Very robust, the Group is, more than ever, committed to strongly support its customers and the economy

CAG and CASA REPORTED DATA

Revenues and gross operating income up for the quarter

	CRÉDIT AGRICOLE GROUP		CRÉDIT AGRICOLE S.A.	
Revenues	**€8,468m**	+3.1% Q3/Q3	**€5,151m**	+2.4% Q3/Q3
Expenses	**€5,096m**	-2.4% Q3/Q3	**€2,991m**	-1.1% Q3/Q3
Gross operating income	**€3,372m**	+12.5% Q3/Q3	**€2,160m**	+7.8% Q3/Q3
Cost of risk	**€596m** 96% of the hike related to performing loans	x1.6 Q3/Q3	**€605m** 71% of the hike related to performing loans	x1.7 Q3/Q3
Net income Group share	**€1,769m**	-4.3% Q3/Q3	**€977m**	-18.5% Q3/Q3
Cost/income ratio (excl. SRF)	**60.2%**	-3.3pp Q3/Q3	**58.1%**	-2.1pp Q3/Q3

CASA UNDERLYING DATA

Increase in gross operating income (+5.2%) and resilient net income Group share (-8.8%) over 9 months excl. single resolution fund (SRF)

Financial solidity: CET1 ratios well above SREP requirements

	CRÉDIT AGRICOLE GROUP		CRÉDIT AGRICOLE S.A.	
Phased-in CET1	**17.0%** +8.1pp above SREP Includes 16bp in dividends not distributed in 2020	+0.9pp Q3/Q2	**12.6%** +4.7pp above SREP Includes 60bp in dividends not distributed in 2020	+0.6pp Q3/Q2
	€404bn in liquidity at end-Sept. 20		**Dividend €0.40** Per share over the 9M-20	

Strength of the model : business has returned to its pre-crisis level

CRÉDIT AGRICOLE GROUP	CRÉDIT AGRICOLE S.A.
Loans outstanding in French retail banking: +5.1% excl. state-guaranteed loans **+1,113,000 retail banking customers (9M-20)** **51m Group customers, 24 strategic partnerships**	**New property and casualty insurance policies +30% Sept/Sept** **Capital markets revenues (+24.8% Q3)**

HIGHLIGHTS

Strategic operations

- CAA's equity interest in GNB Seguros increased to 100%, agreement with Europ Assistance in France, licence for the Amundi-Bank of China wealth management joint venture
- Continuation of strategic refocusing: reclassification of CACF NL as an asset held for sale, sale of the equity stake in Bankoa and of the residual stake in Banque Saudi Fransi (BSF)

State-guaranteed loans (SGL) and payment holidays

- €29.5bn in state-guaranteed loans, +5.1% vs June-20, more than 50% of state-guaranteed loans placed in demand deposits.
- 173,500[1] active payment holidays, -69% since end-June, 97% of expired payment-holidays have resumed payments[2]

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

" Our third quarter results are very robust. They allow us to be, more than ever, committed to strongly support our customers and the economy. This is our "Raison d'être" and our model.».

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

"Together, we must do everything to support the greatest possible number of people. We must not give up, because this crisis will come to an end. Thanks to its robustness, Crédit Agricole will assist those sectors that have been particularly weakened, and help them through towards next recovery."

[1] *Payment holiday requests, by number, at 16/10/2020 (Regional Banks and LCL), corresponding to an outstanding principal of loan principal of €23.9bn, €15.7bn due from corporates, SMEs and small businesses and farmers;*

[2] *Represents the share of loans on payment holiday, with payment holiday expired and with resumed payments. Corporate, SME and small business customer scope analysed at 30/09/2020 in the Regional Banks. 98% for CACF*

Crédit Agricole Group

The Group, number one supporter of the economy since the beginning of the crisis

The crisis, along with the public health conditions that are here for some time, are bringing the Group even closer to its customers. Net Promotor Score (NPS) was up in 2020 compared to 2019 for the Regional Banks and for LCL (+7 points vs 2019 at +8 and +2 respectively), as well as for CA Italia (+8 points vs 2019), which is currently the No. 2 bank in Italy in terms of customer satisfaction.

The Group is also fully committed to support its customers. From the outset it conformed itself with the strategies pursued by the public authorities and is taking targeted measures for each customer category. On 6 March, Crédit Agricole Group granted a **six-month payment holiday** on loan repayments for corporate, and professional customers impacted by COVID-19. As at 16 October 2020, a total of 173,500 moratoria were still active at the Regional Banks and LCL, representing €1.7 billion in extended maturities (of which 81% for professionals and corporate customers and 19% for households, and 61% at the Regional Banks and 39% at LCL). This corresponds to €23.9 billion remaining capital, of which €15.7 billion due from corporates, professionals, and farmers. The number of loans subject to a payment holiday has fallen by -69% since the end of June, while 97% of expired moratoria have resumed payments, attesting to the quality of the Group's assets (98% for consumer loans within CACF). The French government also announced, on 25 March, the introduction of **State-Guaranteed Loans** (*Prêts Garantis par l'Etat*) to meet the cash flow requirements of businesses impacted by the coronavirus crisis. Thanks to its strong regional presence and universal model, the Group supports all businesses, from the smallest company to the largest corporation, and to date has provided €29.5 billion in state-guaranteed loans, up slightly by +5.1% since end-June 2020. With 189,900 requests from SME and small business customers and corporates, the Group's state-guaranteed loans account for 27% of all such loans requested in France (76% of them at the Regional Banks, 24% at LCL and less than 1% at CACIB[3]). The acceptance rate stands at 97.4%. More than 50% of State-Guaranteed Loans at LCL have been placed in demand deposit accounts; at the Regional Banks, the increase in such accounts held by corporates, professionals and farmers has exceeded the amount of State-Guaranteed Loans set up over the same period. CA Italia has also strongly supported its clients, with State-Guaranteed Loans[4] and payment holidays reaching 2.6 billion euros at the end of September 2020 (2 billion euros at end of June).

Nonetheless, the scenario for the upcoming months is more demanding, but the new restrictions are now more manageable. Indeed, the lockdown will not be identical to the first one. The bulk share of the economy can cope with the crisis, and there are some sectors that will remain supported in priority. The effectiveness of public policies allows for a stabilization of environment, and thus of risk, providing leeways for the Group to concretely stand by its customers.

The Group is robust, with a diversified business mix and resilient revenues (up +1.6% during the third quarter 2020). Its operating efficiency is proven, and Crédit Agricole Group's underlying cost/income ratio excluding SRF has decreased to 60.2% in the third quarter 2020. The loan book is diversified, and skewed towards corporates (46% for Crédit Agricole S.A. and 33% for Crédit Agricole Group) and home loans (27% for Crédit Agricole S.A. and 46% for Crédit Agricole Group). Profitability is robust and recurrent, and the Group's solvency and liquidity are very high, allowing for a full mobilisation for its customers.

Furthermore, the universal banking model of the Group is powerful, and provides it with a distributive capacity that is unequalled. With 51 million customers worldwide and more than 34 million retail banking customers in France, Italy and Poland, the Group is the leading retail bank in the European Union. As the number one "bankinsurer" in Europe, it continued to expanded its offerinsg this quarter when Crédit Agricole Assurances signed a strategic partnership agreement with Europ Assistance to provide assistance services in the French

[3] Split in number of client demands. The split in amount being : 62% for Regional Banks, 30% for LCL and 8% for CACIB

[4] Amount of SGLs granted.

market, as well as when it increased its stake in GNB Seguros at 100% so as to re-assert its distribution partnership on non-life products with Novo Banco in Portugal. Amundi, the largest European asset manager, was granted a license to launch a new subsidiary in China with BOC, Bank of China. The Group now has 24 strategic partnerships and can reach more than 800 million customers in France and internationally, but has also continued, this quarter, to refocus its strategy, with a reclassification of CACF NL as assets held for sale, and the sale of Bankoa' equity stake as well of the residual equity stake in Banque Saudi Fransi (BSF).

This quarter, the Group returned to its pre-crisis level of business. Gross customer capture was very strong: +1,113,000 new customers since January 2020, 790,000 for the Regional Banks, 227,500 for LCL and 85,800 for CA Italia, with an increase in September of +170,400 customers, +159,000 of them in France and +11,500 in Italy. Compared to September 2019, this was a rise of +6.9% and +14.5% respectively. In this context, the customer base continued to grow significantly (+143,000 additional customers in 2020, of which 135,300 in France and 7,700 in Italy, +13.0% Sept/Sept). Assets under management were up from third quarter 2019 (+6.4%), as were those of life insurance (+0.9%) with a rise in the percentage of unit-links in outstandings (+0.7 percentage point between September 2019 and September 2020 to 23.1%). Property and casualty business rebounded significantly (+8.7% versus third quarter 2019), with a net increase of +196,000 policies in the third quarter, bringing the number of policies in the portfolio to 14.4 million. In the retail banking networks in France and Italy, growth in outstandings remain strong. Loans outstanding amounted to €740.4 billion (€694.4 billion in France and €46 billion in Italy; €716 billion excluding State-Guaranteed Loans), up +8.5% since September 2019 (+8.7% in France and 5.9% in Italy) and up +4.9% excluding State Guaranteed Loans (+5.1% in France). On-balance sheet deposits stood at €686.3 billion, up +11.8% from third quarter 2019, while off-balance sheet deposits slightly decreased (-0.6% at €383.5 billion). Consumer finance managed loans were down slightly from September 2019 but have rebounded in the last quarter (+0.9% compared to the second quarter). Commercial production was up (+3% versus third quarter 2019). Lastly, business in the Large customers segment was buoyant, especially in capital markets (revenues up +24.8% from third quarter 2019), with financing activities staying resilient (-3.4% versus third quarter 2019). Risk management remained prudent, with a moderate VaR at €12 million at 30 September.

Group results

In the third quarter of 2020, Crédit Agricole Group's **stated net income Group share** was **€1,769 million**, versus €1,849 million in the third quarter of 2019. This quarter, **specific items** generated a **net negative impact of -€165 million on net income Group share**.

Specific items for this quarter (-€165 million on net income Group share) include the reclassification of entities held for sale (Crédit Agricole Consumer Finance NL, Bankoa and Nacarat) for a total of -€170 million on net income Group share, broken down as follows: -€124 million in respect of Crédit Agricole Consumer Finance NL (with -€55 million in respect of goodwill on AHM's net income group share and -€69 million in respect of the IFRS 5 restatement on Specialised Financial Services' net income group share), and -€46 million on the Regional Banks' net income group share (with -€40 million in respect of the IFRS 5 restatement of Bankoa and -€5 million in respect of the IFRS 5 restatement of Nacarat). Specific items also include integration costs for entities recently acquired by CACEIS (Kas Bank and Santander Securities Services) for -€4 million in operating expenses and -€2 million in net income Group share. The adjustment on the activation of the Switch 2 guarantee was neutralised at the Group level. The recurring accounting volatility items are to be added with a net positive impact of +€8 million in revenues and +€7 million in net income Group share, namely DVA (Debt Valuation Adjustment, i.e. gains and losses on financial instruments related to changes in the Group's issuer spread), totalling +€14 million, the hedge on the Large customers loan book amounting to -€5 million, and the change in the provision for home purchase savings plans amounting to -€3 million. In third quarter 2019, specific items had had a **net negative impact of -€76 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 -€2 million, the hedge on the Large customers loan book for -€1 million, and the changes in the provisions for home purchase savings schemes in the amount of -€73 million.

Excluding these specific items, **Crédit Agricole Group's underlying**[5] **net income Group share** amounted to **€1,934 million,** stable (+0.5%) compared to third quarter 2019. The +8.2% increase in underlying GOI compared to third quarter 2019 amortised the x1.6 increase in cost of risk.

Crédit Agricole Group – Stated and underlying results, Q3-2020 and Q3-2019

€m	Q3-20 stated	Specific items	Q3-20 underlying	Q3-19 stated	Specific items	Q3-19 underlying	Q3/Q3 stated	Q3/Q3 underlying
Revenues	**8,468**	**8**	**8,460**	**8,216**	**(115)**	**8,331**	+3.1%	+1.6%
Operating expenses excl.SRF	(5,096)	(4)	(5,093)	(5,220)	-	(5,220)	(2.4%)	(2.4%)
SRF	-	-	-	-	-	-	n.m.	n.m.
Gross operating income	**3,372**	**4**	**3,368**	**2,997**	**(115)**	**3,111**	**+12.5%**	**+8.2%**
Cost of risk	(596)	0	(596)	(384)	-	(384)	+55.0%	+55.0%
Cost of legal risk	-	-	-	-	-	-	n.m.	n.m.
Equity-accounted entities	88	-	88	85	-	85	+3.5%	+3.5%
Net income on other assets	(6)	-	(6)	18	-	18	n.m.	n.m.
Change in value of goodwill	-	-	-	-	-	-	n.m.	n.m.
Income before tax	**2,858**	**4**	**2,854**	**2,715**	**(115)**	**2,830**	**+5.3%**	**+0.8%**
Tax	(743)	(0)	(742)	(748)	39	(787)	(0.6%)	(5.7%)
Net income from discont'd or held-for-sale ope.	(170)	(170)	(0)	0	-	0	n.m.	n.m.
Net income	**1,945**	**(166)**	**2,111**	**1,968**	**(76)**	**2,043**	**(1.1%)**	**+3.3%**
Non controlling interests	(177)	1	(177)	(119)	-	(119)	+48.4%	+49.1%
Net income Group Share	**1,769**	**(165)**	**1,934**	**1,849**	**(76)**	**1,924**	**(4.3%)**	**+0.5%**
Cost/Income ratio excl.SRF (%)	**60,2%**		**60,2%**	**63,5%**		**62,7%**	**-3,3 pp**	**-2,5 pp**

In third quarter 2020, **underlying revenues** were up +1.6% from third quarter 2019 to €8,460 million, thanks to buoyant activity particularly in the Large customers segment, which posted revenue growth of +11.8% (+€166 million). For their part, the Regional Banks and LCL also posted an increase in underlying revenues (+1.9% or +€63 million and +2.6% or +€23 million respectively). By contrast, the Asset gathering and International Retail banking business lines posted a decline of -5.2% (-€78 million) and -9.0% (-€64 million) respectively due to a still-negative market effect and the fall in reference interest rates in Egypt, Poland and Ukraine. The Specialised financial services business line also recorded a drop in revenues of -8.5%, but this includes the impact of the business of CACF NL, an entity reclassified under IFRS 5 as an asset held for sale. IFRS 5 treatment requires all income and expenses recorded cumulatively for Crédit Agricole Consumer Finance NL since 1 January 2020

[5] *Underlying, excluding specific items . See appendixes for more details on specific items.*

to be restated on each of the intermediary balances this quarter, skewing the interpretation. Excluding scope effect, the decline was just -3.4% (-€22 million).

Underlying operating expenses excluding SRF (Single Resolution Fund) were **down -2.4%** compared to third quarter 2019 at -€5,093 million. Apart from the Large customers business line, whose expenses increased by +€64 million (+8.0%), mainly due to the scope effect on asset servicing, all other business lines posted lower expenses for the period, particularly all Retail banks (Regional Banks: -1.5%/-€31 million; LCL: -4.6%/-€27 million; International retail banking: -6.0%/-€27 million). These decreases were mainly due to lower HR and travel costs. Overall, the Group posted a positive +4.0 percentage points jaws effect (Regional Banks: +3.4 percentage points). The contribution to the Single Resolution Fund was nil this quarter, as in third quarter 2019. The **underlying cost/income ratio excluding SRF stood at 60.2%, an improvement of 2.5 percentage points** compared to the third quarter of 2019.

Underlying gross operating income was therefore up +8.2% to €3,368 million compared to third quarter 2019.

Cost of credit risk is up, albeit under control (x1.6 compared to third quarter 2019), as a result of increased provisioning on performing loans for all business lines in the context of the COVID-19 crisis. The provisioning amounts to €596 million versus €1,208 million in second quarter 2020 and €384 million in third quarter 2019. Assets quality are good: the non-performing loan ratio is stable at 2.5% at end-September 2020 (or +0.1 percentage point compared to second quarter 2020) while the coverage ratio[6] stood at 80.4%. The coverage ratio was nevertheless down compared to second quarter 2020 (-4.1 percentage points) mainly due to the impact of the change in regulations pertaining to the new definition of default and impacting the amount of outstandings in default. The diversified loan book is mainly geared towards home loans (46% of gross outstandings at Group level) and corporates (33% of gross outstandings at Group level). Loan loss reserves amounted to €19.9 billion at end-September 2020, of which 31% was for performing loans (Stages 1 and 2). The loan loss reserves increased by €0.9 billion as compared to December 2019. 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 +7.3% in France in 2021 and +1.8% in 2022) and a less favourable scenario (GDP at +6.6% in France in 2021 and +8.0% in 2022). These scenarios have not changed since second quarter 2020.

The increase in provisioning on performing loans accounted for 96% of the total increase in provisioning between third quarter 2019 and third quarter 2020. **Annualised cost of risk/outstandings[7] in the nine months of 2020 was 38 basis points** (34 basis points over four rolling quarters and 24 basis points on an annualised quarter). Provisioning on Stages 1 and 2 amounted to €170 million, versus -€33 million in third quarter 2019, still very low, and €424 million in second quarter 2020. Provisioning on proven risks amounted to €428 million (versus €420 million in third quarter 2019 and €785 million in second quarter 2020).

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

Underlying pre-tax income stood at €2,854 million, stable compared to third quarter 2019 (+0.8%). In addition to the changes described above, underlying pre-tax income also includes the contribution from equity-accounted entities in the amount of €88 million (up +3.5%, mostly due to the Amundi joint ventures) and net income on other assets, which stood at -€6 million this quarter and include declassified IT projects for -€10 million within CACF (versus +€18 million in third quarter 2019 due to a one-off real estate transaction in Wealth Management on that date). The underlying **tax charge fell -5.7%** over the period. The underlying tax rate was stable at 26.8%, down -1.8 percentage point from third quarter 2019, mainly due to the decrease in the tax rate in France effective 1 January 2020, the favourable tax rate for international subsidiaries. Accordingly, underlying net income before non-controlling interests was up +3.3% and underlying net income Group share was stable compared to third quarter 2019 (+0.5%).

Crédit Agricole Group – Stated and underlying results, 9M-2020 and 9M-2019

€m	9M-20 stated	Specific items	9M-20 underlying	9M-19 stated	Specific items	9M-19 underlying	9M/9M stated	9M/9M underlying
Revenues	**24,930**	**(444)**	**25,375**	**24,898**	**(290)**	**25,188**	+0.1%	+0.7%
Operating expenses excl.SRF	(15,680)	(78)	(15,602)	(15,805)	-	(15,805)	(0.8%)	(1.3%)
SRF	(562)	-	(562)	(426)	-	(426)	+31.9%	+31.9%
Gross operating income	**8,688**	**(523)**	**9,211**	**8,667**	**(290)**	**8,957**	**+0.2%**	**+2.8%**
Cost of risk	(2,733)	-	(2,733)	(1,263)	-	(1,263)	x 2.2	x 2.2
Equity-accounted entities	256	-	256	273	-	273	(6.4%)	(6.4%)
Net income on other assets	78	-	78	21	-	21	x 3.7	x 3.7
Change in value of goodwill	(3)	-	(3)	-	-	-	n.m.	n.m.
Income before tax	**6,286**	**(523)**	**6,808**	**7,698**	**(290)**	**7,989**	**(18.4%)**	**(14.8%)**
Tax	(1,531)	148	(1,679)	(2,323)	96	(2,420)	(34.1%)	(30.6%)
Net income from discont'd or held-for-sale ope.	(171)	(170)	(1)	8	-	8	n.m.	n.m.
Net income	**4,584**	**(545)**	**5,128**	**5,383**	**(194)**	**5,577**	**(14.9%)**	**(8.1%)**
Non controlling interests	(424)	4	(428)	(372)	-	(372)	+14.1%	+15.1%
Net income Group Share	**4,159**	**(541)**	**4,700**	**5,012**	**(194)**	**5,205**	**(17.0%)**	**(9.7%)**
Cost/Income ratio excl.SRF (%)	**62.9%**		**61.5%**	**63.5%**		**62.7%**	**-0.6 pp**	**-1.3 pp**
Net income Group Share excl. SRF	**4,682**	**(541)**	**5,223**	**5,417**	**(194)**	**5,611**	**(13.6%)**	**(6.9%)**

In the first nine months of 2020, **underlying net income Group share declined by -9.7%** compared to the first nine months of 2019. Underlying revenues were stable (+0.7%), while underlying operating expenses excluding SRF were down -1.3%, resulting in a positive jaws effect of 2.0 percentage points. Excluding the SRF contribution, the underlying gross operating income was up +4.1% to €9,772 million, compared to the first nine months of

2019. Cost of credit risk was multiplied by 2.2, gains or losses on other assets were multiplied by 3.7, reaching €78 million, and the tax charge was down -30.6% compared to the first nine months of 2019.

Regional banks

Commercial activity at the Regional Banks was **buoyant** in this quarter, with **growth in outstandings remaining strong**. **Loans outstanding** amounted to €552.8 billion (€537.6 billion excluding state-guaranteed loans), up +8.2% from September 2019 (+5.2% excluding state-guaranteed loans). There was a strong increase in **home loans** (+6.4%) and **loans to SMEs and small businesses, and farmers** (+15%). **Loan production** was up from third quarter 2019 (+0.8%) but down when state-guaranteed loans are excluded (-8%). Consumer finance loan production was up +7.8% year-on-year. **On-balance sheet deposits** stood at €506.3 billion, representing an increase from September 2019 of +12.1% (of which +26.5% for demand deposits and +10.3% for passbooks), while **off-balance sheet deposits** were down slightly (-1.4 % to €264.6 billion) with life insurance assets up slightly (+0.3%) and assets related to mutual funds and securities linked to securities falling by -6.1%, largely due to market impact. Lastly, **gross customer capture remained highly active** (+790,000 customers since the start of the year). For instance, since 1 January 2020 the Regional Banks have added 114,000 new customers (growth in the customer base) and posted year-on-year growth in their active demand deposit of 1%. Meanwhile, the Group decided to strengthen its mutual shareholder structure , which has grown significantly year-on-year, with +315,000 additional mutual sharehoders and the mutual shares outstanding have risen +7.6%.

This growth in the customer base is accompanied by a strong focus on the quality of the customer relationship, as reflected in the improvement in the Net Promoter Score (NPS) of more than +8 percentage points over the full year. The Group is also continuing to develop its multi-channel model and recorded a +3.9 percentage point increase year-on-year in the number of digital customers, taking it to 66.2%[8].

In third quarter 2020, underlying **revenues** of the Regional Banks amounted to €3,308 million, a +1.9% increase from third quarter 2019. Favourable refinancing conditions led to an increase in the **net interest margin**, while the overall level of **fee and commission income** was back up (+1.1%), driven by insurance fees and commission which offset lower penalty-based fees. **Portfolio revenues** were stable. Underlying **costs** were kept under control, decreasing during the period (-1.5% versus third quarter 2019) in line with lower staff costs and other external services costs. As a result, underlying **gross operating income** increased in third quarter 2020 (+8.4%) thanks to a positive jaws effect (+3.4 percentage points). Underlying **cost of risk** stood at -€22 million, down -53.4% from third quarter 2019, provisions on Stage 3 being lower as a result of the application from July 2020 of the threshold for the new definition of default. Loan loss reserves were therefore stable at €9.8 billion. The non-performing loan ratio fell to 1.8% (versus 1.9% at end-September 2019), while the coverage ratio was still high, at 95.2%, even though it was down compared to the 99.2% at 30 June 2020. The reason for this was the enforcement of the new definition of default. The Regional Banks' contribution to underlying **net income Group share** stood at €775 million, a rise of +12.5%.

In the first nine months of 2020, underlying **revenues** were down -1.5% compared to the first nine months of 2019. Thanks to lower operating expenses, underlying **gross operating income** was down by just -0.6%, despite the increase in SRF in the first half of the year. GOI excluding SRF was up slightly by +0.5%. The underlying **cost/income ratio** excluding SRF was down -0.7 percentage point to 64.8%. Lastly, with an increased underlying **cost of risk** (+83.0%), the Regional Banks' contribution to the Group's underlying **net income Group share** was down -8.2%.

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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[8] *Customers with an active profile on the Ma Banque app or who visited CA online during the month*

Crédit Agricole S.A.

Solid performance (-9.1% Q3/Q3, -8.8% 9M/9M excl. SRF) thanks to growth in revenues (+1.4%) and GOI (+5.3%) over Q3; underlying ROTE[9] 10.0%

- **Stated result**: €977m (-18.5% Q3/Q3); revenues: €5,151m (+2.4%); GOI: €2,160m (+7.8%)
- **Underlying GOI excl. SRF up** (€2,156m, +5.3% Q3/Q3; €6,308m, +5.2% 9M/9M, thanks to higher revenues (+1.4% Q3/Q3) and lower expenses (-1.2% Q3/Q3)
- **Improvement in the underlying cost/income ratio** excl. SRF of +1.5 pt Q3/Q3 to 58.1%; positive jaws effect (+2.6pp Q3/Q3)
- **Underlying net income Group share** down (-9.1% Q3/Q3, -8.8% excl. SRF 9M/9M) as a result of increased provisioning (x1.7 Q3/Q3)
- Underlying earnings per share : Q3-20: €0.36, +6.7% Q3/Q3; 9M-20: €0.89, -7.7% 9M/9M

Sustained customer capture and buoyant activity in loans, deposits, insurance and capital markets

- **High level of customer acquisition** (+227,500 new SME and small business customers since the start of 2020 for LCL and +85,800 for CA Italia)
- **Q3/Q3 increase in** asset under management (+6.4%), life insurance oustandings (+0.9%), loan outstandings excluding State-Guaranteed Loans at LCL (+5%, of which loans to small businesses +12%, to corporates +1% and home loans +6%), and loan outstandings at CA Italia (+5.9%). Slight decline in consumer finance managed loans (-1.5%), but up from the previous quarter (+0.9% Q3/Q2)
- **Q3/Q3 increased inflows** at LCL (on-balance sheet deposits +13.0%, off-balance sheet savings -1.3%), and CA Italia (off-balance sheet +6.4% and on-balance sheet deposits +6.7%)
- **Increased share of UL in gross inflows** (36.2%, +7.1pp Q3/ Q3) and in outstandings (23.1%, +0.7pp Sept/Sept). Strong recovery in property & casualty business (+8.7% Q3/Q3)
- **Excellent commercial activity in capital markets** (+24.8%) and resilience in financing activities (-3.4%); prudent risk management (moderate VaR at €12m at 30 September)
- **Strategic operations**: Crédit Agricole Assurances's equity interest in GNB Seguros increased to 100%, agreement with Europ Assistance on the French market; continued strategic refocusing (reclassification of Crédit Agricole Consumer Finance as an asset held-for-sale, sale of CACIB's residual stake in Banque Saudi Fransi)

Government measures allow for a stabilisation of provisioning (x1.7 Q3/Q3). 71% of the Q3/Q3 increase linked to performing loans provisioning

- **NPL ratio** (3.4%, +0.2pp vs 30 June), **coverage ratio still high** (69.7%), despite the lowering impact of the new definition of default; loan loss reserves at €10bn, i.e. more than seven years of the average historical cost of risk, of which 25% related to performing loans; diversified loan book, 46% to corporates and 27% on home loans; 72% of EAD *investment grade*
- **Prudent increase in provisioning** (€577m, of which €165m for Stages 1 and 2 and €425m for Stage 3, x1.7 Q3/Q3, -36% Q3/Q2). 9M-20 annualised cost of risk/outstandings 67bp

Very robust solvency

- **Phased-in CET1 ratio up sharply (+0.6pp) to 12.6%, +4.7pp above the SREP requirement (+0.7pp Sept./June) and 160bp above the target, including, since 31 March, 60bp of dividends not distributed in 2020.** 9m provision for dividends of €0.40 per share. **Fully loaded ratio at 12.4%.**
- **Risk weighted assets down over the quarter**: decline in contribution from the business lines (-€9.9 Bn), particularly in Large customers (optimised securitisations, reduced market and foreign exchange risk) and Retail Banking (expiry of the two-month waiting period for State-Guaranteed Loans), increase in insurance equity-accounted value.

Increase in Group's liquidity

- **€404bn in reserves at 30/09, stable (-€1bn) vs 30 June 2020. Increase in the LCR: 140.7%.**[10]

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[9] *Underlying ROTE calculated based on nine months 2020, annualised, with isolation of IFRIC 21. Excluding the isolation of IFRIC 21, underlying ROTE based on nine months 2020, annualised stand at 9,5%*

[10] *12-month average ratio*

- 97% of the €12bn MLT market funding programme completed at end-October.

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, Q3-20 and Q3-19

€m	Q3-20 stated	Specific items	Q3-20 underlying	Q3-19 stated	Specific items	Q3-19 underlying	Q3/Q3 stated	Q3/Q3 underlying
Revenues	**5,151**	**8**	**5,143**	**5,031**	**(43)**	**5,073**	**+2.4%**	**+1.4%**
Operating expenses excl.SRF	(2,991)	(4)	(2,988)	(3,025)	-	(3,025)	(1.1%)	(1.2%)
SRF	-	-	-	(2)	-	(2)	(100.0 %)	(100.0%)
Gross operating income	**2,160**	**4**	**2,156**	**2,004**	**(43)**	**2,046**	**+7.8%**	**+5.3%**
Cost of risk	(605)	(28)	(577)	(335)	-	(335)	+80.8%	+72.5%
Cost of legal risk	-	-	-	-	-	-	n.m.	n.m.
Equity-accounted entities	98	-	98	82	-	82	+19.9%	+19.9%
Net income on other assets	(3)	-	(3)	17	-	17	n.m.	n.m.
Change in value of goodwill	-	-	-	-	-	-	n.m.	n.m.
Income before tax	**1,650**	**(23)**	**1,674**	**1,769**	**(43)**	**1,811**	**(6.7%)**	**(7.6%)**
Tax	(346)	8	(354)	(423)	14	(437)	(18.3%)	(19.0%)
Net income from discont'd or held-for-sale ope.	(125)	(124)	(0)	0	-	0	n.m.	n.m.
Net income	**1,180**	**(139)**	**1,319**	**1,346**	**(28)**	**1,374**	**(12.3%)**	**(4.0%)**
Non controlling interests	(203)	1	(204)	(147)	0	(148)	+37.9%	+38.0%
Net income Group Share	**977**	**(139)**	**1,115**	**1,199**	**(28)**	**1,226**	**(18.5%)**	**(9.1%)**
Earnings per share (€)	0.32	(0.05)	0.36	0.33	(0.01)	0.34	(4.6%)	+6.7%
Cost/Income ratio excl. SRF (%)	**58.1%**		**58.1%**	**60.1%**		**59.6%**	**-2.1 pp**	**-1.5 pp**
Net income Group Share excl. SRF	**977**	**(139)**	**1,115**	**1,201**	**(28)**	**1,229**	**(18.7%)**	**(9.2%)**

Results

In third quarter 2020, Crédit Agricole S.A.'s **stated net income Group share** amounted to **€977 million** versus €1,199 million in third quarter 2019. This quarter, **specific items** generated a **net negative impact of -€139 million on net income Group share.**

Excluding these specific items, the **underlying net income Group share**[11] was **€1,115 million**, down -9.1% compared to third quarter 2019. This was due to the current economic climate and the negative market impact on revenues of the Asset Gathering business line as well as the increased cost of risk related to outstanding loan provisioning.

Specific items this quarter, amounting to -€139 million, include the reclassification under IFRS 5 of CACF NL, an entity held for sale. This reclassification comprises a goodwill impairment impact of -€55 million on the Corporate Center's net income Group share along with an impact of -€69 million on Specialized Financial Service's net income Group share resulting from IFRS 5 treatment. The recurring accounting volatility items are

[11] *Underlying, excluding specific items. See appendixes for more details on specific items.*

to be added to the above. These had a net positive impact of +€8 million in revenues and +€6 million in net income Group share and comprised the DVA for +€14 million (Debt Valuation Adjustment, i.e. gains and losses on financial instruments related to changes in the Group's issuer spread), the hedge on the Large customers loan book amounting to -€5 million, and the change in the provision for home purchase savings plans amounting to -€3 million. Specific items also included integration costs for entities recently acquired by CACEIS (Kas Bank and Santander Securities Services) for -€4 million in operating expenses and -€2 million in net income Group share. The adjustment on the activation of the Switch 2 guarantee accounted for -€28 million on Asset gathering's cost of risk and -€19 million in net income Group share. **In third quarter 2019**, specific items had had a **net negative impact of -€28 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 -€2 million, the hedge on the Large customers loan book for -€1 million, and the changes in the provisions for home purchase savings schemes in the amount of -€25 million.

The business lines demonstrated good resilience in third quarter 2020 given the public health and economic context. At €2,156 million, underlying **gross operating income** was up +5.3% compared to third quarter 2019, thanks to increased revenues (+1.4% to €5,143 million) and tight cost control by the business lines (-1.2% to €2,988 million). The business lines once again demonstrated their excellent operational agility this quarter: expenses were down in all business lines that recorded a drop in revenues. As a result, Crédit Agricole S.A.'s underlying cost/income ratio in third quarter 2020 was 58.1%, up +1.5 percentage point from third quarter 2019 and with a positive jaws effect of 2.6 points in third quarter 2020. **Underlying net income Group share** was, however, down by -9.1%. This decline was due to the increased cost of risk, which stood at €577 million in third quarter 2020 (x1.7 versus third quarter 2019). Of that rise, 71% was due to increased provisioning for performing loans, primarily related to prudent provisioning in sensitive sectors (such as aviation, hotels, tourism, restaurants and certain professionals). Consequently, the Large customers business line, despite strong growth in gross operating income during the quarter (+16.9%), was impacted by the 4.8-fold increase in the cost of risk, resulting in a -28.4% decline in net income Group share. Excluding scope effect,[12] Specialised financial services reported a -1.5% drop in gross operating income, with good overall resilience in sales revenues and strict cost control. However, the business line turned in a weaker performance in factoring. The Asset gathering business line was impacted by an adverse market impact on revenues which led to a -8.5% decline in its net income Group share, despite excellent cost control. For its part, Retail banking generated a +3.7% increase in its gross operating income, driven by strong growth in revenues, particularly at LCL, and by proven operating efficiency (underlying cost/income ratio excluding SRF of retail banks in third quarter 2020 of 62.4% (improvement by 1.6 percentage point as compared to the third quarter 2019). Consequently, despite a 1.5-fold increase in cost of risk compared to third quarter 2019, the retail banks' net income Group share held firm with a decline of -4.7% versus third quarter 2019.

[12] *Excluding the impact of CA Consumer Finance NL, i.e. excluding income and expenses recorded for CA Consumer Finance NL in respect of third quarter 2019 and excluding IFRS 5 treatment in third quarter 2020*

In third quarter 2020, **underlying revenues** stood at €5,143 million, up from second quarter 2019 (+1.4%). Revenues of the Asset gathering business line recorded a decline of -6.4% due to an adverse market impact. By contrast, Retail banking revenues increased over the quarter (+2.6% versus third quarter 2019), driven by strong growth in interest and fee and commission income at LCL. This offset the decline in revenues of International retail banking, which were impacted by a fall in reference interest rates in Egypt, Poland and Ukraine. Revenues for Specialised financial services also held firm, with a decline of -8.5% on underlying scope, and -3,4% excluding scope effect.[13] Meanwhile, capital markets business in the Large customers segment was especially buoyant this quarter as a result of the high volume of bond issues and strong revenue growth (+24.8%) compared to third quarter 2019. Financing activities were steady, recording a moderate decline in revenues of -3.4% but an increase of +6.6% excluding foreign exchange impact and BSF dividends paid in third quarter 2019. Lastly, asset servicing activities were up +23.1% thanks to a scope effect related to the latest acquisitions (Kas Bank and Santander Securities Services). Recurring revenues, i.e. revenues attached to an inventory item (outstanding loans/customer assets, assets under management) or an insurance policy (property and casualty insurance, death and disability insurance), accounted for 76% of Crédit Agricole S.A.'s underlying revenues.

Underlying operating expenses were down -1.2% for the period, resulting in indicators that showed excellent levels of operating efficiency: the underlying cost/income ratio was 58.1%, an improvement of +1.5 percentage point compared to third quarter 2019, while the jaws effect was positive at 2.6 percentage points. In a reflection of Crédit Agricole S.A.'s operating efficiency, this quarter all business lines whose revenues had declined compared to third quarter 2019 had reduced their expenses from the same period in 2019. Expenses for the Large customers business line were up +8.0%, primarily due to a scope effect on Asset servicing. The Asset gathering business line recorded a drop in expenses of -6.8% compared to third quarter 2019, driven by Asset management (down -4.1% thanks to a decline in variable compensation), and stable expenses in Insurance (-0.1%). Retail banking expenses decreased in the quarter (-3.3%), largely due to operating efficiency within French retail banking. Specialised financial services reported a decline -15.3% under underlying scope, of -2.2% in their expenses excluding scope effect,[14] thanks mainly to tight cost control at CA Consumer Finance (-19.1% under underlying scope and -2.6% compared to third quarter 2019 excluding scope effect[14]).

Underlying gross operating income thus rose to €2,156 million, an increase of +5.3% from third quarter 2019. This was due to a strong and increased contribution from the Large customers and Retail banking business lines and the resilience of the others: Large customers +16.9% versus third quarter 2019, Retail banking +3.7%, Asset gathering -5.9%, and Specialised financial services -1.5% under underlying scope and -4.5% excluding scope effect.

[13] Excluding the impact of CA Consumer Finance NL, i.e. excluding revenues recorded for CA Consumer Finance NL in respect of third quarter 2019 and excluding IFRS 5 treatment in third quarter 2020

[14] Excluding the effect of CA Consumer Finance NL, i.e. excluding expenses recorded for CA Consumer Finance NL in respect of third quarter 2019 and excluding IFRS 5 treatment in third quarter 2020

As at 30 September 2020, risk indicators confirmed the h**igh quality of Crédit Agricole S.A.'s assets and risk coverage level.** The loan book is diversified and mainly geared towards corporates (46% of Crédit Agricole S.A.'s gross outstandings) and home loans (27% of gross outstandings). The NPL ratio was still low at 3.4% (+0.2 percentage point compared to 30 June 2020), while the coverage ratio[15] was 69.7%, down -3.7 percentage points for the quarter largely due to the impact of the change in regulations pertaining to the new default calculation increasing the scope of outstandings in default. Loan loss reserves totalled €10.0 billion. Of these loan loss reserves, 25% were for provisioning for performing loans. Government measures have stabilised the environment and created conditions for a stable cost of risk. Provisioning levels were based on **several weighted economic scenarios**, of which, notably for GDP in France: a more favourable scenario (+7.3% in 2021 and +1.8% in 2022) and a less favourable scenario (+6.6% in 2021 and +8.0% in 2022)[16], and included additional provisioning for the retail banking portfolios and corporates portfolios and specific additions for some targeted sectors, of which tourism, restaurants, and aviation.

The increase in **cost of risk** was kept under control (x1.7/-€243 million compared to third quarter 2019, at -€577 million, versus -€335 million in third quarter 2019 and -€908 million in second quarter 2020). 71% of the increased cost of risk versus third quarter 2019 was due to additional provisioning for performing loans (Stages 1 & 2), related for the most part to prudent provisioning in sensitive sectors (such as aerospace, hotels, tourism, restaurants and certain professionals) and the entry into force of the definition of default. The charge of -€577 million in third quarter 2020 consisted of provisioning for performing loans (Stages 1 & 2) totalling -€165 million (versus a write-back of €7 million in third quarter 2019 and an allocation of -€236 million in second quarter 2020) and provisioning for proven risks (Stage 3) amounting to -€425 million (versus -€331 million in third quarter 2019 and -€667 million in second quarter 2020). In the first nine months of 2020, the cost of risk relative to outstandings for financing activities was 67 basis points on an annualised basis (59 basis points over a rolling four-quarter period and 55 basis points for the third quarter 2020 annualised). Cost of risk in the four main contributing business lines was up from third quarter 2019 but down from second quarter 2020. LCL's cost of risk stood at -€83 million (x1.4 compared to third quarter 2019 and -29% compared to second quarter 2020), with cost of risk relative to outstandings stable at 30 basis points on an annualised nine-month basis (27 basis points over a rolling four-quarter period and 24 basis points for the third quarter 2020 annualised); CA Italia recorded a cost of risk of -€86 million in third quarter 2020, or 1.4 times the level of third quarter 2019, and a decrease of -41.1% over second quarter 2020, with its cost of risk relative to outstandings increasing to 92 basis points on an annualised nine-month basis (83 basis points over a rolling four-quarter period and 74 basis points for the third quarter 2020 annualised); Crédit Agricole Consumer Finance returned to the level of its cost of risk in the third quarter of 2019, with an increase of +4.5% under underlying scope, +6.7% excluding scope effect compared to third quarter 2019 (and a decline of -43% at constant scope compared to second quarter 2020), with a cost of risk relative to outstandings of 188 basis points on an annualised nine-month basis (173 basis points over a rolling four-quarter period and 142 basis points for the third quarter 2020 annualised). Lastly, in financing activities, the cost of risk for the quarter stood at -€225 million, versus an allocation of just -€40 million in third quarter 2019 but was down -27.9% compared to second quarter 2020. The cost of risk relative to outstandings for financing activities was therefore 76 basis points on an annualised nine-month basis (versus 640 basis points over a rolling four-quarter period and 72 basis points for the third quarter 2020 annualised).

The contribution of **equity-accounted entities** was up **+19.9%** to €98 million, reflecting, in particular, the strong joint-venture performance in Asset management (x2.1 in third quarter 2020 versus the same period in 2019).

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

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

Net income on other assets showed a negative impact of -€3 million in this quarter versus a positive impact of +€17 million in third quarter 2019, which was due to a one-off real estate transaction at the time in Wealth Management.

Underlying income[17] **before tax, discontinued operations and non-controlling interests was therefore down -7.6%** to €1,674 million. The **underlying effective tax rate** stood at **22.5%**, down -2.8 percentage points compared to third quarter 2019, while the underlying tax charge fell -19.0% to -€354 million. The 2020 third 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%) and by the positive effect of international subsidiaries being subject to a lower tax rate than in France. The **underlying net income before non-controlling interests was therefore down -4.0%**.

Net income attributable to non-controlling interests was up +38.0% to €204 million. This was due to a change in the recognition methods used for subordinated (RT1) debt coupons, these debts being issued by Credit Agricole Assurances. It had no impact on earnings per share.

Underlying net income Group share was down **-9.1%** from third quarter 2019 to **€1,115 million**.

[17] *See appendixes for more details on specific items related to Crédit Agricole S.A.*

Credit Agricole S.A. – Stated and underlying results, 9M-20 and 9M-19

En m€	9M-20 publié	Eléments spécifiques	9M-20 sous-jacent	9M-19 publié	Eléments spécifiques	9M-19 sous-jacent	9M/9M publié	9M/9M sous-jacent
Revenues	**15,248**	**(217)**	**15,465**	**15,034**	**(120)**	**15,155**	**+1.4%**	**+2.0%**
Operating expenses excl.SRF	(9,226)	(68)	(9,158)	(9,161)	-	(9,161)	+0.7%	(0.0%)
SRF	(439)	-	(439)	(340)	-	(340)	+29.1%	+29.1%
Gross operating income	**5,583**	**(285)**	**5,869**	**5,534**	**(120)**	**5,654**	**+0.9%**	**+3.8%**
Cost of risk	(2,068)	38	(2,106)	(917)	-	(917)	x 2.3	x 2.3
Cost of legal risk	-	-	-	-	-	-	n.m.	n.m.
Equity-accounted entities	277	-	277	275	-	275	+0.5%	+0.5%
Net income on other assets	84	-	84	39	-	39	x 2.1	x 2.1
Change in value of goodwill	-	-	-	-	-	-	n.m.	n.m.
Income before tax	**3,876**	**(248)**	**4,124**	**4,931**	**(120)**	**5,052**	**(21.4%)**	**(18.4%)**
Tax	(692)	63	(756)	(1,302)	38	(1,340)	(46.8%)	(43.6%)
Net income from discont'd or held-for-sale ope.	(125)	(124)	(1)	8	-	8	n.m.	n.m.
Net income	**3,059**	**(309)**	**3,368**	**3,637**	**(83)**	**3,720**	**(15.9%)**	**(9.5%)**
Non controlling interests	(490)	4	(494)	(454)	1	(455)	+8.0%	+8.5%
Net income Group Share	**2,568**	**(305)**	**2,874**	**3,183**	**(81)**	**3,264**	**(19.3%)**	**(12.0%)**
Earnings per share (€)	**0.79**	**(0.11)**	**0.89**	**0.94**	**(0.03)**	**0.97**	**(16.2%)**	**(7.7%)**
Cost/Income ratio excl.SRF (%)	**60.5%**		**59.2%**	**60.9%**		**60.5%**	**-0.4 pp**	**-1.2 pp**
Net income Group Share excl. SRF	**2,961**	**(305)**	**3,266**	**3,498**	**(81)**	**3,579**	**(15.4%)**	**(8.8%)**

In the first nine months of 2020, stated net income Group share amounted to €2,568 million, compared with €3,183 million in the first nine months of 2019, a decrease of -19.3%.

Specific items in the first nine months of 2020 had a negative impact of **-€305 million** on stated net income Group share. Added to the third-quarter items already mentioned above were first-half 2020 items that had had a negative impact of -€167 million and also corresponded to recurring volatile accounting items. These were the DVA for -€19 million, hedges of the Large customers' loan book for +€32 million, and changes in the provision for home purchase savings plans for -€10 million at LCL and -€31 million in the Corporate Centre business line. The non-recurring items comprised integration costs of Kas Bank and Santander Securities Services at CACEIS totalling -€4 million, support for SME and small business policyholders totalling -€97 million in Asset gathering and -€1 million at LCL, Switch activation totalling +€44 million, the Liability Management cash adjustment at Corporate center totalling -€28 million, and COVID-19 solidarity donations totalling -€38 million in the Asset gathering business line, -€4 million in the International retail banking business line and -€10 million in the Corporate Centre. **Specific items for the first nine months of 2019** had a negative impact of -€81 million on

net income Group share. Compared to the specific third quarter 2019 items mentioned above, these items had an impact of -€53 million on net income Group share in first half 2019 and corresponded to recurring volatile accounting items, specifically the DVA for -€9 million, hedges of the Large customers loan book for -€20 million, and changes in the provision for home purchase savings plans for -€7 million at LCL and -€18 million in the Corporate Centre business line.

Excluding these specific items, **underlying net income Group share stood at €2,874 million**, down **-12.0%** compared to the first nine months of 2019. The underlying net income group share excluding SRF stands at €3,266 million, i.e. a -8.8% decrease as compared to the first nine months of 2019.

Underlying earnings per share for the first nine months of 2020 came to €0.89, a decrease of **-7.7%** compared to the first nine months of 2019.

Annualised **underlying ROTE**[18] net of annualised coupons on Additional Tier 1 securities (return on equity Group share excluding intangible assets) was 9.5% in the first nine months of 2020. After IFRIC 21 was isolated, it stood at **10.0% for the first nine months of 2020**, down compared to 2019 (-1.9 percentage point as compared to 11.9% 2019 ROTE). Annualised RoNE (Return on Net Equity) was down for the first nine months, in line with the decline in income, compared to 2019 and the increase in capital, with the Tier 1 equity capital ratio standing at 12.6% at 30 September 2020.

Underlying revenues were up **+2.0%** from the first nine months of 2019, due to significant growth in revenues in the Large customers business line (+13.9%). Retail activities, on the other hand, were hit by the public health crisis (Retail banking -2.3% and Specialised financial services -8.4% under underlying scope -5.4% excluding scope effect) and revenues of the Asset gathering business line were heavily impacted by a negative market impact (-5.0%).

Underlying **operating expenses** excluding SRF were stable (-0.0%), the contribution to the SRF having increased significantly. It was up +29.1% to €439 million in the first nine months of 2020 compared to €340 million for the first nine months of 2019. Expenses were stable thanks to the tight grip on expenses by all business lines: Asset gathering reduced expenses by -2.8% compared to the first nine months of 2019, Retail banking by -2.9% and Specialised financial services by -6.2% under underlying scope and -1.3% without scope effect. The Large customers business line reported a +7.5% increase in expenses over nine months, but this was mainly due to a scope effect (with Kas and S3 integrated to Asset Servicing perimeter). The **underlying cost/income ratio excluding SRF stood at 59.2%,** an improvement of +1.2 percentage points compared to the first nine months of 2019. Excluding the SRF contribution, underlying gross operating income rose to €6,308 million, a +5.2% increase compared to the first nine months of 2019.

Lastly, **cost of risk** increased significantly during the period (x1.3/-€1,189 million to -€2,106 million versus -€917 million for the first nine months of 2019).

Activity

Business remained buoyant throughout the quarter, thanks to the positive performance of assets under management (+6.4%), life insurance outstandings (+0.9%) and loan outstandings in Retail banking (+5% at LCL excluding state-guaranteed loans and +5.9% at CA Italia). Consumer finance managed loans were down slightly from September 2019 but rebounded in the last quarter (+0.9% compared to the second quarter). Inflows increased at LCL (increase in on-balance sheet deposits of +12.6% and stability of off-balance sheet deposits at -1.3%), and at CA Italia (increase in AuM of +6.4% and on-balance sheet deposits of 6.7%). The share of UL products in gross inflows was up (+7.1 percentage points from third quarter 2019 to 36.2%), as was the share in outstandings, which rose to 23.1% (+0.7 percentage point from third quarter 2019). Revenues from personal protection insurance increased significantly (+9.7% compared to third quarter 2019), as did those from property and casualty insurance (+8.7% compared to

[18] *See details on the calculation of the business lines' ROTE (return on tangible equity) and RONE (return on normalised equity) on appendixes*

third quarter 2019). Gross customer acquisition momentum was strong (+227 500 small businesses and individual customers in 2020 at LCL and +85,800 customers at CA Italia) and the customer base continued to expand (+22,800 customers at LCL in 2020 and +7,700 at CA Italia). Commercial production in consumer finance was up (+3% versus third quarter 2019). Lastly, business in the Large customers segment was buoyant, especially in capital markets (revenues up +24.8% from third quarter 2019), with financing activities holding firm (-3.4% versus third quarter 2019). Risk management was prudent, with moderate VaR at €12 million at 30 September.

In Savings/Retirement, Credit Agricole Assurances continued, with success, to pursue its new inflow policy initiated in 2019, with a reorientation towards unit-linked (UL). UL contracts accounted for 36.2% of gross inflows in third quarter 2020, an increase of +7.1 percentage points compared to third quarter 2019. Net inflows were negative in euro-funds (-€0.7 billion) but up in terms of unit-linked contracts (+€1 billion). Total net inflows stood at +€0.4 billion, down -€2 billion compared to third quarter 2019. However, they have increased +€1.3 billion since second quarter 2020. Outstandings (savings, retirement and death and disability) reached €304.1 billion, up +0.9% from September 2019. Unit-linked contracts accounted for 23.1% of outstandings at September 2020, up +0.7 percentage point compared to September 2019. Premium income amounted to €4.8 billion in the third quarter 2020 (a decline of -29.8% compared to third quarter 2019). Lastly, the Policy Participation Reserve (PPE) stood at €11.8 billion at 30 September 2020, i.e. 5.7% of total outstandings and an increase of +€1 billion year-on-year. Recall that the average annualised rate of return on assets for euro-denominated contracts was 2.50%[19] at 30 June 2020, i.e. still significantly above the average guaranteed minimum rate (0.28% at end-2019).

In Property and casualty insurance, business rebounded strongly in the third quarter 2020. The monthly number of new accounts reached a record level in September (+278,000 new accounts, a year-on-year increase of around +30%). The number of property and casualty insurance policies increased in the third quarter 2020 by around +196,000 policies to almost 14.4 million at end-September 2020. Premium income was up +8.7% since third quarter 2019 to €1.0 billion. The equipment rate for individual customers[20] continued to increase in the networks of the Regional Banks (41.5% at end-September 2020, i.e. a +1.0 percentage point increase since September 2019) and LCL (25.5% at end-September 2020, i.e. a +0.6 percentage point increase since September 2019), as well as at CA Italia (16.2% at end-September 2020, i.e. a +1.2 percentage point increase since September 2019). The combined ratio continued to be well managed at 96.7%, a slight increase of +1.2 percentage points year-on-year and includes the cost of the voluntary extra-contractual support mechanism for small businesses insured for business interruption. Lastly, Crédit Agricole Assurances continued to strengthen its international positioning during the quarter by increasing its equity interest in GNB Seguros to 100% and signing a distribution agreement for non-life insurance in Portugal with **Novo Banco** for a 22-year term. A strategic partnership agreement was also signed with **Europ Assistance** to provide assistance services in the French market. Crédit Agricole Assurances will now be able to tailor its services to the needs of customers in the Crédit Agricole Group.

[19] Predica rate

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

In **death & disability, creditor and group insurance**, premium income reached nearly €1,079 million this quarter, a significant increase of +9.7% versus third quarter 2019.

Asset management (Amundi) reported a sharp upturn in business this quarter with net inflows once again in positive territory (+€34.7 billion). This was due to a major rebound in treasury products (+€18.8 billion). Retail net inflows (excluding joint ventures) on medium- and long-term (MLT) assets were up compared to second quarter 2020 at +€2.4 billion, thanks to a strong recovery among third-party distributors (+€2.8 billion). In the France and International networks, retail inflows (excluding joint ventures) on MLT assets remained balanced in a context of risk aversion. Amundi reported a strong performance in the institutional investors and corporates segment (+€21.4 billion), driven by treasury products (+€19.2 billion). Net inflows remained solid on joint ventures (+€8.1 billion) thanks to buoyant business in China (+€7.2 billion). Assets under management rose to €1,662 billion at end-September 2020 (+4.4% since 30 June 2020). The market/foreign exchange impact on assets under management was +€15.2 billion compared to June 2020. Also of note this quarter was the integration of the assets of Sabadell Asset Management in the consolidated scope of Amundi for an amount of +€20.7 billion and the granting of a licence by the China Banking and Insurance Regulatory Commission to the new Amundi BOC WM joint venture in China, which specialises in wealth management products. Amundi also launched a bond fund this quarter with exposure to green project financing in emerging markets.

In wealth management, inflows were stable and outstandings remained unchanged in third quarter 2020.

Retail banking remained very customer-centric, with an improving customer satisfaction rate, notably in Italy where it is has become the No. 2 Italian bank in terms of customer satisfaction with an 8-point increase in Net Promoter Score compared to 2019**.** At end-September, there was an uptick in home loan production (€11.6 billion for LCL ie -18.0% year-on-year; €2.1 billion for CA Italia ie +0.6% year-on-year), and a return of consumer finance to pre-crisis levels for LCL (production at €2.1 billion ie -15.1% year-on-year), and in Italy, (production at €140 million up +4.0% year-on-year). Loans outstanding to SMEs, small businesses and corporates remained at high levels, €48.9 billion euros for LCL, up 23.8%, and €21.9 billion for CA Italia up +8.3%, notably through State-Guaranteed Loans. LCL granted 35,000 State Guaranteed Loans representing €7.5 billion euros and CA Italia €1 billion euro. Overall, excluding State-Guaranteed Loans, loans outstanding for LCL totalled €134.1 billion at 30 September 2020 (+5%) and €44.1 billion for CA Italia (+1.7%).

In France, renegotiations on LCL home loans were down this quarter to €0.3 billion outstanding for the quarter, compared with €0.6 billion in second quarter 2020, i.e. a difference of €0.3 billion euros, and remained well below the high point of €5.2 billion of fourth quarter 2016. The new housing loans production rate is moreover up this quarter.

Lastly, for all International Retail banking excluding Italy, loans rose +0.5% at end-September 2020 compared to end-September 2019, notably driven by Egypt (+18.0%[21]) and Morocco (+2.7%[19]), despite a drop in Ukraine (-2.7%[19]) and Poland remaining unchanged (+0.8%[19]).

Off-balance sheet deposits remained stable for LCL (-1.3%), affected by a still negative market impact, despite an upturn this quarter, and were up for CA Italia (+6.4%), primarily linked to the hike in life Insurance (+11.3%). On-balance sheet deposits were up in all markets, +12.6% compared to September 2019 for LCL in France notably due to an increase in personal savings driven by demand deposits by individuals (+14%), demand deposits by SMEs, small businesses and corporates (+43%) and passbook accounts (+11%); it increased by +6.7% for CA Italia, notably driven by an increase in deposits since the beginning of the year, reflecting the accumulation of liquidity by corporates and consumers' precautionary savings. Lastly, customer deposits increased by +3.8% for all International Retail banking excluding Italy, driven by Ukraine (+35%[19]), Morocco (+6%[19]) and Poland (+4%[19]). The equipment rate in automotive, multi-risk household, healthcare, legal or accident insurance was up for

[21] *Excluding foreign exchange impact.*

LCL at 25.5% (+0.6 percentage point compared to end-September 2019) and for CA Italia 16.2% (+1.2 percentage points compared to end-September 2019).

The upturn in the **Specialised financial services** business activities was confirmed this quarter. **The sales production of CA Consumer Finance exceeded the pre-crisis levels** and reached €10.9 billion, up +3% compared to third quarter 2019, driven by the Regional banks' activity (+16% Q3/Q3) and GAC Sofinco's activity (+32% Q3/Q3). **The production margin returned to a good level**, corresponding to that of the last quarter of 2019 and of the first quarter of 2020, thanks to a more favourable product mix, driven notably by a general increase of the share of short-channel activity at Agos. **Gross managed loans** also increased compared to second quarter 2020 (+0.9% and +1.1% excluding CA Consumer Finance NL) but remained slightly lower compared to third quarter 2019 (-1.5% and -1.2% excluding CA Consumer Finance NL). In line with this momentum, **CAL&F's commercial production** benefited from the robust leasing activity this quarter, up +3.8% compared to third quarter 2019, at €1.5 billion. By contrast, **factored revenue** recorded a slight drop of -1.4% compared to third quarter 2019, intensified by a **lower share of turnover subject to factoring**, in the context of lesser liquidity requirements for corporates considering the economic support measures rolled out since March (such as the State-guaranteed loans), but the trend became positive again in September with a strong rebound in France and internationally (+6%).

The activity of the Corporate and Investment Banking business line was very dynamic this quarter, with **underlying revenues** up +9.7% in third quarter 2020 compared to third quarter 2019 (at €1,288 million) especially in **Capital Markets and Investment banking** (+24.8% at €678 million) due to the continued excellent performance of market activities (FICC activities: +26.5%, including CVA), nevertheless marking a start of normalisation. **Bond originations** once again posted very strong activity levels (x1.8 in third quarter 2020 compared to the same period in 2019), as well as repos. CACIB thus confirmed its **leading positions** (No. 1 in All French Corporate bonds, worldwide leader in Global Green and Sustainability bonds[22]), CACIB was accordingly the exclusive adviser and bookrunner for the Federal Republic of Germany in a €6.5 billion Green bond issue. Regulatory **VaR** at 30/09/2020 **remained at a low level**, in line with the **prudent risk management** model (€12.1 million at 30 September 2020 vs. €14 million at 30 June 2020 and €22.2 million at 31 March 2020, average regulatory VaR: €14.5 million in third quarter 2020, vs. €18.8 million in second quarter 2020 and €11.4 million in first quarter 2020). Underlying revenues for **financing activities** were slightly down (-3.4%) compared to third quarter 2019 at €610 million. Even though these activities continue to be driven by commercial banking, they were impacted by the slowdown in structured financing activities and by unfavourable base[23] and foreign exchange effects this quarter. Excluding these effects, revenues would have been up +6.6% in the third quarter. More specifically, Crédit Agricole CIB recorded a strong level of activity on structured financing in the telecoms sector and has maintained good positioning in **syndicated loans**: CACIB is thus the **leader in France** and No. **2 in the EMEA market**. Furthermore, in line with its Originate to Distribute model, financing activities recorded an average primary payout ratio over the last twelve months of 35%, down 8 percentage points compared to third quarter 2019. The revolving credit facilities (RCF) drawdown finally normalised this quarter: after a +€18 billion increase in drawdowns at the beginning of the crisis, 7.2 billion have since been repaid as at end-September and drawdown rate was 23% thus getting closer to the 18% pre-crisis and following a high point at 33% during the crisis.

[22] *Sources: Refinitiv, R17*

[23] *BSF dividends received in third quarter 2019*

Lastly, **Asset Servicing** (CACEIS) recorded a good level of activity this quarter. **Assets under custody** exceeded €4 trillion at end-September 2020, a level fixed as one of the targets of the 2022 Medium-Term Plan: they totalled €4,018 billion, up +28% year-on-year. **Assets under administration** also increased by +3% to €2,078 billion. These increases can be attributed primarily to the **consolidation of Santander Securities Services** in fourth quarter 2019 (respectively, +€673 billion in assets under custody and +€11 billion in assets under administration at end-September 2020), but also thanks to the **onboarding of new customers**, which helped offset an unfavourable market effect (approximately -€80 billion over one year). On a like-for-like basis, assets under custody and assets under administration therefore increased respectively by +6.4% and +2.2%.

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 €459 million in third quarter 2020, down -8.5% compared to third quarter 2019 notably due to a change in the recognition methods used for subordinated debt coupons (without impact on net earnings per share). Net income Group share remained unchanged excluding this effect. The business line contributed by 41% to the underlying net income Group share of the Crédit Agricole S.A. core businesses (excluding the Corporate Centre division) in third quarter 2020 and 27% to underlying revenues excluding the Corporate Centre.

The Asset gathering (AG) business line posted underlying net income Group share of €1,366 million in the first nine months of 2020, down -5.8% from the first nine months of 2019.

At 30 September 2020, own funds allocated to the business line amounted to €9.9 billion, including €8.4 billion for Insurance, €1 billion for Asset management, and €0.5 billion for Wealth management. The business line's risk weighted assets accounted for €42.1 billion including €26.8 billion for Insurance, €10.4 billion for Asset management and €4.8 billion for Wealth management.

Exclusively for this business line: the calculation of the risk weighted assets took into account the "Switch" guarantee, allowing the Crédit Agricole S.A. Group to save €22 billion[24] in risk weighted assets on the prudential treatment of the Insurance business line, but it generated a negative impact of around -€30.9 million as at third quarter 2020 on its net income Group share.

The underlying RoNE (Return on Normalised Equity) in turn stood at 22.6% for the first nine months of 2020, versus 27.5% on full year 2019.

Insurance

In third quarter 2020, underlying revenues stood at €610 million, down -7.6% year-on-year due to a negative market impact compared to third quarter 2019, despite being positive since the end of the first quarter 2020. Underlying expenses were under control (-0.1% since third quarter 2019 at €168 million), limiting the drop in underlying GOI to -10.1%, reaching €443 million. In third quarter 2020, the underlying cost/income ratio stood at 27.5%, an improvement of +2.1 percentage points compared to third quarter 2019. The tax charge furthermore decreased by -35% to €100 million, due to lower pre-tax income and a reduced tax rate on securities disposals. Underlying net income thus totalled €344 million, up +1.0% compared to third quarter 2019. In the end, the business line's contribution to underlying net income Group share was down -11.5%, to €300 million, due to increasing non-controlling interests (+€42.5 million year-on-year) following a change in the recognition methods used for subordinated RT1 debt coupons (without impact on net earnings per share).

Underlying revenues stood at €1,822 million in the first nine months of 2020, down -4.4% compared to the first nine months of 2019 due to a negative market impact during the period. Underlying expenses were up +3.9%

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

during the period. Accordingly, underlying GOI decreased -7.9% to €1,240 million, and the cost/income ratio deteriorated by +2.5 percentage points to 31.9% in the first nine months of 2020. Underlying net income decreased by -1.1% to €936 million and underlying net income Group share stood at €890 million, down -5.7% compared to the first nine months of 2019.

Asset management

Underlying revenues totalled €609 million in third quarter 2020, down -4.8% on third quarter 2019. Net management fee and commission income was down year-on-year (-4.8%) due to a negative market impact during the period, but up since second quarter 2020 (+4.8%). Performance fees in turn have been increasing since third quarter 2019 (+18.7%) and remained at a good level (€30 million). Lastly, financial revenues were unchanged year-on-year despite negative interest rates. Underlying costs excluding SRF fell by -4.1% to €329 million, due to the continued operational efficiency efforts and to adjustments in variable compensation. Underlying GOI decreased by -5.6% to €280 million and the cost/income ratio excluding SRF remained at a good level at 54.0% slightly up year-on-year (+0.4 percentage points). The contribution of equity-accounted entities, comprising in particular income from Amundi's joint ventures in Asia, was up (x2.1) to €17 million. The underlying tax charge was down -5.8% to €77 million this quarter. In the end, underlying net income Group share was solid and rose by +1.5% compared to third quarter 2019, to €146 million.

In the first nine months of 2020, underlying revenues decreased by -6.4% compared to the first nine months of 2019, to €1,810 million, due to the negative market impact during the period. Underlying expenses excluding SRF decreased by -4.5% to €988 million. Accordingly, underlying GOI was down -8.7% to €818 million and the underlying cost/income ratio excluding SRF remained at a good level (54.6%) despite a -1.1 percentage point deterioration compared to the first nine months of 2019. Underlying income of equity-accounted entities was sharply up (+40.8%) to €46 million. In the end, in an unfavourable market environment during the period, underlying net income Group share decreased -9.1% compared to the first nine months of 2019 to €420 million.

Wealth management

Underlying revenues decreased -7.2% compared to third quarter 2019 to €192 million in third quarter 2020, notably due to a negative foreign exchange impact year-on-year. Underlying costs excluding SRF were down sharply (-17.3%) to €162 million. Accordingly, underlying GOI increased significantly year-on-year (x2.7 to €30 million) and the underlying cost/income ratio excluding SRF significantly improved by -10.3 percentage points to 84.3% in third quarter 2020. Cost of risk has been increasing since third quarter 2019 (x5.9 to €11 million) and the tax charge increased by +€2 million. In the end, underlying net income Group share was down -30.2% to €13 million in third quarter 2020.

Underlying revenues stood at €600 million in the first nine months of 2020, down -2.3% compared to the first nine months of 2019. Underlying expenses excluding SRF decreased significantly (-6.3%) to €521 million. Accordingly, underlying GOI increased sharply (+39% to €76 million) and the underlying cost/income ratio excluding SRF improved (-3.6 percentage points) to 86.8%. Underlying net income Group share was up +25.7% to €56 million in the first nine months of 2020.

Retail banking

French retail banking

Underlying revenues were up +2.6% to €889 million in third quarter 2020. The increase was driven notably by the fee and commission income (+3.8%), as well as by the net interest margin (+1.6%) supported notably by good refinancing conditions. LCL continued with its operational efficiency policy despite continuing investments such as City Explorer (a feature of the LCL Mes Comptes application that exempts foreign currency payments and withdrawals in exchange for a fixed fee). The underlying costs excluding SRF to decrease by -4.6% to €550 million in third quarter 2020, which leads to an improvement in the underlying cost/income ratio excluding SRF of 4.7 percentage points, to 61.8%. This made it possible to post underlying gross operating income of €339 million, a sharp improvement of +17.0%. Provisioning continued increasing (+43.2%) to -€83 million in third quarter 2020. The increase was, notably related to prudent provisioning in sensitive sectors (including hotels, tourism, restaurants). The annualised cost of credit risk on outstandings for the nine months was therefore 30 basis points. The non-performing loan ratio stands at 1.6% (-0.1 percentage point compared to the second quarter of 2020) and the coverage ratio stands at 84.6% (+6.5 percentage points compared to the second quarter of 2020). In the end, underlying net income Group share was up +14.2% to €176 million in third quarter 2020.

Revenues remained stable in the first nine months of 2020 at €2,635 million compared to the first nine months of 2019. Underlying expenses excluding SRF decreased by -3.7%, due in particular to a continued improvement in external expenses, which resulted in a -2.7 percentage point improvement in the underlying cost/income ratio excluding SRF to 63.7%. Gross operating income thus rose +7.5% (+8.4% excluding SRF), but was largely offset by a sharp rise in provisioning (+97.0%) to -€301 million. All in all, the business line's contribution to net income Group share was down -9.4% to €408 million.

The underlying RONE (return on normalized equity) of LCL stands at 9.7% for the first nine months of 2020, compared to 10.8% for 2019.

International retail banking

International retail banking revenues fell by -5.1% to €657 million in third quarter 2020. Underlying expenses decreased less (-1.5%) to €415 million. Hence, the gross operating income decreased by -10.6%. Provisions increased +47.9% this quarter to -€124 million (notably due to the provisioning of performing loans). In the end, net income Group share of International retail banking was €63 million, down -34.9% compared to third quarter 2019.

For the nine months, underlying revenues decreased -5.6% to €1,967 million. Underlying operating expenses excluding SRF were down -1.8% to €1,255 million, resulting in a -2.5 percentage point deterioration in the underlying cost/income ratio to 63.8%. Gross underlying operating income is down -12.4% to €686 million. Excluding SRF, the drop in gross operating income is lowered to -11.6%. Provisioning increased by +71.0% to €438 million for the first nine months. This translated into underlying net income Group share of €155 million for first nine months of 2020 (down -43.4%).

Italy

Crédit Agricole Italia's revenues were unchanged in third quarter 2020 compared to 2019 at €462 million (-0.1% compared to third quarter 2019). The net interest margin was supported by the refinancing conditions and fee and commission income returned to pre-crisis levels. Expenses were likewise unchanged year-on-year (-0.5%) and down compared to the second quarter of 2020 (-2.3%) reflecting the specific efforts made in relation to external expenses and mobility and making it possible to absorb the additional costs related to the crisis. Underlying cost/income ratio excluding SRF stood at 61.0%, which was a slight improvement (-0.3 percentage points compared to 2019). Provisioning increased by +40.6% to -€86 million at a well-controlled level. It results both from provision of performing loans (-€8 million) and a significant increase in provisions for non-performing loans in order to prepare for the disposal of non-performing loans. The annualised cost of credit risk on outstandings for the first nine months was therefore 92 basis points. The non-performing loans ratio improved to 7.3% this quarter (-0.6 percentage points Sept./Sept.) and the coverage ratio was +2.1 percentage points higher, at 62.9%.

For the first nine months, revenues were down -4.3% to €1,337 million. Operating expenses excluding SRF were down by only -1.6%, resulting in a deterioration in the underlying cost/income ratio excluding SRF, which stood at 63.5%, an increase of +1.8 percentage points Sept./Sept. The Gross operating income decreases by -9.8% , standing at €462 million (-8.8% excluding SRF). All in all, the business-line's contribution to net income Group share was down -31.6%.

The underlying RoNE (return on normalized equity) of CA Italia stands at 5.7% for the first nine months of 2020, compared to 9.3% for 2019.

Crédit Agricole Group in Italy

The Group's results in Italy were €423 million in the first nine months of 2020, i.e. a -14% decrease from the first nine months of 2019 due to the increase in the cost of risk.

International Retail Banking – excluding Italy

Underlying revenues declined in third quarter 2020 compared to third quarter 2019 (-15.1%), mainly due to a net interest margin impacted by the fall in key interest rates in Egypt, Poland, Ukraine and Morocco, and fee and commission income affected by the sharp slowdown in commercial activity. Underlying expense excluding SRF were also down -3.5% this quarter and unchanged or declining in all subsidiaries except Crédit du Maroc (+3%). As a result of expenses declining less than revenues, the underlying cost/income ratio excluding SRF of IRB excluding Italy deteriorated this quarter to 68.5%, up +8.2 points. Underlying gross operating income thus decreased by -32.6%. Provisioning increased (+67.9%) to -€38 million in third quarter 2020 from the provisioning of performing loans. The coverage ratio was up +4 percentage points compared to the end of the second quarter 2020 at 104%. In the end, underlying net income Group share was €11 million, i.e. a sharp decrease of -69.3%.

By country:

- CA Egypt[25]: underlying revenues were down -15% in third quarter 2020 compared to third quarter 2019, penalised by lower rates. The risk profile remained good with a low NPL ratio of 2.5% and a high coverage ratio of 187%.
- CA Poland[25]: underlying revenues recorded a decline this quarter (-16%), penalised by the drop in reference interest rates. With expenses unchanged, underlying gross operating income decreased by -65%. The NPL coverage ratio rose to 108% resulting in a lower net income Group share, which was negative in the first nine months of 2020 (-€4 million).
- CA Ukraine[25] : underlying revenues were down this quarter (-9%). The NPL ratio was 2.3% and the coverage ratio was high at 242%.

[25] *Excluding forex effect*

- Crédit du Maroc[(25)]: revenues were slightly down this quarter by -2% and expenses remained under control (+3%). Provisioning remained prudent, with the coverage ratio reaching 91%.

In the first nine months, revenues were down by -8.1% to €630 million. Operating expenses excluding SRF decreased only by -2.1%, which resulted in a deterioration of the underlying cost/income ratio excluding SRF to 64.5%, up by +3.9 percentage points Sept./Sept.. Underlying gross operating income excluding SRF was down 17.3% at €224 millions. All in all, the business-line's contribution to net income Group share was down -60.6%.

The underlying RONE (return on normalized equity) of other IRB excluding Italy stands at 10.8% for the first nine months of 2020, compared to 19.3% for 2019.

The International retail banking business line contributed for 5% to the underlying net income Group share of Crédit Agricole S.A.'s core businesses (excluding the Corporate Centre division) for the first none months of 2020 and 13% to underlying revenues excluding the Corporate Centre.

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

As of 30 September 2020, the capital allocated to the division is €8.7 billion including €4.9 billion for French retail banking, €3.9 billion for International retail banking. Risk weighted assets are €92.0 billion including €51.2 billion for French retail banking and €40.9 billion for International retail banking.

Specialised financial services

Third quarter 2020 results of Specialised financial services were marked by **the reclassification under IFRS 5 of the Dutch subsidiary CA Consumer Finance Nederland BV**, an entity currently held for sale. In third quarter 2020, this resulted in the restatement on all intermediary balances of CA Consumer Finance of the total income and expenses recorded for the first and second quarter 2020 and in the posting to net income of operations held for sale of the restatement of third quarter net income Group share of CA Consumer Finance NL.

Accordingly, in third quarter 2020, the business line's **underlying net income Group share** stood at €181 million, i.e. a decline of -10.0% compared to third quarter 2019 and of -9.2% excluding scope effect compared to third quarter 2019 (i.e. excluding CA Consumer Finance NL).

The business line contributed by 13% to the underlying net income Group share of the Crédit Agricole S.A. core businesses (excluding the Corporate Centre division) for the first nine months of 2020.

RoNE (return on normalised equity) of the business line stood at 11.5% for the first nine months of 2020, down from 16% in 2019. The capital allocated to the Specialised financial services business line stood at €4.9 billion, down from €5.2 billion euros in September 2019.

Consumer finance

In the third quarter, CA Consumer Finance's **underlying revenues** totalled €488 million, down -7.9% compared to third quarter 2019. However, excluding scope effect of CA Consumer Finance NL[26] the decline in underlying revenues was only -1.4%, which is indicative of the resilience of this activity. **Expenses excluding SRF** experienced a marked decline (-19.1% overall and -2.6% excluding scope effect[26]), favourably impacting the **cost/income ratio excluding SRF** which reached 44.8% this quarter and 49.3% excluding CA Consumer Finance NL (unchanged since the third quarter 2019). Accordingly, **gross operating income** remained stable (+3.8% overall and -0.1% excluding scope effect[26]). **Equity-accounted entities** stabilised this quarter (-2.9%).

[26] Excluding the effect of IFRS 5 on CA Consumer Finance NL in Q3 2020 and excluding income/expenses recorded in Q3-2019 for CA Consumer Finance NL

Cost of risk returned to its third quarter 2019 levels (+4.5% overall and +6.7% excluding scope effect), in sharp decline from the second quarter (-43% excluding scope effect) after strong covid-19 provisioning. Note the strong resumption of post-moratoria payments (98% as of September 30th 2019 for retail and corporate customers). The **NPL ratio** recorded a moderate increase to 7.3% versus 6.1% in second quarter 2019, following the implementation of the new definition of regulatory default, which increased the total scope of non-performing loans. Lastly, underlying net income Group share stood at €147 million, i.e. a -3.9% decrease compared to third quarter 2019 and a -2.8% decrease excluding CA Consumer Finance NL.

In the first nine months 2020, CA Consumer Finance's **revenues** decreased by -8% and by -4.3% excluding scope effect compared to the first nine months of 2019, as did **gross operating income** (-8.4% overall versus -6.9% excluding scope effect). The **cost/income ratio excluding SRF** remained at 49.3%, i.e. an increase of +0.2 percentage points overall, driven by a decrease in **expenses excluding SRF** (-7.6% overall and -1.4% excluding scope effect) thanks to strong operational efficiency. The **contribution of equity-accounted entities** decreased (-11.4%) due to increased provisioning at Wafasalaf partially offset by the resilience of automobile JV. **Cost of risk** increased (+51.7% overall and +53.7% excluding scope effect). CA Consumer Finance's **net income Group share** for the first nine months decreased by -22.8% in underlying and by -21.8% excluding scope effect. Lastly, the **business line's contribution to net income Group share** in the first nine months of 2020 was 11%.

Leasing & Factoring

In **third quarter 2020**, underlying **revenues** stood at €131 million, down -10.4% compared to third quarter 2019 attributable to factoring activities being further penalised this quarter by lower share of turnover subject to factoring. Underlying **costs excluding SRF** remained unchanged (-0.9% at €71 million), bringing the drop in **gross operating income** to -19.4%. The **cost/income ratio excluding SRF** deteriorated by -5.2 percentage points to 53.5% but remained lower than in the second quarter (-2.8 percentage points). The **cost of risk** increased by +42.6% affected by an uncertain economic environment, but remained two times lower than in the second quarter 2020, which is attributable to more moderate provisioning. All in all, CAL&F's **underlying net income Group share** was €34 million, down -28% compared to third quarter 2019, but double compared to the previous quarter.

CAL&F's **revenues** were down compared to the first nine months of 2019 by -9.6% while **expenses excluding SRF** remained stable (-0.9% to €214 million). Accordingly, **gross operating income** decreased by -20.8% and the **cost/income ratio excluding SRF** deteriorated (+4.9 percentage points to 56.1%). With double the **cost of risk** compared to the first nine months of 2019, CAL&F's **net income Group share** stood at €64 million, down -44.9%.

Large customers

In **third quarter 2020**, underlying **net income Group share** for the Large customers business line amounted to €342 million, down -28.4% compared to third quarter 2019. Gross operating income however once again experienced a sharp increase (+16.9% in third quarter 2020 compared to third quarter 2019) thanks to strong momentum in all business line sub-divisions. Nevertheless, the business line was impacted by a significant increase in provisioning (it increased 4.8-fold between the two quarters), particularly in financing activities (a 5.6-fold increase to €225 million in third quarter 2020).

Over the first nine months of 2020, **underlying net income Group share** totalled €986 million, a -15.7% decrease on the same period in 2019.

The business line contributed 29% to the **underlying net income Group share** of Crédit Agricole S.A.'s core businesses (excluding the Corporate Centre division) in the first nine months of 2020 and 31% to **underlying revenues** excluding the Corporate Centre.

At 30 September 2020, **own funds allocated** to the Specialised financial services business line totalled €11.9 billion and **risk weighted assets** were €124.9 billion.

Underlying **RoNE** (return on normalised equity) of the business line stood at 10.5% in the first nine months of 2020, versus 12.0% in 2019.

Corporate and investment banking

In **third quarter 2020**, underlying **revenues** of Corporate and Investment banking rose by +9.7% to €1,288 million, thanks to buoyant capital markets (+24.8% in third quarter 2020 from third quarter 2019), specifically in the primary bonds business as well as repos, and despite a slowdown in the interest rate and foreign exchange business; financing activities in turn posted a slight decline in revenues (-3.4% between the two quarters) due to the slowdown in structured financing activities and despite robust activity levels in commercial banking; it was also impacted by unfavourable base (dividends on Banque Saudi Fransi (BSF) received in third quarter 2019) and foreign exchange effects this quarter. Excluding these effects, financing activities posted a +6.6% increase in revenues in third quarter 2020. Underlying operating expenses remained very well controlled and recorded a slight increase of +2.1% in third quarter 2020 making it possible to post an underlying cost/income ratio of 50.5%, a +3.7-point improvement year-on-year. Thus, underlying gross operating income increased strongly this quarter, +18.6% compared to third quarter 2019. Provisioning recorded a sharp x4.6-fold increase to €220 million, notably as a result of an increase in provisioning of performing loans (Stages 1 & 2 provisioning represents approximately 90% of the provisioning for the quarter), particularly in the aerospace and hotel industry, which were hit hard by the health crisis. Compared to second quarter 2020, provisioning decreased by -35.0%. In the end, underlying net income Group share was €307 million in third quarter 2020, a decline of -28.9% compared to third quarter 2019.

Over the first nine months of 2020, revenues recorded a marked increase of +11.8% on the same period in 2019. Operating expenses excluding SRF contributions recorded a very slight increase (+2.8%), enabling the production of a 9 percentage point jaws effect and the posting of cost/income ratio excl. SRF of 49.2%, a +4.3-point improvement between the two periods. Gross operating income was sharply up by +19.9%. Risk provisioning nevertheless increased 7.1-fold. In the end, the contribution to net income Group share was €892 million, down -16.1% compared to the first nine months of 2019.

Asset servicing

In third quarter 2020, underlying revenues increased by +23.1% to €278 million. In addition to the scope effect related to the consolidation of Kas Bank and Santander Securities Services (S3) since fourth quarter 2019, it also benefited from strong activity levels in third quarter 2020. Assets under custody exceeded €4 trillion at 30 September 2020, which was one of the targets of the 2022 Medium-Term Plan. They were up +28% year-on-year including the consolidation of S3 for +€673 billion at end-September 2020 and +6.4% on a like-for-like basis thanks to the onboarding of new customers (notably Groupama and Candriam) which offset a negative market impact (approximately -€80 billion year-on-year). Underlying operating expenses increased by +30.6% to €217 million. Excluding scope effect related to the consolidation of Kas Bank and S3, they rose by +12% as a result of IT developments and investments, including some related to the arrival of new large customers). Underlying gross operating income rose +2.0% to €61 million and the cost/income ratio was 78.0% in third quarter 2020. Net income was €52 million, a +13.4% increase. After €17 million of non-controlling interest attributed to Santander, the business line's contribution to underlying net income Group share posted a drop of -23.3% year-on-year to €35 million.

Underlying revenues increased by +25.2% in the first nine months 2020 compared to the first nine months 2019, while underlying operating expenses excluding SRF increased by +25.1%. Underlying gross operating income increased by +20.1% and the underlying cost/income ratio excluding SRF was 75.1%, unchanged from the same period in 2019. As a result, underlying **net income** increased by +30.6%. In the end, the business line's contribution to **net income Group share** was down -11.8% due to the appearance of non-controlling interests in favour of Santander (€95 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 -€118 million in third quarter 2020, a significant improvement compared to third quarter 2019 (-€243 million) due to improved revenues following lower refinancing costs and temporary gains related to TLTRO III;
- the sub-divisions that are not part of the core businesses, such as CACIF (private equity) and CA Immobilier: their contribution of +€8 million in third quarter 2020 shows a decline compared to third quarter 2019 (+€10 million), due to the impact of negative valuations in private equity entities;
- the Group's support functions: the third quarter 2020 recorded a positive impact of +€10 million, slightly down compared to third quarter 2019 (-€2 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 -€5 million this quarter, compared to a contribution of +€30 million in third quarter 2019. This negative variance is due to the impact of the market upturn on intra-group transactions.

For first nine months 2020, the negative contribution of the Corporate Centre division was -€548, an improvement of +€194 million compared to first half 2019. The structural component improved significantly over the period (+€194 million), in particular with regard to the activities and functions of the corporate entity Crédit Agricole S.A.'s corporate centre (+€240 million). The other items of the business line contributed +€67 million over the half year, an improvement of +€8 million.

As at 30 September 2020, risk weighted assets were €26.9 billion and allocated capital was €2.6 billion.

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Financial solidity

Crédit Agricole Group

Over the quarter, Crédit Agricole Group's financial strength improved again, with a phased-in Common Equity Tier 1 (CET1) ratio up by +0.9 percentage point compared to end-June 2020 to 17.0%. The fully loaded ratio, in other words excluding the impact of the phasing-in of IFRS 9 incorporated in second quarter 2020 as part of the "Quick fix", was 16.7%. The increase was mainly due to the effect of the stated result (+33 basis points) and to the methodology and regulatory effects (+24 basis points). The latter reflect for the most part the impact, on RWAs, of the irrevocable payment commitments (+16 basis points) as well as the application of the new SME supporting factor and infrastructure financing (+10 basis points). In addition, the decrease in risk-weighted assets over the period generated a positive effect on the CET1 ratio of +28 basis points. The risk weighted assets in the business lines in fact decreased in Large Customers (-€5,8 billion) and in retail banking (-€3.3 billion), including -€1.8 billion at LCL and -€1.0 billion at the Regional banks, mainly due to the impact of the expiry of the two-month waiting period for State-guaranteed loans of -€6.1 billion. Risk weighted assets also experienced the impact of the methodology and regulatory effects in the amount of -€2.6 billion (mainly including the additional impact on the SME supporting factor and infrastructure financing of -€3.3 billion and the new definition of default of €0.3 billion). Lastly, the equity-accounted value of insurance had an upward impact on risk-weighted assets in the amount of +€2.1 billion. Note that the Group's CET1 ratio includes 16 basis points in dividends on the 2019 results not distributed in 2020.

In the end, the Crédit Agricole Group posted a substantial buffer of 8.1 percentage points between the level of its CET1 ratio and the 8.9% SREP requirement for Crédit Agricole Group, compared with 7.2 percentage points at 30 June 2020.

The phased-in leverage ratio stood at 5.8%, an increase of +0.5 point in line with the neutralisation of ECB exposures compared to end-June 2020, and a slight increase at 5.4% compared to end-June 20 before this neutralisation of ECB exposures. The phased-in Tier 1 ratio stood at 17.9%, the phased-in overall ratio was 20.5% and the phased-in average intra-quarter leverage ratio was 5.2% this quarter, before exclusion of the Central Bank exposures.

TLAC

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

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

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

- a TLAC ratio above 16% of risk weighted assets (RWA), plus – in accordance with CRD5 – a combined capital buffer requirement (including, for the Crédit Agricole Group, a 2.5% capital conservation buffer, a 1% G-SIB buffer and the counter-cyclical buffer). Considering the combined capital buffer requirement, Crédit Agricole Group 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 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 September 2020, **the Crédit Agricole Group's TLAC ratio** stood at **24.8% of RWAs and 8.1% of leverage ratio exposure, excluding eligible senior preferred debt**. The TLAC ratio rose +100bp compared to 30 June 2020, hand-in-hand with the increase in regulatory capital during the quarter and supported by the decline in RWAs. Expressed as a percentage of the leverage ratio exposure (LRE), the TLAC ratio rose 60bp, taking into account the neutralisation of Central Bank exposures (7.5% before such neutralisation of Central banks exposures). It exceeded the required 19.5% of RWAs (according to CRR2/CRD5, plus, at 30 September 2020, the counter-cyclical buffer of 0.02%) 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 September 2020, €7.4 billion equivalent had been issued in the market; the amount of the Crédit Agricole Group senior non-preferred debt taken into account in the computation of the TLAC ratio was €23.3 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[27]), 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, Crédit Agricole Group was notified of the revision of its total consolidated MREL requirement and of a new subordinated MREL requirement (from which senior debt will generally be excluded in line with the TLAC standards). These are already applicable and have been met by the Group since that time. They will be revised periodically by the Resolution Authorities and will include changes in 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 September 2020, **Crédit Agricole Group posted an estimated MREL ratio of approximately 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 **33%** at end-September 2020. **It was 24.8% excluding eligible senior preferred debt.** The MTP target regarding subordinated MREL is met at end-September 2020.

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

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). 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 September 2020, **Crédit Agricole Group** posted a buffer of **724 basis points above the MDA trigger, i.e. €41 billion in CET1 capital**.

At 30 September 2020, **Crédit Agricole S.A.** posted a buffer of **447 basis points above the MDA trigger, i.e. €15 billion in CET1 capital**.

Crédit Agricole S.A.

At end-September 2020, Crédit Agricole S.A.'s solvency remained at a high level, with a phased-in **Common Equity Tier 1 (CET1) ratio of 12.6%** (i.e. including the impact of the IFRS 9 phasing-in incorporated in second quarter 2020 as part of the as part of the "quick fix"), **up +0.6 percentage points compared to end-June 2020, 160 basis points above the target, and 470 basis points above the SREP. The fully loaded ratio is 12.4%**. The CET1 ratio benefited this quarter from the effect of the stated result, generating a positive impact of +32 basis points, from the decrease in risk weighted assets of +31 basis points, as well as from the positive impact of the methodology and regulatory effects of +16 basis points, which included notably the deduction of irrevocable payment commitments to Deposit Guarantee and Resolution Fund and SRF (+12 basis points). The solvency ratio this quarter included a dividend per share provision of €0.16, i.e. €0.40 for the nine months of 2020, which, coupled with the effect of the AT1 coupons, had a negative impact of -15 basis points. Furthermore, the ratio included a positive impact of +1 basis point on the "M&A, OCI and other" item, mainly related to the disposal of Banque Saudi Fransi by Crédit Agricole Corporate and Investment Bank, the reclassification of Crédit Agricole Consumer Finance NEDERLAND BV to held-for-sale operations, the impact in the increase in OCI reserves, a foreign exchange impact, and prudent valuation. Since 31 March, the ratio includes 60 basis points in dividends on the 2019 results not distributed in 2020. In the end, Crédit Agricole S.A. had a substantial buffer of 4.7 percentage points between the level of its CET1 ratio and the 7.9% SREP requirement, compared with 4.1 percentage points at 30 June 2020.

The phased-in leverage ratio was 4.5% at end-September 2020, up +0.5 percentage point from end-June 2020, in line with the neutralisation of ECB exposures, but stable at 3.9% compared to end-June 2020, before this neutralisation. The phased-in average intra-quarter leverage ratio was 3.8% before the neutralisation of ECB exposures, the phased-in Tier 1 ratio was 14.1% and the phased-in overall ratio was 18.2% this quarter.

Risk weighted assets amounted at €338 billion at end-September 2020, compared with €347 billion at end-June, a -2.8% decrease. The business lines' contribution was negative in the amount of -€9.9 billion, (of which -€1.8 billion in foreign exchange impact) due to a decrease in risk weighted assets in the Large customers business line (-€5.7 billion) and in Retail banking (-€2.2 billion). The change in Large Customers division can be explained in particular by a trend towards gradual normalisation of the CVA VaR (-€2 billion decrease in market risk and CVA), good control by the business lines and a favourable foreign exchange impact (-€1.5bn), more than offsetting the unfavourable impact of rating migrations (+€1.3 billion). The change in Retail banking is mainly due to the expiry of the State-guaranteed loans' two-month waiting period (-€1.3 billion). The increase in the equity-accounted value of insurance had an upward impact on risk weighted assets amounting to +€2.0 billion. M&A transactions had a downward impact on risk weighted assets amounting to -€1.0 billion (linked to the disposal of

Banque Saudi Fransi by Crédit Agricole Corporate and Investment Bank). The methodology and regulatory effects also had a downward impact amounting to -€0.9 billion, of which -€1.5 billion for the SME supporting factor and infrastructure financing, €0.3 billion for the "new definition of default".

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 €67 billion at end-September 2020. Similarly, €117 billion in repos/reverse repos were eliminated insofar as these outstandings reflect the activity of the securities desk carrying out securities borrowing and lending operations that offset each other. Other nettings calculated in order to build the cash balance sheet—for an amount totalling €178 billion at end-September 2020—relate to derivatives, margin calls, adjustment/settlement/liaison accounts and to non-liquid securities held by the Corporate and Investment banking division and are included in the "Customer-related trading assets" section.

Note that deposits centralised with Caisse des Dépôts et Consignations are not netted in order to build the cash balance sheet; the amount of centralised deposits (€63 billion at end-September 2020) is booked to assets under "Customer-related trading assets" and to liabilities under "Customer-related funds".

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

Note that for Central Bank refinancing transactions, outstandings related to the TLTRO (Targeted Longer-Term Refinancing Operation) are included in "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-to-long-term repos are also included in "Long-term market funds".

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

Standing at €1,487 billion at 30 September 2020, the Group's banking cash balance sheet shows a **surplus of stable funding resources over stable application of funds of €249 billion**, up €8 billion compared to June 2020 and up €131 billion compared to September 2019.

In line with initiatives undertaken during the past two quarters in connection with the Covid-19 crisis, in September 2020 the Group took part once again in the T-LTRO III medium-to-long-term refinancing transactions of the European Central Bank for €7.9 billion, increasing its level of stable resources. (Note that the bonification applicable to the refinancing rate for these operations is accrued over the drawdown period and the additional bonification is accrued over one year, as the Group already meets the lending trigger).

Moreover, the Group once again benefited during the quarter from a nevertheless more modest increase in CIB and French retail banking inflows. Indeed, over the quarter, deposits were up +€14 billion, while loans were up +€5 billion, also contributing to the improvement of stable resources.

This surplus of €249 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 122.2%**, up +0.6pp compared to the previous quarter.

Furthermore, given the excess liquidity, the Group remained in a short-term lending position at 30 September 2020 (central bank deposits exceeding the amount of short-term debt).

Medium-to-long-term market resources were €313 billion at 30 September 2020, up +€2 billion compared to end-June 2020.

They included senior secured debt of €190 billion, senior preferred debt of €80 billion, senior non-preferred debt of €24 billion and Tier 2 securities amounting to €19 billion.

The increase in senior secured debt is explained by the Group taking part in the T-LTRO III transactions of the European Central Bank. The decrease in preferred senior debt is explained by contractual amortisation and the low amount of unsecured debt issued in the third quarter**.**

At 30 September 2020, the Group's liquidity reserves, at market value and after haircuts, amounted to €404 billion, down by -€1 billion from end-June 2020 and up by +€132 billion from 30 September 2019. They covered short-term debt more than three times over (excluding the replacements with Central Banks).

The high level of central bank deposits was the result of the replacement of significant excess liquidity.

The increase in the Group's asset encumbrance ratio, which stood at 23.2% at end-June 2020, is in line with Central Bank's drawings.

At end-September 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 €285.2 billion for the Crédit Agricole Group and €254.2 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 €203.4 billion for the Crédit Agricole Group and at €180.7 billion for Crédit Agricole S.A.

The average LCR ratios over 12 months for Crédit Agricole Group and Crédit Agricole S.A. were respectively 140.2% and 140.7% at end-September 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 September 2020, the Group's main issuers raised the equivalent of €26.3 billion[28] in medium-to-long-term debt on the markets, 44% of which was issued by Crédit Agricole S.A. Note that:

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

In addition, €4.0 billion was also borrowed from national and supranational organisations or placed in Crédit Agricole Group's retail networks (Regional Banks, LCL and CA Italia) and other external networks at end-September 2020.

At end-October 2020, Crédit Agricole S.A. had completed 97% of its €12 billion medium-to-long-term market funding programme for the year. The bank had raised the equivalent of €11.6 billion[28,29], of which €5.2 billion equivalent in senior non-preferred debt and €2.2 billion equivalent in Tier 2 debt, as well as €4.2 billion equivalent in senior preferred debt and in senior secured debt. The funding is diversified with various segments and currencies: a second 3-year Panda bond (CNY 1 billion) was issued in September 2020.

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

Furthermore, in October 2020 Crédit Agricole S.A. completed a €750 million PNC7.5 AT1 issuance at the initial rate of 4% to allow Crédit Agricole Group to maintain its high flexibility in the management of its Tier 1 capital.

[28] *Gross amount before buyback (including the public offering on SP debt in June amounting to €3.4bn) and amortisation*
[29] *Excluding AT1 issuance*

Corporate Social and Environmental Responsibility of the Company

Sustainable finance

The Federal Republic of Germany issued its first green bond in September 2020, in the amount of €6.5 billion. It represents approximately 10% of the volume of sovereign green bonds outstanding and will be used to finance Germany's climate and environmental strategy. Crédit Agricole CIB took part in this historic transaction as associate bookrunner and also acted as exclusive adviser for Germany in the structuring of its Green Bonds programme published in August 2020.

The annual evaluation of the Principles for Responsible Investment (PRI) resulted in the award of the highest rating A+ to Amundi for its strategy and its ESG management. These results attest to the international recognition of Amundi's responsible investment strategy, its commitment and ability to apply ESG criteria to the equities, bonds and private equity asset classes.

Lastly, Amundi launched during this quarter a bond funds exposed to green financing in emerging countries.

Biodiversity

Faced with the growing need to reduce carbon emissions and to limit the environmental impact of construction, some thirty real estate players — investors, developers, corporate occupiers — have just launched the "*Booster du réemploi*", an ambitious initiative promoting the reuse of materials. As a signatory to the programme, Crédit Agricole Immobilier is committed to a low-carbon economy and to working alongside its partners in order to structure and promote the route towards a circular economy. For 1,000 sq.m of surface, reuse saves 44 tonnes of waste, 67 tonnes of $CO2$ equivalent and more than 1 million litres of water.

Inclusion

Crédit Agricole is supplementing its initiatives in favour of banking inclusion by launching a new online budget management platform "*Maîtriser son budget*" on the credit-agricole.fr website and on the showcase websites of the Regional banks. The platform provides customers and prospects with content related to budget management, meant to help them get back on track. The content falls into four categories: • How to manage your budget well • Where to look for help in the event of hardship • The Group's banking offerings at affordable prices. Non-banking services (food, Internet and mobile, water, mobility, etc.).

As part of a programme developed with the Swedish Cooperation Agency and the United Nations Agency for Refugees (UNHCR), the Grameen Crédit Agricole Foundation has just granted initial funding to a microfinance institution to promote access to financial and non-financial services for refugees in Uganda. In addition to funding, the Foundation coordinates the programme's technical assistance aimed at supporting institutions in the development of products and services suitable for refugees. Uganda is the No. 1 host country in Africa and No. 3 globally, hosting 1.2 million refugees.

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

Crédit Agricole Group — Specific items, Q3-20 and Q3-19, 9M-20 and 9M-19

€m	Q3-20		Q3-19		9M-20		9M-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)	19	14	(3)	(2)	(7)	(5)	(15)	(11)
Loan portfolio hedges (LC)	(7)	(5)	(1)	(1)	41	28	(28)	(21)
Home Purchase Savings Plans (LCL)	-	-	(8)	(5)	(15)	(10)	(19)	(13)
Home Purchase Savings Plans (CC)	(4)	(3)	(30)	(20)	(50)	(34)	(58)	(38)
Home Purchase Savings Plans (RB)	-	-	(72)	(47)	(133)	(90)	(170)	(111)
Liability management upfront payment (CC)	-	-	-	-	(41)	(28)	-	-
Support to insured clients Covid-19 (AG)	-	-	-	-	(2)	(1)	-	-
Support to insured clients Covid-19 (AG)	-	-	-	-	(143)	(97)	-	-
Support to insured clients Covid-19 (RB)	-	-	-	-	(94)	(64)	-	-
Total impact on revenues	**8**	**7**	**(115)**	**(76)**	**(444)**	**(303)**	**(290)**	**(194)**
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)	(4)	(2)	-	-	(12)	(6)	-	-
Total impact on operating expenses	**(4)**	**(2)**	**-**	**-**	**(78)**	**(68)**	**-**	**-**
Triggering of the Switch2 (AG)	-	-	-	-	65	44	-	-
Triggering of the Switch2 (RB)	-	-	-	-	(65)	(44)	-	-
Adjustement on switch 2 activation (GEA)	(28)	(19)	-	-	(28)	(19)	-	-
Adjustement on switch 2 activation (CR)	28	19	-	-	28	19	-	-
Total impact on cost of credit risk	-	-	-	-	-	-	-	-
Impairment on goodwill (SFS)	-	(55)	-	-	-	(55)	-	-
Reclassification of held-for-sale operations (SFS)	-	(69)	-	-	-	(69)	-	-
Reclassification of held-for-sale operation Bankoa (IRB)	-	(40)	-	-	-	(40)	-	-
Reclassification of held-for-sale operations (IRB)	-	(5)	-	-	-	(5)	-	-
Total impact on Net income from discounted or held-for-sale operations	**-**	**(170)**	**-**	**-**	**-**	**(170)**	**-**	**-**
Total impact of specific items	***4***	***(165)***	***(115)***	***(76)***	***(523)***	***(541)***	***(290)***	***(194)***
Asset gathering	***(28)***	***(19)***	***-***	***-***	***(144)***	***(110)***	***-***	***-***
French Retail banking	***22***	***14***	***(80)***	***(53)***	***(298)***	***(207)***	***(189)***	***(124)***
International Retail banking	***(40)***	***(40)***		***-***	***(48)***	***(44)***	***-***	***-***
Specialised financial services	***(69)***	***(69)***	***-***	***-***	***(69)***	***(69)***	***-***	***-***
Large customers	***8***	***8***	***(4)***	***(3)***	***22***	***16***	***(43)***	***(32)***
Corporate centre	***(59)***	***(58)***	***(30)***	***(20)***	***(156)***	***(127)***	***(58)***	***(38)***

** Impact before tax and before minority interests*

Crédit Agricole S.A. - Specific items, Q3-20 and Q3-19, 9M-20 and 9M-19

m€	Q3-20		Q3-19		9M-20		9M-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)	19	14	(3)	(2)	(7)	(5)	(15)	(11)
Loan portfolio hedges (LC)	(7)	(5)	(1)	(1)	41	27	(28)	(20)
Home Purchase Savings Plans (FRB)	-	-	(8)	(5)	(15)	(10)	(19)	(12)
Home Purchase Savings Plans (CC)	(4)	(3)	(30)	(20)	(50)	(34)	(58)	(38)
Liability management upfront payment (CC)	-	-	-	-	(41)	(28)	-	-
Support to insured clients Covid-19 (LCL)	-	-	-	-	(2)	(1)	-	-
Support to insured clients Covid-19 (AG)	-	-	-	-	(143)	(97)	-	-
Total impact on revenues	**8**	**6**	**(43)**	**(28)**	**(217)**	**(148)**	**(120)**	**(81)**
Covid-19 donation (AG)	-	-	-	-	(38)	(38)	-	-
Covid-19 donation (IRB)	-	-	-	-	(8)	(4)	-	-
Covid-19 donation (CC)	-	-	-	-	(10)	(10)	-	-
S3 / Kas Bank integration costs (LC)	(4)	(2)	-	-	(12)	(6)	-	-
Total impact on operating expenses	**(4)**	**(2)**	**-**	**-**	**(68)**	**(58)**	**-**	**-**
Triggering of the Switch2 (AG)	-	-	-	-	65	44	-	-
Adjustement on switch 2 activation (GEA)	(28)	(19)	-	-	(28)	(19)	-	-
Total impact on cost of credit risk	(28)	(19)	-	-	38	26	-	-
Reclassification of held-for-sale operations (SFS)	(69)	(69)	-	-	(69)	(69)	-	-
Impairment on goodwill (CC)	(55)	(55)	-	-	(55)	(55)	-	-
Total impact on Net income from discounted or held-for-sale operations	**(124)**	**(124)**	**-**	**-**	**(124)**	**(124)**	**-**	**-**
Total impact of specific items	***(148)***	***(139)***	***(43)***	***(28)***	***(372)***	***(305)***	***(120)***	***(81)***
Asset gathering	***(28)***	***(19)***	***-***	***-***	***(144)***	***(110)***	***-***	***-***
French Retail banking	***-***	***-***	***(8)***	***(5)***	***(17)***	***(11)***	***(19)***	***(12)***
International Retail banking	***-***	***-***		***-***	***(8)***	***(4)***		***-***
Specialised financial services	***(69)***	***(69)***	***-***	***-***	***(69)***	***(69)***	***-***	***-***
Large customers	***8***	***7***	***(4)***	***(3)***	***22***	***16***	***(43)***	***(31)***
Corporate centre	***(59)***	***(58)***	***(30)***	***(20)***	***(156)***	***(127)***	***(58)***	***(38)***

** Impact before tax and before minority interests*

Appendix 2 – Credit Agricole Group: results by business lines

Credit Agricole Group – Contribution by divisions – Q3-20 & Q3-19

	Q3-20 (stated)							
m€	RB	LCL	IRB	AG	SFS	LC	CC	Total
Revenues	**3,308**	**889**	**652**	**1,421**	**619**	**1,578**	**2**	**8,468**
Operating expenses excl. SRF	(2,115)	(550)	(414)	(658)	(289)	(871)	(199)	(5,096)
SRF	-	-	-	-	-	-	-	-
Gross operating income	**1,192**	**339**	**238**	**762**	**330**	**708**	**(198)**	**3,372**
Cost of risk	6	(83)	(120)	(41)	(141)	(217)	1	(596)
Cost of legal risk	-	-	-	-	-	-	-	-
Equity-accounted entities	(2)	-	-	17	72	0	(0)	88
Net income on other assets	(2)	1	6	(1)	(11)	1	(1)	(6)
Change in value of goodwill	-	-	-	-	-	-	-	-
Income before tax	**1,194**	**258**	**124**	**737**	**250**	**492**	**(197)**	**2,858**
Tax	(398)	(74)	(33)	(173)	(43)	(119)	98	(743)
Net income from discont'd or held-for-sale ope.	(5)	-	(41)	-	(69)	-	(55)	(170)
Net income	**790**	**184**	**51**	**564**	**138**	**372**	**(154)**	**1,945**
Non controlling interests	(2)	(0)	(20)	(112)	(26)	(15)	(1)	(177)
Net income Group Share	**789**	**184**	**31**	**452**	**112**	**357**	**(155)**	**1,769**

	Q3-19 (stated)							
En m€	RB	LCL	IRB	AG	SFS	LC	CC	Total
Revenues	**3,172**	**858**	**1,499**	**717**	**676**	**1,397**	**(103)**	**8,216**
Operating expenses excl. SRF	(2,147)	(576)	(706)	(441)	(341)	(803)	(205)	(5,220)
SRF	2	-	-	-	-	-	(2)	-
Gross operating income	**1,028**	**282**	**793**	**276**	**335**	**594**	**(310)**	**2,997**
Cost of risk	(48)	(58)	(11)	(85)	(131)	(45)	(6)	(384)
Cost of legal risk	-	-	-	-	-	-	-	-
Equity-accounted entities	0	-	8	-	74	2	-	85
Net income on other assets	1	(0)	21	(0)	(0)	(3)	0	18
Change in value of goodwill	-	-	-	-	-	-	-	-
Income before tax	**981**	**224**	**810**	**190**	**278**	**547**	**(316)**	**2,715**
Tax	(340)	(68)	(235)	(54)	(56)	(63)	69	(748)
Net income from discont'd or held-for-sale ope.	-	-	0	-	-	-	-	0
Net income	**641**	**156**	**575**	**136**	**222**	**484**	**(247)**	**1,968**
Non controlling interests	(0)	(0)	(75)	(28)	(21)	0	5	(119)
Net income Group Share	**641**	**156**	**500**	**109**	**201**	**485**	**(242)**	**1,849**

Credit Agricole Group – Contribution by divisions – 9M-20 & 9M-19

	9M-20 (stated)							
m€	RB	LCL	IRB	AG	SFS	LC	CC	Total
Revenues	**9,631**	**2,617**	**2,013**	**4,115**	**1,873**	**4,873**	**(191)**	**24,930**
Operating expenses excl. SRF	(6,401)	(1,678)	(1,304)	(2,130)	(949)	(2,612)	(607)	(15,680)
SRF	(123)	(42)	(25)	(6)	(20)	(260)	(86)	(562)
Gross operating income	**3,107**	**897**	**684**	**1,979**	**904**	**2,001**	**(883)**	**8,688**
Cost of risk	(664)	(301)	(436)	4	(579)	(719)	(38)	(2,733)
Cost of legal risk	-	-	-	-	-	-	-	-
Equity-accounted entities	1	-	-	46	204	5	(0)	256
Net income on other assets	(6)	2	72	2	7	1	(1)	78
Change in value of goodwill	(3)	-	-	-	-	-	-	(3)
Income before tax	**2,434**	**598**	**319**	**2,032**	**536**	**1,288**	**(922)**	**6,286**
Tax	(862)	(183)	(87)	(501)	(25)	(223)	350	(1,531)
Net income from discontinued or held-for-sale operations	(5)	-	(41)	-	(69)	-	(55)	(171)
Net income	**1,567**	**415**	**191**	**1,531**	**442**	**1,065**	**(627)**	**4,584**
Non controlling interests	(3)	(0)	(60)	(244)	(72)	(41)	(5)	(424)
Net income Group Share	**1,564**	**415**	**131**	**1,287**	**370**	**1,024**	**(632)**	**4,159**

	9M-19(stated)							
m€	RB	LCL	AG	IRB	SFS	LC	CC	Total
Revenues	**9,841**	**2,605**	**4,439**	**2,158**	**2,044**	**4,200**	**(390)**	**24,898**
Operating expenses excl. SRF	(6,560)	(1,742)	(2,150)	(1,335)	(1,012)	(2,419)	(586)	(15,805)
SRF	(86)	(32)	(7)	(22)	(18)	(177)	(83)	(426)
Gross operating income	**3,195**	**832**	**2,281**	**801**	**1,013**	**1,605**	**(1,060)**	**8,667**
Cost of risk	(342)	(153)	(14)	(260)	(370)	(105)	(19)	(1,263)
Cost of legal risk	-	-	-	-	-	-	-	-
Equity-accounted entities	9	-	32	-	231	1	-	273
Net income on other assets	(6)	1	20	(1)	1	(1)	8	21
Change in value of goodwill	-	-	-	-	-	-	-	-
Income before tax	**2,855**	**679**	**2,320**	**540**	**874**	**1,500**	**(1,071)**	**7,698**
Tax	(1,050)	(221)	(654)	(153)	(193)	(340)	287	(2,323)
Net income from discontinued or held-for-sale operations	-	-	8	-	-	-	-	8
Net income	**1,806**	**458**	**1,675**	**387**	**681**	**1,160**	**(784)**	**5,383**
Non controlling interests	(0)	(0)	(224)	(81)	(79)	1	12	(372)
Net income Group Share	**1,805**	**458**	**1,450**	**307**	**602**	**1,161**	**(772)**	**5,012**

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

Crédit Agricole S.A. - Contribution by divisions – Q3-20 & Q3-19

Q3-20 (stated)							
m€	AG	FRB (LCL)	IRB	SFS	LC	CC	Total
Revenues	**1,411**	**889**	**657**	**619**	**1,579**	**(3)**	**5,151**
Operating expenses excl. SRF	(658)	(550)	(415)	(289)	(871)	(209)	(2,991)
SRF	-	-	-	-	-	-	-
Gross operating income	**753**	**339**	**241**	**330**	**708**	**(212)**	**2,160**
Cost of risk	(41)	(83)	(124)	(141)	(217)	2	(605)
Cost of legal risk	-	-	-	-	-	-	-
Equity-accounted entities	17	-	-	72	0	9	98
Net income on other assets	(1)	1	6	(11)	1	0	(3)
Change in value of goodwill	-	-	-	-	-	-	-
Income before tax	**728**	**258**	**123**	**250**	**492**	**(201)**	**1,650**
Tax	(172)	(74)	(33)	(43)	(119)	96	(346)
Net income from discontinued or held-for-sale operations	-	-	(0)	(69)	-	(55)	(125)
Net income	**556**	**184**	**89**	**138**	**372**	**(160)**	**1,180**
Non controlling interests	(116)	(8)	(26)	(26)	(23)	(4)	(203)
Net income Group Share	**440**	**176**	**63**	**112**	**350**	**(164)**	**977**

Q3-19 (stated)							
m€	AG	FRB (LCL)	IRB	SFS	LC	CC	Total
Revenues	**1,507**	**858**	**692**	**676**	**1,397**	**(100)**	**5,031**
Operating expenses excl. SRF	(706)	(576)	(422)	(341)	(803)	(176)	(3,025)
SRF	-	-	-	-	-	(2)	(2)
Gross operating income	**801**	**282**	**270**	**335**	**594**	**(278)**	**2,004**
Cost of risk	(11)	(58)	(84)	(131)	(45)	(5)	(335)
Cost of legal risk	-	-	-	-	-	-	-
Equity-accounted entities	8	-	-	74	2	(2)	82
Net income on other assets	21	(0)	(0)	(0)	(3)	0	17
Change in value of goodwill	-	-	-	-	-	-	-
Income before tax	**819**	**224**	**186**	**278**	**547**	**(285)**	**1,769**
Tax	(238)	(68)	(54)	(56)	(63)	56	(423)
Net income from discontinued or held-for-sale operations	0	-	-	-	-	-	0
Net income	**581**	**156**	**132**	**222**	**485**	**(229)**	**1,346**
Non controlling interests	(79)	(7)	(35)	(21)	(10)	4	(147)
Net income Group Share	**502**	**149**	**97**	**201**	**475**	**(225)**	**1,199**

Crédit Agricole S.A. - Contribution by divisions – 9M-20 & 9M-19

9M-20 (stated)							
€m	AG	FRB (LCL)	IRB	SFS	LC	CC	Total
Revenues	**4,090**	**2,617**	**1,967**	**1,873**	**4,872**	**(170)**	**15,248**
Operating expenses excl. SRF	(2,129)	(1,678)	(1,263)	(949)	(2,612)	(594)	(9,226)
SRF	(6)	(42)	(25)	(20)	(260)	(86)	(439)
Gross operating income	**1,954**	**897**	**678**	**904**	**2,000**	**(850)**	**5,583**
Cost of risk	4	(301)	(438)	(579)	(719)	(36)	(2,068)
Cost of legal risk	-	-	-	-	-	-	-
Equity-accounted entities	46	-	-	204	5	22	277
Net income on other assets	2	2	72	7	1	0	84
Change in value of goodwill	-	-	-	-	-	-	-
Income before tax	**2,007**	**598**	**312**	**536**	**1,287**	**(863)**	**3,876**
Tax	(495)	(183)	(86)	(25)	(223)	320	(692)
Net income from discontinued or held-for-sale operations	-	-	(1)	(69)	-	(55)	(125)
Net income	**1,512**	**415**	**225**	**442**	**1,064**	**(599)**	**3,059**
Non controlling interests	(255)	(19)	(74)	(72)	(62)	(9)	(490)
Net income Group Share	**1,257**	**396**	**151**	**370**	**1,002**	**(608)**	**2,568**

9M-19 (stated)							
m€	AG	FRB (LCL)	IRB	SFS	LC	CC	Total
Revenues	**4,455**	**2,605**	**2,083**	**2,044**	**4,203**	**(356)**	**15,034**
Operating expenses excl. SRF	(2,150)	(1,742)	(1,278)	(1,012)	(2,419)	(560)	(9,161)
SRF	(7)	(32)	(22)	(18)	(177)	(83)	(340)
Gross operating income	**2,298**	**832**	**783**	**1,013**	**1,607**	**(999)**	**5,534**
Cost of risk	(14)	(153)	(256)	(370)	(105)	(19)	(917)
Cost of legal risk	-	-	-	-	-	-	-
Equity-accounted entities	32	-	-	231	1	11	275
Net income on other assets	20	1	(1)	1	(1)	20	39
Change in value of goodwill	-	-	-	-	-	-	-
Income before tax	**2,337**	**680**	**526**	**874**	**1,502**	**(987)**	**4,931**
Tax	(658)	(221)	(151)	(193)	(340)	261	(1,302)
Net income from discontinued or held-for-sale operations	8	-	-	-	-	-	8
Net income	**1,687**	**458**	**375**	**681**	**1,162**	**(726)**	**3,637**
Non controlling interests	(237)	(21)	(101)	(79)	(23)	5	(454)
Net income Group Share	**1,451**	**438**	**274**	**602**	**1,139**	**(721)**	**3,183**

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)		Q3-20	Q3-19	9M-20	9M-19	Δ Q3/Q3	Δ 9M/9M
Net income Group share - stated		977	1,199	2,568	3,183	(18.5%)	(19.3%)
- Interests on AT1, including issuance costs, before tax		(65)	(242)	(294)	(482)	(73.2%)	(39.0%)
NIGS attributable to ordinary shares - stated	[A]	912	956	2,274	2,701	(4.6%)	(15.8%)
Average number shares in issue, excluding treasury shares (m)	[B]	2,882.3	2,882.4	2,882.6	2,870.0	(0.0%)	+0.4%
Net earnings per share - stated	**[A]/[B]**	**0.32 €**	**0.33 €**	**0.79 €**	**0.94 €**	**(4.6%)**	**(16.2%)**
Underlying net income Group share (NIGS)		1,115	1,226	2,874	3,264	(9.1%)	(12.0%)
Underlying NIGS attributable to ordinary shares	[C]	1,050	984	2,580	2,782	+6.7%	(7.3%)
Net earnings per share - underlying	**[C]/[B]**	**0.36 €**	**0.34 €**	**0.89 €**	**0.97 €**	**+6.7%**	**(7.7%)**

(€m)		30/09/2020	30/09/2019
Shareholder's equity Group share		64,591	62,287
- AT1 issuances		(5,134)	(5,134)
- Unrealised gains and losses on OCI - Group share		(2,562)	(3,576)
- Payout assumption on annual results*		-	-
Net book value (NBV), not revaluated, attributable to ordin. sh.	**[D]**	**56,894**	**53,577**
- Goodwill & intangibles** - Group share		(18,301)	(18,391)
Tangible NBV (TNBV), not revaluated attrib. to ordinary sh.	**[E]**	**38,593**	**35,186**
Total shares in issue, excluding treasury shares (period end, m)	[F]	2,882.0	2,882.8
NBV per share , after deduction of dividend to pay (€)	[D]/[F]	19.7 €	18.6 €
+ Dividend to pay (€)	[H]	0.0 €	0.0 €
NBV per share , before deduction of dividend to pay (€)		19.7 €	18.6 €
TNBV per share, after deduction of dividend to pay (€)	[G]=[E]/[F]	13.4€	12.2€
TNBV per sh., before deduct. of divid. to pay (€)	[G]+[H]	13.4 €	12.2 €

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

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

(€m)		9M-20	9M-19
Net income Group share attributable to ordinary shares	[H]	3,033	3,638
Tangible NBV (TNBV), not revaluated attrib. to ord. sh. - avg***	[J]	36,102	33,051
Stated ROTE (%)	[H]/[J]	8.4%	11.0%
Underlying Net income attrib. to ord. shares (annualised)	[I]	3,439	3,746
Underlying ROTE (%)	**[I] / [J]**	**9.5%**	**11.3%**

**** 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 the third quarter and the first nine months of 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 nine-month period ending 30 September 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

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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