

# Consumer Finance Workshop



**WORKING EVERY DAY  
IN THE INTEREST OF  
OUR CUSTOMERS AND  
SOCIETY**

## **INVESTORS PRESENTATION**

8 DECEMBER 2020



# Disclaimer

The financial information on Crédit Agricole S.A. and Crédit Agricole Group for the third quarter and first nine months of 2020 comprises this presentation and the attached appendices and press release which are available on the website: <https://www.credit-agricole.com/finance/finance/publications-financieres>.

This presentation may include prospective information on the Group, supplied as information on trends. This data does not represent forecasts within the meaning of EU delegated regulation 2019/980 of 14 March 2019 (chapter 1, article 1, d).

This information was developed from scenarios based on a number of economic assumptions for a given competitive and regulatory environment. Therefore, these assumptions are by nature subject to random factors that could cause actual results to differ from projections. Likewise, the financial statements are based on estimates, particularly in calculating market value and asset impairment.

Readers must take all these risk factors and uncertainties into consideration before making their own judgement.

The figures presented for the nine-month period ending 30 September 2020 have been prepared in accordance with IFRS as adopted in the European Union and applicable at that date, and with prudential regulations currently in force. This financial information does not constitute a set of financial statements for an interim period as defined by IAS 34 “Interim Financial Reporting” and has not been audited.

Note: the scopes of consolidation of the Crédit Agricole S.A. and Crédit Agricole Groups have not changed materially since the Crédit Agricole S.A. 2019 Universal Registration Document and its 2019 A.01 update (including all regulatory information about the Crédit Agricole Group) were filed with the AMF (the French Financial Markets Authority).

The sum of values contained in the tables and analyses may differ slightly from the total reported due to rounding.

## 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.

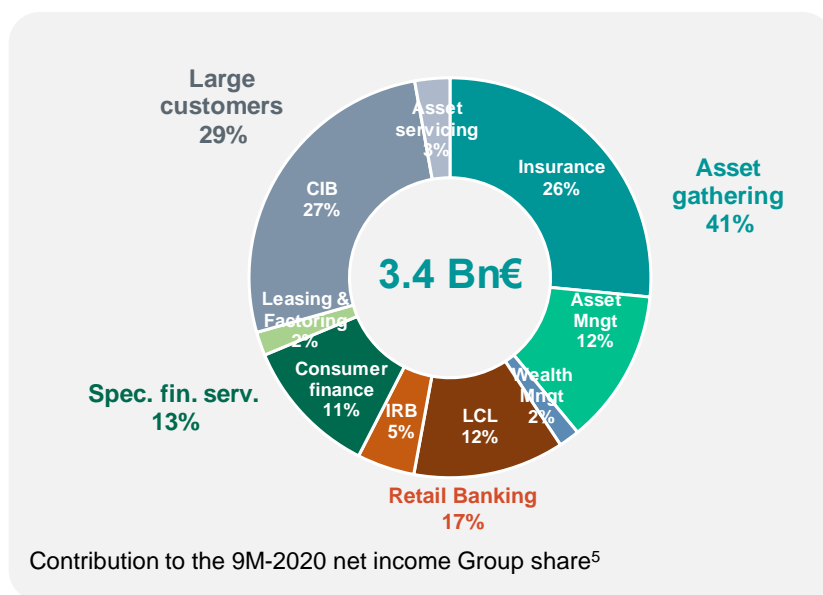
is the listed entity, which notably owns the subsidiaries of its business lines (Asset gathering, French retail banking, International retail banking, Specialised financial services and Large customers)

## INTRODUCTION

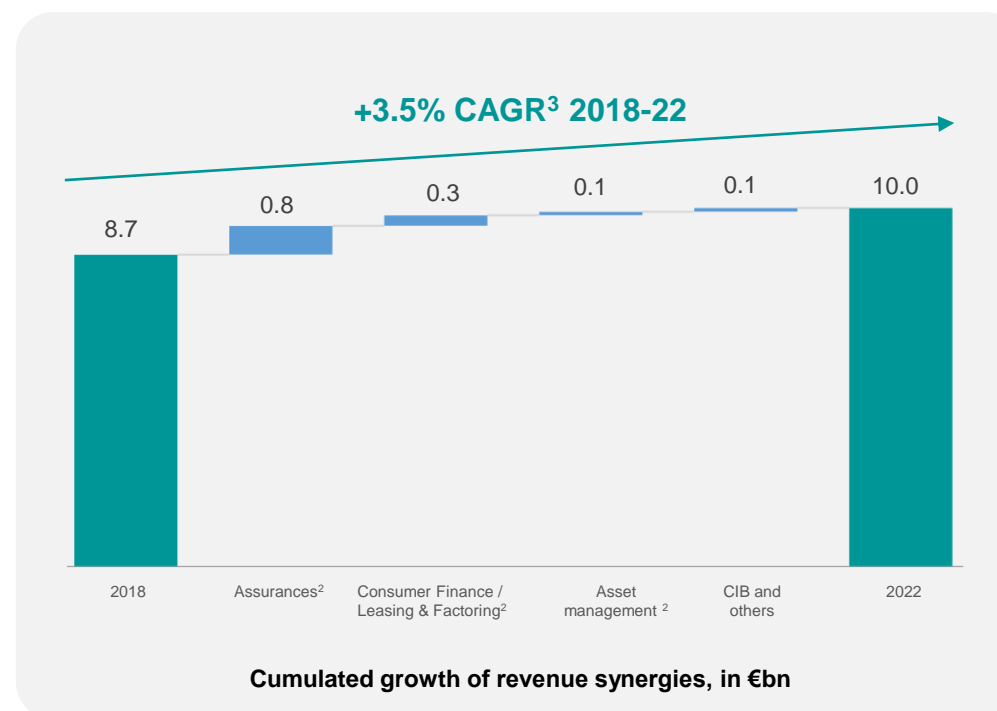
# Specialised Financial Services

## A key business in the Universal Customer-focused Banking model

On average 12.8%<sup>1</sup> of Crédit Agricole SA Net Income Group Share



Nearly 25% of the additional synergies expected between 2018 and 2022



Resilient profitability

**13.9%**  
Average SFS RONE<sup>4</sup> since 2016

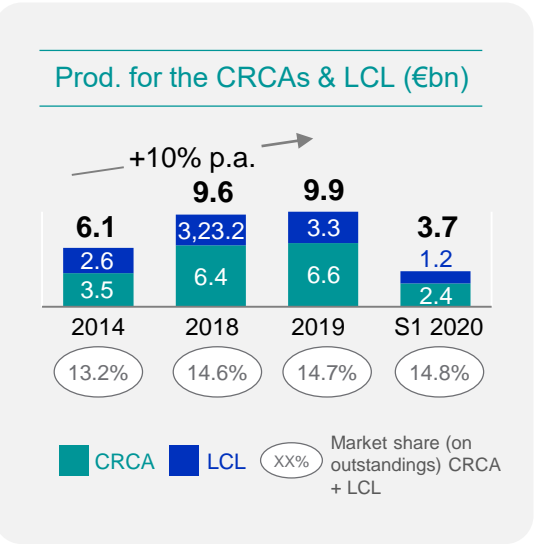
1 - Average calculated over the period 2014 to September 2020, excluding Corporate Center 2- Revenus including fees received by the retail banking  
3 - CAGR: Compound annual growth rate 4- Capital allocation : 9.5% of weighted assets 5- Excluding Corporate Center

INTRODUCTION

# CA Consumer Finance: A profitable business fostering growth for Crédit Agricole Group



## Support for Crédit Agricole Group Retail banks



## A stepping-stone and synergies for other Crédit Agricole Group activities

**CAA:**  
Sales of insurance products  
**€ 579 m€ of premiums in 2019**

**CA Payments & Services**  
Development of payment activities  
**~ one million bank cards granted**

**Interactions with other business units:** CACIB, Amundi,...



## Excellence in customer relations & innovation

**100% digital customer journeys**  
(e.g. DigiConso 3.0)

**Innovative ecosystems:**  
cooperation with Group solutions (excl. Linxo)

**Enhancing data skills and tools,** sharing of new use-cases for data (in particular scoring)

**17.7%**  
RONE 2019  
(13.7%  
in Q3-2020  
underlying)

**79%**  
Share of CACF  
within SFS  
business line  
earnings (2019)

**9%**  
Share of CACF  
within CA Group's  
NIGS (2019)

**~15%**  
CA CF contrib.  
to 2018-2022  
increase in  
synergies

# Summary

## Stéphane Priami

Deputy Chief Executive Officer of Crédit Agricole S.A. in charge of Specialised Financial Services,  
Chief Executive Officer of CA Consumer Finance



## Valérie Wanquet

Deputy Chief Executive Officer – Finance, Credit, Legal and central secretariat



## Jérôme Hombourger

Deputy Chief Executive Officer – Group Development & Strategy



## Richard Bouligny

Head of International Automotive Partnerships



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European leader

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3 year financial targets

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Diversified and profitable activities

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Robust during the COVID-19 crisis

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Growth is the priority

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**European leader**

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Growth is the  
priority

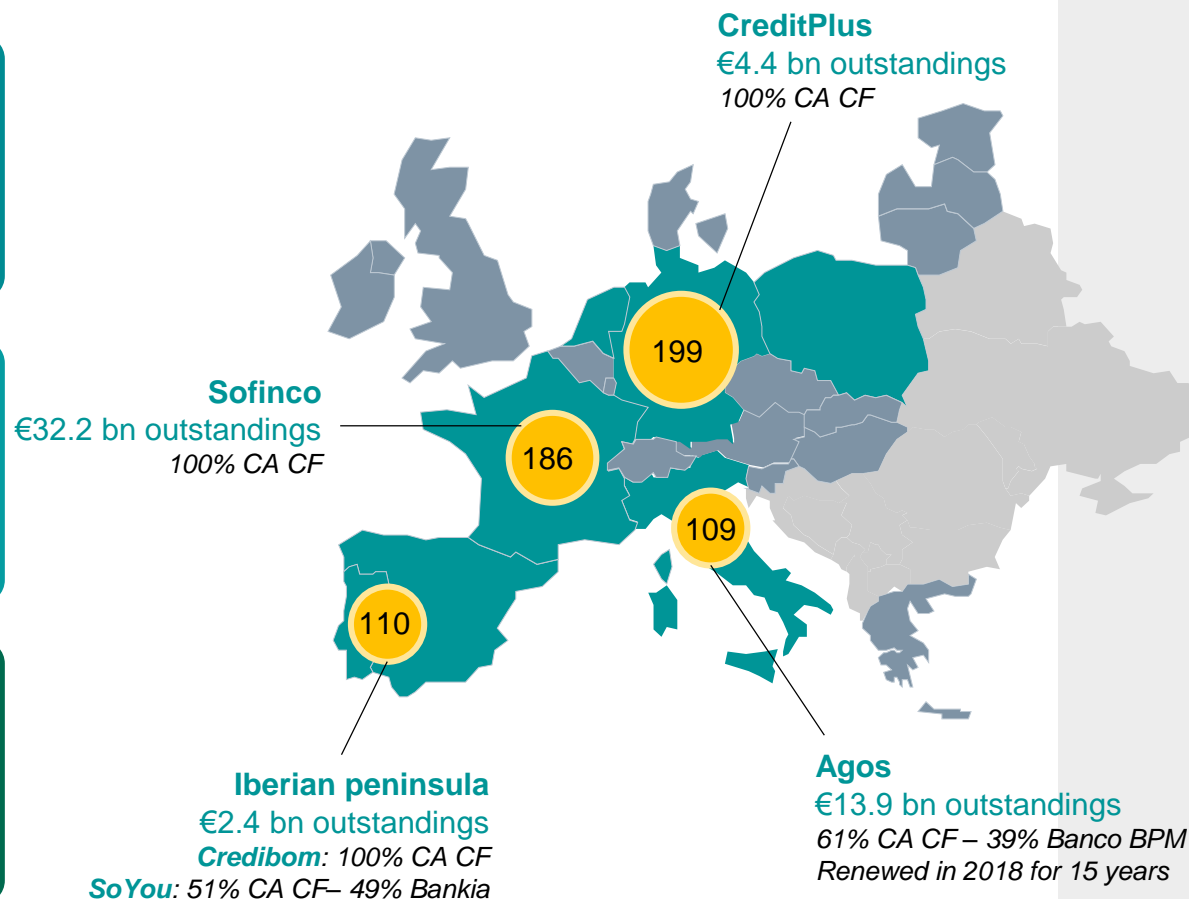
## EUROPEAN LEADER

## A leader in the key European consumer credit markets

€89.2 bn

gross loan  
managed<sup>1</sup> as of  
2020/09/30~15 m  
customers

Top 3

consumer  
finance  
in EuropeTotal market  
outstandings, 2020  
(€bn)FCA Bank countries  
of operationGross loan managed,  
Sept. 2020

## 2 Automotive JVs

**FCA Bank (Europe)**

€25.3 bn outstandings

50% CA CF – 50% FCA.

Renewed in 2019 for 5 years

In 19 countries

**GAC-Sofinco (China)**

€5.8 bn outstandings

50% CA CF – 50% Guangzhou Auto Corporation.

## Other expansion drivers

**Wafasalaf (Morocco)**

€3.4 bn outstandings

49% CA CF – 51% Attijariwafa Bank

**Crédit Agricole Bank Polska (Poland)**







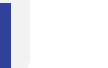









~€1.5 bn outstandings

100% Casa (IRB)

1. Including 32.9M€ consolidated (12.4 M€ consolidated in France) and €1.8 bn of outstandings managed by CA CF NL (pending withdrawal)

## EUROPEAN LEADER

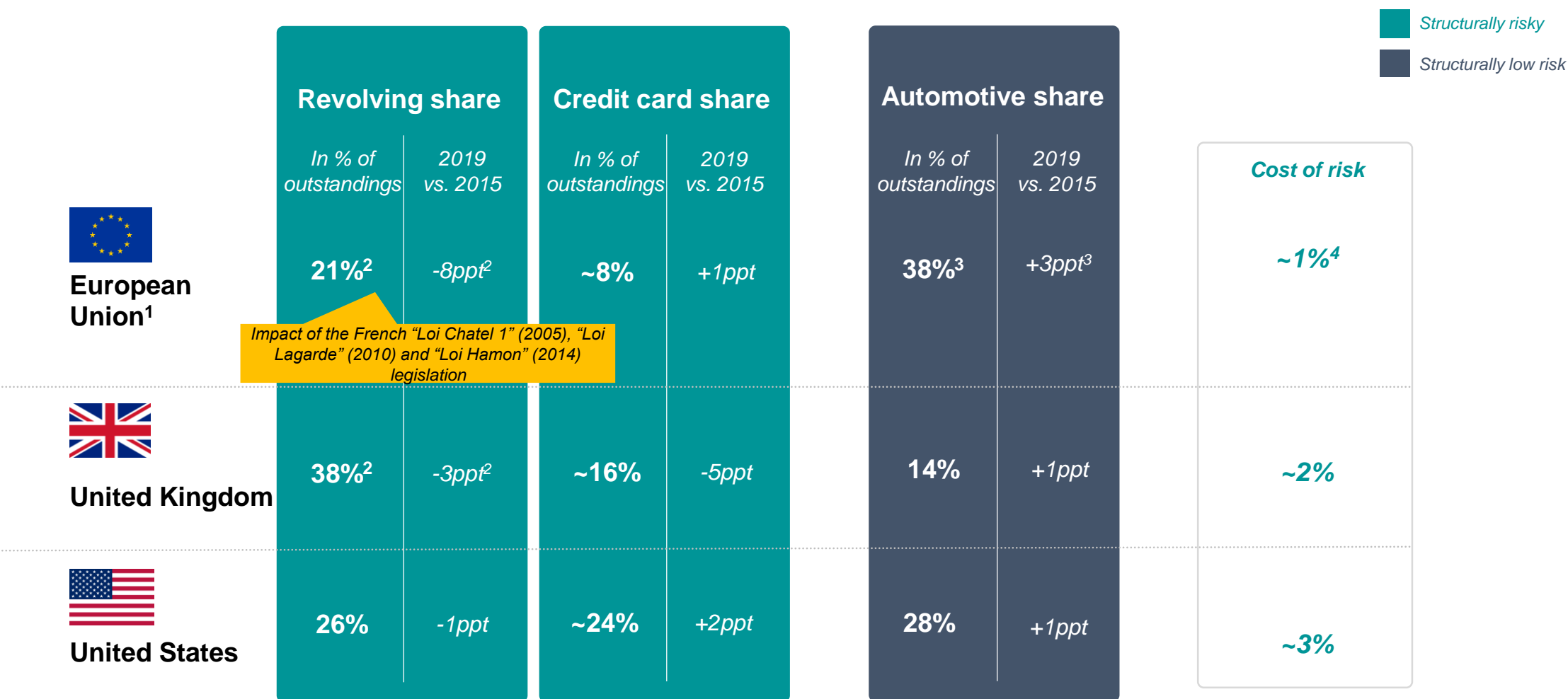
## Snapshot of the entities of CA CF

								
								
	Leader In France with an omnichannel model	Leader in Italy <sup>1</sup> ; an expertise on long channel and cross-selling	Gateway to developing Germany	Leader in car financing in Portugal	Recent partnership launched in 2020	Financial Joint Venture with the automobile Group Fiat Chrysler	Financial Joint Venture Financière with the automobile manufacturer Guangzhou	Leader in consumer finance in Morocco
Market share 09/2020 Var vs 2019	<b>12.9%</b> +0.7 ppt (ASF)	<b>10.5%</b> +0.5 ppt (ASSOFIN)	<b>2.5%</b> +0.6 ppt (Bundesbank)	<b>15.1%</b> +4.5 ppt (ASSFAC)		<b>45.3%</b> (2019 penetration rate)	<b>21.3%</b> (2019 penetration rate)	<b>34.2%</b> -1.8 ppt (APSF)
Net promoter score	<b># 2</b>	<b># 2</b>	<b># 1</b>	<b>#1</b>			-	-
2019 business split	<u>Production</u> Long channel 66% Short channel 34%	<u>Production</u> Long channel 54% Short channel 46%	<u>Production</u> Long channel 53% Short channel 47%	<u>Production</u> Long channel 82% Short channel 18%	Long channel	<u>Outstanding</u> Retail & Rental 74% Dealers 26%	<u>Outstanding</u> Retail 82% Dealers 18%	<u>Production</u> Long channel 63% Short channel 37%

1. 1<sup>st</sup> Consumer finance player in Italy (Agos and FCA Bank), source (Assofin)

## EUROPEAN LEADER

## A presence in Europe, a lower risk profile market



1. Countries included: France, Germany, Italy, Spain 2. Data for 2018 3. Data for 2017, share of automotive in production

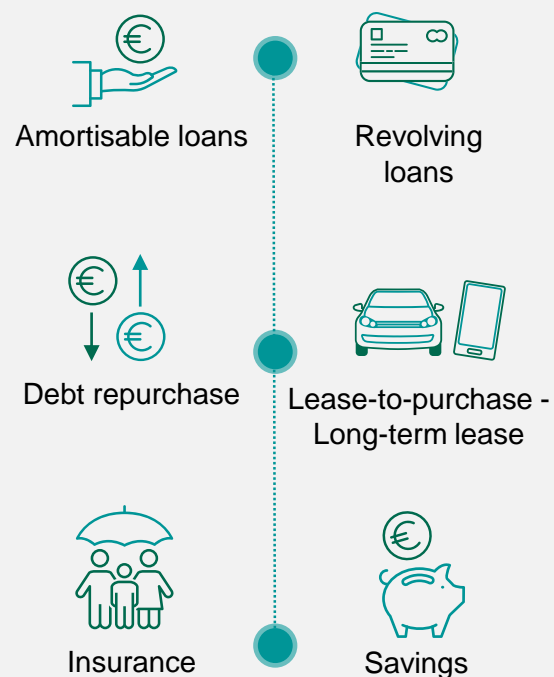
4. Weighted average of cost of risk for each country's outstandings

Note: Breakdown of non-cumulative outstandings

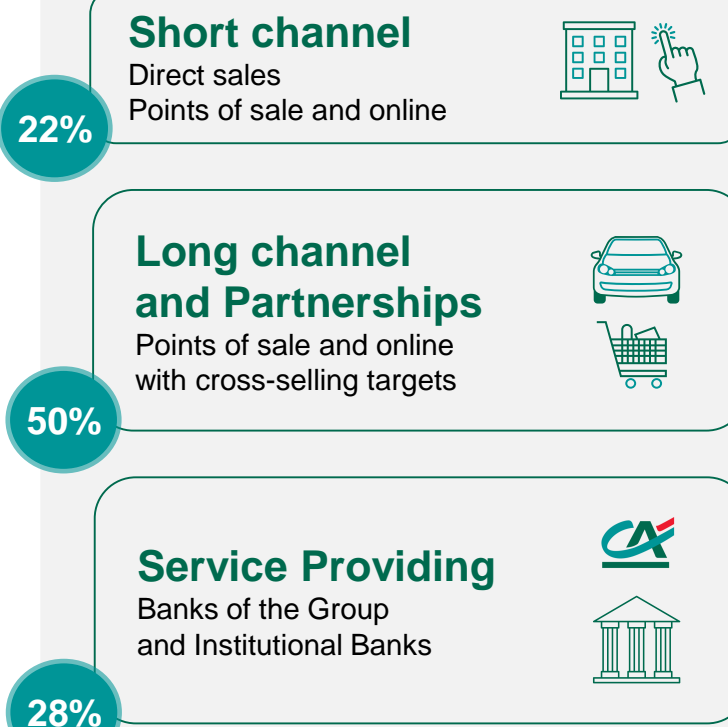
2019 data, source: EBA, Banque de France, Bank of England, FED, Euromonitor, Astères: "Le crédit à la consommation en Europe", S&P Global Ratings

# CA CF, a comprehensive, omnichannel and efficient model, geared towards growth

## A comprehensive offer



## An omnichannel distribution model



xx% Weight in outstandings

## A recognised edge in the digital, marketing and data sectors

**+200 active cases**  
digital marketing uses, thanks to our DMP<sup>1</sup>

**1<sup>st</sup> financial player**  
in Europe to be Google Measurement Protocol certified

**63%**  
share of digitised production  
(in number of files<sup>2</sup>)

1- Data Management Platform  
2- As reported by our competitors

# Summary

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European leader

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**Diversified and  
profitable activities**

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## DIVERSIFIED AND PROFITABLE ACTIVITIES

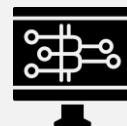
## Five dynamics, pillars of the profitability and leadership of CA CF



**A solid customer base with high levels of customer acquisition**



**Numerous and diversified partnerships to support our growth**



**Differentiating digital expertise and innovative approach**



**A high-performance automotive JV model**



**A highly value-creating insurance and services activity**



**Commitment of the teams**

**Committed teams, serving customers and society**



**Financial Performance 2014–2019**



**Improved profitability driven by cost/income ratio management, risk control and the JVs' performance**

## DIVERSIFIED AND PROFITABLE ACTIVITIES



A solid customer base with high levels of customer acquisition

2019 DATA

	 Direct individual customer acquisition	 Long channel customer acquisition
<b>Sofinco</b>	20K	715K
<b>Agos</b>	26K	436K
<b>Credibom</b>	6K	43K
<b>Creditplus</b>	49K	127K

2019 DATA

**15 m**  
customers

**270 K**

**cross-sold clients from long channel to direct channel**

over the 2016 to 2019 period in France and in Italy.

## DIVERSIFIED AND PROFITABLE ACTIVITIES



# Numerous and diversified partnerships to support our growth

## Direct Distribution

Sofinco

Agos

CreditPlus

Credibom

So you  
Dania

 وفاسلاف  
Wafasalaf

## Crédit Agricole Group Retail banks



 CRÉDIT AGRICOLE  
CARIPARMA | FRIULADRIA | CARISPEZIA


 مصرف المغرب  
CRÉDIT DU MAROC

BOF BANK

## Automotive JVs & Partnerships



Jeep

CHRYSLER



ASTON MARTIN



LAND-ROVER

JAGUAR



Other partnerships



SUZUKI



PIAGGIO



TRIUMPH

PILOTE

RAPIDO

POLARIS  
OFF-ROAD VEHICLESZERO  
MOTORCYCLES

## Distributors of consumer goods



La Redoute

castorama

PRINTEMPS

Piscines  
waterair  
Tout commence par le bon choix

FNAC DARTY

rocheboboys  
PARIS

DECATHLON

Mondo  
Convenience

unieuro



ligne roset

## Financial institutions

BANCO BPM

Amundi  
ASSET MANAGEMENT

AG2R LA MONDIALE

Socrif  
Nouvel partenaire financier

fastt

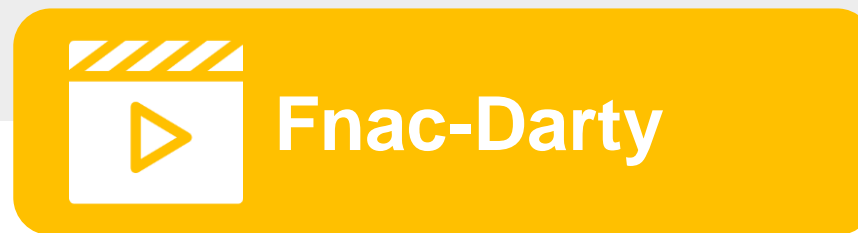
CHECK24

Bankia

€44 bn of outstandings with our long channel partners  
(excluding services to Retail Banks and FI Partners)

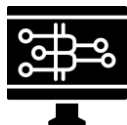


Fnac-Darty



**Enrico Martinez**  
CEO FNAC - Darty

## DIVERSIFIED AND PROFITABLE ACTIVITIES



## Differentiating digital expertise and an innovative approach (1/ 2)

### Digital customer journeys

- Subscription tools **100% online and mobile first**, including simulation and signature.

90%

#### Electronic signatures

implemented through short channel  
in all our entities

- Applications and processes enabling **extensive work from home**, including in sales functions

95%

#### Work from home implemented

### Data skills around “cold” and “hot” data

- “**Cold**” **Data** : analytical and predictive tools built within a Datalake and managed by CA CF data scientists teams



- “**Hot**” **Data** : DMPs at the heart of anticipating customer needs:
  - Targeting and retargeting modules
  - 50%** of the production carried out online via the DMP



### Innovative ecosystems

- A **innovation community** and a start-up contest



- Collaboration with **innovative partners**



- Collaboration with **universities**



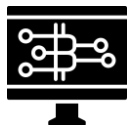
IP PARIS



CentraleSupélec



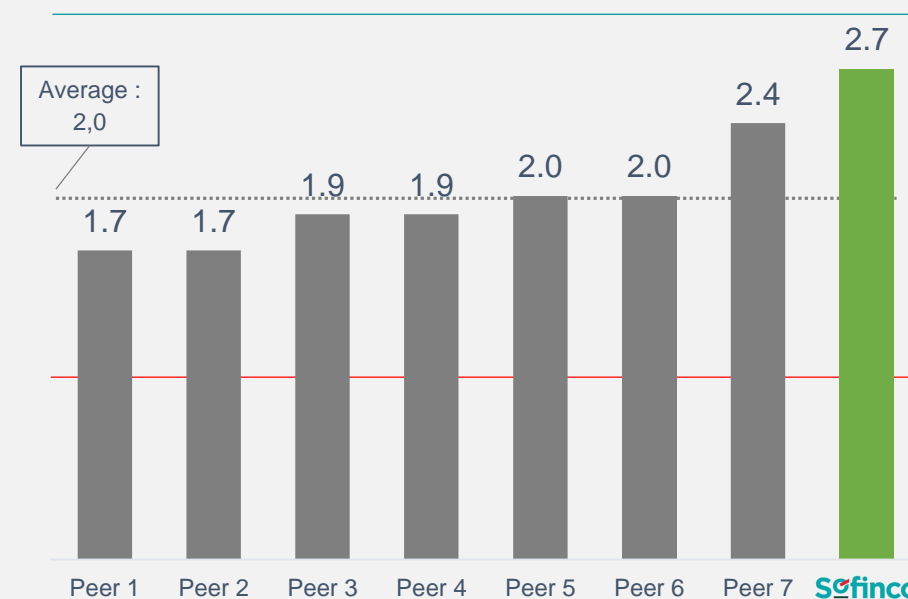
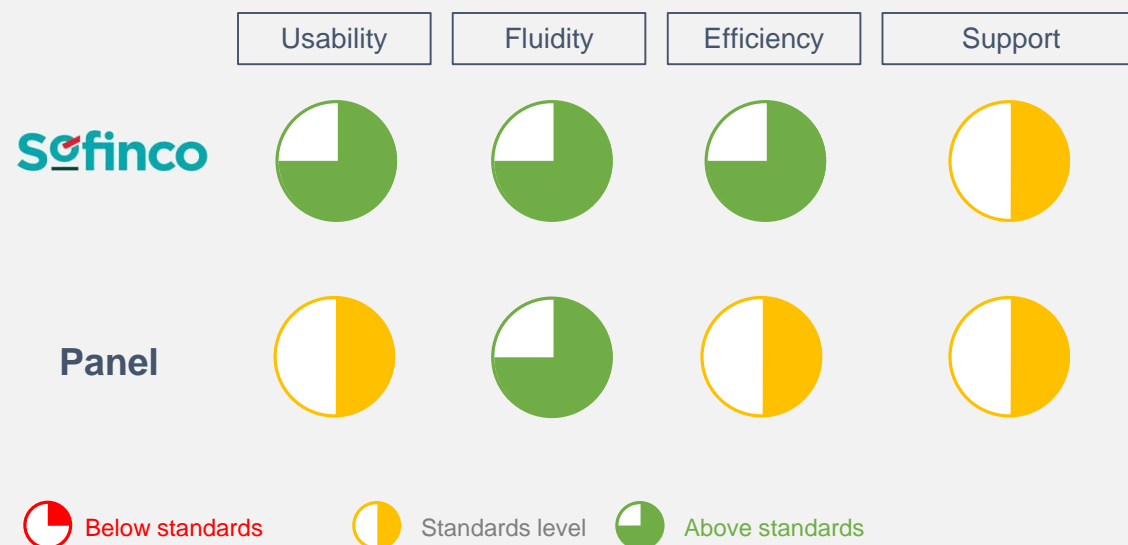
DMP : Data Management Platform



## Differentiating digital expertise and innovative approach (2/2)

### Leading digital customer journeys in France\*

Average grades given on the 4 dimensions of pre-subscription, subscription and use of the digital customer journeys



\*Source: Benchmark Conclusion carried out by independant consultants – October 2020



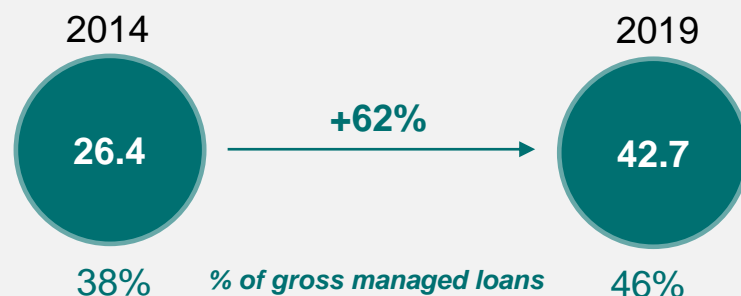
## A high-performance automotive JV model (1/2)

### Strong growth in automotive outstandings, including automotive JVs



### 2 automotive JVs A model with solid & healthy fundamentals<sup>2</sup>

#### Automotive outstandings (€bn)



#### Automotive JV outstandings (€bn)



#### Contribution of the automotive JVs

+18% p.a.  
CAGR<sup>1</sup> net income,  
2014–2019

4.3% Revenues/outstanding

30% Cost/income ratio

30 bp CoR/outstanding

2.7% Pre-tax results / outstanding

1. Compound Annual Growth Rate

2. FCA Bank + GAC-Sofinco – 2019 Data

## DIVERSIFIED AND PROFITABLE ACTIVITIES



## A high-performance automotive JV model (2/2)

### Leasys, a gem within FCA Bank group

### A wide range of innovative offers that respond to the two major trends in mobility

#### Two key trends in the mobility market

- Increase in the share of electric & hybrid vehicles
- New customer behaviours (rental solutions, car-sharing,...)

#### Leasys is ideally positioned via its portfolio of products



Long-term leases and fleet management in B2C and B2B



Short and medium term leasing



Dedicated offer for electrification (e.g. My Dream Garage)

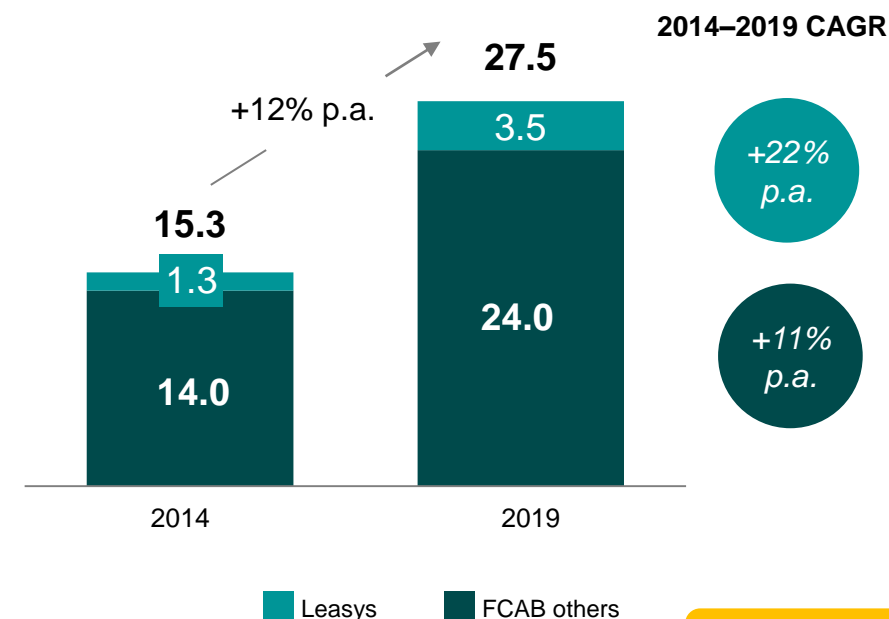


Mobility services (e.g. car sharing)

**Leasys, a European entity, open to multi-branding, from renting for a few hours to entire life**

### An important contribution to FCA Banks' growth over the past few years

#### Outstandings, 2014–2019 (€bn)





**Leasys**

**Giacomo Carelli**  
**CEO FCA Bank**

## DIVERSIFIED AND PROFITABLE ACTIVITIES



## A highly value-creating insurance and services activity

### A diversified range of insurance products to meet customers' needs



xx%

Weight in total premiums

### A significant increase in premiums distributed by CA CF

#### Insurance premiums

**+5% p.a.**  
Total Insurance  
premiums CAGR  
2014–19

**€1.2 bn**  
Insurance  
premiums

→ **Strong momentum in our insurance business** around a more balanced product mix

→ A business model based on a revenue structure combining fee and commission income and profit sharing

→ A potential for development through innovation in services  
*Details in Appendix 4*






## DIVERSIFIED AND PROFITABLE ACTIVITIES



## Commitment of the teams(1/2)

### Committed to serving customers and society

#### CA Consumer Finance's ERI<sup>1</sup> outperforms the benchmark

		CA CF	vs previous studies	vs norm <sup>1</sup>
	Pride of belonging	91	+ 5	+ 8
	Customer focus	79	+ 8	+ 4
	Trust in leaders	82	+ 10	+ 13
	Organisation efficiency	69	+ 10	+ 22
	Understanding of the strategy	87	+ 9	+ 18

**81%**  
**ERI<sup>1</sup>**  
 + 7 pts vs 2019  
 + 8 pts vs norm<sup>2</sup>

1 – ERI : Engagement and Recommendation Index

2- Financial institutions in France

## DIVERSIFIED AND PROFITABLE ACTIVITIES



## Commitment of the teams(2/2)

### A societal project meeting society's challenges and fostering staffs' commitment

#### 3 dimensions

#### Achievements

#### Be an inclusive bank

- **Widen the access to credit to all customers**
- **Close support to vulnerable clients**
- **Provide budget education**

- **Decrease in over-indebtedness files**
- **Budget education workshops carried out** in 4 countries

#### Commit to society

- **Support the actions of our staff**
- **Share our expertise, notably on digital skills, to the benefit of projects for the society**
- **Foster an ESG approach for our suppliers and partners**

- **Roll-out of of skills sponsorship** for staff in France
- **Donations to health services during the Covid-19 crisis** (in France and in Italy notably)

#### Foster energy transition

- **Be alongside our clients in their own energy transition (mobility, housing)**
- **Act for a circular economy**
- **Reduce our carbon emissions**

- **Soft mobility offer** (LCL, Décathlon...)
- **Solar energy offer** (Sofinco, Ikea and Voltalia in France ; Agos and Engie in Italy)
- **Measurement of our carbon emissions** (direct and indirect)

**-15%**

Over-indebtedness files for CACF in France <sup>1</sup>

**> €1,5 m**

Donation to health services

<sup>1</sup> According to the last studies, issued on February 6th by the Banque de France, the total number of over-indebtedness files in France decreased by -12% in 2019

## DIVERSIFIED AND PROFITABLE ACTIVITIES



## Financial Performance (1/3)

Improved profitability driven by cost/income ratio management, risk control and the JVs' performance

## 2019 DATA

(Var 2014-2019)

Gross managed loan	€92,027 m +6.0% p.a.
Production	€44,963 m +9.0% p.a.
Contribution of Equity accounted entities <sup>1</sup>	€295 m +18% p.a.
Net income group share	€644 m +28% p.a.
Cost/ income ratio (excl. SRF)	49.3% stable
Cost of risk/outstandings	128bps -1.6 ppt
RONE <sup>2</sup>	17.7% +10.2 ppt

1- Equity method: Equity-accounted (FCA Bank, GAC-Sofinco, Wafasalaf, SoYou)

2- Capital allocation : 9.5 % of weighted assets

→ A development of our activity carried by automotive JVs and insurance

**+18% p.a.**  
CAGR net income  
auto. JVs  
2014–19

**17%**  
share of insurance  
in revenues (2019)

→ A well-managed cost/income ratio, in a context of digital transformation, and despite a drop in interest rates

→ A proactive approach to optimise the risk profile, with a normalisation of the cost of risk of Agos (-2.6 ppt from 2014 to 2019).

Detailed production and outstandings by entity in Appendix 1.  
Production and outstandings evolution over the period 2014 to 2019 in Appendix 2

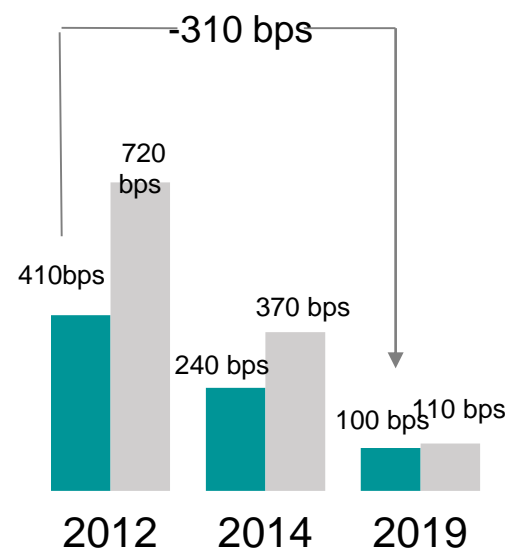
## DIVERSIFIED AND PROFITABLE ACTIVITIES



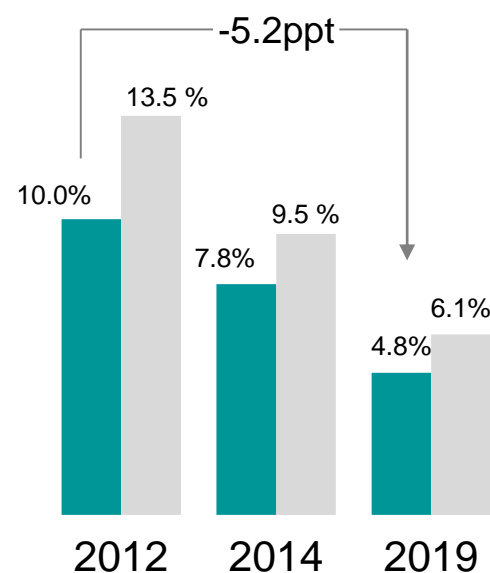
## Financial Performance (2/3)

### A structural improvement in the cost of risk

#### Cost of risk/outstandings, 2012–2019



#### NPL ratio 2012–2019



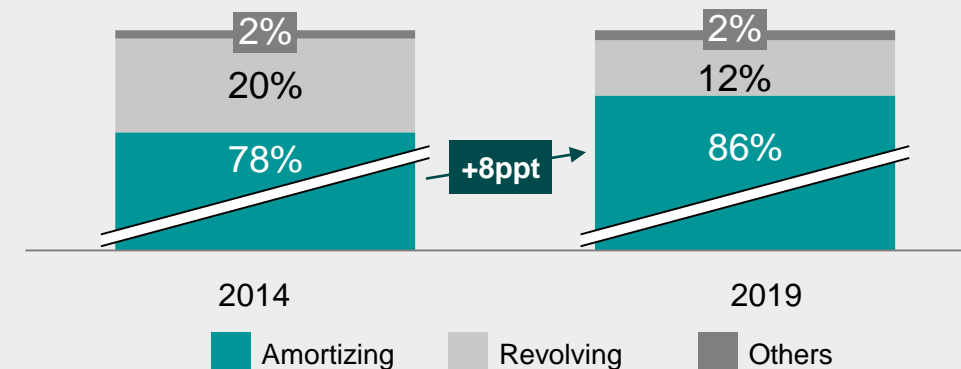
■ Group CA Consumer Finance (incl. JV integration)  
■ Agos

Note: 2012 and 2014: norm IAS 39, 2019: norm IFRS 9

### Structural optimisation of the cost of risk following the crisis (2012–2019)

- **Efficient treatment of Agos risk**
- **Tightening of scoring systems**
- **Investments in anti-fraud tools**
- **Optimisation of recovery**
  - Close support for the most vulnerable customers
  - Implementing collection agencies
  - Receivables assignment policy
- **A more balanced product mix profile**

#### Breakdown of consolidated outstandings, 2014–2019



## DIVERSIFIED AND PROFITABLE ACTIVITIES

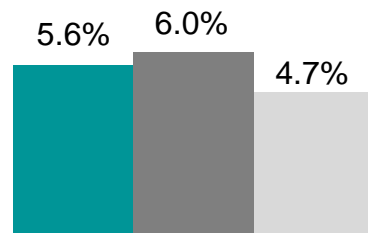


## Financial Performance (3/3)

### Solid performance

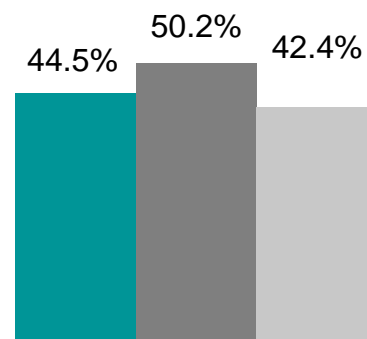
#### Revenues/Outstandings, Sept-2020

6.1% stated



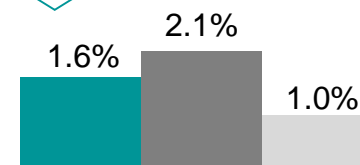
#### Cost/income ratio, Sept-2020

49.3% stated



#### Cost of risk/outstandings, Sept-2020

1.9% stated <sup>(1)</sup>



→ The integration of the contribution of equity-accounted JVs shows a similar positioning of CACF to that of Peer 1

*Details in Appendix 3*

→ A gap with Peer 2 on cost of risk which can be explained by the automotive predominance within this player.

(1) 9 month annualized

Note: Financial indicators calculated after line-by-line integration of the 4 JVs for CA Consumer Finance (FCA Bank, GAC-Sofinco, Wafasalaf, SoYou); stated data calculated under the equity accounting method. CASA cost to income ratio excluding SRF

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Growth is the priority

## Strong mobilisation of CA Consumer Finance for customers and employee safety during the crisis

### Leveraging on our innovative tools

**Innovative and digital tools offering remote production capabilities** for direct customers and employees working from home

>95%

Remote-work rate from the very first days, including sales functions

54%  
online prod.

in April vs. 31% in February

### Internal reallocation of resources

**Very rapid adaptation of communication channels and human resources to the benefit of our clients**, notably in France and Italy

~380,000 moratoria

provided since the crisis

### Increased customer satisfaction after the lockdown

- **A close relationship, appreciated by our customers** through moratorium and deferrals granted to professionals and individual customers
- **A positive impact reflected in strategic NPS results** on our markets

Top 2 NPS<sup>1</sup>

#1 Germany, Portugal  
#2 France, Italy

### Strong mobilisation of the teams

**A strong sense of belonging among CA Consumer Finance employees**, reinforced during the crisis with an ERI that outperformed the benchmark

81% ERI

+7 ppt in 2020 vs. 2019



Human pillar

1. NPS : Net promoter score



## Human Pillar

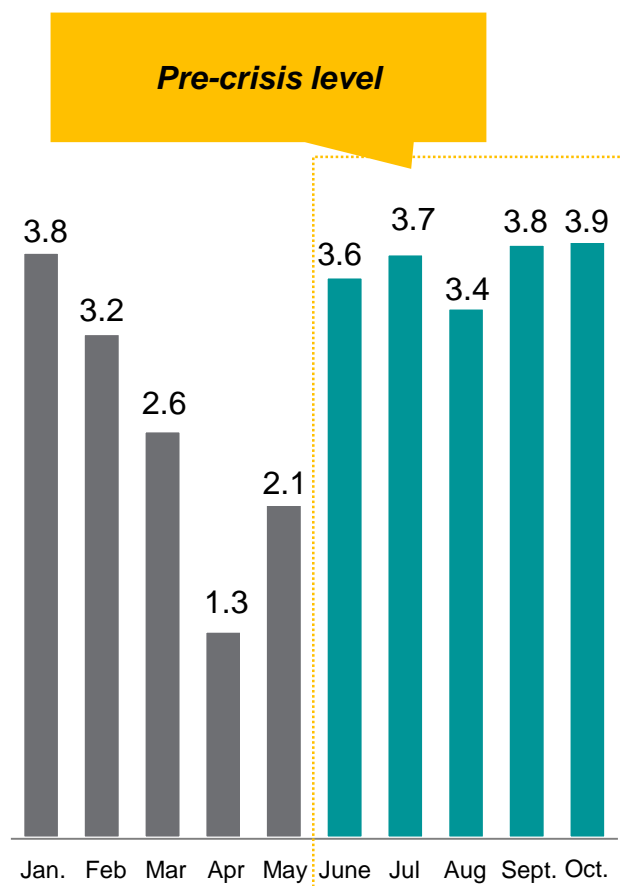
**Cédric Postel-Vinay**  
**Human Resources**  
**CACF Groupe**

**Etienne Epitalon**  
**Human Resources**  
**CACF France**

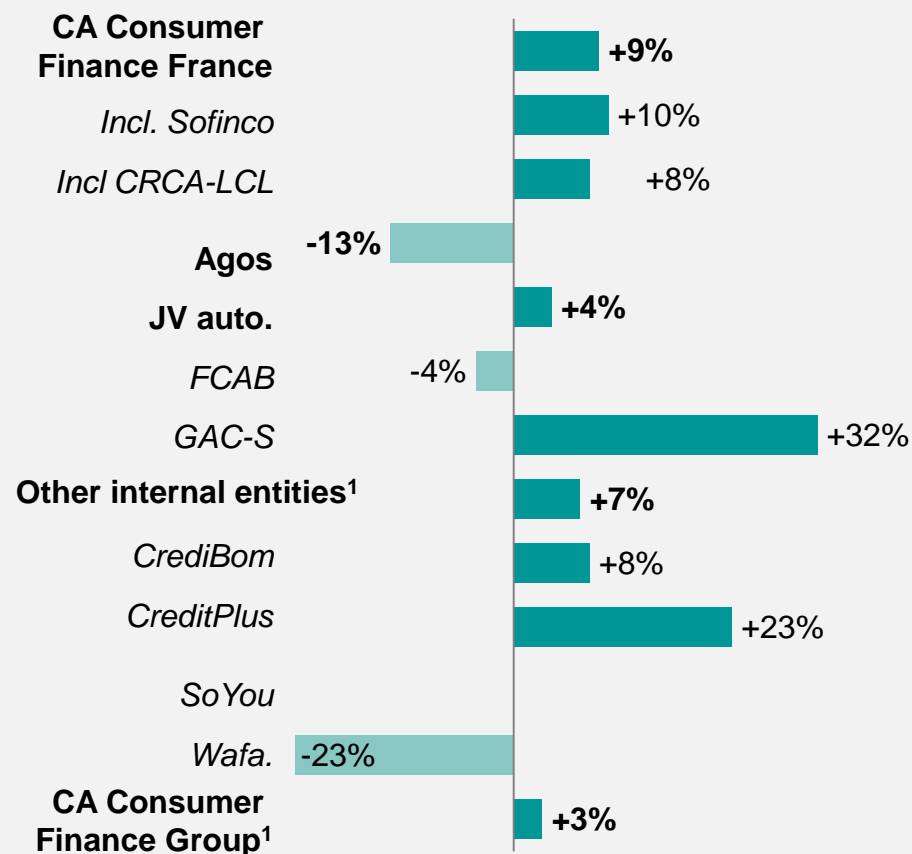
ROBUST DURING THE COVID-19 CRISIS

## Proven capacity to rebound

Monthly production,  
2020 (€bn)



Quarterly production, Q3 2020 vs. Q3 2019



1. Including CA Consumer Finance NL (pending withdrawal)

## A milder 2<sup>nd</sup> wave in France

1<sup>st</sup> wave – April 2020

-65% vs. April 2019



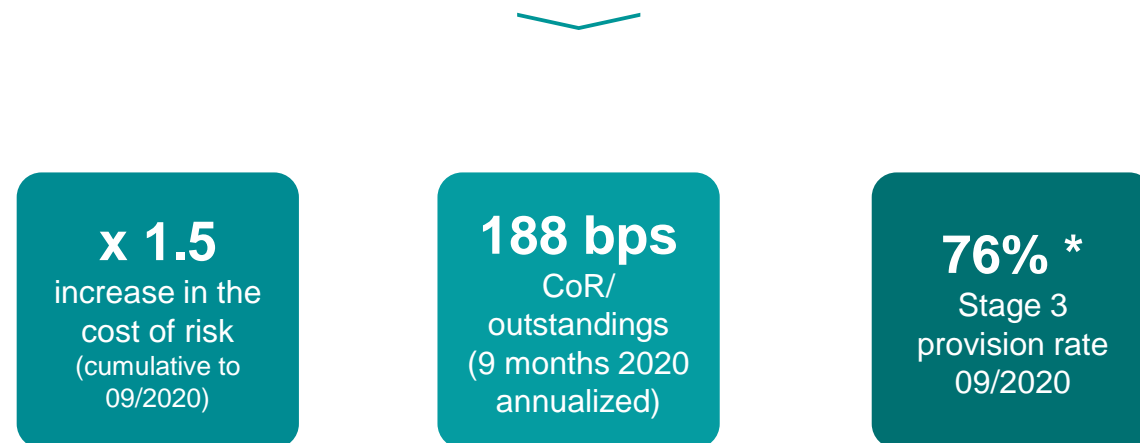
2<sup>nd</sup> wave – Nov. 2020

~ -10% vs. Nov. 2019

ROBUST DURING THE COVID-19 CRISIS

## Moderate impact on cost of risk

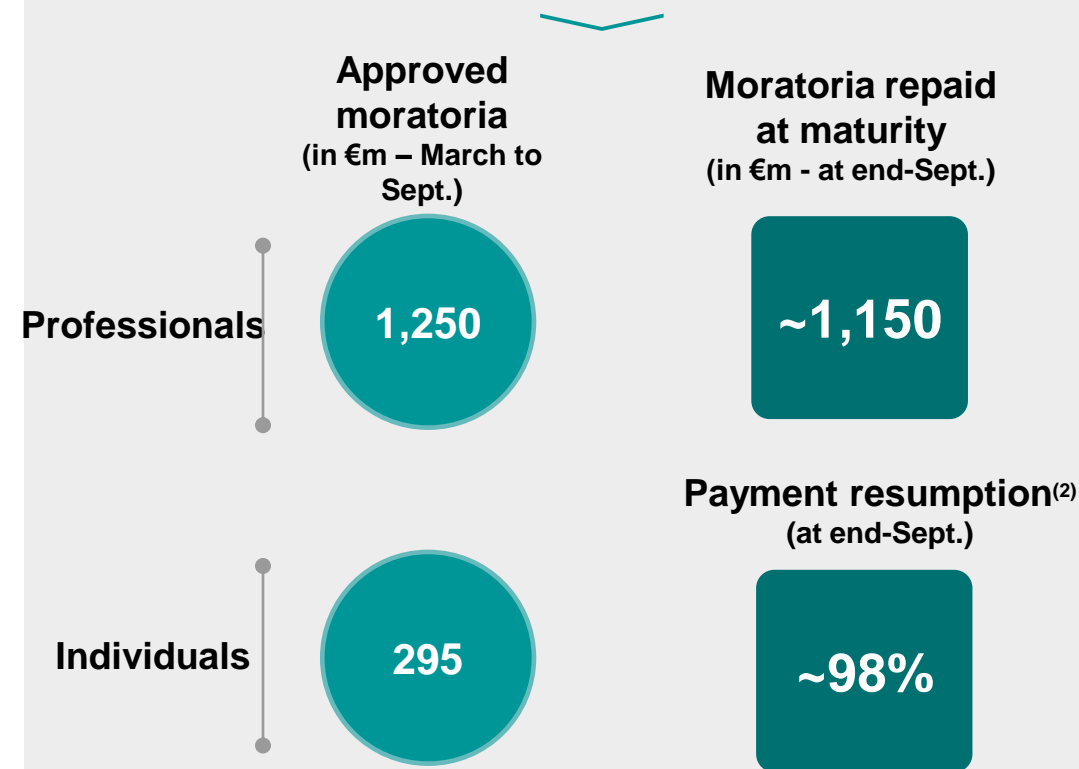
A significant increase in cost of risk during H1-2020, including a strong increase in performing loans provisioning



Changes in quarterly cost of risk 2019–2020 in Appendix 5.

\* Provision rate= provisions on performing and non performing loans / non performing loans outstandings.  
Decrease in Stage 3 provision rate (-15ppt as compared to 06/2020) linked to the implementation of the new definition of default

Massive support for our customers with >€1.5 bn <sup>(1)</sup> of moratoria granted thanks to the mobilisation of the recovery teams. Efficient management of these deferred payments enabling to low recurrence of deferral.



(1) Amount of deferred maturities

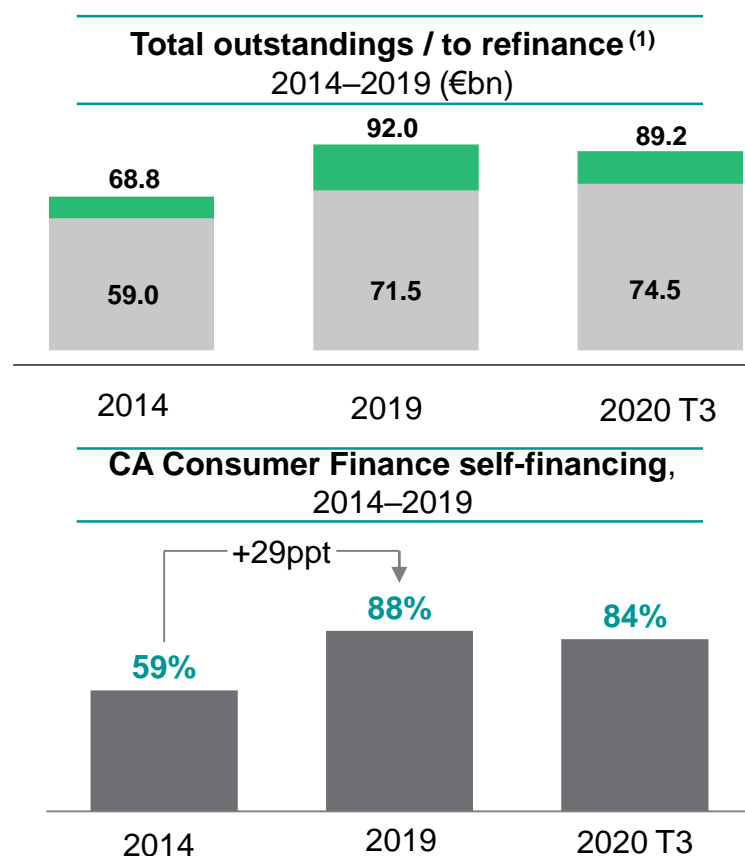
(2) Payment resumption on expired moratoria

ROBUST DURING THE COVID-19 CRISIS

## Refinancing: a high level of self-financing, ensuring autonomy

### Auto-financing

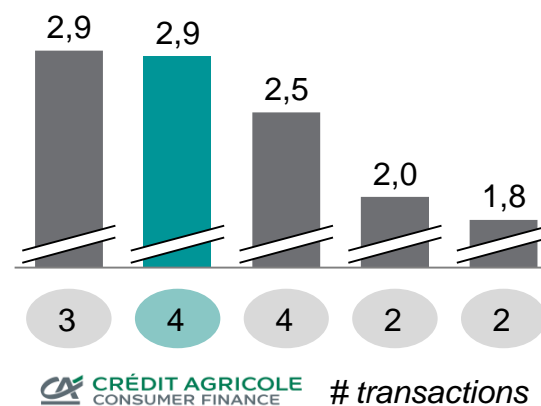
#### Diversification of refinancing sources



### Securitisation

**No. 1 European player** in the consumer finance securitisation market (number of transactions).

#### Securitisation of consumer credit vs. peers, 2019 (€bn)



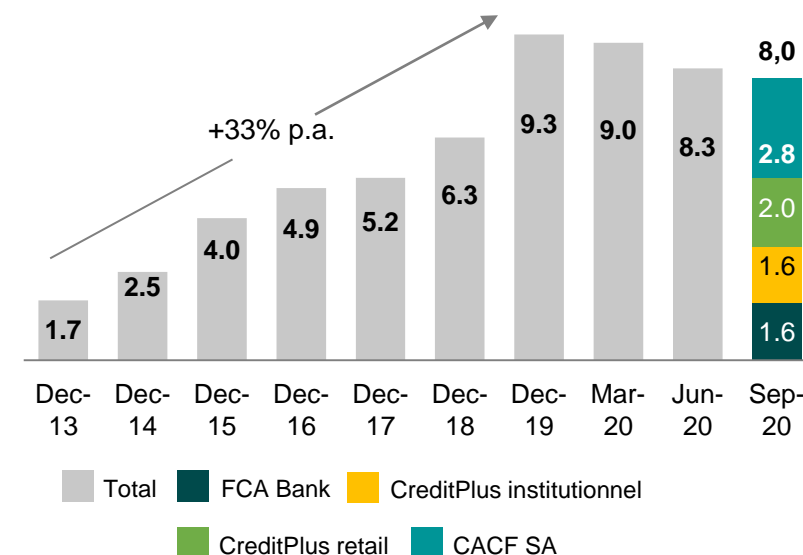
Source: JP Morgan International ABS & CB, Public securitisations placed and denominated in euros in number of transactions (2nd in amount).

(1) Outstandings to refinance: outstandings carried by group entities+ liquidity reserves

### Savings inflows

**Dynamic savings deposits activity supported by digital tools**

#### Savings deposits, 2013–2020 (€bn)



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**Growth is the priority**

GROWTH IS THE PRIORITY

## 2022 Ambition : Four growth drivers supported by digitisation



### Digitisation

Implementing the results of recent investments in digitisation and innovation in all the entites of CA CF, in order to serve our customers



### Partnerships & cross-selling

Develop partnerships leveraging on digital technology and strengthening cross-selling

**X 2**  
**cross-selling rate**  
in 2022 in France



### Automobile

Take our stake in the changing world of mobility, leveraging on our automobile expertise

**+€500 m / year**  
additional auto production  
(excl. JV) in 2022

**+4.5 Bn€**  
Outstanding in Auto Jvs by  
2022 vs 2018



### Servicing

Roll out our established expertise in all of the countries we operate in

**+10 new banking**  
**partners**  
by 2022

**+1 ppt**  
Market share for Retail  
Banks of the Group in France  
versus 2018



### Green financing

Become the consumer finance leader on green financing

**€1 bn per year**  
production generated by  
green financing in 2022

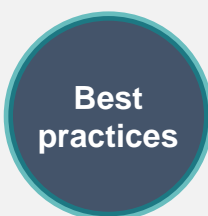
GROWTH IS THE PRIORITY

## Digitisation |

Implementing the results of recent investments in digital and innovation for the benefit of customers

### Pursue the digitisation of customer journeys

- Share our best practices with all our partners (e.g. Ikea, Tesla, sofinco.fr, DigiConso, Pisca Pisca)
- Pursue the rollout of **Mobile First and the omnichannel** customer journeys combining Internet, phone and branches



Rolled out in all our entities by the end of 2021

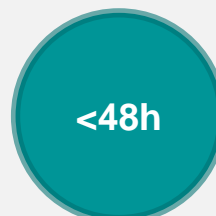
### Simplify and automate our internal processes

Review and automate customer on-boarding and loan-granting processes to reduce "time to yes"

Reduced Time To Yes



Long channel

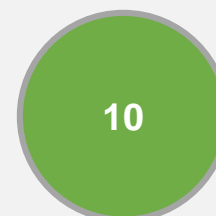


Short channel

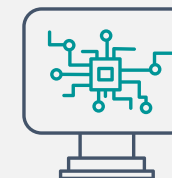
### Enhance customer satisfaction

#### Optimise our post-sales interactions

- Automation of our marketing campaigns
- Extension of customer relationship management



Customer satisfaction KPIs tracked monthly by ComEx



>70%

digitised production from end 2021, vs. 63% in 2019

<15 min

"Time to Yes" on the long channel (France, Italy, Germany) from end 2021

<48 hr

"Time to Yes" on the short channel and auto from end 2021 (France, Italy, Germany)

#1

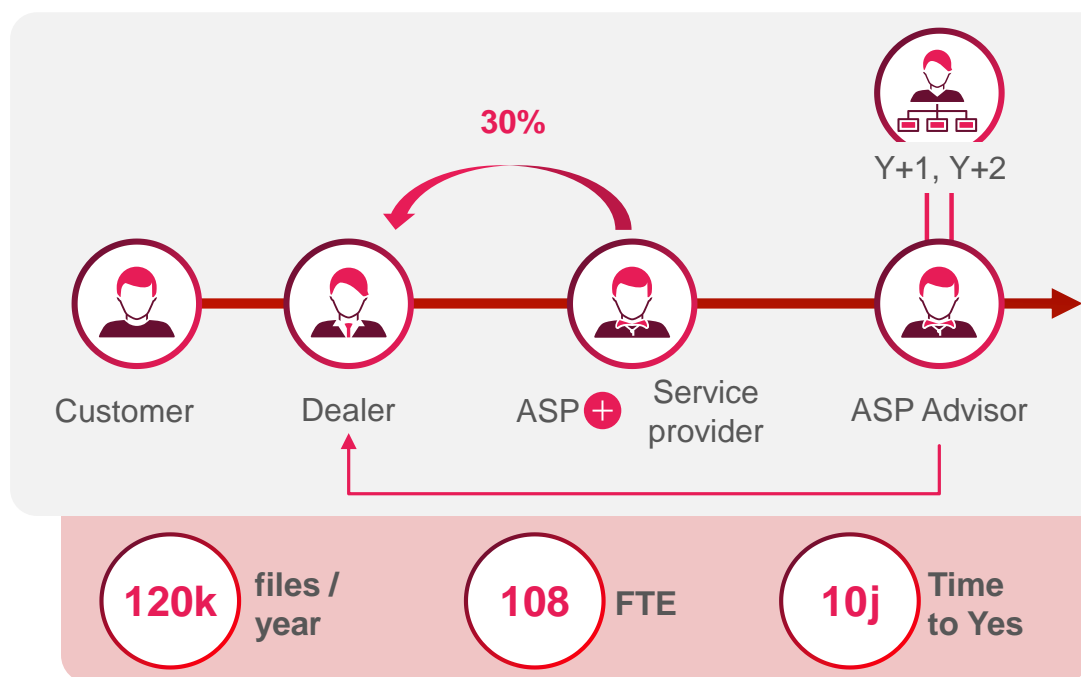
in term of Net promoter score in all our markets (vs. #2 in 2020)

GROWTH IS THE PRIORITY

## Digitisation |

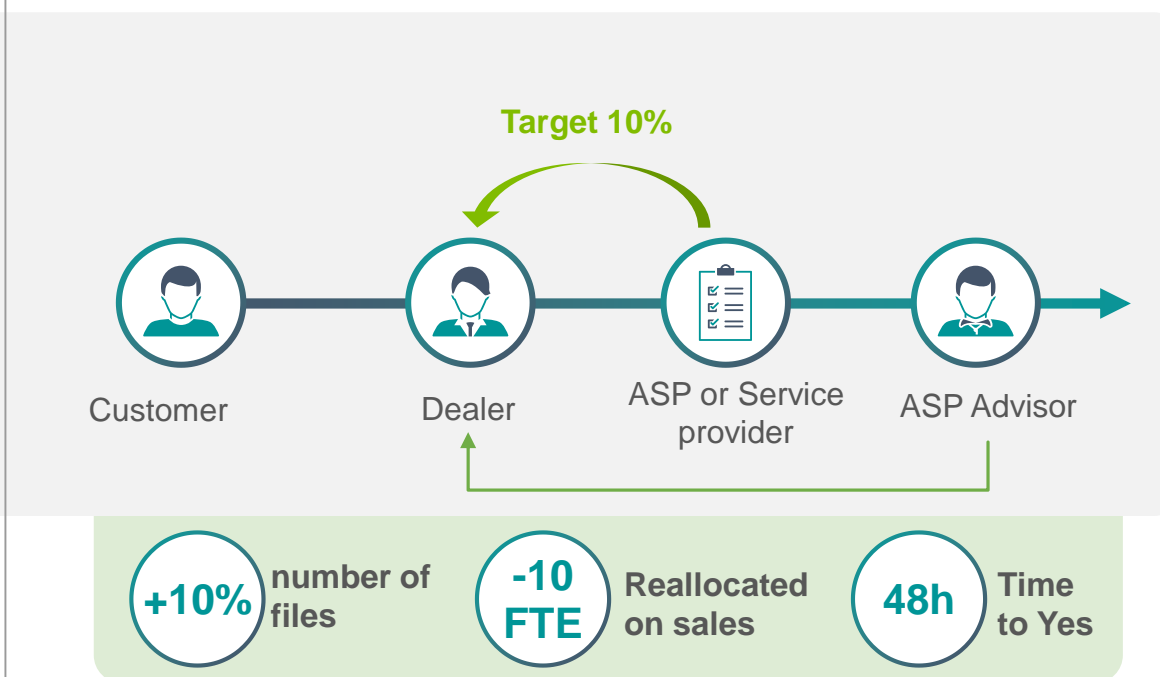
Example in France: Leveraging on the “Human Project” to simplify car-motorbike-leisure loan granting

**A lengthy loan-granting process  
and under-optimisation of resources**



- ✗ Lack of autonomy of advisors
- ✗ Red tape in processes
- ✗ Saturated production capacity

**A new process co-constructed by  
employees on a bottom up basis**



- ✓ Advisers accountability
- ✓ Reinforcing delegation
- ✓ Change process

GROWTH IS THE PRIORITY

## Partnerships & cross-selling I

Develop partnerships leveraging on digital technology and strengthen cross-selling

### Foster the acquisition of new partners

#### Strengthen our pan-European approach

- Continue to support our partners abroad
- Gain new pan-European partners

Further **digitalize** our services to foster online growth

**Accelerate the development of our payment offers**, with a special focus on fractioned payment for our partners

Accelerate on the new **Home Equipment trends : rental, subscription**

### Making better use of customers acquired through partners

#### Modernise our marketing, through meta-scoring and leveraging data

- Set up a CACF level DataLab and data governance
- Implement a **management tool to improve cross-selling performance**



# X 2

**on the cross-selling rate**  
in 2022 in France

GROWTH IS THE PRIORITY

## Partnerships & cross-selling |

### New in-house management tool to improve cross-selling performance

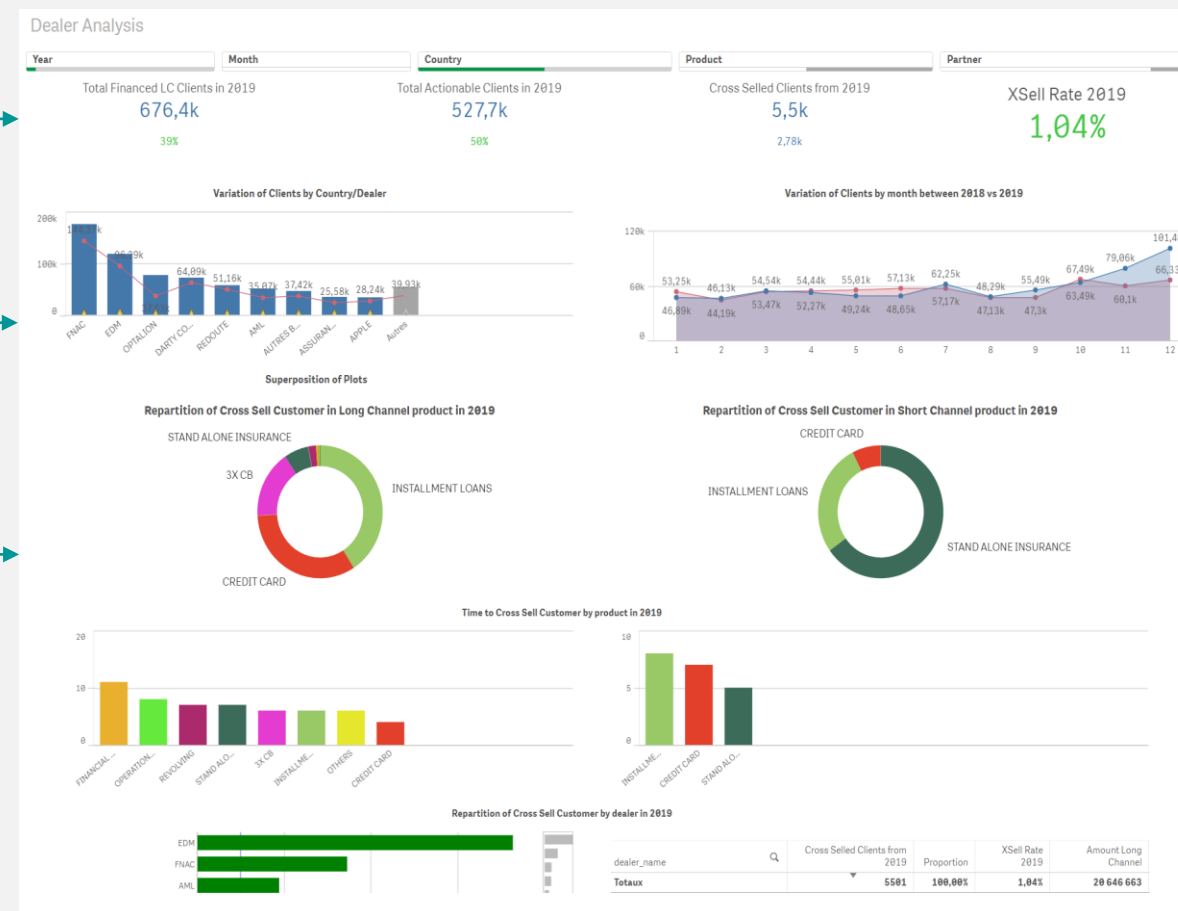
A **dynamic and flexible analytical tool** to monitor by entity, by partner and by period of time

A monitoring of the evolution **of the client portfolio**

Indicators to spot potential for cross-sell (by product, partner, transformation period)

A **cross-sell management tool** rolled out by our Data Team for all our entities enabling us to :

- Share our **best practices**
- Implement **targeted and efficient actions**
- Reach our **ambitions**



GROWTH IS THE PRIORITY

## Automobile |

Take our stake in the changing world of mobility, leveraging on our automotive expertise

### Boost our range of products and services

#### Adaptating to mobility trends

- From ownership to use-based : extension of our long-term lease (LTL) product range => **Creation of CA Rent**
- Increase financing and services for electric & hybrid vehicles

**Accelerating on the second-hand market**, notably via “on line business” (e.g. “Pisca Pisca” market place — Credibom)

#### Developing the range of services

- Related to financing, property, and persons

### Amplify the development of our “captive” model

#### Supporting our manufacturer partners

- Digital customer journey thanks to our innovative tools (e.g. Tesla)
- Pan-European tool for distribution networks’ financing (e.g. Mazda France)

#### Accompanying our distribution partners

- Satisfaction and customer loyalty vector (customer centric culture)
- Transformation of the automotive customer journey (dematerialisation, electronic signature, etc.).



**+€500 m /**  
year  
automotive  
production (excl.  
JV)  
in 2022 vs. 2019<sup>1</sup>

**+€4.5 bn**  
additional  
outstanding by  
auto. JVs., 2022  
vs. 2018

<sup>1</sup> - automotive production excluding joint-ventures was €3.6 billion

GROWTH IS THE PRIORITY

## Servicing |

Roll out our expertise in all the countries we operate in

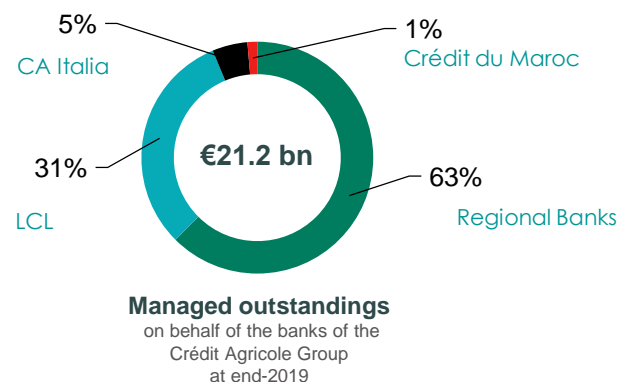
### Recognised expertise of CACF

Positioned as a **major consumer finance player in Europe**

**Expertise across the entire value chain**, enabling us to propose targeted offers

- e.g. marketing and loan-granting skills based on the management of a large customer base in Europe, recovery know-how

Over 15 years' experience in **supporting Retail banks in Europe**: LCL and Regional Banks, CA Italia



### Development of our servicing activities

- **Achieve new targets** directly or with the support of Crédit Agricole Group
- **Develop new offerings through innovation** on credit and insurance products
- **Optimise customer equipment** for our banking partners



**+10**  
new banking partners  
by 2022

**+ 1ppt**  
of market share of  
the Retail banks of  
CA Group in France  
vs 2018

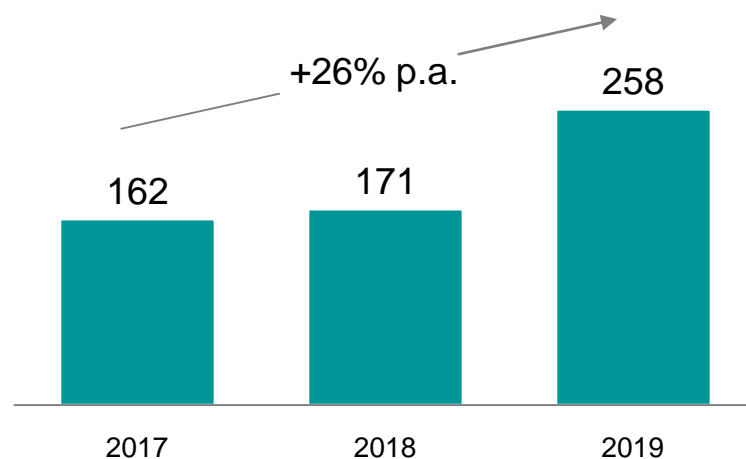
GROWTH IS THE PRIORITY

## Green Finance |

Become the consumer finance leader in green financing

Sharp increase in green finance in the global economy in recent years

Volume of green loans and bonds worldwide, 2017–2019 (\$bn)<sup>1</sup>



1. Source: the Climate Bonds Initiative – 2019 report

CACF well positioned to capture the growth of green finance

CACF positioned in key sectors of the green economy:

- financing of electric vehicles
- home isolation/ green power

Within the framework of the “**Charte Faire**” signed with the French public authorities in 2020, development by CACF of an attractive financing offering for energy renovation

**Financing of electric or low CO<sup>2</sup> consumption vehicles** (<95g CO<sup>2</sup> / km) of our partners (e.g., GAC new Energy), partnerships with pure players.



**€1 bn** / year  
production  
generated by green  
finance in 2022

Sept-20  
~€0.5 bn\*  
(9 months)

\* Automotive financing: electric vehicles or vehicles emitting <95g CO<sub>2</sub>/km

## GROWTH IS THE PRIORITY

## 2022 ambition borne by all CACF entities



## Organic growth:

- **Increase synergies within Crédit Agricole Group**
  - Generalisation of "DigiConso"
  - Strengthening insurance activity
- **Improve processes and optimise expenses to reduce cost/income ratio**
- **Prioritise partnerships** (in particular auto), leveraging on them for direct channel by **optimising cross-selling rate, broadening offerings and services**



**Organic growth**, both in short channel (**Internet channel**) and **long channel** (servicing, leasing and financing of pre-owned vehicles), develop **insurance and services**



## 2 key priorities:

- develop **servicing**,
- expand the product range (e.g. introduce of a **revolving credit product**)



## Activity growth on the Iberian Peninsula

- Maintaining leadership in the car market in Portugal
- Diversifying the business through partnerships, particularly in the banking sector



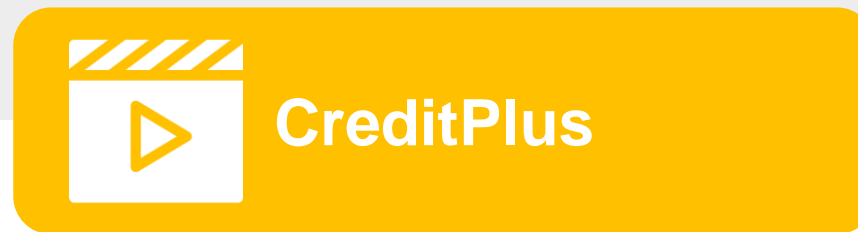
**Enhance the value of this strategic partnership**, in the context of consolidation and develop **Leasys** on new forms of mobility.



**Develop new offerings** (e.g. leasing)



CreditPlus



**Belgin Rudack**  
**CEO Creditplus Bank**

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## 3 YEAR FINANCIAL TARGETS

**Despite the sanitary crisis, CACF has shown its resilience and ability to rebound, allowing for ambitious three-year financial targets**

	2018	2019	MTP 2022 (pre-COVID targets)	Sept 2020	3 year targets
<b>Gross managed loans (€bn)</b>	88	92	108 (+20 <sup>1</sup> )	89	108
<b>Cost/income ratio (excl. SRF) stated</b>	48.9%	49.3%	<46%	49.3%	46%
<b>Cost of risk/ outstandings</b>	118 bp	128 bp	<160 bp	188 bp <sup>(2)</sup>	<160 bp
<b>RoNE <sup>(3)</sup></b>	18.5%	17.7%	~15%	13.7%	15%

(1) Targets and trajectory restated from CA Consumer Finance NL (€ 2 Bn)

(2) Including losses non provisionned. Cost of risk on outstanding corresponds to the annualized 9 month cost of risk divided by the average of the outstanding recorded beginning of Q1 2020, Q2 2020 and Q3 2020

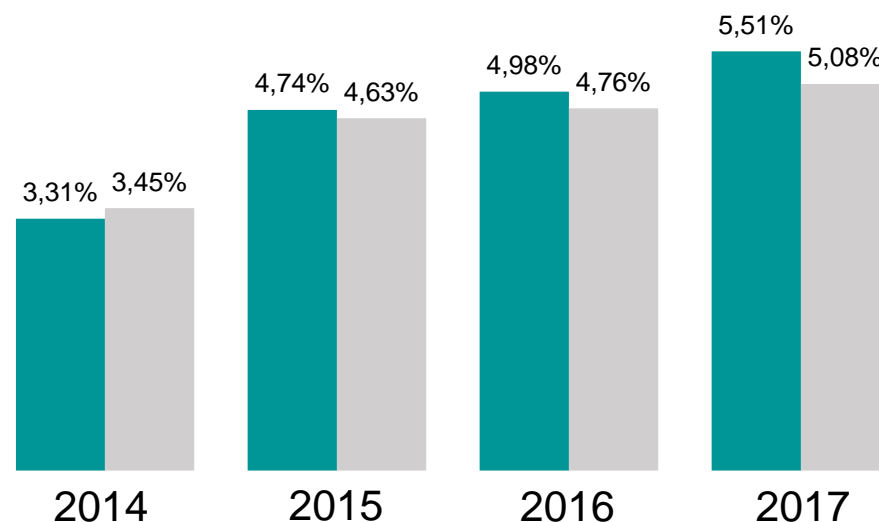
(3) Capital allocation : 9.5% of weighted assets

## 3 YEAR FINANCIAL TARGETS

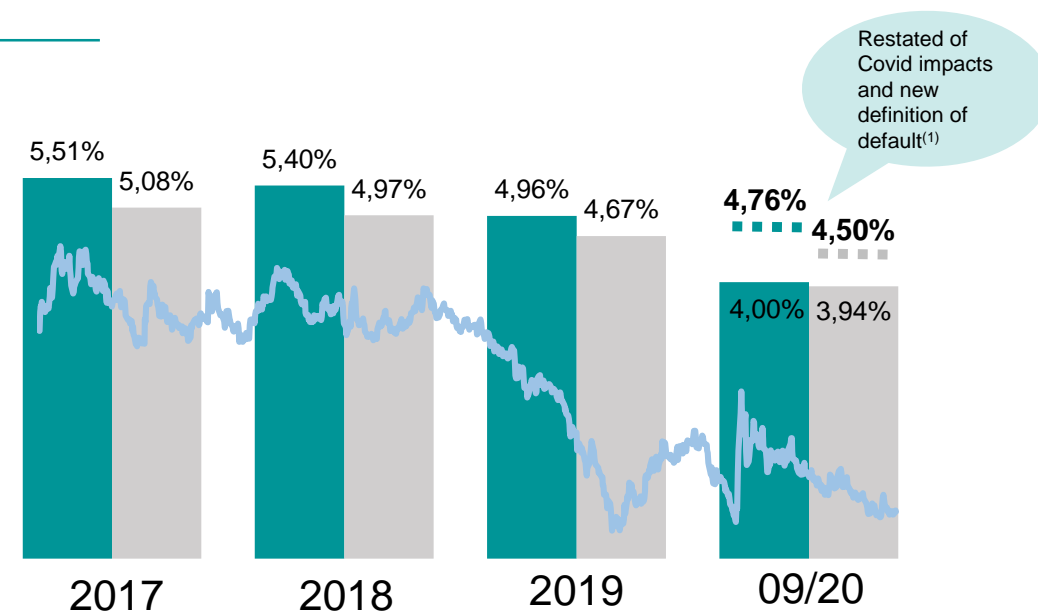
## Net margin over outstandings |

## Optimized and robust credit quality in the context of decreasing rates and Covid crisis

Evolution of revenue over outstandings net  
of cost of risk  
2014- 09/2020



- From 2015, normalisation of Agos portfolio
- Structural improvement in the cost of risk



- Resilience of the model despite the rates headwinds

— Evolution of the 10y OAT

(1) Restatement of 76 bp on the stated consolidated scope and 56 bps on the scope integrating the JVs. Impact related to the Covid-crisis related cost of risk recorded in H1-20 and to the impact of the new definition of default.

Consolidated scope \*

Scope integrating JVs \*

\* Excluding sold entities : Credicom, Credium, Forso

## 3 YEAR FINANCIAL TARGETS

**Operating expenses |****Cross-functional cost optimization program, to improve the cost/income**

**Transversal optimisation priorities** as identified in the BEST operational excellence program framework...

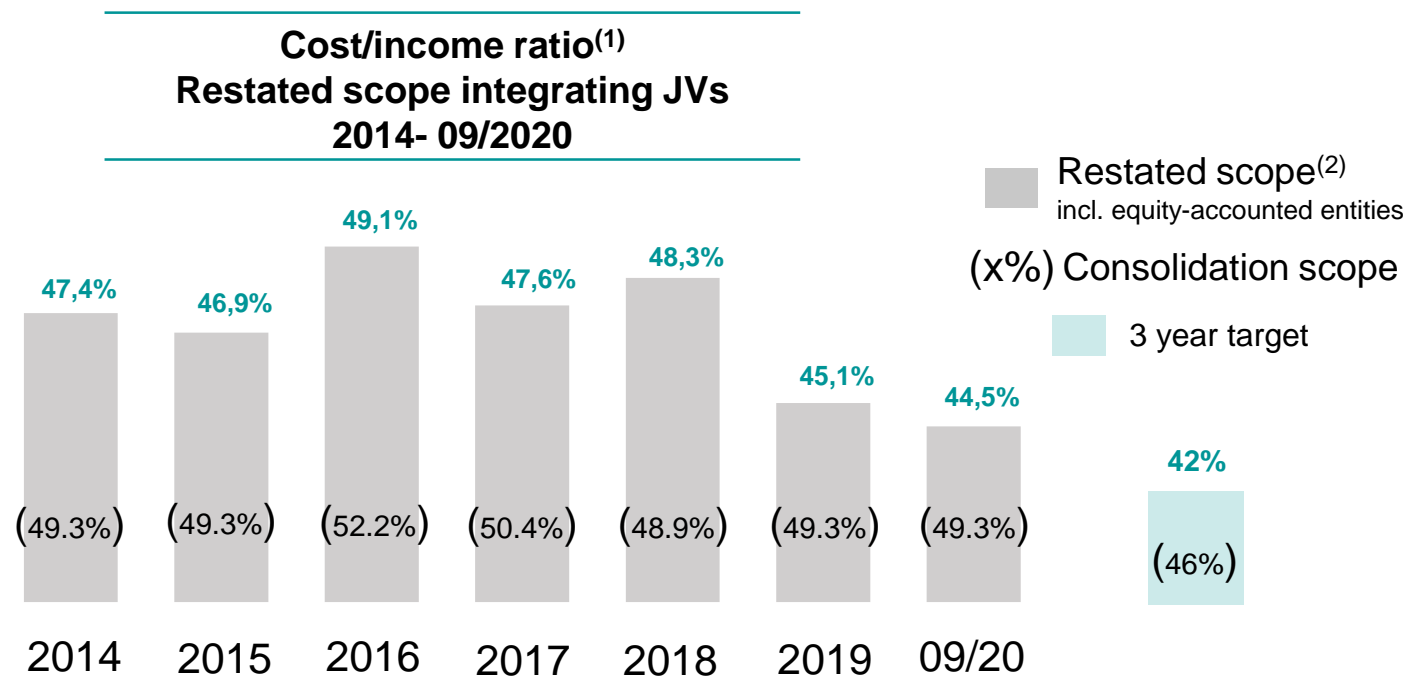
- **Renegotiation of procurement contracts and rationalisation of suppliers** (e.g. IS)
- **Centralisation of certain processes**
- **Transversal data management & tool pooling**
  - e.g. automation of marketing campaigns
  - **Reduction of the “Time to Yes” through targeted actions**
  - Optimisation of loan granting controls

...complemented by a proactive approach to cost-reduction, country by country,

**Objective: converge towards a cost/income ratio 46% for CACF (i.e. 42% once JV integrated)**

Of which:

- **Sofinco : Cost/ income <50% within three years vs. 54% in 2019**
- **Automotive JVs : Cost / income still low (<30%)**

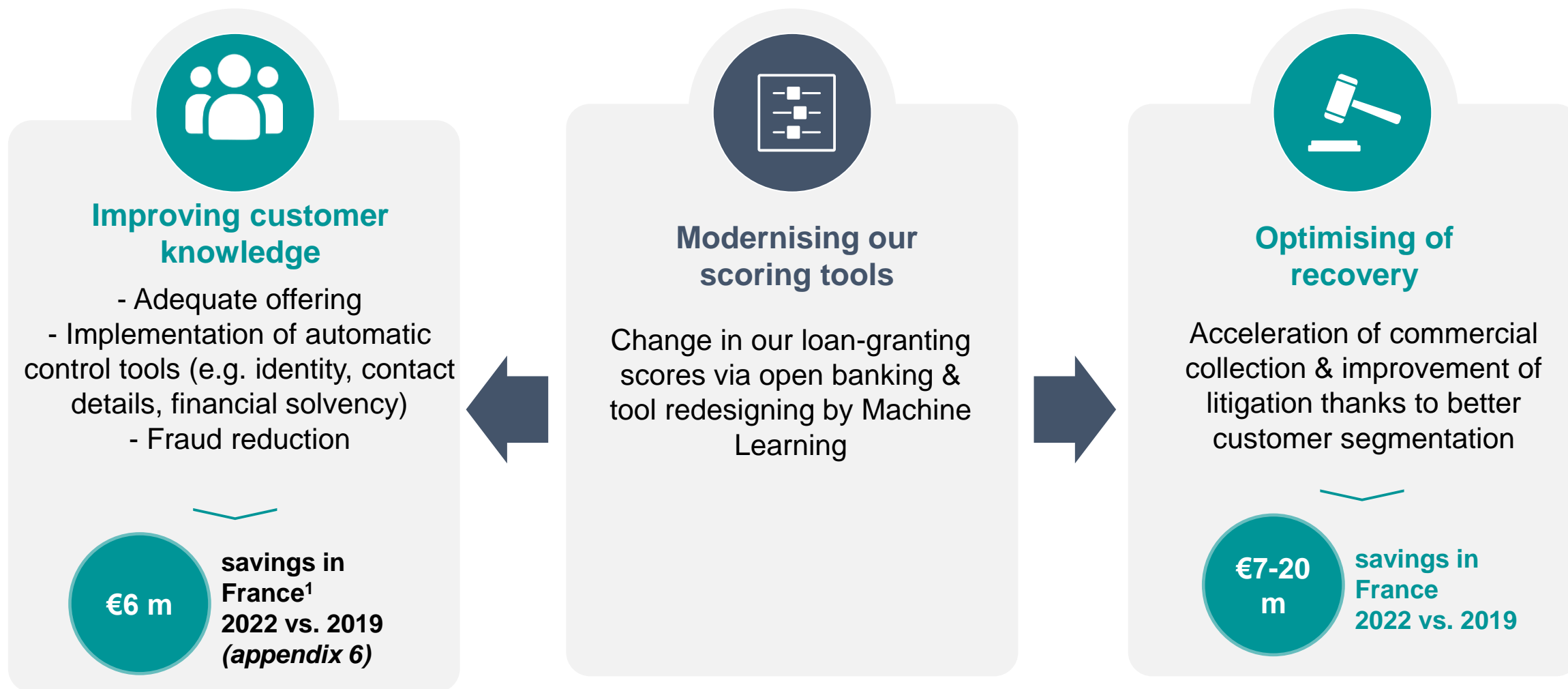


1 – Hors FRU

2 - Consolidated scope excluding divested entities: Credicom, Credium, Forso

## 3 YEAR FINANCIAL TARGETS

**Cost of risk | Improvement of processes and tools to guarantee good customer selectivity, maintain cost of risk on outstandings low and reduce the cost of fraud**



1. Improvement in the cost of risk, net of the increase in expenses required to set up tools

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## Conclusion



**A leading company on the key consumer finance markets in Europe, committed and proud, mobilized to serve its customers and society**



**€90 Bn of managed loans with a state-of-the art comprehensive offer proposal, omnichannel and digital**



**Excellent profitability end 2019, and proven resilience during the sanitary crisis, with a strong reactivity and rebound capacity, alongside our customers and our partners**



**High growth ambitions, with 4 main drivers, supported by the rolling-out of digital solutions in all our entites**

- **Partnerships & cross-selling**
- **Automotive and mobility solutions**
- **Servicing**
- **Green financing**

**X 2 cross-selling rate in 2022 in France**

**+€500 m / year additional auto production (excl. JV) in 2022**

**+10 new banking partners by 2022**

**€ 1 Bn per year production generated by green financing in 2022**



**Ambitious 3 year financial targets. A growth driver for CA Group, with a RONE target at 15%.**

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## APPENDIX 1

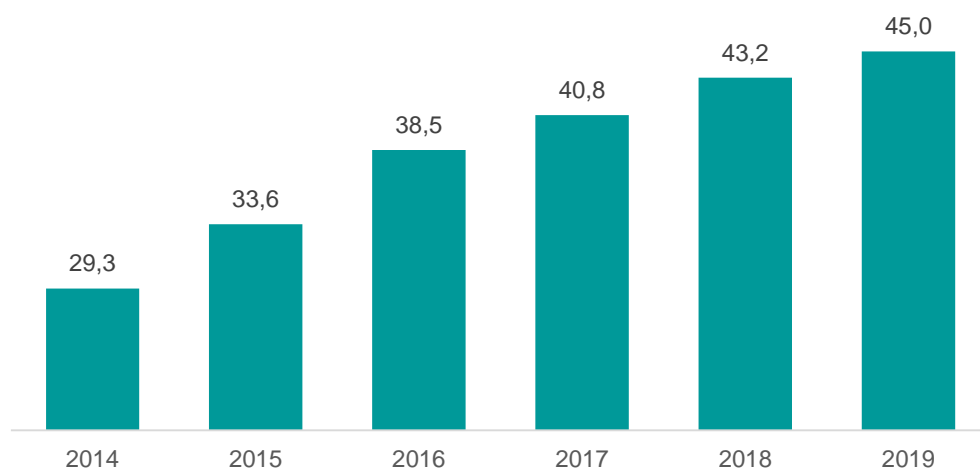
**CA CF : a group that manages €89.2 bn in outstandings, of which €32.9 bn consolidated.**

	 	 	 	 	 	 	 	 	 
CA Consumer Finance Shareholders	100% CA Consumer Finance	61% CA Consumer Finance – 39% Banco BPM Renewed in 2019 for 15 years	50% CA Consumer Finance - 50% FCA Renewed in 2019 for 5 years	100% CA Consumer Finance	100% CA Consumer Finance	51% CA Consumer Finance – 49% Bankia	50% CA Consumer Finance - 50% Guangzhou Automobile Group Co. Ltd	49% CA Consumer Finance – 51% Attijariwafa Bank	100% CA Consumer Finance
Gross managed loans (€bn, Q3-20)	32.2	13.9	25.3	4.4	2.3	0.1	5.8	3.4	1.8
Consolidated outstanding (€bn - 2019)	12.4	13.8	-	4.4	2.3	-	-	-	-
Total production (€bn Q3-20)	15.7	6.9	13.7	1.8	0.8	-	4.0	1.6	0.5

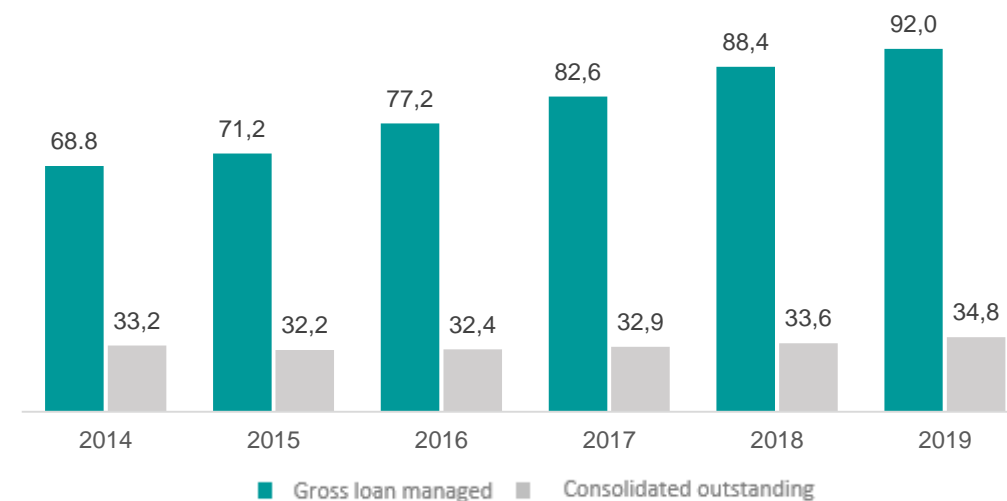
## APPENDIX 2

## Evolution of the production and outstanding between 2014 to 2019

## CA CF Production



## Gross loan managed of CA CF



## APPENDIX 3

Determination of the restated results integrating equity-accounted entities<sup>1</sup>







































































CA Consumer Finance			Equity-accounted entities			CA Consumer Finance restated	Pro forma	Pro forma
€m	2019 (12 months)	9M-2020	€m	2019 (12 months)	9M-2020	€m	2019 (12 months)	9M-2020
<b>Revenues</b>	<b>2,143.9</b>	<b>1,490.8</b>	<b>Revenues</b>	<b>671.0</b>	<b>496.2</b>	<b>Revenues</b>	<b>2,814.9</b>	<b>1,987.0</b>
<i>Revenues/Average outstandings</i>	6.3%	6.1%	<i>Revenues/Average outstandings</i>	4.4%	4.4%	<i>Revenues/Average outstandings</i>	5.7%	5.6%
<i>NBI excl. Insurance / outstanding</i>	5.2%	5.1%	<i>NBI excl. Insurance / GAO</i>	3.7%	3.8%	<i>NBI excl. Insurance / GAO</i>	4.8%	4.7%
<b>Operating expenses</b>	<b>-1,068.1</b>	<b>-744.7</b>	<b>Operating expenses</b>	<b>-213.0</b>	<b>-148.33</b>	<b>Operating expenses</b>	<b>-1,281.1</b>	<b>-893.0</b>
<b>Gross operating income</b>	<b>1,075.8</b>	<b>746.1</b>	<b>Gross operating income</b>	<b>458.0</b>	<b>347.9</b>	<b>Gross operating income</b>	<b>1,533.8</b>	<b>1,094.0</b>
<i>Cost/income ratio excl SRF</i>	49.3%	49.3%	<i>Cost/income ratio</i>	31.7%	29.9%	<i>Cost/income ratio excl SRF</i>	45.1%	44.5%
<b>Cost of risk</b>	<b>-450.7</b>	<b>-508.5</b>	<b>Cost of risk</b>	<b>-51.7</b>	<b>-71.4</b>	<b>Cost of risk</b>	<b>-502.4</b>	<b>-579.8</b>
<i>CoR/outstandings<sup>2</sup></i>	-1.3%	-1.9%	<i>CoR/ outstandings</i>	-0.3%	-0.6%	<i>CoR/ outstandings</i>	-1.0%	-1.6%
<b>Contributions (equity-accounted)</b>	<b>295.5</b>	<b>204.3</b>	<i>Contributions (equity-accounted)</i>			<b>Contributions (equity-accounted)</b>	<b>2.5</b>	<b>-0.1</b>
<i>Other</i>	<b>-0.2</b>	<b>2.6</b>	<i>Other</i>			<i>Other</i>	<b>-0.2</b>	<b>2.6</b>
<i>Income tax charge</i>	<b>-171.9</b>	<b>2.2</b>	<i>Income tax charge</i>	<b>-113.3</b>	<b>-72.1</b>	<i>Income tax charge</i>	<b>-285.2</b>	<b>-69.8</b>
<b>Net income</b>	<b>748.5</b>	<b>446.8</b>	<b>Net income</b>	<b>293.0</b>	<b>204.4</b>	<b>Net income</b>	<b>748.5</b>	<b>446.8</b>
<b>Non-controlling interests</b>	<b>-104.2</b>	<b>-72.0</b>	<b>Non-controlling interests</b>	<b>-2.0</b>	<b>-1.8</b>	<b>Non-controlling interests</b>	<b>-104.2</b>	<b>-72.0</b>
<b>Net income Group share</b>	<b>644.3</b>	<b>374.7</b>	<b>Net income Group share</b>	<b>291.0</b>	<b>202.7</b>	<b>Net income Group share</b>	<b>644.3</b>	<b>374.7</b>

(1) The following equity-accounted entities have been restated: FCA Bank, GAC-Sofinco, Wafasalaf, SoYou.

(2) Including losses non provisionned. Cost of risk on outstanding of CACF corresponds to the annualized 9 month cost of risk divided by the average of the outstanding recorded beginning of Q1 2020, Q2 2020 and Q3 2020.

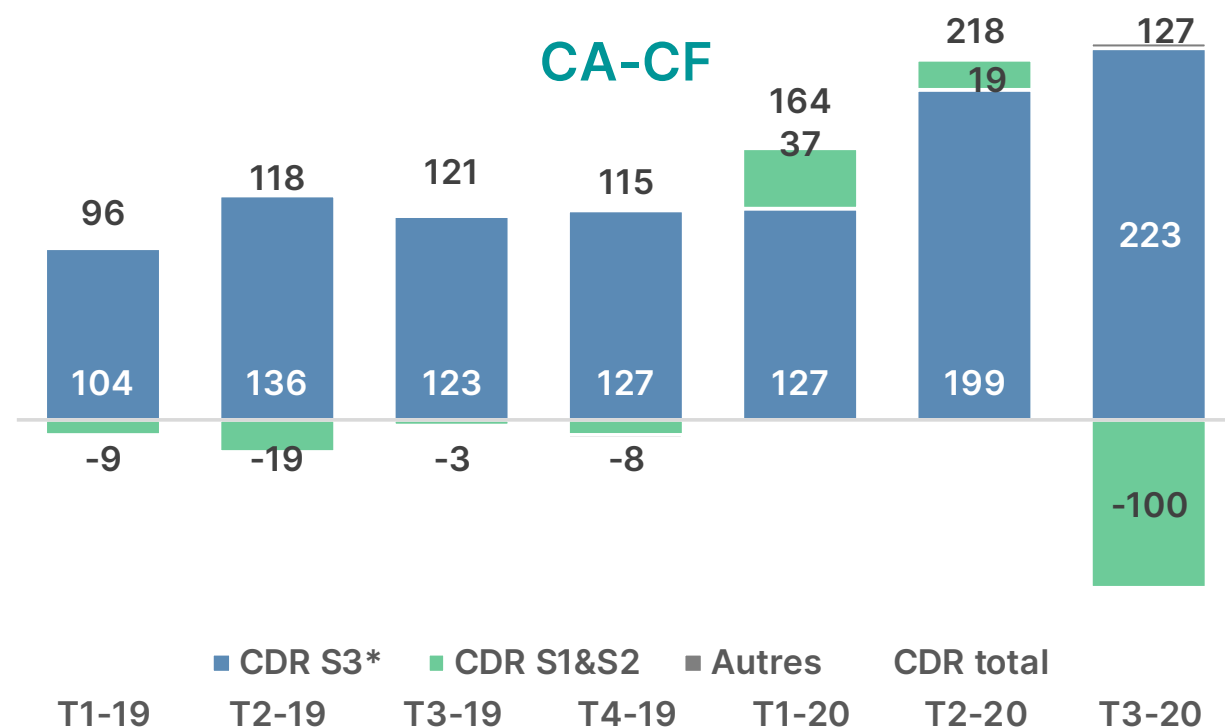
## APPENDIX 4

## Insurance: product range by entity

		CPI	Term Life Insurance	GAP	Extended Warranty		Dealer Warranty	Motor Insurance	Assistance	Budget Protection	Health & Accident	Affinity Offers
					Auto	Non Auto						
	CACF FRANCE											
	AGOS											
	CREDITPLUS											
	CREDIBOM											
	WAFASALAF											
	FCA BANK											
	GACS											
	SOYOU											

## APPENDIX 5

# Cost of risk | Development of the quarterly cost of risk 2019–2020



## Data Q3-2020

- Cost of risk: -42% Q3/Q2
- CoR/outstandings: 188 bp\* over 9 months annualized
- NPL ratio: 7.3%
- Coverage ratio: 76%

(\*) Including non provisioned losses; CoR on outstandings is calculated on the basis of the cost of risk recorded over the annualised nine months to which the average outstandings at the beginning of the period for the first three quarters are added.

## APPENDIX 6

# Cost of risk | Improving and automating the fight against fraud with new innovative tools

## Source controls

- Automatic verification of the correspondence between First & Last Name with the bank account details by checking with the bank.
- Telephone, postal and email address verification



## Real-time risk detection

- Analysis of financial solvency thanks to bank data
- Device identification (IP, time zone, recent detection), blacklist query, recent credit applications



## Identity verification

- Verification of identity documents and facial recognition



# €6 m in France

fraud avoided<sup>1</sup> (2022 vs. 2019)

1. Improvement in the cost of risk, net of the increase in expenses required to set up tools

# List of contacts:

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