



PRESS  
RELEASE

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## CRÉDIT AGRICOLE CONSUMER FINANCE AND BANCO BPM STRENGTHEN THEIR PARTNERSHIP IN CONSUMER FINANCE IN ITALY FOR THE NEXT 15 YEARS

Crédit Agricole Consumer Finance, a leading consumer finance group in Europe, and Banco BPM, the third largest bank in Italy, signed today a binding Memorandum of Understanding aimed at strengthening their global partnership in the consumer finance sector in Italy for the next 15 years.

The transaction will significantly reinforce Agos' leading position and market share in the sector. Agos is currently managing loans totaling €13.8 billion at end-September 2018 and boasts a strong profitability with a full-year 2017 net profit of €296 million.

As part of the agreement, Agos will acquire ProFamily S.p.A., a subsidiary of Banco BPM, which offers consumer loans distributed across the BPM network, for a total amount of €310 million. This transaction will take place once the business distributed outside the banking network of BPM has been carved out in a separate entity, which will remain a fully-owned subsidiary of Banco BPM before being sold.

Agos will extend the distribution of its products to the entire Banco BPM network and distribution channels, including 2,300 branches, under an exclusive 15-year agreement starting on closing of the transaction.

The Memorandum of Understanding envisages the signing of various definitive agreements between Banco BPM, Crédit Agricole S.A. and Crédit Agricole Consumer Finance, which will specify the terms and conditions of the partnership, including in relation to funding.

Agos' current shareholding structure will be maintained (61% held by Crédit Agricole Consumer Finance and 39% held by Banco BPM). Crédit Agricole Consumer Finance and Banco BPM agreed to consider the possibility of an IPO of Agos. Such transaction may provide flexibility to both shareholders while preserving their respective commitment to the future development of the company. In the event of a listing, Banco BPM would have the option to reduce its stake in Agos, while committing to maintain a minimum participation of 10%. Crédit Agricole S.A. has granted to Banco BPM a guarantee to acquire a participation of 10% in

Agos exercisable in June 2021 at an exercise price of €150 million. Crédit Agricole Consumer Finance and Banco BPM share the view that the intrinsic value of Agos is well above the level implied by the guarantee.

The whole operation enables Banco BPM to reinforce its capital structure while remaining associated in the long term with the economic development of Agos. In parallel, Crédit Agricole Consumer Finance strengthens an important partnership and continues to develop its consumer finance business in Italy.

Morgan Stanley and Mediobanca acted as financial advisors to Crédit Agricole and Crédit Agricole Consumer Finance, and Bonelli Erede as legal counsel.