Informazione Regolamentata n. 0105-55-2019	Data/Ora Ricezione 06 Novembre 2019 17:53:51	MTA

Societa'	:	CREDITO VALTELLINESE
Identificativo Informazione Regolamentata	:	124326
Nome utilizzatore	:	CRVALTELN02 - CAMOZZI
Tipologia	:	REGEM
Data/Ora Ricezione	:	06 Novembre 2019 17:53:51
Data/Ora Inizio Diffusione presunta	:	06 Novembre 2019 17:53:52
Oggetto	:	Consolidated results as at 30 September 2019

Testo del comunicato

Vedi allegato.

PRESS RELEASE

APPROVED CONSOLIDATED RESULTS AS AT 30 SEPTEMBER 2019

NET INCOME AT 33.4 MILLION EURO AS COMPARED TO 11.4 MILLION EURO IN THE FIRST 9M 2018

QUARTER FOCUSED ON THE FIRST ACTIONS OF THE BUSINESS PLAN AIMED AT OPTIMISING OPERATIONAL EFFICIENCY, REDUCING CREDIT RISKS AND IMPROVING COMMERCIAL EFFECTIVENESS

***

OPERATING COSTS DOWN BY 17.2% Y/Y AND BY 3.8% Q/Q NET OF BANKING INDUSTRY CHARGES

NPL STOCK KEEPS DROPPING FURTHER

- **Gross NPL: -3.4% since 31/12/18 and -1.2% since 30/06/19**
- **Net NPL: -10.7% since 31/12/18 and -2.1% since 30/06/19**

HIGH NPL COVERAGE IN VIEW OF THE PLANNED SALE OF A POOL WITH A GBV OF ABOUT 800MLN EURO

- **NPL coverage ratio: 59.3%, on the rise both compared to 30/06/19 (58.9%) and to 31/12/18 (55.9%)**
- **Bad loan coverage ratio: 82.7%, on the rise both compared to 30/06/19 (81.4%) and to 31/12/18 (75.1%)**

EXCELLENT CAPITALIZATION, BOLSTERED FURTHER UP, WITH A WIDE CAPITAL BUFFER

- **CET 1 at 14.67% fully loaded (13.52% at 31/12/18) and 19.23% phased-in (18.34% at 31/12/18)**
- **Hefty excess capital over the 2019 SREP minimum requirement (8.25%[1])**

RISING RETAIL CUSTOMER VOLUMES IN LINE WITH THE PLAN'S STRATEGIC GUIDELINES

- **Deposits +11.3% over 31/12/18**
- **Loans +1.4% over 31/12/18**

ROBUST LIQUIDITY POSITION

- **LCR and NSFR well above regulatory requirements**
- **3.7 billion euro of eligible unencumbered assets[2]**

---

[1] Includes Capital Conservation Buffer

[2] Data at 31/10/19

Sondrio, 6 November 2019 - The Board of Directors of Creval examined and approved the consolidated results as at 30 September 2019, reporting a soaring net income at 33.4 million euro, as compared to a net income of 11.4 million euro posted in the same period of 2018.

"In Q3 we have laid the foundations to be on track with the implementation of our business plan, while achieving the first tangible results. Our branch network is motivated and is focusing on strengthening our commercial activities. We have been working to enhance the operational efficiency, adopt a strong cost discipline and guarantee an efficient risk management capability. The declining costs and the improving risk indicators, in addition to the growing retail customer loans, are already visible in the results for the period, together with a significant increase in profitability compared to last year. The progressive shrinking in the bad loan stock is also conducive to a greater solidity for the bank, which reached a fully-loaded CET 1 ratio of 14.7%, and ranks among the most highly capitalized banks. All this has taken place while streamlining our processes and pursuing a more effective allocation of the bank's internal professional resources", remarked **Luigi Lovaglio, CEO of Creval**. *"Supported by our high NPE coverage levels we can step up the pace of the NPL disposal" even ahead of the 2020 end of the year target".*

Key balance sheet items

Direct customer funding, excluding repos (973 million euro), came in at 17.4 billion euro, up by 6.9% compared to 31/12/18, driven by the increase in deposits (+11.3%) that benefitted by the good performance of commercial activities. **Total direct funding** stood at 18.3 billion euro, down by 8.1% compared to year-end 2018, due to the progressive decline in repos since the beginning of the year (-73.7% since 31/12/18), in line with the Plan.

Net loans and receivables with retail customers grew by 1.4% over 31/12/2018, thus confirming the efficacy of the new commercial focus aimed at improving the mix of loan products devoted to households and SMEs. **Total loans and receivables with customers (or Net loans to customers)**, excluding debt securities (5.1 billion euro), amounted to 14.6 billion euro, down by 6.8% compared to 31/12/18, in keeping with the approach aiming at reducing non-core exposures, in particular repos (-43.9% over 31/12/2018), and more focused on the deployment of a more risk-price adjusted lending strategy.

Including debt securities (mainly government bonds), total net loans to customers came in at 19.7 billion euro, down by 8.0% compared to year-end 2018. This line-item was impacted by the securities portfolio reduction that was started at the beginning of the year, leading to an 11.4% drop.

As part of net loans to customer, **net non-performing exposures** totaled 778.0 million euro, down by 10.7% compared to 31/12/18 (871 million euro).

Excluding the government bonds (4.1 billion euro) classified in the customer loans, the net NPL to customer loan ratio came in at 5.0% (11.3% gross).

In particular, **bad loans** came to 148 million euro, down by 27.4% compared to 31/12/18 (204 million euro); **unlikely-to-pay loans** added up to 579 million euro, down by 4.3% compared to 31/12/18 (605 million euro); **past-due loans** stood at 51 million euro, down by 17.9% compared to 31/12/18 (62 million euro).

The NPL coverage ratio came to 59.3%, up both compared to 31/12/18 at 55.9% and compared to the prior quarter (58.9%).

More specifically, the coverage of the single NPL classes breaks down as follows:

- bad loans at 82.7% (75.1% at 31/12/18);
- UtPs at 41.7% (44.1% at 31/12/18);
- past dues at 11.2% (15.7% at 31/12/18).

The coverage of performing loans to customers (excluding government bonds) came in at 0.6%, in line with 31/12/18.

Indirect funding ran at 10.3 billion euro, up by 2.8% compared to 31/12/18, driven by the increase in assets under management, totaling 7.4 billion euro (+5.2% year to date). Assets under administration came to 2.9 billion euro, down by 2.7% over 31/12/18.

Financial assets represented by securities stood at 6.4 billion euro, down by 20.6% compared to 31/12/18 and by 12.9% over 30/06/2019, due to the above-mentioned reduction in the securities portfolio currently underway, in keeping with the 2019-2023 Business Plan. Breaking down this line-item, government bonds stood at 4.8 billion euro, down both compared to 31/12/18 (-23.4%) and to 30/06/2019 (-15.8%). The evaluation reserve of the portfolio of Italian government bonds measured at FVTOCI (net of tax effect) is positive by 4 million euro, on the rise compared to 31/12/18 (-20.5 million euro).

The bank continues to enjoy a solid liquidity position. Total eligible unencumbered assets added up to 3.7 billion euro and the liquidity ratios "LCR" and "NSFR" are well above the regulatory requirements.

Shareholders' equity and capital ratios

The Group's **Shareholders' equity** at 30 September 2019 stood at 1,636 million euro, compared to 1,566 million euro at 31 December 2018.

Under the phase-in regime, the CET1 ratio at 30 September 2019 was 1,847 million euro, against risk-weighted assets (RWA) of 9,602 million euro. Total own funds added up to 2,030 million euro.

The Bank's capital ratios are as follows:

- CET1 ratio 19.2%

- Tier 1 ratio 19.2%

- Total Capital ratio 21.1%

Our capital ratios run well above the 2019 SREP minimum requirements Creval has to comply with, namely:

- CET1 ratio 8.25%

- Tier1 ratio 9.75%

- Total Capital ratio 11.75%

The fully loaded CET1 ratio[3] at 30 September 2019 stood at 14.67%, up compared to both 31/12/18 (13.5%) and to the prior quarter (14.0%), giving rise to an excess capital of ~640 basis points over the 2019 SREP minimum requirement (8.25%).

Operating results

Net interest income stood at 262.7 million euro, down compared to the first 9M 2018 (274.4 million euro), mainly due to the impact from the NPL disposals carried out in 2018 and by the first-time adoption of IFRS 16 as of 1/1/2019.

In Q3 2019 it came in at 84.1 million euro, down compared to 87.3 million euro in the previous quarter, mainly driven by the increase in deposits volumes which took place in particular in the first six months of the year, by the lower contribution from the securities portfolio, as well as by the negative dynamics of Euribor rates.

In Q3 **net fees and commissions** stood at 62.2 million euro, in line with the prior quarter. Specifically, core banking commissions grew by 3.0%, mainly driven by the component tied to checking account management. Asset management commissions added up to 15.8 million euro, down by 7.7% q/q due to lower up-front commissions reported in Q3 2019.

On a yearly basis, net fees and commissions came to 186 million euro, down compared to 205.8 million euro of the first nine months of 2018. As to the breakdown, commissions from the traditional banking business added up to 136.1 million euro, basically in line with the same period last year (136.5 million euro). Commissions from the asset management business came to 49.9 million euro, down compared to 69.3 million euro last year, mainly due to up-front commissions tied to a special marketing campaign launched in the first part of last year.

Net income from **trading, hedging, disposal and repurchase activities** was 27.1 million euro, up compared to 15.9 million euro in 9M 2018, mainly driven by the capital gain from the disposal of the interest held in Nexi S.p.A..

Operating income added up 485.1 million euro, compared to 506.5 million euro reported in 9M 2018.

Personnel expenses amounted to 202.0 million euro, down by 22.3% compared to 259.8 million euro of the first nine months of 2018, which included the cost tied to the early termination plan implemented last year. In Q3 2019 they came in at 65.2 million euro, down by 1.6% compared to 66.2 million euro in the prior quarter.

Other administrative expenses added up to 113.3 million euro, down by 20.1% compared to the same period last year (141.8 million euro), as a result of savings achieved through cost-efficiency actions as well as of the adoption of IFRS 16. In Q3 2019 they came in at 38.0 million euro, up compared to 35.9 million euro in the prior quarter driven by the booking of the 8.6 million euro contribution to the Deposit Guarantee Scheme. Net of this contribution, other administrative expensed reported a 10.8% decline quarter on quarter.

[3] Excluding the phase-in regime of the IFRS9 FTA impact.

This line-item includes also the contribution of 11.2 million euro to the Resolution Fund (of which 8.2 million euro reported in Q1 as an ordinary contribution, and 3 million euro in Q2 2019 as an extraordinary contribution).

Net write-down of tangible and intangible assets came in at 33.2 million euro, up compared to 19.1 million euro in 9M 2018, due to the impact from the adoption of IFRS 16.

Total **operating costs** stood at 348.5 million euro, well below the 420.7 million euro posted in the same period of 2018.

Net operating profit came to 136.5 million euro, up compared to 85.8 million euro reported in the first 9M of 2018.

Net write-down/write-back for credit risk in Q3 declined to 27.4 million, coming to 129.2 million euro for the 9M. This line-item includes the recognition in Q2 2019 of non-recurring loan loss provisions aimed at strengthening the coverage ratio in view of the NPL disposal under the 2019-2023 Business Plan.

The **gain on sale/repurchase of financial assets measured at amortized cost** amounted to 8.3 million euro. It mainly refers to the sale of Government bonds held in portfolio carried out since the beginning of the year. This figure compares with a loss of 94.7 million euro in the same period last year, tied to the NPL disposals carried out in 9M 2018.

Provisions for risks and charges added up to 10.1 million euro, down by 3.4% compared to 10.4 million euro in the same period last year.

The gain on disposal of equity and other investments was 5.2 million euro.

The **income from continuing operations before tax** stood at 10.8 million euro, compared to a loss of 17.0 million euro reported in the same period last year.

Income tax for the period posted a positive contribution of 22.7 million euro, mainly as a result of the recognition of DTAs, tied to the partial reassessment of deferred taxes on past unrecognized tax losses.

The net income for the period stood at 33.4 million euro, compared to a net income of 11.4 million euro reported in 9M 2018.

Operational outlook

The 2019 growth scenario for the European economy has remained unchanged since July. The EMU GDP is expected to end the year at a rate close to 1.1%. There are still risks of downward revision due to a slowdown of the global economy and to the US/China trade tensions, which are currently cooling down.
As downside risks prevail over upside risks and inflation rates are low, the ECB decided to put into effect its summer guidance and implemented new expansionary monetary measures. Last September the ECB cut deposit rates, announced the scope of the new Quantitative Easing plan, introduced the new series of TLTROs to finance the real economy and trimmed the interest rate on deposits held by banks with the ECB.
In 9M 2019 Italy's GDP reported a muted growth and the latest estimates point to an economic growth rate in Italy close to 0.2% in 2019, and a 0.6% pickup in 2020.

Against this backdrop, in the last quarter of the year the Bank will continue to implement the 2019-2023 Business Plan guidelines, with a special focus on enhancing the efficiency of the lending activities and on optimizing of our cost base. With respect to credit quality, the coverage ratios will remain high in view of the NPL disposal set out in the Business Plan. The commercial activity will continue to focus on our core customer segments, namely households and SMEs. A prudent management of the proprietary portfolio is confirmed, leading to a progressive reduction in held securities.

Please find below the key financial highlights and alternative performance indicators, together with the reclassified consolidated Statement of Financial Position and Income statement, and the consolidated Statement of Financial Position and Income Statement.

Statement of the financial reporting officer

The financial reporting officer, Mrs. Simona Orietti, in compliance with paragraph two of art. 154 *bis* of the "Consolidated act for financial intermediation", hereby states that the accounting information illustrated in this press release is consistent with documental evidence, accounting books and book-keeping entries.

F.to Simona Orietti

Contacts

Investor relations
+39 02 80637127
investorrelations@creval.it

Media relations
+39 02 80637403
mediarelations@creval.it

Image Building
Cristina Fossati, Anna Pirtali
+39 02 89011300
creval@imagebuilding.it

Creval

CONSOLIDATED FINANCIAL HIGHLIGHTS AND ALTERNATIVE PERFORMANCE INDICATORS

STATEMENT OF FINANCIAL POSITION DATA	30/09/2019	30/06/2019	31/12/2018	Change (1)	Change (2)
(in thousands of EUR)					
Loans and receivables with customers	19,695,859	19,757,148	21,413,093	-0.31%	-8.02%
Financial assets and liabilities measured at fair value	1,008,033	1,918,737	2,038,300	-47.46%	-50.55%
Non-current assets held for sale and disposal groups	79,448	86,099	75,548	-7.72%	5.16%
Total assets	24,118,841	25,024,165	26,472,669	-3.62%	-8.89%
Direct funding from customers	18,331,484	19,231,732	19,944,672	-4.68%	-8.09%
Indirect funding from customers	10,347,217	10,317,436	10,060,828	0.29%	2.85%
of which:					
- Managed funds	7,427,193	7,315,191	7,059,571	1.53%	5.21%
Total funding	28,678,701	29,549,168	30,005,500	-2.95%	-4.42%
Equity	1,636,385	1,613,669	1,566,242	1.41%	4.48%

(1) Calculated compared to 30/06
(2) Calculated compared to 31/12 of the previous year

SOLVENCY RATIOS	30/09/2019(*)	30/06/2019	31/12/2018
Common Equity Tier 1 capital / Risk-weighted assets (CET1 capital ratio)	19.2%	18.5%	18.3%
Tier 1 capital / Risk-weighted assets (Tier 1 capital ratio)	19.2%	18.5%	18.3%
Total own funds / Risk-weighted assets (Total capital ratio)	21.1%	20.3%	20.2%

(*) Figures calculated provisionally pending the submission to the Supervisory Authority

FINANCIAL STATEMENT RATIOS	30/09/2019	30/06/2019	31/12/2018
Indirect funding from customers / Total funding	36.1%	34.9%	33.5%
Managed funds / Indirect funding from customers	71.8%	70.9%	70.2%
Direct funding from customers / Total liabilities and equity	76.0%	76.9%	75.3%
Loans and receivables with customers / Direct funding from customers	107.4%	102.7%	107.4%
Loans and receivables with customers / Total assets	81.7%	79.0%	80.9%

CREDIT RISK	30/09/2019	30/06/2019	31/12/2018	Change (1)	Change (2)
Net bad loans (in thousands of EUR)	148,479	161,439	204,422	-8.03%	-27.37%
Other net doubtful loans (in thousands of EUR)	629,540	632,963	666,761	-0.54%	-5.58%
Net non-performing loans (in thousands of EUR)	778,019	794,402	871,183	-2.06%	-10.69%
Net bad loans / Loans and receivables with customers	0.8%	0.8%	1.0%		
Other net doubtful loans / Loans and receivables with customers	3.2%	3.2%	3.1%		
Net non-performing loans / Loans and receivables with customers	4.0%	4.0%	4.1%		

(1) Calculated compared to 30/06
(2) Calculated compared to 31/12 of the previous year

Loans and receivables with customers classified under non-current assets held for sale and disposal groups are not included

(in thousands of EUR)

CREDIT QUALITY	30/09/2019				31/12/2018			
	Gross amount	Impairment losses	Carrying amount	% coverage	Gross amount	Impairment losses	Carrying amount	% coverage
Non-performing loans								
Bad loans	860,146	-711,667	148,479	82.7%	820,875	-616,453	204,422	75.1%
Unlikely to pay	992,904	-413,874	579,030	41.7%	1,082,291	-477,036	605,255	44.1%
Past due non-performing loans	56,866	-6,356	50,510	11.2%	72,952	-11,446	61,506	15.7%
Total non-performing loans	**1,909,916**	**-1,131,897**	**778,019**	**59.3%**	**1,976,118**	**-1,104,935**	**871,183**	**55.9%**
Performing loans - stage 1	17,584,809	-25,374	17,559,435	0.14%	19,008,566	-34,170	18,974,396	0.18%
Performing loans - stage 2	1,418,521	-60,116	1,358,405	4.24%	1,629,593	-62,079	1,567,514	3.81%
Total loans and receivables with customers	**20,913,246**	**-1,217,387**	**19,695,859**		**22,614,277**	**-1,201,184**	**21,413,093**	

The coverage ratio is calculated as the ratio between impairment losses and gross amount
Loans and receivables with customers classified under non-current assets held for sale and disposal groups are not included
At 30 September 2019 performing loans includes Government bond for a gross amount of EUR 4,084,051 thousand

Government bond/Countries	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Financial assets at amortised cost	Total	HTCS reserve(*)
Italy	200	717,416	3,408,403	4,126,019	3,577
Spain	-	-	598,046	598,046	-
Portugal	-	-	40,264	40,264	-
Other	5	-	37,133	37,138	-
Total	**205**	**717,416**	**4,083,846**	**4,801,467**	**3,577**

(*) Reserve related to financial assets classified as Financial assets at fair value through other comprehensive income calculated after the tax effect

ORGANISATIONAL DATA	30/09/2019	30/06/2019	31/12/2018	Change(1)	Change(2)
Number of employees	3,658	3,668	3,668	-0.27%	-0.27%
Number of branches	362	362	365	-	-0.82%

(1) Calculated compared to 30/06
(2) Calculated compared to 31/12 of the previous year

RECLASSIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AND INCOME STATEMENT

The consolidated results include, starting from January 1, 2019, the effects of the first time adoption of IFRS 16, which entails a different accounting for existing leasing transactions, both from an economic and an asset perspective. The period of comparison, referring to 31 December 2018 and the first nine months of 2018, have not been restated. Therefore some elements are not perfectly comparable.

RECLASSIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in thousands of EUR)

ASSETS	30/09/2019	31/12/2018	Change
Cash and cash equivalents	174,718	200,153	-12.71%
Financial assets at fair value through profit or loss	201,850	235,378	-14.24%
Financial assets at fair value through other comprehensive income	981,913	1,937,531	-49.32%
Loans and receivables with banks	1,402,692	1,205,925	16.32%
Loans and receivables with customers	19,695,859	21,413,093	-8.02%
Equity investments	18,259	20,269	-9.92%
Property, equipment and investment property and intangible assets (1)	601,886	447,642	34.46%
Non-current assets held for sale and disposal groups	79,448	75,548	5.16%
Other assets (2)	962,216	937,130	2.68%
Total assets	**24,118,841**	**26,472,669**	**-8.89%**

(1) Include items "90. Property, equipment and investment property" and "100. Intangible assets"
(2) Include items "110. Tax assets" and "130. Other assets"

(in thousands of EUR)

LIABILITIES AND EQUITY	30/09/2019	31/12/2018	Change
Due to banks	2,927,658	4,096,231	-28.53%
Direct funding from customers (1)	18,331,484	19,944,672	-8.09%
Financial liabilities held for trading	375	64	n.s.
Hedging derivatives	175,355	134,545	30.33%
Liabilities included in disposal groups classified as held for sale	2,419	2,271	6.52%
Other liabilities	806,401	491,739	63.99%
Provisions for specific purpose (2)	238,744	236,885	0.78%
Equity attributable to non-controlling interests	20	20	-
Equity (3)	1,636,385	1,566,242	4.48%
Total liabilities and equity	**24,118,841**	**26,472,669**	**-8.89%**

(1) Includes items "10. Financial liabilities measured at amortised cost: b) due to customers; c) securities issued"
(2) Include items "60. Tax liabilities", "90. Post-employment benefits" and "100. Provisions for risks and charges"
(3) Includes items "120. Valuation reserves", "150. Reserves", "160. Share premium reserve", "170. Capital", "180. Treasury shares", and "200. Profit for the period"

RECLASSIFIED CONSOLIDATED INCOME STATEMENT

(in thousands of EUR)

ITEMS	Q3 2019	Q3 2018	Change
Net interest income	**262,656**	**274,386**	**-4.27%**
Net fee and commission income	186,006	205,751	-9.60%
Dividends and similar income	1,093	1,895	-42.32%
Profit of equity-accounted investments (1)	1,357	1,931	-29.73%
Net trading, hedging income (expense) and profit (loss) on sales/repurchases (2)	27,121	15,911	70.45%
Other operating net income (3)	6,824	6,669	2.32%
Operating income	**485,057**	**506,543**	**-4.24%**
Personnel expenses	(201,967)	(259,805)	-22.26%
Other administrative expenses (4)	(113,300)	(141,813)	-20.11%
Depreciations/amortisations and net impairment losses on property, equipment and investment property and intangible assets (5)	(33,249)	(19,109)	74.00%
Operating costs	**(348,516)**	**(420,727)**	**-17.16%**
Net operating profit	**136,541**	**85,816**	**59.11%**
Impairment or reversal of impairment and modification gains (losses) (6)	(129,239)	(13,054)	n.s.
Profit (Losses) on derecognition of financial assets valued at the amortised cost (7)	8,288	(94,748)	n.s.
Net accruals to provisions for risks and charges	(10,061)	(10,418)	-3.43%
Net gains on sales of investments and valuation differences on property and equipment at fair value (8)	5,236	15	n.s.
Badwill (9)	-	15,357	n.s.
Pre-tax profit (loss) from continuing operations	**10,765**	**(17,032)**	**n.s.**
Income taxes	22,681	30,856	-26.49%
Post-tax profit from continuing operations	**33,446**	**13,824**	**141.94%**
Profit for the period attributable to non-controlling interests	-	(2,416)	n.s.
Profit for the period	**33,446**	**11,408**	**193.18%**

(1) Net gains on equity-accounted investments include net gains (losses) on equity-accounted investments included in item "250. Net gains on equity investments"; the residual amount of that item is included in gains on sales of investments, together with item "280. Net gains (losses) on sales of investments"
(2) Includes item "80. Profit (Losses) on trading", "90. Fair value adjustments in hedge accounting", "100. Profit (loss) on sale or repurchase of: a) financial assets at amortised cost; b) financial assets at fair value through other comprehensive income; c) financial liabilities" and "110, Profits (Losses) on other assets and liabilities at fair value through profit or loss: a) financial assets and liabilities measured at fair value; b) other financial assets mandatorily measured at fair value through profit or loss"
(3) Other income and charges correspond to item "230. Other operating expenses/income" net of the explained reclassifications
(4) Other administrative expenses include recoveries of taxes and other recoveries recognised in item "230. Other operating expenses/income" (EUR 28,033 thousand in the Q3 2019 and EUR 31,882 thousand in the Q3 2018);
(5) The net impairment losses on property and equipment and intangible assets include items "210. Depreciation and net impairment losses on property and equipment", "220. Amortisation and net impairment losses on intangible assets" and the accumulated depreciation of costs incurred for leasehold improvements included in item "230. Other operating expenses/income"(EUR 665 thousand in the Q3 2019 and EUR 724 thousand in the Q3 2018)
(6) Include items "130. Impairment or reversal of impairment on: a) financial assets at amortised cost; b) financial assets at fair value through other comprehensive income" and "140. Modification gains (losses)"
(7) Include item "100. Net gains (losses) on sales or repurchase of: a) financial assets valued at the amortised cost"
(8) Include the residual amount of item "250. Net gains on equity investments" not included among net gains on equity-accounted investments, together with item "280. Net gains on sales of investments" and item "260. Net result of property, equipment and investment property and intangible assets at fair value", with the exception of the component relating to real estate inventories
(9) Includes the badwill recognised in item "230. Other operating net income"

NOTES

The statement of financial position as of 30 September 2019, shows the standing of Credito Valtellinese and the companies directly and indirectly controlled by it, or the companies in which Credito Valtellinese directly holds the majority of shares or a shareholding less than the absolute majority that in any event allows it to manage the important assets of the company in which it holds shares.

The Group accounting policies used for preparing the information provided, with reference to the registration, valuation and deletion criteria for each asset and liability item, as with the recognition methods for revenue and costs, remained the same as those used for the financial statements at 31 December 2018, except for the accounting policies linked to the introduction of the new international accounting principle in effect as of 1 January 2019, the IFRS 16 "Leases". Specifically, the effects of the IFRS 16 "Leases" are summarised in the Condensed Interim Consolidated Report at 30 June 2019.

The items "10. Interest and similar income" and "20. Interest and similar expense" of the first nine months of 2018 have been restated with respect to those published as a result of the reclassification of interest on hedging derivatives as required by the 5th update of Circular no. 262 of the Bank of Italy.

The statement of financial position was not submitted for audit by an independent auditor.

Creval

PRESS RELEASE

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in thousands of EUR)

ASSETS	30/09/2019		31/12/2018	
10. Cash and cash equivalents		174,718		200,153
20. Financial assets at fair value through profit or loss		201,850		235,378
a) financial assets held for trading	10,353		40,010	
c) other financial assets mandatorily measured at fair value	191,497		195,368	
30. Financial assets at fair value through other comprehensive income		981,913		1,937,531
40. Financial assets at amortised cost		21,098,551		22,619,018
a) loans and receivables with banks	1,402,692		1,205,925	
b) loans and receivables with customers	19,695,859		21,413,093	
70. Equity investments		18,259		20,269
90. Property, equipment and investment property		583,560		432,573
100. Intangible assets		18,326		15,069
110. Tax assets		757,305		746,744
a) current	67,587		66,629	
b) deferred	689,718		680,115	
120. Non-current assets held for sale and disposal groups		79,448		75,548
130. Other assets		204,911		190,386
Total assets		**24,118,841**		**26,472,669**

LIABILITIES AND EQUITY	30/09/2019		31/12/2018	
10. Financial liabilities at amortised cost		21,259,142		24,040,903
a) due to banks	2,927,658		4,096,231	
b) due to customers	17,266,410		18,395,288	
c) securities issued	1,065,074		1,549,384	
20. Financial liabilities held for trading		375		64
40. Hedging derivatives		175,355		134,545
60. Tax liabilities		7,928		5,665
a) current	3,616		1,955	
b) deferred	4,312		3,710	
70. Liabilities included in disposal groups classified as held for sale		2,419		2,271
80. Other liabilities		806,401		491,739
90. Post-employment benefits		36,724		35,571
100. Provisions for risks and charges:		194,092		195,649
a) commitments and guarantees given	15,729		15,815	
b) pension and similar obligations	36,826		35,669	
c) other provisions for risks and charges	141,537		144,165	
120. Valuation reserves		-3,103		-33,560
150. Reserves		-949,308		-987,270
160. Share premium reserve		638,667		638,667
170. Share capital		1,916,783		1,916,783
180. Treasury shares (-)		-100		-100
190. Equity attributable to non-controlling interests (+/-)		20		20
200. Profit for the period (+/-)		33,446		31,722
Total liabilities and equity		**24,118,841**		**26,472,669**

CONSOLIDATED INCOME STATEMENT

(in thousands of EUR)

ITEMS	Q3 2019		Q3 2018	
10. Interest and similar income		333,609		346,223
20. Interest and similar expense		(70,953)		(71,837)
30. Net interest income		**262,656**		**274,386**
40. Fee and commission income		210,005		228,521
50. Fee and commission expense		(23,999)		(22,770)
60. Net fee and commission income		**186,006**		**205,751**
70. Dividends and similar income		1,093		1,895
80. Profits (Losses) on trading		3,288		1,336
90. Net hedging income (expense)		(142)		(214)
100. Profit (Loss) on sale or repurchase of:		12,143		(76,626)
a) financial assets at amortised cost	8,288		(94,748)	
b) financial assets at fair value through other comprehensive income	3,882		18,051	
c) financial liabilities	(27)		71	
110. Profits (losses) on other assets and liabilities at fair value through profit or loss		20,120		(3,333)
b) other financial assets mandatorily measured at fair value	20,120		(3,333)	
120. Total income		**485,164**		**403,195**
130, Net impairment losses for credit risk on:		(127,123)		(12,300)
a) financial assets at amortised cost	(127,690)		(10,115)	
b) financial assets at fair value through other comprehensive income	567		(2,185)	
140. Gains/losses from amendments to contracts without derecognition		(2,116)		(754)
150. Net financial income		**355,925**		**390,141**
190. Administrative expenses:		(343,300)		(433,500)
a) personnel expenses	(201,967)		(259,805)	
b) other administrative expenses	(141,333)		(173,695)	
200. Net accruals to provisions for risks and charges		(10,061)		(10,418)
a) commitments and guarantees given	86		(1,512)	
b) other net accruals	(10,147)		(8,906)	
210. Depreciation and net impairment losses on property, equipment and investment property		(27,269)		(13,103)
220. Amortisation and net impairment losses on intangible assets		(5,315)		(5,282)
230. Other operating net income		34,253		53,184
240. Operating costs		**(351,692)**		**(409,119)**
250. Net gains on equity investments		1,357		1,931
260. Net result of property, equipment and investment property and intangible assets at fair value measured at fair value		(137)		-
280. Net gains (losses) on sales of investments		5,312		15
290. Pre-tax profit (loss) from continuing operations		**10,765**		**(17,032)**
300. Income taxes		22,681		30,856
330. Profit for the period		**33,446**		**13,824**
340. Profit for the period attributable to non-controlling interests		-		(2,416)
350. Profit for the period attributable to owners of the parent		**33,446**		**11,408**

Fine Comunicato n.0105-55	Numero di Pagine: 17