



Creval

1Q 2021 Financial Results

Continuing the positive commercial trend

Milan, 6th May 2021

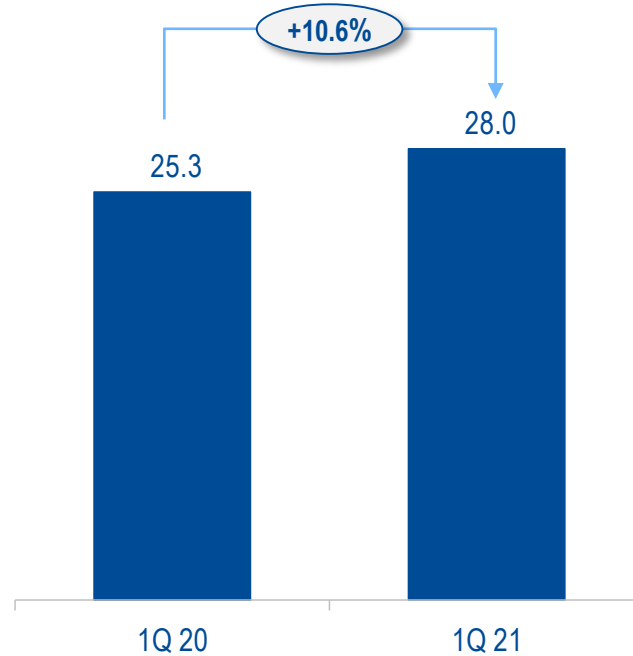
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- Pursuant the consolidated law on financial intermediation of 24 February 1998 (article 154-bis, paragraph 2), Simona Orietti, in her capacity as manager in charge of financial reporting declares that the accounting information contained in this Presentation reflects the group's documented results, financial accounts and accounting records.

- Net profit at €28m, +10.6% y/y in comparison with reported Q1 20 net profit at €25.3m
- Net operating income up by 22.7% y/y thanks to improvement in both revenues and costs
- Core revenues at €146m, +4.7% y/y thanks to growth in both NII (+4.7%) and F&C (+4.8%)
- Costs down by 5.0% y/y driven by further efficiencies in NHR costs
- NPE ratio at 5.8%, -280 bps y/y, CoR at 56 bps
- Strong capital position with CET1 ratio FL up by 410 bps y/y, reaching 19.8%

Net profit

€/m

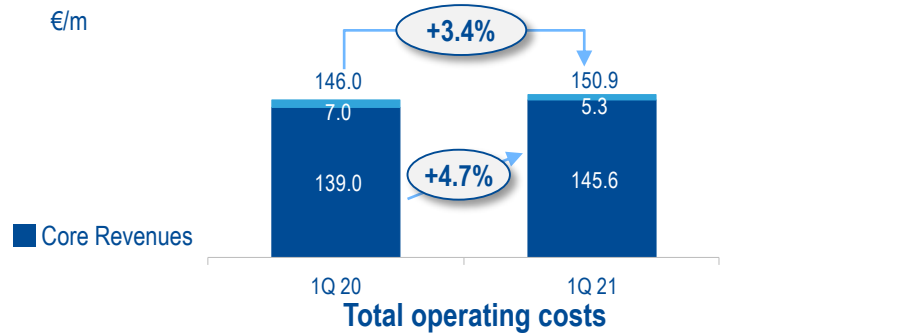


- Net profit at 28.0m, + 10.6% y/y thanks to strong growth of net operating income
- Commercial development supporting positive y/y dynamic (Q1 20 included one-off gains on the pawn business disposal)

Net operating income

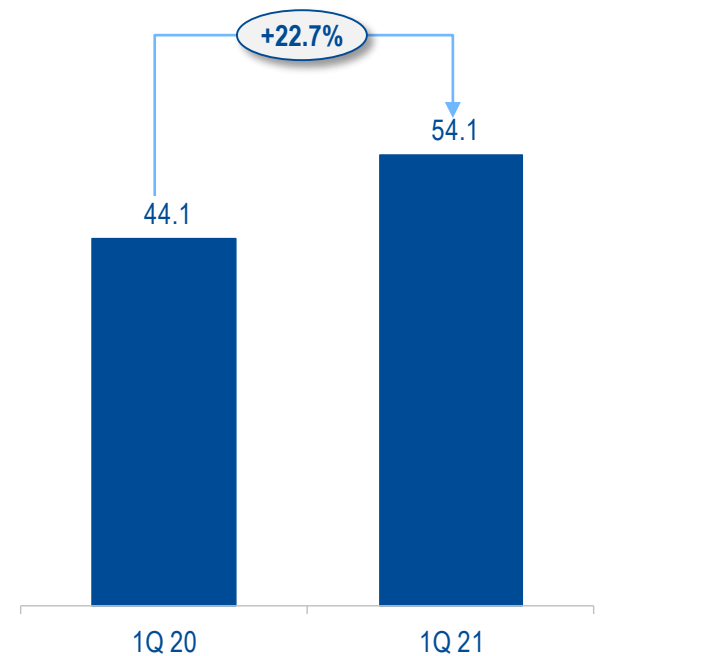
Operating income

€/m



Net operating income

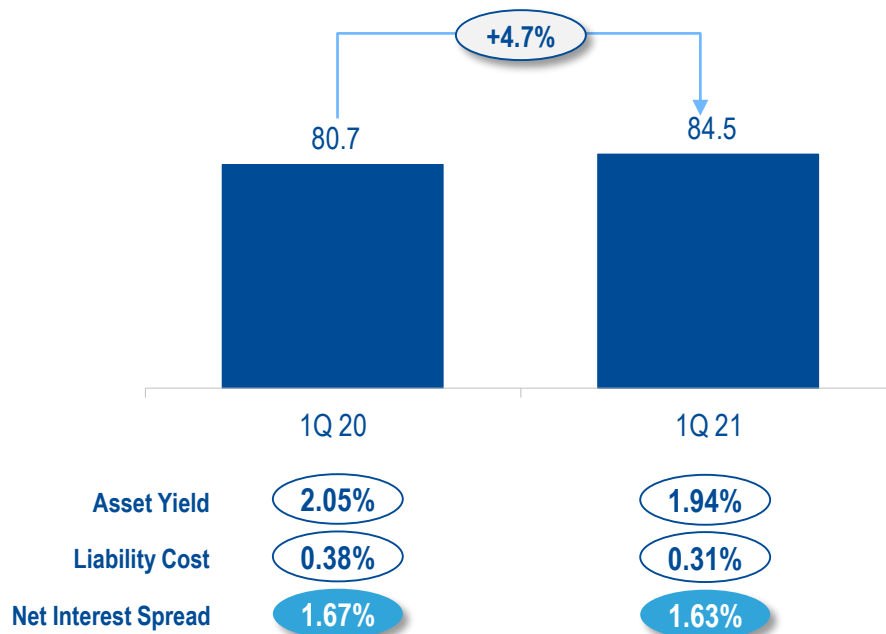
€/m



- Strong growth of net operating income, +22.7% y/y thanks to improvement in both revenues and costs
- Core revenues up by 4.7% y/y

Net interest income

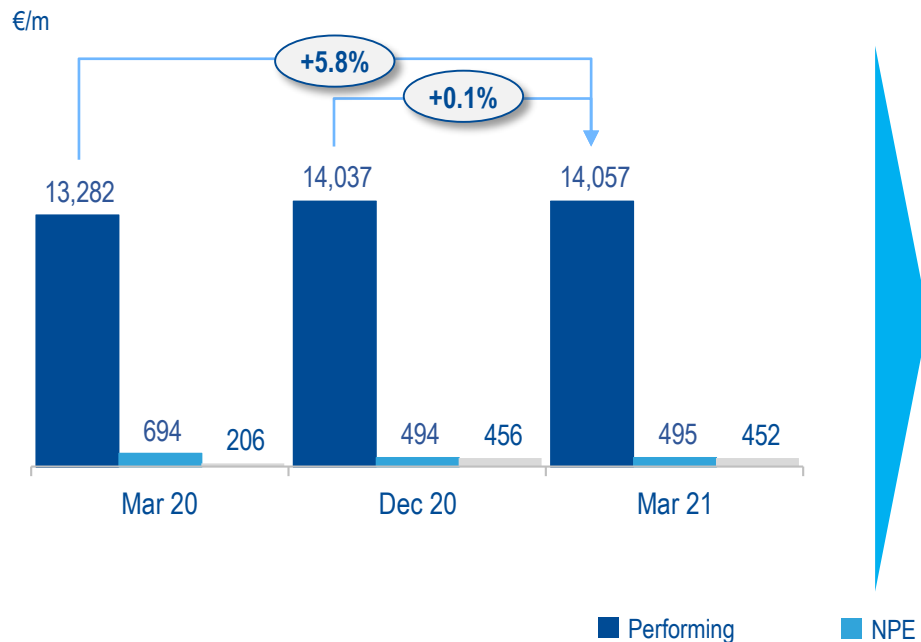
€/m



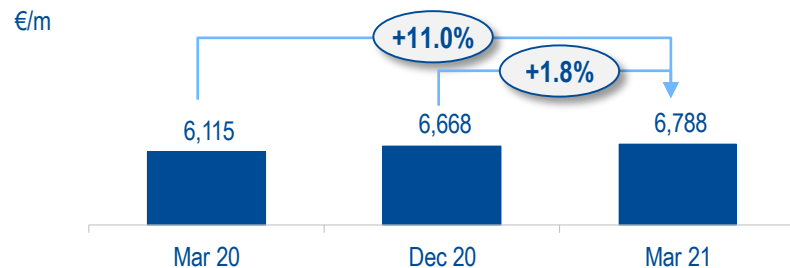
- Net interest income at 84.5m, + 4.7% y/y supported by TLTRO and improving assets mix, which more than offset market wide pressure on spreads and impact of NPEs disposals

Net customer loans

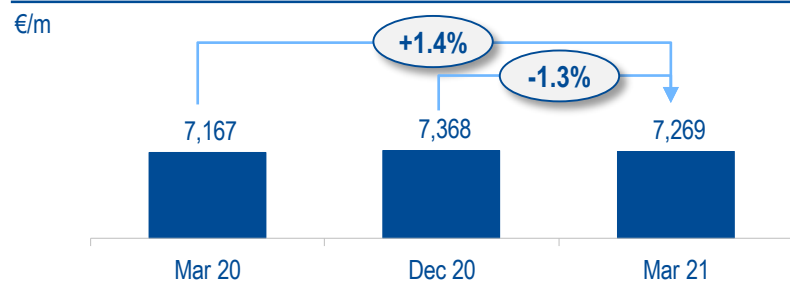
Net loans



Retail



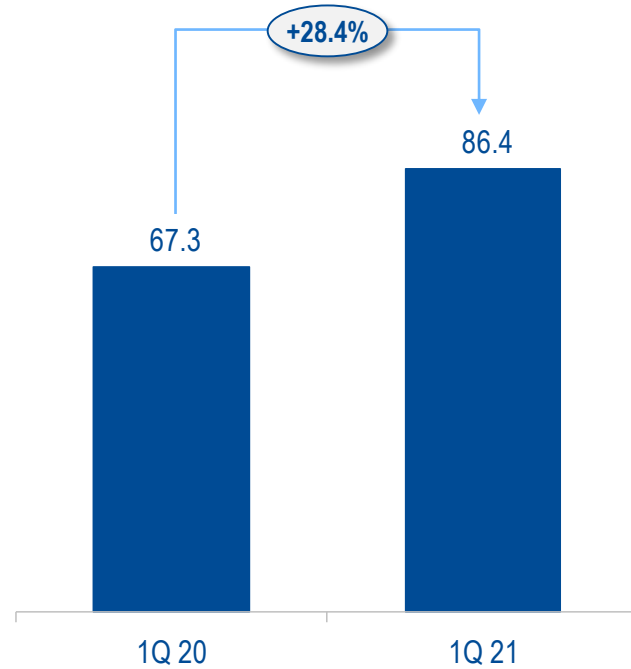
Corporate and other



- Double digit y/y growth of retail loans supporting 5.8% growth of total loans, also contributing to the improvement in asset mix

New production of consumer loans

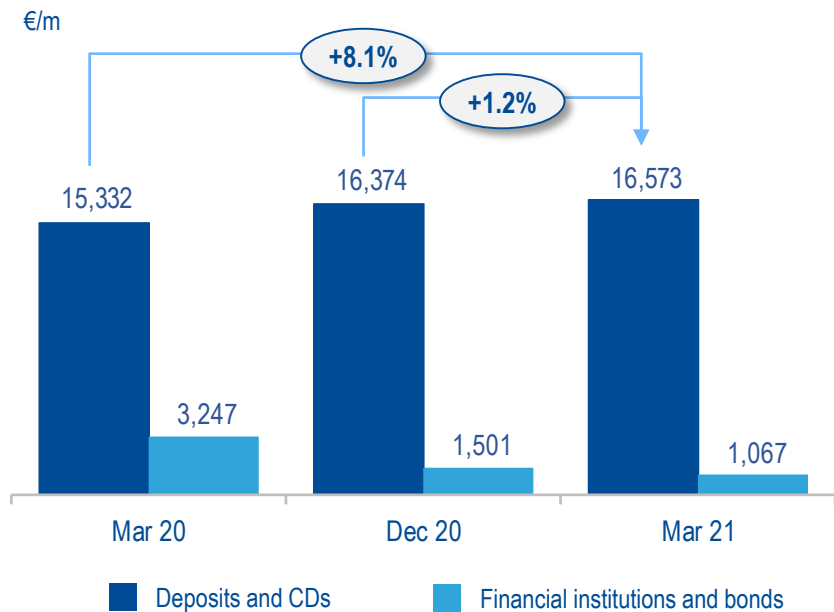
€/m



- New consumer loans up by 28.4% y/y

Funding composition

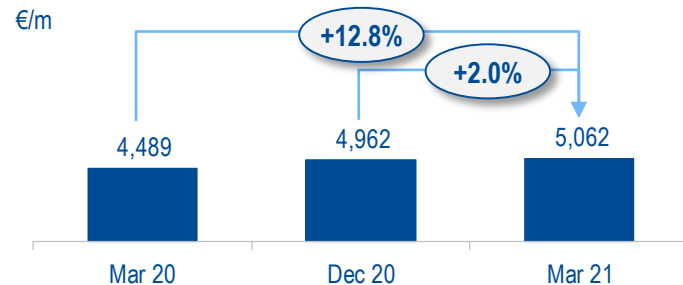
Direct funding



Retail deposits



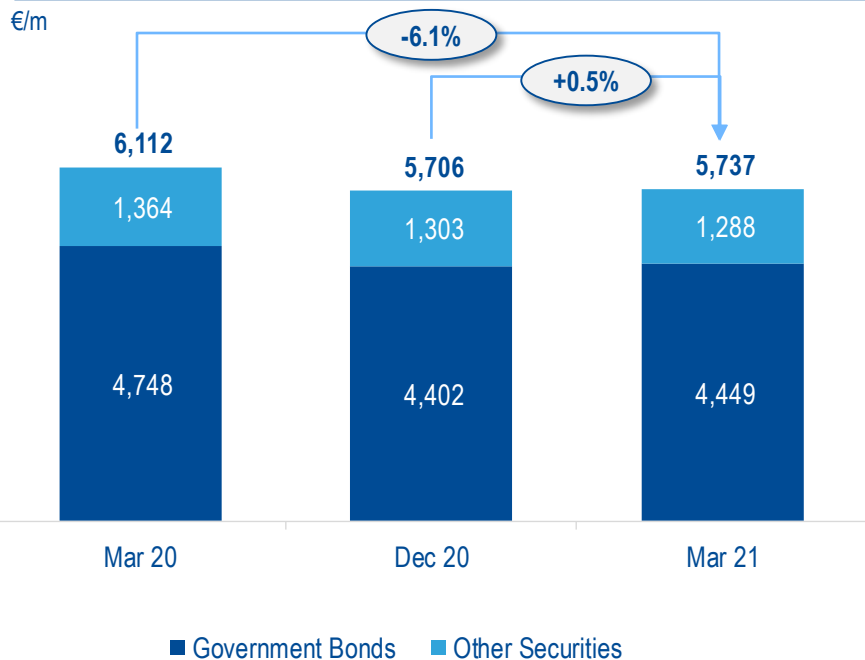
Corporate and other deposits



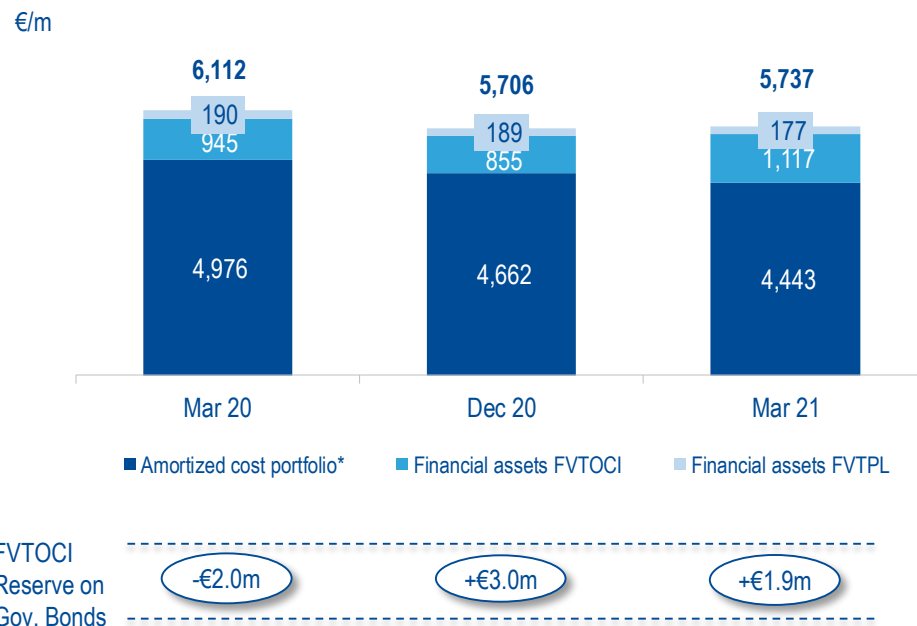
- Retail deposits up by 6.2% y/y, while Corporate deposits +12.8% y/y, reflecting market wide improved customers' liquidity

Securities portfolio breakdown

Securities portfolio (1)



Breakdown by classification

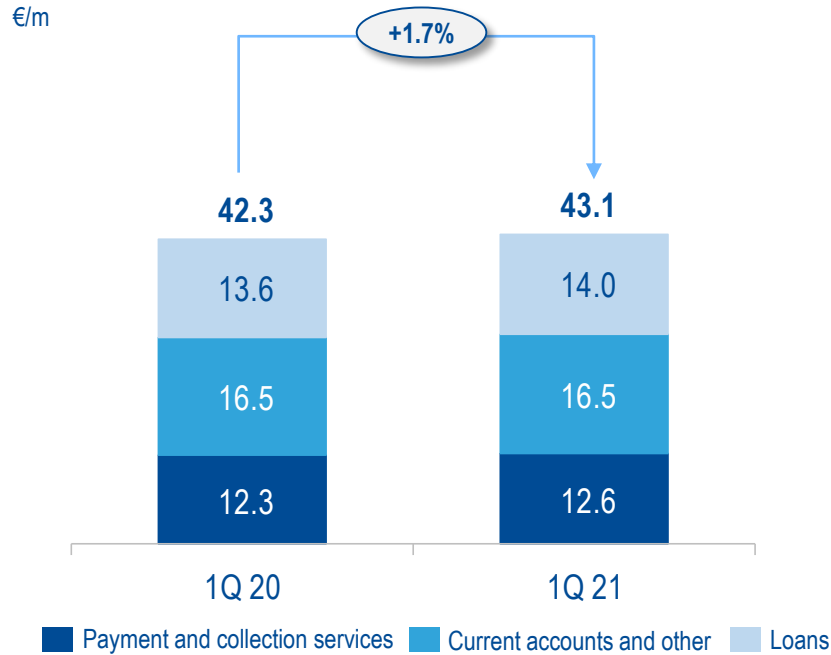


- Securities portfolio -6.1% y/y, following business plan direction

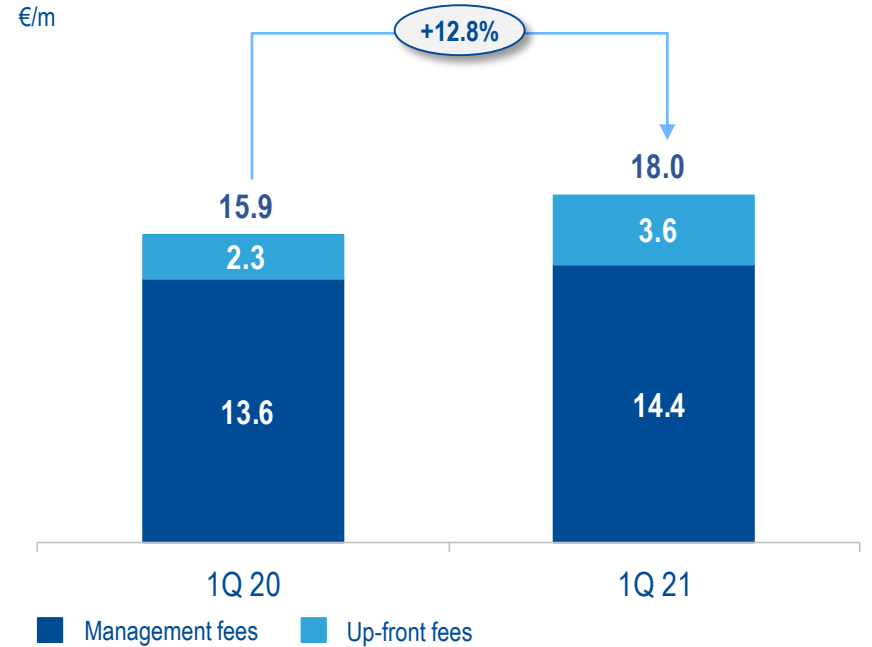
(1) Excluding loans and receivables with Banks.

Net fee and commission income

Banking fees



AuM fees

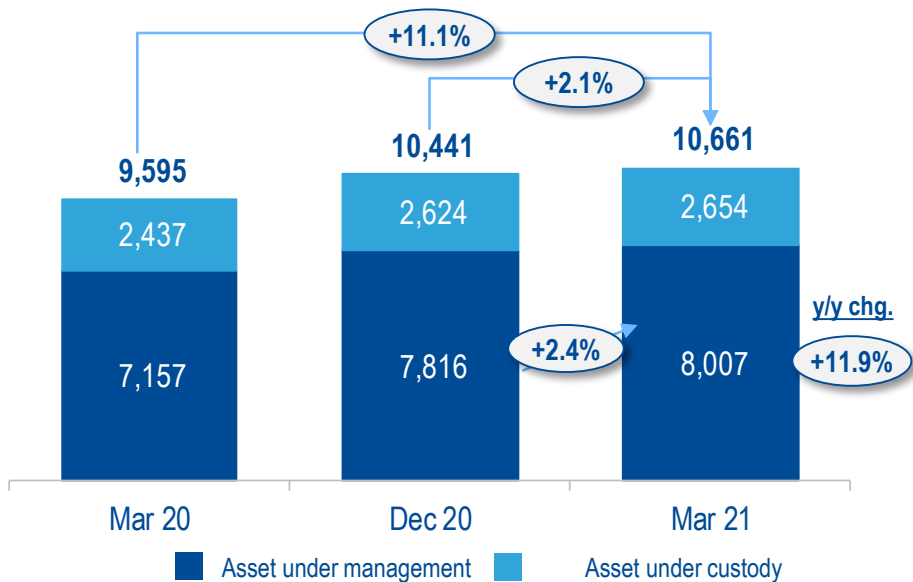


- Strong rebound of AuM fees, +12.8% y/y
- Banking fees +1.7% y/y, with all key categories growing

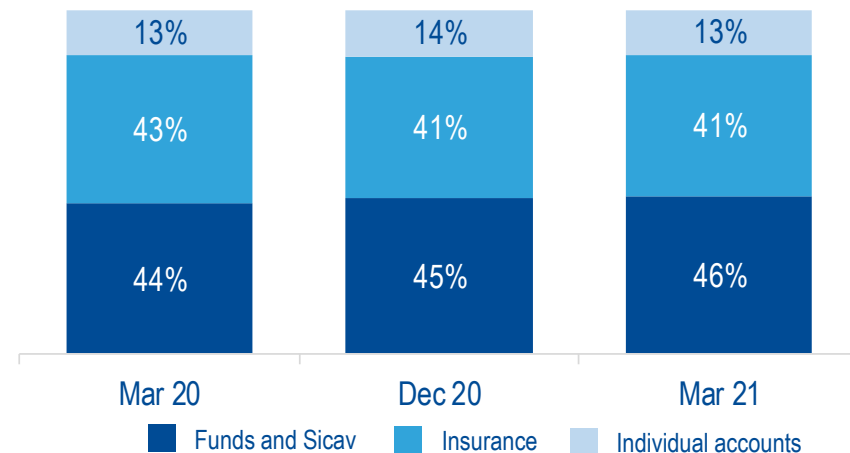
Indirect funding

Indirect funding breakdown

€/m



AuM breakdown

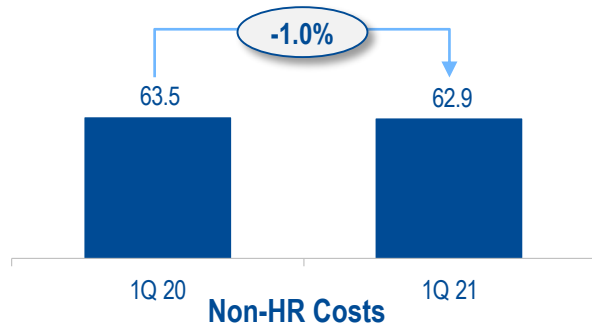


- Indirect funding up by 11.1% y/y with Q1 growth 2.1% q/q

Total Operating Costs

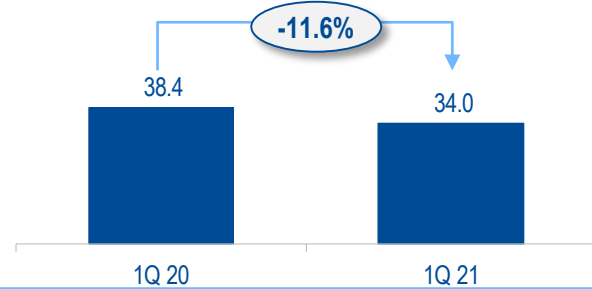
HR Costs

€/m



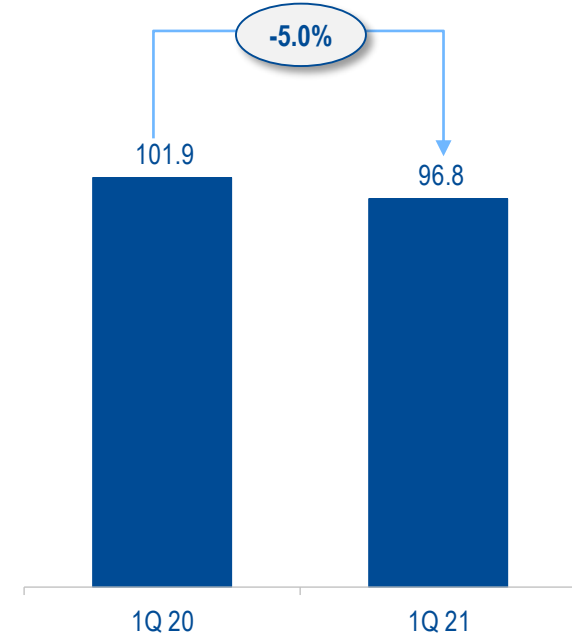
Non-HR Costs

€/m



Total Operating Costs

€/m

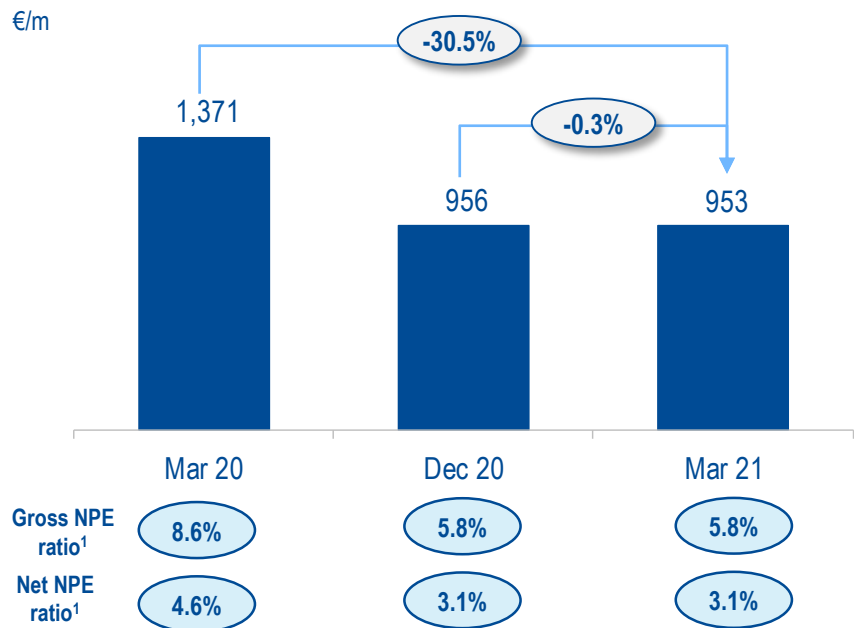


- Total Operating Costs -5.0% y/y thanks to both NHR costs -11.6% y/y and HR costs -1.0% y/y

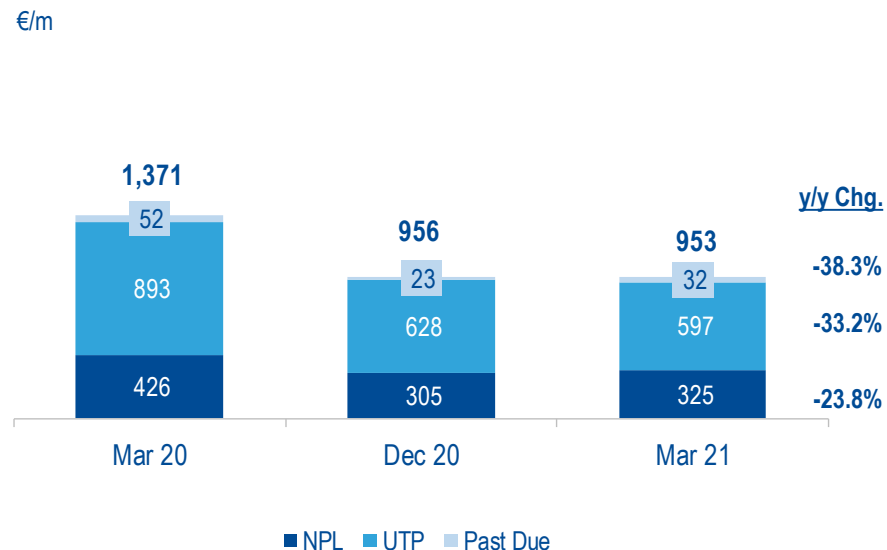
Note: Non-HR costs include the items: "Other administrative costs" and "Amortizations".

Gross NPE stock

Gross NPE stock



Breakdown by category



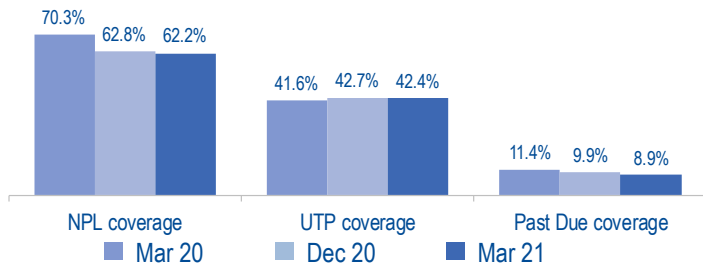
- Gross NPE ratio at 5.8%, down by 280bps y/y
- Net NPE ratio at 3.1%, -150bps y/y

(1) Excluding Government bonds classified in the 'Amortized Cost' category.

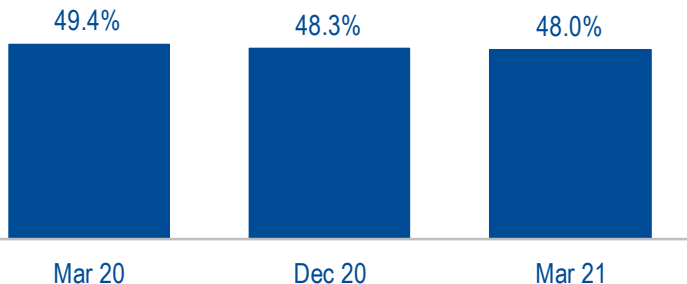
Coverage and Cost of Risk



NPE coverage breakdown

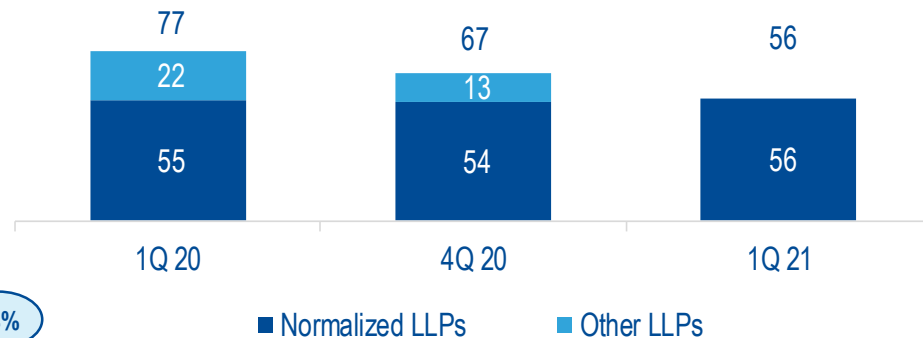


Total NPE coverage



Bad Loans/Total NPEs **34%**

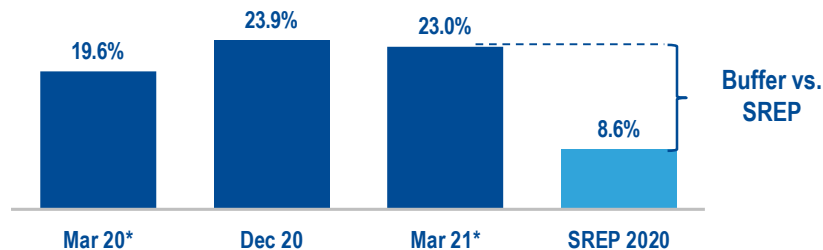
Cost of Risk (bps)⁽¹⁾



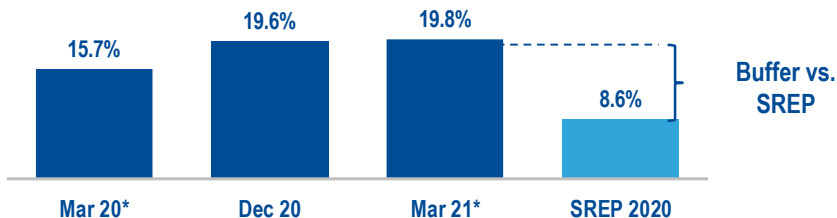
- Coverage ratios kept substantially at the level of last quarter while y/y higher for UTP and lower for NPL, reflecting sale preparation
- CoR at 56bps, confirming last year normalized level

(1) Quarterly data annualized; calculated on net customer loans excluding Government bonds classified in the 'Amortized Cost' category.

CET1 ratio phased-in



CET1 ratio fully phased

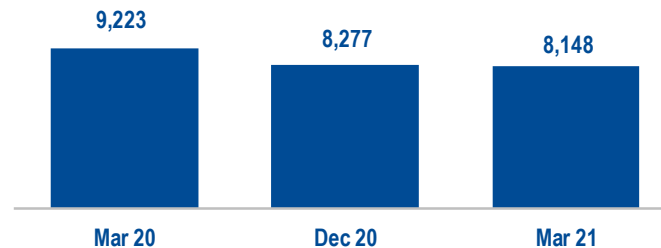


Regulatory capital ratios phased-in

	Mar-20	Dec-20	Mar-21	SREP
CET1 ratio (%)	19.6%	23.9%	23.0%	8.55%
Tier 1 ratio (%)	19.6%	23.9%	23.0%	10.05%
Total Capital ratio (%)	21.5%	25.9%	25.0%	12.05%

RWA – phased-in

€/m



- Further strengthening of capital position with CET 1 FL reaching 19.8%, improving by 410 bps y/y

* Net result of the period not included

- **Sound first quarter, with net profit at 28m, +10.6% y/y and improvement in all core lines**
- **Strong growth of net operating income, +22.7% y/y, on the path of revamped commercial banking**
- **Stable asset quality, CoR at 56 bps, confirmed at last year normalized level**
- **Best in class capital position with CET1 ratio FL at 19.8% and 410 bps CET1 generated y/y**



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Annexes

Reclassified Balance Sheet – Assets

€/000

ASSETS	31/03/2021	31/12/2020	Change
Cash and cash equivalents	162,135	173,104	-6.34%
Financial assets at fair value through profit or loss	176,864	188,663	-6.25%
Financial assets at fair value through other comprehensive income	1,117,141	855,467	30.59%
Loans and receivables with banks	2,946,455	1,554,955	89.49%
Loans and receivables with customers	19,447,016	19,648,291	-1.02%
Equity investments	20,623	20,573	0.24%
Property, equipment and investment property and intangible assets (1)	536,011	541,772	-1.06%
Non-current assets held for sale and disposal groups	13,223	11,730	12.73%
Other assets (2)	885,404	887,117	-0.19%
Total assets	25,304,872	23,881,672	5.96%

(1) Include items "90. Property, equipment and investment property" and "100. Intangible assets"

(2) Include items "110. Tax assets" and "130. Other assets"

Reclassified Balance Sheet – Liabilities and Equity

€/000

LIABILITIES AND EQUITY	31/03/2021	31/12/2020	Change
Due to banks	5,034,832	3,539,993	42.23%
Direct funding from customers (1)	17,640,100	17,875,769	-1.32%
Financial liabilities held for trading	92	80	15.00%
Hedging derivatives	147,809	159,057	-7.07%
Other liabilities	544,670	384,656	41.60%
Provisions for specific purpose (2)	136,457	147,682	-7.60%
Equity attributable to non-controlling interests	21	21	-
Equity (3)	1,800,891	1,774,414	1.49%
Total liabilities and equity	25,304,872	23,881,672	5.96%

(1) Includes item "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", "170. Capital", "180. Treasury shares" and "200. Profit for the period"

Reclassified Income Statement

€/000

ITEMS	Q1 2021	Q1 2020	Chg.
Net interest income	84,452	80,678	4.68%
Net fee and commission income	61,067	58,283	4.78%
Dividends and similar income	867	758	14.38%
Profit of equity-accounted investments (1)	1,048	798	31.33%
Net trading, hedging income (expense) and profit (loss) on sales/repurchases of assets at FVOCI (2)	1,027	337	204.75%
Other operating net income (3)	2,487	5,180	-51.99%
Operating income	150,948	146,034	3.36%
Personnel expenses	(62,852)	(63,514)	-1.04%
Other administrative expenses (4)	(23,491)	(27,559)	-14.76%
Amortizations on property, equipment and investment property and intangible assets (5)	(10,472)	(10,852)	-3.50%
Operating costs	(96,815)	(101,925)	-5.01%
Net operating profit	54,133	44,109	22.73%
Impairment or reversal of impairment for credit risk and modification gains (losses) (6)	(22,596)	(29,551)	-23.54%
Net profit on derecognition of assets at the amortised cost and net profits on other assets at fair value through profit or loss (7)	9,087	(2,584)	n.s.
Net accruals to provisions for risks and charges	(1,502)	(1,640)	-8.41%
Net gains on sales of investments and impairment losses on property, equipment and investment property and intangible assets (8)	989	33,190	-97.02%
Banking system charges	(8,088)	(9,794)	-17.42%
Pre-tax profit from continuing operations	32,023	33,730	-5.06%
Income taxes	(4,006)	(8,398)	-52.30%
Post-tax profit from continuing operations	28,017	25,332	10.60%
Profit for the period	28,017	25,332	10.60%