

Crédit Agricole Brie Picardie: a bank committed to the development of its territory with resilient business results

2019 Results *

- Strong increase in customer deposits : + 2.1 billion euros in 2019 (+ 7.8%)
- Consolidated shareholders' equity exceeds 4 billion euros (+ 34% in 4 years), confirming financial soundness
- Very low cost of risk due to a prudent lending policy

Commercial development

In 2019, Crédit Agricole Brie Picardie's (thereafter "the Caisse Régionale") customer deposits increased by 2.1 billion euros to 29.2 billion euros. Balance sheet deposits, which finance the local economy, increased by 1.5 billion euros over one year (i.e. + 9.0% compared to 2018) and reached 18.5 billion euros at end of 2019. Off-balance sheet deposits increased by 5.8% in 2019. Available since December 1, 2019, we can note the great dynamic of subscription to the new Retirement Savings Plan (PER) created within the framework of the Pacte law which has met great success with our customers.

At the same time, the Caisse Régionale made 4.3 billion euros in new medium and long-term financing for client projects. The goal to diversify the Caisse Régionale's outstanding credits is reflected in the good momentum of loans to Farmers, Professionals, Companies and Municipalities (1.5 billion euros), i.e. an increase in new loans of 15.0% in 2019. New home loans are maintained at a high level, with 2.4 billion euros (- 23.3% in 2019).

With a 34.8% market share of outstanding market loans at the end of September 2019 **, Crédit Agricole Brie Picardie confirms its leadership position in its territory. The Caisse Régionale's outstanding loans reached 24.3 billion euros at the end of 2019, an increase of 4.5% over the year; outstanding home loans reached 17.0 billion euros (+ 3.0% over the year).

Amounts outstanding (in billion euros)	December 2018	December 2019	Change in %
Deposits	27,1	29,2	+ 7,8 %
Credits	23,2	24,3	+ 4,5 %

The P&C insurance business continued to grow with a portfolio of more than 650,000 contracts, mainly driven by the growth in the individual market (including home and car). The stock of bank cards issued by the Caisse Régionale reached over 670,000 cards at the end of 2019, representing annual growth of 2.3%.

In 2019, the Caisse Régionale welcomed more than 50,000 new customers. A growing share of new customers was recommended by other customers. The simple and non-binding "EKO" offer, defined as "a card, an app, a branch" has also attracted new customers. The Caisse Régionale has nearly 1.1 million customers, of which more than 384,000 are also members (+ 7.4% over the year), a testimony to its cooperative model, close to the territory and its players. The " J'aime mon territoire!" operation enabled the bank member customers to vote for associations and entrepreneurial projects and to support 9 projects.

Financial results

In 2019, Net Banking Income reached 595.8 million euros, up 2.4% compared to the previous year, despite a low interest rate environment unfavorable to retail banking. The underlying NBI, excluding the home savings provision, restated for non-recurring transactions, remained stable.

¹ « I love my county »

Operating expenses are up 2.5%, following continuous investment in human capital (recruitment and training), digital (launch of a more fluid, more ergonomic and more efficient website; launch of the new free SécuriPass service present in the "MaBanque" app) and real estate (creation of the Village By CA in Val d'Europe) strengthen the expertise of employees and the local presence. Gross operating income rose 2.2% to 261.5 million euros. As of December 31, 2019, the cost income ratio remained stable at 56.1% (vs 56.0% in 2018).

The cost of risk remains perfectly controlled at 8.1 million euros in 2019 (vs. 10.1 million euros in 2018). The default rate continues to improve (EAD Default / EAD), to 1.21% (compared to 1.30% as of December 31, 2018), for a global exposure of the Caisse Régionale (EAD) of 26.2 billion euros. The Caisse Régionale thus maintains a default rate much lower than the French market.

Corporate tax increased by 22.0 million euros, mainly due to a significant increase in taxable income.

In total, net profit amounted to 173.1 million euros, a decrease of 7.9 M€, after an increase of 9.1 M€ the previous year.

Individual basis (French GAAP) (in million euros)	December 2018	December 2019	Change
Net banking income	581,9	595,8	+ 2,4 %
Net operating expenses	326,0	334,3	+ 2,5 %
Gross operating income	255,9	261,5	+ 2,2 %
Net profit	180,9	173,1	- 4,4 %
Consolidated basis (IFRS) (in millions euros)	December 2018	December 2019	Change
Net banking income	590,9	594,4	+ 0,6 %
Net operating expenses	326,5	333,9	+ 6,5 %
Gross operating income	264,3	260,5	- 1,4 %
Net profit	189,6	179,4	- 5,4 %

On a consolidated basis, 2019 net income under international standards (IFRS) totaled 179.4 million euros, down 5.4%.

Shareholders' equity reached nearly 4.1 billion euros at the end of 2019 (compared to € 3.0 billion at the end of 2015), for a total consolidated balance sheet of nearly 31.6 billion euros. Debts owed to credit institutions (essentially Crédit Agricole S.A. in respect of internal refinancing rules within the Group) and to customers represent respectively 61.5% and 29.1% of all debts. The balance mainly corresponds to the outstanding negotiable certificates of deposit issued by the Caisse Régionale as part of its issuance program up to 2 billion euros, rated A-1 short term and A+ long term by Standard and Poor's.

The Caisse Régionale maintains high levels of solvency and liquidity at the end of December 2019 : the CRD ratio is estimated above 19% for a minimum of 10.7% and the Liquidity Coverage Ratio stands at 114.8%, for a minimum set at 100%.

Outlook

These results enable the Caisse Régionale to continue to consolidate its financial structure and invest to serve its territory, while paying the member shares and CCA / CCI (Cooperative Certificates of Associates and Cooperative Investment Certificates) at attractive levels. The Board of Directors will therefore propose to the Shareholders' Meeting on March 25, to pay interest on the member shares of 1.80% for the 2019 financial year, as well as a remuneration of 1.15 euros per CCI and CCA. This compensation represents a return of 3.76% on the price of the CCI of 30.60 euros on December 31, 2019 and a payout ratio of 36.8% on the share of the net social income corresponding to the weight of the CCIs and CCAs in the social capital of the Caisse Régionale. The ratio of market valuation to the share of 2019 result allocated to the CCIs stands at 9.8. Net assets per share at December 31, 2019 were € 56.14, up 5.0%.

In addition, as part of the authorization voted by the Shareholders' Meeting of March 26, 2019, the Caisse Régionale is continuing its program to buy back CCI within the limit of 300,000 shares, for a maximum price not exceeding the ceiling set by the Shareholders' Meeting (ie 32 € per share). As of December 31, 2019, 81,525 shares had been acquired in this context and are intended to be entirely canceled. The Board of Directors will propose to the Shareholders' Meeting on March 25, 2020 to raise the buyback ceiling to 56 euros.

* Individual and consolidated financial statements as of December 31, 2019 adopted by the Board of Directors on January 28, 2020 - Certification in progress by the External Auditors

** Latest available data

Find all the regulated information published by the Caisse Régionale in application of the provisions of Article L. 451-1-2 of the French Monetary and Financial Code and articles 222-1 et seq. of the General Regulations of the Autorité des Marchés Financiers on the website www.ca-brie-picardie.fr.

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About Crédit Agricole Brie Picardie

Crédit Agricole Brie Picardie services 1.1 million customers and more than 380,000 members with a range of financial products and services, suitable for everyone: individuals, businesses and professionals, farmers, institutions, public authorities and associations. Thanks to a network of 212 local branches spread across the three departments of the Somme, Oise and Seine-et-Marne, each can benefit from local expertise and personalized advice from more than 2,800 employees.

With its cooperative foundations, Crédit Agricole Brie Picardie brings together more than 900 local bank administrators, key players with a keen knowledge of the economy and local dynamics. They represent the client-members and engage every day alongside the associative network in favor of projects that are meaningful and useful to the inhabitants of the territory.

APPENDIX – Alternative Performance Indicators

Indicators	Definitions
Net operating expenses	Net Operating Expenses are the sum of "General operating expenses" and "Depreciation, amortization and impairment of intangible and tangible assets" in the financial statements.
Net assets per share	Net assets per share correspond to the ratio between the share capital and the number of shares comprising the share capital (member shares = <i>parts sociales</i> , CCI and CCA).

From the published social NBI to the underlying social NBI:

Individual basis (in million euros)	December 2018	December 2019	Change %
Net banking income	581,9	595,8	+ 2,4%
<i>Restatement of home saving provision (provision épargne logement)</i>	0,6	11,9	
<i>Restatement for non-recurring operations</i>	18,7	- 7,0	
Underlying social NBI	601,2	600,7	- 0,1%