



**UPDATE OF THE STATEMENT OF THE BOARD OF DIRECTORS OF
BANCA PICCOLO CREDITO VALTELLINESE S.P.A.**

in accordance with article 103, paragraphs 3 and 3-bis of the Legislative Decree of 24 February 1998, No. 58, as subsequently amended and supplemented, and article 39, paragraph 4, second sentence, of the CONSOB Regulation, adopted with resolution No. 11971 of 14 May 1999 as subsequently amended and supplemented, regarding the

**TOTALITARIAN VOLUNTARY TENDER OFFER
PROMOTED BY CRÉDIT AGRICOLE ITALIA S.P.A.**

in accordance with articles 102, paragraph 1, and 106, paragraph 4, of the Legislative Decree of 24 February 1998, No. 58, as subsequently amended and supplemented

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19 April 2021

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1. RECITALS

On 14 April 2021, the Bidder published a notice pursuant to Articles 36 and 43 of the Issuers' Regulation (the "**Consideration Increase Notice**"), relating to the voluntary public tender offer pursuant to Articles 102, paragraph 1, and 106, paragraph 4, of the Consolidated Law on Financial Brokerage promoted by CAI on the Shares involved in the Voluntary Tender Offer (the "**Offer**"), pursuant to which announced its decision to increase the Consideration of the Offer, originally equal to Euro 10.500 (*cum dividendo*) for each Creval Share brought in acceptance to the Offer, to Euro 12.200 (*cum dividendo*) (the "**New Consideration**").

The Consideration Increase Notice also provides that, if as a result of the Offer and of the acceptances to the Offer and/or purchases outside of the Offer during the Acceptance Period, the Bidder and the People who Act in Concert come to hold a total stake of more than 90% of Creval's share capital, the Bidder will pay, in addition to the New Consideration, an additional consideration of Euro 0.300 for each Creval Share brought in acceptance to the Offer (the "**Additional Consideration**").

This statement, drafted pursuant to art. 103, paragraphs 3 and 3-*bis* of the Consolidated Law on Financial Brokerage and art. 39, paragraph 4, second sentence of the Issuers' Regulations (the "**Issuer's Statement Update**") shall be read as an integration of, and therefore jointly with, the Issuer Statement published on 28 March 2021, to which reference is made for all that is not otherwise indicated herein, where applicable.

Capitalized terms not otherwise defined in this Issuer's Statement Update have the same meaning ascribed to them in the Issuer's Statement.

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Shareholders are invited to carefully read the Issuer's Statement and this Issuer's Statement Update in order to benefit from a wealth of information including the assessments of Creval's Board of Directors on the Offer.

In any event, it should be noted that, for a full and complete understanding of the assumptions, terms and conditions of the Offer, reference should be made to the Offer Document and the Consideration Increase Notice published and made available by the Bidder pursuant to the applicable provisions of law and regulations.

This Issuer's Statement Update does not in any way constitute, nor can it be construed as, a recommendation to accept or not accept the Offer, as amended as a result of the Consideration Increase Notice, nor does it replace the opinion of each Shareholder in relation to the Offer.

2. DESCRIPTION OF THE BOARD OF DIRECTORS' MEETING WHICH APPROVED THE UPDATE OF THE ISSUER'S STATEMENT

2.1 Participants at the Board of Directors meeting

Creval's Board of Directors in office as of the date of this Issuer's Statement Update consisted of 15 members and was appointed by the Shareholders' Meeting on 19 April 2021.

At the meeting of the Board of Directors held on 19 April 2021, when the Offer was examined, as amended as a result of the Consideration Increase Notice, and the Issuer's Statement Update approved, the following directors took part in person or by audio conference:

Name and Surname	Office
Alessandro Ludovico Trotter	Chairman of the Board of Directors
Stefano Caselli	Deputy Chairperson Vicario of the Board of Directors (*)
Massimiliano Scrocchi	Deputy Chairperson of the Board of Directors
Luigi Lovaglio	Chief Executive Officer
Livia Aliberti Amidani	Director (*)
Paola Bruno	Director (*)
Maria Giovanna Calloni	Director (*)
Paolo Ciccarelli	Director (*)
Annalisa Donesana	Director (*)
Anna Doro	Director (*)
Fausto Alberto Edoardo Galmarini	Director (*)
Serena Gatteschi	Director (*)
Stefano Gatti	Director (*)
Jacob Frans Kalma	Director (*)
Teresa Naddeo	Director (*)

(*) Directors which have declared to be in possession of the independence prerequisites laid down by article 148 of the Consolidated Law on Financial Brokerage and the implementation regulation of article 26 of the Consolidated Banking Act as well as pursuant to the Corporate Governance Code.

For the Board of Statutory Auditors, the following were present: Mrs Francesca Michela Maurelli, Chairman, Mr Paolo Cevolani and Mr Alessandro Stradi, Statutory Auditors.

Also taking part in the board's work, as invited, subject to the prior unanimous consent of those in attendance, the representatives of the financial advisors BofA Securities, Mediobanca and Intermonte and of the legal advisor Cappelli RCCD.

2.2 Specification of own or third-party interests related to the Offer

Before the start of the discussion of the item on the agenda relating to the examination of the Offer and the approval of the Issuer's Statement Update, the following directors of Creval declared to have an own interest or an interest on behalf of third parties, in relation to the Offer, also pursuant to article 2391 of the Italian Civil Code, article 53, paragraph 4 of the Consolidated Banking Law and article 39, paragraph 1, letter b) of the Issuers' Regulations:

- (i) the Chairman, Mr Alessandro Ludovico Trotter, as holder, in his own interest, of 40,010 Creval Shares;
- (ii) the Chief Executive Officer and General Manager, Mr Luigi Lovaglio, as holder, in his own interest, of 110,000 Creval Shares;
- (iii) the Director, Mr Fausto Alberto Edoardo Galmarini, as owner, in his own interest, of 10,000 Creval Shares;
- (iv) the Director, Massimiliano Scrocchi, as owner, in his own interest, of 40,060 Creval Shares.

The Board of Directors, having assessed and taken note of the aforementioned declarations, considered them for the purposes of its own analysis regarding the Offer and the approval of the Issuer's Statement Update.

2.3 Documentation Examined

The Board of Directors, in its evaluation of the Offer, as amended as a result of the Consideration Increase Notice, and for the purposes of this Issuer's Statement Update, reviewed - in addition to the documentation indicated in Paragraph 3.3 of the Issuer's Statement to which reference should be made - the following documentation:

- CAI's press release of 29 March 2021 entitled "Start of the tender period";
- CAI's press release of 31 March 2021 entitled "Creval Shareholders' meeting - individual proposal for resolution";
- CAI's press release of 31 March 2021 entitled "Considerations regarding the Statement of Creval's Board of Directors on the Voluntary Tender Offer on Creval Ordinary Shares";
- CAI's press release of 6 April 2021 entitled "Public Tender Offer promoted by Crédit Agricole Italia on Creval shares";
- CAI's press release of 14 April 2021 entitled "Amendments to the offer: increase of the consideration".

2.4 Outcome of the Board of Directors' meeting

As a result of the Board meeting held on 19 April 2021, the Board of Directors approved, by unanimous vote, this Issuer's Statement Update.

3. EVALUATIONS AND CONCLUSIONS OF THE BOARD OF DIRECTORS

The Board of Directors of Creval has acknowledged and appreciated that, also following the observations and evaluations expressed in the Issuer's Statement, the Bidder has increased the Consideration to Euro 12.200 (*cum dividendo*) for each Creval Share brought in acceptance to the Offer.

The Board of Directors highlight that on 28 March 2021 the financial advisors BofA Securities and Mediobanca, for the purposes and in the context of the approval of the Issuer's Statement, issued their fairness opinions on the adequacy of the Consideration offered by CAI, which consideration valuations and conclusions remain substantially valid and confirmed.

The Board of Directors, reaffirming that the integration between Creval and the CAI group may generate benefits for the stakeholders involved, note that the increase of the Consideration to 12.200 Euro (*cum dividendo*) does not yet adequately recognise the value of the Bank and is, therefore, not sufficient itself to change the previous considerations and valuations made by the Board of Directors in the Issuer's Statement dated 28 March 2021.

The Board of Directors note also that CAI's payment of an Additional Consideration of Euro 0.300 for each Creval Share (which would bring the total consideration to Euro 12.500) is, in any case, conditional upon CAI reaching a shareholding of more than 90% of Creval's share capital, although it represents an appreciable additional recognition in favor of the Shareholders that would bring the Offer closer to the minimum values identified by the financial advisors BofA Securities and Mediobanca in their respective fairness opinions dated 28 March 2021.

Indeed, the Bidder has subordinated the payment of such Additional Consideration to the achievement of a very high threshold of the Issuer's share capital (by the way higher than the threshold to which the Bidder has conditioned the effectiveness of the Offer equal to 66.67%, which could be partially waived to 50% + 1 Creval Share) making, therefore, uncertain the payment of this incremental component of the Consideration. The structure of the Offer seems not to allow, at the time of its acceptance, a certain evaluation of the total amount offered by CAI by the Shareholders, which do not have a symmetrical right to accept the Offer subject to the payment of this Additional Consideration.

This Issuer's Statement Update is published on the Issuer's web site, Investor Relations/Credit Agricole voluntary Tender Offer on Creval shares section, website at www.gruppocreval.it, and has been sent, at the same time of its publication, to the Bidder in accordance with the provisions of Art. 36, paragraph 4, of the Issuers' Regulations.

This document does not constitute nor could be interpreted as an offer of purchase and/or exchange, nor as a solicitation of offers to sell, subscribe, exchange or otherwise dispose of, financial instruments. The Offer is promoted by Crédit Agricole Italia S.p.A. and is made by means of the publication, by Crédit Agricole Italia S.p.A., of the respective Offer Document, subject to approval by CONSOB. The Offer Document and the notice of increase of the Consideration contain the full description of the terms and conditions of the Offer and the methods of acceptance. Before accepting the Offer, shareholders are recommended to carefully read the Offer Documentation published in accordance with the law and the Issuer's Document and this Issuer's Statement Update.

A full or partial copy of this document, as with any other document regarding the Offer, has not and must not be sent, or transmitted or distributed in any way, directly or indirectly, in the United State of America (or to "U.S. Persons" as defined in accordance with the U.S. Securities Act of 1933), in Canada, Japan and Australia, as well as any other country should this not be allowed in the absence of authorisation by the competent authorities or of other obligations (these countries, including the United States of America, Canada, Japan and Australia, being, collectively, "Excluded Countries") or should this constitute a breach of the applicable laws in these Excluded Countries. Anyone who receives the aforementioned documents must not distribute, send or forward them (either by post or through any other means or communication or commercial instrument) in the Excluded Countries and/or to subjects residing, domiciled or currently located in the Excluded Countries.