



**FITCH RATINGS AFFIRMS CREDITO VALTELLINESE  
AT 'BB-' WITH A POSITIVE OUTLOOK  
AND SIMULTANEOUSLY WITHDRAWS THE RATINGS**

**Sondrio, 1 June 2018** - Fitch Ratings has affirmed Credito Valtellinese Long-term IDR at 'BB-' with a Positive Outlook and simultaneously withdrawn the ratings of Creval for commercial reasons.

Here attached Fitch Ratings press release.

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**Credito Valitellinese (/gws/en/esp/issr/80360731)****Fitch Affirms Credito Valitellinese at 'BB-'; Withdraws Ratings**

Fitch Ratings-Milan/London-01 June 2018: Fitch Ratings has affirmed Credito Valitellinese's (Creval) ratings and simultaneously withdrawn them.

Fitch has chosen to withdraw the ratings of Creval for commercial reasons.

**KEY RATING DRIVERS**

Creval's ratings factor in the successful completion of the capital increase and Fitch's expectation that Creval will dispose of EUR2.1 billion impaired loans during 2018, reducing its impaired loans ratio to just above 10% from a high 21.1% reported at end-2017. Despite the capital increase and the planned non-performing loan (NPL) disposals, capital levels are still not fully commensurate with risk, in Fitch's opinion, as unreserved impaired loans will continue to weigh, albeit materially less, on capital. Fitch expects operating profitability to improve gradually, mainly as a result of lower loan impairment charges. Profitability should also benefit from revenue increases and significant cost reductions envisaged in the strategic plan.

The Positive Outlook reflects Fitch's expectation that the bank's overall financial profile will benefit from the planned NPL disposal and a return to moderate profitability.

**RATING SENSITIVITIES**

Not applicable as the ratings have been withdrawn.

The rating actions are as follows:

Long-Term IDR: affirmed at 'BB-'; Positive Outlook; and withdrawn

Short-Term IDR: affirmed at 'B' and withdrawn

Viability Rating: affirmed at 'bb-' and withdrawn

Support Rating: affirmed at '5' and withdrawn

Support Rating Floor: affirmed at 'No Floor' and withdrawn

EMTN long-term rating: affirmed at 'BB-' and withdrawn

EMTN short-term rating: affirmed at 'B' and withdrawn

Subordinated notes: affirmed at 'B+' and withdrawn

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**Applicable Criteria**

Bank Rating Criteria (pub. 23 Mar 2018)

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