Informazione Regolamentata n. 0105-10-2020	Data/Ora Ricezione 11 Marzo 2020 08:29:10	MTA

Societa'	:	CREDITO VALTELLINESE
Identificativo Informazione Regolamentata	:	128570
Nome utilizzatore	:	CRVALTELN02 - CAMOZZI
Tipologia	:	REGEM
Data/Ora Ricezione	:	11 Marzo 2020 08:29:10
Data/Ora Inizio Diffusione presunta	:	11 Marzo 2020 08:29:11
Oggetto	:	Board Resolutions and SREP 2020

Testo del comunicato

Vedi allegato.

Creval

PRESS RELEASE

APPROVED DRAFT ANNUAL REPORT OF CREDITO VALTELLINESE S.P.A. AND THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2019 (CONSOLIDATED NET INCOME OF 56.2 MILLION EURO, +77% Y/Y)

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RESOLVED TO SUBMIT FOR THE APPROVAL OF THE FOLLOWING PROPOSALS BY THE COMBINED EXTRAORDINARY AND ORDINARY GENERAL SHAREHOLDERS MEETING:

- **THE REVERSE SPLIT OF ORDINARY SHARES;**
- **THE RECOMPOSITION OF EQUITY ITEMS, AS A PRECONDITION FOR DIVIDEND PAYMENTS ENVISAGED IN THE BUSINESS PLAN**

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2020 SREP REQUIREMENTS HAVE BEEN LARGELY EXCEEDED, CONFIRMING THE SIGNIFICANT CAPITAL BUFFER AND THE BANK'S GREAT SOLIDITY:

- **Fully-loaded CET1 at 31/12/19 at 15.5% vs. SREP requirement of 8.55%**

Sondrio, 11 March 2020 – The Board of Directors of Creval examined and approved, yesterday late in the evening, the draft annual report of Credito Valtellinese and the consolidated financial statements as of 31 December 2019, confirming the preliminary results that had been approved on 5 February (to which reference should be made), reporting a consolidated net income of 56.2 million euro, up by 77% on a yearly basis.

During the Ordinary shareholders' meeting, the Board of Directors shall propose to allocate the net income of the Parent company Credito Valtellinese S.p.A., amounting to Euro 59,233,470, to reserves and coverage of loss carryforwards. As already communicated to the market in the 2019-2023 business plan, dividend payments are expected to be resumed as of 2021, based on the net income of the current year.

In order to facilitate it, the BoD has decided - subject to the required authorizations from the competent Authorities - to submit the resolution on "V*oluntary share capital reduction to cover negative equity items including loss carryforwards following the prior use of reserves set aside for this purpose*" for approval by the Extraordinary shareholders meeting, which will be held together with the Ordinary general shareholders meeting. This proposal has no effect on the financial position or on the regulatory capital ratios, as it brings the Bank's net equity to its actual value, thus laying the preconditions for the resumption of dividend payments, in accordance with the procedures and time frame set out in the Business Plan.

The BoD has also resolved to submit for approval of the *"Reverse split of Credito Valtellinese S.p.A. ordinary shares, based on a ratio whereby every 100 shares held are to be combined into 1 new share (the "Reverse split")"* by the extraordinary shareholders meeting. Although the reverse split is neutral from a financial and balance-sheet perspective, it is expected to create benefits in terms of lower volatility and greater liquidity, which should facilitate shares trading, thanks to a lower technical price sensitivity to the changes by one cent or by one thousandth of a Euro. Moreover, this proposal is aimed at improving the market's perception of the Creval stock, placing it among its peers with respect to the price.

The Notice to convene the Ordinary and Extraordinary Shareholders' Meeting will be published within the prescribed time limits, together with the explanatory reports covering the items on the agenda of the General meetings pursuant to art. 125-ter of TUF.

Finally, the BoD has examined the communication of the Bank of Italy on the launch of the procedure for the adoption of the Overall Capital Requirements, which Creval is required to comply with as of the first report on own funds following the end of the administrative procedure. The Board of Directors has resolved not to present any remark on the indicated capital levels that leave the Bank's significant capital buffer almost unchanged.

The consolidated requirements have been defined as follows:

- **CET 1 ratio** of **8.55%**, resulting from:
  - a minimum capital requirement of 4.5%,
  - the additional Pillar 2 requirement ("P2R") based on the SREP outcome of **1.55%**
  - the capital conservation buffer component for the remaining part;
- **Tier1 ratio** of **10.05%**, resulting from:
  - a minimum capital requirement of 6.0%,
  - the additional Pillar 2 requirement ("P2R") based on the SREP outcome of **1.55%**
  - the capital conservation buffer component for the remaining part;
- **Total Capital ratio** of **12.05%**, resulting from:
  - a minimum capital requirement of 8.0%,
  - the additional Pillar 2 requirement ("P2R") based on the SREP outcome of **1.55%**
  - the capital conservation buffer component for the remaining part.

At 31 December 2019, Creval's consolidated capital ratios stood well above the aforementioned requirements, reporting a capital buffer among the highest across the Italian banking industry, thus confirming the excellent solidity achieved by the Bank:

- CET 1 ratio: 20.1% phase-in and 15.5% fully loaded;
- Total capital ratio: 22.1% phase-in and 17.7% fully loaded.

The draft annual report, the consolidated financial statements, the Consolidated non-financial statement (*Dichiarazione consolidata di carattere non finanziario* - DCNF) under articles 3 and 4 of Lgs.D. no. 254/2016, the Corporate governance report, and the Report on remuneration policies and considerations paid shall be made available to the public, within the prescribed time-period, at the Corporate head office, on the Bank's website (www.gruppocreval.com), and on the website of the authorized central storage mechanism eMarket Storage (www.emarketstorage.com).

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Fine Comunicato n.0105-10	Numero di Pagine: 5