

PRESS RELEASE

Crédit Agricole Cariparma announces the signing of the agreement for the purchase of a majority stake in Cesena Savings Bank, Rimini Savings Bank and San Miniato Savings Bank

- **Crédit Agricole Cariparma signs the agreement for the purchase of a 95.3% stake in the share capital of Cassa di Risparmio di Cesena, Cassa di Risparmio di Rimini and Cassa di Risparmio di San Miniato from the Fondo Interbancario di Tutela dei Depositi - Schema Volontario, for a consideration of €130mln**
- **The transaction features a strong industrial and financial rationale, thanks to the proven integration capability of Crédit Agricole Cariparma and its business model based on the proximity to local areas**
- **The transaction will allow to protect the depositors and the employees, and enhance the value of the Banks, which will benefit from the integration in an international banking group, with significant positive impacts on the economic situation of the relevant territories and the interests of the different stakeholders involved**
- **The Banks will proceed with the de-recognition of the non performing exposures before closing thanks to the intervention of Atlante II Fund. Banks will also proceed with a recapitalization to be executed by the Voluntary Scheme**
- **The transaction will allow the increase of the market share in local areas with strong potential close to the ones in which the CA Cariparma Group has its historical footprint: Romagna and Tuscany, with more than 400,000 new customers to which extend banking services and products of Crédit Agricole Group with cross-selling optimization opportunities**

Milan, September 29th, 2017 - Crédit Agricole Cariparma S.p.A. ("CA Cariparma") signed an agreement with Fondo Interbancario di Tutela dei Depositi - Schema Volontario ("Voluntary Scheme"), Cassa di Risparmio di Cesena S.p.A., Cassa di Risparmio di Rimini S.p.A. and Cassa di Risparmio di San Miniato S.p.A. (together the "Banks") for the purchase of 95.3% stake in the Banks.

The agreement has been reached thanks to the profitable discussions held during these months of intense work with the Voluntary Scheme and the Banks, in a context of constructive spirit, full cooperation and mutual commitment, with a full support from the Italian Institutions.

The transaction is part of the CA Cariparma strategic plan "Ambizione Italia 2020" and contributes to the strengthening of the presence of the Crédit Agricole Group in Italy, its second domestic market.

The integration of the Banks within CA Cariparma enables the customer base to be strengthened by more than 20%, exceeding 2 million customers, and contributes to its development in key economic areas with strong industrial and agricultural footprint. The transaction allows CA Cariparma to increase its market share at national level by 1%, to strengthen its role as a reference player in Emilia-Romagna

Per ulteriori informazioni:

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(market share growth from 6% to 11%) and to strengthen its presence in Tuscany (market share from 2% to 6%).

The three Banks represent reference institutions for their respective territories and are still in full commercial activity, with over 400,000 customers.

The integration plan of the Banks aims at the valorization of their distribution networks within the CA Cariparma Group, leveraging on the strong local presence and the human capital of the Banks.

At the completion of the transaction, the Banks will feature a significantly reduced risk-profile and an improved capital position. Such improvement will occur through the de-recognition of the non-performing loan portfolio (as detailed below) and the recapitalization of the Banks, in addition to the entrance in an international banking group such as Crédit Agricole S.A., with significant impacts on the economic situation of the relevant territories and of the different stakeholders involved.

Main terms of the transaction

The transaction envisages the acquisition from CA Cariparma of 95.3% of the share capital of each of the three Banks, after the disposal, to be completed before closing, of gross non performing exposures equal to approx. €3.0bn.

The purchase price paid by CA Cariparma for the acquisition of 95.3% of the Banks is equal to €130m. The transaction is based on certain conditions to be met by the Banks at closing, including:

- Average CET1 Ratio pro-forma of the Banks at closing equal to at least 10.7%;
- Gross NPE Ratio equal to 9%, thanks to the de-recognition of the entire bad loan portfolio and of a significant portion of the unlikely-to-pay loan portfolio of the Banks, prior to their disposal to CA Cariparma. The derecognition of the loans will occur through the following transactions:
 - o securitization of gross NPEs (bad loans and unlikely-to-pay) equal to €2,740m, made possible thanks to the intervention of Atlante II Fund;
 - o straight sale of gross NPEs (bad loans and unlikely-to-pay) equal to €286m, made possible thanks to the intervention of Algebris.
- The main relevant parameters defined in the framework agreement.

As part of the transaction, the Voluntary Scheme will proceed first with a capital strengthening intervention within the Banks for a total amount equal to €470m in order to guarantee a CET1 Ratio pro-forma equal to 10.7%, after provisions.

As part of the recapitalization the Voluntary Scheme, already on September 29th, proceeded with a capital contribution in Cassa di Risparmio di Rimini S.p.A. and in Cassa di Risparmio di San Miniato S.p.A., allowing them to return to capital levels significantly above the minimum mandatory regulatory requirements.

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The fulfilment of the transaction is subject, as well as to the conditions described above, to Supervisory Authorities and European Commission approvals.

It is envisaged that the closing will be completed in the fourth quarter of the current year.

CA Cariparma has been supported by Bain & Company Italy, Inc. as industrial advisor, Lazard S.r.l. as financial advisor and Bonelli Erede Studio Legale as legal advisor.

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