7%. Conversely, activity for Corporates and Institutionals was particularly buoyant this quarter, generating high levels of revenues for the Large Customers business line. The exceptional activity in Capital Markets generated an increase in revenues of +44% in second quarter 2020 compared to second quarter 2019. Financing activities also saw a strong level of activity in the period, recording a revenue increase of +5.8%. Lastly, activity for the asset servicing was up +23.9% due to the addition of new customers and a scope effect related to acquisitions at year-end 2019. Recurring revenues, i.e. revenues attached to an inventory item (outstanding loans/customer assets, assets under management) or an insurance policy (property and casualty insurance, death and disability insurance), accounted for 77% of total revenues.

Underlying operating expenses excluding SRF were down -1.9% for the period, resulting in indicators showing excellent levels of operating efficiency: the cost/income ratio was 57.4%, an improvement of +1.2 percentage points compared to second quarter 2019, while the jaws effect was positive at 1.3 percentage points. With the exception of the Large Customers business line, which posted an increase of +7.0% in its expenses excluding SRF (primarily related to a base effect in Corporate and Investment Banking: a provision write-back on staff costs in the second quarter 2019 and a scope effect related to the latest acquisitions in Asset servicing), all other business lines recorded a decrease in their expenses excluding SRF for the quarter. The Asset Gathering business line recorded a decrease of -3.7%, driven by Asset Management (-7.5% due to a decrease in variable compensation and ongoing cost synergies achieved following the integration of Pioneer), which offset the increase recorded by Insurance (+4.1%, related mostly to an increase in headcount to support sub-division development). The Retail Banking business line posted a decrease in its expenses excluding SRF for the quarter (-4.6%), as a result of lower personnel expenditure in France and savings achieved on external expenditure and travel in Italy. Similarly, Specialised financial services saw their expenses excluding SRF fall by -6.2% in the quarter, due in particular to strict cost control at CA Consumer Finance. Of the €57 million reduction in underlying expenses excluding SRF between the second quarter 2019 and second quarter 2020, the COVID-19 crisis generated a fall in expenses of -€23 million, comprising -€80 million in avoided expenditure (travel and external expenses) and +€57 million in increased expenditure for employee safety. SRF contribution has been completed this quarter by additional €+79 million (vs. €6 million in the second quarter 2019).

Accordingly, **underlying gross operating income** came in high at €2,130 million, down slightly by -0.5% compared to second quarter 2019, but nevertheless resilient given the context of the public health crisis and the two-month lockdown in France and Italy: +20.9% for the Large customers business line, +6.5% for Asset gathering, -11.7% for Retail banking and -16.7% for Specialised financial services. Excluding the SRF contribution, the underlying gross operating income was up +2,9% to €2,209 million, compared to the second quarter 2019.

As of 30 June 2020, risk indicators once again attested for Crédit Agricole S.A.'s assets‘quality and the level of its risk coverage. The loan portfolio is diversified, largely oriented on large corporates (46% of gross outstandings at Crédit Agricole S.A. level) and housing loans (27%). The doubtful loan ratio was still low at 3.2% (+0.1 percentage point compared to 31 March 2020), while the coverage ratio was 73.4% (up +1.0 percentage point for the quarter with total loan loss reserves of €10.1 billion). Of these loan loss reserves, 24% were for provisioning for performing loans. **Cost of risk** was up significantly (x2.5/-€550 million to -€908 million, versus -€358 million in second quarter 2019 and -€621 million in first quarter 2020). Of this increase, 48% was due to additional provisioning for performing loans (Stages/Buckets 1 and 2) triggered by the application of IFRS 9 rules and an updating of the provisioning parameters, and 52% was due to increased provisioning for proven risks (Stage/Bucket 3). The expense of -€908 million in second quarter 2020 consisted of provisioning for performing loans (Stages 1 and 2) for -€236 million (versus a write-back of -€26 million in second quarter 2019 and an allocation of -€223 million in first quarter 2020) and provisioning for proven risks (Stage 3) for -€667 million (versus -€371 million in second quarter 2019 and -€382 million in first quarter 2020). The cost of risk relative to outstandings in the first half was 74 basis points annualised (55 basis points over a rolling four-quarter period and 86 basis points for the second quarter annualised). The four business lines that contributed the most to the cost of risk show similar variations. LCL’s cost of risk stood at -€117 million (x2.3 compared to second quarter 2019 and +16.3% relative to first quarter 2020), with cost of risk relative to outstandings increasing to 33 basis points on an annualised half-year basis (26 basis points over a rolling four-quarter period and 35 basis points for the second quarter 2020 annualised) ; CA Italia recorded a cost of risk of -€146 million in second quarter 2020, or 2.4 times the level of second quarter 2019, and an increase of +77.5% over first quarter 2020, with its cost of risk relative to outstandings increasing to 102 basis points on an annualised half-year basis (79 basis points over a rolling four-quarter period and 129 basis points for the second quarter 2020 annualised); Crédit Agricole Consumer Finance posted a +85.1% increase in its cost of risk to -€218 million compared to second quarter 2019 (and +32.8% compared to first quarter 2020), with a cost of risk relative to outstanding also increasing to 211 basis points on an annualised half-year basis (172 basis points over a rolling four-quarter period and 241 basis points for the second quarter 2020 annualised). Lastly, in financing activities, the cost of risk for the quarter stood at -€312 million, versus an allocation of just -€39 million in second quarter 2019, which was 2.3 times the level of first quarter 2020. The cost of risk relative to outstandings for financing activities was therefore 78 basis points on an annualised half-year basis (50 basis points over a rolling four-quarter period and 102 basis points for the second quarter 2020 annualised).

Starting in the first quarter of 2020, the context and uncertainties related to the global economic conditions were gradually taken into account and the expected effect of public measures were incorporated to anticipate future risks. Provisioning levels were established to reflect the sharp deterioration in the environment, taking into account several weighted economic scenarios and applying flat rate adjustments for the retail banking portfolios and corporates portfolios and specific additions for some targeted sectors, namely tourism, automotive, aerospace, retail textile, energy, and supply chain. Several weighted economic scenarios were used to determine the provisioning of performing loans, of which a more favourable scenario (GDP at -7% in France in 2020, +7.3% in 2021 and +1.8% in 2022) and a less favourable scenario (GDP at -15.1% in France in 2020, +6.6% in 2021 and +8% in 2022).

The contribution of **equity-accounted entities** was down **-18.3%** to €88 million, reflecting in particular the reduction in the contribution from the joint ventures to consumer finance (-22.7% in second quarter 2020 compared to the same quarter in 2019, largely related to an increase in the cost of risk at Wafasalaf amounting to €26 million), despite a slight increase in the contribution from joint ventures to asset management (+26.6%).

Net income on other assets showed a positive impact of +€82 million in the quarter which was mostly due to the gain recorded by CA Italia on the sale of a real estate asset for +€65 million.

Underlying income[10] **before tax, discontinued operations and non-controlling interests thus decreased by -26.3%** to €1,393 million. The **underlying effective tax rate** stood at **12.1%**, down -15.6 percentage points compared to second quarter 2019, while the underlying tax charge fell -68.1% to -€158 million. The 2020 second quarter tax rate was impacted in particular by the decrease in the tax rate in France effective 1 January 2020 (32.02% instead of 34.43%), by the positive effect of international subsidiaries being subject to a lower tax rate than in France and by a €63-million tax refund for Agos related to Italy's *affrancamento* tax redemption scheme. The **underlying net income before non-controlling interests was therefore down -12.0%**.

Net income attributable to non-controlling interests was down -20.5% to €129 million. This was due to several opposing effects: firstly, the decline in minority interests primarily in the case of Amundi (-9.7%) and CA Italia (-57.0%), and secondly, the increase in the share attributable to non-controlling interests in favour of Santander in the case of CACEIS (+79.0%).

Underlying net income Group share was down **-10.9%** from second quarter 2019 to **€1,107 million**. Excluding SRF contribution, it is down by -6.0%.

[10] *See p.23 for more details on specific items related to Crédit Agricole S.A.*

Credit Agricole S.A. – Stated and underlying results, H1-20 and H1-19

€m	H1-20 stated	Specific items	H1-20 underlying	H1-19 stated	Specific items	H1-19 underlying	H1/H1 stated	H1/H1 underlying
Revenues	**10,097**	**(225)**	**10,322**	**10,004**	**(78)**	**10,081**	**+0.9%**	**+2.4%**
Operating expenses excl.SRF	(6,235)	(65)	(6,170)	(6,136)	-	(6,136)	+1.6%	+0.5%
SRF	(439)	-	(439)	(337)	-	(337)	+30.0%	+30.0%
Gross operating income	**3,423**	**(290)**	**3,713**	**3,530**	**(78)**	**3,607**	**(3.0%)**	**+2.9%**
Cost of risk	(1,463)	65	(1,529)	(582)	-	(582)	x 2.5	x 2.6
Equity-accounted entities	178	-	178	193	-	193	(7.7%)	(7.7%)
Net income on other assets	87	-	87	22	-	22	x 4	x 4
Change in value of goodwill	-	-	-	-	-	-	n.m.	n.m.
Income before tax	**2,226**	**(224)**	**2,450**	**3,163**	**(78)**	**3,240**	**(29.6%)**	**(24.4%)**
Tax	(347)	55	(401)	(880)	23	(903)	(60.6%)	(55.6%)
Net income from discont'd or held-for-sale ope.	(1)	-	(1)	8	-	8	n.m.	n.m.
Net income	**1,879**	**(170)**	**2,048**	**2,291**	**(54)**	**2,346**	**(18.0%)**	**(12.7%)**
Non controlling interests	(287)	3	(290)	(307)	1	(308)	(6.4%)	(5.6%)
Net income Group Share	**1,592**	**(167)**	**1,758**	**1,985**	**(53)**	**2,038**	**(19.8%)**	**(13.7%)**
Earnings per share (€)	**0.47**	**(0.06)**	**0.53**	**0.61**	**(0.02)**	**0.63**	**(22.4%)**	**(15.5%)**
Cost/Income ratio excl.SRF (%)	**61.7%**		**59.8%**	**61.3%**		**60.9%**	**+0.4 pp**	**-1.1 pp**
Net income Group Share excl. SRF	**1,984**	**(167)**	**2,151**	**2,297**	**(53)**	**2,350**	**(13.6%)**	**(8.5%)**

Stated net income Group share **in the first half of 2020** amounted to €1,985 million, compared with €2,038 million in the first half of 2019, a decrease of -19.8%.

Specific items in the first half of 2020 had a negative impact of **-€167 million** on stated net income Group share. In addition to the second quarter items already mentioned above, first quarter 2020 items had a negative impact of -€54 million and corresponded to recurring accounting volatility items, i.e. the DVA for -€14 million, hedges of the Large customers loan book for +€81 million, and changes in the provision for home purchase savings plans for -€7 million at LCL and -€20 million in the Corporate Centre business line. **Specific items in the first half of 2019** had a negative impact of -€53 million on net income Group share. Compared to specific items in second quarter 2019 already mentioned above, these items had an impact of -€33 million on net income Group share in first quarter 2019 and corresponded to recurring accounting volatility items, i.e. the DVA for -€6 million, hedges of the Large Customers loan book for -€14 million, and changes in the provision for home purchase savings plans for -€5 million at LCL and -€8 million in the Corporate Centre business line.

Excluding these specific items, **underlying net income Group share amounted to €1,758 million**, down **-13.7%** compared to the first half of 2019.

Underlying earnings per share came to €0.53 per share, a decrease of **-15.5%** compared to the first half of 2019.

Annualised **RoTE**[11] (return on tangible equity Group share excluding intangibles) net of coupons on Additional Tier 1 securities stood at 8.5% **in the first half of 2020**, lower than in financial year 2019 (11.0%). Annualised RoNE (Return on Net Equity) of the business lines was stable or down this half year compared to 2019, in line with the decline in results.

[11] *See details on the calculation of the business lines' ROTE (return on tangible equity) and RONE (return on normalised equity) on p.26*

Underlying revenues were up **+2.4%** from first half 2019, due to significant growth in revenues in the Large customers business line (+15.0%). Retail activities, on the other hand, were severely hit by the public health crisis (Retail banking -3.0% and Specialised financial services -8.3%) and revenues of the Asset gathering business line were heavily impacted by a negative market impact (-4.3%).

Underlying **operating expenses** were stable overall (limited growth of **+0.5%**, excluding the SRF contribution, which was up significantly by +30.0% to €439 million in first half 2020 versus €337 million in first half 2019). The **underlying cost/income ratio excluding SRF** was **59.8%**, an improvement of +1.1 percentage point. Excluding the SRF contribution, the underlying gross operating income was up +5.3% to 4,152 million, compared to the first half-year 2019.

Lastly, **cost of risk** was up sharply (x2.5/-€947 million, to -€1,529 million versus -€582 million in first half 2019).

Activity

Business remained buoyant throughout the quarter, due to the positive performance of Asset under management in Asset management (+7.1%) and life insurance (+1.6%), of outstanding loans in retail banking (+7% at LCL excluding State guaranteed loans and +4.9% at CA Italia) and of consolidated consumer finance outstandings (+2.2%). Inflows increased at LCL (increase in on-balance sheet deposits of +13.6% and stability of off-balance sheet deposits at -1.2%), and at CA Italia (increase in AuM of +5.4% and on-balance sheet deposits of 4.6%). The share of UL products in gross inflows was up (+12.4 percentage points from second quarter 2019 to 41.6%), as was the share in outstandings to 22.7% (+0.5 percentage point from second quarter 2019). Revenues from personal protection insurance held firm (-3.5% compared to second quarter 2019), as did that from property and casualty insurance (-0.8% compared to second quarter 2019). Gross customer acquisition showed strong momentum (+145,000 small businesses and individual customers in 2020 at LCL and +55,000 customers at CA Italia) and the customer base continued to expand (+10,000 customers at LCL in 2020 and +1,500 at CA Italia). Commercial activity was exceptionally buoyant in capital markets (+44% compared to second quarter 2019) and robust in financing activities (+5.7%), while risk management remained cautious (moderate VaR at €14m at 30 June).

Business picked up sharply in June, with an increase in home loan simulations at LCL (+38.8% between March and June 2020), a rise in commercial production in Specialised financial services (+170% for CA Consumer Finance and +90% in leasing for CAL&F between April and June 2020) and an increase in the volume of new business in property and casualty insurance (+63% between March and June 2020).

In Savings/Retirement, outstandings (savings, retirement and death & disability) were up +1.6% compared to June 2019 at €302.1 billion, including €68.5 billion in unit-linked contracts, up +3.9% year-on-year. Unit-linked contracts accounted for 22.7% of outstandings, up +1.2 percentage point compared to first quarter 2020. Premium income increased to €3.8 billion for the second quarter 2020 (down -51.8% compared to the second quarter 2019), and total net inflows were negative at -€0.9 billion, down -€4.3 billion compared to the second quarter 2019. The quarter was nonetheless characterised by outflows in euros (-€1.8 billion) and positive net inflows in unit-linked contracts (+0.9 billion). UL contracts accounted for 41.6% of gross inflows in the quarter, up +12.4 percentage points compared to second quarter 2019 and +0.3 percentage point compared to the previous quarter. The solvency of Crédit Agricole Assurances is at a comfortable level, exceeding 233%, well above the upper limit of our control range 160%-200%. The Policy Participation Reserve (PPE) reached €11.5 billion as of 30/06/2020, i.e. 5.5% of total outstanding, increased by €0.6 billion. This PPE can be used to support the average annualised rate of return on assets for euro-denominated contracts, which reached 2.50%[12] as at 30/06/2020, i.e a level still significantly above the average guaranteed minimum rate (0.28% at end-2019).

[12] *Predica rate*

In property and casualty insurance, Crédit Agricole Assurances recorded a slight decrease in premiums, down -0.8% in the second quarter 2020 compared to the second quarter 2019. Pacifica recorded a net increase of +43 000 contracts over the quarter, reaching nearly 14.2 million contracts at end-June 2020, or a +3.1% increase year-on-year. The equipment rate for individual customers[13] increased in the LCL network (25.2% at end-June 2020, i.e. a +0.6 percentage point increase since June 2019) and the Regional Banks networks (41.0% at end-June 2020, i.e. a +1.0 percentage point increase since June 2019), as well as in CA Italia (15.9% at end-June 2020, i.e. a +1.3 percentage point increase since June 2019). The combined ratio remained under control at 97.7%, a slight increase of +2.5 percentage points year-on-year. In **death & disability/creditor and group insurance**, turnover reached nearly €958 million this quarter, down -3.5% compared to second quarter 2019.

This quarter, **Asset management (Amundi)** recorded limited net outflows, despite the unprecedented context (-€0.8 billion), and a good momentum in inflows on medium and long-term (MLT) assets (+€3.5 billion). MLT inflows from retail customers (excluding Joint Ventures) remained resilient at -€1.7 billion with good resistance in the networks (in France with +€1.2 billion and internationally with -€0.1 billion); in the Third Party Distributors segment, outflows in the quarter (-€2.7 billion) were concentrated in April, and inflows returned to positive in June. Net inflows were good in Joint Ventures (+€3.1 billion) and dynamic in institutional and corporate MLT (+€4.6 billion), due to a recovery in risk appetite among institutional and sovereign customers. Assets under management thus remained at a high level at €1,592 billion at end-June 2020, up +7.1% compared to end-June 2019. The market effect on assets under management was +€64.9 billion compared to March 2020. This quarter also saw the renewal of the partnership between Amundi and Société Générale for another five years.

Retail banking maintained a good resilience of its activity. Home loan production was down for LCL (-9.8% in second quarter 2020 compared to second quarter 2019), but remained stable for CA Italia (-0.8% this quarter, but home loan production clearly recovered in June, up +26.9% compared to April 2020). However, outstanding loans continued to increase in Retail banking: in France, for LCL, with a +11.2% increase in loans at end-June 2020 compared to end-June 2019, driven in particular by home loans (+8.5%), corporate loans (+18.0%) and small businesses (+27.3%), as well as in Italy, for CA Italia, with a +4.9% increase in loans at end-June 2020 compared to end-June 2019, driven by loans to individuals (+4.2%) and loans to small businesses (+1.5%), in addition to loans to large corporates and SMEs (+8.9%), and, finally, for all International retail banking excluding Italy, with loan growth of +1.8% at end-June 2020 compared to end-June 2019, driven in particular by Egypt (+19.0%[14]) and Morocco (+3.8%[14]), despite a decline in Ukraine (-10.8%[14]) and Poland (-3.4%[14]). In France, renegotiations on LCL home loans were down this quarter to €0.6 billion outstanding for the quarter, compared to €0.9 billion in first quarter 2020, i.e. a difference of €0.3 billion, and remained well below the high point of €5.2 billion of fourth quarter 2016. Off-balance sheet deposits remained stable for LCL (-0.7%), affected by a still negative market impact, despite an upturn this quarter, and were up for CA Italia (+4.6%). On-balance sheet deposits were up in all markets, from +13.1% compared to June 2019 for LCL in France, in particular stemming from an increase in personal savings driven by demand deposits (+28.2%) and passbooks (+4.9%). They went up +4.6% for CA Italia, driven in particular by the increase in deposits from corporates since the beginning of the year; and lastly, up +5.5% for all International retail banking excluding Italy, driven by Morocco (+7.5%[14]) and Ukraine (+11.4%[14]). The equipment rate in automotive, multi-risk household, healthcare, legal or accident insurance is up for LCL at 25.2% (+0.6 percentage point) and CA Italia 15.9% (+1.3 percentage point).

[13] *Equipment rate: percentage of individual banking customers holding at least one insurance product (Pacifica estimates). Scope: auto, home, health, life accidents and legal protection insurance.*
[14] *Excluding foreign exchange impact.*

Within the Specialised financial services business line, **commercial sales at CA Consumer Finance** totalled €7.1 billion, down 40% compared to second quarter 2019, notably due to a decline at **Agos** (-51%) and **automotive partnerships** (-43%, of which -51% at FCA Bank). The **contributions of the Regional Banks and of LCL** also fell sharply (-41.3% and -40%, respectively). The slowdown in activity at GAC Sofinco was more moderate, with a -10% decline in commercial business compared to second quarter 2019. More generally, **activity has been buoyant again since June**, with CA Consumer Finance's commercial production up +170%/+€2.3 billion between April 2020 and June 2020 (219% in France and 145% internationally). More specifically, production in China increased by +97% between March 2020 and June 2020. CA-CF also continued to support their customers during this period by granting 40,000 moratoria. Against this backdrop, **gross managed loans** totalled €88.4 billion and were down -2.4% compared to second quarter 2019, with a lower contribution from **automotive partnerships** (-6.6%) and a higher **contribution from Group entities** (+1.9%). Gross **consolidated loans** were stable compared to second quarter 2019 (+0.2%) at €34.3 billion. **CAL&F's production** also declined compared to second quarter 2019. Indeed, **commercial production in factoring** was down (-9.2% to €3.8 billion) notably in **France** (-51% to €1.8 billion). By contrast, **international** production increased by €1.6 billion to €1.9 billion, due to the start of major contracts in Germany. In this context, **factored revenues** were down over the period (-24.6% compared to second quarter 2019 at €15.5 billion). Moreover, **new commercial production in leasing** reached €1 billion, down -23.9% compared to second quarter 2019, particularly in **France** and **Poland** (-€215 million and -€84 million, respectively) although business has been picking up since June with a +90% increase in production between April 2020 and June 2020. Lastly, **leasing outstandings** settled at €15.1 billion, an increase of +2.2% compared to second quarter 2019.

The activity of the **Large customers** business line was very dynamic this quarter, with underlying **revenues** up in second quarter 2020 compared to second quarter 2019 (+20.9% at €1.8 billion) especially in **Capital Markets and Investment banking** (+38% at €780 million, of which +44% for Capital Markets) due to a **strong contribution from all the sub-divisions**. **Bond originations** showed **record activity**, with business volumes doubling compared to second quarter 2019. **Crédit Agricole Corporate and Investment Bank's leading positions** were confirmed in this segment (No.1 in All French Corporate bonds, No.1 in Global Green, Social and Sustainability bonds[15]). The **Fixed Income Credit and Change** (FICC) sub-division also delivered a **very good performance** (+44% growth in revenues including CVA in second quarter 2020 compared to second quarter 2019), demonstrating the **effectiveness of our relationship model**. Regulatory **VaR** at 30 June 2020 was up moderately and **remains at a low level**, in line with **our prudent risk management** (€14 million as of 30 June 2020 vs. €22.2 million as of 31 March 2020, average regulatory VaR: €18.8 million in Q2-2020 compared to €11.4 in Q1-2020). **Financing activities** reported higher underlying revenues (+5.8% compared to second quarter 2019) at €720 million due to its ability to **mobilise the full range of financing solutions for customers** (underwriting, club deal and bilateral loans). In particular, the performance was very good on **syndicated loans**. Crédit Agricole Corporate and Investment Bank **strengthened its market share** in this business (7.6% compared to 6.9% at end-June 2019[16]) and thus became the **second largest player in the EMEA syndicated loan market**. Overall, **commercial banking** revenues rose +22.4% to €408 million. **Structured finance** recorded a decline in revenues (-10.2%) due to the economic slowdown in activity. Furthermore, in line with its Originate to Distribute model, financing activities recorded an average primary payout ratio over the last twelve months of 39%, down -5 percentage points compared to second quarter 2019.

[15] Sources: Refinitiv and Bloomberg
[16] Source: Refinitiv T78

Lastly, **Asset servicing** (CACEIS) recorded **good levels of assets under custody** (€3,873 billion at end-June 2020, up +35% year-on-year) and **assets under administration** (€2,005 billion, up +10% year-on-year) this quarter, due to **acquisition of new customers,** which compensates for an unfavourable market effect (+€173 billion in AuC and +€36 billion in AuA) and due to the **consolidation of KAS Bank and Santander Securities Services** (+€826 billion in AuC and +€150 billion in AuA).

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

Asset gathering

The Asset gathering (AG) business line posted underlying net income Group share of €551 million in second quarter 2020, up +11.0% from second quarter 2019. The business line contributed by 50% to the underlying net income Group share of the Crédit Agricole S.A. core businesses (excluding the Corporate Centre division) in second quarter 2020 and 28% to underlying revenues excluding the Corporate Centre division.

The Asset gathering (AG) business line posted underlying net income Group share of €907 million in first half 2020, down -4.4% from first half 2019.

At 30 June 2020, capital allocated to Asset Gathering amounted to €10.0 billion, including €8.5 billion for Insurance, €1.1 billion on Asset Management, and €0.5 billion on Wealth Management. Risk weighted assets of Asset Gathering account for €40.9 billion including €24.8 billion on Insurance, €11.1 billion on Asset management and €5.0 billion on Wealth Management.

Exclusively for asset gathering, risk-weighted assets are calculated net of the effect of the “Switch” guarantee, allowing the Crédit Agricole S.A. Group to save €22 billion[17] in risk-weighted assets on the prudential treatment of the Insurance business line. It generates a negative impact of around -€33 million as for the second quarter 2020 on the division’s net income.

The underlying RoNE (Return on Normalised Equity) stand at 21.4% for the first semester 2020, versus 27.5% on the full year 2019.

Insurance

Underlying revenues were up +13.5%, driven notably by positive market effects in second quarter 2020 (+€140 million) partly offsetting the negative market impact in first quarter 2020. Underlying costs increased by +4.1%, mainly due to the increase in headcount to support the development of the sub-division. Thus, the underlying cost/income ratio excluding SRF was 23.8%, an improvement of +2.2 percentage points versus second quarter 2019, and the underlying gross operating income increased by +16.8% compared to second quarter 2019. The tax charge for first quarter 2020 rose +4.6% to -€152 million. The Insurance sub-division's underlying net income Group share was up +20.6% compared to second quarter 2020.

Underlying revenues reached €1,212 million in the first half of the year, marked by the market effects of the first quarter. It was down -2.7% compared to first half 2019. Costs increased by +5.5%, resulting in a slight deterioration in the cost/income ratio by -2.7 percentage points, to 34.2% in first half 2020. Underlying GOI decreased by -6.6%. Finally, the tax charge for first quarter 2020 was down -20.7% compared to first half 2019, due to lower pre-tax income and a lower tax rate in France. As a result, net income Group share was €590 million, a moderate decline of -2.5% compared to first half 2019.

[17] *Including the partial dismantlement of the Switch recorded at Q1 2020*

Asset management

Underlying revenues were down -7.5% to €607 million in second quarter 2020. Net management revenues were down (-7.7%), mainly due to the market environment. Net management fee and commission income was affected by the average level of the markets (down Q2/Q2) and by a less positive mix effect (products/customers); performance fees remain at a good level (€34m, in particular in Equity and Diversified assets); Lastly, financial revenues were up +12.0% due to the recovery of the markets from end-March to end-June (affecting the mark to market valuation of the voluntary investment and seed money portfolio). Underlying expenses decreased by -7.3% to €325 million, thanks to the adjustment of variable compensation and the last IT cost synergies related to the integration of Pioneer. Underlying gross operating income decreased by -7.1% and the underlying cost/income ratio excluding SRF was 53.5%, stable over the past year (+0.1 percentage point). The contribution of equity-accounted entities, comprising in particular income from Amundi's joint ventures in Asia, was up by +26.6%. Corporate income tax was down -9.7% to €70 million this quarter. In conclusion, underlying net income Group share was down by -10.3% to €146 million.

In the first half year, revenues fell by -7.2%, due to market and product mix effects. Costs decreased by -4.6%. The underlying cost/income ratio excluding SRF remained at a very good level 54.9%, despite a 1.5 percentage point deterioration in the first half year. GOI decreased -10.3%. The net income of equity-accounted entities increased by +17.6%, in particular thanks to the Indian JV. Lastly, net income Group share decreased by -13.9% to €274 million.

Wealth management

Underlying revenues dropped -6.0% to €194 million in second quarter 2020, in line with the decline in wealth management assets of -3.6% between end-June 2019 and end-June 2020. Underlying costs excluding SRF remain controlled (-3.7%) and reached €174 million in second quarter 2020. The underlying cost/income ratio excluding SRF thus deteriorated by 2.1 percentage points to 89.9% for second quarter 2020. Underlying GOI decreased -16.6% to €20 million. A tax benefit of +€3 million was nonetheless recorded this quarter, compared to an expense of -€4 million in second quarter 2019, as second quarter 2020 is subject to a tax credit on an earlier tax dispute and a reduction in Swiss cantonal tax rates. As a result, underlying net income Group share was up +42.7% to €19 million in second quarter 2020.

Underlying revenues for the first half year were stable at +0.2% compared to first half 2019, as were costs, which showed a slight decrease of -0.3%. As a result, GOI was up +5.9% and taxes, benefiting from the positive effects described above, recorded income of €1 million. As a result, net income Group share increased by +62.9% to €44 million for the first half year.

Retail banking

French retail banking

Underlying revenues were slightly down -3.6% at €857 million in second quarter 2020. They were in particular affected by the decline in fee and commission income (-3.0%) due to a business that was very strongly impacted by the context, as well as by the decline in the net interest margin (NIM), down -4.0% mainly due to valuation effects. Thanks in particular to LCL's continued operational efficiency policy, underlying costs excluding SRF fell by -5.1% to €544 million in second quarter 2020, resulting in an improvement in the underlying cost/income ratio excluding SRF by +1.0 percentage point, to 63.4%. The decrease in underlying gross operating income is therefore contained, from -2.7% to €306 million. Provisioning increased sharply (x2.3) to -€117 million in second quarter 2020. This increase notably includes €29 million pertaining to provisioning for performing loans. The annualised cost of risk on oustandings over the half year thus stands at 33 basis points. Lastly, underlying net income Group share was down by -25.3% to €128 million in second quarter 2020.

Revenues remained stable in first half 2020, at €1,746 million compared to first half 2019. Underlying expenses excluding SRF decreased by -3.2%, due in particular to a continued improvement in external expenses, which resulted in a -1.7 percentage point improvement in the cost/income ratio to 64.6%. Gross operating income thus rose +2.6% but was largely offset by a sharp rise in provisioning (x2.3), to -€218 million. All in all, the business-line's contribution to net income Group share was down -21.7%.

The underlying RONE (return on normalized equity) of LCL stands at 7.8% for the first half year 2020, compared to 10.8% for 2019.

International retail banking

International retail banking revenue fell by -10.5% to €640 million in second quarter 2020. The underlying expenses excluding SRF are down, albeit contained (-4.0%), to reach €418 million, and there was an additional contribution to SRF of €9 million. Hence, the gross operating income decreased by -22.0%. Provisioning multiplied by 2.4 to -€146 million this quarter (in particular due to the provisioning of performing loans). All in all, the net income Group share of International retail banking stands at €37 million, down -62.8% compared to second quarter 2019.

For the first half year, underlying revenues decreased -5.8% to €1,310 million. Underlying operating expenses excluding SRF are down -1.9% to €840 million, resulting in a 2.6 percentage point deterioration in the underlying cost/income ratio, to 64.7%. Provisioning increased by 82.3% to reach €314 million for the half year. This translates into a net income Group share of €178 million for first half 2020.

Italy

Revenues fell -10.8% to €431 million in second quarter 2020 as a result of the decline in activity during the lockdown. Net interest margin was impacted by the renegotiations and the decline of rates, affecting both floating-rate loans outstandings and new loan production. Fee and commission income was also down this quarter (-15%). Underlying costs excluding SRF were down -2.3%, due in particular to savings on external expenditure and mobility. As this decline was less rapid than the fall in revenues, the underlying cost/income ratio excluding SRF was 67.0%, deteriorating by +5,8 percentage points compared to 2019. Provisioning multiplied by 2.4, reaching -€146 million, as a result both of provisioning of performing loans (-€30 million) and a significant increase in provisions for proven risks in order to prepare for the disposal of non-performing loans. The annualised cost of credit risk on outstandings for the half year was therefore 102 basis points. The non-performing loans ratio improved to 7.4% this quarter (-0.6 percentage points June/June) and the coverage ratio was +2.5 percentage points higher, at 62.9%. Also noteworthy this quarter was a capital gain (on net income on other assets line of the income statement) for the disposal of a building for €65 million before tax.

For the first half year, revenues were down -6.4% and settled at €875 million. Operating expenses excluding SRF were down by only -2.1%, resulting in a deterioration in the underlying cost/income ratio excluding SRF, which stands at 64.8%, an increase of +2.9 percentage points June/June. Lastly, the sub-division contribution to net income Group share was down -41.8%.

The underlying RoNE (return on normalized equity) of CA Italia stands at 4.2% for the first half year 2020, compared to 9.3% for 2019.

Crédit Agricole Group in Italy

The Group's results in Italy were €257 million in first half 2020, i.e. a -25% decrease from first half 2019 due to the increase in the cost of risk.

IRB – excluding Italy

Underlying revenues declined in second quarter 2020 compared to second quarter 2019 (-9.8%), mainly due to NII impacted by a fall in key interest rates in Egypt, Poland, Ukraine and Morocco, and fee and commission income that was affected by the sharp slowdown in commercial activity. Underlying costs excluding SRF were also down -7.7% this quarter and were declining in all subsidiaries except CA Egypt (+5%). The underlying cost/income ratio excluding SRF of the IRB outside Italy therefore declined by only 1.5 percentage points to 62.1% for second quarter 2020. Underlying gross operating income thus decreased by -13.1% and the provisioning increased (x2.3) to -€52 million in second quarter 2020. Lastly, underlying net income Group share was €12 million, i.e. a strong decrease of -70.3%.

By country:

- CA Egypt(18): underlying gross operating income was down -16% in second quarter 2020 compared to second quarter 2019, with underlying revenues (-13%) penalised by lower rates. The risk profile remained good with a low NPL ratio of 2.6% and a high coverage ratio of 169%.
- CA Poland(18): underlying revenues recorded a decline this quarter (-10%), penalised by the drop in reference interest rates. This drop was partially offset by a fall in expenses of -10%. Underlying gross operating income fell by -9% and provisioning increased, resulting in a lower net income Group share, which was negative in first half 2020 (-€4 millions).
- CA Ukraine(18): underlying revenues were down this quarter (-11%), mainly due to the drop in the reference interest rate, as well as the fall in fee and commission income (-30%). The NPL ratio was 4.4% and the coverage ratio was high at 180%.
- Crédit du Maroc(18): revenues were slightly down this quarter by -3%, but expenses remained under control (+1%). Provisioning remains prudent, with the coverage ratio reaching 96%.

In first half year 2020, revenues are down by -4.6% at €435 million. Underlying expenses excluding SRF decreased only by -1.4%, which resulted a deterioration of the cost/income ratio at 62.7%, up by 2.0 percentage points. All in all, the business-line’s contribution to net income Group share was down -56.4%.

The underlying RONE (return on normalized equity) of other IRB excluding Italy stands at 12.1% for the first half year 2020, compared to 19.3% for 2019.

The International retail banking business line contributed for 4% to the underlying net income Group share of Crédit Agricole S.A.'s core businesses (excluding the Corporate Centre division) in the second quarter 2020 and 13% to underlying revenues excluding the Corporate Centre.

The entire Retail banking business line contributed for 15% to the underlying net income Group share of Crédit Agricole S.A.'s core businesses (excluding the Corporate Centre division) in the second quarter 2020 and 29% to underlying revenues excluding the Corporate Centre.

As of 30 June 2020, the capital allocated to the division is €9.1 billion including €5.1 billion for French retail banking, €3.9 billion for International retail banking. Risk-weighted assets are €95.5 billion including €54.1 billions for French retail banking and €41.3 billions for International retail banking.

[18] *Excluding forex effect*

Specialised financial services

In **second quarter 2020**, the **net income Group share** of the Specialised financial services business line was €149 million, down -27.9% compared to second quarter 2019, due in particular to a decline in **revenues** in a context of a slowdown in business and an increase in **provisioning**.

In first half 2020, **net income Group share** was €258 million, a decrease of -35.7%.

The business line contributed 12% to the **underlying net income Group share** of Crédit Agricole S.A.'s core businesses. (excluding Corporate Centre division) in first half 2020 and 12% to **underlying revenues** excluding Corporate Centre division.

At 30 June 2020, the **capital allocated** to the Specialised Financial Services business line was €4.9 billion and **risk-weighted assets** were €51.7 billion.

RoNE (return on normalised equity) of the business line stood at 10.1% in first half 2020 (vs 16% for 2019).

Consumer finance

In the **second quarter 2020**, CA Consumer Finance's **revenues** totalled €485 million and were down compared to second quarter 2019 against a backdrop of a slowdown in activity due in particular to the health crisis (-12% including -€19 million on insurance revenues). **Costs excluding SRF** fell thanks to rigorous cost management (-7.1% at €240 million) limiting the decline in **gross operating income** (-15.5%). The **cost/income ratio** decreased by -2.6 percentage points to 49.5%. Contribution from **equity-accounted entities** was down (-22.7%) due to an increase in provisioning at Wafasalaf (+€24 million). **Provisioning** for CA Consumer Finance was up +85.1%, 37% of the increase of which was related to the provisioning of performing loans. The underlying **tax** contribution has been decreasing since second quarter 2019 (-€113 million), as CA Consumer Finance benefited from a favourable tax regime in Italy (Affrancamento, +€39 million) following the commercial agreement signed in 2019 between Agos and Banco BPM. Thus, CA Consumer Finance's **net income Group share** was €131 million and decreased -23.3% compared to second quarter 2019.

Revenues decreased -8.1% compared to first half 2019, as did **gross operating income** (-14.1%). The **cost/income ratio** deteriorated (+3.3 percentage points to 51.5%) despite a decrease in **costs excluding SRF** (-1.8% to €517 million). The contribution from **equity-accounted entities** decreased (-15.4%) and the **provisioning** increased (+78.4% to €382 million). As a result, with a lower underlying **tax** contribution (-€73 million), the contribution of the sub-division to the underlying **net income Group share** was down -31.5%.

Leasing & Factoring

In the **second quarter 2020**, CAL&F's underlying **revenues** were €122 million, down -10.4% compared to second quarter 2019 (of which -29% on factoring), due to a slowdown in activity during the crisis, more pronounced in factoring. Underlying **costs excluding SRF** also fell (-2.9% to €69 million), limiting the decline in underlying **gross operating income** (-22%). The **cost/income ratio** excluding SRF deteriorated by -4.4 percentage points to 56.3%. **Provisioning** increased (x2.2 to €30 million), 79% of the increase of which was related to the provisioning of performing loans. All in all, **CAL&F's underlying net income Group share** was €18 million, down by -49.7% compared to second quarter 2019.

Underlying **revenues** were down -9.2% for first half 2020 compared to first half 2019, while underlying **costs excluding SRF** remained stable (-0.9% to €144 million). As a result, underlying **gross operating income** decreased (-21.7%) and underlying **cost/income ratio** deteriorated (+4.8 percentage points to 57.4%). With increased **provisioning** (x2.3 at €56 million) the underlying **net income Group share** decreased (-55.8% to €30 million).

Large customers

In the **second quarter 2020**, underlying **net income Group share** of the Large customers business line totalled €436 million, down -5.3% compared to second quarter 2019, due to a significant increase in **provisioning** in financing activities (x8, 47% of the increase related to the provisioning of performing loans) and despite a sharp rise in underlying **gross operating income** (+26.7%) thanks to very buoyant business.

Underlying **net income Group share** for first half 2020 was €644 million, down -7%.

The business line contributed 30% to the **underlying net income Group share** of Crédit Agricole S.A.'s core businesses. (excluding Corporate Centre division) in first half 2020 and 31% to **underlying revenues** excluding Corporate Centre division.

At 30 June 2020, the **capital allocated** to the Large customers business line was €12.5 billion and **risk-weighted assets** were €131.7 billion.

RoNE (return on normalised equity) of the business line stood at 10% in first half 2020 (vs 12.7% for 2019).

Corporate and investment banking

In **second quarter 2020**, **underlying revenues** rose +20.3% to €1,500 million as did underlying **gross operating income** (+27.1%, at €802 million), due to the excellent performance in capital markets. Underlying revenues of capital markets and investment banking were up +37.7% to €780 million (of which +44% in capital markets) with a strong contribution from all sub-divisions. Underlying revenues for financing activities were also up (+5.8% at €720 million), due to the excellent performance of commercial banking (+22.4% at €408 million) and despite the negative impact of the economic environment on structured finance (-10.2% at €311 million). Underlying **expenses excluding SRF** were up +3.4% to €645 million compared to the second quarter 2019 mainly due to a base effect, and remained under control with a cost/income ratio of 43%. Thus, with higher **provisioning** (x5) notably in financing activities (x8, 47% of the increase of which is related to provisioning for performing loans), the sub-division's contribution to the Group's underlying **net income Group share** was down -4.2%, to €400 million.

Underlying **revenues** increased by +12.9% in first half 2020 compared to first half 2019, while underlying **costs excluding SRF** increased moderately (+3.1%). Thus, with a positive jaws effect (+9.8 percentage points), underlying **gross operating income** was up (+20.6%) and the underlying **cost/income ratio** improved (-4.6 percentage points to 48.6%). Finally, with higher **provisioning** (x9.4) during the half year, the sub-division's contribution to **net income Group share** was down -7.4% to €585 million.

Asset servicing

In **second quarter 2020**, as a result of the **consolidation of KAS Bank and Santander Securities Services,** underlying **revenues** increased by +23.9% to €288 million, while underlying **costs excluding SRF** rose +20% to €207 million. Underlying **gross operating income** rose +22.9% to €74 million and benefited from a positive jaws effect (+3.9 percentage points). The **cost/income ratio** excluding SRF improved by +2.4 percentage points to 71.9%. Underlying **net income** improved by +24.4%. In all, the contribution of the sub-division to underlying **net income Group share** was down -15.7% year-on-year, to €37 million, as a result of the emergence of non-controlling interests in Santander for €17 million.

Underlying **revenues** increased by +26.3% in first half 2020 compared to first half 2019, while underlying **costs excluding SRF** increased by +22.4%. With a positive jaws effect (+3.9 percentage points), the underlying **gross operating income** increased (+31.9%), and the underlying **cost/income ratio** improved (-2.4 percentage points to 73.6%). As a result, underlying **net income** increased by +43.6%. In conclusion, the sub-division's contribution to **net income Group share** is down -3.3% due to non-controlling interests (€29 million).

Corporate Centre

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

- the activities and the role of the corporate centre of Crédit Agricole S.A. holding. This negative contribution reached -€139 million in second quarter 2020, a significant improvement compared to second quarter 2019 (-€260 million) due to improved revenues following lower refinancing costs and lower staff costs and travel expenses;
- the sub-divisions that are not part of the core businesses, such as CACIF (private equity) and CA Immobilier: their contribution of -€26 million in second quarter 2020 shows a decline compared to second quarter 2019 (+€15 million), due to the impact of negative valuations in private equity entities;
- the Group's support functions: the second quarter 2020 recorded a positive impact of +€10 million, slightly down compared to second quarter 2019 (+€16 million). Their contribution, however, remains essentially nil over a rolling 12-month period, as their services are reinvoiced to the other Group business lines.

"Other items" recorded a negative contribution of -€39 million this quarter, compared to a contribution of +€38 million in second quarter 2019. This negative variance is due to the impact of the market upturn on intra-group transactions.

For first half 2020, the negative contribution of the Corporate Centre division was -€375, an improvement of +€103 million compared to first half 2019. The structural component improved significantly over the period (+€54 million), in particular with regard to the activities and functions of the corporate entity Crédit Agricole S.A.'s corporate centre (+€109 million). The other items of the business line contributed +€73 million over the half year, an improvement of +€49 million.

As at 30 June 2020, risk weighted assets were €27.1 billion and allocated capital was €2.6 billion.

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Philippe Brassac, Chief Executive Officer, commented on the second quarter 2020 results and activity of Crédit Agricole S.A. as follows: "*Our Group emerges unharmed from a disruptive quarter. The unprecedented health crisis has had an automatic effect on the economy. As France's leading bank, we have massively supported our customers. Our results are strong, with Gross operating income growing over the first half the year, a sharp rise in CET1 ratios, and one of the best levels of risk provisioning in Europe, and we are putting them to the benefit of the recovery*".

Financial solidity

Crédit Agricole Group

Over the quarter, Crédit Agricole Group maintain a high level financial strength continuously, with a phased-in Common Equity Tier 1 (CET1) ratio of 16.1% achieving today the objective of the 2022 Group Project, up by +0.6 percentage points compared to end-March 2020. The ratio fully loaded is 15.8%. This increase is mainly due to the effect of +20 basis points of the retained earnings including a dividend per share provision of €0.24 for the first half year of 2020, methodology and regulatory effects (+59 basis points) linked in particular to IFRS 9 phasing (+27 basis points) and the additional SME factor (+24 basis points) as well as unrealised gains and/or losses (+11 basis points). In addition, the increase in risk-weighted assets over the period, generating an unfavourable effect on the CET1 ratio of -21 basis points. In fact, risk weighted assets of the sub-divisions increased by +€2.6 billion, notably in Retail banking, of which €1.4 billion at LCL and €1.7 billion at the Regional banks (+€7.6 billion in organic growth), partly offset by the impact of the SME add-on factor -€6 billion and the impact of the increase of Insurance Equity stake for €1.9 billion. Excluding the effect of the 2-month waiting period for State-guaranteed Loans, risk-weighted assets would have been €565 billion, and the Group's phased-in CET1 ratio would have been 16.3%.

In the end, the Crédit Agricole Group posted a substantial buffer of 7.2 percentage points between the level of its CET1 ratio and the 8.9% SREP requirement for Crédit Agricole Group, compared with 6.6 percentage points at 31 March 2020.

The phased-in leverage ratio came to 5.3%, stable compared to end-March 2020. The phased-in Tier 1 ratio was 17.0%, the phased-in overall ratio was 19.7% and the phased-in average intra-quarter leverage ratio was 5.2%.

TLAC

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

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

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

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

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

At 30 June 2020, **the Crédit Agricole Group's TLAC ratio** stood at **23.8% of RWAs and 7.5% of leverage ratio exposure, excluding eligible senior preferred debt**. The TLAC ratio increased by +120 basis points compared to first quarter 2020, in a context of sharply rising TLAC debt issues. It exceeded the required 19.5% of RWAs (according to CRR2/CRD5, plus, at 30 June 2020, the counter-cyclical buffer of 0.01%) and 6% of the leverage ratio exposure, respectively, despite the fact that it was possible at that date to include up to 2.5% of RWAs in eligible senior preferred debt.

Achievement of the TLAC ratio is supported by a **TLAC debt issuance programme for 2020 of around €6 billion to €8 billion in the wholesale market.** At 30 June 2020, €7.2 billion equivalent had been issued in the market; the amount of the Crédit Agricole Group senior non-preferred debt taken into account in the computation of the TLAC ratio was €23.2 billion.

MREL

The MREL (Minimum Requirement for Own Funds and Eligible Liabilities) ratio is defined in the European "Bank Recovery and Resolution Directive" (BRRD). This Directive establishes a framework for the resolution of banks throughout the European Union, with the aim of providing the resolution authorities with shared instruments and powers to pre-emptively tackle banking crises, preserve financial stability and reduce taxpayer exposure to losses.

The ACPR, the national resolution authority believes that the "single point of entry" resolution strategy is the most appropriate for the French banking system. The Crédit Agricole Group has adopted the SPE model. As the central body, Crédit Agricole S.A. would be the single point of entry in a situation of resolution of Crédit Agricole. Given the solidarity mechanisms that exist within the Group, a member of the Credit Agricole network or an entity affiliated with it cannot be resolved individually.

The MREL ratio corresponds to the minimum requirement of own funds and eligible liabilities that must be available in order to absorb losses in the event of resolution. It is calculated as the amount of own funds and eligible liabilities expressed as a percentage of the institution's total liabilities and own funds, after certain prudential adjustments (TLOF[19]), or expressed as risk weighted assets (RWA). Regulatory capital, as well as subordinated notes, senior non-preferred debt instruments and certain senior preferred debt instruments with residual maturities of more than one year are eligible for the numerator of the MREL ratio.

In 2020, the Single Resolution Board (SRB) notified Crédit Agricole Group of the revision of its total consolidated MREL requirement and of a new subordinated MREL requirement. These are already applicable and have been met by the Group since that time. These requirements will be reviewed periodically by the resolution authorities and will include changes to the European regulatory framework (i.e. BRRD2).

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

At 30 June 2020, **Crédit Agricole Group posted an estimated MREL ratio of 11% of the TLOF and 8.2% excluding eligible senior preferred debt.** Expressed as a percentage of risk weighted assets, the Crédit Agricole Group's estimated MREL ratio was approximately **32%** at end-June 2020. **It was 23.8% excluding eligible senior preferred debt.**

Maximum Distributable Amount (MDA) trigger

The transposition of Basel regulations into European law (CRD4) has established a restriction mechanism of the distributions applicable to dividends, AT1 instruments and variable compensation. The Maximum Distributable Amount (MDA, the maximum sum a bank is allowed to allocate to distributions) principle aims to place limitations on distributions in the event the latter were to result in non-compliance with combined capital buffer requirements.

The distance to the MDA trigger is the lowest of the respective distances to the SREP requirements in CET1 capital, Tier 1 capital and total capital. As from 12 March 2020 and considering the impact of the COVID-19 crisis, the European Central Bank brought forward the effective date of application of Article 104a of CRD5 and allowed institutions under its supervision to use Tier 1 and Tier 2 capital to meet the additional Pillar 2 requirement (P2R).

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

Overall, the P2R can now be met with 75% Tier 1 capital including as a minimum 75% CET1 capital. The CET1 requirement of Crédit Agricole S.A. and Crédit Agricole Group has thus decreased by -66 basis points since first quarter 2020.

At 30 June 2020, **Crédit Agricole Group** posted a buffer of **636 basis points above the MDA trigger, i.e. €36 billion in CET1 capital**.

At 30 June 2020, **Crédit Agricole S.A.** posted a buffer of **382 basis points above the MDA trigger, i.e. €13 billion in CET1 capital**.

Crédit Agricole S.A.

At end-June 2020, Crédit Agricole S.A. retained a high level of solvency, with a **phased-in Common Equity Tier 1 (CET1) ratio of 12.0%, up +0.6 percentage point from end-March 2020. The fully loaded ratio is 11.7%.** During the quarter the CET1 ratio benefited from the stated result, generating a positive impact of +27 basis points; unrealised gains and/or losses that generated a positive impact of +19 basis points, as well as a positive impact from methodology and regulatory effects for +46 basis points, which notably includes IFRS 9 phasing for +25 basis points (measure authorising the neutralisation of part of the impact of the first-time application of IFRS 9 and of net charges to provisions on healthy loans outstanding), the additional SME factor effect (extension of the SME support factor and introduction of a new factor of 0,85 for exposures above the threshold of EUR 2,5 million) for +9 basis points and prudent valuation effect (adoption by the EBA, before June 30 relating to the aggregation factor in order to limit the impact of market volatility in the calculation) for +7 basis points. The measures on software are not applicable as of June 30, 2020. This impact also includes optimizations at CACIB, which reduce weighted jobs by 1.5 billion euros. The solvency ratio include this quarter a dividend per share provision of €0.16, €0.24 for the half year, which, coupled with the effect of the AT1 coupons, has a negative impact of 15 basis points. The solvency ratio include a negative impact of -16 basis points on the "M&A and other" item, mainly related to the acquisition of Sabadell Asset Management for -9 basis points.

The impact of business line growth on the ratio this quarter is neutral. In the end, Crédit Agricole S.A. had a substantial buffer of 4.1 percentage points between the level of its CET1 ratio and the 7.9% SREP requirement, compared with 3.5 percentage points at 31 March 2020.

The phased-in leverage ratio was 3.9% at end-June 2020, stable compared to end-March 2020. The phased-in average intra-quarter leverage ratio was 3.8%%, the phased-in Tier 1 ratio was 13.5% and the phased-in overall ratio was 17.6% and the.

Risk weighted assets amounted to €347 billion at end-June 2020, compared with €348 billion at end-March, i.e. a limited decrease of -0.2% over one quarter. The impact on risk-weighted assets of business growth was neutral overall, +€1.2 billion under the effect of an increase of €2.7 billion increase in Retail banking, mostly at LCL related to the introduction of State guaranteed loans, that was partially offset by a decline in Specialised financial services (€2.1 billion). The increase in the equity-accounted value of the insurance business had an upward impact on risk weighted assets amounting to €2.1 billion, whereas the regulatory effects had a downward impact on them (-€2.6 billion in the case of SME supporting factor), as did the methodology effects at Crédit Agricole Corporate and Investment Bank (-€1.5 billion). Pro-forma of State guaranteed loans 2 months' waiting period risk weighted assets were down -€2.6 billion in June compared to March.

Liquidity and Funding

Liquidity is measured at Crédit Agricole Group level.

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

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

Further to the breakdown of the IFRS financial statements in the sections of the cash balance sheet, netting calculations are carried out. They relate to certain assets and liabilities that have a symmetrical impact in terms of liquidity risk. Deferred taxes, fair value impacts, collective impairments, short-selling transactions and other assets and liabilities were netted for a total of €62 billion at end-June 2020. Similarly, €96 billion in repos/reverse repos were eliminated insofar as these outstandings reflect the activity of the securities desk carrying out securities borrowing and lending operations that offset each other. Other nettings calculated in order to build the cash balance sheet relate to derivatives, margin calls, adjustment/settlement/liaison accounts and to non-liquid securities held by the Corporate and Investment Banking division, included in the "Customer-related trading assets" section, for an amount totalling €184 billion at end-June 2020.

It should be noted that deposits centralised with CDC are not netted in order to build the cash balance sheet; the amount of centralised deposits (€62 billion at end-June 2020) is booked to assets under "Customer-related trading assets" and to liabilities under "Customer-related funds".

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

Note that for Central Bank refinancing operations, outstandings related to the TLTRO (Targeted Longer-Term Refinancing Operations) are included in "Medium long-term market funds". Indeed, the TLTRO II and TLTRO III operations do not allow for early redemption at the ECB's discretion; given respectively their four-year and three-year contractual maturity, they are deemed equivalent to long term secured refinancing, identical in liquidity risk terms to a secured issue.

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

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

Standing at €1,487 billion at 30 June 2020, the Group's banking cash balance sheet shows a **surplus of stable funding resources over stable application of funds of €241 billion**, up +€109 billion compared to March 2020 and up +€125 billion compared to June 2019.

In the context of the COVID-19 health crisis, the Group made massive efforts to support its customers, in particular through the implementation of State guaranteed loans and extension on loans maturities. In order to meet customer demand and benefit from competitive interest rate conditions, the Group took part once again in June 2020 in the T-LTRO III medium-to-long-term refinancing transactions of the European Central Bank for €90 billion, increasing its level of stable resources.

In addition, the Group benefited during the quarter from a significant increase in financing activities and retail banking inflows in France, partly stemming from the liquidity return of State guaranteed loans financing. Indeed, over the quarter, inflows were up +€47 billion, while loans were up +€16 billion, also contributing to the improvement of stable resources.

This surplus of €241 billion, known as stable resources position, allows the Group to cover the LCR deficit generated by long-term assets and stable liabilities (customer, tangible and intangible assets, long-term funds and own funds). It meets the Medium Term Plan target of over €100 billion. The **ratio of stable resources over long term applications of funds was 121.6%**, up +9.5pp compared to the previous quarter.

Furthermore, given the excess liquidity and the gradual repayment over the quarter of drawings on central bank facilities (notably LTRO), the Group moved into a short-term lending position at 30 June 2020 (central bank deposits exceeding the amount of short-term debt).

Medium-to-long-term market resources were €311 billion at 30 June 2020, up +€83 billion compared to end-March 2020.

They included senior secured debt of €184 billion, senior preferred debt of €84 billion, senior non-preferred debt of €24 billion and Tier 2 securities amounting to €19 billion.

The significant increase in senior secured debt is explained by the Group taking part in the T-LTRO medium-to-long-term refinancing transactions of the European Central Bank (drawings of TLTRO III and partial repayment of TLTRO II). The decrease in preferred senior debt is explained by the liability management operation carried out during the second quarter.

The Group's liquidity reserves, at market value and after haircuts, amounted to €405 billion at 30 June 2020, up by +€67 billion compared to end-March 2020 and +€128 billion compared to 30 June 2019. They cover three times short-term debt.

In the context of the COVID-19 health crisis, the Group strongly demonstrated its ability to mobilise collateral to create additional liquidity reserves. At the same time, the implementation in April of the ECB's collateral easing measures also helped to increase the purchasing power of the Group's central bank.

The increase in central bank deposits is the result of the replacement of significant excess liquidity. The increase in the Group's asset encumbrance ratio is in line with Central Bank's drawings.

At end-June 2020, the numerator of the LCR ratio (including the portfolio of HQLA securities, cash and central bank deposits, excluding reserve requirements), calculated as an average over 12 months, stood respectively at €256.2 billion for the Crédit Agricole Group and €224.4 billion for Crédit Agricole S.A. The denominator of the ratio (representing net cash outflows), calculated as an average over 12 months, stood respectively at €192.8 billion for the Crédit Agricole Group and at €166.9 billion for Crédit Agricole S.A.

The average LCR ratios over 12 months for Crédit Agricole Group and Crédit Agricole S.A. were respectively 132.9% and 134.4% at end-June 2020. They exceeded the Medium Term Plan target of around 110%. Credit Institutions are subject to a threshold for this ratio, set at 100% from 1 January 2018.

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

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

At 30 June 2020, the Group's main issuers raised the equivalent of €21.8 billion in medium-to-long-term debt on the markets, 52% of which was issued by Crédit Agricole S.A.

In addition, €3.3 billion was also borrowed from national and supranational organisations or placed in Crédit Agricole Group's Retail banking networks (Regional Banks, LCL and CA Italia) and other external networks at end-June 2020.

It should be noted that Crédit Agricole Assurances (CAA) issued a 10-year Tier 2 bond for €1 billion in July, to refinance subordinated intra-group debt.

At the end of July 2020, Crédit Agricole S.A. completed 96% of its €12 billion medium/long-term market funding programme for the year. The bank had raised the equivalent of €11.5 billion[20], of which €5.2 billion equivalent in senior non-preferred debt and €2.2 billion equivalent in Tier 2 debt, as well as €4.1 billion equivalent in senior preferred debt and in senior secured debt.

The target of senior non-preferred and Tier 2 issues had been revised at €6 to €8 billion eq., an increase from the initial target of €5 to €6 billion eq.

Note that in June 2020, Crédit Agricole S.A completed a partial buyback of 11 sets of bonds denominated in EUR and GBP, as well as a partial buyback of four sets of USD-denominated bonds for a total of €3.4 billion eq. The purpose of the buybacks was to optimise Crédit Agricole S.A.'s liability structure and debt management in light of current and future regulations and to provide liquidity to investors in the targeted bond sets.

[20] *Gross amount before buy back and amortisation*

Corporate Social and Environmental Responsibility of the Company

Social

The Crédit Agricole S.A. Group has been named one of the top 50 companies in the SBF 120 ranking of the representation of women on corporate decision-making bodies. The Crédit Agricole S.A. Group has improved significantly in this ranking, climbing 46 spots from the 90th position in 2015 to the 44th position in 2019. This annual ranking highlights the commitment of 120 large French corporates to include more women on their decision-making bodies and to promote gender equality at work. This result reflects the proactive policy that the Group adopted 4 years ago, leading in particular to a significant increase in the number of women on the decision-making bodies of the Crédit Agricole S.A. Group's Executive Committee and on all of the top decision-making bodies across the Group's 11 business lines. The Group aims for women to make up 30% of its entities' top decision-making bodies by 2022.

On 8 April 2020, in the light of the health crisis caused by COVID-19, Crédit Agricole launched a solidarity fund raising money to pay for essential measures to protect the elderly and allow them to keep in touch with their close ones. At the end of June, nearly 500,000 elderly people throughout the country received assistance from Crédit Agricole thanks to this €20 million fund.

Climate financing

Crédit Agricole is setting up a new scheme to drive its non-financial performance. The scheme is made up of two major projects: the launch of a non-financial reporting platform to cover the Crédit Agricole Group scope, and the roll-out of an energy transition rating tool to be used for analysis and dialogue with the Group's large corporate clients. It is also helping the Group to meet the 2021 European regulatory requirements.

Amundi has been selected to manage a eurozone equity index fund aligned with the Paris Agreement on climate change, on behalf of 12 institutional investors on the Paris stock exchange who are launching an unprecedented initiative to promote climate issues. This investment solution is expected to produce an annual carbon intensity reduction of at least 7%, in line with the IPCC's* 1.5°C scenario. It is the first investment solution that is fully eligible for the future "Paris Aligned Benchmark" European label. The index will operate by gradually excluding corporates that do not set any targets as defined by the Science Based Targets initiative. The investment solution therefore encourages issuers to embark on a transition.

**IPCC — the Intergovernmental Panel on Climate Change is open to all UN member countries*

Technique Solaire has put in place financing activities of €111 million, calling on Unifergie (a subsidiary of Crédit Agricole Leasing & Factoring) and Crédit Agricole de la Touraine et du Poitou. These activities include firstly, the refinancing of 120 existing solar power plants (so-called "brownfield" financing, which relates to assets already in service) and secondly the financing of a portfolio of projects representing 54 megawatts of electricity (so-called "greenfield" financing, which concerns new construction projects), in addition to the 81-megawatt portfolio already underway for this client. In total, these new installations will generate power equating to the annual consumption of 24,000 homes in 23 French departments.

Non-financial performance

The Grameen Crédit Agricole Foundation published its first impact report, a financial and non-financial assessment. The Foundation has broadened its impact through its cooperation with 30 Crédit Agricole regional banks and entities. With a micro-financing fund that has brought together 21 Regional Banks, a skills volunteering programme and innovative cooperation schemes, today the Foundation is strengthening its leverage position for the financial inclusion of the Group in around 40 countries. *For more information: http://impact-report.gca-foundation.org/*

Biodiversity

The Crédit Agricole registered office has just obtained the BiodiverCity® Life label awarded by the International Biodiversity & Property Council (IBPC), which recognises consideration for biodiversity on sites in service. For nearly two years, the Crédit Agricole Immobilier operations teams and the CSR management team at Crédit Agricole S.A. have put the site's ecological potential to the test and have now been awarded the label following a compliance audit performed by Deloitte. Evergreen is the result of a comprehensive look at environmental conservation, including the well-being of its occupants, management of natural resources and the development of biodiversity.

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

Credit Agricole Group - Specific items, Q2-20 and Q2-19, H1-20 and H1-19

€m	Q2-20		Q2-19		H1-20		H1-19	
	Gross impact*	Impact on net income	Gross impact*	Impact on net income	Gross impact*	Impact on net income	Gross impact*	Impact on net income
DVA (LC)	(7)	(5)	(5)	(3)	(26)	(19)	(12)	(9)
Loan portfolio hedges (LC)	(75)	(51)	(8)	(6)	48	32	(27)	(20)
Home Purchase Savings Plans (LCL)	(4)	(3)	(3)	(2)	(15)	(10)	(11)	(7)
Home Purchase Savings Plans (CC)	(16)	(11)	(15)	(10)	(46)	(31)	(28)	(18)
Home Purchase Savings Plans (RB)	(58)	(40)	(19)	(13)	(133)	(90)	(98)	(64)
Liability management upfront payment (CC)	(41)	(28)	-	-	(41)	(28)	-	-
Support to insured clients Covid-19 (AG)	(2)	(1)	-	-	(2)	(1)	-	-
Support to insured clients Covid-19 (AG)	(143)	(97)	-	-	(143)	(97)	-	-
Support to insured clients Covid-19 (RB)	(94)	(64)	-	-	(94)	(64)	-	-
Total impact on revenues	**(441)**	**(300)**	**(49)**	**(33)**	**(452)**	**(309)**	**(175)**	**(118)**
Covid-19 donation (AG)	-	-	-	-	(38)	(38)	-	-
Covid-19 donation (IRB)	-	-	-	-	(8)	(4)	-	-
Covid-19 donation (CC)	-	-	-	-	(10)	(10)	-	-
Covid-19 donation (RB)	-	-	-	-	(10)	(10)	-	-
S3 / Kas Bank integration costs (LC)	(5)	(2)	-	-	(9)	(4)	-	-
Total impact on operating expenses	**(5)**	**(2)**	**-**	**-**	**(75)**	**(67)**	**-**	**-**
Triggering of the Switch2 (AG)	65	44	-	-	65	44	-	-
Triggering of the Switch2 (RB)	(65)	(44)	-	-	(65)	(44)	-	-
Total impact on cost of risk	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total impact of specific items	**(445)**	**(302)**	**(49)**	**(33)**	**(527)**	**(376)**	**(175)**	**(118)**
Asset gathering	**(77)**	**(53)**	**-**	**-**	**(116)**	**(91)**	**-**	**-**
French Retail banking	**(224)**	**(152)**	**(22)**	**(14)**	**(320)**	**(221)**	**(108)**	**(71)**
International Retail banking	**-**	**-**		**-**	**(8)**	**(4)**	**-**	**-**
Specialised financial services	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Large customers	**(86)**	**(58)**	**(12)**	**(9)**	**13**	**9**	**(39)**	**(29)**
Corporate centre	**(58)**	**(39)**	**(15)**	**(10)**	**(97)**	**(69)**	**(28)**	**(18)**

** Impact before tax and before minority interests*

Crédit Agricole S.A. - Specific items, Q2-20 and Q2-19, H1-20 and H1-19

	Q2-20		Q2-19		H1-20		H1-19	
€m	Gross impact*	Impact on net income	Gross impact*	Impact on net income	€m		Gross impact*	Impact on net income
DVA (LC)	(7)	(5)	(5)	(3)	(26)	(19)	(12)	(9)
Loan portfolio hedges (LC)	(75)	(50)	(8)	(6)	48	32	(27)	(20)
Home Purchase Savings Plans (FRB)	(4)	(2)	(3)	(2)	(15)	(10)	(11)	(7)
Home Purchase Savings Plans (CC)	(16)	(11)	(15)	(10)	(46)	(31)	(28)	(18)
Liability management upfront payment (CC)	(41)	(28)	-	-	(41)	(28)	-	-
Support to insured clients Covid-19 (LCL)	(2)	(1)	-	-	(2)	(1)	-	-
Support to insured clients Covid-19 (AG)	(143)	(97)	-	-	(143)	(97)	-	-
Total impact on revenues	**(288)**	**(195)**	**(30)**	**(20)**	**(225)**	**(154)**	**(78)**	**(53)**
Covid-19 donation (AG)	-	-	-	-	(38)	(38)	-	-
Covid-19 donation (IRB)	-	-	-	-	(8)	(4)	-	-
Covid-19 donation (CC)	-	-	-	-	(10)	(10)	-	-
S3 / Kas Bank integration costs (LC)	(5)	(2)	-	-	(9)	(4)	-	-
Total impact on operating expenses	**(5)**	**(2)**	**-**	**-**	**(65)**	**(57)**	**-**	**-**
Triggering of the Switch2 (AG)	65	44	-	-	65	44	-	-
Total impact on cost of risk	**65**	**44**	**-**	**-**	**65**	**44**	**-**	**-**
Total impact of specific items	**(227)**	**(153)**	**(30)**	**(20)**	**(224)**	**(166)**	**(78)**	**(53)**
Asset gathering	**(77)**	**(53)**	**-**	**-**	**(116)**	**(91)**	**-**	**-**
French Retail banking	**(6)**	**(4)**	**(3)**	**(2)**	**(17)**	**(11)**	**(11)**	**(7)**
International Retail banking	**-**	**-**		**-**	**(8)**	**(4)**		**-**
Specialised financial services	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Large customers	**(86)**	**(57)**	**(12)**	**(9)**	**13**	**9**	**(39)**	**(28)**
Corporate centre	**(57)**	**(39)**	**(15)**	**(10)**	**(97)**	**(69)**	**(28)**	**(18)**

** Impact before tax and before minority interests*

Appendix 2 – Credit Agricole Group: results by business lines

Credit Agricole Group – Contribution by divisions - Q2-20 & Q2-19

	Q2-20 (stated)							
€m	RB	LCL	IRB	AG	SFS	LC	CC	Total
Revenues	**3,163**	**851**	**664**	**1,360**	**607**	**1,706**	**(256)**	**8,096**
Operating expenses excl. SRF	(2,023)	(544)	(439)	(666)	(309)	(857)	(199)	(5,036)
SRF	(29)	(7)	(9)	1	(0)	(60)	(2)	(107)
Gross operating income	**1,112**	**301**	**216**	**696**	**298**	**789**	**(458)**	**2,953**
Cost of risk	(363)	(117)	(200)	64	(248)	(342)	(2)	(1,208)
Cost of legal risk	-	-	-	-	-	-	-	-
Equity-accounted entities	(1)	-	-	15	60	3	-	78
Net income on other assets	(4)	-	65	(0)	18	(0)	(0)	78
Change in value of goodwill	(3)	-	-	-	-	-	-	(3)
Income before tax	**741**	**183**	**81**	**775**	**128**	**450**	**(460)**	**1,898**
Tax	(226)	(53)	(17)	(202)	47	(47)	189	(308)
Net income from discont'd or held-for-sale ope.	-	-	(0)	-	-	-	-	(0)
Net income	**515**	**130**	**64**	**573**	**175**	**403**	**(272)**	**1,590**
Non controlling interests	(0)	(0)	(22)	(69)	(26)	(16)	27	(107)
Net income Group Share	**515**	**130**	**42**	**504**	**149**	**387**	**(245)**	**1,483**

	Q2-19 (stated)							
€m	RB	LCL	AG	IRB	SFS	LC	CC	Total
Revenues	**3,257**	**886**	**1,480**	**740**	**687**	**1,466**	**(30)**	**8,485**
Operating expenses excl. SRF	(2,221)	(573)	(691)	(455)	(329)	(797)	(242)	(5,308)
SRF	2	(1)	(3)	(7)	(0)	8	(3)	(4)
Gross operating income	**1,038**	**312**	**786**	**278**	**358**	**678**	**(275)**	**3,174**
Cost of risk	(238)	(51)	(8)	(87)	(132)	(69)	(14)	(598)
Cost of legal risk	-	-	-	-	-	-	-	-
Equity-accounted entities	4	-	12	-	78	(1)	-	94
Net income on other assets	(7)	(0)	(0)	(1)	0	(0)	0	(8)
Change in value of goodwill	-	-	-	-	-	-	-	-
Income before tax	**797**	**262**	**790**	**190**	**305**	**608**	**(289)**	**2,662**
Tax	(247)	(84)	(222)	(53)	(73)	(148)	99	(728)
Net income from discont'd or held-for-sale ope.	-	-	8	-	-	-	-	8
Net income	**550**	**178**	**576**	**137**	**232**	**460**	**(190)**	**1,942**
Non controlling interests	0	(0)	(76)	(29)	(25)	1	(0)	(130)
Net income Group Share	**550**	**178**	**500**	**108**	**207**	**460**	**(190)**	**1,813**

Credit Agricole Group – Contribution by divisions – H1-20 & H1-19

	H1-20 (stated)							
€m	RB	LCL	IRB	AG	SFS	LC	CC	Total
Revenues	**6,323**	**1,729**	**1,360**	**2,694**	**1,254**	**3,295**	**(192)**	**16,462**
Operating expenses excl. SRF	(4,286)	(1,128)	(889)	(1,471)	(661)	(1,741)	(408)	(10,584)
SRF	(123)	(42)	(25)	(6)	(20)	(260)	(86)	(562)
Gross operating income	**1,914**	**558**	**446**	**1,217**	**573**	**1,293**	**(686)**	**5,316**
Cost of risk	(670)	(218)	(316)	46	(438)	(501)	(39)	(2,137)
Cost of legal risk	-	-	-	-	-	-	-	-
Equity-accounted entities	3	-	-	29	132	4	-	168
Net income on other assets	(4)	0	66	3	18	(0)	(0)	84
Change in value of goodwill	(3)	-	-	-	-	-	-	(3)
Income before tax	**1,240**	**340**	**195**	**1,294**	**286**	**796**	**(725)**	**3,428**
Tax	(464)	(109)	(54)	(328)	18	(103)	252	(789)
Net income from discontinued or held-for-sale operations	-	-	(1)	-	-	-	-	(1)
Net income	**776**	**231**	**140**	**967**	**304**	**693**	**(473)**	**2,638**
Non controlling interests	(1)	(0)	(40)	(131)	(46)	(26)	(4)	(248)
Net income Group Share	**775**	**231**	**101**	**835**	**258**	**667**	**(477)**	**2,391**

	H1-19 (stated)							
€m	RB	LCL	AG	IRB	SFS	LC	CC	Total
Revenues	**6,669**	**1,747**	**2,940**	**1,442**	**1,368**	**2,804**	**(287)**	**16,682**
Operating expenses excl. SRF	(4,413)	(1,166)	(1,444)	(894)	(671)	(1,616)	(381)	(10,585)
SRF	(88)	(32)	(7)	(22)	(18)	(177)	(81)	(426)
Gross operating income	**2,167**	**550**	**1,489**	**526**	**678**	**1,011**	**(749)**	**5,671**
Cost of risk	(295)	(95)	(3)	(175)	(239)	(59)	(13)	(879)
Cost of legal risk	-	-	-	-	-	-	-	-
Equity-accounted entities	9	-	25	-	156	(1)	-	188
Net income on other assets	(7)	1	(0)	(1)	1	3	7	3
Change in value of goodwill	-	-	-	-	-	-	-	-
Income before tax	**1,874**	**456**	**1,510**	**350**	**596**	**953**	**(755)**	**4,983**
Tax	(710)	(153)	(419)	(99)	(137)	(277)	219	(1,576)
Net income from discontinued or held-for-sale operations	-	-	8	-	-	-	-	8
Net income	**1,164**	**302**	**1,099**	**251**	**459**	**676**	**(537)**	**3,415**
Non controlling interests	(0)	(0)	(149)	(53)	(58)	1	7	(253)
Net income Group Share	**1,164**	**302**	**950**	**198**	**401**	**677**	**(530)**	**3,163**

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

Crédit Agricole S.A. - Contribution by divisions - Q2-20 & Q2-19

	Q2-20 (stated)						
€m	AG	BP (LCL)	BPI	SFS	GC	AHM	Total
Revenues	1,359	**851**	**640**	**607**	**1 706**	**(266)**	**4 897**
Operating expenses excl. SRF	(666)	(544)	(418)	(309)	(857)	(187)	(2 980)
SRF	1	(7)	(9)	(0)	(60)	(2)	(79)
Gross operating income	**694**	**300**	**212**	**298**	**789**	**(456)**	**1 838**
Cost of risk	64	(117)	(199)	(248)	(342)	(1)	(842)
Cost of legal risk	-	-	-	-	-	-	-
Equity-accounted entities	15	-	-	60	3	10	88
Net income on other assets	(0)	-	65	18	(0)	(0)	82
Change in value of goodwill	-	-	-	-	-	-	-
Income before tax	**773**	**183**	**78**	**128**	**450**	**(447)**	**1 166**
Tax	(201)	(53)	(16)	47	(47)	185	(86)
Net income from discontinued or held-for-sale operations	-	-	(0)	-	-	-	(0)
Net income	**572**	**130**	**62**	**175**	**403**	**(262)**	**1 080**
Non controlling interests	(74)	(6)	(25)	(26)	(23)	29	(126)
Net income Group Share	**498**	**124**	**37**	**149**	**379**	**(233)**	**954**

	Q2-19 (stated)						
€m	AG	FRB (LCL)	IRB	SFS	LC	CC	Total
Revenues	**1,479**	**886**	**715**	**687**	**1,467**	**(85)**	**5,149**
Operating expenses excl. SRF	(691)	(573)	(436)	(329)	(797)	(207)	(3,033)
SRF	(3)	(1)	(7)	(0)	8	(3)	(6)
Gross operating income	**786**	**312**	**272**	**358**	**679**	**(296)**	**2,111**
Cost of risk	(8)	(51)	(84)	(132)	(69)	(15)	(358)
Cost of legal risk	-	-	-	-	-	-	-
Equity-accounted entities	12	-	-	78	(1)	19	108
Net income on other assets	(0)	(0)	(1)	0	(0)	0	(1)
Change in value of goodwill	-	-	-	-	-	-	-
Income before tax	**790**	**262**	**187**	**305**	**609**	**(292)**	**1,861**
Tax	(221)	(84)	(52)	(73)	(148)	94	(485)
Net income from discontinued or held-for-sale operations	8	-	-	-	-	-	8
Net income	**577**	**178**	**135**	**232**	**460**	**(198)**	**1,384**
Non controlling interests	(80)	(8)	(36)	(25)	(9)	(3)	(161)
Net income Group Share	**496**	**170**	**98**	**207**	**452**	**(201)**	**1,222**

Crédit Agricole S.A. - Contribution by divisions – H1-20 & H1-19

	H1-20 (stated)						
€m	AG	FRB (LCL)	IRB	SFS	LC	CC	Total
Revenues	**2,678**	**1,728**	**1,310**	**1,254**	**3,293**	**(167)**	**10,097**
Operating expenses excl. SRF	(1,471)	(1,128)	(848)	(661)	(1,741)	(385)	(6,235)
SRF	(6)	(42)	(25)	(20)	(260)	(86)	(439)
Gross operating income	**1,201**	**558**	**437**	**573**	**1,292**	**(638)**	**3,423**
Cost of risk	46	(218)	(314)	(438)	(501)	(37)	(1,463)
Cost of legal risk	-	-	-	-	-	-	-
Equity-accounted entities	29	-	-	132	4	13	178
Net income on other assets	3	0	66	18	(0)	(0)	87
Change in value of goodwill	-	-	-	-	-	-	-
Income before tax	**1,279**	**340**	**189**	**286**	**795**	**(662)**	**2,226**
Tax	(323)	(109)	(53)	18	(103)	224	(347)
Net income from discontinued or held-for-sale operations	-	-	(1)	-	-	-	(1)
Net income	**955**	**231**	**135**	**304**	**692**	**(439)**	**1,879**
Non controlling interests	(139)	(10)	(47)	(46)	(39)	(5)	(287)
Net income Group Share	**816**	**220**	**88**	**258**	**653**	**(444)**	**1,592**

	H1-19 (stated)						
€m	AG	FRB (LCL)	IRB	SFS	LC	CC	Total
Revenues	**2,948**	**1,747**	**1,391**	**1,368**	**2,806**	**(256)**	**10,004**
Operating expenses excl. SRF	(1,444)	(1,166)	(856)	(671)	(1,616)	(384)	(6,136)
SRF	(7)	(32)	(22)	(18)	(177)	(81)	(337)
Gross operating income	**1,497**	**550**	**513**	**678**	**1,013**	**(721)**	**3,530**
Cost of risk	(3)	(95)	(172)	(239)	(59)	(13)	(582)
Cost of legal risk	-	-	-	-	-	-	-
Equity-accounted entities	25	-	-	156	(1)	13	193
Net income on other assets	(0)	1	(1)	1	3	19	22
Change in value of goodwill	-	-	-	-	-	-	-
Income before tax	**1,518**	**456**	**340**	**596**	**955**	**(702)**	**3,163**
Tax	(420)	(153)	(96)	(137)	(278)	205	(880)
Net income from discontinued or held-for-sale operations	8	-	-	-	-	-	8
Net income	**1,106**	**303**	**243**	**459**	**677**	**(497)**	**2,291**
Non controlling interests	(157)	(14)	(66)	(58)	(13)	1	(307)
Net income Group Share	**949**	**289**	**178**	**401**	**664**	**(496)**	**1,985**

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

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

(€m)		Q2-20	Q2-19	H1-20	H1-19	Var Q2/Q2	Var H1/H1
Net income Group share - stated		954	1,222	1,592	1,985	(21.9%)	(19.8%)
- Interests on AT1, including issuance costs, before tax		(72)	(99)	(229)	(240)	(27.2%)	(4.5%)
NIGS attributable to ordinary shares - stated	**[A]**	**882**	**1,123**	**1,363**	**1,745**	**(21.5%)**	**(21.9%)**
Average number shares in issue, excluding treasury shares (m)	[B]	2,882.4	2,864.1	2,882.7	2,863.3	+0.6%	+0.7%
Net earnings per share - stated	**[A]/[B]**	**0.31 €**	**0.39 €**	**0.47 €**	**0.61 €**	**(22.0%)**	**(22.4%)**
Underlying net income Group share (NIGS)		1,107	1,242	1,758	2,038	(10.9%)	(13.7%)
Underlying NIGS attributable to ordinary shares	**[C]**	**1,035**	**1,143**	**1,529**	**1,798**	**(9.5%)**	**(15.0%)**
Net earnings per share - underlying	**[C]/[B]**	**0.36 €**	**0.40 €**	**0.53 €**	**0.63 €**	**(10.1%)**	**(15.5%)**

(€m)		30/06/2020	30/06/2019
Shareholder's equity Group share		63,895	61,216
- AT1 issuances		(5,130)	(6,094)
- Unrealised gains and losses on OCI - Group share		(2,291)	(3,056)
- Payout assumption on annual results*		-	-
Net book value (NBV), not revaluated, attributable to ordin. sh.	**[D]**	**56,474**	**52,066**
- Goodwill & intangibles** - Group share		(18,502)	(18,335)
Tangible NBV (TNBV), not revaluated attrib. to ordinary sh.	**[E]**	**37,972**	**33,731**
Total shares in issue, excluding treasury shares (period end, m)	[F]	2,882.8	2,864.0
NBV per share , after deduction of dividend to pay (€)	**[D]/[F]**	**19.6 €**	**18.2 €**
+ Dividend to pay (€)	**[H]**	**0.0 €**	**0.0 €**
NBV per share , before deduction of dividend to pay (€)		**19.6 €**	**18.2 €**
TNBV per share, after deduction of dividend to pay (€)	**[G]=[E]/[F]**	**13.2 €**	**11.8 €**
TNBV per sh., before deduct. of divid. to pay (€)	**[G]+[H]**	**13.2 €**	**11.8 €**

** dividend proposed to the Board meeting to be paid*

*** including goodwill in the equity-accounted entities*

(€m)		H1-20	H1-19
Net income Group share attributable to ordinary shares	[H]	2,725	3,490
Tangible NBV (TNBV), not revaluated attrib. to ord. sh. - avg***	[J]	36,022	32,572
Stated ROTE (%)	**[H]/[J]**	**7.6%**	**10.7%**
Underlying Net income attrib. to ord. shares (annualised)	[I]	3,058	3,596
Underlying ROTE (%)	**[I]/[J]**	**8.5%**	**11.0%**

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

Alternative Performance Indicators

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

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

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

NBV Net Book Value

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

EPS Earnings Per Share

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

Cost/income ratio

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

Cost of risk/outstandings

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

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

Impaired loans ratio

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

Coverage ratio

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

Net income Group share attributable to ordinary shares – stated

Net income Group share attributable to ordinary shares is calculated as net income Group share less interest on AT1 instruments, including issue costs before tax.

Underlying net income Group share

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

ROE Return on Equity

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

RoTE Return on Tangible Equity

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

Warning

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

This presentation may include prospective information on the Group, supplied as information on trends. This data does not represent forecasts within the meaning of EU delegated regulation 2019/980 of 14 March 2019 (chapter 1, article 1, d).

This information was developed from scenarios based on a number of economic assumptions for a given competitive and regulatory environment. Therefore, these assumptions are by nature subject to random factors that could cause actual results to differ from projections. Likewise, the financial statements are based on estimates, particularly in calculating market value and asset impairment.

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

Applicable standards and comparability

The figures presented for the six-month period ending 30 June 2020 have been prepared in accordance with IFRS as adopted in the European Union and applicable at that date, and with prudential regulations currently in force. 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 Crédit Agricole S.A. 2019 Universal Registration Document and its 2019 A.01 update (including all regulatory information about the Crédit Agricole Group) were filed with the AMF (the French Financial Markets Authority).

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

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

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

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

Since 30 June 2020, Menafinance has been wholly owned by Crédit Agricole Consumer Finance and is fully consolidated by Crédit Agricole S.A..

Financial Agenda

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

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