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S&P Global
China Ratings

Credit Rating Report

# Crédit Agricole S.A.

Issuer Credit Rating*: $AAA_{spc}$; Outlook: Stable

**March 9, 2021**

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* This rating is an Issuer Credit Rating (ICR). An ICR typically reflects our view of the senior unsecured credit rating of an issuer and is not specific to an individual issuance that it may issue.

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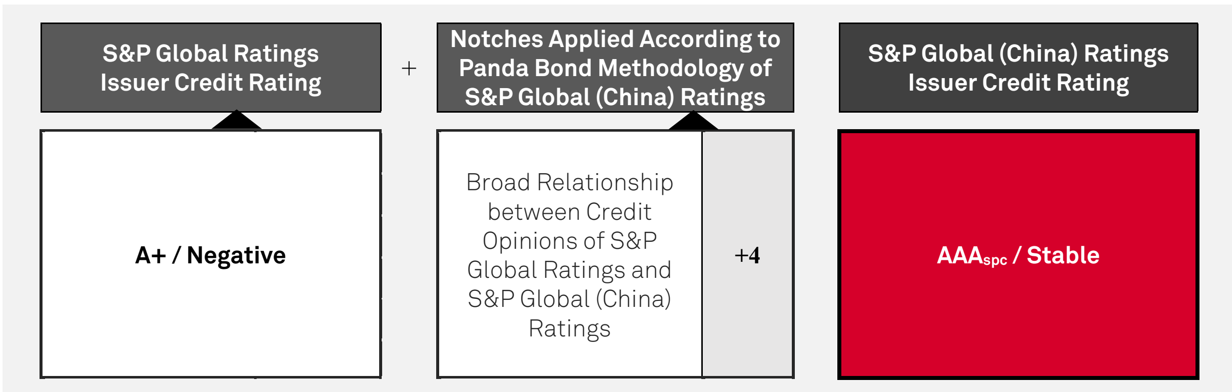
The rating presented in this report is effective from the rating date, until and unless we make any further updates.

This document is prepared in both English and Chinese. The English translation is for reference only, and the Chinese version will prevail in the event of any inconsistency between the English version and the Chinese version.

## Rating Summary

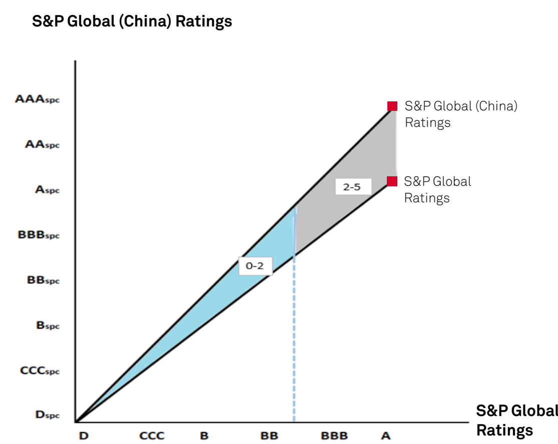
| Company Name | Rating Type | Current Rating | Rating Date | Outlook/CreditWatch |
|---|---|---|---|---|
| Crédit Agricole S.A. | Issuer Credit Rating | $AAA_{spc}$ | March 9, 2021 | Stable |




We have assigned our $AAA_{spc}$ issuer credit rating to Crédit Agricole S.A. (CASA), one of the largest banks in France, based on the 'A+' issuer credit rating assigned by S&P Global Ratings with a negative outlook, and a four-notch uplift through the application of the S&P Global (China) Ratings Panda Bond Methodology. The outlook is stable.

According to our Panda Bond Methodology, our analysis of foreign issuers typically considers the credit opinion which S&P Global Ratings may have on that issuer. Where a foreign domiciled issuer has stronger credit quality characteristics, such as "BBB" category or above credit quality as determined by S&P Global Ratings, S&P Global (China) Ratings may assign a view of credit quality typically in the range of two to five notches higher than the credit quality opinion of S&P Global Ratings. Under this methodology, the notch uplift above a rating assigned by S&P Global Ratings is based on the broad relationship observed between the credit quality opinions of S&P Global Ratings and S&P Global (China) Ratings.

### Broad Relationship Between Credit Opinions of S&P Global Ratings and S&P Global (China) Ratings




(China's current sovereign rating is A+)

## Credit Highlights

The following are strengths and weaknesses of CASA as identified by S&P Global Ratings:

| Strengths | Weaknesses |
|---|---|
| — Firm market leader in the French retail banking sector, generating good and predictable risk-adjusted earnings. | — Weaker profitability over the next two years from the COVID-19-induced recession. |
| — Increasingly diverse business model and income sources, with leading franchises, notably in retail banking, insurance, and asset management. | — Economic risk is relatively high in Italy, which the group considers its second home market. |
| — Sound earnings and cooperative status support internal capital generation. | — Low interest rates weigh on net interest margins, in line with the rest of the industry, heightening the need to further improve efficiency. |

Note: This strengths and weakness analysis is an excerpt from the credit report on CASA from S&P Global Ratings, and it should be used and interpreted in the context of the rating criteria of S&P Global Ratings. See the appendix for the full report from S&P Global Ratings.

## Rating Outlook

The stable outlook considers the rating S&P Global Ratings has assigned to CASA and the notching uplift we have applied.

**Downside Scenario:** We may consider the possibility of lowering our rating on CASA if S&P Global Ratings downgrades the issuer.

## Related Methodologies, Models & Research

**Methodology Applied:**

- S&P Global (China) Ratings -Panda Bond Methodology.
- S&P Global (China) Ratings General Considerations on Rating Modifiers and Relative Ranking.

**Models Applied:** None.

## Attachment: Full Analysis on Credit Agricole S.A.by S&P Global Ratings

S&P Global Ratings

RatingsDirect®

# Credit Agricole S.A.

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# Credit Agricole S.A.

| SACP | a |
|---|---|

| | | |
|---|---|---|
| Anchor | bbb+ | |
| Business Position | Strong | +1 |
| Capital and Earnings | Adequate | 0 |
| Risk Position | Strong | +1 |
| Funding | Average | 0 |
| Liquidity | Adequate | |

+

| Support | +1 |
|---|---|
| ALAC Support | +1 |
| GRE Support | 0 |
| Group Support | 0 |
| Sovereign Support | 0 |

+

| Additional Factors | 0 |
|---|---|

| Issuer Credit Rating |
|---|
| A+/Negative/A-1 |

| Resolution Counterparty Rating |
|---|
| AA-/--/A-1+ |

## Major Rating Factors

**Strengths:**

- Firm market leader in the French retail banking sector, generating good and predictable risk-adjusted earnings.
- Increasingly diverse business model and income sources, with leading franchises, notably in retail banking, insurance, and asset management.
- Sound earnings and cooperative status support internal capital generation.

**Weaknesses:**

- Weaker profitability over the next two years from the COVID-19-induced recession.
- Economic risk is relatively high in Italy, which the group considers its second home market.
- Low interest rates weigh on net interest margins, in line with the rest of the industry, heightening the need to further improve efficiency.

**Outlook: Negative**

S&P Global Ratings' negative outlook on France-based bank Credit Agricole S.A. (CASA; core bank of the Groupe Crédit Agricole [GCA]) and its core banking entities reflects the increasing economic and industry risks in the French banking market. Some of these risks are due to the COVID-19 pandemic and its impact on GCA's asset quality and profitability. Others are structural and speak to the difficulties facing the French banking sector as a whole in catching up with European peers in terms of cost efficiency.

The outlook is stable on the insurance entities Credit Agricole Assurances (CAA), Predica, and Pacifica IARD because we see their credit quality offsetting some of the negative effects that could result in a lower rating for the banking entities.

### Downside scenario

At this stage, we consider the systemwide economic and industry risks faced by all French banks, including GCA as the largest domestic player, pose the main challenge to the group's creditworthiness. More specifically, if we revise our anchor for French banks to 'bbb' from 'bbb+' in the next 12-24 months, we could lower the long-term rating on the banking group's core members to 'A'.

A lower group stand-alone credit profile (SACP) for GCA would result in us lowering our ratings on the group's subordinated instruments, including the senior nonpreferred notes.

### Upside scenario

We would revise the outlook to stable once the COVID-19 pandemic has receded and if the prospects of a strong economic recovery in France become clearer. To consider such an action, we would need to see the combination of capital, earnings, and risks continuing to compare positively with those of peers. The group would also need to manage its pockets of risks, such as its exposure to Italy or sectors within its corporate or small business portfolios, better than its direct peers.

## Rationale

We base our ratings on CASA on our consolidated analysis of GCA. The group primarily consists of the following entities: French regional banks (Caisses Régionales de Crédit Agricole [CRCAs]), and CASA and its subsidiaries including Crédit Lyonnais (LCL), CA Consumer Finance, Crédit Agricole Corporate and Investment Bank (CACIB), CACEIS, and Crédit Agricole Assurances (CAA).

We view CASA as core to GCA, because of its critical role as the group's funding arm and central organ. It also makes up a substantial part of GCA, consolidating activities and subsidiaries not part of the mutual cooperative's perimeter. Our starting point for rating the core members of GCA is the 'bbb+' anchor for the group. We then adjust for four institution-specific factors, detailed below, to determine our group stand-alone credit profile (group SACP) of 'a' for GCA. We add one notch for additional loss-absorbing capacity (ALAC) to arrive at the 'A+' long-term rating.

The degree to which economic activity recovers in second-half 2020 and 2021 in France, as well as in the wider eurozone, will determine whether the damage to GCA's performance from the pandemic is temporary, or longer-lasting. The bank remains one of the strongest in Europe, with a high degree of business diversity and deep retail foothold, notably in France. The majority of GCA's businesses are low risk and typically less cyclical, although we will monitor pockets of risk, such as the group's exposure to Italy. These strengths will persist in 2020 and 2021, and should help the bank navigate challenging conditions. Still, it is not immune to asset-quality pressure in corporate banking (via the aircraft, transportation, or energy exposures of Credit Agricole Investment Banking) and small business/entrepreneur portfolios, as well as via its relatively large Italian exposures. Housing loans in France form a substantial part of exposures, and we expect this book will continue to perform well, despite our forecast that unemployment in the country will rise above 9.5% by year-end 2020, from 8.5% at year-end 2019. However, low interest rates will continue to weigh on retail banking interest margins, and asset management revenue could be pressured by lower volumes of assets under management (AuM) and performance fees.

### Anchor: 'bbb+', reflecting mostly domestic exposures

We use our Banking Industry Country Risk Assessment's economic risk and industry risk scores to determine a bank's anchor, the starting point in assigning a bank an issuer credit rating, under our bank criteria. The anchor for GCA is 'bbb+'. We average its weighted economic risk to '3', given its predominant exposure to France and despite its exposure to higher-risk countries such as Italy (economic risk assessment of '6').

Our '3' economic risk score for France reflects the generally favorable domestic economic conditions for banks in France. We deem the French economy to be stable and wealthy, with moderate private-sector credit risk volatility, and the banks benefit from a growing population. Authorities in France, and across many other European countries, have delivered unprecedented policy responses to the COVID-19 pandemic in the form of monetary, fiscal, and regulatory support to their economies. Still, we expect the COVID-19-related short-term shock to be meaningful for banks' asset quality, revenue, profitability, and refinancing costs. We now foresee a 9% GDP contraction in France in 2020 before a rebound of about 7.7% in 2021. Therefore, the main risk to French banks in the next two years is higher credit losses, which we consider inevitable. We project French banks' credit losses on domestic operations will reach 50 basis points (bps) this year. This level remains manageable for banks, and contained when compared with the depth of the economic shock, but it is still more than twice last year's level.

Regarding industry risk, pre-COVID-19, banks were already operating in a less favorable environment, with low interest rates. The pressure on retail margins remains, and is compounded by the high share of expensive regulated-rate savings in the banks' funding base. Still, large French banks have strong and diverse business models, and operate in a concentrated and mature market. For example, there is limited space for new entrants, even fintechs.

In recent years, French banks have invested to either internally develop innovations from smaller tech companies, or to acquire them. Still, there is a trend of revenue erosion in profitable activities like payment services. That said, we see room for improvement in cost efficiency, which is a weakness for French banks compared with their European peers, notably due to a still-dense branch network, which will require adjustments as has happened in other countries. The system's relatively large reliance on wholesale funding is partly attributable to households' propensity to save in nonbank institutions and regulated savings. French banks benefit, among other things, from the depth of the domestic financial market.

We see negative trends in both on our economic risk and our industry risk scores. While policy responses taken in France may not avoid permanent economic impact from the pandemic, they have offset damage to household wealth, and various corporate sectors. We note that the external environment remains fragile, and rapidly rising leverage (sovereign and private sector) could lead to higher credit risk in the French economy. Our industry risk assessment could worsen, if we see exacerbated profitability and efficiencies challenges versus some others European peers.

**Table 1**

**Credit Agricole S.A.--Key Figures**

| | --Year ended Dec. 31-- | | | | |
|---|---|---|---|---|---|
| **(Mil. €)** | **2020*** | **2019** | **2018** | **2017** | **2016** |
| Adjusted assets | 1,721,462 | 1,518,507 | 1,413,984 | 1,334,891 | 1,320,067 |
| Customer loans (gross) | 966,797 | 924,600 | 865,663 | 824,439 | 786,028 |
| Adjusted common equity | 79,599 | 77,801 | 69,094 | 61,635 | 59,472 |
| Operating revenue | 16,638 | 33,718 | 33,127 | 32,978 | 31,778 |
| Noninterest expenses | 11,144 | 21,810 | 21,458 | 20,735 | 20,134 |
| Core earnings | 2,586 | 7,365 | 7,254 | 7,017 | 6,338 |

*Data as of June 30.

### Business position: Leader in the domestic retail market and increasing business diversification

GCA has a leading domestic market position in French retail banking, and good diversification by business line. The group's domestic retail franchise--primarily carried out through 39 regional banks (the CRCAs) and complemented by LCL (which has replaced the former Crédit Lyonnais brand)--ranks among the strongest in Europe. GCA is also a global systemically important bank, and among the five-largest European banks by asset size. Domestic retail businesses account for just over half of group revenue and provide critical mass and recurring earnings.

GCA has the No. 1 domestic banking network in France, with 8,400 branches, and strong market shares of 22.4% in non financial customer loans, and 24.2% in deposits at end-June 2020. The group diversification of income sources, including fees, which supports the revenue stability and resilience to persistently low interest rates. About 60% of of its total revenue was generated in the domestic and international retail division as of June 2020. The proportion of cyclical revenue is much lower than at banks with larger capital market businesses. Our estimate of GCA's cost-to-income ratio at 64.7% in 2019 is among the lowest of large French banks, but is average in a European context. The group, like its domestic peers, aims to achieve stronger loan volumes, notably in France, and better fees and commissions to offset pressure on its net interest margin. We will monitor closely to what extent the group either realizes efficiency gains, notably in domestic retail activities, or derives stronger revenue through greater cross-selling via digital forms or increased capacity to adjust the pricing of housing loans in line with risk and returns. As for other groups, we acknowledge that the pandemic will likely put GCA in a difficult operating environment to rapidly improve efficiency and profitability in 2021 and 2022, but it will likely result in the acceleration of transformation and cost savings, in our view.

GCA's geographic reach is moderately stronger than the international retail segment's contribution indicates--a limited 8% of net reported revenue, about 64% of which is generated by Italian local banking networks. Italy remains a priority for the group, where it aims to replicate its universal banking model with a strong focus also on property and casualty insurance. CAA is also expanding its distribution network in Europe, notably with a partnership agreement with the Italy-based midsized banking group Credito Valtellinese (CreVal) and its potential 1 million customers. The rest of

GCA's international retail activities mainly come from Poland, Morocco, Egypt, and the Ukraine, but remain limited. It is important to note that its asset management, insurance, consumer finance, securities services, and, to a lesser extent, investment banking business is pan-European, meaning that the group's true geographic diversification goes beyond the sole international retail segment.

GCA has strong retail distribution capacity in France through its CRCA and LCL networks. It is the largest bancassurance group in Europe, and its insurance activities are gathered under a single holding company, CAA. The group has leading positions in France in life insurance (No. 1 in France, according to Argus de l'Assurance), property and casualty, death and disability, and creditor insurance. Since the launch in June 2019 of its 2022 strategic ambition plan, GCA has been very active at finding new partners. The group has signed a partnership in nonlife insurance with the Spanish bank Abanca, signed a partnership in life insurance with CreVal in Italy, extended an agreement between CACF and Banco BPM, and renewed its partnership with FCA Bank. Due to the planned merger between Caixabank and Bankia in Spain, Crédit Agricole Consumer Finance may lose its Spanish joint venture partnership, but the expected financial impact is modest. We believe the group will maintain its focus when it comes to potential acquisitions or ways to reinforce its specialized businesses while minimizing execution risks.

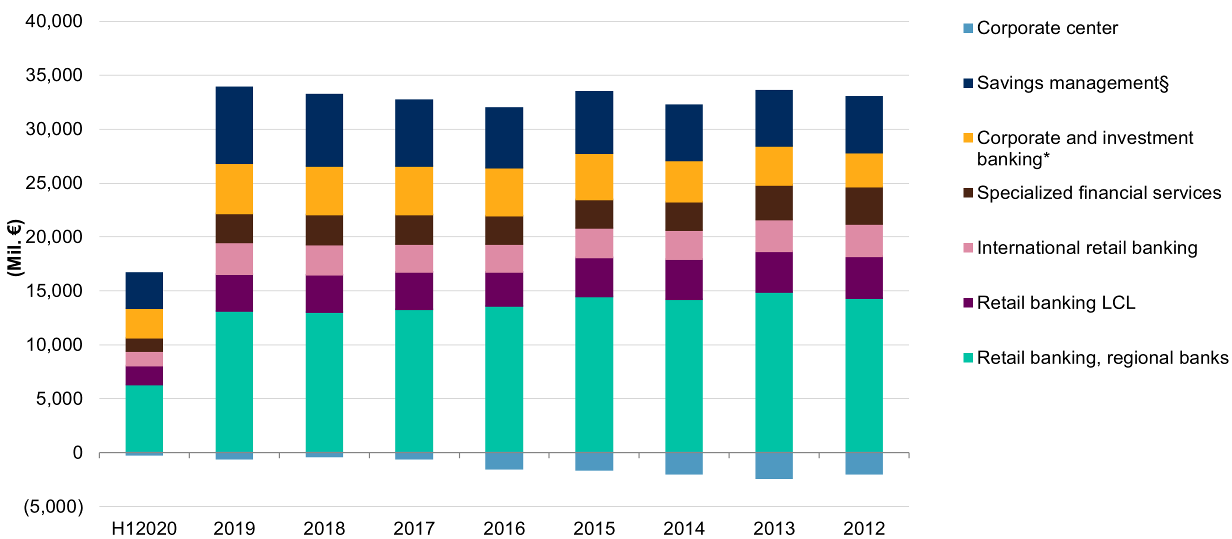
GCA's asset-gathering activities have an efficient business model, with lower capital intensity, supporting higher returns than in other segments. GCA's asset-management subsidiary Amundi is the No. 1 asset manager in France and Europe by AuM (€1,592 billion as of June 2020), and is in the top-10 worldwide. Earlier this year, Amundi acquired Banco Sabadell, reinforcing its position in Spain, and recently renewed its partnership with Société Générale for another five years. In prioritizing more stable segments of activity (for example, Credit Agricole took over the custody and asset-servicing activities of Banco Santander just before Kas Bank), the bank has been able to create operations approaching the size of some industry leaders. Credit Agricole's model, with strong platforms, is well placed to support banking distribution networks to expand cheaply, pushing down costs.

The strength of GCA's business models lies in its strong franchise, even though the group is less geographically diversified than peers like Banco Santander, BNP Paribas, ING Groep, or Société Générale. Although less profitable than peers in the Nordics or Benelux (Belgium, the Netherlands, and Luxembourg), the group has a low risk profile that typically generates more stable revenue over the cycle and results in less strategic changes. French banks, including GCA have the smallest share of revenue from net interest income in Europe. The share of fees, insensitive to the level of interest rates or the shape of yield curve, is substantial, and also explains the expected resilience of profits to low interest. GCA's cost-to-income ratio is one of the best among French peers, but average outside France. Vast investments in information technology and digitalization have weighed on the cost base of regional banks recently. Like other groups, GCA will face pressure on its retail banks' revenue, and therefore need to structurally reduce costs. The group intends to combine its best-in-class customer experience with human and digital offerings. Still, we believe that in order to continue to benefit from low-cost retail distribution channels, the need for more efficiency gains will emerge, including adapting its large network of branches.

GCA is a cooperative group, which means group members have more autonomy in their strategy than fully owned subsidiaries of a listed group. Still, in the past decade the group has been through a series of corporate initiatives to be more cohesive and aligned, in terms of strategic decisions, branding, risk and underwriting practices, and operating model. As is typical of a cooperative group, low cash distributions tend to favor long-term growth over absolute returns, and we note the predictability in the group's decision-making and capital allocation, notably when it comes to international expansion.

**Chart 1**

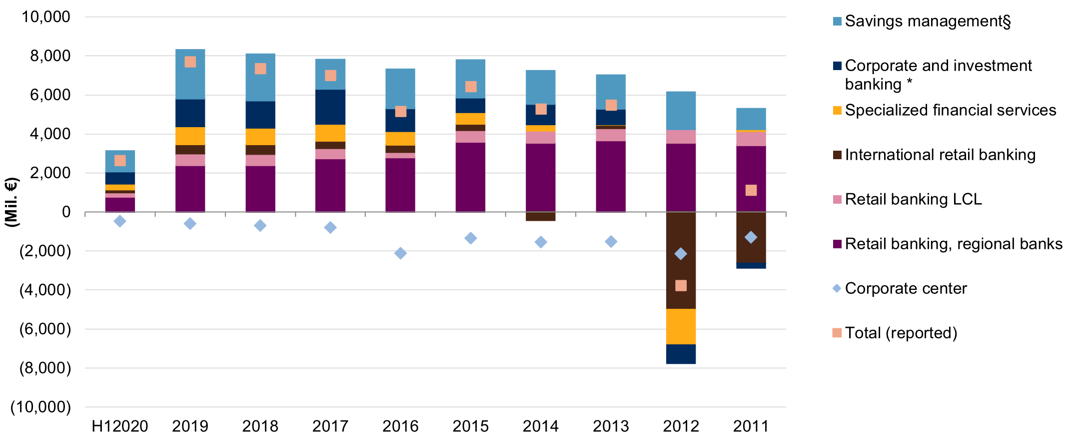
**Group Credit Agricole Revenue Breakdown**




Data is for the year ending Dec. 31.*Asset servicing is included in savings management. §Includes asset management, insurance, and private banking. Source: Credit Agricole.

**Chart 2**

**Group Credit Agricole Net Income**




Net income includes minority interets. Data is as of year ending Dec. 31. Until the group restructuring in 2016, Crédit Agricole S.A. (CASA) owned 25% of the capital of the Caisses Régionales de Crédit Agricole (CRCAs). The Crédit Agricole group accounts include all the financial statements of the CRCAs, while CASA consolidated accounts included (before 2016) only 25% of the CRCAs' net income, under the equity method. Figures for 2010-2011 are historic, not pro forma of activities discontinued from 2012. LCL: the new Crédit Lyonnais brand. *Includes asset management, insurance, and private banking. §Asset servicing is included in Savings management. Source: Credit Agricole.


**Table 2**

**Credit Agricole S.A.--Business Position**

| | --Year ended Dec. 31-- | | | | |
|---|---|---|---|---|---|
| **(%)** | **2020*** | **2019** | **2018** | **2017** | **2016** |
| Total revenues from business line (mil. €) | 16,722 | 33,754 | 33,259 | 32,865 | 30,926 |
| Retail banking/total revenue from business line | 64.6 | 66.6 | 67.2 | 67.9 | 71.8 |
| Commercial & retail banking/total revenue from business line | 64.6 | 66.6 | 67.2 | 67.9 | 71.8 |
| Corporate finance/total revenues from business line | 19.7 | 16.6 | 16.1 | 17.1 | 17.5 |
| Asset management/total revenue from business line | 16.3 | 18.1 | 17.5 | 16.1 | 15.4 |
| Other revenues/total revenue from business line | (0.6) | (1.3) | (0.8) | (1.1) | (4.7) |
| Investment banking/total revenue from business line | 19.7 | 16.6 | 16.1 | 17.1 | 17.5 |
| Return on average common equity | 4.3 | 6.8 | 6.9 | 6.8 | 5.3 |

*Data as of June 30.

**Table 3**

**Group Credit Agricole's Achievements Versus New Plan Targets (Cost to income, RoNE)**

| | Cost-to-income ratio* (%) | | RoNE§ (%) | | |
|---|---|---|---|---|---|
| | First-half 2020 | Target 2022 | First-half 2019 | First-half 2020 | Target 2022 |
| Asset gathering | 50.8 | <48 | 27.5 | 25.3 | >30 |
| LCL | 64.6 | <66 | 10.8 | 7.8 | >12.5 |
| CA Italia | 64.8 | <59 | 9.3 | 4.2 | >13 |
| Specifialized financial services | 52.7 | <47 | 16.0 | 10.1 | >14 |
| Large customers | 53.0 | <57 | 12.7 | 10.0 | >10 |

## Capital and earnings: Enhanced through sustained earnings retention

Typical of cooperative groups, the group retains most of its earnings, which in turn supports capital buildup, even when loan growth is dynamic. The group is also less profitable than several of its listed peers when measured by return on equity (RoE), but volatility of earnings is typically lower, especially in less benign parts of the cycle. With the pandemic, we expect GCA's RAC ratio before diversification will remain in the 8.5%-9.0% range in 2020 and 2021, compared to 8.7% in 2019 and 8.3% in 2018. Our total adjusted capital (TAC) increased more than anticipated because the bank followed the European Central Bank's (ECB's) recommendation to delay the payment of declared but unpaid 2019 dividends (€1.1 billion) up until at least Oct. 1, 2020. Our central scenario underpinning our forecasts assumes that, although delayed, this cash amount will be paid when authorized.

CAA's solvency ratio stood at 263% at end-2019 (234% as of March 2020), up from 188% in 2018. The increase results from the decision to incorporate profit-sharing provisions (provision pour participations aux excédents or PPE) in solvency metrics, in line with practices in Germany, for example. Our insurance capital analysis under an 'A' stress scenario at the end of 2019 results in a capital shortfall of around the same level, since we already incorporated the benefit of the PPE in our assessment in 2018. In July 2020, the insurance subsidiary issued €1 billion of subordinated bonds in the market. We will monitor if CAA uses a portion to refinance intragroup debt with its banking parent.

Our expectation of a relatively stable RAC ratio in the next two years also aligns with GCA already being very close (end-June 2020 fully loaded Basel III CET1) to achieving its strategic target of a common equity tier-1 (CET1) ratio of at least 16.0% by end-2022. The target by 2022 incorporates a negative estimated capital impact of 30 bps from the implementation of Basel III (without the impact of the output floor) and supports our view of GCA's conservative capital management. GCA comfortably meets current regulatory capital requirements. The group has made public its Pillar 2 requirement of 1.5%. At end-June 2020, the group reported a fully loaded Basel III CET1 ratio of 15.8%, and 16.1% on a phased-in approach. The latter is 7.2 percentage points above the minimum CET1 requirement of 8.9% set by the Supervisory Review and Evaluation Process (SREP).

GCA is subject to both the Financial Stability Board's total loss-absorbing capacity (TLAC) and minimum requirements for own funds and eligible liabilities (MREL) requirements. The group estimates that its TLAC and MREL ratios as of June 2020--based solely on own funds and eligible subordinated debt including senior nonpreferred debt--were 23.8% of regulatory risk-weighted assets (RWAs) and 8.2% of the prudential balance sheet after netting of derivatives, respectively. GCA aims to maintain its subordinated MREL ratio above 8%. Such a level allows a potential recourse to the Single Resolution Fund, subject to the resolution authority's decision.

Despite GCA's relative balance sheet strength, the pandemic should substantially weaken financial performance over the next two years. We estimate annual profits (group share, excluding minorities) of about €4 billion at end-2020, compared with €7.2 billion at end-2019. The decline is largely explained by rising loan impairments, which we project at about €4 billion in 2020 (equivalent to 45-50 bps out of customer loans), more than 2x higher than in 2019 and 2018. GCA's net income (group share) for the first six months of 2020 stood at €2.4 billion compared with €3.2 billion for the same period in 2019. Our projections also incorporate our expectation of annual investment costs linked to the digital transformation--slightly offsetting underlying cost savings, with a 0.5% increase in noninterest expenses. The GCA's cost-to-income ratio, including regulatory costs was at about 67% at mid-2020 and should remain below 70% by 2021. In the next two years, we expect GCA will continue to issue cooperative shares that we treat as common equity, but also that Credit Agricole will start paying cash dividends as soon as the ECB would allow again. That said, we still expect that GCA's dividends payout will be lower than other peers' due to its cooperative status (below 20% of the group's net profits). Finally, we project dynamic growth in S&P Global Ratings' RWAs of 4.5% in 2020, reducing to 2.5% thereafter. Specifically, we assume annual growth in customer loans of about 5% in 2020 and 2021. We anticipate continued pressure on the net interest margin from low interest rates in the eurozone. We also consider net interest margin will be lower because the group's guaranteed loans by the French authorities were granted at favorable conditions to the corporate and small and midsize enterprise (SME) borrowers. Overall, we expect an RoE of 3%-4% in the next two years.

**Table 4**

**Credit Agricole S.A.--Capital And Earnings**

| | --Year ended Dec. 31-- | | | | |
|---|---|---|---|---|---|
| **(%)** | **2020*** | **2019** | **2018** | **2017** | **2016** |
| Tier-1 capital ratio | 16.5 | 16.6 | 15.9 | 15.8 | 15.5 |
| S&P Global Ratings' RAC ratio before diversification | N/A | 8.7 | 8.3 | 7.9 | 7.8 |
| S&P Global Ratings' RAC ratio after diversification | N/A | 10.5 | 10.0 | 9.4 | 9.2 |
| Adjusted common equity/total adjusted capital | 93.3 | 93.1 | 92.5 | 90.8 | 87.7 |
| Net interest income/operating revenues | 54.4 | 53.4 | 55.9 | 59.7 | 60.2 |
| Fee income/operating revenues | 28.7 | 28.3 | 29.2 | 29.4 | 27.6 |
| Market-sensitive income/operating revenues | (29.1) | 46.8 | (10.6) | 18.4 | 9.7 |
| Cost to income ratio | 67.0 | 64.7 | 64.8 | 62.9 | 63.4 |
| Preprovision operating income/average assets | 0.5 | 0.6 | 0.6 | 0.7 | 0.7 |
| Core earnings/average managed assets | 0.2 | 0.4 | 0.4 | 0.4 | 0.4 |

*Data as of June 30. N/A--Not applicable. RAC--Risk-adjusted capital.

**Table 5**

**Credit Agricole S.A.--Risk-Adjusted Capital Framework Data**

| **(€ 000s)** | **Exposure*** | **Basel III RWA** | **Average Basel III RW(%)** | **S&P Global Ratings' RWA** | **Average S&P Global Ratings' RW (%)** |
|---|---|---|---|---|---|
| **Credit risk** | | | | | |
| Government & central banks | 289,016,414 | 9,426,155 | 3.3 | 11,615,487 | 4.0 |
| Of which regional governments and local authorities | 94,688,345 | 965,455 | 1.0 | 6,663,356 | 7.0 |

**Table 5**

**Credit Agricole S.A.--Risk-Adjusted Capital Framework Data (cont.)**

| | | | | | |
|---|---|---|---|---|---|
| Institutions and CCPs | 162,215,614 | 24,630,267 | 15.2 | 38,823,282 | 23.9 |
| Corporate | 384,739,904 | 209,735,011 | 54.5 | 336,145,738 | 87.4 |
| Retail | 669,744,338 | 131,748,759 | 19.7 | 302,668,743 | 45.2 |
| Of which mortgage | 407,683,843 | 50,739,178 | 12.4 | 104,275,499 | 25.6 |
| Securitization§ | 52,657,948 | 7,713,620 | 14.6 | 16,956,650 | 32.2 |
| Other assets† | 27,687,513 | 19,248,835 | 69.5 | 58,198,783 | 210.2 |
| Total credit risk | 1,586,061,731 | 402,502,647 | 25.4 | 764,408,684 | 48.2 |
| **Credit valuation adjustment** | | | | | |
| Total credit valuation adjustment | -- | 4,041,009 | -- | 13,660,334 | -- |
| **Market Risk** | | | | | |
| Equity in the banking book | 29,942,787 | 30,868,973 | 103.1 | 96,383,862 | 321.9 |
| Trading book market risk | -- | 8,414,810 | -- | 11,752,132 | -- |
| Total market risk | -- | 39,283,783 | -- | 108,135,994 | -- |
| **Operational risk** | | | | | |
| Total operational risk | -- | 56,137,423 | -- | 71,213,449 | -- |
| | **Exposure** | **Basel III RWA** | **Average Basel II RW (%)** | **S&P Global Ratings' RWA** | **% of S&P Global Ratings' RWA** |
| **Diversification adjustments** | | | | | |
| RWA before diversification | -- | 557,936,944.0 | -- | 957,418,460 | 100.0 |
| Total diversification/ concentration adjustments | -- | -- | -- | (162,731,210) | (17.0) |
| RWA after diversification | -- | 557,936,944.0 | -- | 794,687,250 | 83.0 |
| | | **Tier 1 capital** | **Tier 1 ratio (%)** | **Total adjusted capital** | **S&P Global Ratings' RAC ratio (%)** |
| **Capital ratio** | | | | | |
| Capital ratio before adjustments | | 94,173,000 | 16.9 | 83,524,000 | 8.7 |
| Capital ratio after adjustments‡ | | 94,173,000 | 16.8 | 83,524,000 | 10.5 |

*Exposure at default. §Securitization exposure includes the securitization tranches deducted from capital in the regulatory framework. †Exposure and S&P Global Ratings' risk-weighted assets for equity in the banking book include minority equity holdings in financial institutions. ‡Adjustments to Tier 1 ratio are additional regulatory requirements (e.g. transitional floor or Pillar 2 add-ons). RWA--Risk-weighted assets. RW--Risk weight. RAC--Risk-adjusted capital. CCPs--Central clearing counterparty. Sources: Company data as of Dec. 31, 2019, S&P Global Ratings.

## Risk position: High granularity of exposures

GCA's risk position is a strength for the rating, especially when analyzed in combination with its capital and earnings. GCA's refocused businesses compared with the earlier part of the decade and increasing risk diversification support overall structural and cyclical reduction of its already low risk profile for a universal bank. The main strength we see is the diversity of risk exposures, and their granularity.

At end-June 2020, the group reported a ratio of nonperforming loans to total customer loans of 2.4% and high 84.5%

coverage by loan loss reserves (including collective provisions). Although we believe that the group has good and resilient asset quality, we expect its cost of risk to remain well above long-term trends in the coming quarters.

In the second quarter of 2020, cost of risk reached €1.2 billion, after €0.9 billion in the first quarter. This corresponded to an annualized cost of risk on the basis of the first half of 2020 of 45 bps of the outstanding loans, which is well above the approximate 25 bps average achieved over the past five years. Noticeably, of the €1.2 billion reported in the second quarter, 35% was for prudential provisioning of performing loans--that is, in stage 1 and stage 2, in accordance with the International Financial Reporting Standard 9.

Low-risk domestic residential mortgages represent more than half of GCA's total retail customer loans. We expect this book will continue to perform well despite likely higher unemployment. Still, the group remains exposed to the health of residential real estate in France and of French households. Housing loans are fixed-rated in France, banks adhered to strict limits in terms of affordability ratios, and most housing loans benefit from a guarantee from marketplace institution Credit Logement, which covers a large part of unpaid instalments when a borrower becomes insolvent. The remaining loan book is diversified and exposed to large corporates, professionals, and SMEs. The support that GCA provided to its professional and corporate customers since March 2020 has been significant, amounting to about 25% of the overall state-guaranteed loans distributed in France (with an acceptance rate of close to 98%) and €4.2 billion in deferred maturities as of July 2020. We expect the cost of risk for SMEs and corporates will increase between 2x-3x in 2020 and 2021, with the main downside risk coming from the hotel, leisure, auto, transportation, and aviation sectors, and their respective supply chains.

We regard Italy, GCA's second home market, as the group's main source of credit risks. That said, outstanding loans in Italy represent only about 7% of corporate and retail exposures, and we do not expect they will increase much in the next quarters. Italian retail activity's net profit (group share) for the first-half 2020 is down 41.8% versus the same period in the previous year. Cost of risk was up 79.1% with a significant strengthening of reserves for proven risks as the group continues the process of selling nonperforming loans. We consider that impaired loans in Italy are still high--they stood at 7.4% of customer loans as of June 2020. That said, this level compare favorably with that of most Italian peers.

Since 2011, GCA has adapted its corporate and investment bank business model, including withdrawing from equity derivatives, discontinuing market activities in commodities, and closing CACIB's operations in several countries where it had a limited presence. We consider that market risks have substantially reduced as a result. As such, the group was less severely hit in the first two quarters of the year than some French peers, which suffered a substantial revenue decline in their equities division, notably for structured equity derivatives. CASA's average value at risk (99% confidence interval, one-day horizon) in the first half of 2020 was a low €14 million, a limited increase from €9 million at end-2019. Pending litigation risks for the group are modest, even if the bank is not immune to conduct and compliance risks given its diversity and size. As of end-2019, a litigation provision of €852 million was in place. The group's asset-servicing entity CACEIS decided in 2019 not to book a provision of the received claim from the Bavarian tax authorities for the repayment of dividend tax refunded to a number of its customers in 2010 (€312 million and €148 million interest), and communicated it would challenge such a claim.

GCA's exposure to interest rates is mainly derived from its long-term fixed-rate loans in French retail. In the absence of asset-liability management adapted to measure the exposure and to hedge the interest rate risk, the group, like its French peers, could be hit by the cost of resources increasing while the interest received from its loan book would be largely frozen.

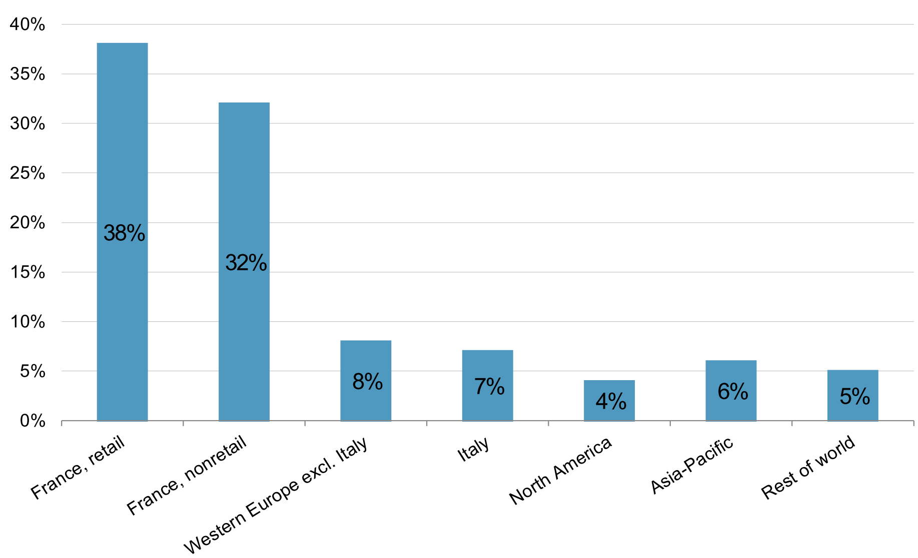
**Table 6**

| Credit Agricole S.A.--Risk Position | | | | | |
|---|---|---|---|---|---|
| | --Year ended Dec. 31-- | | | | |
| (%) | 2020* | 2019 | 2018 | 2017 | 2016 |
| Growth in customer loans | 9.1 | 6.8 | 5.0 | 4.9 | 4.5 |
| Total diversification adjustment/S&P Global Ratings' RWA before diversification | N/A | (17.0) | (16.9) | (16.2) | (16.0) |
| Total managed assets/adjusted common equity (x) | 27.6 | 25.8 | 26.8 | 28.6 | 29.0 |
| New loan loss provisions/average customer loans | 0.5 | 0.2 | 0.2 | 0.2 | 0.3 |
| Net charge-offs/average customer loans | (0.0) | (0.0) | 0.0 | 0.0 | 0.0 |
| Gross nonperforming assets/customer loans + other real estate owned | 2.5 | 2.6 | 2.7 | 3.1 | 3.5 |
| Loan loss reserves/gross nonperforming assets | 84.5 | 79.2 | 84.5 | 78.8 | 79.5 |

*Data as of June 30. RWA--Risk-weighted assets. N/A--Not applicable.

**Chart 3**

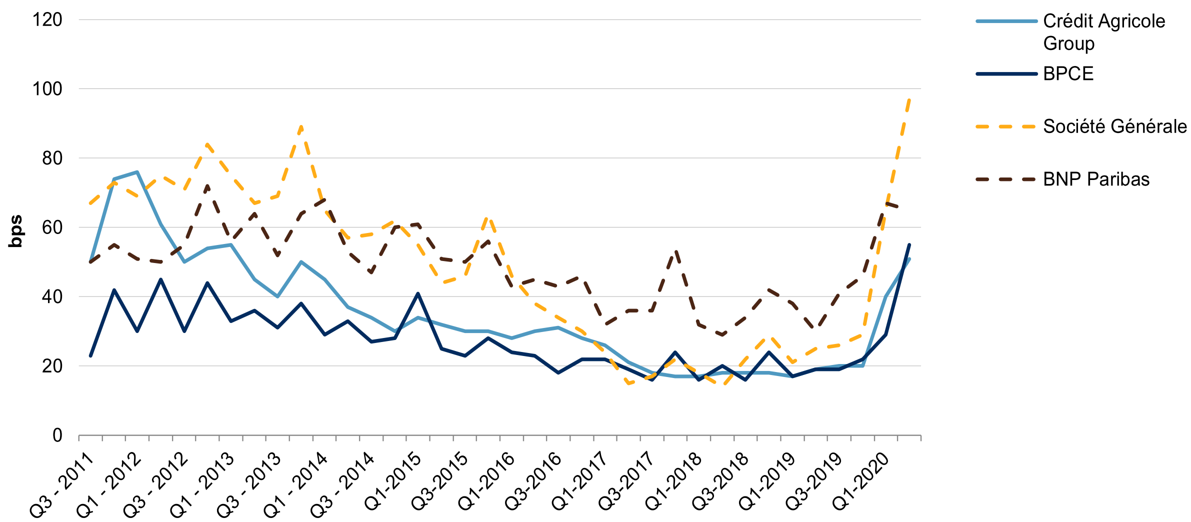
**Group Credit Agricole's Risk Exposure Breakdown (June 2020)**




Source: Credit Agricole.

**Chart 4**

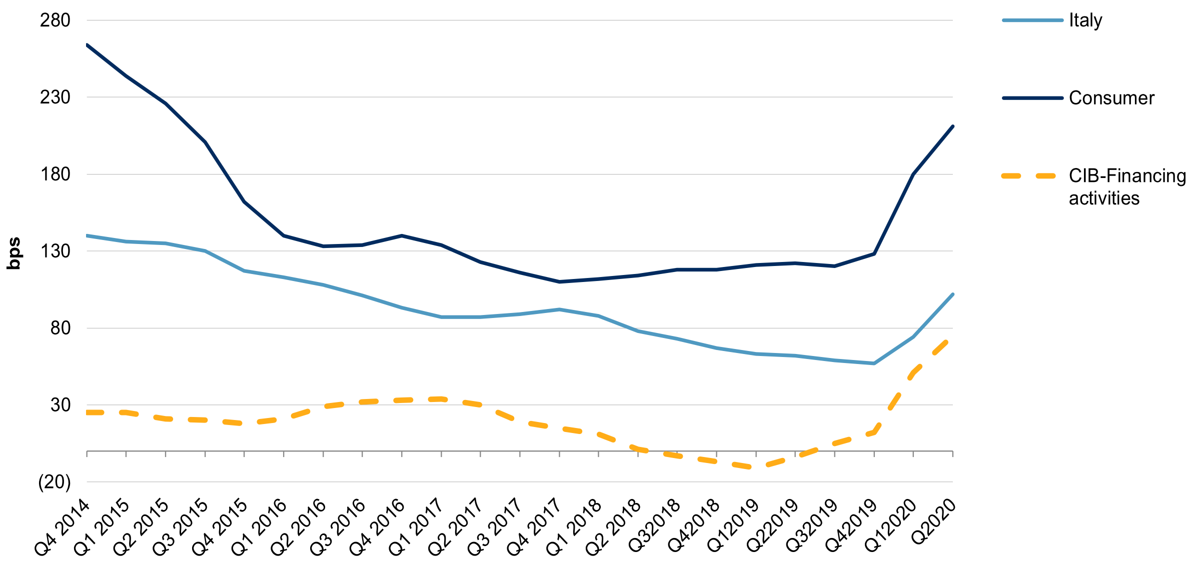
**Comparison Of Cost Of Credit Risk**




Note: Data is as a percentage of gross customer loans outstanding, excluding impairment on Greece and restated in Q2-2015 of the impact of additional provision for litigation. bps--basis points. Source: Banks' financial presentations. Annualized except GCA 12 months rolling average until Q4-2019.

**Chart 5**

**Credit Quality Strengthened Mainly In Consumer Finance And Italy**




Q--Quarter. bps--Basis points. Source: Banks' financial presentations. In bps over a rolling four-quarter period, and annualized in 2020.


## Funding and liquidity: Lengthened maturity profile

GCA's funding and liquidity positions are comparable with large domestic peers', and not that different from national champions' in neighboring countries. This assessment incorporates our view that the group has significantly improved its structural funding and liquidity as part of the adjustment plan it has carried out since the middle of 2011, notably in the investment banking division that used to consume a lot of short-term wholesale resources.

Our ratio of GCA's net customer loans to core deposits has been improving, down from 134% at end-2011. It was 114% as of December 2019. Our funding and liquidity metrics for GCA have continued to improve and indicate an adequate funding maturity profile. Our stable funding ratio for GCA stood at 99% in December 2019, a significant improvement from a decade ago where it was less than 80%. We expect it to remain at about 100% in 2020 and 2021. CGA's main strength is the extremely strong retail franchise of regional banks in France, which allows them to collect stable and granular deposits.

At end-2019, we estimated our broad liquid assets to short-term wholesale funding ratio at 1.0x, broadly in line with the levels achieved by universal banking peers. We adjust all our funding and liquidity metrics to exclude the portion of regulated deposits (including the "Livret A" savings plan) centralized at state institution Caisse des Dépots et Consignations. GCA's encumbrance ratio at the end of March 2020 was 21%, and further increase in line with GCA's drawings under the third European Central targeted longer-term refinancing operations facility(TLTRO3).

At end-July, CASA had completed 96% of its medium-to-long-term market funding program for 2020--including raising almost €7.4 billion of senior nonpreferred and tier 2 instruments, and issuing €4.13 billion senior preferred and senior secured notes (including medium-term notes, covered bonds, and a true sale securitization). CASA benefits from its access to a diversified mix of funding sources, both on a secured and unsecured basis. During 2020, the bank performed a liability management on its senior preferred notes, with an equivalent of €3.4 bilion of bonds repurchased. GCA intends to continue to issue senior nonpreferred and tier 2 instruments, and has indicated that it targets a 24%-25% MREL ratio by 2022, excluding eligible senior preferred debt. In our opinion, GCA's liquidity would provide flexibility under prolonged market stress, and benefits from a large and granular deposit base and skilled and conservative risk management. GCA's regulatory liquidity coverage ratio (LCR) significantly exceeded its required minimum target of 110%, with a quarterly average LCR of 155.5% for GCA as of end-June 2020. GCA estimated its liquidity reserves at €405 billion as of June 2020 (+€67 billion since first-quarter 2020), including €64 billion of assets eligible for repurchase at the European Central Bank (after haircut), €180 billion of central bank deposits (excluding cash and mandatory reserves), €23 billion of self-securitizations eligible to central banks, and €119 billion of high-quality liquid asset securities, after a regulatory haircut. In June 2020, GCA drew on €90 billion TLTROs III to benefit from a competitive funding rate, and to a lesser extend an increase in net customer deposit. The increase in net customer resources of €31 billion is mainly explained by the full return of liquidity observed on state-guaranteed or PGE (Prêts Garantis par l'Etat) loans and an increase in deposits. The latter is particularly from corporate customers, and the balance sheet has seen an increase in central banks deposit (+€74 billion since end-2019), resulting from the placement of the group's large excess liquidity. We consider these reserves would provide flexibility under prolonged market stress. This liquidity reserve at market value and after haircuts, covers short-term debt by 3x.

**Table 7**

**Credit Agricole S.A.--Funding And Liquidity**

| | --Year ended Dec. 31-- | | | | |
|---|---|---|---|---|---|
| **(%)** | **2020*** | **2019** | **2018** | **2017** | **2016** |
| Core deposits/funding base | 61.0 | 61.9 | 61.8 | 62.1 | 63.0 |
| Customer loans (net)/customer deposits | 107.7 | 113.6 | 114.8 | 117.5 | 118.4 |
| Long-term funding ratio | 77.5 | 79.2 | 79.2 | 79.6 | 80.2 |
| Stable funding ratio | 99.4 | 98.6 | 97.6 | 96.4 | 95.3 |
| Short-term wholesale funding/funding base | 24.1 | 22.4 | 22.4 | 22.0 | 21.5 |
| Broad liquid assets/short-term wholesale funding (x) | 1.1 | 1.0 | 1.0 | 1.0 | 1.0 |
| Net broad liquid assets/short-term customer deposits | 2.8 | (0.1) | 0.4 | (0.9) | (0.8) |
| Short-term wholesale funding/total wholesale funding | 61.2 | 58.2 | 57.9 | 57.3 | 56.9 |

*Data as of June 30. N/A--Not applicable.

## Environmental, social, and governance

Environmental, social, and governance (ESG) factors for GCA are broadly in line with those of the industry and country peers. Social factors are important due to changing customer preferences and an increased regulatory focus on banks' business conduct, including how they treat customers. In our view, know-your-customer checks, anti-money-laundering controls, product design, and sales processes are particularly relevant given GCA's large franchise in asset-gathering, consumer finance and insurance, and cross-selling efforts. So far, the group has managed those risks well and avoided any sort of reputation risks there. Optimizing the size of a large physical branch network, while adapting to digital transition, entails social challenges for banks with a large workforce like GCA. The group's existing cost efficiency supports a smooth transformation over time, but the pandemic and low interest rates may force the group to accelerate its transformation. More recently, GCA implemented measures to help its customers deal with the pandemic's impact on their finances. The group demonstrated its entrenchment in the French economy with its support to professionals and nonfinancial entities with state-guaranteed loans, with a share of one-quarter of the loans, a €4.2 billion moratorium, and its decision to pay a €239 million one-off bonus to customers insured against business interruption.

Governance factors are important given the group's decentralized nature. Local cooperative banks are credit institutions whose equity capital is held by members who are also customers. These entrenched local roots support the group's focus on sustainability and its leading position within retail and small and midsize clients, but this decentralized structure may give local entities more power than what a fully owned subsidiary in a listed group may. To avoid governance risks, the group has over the past years reinforced cohesiveness within group members and unified its strategy.

Corporate banking business is by nature exposed to sectors that conceal some environmental risks, especially those related to energy transition, although less so than the larger corporate and investment houses. GCA's capabilities in sustainable finance are strong, with a leading position in placing green, social, and sustainability bonds. Its financing choices integrate restrictive policies on sectors with the greatest negative potential. One of its environmental challenges relates to the carbon footprint of its housing loans portfolio and its capacity to increase the amount of properties with efficient isolation features, giving it a prominent lender position in France.

### One-notch positive adjustment for ALAC support

We factor in one notch of uplift for ALAC support to the group SACP and, therefore, have a long-term ratings on CASA of 'A+', because we consider that GCA is likely to maintain additional ALAC above our 4.75% threshold.

In our ALAC assessment, we include all the existing capital instruments issued by CASA's and GCA's other banking subsidiaries, because we believe they have capacity to absorb losses without triggering a default on senior obligations.

We estimate that the group's ALAC was about 5.4% of S&P Global Ratings' RWAs at end-2019, and should remain above 5.5% in 2020 and 2021. Our projections incorporate the group's revised target for senior nonpreferred and tier 2 issues of €6 billion-€8 billion, which it released in its 2020 midyear results, an increase from the previous target of €5 billion-€6 billion.

We use a 4.75% threshold for GCA, rather than the usual 5.0%, because we qualitatively adjust for our assumption of the undercapitalization of GCA's insurance operations in respect of an 'A' stress, which increases our S&P Global Ratings' RWAs amount. Insurance activities would be outside the scope of required bail-in capitalization, in our view.

### Additional rating factors: None

No additional factors affect the ratings on CASA.

### Resolution Counterparty Ratings (RCR)

We have assigned RCRs to entities within the group, because we assess the resolution regime to be effective in France and the bank as likely to be subject to a resolution that entails a bail-in if it reaches nonviability. RCR is a forward-looking opinion of the relative default risk of certain senior liabilities that may be protected from default through an effective bail-in resolution process for the issuing financial institution. We position the long-term RCR up to one notch above the long-term issuer credit rating (ICR) when the ICR ranges from 'BBB-' to 'A+'.

### Subsidiaries

Our ratings on all the CRCAs, LCL, CA Consumer Finance, CACIB, and CACEIS are aligned with our group credit profile for GCA, reflecting our assessment of their core status within GCA. This is based, among other things, on their integration with GCA and their close alignment with group strategy. We believe that the latest medium-term plan reinforces the strategic focus on the cohesiveness of the group.

Our ratings on operating insurance subsidiaries Predica and Pacifica are one notch lower than those on CASA. We believe that any eventual resolution of GCA's insurance activities would be separate from that of the parent group, meaning that any outstanding ALAC instruments at GCA would not be available for the insurance operations. We still consider GCA's insurance activities to be core to the group. We rate Predica and Pacifica at the level of GCA's group SACP, that is, 'a'.

### Ratings on hybrid securities

In our credit analysis of senior nonpreferred notes issued by an entity we regard as a core group member, as is the case for CASA, we assess whether the cohesiveness and integration within the group is strong enough to accrue support to those instruments, such as the senior nonpreferred notes or subordinated notes issued by CASA. We then make the following negative adjustments to the ICR on the issuing entity:

- One notch, because senior nonpreferred notes are contractually subordinated. In line with our approach for rating senior nonpreferred notes in France or tier-3 instruments in some other countries, we deduct one notch when an instrument is subordinated to senior unsecured debt, even if it is not labeled subordinated.
- We remove the benefit of the ALAC notch, which, by nature, can only provide uplift to ratings on senior preferred instruments.

As such, we rate senior nonpreferred notes 'A-', two notches below the 'A+' long-term ICR on CASA, and one notch below the 'a' group SACP for GCA, consistent with our approach for other rated senior nonpreferred notes.

Our 'BBB-' and 'BBB+' ratings on CASA's Basel III-compliant additional tier 1 (AT1) instruments and tier 2 contingent convertible instruments stand five and three notches below our 'A+' issuer credit rating for CASA, respectively. We derive this gap as follows:

- One notch for subordination for both tier 1 and tier 2 instruments;
- Two notches for tier 1 regulatory capital status for the AT1 instruments;
- No notches for the tier 2 contingent capital instruments because they are nondeferrable; one notch for both AT1 and tier 2 instruments because they contain a contractual write-down clause; and
- We remove the benefit of the ALAC notch, which, by nature, can only provide uplift to ratings on senior preferred instruments.

We expect that the group's core equity tier 1 ratio will remain more than 700 bps above the consolidated group-level trigger of 7%, which we view as a going-concern trigger, over the next 24 months (group core equity tier 1 target of at least 16%, with a fully loaded ratio of 15.8% at end-June 2019). We therefore make no further downward adjustments to our ratings on the AT1.

**Chart 6**

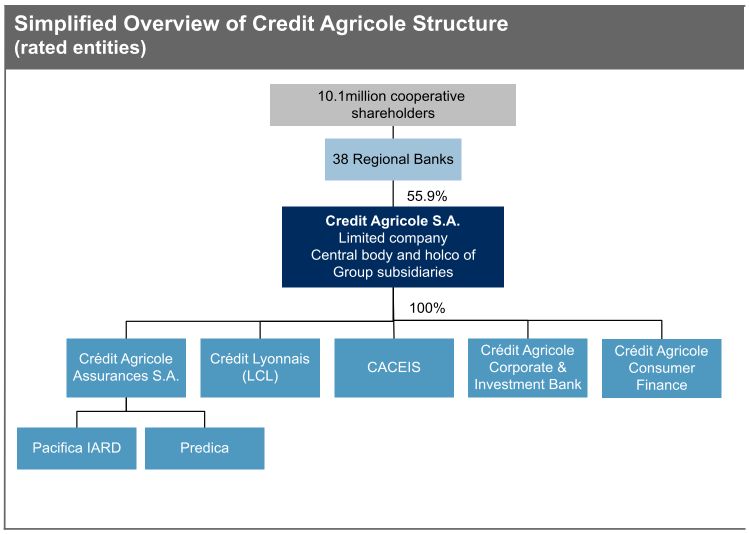
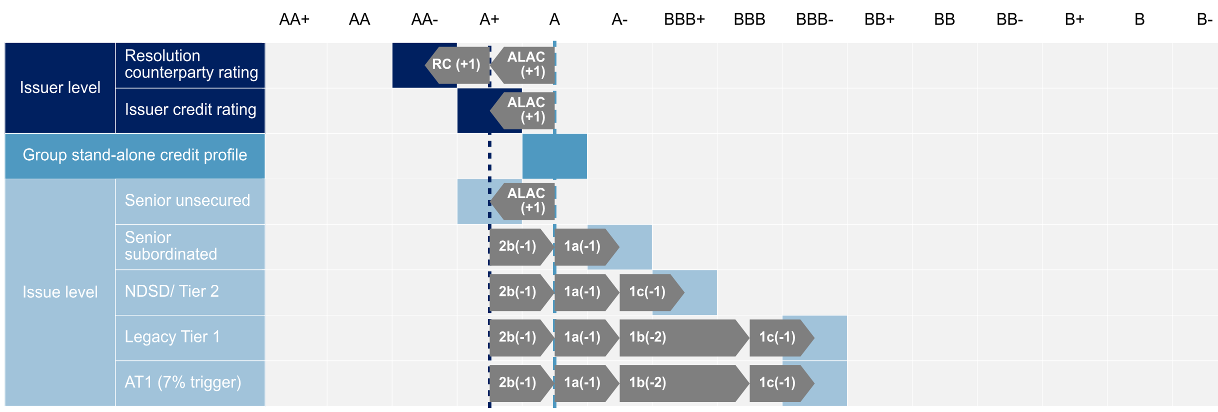


**Chart 7**

**Credit Agricole SA: Notching**




**Key to notching**

- - - Group stand-alone credit profile

- - - - Issuer credit rating

RC Resolution counterpartyliabilities (senior secured debt)

ALAC Additional loss-absorbing capacity buffer

1a Contractual subordination

1b Discretionary or mandatory nonpayment clause and whether the regulator classifies it as regulatory capital

1c Mandatory contingent capital clause or equivalent

2b Other nonpayment or default risk not captured already

Note: The number-letter labels in the table above are in reference to the notching steps we apply to hybrid capital instruments, as detailed in table 3 of our "Hybrid Capital: Methodology And Assumptions" criteria, published on July 1, 2019.
AT1--Additional Tier 1. NDSD--Non-deferrable subordinated debt.



## Related Criteria

- Principles Of Credit Ratings, Feb. 16, 2011
- Methodology For Assigning Financial Institution Resolution Counterparty Ratings, April 19, 2018
- Risk-Adjusted Capital Framework Methodology, July 20, 2017
- Bank Rating Methodology And Assumptions: Additional Loss-Absorbing Capacity, April 27, 2015
- Assessing Bank Branch Creditworthiness, Oct. 14, 2013
- Quantitative Metrics For Rating Banks Globally: Methodology And Assumptions, July 17, 2013
- Rating Methodology And Assumptions, Nov. 9, 2011
- Banking Industry Country Risk Assessment Methodology And Assumptions, Nov. 9, 2011
- Commercial Paper I: Banks, March 23, 2004
- Hybrid Capital: Methodology And Assumptions, July 1, 2019

- Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- Guarantee Criteria, Oct. 21, 2016
- Group Rating Methodology, July 1, 2019

## Related Research

- Banking Industry Country Risk Assessment: France, Aug. 26, 2020
- Domestic Credit Losses For French Banks Could More Than Double Amid COVID-19 Pandemic, July 10, 2020

**Anchor Matrix**

| Industry Risk | Economic Risk | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1 | 2 | **3** | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| 1 | a | a | a- | bbb+ | bbb+ | bbb | - | - | - | - |
| 2 | a | a- | a- | bbb+ | bbb | bbb | bbb- | - | - | - |
| **3** | a- | a- | **bbb+** | bbb+ | bbb | bbb- | bbb- | bb+ | - | - |
| 4 | bbb+ | bbb+ | bbb+ | bbb | bbb | bbb- | bb+ | bb | bb | - |
| 5 | bbb+ | bbb | bbb | bbb | bbb- | bbb- | bb+ | bb | bb- | b+ |
| 6 | bbb | bbb | bbb- | bbb- | bbb- | bb+ | bb | bb | bb- | b+ |
| 7 | - | bbb- | bbb- | bb+ | bb+ | bb | bb | bb- | b+ | b+ |
| 8 | - | - | bb+ | bb | bb | bb | bb- | bb- | b+ | b |
| 9 | - | - | - | bb | bb- | bb- | b+ | b+ | b+ | b |
| 10 | - | - | - | - | b+ | b+ | b+ | b | b | b- |

| Ratings Detail (As Of October 16, 2020)* | |
|---|---|
| **Credit Agricole S.A.** | |
| Issuer Credit Rating | A+/Negative/A-1 |
| Resolution Counterparty Rating | AA-/--/A-1+ |
| Junior Subordinated | BBB- |
| Senior Subordinated | A- |
| Senior Unsecured | A+ |
| Short-Term Debt | A-1 |
| Subordinated | BBB+ |
| **Issuer Credit Ratings History** | |
| 23-Apr-2020 | A+/Negative/A-1 |
| 19-Oct-2018 | A+/Stable/A-1 |
| 25-Oct-2017 | A/Positive/A-1 |
| 02-Dec-2015 | A/Stable/A-1 |
| **Sovereign Rating** | |
| France | AA/Stable/A-1+ |

| Ratings Detail (As Of October 16, 2020)*(cont.) | |
|---|---|
| **Related Entities** | |
| **CACEIS** | |
| Issuer Credit Rating | A+/Negative/A-1 |
| Resolution Counterparty Rating | AA-/--/A-1+ |
| **CA Consumer Finance** | |
| Issuer Credit Rating | A+/Negative/A-1 |
| Resolution Counterparty Rating | AA-/--/A-1+ |
| Commercial Paper | |
| *Local Currency* | A-1 |
| Senior Unsecured | A+ |
| **Caisse Regionale de Credit Agricole Mutuel Alpes Provence** | |
| Issuer Credit Rating | A+/Negative/A-1 |
| Resolution Counterparty Rating | AA-/--/A-1+ |
| Commercial Paper | |
| *Local Currency* | A-1 |
| Senior Unsecured | A+ |
| **Caisse Regionale de Credit Agricole Mutuel Alsace-Vosges** | |
| Issuer Credit Rating | A+/Negative/A-1 |
| Resolution Counterparty Rating | AA-/--/A-1+ |
| Commercial Paper | |
| *Local Currency* | A-1 |
| Senior Unsecured | A+ |
| **Caisse Regionale de Credit Agricole Mutuel Atlantique Vendee** | |
| Issuer Credit Rating | A+/Negative/A-1 |
| Resolution Counterparty Rating | AA-/--/A-1+ |
| Commercial Paper | |
| *Local Currency* | A-1 |
| Senior Unsecured | A+ |
| **Caisse Regionale de Credit Agricole Mutuel Brie Picardie** | |
| Issuer Credit Rating | A+/Negative/A-1 |
| Resolution Counterparty Rating | AA-/--/A-1+ |
| Commercial Paper | |
| *Local Currency* | A-1 |
| Senior Unsecured | A+ |
| **Caisse Regionale de Credit Agricole Mutuel Centre-Est** | |
| Issuer Credit Rating | A+/Negative/A-1 |
| Resolution Counterparty Rating | AA-/--/A-1+ |
| Commercial Paper | |
| *Local Currency* | A-1 |
| Senior Unsecured | A+ |
| **Caisse Regionale de Credit Agricole Mutuel Charente Perigord** | |
| Issuer Credit Rating | A+/Negative/A-1 |
| Resolution Counterparty Rating | AA-/--/A-1+ |

| Ratings Detail (As Of October 16, 2020)*(cont.) | |
|---|---|
| Commercial Paper | |
| *Local Currency* | A-1 |
| Senior Unsecured | A+ |
| **Caisse Regionale de Credit Agricole Mutuel d'Aquitaine** | |
| Issuer Credit Rating | A+/Negative/A-1 |
| Resolution Counterparty Rating | AA-/--/A-1+ |
| Commercial Paper | |
| *Local Currency* | A+/A-1 |
| Senior Unsecured | A+ |
| **Caisse Regionale de Credit Agricole Mutuel de Centre-France** | |
| Issuer Credit Rating | A+/Negative/A-1 |
| Resolution Counterparty Rating | AA-/--/A-1+ |
| Commercial Paper | |
| *Local Currency* | A-1 |
| Senior Unsecured | A+ |
| **Caisse Regionale de Credit Agricole Mutuel de Centre Loire** | |
| Issuer Credit Rating | A+/Negative/A-1 |
| Resolution Counterparty Rating | AA-/--/A-1+ |
| Commercial Paper | |
| *Local Currency* | A-1 |
| Senior Unsecured | A+ |
| **Caisse Regionale de Credit Agricole Mutuel de Champagne-Bourgogne** | |
| Issuer Credit Rating | A+/Negative/A-1 |
| Resolution Counterparty Rating | AA-/--/A-1+ |
| Commercial Paper | |
| *Local Currency* | A-1 |
| Senior Unsecured | A+ |
| **Caisse Regionale de Credit Agricole Mutuel de Charente-Maritime Deux Sevres** | |
| Issuer Credit Rating | A+/Negative/A-1 |
| Resolution Counterparty Rating | AA-/--/A-1+ |
| Commercial Paper | |
| *Local Currency* | A-1 |
| Senior Unsecured | A+ |
| **Caisse Regionale de Credit Agricole Mutuel de Franche-Comte** | |
| Issuer Credit Rating | A+/Negative/A-1 |
| Resolution Counterparty Rating | AA-/--/A-1+ |
| Certificate Of Deposit | |
| *Foreign Currency* | A-1 |
| Commercial Paper | |
| *Local Currency* | A-1 |
| Senior Unsecured | A+ |
| Subordinated | BBB+ |

| Ratings Detail (As Of October 16, 2020)*(cont.) | |
|---|---|
| **Caisse Regionale de Credit Agricole Mutuel de la Guadeloupe** | |
| Issuer Credit Rating | A+/Negative/A-1 |
| Resolution Counterparty Rating | AA-/--/A-1+ |
| Commercial Paper | |
| *Local Currency* | A-1 |
| Senior Unsecured | A+ |
| **Caisse Regionale de Credit Agricole Mutuel de la Martinique-Guyane** | |
| Issuer Credit Rating | A+/Negative/A-1 |
| Resolution Counterparty Rating | AA-/--/A-1+ |
| Commercial Paper | |
| *Local Currency* | A-1 |
| Senior Unsecured | A+ |
| **Caisse Regionale de Credit Agricole Mutuel de l'Anjou et du Maine** | |
| Issuer Credit Rating | A+/Negative/A-1 |
| Resolution Counterparty Rating | AA-/--/A-1+ |
| Commercial Paper | |
| *Local Currency* | A-1 |
| Senior Unsecured | A+ |
| **Caisse Regionale de Credit Agricole Mutuel de la Reunion** | |
| Issuer Credit Rating | A+/Negative/A-1 |
| Resolution Counterparty Rating | AA-/--/A-1+ |
| Commercial Paper | |
| *Local Currency* | A-1 |
| Senior Unsecured | A+ |
| **Caisse Regionale de Credit Agricole Mutuel de la Touraine et du Poitou** | |
| Issuer Credit Rating | A+/Negative/A-1 |
| Resolution Counterparty Rating | AA-/--/A-1+ |
| Commercial Paper | |
| *Local Currency* | A-1 |
| Senior Unsecured | A+ |
| **Caisse Regionale de Credit Agricole Mutuel de Loire-Haute Loire** | |
| Issuer Credit Rating | A+/Negative/A-1 |
| Resolution Counterparty Rating | AA-/--/A-1+ |
| Commercial Paper | |
| *Local Currency* | A-1 |
| Senior Unsecured | A+ |
| **Caisse Regionale de Credit Agricole Mutuel de Lorraine** | |
| Issuer Credit Rating | A+/Negative/A-1 |
| Resolution Counterparty Rating | AA-/--/A-1+ |
| Commercial Paper | |
| *Local Currency* | A-1 |
| Senior Unsecured | A+ |
| **Caisse Regionale de Credit Agricole Mutuel de Normandie-Seine** | |
| Issuer Credit Rating | A+/Negative/A-1 |

| Ratings Detail (As Of October 16, 2020)*(cont.) | |
|---|---|
| Resolution Counterparty Rating | AA-/--/A-1+ |
| Commercial Paper | |
| *Local Currency* | A-1 |
| Senior Unsecured | A+ |
| **Caisse Regionale de Credit Agricole Mutuel des Cotes D'Armor** | |
| Issuer Credit Rating | A+/Negative/A-1 |
| Resolution Counterparty Rating | AA-/--/A-1+ |
| Commercial Paper | |
| *Local Currency* | A-1 |
| Senior Unsecured | A+ |
| **Caisse Regionale de Credit Agricole Mutuel des Savoie** | |
| Issuer Credit Rating | A+/Negative/A-1 |
| Resolution Counterparty Rating | AA-/--/A-1+ |
| Commercial Paper | |
| *Local Currency* | A-1 |
| Senior Unsecured | A+ |
| Subordinated | BBB+ |
| **Caisse Regionale de Credit Agricole Mutuel d'Ille et Vilaine** | |
| Issuer Credit Rating | A+/Negative/A-1 |
| Resolution Counterparty Rating | AA-/--/A-1+ |
| Commercial Paper | |
| *Local Currency* | A-1 |
| Senior Unsecured | A+ |
| **Caisse Regionale de Credit Agricole Mutuel du Centre Ouest** | |
| Issuer Credit Rating | A+/Negative/A-1 |
| Resolution Counterparty Rating | AA-/--/A-1+ |
| Certificate Of Deposit | |
| *Local Currency* | A-1 |
| Senior Unsecured | A+ |
| Subordinated | BBB+ |
| **Caisse Regionale de Credit Agricole Mutuel du Finistere** | |
| Issuer Credit Rating | A+/Negative/A-1 |
| Resolution Counterparty Rating | AA-/--/A-1+ |
| Commercial Paper | |
| *Local Currency* | A-1 |
| Senior Unsecured | A+ |
| **Caisse Regionale de Credit Agricole Mutuel du Languedoc** | |
| Issuer Credit Rating | A+/Negative/A-1 |
| Resolution Counterparty Rating | AA-/--/A-1+ |
| Commercial Paper | |
| *Local Currency* | A-1 |
| Senior Unsecured | A+ |
| **Caisse Regionale de Credit Agricole Mutuel du Morbihan** | |
| Issuer Credit Rating | A+/Negative/A-1 |

| Ratings Detail (As Of October 16, 2020)*(cont.) | |
|---|---|
| Resolution Counterparty Rating | AA-/--/A-1+ |
| Commercial Paper | |
| *Local Currency* | A-1 |
| Senior Unsecured | A+ |
| **Caisse Regionale de Credit Agricole Mutuel du Nord-Est** | |
| Issuer Credit Rating | A+/Negative/A-1 |
| Resolution Counterparty Rating | AA-/--/A-1+ |
| Commercial Paper | |
| *Local Currency* | A-1 |
| Senior Unsecured | A+ |
| Subordinated | BBB+ |
| **Caisse Regionale de Credit Agricole Mutuel Nord de France** | |
| Issuer Credit Rating | A+/Negative/A-1 |
| Resolution Counterparty Rating | AA-/--/A-1+ |
| Commercial Paper | |
| *Local Currency* | A-1 |
| Senior Unsecured | A+ |
| Subordinated | BBB+ |
| **Caisse Regionale de Credit Agricole Mutuel Nord Midi-Pyrenees** | |
| Issuer Credit Rating | A+/Negative/A-1 |
| Resolution Counterparty Rating | AA-/--/A-1+ |
| Commercial Paper | |
| *Local Currency* | A-1 |
| Senior Unsecured | A+ |
| **Caisse Regionale de Credit Agricole Mutuel Normandie** | |
| Issuer Credit Rating | A+/Negative/A-1 |
| Resolution Counterparty Rating | AA-/--/A-1+ |
| Commercial Paper | |
| *Local Currency* | A-1 |
| Senior Unsecured | A+ |
| **Caisse Regionale de Credit Agricole Mutuel Paris Ile-de-France** | |
| Issuer Credit Rating | A+/Negative/A-1 |
| Resolution Counterparty Rating | AA-/--/A-1+ |
| Commercial Paper | |
| *Local Currency* | A-1 |
| Senior Unsecured | A+ |
| **Caisse Regionale de Credit Agricole Mutuel Provence Cote d'Azur** | |
| Issuer Credit Rating | A+/Negative/A-1 |
| Resolution Counterparty Rating | AA-/--/A-1+ |
| Commercial Paper | |
| *Local Currency* | A-1 |
| Senior Unsecured | A+ |
| **Caisse Regionale de Credit Agricole Mutuel Pyrenees-Gascogne** | |
| Issuer Credit Rating | A+/Negative/A-1 |

| Ratings Detail (As Of October 16, 2020)*(cont.) | |
|---|---|
| Resolution Counterparty Rating | AA-/--/A-1+ |
| Commercial Paper | |
| *Local Currency* | A-1 |
| Senior Unsecured | A+ |
| Subordinated | BBB+ |
| **Caisse Regionale de Credit Agricole Mutuel Sud-Mediterranee** | |
| Issuer Credit Rating | A+/Negative/A-1 |
| Resolution Counterparty Rating | AA-/--/A-1+ |
| Commercial Paper | |
| *Local Currency* | A-1 |
| Senior Unsecured | A+ |
| **Caisse Regionale de Credit Agricole Mutuel Sud Rhone-Alpes** | |
| Issuer Credit Rating | A+/Negative/A-1 |
| Resolution Counterparty Rating | AA-/--/A-1+ |
| Commercial Paper | |
| *Local Currency* | A-1 |
| Senior Unsecured | A+ |
| **Caisse Regionale de Credit Agricole Mutuel Toulouse 31** | |
| Issuer Credit Rating | A+/Negative/A-1 |
| Resolution Counterparty Rating | AA-/--/A-1+ |
| Commercial Paper | |
| *Local Currency* | A-1 |
| Senior Unsecured | A+ |
| **Caisse Regionale de Credit Agricole Mutuel Val de France** | |
| Issuer Credit Rating | A+/Negative/A-1 |
| Resolution Counterparty Rating | AA-/--/A-1+ |
| Commercial Paper | |
| *Local Currency* | A-1 |
| Senior Unsecured | A+ |
| **Credit Agricole Assurances** | |
| Issuer Credit Rating | A-/Stable/-- |
| Subordinated | BBB |
| **Credit Agricole Corporate and Investment Bank** | |
| Issuer Credit Rating | A+/Negative/A-1 |
| Resolution Counterparty Rating | AA-/--/A-1+ |
| Commercial Paper | |
| *Foreign Currency* | A-1 |
| *Local Currency* | A+/A-1 |
| Senior Unsecured | A+ |
| Short-Term Debt | A-1 |
| Subordinated | BBB+ |
| **Credit Agricole Corporate And Investment Bank (New York Branch)** | |
| Issuer Credit Rating | A+/Negative/A-1 |
| Resolution Counterparty Rating | AA-/--/A-1+ |

| Ratings Detail (As Of October 16, 2020)*(cont.) | |
|---|---|
| Commercial Paper | |
| *Local Currency* | A-1 |
| **Credit Agricole Home Loan SFH** | |
| Senior Secured | AAA/Stable |
| **Credit Agricole Public Sector SCF** | |
| Senior Secured | AAA/Stable |
| **Credit Agricole S.A. (London Branch)** | |
| Junior Subordinated | BBB- |
| Senior Subordinated | A- |
| Senior Unsecured | A+ |
| Short-Term Debt | A-1 |
| Subordinated | BBB+ |
| **Credit Lyonnais** | |
| Issuer Credit Rating | A+/Negative/A-1 |
| Resolution Counterparty Rating | AA-/--/A-1+ |
| Commercial Paper | |
| *Local Currency* | A-1 |
| Senior Unsecured | A+ |
| **FCA Bank SpA** | |
| Issuer Credit Rating | BBB/Negative/A-2 |
| Senior Unsecured | BBB |
| Short-Term Debt | A-2 |
| **FCA BANK S.P.A.** | |
| Senior Unsecured | BBB |
| Short-Term Debt | A-2 |
| **Pacifica IARD** | |
| Financial Strength Rating | |
| *Local Currency* | A/Stable/-- |
| Issuer Credit Rating | |
| *Local Currency* | A/Stable/-- |
| **Predica** | |
| Financial Strength Rating | |
| *Local Currency* | A/Stable/-- |
| Issuer Credit Rating | |
| *Local Currency* | A/Stable/-- |

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.

# Appendix: Rating History of Crédit Agricole S.A. by S&P Global (China) Ratings

## Issuer Credit Ratings

| Rating Type | Ratings | Outlook | Rating Date | Analysts | Related Reports |
|---|---|---|---|---|---|
| Initial Rating | $AAA_{spc}$ | Stable | 2021-03-09 | Yifu Wang, Zheng Li, Longtai Chen | Current report. |

Note: these ratings are conducted based on S&P Global (China) Ratings -Panda Bond Methodology, and no quantitative model is used.