CRÉDIT AGRICOLE S.A.

PRESS RELEASE

Montrouge, 11 May 2017

2017 First Quarter Results

Q1-2017: Net income up sharply for both Crédit Agricole Group and Crédit Agricole S.A., strong commercial momentum in all business lines

Crédit Agricole Group*

Stated net income Group share	Stated revenues	Fully-loaded CET1 ratio
€1,600m	**€8,249m**	**14.5%**
+95.6% Q1/Q1	+15.2% Q1/Q1	500bps above the P2R[1]

- Good commercial momentum throughout the Group: retail banks, businesses and Large customers
- **Underlying[2] net income Group share: €1,654m, +33.3% Q1/Q1**
- Underlying[2] revenues: €8,334m, +6.7% Q1/Q1
- Cost of risk down: 26bps annualised[3]
- 70% of 2017 funding programme completed at end-April

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

Crédit Agricole S.A.

Stated net income Group share	Stated revenues	Fully-loaded CET1 ratio
€845m	**€4,700m**	**11.9%**
x3.7 Q1/Q1	+23.7% Q1/Q1	340 bps above the P2R[1]

- Acceleration in growth: continued strong commercial momentum in all business lines
- Underlying[2] revenues +14% Q1/Q1, +10.0% Q1/Q1 excl. Corporate centre (business lines only)
- Strong growth in Asset gathering, Large customers and Corporate centre driven by recurring benefits of Eureka
- **Underlying[2] NIGS €895m, x2.3 Q1/Q1, underlying[2] earnings per share: €0.27, x2.8 Q1/Q1**
- Sharp increase in underlying[2] net income Group share of the business lines: +44% Q1/Q1, increased contribution from all business lines
- Tight cost control: 8.3pp improvement in underlying[2] cost/income ratio Q1/Q1 to 62.7% excl. SRF
- Firm grip on risk in all business lines: cost of credit risk 37 bps[3]
- Non-specific provision for legal risk: €40m (non-deductible)
- *Note:* target CET1 ratio of 11% at end-2019, 250 bps above the P2R[1] (8.50% at 01/01/19)

This press release comments on the results of Crédit Agricole S.A. and those of Crédit Agricole Group, which comprises the Crédit Agricole S.A. entities and the Crédit Agricole Regional Banks, which own 56.6% of Crédit Agricole S.A.

[1] *Pro forma P2R for 2019 as notified by the ECB*

[2] *See p. 11 for further details on specific items*

[3] *Calculated on an average annualised basis over four rolling quarters*

Crédit Agricole Group

In line with previous quarters, the Group's results for the first quarter of 2017 reflect strong business momentum in all components of Crédit Agricole Group, including the retail banks, specialised business lines and Large customers. Operating expenses remain well controlled, despite investment in business development, and the cost of credit risk remains low. The Group's profitability was therefore excellent, with stated net income Group share of 1,600 million euros and underlying[4] net income Group share of 1,654 million euros, excluding this quarter's specific items. The fully-loaded Common Equity Tier 1 ratio at end-March 2017 was stable compared with end-2016 at 14.5%, among the best in the sector and well above the regulatory requirements[5].

In line with its "Strategic Ambition 2020" medium-term plan (MTP), the Group is capitalising on its stable, diversified and profitable business model to support organic growth in all its business lines, largely through synergies between the specialised business lines and the retail networks, and to maintain a high level of operating efficiency while generating capacity to invest in business development.

As announced at the end of 2016 at the time of Amundi's proposed acquisition of Pioneer Investments, the Group's asset management company completed its 1.4 billion euros rights issue at the end of March 2017. Crédit Agricole Group sold some of its subscription rights to reduce its percentage interest in Amundi from 75.7% to 70%, including 68.5% held by Crédit Agricole S.A. (74.1% previously). However, Amundi's first quarter results were consolidated at the old percentage interest, as the rights were not sold until the very end of the quarter. Liquidity in Amundi shares has improved significantly as a result of the rights issue and the broader free float arising from the reduction in Crédit Agricole Group's percentage interest. It should be noted that the value of the Group's holding in Amundi has increased significantly since the rights issue, despite the dilution of its percentage interest, and is well above the amount invested by the Group in this transaction. The closing of the acquisition of Pioneer Investments should occur late in the first half of 2017, or perhaps early in the second, and is expected to have a impact of -35 basis points on Crédit Agricole Group's fully-loaded CET1 ratio (-60 basis points for Crédit Agricole S.A.).

The Group also announced in a press release issued on 24 April 2017 that it is in preliminary discussions with the Bank of Italy and the Italian Interbank Deposit Protection Fund with a view to the acquisition of three Italian savings banks. Their integration by Crédit Agricole Cariparma SpA would increase its customer base by about 20% and contribute to its expansion in some attractive regions of Italy without changing its geographical positioning, as these banks operate in neighbouring areas. All of the doubtful loans carried on their balance sheets would be derecognised prior to the integration. This transaction forms part of the Group's aim of strengthening its position in Italy, in line with Strategic Ambition 2020 and with the Group's strict rules as regards return on investment and risk profile of new acquisitions. It is subject to a positive outcome of the due diligence process, which is due to begin soon. Based on information available to date, the acquisition would have a negative impact of less than 10 basis points on the fully-loaded CET1 ratio for both Crédit Agricole Group and Crédit Agricole S.A.

[4] *See p. 11 for further details on specific items*

[5] *Pro forma P2R for 2019 as notified by the ECB: 9.50% as of 1 January 2019*

In the first quarter of 2017, Crédit Agricole Group's stated net income Group share came to 1,600 million euros versus 818 million euros in the first quarter of 2016. Excluding specific items[6] of -54 million euros in the first quarter of 2017 versus -423 million euros in the first quarter of 2016, underlying net income Group share[6] came to 1,654 million euros, compared with 1,241 million euros in the first quarter of 2016, a year-on-year increase of +33.3%.

Specific items[6] this quarter included only the usual volatile accounting items: revaluation of own debt in line with changes in issuer spread (-7 million euros in net income Group share compared with +16 million euros in the first quarter of 2016), DVA (Debt Valuation Adjustment, -31 million euros versus +9 million euros) and loan portfolio hedges in Large customers (-16 million euros versus 0). In the first quarter of 2016, specific items[6] also included the balance of the liability management operation completed ahead of the operation to simplify the Group's structure ("Eureka") for an amount of -448 million euros in net income Group share. Specific items therefore totalled -54 million euros in the first quarter of 2017 versus -423 million euros in the first quarter of 2016.

Table 1. Crédit Agricole Group - consolidated results

€m	Q1-17 Stated	Q1-16 Stated	Var. Q1/Q1 Stated	Q1-17 underlying	Q1-16 underlying	Var. Q1/Q1 underlying
Revenues	**8,249**	**7,159**	**+15.2%**	**8,334**	**7,810**	**+6.7%**
Operating expenses excl.SRF	(5,206)	(5,122)	+1.6%	(5,206)	(5,122)	+1.6%
SRF	(274)	(239)	+14.8%	(274)	(239)	+14.8%
Gross operating income	**2,769**	**1,799**	**+54.0%**	**2,855**	**2,450**	**+16.5%**
Cost of risk	(478)	(554)	(13.7%)	(478)	(554)	(13.7%)
Cost of legal risk	(40)	-	n.m.	(40)	-	n.m.
Equity-accounted entities	218	126	72.5%	218	126	72.5%
Net income on other assets	(0)	25	n.m.	(0)	25	n.m.
Change in value of goodwill	-	-	n.m.	-	-	n.m.
Income before tax	**2,469**	**1,396**	**+76.9%**	**2,554**	**2,047**	**+24.8%**
Tax	(789)	(488)	+61.7%	(822)	(714)	+15.2%
Net income from discontinued operations	15	-	n.m.	15	-	n.m.
Net income	**1,695**	**908**	**+86.6%**	**1,747**	**1,333**	**+31.1%**
Non controlling interests	(95)	(90)	+5.2%	(93)	(92)	+1.0%
Net income Group share	**1,600**	**818**	**+95.6%**	**1,654**	**1,241**	**+33.3%**
Cost/Income ratio excl.SRF	**63.1%**	**71.5%**	**-8.4 pp**	**62.5%**	**65.6%**	**-3.1 pp**

In the first quarter, **underlying revenues[6] were up +6.7%** year on year 8,334 million euros, thanks to a positive contribution to growth from all business lines. The Regional Banks' revenues were up excluding the impacts of the Group's transaction to simplify its structure last year (negative impact of -174 million euros before tax). Despite an increase in eurozone long rates since the fourth quarter of 2016, bringing them up to their highest level since the first quarter of 2016, they nonetheless remain low and the short end of the curve is still in negative territory. These low interest rates continued to put pressure on the interest margin on intermediation activities, particularly in Retail banking in France and Italy. This triggered a wave of home loan renegotiations in France, which even escalated with the increase in rates as of November, culminating in a record level of monthly renegotiations in January 2017 (2.1 billion euros for LCL that month for example). These renegotiations were accompanied by high volumes of loan restructuring fees or early repayment penalties, which had a temporary positive effect on retail banking revenues in France, but the impact of the renegotiations will continue to depress interest interest over the coming quarters.

Alongside this increase in revenues, **operating expenses** remained well controlled at 5,480 million euros, a year-on-year **increase of +2.2%** and +1.6% excluding the contribution to the Single Resolution Fund (SRF), which increased by +14.8% to 274 million euros. It should be noted that in 2016, an additional SRF contribution

[6] *See p. 11 for further details on Crédit Agricole Group's specific items*

was recognised in the second quarter. Operating expenses did not include any specific items[7] in the first quarter either of 2017 or 2016

This led to a highly positive jaws effect between underlying[7] revenues and operating expenses and the **underlying[7] cost/income ratio excluding SRF therefore improved by more than 3 percentage points (3.1)** to 62.5% versus 65.6% in the first quarter of 2016. Underlying gross operating income[7] also increased significantly, by +16.5% year-on-year to 2,855 million euros.

Cost of credit risk decreased by 13.7% at 478 million euros versus 554 million euros in the first quarter of 2016. As in previous quarters, cost of risk relative to outstandings remained low at 26 basis points[8]. In addition to cost of credit risk, a non-specific provision for legal risk of 40 million euros was recognised this quarter in the financial statements of CACIB (Large customers).

The sharp increase in the contribution from equity-accounted entities (+72.5% to 218 million euros) offset the absence of gains on other assets this quarter, compared with a gain of 25 million euros in the first quarter of 2016. **Underlying[7] pre-tax income increased by +24.8%** year-on-year.

Underlying[7] net income Group share increased even more, by +33.3% to 1,654 million euros, due to the gain on disposal of Credicom in Greece (15 million euros after tax), a decrease in the underlying[7] effective tax rate from 37.2% in the first quarter of 2016 to 35.2% this quarter, and stable non-controlling interests.

The **Regional Banks** continued to enjoy buoyant business momentum both in lending (+5.3% at end-March 2017 versus end-March 2016) and deposits (+4.6%). Growth in home loans (+7.6%) accelerated further compared with the growth rate at end-December 2016, as did growth in demand deposits (+17.6%), while consumer finance outstandings were up sharply (+9.1% year-on-year). Lastly, the strong momentum in personal and property insurance continued apace. This commercial performance of the Regional Banks made a significant contribution to growth in Crédit Agricole S.A.'s business lines, many of whose products they distribute as the Group's leading distribution channel.

The year-on-year comparison of **the Regional Banks' first quarter revenues** were affected by **the transaction to simplify the Group's structure ("Eureka")**, which took place last year. Stated revenues were down -0.9% year-on-year to 3,529 million euros. Excluding these effects[9] (-174 million euros) and in the absence of any movement in home purchase savings provisions in the first quarter of either 2017 or 2016, underlying[7] revenues increased by +3.9%, thanks to growth in both interest income (+1.5%) and fee and commission income (+3.2%) compared with the first quarter of 2016. **Operating expenses** increased by +3.5% to 2,178 million euros and by +3.4% excluding SRF, giving a **cost/income ratio excluding SRF of 61.7%**. **Cost of risk** decreased by -21.4% year-on-year to 116 million euros. In all, **the Regional Banks' contribution to Crédit Agricole Group's underlying[7] net income Group share was 755 million euros** in the first quarter 2017, a year-on-year decrease of -8.6%. **Excluding the impacts of the transaction to simplify the Group's structure, net income Group share was up +5.1%**.

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.

[7] See p. 11 for further details on Crédit Agricole Group's specific items

[8] Average over last 4 rolling quarters annualised

[9] Impact of operation to simplify the Group's structure (Q1-17 impact unwinding of Switch guarantee - €115m and loan -€59m, making a total of -€174 million euros before tax, deductible at the standard rate in France)

During the quarter, Crédit Agricole Group's financial solidity remained strong, with **a fully-loaded Common Equity Tier 1 (CET1) ratio of 14.5%**, stable compared with end-December 2016. This ratio provides a substantial buffer above the distribution restriction trigger applicable to Crédit Agricole Group as of 1 January 2019, set at 9.5% by the ECB. The impact of the consolidation of Pioneer Investments is estimated at -35 basis points, as of mid-2017.

The TLAC ratio was 20.5% at 31 March 2017, excluding eligible senior preferred debt, versus 20.3% at end-December 2016. This level already exceeds the 2019 minimum requirement of 19.5%, whereas the regulatory calculation of this ratio allows for the inclusion of eligible senior preferred debt (up to 2.5%). After the successful inaugural issue of senior non-preferred debt at the very end of 2016, just after the enactment of the law authorising such issues, the Group further strengthened its TLAC ratio by issuing 3.4 billion euros equivalent of senior non-preferred debt in the first four months of the year.

The phased-in leverage ratio stood at 5.7%, stable compared with end-December 2016.

Credit Agricole Group's liquidity position is robust. Its banking cash balance sheet, at 1,116 billion euros at 31 March 2017, showed a surplus of stable funding over LT applications of funds of 116 billion euros, up by +5 billion euros compared with end-December 2016 and by +2 billion euros compared with the first quarter of 2016. It exceeded the Medium Term Plan target (of over 100 billion euros). The surplus of stable funds financed the HQLA securities portfolio generated by the LCR requirement of customer and customer-related activities. Liquidity reserves including valuation gains and haircuts related to the securities portfolio amounted to 255 billion euros, covering gross short-term debt almost three times over.

Crédit Agricole Group issuers raised 14.1 billion euros equivalent of debt on the market in the first quarter of 2017, of which 52% was raised by Crédit Agricole S.A. (7.3 billion euros), versus just over 33 billion euros for the whole year 2016. Credit Agricole Group also placed 1.3 billion euros of bonds in its retail networks (Regional Banks, LCL and Cariparma). After a particularly active month of April, Crédit Agricole S.A. had issued a total of 11.3 billion euros since the beginning of the year, completing 70% of its 2017 market funding programme.

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Dominique Lefebvre, Chairman of SAS Rue La Boétie and Chairman of Crédit Agricole S.A.'s Board of Directors, commented the Group’s results and activities for the first quarter of 2017: *"In the first quarter of 2017, Crédit Agricole Group once again demonstrated the robustness of its Universal customer-focused banking business model and the synergies that could be generated by a customer approach common to the various business lines. This was reflected in strong business momentum and results, which bodes well for the success of our Strategic Ambition 2020 plan."*

Crédit Agricole S.A.

Q1-2017: sustained activity in all businesses

- Good business momentum in all businesses
- High net inflows in asset management and unit-linked savings/retirement assets
- Excellent commercial performance in Specialised financial services and all Large customers businesses
- High level of cross-selling, in line with "Strategic Ambition 2020" MTP targets
- Underlying revenues up +14% Q1/Q1[10], +10.0% Q1/Q1 for business lines excluding Corporate centre

Good financial performance

- Very good level of results: Underlying[10] net income Group share of 895 million euros, x2.3 vs low baseline in Q1-16, with a strong contribution from all business lines, all of which delivered growth vs Q1-16[10]
- Firm grip on underlying operating expenses[10] (+1.6% Q1/Q1, +0.7% excluding SRF) despite strong business momentum
- Continued improvement in underlying[10] cost/income ratio: >8 points Q1/Q1 excl. SRF10
- Cost of credit risk down (-10.6% Q1/Q1) to 37bps[11]; provision for legal risk[12]: 40 million euros

Continued excellent level of financial robustness

- Fully-loaded CET1 ratio of 11.9% for Crédit Agricole S.A. (14.5% for Crédit Agricole Group) before the acquisition of Pioneer Investments, well above the 11% target set in the MTP

Crédit Agricole S.A.'s Board of Directors, chaired by Dominique Lefebvre, met on 10 May 2017 to examine the financial statements for the first quarter of 2017.

In the first quarter of 2017**, stated net income Group share came to 845 million euros**. Specific items[10] for the quarter were limited to an impact of -50 million euros on net income Group share (-81 million euros before tax and non-controlling interests), exclusively due to recurring volatile accounting items (issuer spread, DVA and loan portfolio hedges in Large customers). In the first quarter of 2016, specific items[10] had an impact on net income Group share of -167 million euros (-395 million euros before tax and non-controlling interests), mainly reflecting transactions in preparation for the transaction to simplify the Group's structure (non-taxable dividends received from the Regional Banks for +256 million euros and upfront payment of the liability management operation for -683 million euros before tax)10.

Excluding specific items[10], underlying[10] net income Group share for the first quarter of 2017 was 895 million euros, 2.3 times higher than in the first quarter of 2016, which was a low base for comparison, even on an underlying basis[10].

Underlying[10] earnings per share came to 0.27 euros per share, 2.8 times higher than in the first quarter of 2016.

It should be noted that, as is the case for each first quarter of the year, net income Group share includes a high level of charges arising from IFRIC 21, which requires annual charges to be recognised in the quarter in which they are due, and not spread across the year. In first quarter of 2017, these charges totalled about 338 million euros before tax, or 317 million euros in net income Group share, including 224 million euros in SRF (228 million euros in 2016 and 192 million euros in the first quarter of 2016).

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[10] See p. 11 for further details on Crédit Agricole S.A.'s specific items
[11] Average over last 4 rolling quarters, annualised
[12] Not allocated to a specific matter

As in previous quarters, these excellent underlying[13] results were driven mainly by strong growth in revenues coupled with good cost control and low cost of risk, including a decrease in cost of credit risk, i.e. excluding the non-specific provision for legal risk (40 million euros).

Revenue growth was driven by strong business momentum in all Crédit Agricole S.A. Group's **business lines and distribution networks**, as well as the Regional Banks which distribute their products. This momentum reflects an improvement in economic activity in the Group's core European markets, but above all, the robustness of the Universal customer-focused banking model, which encourages cross-selling between the specialised business lines and the retail banks and between the specialised business lines themselves. Cross-selling is a core component of the "Strategic Ambition 2020" plan and drives the Group's revenue growth.

Activity was buoyant in all business lines:

- **in insurance**, 209,000 new property & casualty contracts were sold (net of terminations) in the first quarter of the year alone, bringing the total number of in-force contracts to more than 12.3 million at end-March; in life insurance, net inflows in unit-linked (UL) business totalled 1.1 billion euros in the first quarter of 2017 versus 0.7 billion euros in the first quarter of 2016, raising the share of UL products in total gross inflows to a record level of 28.2%, up +9 percentage points year-on-year;
- **in Asset management (Amundi)**, assets under management grew by +14.2% over one year to 1,128 billion euros, mainly due to strong inflows of +32.5 billion euros in the first quarter of 2017;
- **the Retail banks**, especially in France and Italy, delivered stronger growth in loans and customer assets than in previous quarters. At LCL, home loans grew by +7.7% over one year, lending to small businesses by +11.2%, demand deposits by +17.0% and the number of new property & casualty insurance contracts by +9.4%; Retail banking in Italy performed equally well, with home loans up +10.3%, lending to large corporates up +24.2% and off-balance sheet customer assets up +4.9%;
- **Specialised financial services** continued to grow, with new consumer finance loans totalling 10.2 billion euros, a year-on-year increase of +12.2%, and new leasing business of 1.1 billion euros, a year-on-year increase of +21.5%;
- **Large customers** enjoyed buoyant activity in fixed-income, forex and credit business, and strong momentum in investment banking; CACIB increased its market share as bookrunner of euro bond issues by +0.7 of percentage point to 6.7%; It is leader in project finance in EMEA region with a 6.3% market share (+3.6 percentage points) and it is global leader, all currencies combined, in green financing, acting as bookrunner for 16 green bond issues in the first quarter of 2017, and arranging the first Green Capital Note issue of 3 billion US dollars. Moreover, illustrating its risk distribution policy “Distribute to Originate”, Financing activities showed an average primary syndication rate over the 12 months preceding end-March 2017 of 35%, i.e. 8 points higher compared to 2013, while sales volumes on the secondary market increased by +13% year-on-year in the first quarter of 2017 compared with the same quarter of 2016.

Driven by this strong momentum in all business lines, **underlying revenues were up +14.0%** compared with the first quarter of 2016. Underlying[13] revenues of the business lines (excluding Corporate centre) increased by +10.0%. Good control over **operating expenses**, which increased by +1.6% or +0.7% excluding SRF[14], generated a strong jaws effect, thereby **improving the underlying[13] cost/income ratio** excluding SRF by more than 8 percentage points (8.3) year-on-year to 62.7%.

[13] See p. 11 for further details on Crédit Agricole S.A.'s specific items
[14] Contribution to Single Resolution Fund

Cost of credit risk was stable at 399 million euros (versus 402 million euros in the first quarter of 2016), but this quarter it included a non-specific provision for legal risk of 40 million euros. Cost of credit risk therefore decreased by -10.6% to 359 million euros, representing 37 basis points of consolidated outstandings[15] versus 39 basis points in the first quarter of 2016, still below the 50 basis points assumption in the Medium-Term Plan.

Thanks to these items and a good contribution from **equity-accounted entities**, which increased by +75.1% or +92 million euros mainly due to a very high contribution from Eurazeo recognised in Corporate centre and an increase in the contribution from the consumer finance joint ventures, underlying pre-tax income before operations sold and non-controlling interests increased by +85.1% to 1,368 million euros.

As a result of more modest growth in **underlying[16] tax** (effective tax rate of 32.4% versus 38.6% at first quarter 2016) and **non-controlling interests**, coupled with a 15 million euros gain on the disposal of Credicom in Greece, underlying net income Group share increased by +126% or 2.3 times compared with the first quarter of 2016.

Table 2. Crédit Agricole S.A. - consolidated results

€m	Q1-17 Stated	Q1-16 Stated	Var. Q1/Q1 Stated	Q1-17 underlying	Q1-16 underlying	Var. Q1/Q1 underlying
Revenues	**4,700**	**3,799**	+23.7%	**4,781**	**4,194**	+14.0%
Operating expenses excl.SRF	(2,996)	(2,975)	+0.7%	(2,996)	(2,975)	+0.7%
SRF	(232)	(201)	+15.6%	(232)	(201)	+15.6%
Gross operating income	**1,472**	**623**	**x 2.4**	**1,553**	**1,018**	**+52.5%**
Cost of risk	(359)	(402)	(10.6%)	(359)	(402)	(10.6%)
Cost of legal risk	(40)	-	n.m.	(40)	-	n.m.
Equity-accounted entities	215	123	+75.1%	215	123	+75.1%
Net income on other assets	(1)	-	n.m.	(1)	0	n.m.
Change in value of goodwill	-	-	n.m.	-	-	n.m.
Income before tax	**1,287**	**344**	**x 3.7**	**1,368**	**739**	**+85.1%**
Tax	(343)	(12)	x 29.3	(373)	(238)	+57.1%
Net income from discontinued or held-for-sale operations	15	-	n.m.	15	-	n.m.
Net income	**959**	**332**	**x 2.9**	**1,009**	**501**	**x 2**
Non controlling interests	(114)	(105)	+8.7%	(114)	(107)	+6.8%
Net income Group Share	**845**	**227**	**x 3.7**	**895**	**394**	**x 2.3**
Net earnings per share (€)	**0.25**	**0.03**	**n.m.**	**0.27**	**0.10**	**x 2.8**
Cost/Income ratio excl.SRF (%)	**63.7%**	**78.3%**	**-14.6 pp**	**62.7%**	**70.9%**	**-8.3 pp**

By business line, more than half of the growth in **underlying[16]** revenues (+587 million euros or +14.0%) came from Large customers (+286 million euros or +23.7% and +13.7% excluding xVA), driven by a good commercial performance and a weak base for comparison in the first quarter of 2016. The second largest contributor was Corporate centre (+140 million euros) thanks to the full impact of Eureka (+222 million euros including liability management) compared with the first quarter of 2016, followed by Asset gathering (+72 million euros or +6.1%), Retail banking (+51 million euros or +3.5%) and Specialised financial services (+38 million euros or +5.9%), thanks to their strong business momentum. It should be noted that the increase in LCL's revenues (+69 million euros or +8.2%) benefited from the positive cumulative impacts of home loan renegotiation fees and early repayment penalties (+32 million euros compared with the first quarter of 2016) and the funding cost adjustment (+18 million euros), coupled with strong business momentum (commissions up +3,7% versus first quarter 2016) more than offsetting the persistent negative effects of low interest rates on margins.

The weak growth in **underlying[16] operating expenses** (+21 million euros or +0.7% year-on-year excluding SRF) reflects strong cost control in all business lines, the increase being mainly due to sustained business activity in Large customers (+27 million euros or +3.4%) and investment in business development in Asset

[15] *Calculated on an average annualised basis over four rolling quarters*

[16] *See p. 11 for further details on Crédit Agricole S.A.'s specific items*

gathering (+35 million euros or +5.9%) and Specialised financial services (+3 million euros or +1.0%). Operating expenses continued to decline in Retail banking (-31 million euros or -3,0%), particularly at LCL (-26 million euros or -4.1%).

Cost of credit risk remained low, down -43 million euros or -10.6% year-on-year, excluding the legal risk provision recognised in Large customers. The main contributors to this decrease were Specialised financial services (-27 million euros or -22.5% year-on-year), International retail banking (-22 million euros or -17.5%) and Large customers (-16 million euros or -12.8%).

The **cost of risk on outstandings**[17] is down for the retail banking in Italy for the nine last quarters, to 87 basis points, and that of Consumer finance (CACF) stands at 134 basis points versus 140 in the first quarter of 2016 and also in the fourth quarter 2016, which was marked by a tightening of the provisioning parameters in support of the restart of the activity in spite of a strengthening of the provisions parameters on Agos. By contrast, cost of risk for LCL has more than doubled to 48 million euros (+26 million euros or +118%), but relative to a very low baseline in the first quarter of 2016 (22 million euros). Compared with the quarterly average in 2016 (46 million euros), cost of risk in the first quarter of 2017 increased by just +6.2%, representing 19 basis points of outstandings[17].

At end-March 2017, Crédit Agricole S.A.'s capital ratios remained high, with a ratio **Common Equity Tier 1 (CET1) ratio of 11.9%**, a decrease of **-15 basis points compared with end-December 2016**. The change over the quarter stemmed from stated net income Group share for the period (+27 basis points), offset by the provision for dividends and the AT1 coupon (-19 basis points), a decrease in unrealised gains on available-for-sale securities (-12 basis points) and other changes (-11 basis points). **Risk-weighted assets** were down slightly over the quarter to 300 billion euros versus 301 billion euros at 31 December 2016.

The phased-in leverage ratio stood at 4.7% at end-March 2017 as defined in the Delegated Act adopted by the European Commission, a decrease of -30 basis points compared with end-December 2016.

The LCR ratio for both Credit Agricole S.A. and the Group remained in excess of 110% at end-March 2017.

At end-April 2017, Credit Agricole S.A. had completed 70% of its annual medium- to long-term market funding programme of 16 billion euros. It raised 7.9 billion euros equivalent of senior preferred debt and 3.4 billion euros equivalent of senior non-preferred debt.

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Philippe Brassac, Chief Executive Officer, commented: *"The first quarter was in line with 2016 as regards implementation of the "Strategic Ambition 2020" medium-term plan. All Crédit Agricole S.A. group entities enjoyed strong growth in business momentum, which was reflected in a high level of revenues and earnings. This quarter was a successful new milestone in the achievement of our Plan targets."*

[17] *Calculated on an average annualised basis over four rolling quarters*

Corporate social responsibility

Crédit Agricole Group was the first French bank to obtain certification for its anti-corruption and bribery system. Issued by SGS, this BS 10500 certification is recognition of the Group's determination and the quality of its anti-corruption and bribery programme. It confirms that corruption and bribery risks are properly identified and analysed and that the programme applied by Crédit Agricole is designed to mitigate these various risks by drawing on best international practices. The certification covers all of the Crédit Agricole Group's business lines. It bears witness to the Group's commitment to put compliance and ethics at the heart of its business development.

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

Table 1. Crédit Agricole Group– Specific items of Q1-17

€m	Specific items of Q1-17		Specific items of Q1-16	
	Gross impact	Impact on NIGS	Gross impact	Impact on NIGS
DVA running (LC)	(48)	(31)	13	9
Loan portfolio hedges (LC)	(24)	(16)	-	-
Issuer spreads (Corporate centre)	(13)	(7)	19	16
Liability management upfront payments (Corporate centre)	-	-	(683)	(448)
Total impact on revenues	**(86)**	**(54)**	**(651)**	**(423)**
Asset gathering		**-**		**-**
Retail banking		**-**		**-**
Specialised financial services		**-**		**-**
Large customers		**(47)**		**9**
Corporate centre		**(7)**		**(432)**

Table 2. Crédit Agricole S.A. – Specific items of Q1-17

€m	Specific items of Q1-17		Specific items of Q1-16	
	Gross impact	Impact on NIGS	Gross impact	Impact on NIGS
DVA running (LC)	(48)	(31)	13	9
Loan portfolio hedges (LC)	(24)	(15)	-	-
Issuer spreads (Corporate centre)	(8)	(4)	19	16
Regional Banks' dividends (Corporate centre)	-	-	256	256
Liability management upfront payments (Corporate centre)	-	-	(683)	(448)
Total impact on revenues	**(81)**	**(50)**	**(395)**	**(167)**
Asset gathering		**-**		**-**
Retail banking		**-**		**-**
Specialised financial services		**-**		**-**
Large customers		**(46)**		**9**
Corporate centre		**(4)**		**(176)**

Appendix 2 – Crédit Agricole Group: stated and underlying income statement

Table 3. Crédit Agricole Group – Reconciliation between the stated and the underlying results

€m	Q1-17 Stated	Specific items	Q1-17 underlying	Q1-16 Stated	Specific items	Q1-16 underlying	Var. Q1/Q1 underlying
Revenues	8,249	(86)	8,334	7,159	(651)	7,810	+6.7%
Operating expenses	(5,206)	-	(5,206)	(5,122)	-	(5,122)	+1.6%
Contribution of Single Resolution Funds (SRF)	(274)	-	(274)	(239)	-	(239)	+14.8%
Gross operating income	**2,769**	**(86)**	**2,855**	**1,799**	**(651)**	**2,450**	**+16.5%**
Cost of credit risk	(478)	-	(478)	(554)	-	(554)	(13.7%)
Cost of legal risk	(40)	-	(40)		-	-	n.m.
Equity-accounted entities	218	-	218	126	-	126	+72.5%
Net income on other assets	(0)	-	(0)	25	-	25	n.m.
Change in value of goodwill	-	-	-	-	-	-	n.m.
Income before tax	**2,469**	**(86)**	**2,554**	**1,396**	**(651)**	**2,047**	**+24.8%**
Tax	(789)	33	(822)	(488)	226	(714)	+15.2%
Net income from discontinued operations	15	-	15	-	-	-	n.m.
Net income	**1,695**	**(52)**	**1,747**	**908**	**(425)**	**1,333**	**+31.1%**
Non controlling interests	(95)	(2)	(93)	(90)	2	(92)	+1.0%
Net income Group share	**1,600**	**(54)**	**1,654**	**818**	**(423)**	**1,241**	**+33.3%**
Cost income ratio excl. SRF (%)	**63.1%**		**62.5%**	**71.5%**		**65.6%**	**-3.1 pp**

Appendix 3 – Crédit Agricole Group: Consolidated income statement by business line

Table 4. Crédit Agricole Group – Income statement by business line

€m	Retail banking in France (RBs)		French retail banking (LCL)		International retail banking		Asset gathering		Specialised financial services		Large customers		Corporate centre		Total	
	Q1-17 Stated	Q1-16 Stated	Q1-17 Stated	Q1-16 Stated	Q1-17 Stated	Q1-16 Stated	Q1-17 Stated	Q1-16 Stated	Q1-17 Stated	Q1-16 Stated	Q1-17 Stated	Q1-16 Stated	Q1-17 Stated	Q1-16 Stated	Q1-17 Stated	Q1-16 Stated
Revenues	**3,529**	**3,563**	**904**	**835**	**634**	**650**	**1,248**	**1,175**	**685**	**647**	**1,421**	**1,220**	**(171)**	**(931)**	**8,249**	**7,159**
Operating expenses excl. SRF	(2,178)	(2,109)	(628)	(654)	(380)	(383)	(626)	(591)	(352)	(348)	(813)	(786)	(230)	(251)	(5,206)	(5,122)
SRF	(41)	(38)	(16)	(16)	(10)	(8)	(2)	(2)	(14)	(10)	(133)	(125)	(57)	(40)	(274)	(239)
Gross operating income	**1,310**	**1,417**	**260**	**165**	**244**	**259**	**620**	**582**	**320**	**289**	**475**	**309**	**(459)**	**(1,222)**	**2,769**	**1,799**
Cost of credit risk	(116)	(148)	(48)	(22)	(106)	(131)	1	(2)	(92)	(119)	(106)	(122)	(9)	(10)	(478)	(554)
Cost of legal risk	-	-	-	-	-	-	-	-	-	-	(40)	-	-	-	(40)	-
Equity-accounted entities	3	3	-	-	-	-	8	7	66	46	69	62	72	8	218	126
Net income on other assets	1	25	(0)	-	0	-	(0)	-	(0)	-	(0)	-	(1)	-	(0)	25
Change in value of goodwill	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Income before tax	**1,198**	**1,297**	**211**	**143**	**138**	**128**	**628**	**587**	**293**	**216**	**398**	**249**	**(397)**	**(1,224)**	**2,469**	**1,396**
Tax	(442)	(470)	(64)	(53)	(46)	(44)	(192)	(172)	(74)	(57)	(84)	(80)	113	388	(789)	(488)
Net income from discontinued operations	-	-	-	-	0	-	(0)	-	15	-	-	-	-	-	15	-
Net income	**756**	**827**	**147**	**90**	**92**	**84**	**436**	**415**	**234**	**159**	**314**	**169**	**(284)**	**(836)**	**1,695**	**908**
Non controlling interests	(0)	(1)	(0)	-	(21)	(22)	(38)	(37)	(33)	(30)	(4)	(3)	1	3	(95)	(90)
Net income Group share	**755**	**826**	**147**	**90**	**71**	**62**	**398**	**378**	**201**	**129**	**310**	**166**	**(283)**	**(833)**	**1,600**	**818**

Appendix 4 – Crédit Agricole S.A.: stated and underlying income statement

Table 5. Crédit Agricole S.A. – Reconciliation between the stated and the underlying results

€m	Q1-17 stated	Specific items	Q1-17 underlying	Q1-16 stated	Specific items	Q1-16 underlying	Var. Q1/Q1 underlying
Revenues	4,700	(81)	4,781	3,799	(395)	4,194	+14.0%
Operating expenses excl. SRF	(2,996)	-	(2,996)	(2,975)	-	(2,975)	+0.7%
Contribution to Single Resolution Funds (SRF)	(232)	-	(232)	(201)	-	(201)	+15.6%
Gross operating income	**1,472**	**(81)**	**1,553**	**623**	**(395)**	**1,018**	**+52.5%**
Cost of credit risk	(359)	-	(359)	(402)	-	(402)	(10.6%)
Cost of legal risk	(40)	-	(40)	-	-	-	n.m.
Equity-accounted entities	215	-	215	123	-	123	+75.1%
Net income on other assets	(1)	-	(1)	-	-	-	n.m.
Change in value of goodwill	-	-	-	-	-	-	n.m.
Income before tax	**1,287**	**(81)**	**1,368**	**344**	**(395)**	**739**	**+85.1%**
Tax	(343)	31	(373)	(12)	226	(238)	+57.1%
Net income from discontinued or held-for-sale operations	15	-	15	-	-	-	n.m.
Net income	**959**	**(50)**	**1,009**	**332**	**(169)**	**501**	**x 2**
Non controlling interests	(114)	0	(114)	(105)	2	(107)	+6.8%
Net income Group share	**845**	**(50)**	**895**	**227**	**(167)**	**394**	**x 2.3**
Net earnings per share (€)	**0.25**		**0.27**	**0.03**		**0.10**	**+0.17**
Cost/income ratio excl.SRF (%)	**63.7%**		**62.7%**	**78.3%**		**70.9%**	**-8.3 pp**

Appendix 5 – Crédit Agricole S.A. : Consolidated income statement by business line

Table 6. Crédit Agricole S.A. – Income statement by business line

€m	Asset gathering		French retail banking (LCL)		International retail banking		Specialised financial services		Large customers		Corporate centre		Total	
	Q1-17 Stated	Q1-16 Stated	Q1-17 Stated	Q1-16 Stated	Q1-17 Stated	Q1-16 Stated	Q1-17 Stated	Q1-16 Stated	Q1-17 Stated	Q1-16 Stated	Q1-17 Stated	Q1-16 Stated	Q1-17 Stated	Q1-16 Stated
Revenues	**1,250**	**1,178**	**904**	**835**	**607**	**625**	**685**	**647**	**1,421**	**1,220**	**(166)**	**(706)**	**4,700**	**3,799**
Operating expenses excl. SRF	(626)	(591)	(628)	(654)	(362)	(367)	(352)	(348)	(813)	(786)	(216)	(229)	(2,996)	(2,975)
Contribution of Single Resolution Funds (SRF)	(2)	(2)	(16)	(16)	(10)	(8)	(14)	(10)	(133)	(125)	(58)	(40)	(232)	(201)
Gross operating income	**623**	**585**	**260**	**165**	**235**	**250**	**320**	**289**	**475**	**309**	**(440)**	**(975)**	**1,472**	**623**
Cost of credit risk	1	(2)	(48)	(22)	(104)	(127)	(92)	(119)	(106)	(122)	(9)	(10)	(359)	(402)
Cost of legal risk	-	-	-	-	-	-	-	-	(40)	-	-	-	(40)	-
Equity-accounted entities	8	7	-	-	-	-	66	46	69	62	73	8	215	123
Net income on other assets	(0)	-	(0)	-	0	-	(0)	-	(0)	-	(0)	-	(1)	-
Change in value of goodwill	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Income before tax	**631**	**590**	**211**	**143**	**131**	**123**	**293**	**216**	**398**	**249**	**(376)**	**(977)**	**1,287**	**344**
Tax	(192)	(172)	(64)	(53)	(44)	(43)	(74)	(57)	(84)	(80)	116	393	(343)	(12)
Net income from discontinued or held-for-sale operations	(0)	-	-	-	0	-	15	-	-	-	-	-	15	-
Net income	**439**	**418**	**147**	**90**	**87**	**80**	**234**	**159**	**314**	**169**	**(261)**	**(584)**	**959**	**332**
Non controlling interests	(41)	(39)	(7)	(5)	(26)	(27)	(33)	(30)	(10)	(6)	3	2	(114)	(105)
Net income Group share	**398**	**379**	**140**	**85**	**61**	**53**	**201**	**129**	**304**	**163**	**(258)**	**(582)**	**845**	**227**

Disclaimer

The financial information for the first quarter of 2017 for Crédit Agricole S.A. and the Crédit Agricole Group comprises this press release and the attached quarterly financial report and presentation, available at https://www.credit-agricole.com/en/finance/finance/financial-publications.

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

This information was compiled 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 for the calculation of market values and asset impairments.

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

The figures presented for the three-month period ended 31 March 2017 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.

N.B. The scope of consolidation of Crédit Agricole S.A. group and Crédit Agricole Group has not changed materially since the filing with the AMF of Crédit Agricole S.A.'s 2016 Registration Document on 21 March 2017 under number D.17-0197 and update A.01 of the 2016 Registration Document containing the regulated information for Crédit Agricole Group.

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

Unlike publications for previous quarters, the income statements contained in this press release show non-controlling interests with a minus sign such that the line item "net income Group share" is the mathematical addition of the line item "net income" and the line item "non-controlling interests".

On 1 January 2017, Calit was transferred from Specialised financial services (Crédit Agricole Leasing & Factoring) to Retail banking in Italy. Historical data have not been restated on a pro forma basis.

Contacts

CREDIT AGRICOLE PRESS CONTACTS

Charlotte de Chavagnac	+ 33 1 57 72 11 17	charlotte.dechavagnac@credit-agricole-sa.fr
Alexandre Barat	+ 33 1 57 43 23 07	alexandre.barat@credit-agricole-sa.fr
Caroline de Cassagne	+ 33 1 49 53 39 72	Caroline.decassagne@ca-fnca.fr

CRÉDIT AGRICOLE S.A. INVESTOR RELATIONS CONTACTS

Institutional investors	+ 33 1 43 23 04 31	investor.relations@credit-agricole-sa.fr
Individual shareholders	+ 33 800 000 777 (toll-free number France only)	credit-agricole-sa@relations-actionnaires.com
Cyril Meilland, CFA	+ 33 1 43 23 53 82	cyril.meilland@credit-agricole-sa.fr
Céline de Beaumont	+ 33 1 57 72 41 87	celine.debeaumont@credit-agricole-sa.fr
Letteria Barbaro-Bour	+ 33 1 43 23 48 33	letteria.barbaro-bour@credit-agricole-sa.fr
Oriane Cante	+ 33 1 43 23 03 07	oriane.cante@credit-agricole-sa.fr
Emilie Gasnier	+ 33 1 43 23 15 67	emilie.gasnier@credit-agricole-sa.fr
Fabienne Heureux	+ 33 1 43 23 06 38	fabienne.heureux@credit-agricole-sa.fr
Vincent Liscia	+ 33 1 57 72 38 48	vincent.liscia@credit-agricole-sa.fr

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