

Press release

CRÉDIT AGRICOLE ASSURANCES AND CREVAL JOIN FORCES IN THE ITALIAN BANCASSURANCE MARKET

CRÉDIT AGRICOLE ASSURANCES WILL PURCHASE A MINORITY STAKE IN CREVAL OF 5%

- **Crédit Agricole Assurances and CreVal have reached an agreement for the establishment of a long-term exclusive partnership in the life insurance business**
- **As part of the transaction, Crédit Agricole Assurances will purchase a minority stake in CreVal of 5%**
- **Crédit Agricole SA Group and CreVal will jointly assess other potential further areas of cooperation in Italy beyond life insurance business**

Paris, Sondrio, 24 July 2018 – Crédit Agricole SA Group (“CASA Group”), Crédit Agricole Assurances SA (“CAA”) and Credito Valtellinese S.p.A. (“CreVal”) announced today that CAA and CreVal have reached an agreement for the establishment of a long-term exclusive partnership in the life insurance business. The partnership will grant CAA, via its Italian subsidiary Crédit Agricole Vita S.p.A. (“CA Vita”) access to CreVal’s distribution network for all savings products as well as certain protection products for up to 15 years.

As part of the transaction, CAA will acquire the entire share capital of Global Assicurazioni S.p.A. (“GA”). As announced separately today by CreVal, prior to the closing of the transaction GA will have been restructured by its current shareholders, such that at the time of closing GA will be fully owned by CreVal and only include the business related to life insurance policies sold through the CreVal network.

The total cash consideration to be paid by CAA for the acquisition of GA will be 80 million euros, of which 70 million euros paid at closing and 10 million euros deferred, payable after the end of the 5th year of the partnership subject to achieving certain pre-agreed objectives.

In order to strengthen the long-term strategic partnership, CAA will purchase a minority stake in the capital of CreVal of 5%. In addition, the parties have agreed to jointly assess, in the medium term, the possibility to extend the partnership between CASA Group and CreVal to other product areas. In such a situation, CASA Group could consider the possibility to increase its stake in CreVal to up to 9.9%. As of today, CAA and CASA Group have no plans to increase the stake beyond that threshold.

This transaction allows CAA and CreVal to further consolidate their competitive position in the life bancassurance business by leveraging CAA’s industrial know-how to develop a market-leading commercial platform and exploiting the full potential of CreVal’s franchise and distribution capabilities.

The reorganization and enhancement of bancassurance activity is one of the pillars of the CreVal Group's 2018-2020 Strategic Plan, in order to achieve a structural increase in overall profitability, to be implemented with

initiatives aimed at developing the "fee based" business areas with low capital absorption. The start of the partnership with CAA is part of a broader project for the reshaping of CreVal's bancassurance operating model.

The closing of the transaction is expected to take place in the fourth quarter of 2018 and is subject to the usual regulatory approvals from IVASS and AGCM.

The transaction is expected to have a negative impact on CASA Group's CET1 ratio of less than 2bp, and reduce CAA's Solvency 2 ratio by less than one percentage point.

The entire reorganization of the bancassurance business, also taking into account the impact of the separate agreement with Gruppo Assicurativo Ri-Fin S.r.l announced today by CreVal, is expected to have a positive impact on CreVal Group's CET1 ratio fully loaded of approximately 35 bp.

CAA was advised in the Transaction by J.P. Morgan Securities plc as Financial Advisor and by BonelliErede and Cleary Gottlieb Steen & Hamilton as Legal Advisors.

Equita SIM S.p.A. and Mediobanca – Banca di Credito Finanziario S.p.A. acted as Financial Advisors for CreVal in relation to the entire strategic framework, while, in the context of the reorganization of its bancassurance business, CreVal was advised by Equita SIM S.p.A. as Financial Advisor and by Studio Legale Galbiati, Sacchi e Associati as Legal Advisor.

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