



CRÉDIT AGRICOLE ITALIA PURSUES ITS PROFITABLE AND SUSTAINABLE GROWTH

23 NOVEMBER 2020

**VOLUNTARY PUBLIC CASH TENDER
OFFER FOR ALL SHARES OF CREDITO
VALTELLINESE**



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NOTE

The Crédit Agricole Group scope of consolidation comprises:

the Regional Banks, the Local Banks, Crédit Agricole S.A. and their subsidiaries. This is the scope of consolidation that has been selected by the competent authorities to assess the Group's position, notably in the 2016 and 2018 stress test exercises.

Crédit Agricole S.A.

is the listed entity, which notably owns the subsidiaries of its business lines (Asset gathering, French retail banking, International retail banking, Specialised financial services and Large customers)

Crédit Agricole Italia

is the Parent company of the Crédit Agricole Italia Banking Group, which includes, besides the aforementioned Crédit Agricole Italia, Crédit Agricole FriulAdria, which operates in Veneto and Friuli Venezia Giulia, the leasing company CALIT, the services company Crédit Agricole Group Solutions, and Crédit Agricole Italia OBG, a special purpose company for Covered Bond transactions

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By acquiring Credito Valtellinese, Crédit Agricole Italia continues building a leading banking group in Italy, serving 3 million clients and its local communities

Continue building a robust and profitable banking group, benefitting from a stronger local footprint

- Combining Credit Agricole Italia and Credito Valtellinese will consolidate the group's position as #6 retail bank in Italy, committed to best serve its 3 million clients, leveraging on a shared culture of continued support to local communities
- Combining two well-performing and robust banks

A significant value creation, benefitting all stakeholders

- **For Credito Valtellinese's clients:** an even stronger banking group, with an attractive and comprehensive range of financial solutions, benefitting from the entire European-leading bancassurance offering of Crédit Agricole Group, already present in Italy
- **For Credito Valtellinese's people:** a leading financial group and an employer of choice
- **For Crédit Agricole Italia's shareholders:** an expected Return on Investment above 10% by year 3

A proven track-record of successful integrations by Credit Agricole Italia

- Two groups already partners in bancassurance, a distribution network well-known by Crédit Agricole and fitting very well with Crédit Agricole Italia business model
- Sustainable growth strategy of Credit Agricole Italia, having proved its ability to successfully integrate other banks, as demonstrated by its previous acquisitions in Italy

An attractive price for Credito Valtellinese's shareholders: all-cash Voluntary Tender Offer by Crédit Agricole Italia on Credito Valtellinese at 10.50 € per share, representing a 53.9% premium to 6M VWAP¹ and a 21.4% premium to Credito Valtellinese latest¹ official price

Source : Company information; ¹FactSet as of 20 November 2020

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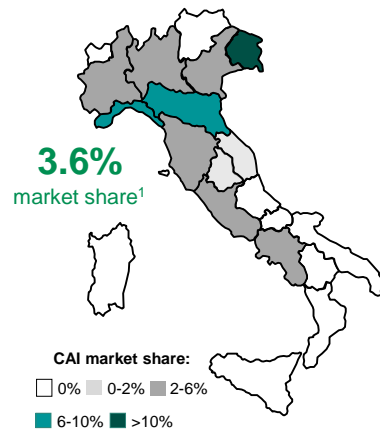
COUNTINUE BUILDING A LEADING BANKING GROUP IN ITALY, SERVING 3 MILLION CLIENTS AND ITS LOCAL COMMUNITIES

Italy is Crédit Agricole's second domestic market

Crédit Agricole in Italy at a glance

- **Longstanding presence of Crédit Agricole Group ("CA Group") in Italy** (45 years), where it operates through all business lines with the support of 14,000 employees locally
- Consistent track-record of support to economic dynamism **with €78 billion of loans** as of 30 September 2020, having hired **more than 1,250 employees in Italy since the beginning of 2018**
- Comprehensive, resilient and customer-focused **universal banking model** with a well-controlled risk profile
- **Partnerships with UniCredit** (asset management), **Banco BPM and FCA** (consumer finance) and **Credito Valtellinese** (life insurance)
- **~15% of Crédit Agricole SA ("CASA") total net income as of 9M 2020 in Italy**

Retail banking



Italian presence

CA Group in Italy⁵
4.5mm customers



Positioning

#1
in consumer finance²

#3
largest asset manager³

#6
largest life bancassurer⁴

#7
commercial bank network¹

Crédit Agricole Italia ("CAI") - Key figures (local reporting)

€76bn
Total Assets
(Sept-20)

€50bn⁶
Customer Loans
(Sept-20)

€72bn
AuM + AuC
(Sept-20)

€1.9bn
Revenues
(FY 2019)

2.1mm
Clients
(Sept-20)

9,706
Employees
(Sept-20)

872
Branches
(Sept-20)

Focus on communities and territories thanks to shareholders Foundations, Fondazione Cariparma, Fondazione Carispezia, Fondazione di Piacenza e Vigevano, Fondazione CR di San Miniato and Fondazione CR e Banca del Monte di Lugo, and to the other Foundations that collaborate with Crédit Agricole Italia in its social activities in the territories, Fondazione CR di Rimini, Fondazione CR di Cesena and Fondazione Banca del Monte e CR di Faenza



Source: Company data (FY 2019 local financial reporting and 9M 2020), ASSOFIN, Assogestioni, IAMA Consulting

Note: ¹ By # of branches; ² Internal data: AGOS and FCA source ASSOFIN; ³ Source: Assogestioni; ⁴ Source: IAMA consulting; ⁵ Aggregation of the Group entities in Italy, including CAI, CACIB, CACEIS, CA Vita et CA Assicurazioni, CACI, Amundi Italia, Indosuez Wealth Management, Agos, CALIT, Eurofactor, FCA Bank (assumption: half of net income recorded in Italy); ⁶ Net figure excluding securities, for reference: contribution to CASA total loans outstanding at €46bn

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Credito Valtellinese at glance

Credito Valtellinese key figures

€24bn Total Assets (Sept-20)	€16bn¹ Customer Loans (Sept-20)	€10bn AuM + AuC (Sept-20)	€0.6bn Revenues (FY 2019)	~700k Clients ²	3,539 Employees (Sept-20)	355 / 1.5% Branches / Mkt share ⁴ (Sept-20)
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Credito Valtellinese positioning

#12 Commercial bank network ⁴	#11 Retail bank by total assets	#12 Retail bank by AuM + AuC	#11 Retail bank by number of clients
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Crédit Agricole is Credito Valtellinese's exclusive partner for life insurance products in Italy since 2018, and controls 9.8% of Credito Valtellinese share capital³

Source: Company data (FY 2019, 1H 2020 and 9M 2020 interim reports, analyst presentations and press releases)

Note: ¹ Loans excluding government bonds and loans and receivables with customers classified under non-current assets held for sale; ² Longstanding relationships with Retail and SME clients, as per Credito Valtellinese Business Plan 2019-2023 of June 18, 2019; ³ Crédit Agricole Assurances' shareholding in Credito Valtellinese as of November 20, 2020; ⁴ By number of branches at national level

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Reasons for the offer and strategic considerations

Solid industrial project

- **Consolidating our #6 position** by AuM+AuC with an increased market of **~5%¹ at national level**
 - **Presence in the most productive areas of Italy**, especially in Lombardy with market share doubling from 3% to more than 6%
 - **More than 1,200 branches and 2.8 million clients**, with a direct access to European-leading offering of Crédit Agricole Group
 - **Enhanced operational efficiency** through cost synergies
 - **A strong asset quality (gross NPE ratio of 6.6% pro forma)**, which will further improve post merger
 - **Financial strength** further increased by the support of the Crédit Agricole Group

Positive for all stakeholders of Credito Valtellinese

- Credito Valtellinese's clients will progressively gain **access to the same financial products and services as Crédit Agricole Italia**, benefitting from the **Group's scale, innovative and client-centric culture**
- Credito Valtellinese's employees will **benefit from Crédit Agricole Italia initiatives for employees welfare wellbeing, training and new career opportunities**
- The combined group will continue its **strong commitment to supporting Italy and the local communities, through proximity to the territory**

Significant value creation for Crédit Agricole

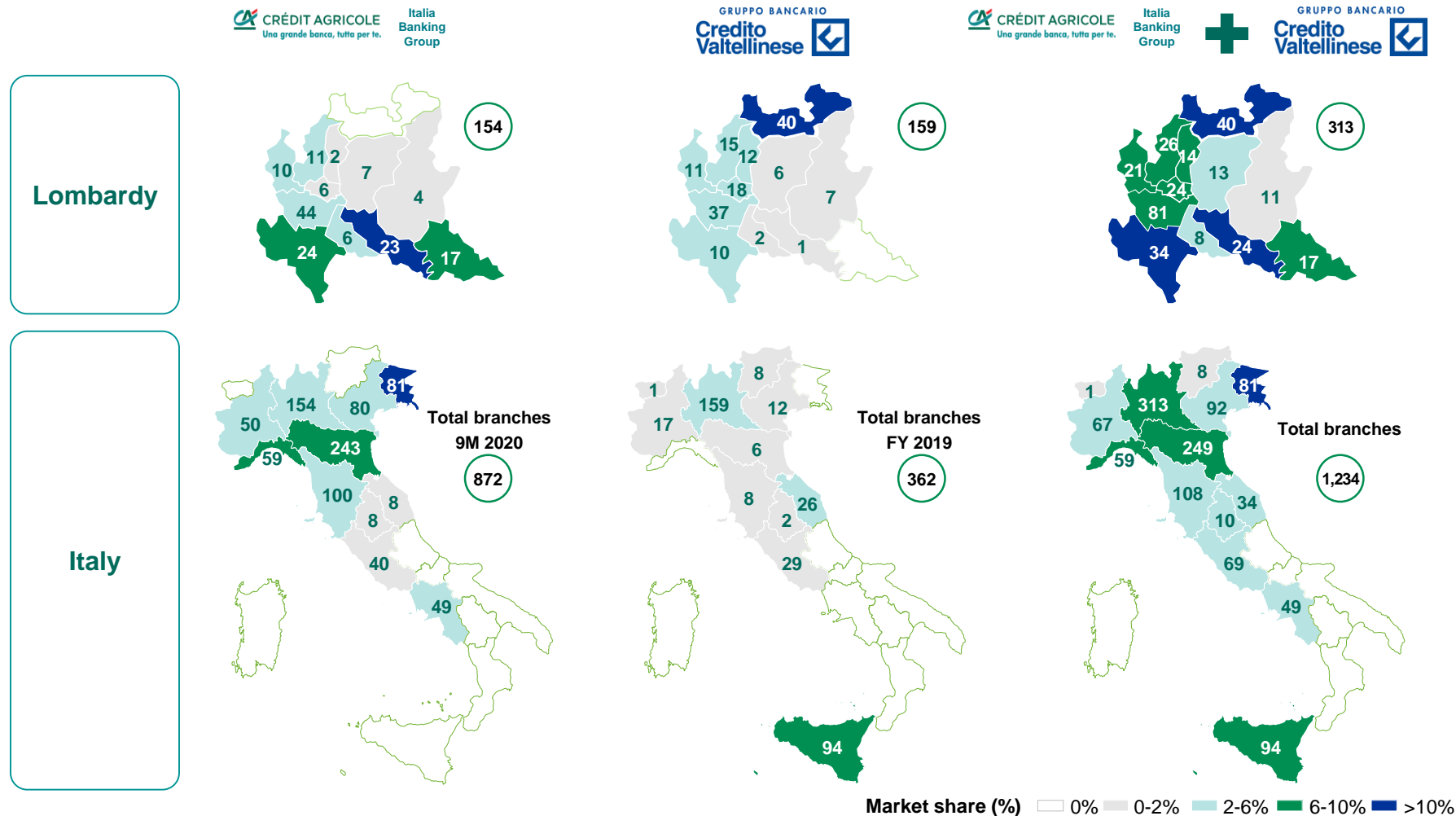
- Cost synergies stemming from **economies of scale, improved efficiency and significant funding cost reduction, leading to a ROI >10% for Crédit Agricole Italia by year 3**
- **Revenue synergies mainly deriving** from an increased commercial productivity within Credito Valtellinese's network, the implementation of Crédit Agricole Italia's distribution know-how, the enhancement of Credito Valtellinese's commission-related profitability, and the progressive extension of Crédit Agricole Group European-leading product suite
- **Increase of scale allowing for further investments in digitalization**
- **Minimum integration risk** thanks to Crédit Agricole Italia track-record of successful experience in previous comparable transactions

Source: Company data
Note: ¹ In terms of # of branches

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By acquiring Credito Valtellinese, Crédit Agricole Italia is increasing its presence in North Italy

Branch network breakdown by region (#)

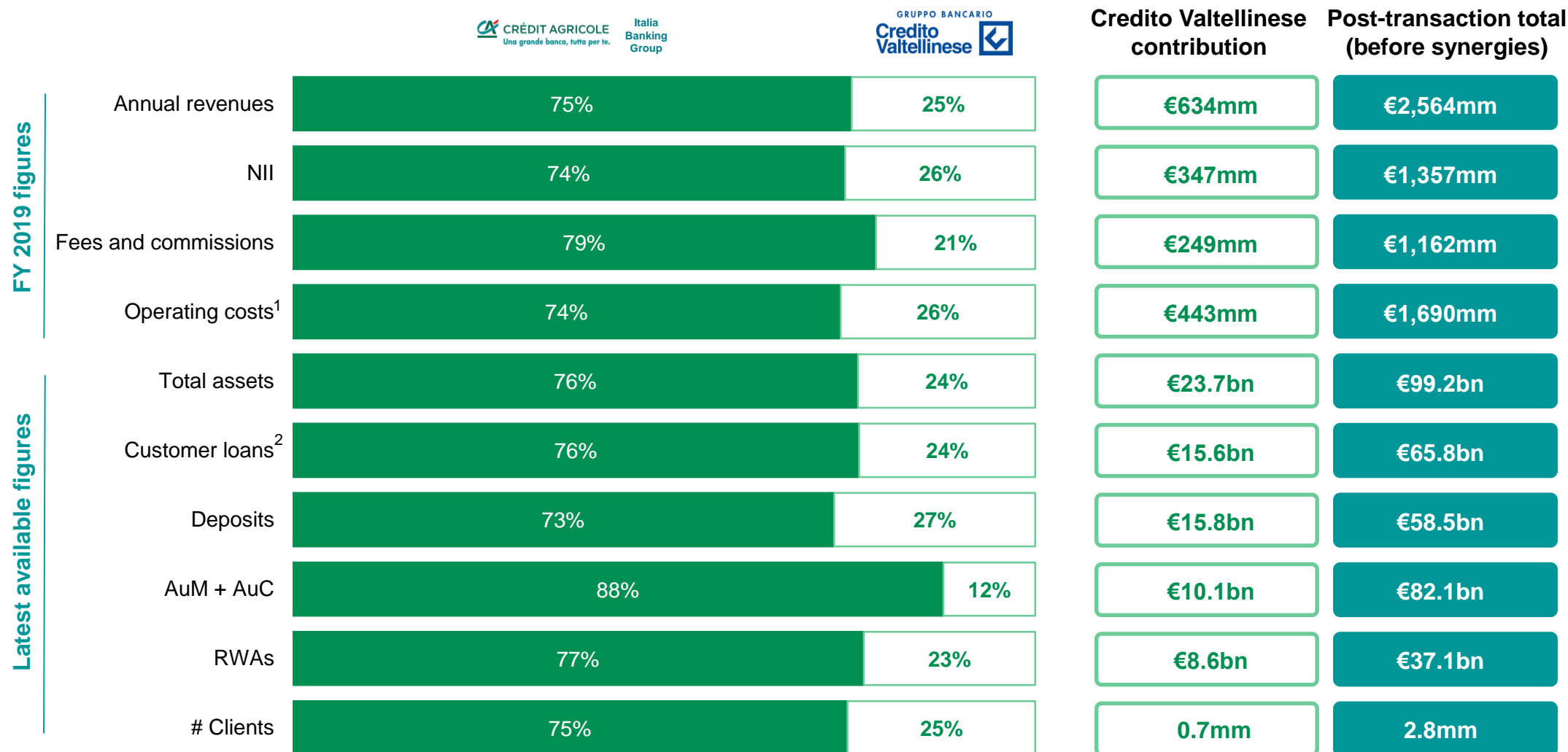


- **5% market share at national level**
- **Significant strengthening in North Italy** (representing ~70% of pro forma branches)
- **Double up of market share (from 3% to more than 6%) in Lombardy**, where >40% of Credito Valtellinese branches are located, becoming the 7th bank in the Region
- **Increase scale in Piedmont, Marche, Lazio and enter new Regions (Sicily, Valle d'Aosta, Trentino)**

Source: Company data (Crédit Agricole Italia figures as at 9M 2020 and Credito Valtellinese figures as at FY 2019). For reference: # of branches of Credito Valtellinese as of 9M 2020 at 355

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The combined entity will serve ~3m clients in Italy and manage a total balance sheet of ~€100bn...



Source: Company data, Crédit Agricole Italia financials based on local reporting

Note: ¹ Total operating costs net of provisions for risk and charges; ² Net figure excluding securities

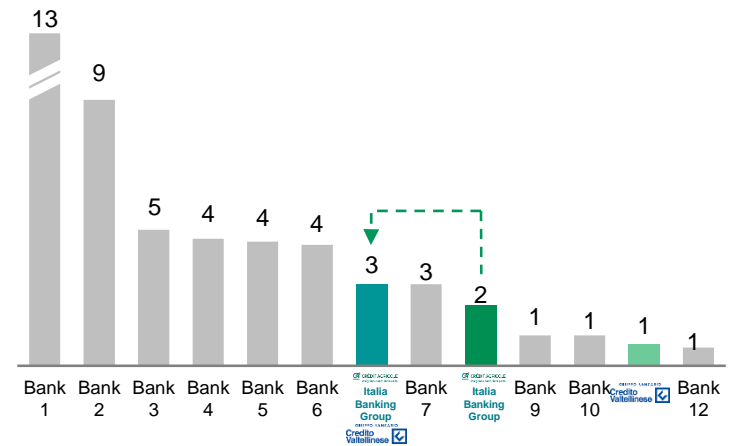
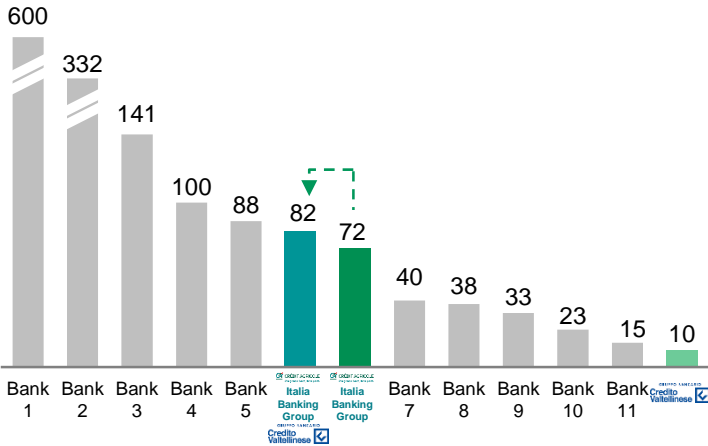
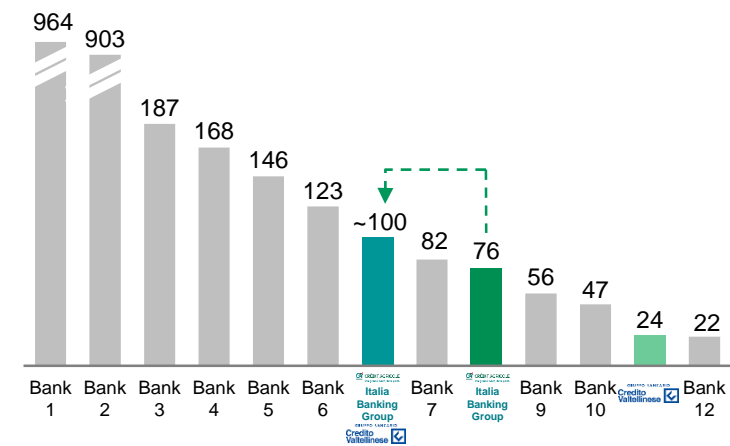
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...consolidating Crédit Agricole Italia's competitive positioning in the Italian banking system

Total assets (€Bn)

AuM + AuC (€Bn)

Number of clients in Italy (mm)



Crédit Agricole Italia would consolidate its positioning as #6 retail bank by AuM + AuC, and become #7 by total assets and by number of clients

Source: Company data, internal estimates
Note: Sample includes Crédit Agricole Italia, Credito Valtellinese, Intesa Sanpaolo (pro forma for disposal of going concern to BPER), UniCredit (Group commercial for AuM + AuC and clients), Banco BPM, Banca Monte dei Paschi di Siena, ICCREA, BPER (pro forma for acquisition of going concern), BNL, Credem, Banca Popolare di Sondrio, Carige.

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Integrating Credito Valtellinese into a robust banking group...

Robust solvency

CET1 CAPITAL FULLY LOADED SEPT-20 (€BN)

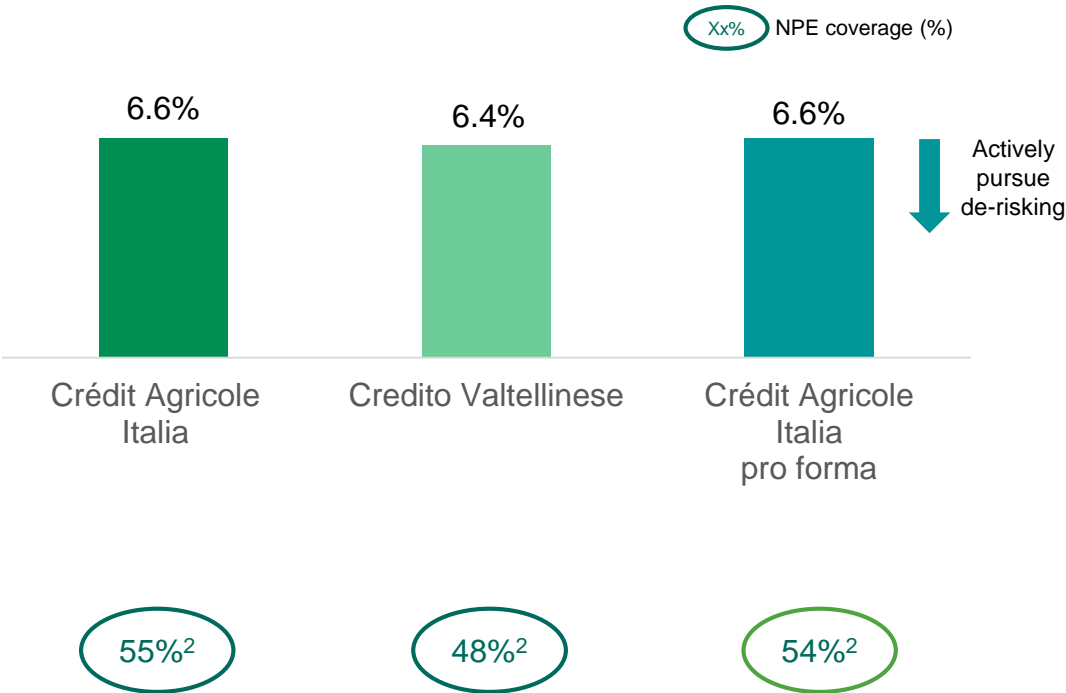


Strong credit ratings¹



Strong asset quality with solid NPE coverage

GROSS NON-PERFORMING EXPOSURE RATIO AS OF SEPT-20 (%)



Source: Company data as of 9M 2020
Note: ¹ LT counterparty risk, Moody's; ² Coverage including provisioning on performing loans at 63%, 55% and 62% in Q3 2020 for Crédit Agricole Italia, Credito Valtellinese, and Crédit Agricole Italia pro forma, respectively

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... and further deploying the “*raison d’être*” of the Group

- Invest in **relational and operational excellence**
- Focusing all its business on **Customer satisfaction**
- Enhance **specialization of the Corporate segment** on high value products / services

- Foster the **attractiveness and economic development** of our local communities
- Keep being a **responsible player in the environment protection**
- Sustain **Italian shareholders Foundations of Crédit Agricole Italia** in their social activities



- **Attract and retain the best talents**
- Develop **individual empowerment** of our people to ensure **the best services to Customers**
- Promote **ethically and socially responsible behaviours**

COUNTINUE BUILDING A LEADING BANKING GROUP IN ITALY, SERVING 3 MILLION CLIENTS AND ITS LOCAL COMMUNITIES

Creating significant value with minimum integration risk

Proven track-record of successful integrations (experience of the three Savings Banks in Italy in 2017)

- **Efficiency gains to be achieved on a voluntary basis only**
- **Collaborative and inclusive approach** to integration process, leveraging on recent experience
- **Well-defined governance and monitoring structure**, with a focus on the inclusion of Credito Valtellinese's employees

Immediate value creation from economies of scale and funding synergies

- **Cost synergies and economies of scale are expected, and efficiency gains** in particular through digitalisation
- **Lower funding cost achieved through optimized asset & liability management and supported by Crédit Agricole SA** strong credit ratings



Long-term value creation from increased product offering

- Increased **commercial productivity** within Credito Valtellinese's network
- Enhancement of **commission-related profitability**
- **Progressive deployment of Crédit Agricole European-leading product suite**

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TRANSACTION DETAILS

Transaction structure and consideration

- **Voluntary public cash tender offer by Crédit Agricole Italia on all the ordinary shares of Credito Valtellinese**
- **All cash consideration of €10.50 per share. This corresponds to a total investment of €737mm by Credit Agricole Italia to acquire 100% of Credito Valtellinese's shares.**
 - A **21.4% premium** to Credito Valtellinese's spot price as of November 20, 2020
 - A **42.0% premium** to the 3M VWAP of Credito Valtellinese as of November 20, 2020
 - A **53.9% premium** to the 6M VWAP of Credito Valtellinese as of November 20, 2020
 - A **50.2% premium** to the 6M VWAP of Credito Valtellinese as of February 21, 2020, pre Covid-19 outbreak
- **Crédit Agricole Italia has already received a commitment letter from Algebris** for the sale to Crédit Agricole Italia of a stake in Credito Valtellinese equal to ca. 5.4% of the share capital, subject to regulatory approval
- In the context of the offer, **Crédit Agricole Assurances (a subsidiary of Crédit Agricole S.A.) will sell to Crédit Agricole Italia its stake in Credito Valtellinese, equal to ca. 9.8% of the share capital**
- **The offer will be subject to Crédit Agricole Italia reaching at least 66.67% of Credito Valtellinese's voting share capital**
 - This condition may be waived by Crédit Agricole Italia, provided that it holds at least 50% +1 of the voting share capital of Credito Valtellinese
- **Other conditions** would include – inter alia – antitrust unconditional authorizations and Credito Valtellinese not adopting any defensive measures (even if authorized at Credito Valtellinese's shareholders meeting)

100% Cash

*Voluntary Public
Tender Offer from
Crédit Agricole Italia*

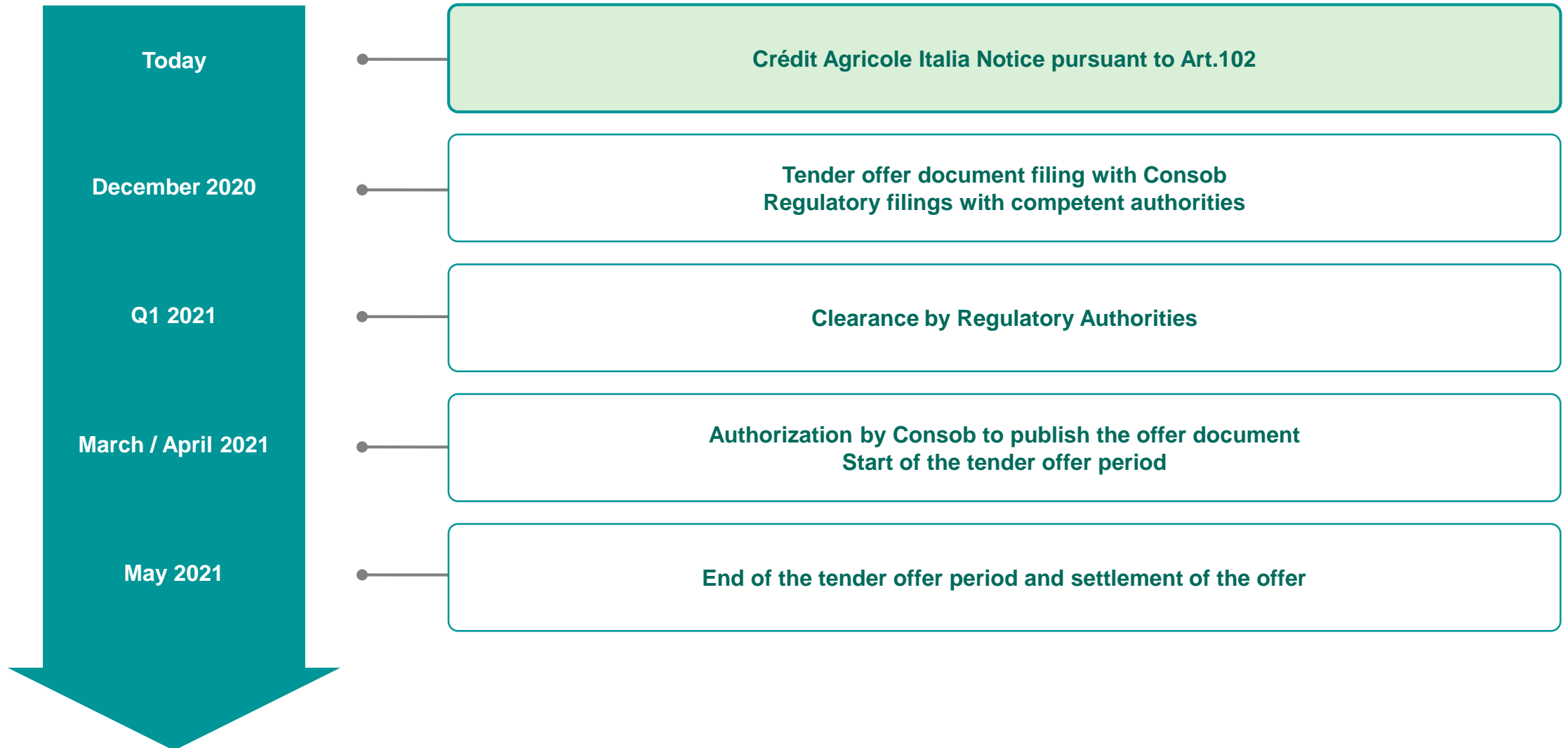
Consideration of
€10.50
per share

*Premium to
Credito Valtellinese's
6M VWAP of*
53.9%
*as of November
20,2020*

Source: Company data; FactSet as of November 20, 2020

TRANSACTION DETAILS

Indicative timeline milestones



TRANSACTION DETAILS

A strategic acquisition in line with the Group's medium term ambition to continue building a leading banking group in Italy

- ▶ Strengthening Crédit Agricole's competitive positioning in Italy, its 2nd domestic market ✓
- ▶ Significant value creation for Crédit Agricole from economies of scale and funding synergies ✓
- ▶ Long term value creation from cross-selling with Crédit Agricole's business lines ✓
- ▶ Minimum integration risk ✓

**EPS
impact**

**Accretive
by 2022**

ROI

>10%
(by year 3, based on cost &
funding synergies only)

**CET1 ratio
impact**

<(-20)bps
(Crédit Agricole S.A.
pro forma
as of Sept-2020)

Source: Company data

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APPENDIX

Crédit Agricole Italia local reporting perimeter vs. contribution to Crédit Agricole SA

Balance Sheet

CAI local reporting perimeter (€bn)	Sep-20
Customer loans ¹	50.2
Total assets (on balance sheet)	75.5
Customer deposits	42.6
AuM	38.1
AuM + AuC	71.9



CAI contribution to CASA (€bn)	Sep-20
Total loans outstanding	46.0
On-balance sheet customer assets	43.6
Off-balance sheet customer assets	38.1



Income Statement

CAI local reporting perimeter (€mm)	Dec-19
Revenues	1,930
Net interest income	1,010
Fees & commissions	913
Operating costs ²	1,247



CAI contribution to CASA (€mm)	Dec-19
Revenues	1,883
Operating costs	1,202



Source: Company data.

Note: Delta between local reporting perimeter and contribution to Crédit Agricole SA mainly depends on intra-group exposures for loans and deposits and on PPA effects for income statement items. ¹ Net figure excluding securities; ² Total operating costs net of provisions for risk and charges.

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