



Crédit Agricole Italia Banking Group

A sound banking Group
in the Italian landscape 

Covered Bond Programme Update

This document has been prepared by Crédit Agricole Cariparma S.p.A. and is confidential and is not to be reproduced by any person, nor to be forwarded or distributed to any person other than its original recipient. Failure to comply with this directive may result in a violation of the Securities Act of 1933, as amended (the “Securities Act”), or the applicable laws of other jurisdictions where it would be unlawful (the “Other Countries”). None of Crédit Agricole Cariparma or its affiliates, advisers, dealers or representatives takes any responsibility for these materials or any of its contents or in relation to any loss arising from its use or from any reliance placed upon it by any person. No representation or warranty expressed or implied is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained herein. None of Crédit Agricole Cariparma or its affiliates, advisers, dealers or representatives, or any other person, shall have any liability whatsoever (in negligence or otherwise) for any loss arising from any use of this document or its contents or otherwise arising in connection with this document.

The information, opinions, estimates and forecasts contained herein have not been independently verified and are subject to change without notice. They have been obtained from, or are based upon, sources we believe to be reliable but Crédit Agricole Cariparma makes no representation (either expressed or implied) or warranty on their completeness, timeliness or accuracy. Nothing contained in this document or expressed during the presentation constitutes financial, legal, tax or other advice, nor should any investment or any other decision be solely based on this document.

This document is for preliminary informational purposes only, limited in nature, and is not an offer to sell or the solicitation of an offer to purchase or subscribe for any securities and no part of it shall form the basis of or be relied upon in connection with any contract or commitment whatsoever. The information presented herein does not comprise a prospectus for the purposes of EU Directive 2003/71/EC (as amended by the EU Directive 2010/73).

Without limiting the foregoing, this document does not constitute an offer to sell, or a solicitation of offers to purchase or subscribe for, securities in the United States or Other Countries.

The securities referred to herein have not been, and will not be, registered under the Securities Act or the laws of Other Countries and may not be offered or sold within the United States or Other Countries or to, or for the account or benefit of, U.S. persons (except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act) or Other Countries persons.

Crédit Agricole Cariparma does not intend to register any portion of any offering in the United States or in Other Countries or to conduct a public offering of securities in the United States or Other Countries.

All of the numerical data provided in this document is derived from Crédit Agricole Cariparma’s consolidated and corporate financial statements or from its registration document and annual report and financial review updates, unless otherwise indicated.

This document is not intended for distribution to, or use by, any person or entity in any jurisdiction or country where such distribution or use would be contrary to law or regulation.

By receiving this document you agree to be bound by the foregoing limitations.

Forward-Looking Statements

This communication may contain forward-looking information and statements about Crédit Agricole Cariparma. Forward-looking statements are statements that are not historical facts. These statements include financial projections and estimates and their underlying assumptions, statements regarding plans, objectives and expectations with respect to future operations, products and services, and statements regarding future performance. Forward-looking statements may be identified by the words “believe,” “expect,” “anticipate,” “target” or similar expressions. Although Crédit Agricole Cariparma’s management believes that the expectations reflected in such forward-looking statements are reasonable, investors are cautioned that forward-looking information and statements are subject to various risks and uncertainties, many of which are difficult to predict and generally beyond the control of Crédit Agricole Cariparma, that could cause actual results and developments to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. These risks and uncertainties include, but are not limited to, those discussed or identified in the annual reports and other filings with the French Autorité des marchés financiers made or to be made by Crédit Agricole Cariparma. Crédit Agricole Cariparma undertakes no obligation to publicly update its forward-looking statements, whether as a result of new information, future events, or otherwise.

1	Executive Summary
2	Crédit Agricole Italia Banking Group
3	Crédit Agricole Italia Banking Group Financial Highlights
4	Italian Housing Market
5	CAIBG Residential Mortgage Loan Business
6	Crédit Agricole Italia OBG Programme
7	Appendices
8	Contact list

Crédit Agricole Italia Banking Group Highlights

- Crédit Agricole Italia Banking Group (CAIBG) is 76.7% controlled by Crédit Agricole S.A., alongside Regional Banks, which own 9.8% (via Sacam International)
- The Group operates in prosperous northern Italy; 2 mn customers in December 2017
- Group stated net income: €690mn in December 2017 including goodwill and integration expenses of the 3 saving banks acquired (*CR Cesena, CR Rimini and CR San Miniato*), net income €250mn
- Customer loans: €44.3bn in December 2017 (+3% YoY excluding the integration of the 3 savings banks*)
- Over €250mn worth of investments since 2016 supporting digitalization, customer centrality and strengthening of best performing areas
- Crédit Agricole Cariparma (CA Cariparma) is rated A3/Negative/P-2 by Moody's, the highest rating assigned among Italian banks

Covered Bond Activity

- 2013: Crédit Agricole Italia OBG Programme of €8bn created
- 2013: Retained issue of €2.7bn
- 2014: Inaugural market issue of €1bn and partial cancellation of the previous retained issue (new outstanding: €1.2 bn)
- 2015: Market issue of €1bn
- 2016: Double Tranche market issue of € 0.75bn each
- 2017: Double Tranche market issue of € 0.75bn each on March and a new Market Issue of €0.75bn on December
- 2018: Market issue of €0.5bn
- The covered bonds issued by Crédit Agricole Cariparma are rated Aa2 by Moody's

Crédit Agricole
Italia Banking
Group Funding
Strategy

- Crédit Agricole Cariparma is funded mostly by customers, through deposits and senior unsecured bond issues placed via retail branches; the average maturity of these issues is 1.1 years (June 2018)

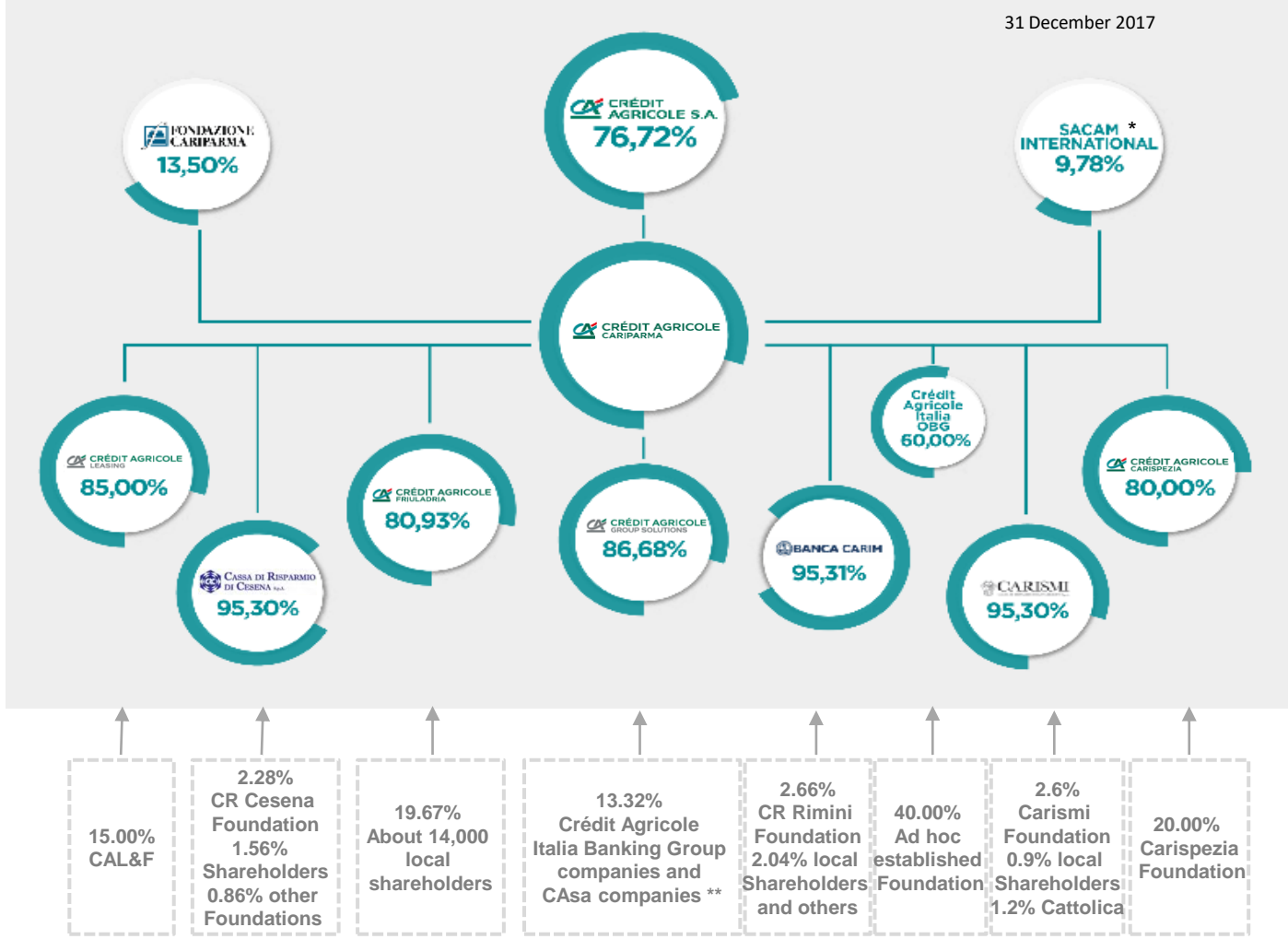
- The covered bond market has offered Crédit Agricole Cariparma
 - ➔ Access to longer term maturities
 - ➔ Diversification, in terms of funding tool and broad market investor base

- The issuance of covered bonds
 - ➔ Enables to be valued the main asset of the Group represented by mortgage loans
 - ➔ Provides for a countercyclical, long-term refinancing option as part of the Group's funding mix
 - ➔ Allows for the optimisation and stabilisation of long-term funding costs
 - ➔ Is in line with Crédit Agricole S.A.'s strategy of limiting cross-border funding flows

1	Executive Summary
2	Crédit Agricole Italia Banking Group
3	CA Italia Banking Group Financial Highlights
4	Italian Housing Market
5	CAIBG Residential Mortgage Loan Business
6	Crédit Agricole Italia OBG Programme
7	Appendices
8	Contact list

31 December 2017

- 2006**
 - Significant development of Crédit Agricole Group's International retail banking business line with the announced acquisitions of Cariparma, FriulAdria and 202 Banca Intesa branches in Italy
- 2008**
 - Creation of Calit; acquisition from Intesa of a leasing portfolio originated by Cariparma
- 2009**
 - Cariparma takes control of Crédit Agricole Leasing Italy from CAL&F
- 2011**
 - Acquisition of 96 branches and Carispezia from Intesa Sanpaolo S.p.A.
- 2013**
 - Creation of Cariparma OBG
- 2015**
 - Creation of Crédit Agricole Group Solutions: Group Services Company (IT, real estate, back-office)
- 2016**
 - Rebranding of the Group: renaming in Crédit Agricole Italia Banking Group (CAIBG)
- 2017**
 - On 21 December CA Cariparma acquired Cesena, Rimini and San Miniato Savings Banks
- 2018**
 - On 24 June finalisation of the merger in CA Cariparma of San Miniato bank, on 21 July Cesena and 8 September Rimini



* Crédit Agricole regional banks (Caisse regional)

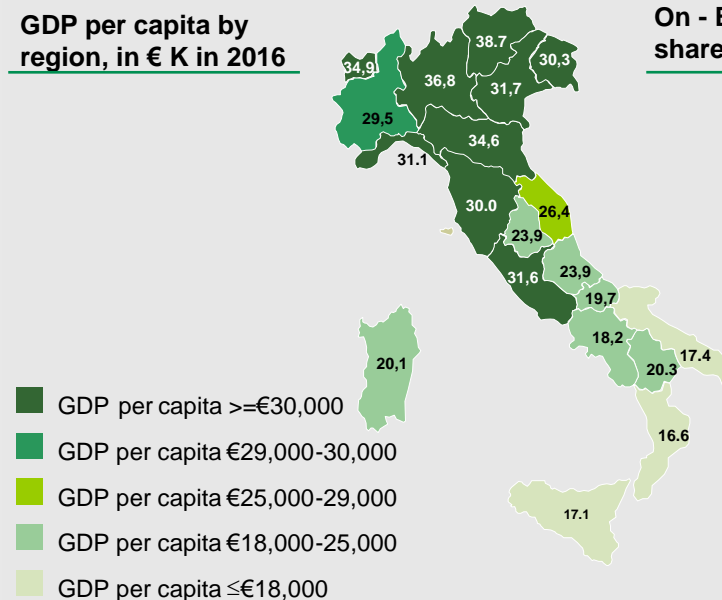
** Crédit Agricole Group Solutions' shareholders: Crédit Agricole Cariparma (86.68%), Friuladria (8.75%), Carispezia (2.50%), Crédit Agricole Leasing Italia (1.19%), Agos (0.75%), Eurofactor (0.06%), Amundi SGR (0.06%), Amundi RE Italia SGR (0.01%)



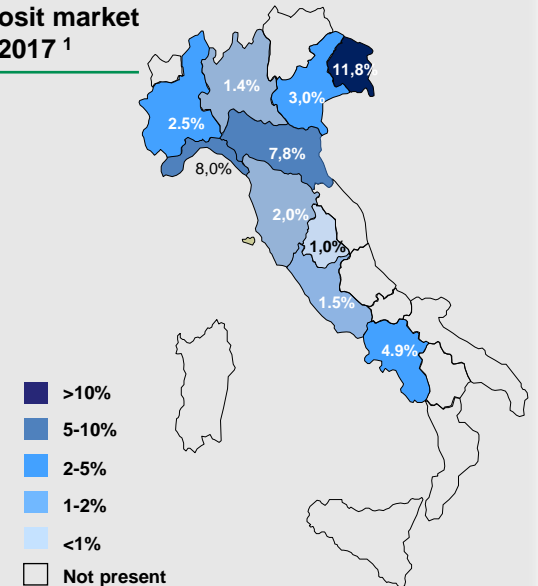
- **The ability to generate profitability has been confirmed**, as in the previous years stated net income of Euro 690 million vs. Euro 208 million in 2016
- **Strong business momentum**: over 120,000 new customers were acquired, up by 5% vs. the previous year
- **€50bn (+8%YoY excluding the integration of the 3 italian banks) in on-balance sheet deposits and debt securities issued in December 2017***
- **Market share: 2.41%** at national level**
- **€34bn (+6%YoY excluding the integration of the 3 italian banks) in assets under management in December 2017***
- **€44bn (+3%YoY excluding the integration of the 3 italian banks***) in customer loans outstanding in December 2017***
 - **Market share: 2.68%** at national level**
- **Employees: 10,271 in December 2017***

- **Retail bank in Italy with 1.015 branches** (over 1.100 point of sales including Private, Enterprise and Corporate Centers)*
- Operating in the **prosperous regions of Northern Italy** which have a higher GDP per capita

GDP per capita by region, in € K in 2016



On - B/S deposit market share, 31/12/2017¹

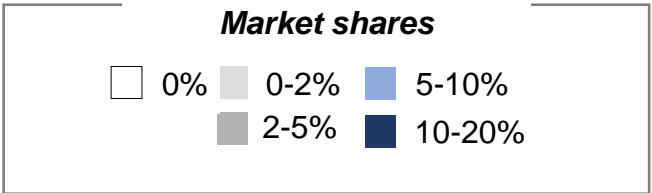
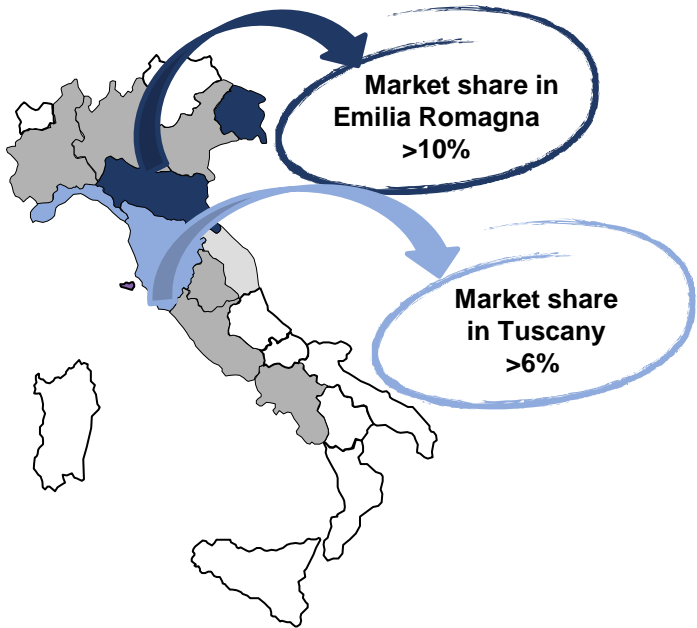


Source: Istat

¹ Includes deposits and bank bonds (based on Bank of Italy data, excluding the integration of the 3 italian banks)

* Source: December 2017 Italian banking groups' results disclosures
 ** Source: Bank of Italy (excluding the integration of the 3 italian banks)
 *** Excluding IFRS9 impact

MARKET SHARES IN ITALY AND KEY NUMBERS POST INTEGRATION



The Group, thanks to the integration of Cesena, Rimini e San Miniato savings banks:

- > reached the target of over **2 million customers**
- > **increased market share** and distribution capacity
- > enhanced its operations in **key economic areas**, with strong manufacturing and agri-food vocation
- > **full effect of group synergies in 2020**: around 20% of total revenues* and around 25% of costs*

Market share at national level +1p.p.
from 2.8% to 3.7%

+ ~ 20% customers
> 300 K

New assets for 18 € billion

> 200 new branches



1	Executive Summary
2	Crédit Agricole Italia Banking Group
3	Crédit Agricole Italia Banking Group Financial Highlights
4	Italian Housing Market
5	CAIBG Residential Mortgage Loan Business
6	Crédit Agricole Italia OBG Programme
7	Appendices
8	Contact list

Impressive Performances in Italy at the end of 2017

4 million customers	€257bn¹ of deposits and assets under management
14 000 employees	> €64bn² of loans outstanding

€733 million +14.7 YoY Net income	€3.1bn² of revenues, 17% of Crédit Agricole S.A.'s revenues
-22% YoY cost of risk	>€750 m of synergies in revenues

All of the Group's business lines are in marching order to expand the business in Italy

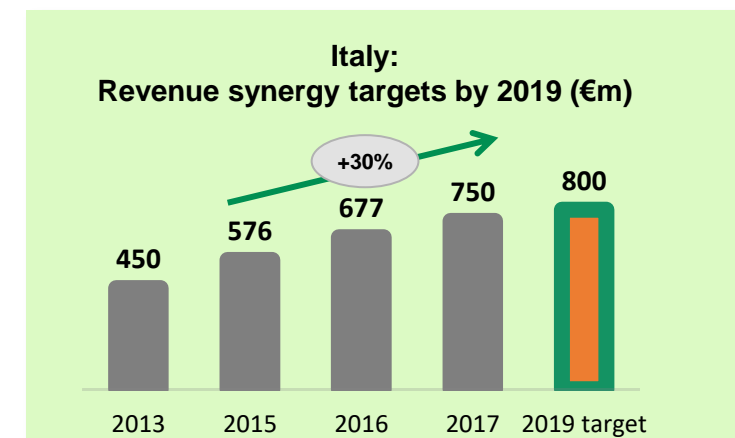


2017: a year of strengthening in Italy

- Integration of **Pioneer Investments** in Q3-17, of the **3 savings banks** in Q4-17 and of **Banca Leonardo** (private bank) in the first-half of 2018
- A greater footprint in Italy, with the following **business mix** in revenues: Retail banking 52%, Specialised financial services 37%, Asset gathering 7% and Large customers 4%

Improving of synergies:

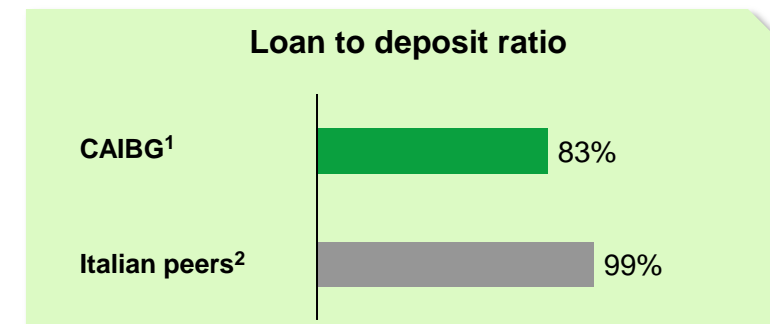
- Acceleration of cross-selling in all business lines in 2017: **Retail banking +12%**, **Specialised financial services: +11%**, **Asset gathering: +10%**, **Large customers +19%**
- Ahead of target MTP target of € 800m of synergies at the end of 2019



1. Including Amundi AuM and CACEIS Assets under Custody, deposits and assets under management of 3 saving banks
2. Include FCA Bank's Italian business 25% integrated, integration of Pioneer Investments (3 July) and 3 saving banks

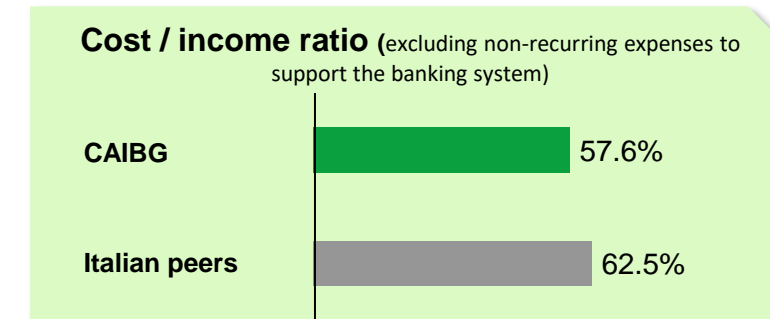
Balanced growth with an acceleration in asset under management

- **Sustained growth in assets under management** in December 2017 (+6% YoY) and **direct funding** (up by +9% YoY, driven also by Covered Bond issues)
- **Significant increase in lending** (+3% YoY) driven by both home loans to households, with over 23,500 new loans in the year, and by the increase in other loan forms intended for businesses (up by +3.5% YoY)
- **Revenues increased** (up by +1% YoY), thanks to the **good performance of fee and commission income** (up by +7% YoY), driven especially by the management, intermediation and advisory services component (up by +18% YoY).
- **Excellent liquidity level**



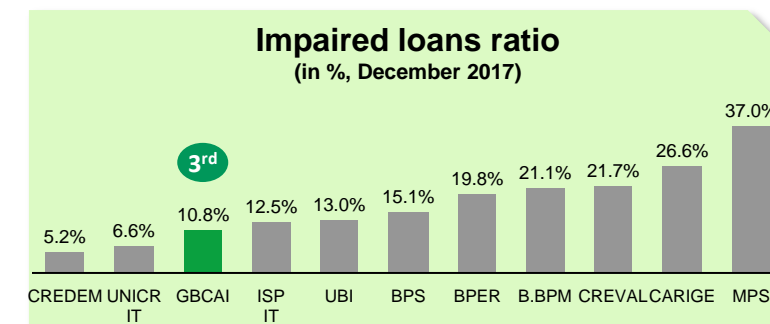
Operating expenses under control with a good efficiency level and confirmed investment plan

- **Over 250mn of investments since 2016 supporting the plan: digitalization, customer centrality and strengthening of best performing areas**
- **Staff development through training, new recruitments (e.g. the financial advisors network) and the implementation of initiatives aimed at improving worklife balance, such as smart working**



Progressive decline in the cost of credit and improving asset quality

- **Cost of credit** continued to fall to 75 bps in December 2017
- **Among the best in the Italian market in terms of impaired loans ratio**
- **First results emerging from the implementation of new tools and processes** and from the strengthening of the loan-recovery process



1. CAIBG 's data exclude the assets resulting from the acquisition of the 3 Savings Banks. Impaired loans ratio includes the assets resulting from the acquisition.

2. Panel of 10 retail banks: Unicredit Commercial Italy, ISP Banca dei Territori, Credem, UBI, BPER, Carige, Banco BPM, MPS, Banco Popolare di Sondrio, Creval

Crédit Agricole Italia Banking Group Financial Highlights

Crédit Agricole Italia Banking Group: 31/12/2017 key indicators

LOANS (€bn)

Loans to customers	44,251
<i>o/w Current accounts</i>	2,813
<i>o/w Mortgage Loans</i>	27,165
<i>o/w Advances and credit facilities</i>	11,487
<i>o/w Non-performing loans</i>	2,786

Loans to banks	7,238
<i>o/w Crédit Agricole S.A.</i>	1,088

RATIOS

Cost/Income (excl. fondo solidarietà, contrib DGS e Single Resolution Fund)	57.6%
Cost of credit (net)% loans (net)	75 bps
Bad Debts (gross)% loans (gross)	6.3%**
Bad Debts (gross) coverage ratio	59.5%**
NPL (gross) % loans (gross)	10.8%**
NPL (gross) coverage ratio	44.9%**

FUNDING (€m)

Funding from customers & debt securities issued	50,358
<i>o/w Deposits</i>	2,014
<i>o/w Current and other accounts</i>	38,262
<i>o/w Debt Securities issued</i>	9,716

Due to banks	7,059
<i>o/w Crédit Agricole S.A.</i>	867

Indirect funding from customers	64,173
<i>o/w asset management</i>	33,633
<i>o/w assets under administration</i>	30,540

RATINGS

Moody's Long Term Bank Deposits Rating	A3 Negative***
Moody's Short Term Bank Deposits Rating	P-2
Covered bonds rating assigned by Moody's	Aa2

* Phased-in

** Bad Debts should be understood as «Sofferenze», whilst Non-Performing Loans should be understood as «Crediti deteriorati» as defined by the Bank of Italy (Circ. 272/2008 Bank of Italy 8th update)

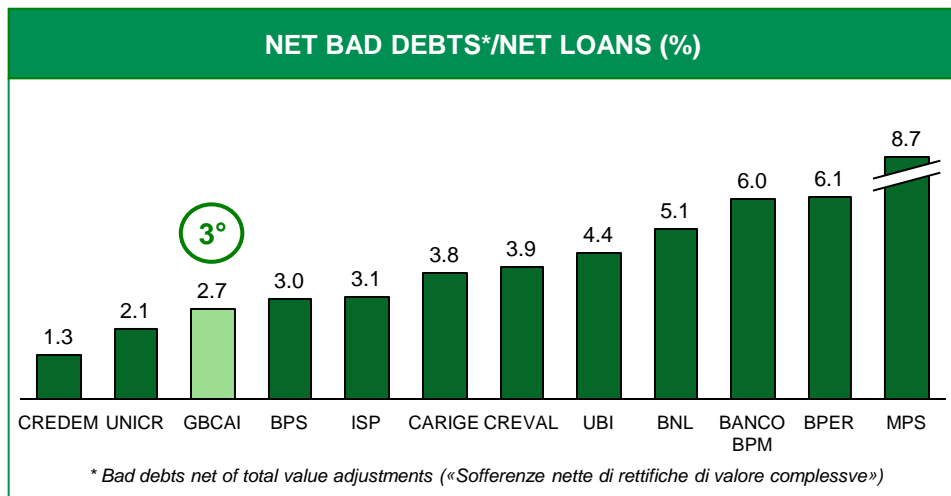
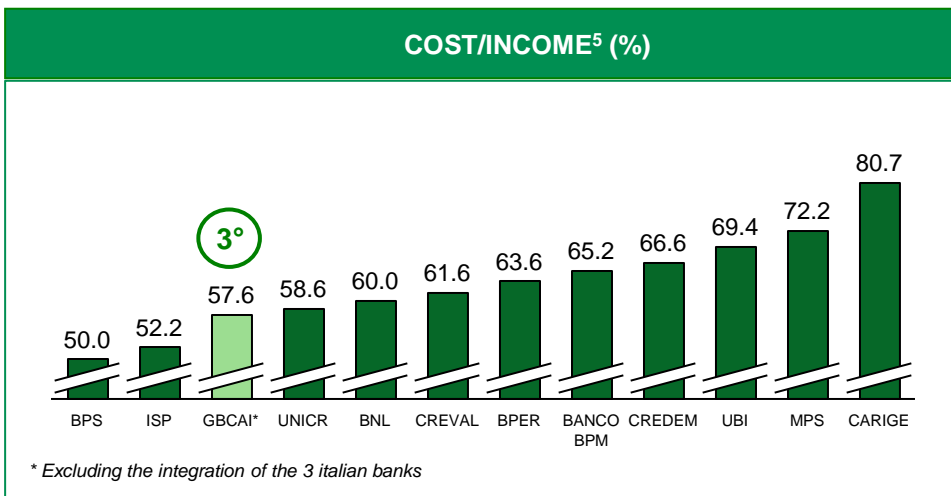
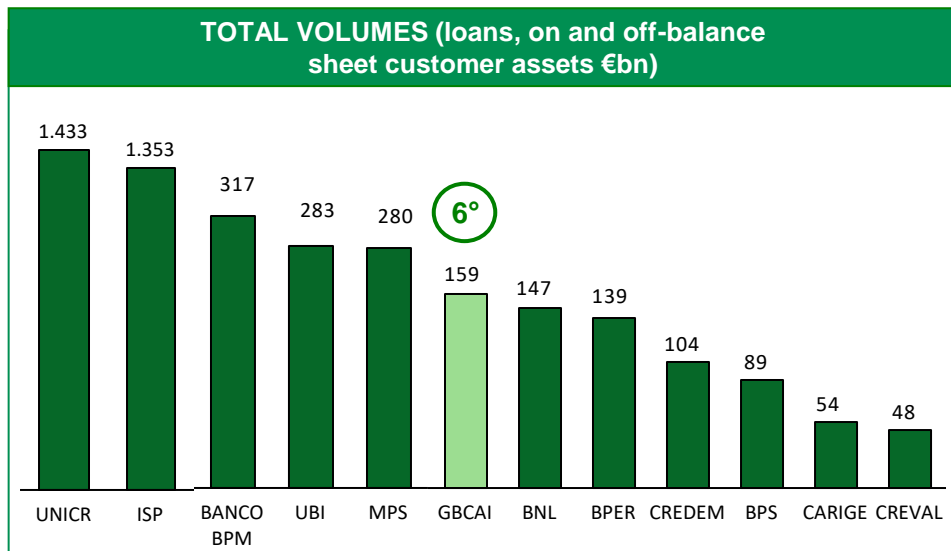
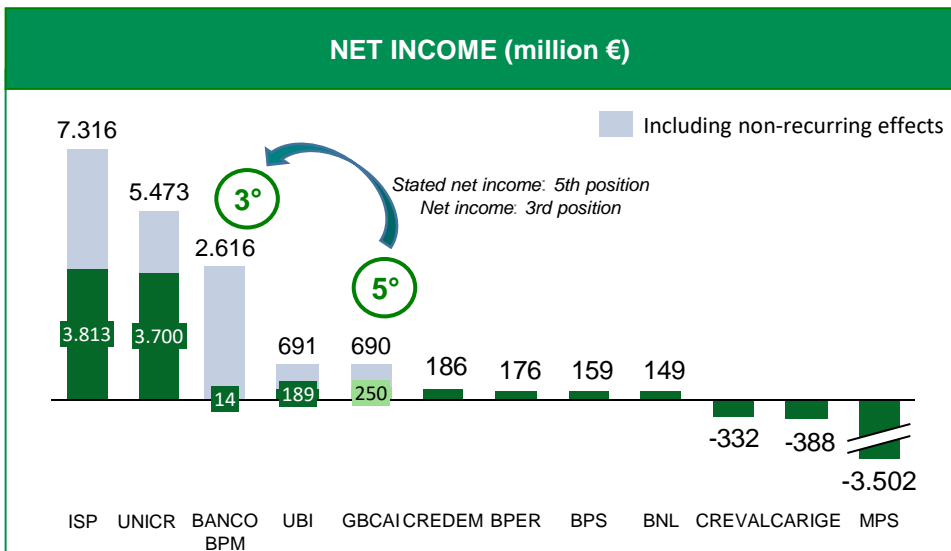
*** Placed under review for possible downgrade on May 30, follow the review for downgrade of Italy's Baa2 government bond rating

CAPITAL AND LIQUIDITY RATIOS (€m)

CET1*	3,240
Own funds	4,197
RWA	27,840
CET1 ratio*	11.6%
Total capital ratio	15.1%
Liquidity Coverage Ratio (LCR)	197%

Crédit Agricole Italia Banking Group Financial Highlights

Crédit Agricole Italia Banking Group: 31/12/2017 ranking¹

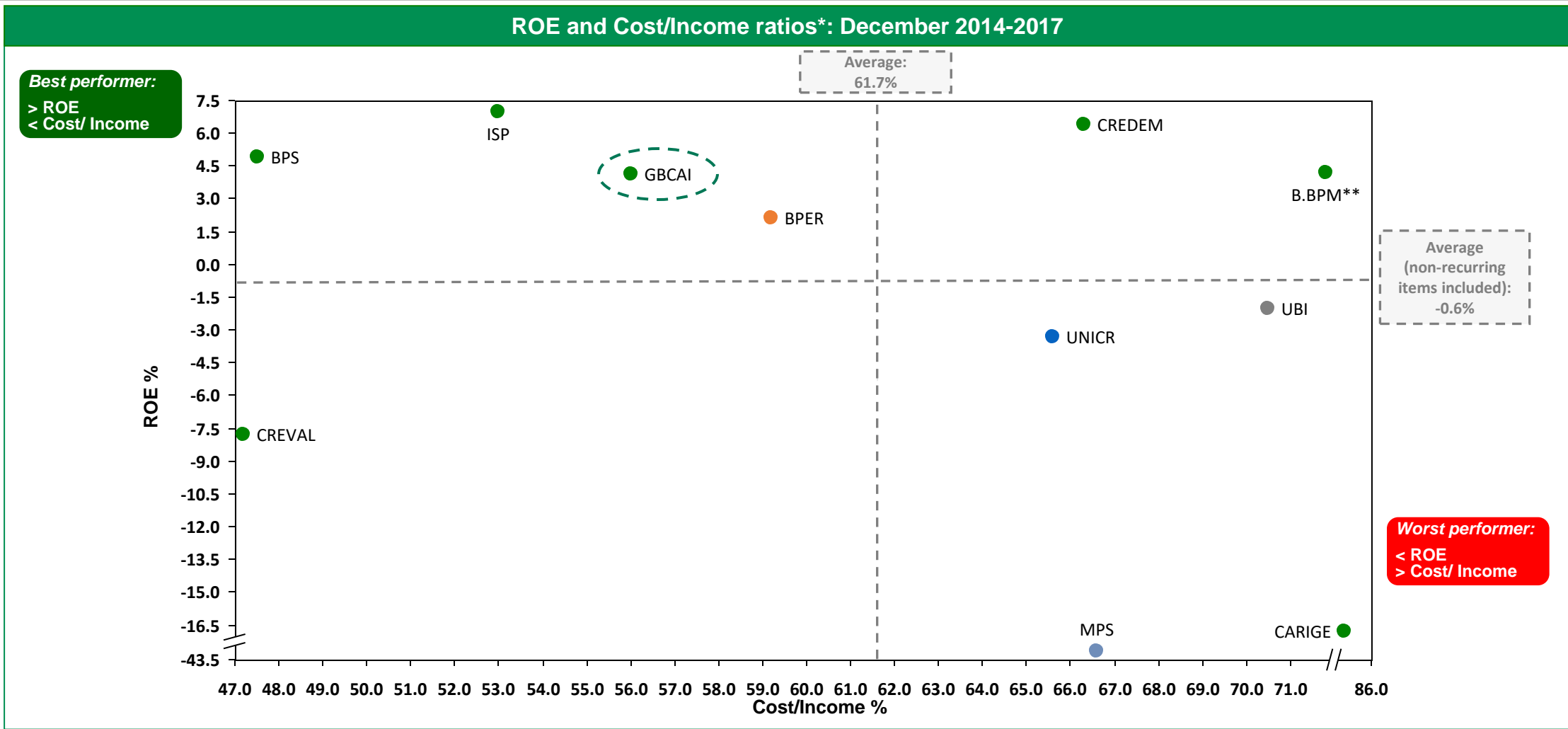


1 Source: 2017 Italian banking groups' results disclosures
 2 BNL: Income before tax;
 3 BNL commercial bank data;
 4 BNL Group data on 31/12/2017;
 5 Excluding SRF and DGS



Crédit Agricole Italia Banking Group Financial Highlights

Crédit Agricole Italia Banking Group: one of the best performer



Source: 2017 Italian banking groups' results disclosures; ROE ratio: equity including net income; Cost/Income excluding Single Resolution Fund (SRF)
 *Italian peers ratios including non-recurring items; GBCAI ratios excluding the integration of the 3 savings banks; ** B.BPM ratios not available in 2014 and 2015.

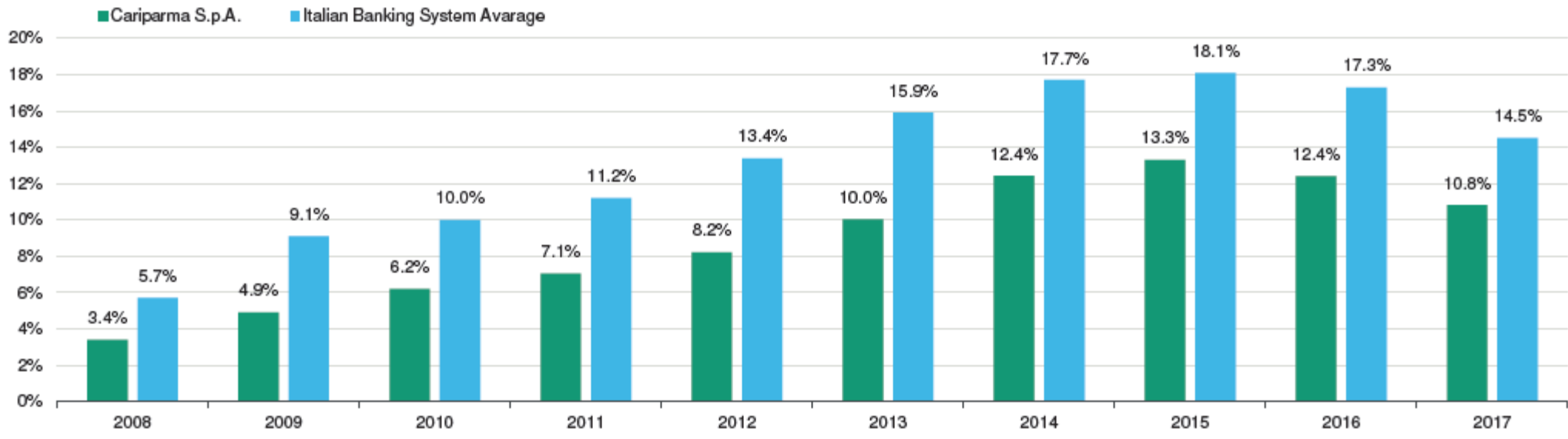


Crédit Agricole Italia Banking Group Financial Highlights

Crédit Agricole Italia Banking Group's stock of problem loans lower than Italian average



CA Cariparma's stock of problem loans* is large but significantly below the Italian average



Sources: Moody's Financial Metrics, Bank of Italy

Source: Moody's Credit Opinion published on 01/06/2018

* Problem loans is the sum of three categories (from worst to best): (1) Bad loans (in Italian, "sofferenze": loans to insolvent borrowers; (2) Unlikely to pay (in Italian, "inadempienze probabili"); (3) Past Due (in Italian, "esposizioni scadute e/o sconfinanti deteriorate: past due by more than 90 days. For further details please refer to our Sector In-Depth entitled "Italian Banks Implement New Problem Loan Definition;

Crédit Agricole Italia Banking Group Financial Highlights

31/03/2018 results as disclosed by Crédit Agricole S.A.



Solid sales momentum, especially in home loans

- ➔ **Number of new clients:** >+11k net in Q1-18 (+32k over 12 months) including +1.5k for the three new banks
- ➔ **Deposits⁽¹⁾:** growth in on-balance sheet deposits (+2.2%) and solid performance by UCITS (AuM up +4.2% March/March)
- ➔ **Loans⁽¹⁾ outstanding:** +2.8% March/March, including +6.0% for home loans, a strategic axis of development, against the backdrop of a sharp market slowdown (+2.1% March/March); home loan market share of almost 6% at end-2017 (+20bp vs. end-2016)
- ➔ Stock of issued **covered bonds** increased to €6.7bn thanks to the issue of a €500m tranche, the first 20-year issue on the Italian market.

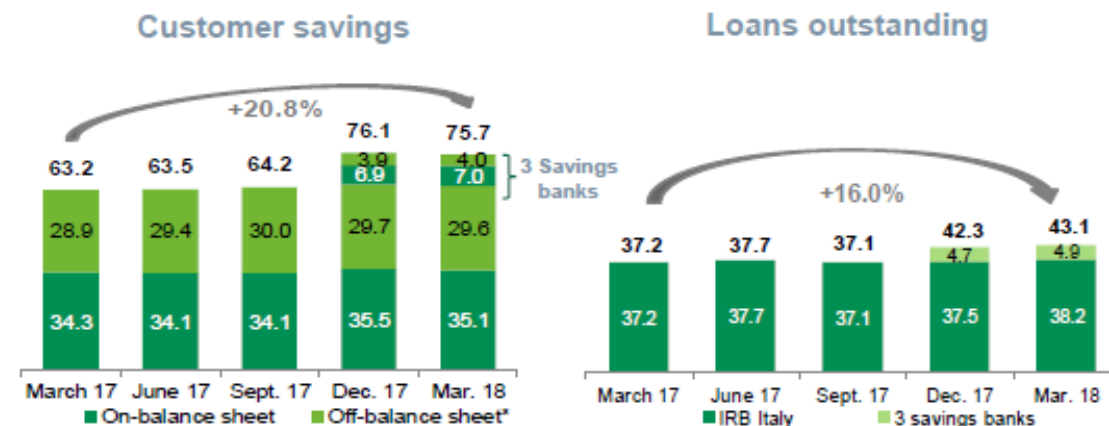
Accelerated and positive integration of the 3 banks

- ➔ Solid organic performance overshadowed by the rise in SRF (+63.8% Q1/Q1): gross operating income +4.3%⁽¹⁾ and cost of risk⁽¹⁾ stable YoY (-1.1%)
- ➔ First consolidation of the 3 banks over a full quarter: contribution of -€4m in Q1-18 and C/I ratio excl. SRF of 95.5%, ahead of the business plan
- ➔ **Impaired loans ratio** at 11.5% and significant improvement in the coverage ratio to 63.0% (vs. 50.1% at end-Dec. 2017)
- ➔ **Net income Group Share excluding scope effect** : +7.5% Q1/Q1

(1) Excluding scope effect: integration of the three Italian banks as of 21/12/2017

Underlying = stated

Activity indicators (€bn)



* Excluding assets under custody

Contribution to Crédit Agricole S.A. P&L

€m	Q1-18 underlying	Q1-17 underlying	Δ Q1/Q1 underlying
Revenues	471	400	+17.6%
Operating expenses excl.SRF	(289)	(230)	+25.6%
SRF	(17)	(10)	+63.8%
Gross operating income	165	160	+3.2%
Cost of risk	(79)	(76)	+3.8%
Income before tax	87	85	+2.7%
Tax	(32)	(29)	+9.2%
Net income	55	55	(0.8%)
Non controlling interests	(15)	(15)	+2.2%
Net income Group Share	39	40	(1.9%)
Cost/Income ratio excl.SRF (%)	61.3%	57.4%	+3.9 pp

1	Executive Summary
2	Crédit Agricole Italia Banking Group
3	Crédit Agricole Italia Banking Group Financial Highlights
4	Italian Housing Market
5	CAIBG Residential Mortgage Loan Business
6	Crédit Agricole Italia OBG Programme
7	Appendices
8	Contact list

MACRO AND BANKING SCENARIO

Italian's growth continues moderately in the first months of the year

Macro scenario

- **1Q 2018 confirms a moderate GDP growth at 0.3% QoQ**, slightly below than 4Q-17, (+1.4% vs 1Q 2017). **UEM area shows a similar trend:** GDP +0.4% vs 4Q-17.
- **Italy has overcome the political situation**, but it has not completely dissipated the uncertainty. During the last part of May, the plans of the incoming government on budgetary policies and relations with Europe created tensions on the Italian government bond market. The spread partly narrowed, but remains higher than the levels prevailing at the beginning of May.
- **The intentions of the new government will be clarified in the coming months**, and will materialize in the budget law for 2019.

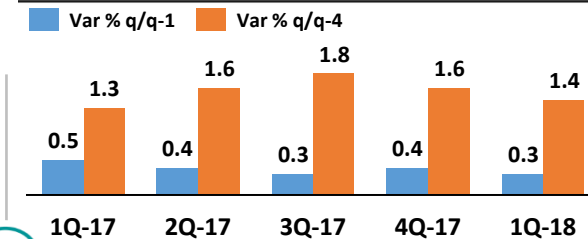
Banking scenario

The **Italian banking system remains solid on average** but there is **an increasing gap between big banks**, with a greater level of profitability and efficiency, **and small banks** with uncertain situations with further possible reorganisations. Nevertheless there are some signs of recovery:

- **Reduced credit risk** with the implementation of plans and targets for significant NPL reduction
- **Assets under management 's growth proceed**, even if slightly below than 2017

Italian banks saw their share prices slide an average 20% between 15 and 29 May, before regaining 4% after the formation of a new government was announced.

GDP IN ITALY (%)



Imports

-0.9% 1Q-18/4Q-17
+2.7% 1Q-18/1Q-17

Private consumption

+0.4% 1Q-18/4Q-17
+0.8% 1Q-18/1Q-17

Investments

-1.4% 1Q-18/4Q-17
+4.5% 1Q-18/1Q-17

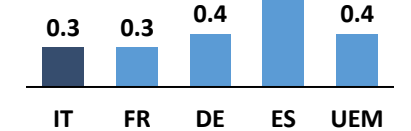
Exports

-2.1% 1Q-18/4Q-17
+1.3% 1Q-18/1Q-17

Unemployment rate

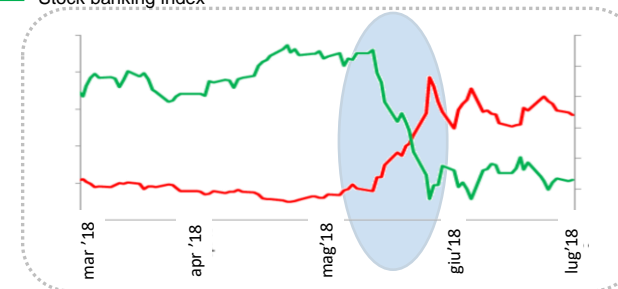
10.7% 1Q-18
-0.2 p.p. vs dec-17

GDP Q1-18 UEM AREA (%)



SPREAD BTP – BUND AND STOCK BANKING INDEX

— Spread BTP-Bund 10y
— Stock banking index



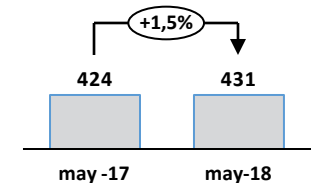
NEW MORTGAGE LOANS PAID OUT

MAY-18: -11.2% y/y

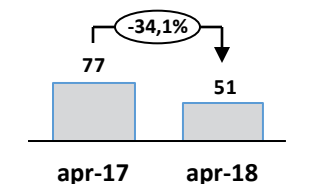
NEW ASSETS UNDER MANAGEMENT

Q1-18 5bn €;
-46% Y/Y

HOUSEHOLDS LOANS (bn)



NET BAD LOANS (stock, bn)



General trends are positive, residential market is expected to grow

Rebound of real estate transactions in Q4 2017, with stronger acceleration since end-2016, driven by a strengthening in demand due to improved revenue trends

- ❑ In Q4-17 the year-on-year (YoY) growth rate in residential sales transactions accelerated to 6.5% with a 64% increase from the 2013 trough.
- ❑ In 2018 the residential sales market is expected to increase by 4.8% vs. 4.9% in 2017 (i.e. more than 568.000 residential sales transactions expected)
- ❑ In Q3-17 non-residential investments totaled €6,5 billion, +23% vs Q3-16.

The fall in prices is slowing down

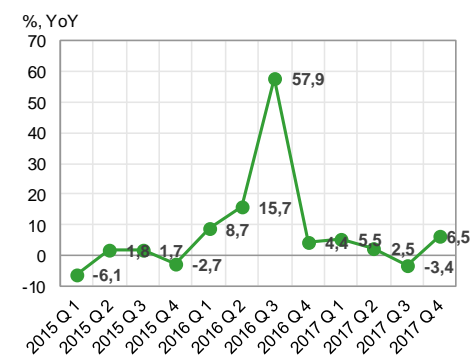
- ❑ Nominal home prices declined by 1% on a yearly basis in Q12018, leaving prices 25% below their 2008 peak
- ❑ The fall has been slowing since mid-2013 and in H1-18 prices were down a mere 0.5% over the previous semester.
- ❑ Residential prices in yearly averages are expected to slightly decline in 2018 and to post a very slight increase in 2019, driven by improving housing demand, increased credit availability and low interest rates
- ❑ An increasing gap between urban areas, with an active and greater market, and the rural ones with a weaker market.

Residential market forecast (Nomisma)

	2017	2018	2019	2020
Transactions	542.480	568.387	590.385	615.905

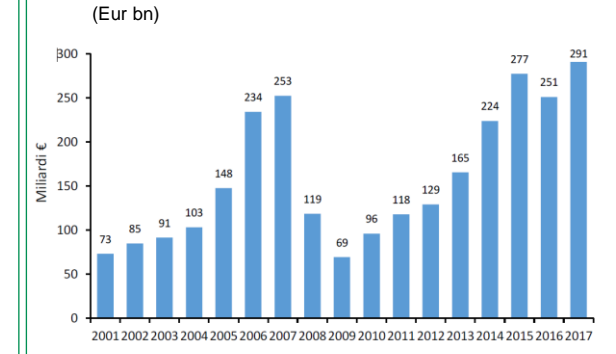
Sources: Nomisma (March 2018), Crédit Agricole S.A.

Residential sales transactions - YoY



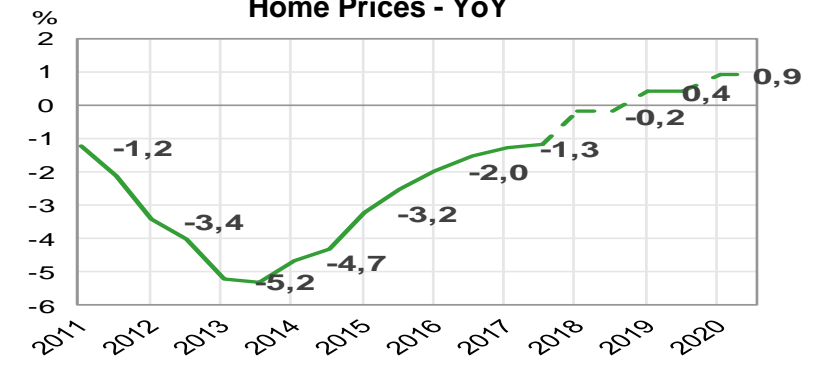
Sources: Agenzia delle Entrate, Crédit Agricole S.A./ECO

Non-residential corporate investments



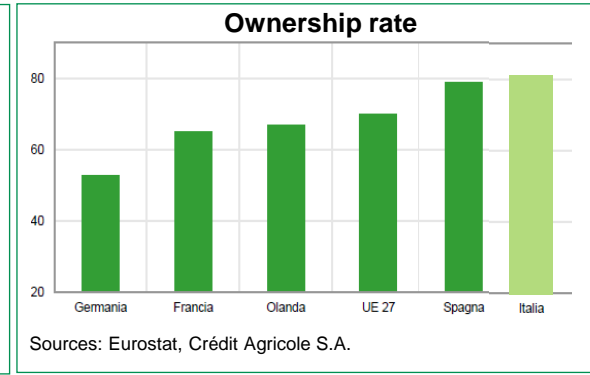
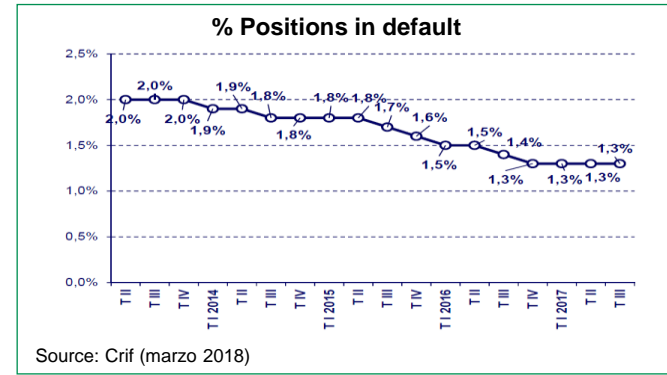
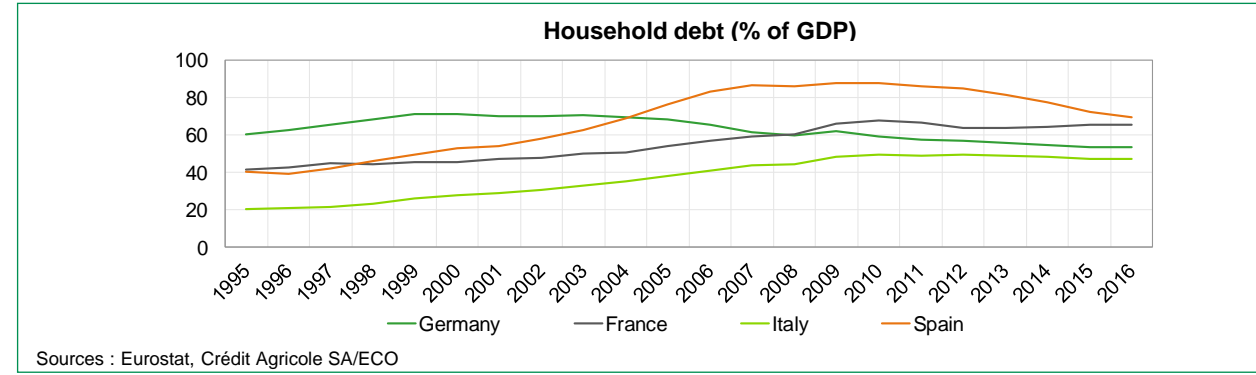
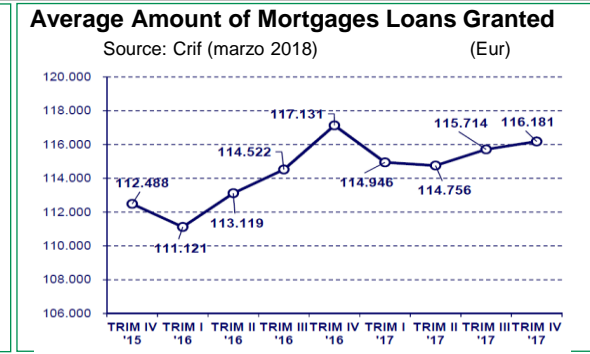
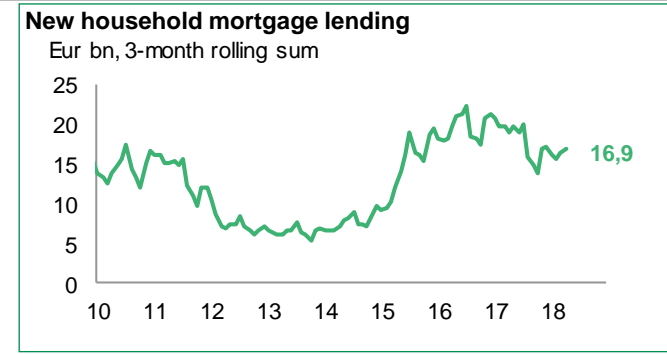
Source: Nomisma

Home Prices - YoY



Sources : Nomisma, Crédit Agricole S.A.

- **The Italian mortgage loan market is small compared to that of other European countries : Italy is the third economy in the Euro area but only the fifth mortgage loan market**
- **The high ownership rate (above 70%) is among the highest in the EU and limits both sales volumes and mortgage loan market growth**
- **Supporting factors:**
 - tax incentives,
 - Residential Real Estate Lease (introduced by the “Legge di Stabilità” 2016),
 - ECB monetary easing measures
- **The strong catch up in new mortgages in 2015-2016 reflected the large renegotiation process of outstanding housing loans in a context of low rates**
 - Renegotiations are now largely over, explaining the pause in new lending in late 2017
 - Nevertheless new lending has been picking up again since early 2018 to 17bn€ at annualized rate in April 2018, signaling households’ interest in housing market transactions
 - New lending granted has increasingly been at fixed rate (share of 70% in Q1-18 vs. 30% in early 2015 vs. CAIBG 24% in Q1-18 vs 61% in Q1-15); the average amount of mortgages loans granted in Q4-17 has also been up for the second quarter in a row in Q4-17 to 116 K€
- **Risks in the mortgage loan market have receded to a low level**
 - The default rate in Q3-17 was stable at 1.3% for the fourth quarter in a row



1	Executive Summary
2	Crédit Agricole Italia Banking Group
3	Crédit Agricole Italia Banking Group Financial Highlights
4	Italian Housing Market
5	CAIBG Residential Mortgage Loan Business
6	Crédit Agricole Italia OBG Programme
7	Appendices
8	Contact list

Crédit Agricole Italia Banking Group Residential Mortgage Loan Business Highlights

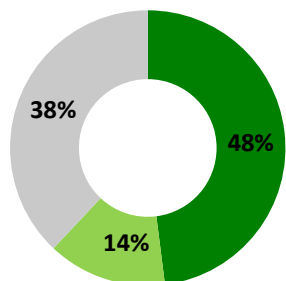
CA Italia Banking Group a significant player in Italian residential financing:

- €23.9bn of residential mortgage loans on 31/12/2017
- 2017 residential mortgage loans production: €2.6bn (-0.6% YoY)
- Market share of ca. 4.64% of stock and ca. 5,01% of flow on December 2017 in Italy (source: ABI)

CA Italia Banking Group mortgage loans risk level:

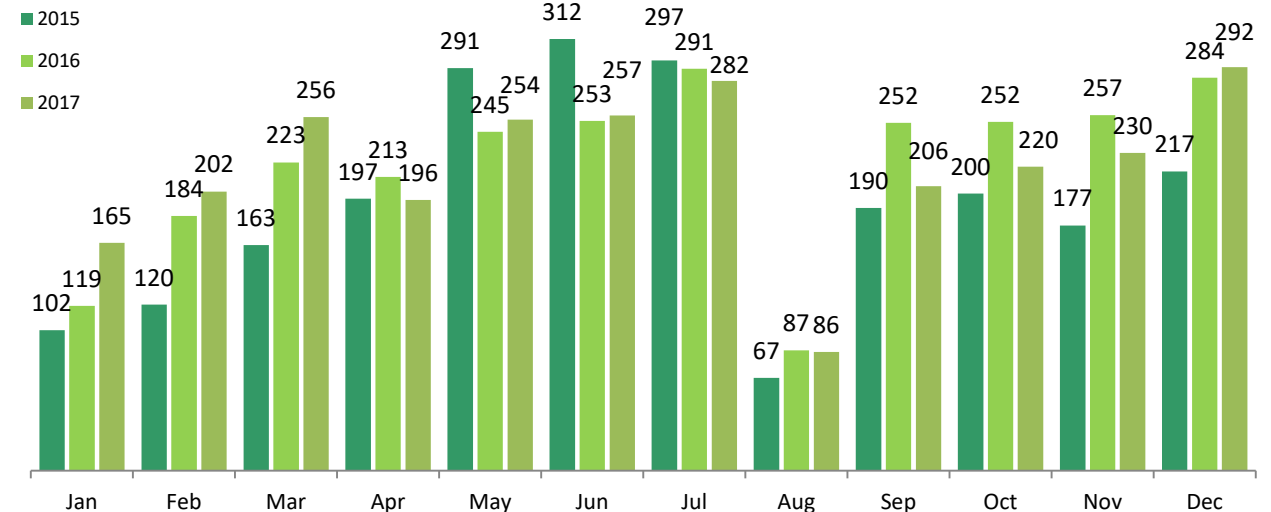
- Mortgage deed registration: 1st level mortgage deed registered is 150% of the loan amount
- On 31/12/2017, 3.0% of non-performing loans (doubtful + substandard loans); 2.3% of "Sofferenze" (doubtful loans)
- Loan loss reserves represent 24.0% of non-performing loans on 31/12/2017
- From 2016, introduction of Euribor floor at 0.00% on new mortgage loan contracts

2017 new residential mortgage loans interest rate type

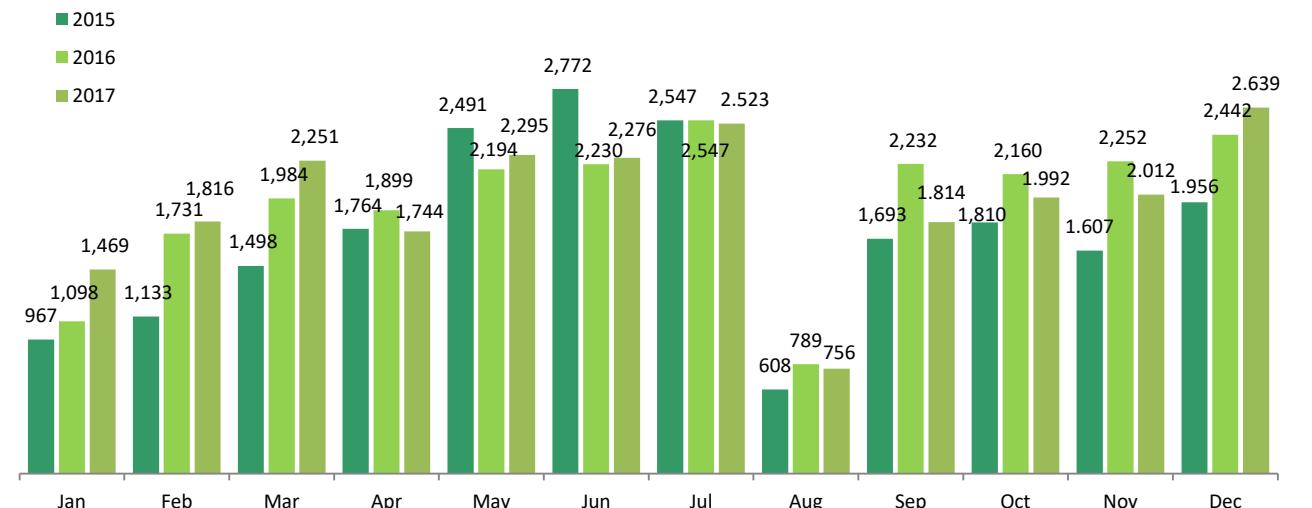


- Fixed rate
- Floating
- Floating With CAP

New mortgage loans (volumes in million)



New mortgage loans (number of transactions)



Crédit Agricole Italia Banking Group Residential Mortgage Loan Business

Well-established selection and risk management processes

Underwriting

Origination process relies on the borrower's repayment capacity, which is assessed through a comprehensive risk analysis

- Direct / indirect financial promoters: 55% of the mortgage loans are originated directly by Crédit Agricole Cariparma's branches, while in 45% of cases, customers come from Indirect promoters. Mortgage loans originated by direct and indirect promoters are both analyzed and monitored under the same policies / limits
- At branch level:** the manager of the branch prepares the mortgage application and enters it into PEF (Pratica elettronica di Fido). Through PEF Crédit Agricole Cariparma (i) performs analysis on databases (CRIF, CERVED, DATABANK), (ii) checks compliance with credit policy, (iii) carries out the calculation of an acceptance rating, and (iv) defines the level of decision-making autonomy for the approval

The loan application goes through a fully standardized process

- At the end of the process, PEF assigns to customers a synthetic assessment summarized by three categories (i) "positive", (ii) "to be reviewed" and (iii) "refused", which determines the different procedures and the decision makers
- Approval process:** crossing the outputs of PEF system with the amount to be approved. On average*, 18% of the requests are approved at branch level, 71% at territorial direction level and the remaining 11% at central direction level.
- Property valuation:** the asset to be financed is always subject to a technical physical report
- Real estate appraisals:** Crédit Agricole Italia Banking Group uses only independent appraisers for its underwriting appraisals

Lending Criteria

- Borrower's age and type:** maximum borrower's age at maturity < 80 years
- Loan Term:** maximum tenor of 30 years
- Debt to net income ratio (DTI):** installment / net income ratio can not exceed 30%, in a stress scenario this limit can be waived only in exceptional cases on the basis of documented verification
- Mortgage deed registration:** 1st level mortgage deed registered is 150% of the loan amount (110% for employees)
- LTV:** maximum 80% of the value of the mortgaged property for the "first home" / 70% in the case of home loans brokered by brokerage company / up to 60% in case of restructuring, holiday homes and properties located abroad (with mortgage collateral in Italy)

Property risk

- Property must be insured against the risks of fire, lightning, explosion
- Crédit Agricole Italia Banking Group offers customers Crédit Agricole Home Protection Insurance, characterised by an annual premium with automatic renewal
- The holders of the mortgage have the option to subscribe to further creditor protection

Surveillance

- The value of the property is verified at least once a year, with possibility to use statistical methods to monitor the value and identify properties requiring a check
- If statistical method shows a significant variation with the previous period, a new appraisal is carried out

1	Executive Summary
2	Crédit Agricole Italia Banking Group
3	Crédit Agricole Italia Banking Group Financial Highlights
4	Italian Housing Market
5	CAIBG Residential Mortgage Loan Business
6	Crédit Agricole Italia OBG Programme
7	Appendices
8	Contact list

Crédit Agricole Italia OBG Programme

Structural features and structure overview

The Programme

- €8bn Covered Bond Programme: first issue in July 2013, with a €2.7bn retained issue (liquidity reserves)
- November 2014: €2.7bn retained issue partially cancelled (€1.5bn)
- December 2014: € 1.0bn market issue 7 year maturity
- September 2015: € 1.0bn market issue 7 year maturity
- October 2016: Double tranche market issue of € 0.75 bn maturity of 8 and 15 years
- March 2017: Double tranche market issue of € 0.75 bn maturity of 8 and 12 years
- December 2017: € 0.75bn market issue 8 year maturity
- January 2018: € 0.5bn market issue 20 year maturity
- Currently outstanding: €1.2 bn retained OBG; €6.25 bn market OBG
- Current rating: Aa2 from Moody's

Cover pool

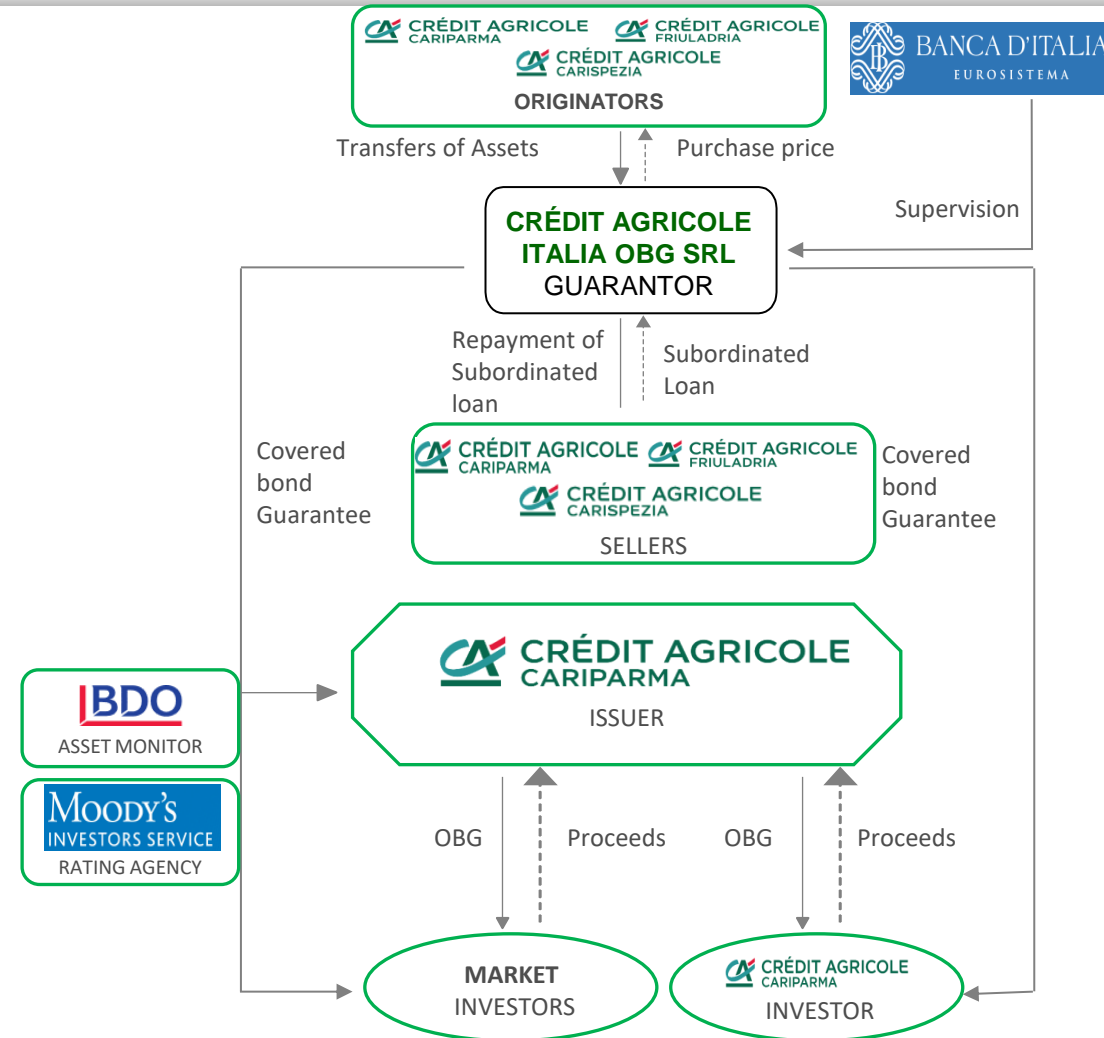
- Mortgage loans transferred to Crédit Agricole Italia OBG srl
- Self-originated mortgage loans by Crédit Agricole Italia Banking Group; there are also loans originated by branches purchased from Intesa
- Property located in Italy
- No arrears on the transfer date
- Current cover pool: 100% residential mortgage loans
- No ABS and commercial mortgage loans

Over-collateralisation

- 7.5% committed over-collateralisation (OC)
- 23.52% at 31.12.17

Monitoring

- BDO Italia (ex Mazars): Asset Monitor reporting to Bank of Italy



■ Interest rate exposure

- Cover pool is equally distributed between floating rate and fixed rate
- Floating rate for €1.2bn retained OBG (soft bullet floating rate Eur 1 y + 1.1%)
- Fixed rate for €5.0bn market OBG (€2.0bn soft bullet fixed rate coupon of 0.875%; €0.75bn soft bullet fixed rate coupon of 0.967%; €0.75bn soft bullet fixed rate coupon of 0.242%; €0.75bn soft bullet fixed rate coupon of 1.125%; €0.75bn soft bullet fixed rate coupon of 1.625%)

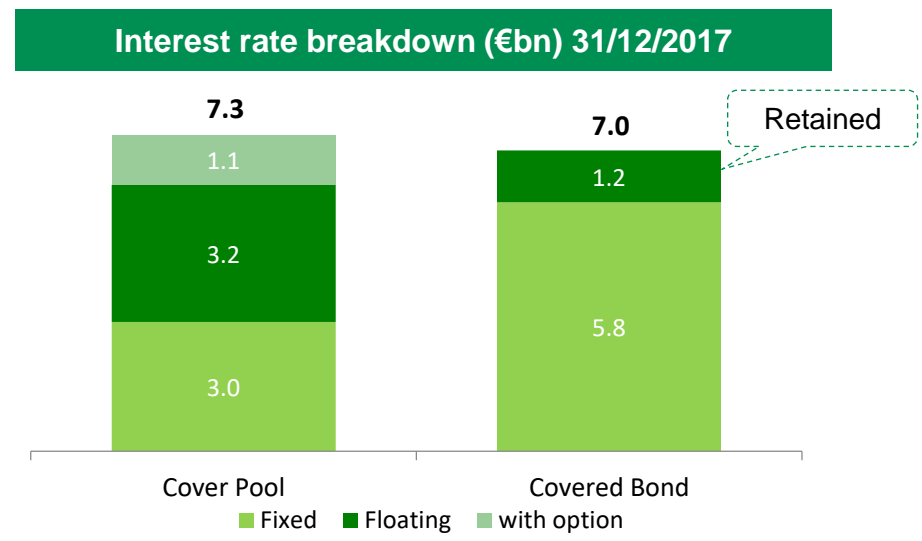
■ Asset and liabilities matching controls

Semi annual regulatory stress tests

- Nominal Value Test
- Net Present Value Test
- Interest Coverage Test
- Amortisation Test*

Additional internal controls

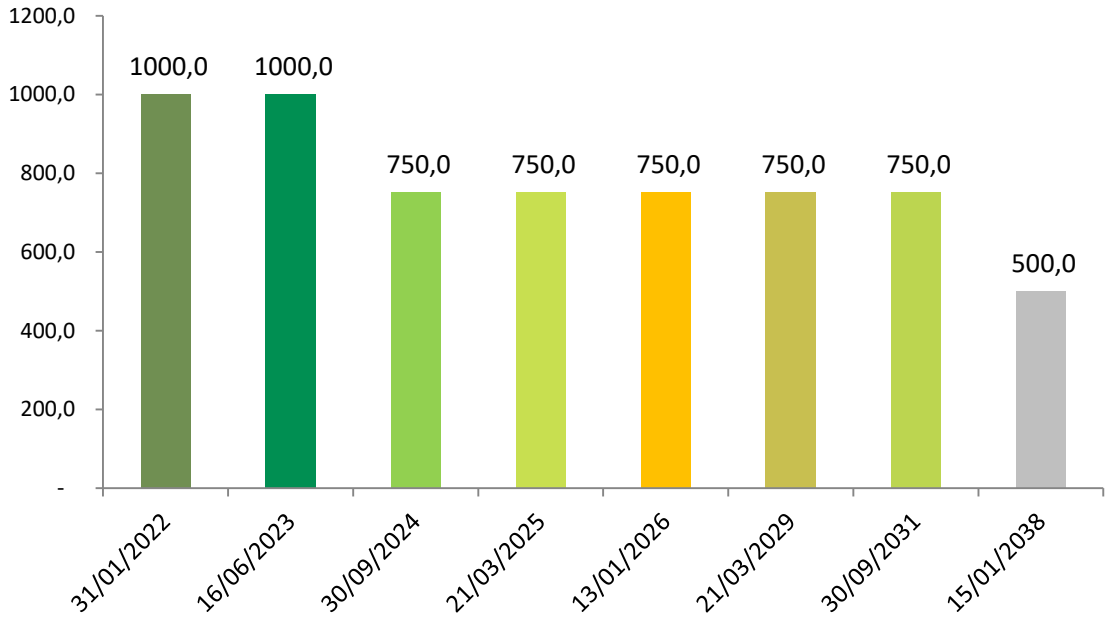
- Quarterly monitoring based on cash flow model to check timely payment of OBG with cash from cover pool including over-collateralisation



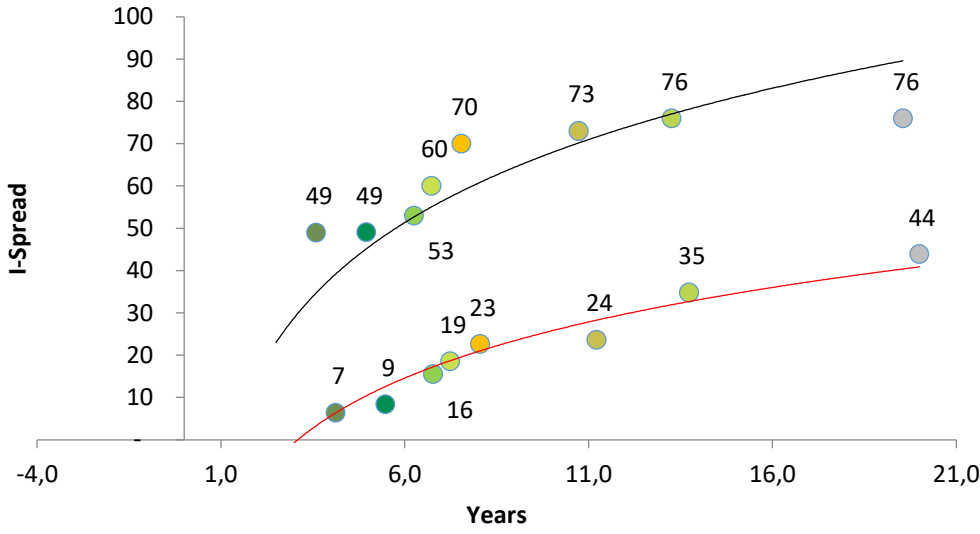
With option: Customers have the right to switch at any time from fixed to floating rate (and vice-versa) at the market rate of the moment
 In January 2018 new issue of 0,5bn € and the integration of Cover Pool of March 2018 (1,4 bn €)



OBG Outstanding Maturities



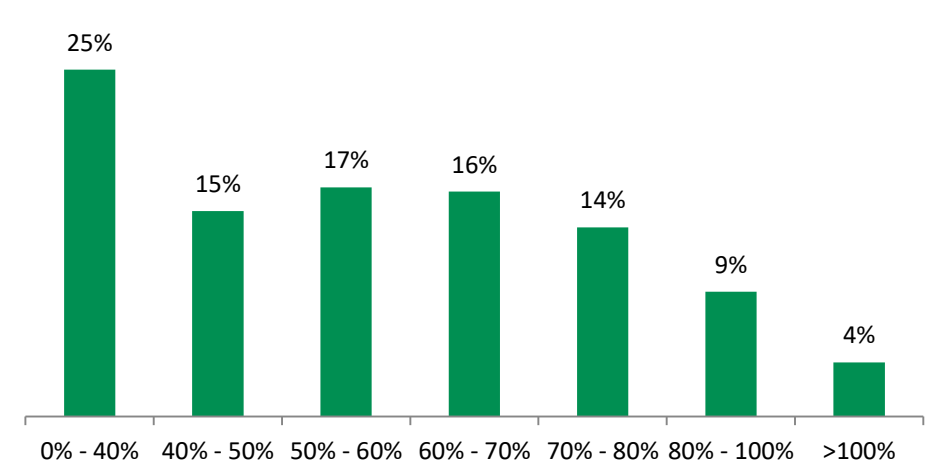
I-Spread (bp) June 2018 VS December 2017



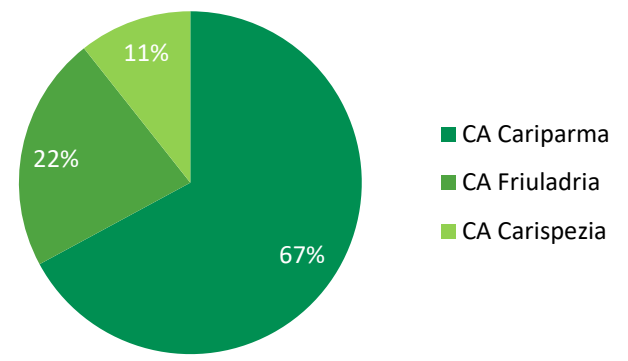
December 2017 — 104 bps VS BTPS 2038
 June 2018 — 105 bps VS BTPS 2038

Total mortgage outstanding cover pool	7,310,408,544
Substitute Assets (Cash)	1,274,537,498
Number of loans	83,464
Average loan balance	87,588
WA Seasoning (month)	54
Remaining term (month)	225
WA CLTV (Current Loan to Value)	56.68%
Interest rates of credit pool	40.9% fixed 15.8% with option 43.4% floating
Origination	100% Crédit Agricole Italia Banking Group (details below)

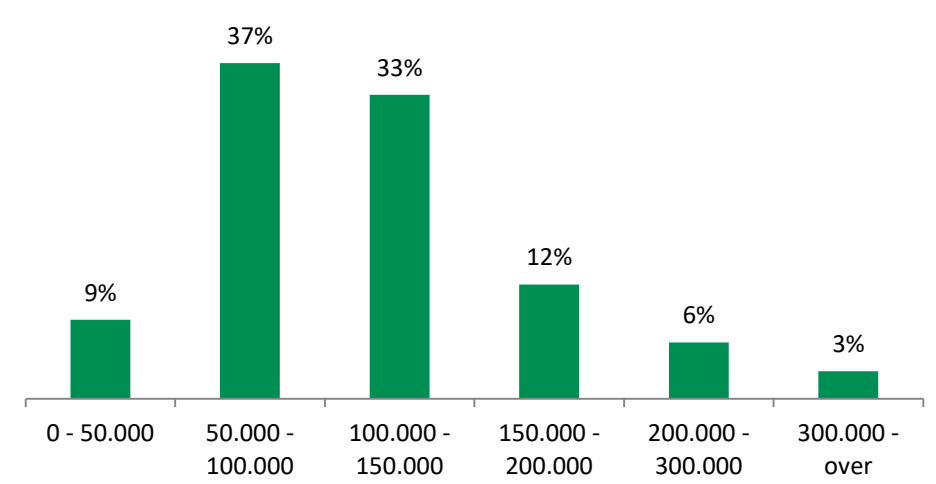
Breakdown by CLTV as % of outstanding amount



ORIGINATION BY BANKS (% of outstanding amount)



Breakdown by outstanding amount as % of outstanding amount

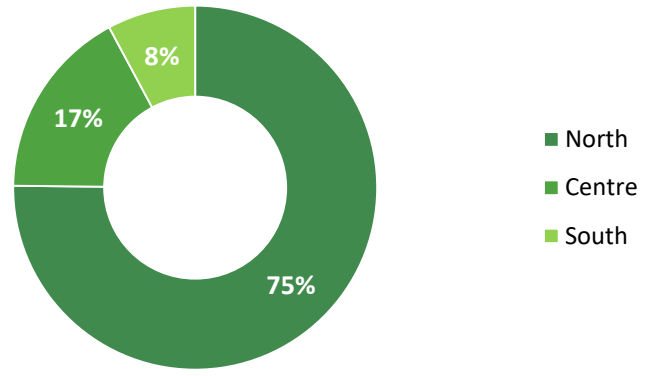
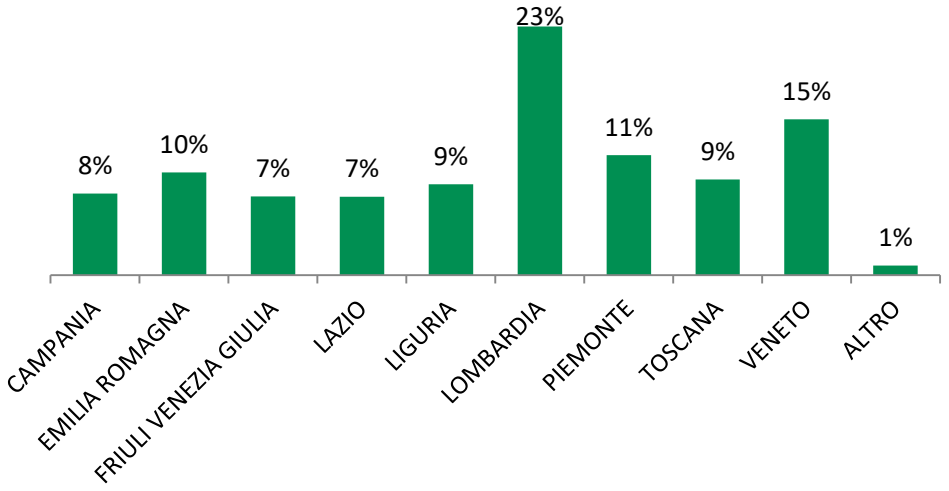


* Substitute Assets: liquidity generated by repayment of mortgages and deposited on the accounts of the SPV

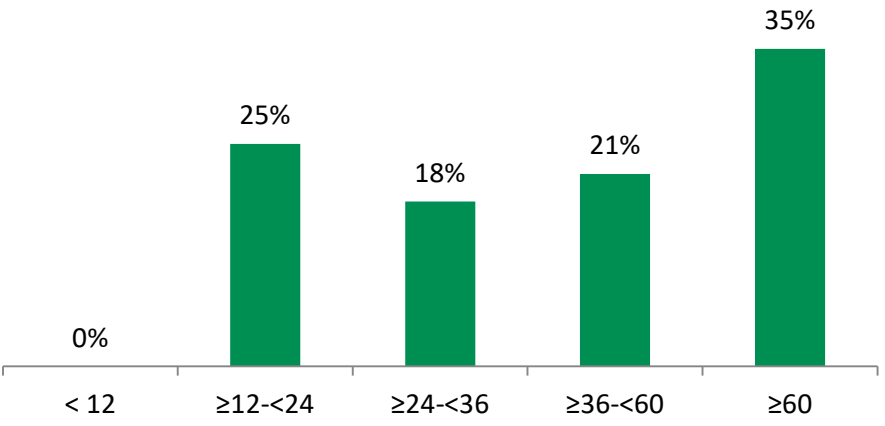




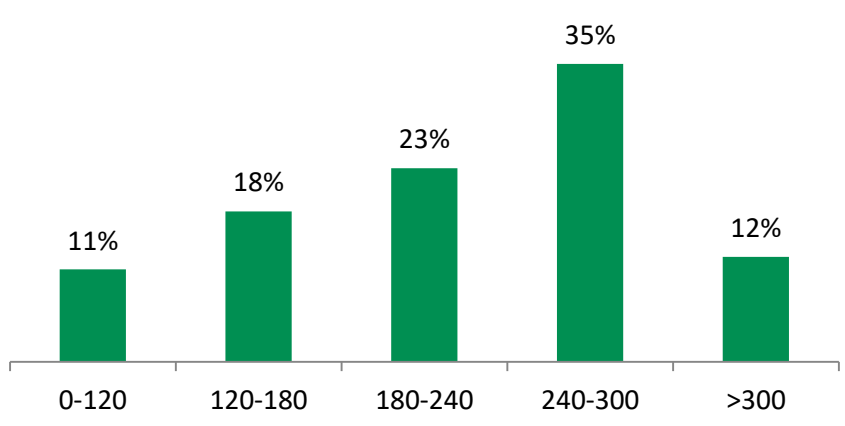
Breakdown by region as % of outstanding amount



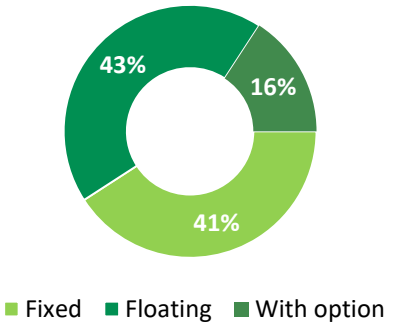
Breakdown by seasoning (months) as % of outstanding amount



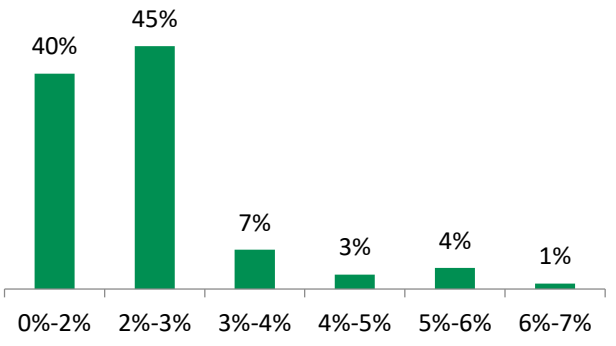
Breakdown by remaining (months) as % of outstanding amount



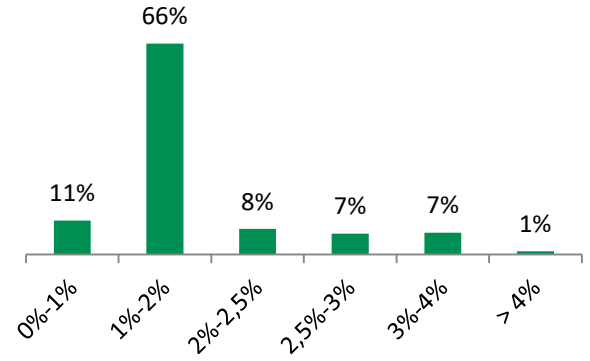
Interest type as % of outstanding amount



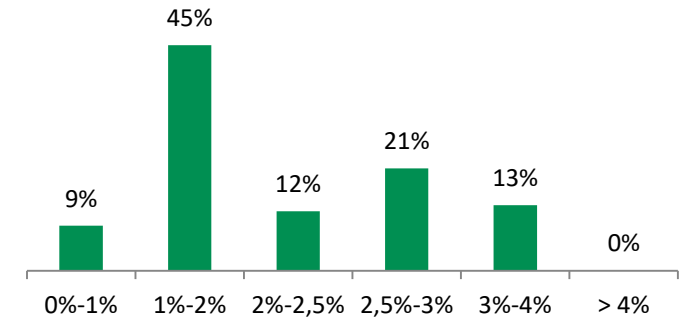
Breakdown fixed interest as % of fixed rate outstanding amount



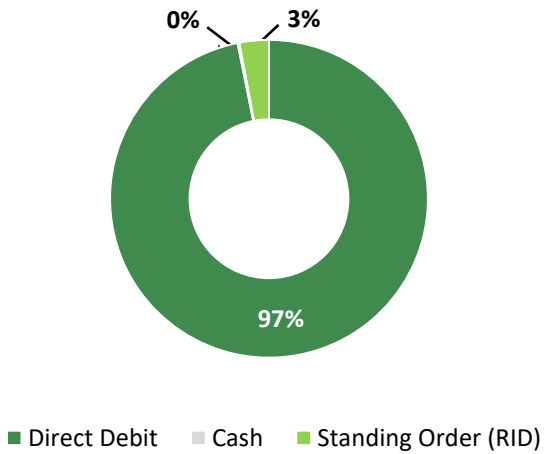
Breakdown "with option", margin on Euribor 3M as % of with option outstanding amount



Breakdown floating rate margin on Euribor 3M as % of floating rate outstanding amount



Payment type as % of outstanding amount



Cover pool mortgage loan performance

- Loans in Arrears > 90 days: 0.21% of total Cover Pool (vs. 0.28% at 30.06.17)
- Total Loans in Arrears: 2.7% of total Cover Pool (vs. 3.4% at 30.06.17)
- No Bad Debts* in the Cover Pool: they are bought back on a monthly basis

* No Bad Debts should be understood as no "Sofferenza", as defined by the Bank of Italy (Circ. 272/2008 Bank of Italy 8th update)



Issuer	Crédit Agricole Cariparma
Originator	Crédit Agricole Cariparma, Crédit Agricole FriulAdria and Crédit Agricole Carispezia
Guarantor	Crédit Agricole Italia OBG S.r.l.
Arranger	CA-CIB
Representative of CB holders	Zenith
Asset Monitor	BDO Italia (ex Mazars)
Rating	Aa2 from Moody's
TPI LEEWAY (Moody's)	2 Notches
Listing	Luxembourg Stock Exchange
Programme Amount	€8bn
Cover Pool	Italian residential mortgages only
Governing Law	Italian Law
Maturity	Soft bullet with 12 month extension period
LCR	LCR compliant, Level 1 asset
Covered Bond Label	Yes
Risk Weighting (Standard Approach)	10%
Outstanding OBG	Series 1: €1.2bn retained Series 2: €1.0bn Series 3: €1.0bn Series 4: €0.75bn Series 5: €0.75bn; Series 6: €0.75bn Series 7: €0.75bn Series 8: €0.75bn Series 9: €0.5bn

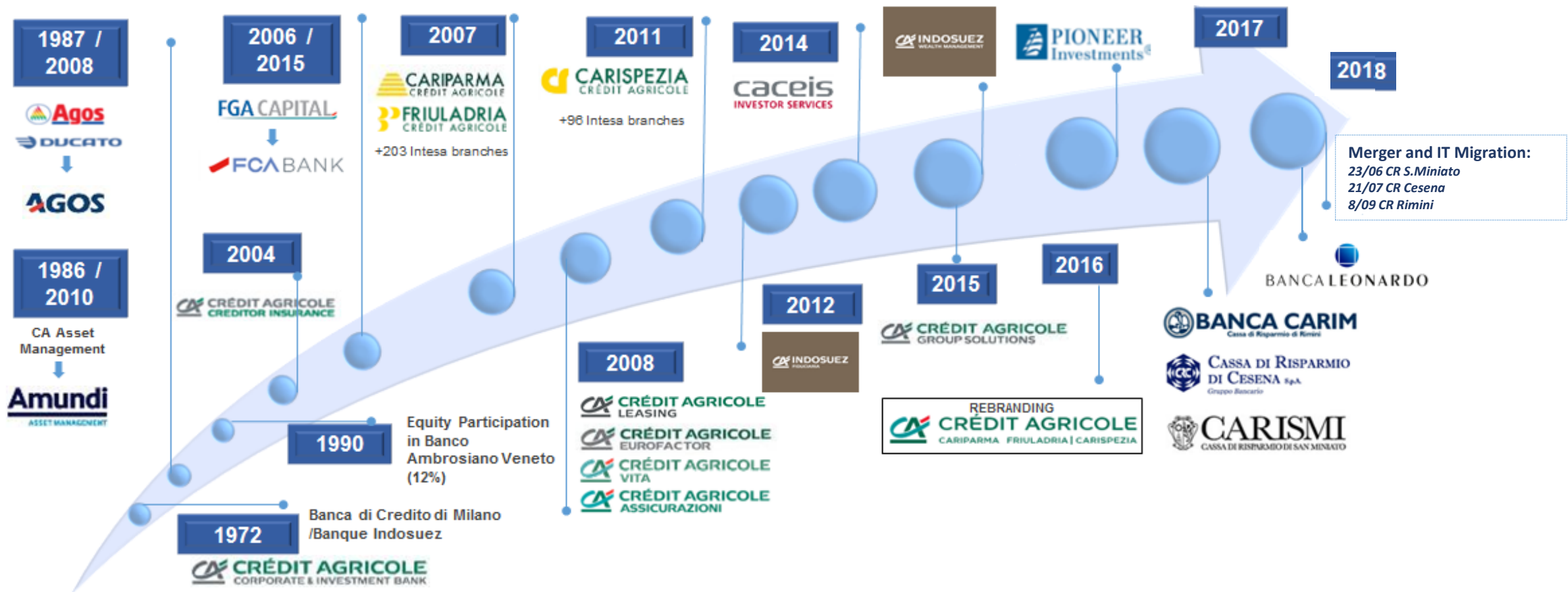
Crédit Agricole Italia OBG Programme

Italian Covered Bond legal framework 

Name of the instrument	Obbligazioni Bancarie Garantite (OBG)
Legislation	Law 80 14/5/2005 amending art 7-bis of Law 130/1999; Ministry Finance & Economy regulation 310 dated 14/12/2006 and Bank of Italy instructions issued 17/5/2006
Asset Ring-fencing	Cover assets are segregated by law after the transfer to a separate entity
Integration Assets	Substitute Assets (deposits < 1yr) up to 15% of cover assets
Main eligibility criteria for assignment	EEA and Switzerland, LTV 80% for residential mortgage loans (60% for commercial mortgage loans)
Inclusion of hedge positions	Hedge positions are part of structural enhancements intended to protect bondholders
Mandatory Tests	The Nominal Value (NV) of the Cover Pool must be at least equal to the NV of the outstanding OBG The NPV of the cover pool must be at least equal to the NPV of the outstanding OBG Interest deriving from the Cover Pool must be sufficient to cover interest due under the OBG Loans in arrears for more than 90 days must be excluded from mandatory tests
1st claim on the Cover Pool in the event of insolvency of the Issuer	In case of issuer's default, OBG holders benefit from a priority claim on the assets included in the Cover Pool for all payments due under the covered bond
Bankruptcy remoteness	In case of issuer's insolvency, the OBG are not accelerated
Dual Recourse	Dual recourse both on the issuer and on the Cover Pool In case of issuer's default and if the cover pool is insufficient for all payments due under OBG, OBG bondholders have a claim against the issuer ranking pari passu with the issuer's unsecured creditors
Over-collateralisation	Minimum over-collateralisation required to comply with the mandatory coverage tests
Controls	Supervision by Bank of Italy; Ongoing controls by the asset monitor (including controls of mandatory tests)
Compliant with UCITS 52 (4) and CRR	Yes

1	Executive Summary
2	Crédit Agricole Italia Banking Group
3	Crédit Agricole Italia Banking Group Financial Highlights
4	Italian Housing Market
5	CAIBG Residential Mortgage Loan Business
6	Crédit Agricole Italia OBG Programme
7	Appendices
8	Contact list

Crédit Agricole Group's expanding presence in Italy its second home market



Started in 2017 three extraordinary transactions
 Acquisition of Pioneer Group, 3 Savings Banks, Banca Leonardo
 CA Group in Italy reaches 4 millions customers
 Finalisation of the IT Migration planned in H2-18



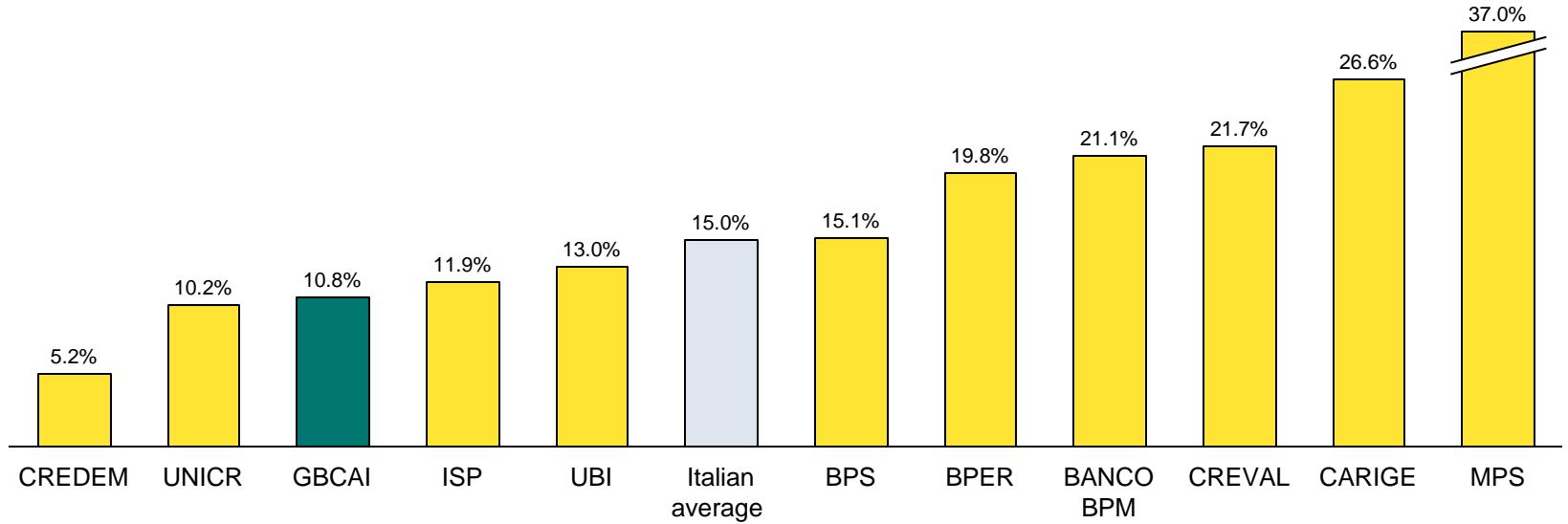
Mortgage Loan Eligibility Criteria (at the transfer date)

Receivables deriving from Mortgage loan contracts :

- 1) which are Residential Mortgage Loans having a weighted-risk below 35% (standard approach) and LTV at transfer time below 80%;
- 2) governed by Italian law;
- 3) no installments due and unpaid for more than 30 days;
- 4) seasoning: borrower has paid at least the 1st installment in respect of the Loan;
- 5) pre-amortisation period fully elapsed ;
- 6) denominated in Euro;
- 7) which do not allow limitations on transfer;
- 8) debtor is a person resident in Italy and belongs to the economic category of consumer families;
- 9) secured by first level mortgage deed registration;
- 10) current principal balance exceeds €2,000;
- 11) underlying property is located in Italy;
- 12) excluding mortgage loans in relation to which the payment of the installments (including the principal component and the interest component) (i) shall be subject to a suspension still in progress, or (ii) has been subject to suspension and, despite the suspension being over, accrued interest during the period of suspension has not yet been fully paid;
- 13) excluding mortgage loans to debtors classified as doubtful;
- 14) excluding ABS and commercial mortgage loans.

Crédit Agricole Italia Banking Group Financial Highlights

Crédit Agricole Italia Banking Group's stock of problem loans lower than Italian average



Source: Italian banking groups' results disclosures

* Problem loans is the sum of three categories (from worst to best): (1) Bad loans (in Italian, "sofferenze": loans to insolvent borrowers; (2) Unlikely to pay (in Italian, "inadempienze probabili"); (3) Past Due (in Italian, "esposizioni scadute e/o sconfinanti deteriorate: past due by more than 90 days. For further details please refer to our Sector In-Depth entitled "Italian Banks Implement New Problem Loan Definition;

The Italian banking system is challenged by a high level of non-performing loans concentrated within certain banks

Specific regulatory measures:

- **DTAs (August 2015)** - Tax deductibility of loan losses has gone from 5 years* to 1 year, in order to allow for the complete write-off of current stock of deferred tax assets



- **Fondo Interbancario di Tutela dei Depositi (November 2015)** – on voluntary basis, can initiate interventions in support of participating banks in special administration or failing or likely to fail, in accordance with the specific conditions provided for in the regulations (Tercas)
- **Single Resolution Fund (November 2015)** - part of the Single Resolution Mechanism (SRM - CR Ferrara, Banca Etruria, Banca Marche, CariChieti)
- **Garanzia Cartolarizzazione Sofferenze (GaCS – January 2016)** - **guarantee for senior tranches of securitised NPLs**, guarantee will be issued upon request of banks, which in turn have to pay a regular commission to the Treasury. Price of the guarantee will reflect the market price in order to ensure the state aid-free nature of the scheme.

The State will guarantee only senior tranches of the asset-backed security which have received a rating equal to or higher than Investment Grade by a rating agency qualified by the ECB

- **Atlante Fund (April 2016)** – supporting the recapitalisation of Italian banks and transactions for the sale of NPLs through the purchase of *junior* tranches
- **Bureaucracy simplification and streamlining procedures for accelerating the timing for credit recovery (June 2016)**
 - New on-line civil court proceedings to decrease the average time for a civil court decisions to 367 days
 - Creation of special tribunals for business disputes, with 80% managed within 1 year
 - «Marciano Pact»: the non-payment by a business owner extended beyond 9 months from the due date of at least three monthly installments provides for the out-of-court assignment of real property used to collateralise financing to the creditor
- **Atlante Fund 2 (August 2016)** – provides support for the sale of NPLs by Italian banks through the purchase of *mezzanine* and *junior* tranches
- **GACS (July 2018)** – requested for an extension of 6 months (until March 2019) of public guarantee for the securitization of non-performing loans
- **MREL: minimum requirement of eligible liabilities and TLAC (2019): total loss absorbing capacity (2019)** in order to have sufficient capacity on their balance-sheet to absorb losses



The Covered Bond Programme of Crédit Agricole Cariparma is eligible to obtain the preferential treatment pursuant to Article 129 of CRR:

- collateralised (pursuant to paragraph 7 off Article 129 of CRR) by:
 - residential property up to the lesser of the principal amount of the liens that are combined with any prior liens and 80 % of the value of the pledged properties and
 - exposures to institutions that qualify for the credit quality step 1 as set out in this Chapter*. The total exposure of this kind shall not exceed 15 %** of the nominal amount of outstanding covered bonds of the issuing institution. Exposures to institutions in the Union with a maturity not exceeding 100 days shall not be comprised by the step 1 requirement but those institutions shall as a minimum qualify for credit quality step 2 as set out in this Chapter* (Short Term at least equal to P-2)
- Rating: Aa2 (credit quality step 1 pursuant to paragraph 4 off Article 129 of CRR)
- Transparency (pursuant to paragraph 7 off Article 129 of CRR): provided that the institution investing in the covered bonds can demonstrate to the competent authorities that:
 - a) it receives portfolio information at least on:
 - i. the value of the cover pool and outstanding covered bonds
 - ii. the geographical distribution and type of cover assets, loan size, interest rate and currency risks
 - iii. the maturity structure of cover assets and covered bonds, and
 - iv. the percentage of loans more than 90 days past due
 - b) the issuer makes the information referred to in point (a) available to the institution at least semi-annually

* CRR – Part Three – Title II – Chapter 2

** exposures caused by transmission and management of payments of the obligors not be comprised in calculating the limits referred to in this points

Access to the reserved section of the web site



1 <http://gruppo.credit-agricole.it/>



2 For the Covered Bond Section Click on the link: "Investor Relations"



- IL GRUPPO
- CORPORATE GOVERNANCE
- SALA STAMPA
- RESPONSABILITÀ SOCIALE D'IMPRESA
- INVESTOR RELATIONS**
- NEWS ED EVENTI
- SPONSORSHIP RUGBY

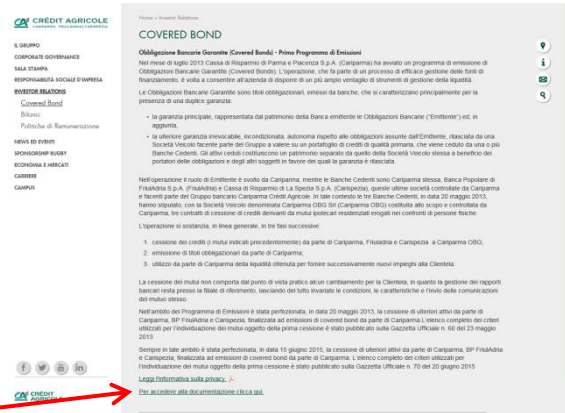
3 Click on "Covered Bond"



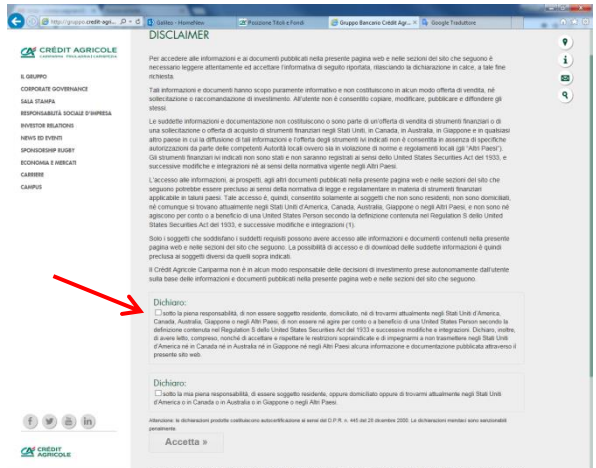
- IL GRUPPO
- CORPORATE GOVERNANCE
- SALA STAMPA
- RESPONSABILITÀ SOCIALE D'IMPRESA
- INVESTOR RELATIONS**

Covered Bond

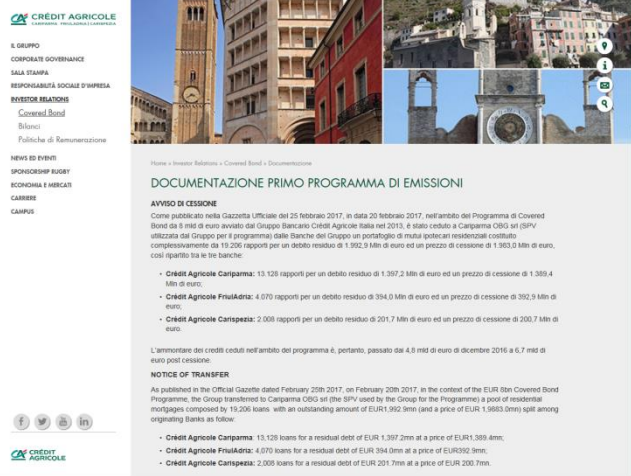
4 Click on "Per accedere alla documentazione clicca qui" at the end of the site



5 Click here to insert the flag in the first bottom



NOW YOU ARE IN THE RESERVED SECTION



1	Executive Summary
2	Crédit Agricole Italia Banking Group
3	Crédit Agricole Italia Banking Group Financial Highlights
4	Italian Housing Market
5	CAIBG Residential Mortgage Loan Business
6	Crédit Agricole Italia OBG Programme
7	Appendices
8	Contact list

Pierre Débourdeaux
Chief Financial Officer

+39 0521 912 410
pierre.debourdeaux@credit-agricole.it

Stefano Marlat
Head of Financial Management

+39 0521 913 306
stefano.marlat@credit-agricole.it

Arturo Cerbone
Financial Management

+39 0521 913 179
arturo.cerbone@credit-agricole.it

Website: www.gruppo.credit-agricole.it

**CRÉDIT
AGRICOLE
GROUP**
ITALIA

 **CRÉDIT AGRICOLE**
CARIPARMA | FRIULADRIA | CARISPEZIA

AGOS

 **FCA BANK**

 **CRÉDIT AGRICOLE**
LEASING

 **CRÉDIT AGRICOLE**
EUROFACTOR

 **CRÉDIT AGRICOLE**
CORPORATE & INVESTMENT BANK

Amundi
ASSET MANAGEMENT

 **CRÉDIT AGRICOLE**
CREDITOR INSURANCE

 **CRÉDIT AGRICOLE**
VITA

 **CRÉDIT AGRICOLE**
ASSICURAZIONI

caceis
INVESTOR SERVICES

 **INDOSUEZ**
WEALTH MANAGEMENT

 **INDOSUEZ**
FIDUCIARIA

 **CRÉDIT AGRICOLE**
GROUP SOLUTIONS