



## **MOODY'S PASSES CREVAL'S NEW BUSINESS PLAN AND RATES IT AS CREDIT POSITIVE**

### **THE PLANNED STRATEGIC DEVELOPMENT ACTIONS WILL FACILITATE A FUTURE BUSINESS COMBINATION**

**Sondrio, 24 June 2019** – The Rating agency Moody's has published today a comment on Creval's Business Plan, rating it as "credit positive".

The rating reflects the expected credit quality improvement, in particular the planned reduction in total non-performing loans from 1.9 billion euro to 1.1 billion euro, leading to a lowering of the gross NPE ratio from 11.4% to 6.5% by the end of 2023, primarily through portfolio sales to be carried out by 2020.

The Rating agency also underscored the Bank's target to halve its securities portfolio over the plan period from 7.9 billion euro to 4 billion euro, in particular as regards Italian government bonds.

Moody's pointed out that this strategy differs from many Italian peers which have instead been increasing their exposure to domestic government bonds.

The reduction in the securities portfolio, remarked Moody's, will be matched with a new funding strategy that is less reliant on interbank and ECB funding while making a greater use of new wholesale bond issuance.

The Rating agency emphasized that over the Plan period Creval intends to reduce its non-performing loans, maintain a good capitalization and restart dividend payments.

Moody's also highlighted that the expected growth in profitability should be driven by a reshuffle of lending activities towards value added customers that yield a higher revenue, as well as by cost reductions and lower loan loss provisions.

Finally, the Rating agency remarked that the actions under the Plan will facilitate Creval's future business combination.

Moody's comment is available on the Rating agency's website, [www.moody.com](http://www.moody.com).

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Numero di Pagine: 3