NEWSLETTER
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Crédit Agricole Group European Works Council

Medium Term Plan: Latest Progress Report?

Dear Colleagues,

On the eve of a new Medium-Term Plan, we would like to take advantage of this Newsletter to provide an update on the current developments in our Group and its business lines.

Targets have been attained overall for our main indicators of business activity, solvency, risk and income. However, current low interest rates are a burden on revenues, mainly in the Retail Banking division.

Revenue and cost synergies are in line with the plan. Investments in the IT, digital and multi - channel domains are not yet quantified but have indeed been made.

Ahead of us, regulatory changes (final agreement on Basel III) and the expected rise in interest rates (and possibly risk) will also be markers of the Group's strategy.

The past two years have seen Crédit Agricole strengthening Retail Banking business lines in Italy, of AMUNDI through the acquisition of Pioneer, International Private Banking, and Asset - Servicing with 100% control of CACEIS.

These investments aim to develop our client base and foster synergies with the Group's main business lines.

However, these successes should not obscure the social difficulties generated by these changes. Our leadership team must take these difficulties into account and recognise the commitment of all employees who, on a daily basis are making every effort to successfully transform our Group.

On a final note, I would like to share with you the need to secure a positive future for the common good of a more socially - oriented Europe.

Pascal Fesquet
Secretary of the European Works Council
Crédit Agricole Group

Retail Banking

Within the European Union (excluding France), Italy and Poland are the two countries where the Full Service Retail Banking strategy has been wholly implemented. This strategy is fuelled by the synergy - derived revenues from all of the Group's business lines.

REGIONAL BANKS

Over the first half of 2018, credit and savings activities were at very high levels, following on from an already very dynamic year 2017. Despite the growth seen in these activities, the Regional Banks (Caisses) have seen a decline in income explained by several factors :

- A deliberate desire to favour market share over margins (NBI down 1%),
- An increase in operating expenses related to the current investment burden,
- A slight increase in the cost of risk.

Regional Banks have therefore seen a decrease in net income between S1 2018 and S1 2017.

The high level of activity has been achieved at constant staffing levels, in a context of in-depth transformation of the bank's model to multichannel distribution, generating difficult working conditions.

LCL

Over the first half of 2018, lending and collection activities maintained dynamic momentum albeit with less growth than in 2017.

Despite the growth seen in these activities, the decline in intermediation margin has led to a decrease in income with cost of risk still at historically low levels.

This level of activity has been achieved against the contextual backdrop of a 5% decrease per year in workforce between the end of 2015 and the end of 2017.

This situation has resulted in a relentless intensification in LCL employees' workload and a deterioration in their working conditions, an issue we had already raised last year.

Retail Banking

CRÉDIT AGRICOLE ITALY

Italy has entered a phase of growth with the acquisition of three Savings Banks : CARICESENA, CARIM and CARISMI.

This has enabled CA Italia to :

- Achieve its customer base target of 2 million, in line with the MTP,
- Significantly increase loans outstanding and on - balance sheet deposits with its market share reaching 3.8% reflecting a 1-point gain,
- Surpass the milestone of 1,000 outlets, including 220 in Tuscany and Emilia - Romagna,
- Reach the threshold of 10,000 employees, with the addition of 2,000 new employees.

In 2018, CA Assurances forged a partnership with Italian bank CREVAL, taking a 5% equity stake in the bank and acquiring its insurance company (Global Assicurazioni). This bank has a network of 363 branches located mainly in the Lombardy region.

The purpose of this partnership is to develop distribution of the Group's insurance products with the aim of achieving critical mass.

New partnership opportunities could well open up in other of the Group's business lines.

Similar to France, retail networks in Italy are both dynamic and faced with lower interest rate margins, which at the same time improves their cost of risk.

For central functions, the expansion of the head office in Parma, "Cavagnari" has now been completed in accordance with "Green Life" standards.

From a social viewpoint, the trade union organisations have signed an agreement that provides for :

- **early retirement of 200 employees,**
- **hiring of 50 employees in sales positions,**
- **150 temporary staff given employee status.**

CRÉDIT AGRICOLE POLSKA

At the time of our writing this update, the Group hopes to finalise development of all business lines in Poland. Drivers for growth are well identified and require a strong customer base. Beyond consumer credit and leasing, potential for growth exists in bancassurance services, especially in light of the market's continued expansion supported by the country's economic growth.

The Group's management team has conducted an audit.

The European Council calls for transparency and better visibility on the resulting strategy implemented.

RETAIL BANKING WORKFORCE

FTE : Full Time Equivalent

Regional Banks	71,380 employees at year - end 2017
LCL	17,585 employees (FTEs) at year - end 2017
Switzerland	197 employees (FTEs) at year - end 2017
Ukraine	2,275 employees (FTEs) 30 / 06 / 2018
Italy	9,728 employees (FTEs) 30 / 06 / 2018
Serbia	874 employees (FTEs) 30 / 06 / 2018
Poland	4,194 employees (FTEs) 30 / 06 / 2018
Egypt	2,365 employees (FTEs) 30 / 06 / 2018
Romania	274 employees (FTEs) 30 / 06 / 2018
Morocco	2,477 employees (FTEs) 30 / 06 / 2018
Spain	245 employees at year - end 2017

SFS / CACF (Consumer Credit)

While having found favour with the Group, this business line is also undergoing a certain amount of reorganisation with an impact on employment, depending on the country.

CACF is structured around three different business models :

- The 1st model organises its own distribution based on well - identified and recognised brands in each country: Sofinco (France), Agos (Italy) CreditPlus (Germany) Credibom (Portugal) and Findio (The Netherlands).
- The 2nd operates with our retail banking networks in France, Italy and Poland ... It's a model where the Group enjoys strong synergies.
- The 3rd operates joint ventures with car manufacturers or retail banking partners. The most recent partnership was signed with BANKIA (4th largest Spanish bank) to distribute consumer credit products to all their customers.

Access to consumer credit is promoted by the European Central Bank's current policy which offers abundant liquidity.

The European Council is very attentive to social policies in these business lines where trade - offs in activity are often to the detriment of employment.

SFS / CAL&F :

Leasing and factoring are the two main business lines. For leasing, the primary market is Regional Banks, followed by EFL in Poland which continues to benefit from favourable tax conditions. For factoring, the Group is particularly reliant on the launch of "Cash in Time" (facilitated access to short - term financing) which meets a demand in the small business market. CAL & F activities are mainly undertaken through the local retail banking networks in France. The entity has a presence in the leasing segment in Poland, in the factoring segment in Germany and is in the process of development in Italy. These activities are generating growth in the workforce in Europe.

Crédit Agricole Assurances

With the French borrower insurance market opening up in the first half of 2018, Crédit Agricole has for the present managed to hold on to its market share. Across all of the Crédit Agricole Assurances business lines, the MTP objectives are in the process of being met. The biggest momentum can be seen in borrower insurance and property/casualty insurance (increase in ownership rates). The life insurance market is driven by inflows of unit - linked insurance sales. The latest acquisition and partnership operations in Italy have made it possible to significantly enhance the Group's positions. These activities are generating growth in the European workforce.

Amundi

The Amundi - Pioneer integration process is nearing completion. The Amundi - Pioneer merger primarily impacts France, the United States, Ireland, Italy, the United Kingdom, Austria, Germany and Luxembourg. The effective implementation of the merger has been successful in achieving most of the planned objectives and notably those of the partnership with UniCrédit, in a very favourable market context. At the end of the first half of 2018, of the 600 job cuts planned, around 400 have been made.

In the countries where trade union organisations are present, they have been able to negotiate agreements on managing job-cut departures.

In countries where there is no existing mechanism for social dialogue, the European Works Council has obtained an improvement to Management's proposals on severance pay-outs and the social package.

In addition, the Council has asked Management to provide :

- **Training support and assistance,**
- **Specific measures in the opportunities for mobility process,**
- **A redeployment scheme.**

Despite the economic success reported, the transitional phase involves operational risks and excessive workloads that should not be underestimated.

Private Banking / Indosuez Wealth Management

The MTP provided for the possibility of external growth operations in order to achieve critical mass in some countries.

With this in mind, several operations have been undertaken :

- Acquisition of the Leonardo Bank in Italy,
- Takeover of the CIC Private Banking portfolio in Hong Kong and Singapore,
- Acquisition of Deutsche Bank clients in Spain,
- Takeover of a portfolio of HSBC private banking clients in Monaco.

Possible opportunities for external growth continue to be of current interest and relevance.

Corporate Clients Division (CACIB & CACEIS)

In 2018, the objectives of the MTP were achieved for the Corporate Clients Division.

In the coming years, the development of CACIB will depend on greater investment in new technologies but it will also be necessary to invest in human capital. At the same time, new regulations and the final framework for Basel III will have specific consequences on the level of equity capital. The next MTP will allow CACIB to consolidate its position as a major player while incorporating these constraints.

Despite current low interest rates, CACEIS continues to benefit from good commercial momentum and conditions remain conducive to a policy of development and investment for its operational establishments in Europe. Revenue-related synergies are still predominantly made thanks to CACIB. Crédit Agricole currently holds 100% of the capital of CACEIS, opening up new developmental prospects.

Members' list of Crédit Agricole's European Employee Council (as of Oct 2018)

Austria

Bernhard GREIFENEDER	Regular Member
Karin PASEKA	Substitute Member

Belgium

Aurore VERSELE	Regular Member
Current designation	Substitute Member

Czech Republic

Zuzana MULLEROVA	Regular Member
Marie STASTNOVA	Substitute Member

France

Pascal FESQUET	Secretary General, Select Committee Member
Cédric MOUTIER	Deputy Secretary General, Select Committee Member
Michaël GAUJOUR	Select Committee Member
Philippe POIREL	Select Committee Member
Odile BAUDET—COLLINET	Regular Member, Treasurer
Eric ALEXIS	Regular Member
Christine FOURNIER	Regular Member
Laurence BIELKIN	Substitute Member
Peggy THEISS	Substitute Member
Benjamin COQBLIN	Substitute Member
Benoit POMAS	Substitute Member
Philippe RELIN	Substitute Member
Fabien REINERT	Substitute Member
Sylvain COUFFRANT	Substitute Member

Germany

Ralf LUCANTONI	Regular Member
Marianne MUNDORFF	Substitute Member

Ireland

Current designation	Regular Member
Guillaume VAN AELST	Substitute Member

Italy

Franco CAPPELLINI	Select Committee Member
Leonello BOSCHIROLI	Select Committee Member
Lucia CASTAGNETTI	Substitute Member
Matteo SALSI	Substitute Member

Luxembourg

Dominique MENDES	Select Committee Member
Olivier BOLLE	Substitute Member

Netherlands

Ashley KEMBEL	Regular Member
Aleksandra ACIC PETRANOVIC	Substitute Member

Poland

Katarzyna LUCZYNSKA	Select Committee Member
Aneta BILSKA	Regular Member
Szymon KAZIMIERSKI	Substitute Member
Adam SZYGENDA	Substitute Member

Portugal

Eduardo REGO	Regular Member
Maria Manuela SOARES	Substitute Member

Romania

Silviu PETRESCU	Regular Member
Catalin GEORGESCU	Substitute Member

Spain

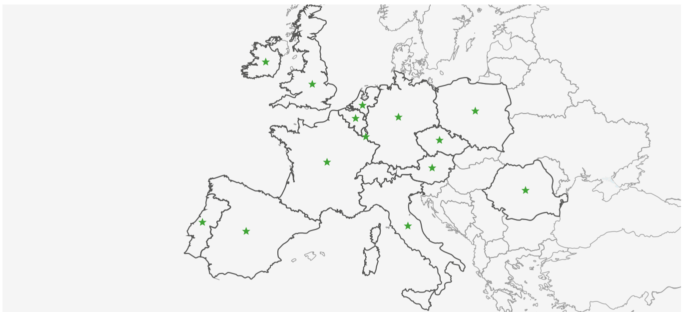
Maria OSTOLAZA	Select Committee Member
César GARCIA	Substitute Member

UK

Julian TAMS	Regular Member
Benjamin BOUCHET	Substitute Member

Cédric MOUTIER
Deputy Secretary General

Delegation members



Locations

Austria, Germany, Belgium, Czech Republic, Spain, France, Ireland, Italy, Luxembourg, Netherlands, Poland, Portugal, Romania, United Kingdom.