



Toute une banque pour vous

# Crédit Agricole Green Bond

Investor Presentation

# DISCLAIMER

- **Financial information on Crédit Agricole S.A. and Crédit Agricole Group for the third quarter and first nine months 2018 comprises this presentation and the attached press release and financial report which are available on the website <https://www.credit-agricole.com/en/finance/finance/financial-publications>.**
- This presentation may include prospective information on the Group, supplied as information on trends. This data does not represent forecasts within the meaning of European Regulation 809/2004 of 29 April 2004 (chapter 1, article 2, § 10).
- This information was developed from scenarios based on a number of economic assumptions for a given competitive and regulatory environment. Therefore, these assumptions are by nature subject to random factors that could cause actual results to differ from projections.
- Likewise, the financial statements are based on estimates, particularly in calculating market value and asset impairment.
- Readers must take all these risk factors and uncertainties into consideration before making their own judgement.
- The figures presented for the nine-month period ending 30 September 2018 have been prepared in accordance with IFRS as adopted in the European Union and applicable at that date, and with prudential regulations currently in force. This financial information does not constitute a set of financial statements for an interim period as defined by IAS 34 "Interim Financial Reporting" and has not been audited.
- Note: the scopes of consolidation of groups Crédit Agricole S.A. and Crédit Agricole have not changed materially since the registration with the AMF, the French Financial Markets Authority, of the 2017 Registration Document of Crédit Agricole S.A. on 22 March 2018 under the registration number D.18-0164 and the A.01 update of this 2017 Registration Document including all regulatory information relative to Crédit Agricole Group.
- The sum of values contained in the tables and analyses may differ slightly from the total reported due to rounding.
- On 1 January 2017, Calit was transferred from Specialised Financial Services (Crédit Agricole Leasing & Factoring) to Retail Banking in Italy. Historical data have not been restated on a proforma basis.
- Since 3 July 2017, Pioneer has been included in the scope of consolidation of Crédit Agricole Group as a subsidiary of Amundi. Historical data have not been restated on a proforma basis. Pioneer Investments' integration costs in both the first and second quarters 2017 have been restated in specific items, contrarily to the treatment applied in both publications made previously. Group underlying net income has been adjusted for both quarters.
- Since 26 September 2017, Banque Saudi Fransi (BSF) has been excluded from the scope of consolidation of Crédit Agricole Group further to the disposal of a majority of the holding (16.2% out of the 31.1% held prior to disposal). This subsidiary was consolidated using the equity method into the Large Customers division. Historical data have not been restated on a proforma basis.
- Since 21 December 2017, Cassa di Risparmio (CR) di Cesena, CR di Rimini and CR di San Miniato have been included in the scope of consolidation of Crédit Agricole Group as subsidiaries of Crédit Agricole Italy. Historical data have not been restated on a proforma basis.
- Since 26 December 2017, Crédit Agricole S.A.'s stake in CACEIS has increased from 85% to 100%, further to the acquisition of the 15% stake in the company held by Natixis before that date.
- Since 3 May 2018, Banca Leonardo has been included in the scope of consolidation of Crédit Agricole Group as a subsidiary of Indosuez Wealth Management. Historical data have not been restated on a proforma basis.

## Note:

**The Crédit Agricole Group scope of consolidation comprises:**  
the Regional Banks, the Local Banks, Crédit Agricole S.A. and their subsidiaries. This is the scope of consolidation that has been privileged by the competent authorities to assess the Group's situation, notably in the 2016 and 2018 stress test exercise.

**Crédit Agricole S.A.** is the listed entity that owns the business subsidiaries (Asset Gathering, Retail Banking France and International, Specialised Financial Services, and the Large Customers division)

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## KEY MESSAGES

## Optimised structure &amp; profitable strategy

## Optimised &amp; solid financial strength

- **Crédit Agricole Group** boasts a strong and rising solvency

## Attractive business model &amp; financial performance

- **Crédit Agricole Group** takes advantage of the largest retail distribution base in Europe
- Its business model is well diversified, with a large asset gathering component
- Its development is based on cross-selling and cost efficiency
- All its business lines enjoy high levels of activity and profitability

## Delivering on a profitable strategy

- **Crédit Agricole Group** 's structure has been simplified, with a few material disposals of non-core assets
- Promising acquisitions and partnerships have improved substantial organic growth

# GROUP PRESENTATION

A hybrid structure (mutual+listed), combining a strong retail franchise with European leaders

## 39 REGIONAL BANKS



## A LISTED ENTITY



**21m** customers  
**#1** market share  
**7,000** branches  
**#1** digital bank in France  
**#1** banking app in Europe



**#1** asset manager in Europe  
**#1** insurer in France, personal lines  
**Top 3** consumer finance group in Europe  
**#1** aircraft financing worldwide  
**#1** green bonds arranger worldwide

### Largest retail distribution base in Europe

- Cooperative status (one man-one vote, mutual shares)
- One brand, retail banking distribution in France
- Strong franchise in the widest range of banking, insurance and financial products and services
- History of innovation in distribution: branch setup, remote banking, etc.

### A central body with successful product factories

- Running all CA's product factories, international retail banking and large customers businesses
- Key leading positions in Europe in Asset management, bancassurance, consumer finance, world leader in structured finance
- In charge of Group's marketing coordination and cost mutualisation effort



**A French retail giant and European leaders in most business lines, addressing the largest retail distribution base in Europe**

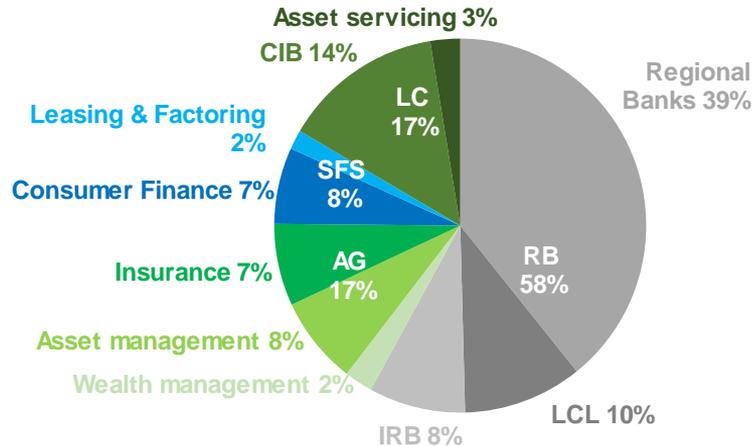
# CRÉDIT AGRICOLE GROUP 9M-18 HIGHLIGHTS

## A stable, diversified and profitable business model

- **Predominance of Retail banking and related business lines**, generating **83%** of underlying revenues<sup>(1)</sup> and **79%** of underlying Net Income<sup>(1)</sup> in 9M-18
  - **Asset Gathering including Insurance** accounts for 17% of underlying revenues<sup>(1)</sup> and 25% of underlying Net Income<sup>(1)</sup> in 9M-18
  - **Leading franchises** in Retail banking (Regional Banks & LCL), Asset management (Amundi), Insurance (CAA) and in Consumer finance (CACF)

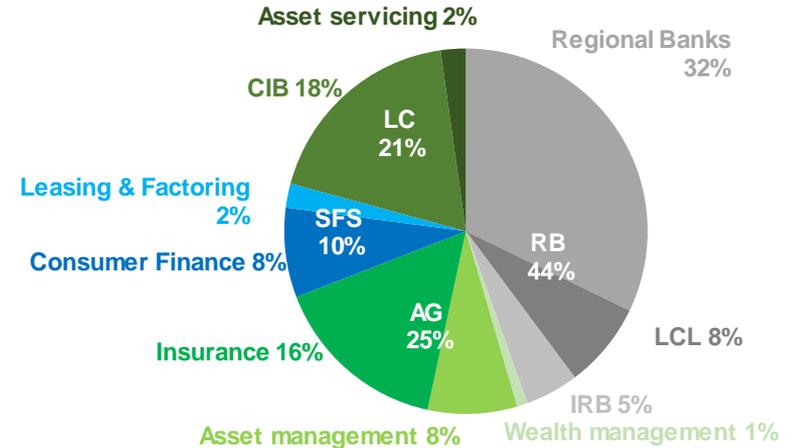
**Underlying revenues<sup>(1)</sup> 9M-18 by business line**  
(excluding Corporate Centre) (%)

9M-18: €25.050bn, +2.7% year-on-year



**Underlying Net Income<sup>(1)</sup> 9M-18 by business line**  
(excluding Corporate Centre) (%)

9M-18: €5.803bn, -4.0% year-on-year



RB: Retail banking incl. Regional banks, LCL and International retail banking (IRB); AG: Asset gathering, including Insurance; SFS: Specialised financial services; LC: Large customers

# INTRODUCTION

## Key figures

### CREDIT AGRICOLE GROUP

Q3-18

€1,769m

-7.3% Q3/Q3

9M-18

€5,273m

-6.1% 9M/9M

€1,815m

+3.2% Q3/Q3

€5,224m

-3.8% 9M/9M

14.9%

### CRÉDIT AGRICOLE S.A.

Q3-18

€1,101m

+3.2% Q3/Q3

9M-18

€3,393m

+4% 9M/9M

€1,133m

+17.3% Q3/Q3

€3,338m

+9.5% 9M/9M

€0.36

+18.6% Q3/Q3

€1.06

+10.9% 9M/9M

13.1%

€11.5

+€0.3 vs. end-Dec. 2017

11.5%

Net income Group share - stated

Net income Group share - underlying (1) (2)

Earnings per share - underlying (1) (2)

Underlying ROTE (%)

Net tangible asset value per share (3)

Fully-loaded CET1 ratio (%)

<sup>(1)</sup> See slides 82 (Crédit Agricole S.A.) and 79 (Crédit Agricole Group) for further details on specific items

<sup>(2)</sup> After deduction of AT1 coupons, charged to net equity

<sup>(3)</sup> Not revaluated (ie excluding OCI reserves) and before deduction of dividend to pay

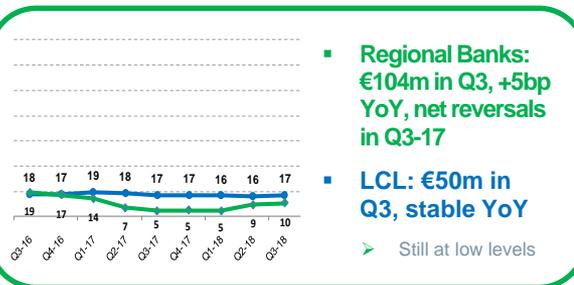
# RESULTS

## Cost of credit risk: still very low

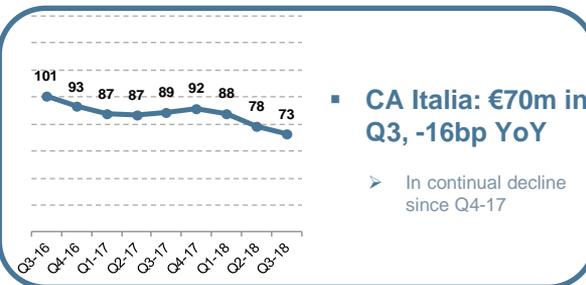
Cost of credit risk / outstandings (in basis points over a rolling four-quarter period)



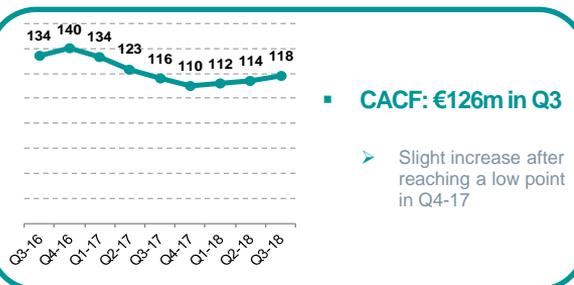
- **Crédit Agricole S.A.<sup>(1)</sup>: 26bp**
  - Significant Q3/Q3 decrease: -5bp
  - Below MTP assumption of 50bp
- **Crédit Agricole Group<sup>(1)</sup>: 18bp**
  - Low and stable
  - Below MTP assumption of 35bp



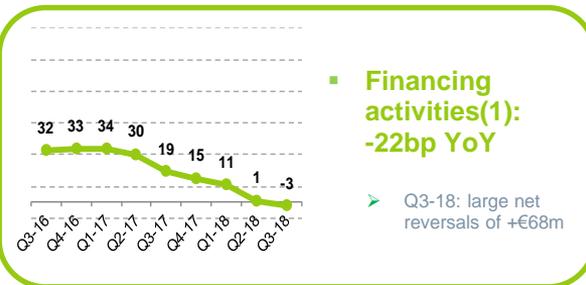
- **Regional Banks: €104m in Q3, +5bp YoY, net reversals in Q3-17**
- **LCL: €50m in Q3, stable YoY**
  - Still at low levels



- **CA Italia: €70m in Q3, -16bp YoY**
  - In continual decline since Q4-17



- **CACF: €126m in Q3**
  - Slight increase after reaching a low point in Q4-17



- **Financing activities<sup>(1)</sup>: -22bp YoY**
  - Q3-18: large net reversals of +€68m

• **Other entities<sup>(2)</sup>: €39m in Q3 (€44m in Q3-17)**

**➔ Cost of risk significantly lower than MTP assumptions**

<sup>(1)</sup> Excluding additional provisions for legal risk in Q3-16 for €25m, Q1-17 for €20m and Q3-17 for €38m

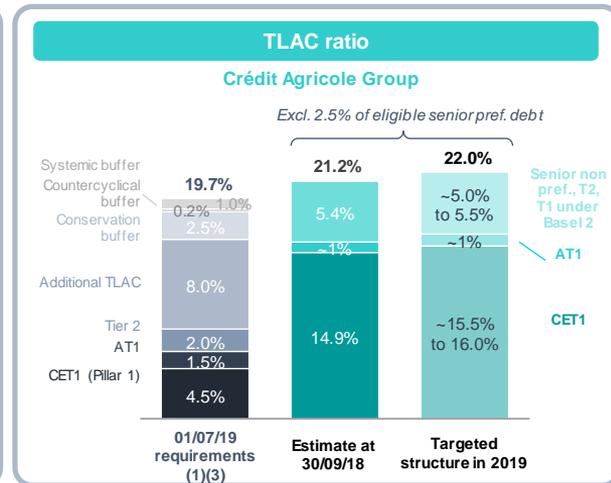
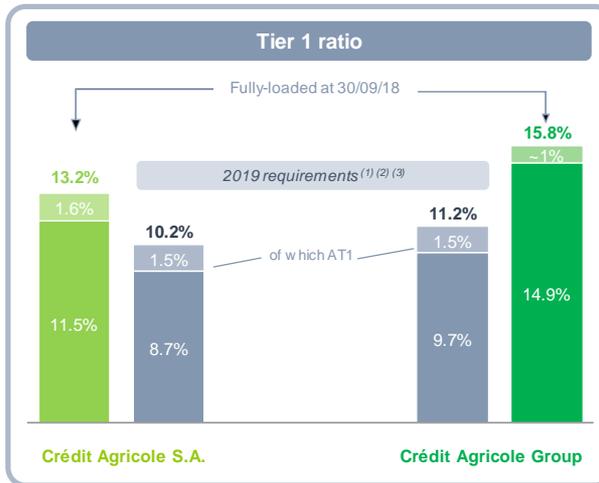
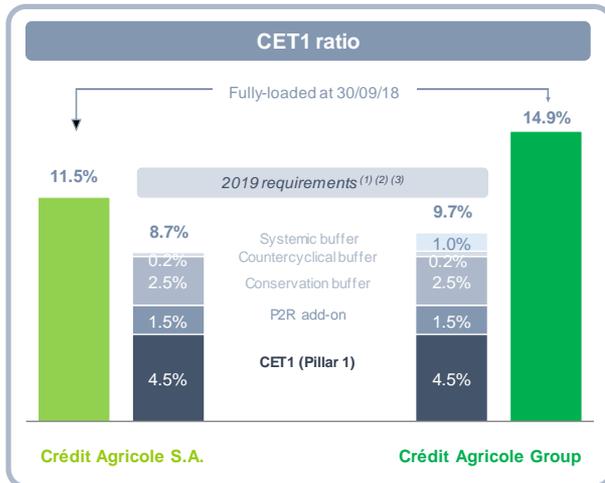
<sup>(2)</sup> Asset Gathering, International Retail Banking excluding Italy, Leasing and Factoring, Capital Markets and Investment Banking, Asset Servicing, Corporate Centre

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# FINANCIAL MANAGEMENT

## High solvency and TLAC targets



- Current and 2019 requirements (1)(2)(3) already met excluding eligible senior preferred debt
- Confirmation of TLAC ratio target of 22%, excluding eligible senior preferred debt
- To meet this target, in a context of strong credit activity in France since 2016, which is likely to continue into 2019, TLAC issuance of around €6bn annually in 2018 and 2019

(1) Assuming that the current overall SREP requirement (Pillar 1, Pillar 2 and capital conservation buffer) remains unchanged over the period. This hypothesis should not be construed as any form of guarantee in respect of the expected CET1 ratios and buffers going forward. It corresponds to the position of the EBA and the ECB, and to Crédit Agricole S.A.'s interpretation of the relevant texts. According to the FSB TLAC final Term Sheet, the minimum TLAC ratio requirement will increase to 21.5% in 2022 excluding countercyclical buffer

(2) Pillar 2 Requirement (P2R) proforma 2019 notified by the ECB

(3) Countercyclical buffer set at 0.03% as of 01/01/19 (expected at 0.22% as of 01/07/19 according to decisions as of today) for CA Group. This same buffer is set at 0.05% as of 01/01/19 (expected at 0.20% as of 01/07/19) for Crédit Agricole SA

# FINANCIAL MANAGEMENT

## Crédit Agricole S.A.'s ratings reflect Crédit Agricole Group's improving credit fundamentals

### Moody's

LT / ST: **A1 / P-1**, outlook: **Positive**

Last rating action on **5/07/2018**:

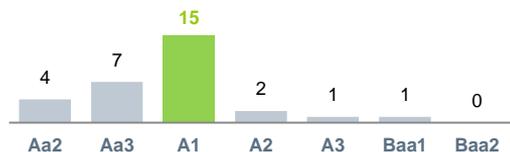
- Outlook changed to positive from stable
- LT/ST ratings affirmed

#### Rating drivers:

The positive outlook reflects the possibility of an upgrade if GCA's CET1 ratio reached the objective currently set by the bank, while the group continues to generate solid earnings in the absence of significant deterioration in the group's operating environment, notably in Italy.

#### Breakdown of 30 G-SIB LT ratings\* at end-October

(by number of banks)



### S&P Global Ratings

LT / ST: **A+ / A-1**, outlook: **Stable**

Last rating action on **19/10/2018**:

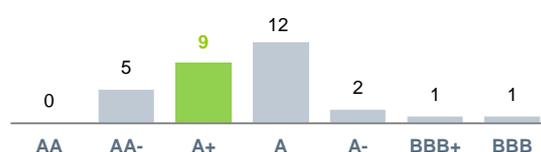
- FT ratings upgraded to A+
- ST ratings affirmed

#### Rating drivers:

The stable outlook on the core operating entities forming GCA reflects that the group's stable retail banking activities and assets position the group well to withstand challenges posed by a potentially more adverse operating environment. It also reflects that GCA will continue to build its material buffer of bail-inable debt, mainly through the issuance of senior preferred debt.

#### Breakdown of 30 G-SIB LT issuer ratings at end-October

(by number of banks)



### Fitch Ratings

LT / ST: **A+ / F1**, outlook: **Stable**

Last rating action on **14/12/2017**:

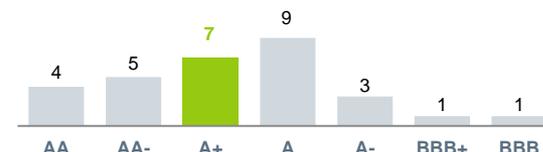
- LT/ST ratings affirmed
- Stable outlook unchanged

#### Rating drivers:

The stable outlook reflects the absence of tangible rating drivers up or down

#### Breakdown of 30 G-SIB LT issuer ratings at end-October

(by number of banks)

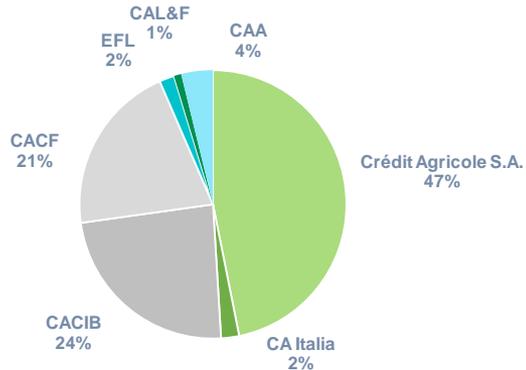


\* Issuer ratings or senior preferred debt ratings

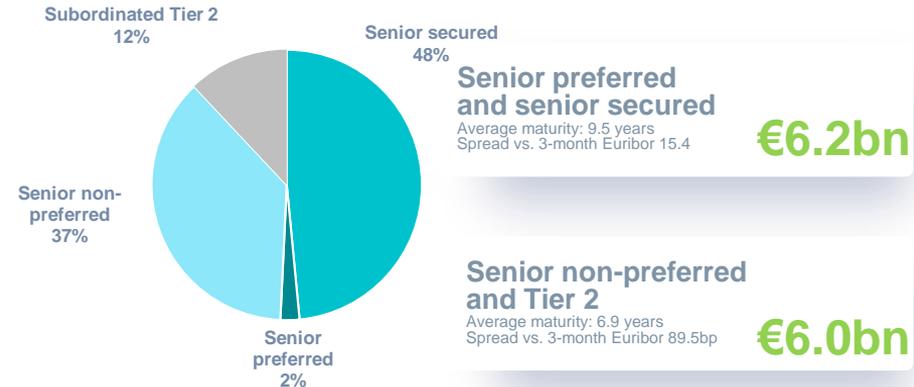
## FINANCIAL SOLIDITY

### 102% of Crédit Agricole S.A.'s MLT market funding programme completed at end-September

Crédit Agricole Group - 2018 MLT market issues  
Breakdown by issuer: €26.1bn at 30/09/2018



Crédit Agricole S.A. - 2018 MLT market issues  
Breakdown by segment: €12.2bn at 30/09/2018



#### ■ Crédit Agricole Group (at end-September)

- €26.1bn equivalent issued on the market by Group issuers
- **Highly diversified market funding mix** by types of instruments, investor categories and targeted geographic areas
- **Besides, €2.4bn also placed in the Group's retail networks** (Regional Banks, LCL, CA Italia)

#### ■ Crédit Agricole S.A. (at end-September)

- **102% of the €12bn MLT market funding programme completed:** €12.2bn issued, a well diversified benchmark issuances in EUR, USD, JPY and CHF:
  - **Senior preferred and secured debt:** €6.2bn of which covered bonds (€4.9bn), RMBS (€1bn), and senior preferred debt (€0.3bn)
  - **Senior non-preferred and Tier 2 debt:** €6.0bn of which SNP (€4.6bn) and Tier 2 (€1.5bn)

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# CSR, A FACTOR OF SUSTAINABLE PERFORMANCE FOR CRÉDIT AGRICOLE GROUP

## Key messages - summary

- **Crédit Agricole Group, with its cooperative roots and history, possesses a DNA and governance that predispose it to investing in the resilience of its territories, the sustainability of its projects, the usefulness for its clients in the long term, and the sharing of the value created, with a particular emphasis on solidarity.**
  - **CSR = a strategic priority**, identified as one of the Group's strategic challenges since the "2010 Group Project".
  - **Special emphasis in the Medium-Term Plan, Strategic Ambition 2020:** the Group's decision-making bodies jointly defined and shared the CSR policy, which was formalised in 2014\*.
  - **Dedicated contributions to United Nations Sustainable Development Goals (SDGs):** current discussions on the adaptation of CSR to all the business lines have revealed a need for greater clarity of the CSR strategy by focusing on four main areas: Ethics, Climate, Inclusion and Employees.

\*<https://www.credit-agricole.com/en/responsible-and-committed/csr-a-factor-of-sustainable-performance-for-credit-agricole-group>

# CSR, A FACTOR OF SUSTAINABLE PERFORMANCE FOR CRÉDIT AGRICOLE GROUP

## Four main areas

### ETHICS

#### CHALLENGES

1. Respecting ethics in business
2. Faithfully responding to the needs of our customers

#### OBJECTIVES

1. Ensure the protection of personal data and transparency in their use
2. Ensure real attentiveness and transparency of advice

### ESG CRITERIA

#### OBJECTIVES

7. Encourage the transition to a low-carbon economy  
Directly finance the development of renewable energy in France
8. Allocate savings to activities with positive impacts (environmental and/or social) in the regions  
Support the development of entrepreneurial activities  
Support the agricultural sector in identifying solutions to economic, environmental and social challenges
9. Factoring in of CSR challenges by the Board of Directors

#### CHALLENGES

7. Reinforcing the inclusion of ESG criteria in our products and services
8. Supporting the economic development of regions and their response to sustainable development challenges
9. Improving governance

#### CHALLENGES

4. Prevent over-indebtedness: education and awareness-raising actions

### INCLUSION

#### OBJECTIVES

4. Prevent over-indebtedness: education and awareness-raising actions  
Support vulnerable customers  
Develop new services that are beneficial for all customers

### CLIMATE

#### CHALLENGES

3. Managing all risks, including ESG
11. Reducing our environmental footprint

#### OBJECTIVES

3. Manage all risks, including ESG
11. Reducing our greenhouse gas (GHG) emissions

### EMPLOYEES

#### CHALLENGES

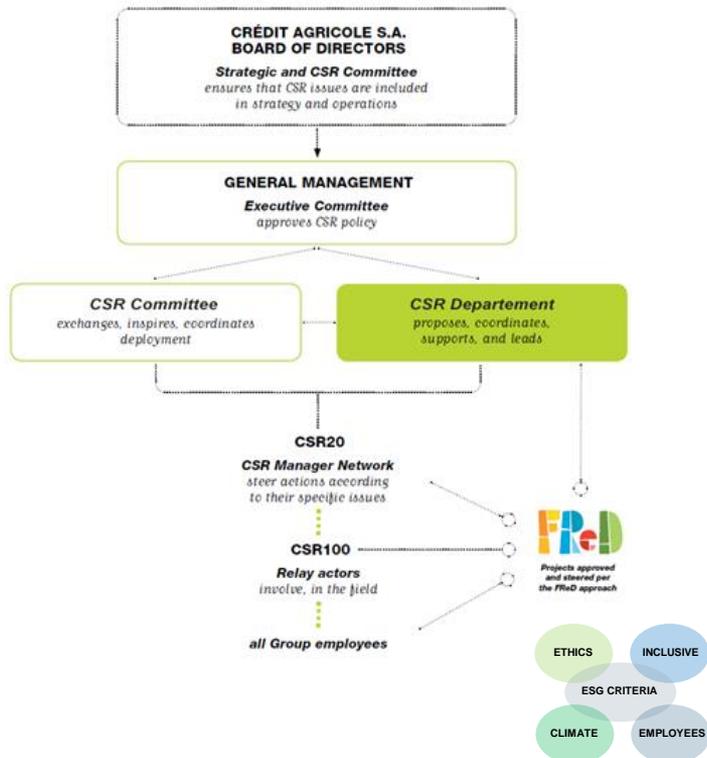
5. Prevent over-indebtedness: education and awareness-raising actions
6. Improving the quality of work life
10. Insuring fairness and promoting diversity

#### OBJECTIVES

5. Adapt management culture to change  
Safeguard workplace health
6. Develop gender equality among top-level managers  
Ensure fairness in terms of social protection for our retail banks abroad
10. Helping employees adapt to changing jobs

# CSR, A FACTOR OF SUSTAINABLE PERFORMANCE FOR CRÉDIT AGRICOLE GROUP

## Governance structure



- **FReD** is the global tool for steering and measuring the Group's progress in terms of CSR:

- **FIDES** = trust
- **RESPECT** = respect for people and territory
- **DEMETER** = preservation of the environment

### ➤ What is FReD's role in the Group's CSR approach?

Its aim is to involve and mobilise entities, stimulate their initiatives, and spread the use of CSR practices. FReD has enabled the Group's entities and business lines to take on board and to understand the CSR topics they are expected to implement. Currently, prioritising concrete CSR targets means adjusting FReD's orientation and improving its contribution to the Group's overall performance.

### ➤ What's unique about it?

It is an internal system, in a multi-business, multi-cultural, decentralized group, with variable levels of CSR maturity.

# CSR, A FACTOR OF SUSTAINABLE PERFORMANCE FOR CRÉDIT AGRICOLE GROUP

## Being a committed group

- For over 10 years, Crédit Agricole has demonstrated its involvement through its various commitments, many of which focus on the development of “climate finance”.

### ➤ Signatory of:

- United Nations Global Compact since 2003;
- Equator Principles since 2003;
- Principles for Responsible Investment since 2006;
- Diversity Charter since 2008;
- Sustainable Purchasing Charter since 2010;
- Charter for the energy efficiency of commercial buildings since 2013;
- Science Based Targets since 2016;
- RE 100 since 2016.

### ➤ Co-founding member of the:

- Green Bonds Principles since 2014;
- Portfolio Decarbonization Coalition since 2014;
- Mainstreaming of Climate Action Within Financial Institutions since 2015;
- Catalytic Finance Initiative since 2015;
- French Business Climate Pledge since 2015;
- BBCA association (low-carbon building) since 2015;
- Finance for Tomorrow since 2017.

### ➤ Participant in the:

- Call for carbon pricing at the initiative of the World Bank Group in 2014;
- Montreal Carbon Pledge since 2015;
- Paris Appeal on Climate Change since end 2015;
- IIRC (International Integrated Reporting Council) since 2016;
- Task Force on Climate Disclosure since 2017;
- Climate Action 100 + since 2017

### ➤ Other positions:

- Statement on modern slavery since 2017.



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# CREDIT AGRICOLE GROUP AT THE FOREFRONT OF CLIMATE FINANCE

## Accelerating the energy transition

- **As the leading lender to the French economy, Crédit Agricole is fully aware of the major role we play in France's energy transition.**
  - **Crédit Agricole is a major player in energy transition financing.** Thanks to our forefront positions (market share above 30% in French retail banking), industry expertise, financial strength and size (gross credit exposure to France of €1,000bn+), we can provide active and sustained support to help finance this new economy.
  - Our strategy is driven by a simple goal: **accelerate the transition to a low-carbon economy and protect the environment by integrating eco-responsible criteria into our products and services.**



“

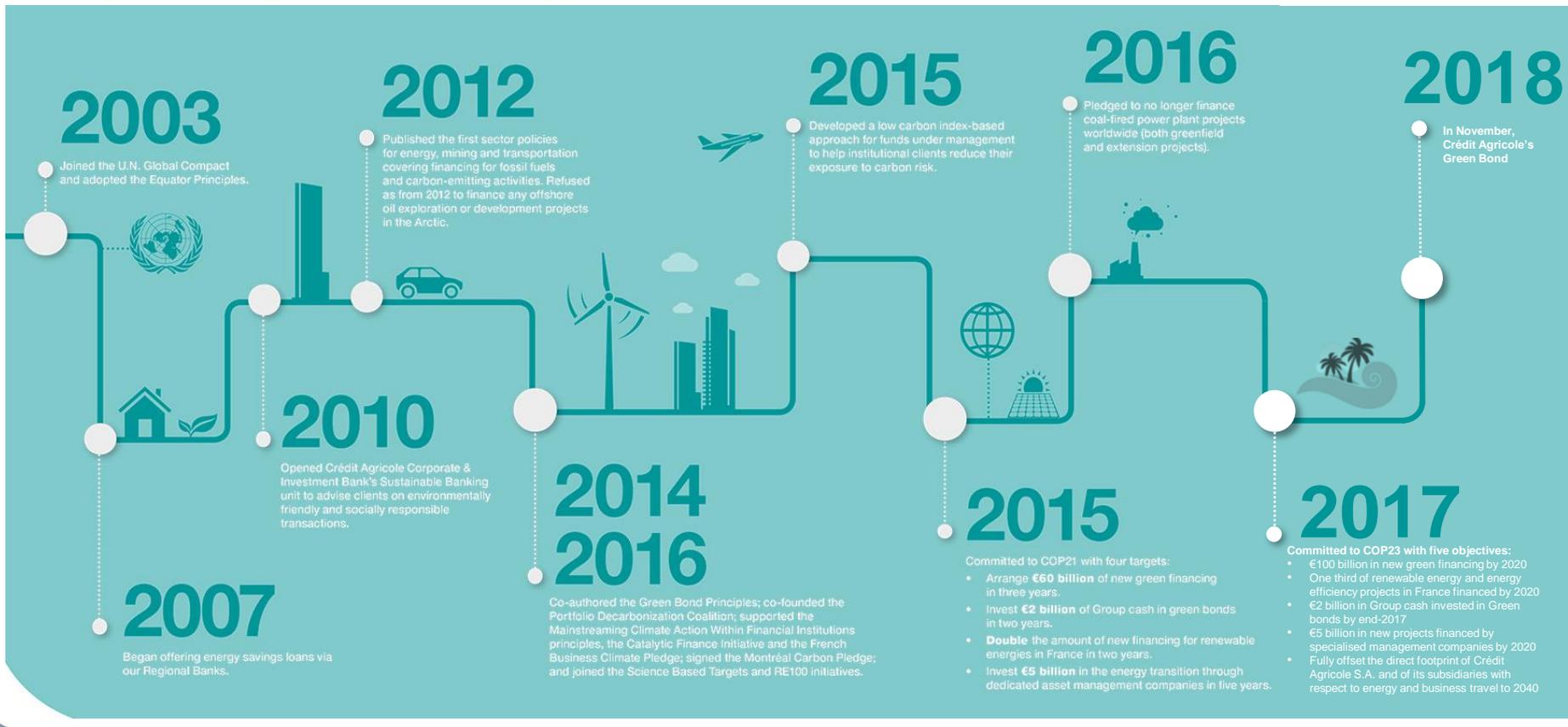
**We are accompanying progress: our role is to accelerate the energy transition and to support, through our expertise, our customers in changing their business models. In order to be efficient, our commitments must be precise and technical.**

**Philippe Brassac**

Chief Executive Officer of Crédit Agricole S.A.

# CREDIT AGRICOLE GROUP AT THE FOREFRONT OF CLIMATE FINANCE

## A long-standing commitment applied across all business lines



# CREDIT AGRICOLE GROUP AT THE FOREFRONT OF CLIMATE FINANCE

## A A4-Tier Climate and Environment Strategy

1

**MANAGE**  
THE CARBON AND  
ENVIRONMENTAL FOOTPRINT

- Systematic **ESG** evaluation in financing large clients and gradual inclusion of ESG risks in credit analysis for mid-caps and SMEs
- **Measurement of indirect carbon footprint** related to loans and investments
- **Sector policies** for sectors with the highest potential ESG impacts
- Commitment to reduce **direct carbon footprint**

2

**DEVELOP**  
OUR PRESENCE IN RENEWABLE  
ENERGY

- Leading banking group financing renewable energy in France with 27GW of renewable energy installed worldwide in 2016
- Green bonds: expert and leader in the field:
  - More than \$ 50 billion Green bonds arranged by CACIB in 2017
  - CACIB issues Green notes to finance environmental projects
  - Amundi has partnered with the International Finance Corporation to create a \$ 2 billion fund dedicated to emerging markets

3

**ASSIST**  
CLIENTS IN IMPROVING THEIR ENERGY  
AND CARBON PERFORMANCE

- Providing **loans for residential energy renovation**
- Developing Crédit Agricole Assurances' investments in **real estate with environmental certification**
- Helping the Regional banks SME and Mid-cap clients finance investments in energy efficiency through **dedicated energy consulting**

4

**ATTRACT**  
USEFUL AND RESPONSIBLE  
SAVINGS

- **Amundi**: a leader in Socially Responsible Investment (SRI) with 40% market share in France
- Commitment to become 100% ESG in scoring, asset management and voting policy at general meetings

### TARGETS FOR END-2019

Arrange €100 billion in new green financing via **Crédit Agricole CIB**

Provide €5 billion in financing for energy transition projects through Amundi's joint asset management companies with EDF and Agricultural Bank of China

Finance one-third of France's renewable energy and energy efficiency projects in particular with the **Regional Banks, LCL and Crédit Agricole Leasing & Factoring**  
With this objective, Crédit Agricole intends to double the level of renewable energy financing in France

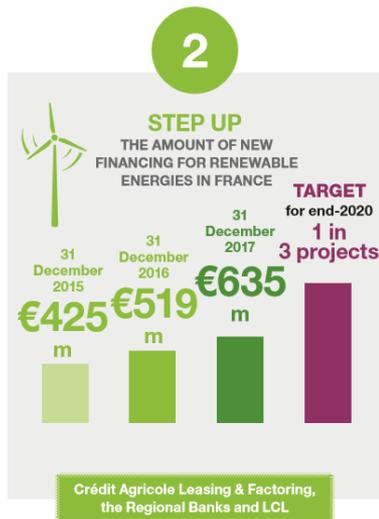
Reduce direct greenhouse gas emissions by 15% over the 2016-2020 period and fully offset the direct footprint of Crédit Agricole S.A. and its subsidiaries with respect to energy and business travel through 2040

Invest €2 billion in cash in green bonds by end-2017 via **Crédit Agricole S.A. and Crédit Agricole CIB**: Target met

# CREDIT AGRICOLE GROUP AT THE FOREFRONT OF CLIMATE FINANCE

## Climate objectives

- ROADMAP UNVEILED DURING THE COP21 CLIMATE CONFERENCE AND BROADENED IN 2017



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# CREDIT AGRICOLE GROUP GREEN BOND FRAMEWORK

## Aligned with the Green Bond Principles



- Crédit Agricole's Green Bond Framework is aligned with the Green Bond Principles in its 2018 edition and its four core components:

➤ Eligible projects categories:

- **Renewable energy**
- **Green buildings**
- **Energy efficiency**
- **Clean transportation**
- **Waste and water management**
- **Sustainable agriculture and forest management**

➤ Annual report published on the Group's website detailing:

- the **allocation** of the Green Bond net proceeds
- the environmental **impact** of the Eligible Green Assets by eligibility criteria and issuing entity

Use of  
Proceeds

Process for  
Project  
Evaluation  
and Selection

Reporting

Management  
of Proceeds

- Eligible Green Assets comply with Crédit Agricole standard credit process including the **Group's CSR policy** and **Sector Policies** as well as any applicable **environmental and social regulatory directives**
- The **Green Bond Committee** is in charge of the evaluation and selection of the eligible assets

- Crédit Agricole's Treasury and Medium/Long Term Funding team in charge of monitoring the allocation of the proceeds to the Eligible Green Assets on an **nominal equivalence basis**
- Allocation process monitored through an **internal information system** until maturity
- Commitment to keep a **30% buffer** between the Green Portfolio and the Green Bonds outstanding

# CREDIT AGRICOLE GROUP GREEN BOND FRAMEWORK

## Use of Proceeds (1/4)



Project category	Eligibility criteria	
<b>1. Renewable energy</b>		
<b>Environmental benefits: climate change mitigation</b>		<b>Main objectives: GHG emissions reduction</b>
<b><i>Renewable energy generation</i></b>	Loans to finance equipment, development, manufacturing, construction, operation, distribution and maintenance of renewable energy generation sources such as: <ul style="list-style-type: none"> <li>➤ Onshore and offshore wind energy</li> <li>➤ Solar energy</li> <li>➤ Geothermal energy</li> <li>➤ Biomass energy</li> <li>➤ Waste-to-energy</li> </ul>	
<b>2. Green buildings</b>		
<b>Environmental benefits: climate change mitigation</b>		<b>Main objectives: GHG emissions reduction; energy savings</b>
<b><i>Residential</i></b>	Loans or investment to finance new or existing residential buildings aligned with current environmental regulation and belonging to the top 15% of the most energy efficient buildings in their respective countries	
<b><i>Commercial</i></b>	Loans to finance new or recently built buildings belonging to the top 15% of the most energy efficient buildings in their respective countries or that have obtained following Green Buildings certifications or equivalent: <ul style="list-style-type: none"> <li>➤ LEED: [≥ "Silver"]</li> <li>➤ BREEAM: [≥ "Very Good"]</li> <li>➤ HQE: [≥ "Very Good"]</li> </ul>	

# CREDIT AGRICOLE GROUP GREEN BOND FRAMEWORK

## Use of Proceeds (2/4)



Project category	Eligibility criteria
<b>3. Energy efficiency</b>	
<b>Environmental benefits: climate change mitigation</b>	
<b>Main objectives: GHG emissions reduction</b>	
<b><i>Improving building energy efficiency</i></b>	<p>Loans to finance energy efficiency works such as:</p> <ul style="list-style-type: none"> <li>➤ Central heating systems renovation</li> <li>➤ Hydraulic pumps and other geothermal energy systems</li> <li>➤ Highly energy efficient glazing</li> <li>➤ Insulation retrofitting</li> <li>➤ Thermostatic valves</li> <li>➤ Solar panels</li> <li>➤ Energy audits</li> </ul>
<b><i>Electricity consumption optimisation</i></b>	Loans to finance equipment, development, acquisition and maintenance of electric cars fleet
<b><i>Energy efficiency in energy distribution</i></b>	<p>Loans to assets exclusively required for connecting or supporting the integration of renewable energy:</p> <ul style="list-style-type: none"> <li>➤ Smart grids</li> <li>➤ District heating networks</li> <li>➤ Energy storage systems</li> </ul>

# CREDIT AGRICOLE GROUP GREEN BOND FRAMEWORK

## Use of Proceeds (3/4)



Project category	Eligibility criteria
<b>4. Clean transportation</b>	
<b>Environmental benefits: climate change mitigation</b>	<b>Main objectives: GHG emissions reduction</b>
<b><i>Clean vehicles</i></b>	<p>Loans to finance the development, construction or acquisition of:</p> <ul style="list-style-type: none"> <li>➤ Light or heavy private electric, hybrid (with direct emissions <math>\leq 85\text{g CO}_2/\text{pkm}</math>), hydrogen, biogas and excluding biofuels (biodiesel and bioethanol)</li> <li>➤ Clean maritime transport vehicles (electric , hybrid and any type of non-fossil fuel boats, exclusion for the transport of fossil fuels)</li> <li>➤ Rolling stock (electric locomotives, metro, tramways, wagons and excluding rolling stocks dedicated to the transport of fossil fuels)</li> </ul>
<b><i>Public transportation</i></b>	Loans to finance public transportation conception, development, construction, acquisition and maintenance of transport equipment, infrastructure and network
<b><i>Transport infrastructures</i></b>	<p>Loans to finance the conception, development, construction and maintenance of infrastructure dedicated to low carbon transport:</p> <ul style="list-style-type: none"> <li>➤ Charging infrastructure for electric vehicles</li> <li>➤ Railway extensions (with the exception of lines dedicated to transport of fossil fuel)</li> <li>➤ Low-carbon dedicated infrastructure (IT infrastructure updates, signalling, communication tools)</li> </ul>

# CREDIT AGRICOLE GROUP GREEN BOND FRAMEWORK

## Use of Proceeds (4/4)



Project category	Eligibility criteria	
<b>5. Water and waste management</b>		
<b>Environmental benefits: climate change mitigation; pollution prevention and control</b>		<b>Main objectives: flood prevention; resource quality preservation; water access security</b>
<b><i>Water and waste water management</i></b>	Loans to finance projects such as: <ul style="list-style-type: none"> <li>➤ Water recycling and waste water treatment facilities</li> <li>➤ Water distribution systems with improved efficiency/quality</li> <li>➤ Urban drainage systems</li> </ul>	<ul style="list-style-type: none"> <li>➤ Flood mitigation infrastructure</li> <li>➤ Water storage facilities</li> </ul>
<b>6. Sustainable agriculture and forest management</b>		
<b>Environmental benefits: climate change mitigation; biodiversity preservation</b>		<b>Main objectives: GHG emissions reduction; resource quality preservation</b>
<b><i>Agriculture, and management of forests and lands</i></b>	Loans to finance sustainable management of natural resources such as: <ul style="list-style-type: none"> <li>➤ Certified forests (FSC, PEFC or equivalent)</li> <li>➤ Investment in protected areas (regional natural parks)</li> <li>➤ Certified organic agriculture (EU or Bio)</li> </ul>	

# CREDIT AGRICOLE GROUP GREEN BOND FRAMEWORK

## Process for Project Evaluation and Selection

CSR and dedicated Sector Policies

Green Bond Committee

### Sector Policies

- Weapons
- Energy
- Mining and metals
- Transport
- Transport infrastructure
- Real estate
- Forestry and palm oil

### Regulatory environmental and social requirements such as The Equator Principles

applied in the context of responsible financing in the project sector

**Dedicated ESG risk analysis** performed at each business entity and when appropriate in connection with the Group's CSR

### Green Portfolio assets selection

- The relevant entities of the Group carry out a pre-selection of potential Eligible Green Assets as detailed in the eligibility criteria in the Use of Proceeds section
- The Green Bond committee is in charge of:
  - verifying the alignment of the pre-selected assets with the eligibility criteria and
  - selecting the Green Eligible Assets to be included in the Green Portfolio financed by Credit Agricole Green Bonds

### Green Bond Committee composition

- Head of the Group's CSR
- Group Treasurer
- Head of MLT Funding
- Regional banks Senior Manager representative
- Each entity's Senior Manager representative

### A Green Project Group under the supervision of the Green Bond Committee

- Analysing the potential Green Assets identified by the Group's entities
- Advising the different entities on the implementation and development of internal identification and selection systems of the Green Assets



Green Portfolio

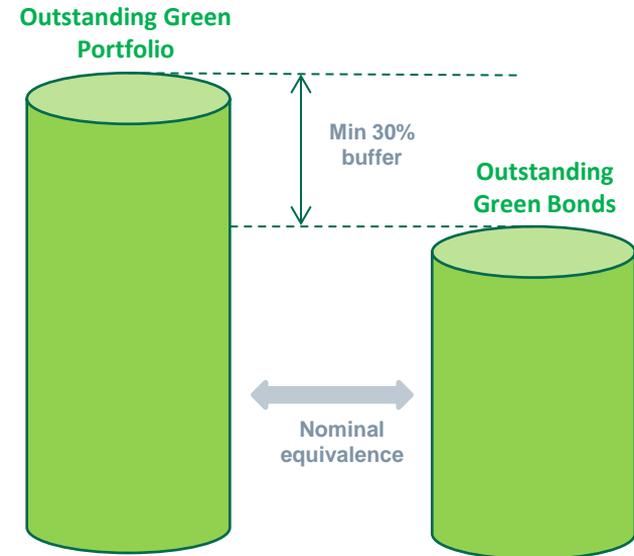


# CREDIT AGRICOLE GROUP GREEN BOND FRAMEWORK

## Management of Proceeds

### Green Portfolio management

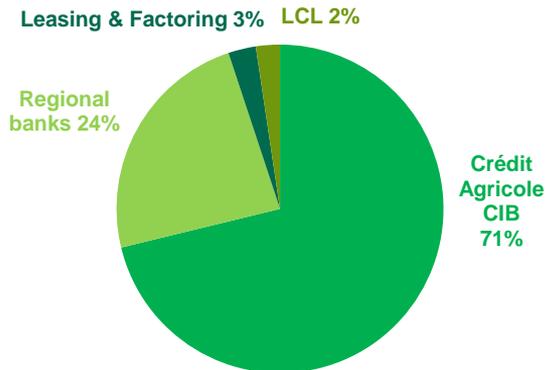
- Crédit Agricole Treasury and MLT Funding team is responsible for monitoring the allocation of funds towards Eligible Green Assets in accordance with the established eligibility criteria et selection process
- Management of the portfolio on an nominal equivalence basis
- Allocation process monitored through internal information system until maturity of the bond
- On a quarterly basis, the Green Bond Committee ensures that the total amount of funds raised via Green Bonds, together with any dedicated third-party Green funding, is lower than the total amount of Green Eligible Assets in the Green Portfolio
  - Crédit Agricole commits to keep a 30% buffer between the Green Portfolio and the outstanding Green Bonds
- Unallocated proceeds are invested as far as possible in Green Bonds, or money market products as well as cash and/or cash equivalent in alignment with the Group's treasury policies



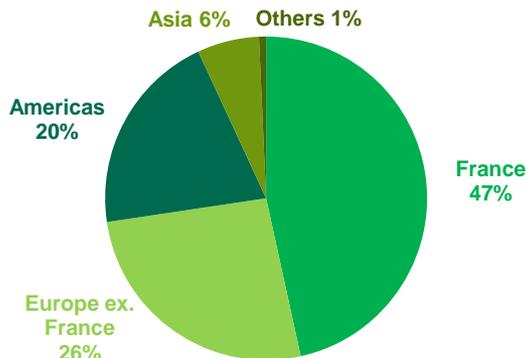
# CREDIT AGRICOLE GROUP GREEN BOND FRAMEWORK

## Green Portfolio overview

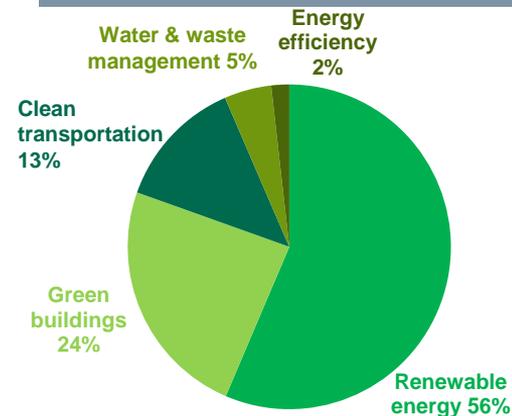
Breakdown by subsidiaries



Breakdown by regions



Breakdown by eligible categories



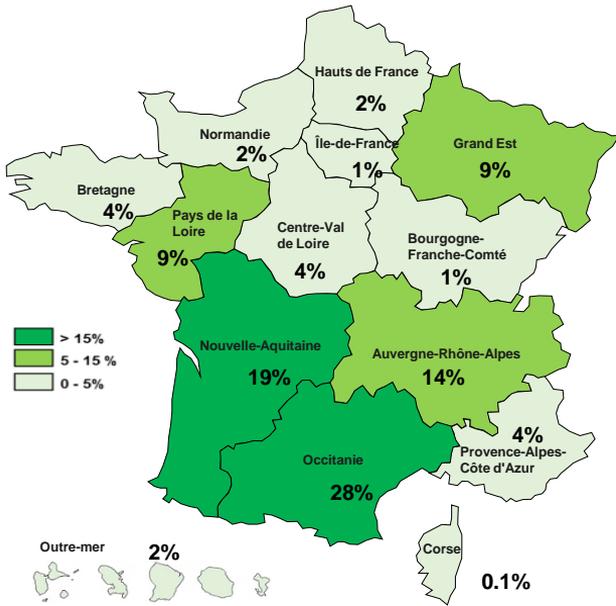
### ■ A diversified portfolio:

- As of today, the Green Portfolio is concentrated on Crédit Agricole CIB (71%), Regional banks (24%), Leasing & Factoring (3%) and LCL (2%)
- Nearly half of the Group's Green Portfolio finances France based assets (47%). The remaining half is split between the rest of Europe (26%), the Americas (20%) and Asia (6%)
- Renewable energy is the most largest project category followed by Green buildings (24%), Clean transportation (13%), Water and management (5%) and Energy efficiency (2%)

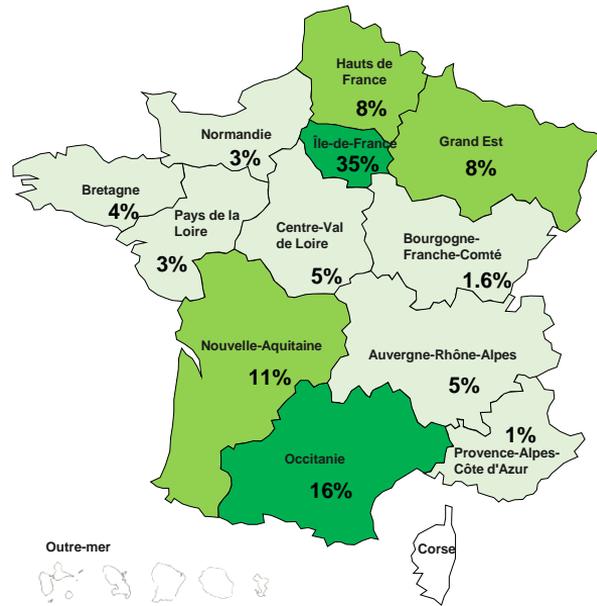
# CREDIT AGRICOLE GROUP GREEN BOND FRAMEWORK

## Focus on renewable energy portfolio in France

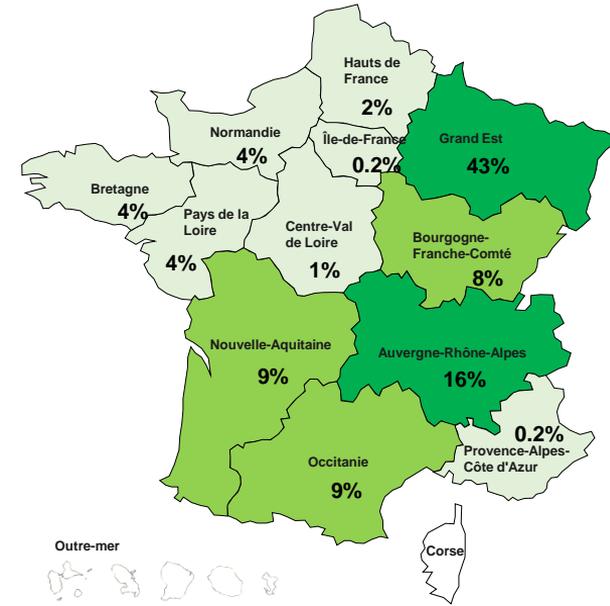
### Solar



### Wind



### Biomass

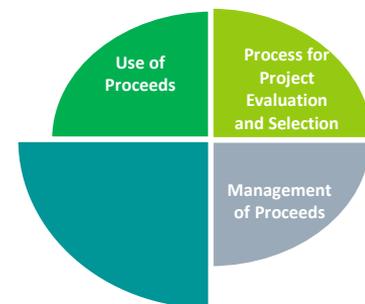


# CREDIT AGRICOLE GROUP GREEN BOND FRAMEWORK

## Reporting

- **Crédit Agricole will publish an annual report on its website detailing:**

- The allocation of the net proceeds of the Green Bond
- The environmental impact of the Eligible Green Assets included in the Green Portfolio when feasible



### Allocation reporting

- **Until maturity, the allocation report will include:**

- The total amount of the Green Bonds issued at Crédit Agricole Group level and each relevant entity
- The total amount of Green Bond proceeds allocated to the Green Portfolio
- An analysis of the Green Portfolio by Eligible Category and by Crédit Agricole Group entity
- The potential amount of unallocated proceeds, if any

Crédit Agricole intends to communicate the average origination timeframe of the Eligible Green Asset for each entity.

In the case of a Green Bond issuance from other Crédit Agricole Group entities than Crédit Agricole S.A, the allocation reporting of such entities will also be integrated in Crédit Agricole S.A allocation reporting.

### Impact reporting

**Crédit Agricole commits to publish an annual report on the environment impact of the Green Portfolio using output and impact indicators when available:**

- Reporting by project category and subsidiaries
- **Impact indicators** include:
  - **Renewable energy, Green buildings and Clean transportation:** avoided CO<sub>2</sub> emissions (in tCO<sub>2</sub>/year)
  - **Water and management:** volume of water treated (m<sup>3</sup>/year) and volume of waste treated (m<sup>3</sup>/year)
  - **Sustainable agriculture and forest management:** volume of input avoided (t/year)
- **Output indicators** detailed in the appendix

# CREDIT AGRICOLE GROUP GREEN BOND FRAMEWORK

## Second-Party Opinion & External review

### Second-Party Opinion

- Crédit Agricole Green Bond Framework Second Party Opinion from Vigeo Eiris is publicly available on Crédit Agricole S.A. website.

*"Vigeo Eiris is of the opinion that the Bond considered to be issued by Crédit Agricole is aligned with the voluntary guidelines of the Green Bond Principles. We express a reasonable assurance<sup>5</sup> (our highest level of assurance) on the Issuer's commitments and the Bond's contribution to sustainability. The Bond is likely to contribute to seven United Nations' Sustainable Development Goals, namely Goal 3. Good Health and Well-being, Goal 6. Clean Water and sanitation, Goal 7. Affordable and Clean energy, Goal 9. Industry, Innovation and Infrastructure, Goal 11. Sustainable Cities and Communities, Goal 12. Responsible Consumption and Production and Goal 13. Climate Action."*

### External review

- Crédit Agricole S.A. will request a limited assurance report on the main features of its Green Bond reporting by an external auditor in the context of the Crédit Agricole Group Annual Report ("Document de référence").



SECOND PARTY OPINION<sup>1</sup>  
ON THE SUSTAINABILITY OF CREDIT AGRICOLE'S  
GREEN BOND<sup>2</sup>

November 21, 2018

#### SCOPE

Vigeo Eiris was commissioned to provide an independent opinion on the sustainability credentials and management of the Green Bond (the "Bond") proposed to be issued by Crédit Agricole (the "Issuer" or the "Group") to refinance renewable energy, green buildings, energy efficiency, low-carbon transport and waste and water management assets. Our opinion is established according to our Environmental, Social and Governance ("ESG") exclusive assessment methodology and to the International Capital Market Association's Green Bond Principles ("GBP").

Our opinion is built on the review of the two following components:

- 1) **Issuer:** we have assessed the Issuer's ESG performance<sup>3</sup>, and its involvement in potential ESG controversies and controversial activities<sup>4</sup>;
- 2) **Issuance:** we have assessed the consistency of the Bond's use of proceeds, its contribution to sustainability and its alignment with the Green Bond Principles.

Our sources of information are multichannel, combining data from our general rating database, information provided by the Issuer, press, content providers and stakeholders, and complemented by interviews with the Issuer's employees held via a telecommunications system. We carried out our due diligence assessment from October 16 to November 21, 2018.

We were provided with access to all the appropriate documents and people we solicited. We consider that the information provided enables us to establish our opinion with a reasonable level of assurance on its completeness, precision and reliability.

#### VIGEO EIRIS' OPINION

Vigeo Eiris is of the opinion that the Bond considered to be issued by Crédit Agricole is aligned with the voluntary guidelines of the Green Bond Principles.

We express a reasonable assurance<sup>5</sup> (our highest level of assurance) on the Issuer's commitments and the Bond's contribution to sustainability. The Bond is likely to contribute to seven United Nations' Sustainable Development Goals, namely Goal 3. Good Health and Well-being, Goal 6. Clean Water and sanitation, Goal 7. Affordable and Clean energy, Goal 9. Industry, Innovation and Infrastructure, Goal 11. Sustainable Cities and Communities, Goal 12. Responsible Consumption and Production and Goal 13. Climate Action.

#### 1) Issuer:

- Crédit Agricole displays an overall advanced ESG performance, ranking third in our "Diversified Banks Europe" sector which covers 31 banks. The Group's managerial approach appears advanced in the Environmental and Social/Societal pillars and good in the Governance pillar. Our assurance that the company's risk factors are adequately managed is reasonable, including reputational, human capital, legal and operational risks.
- As commonly observed in the banking sector, the Issuer faces persistent controversies regarding several ESG domains, which severity ranges from significant to critical. The bank is overall reactive. It reports in a detailed way on its position for the majority of cases. The Group is not significantly involved in any of the 15 controversial activities screened under our methodology.



#### 2) Issuance:

The Issuer has described the main characteristics of the Bond within a Green Bond Framework (the "Framework"). The Issuer has committed to make the Framework publicly accessible on its website<sup>6</sup>, in line with good market practices.

We are of the opinion that the contemplated Bond is coherent with Crédit Agricole's strategic sustainability priorities and sector issues, and contributes to achieving the bank's sustainability commitments.

- The net proceeds of the Bond will be used to refinance, in whole or in part, five Eligible Green Assets categories, namely Renewable Energy, Green Buildings, Energy Efficiency, Clean Transportation, and Waste and Water Management assets, which are clearly defined overall.

The Eligible Green Assets are intended to contribute to five sustainability objectives, namely climate change mitigation and adaptation, pollution prevention and control, natural resources protection and air quality improvement.

Eligible Green Assets are expected to reduce greenhouse gas emissions, produce energy savings, prevent floods, preserve water quality and secure the access to water. These sustainability objectives are precise, measurable and relevant overall. The Issuer will assess and, when feasible, quantify most of the expected environmental benefits of the Bond.

- The governance and the process for the selection of the Eligible Green Assets appear to be documented and relevant. The process relies on explicit eligibility criteria (selection and exclusion).

The identification and management of the environmental and social risks associated with the Eligible Green Assets are considered to be good.

- The rules for the management of proceeds are clearly defined.
- The reporting process and commitments appear to be good overall, covering the funds allocation, although partially covering the environmental benefits of the Eligible Green Assets. We have recommended reporting in all the sustainability benefits associated to the Eligible Green Assets.

Credit Agricole's Green Bond Issuance is supported by external reviews:

- A **pre-issuance consultant review** in the form of a publicly available Second Party Opinion delivered by Vigeo Eiris on the sustainability credentials of the Bond, covering all the features of the Bond.
- An **annual verification** performed by a third-party auditor, covering the allocation of funds, the compliance in all material aspects, of (i) the actual allocation of proceeds to the Eligible Green Assets and their alignment with the eligibility criteria and (ii) the impact reporting, annually and until the Bond's full allocation and in case of any material change.

The validity of this Second Party Opinion is limited to Crédit Agricole's first Green Bond to be issued in the final quarter of 2018.

Paris, November 21, 2018

Pascal Courtollier  
Sustainability Consultant  
Project Manager

Adriana Cruz Félix  
Sustainability Consultant

# CREDIT AGRICOLE GROUP GREEN BOND FRAMEWORK

## Green Asset: methanation unit

### METHANGRI 32

- **Asset:** methanation unit
- **Location:** Pellefigue, Occitanie
- **Amount:** EUR 6.2m
- **Total project cost:** EUR 10m
  
- **Description:** construction of a new methanation unit combining a cogeneration power plant with a total capacity of 1.7MW (929 kWe and 800 kWt).
- The plant annually produces 7 GWh of electricity (equivalent to the annual consumption of about 1700 households) and 5 GWh of heat.
- This project produces energy from agricultural waste, reduces GHG emissions and creates jobs (4 full time jobs).
  
- **Timing:** after two years of construction, entry into service in November 2017



- **A methanation unit in Occitanie:**
  - Waste to energy project, limiting the GHG emissions related to breeding
  - Electricity and heat production from renewable sources

# CREDIT AGRICOLE GROUP GREEN BOND FRAMEWORK

## Green Asset: biomass plant in Martinique



- **A biomass plant in Martinique:**
  - Waste to energy project, supporting the local agriculture/forestry industry
  - Triple the share of renewable energy in the Martinique energy mix (from 7% to 22%)
  - Sustainably managed bagasse/biomass

### GALION 2

- **Asset:** 100% bagasse/biomass plant
- **Location:** Martinique
- **Amount:** EUR 210m (total project cost)



- **Description:** construction of the first 100% bagasse/biomass plan (40 MW) in the French overseas regions. This plant will supply electricity to the Martinique electrical network from bagasse (fibrous waste from sugar cane) and other sustainably managed biomass (local plant and wood waste).
- The plant will also provide the steam that the Galion sugar refinery needs for its industrial processes, improving significantly its energy efficiency.
- This project will promote the circular economy and thus boost the local agriculture/forestry industry which is crucial for the economic development of the Martinique region.
- Unifergie acted as arranger.
- Duration of sales contract with EDF: 30 years
- **Timing:** entry into service in September 2018

# CREDIT AGRICOLE GROUP GREEN BOND FRAMEWORK

## Green Asset: marine energy exploitation



- **Supporting Sabella's means to enhance its global reach and reinforce its technological advancement**
  - Sabella strives to undertake numerous marine energy projects in France as well as in South-East Asia and North America.

### SABELLA D10

- **Asset:** marine energy production unit
- **Location:** Ouessant Island
- **Amount:** EUR 12m (total project cost)
- **Description:** located in Quimper, Sabella, a flagship in tidal energy technologies founded in 2008 has launched Sabella "D10" in 2010 with the goal of addressing part of Ouessant Island power needs with tidal energy. Crédit Agricole Finistère has participated in the financing of the first tidal energy project connected to the national power grid. Installed in open sea, Sabella D10 with its 17 meters high and 450 tons can produce up to 1 MW of power. EUR 12m have been raised for this project since 2014. Crédit Agricole Finistère through its private equity arm, Force 29 has acquired an equity stake in 2016 alongside BPI France Ecotechnologies Fund, Litto Invest and founding shareholders
- **Timing:** Fund raising in 2016.

### CAP SUD

- **Asset:** photovoltaic power plants installed on agricultural and industrial hangars
- **Location:** South of France
- **Amount:** EUR 15.2m (total project cost)
- **Description:** Credit Agricole Sud Rhône Alpes has arranged a EUR 15.2m financing operation for CAP Sud, specialised since 2006 in the installation and maintenance of photovoltaic power plants, in particular on agricultural and industrial hangars. Cap Sud is the leading actor in this sector.
- **Timing:** entry into service in 2018



- **Supporting Cap Sud ambitious growth strategy**
  - Credit Agricole Sud Rhône Alpes contributed to 51% of the financing with the goal of supporting the development of Cap Sud both nationally and abroad
  - This financing will allow the installation of 11 MW solar energy production capacity

# CREDIT AGRICOLE GROUP GREEN BOND FRAMEWORK

## Green Asset: example of Green Building

### OSMOSE

- **Asset:** 16,000 sqm new office building
- **Location:** Arcueil, Île-de-France
- **Amount:** EUR 38m



- **Description:** The architectural vocabulary employs a limited palette of 3 materials including aluminum, large format polished reconstituted marble/concrete panels, and glazing. The glazed walling transparent and enameled opaque panes. The working environment is, first and foremost, a living environment and this is enhanced by gardens, planted balconies and terraces.
- **Timing:** On June 28<sup>th</sup> 2018, CACIB arranged a EUR 38 million financing to the benefit of a fund managed by AXA IM – Real Assets relating to the development of Osmose.
- This new building is scheduled to be delivered in Q2 2020.



- **A building aiming a high level of excellence in term of environmental labels as:**
  - HQE 2016 Excellent, Effinergie 2017
  - BREEAM Very Good
  - Wiredscore Platinum

# CREDIT AGRICOLE GROUP GREEN BOND FRAMEWORK

## Green Asset: photovoltaic power plants



- **Several Crédit Agricole Group's entities come together to support a renewable energy project**
  - This refinancing operation will cover the needs of nearly 13,000 homes.
  - It also highlights the great cooperation between the Group's entities as Unifergie, CACIB, LCL and Regional Bank Alpes Provence hold together 50% of the debt

### Phoenix III

- **Asset:** portfolio of 298 photovoltaic power plants (68.4 MW)
- **Location:** throughout France including 30 in Region Provence-Alpes-Cote d'Azur
- **Amount:** EUR 250m (50% refinanced by Crédit Agricole Group)
  
- **Description:** Tenergie, an independent renewable energy producer has doubled its fleet of power plants which now includes more than 600 for an overall installed capacity of 250 MW.
- Tenergie is co-investor with the Regional Bank Pyrénées Gascogne which already held the majority of the assets.
  
- **Timing:** entry into service in 2018

# CREDIT AGRICOLE GROUP GREEN BOND FRAMEWORK

## Green Asset: example of Green Building



### GREEN LOAN

- **Asset:** new office building portfolio
- **Location:** France
- **Amount:** EUR 10m



- **Description:** the proceeds will be used for the acquisition of new office buildings in France with a high environmental performance. The financing benefits from a second opinion from Vigeo Eiris certifying the environmental quality of the buildings and the alignment of the financing with the Green Bond Principles.
- **Timing:** acting as agent and coordinator of the inaugural syndicated loan in 2016, LCL has successfully arranged its partial refinancing through the issue of the biggest Green EuroPP in February 2018 (EUR 100m, tenor 6/7y).
- Amundi and 4 Regional Banks participated in this transaction, showing that the synergies within Crédit Agricole Group are supporting the energy transition.



- **Financing the acquisition of new office building portfolio in France by Foncière INEA targeting the best environmental labels:**
  - HQE Very High
  - Second Opinion from Vigeo Eiris

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# CREDIT AGRICOLE GROUP GREEN BOND FRAMEWORK

## Termsheet – Inaugural Credit Agricole Green Bond

All terms and conditions contained herein are subject to and will be superseded by final documentation. Any word or expression beginning by a capital letter shall have the same meaning as in the Documentation as specified hereunder.

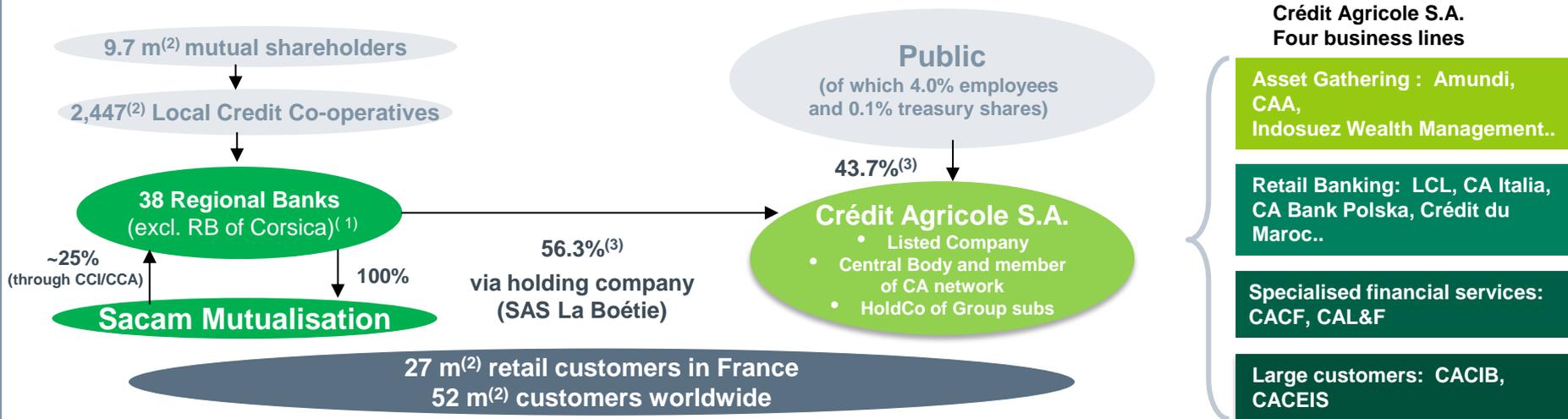
Issuer	Crédit Agricole S.A., acting through its London Branch
Issuer Rating	A1 (Positive) by Moody's / A+ (Stable) by S&P / A+ (Stable) by Fitch
Expected Issue Rating	A1 (Positive) by Moody's / A+ (Stable) by S&P / A+ (Stable) by Fitch
Issue Type	Senior Preferred unsecured fixed rate notes (the "Green Bond") to be issued within the Crédit Agricole Group Green Bond Framework
Issue Format	Reg S
Status and Ranking	The Green Bonds are Senior Preferred Obligations and constitute, with the Receipts, Talons and/or Coupons relating to them (if any), direct, unconditional, senior (chirographaires) and unsecured obligations of the Issuer, and rank and shall at all times rank: (i) pari passu among themselves and with other Senior Preferred Obligations of the Issuer; (ii) senior to Senior Non-Preferred Obligations of the Issuer and any obligations ranking junior to Senior Non-Preferred Obligations; and (iii) junior to all present and future claims benefiting from statutory preferences.
Documentation	Drawdown under Crédit Agricole S.A. base prospectus dated 9th April 2018 and any supplement thereto, in connection with the Euro 75,000,000,000 Euro Medium Term Note programme.
Currency	EUR
Tenor	Intermediate maturity
Size	Benchmark size
Use of proceeds	To refinance Green Assets of Credit Agricole Group and its subsidiaries
Second opinion	Vigeo Eiris
Governing Law	French Law
Listing Venue	Euronext Paris
Green Structuring Advisor	Crédit Agricole CIB
Global Coordinator / Sole Bookrunner	Crédit Agricole CIB
MIFID II Product Governance:	<u>Target Market</u> : Eligible Counterparties and Professional clients only; excludes retail clients (each as defined according to the Directive 2014/65/EU (MIFID II)) <u>Channel of distribution</u> : all channels for distribution of the Notes to Eligible Counterparties and Professional Clients are appropriate.
No Events of default	There are no event of default under the Notes which would lead to an acceleration of such Notes if certain events occur. However, if any judgment were issued for the judicial liquidation (liquidation judiciaire) of the Issuer or if the Issuer were liquidated for any other reason, then the Notes would become immediately due and payable.

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# GROUP STRUCTURE

## Crédit Agricole Mutual Group: customer-focused universal banking model



- 2,447 Local Credit Co-operatives form the foundation of the Group and hold nearly all of the share capital of Crédit Agricole's 39 Regional Banks, which in turn are the majority shareholders of Crédit Agricole S.A.

- Local Credit Co-operatives:** Private law co-operative companies owned by their members, owning 100% of the voting rights and the majority of the share capital of the Regional Banks; no branches
- Regional Banks:** Private law co-operative companies and individually licensed banks, forming France's leading retail banking network; majority owned by Local Credit Co-operatives, Sacam Mutualisation (~25% through CCI/CCA) and, for 13 of them, by retail and institutional investors through non-voting shares with rights on net assets
- SACAM Mutualisation:** An entity to be wholly owned by the Regional Banks for the purpose of pooling part of their earnings.
- SAS La Boétie:** The HoldCo managing, on behalf of the Regional Banks, their 56.3% equity interest in Crédit Agricole S.A.
- Crédit Agricole S.A.:** A listed company of Group subsidiaries company and the Central Body of the Crédit Agricole Network, of which it is a member according to the French Monetary and Financial Code; at the same time, the holding and functionally, the lead institution of the Crédit Agricole Group

(1) The Regional Bank of Corsica, which is 99.9%-owned by Crédit Agricole S.A., is also a shareholder of SACAM Mutualisation

(2) At 31 December, 2017

(3) At 30 September, 2018

# GROUP STRUCTURE

## Internal support mechanisms

### Crédit Agricole S.A. obligations under the Financial & Monetary Code

#### Crédit Agricole S.A., as the Central Body and as a member of the Crédit Agricole Network

- is required (cf. Article L511-31) to take all necessary measures to ensure that each and all of the Crédit Agricole Network members and its affiliated members - essentially the Regional Banks and CACIB - (both defined in Article R512-8) maintain satisfactory liquidity and solvency; this requirement, being enshrined in public law, it is considered to be even stronger than a guarantee
- acts as Central Bank to the Crédit Agricole Regional Banks in terms of refinancing, supervision and reporting to the ACPR
- reviews and monitors the credit and the financial risks of its affiliated members - essentially the Regional Banks and CACIB

### Regional Banks' joint and several guarantee

- Through a **joint and several guarantee** issued in 1988, the Regional Banks guarantee all of the obligations of Crédit Agricole S.A. to third parties and they also cross-guarantee each other, should Crédit Agricole S.A. become insolvent and after the liquidation and dissolution of Crédit Agricole S.A.
- **The potential liability of the Regional Banks under this guarantee is equal to the aggregate of their share capital, reserves and retained earnings, i.e. €69.5bn\* at end-2017**
- In accordance with the Decree Law no. 2015-1024 dated 20/08/15, the Resolution Authorities may, at their discretion, impose a resolution on the Group prior to any liquidation or dissolution. The ACPR, the national Resolution Authority, considers the SPE resolution strategy as the most appropriate in France. Any resolution mechanism could limit the likelihood of the occurrence of the conditions necessary for the application of the guarantee, further to a liquidation or a dissolution
- Importantly, upon the institution of a resolution procedure, the Resolution Authorities must respect the "no creditor worse off in a resolution than in a liquidation" principle (cf. Art. L.613-57-I of the French Monetary and Financial Code, and Art. 73 of the BRRD). Because of this principle, Crédit Agricole S.A. believes that the existence of the guarantee granted in 1988 should be taken into account by the Resolution Authorities in a resolution, although it is not possible to determine how this will be done

**The alignment of the issuer ratings of the Regional Banks and CACIB with those of Crédit Agricole S.A. reflects the support mechanisms within the Group**

\* Aggregate figures from French GAAP, audited individual accounts of the 39 Regional Banks

Reciprocal binding commitments between the Regional Banks and Crédit Agricole S.A.

Crédit Agricole S.A.

Joint & Several G'tee

Fin. & Monetary Code

Fin. & Monetary Code

Regional Banks

CACIB

# FINANCIAL MANAGEMENT

## Key liquidity indicators

**CRÉDIT AGRICOLE GROUP**

**CRÉDIT AGRICOLE S.A.**

	Regulatory requirement		Ratio at 30/09/2018	2016-2019 MTP Target
LCR <sup>(1)</sup>	100% from 01/01/2018	Crédit Agricole S.A.	Avg. over 12 months: $\frac{173}{129} = 134.5\%$	~110%
		Crédit Agricole Group	Avg. over 12 months: $\frac{208}{155} = 134.2\%$	~110%
SRP <sup>(2)</sup>		Crédit Agricole Group	€111bn	>€100bn
NSFR <sup>(3)</sup>	100% from 01/01/2018 (according to Basel standards)	Crédit Agricole Group	>100%	>100%

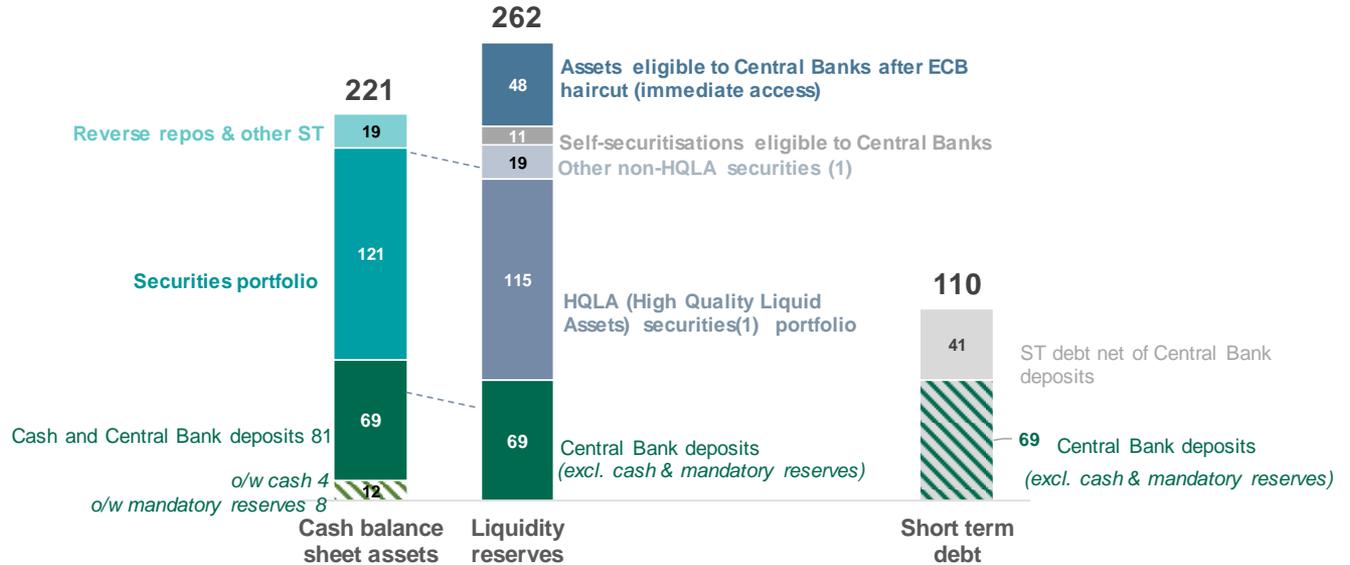
- LCR: the aim of the Group is to secure its compliance with regulatory requirements by maintaining a buffer of a magnitude of ~ 10%**
  - SRP: the Group's financial structure provides for a surplus of stable resources covering LCR needs (at 100%) of commercial activities. The Group intends to maintain this structure through the Medium-Term Plan
- NSFR: ongoing transposition in the EU legislative framework**
  - The NSFR is part of the CRR2/CRD5 legislative package, which has entered in the "trialogue" phase between the European Commission, Council and Parliament
  - According to the legislative proposals, the NSFR could apply to both individual and consolidated scopes
  - The NSFR is not expected to be applicable before 2021

<sup>(1)</sup> LCR calculation: liquidity buffer / net outflows; <sup>(2)</sup> Stable Resources Position: surplus of long-term funding sources; <sup>(3)</sup> Calculation based on our understanding of the most recent texts (Basel standards not transposed yet in the EU regulation)

Liquidity reserves at 30/09/18 (€bn)

€262bn

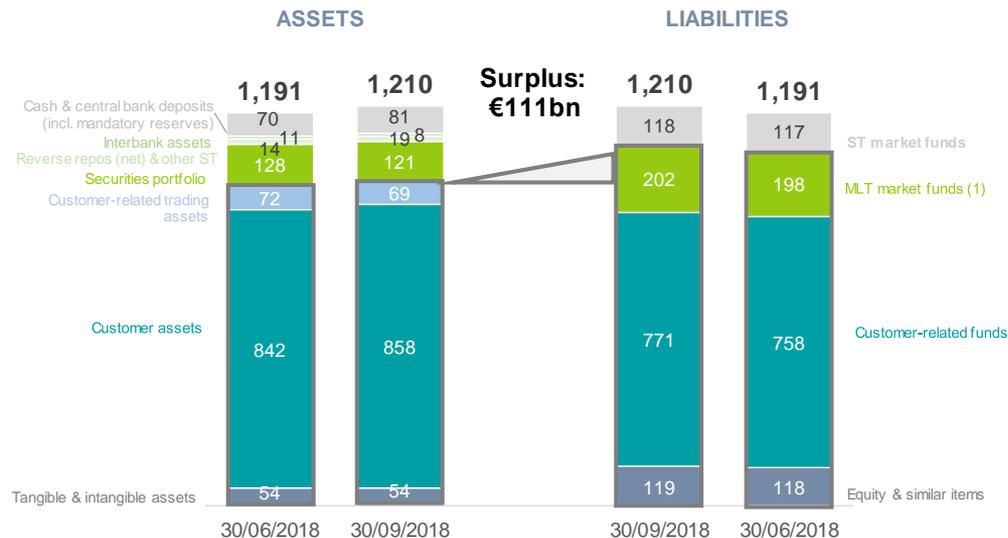
liquidity reserves  
at 30 September 2018



- Short term debt (net of Central Bank deposits) covered more than 2 times by HQLA securities
- Average LCR ratios over 12 months: Crédit Agricole Group 134.2%, Crédit Agricole S.A. 134.5%, exceeding the MTP target of ~110%

(1) Available liquid market securities, at market value and after haircuts

### Banking cash balance sheet at 30/09/18 (€bn)



## >€100bn

MTP target for surplus of stable funds

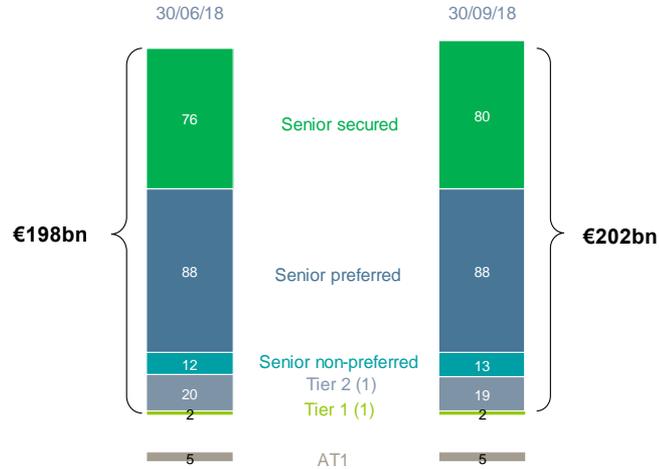
➔ Met at 30 September 2018

- The surplus of stable funds finances the HQLA securities portfolio generated by the LCR requirement of customer and customer-related activities

➤ Ratio of stable resources<sup>(1)</sup> / long term applications of funds stable at 111.3%

<sup>(1)</sup> LT market funds include TLTRO drawings

### MLT market funds outstanding at 30/09/18 (€bn)



(1) Notional amount

- At €202bn, medium-to long term market funds rising at end-September 2018 vs. end-June 2018

- Senior non-preferred debt up by €1bn eq. in the third quarter to meet future bail-inable debt requirements
- Tier 2 and Legacy Tier 1 debts down by €1bn
- Senior secured debt (incl. TLTRO) and senior preferred debt together up by €4bn eq. over the third quarter

## Crédit Agricole in Italy – A group of profitable and developing activities

### Crédit Agricole Group in Italy

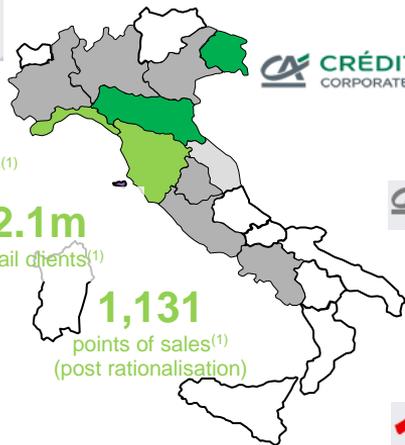
#### A comprehensive and profitable customer-focused universal model

- A retail bank focused on quality clients
- Presence in all of the Group's businesses, 4 million clients
- Revenue synergies between business lines: ~€600m in 9M-18, +9% 9M/9M

9M-18 Crédit Agricole Group net profit in Italy €422m



3.7%  
market share<sup>(1)</sup>



2.1m  
retail clients<sup>(1)</sup>

1,131  
points of sales<sup>(1)</sup>  
(post rationalisation)



Market shares:  0%  0-2%  5-10%  2-5%  10-20%

<sup>(1)</sup> Retail banking only

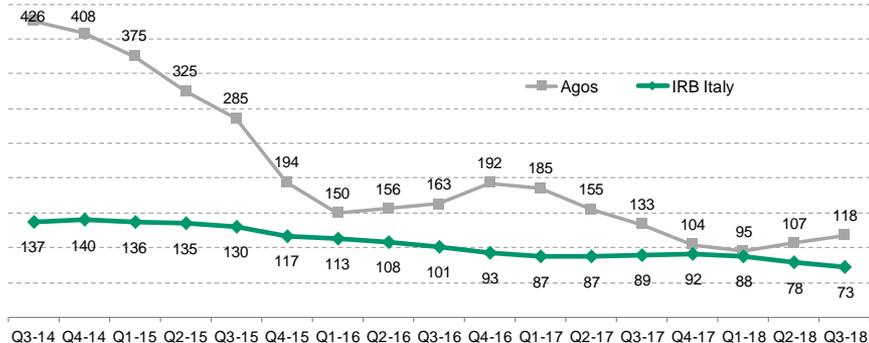
### Change in NPL and coverage ratio (Group in Italy)



**+18pp**  
increase in  
coverage ratio  
Sept. 2018 vs. 2015

**-21%**  
drop in NPL  
Sept. 2018 vs. 2015

### Cost of risk / outstandings (IRB Italy and Agos) (in basis points over a rolling four-quarter period)



# CREDIT AGRICOLE GROUP GREEN BOND FRAMEWORK

## Impact Reporting indicators

Eligible Category	Output indicators	Impact indicators
<b>Renewable energy</b>	<ul style="list-style-type: none"> <li>➤ Capacity installed (MW)</li> <li>➤ Expected renewable energy generation (MWh/year)</li> </ul>	➤ Avoided CO <sub>2</sub> emissions (in tCO <sub>2</sub> /year)
<b>Green Buildings</b>	<ul style="list-style-type: none"> <li>➤ Commercial real estate assets by certification type (%) and year of certification</li> <li>➤ Average energy performance level of the dwellings financed (kWh/m<sup>2</sup>/year)</li> </ul>	
<b>Energy Efficiency</b>	<ul style="list-style-type: none"> <li>➤ Expected energy savings (MWh/year)</li> <li>➤ Storage capacity (MWh)</li> </ul>	
<b>Clean Transportation</b>	<ul style="list-style-type: none"> <li>➤ Number of passengers transported annually</li> <li>➤ Tons of goods transported annually</li> <li>➤ Number of electrical vehicles financed annually</li> <li>➤ Kilometers of infrastructure constructed or renovated</li> </ul>	
<b>Waste and Water Management</b>	<ul style="list-style-type: none"> <li>➤ Waste and water management technology type</li> </ul>	<ul style="list-style-type: none"> <li>➤ Volume of treated water (m<sup>3</sup>/year)</li> <li>➤ Volume of treated waste (m<sup>3</sup>/year)</li> </ul>
<b>Sustainable Agriculture and Forest Management</b>	<ul style="list-style-type: none"> <li>➤ Number of agricultural business financed</li> <li>➤ Total surface financed (ha)</li> </ul>	➤ Volume of farming input avoided (t/year)

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