



# SPAFID CONNECT

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Nome utilizzatore : CRVALTELN02 - COLOMBO  
Tipologia : REGEM  
Data/Ora Ricezione : 09 Maggio 2019 07:45:46  
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Diffusione presunta  
Oggetto : Creval - Q1 19 Financial Results  
Presentation

*Testo del comunicato*

Vedi allegato.



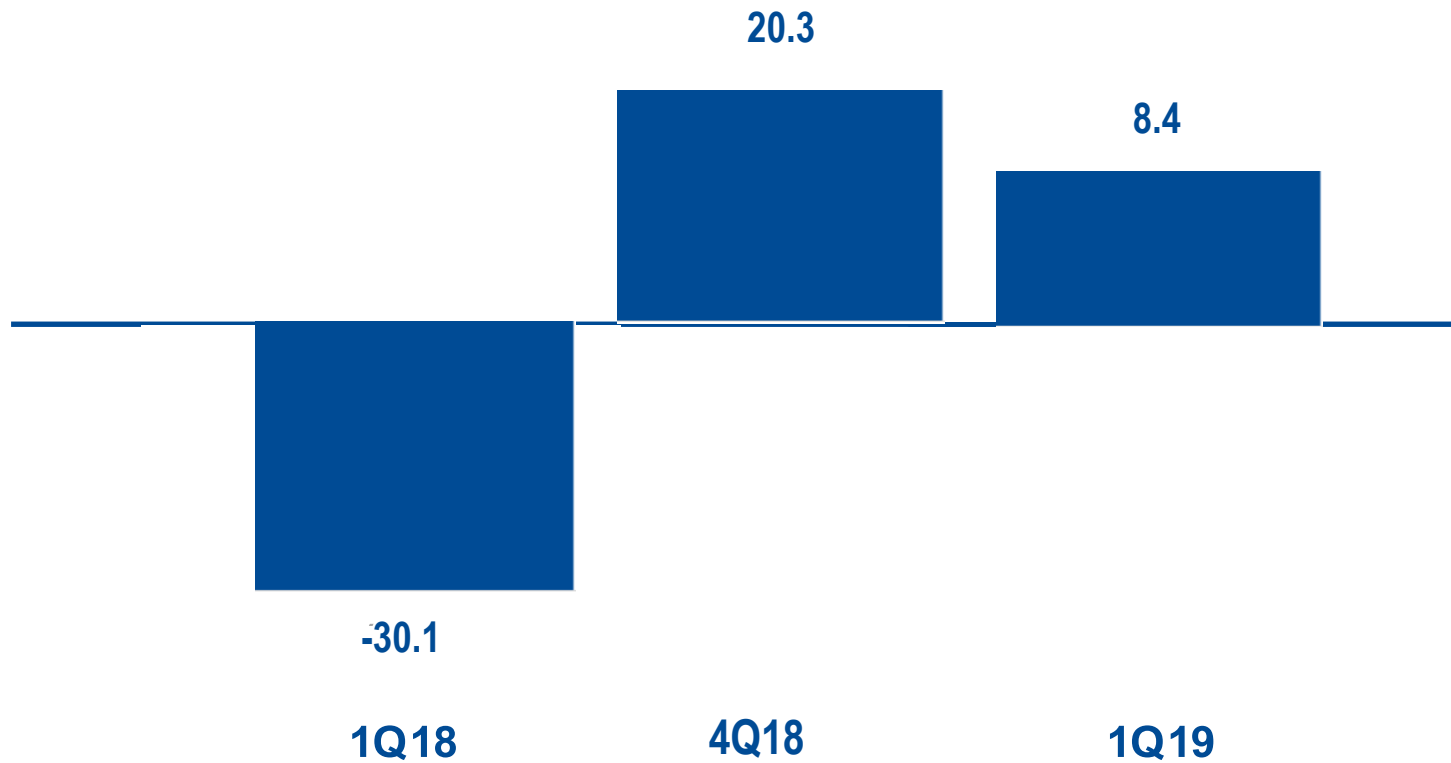
# 1Q19 FINANCIAL RESULTS

Setting the stage for the new Business Plan

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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.

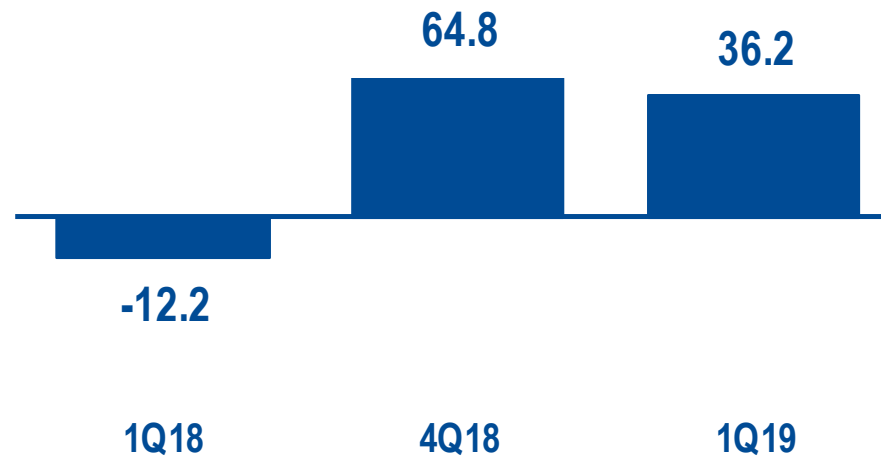
- Net profit of €8.4m compared to €30.1m loss previous year
- Deposits up by 5.6% q/q and 12.4% y/y
- Costs slightly down on comparable basis
- Further improvement of NPE coverage to 56.5%
- Solid liquidity position well above regulatory requirements
- Draft SREP letter requirements 2019: CET1 at 8.25% vs.14% CET1 FL as at end of March, confirming strong Creval Group capital position

€/m



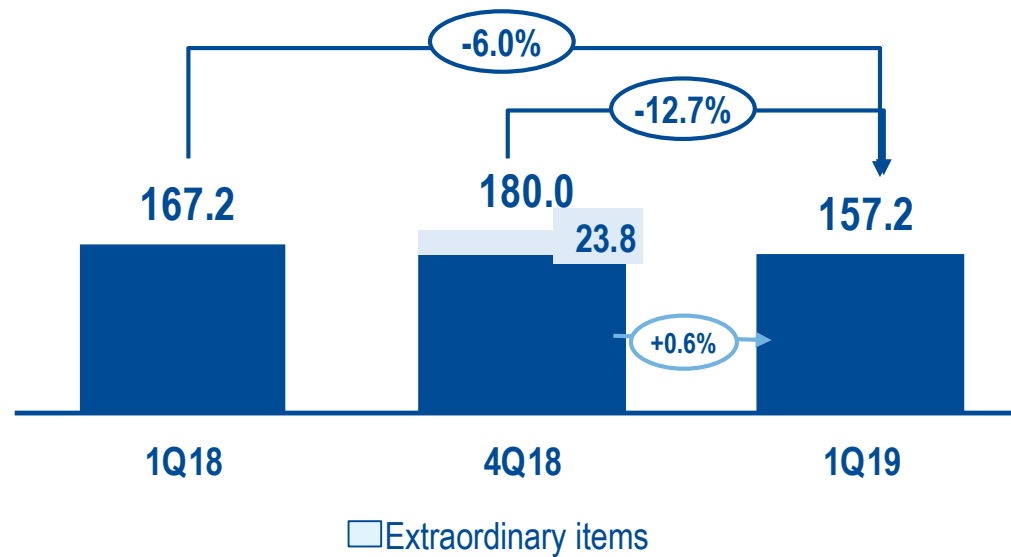
- 1Q19 Net profit of €8.4m compared to €30.1m net loss previous year

€/m



- Net operating income reported at €36.2m compared to the loss of last year of €12.2m

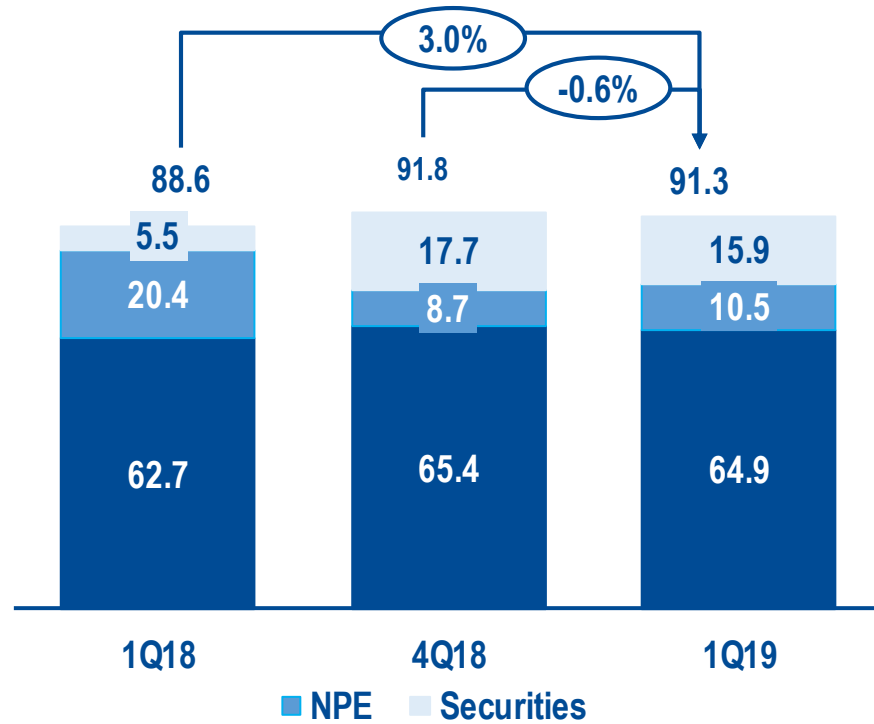
€/m



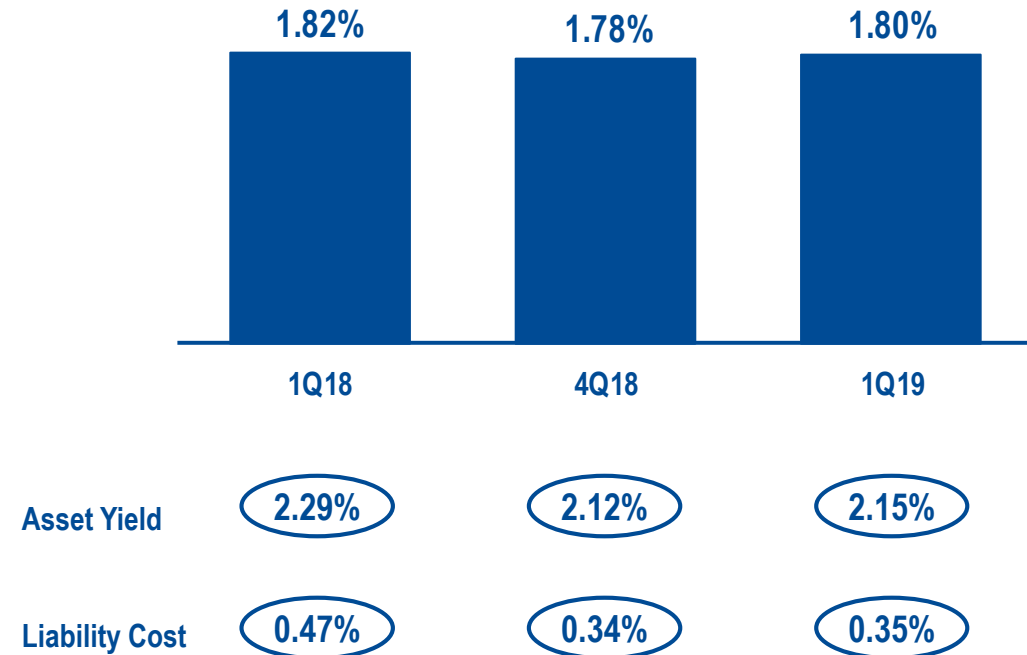
- Operating income at €157.2m confirming Q4 level on comparable basis

€/m

Net interest income



Net interest spread

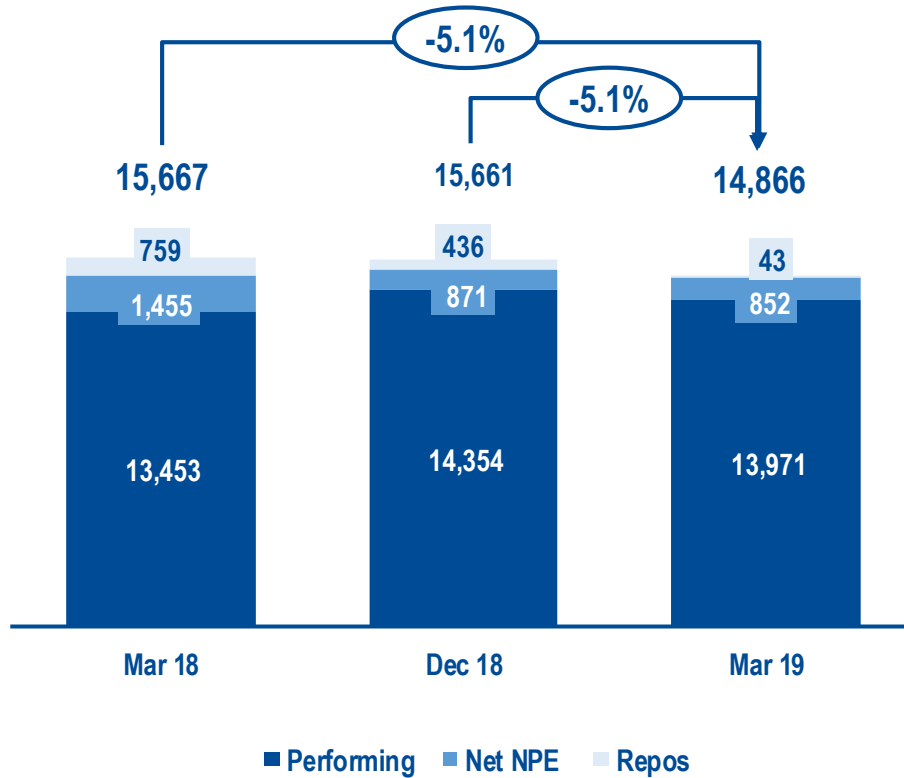


- Positive development of Net Interest Income both q/q and y/y driven by core business and positive spread trend, despite negative impact IFRS 16

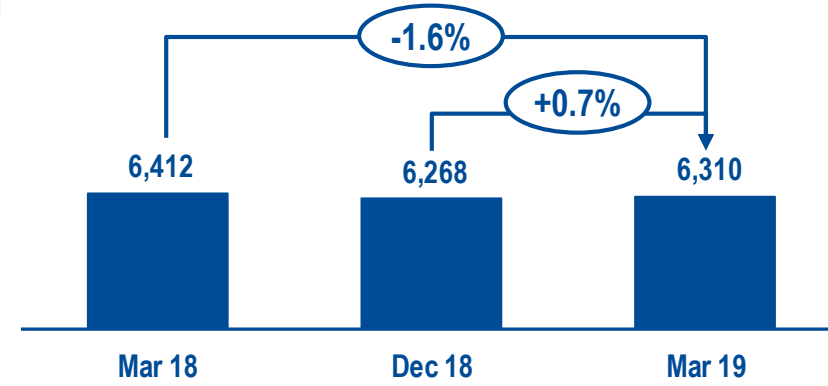


€/m

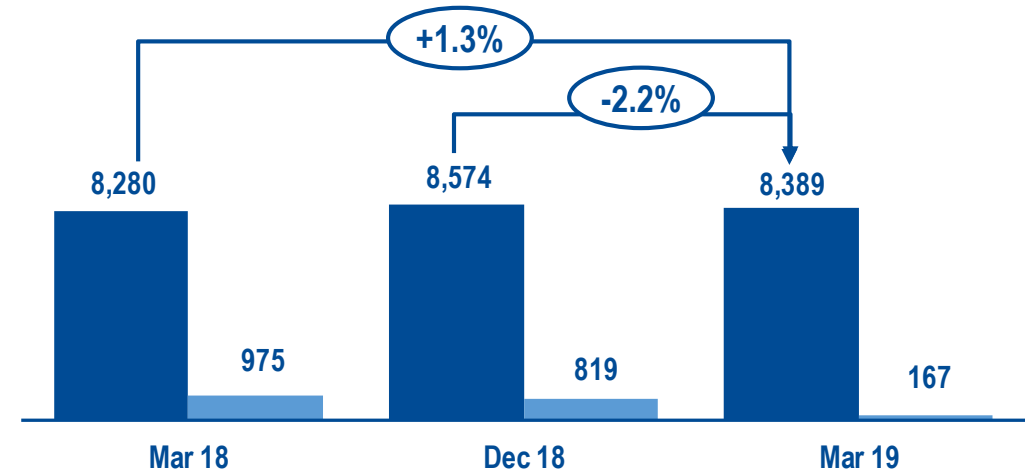
## Net loans <sup>(1)</sup>



## Retail



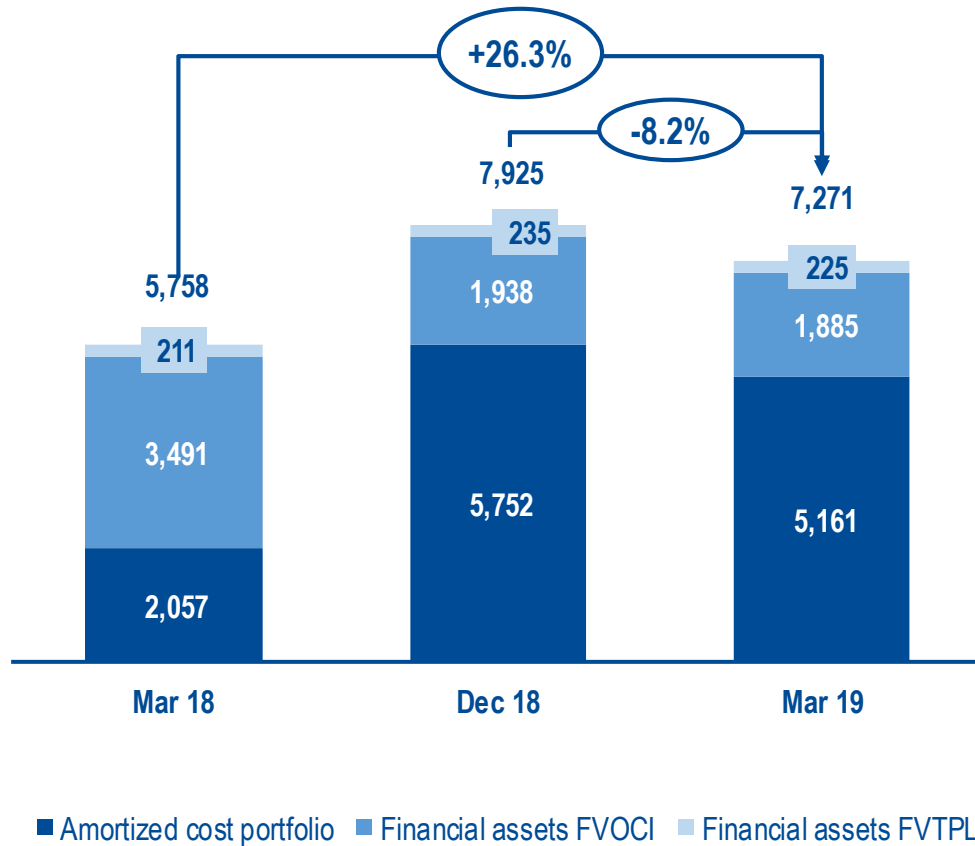
## Corporate and institutional



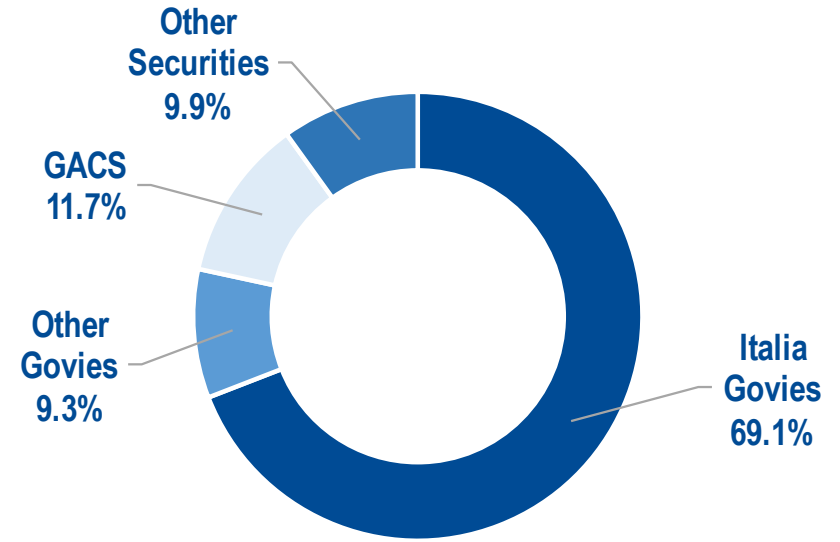
- Positive yoy evolution of performing loans with total net loans dynamics affected by NPEs and repos
- First positive signals in retail volumes

(1) Excluding securities (€2.1bn as at Mar. '18; €5.8bn as at Dec. '18; €5.2bn as at Mar. '19).

€/m Securities portfolio<sup>1</sup>



Portfolio Breakdown as at 31/03/2019



Evolution of Government Bond portfolio (€/m)

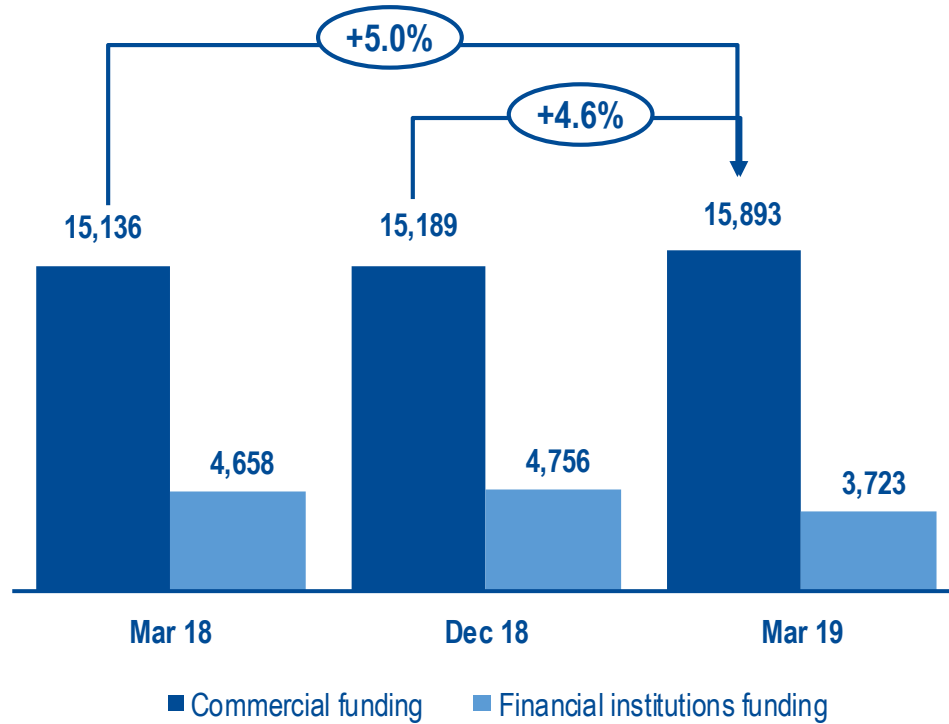
	Mar 19	Dec 18	Chg.
Govies ITA	5,025	5,295	-270
Other govies	675	974	-299
<b>Total</b>	<b>5,700</b>	<b>6,268</b>	<b>-569</b>
FVTOCI reserve	-12	-20	+8

- Reduction in the quarter of securities portfolio by more than €600m driven by government bonds

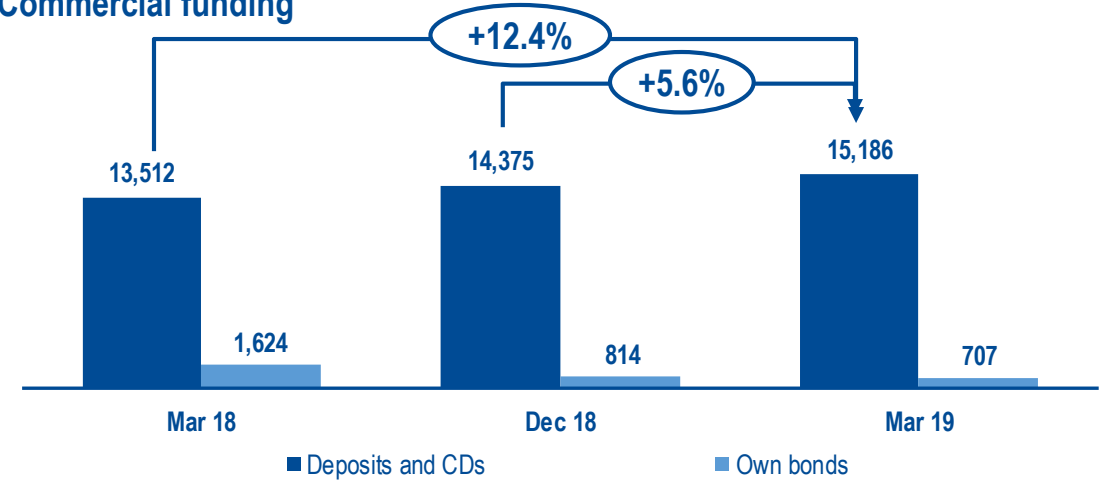
(1) Excluding loans and receivables with Banks.

€/m

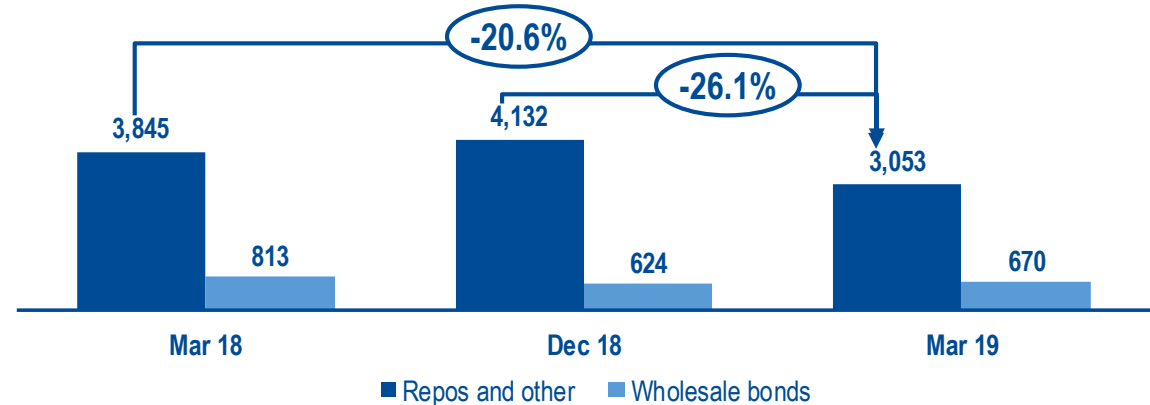
## Direct funding



## Commercial funding

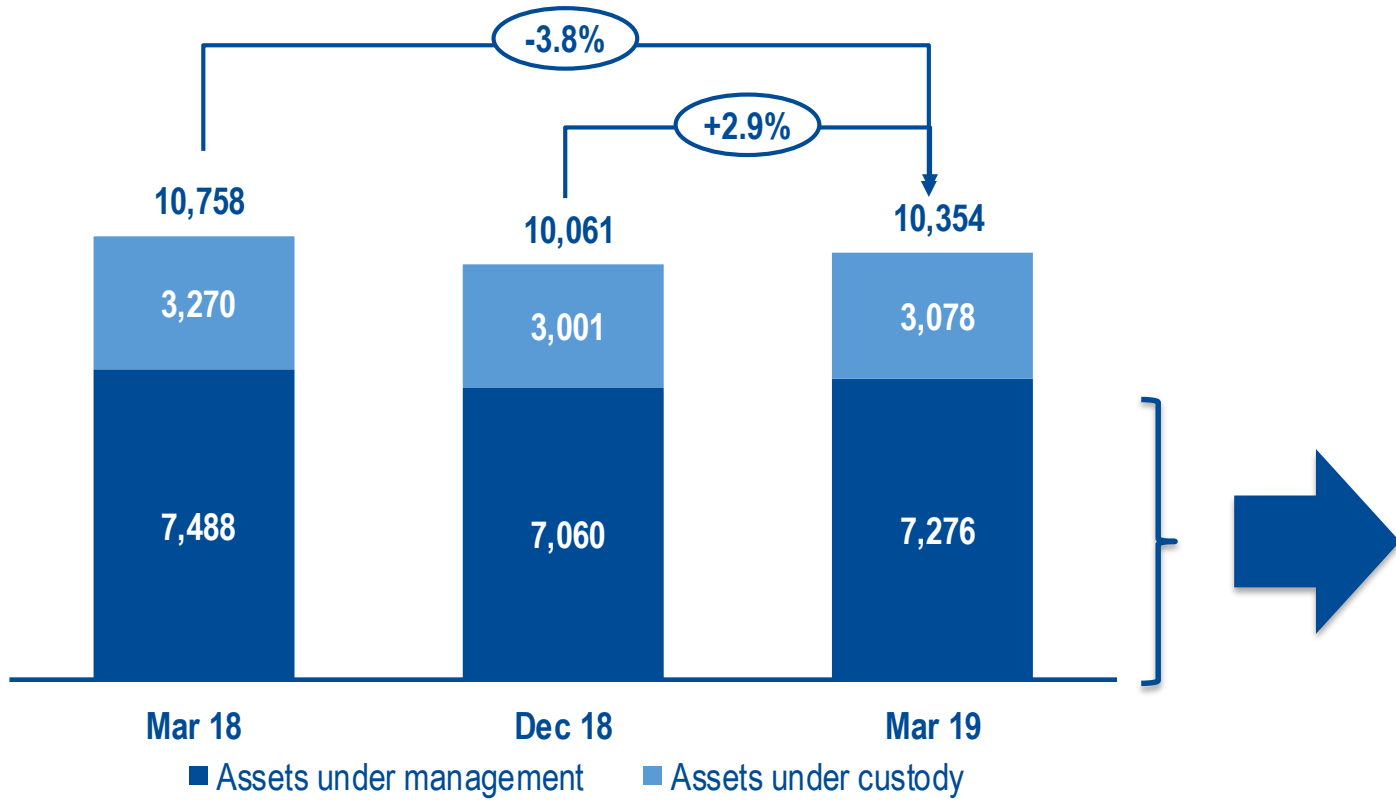


## Financial institutions funding

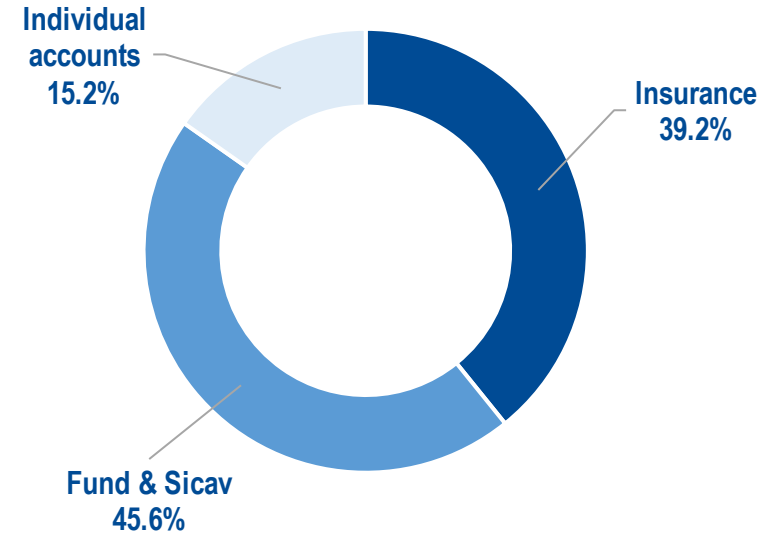


- Positive dynamics of commercial funding up by +4.6% q/q thanks to deposits, bringing the growth y/y to 12.4%

€/m

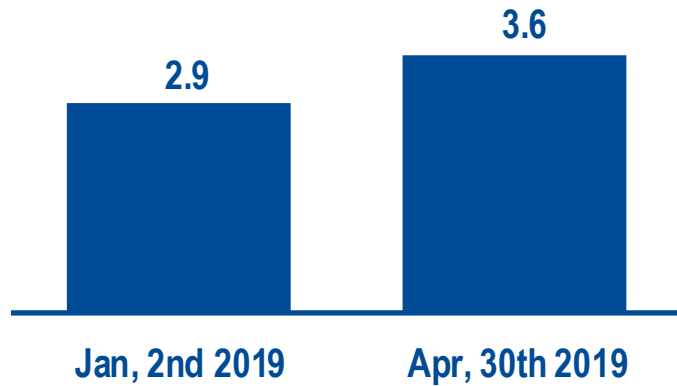


AUM breakdown as at 31/03/2019

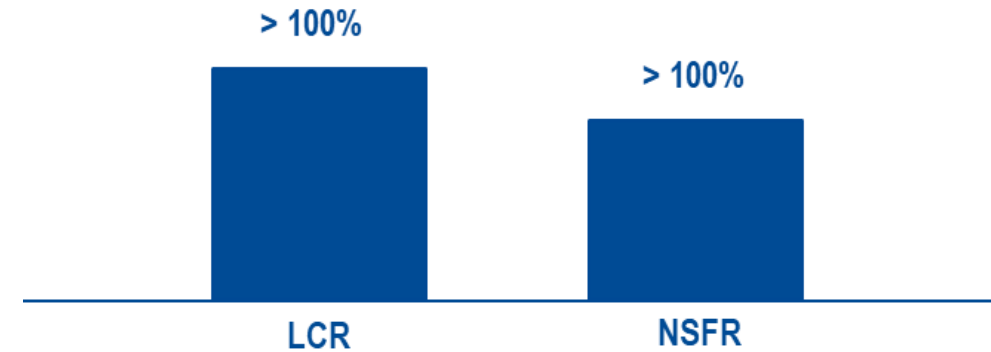


- Positive quarterly performance in assets management driving total volumes +2.9% q/q

Unencumbered assets 3M (€/bn)

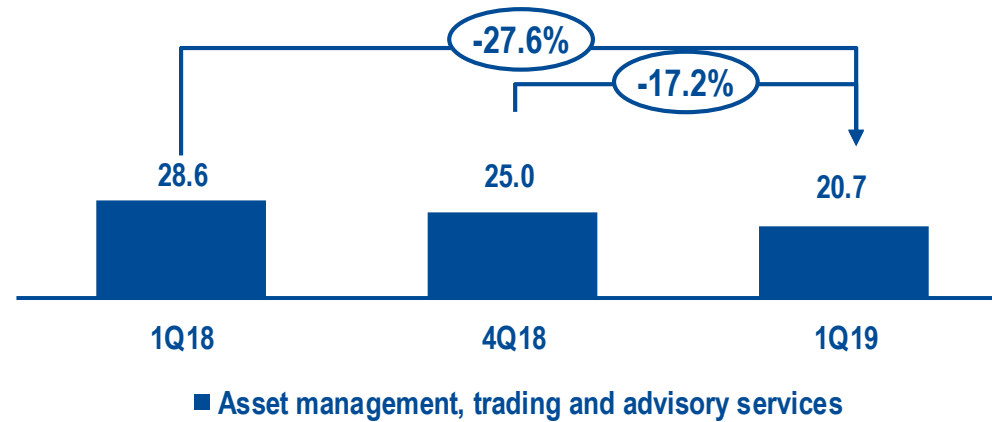
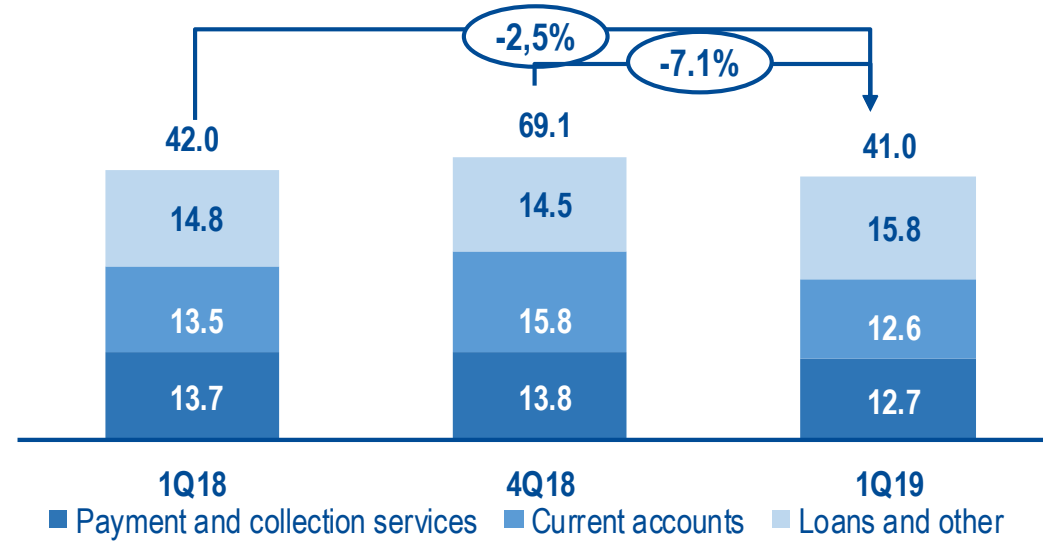


Liquidity regulatory requirements



- Solid liquidity position with eligible unencumbered assets growing to €3.6bn and liquidity regulatory requirements well above the minimum

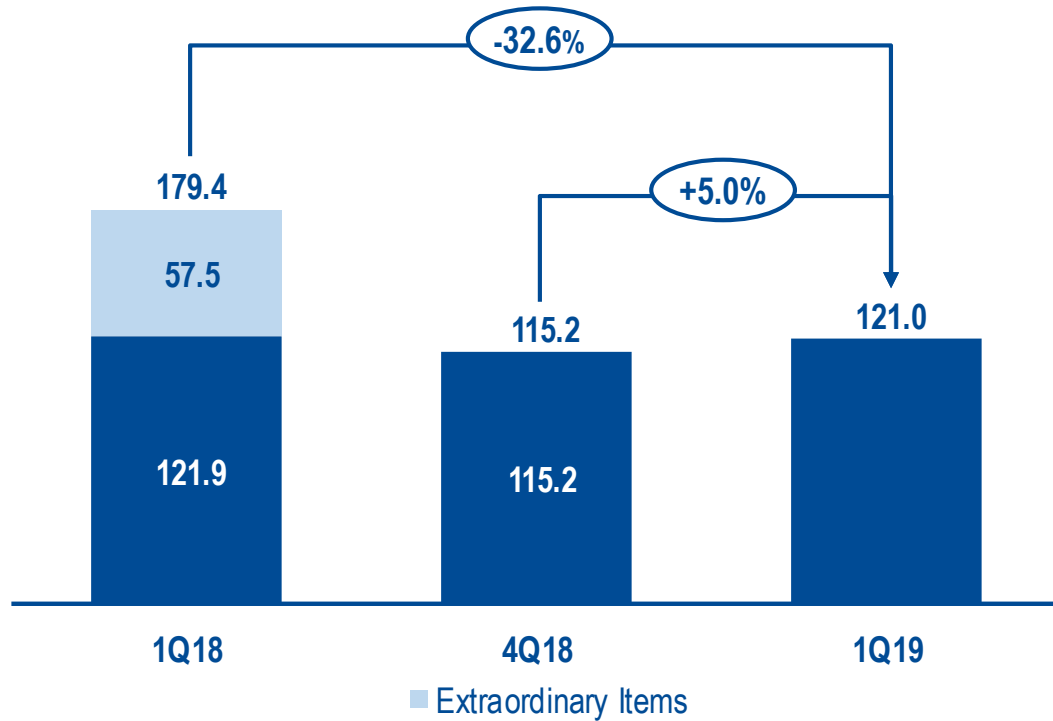
€/m



- Q1 fees income excluding AM almost on the level of last year, seasonally lower q/q
- AM related fees affected by special campaigns last year.

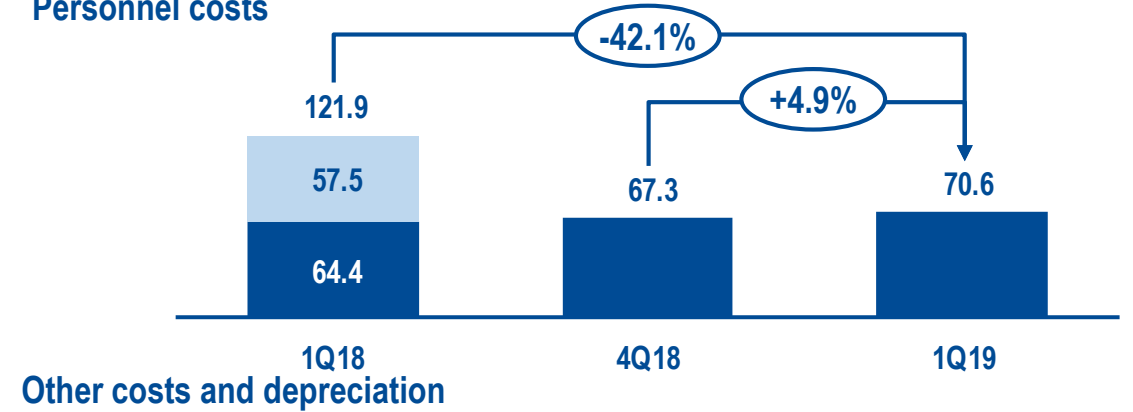
€/m

## Operating costs

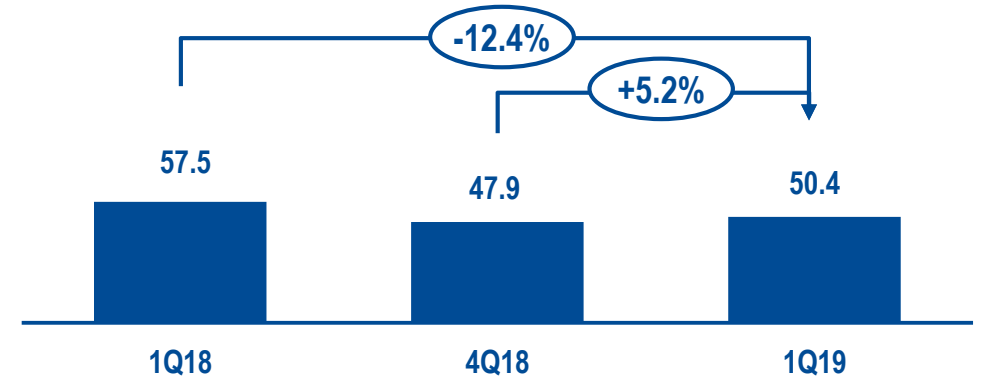


Cost/Income<sup>1</sup> **72.9%**      **73.8%**      **77.0%**

## Personnel costs



## Other costs and depreciation



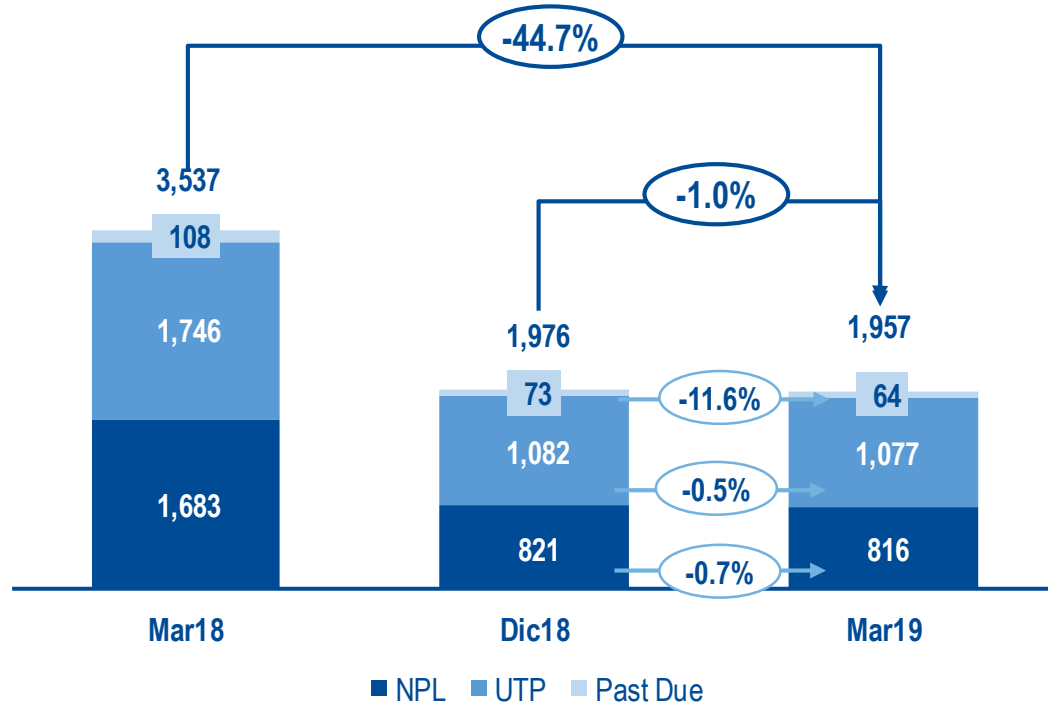
SRF + DGS **9.1**      **1.0**      **8.2**

- Operating costs on comparable basis slightly decreased q/q both on HR costs and non HR costs

(1) Excluding extraordinary items

€/m

## Gross NPE

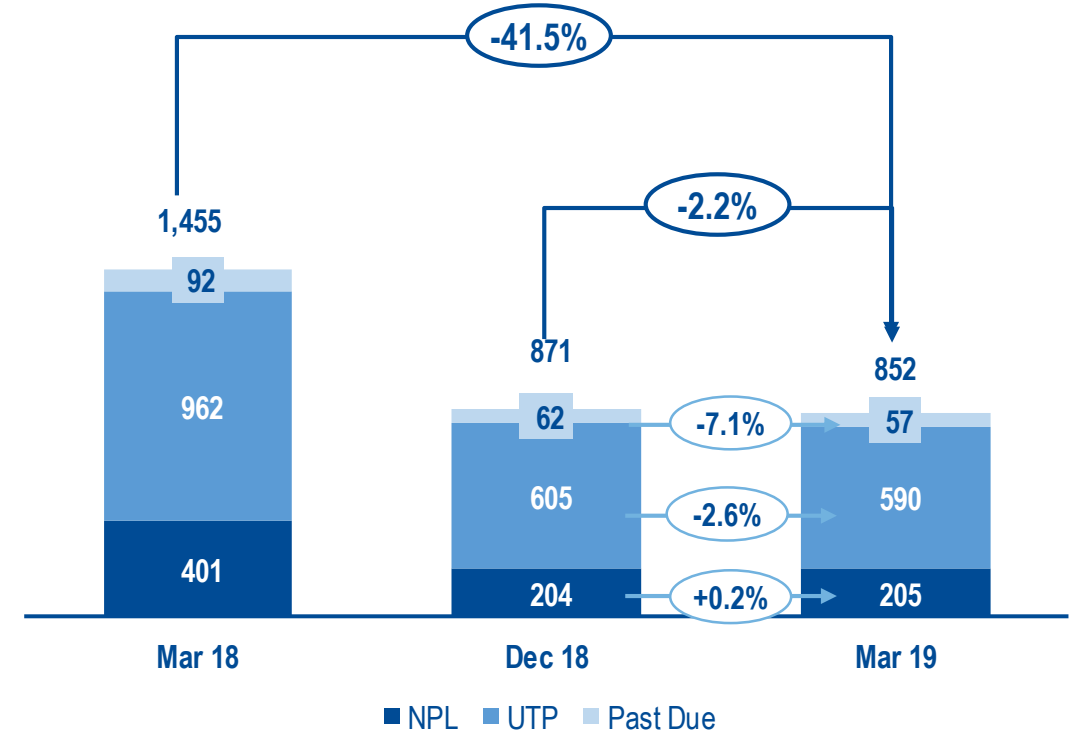


Gross NPE ratio<sup>1</sup> **19.3%**

**11.0%**

**11.4%**

## Net NPE



Net NPE ratio<sup>1</sup> **9.0%**

**5.2%**

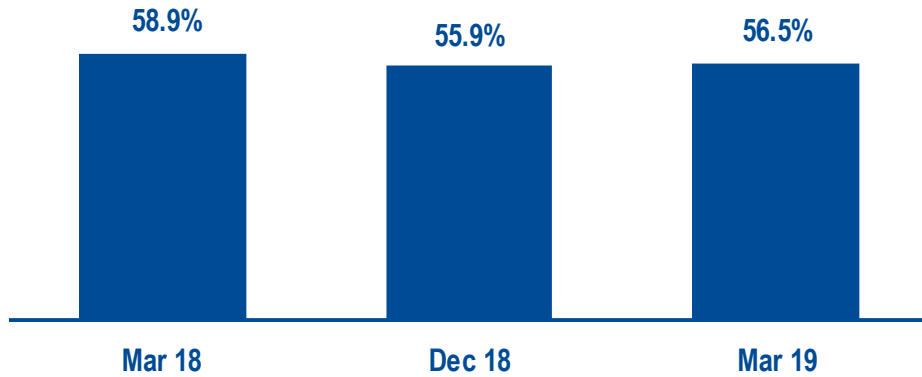
**5.3%**

- Gross and net NPE decreasing q/q bringing the total drop y/y above 40%
- NPE ratio slightly affected by no core volume decrease

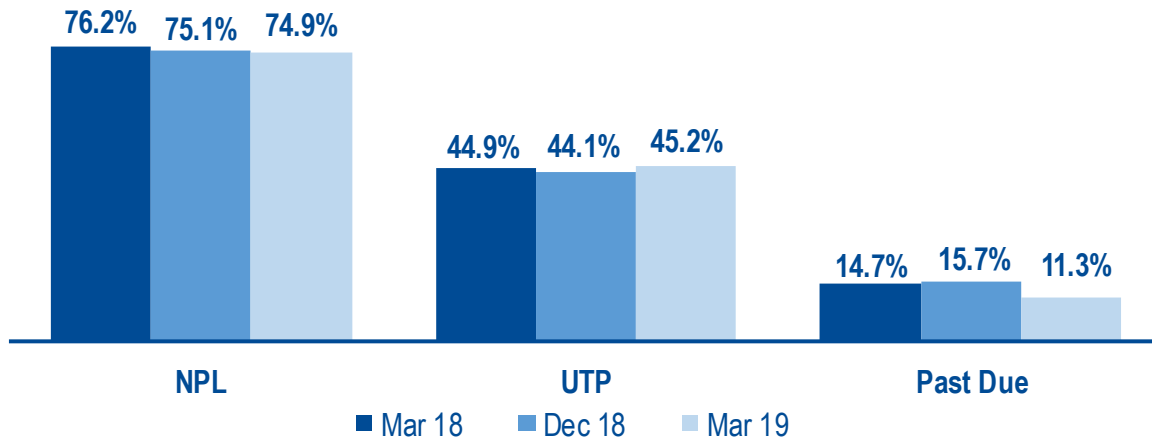
(1) Excluding Government bonds



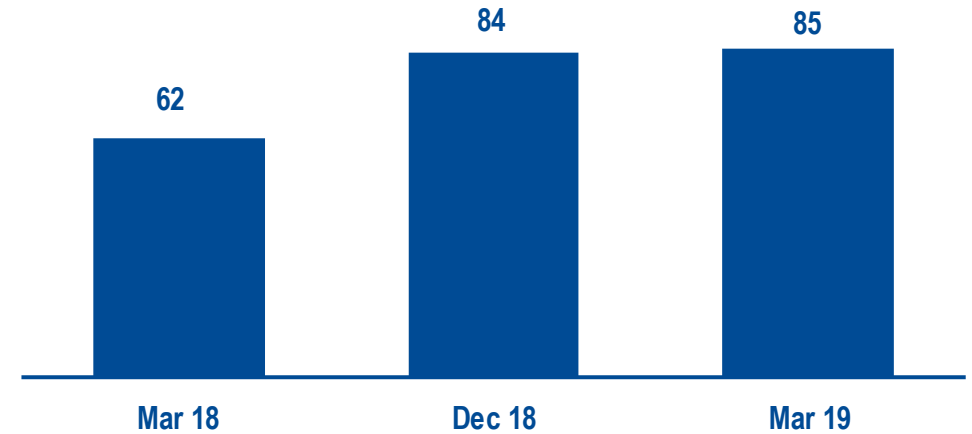
## Total NPE coverage



## NPE coverage breakdown



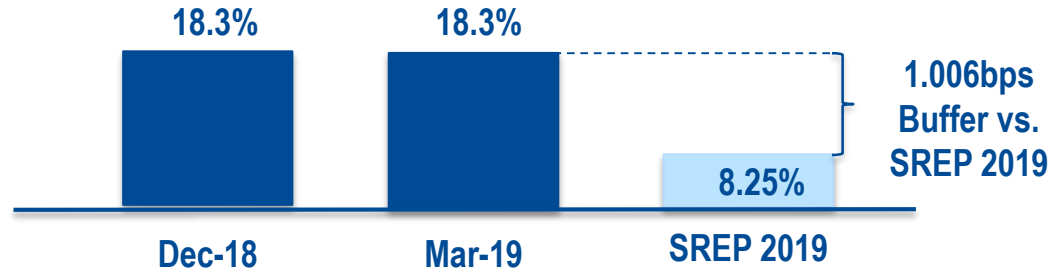
## Cost of risk<sup>1</sup> (bps)



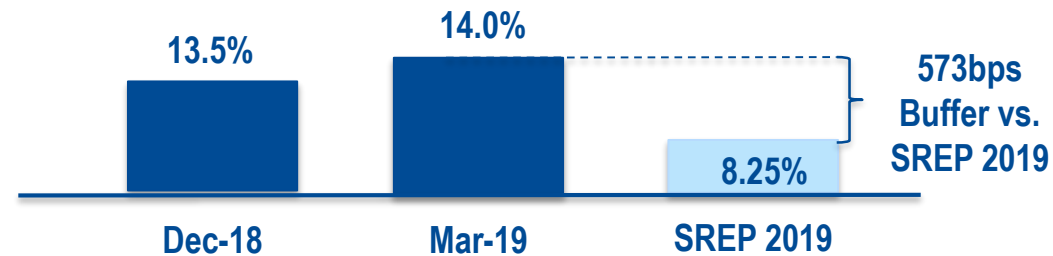
- Total coverage improved to 56,5%, with cost of risk at the level of previous quarter

(1) Recurrent LLPs/Net Customer loans (excluding Government bonds)

### CET1 ratio Phased-in



### CET1 ratio Fully-Loaded



CET1 Capital (€/m)	Dec-18	Mar-19
	1,369	1,410

### Regulatory capital ratios - Phased-in

	Dec-18	Mar-19	2019 SREP
CET1 ratio (%)	18.3%	18.3%	8.25%
Tier 1 ratio (%)	18.3%	18.3%	9.75%
Total Capital ratio (%)	20.2%	20.2%	11.75%

### RWA Evolution (€/m)



- New draft SREP letter: CET1 at 8.25%, CET1 Fully-Loaded 14.0% from 13.5% last quarter

- **Q1 closed with 8 million net profit and positive deposit trend.**
- **Capital position, liquidity and asset quality are confirming bank's solidity and give a good base for the bank development.**
- **Bank is progressing in preparation of the new Strategic Plan, which will be focused on the recovery of a sustainable profitability by a sound development of the core business, a responsible risk approach and increasing operational efficiency.**
- **The new Plan will be presented on 18th June 2019.**

**Creval** 



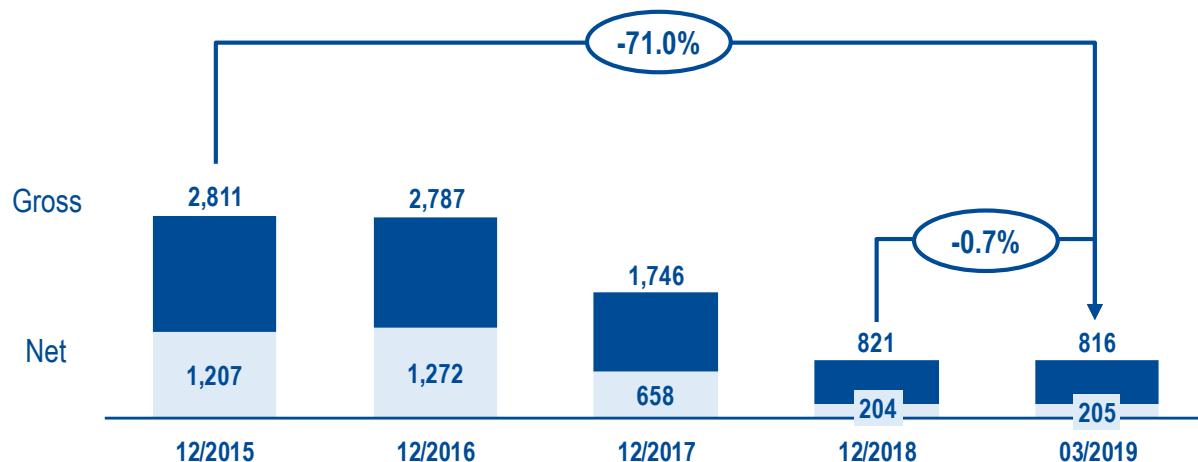
**Annexes**

Assets	31/03/2019	31/12/2018
Cash and cash equivalents	158,741	200,153
Financial assets FVTPL	224,582	235,378
Financial assets FVTOCI	1,885,488	1,937,531
Loans and receivables with banks	1,390,162	1,205,925
Loans and receivables with customers	20,026,725	21,413,093
Equity Investments	20,599	20,269
Property, equipment and investment property and intangible assets	610,396	447,642
Non-current assets and disposal groups held for sale	74,103	75,548
Other assets	1,035,464	937,130
<b>Total assets</b>	<b>25,426,260</b>	<b>26,472,669</b>
Liabilities and Equity	31/03/2019	31/12/2018
Due to banks	3,336,270	4,096,231
Direct funding from customers	19,616,295	19,944,672
Financial liabilities held for trading	138	64
Hedging derivatives	151,388	134,545
Liabilities associated with assets held for sale	2,341	2,271
Other liabilities	489,699	491,739
Provisions for specific purpose	236,342	236,885
Equity attributable to non-controlling interests	20	20
Equity	1,593,767	1,566,242
<b>Total liabilities and equity</b>	<b>25,426,260</b>	<b>26,472,669</b>

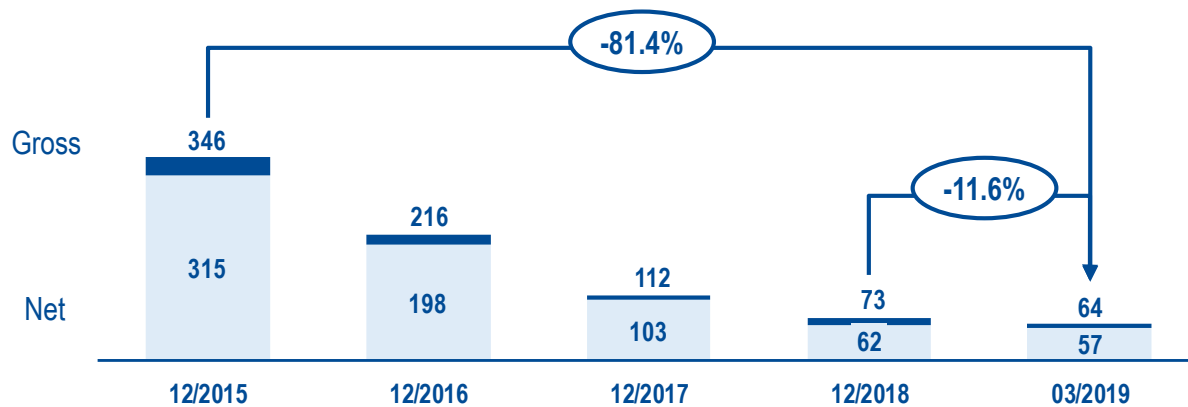
Income statement	31/03/2019	31/03/2018
Net interest income	91,273	88,594
Net fee and commission income	61,665	70,600
Dividends and similar income	633	660
Profit (loss) of equity-accounted investments	320	441
Net trading, hedging income (expense) and profit (loss) on sales/repurchases	1,327	6,685
Other operating net income	1,973	244
<b>Operating income</b>	<b>157,191</b>	<b>167,224</b>
Personnel expenses	-70,622	-121,906
Other administrative expenses	-39,456	-51,257
Depreciation/amortisation and net impairment losses on property, equipment and investment property and intangible assets	-10,899	-6,227
<b>Operating costs</b>	<b>-120,977</b>	<b>-179,390</b>
<b>Net operating profit</b>	<b>36,214</b>	<b>-12,166</b>
Impairment or reversal of impairment and modification gains (losses)	-27,303	-27,801
Net gains (losses) on sales or repurchase of financial assets valued at the amortised cost	4,840	-1,341
Net accruals to provisions for risks and charges	-4,937	-5,024
Net gains (losses) on sales of investments	3,384	-39
<b>Pre-tax profit (loss) from continuing operations</b>	<b>12,198</b>	<b>-46,371</b>
Income taxes	-3,813	17,037
<b>Post-tax profit (loss) from continuing operations</b>	<b>8,385</b>	<b>-29,334</b>
Profit (loss) for the period attributable to non-controlling interests	0	-752
<b>Profit (Loss) for the period</b>	<b>8,385</b>	<b>-30,086</b>

€/m

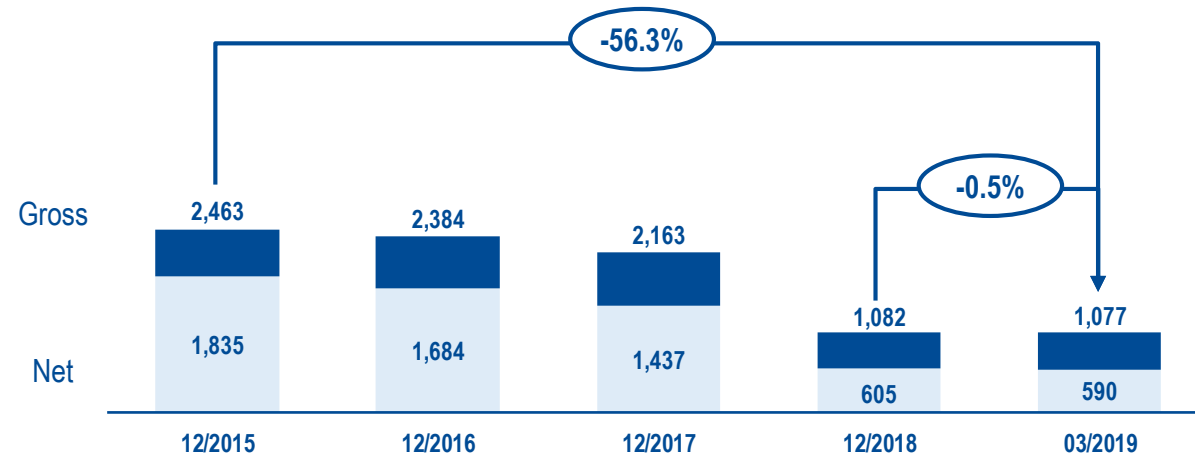
## Bad Loans



## Past Due



## UTP



## Coverage Ratio

	31/12/2017	30/09/2018	31/12/2018	31/03/2019	Peer avg. <sup>(1)</sup>
NPEs	45.3%	50.4%	55.9%	56.5%	48.7%
including write offs	47.2%	53.6%	58.6%	59.3%	
Bad Loans	62.3%	71.3%	75.1%	74.9%	62.3%
including write offs	65.2%	75.5%	78.5%	78.5%	
UTP	33.6%	38.8%	44.1%	45.2%	32.0%
Past Due	8.0%	11.4%	15.7%	11.3%	16.3%
Bonis	0.43%	0.69% <sup>(2)</sup>	0.60% <sup>(2)</sup>	0.60% <sup>(2)</sup>	

(1) Data as of December, 31<sup>st</sup> 2018. Peers: Banco BPM, Bper, Credem, Ubi Banca, Banca Popolare di Sondrio. Source: company financial relations

(2) Excluding Government bonds

- Investor & Media Relations

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Fine Comunicato n.0105-39

Numero di Pagine: 25