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## CRÉDIT AGRICOLE S.A. UNWINDS 35% OF THE “SWITCH” GUARANTEE MECHANISM

On 2 March 2020, Crédit Agricole S.A. will unwind<sup>[1]</sup>35% of the “Switch” guarantee mechanism implemented between the Regional Banks and Crédit Agricole S.A, less than a year after the disclosure of its Medium Term Plan, in which it committed to unwind half of this guarantee by 2022.

The “Switch” guarantee mechanism corresponds to a transfer to the Regional Banks of a share of the regulatory requirements that apply to Crédit Agricole S.A. for its insurance activities in return for a fixed remuneration.

The partial unwinding of this intragroup transaction is a new step towards the simplification of the solvency structure of Crédit Agricole S.A. It strengthens the net income generation capacity of Crédit Agricole S.A., with an accretive impact on the net income Group share of 58 million euros in 2020 and roughly 70 million euros in full year.

The impact of this transaction on the CET1 ratio of Crédit Agricole S.A. will be approximately -40 basis points from 31 March 2020. Crédit Agricole confirms its 11% CET1 target set out in the Medium Term Plan for Crédit Agricole S.A., a level that compares favourably with the 8.7% SREP requirement. Crédit Agricole S.A., as the central body of Crédit Agricole Group, also benefits fully from the legal internal financial solidarity mechanism.

This transaction will have no impact on the results nor on the solvency ratios of Crédit Agricole Group.

[1]The transaction is subject to the audit of the absence of decrease of the equity-accounted value of insurance during the second semester 2019, this will be performed in the disclosure of the 2019 financial statements.