



PRESS
RELEASE

Montrouge, December 17, 2019

GOODWILL IMPAIRMENT CHARGE OF ABOUT €600 MILLION RECOGNISED AGAINST LCL, NO
IMPACT ON SOLVENCY RATIOS OR THE DIVIDEND

Crédit Agricole S.A.'s Board of Directors decided today to book an impairment charge against the goodwill recognised on LCL for about €600 million. This impairment charge, not deductible, will be booked in the consolidated financial statements in the fourth quarter 2019 and will have a direct impact on the net income Group share.

This impairment loss will not affect the solvency of Crédit Agricole S.A. and Crédit Agricole Group as the goodwill is already fully deducted in the regulatory capital. It will not either impact their liquidity.

This impairment loss will be recognised as a specific item and thus will not affect the underlying net income of Crédit Agricole S.A. or Crédit Agricole Group, nor the tangible net book value. It will not alter Crédit Agricole S.A.'s dividend policy.

Though not affecting the financials of Crédit Agricole Group as a whole, the current macro-economic and financial environment in which LCL operates has impacted LCL's value, leading to the recognition of an impairment on the goodwill booked in Crédit Agricole S.A.'s financial statements(1). However, LCL's activity remains dynamic with a net acquisition of +49,000 customers over the nine first months of 2019 and a good level of growth in outstandings and customers equipment.

Crédit Agricole S.A. still commits to the prudent financial targets set for LCL for full year 2022 in the frame of the Medium Term Plan disclosed in June 2019:

- Cost to income ratio excluding Single Resolution Fund 2022 < 66%
- RONE 2022 > 12.5%

Crédit Agricole S.A. still commits as well to its own targets for full year 2022:

- Net income Group share 2022 > €5 billion;
- Cost to income ratio, excluding Single Resolution Fund 2022 < 60% ;
- ROTE 2022 > 11 % ;
- CET1 until end-2022 at 11% for Crédit Agricole S.A. (after partial unwinding of the Switch mechanism for 50%) and > 16% at end-2022 for Crédit Agricole Group.

Results for the fourth quarter and full year 2019 will be published on 14 February 2020, financial documents will be available on the website <https://www.credit-agricole.com/en/finance/finance/financial-publications> at 7 a.m. Paris time.

(1) In preparing its consolidated financial statements, Crédit Agricole S.A. performed the usual annual tests to measure the fair value of goodwill carried on its balance sheet. In accordance with IFRS, these tests are based on a comparison between the carrying amount of the goodwill and its value in use. Value in use is calculated on the basis of discounted future cash flows.