



**Update on the Business Plan  
Consolidated Results as at  
March 31<sup>st</sup> 2018**

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- Pursuant the consolidated law on financial intermediation of 24 February 1998 (article 154-bis, paragraph 2), Simona Orietti, in her capacity as manager in charge of financial reporting declares that the accounting information contained in this Presentation reflects the group's documented results, financial accounts and accounting records.

- 1. Business Plan – Recap and execution**
- 2. IFRS 9 – First Time Adoption**
- 3. Credit policies and asset quality**
- 4. Funding, liquidity and securities portfolio**
- 5. Capital ratio**
- 6. Revenues development**
- 7. Cost management and Net profit development**
- 8. Annexes**

**BUSINESS PLAN**

Very good start in the implementation of the activities

- ✓ Conclusion of the rights issue
- ✓ NPL Sales (Gimli)
- ✓ Agreement with Urade Unions
- ✓ Closure of branches
- ✓ Digital innovation
- ✓ SREP reduction
- ✓ **Project Aragorn on-going**
- ✓ **AIRB on-going**

**MAIN ACHIEVEMENTS OF THE QUARTER**

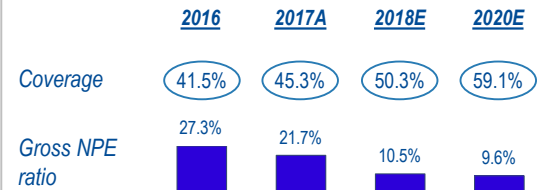
- ✓ Capital Ratio very sound, ahead of the validation of the AIRB model
- ✓ Liquidity balance at the highest level, good starting point to start to reprice liabilities
- ✓ Cost of risk down, with coverage ratios strongly up
- ✓ Cost base under control, in line with the target

**The bank will be now concentrated on the top line of the, in order to improve NII and commission income in the coming quarters, in line with the expectations of the BP**

1

## Asset quality and coverage ratio

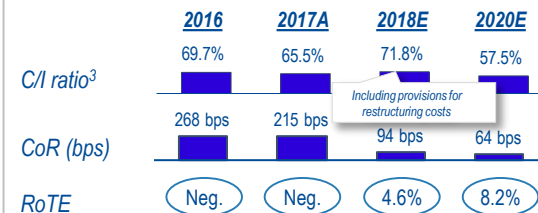
- Actions for decisive balance sheet derisking through:
  - NPEs disposal with GACS (1.60€bn GBV)
  - Other NPEs disposal (0.5€bn GBV)
  - Increase of NPEs coverage ratios



2

## Relaunch efficiency and profitability

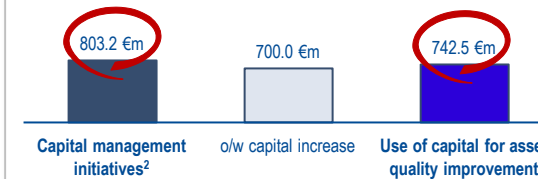
- Improve operational efficiency
- Redundancy fund
- Cost of risk reduction
- Further actions aimed at strengthening business profitability



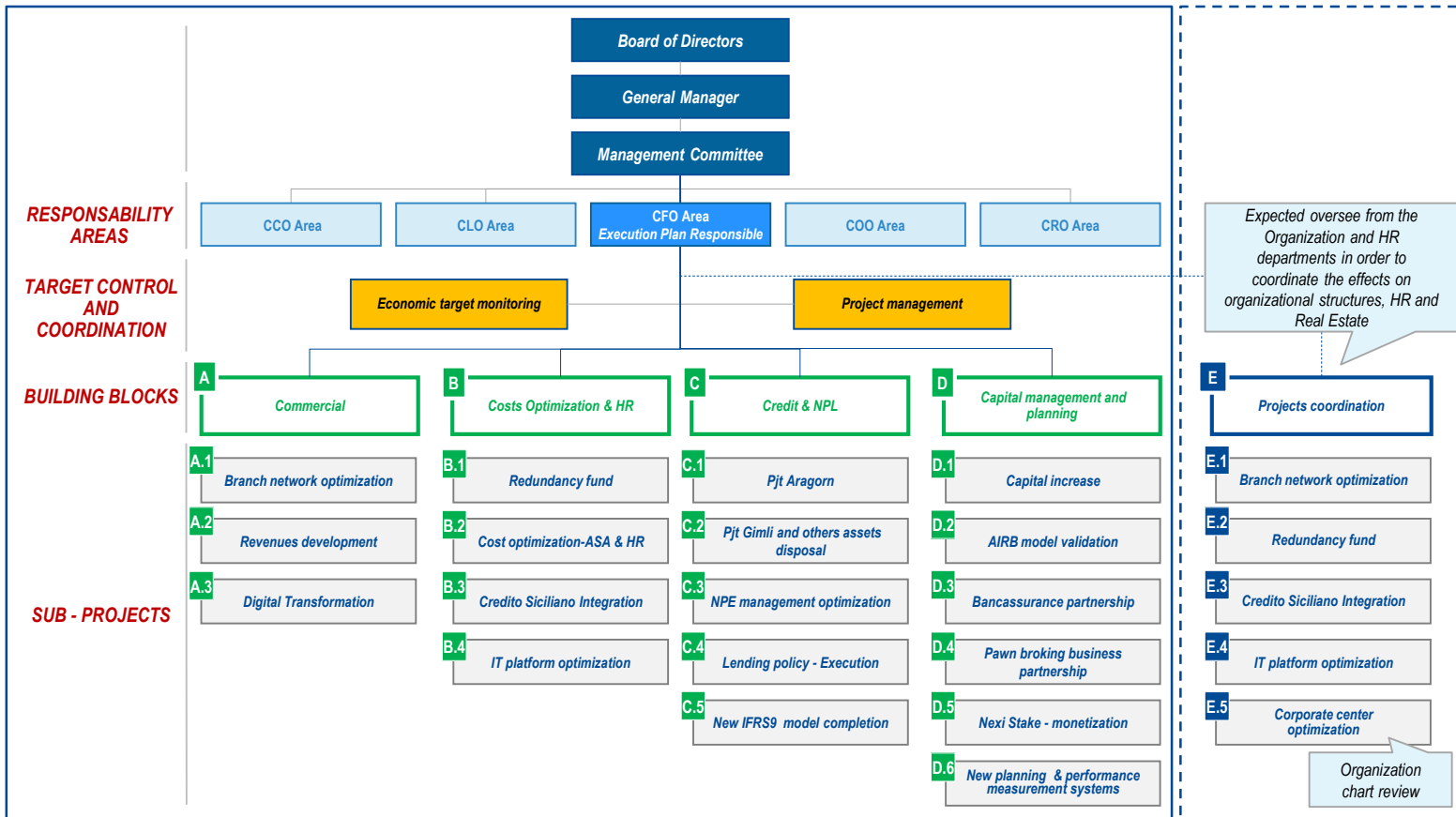
3

## Capital strengthening

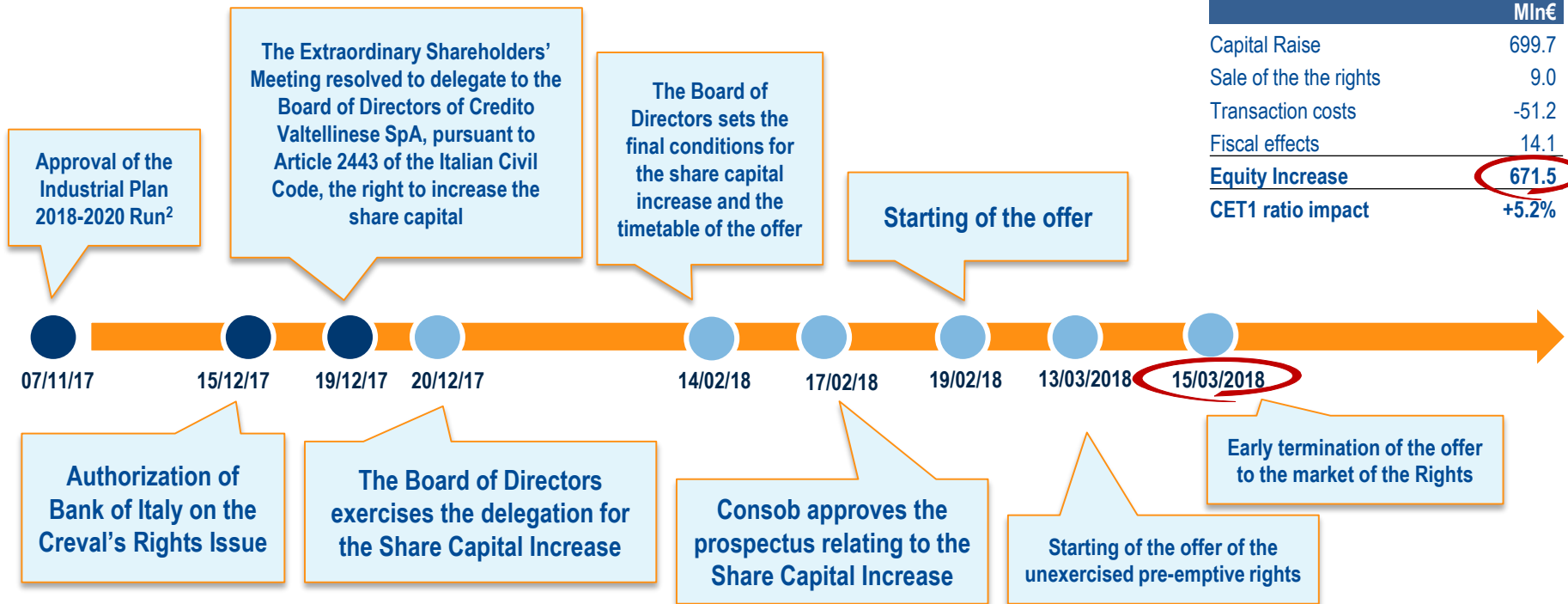
- 700€m rights issue Non core assets disposals under way
- *On top of the capital plan: AIRB models adoptions<sup>4</sup>, and IFRS 9 FTA*



**Business Plan Estimates**



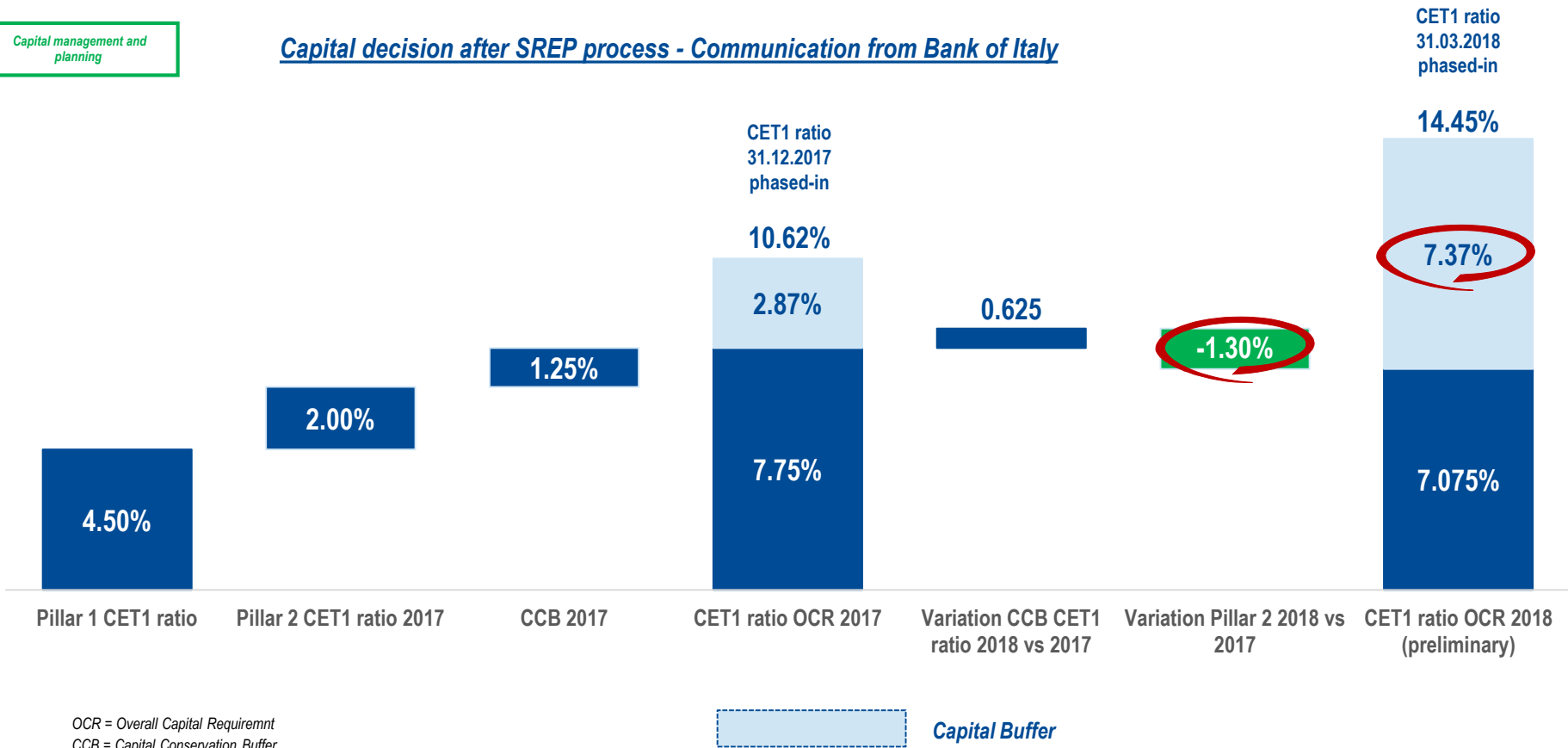
**D** Capital management and planning



| CAPITAL RAISE AMOUNT   |              |
|------------------------|--------------|
|                        | Mln€         |
| Capital Raise          | 699.7        |
| Sale of the the rights | 9.0          |
| Transaction costs      | -51.2        |
| Fiscal effects         | 14.1         |
| <b>Equity Increase</b> | <b>671.5</b> |
| CET1 ratio impact      | +5.2%        |

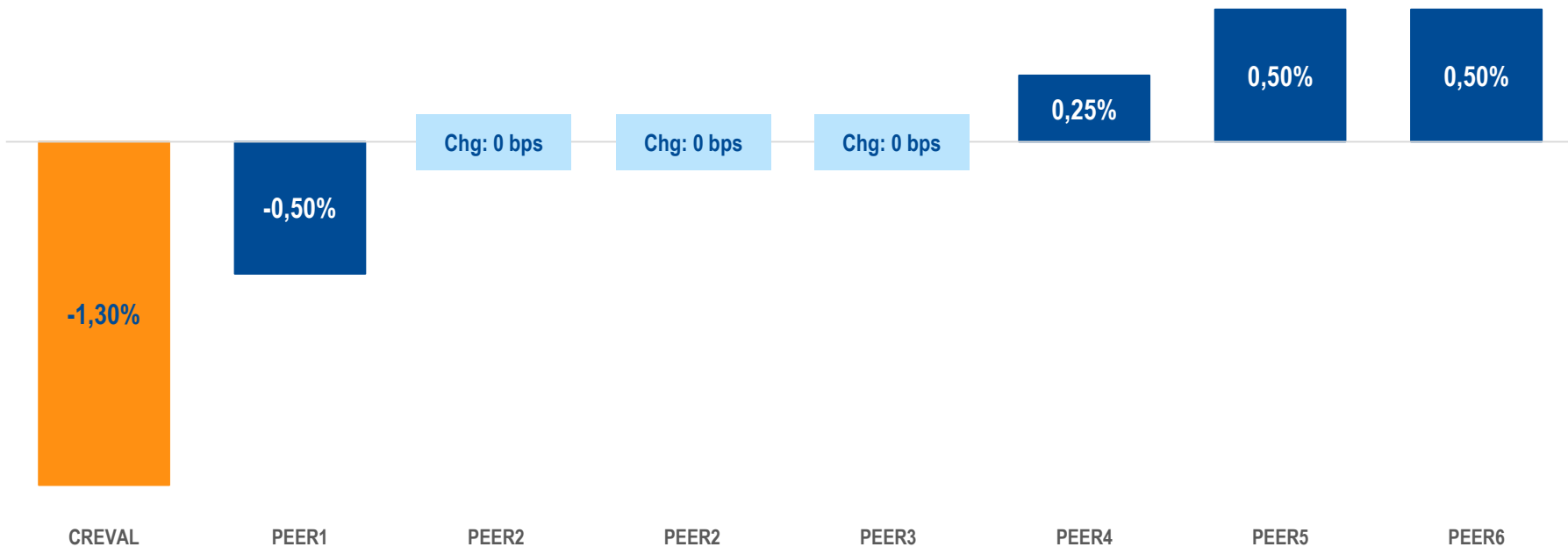
**D** Capital management and planning

## Capital decision after SREP process - Communication from Bank of Italy



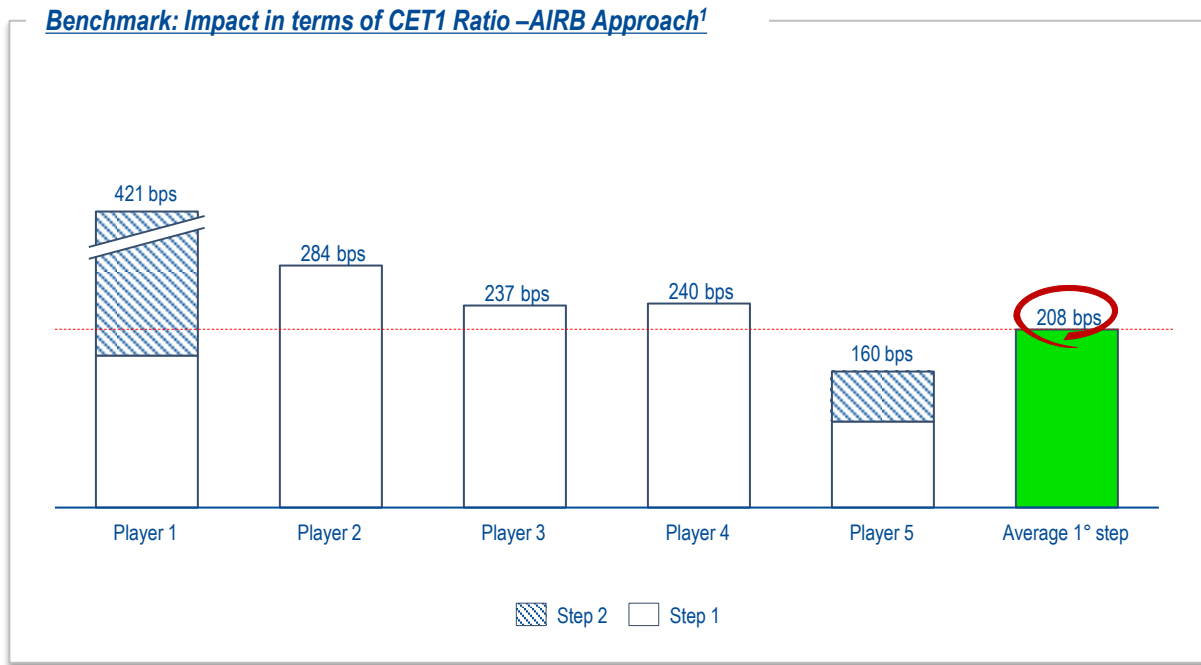


**D** Capital management and planning



PEER: CE, ISP, BPE, BPSO, UCG, UBI, CRG

**D** Capital management and planning



**26<sup>th</sup> March 2018 - start of inspection activity from Bank of Italy**

Note: 1) Only validations after 2009 are considered; capital impact calculated as the difference between the ratio between the reporting date before and after AIRB approval announcement. 2) Subject to regulatory approval

C  
Credit & NPL

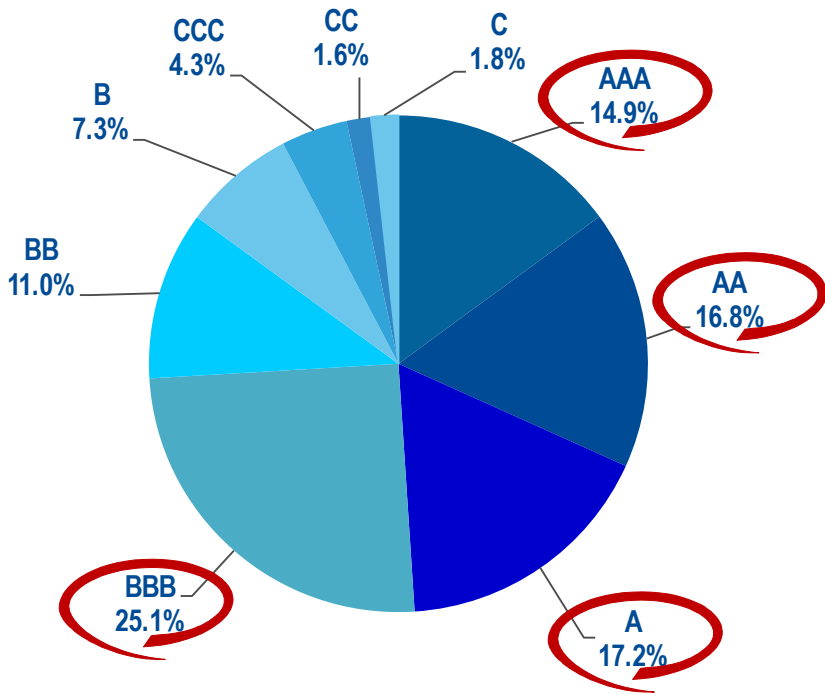
| Project Gimli 1 - Algebris |                          |
|----------------------------|--------------------------|
| GBV                        | Gross Book Value: 245 €m |
| PRICE                      | Price (% of GBV): 43%    |

| Project Gimli 2 – Credito Fondiario |                           |
|-------------------------------------|---------------------------|
| GBV                                 | Gross Book Value : 222 €m |
| PRICE                               | Price (% of GBV): 41%     |

- Disposals consistent with the de-risking objectives, as envisaged in the new Business Plan 2018-2020 with a gross NPE ratio target below 10% by 2020.
- Portfolios composed for the large part by **UTP loans**
- The so-called **“Project Gimli”** for 2018 is almost **completed**.
- Portfolios reclassified in to the **“non current assets”** at the end of Q1.
- The operation will have negligible effects on the Income Statement for the current year, also considering the loans impairments to be recognized as part of the **first application of the new accounting standard IFRS9**, with effects at CET1 level through the phasing-in mechanism.
- **Expected completion of Aragorn Project (GACS securitization) by the end of June (confirmed)**

**C**  
Credit & NPL

## Loans to corporate and SMEs - Q1 2018



**High quality exposures**  
**74.0%**

*Expected Loss new performing exposures disbursed in the period*

**Individual: 32 bps**  
**Corporate: 43 bps**  
**Retail: 46 bps**

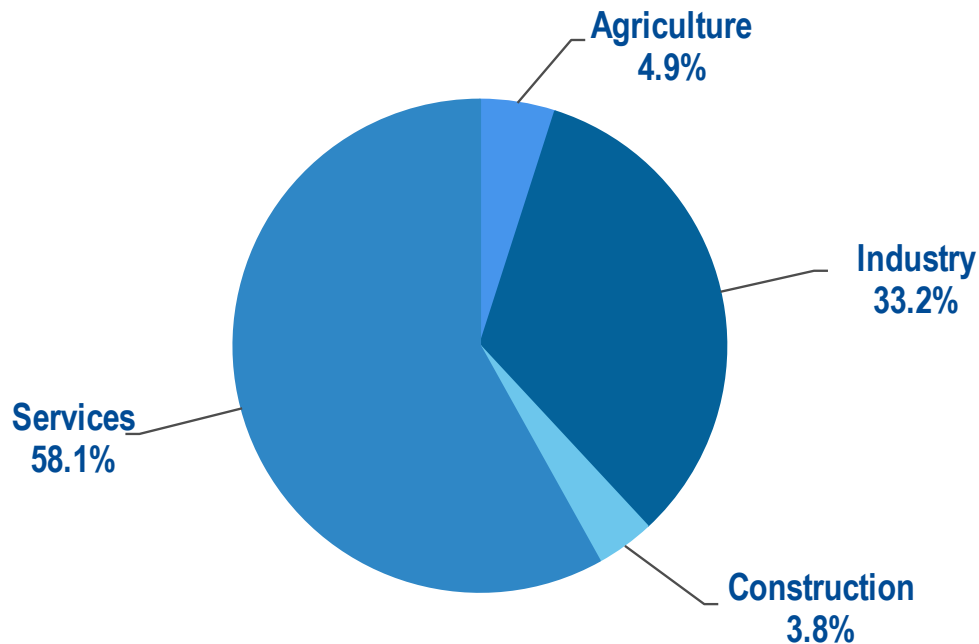
**Total new originated loans**  
**Portfolio 1Q 2018: 41 bps**

Source: internal data

C

Credit & NPL

**~ 96%** of new loans to the  
**"real economy"**  
 (industry, agriculture, services)



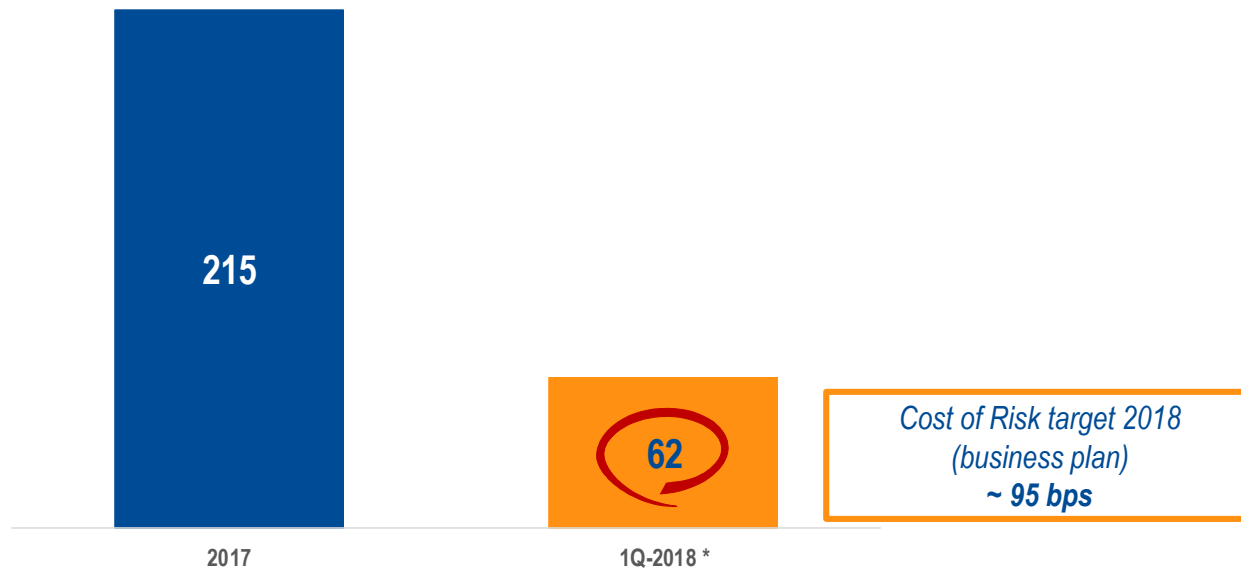
Source: internal data

C

Credit & NPL

## Cost of credit

(Loan provisions annualized / Loans to Customers)



Cost of risk improvement, due to the **effects of the FTA IFRS 9** and the **good trend in the asset quality** (cure of positions, collections)

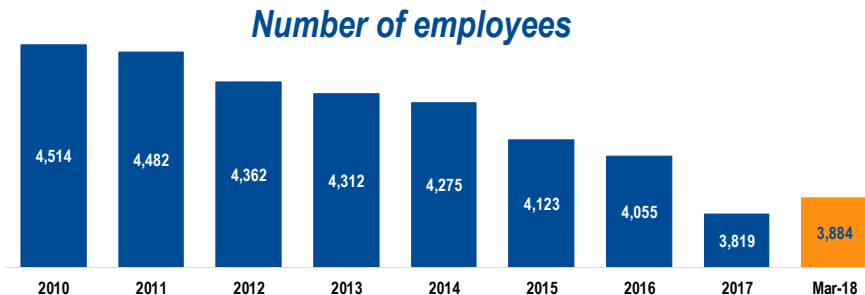
\* Loans to Customers including financial assets (securities portfolio).

**B**  
Costs Optimization & HR

- Agreement for managing redundancies, through the use of the **Solidarity Fund for the credit sector for 170 people**.
- Early retirement plan for 170 employees who will fulfil pension requirements no later than 31 December 2024.
- Interested employees may access, on a **voluntary basis**, the extraordinary benefits of the **Solidarity Fund** for the credit sector, **starting from 1 July 2018**.

- Savings on personnel expenses for **EUR 7.5 million in 2018 approximately (EUR 15 million on annual basis starting from 2019)**.
- **One-off costs** estimated at approximately **EUR 61 million (57.5 net of State contribution**, so called “NASPI”), fully recognised in the **Income Statement of the current quarter**.
- **Further savings** thanks to specific actions to redefine the economic and regulatory treatment of personnel, with additional savings at regime of around **EUR 13 million**.

TOTAL “VALUE” OF THE AGREEMENT around EUR 28 million on annual basis in line with the Business Plan expectations

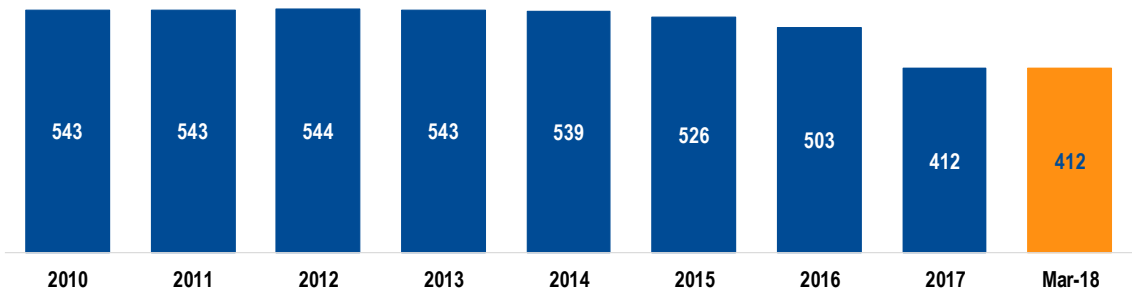


**-630 employees since 2010 (-14.0%)**  
**Target 2020: < 3,700**

**B**  
Costs Optimization & HR

- During the quarter, the plan for the operating network optimisation was define
- **closure of 50 branches, starting from 27 May 2018**
- 4 branches will be transformed into “Bancaperta” branches.
- **Number of branches will be 361**, in line with the target of the business plan (350), with a substantial reduction compared to the number at the end of 2010 (- 182 branches, for a total decrease of 33.5%).

*Number of branches*

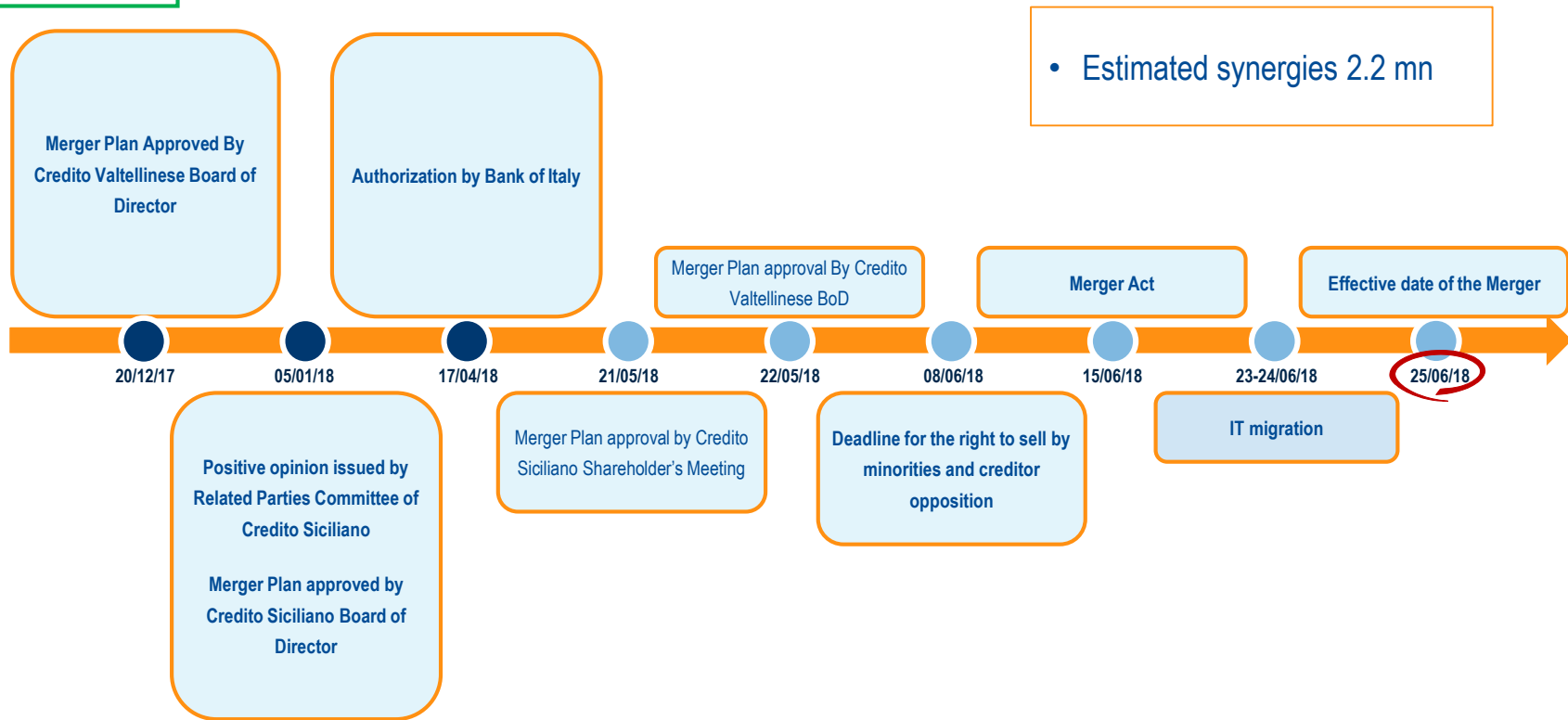


**-131 branches since 2013 (-24.1%)**

**Target 2020: 350**



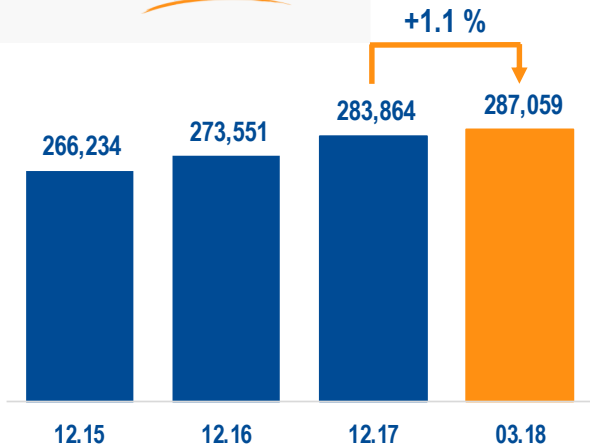
**B**  
Costs Optimization & HR



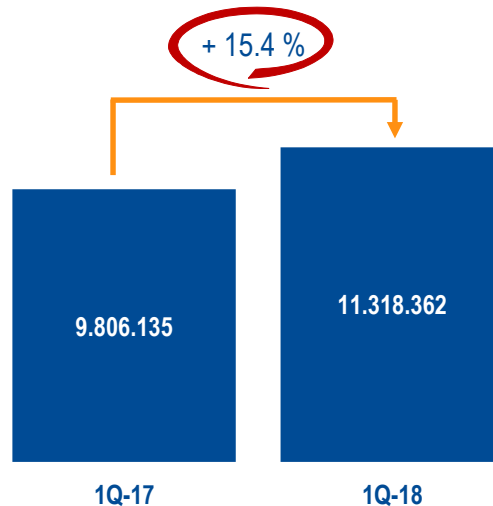
A Commercial

## Active Internet Banking Users

**bancaperta**



## Bancaperta access: Q1-18 vs Q1-17



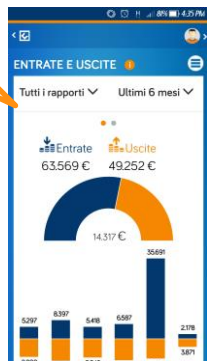
~ 192,251 downloaded apps\*\*  
+9.7% YoY

\* Source: customer satisfaction survey – households – as at 31.03.2018

\*\* As at 31.03.2018; source: internal data



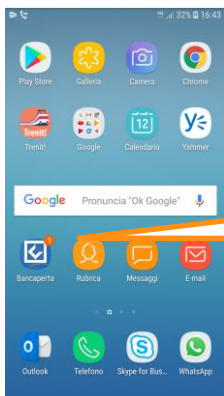
Family Budget



App for Smart Watch



Foreign Money Transfer



App Notification System

**BONIFICO EURO**

1 INSERISCI 2 VERIFICA 3 REPLICHI

ORDINANTE: CONTO- Saldo disponibile: \*\*\*, \*\* €

Saldo spendibile: \*\*\*, \*\* €

BENEFICIARIO: Ultimi Bonifici / Rubrica beneficiari

IBAN \* [redacted]

CREDITO VALTELLINESE - FILIALE DI TIRANO

Importo € \* [redacted]

**BONIFICO ISTANTANEO**  
Il beneficiario riceverà il bonifico in 10 secondi

Data valuta beneficiario \* 17/04/2018

Categoria \* [redacted]

BONIFICO

Instant Money Transfer

Remodulation offer Bancaperta



## Extraordinary Items (as of March, 31<sup>st</sup> 2018)

Data in €M

|  |            |
|--|------------|
| Solidarity Fund                                  | -57.5      |
| Net accruals to provisions for risks and charges | -4.5       |
| <b>Extraordinary Items</b>                       | <b>-62</b> |

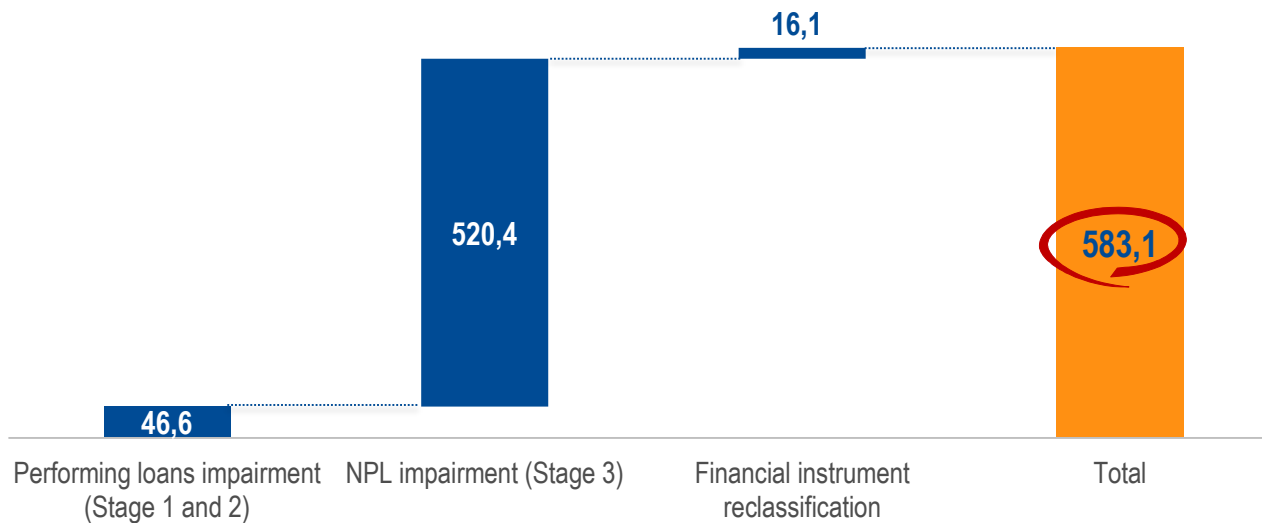
## Adjusted P&L (as of March, 31<sup>st</sup> 2018)

Data in €M

|  |             |
|--|-------------|
| Net interest income  | 88.6        |
| Net fee and commission income  | 70.6        |
| Net interest and commission income   | 159.2       |
| Other revenues <sup>(1)</sup>  | 6.7         |
| Operating Income   | 165.9       |
| Operating costs  | -121.9      |
| <i>of which personnel expenses</i>   | -64.4       |
| <i>of which other administrative expenses</i>  | -51.3       |
| <i>of which depreciations/amortisations and net impairment losses on property, equipment and investment property and intangible assets</i> | -6.2        |
| Net operating profit   | 44.0        |
| Impairment or reversal of impairment and modification gains (losses)   | -27.8       |
| Other elements <sup>(2)</sup>  | -0.5        |
| <b>Pre-tax profit from continuing operations</b>   | <b>15.7</b> |

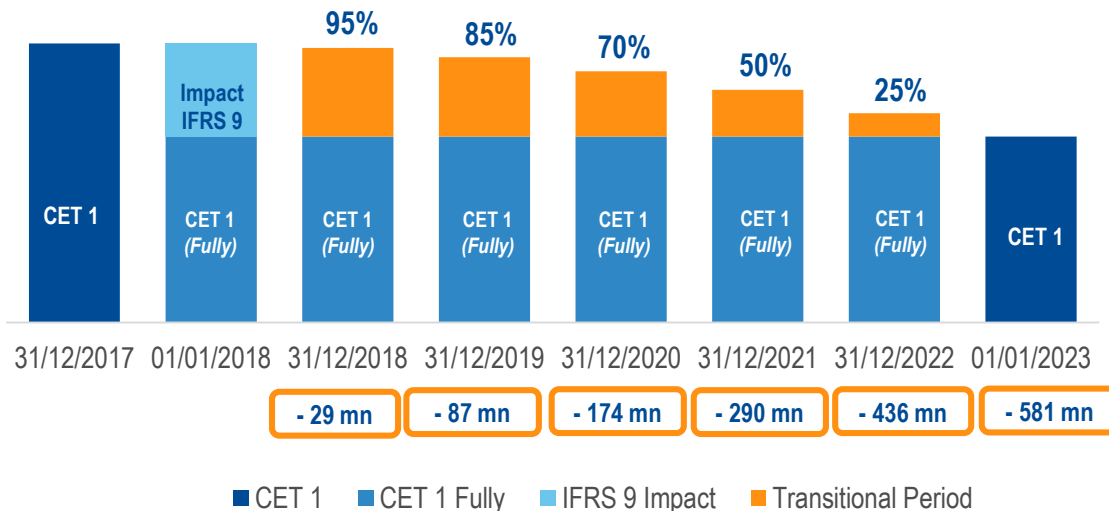
Notes: 1) It considers: other management fees / incomes, share of profits and similar incomes, outcome of net assets evaluated shareholdings, finance profits; 2) It considers adjustments for credits impairment, net reserves to risks and costs fund and profit from investments and shareholdings transfer

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Impairment – Loans to Customers (€ mn)

Regulation **2395** of the European Parliament and of the Council of 12 December 2017 amending **Regulation** (EU) No 575/2013 (as regards **transitional** arrangements for mitigating the impact of the introduction of IFRS 9) introduced the new article 473 bis “Application of IFRS 9”, which provide the possibility to mitigate impacts on own fund deriving from the new rules on impairment included in the IFRS 9, in a transitional period of 5 years, spreading the impact through decreasing percentage over the time.

The impact of IFRS 9 related to the impairment has to be multiply for the transitional percentage in order to obtain the amount to be added to CET1 during the reference period.



IFRS 9 FTA: focus impact on Equity (€ mn)

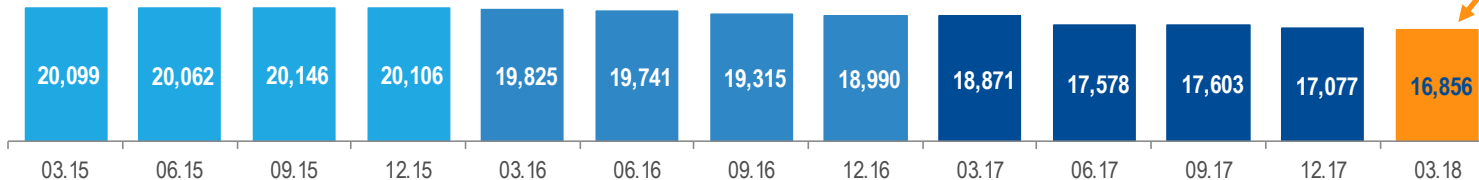
|                                       |                |
|---------------------------------------|----------------|
| Equity as at 31.12.2017               | 1,442.1        |
| <b>Classification and measurement</b> | <b>16.1</b>    |
| Financial Assets at ammortised cost   | 16.1           |
| <b>Impairment</b>                     | <b>- 583.2</b> |
| Financial Assets at ammortised cost   | - 577.8        |
| Provisions for specific purpose       | - 5.4          |
| <b>Tax effects</b>                    | <b>- 3.1</b>   |
| <b>Total effects</b>                  | <b>- 570.2</b> |
| Minorities                            | 1.4            |
| <b>Equity as at 01.01.2018</b>        | <b>873.3</b>   |

|   |                |
|---|----------------|
| <b>Equity as at 01.01.2018</b>          | <b>873.3</b>   |
| Capital raise                           | 671.5          |
| Loss for the period                     | - 30.1         |
| Other elements                          | 10.0           |
| <b>Equity as at March 2018</b>          | <b>1,524.7</b> |
| Intangibles                             | 44.5           |
| <b>Tangible Equity as at March 2018</b> | <b>1,480.2</b> |



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## Quarterly trend (€mn) Commercial Loans \* (gross amounts)



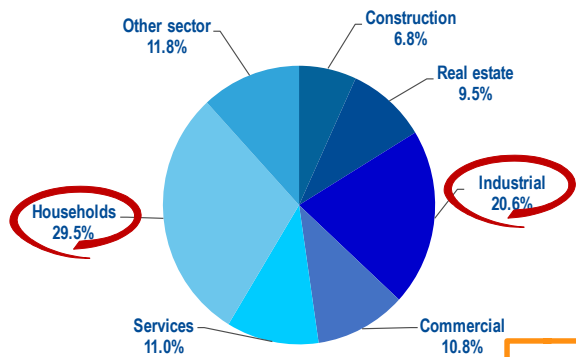
~ 1.3 € bn "Portfolio Elrond" disposal

~ 0.5 € bn Riclassification of "Gimli" portfolio

\* Total gross loans to customers net of exposures with institutions (mainly CCG - Cassa Compensazione e Garanzia - and CDP - Cassa Depositi e Prestiti) and financial activities (securities portfolio).

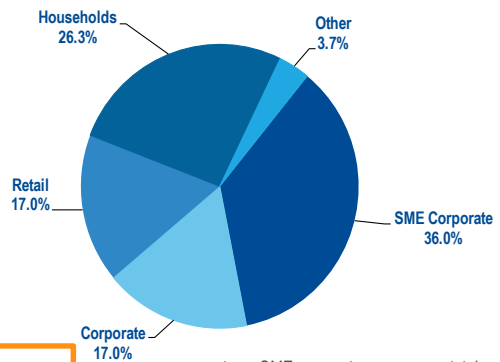
## Performing loans by sector

(ATECO classification)\*\*



## Total gross loans by asset class\*\*

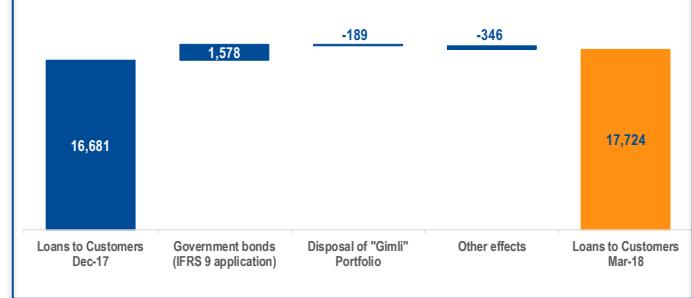
(ATECO classification)\*\*



**70% of total loan book to SMEs**

- SME corporate: revenue or total assets < 25 mn
- Corporate: revenue or total asset ≥ 25 mn
- Retail: Small Retail exposure ≥ 100k, Micro Retail < 100k exposure

## Loans to Customers (balance sheet data)

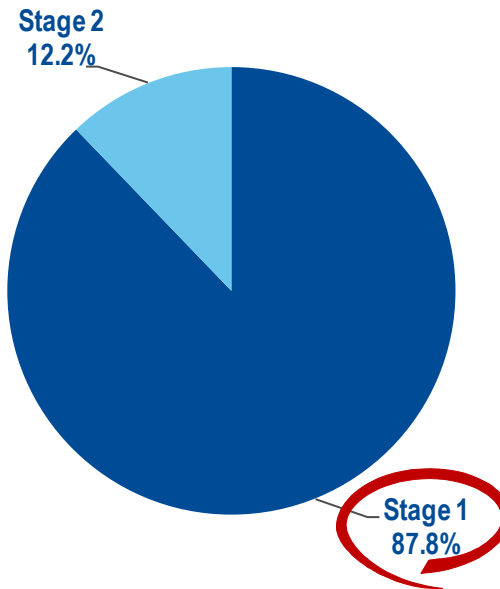


\*\*Source: internal data

## Breakdown stage 1-2 (net amount)

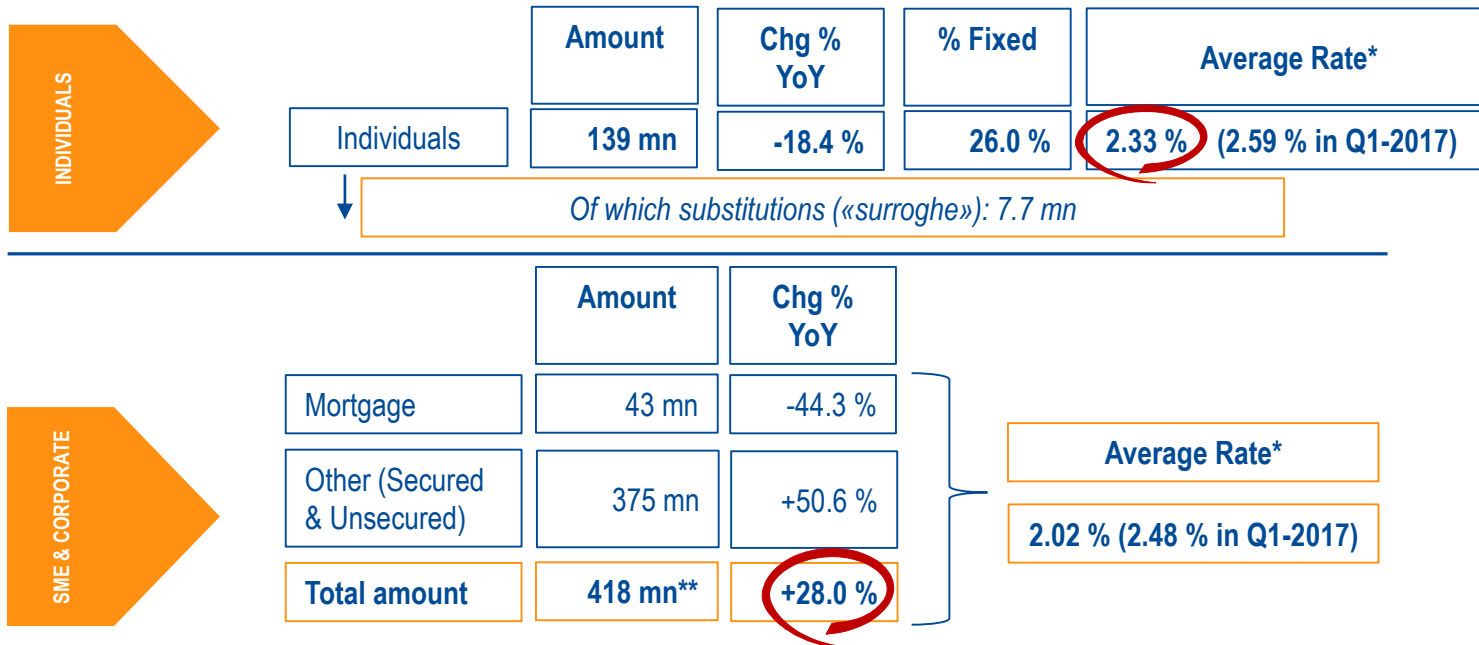
### Classification in Stage 2 for:

- Significant increase in Credit Risk;
- 30 days Past Due;
- Forbearance



|         |        |
|---------|--------|
| STAGE 1 | 14,287 |
| STAGE 2 | 1,982  |

~ **557 mn** of newly granted commercial loans (Individuals and SMEs/Corporate) over the period



\*Average rate from the beginning of the year

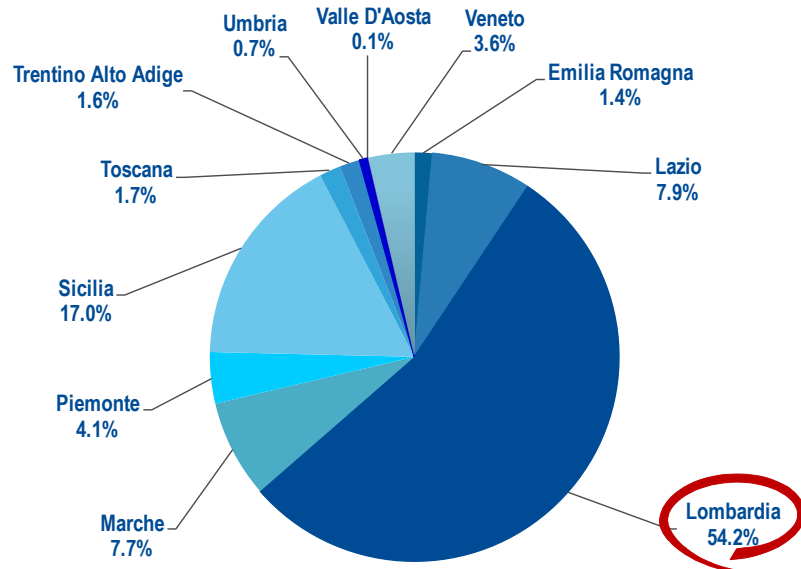
\*\*Net of institutional loans

Source: internal data

## Gross loan book breakdown by geography (%)

- ~ 83% of loans in North / Center Italy, of which ~ 54.2% in Lombardy
- Average loan granted to real estate and construction sectors ("ATECO") ~ 245 k€
- Conservative LTV ( ~ 53%), both for households and SMEs

Average ~ EUR 83 k per loan



| Loan Concentration | 31/03/2018 |            |            |            |            |
|--------------------|------------|------------|------------|------------|------------|
|                    | 31/03/2017 | 30/06/2017 | 30/09/2017 | 31/12/2017 | 31/03/2018 |
| Top 20 exposures   | 5.1%       | 6.6%       | 6.8%       | 6.1%       | 6.7%       |

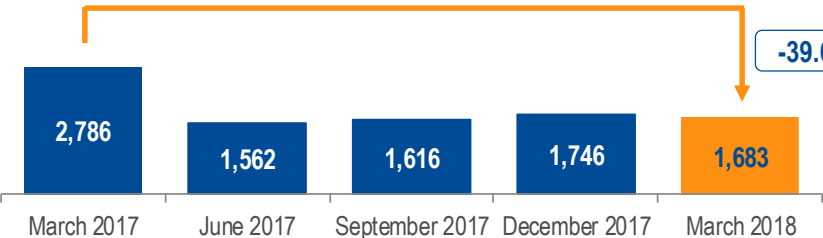
Source: internal data

Mn €

## Bad loans

-1,103 mn

-39.6%



## Unlikely to pay

-593 mn

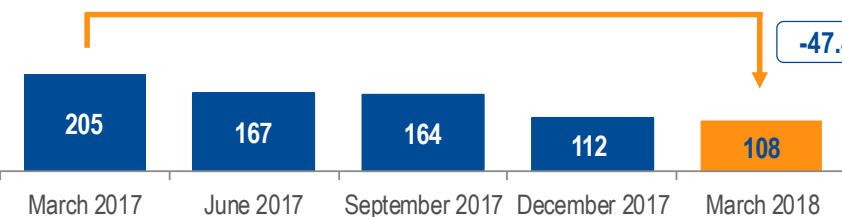
-25.4%



## Past due

-97 mn

-47.4%

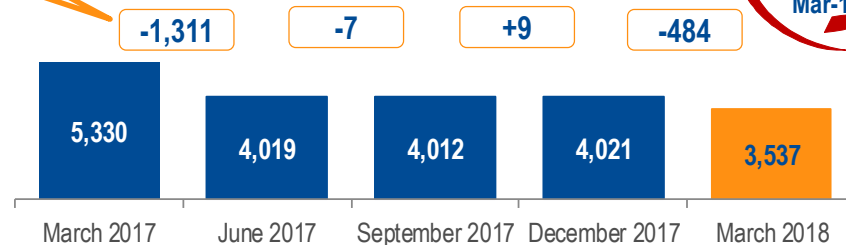


## Non-performing exposures

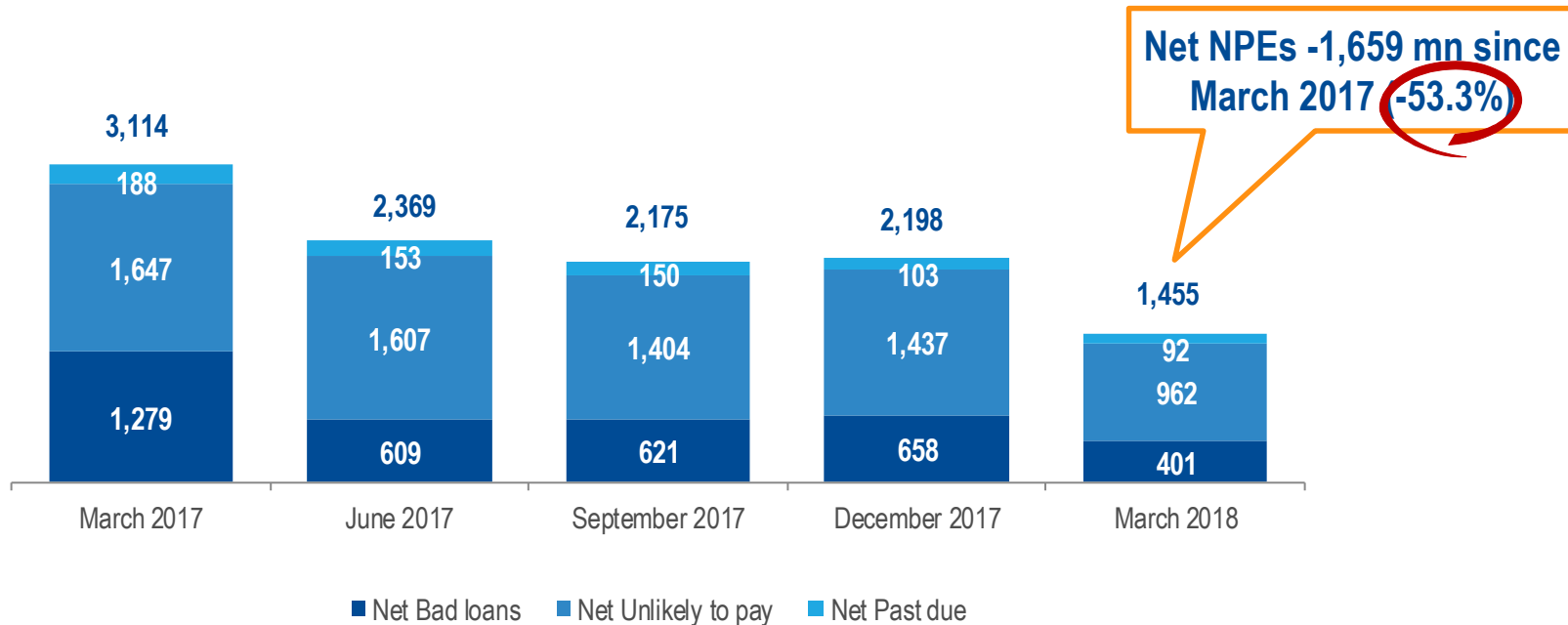
"Elrond" disposal

Riclassification of "Gimli" portfolio

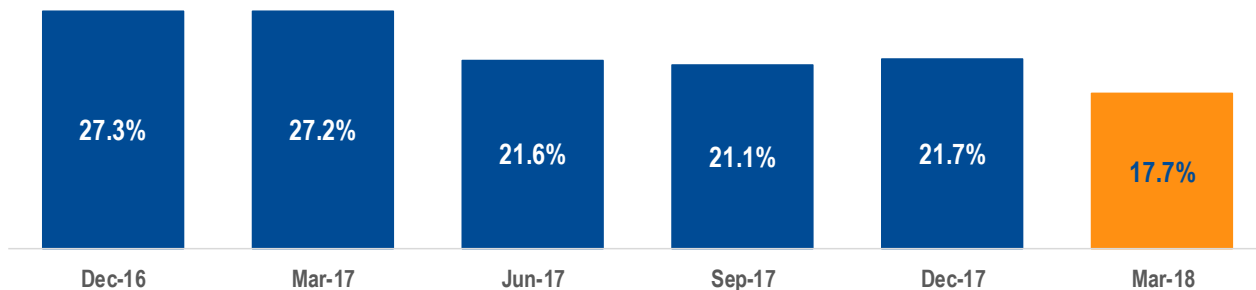
-33.6% since Mar-17



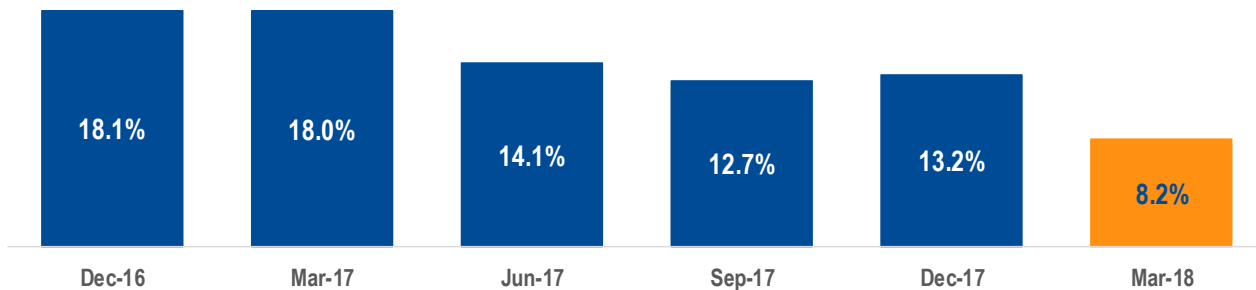
Mn €



*Gross Npe ratio*



*Net Npe ratio*



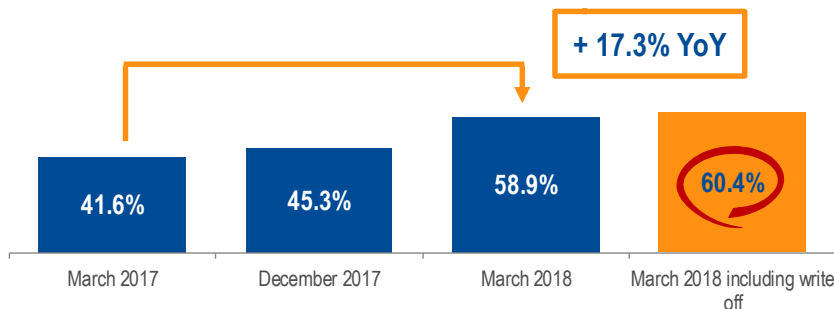


Mn €

| Coverage Ratios | 31/12/2017 | 31/03/2018 |
|-----------------|------------|------------|
| Bad loans       | 62.3%      | 76.2%      |
| Unlikely to pay | 33.6%      | 44.9%      |
| Past due        | 8.0%       | 14.7%      |

**78.0% proforma including write off (+1.8%)**

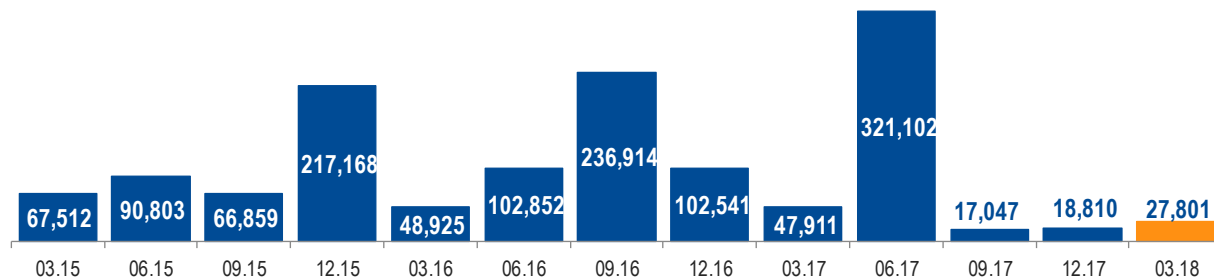
## Non-performing Loans Coverage



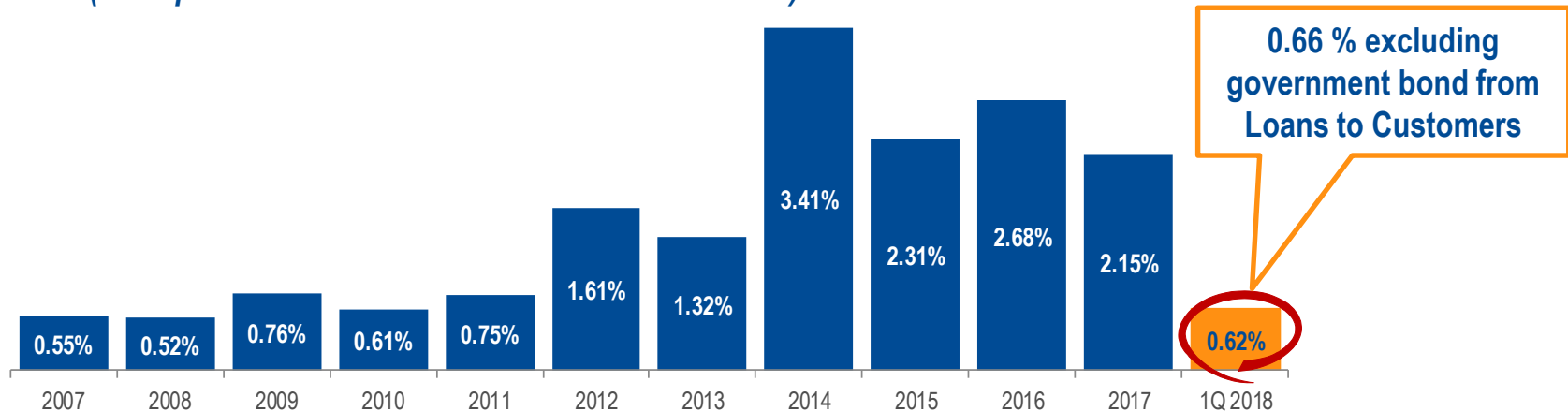
## Performing Loans Coverage



## Quarterly trend (€mn) Impairment or reversal of impairment and modification gains (losses)



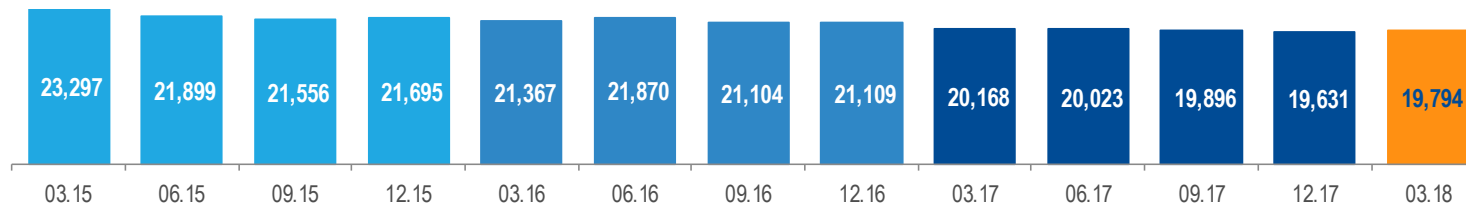
## Cost of credit (Loan provisions annualized / Loans to Customers\*)



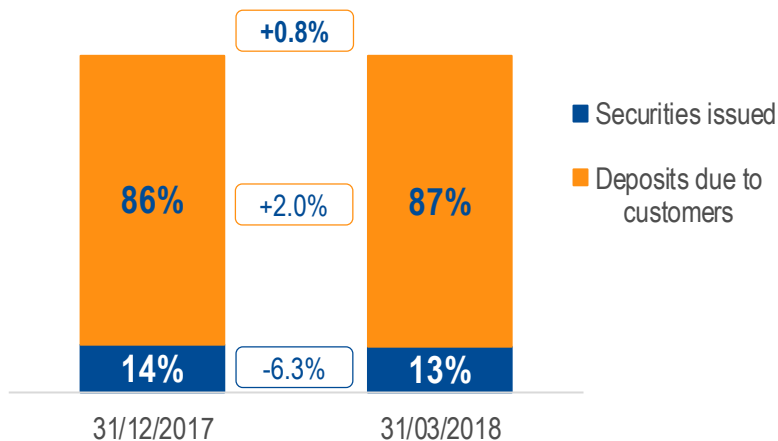
\* Previous years not include financial activities (securities portfolio).

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## Quarterly trend (€mn) Direct Funding

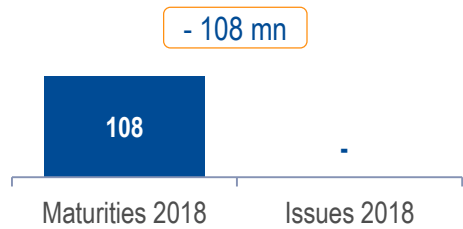


## Composition of Direct Funding



| (mn €)                                  | 30/09/2017    | 31/12/2017    | 31/03/2018    | Chg. % Ytd  |
|---|---------------|---------------|---------------|-------------|
| Saving Deposits                         | 443           | 366           | 346           | -5.4%       |
| Time deposits                           | 877           | 769           | 818           | 6.3%        |
| Current accounts                        | 13,474        | 11,947        | 12,112        | 1.4%        |
| Securitizations                         | 227           | 586           | 528           | -9.9%       |
| Wholesale bonds (senior + subordinated) | 278           | 281           | 285           | 1.4%        |
| Senior retail bonds                     | 1,771         | 1,527         | 1,418         | -7.2%       |
| Subordinated retail bonds               | 221           | 206           | 207           | 0.5%        |
| Deposit certificates                    | 131           | 120           | 115           | -4.6%       |
| Deposits CCG & CDP                      | 2,289         | 3,633         | 3,798         | 4.5%        |
| Other                                   | 187           | 195           | 167           | -14.1%      |
| <b>DIRECT FUNDING</b>                   | <b>19,896</b> | <b>19,631</b> | <b>19,794</b> | <b>0.8%</b> |

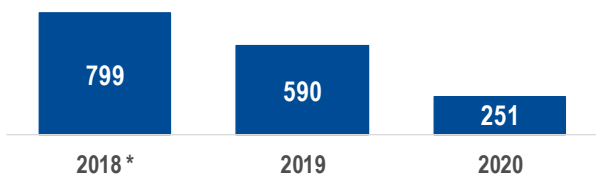
*Retail: bonds senior + subordinated (€ mn)*



*ECB funding Creval  
March 2018 (€ mn)*

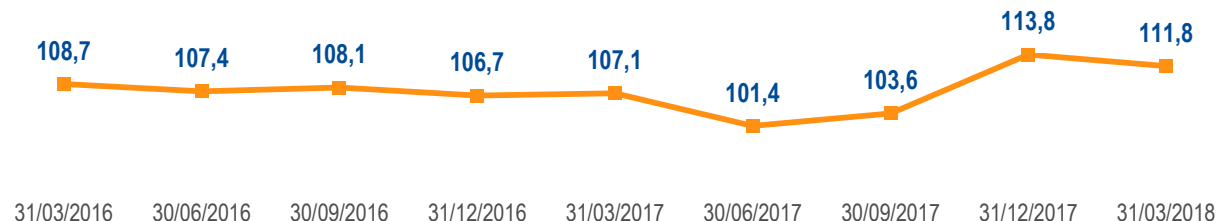


*2018 – 2020 Maturities Retail + Wholesale (€ mn)*



\* 2018: maturities from 1<sup>st</sup> April 2018

## Gross commercial loans / Retail funding



**LCR as at**  
31<sup>st</sup> March 2018

**209%**

**NSFR as at**  
31<sup>st</sup> December 2017

**114%**

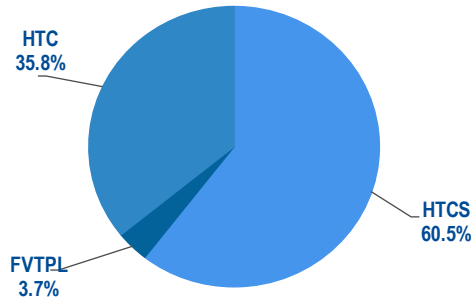
## Short-term liquidity position – March, 27<sup>th</sup> 2018 (€ mn)

|  | 1d    | 2d    | 3d    | 4d    | 5d    | 2w    | 3w    | 1m    | 2m      | 3m      |
|--|-------|-------|-------|-------|-------|-------|-------|-------|---------|---------|
| Net balance of cumulative expiring positions | 30    | 777   | - 381 | - 297 | - 42  | - 42  | - 84  | - 619 | - 1,006 | - 1,208 |
| Counterbalancing Capacity                    | 3,229 | 2,427 | 3,710 | 3,626 | 3,371 | 3,371 | 3,414 | 3,776 | 4,079   | 4,309   |
| Net balance of overall liquidity             | 3,259 | 3,204 | 3,329 | 3,329 | 3,329 | 3,329 | 3,330 | 3,157 | 3,073   | 3,101   |

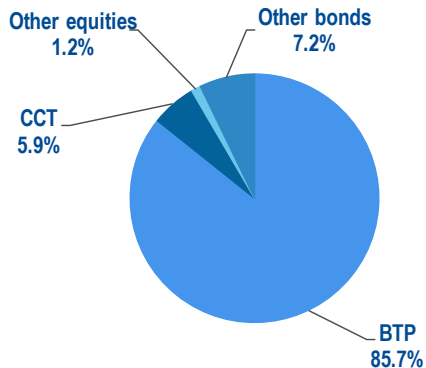
Net liquidity balance ~ 12.7%  
of the Total Asset of the Group

*Breakdown portfolio at 31/03/2018*

|                 | 31/03/2018 |
|-----------------|------------|
| HTCS Portfolio  | 3,491      |
| FVTPL Portfolio | 211        |
| HTC Portfolio   | 2,062      |

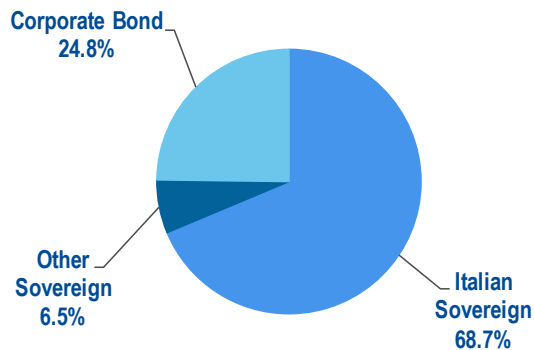


*Breakdown of HTCS Portfolio*

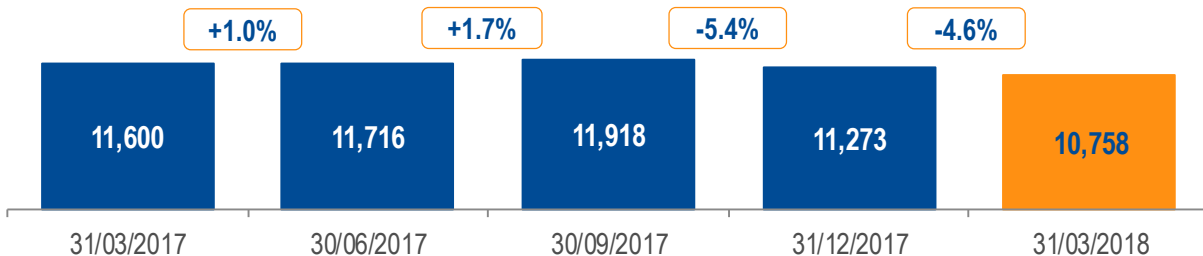


**Current Average Duration of Govie's HTCS portfolio as at 31 March 2018: 3.08**

*Breakdown of HTC Portfolio*

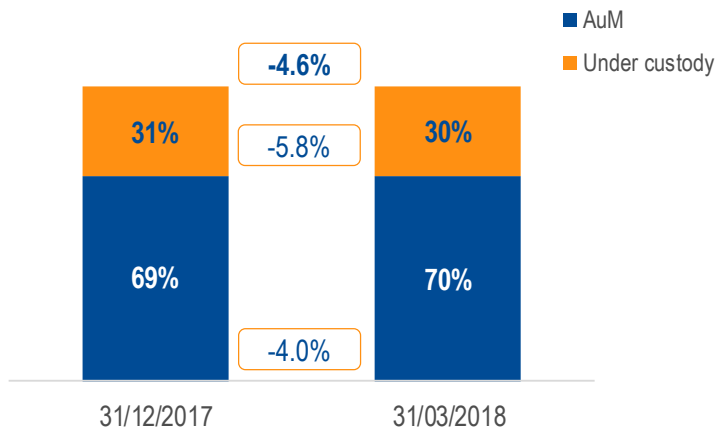


## Quarterly trend (€mn) Indirect Funding



Placement of “PIR”:  
158.3 mn

## Indirect deposits breakdown



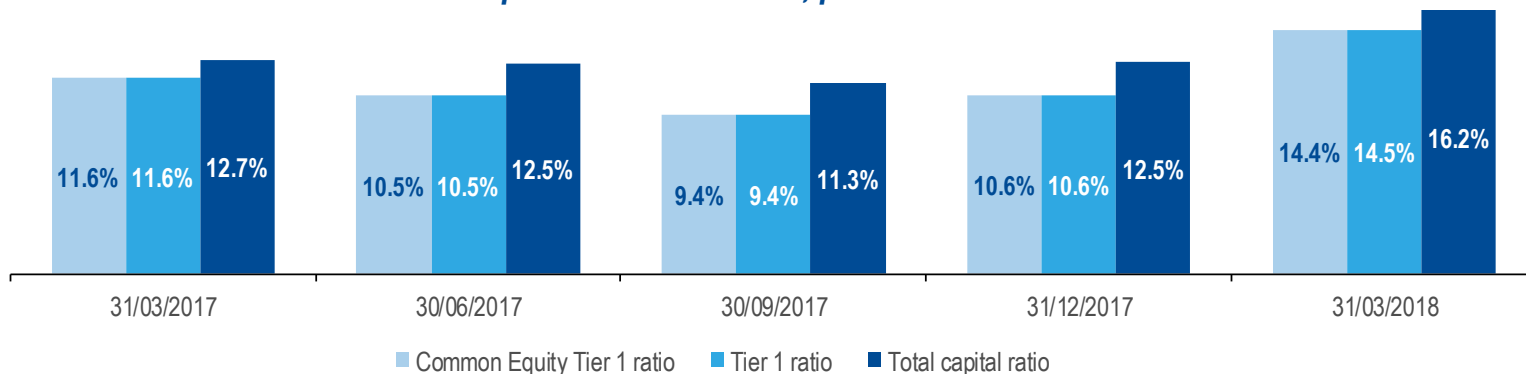
Development of the strategic partnership with ANIMA SGR

| (mn €)              | 31/12/2017    | 31/03/2018    | Chg. %       |
|---------------------|---------------|---------------|--------------|
| Funds & Sicav       | 3,229         | 3,221         | -0.2%        |
| Custody             | 3,472         | 3,270         | -5.8%        |
| Individual accounts | 1,822         | 1,541         | -15.4%       |
| Insurance           | 2,750         | 2,726         | -0.9%        |
| <b>Total</b>        | <b>11,273</b> | <b>10,758</b> | <b>-4.6%</b> |



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8. Annexes

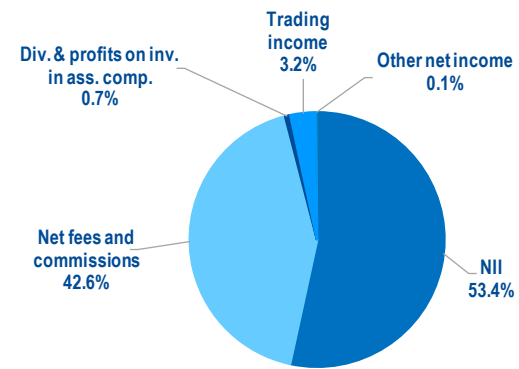
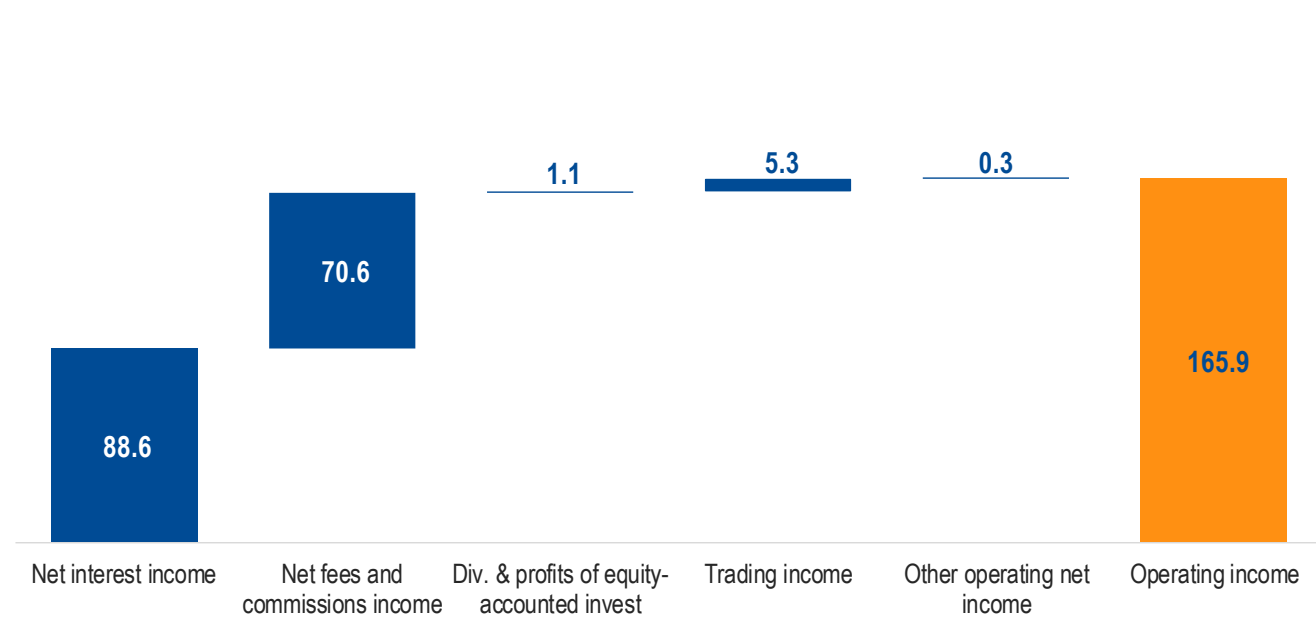
## Capital ratios evolution, phased-in calculation



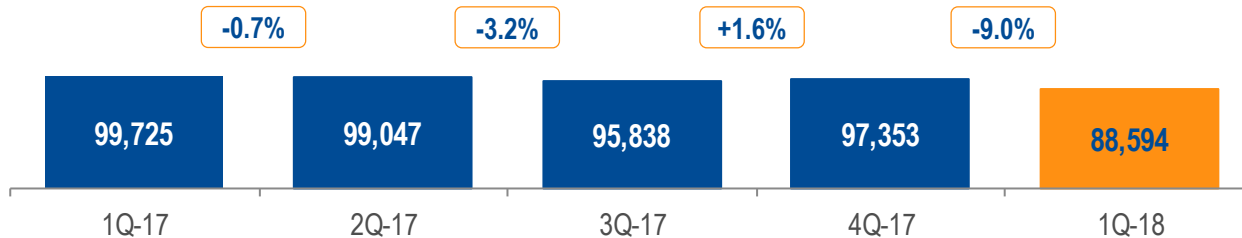
| Capital ratio              | 31/03/2017   | 30/06/2017   | 30/09/2017   | 31/12/2017   | 31/03/2018   |
|----------------------------|--------------|--------------|--------------|--------------|--------------|
| COMMON EQUITY (€ mn)       | 1,702        | 1,511        | 1,295        | 1,374        | 1,971        |
| TIER 1 (€ mn)              | 1,702        | 1,511        | 1,295        | 1,374        | 1,972        |
| TOTAL CAPITAL (€ mn)       | 1,858        | 1,795        | 1,557        | 1,623        | 2,208        |
| RWA (€ mn)                 | 14,664       | 14,361       | 13,739       | 12,944       | 13,642       |
| <b>TIER 1 RATIO</b>        | <b>11.6%</b> | <b>10.5%</b> | <b>9.4%</b>  | <b>10.6%</b> | <b>14.5%</b> |
| <b>TOTAL CAPITAL RATIO</b> | <b>12.7%</b> | <b>12.5%</b> | <b>11.3%</b> | <b>12.5%</b> | <b>16.2%</b> |

| Capital ratio fully loaded | 31/03/2018   |
|----------------------------|--------------|
| COMMON EQUITY (€ mn)       | 1,419        |
| AT1                        | 0.5          |
| T2                         | 237          |
| TOTAL CAPITAL (€ mn)       | 1,656        |
| RWA (€ mn)                 | 13,032       |
| <b>TIER 1 RATIO</b>        | <b>10.9%</b> |
| <b>TOTAL CAPITAL RATIO</b> | <b>12.7%</b> |

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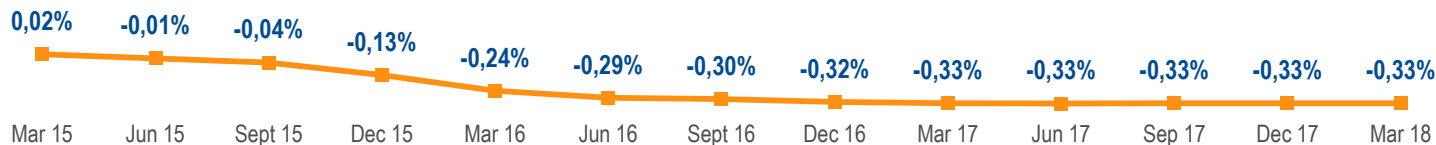


## Interest Income, quarterly figures (€ / 1,000)

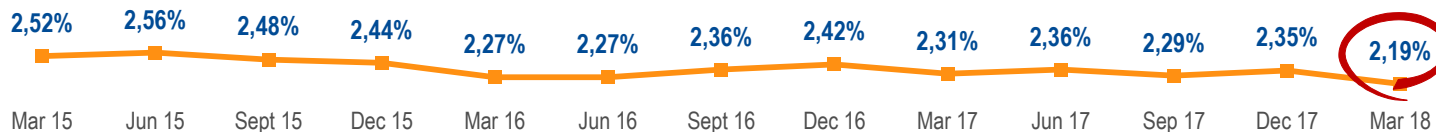


**IFRS 9 net impact ~ 1.7 mn**

## Trend Euribor quarterly (2015-2018)

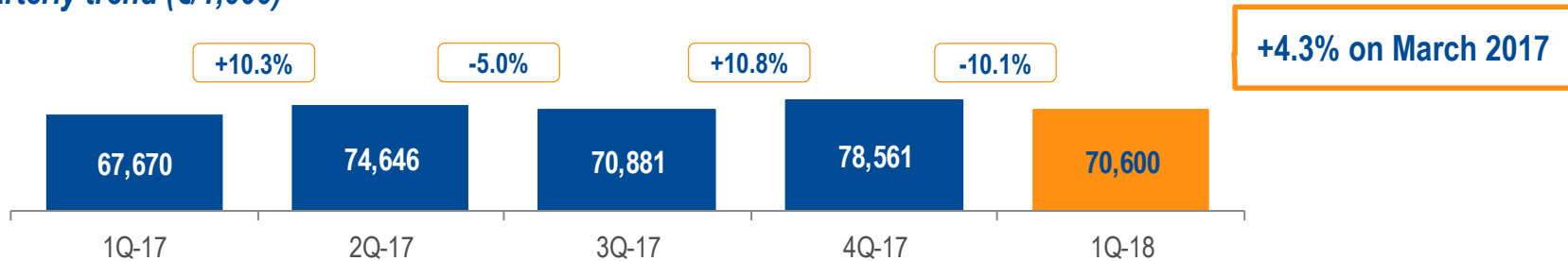


## Net interest income / Loans to Customers\* (2015-2018)

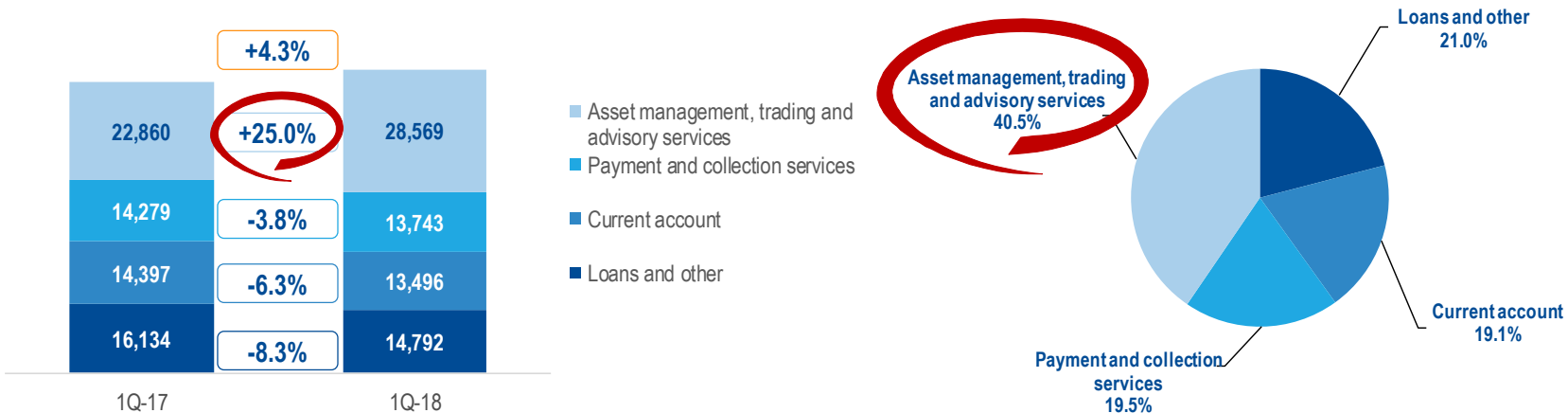


\* Not include financial assets (securities portfolio).

## Net fees quarterly trend (€/1,000)



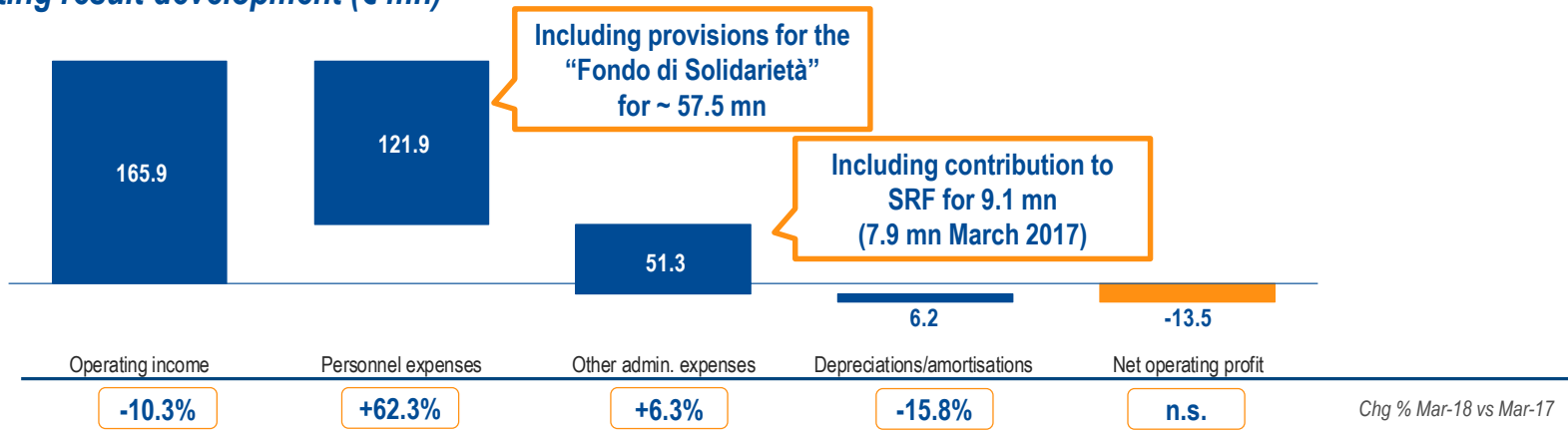
## Net fees breakdown - YoY



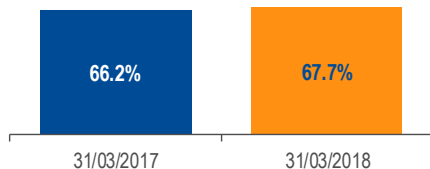
\* Up front fees: placement of insurance and AUM, fees received from commercial partners (Alba Leasing, Compass, IBL)

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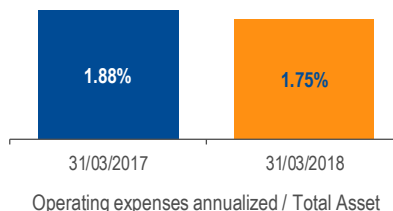
## Operating result development (€ mn)



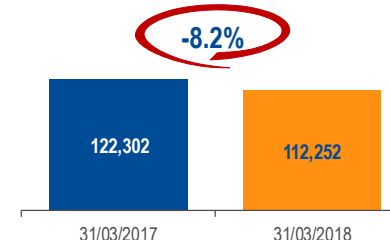
## Cost income ratio\*



## Cost to asset ratio\*



## Operating expenses\* (€ /1,000)



\* March 2017 net of contribution SRF (7.9 mn), DGS (0.1 mn) and DTA (0.5 mn).

March 2018 net of contribution SRF (9.1 mn), DTA (0.5 mn) and the provision for the so called "Fondo di Solidarietà" (57.5 mn).



| € / 1.000  | 31/03/2018 | 31/03/2017 | Chg %   |
|--|------------|------------|---------|
| <b>Net operating profit</b>  | - 13,510   | 54,118     | -125.0% |
| Impairment or reversal of impairment and modification gains (losses)   | - 27,801   | - 48,418   | -42.6%  |
| Net accruals to provisions for risks and charges                       | - 5,024    | - 559      | n.s.    |
| Net gains (losses) on sales of investments                             | - 36       | - 18       | 100.0%  |
| <b>Pre-tax profit (loss) from continuing operations</b>                | - 46,371   | 5,123      | n.s.    |
| Income taxes   | 17,037     | - 1,676    | n.s.    |
| Profit (loss) for the period attributable to non-controlling interests | - 752      | - 1,089    | -30.9%  |
| <b>Profit (loss) for the period</b>                                    | - 30,086   | 2,358      | n.s.    |

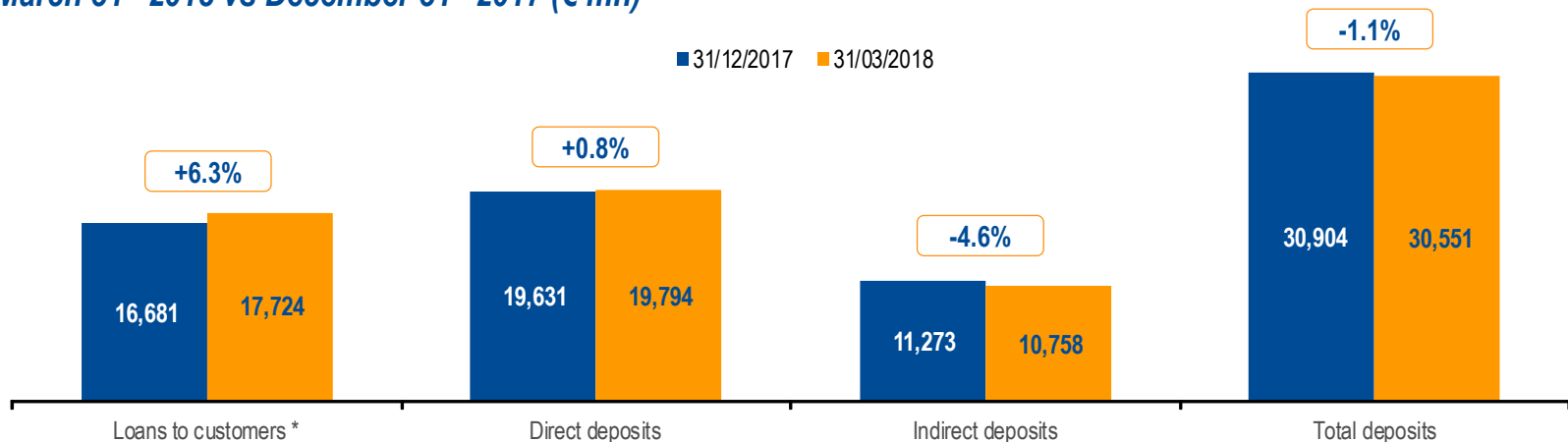
**The positive amount of Tax Effect is related to DTAs recorded on Solidarity Fund.**

*Data in €M*

|   |            |
|---|------------|
| DTA on tax losses not recorded at December 31, 2017   | 124        |
| New DTA on tax losses not recorded at March 31, 2018<br>(including those related to FTA IFRS 9) | 157        |
| <b>Total Amount</b>   | <b>281</b> |

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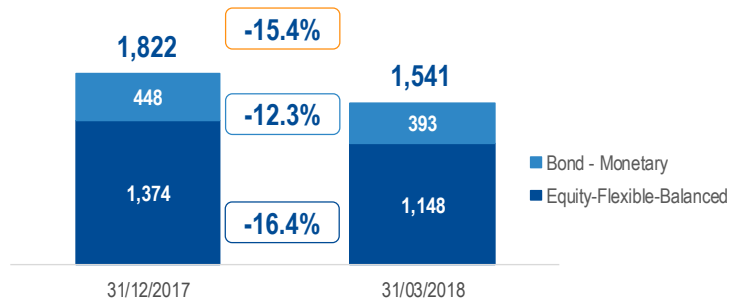
## March 31<sup>st</sup> 2018 vs December 31<sup>st</sup> 2017 (€ mn)



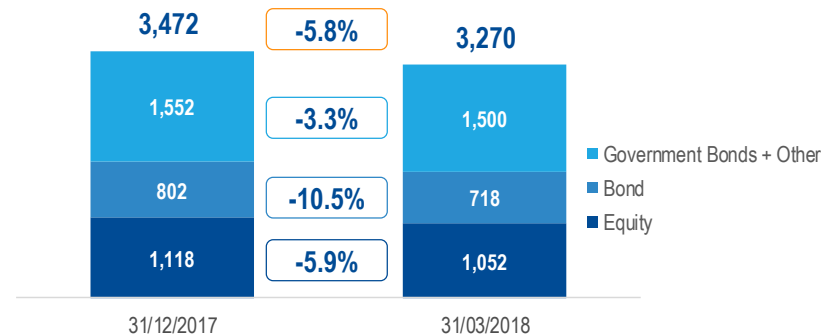
| Balance sheet structure                              | 31/12/2017 | 31/03/2018 |
|--|------------|------------|
| Indirect deposits from customers / Total deposits    | 36.5%      | 35.2%      |
| Direct deposits from customers / Total liabilities   | 78.7%      | 77.3%      |
| Loans to customers* / Direct deposits from customers | 85.0%      | 89.5%      |
| Loans to customers* / Total assets                   | 66.8%      | 69.2%      |

\* March 2018 includes financial activities (securities portfolio).

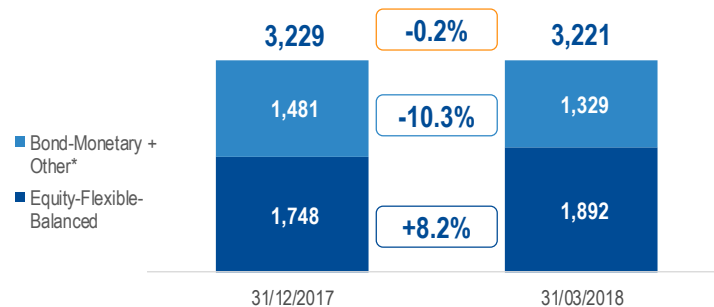
## Breakdown Individual accounts (€ mn)



## Breakdown Custody (€ mn)



## Breakdown Funds & Sicav (€ mn)

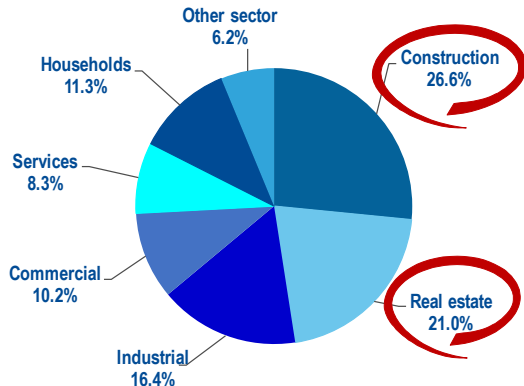


\* Other including funds not of our placement.

Mn €

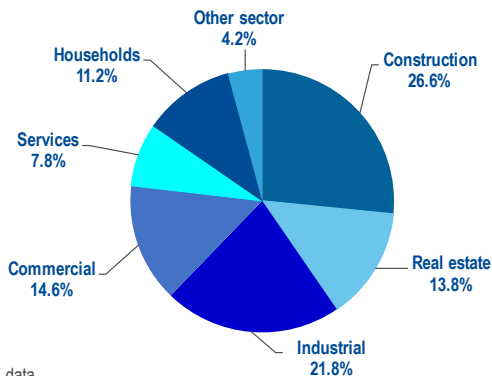
| 31/03/2018  | Gross amount  | Impairment losses | Carrying amount | Coverage ratio |
|---|---------------|-------------------|-----------------|----------------|
| Bad loans   | 1,683         | - 1,282           | 401             | 76.2%          |
| Unlikely to pay loans                             | 1,746         | - 784             | 962             | 44.9%          |
| Past due exposures                                | 108           | - 16              | 92              | 14.7%          |
| <b>Total impaired loans</b>                       | <b>3,537</b>  | <b>- 2,082</b>    | <b>1,455</b>    | <b>58.9%</b>   |
| Performing loans                                  | 16,381        | - 112             | 16,269          | 0.7%           |
| <b>Total loans and receivables with customers</b> | <b>19,918</b> | <b>- 2,194</b>    | <b>17,724</b>   |                |

*Breakdown Npe by sector (ATECO classification)\**

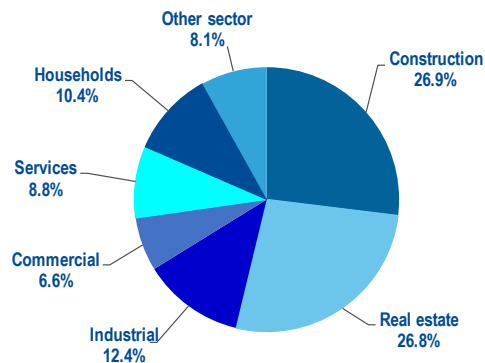


~ 48% of gross NPE real estate related

*Breakdown bad loans by sector (ATECO classification)\**

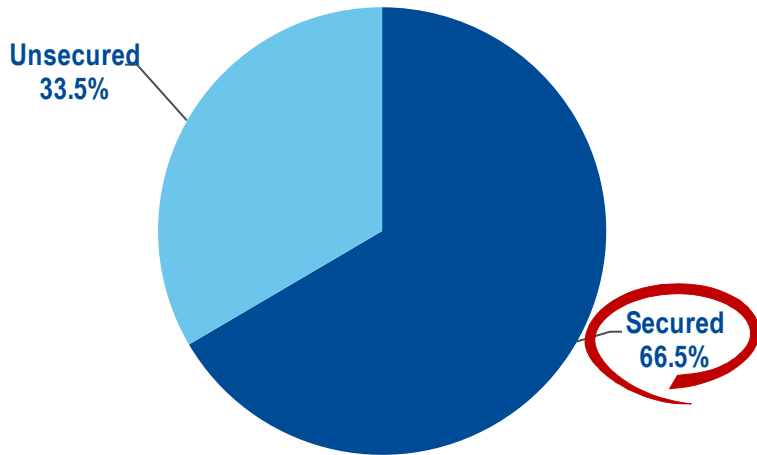


*Breakdown UTP by sector (ATECO classification)\**

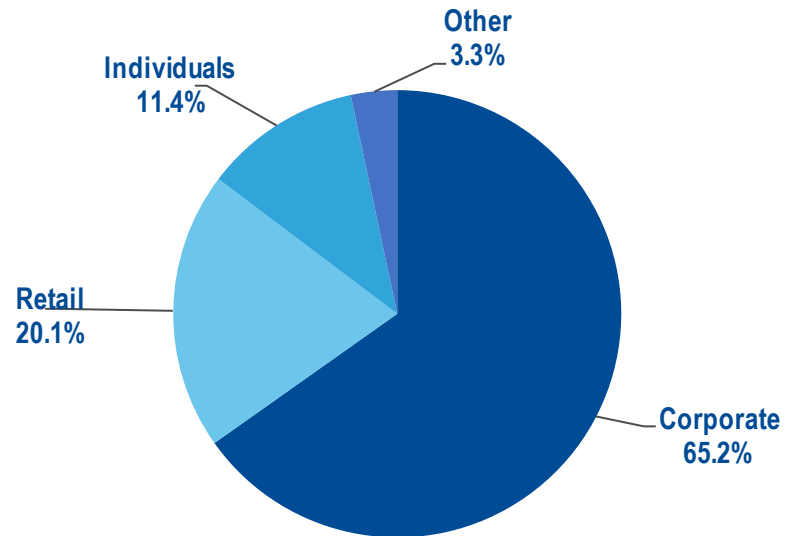


\*Source: internal data

*Gross Npe – Guarantees*



*Gross Npe - Segment*

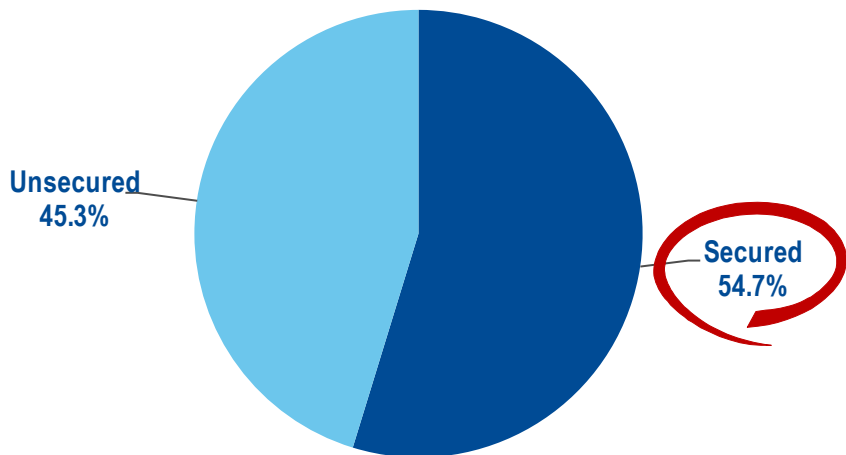


Personal guarantees not included

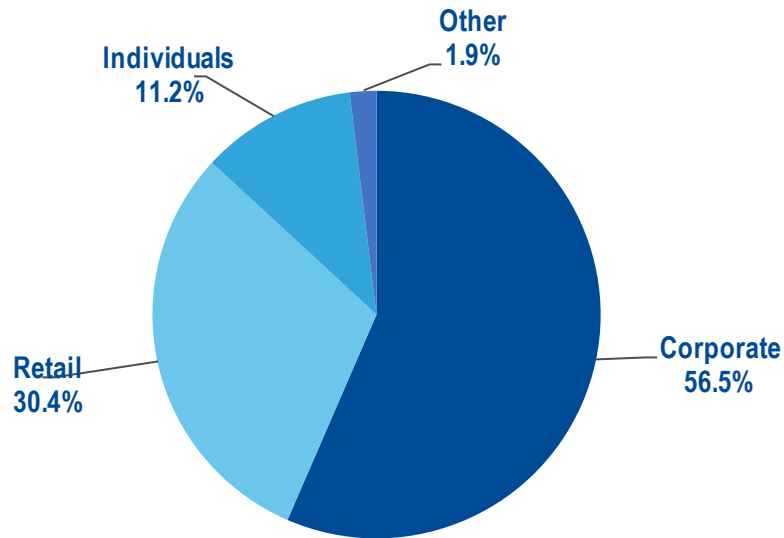
Source: internal data



**Gross BAD LOANS – Guarantees**



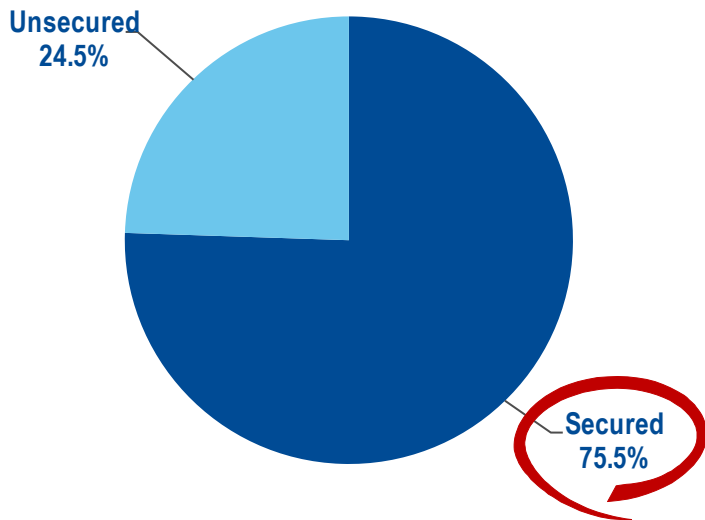
**Gross BAD LOANS – Segment**



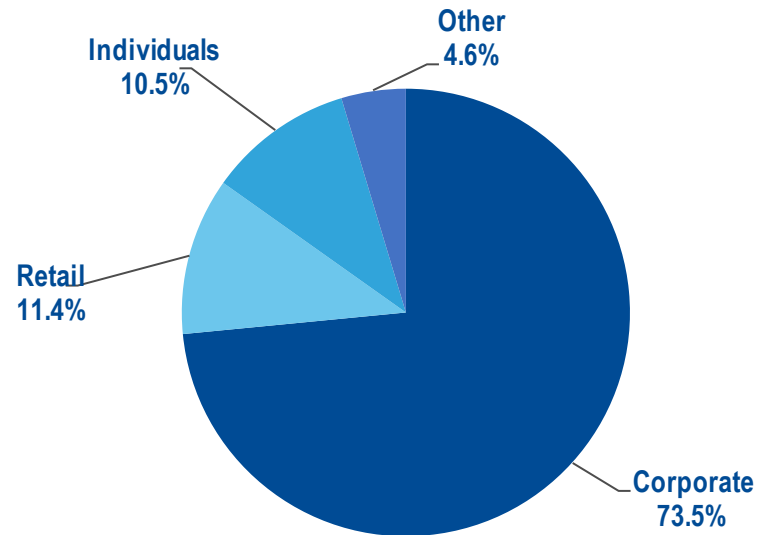
Personal guarantees not included

Source: internal data

Gross UTP – Guarantees



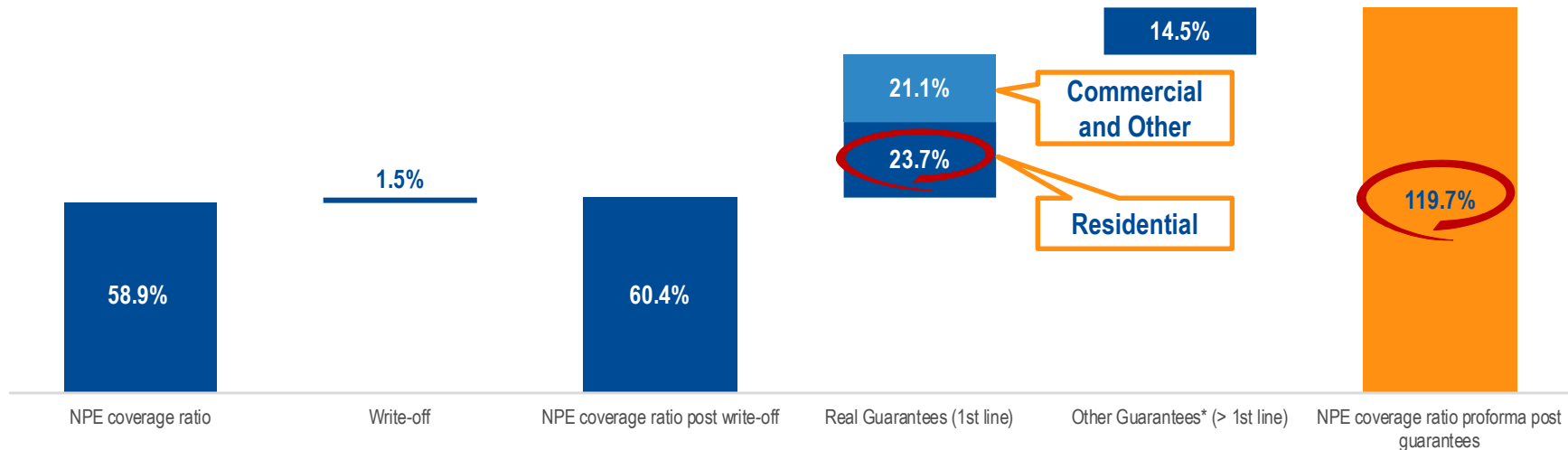
Gross UTP - Segment



Personal guarantees not included

Source: internal data

## NPE Coverage Ratio (%)



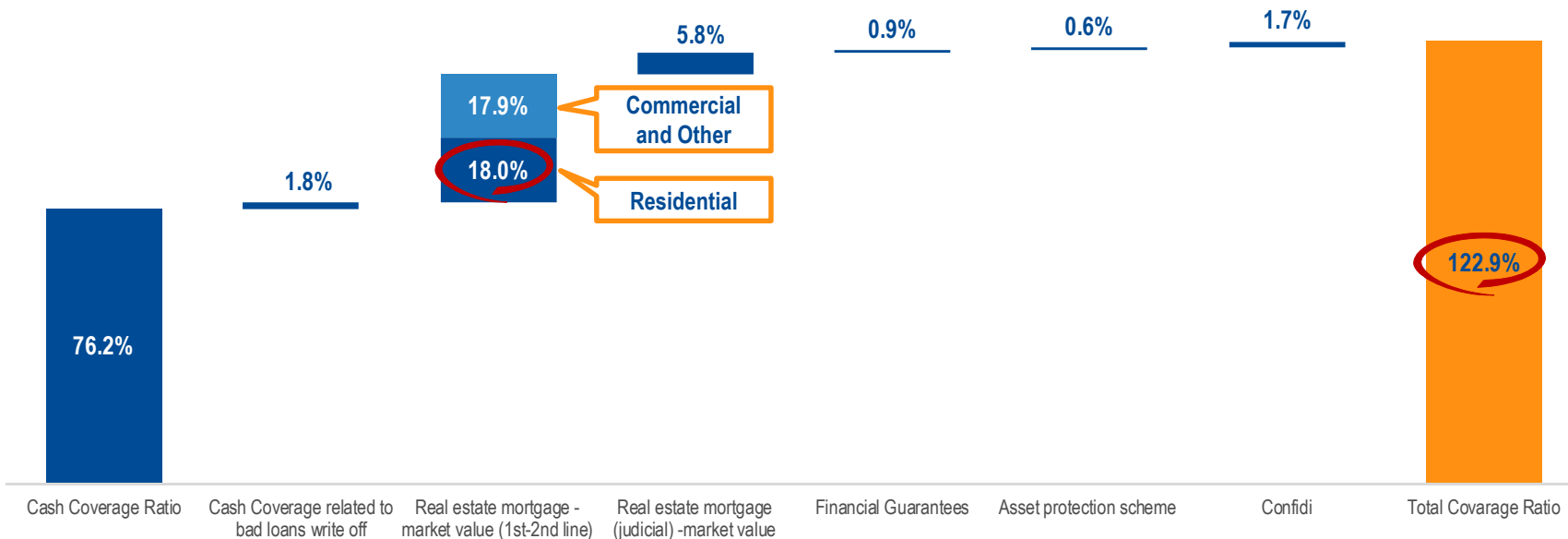
Source: internal data

\* Real estate 2<sup>nd</sup> line + judicial + financial + APS + Confidi

Real estate value equal to the last **market value** (according to the specific appraisal, delivered by **third party** appraiser), **capped** at the maximum amount represented by the value of the loans.

**Only «cash guarantees» considered**, like financial guarantees, APS. **No consideration at all for personal guarantees.**

## Bad Loans – Total Coverage Ratio (%)



Source: internal data

Real estate value equal to the last **market value** (according to the specific appraisal, delivered by **third party** appraiser), **capped** at the maximum amount represented by the value of the loans.

**Only «cash guarantees» considered**, like financial guarantees, APS. **No consideration at all for personal guarantees.**

| Assets  | 31/03/2018        | 31/12/2017        |
|---|-------------------|-------------------|
| Cash and cash equivalents   | 145,589           | 197,829           |
| Financial assets FVTPL  | 210,870           | 20,681            |
| Financial assets FVTOCI   | 3,490,659         | 4,419,352         |
| Loans and receivables with banks                                  | 2,320,285         | 2,033,413         |
| Loans and receivables with customers                              | 17,724,314        | 16,680,944        |
| Hedging derivatives   | 269               | 199               |
| Equity Investments  | 24,808            | 24,371            |
| Property, equipment and investment property and intangible assets | 484,599           | 486,524           |
| Non-current assets and disposal groups held for sale              | 188,629           | 3,955             |
| Other assets  | 1,030,657         | 1,089,556         |
| <b>Total assets</b>   | <b>25,620,679</b> | <b>24,956,824</b> |
| Liabilities and Equity  | 31/03/2018        | 31/12/2017        |
| Due to banks  | 3,060,671         | 3,143,189         |
| Direct funding from customers                                     | 19,793,800        | 19,631,283        |
| Financial liabilities held for trading                            | 4,394             | 713               |
| Hedging derivatives   | 137,620           | 138,691           |
| Other liabilities   | 860,437           | 421,399           |
| Provisions for specific purpose                                   | 235,664           | 174,103           |
| Equity attributable to non-controlling interests                  | 3,361             | 5,352             |
| Equity  | 1,524,732         | 1,442,094         |
| <b>Total liabilities and equity</b>                               | <b>25,620,679</b> | <b>24,956,824</b> |

| Income statement   | 31/03/2018       | 31/03/2017       |
|--|------------------|------------------|
| Net interest income  | 88,594           | 99,725           |
| Net fee and commission income  | 70,600           | 67,670           |
| Dividends and similar income   | 660              | 290              |
| Profit (loss) of equity-accounted investments  | 441              | 174              |
| Net trading, hedging income (expense) and profit (loss) on sales/repurchases   | 5,344            | 12,092           |
| Other operating net income   | 241              | 4,905            |
| <b>Operating income</b>  | <b>165,880</b>   | <b>184,856</b>   |
| Personnel expenses   | - 121,906        | - 75,122         |
| Other administrative expenses  | - 51,257         | - 48,217         |
| Depreciation/amortisation and net impairment losses on property, equipment and investment property and intangible assets | - 6,227          | - 7,399          |
| <b>Operating costs</b>   | <b>- 179,390</b> | <b>- 130,738</b> |
| <b>Net operating profit</b>  | <b>- 13,510</b>  | <b>54,118</b>    |
| Impairment or reversal of impairment and modification gains (losses)   | - 27,801         | - 48,418         |
| Net accruals to provisions for risks and charges   | - 5,024          | - 559            |
| Net gains (losses) on sales of investments   | - 36             | - 18             |
| <b>Pre-tax profit (loss) from continuing operations</b>  | <b>- 46,371</b>  | <b>5,123</b>     |
| Income taxes   | 17,037           | - 1,676          |
| <b>Post-tax profit (loss) from continuing operations</b>   | <b>- 29,334</b>  | <b>3,447</b>     |
| Profit (loss) for the period attributable to non-controlling interests   | - 752            | - 1,089          |
| <b>Profit (Loss) for the period</b>  | <b>- 30,086</b>  | <b>2,358</b>     |

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**Consolidated Results as at  
March 31<sup>st</sup> 2018**