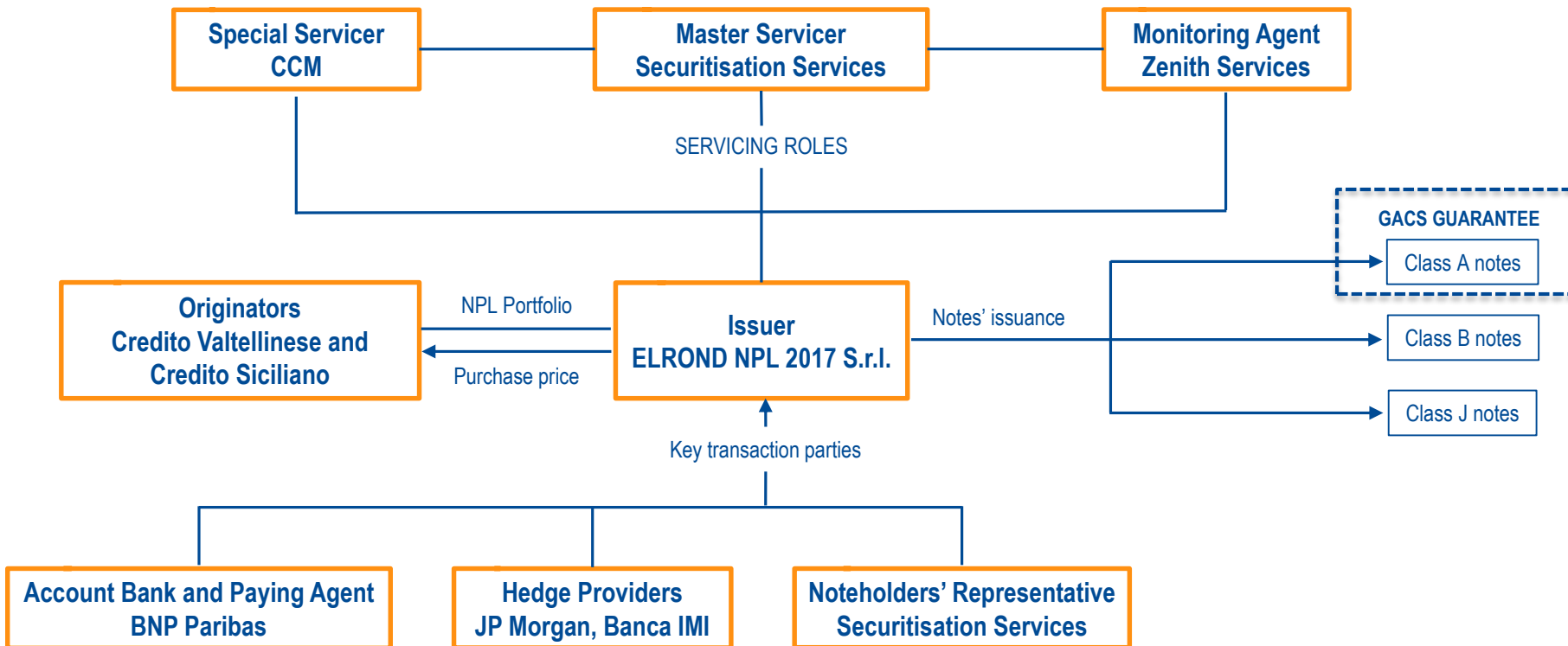


Consolidated Results as at June 30th 2017

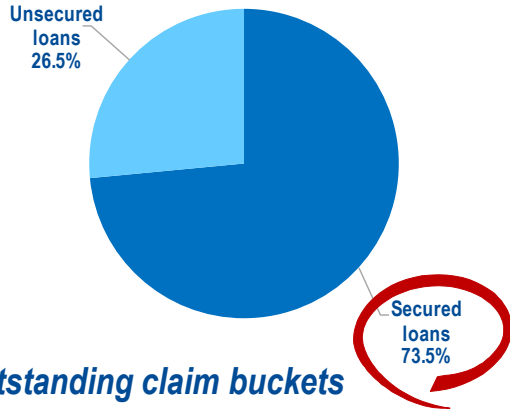
- This document has been prepared by Credito Valtellinese for information purpose only and does not constitute a public offer under any applicable legislation or an offer to sell or solicitation of an offer to purchase or subscribe for securities or financial instruments or any advice or recommendation with respect of such securities or other financial instruments.
- The information, opinions, estimates and forecasts contained herein have not been independently verified. They have been obtained from, are based upon, sources that company believes to be reliable but makes no representations (either express or implied) or warranty on their completeness, timeliness or accuracy.
- The document may contain forward-looking statements, which are therefore inherently uncertain. All forward-looking statements rely on a number of assumptions, expectations, projections and provisional data concerning future events and are subject to significant risks and uncertainties, many of which are outside the company's control. There are a variety of factors that may cause actual results and performance to be materially different from the explicit or implicit contents any forward-looking statements and thus, such forward-looking statements are not a reliable indicator of future performance. The company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable law. The information and opinions contained in this Presentation are provided as at the date hereof and are subject to change without notice.
- 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.

- 1. Overview of Elrond transaction**
- 2. Credit policies and asset quality**
- 3. Funding, liquidity and securities portfolio**
- 4. Capital ratio**
- 5. Revenues development**
- 6. Cost management and Net profit development**
- 7. Annexes**

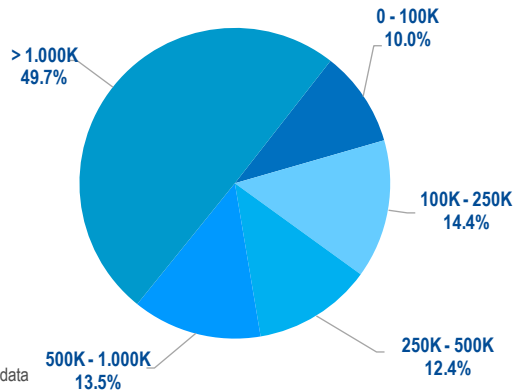


Source: transaction documents

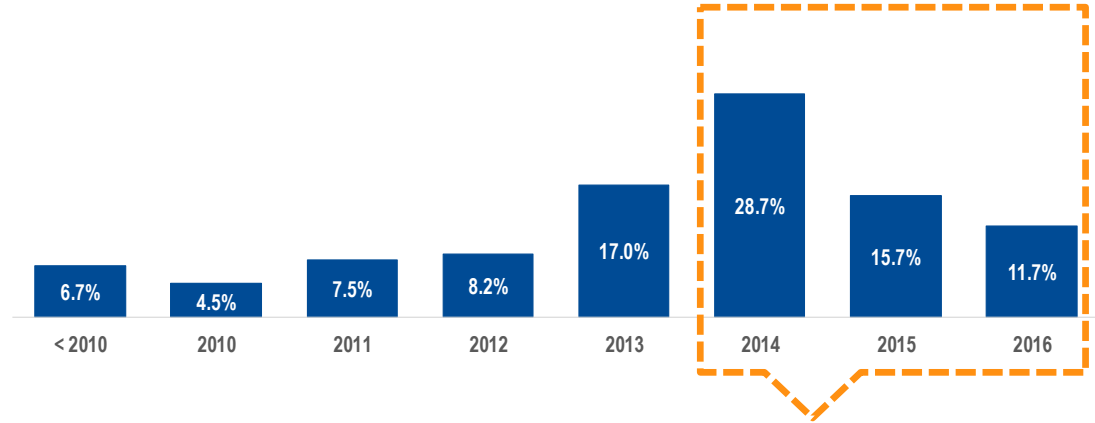
Breakdown portfolio: secured / unsecured



Outstanding claim buckets



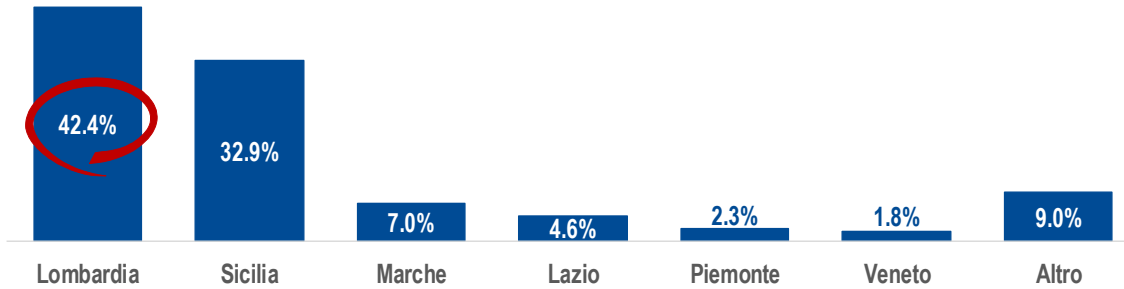
Breakdown by year of default



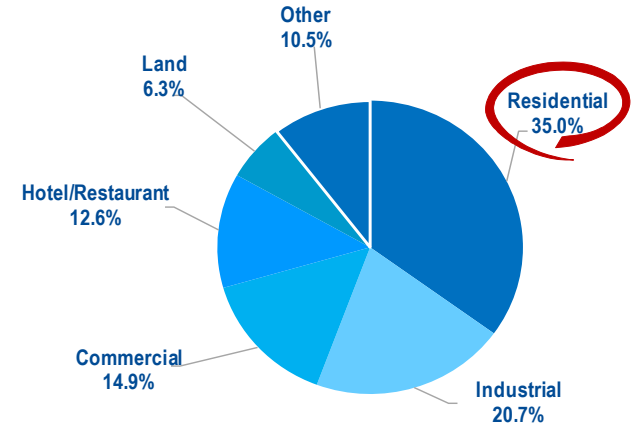
Around 56% of loans defaulted in the last 3Y

Source: internal data

Properties breakdown by area

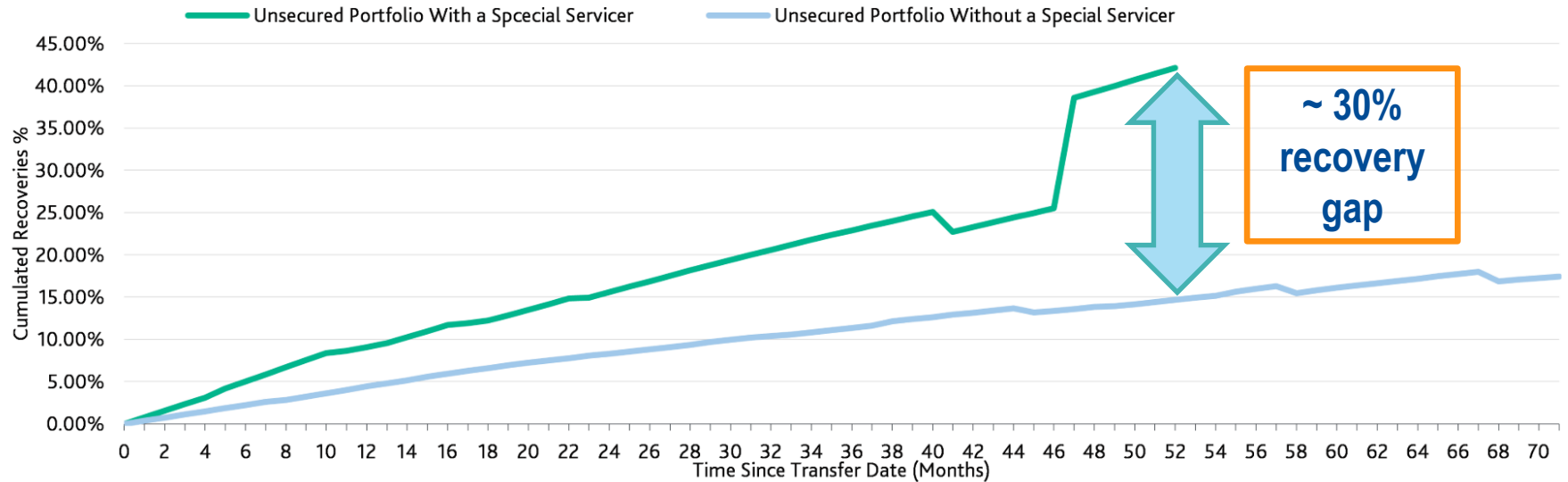


Properties breakdown by type



Source: internal data

Cumulated collections over original GBV – Unsecured portfolios with and without a special servicer



Source: Moody's



Series	Rating	Amount (€ mln)	% of GBV	Legal Final Maturity	Coupon
Class A	Baa3 (sf)	464.00	33.0%	July 2040	6mE+0,50%
Class B	B1 (sf)	42.50	3.0%	July 2040	6mE+6,0%
Class J	NR	20.00	1.5%	July 2040	6mE+10,0%
Total		526.50	37.5%		

On July 13th Creval sold the 95% of note B and note J, **finalizing the transfer of the credit risk** related to the underlying NPL portfolio



**Communication to Bank of Italy for Risk
Transfer valuation purpose (according to CRR)**

Submitted on July, 7th

Application to MEF for GACS guarantee

**Submitted on July, 28th
GACS expected, in any case, by the end of Q3**



ONE OFF P&L EFFECTS	30/06/17
LLP – Non current asset and disposals	-188.1
Net impairment losses on other financial transactions	-41.4
Other net costs	-5.0
Total P&L cumulated effects	-234.6

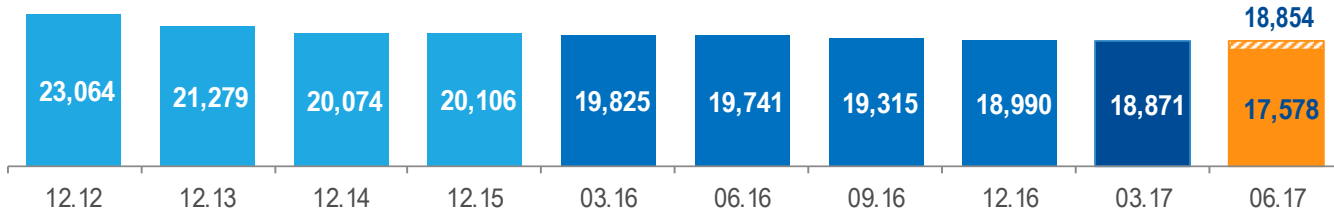
	30/06/17	30/09/17
RWA cumulated Reduction	-188.1	-725.0

Price / Outstanding Claim	34.5%
---------------------------	--------------



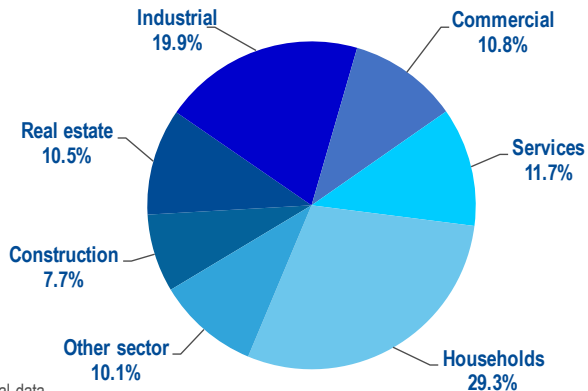
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Quarterly trend (€mn) Commercial Loans * (gross amounts)

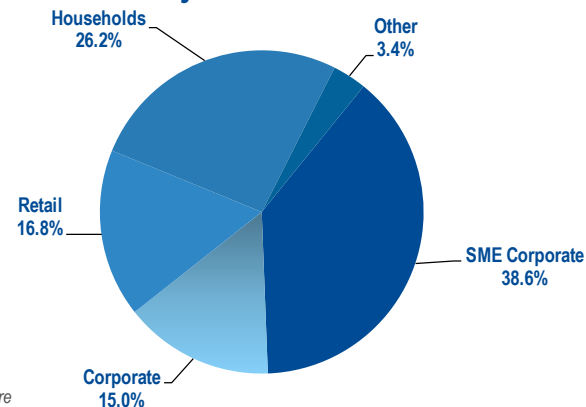


* Total gross loans to customers net of exposures with institutions, mainly CCG (Cassa Compensazione e Garanzia) and CDP (Cassa Depositi e Prestiti)

Performing loans by sector (ATECO classification)**



Total gross loans by asset class**

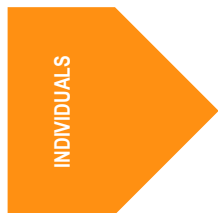


~ 70% of total loan book to SMEs

- SME corporate: revenue or total assets < 25 mn
- Corporate: revenue or total asset ≥ 25 mn
- Retail: Small Retail exposure ≥ 100k, Micro Retail < 100k exposure

**Source: internal data

~ 1.147 mn of newly granted loans (Individuals and SMEs/Corporate) over the period
Expected Loss (EL) performing portfolio -3 bps since March 2017



	Amount	Chg % YoY	% Fixed	Average Rate*
Individuals	351 mn	- 17.9 %	36.5 %	2.58 %



Of which substitutions («surroghe»): 31.1 mn



	Amount	Chg % YoY
Mortgage	151 mn	-7.7 %
Other secured	236 mn	-24.5 %
Unsecured	409 mn	+0.2 %
Total amount	796 mn**	-10.0 %

Average Rate

2.37 %*

EL new performing exposures
disbursed in the period

Individual: 32 bps
Corporate: 47 bps
Retail: 59 bps

EL new originated loans
Portfolio 1H 2017: 49 bps

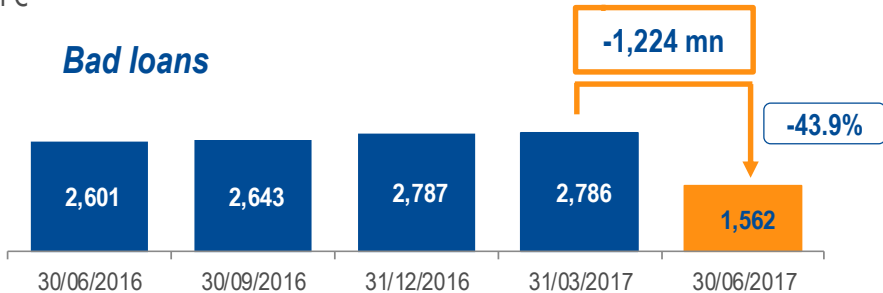
*Average rate from the beginning of the year

**Net of institutional loans

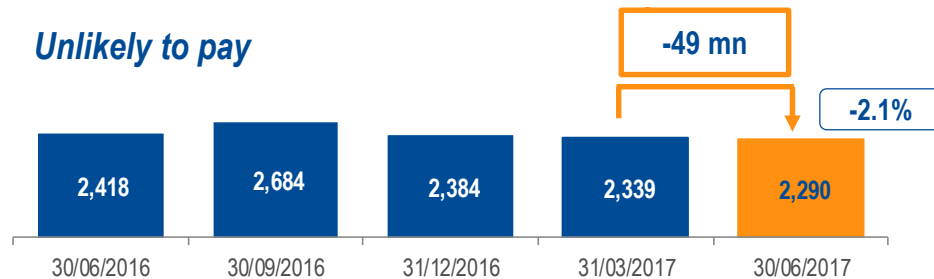
Source: internal data

Mn €

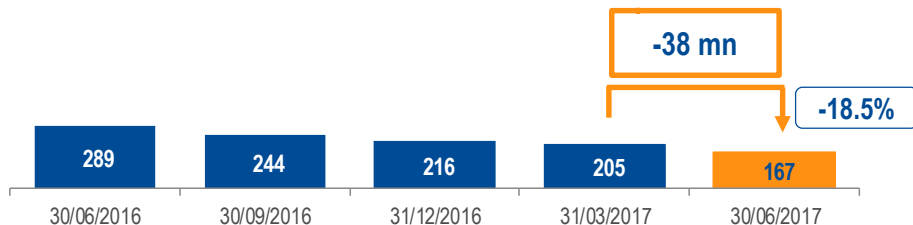
Bad loans



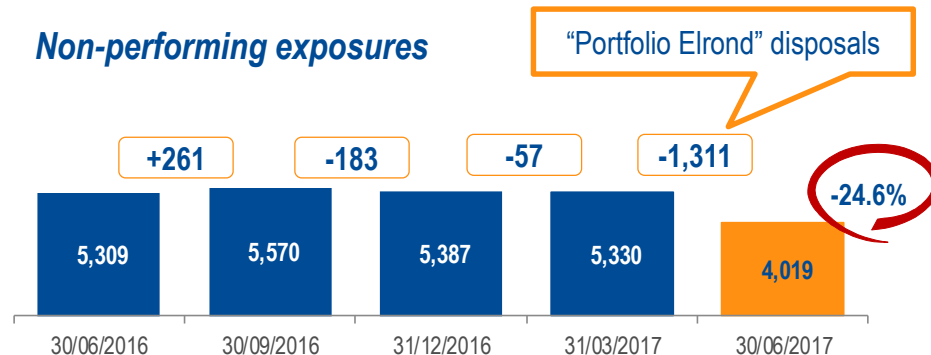
Unlikely to pay



Past due

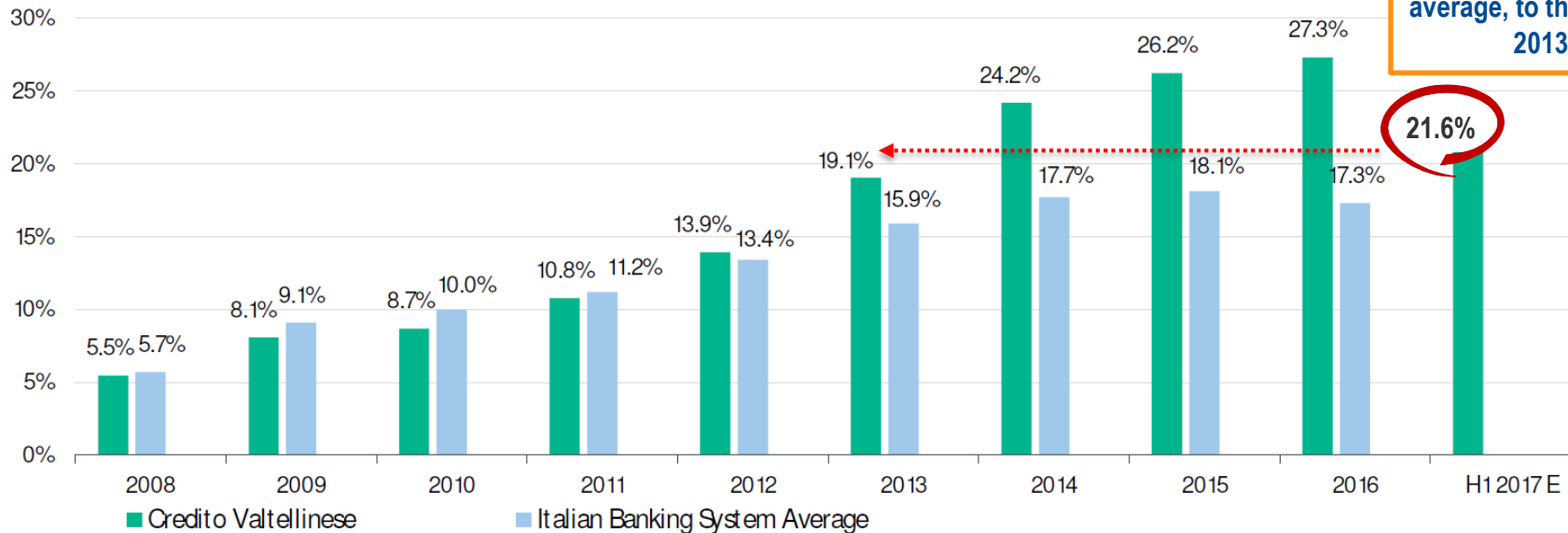


Non-performing exposures



Npe ratio evolution: Creval vs Italian Banking System Average

Creval's problem loans will reduce following the announced securitisation

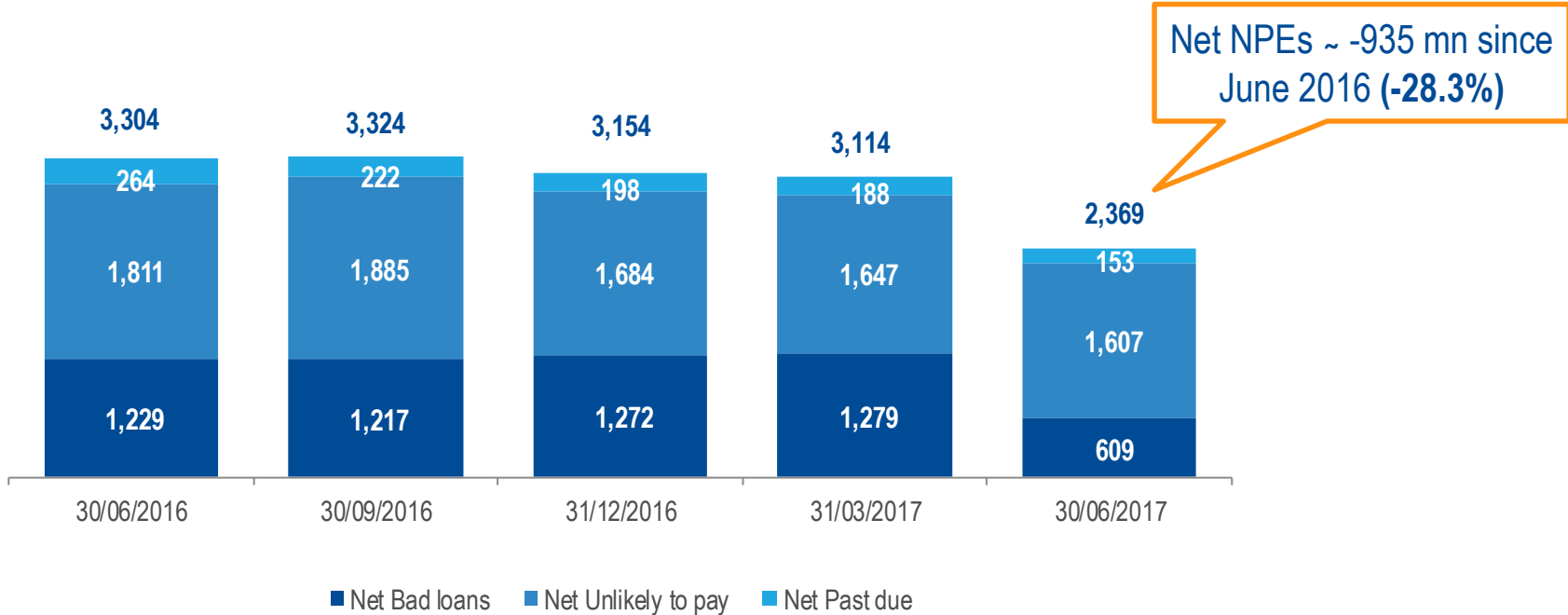


Significant reduction of the gap vs system average, to the level in 2013

21.6%

Source: Moody's report

Mn €

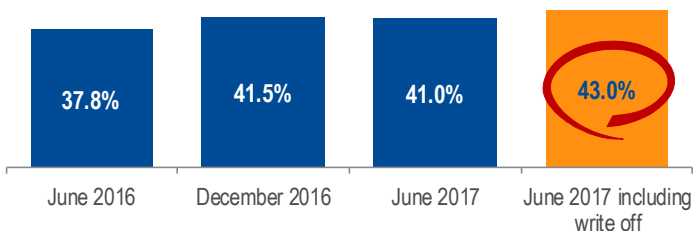


Mn €

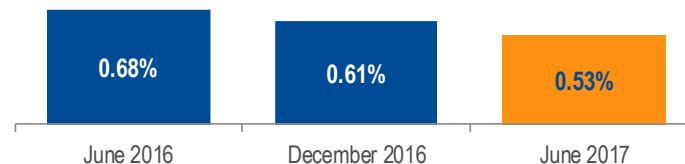
Coverage Ratios	31/12/2016	30/06/2017
Bad loans	54.4%	61.0%
Unlikely to pay	29.4%	29.8%
Past due	8.2%	8.5%

64.1% proforma including write off (3.1%)

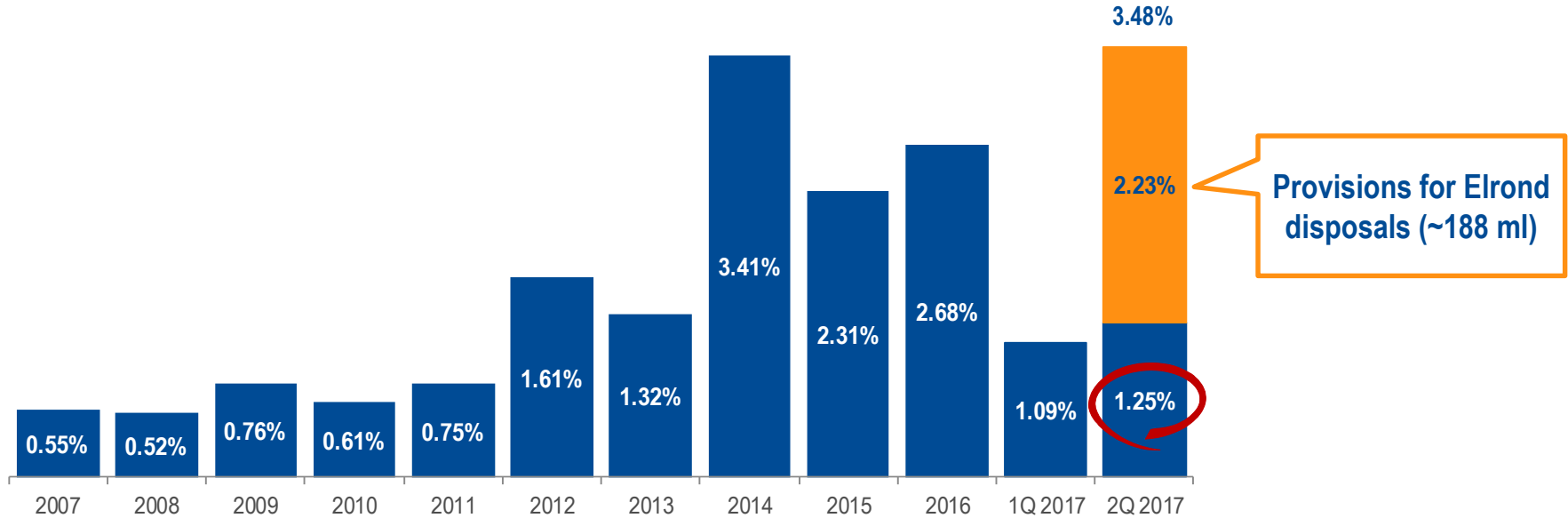
Non-performing exposures Coverage



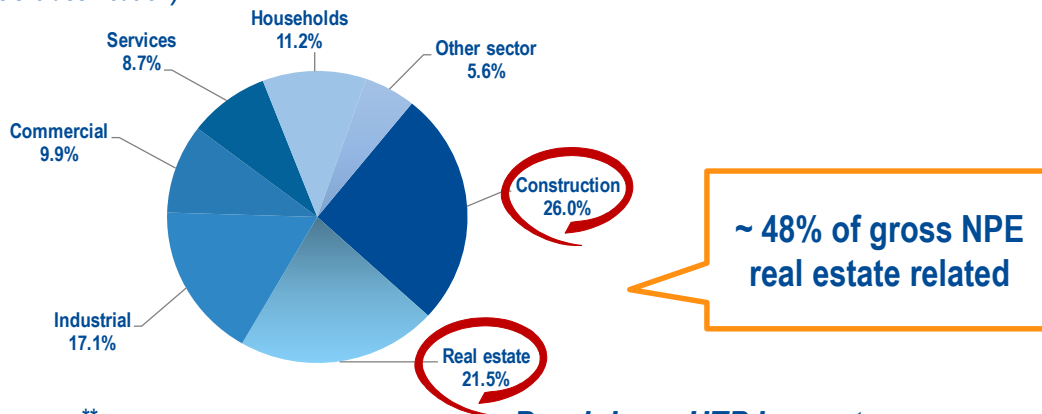
Coverage Bonis



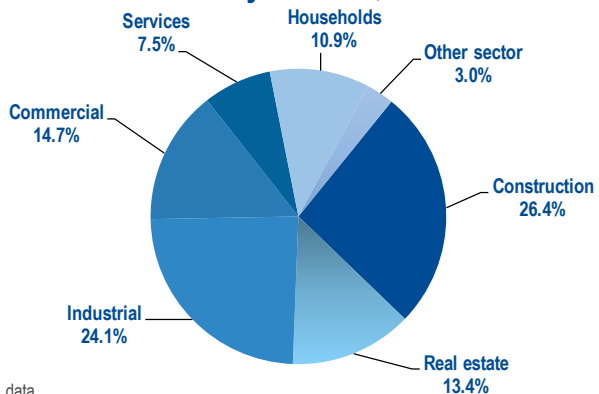
Annual trend in line with the portfolio improvement effect and new credit policy



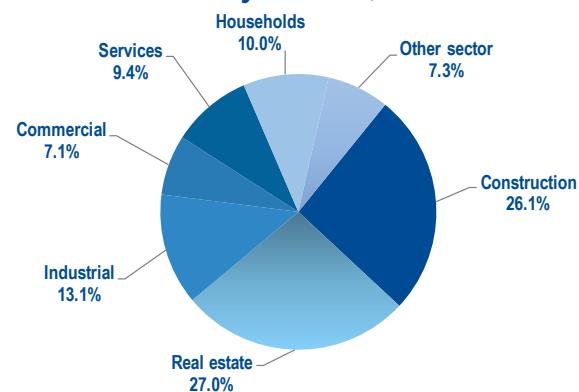
Breakdown Npe by sector (ATECO classification)**



Breakdown bad loans by sector (ATECO classification)**



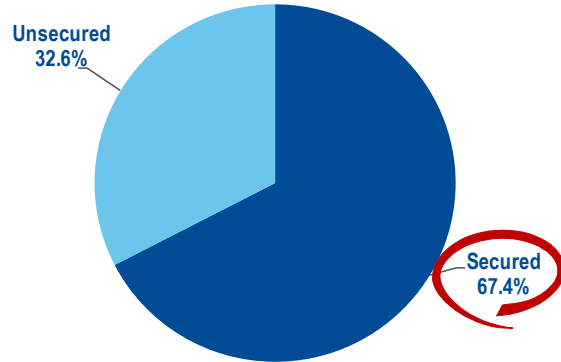
Breakdown UTP by sector (ATECO classification)**



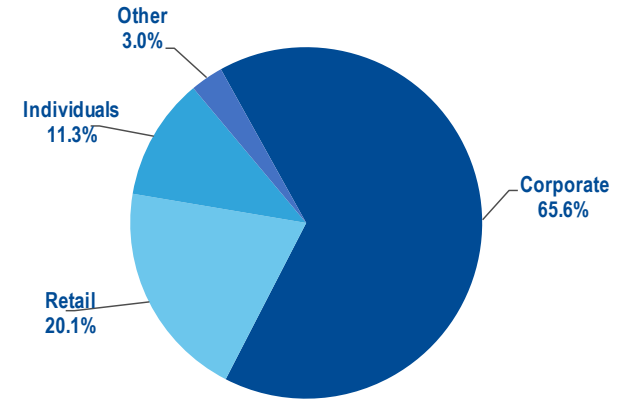
**Source: internal data



Gross Npe – Guarantees



Gross Npe - Segment

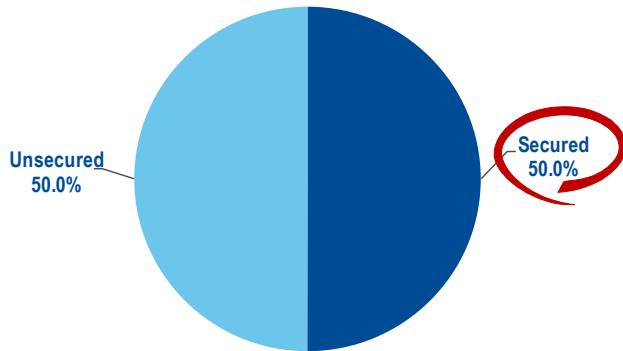


Personal guarantees not included

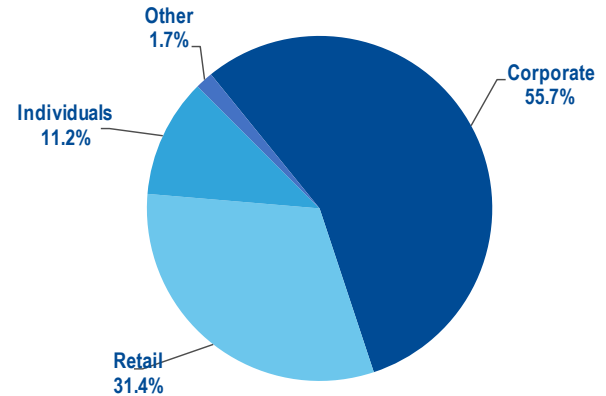
Source: internal data



Gross BAD LOANS – Guarantees



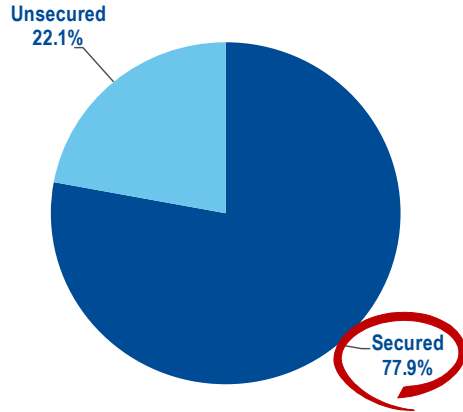
Gross BAD LOANS – Segment



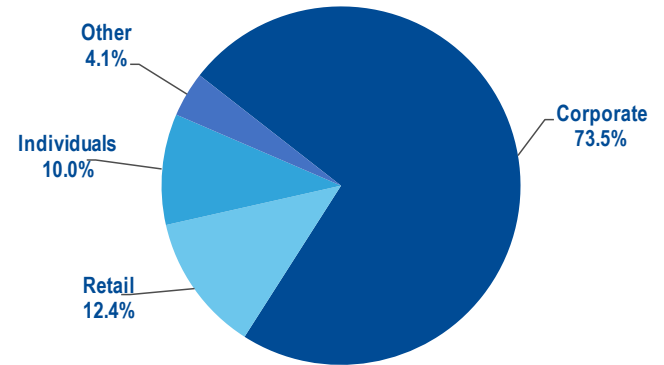
Personal guarantees not included

Source: internal data

Gross UTP – Guarantees



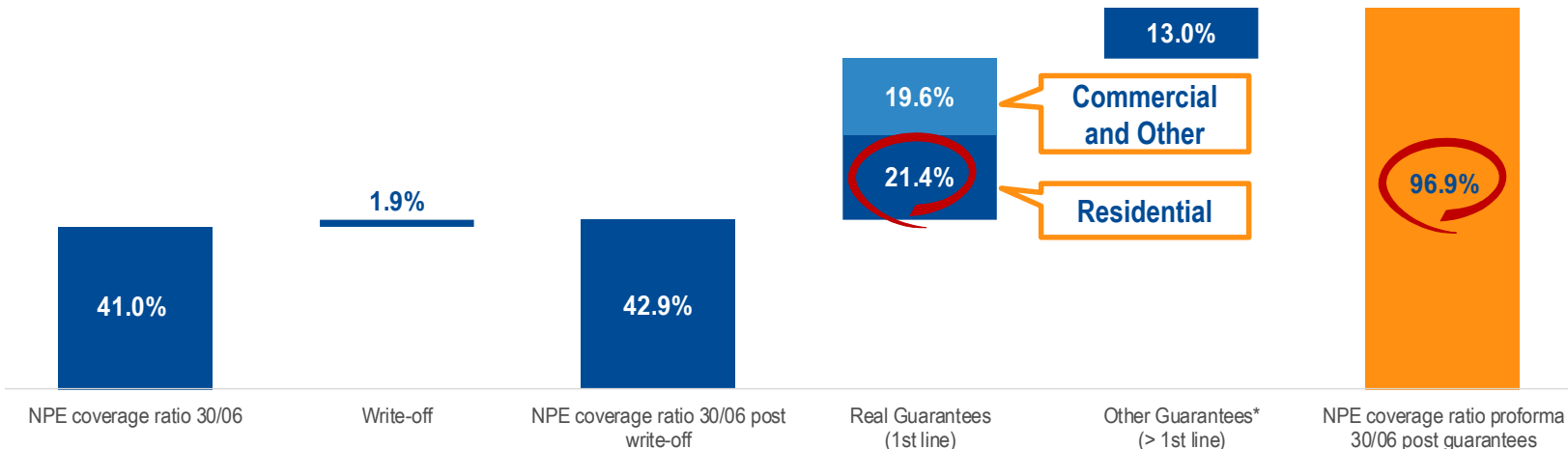
Gross UTP - Segment



Personal guarantees not included

Source: internal data

NPE Coverage Ratio (%)



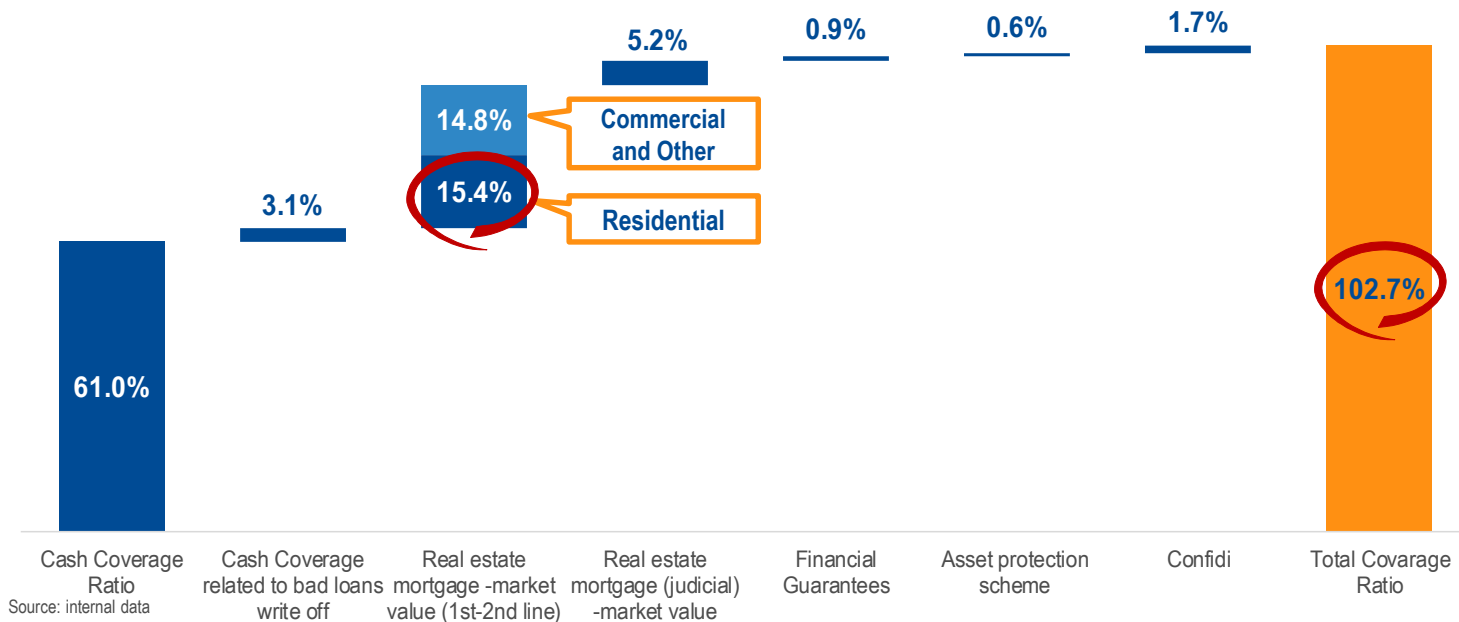
Source: internal data

* Real estate 2nd line + judicial + financial + APS + Confidi

Real estate value equal to the last **market value** (according to the specific appraisal, delivered by **third party** appraiser), **capped** at the maximum amount represented by the value of the loans.

Only «cash guarantees» considered, like financial guarantees, APS. **No consideration at all for personal guarantees.**

Bad Loans – Total Coverage Ratio (%)

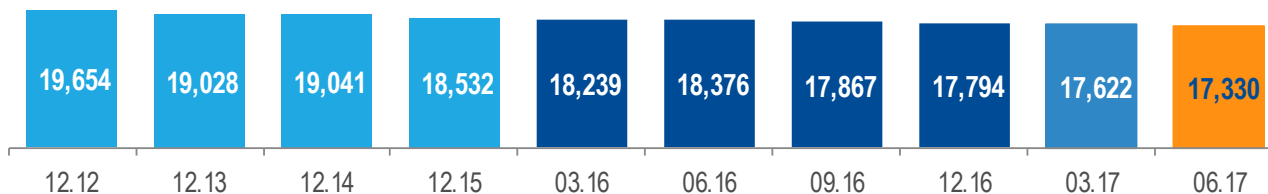


Real estate value equal to the last **market value** (according to the specific appraisal, delivered by **third party** appraiser), **capped** at the maximum amount represented by the value of the loans.

Only «cash guarantees» considered, like financial guarantees, APS. No consideration at all for personal guarantees.

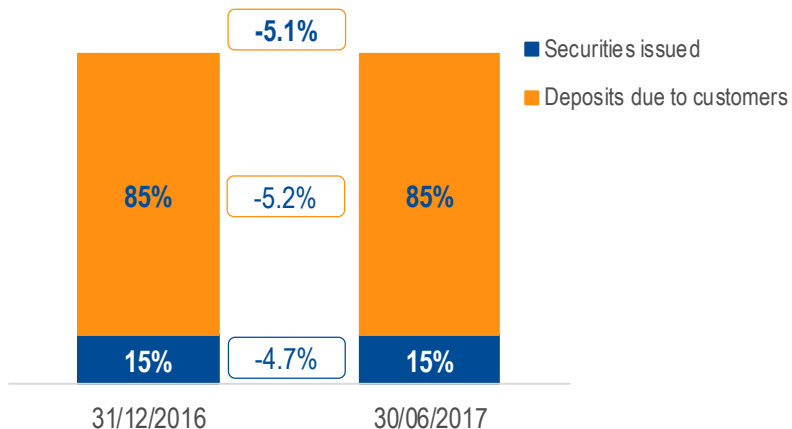
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Quarterly trend (€mn) Retail funding *



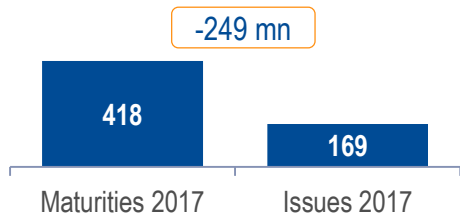
* Total funding net of CCG, CDP and institutionals

Composition of Direct Funding



(mn €)	31/12/2016	30/06/2017	Chg. %
Saving Deposits	503	453	-9.9%
Time deposits	1,528	936	-38.8%
Current accounts	13,118	13,530	3.1%
Securitized	304	239	-21.1%
Wholesale bonds (senior + subordinated)	133	278	108.4%
Senior retail bonds	2,090	1,872	-10.4%
Subordinated retail bonds	375	344	-8.1%
Deposit certificates	110	124	12.9%
Deposits CCG & CDP	2,754	2,065	-25.0%
Other	194	182	-6.0%
DIRECT FUNDING	21,109	20,023	-5.1%

Retail bonds senior + subordinated (€ mn)



2017 – 2019 Maturities* Retail + Wholesale (€ mn)



Wholesale bonds (€ mn)



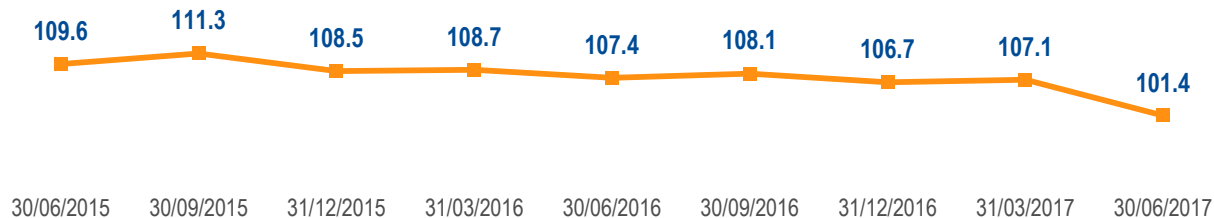
ECB funding Creval June 2017 (€ mn)



* As at 27th June 2017, residual maturities

Source: internal data

Gross commercial loans / Retail funding



LCR as at
30th June 2017

189%

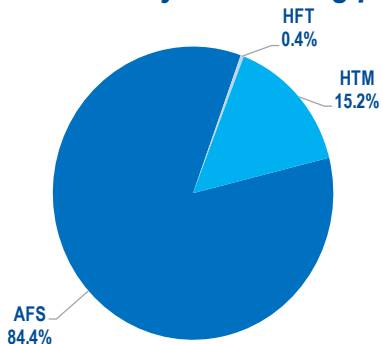
NSFR as at
31st March 2017
117%

Short-term liquidity position – June, 27th 2017 (€ mn)

	1d	2d	3d	4d	5d	2w	3w	1m	2m	3m
Net balance of cumulative expiring positions	237	277	- 146	460	175	240	239	- 314	- 394	- 313
Counterbalancing Capacity	3.457	3.468	3.903	3.401	3.670	3.690	3.690	3.925	4.008	4.060
Net balance of overall liquidity	3.694	3.745	3.757	3.861	3.846	3.931	3.930	3.612	3.613	3.747

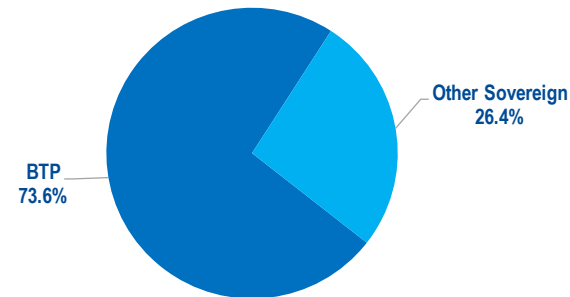
Net liquidity balance ~ 14.5%
of the Total Asset of the Group

Breakdown by accounting portfolio



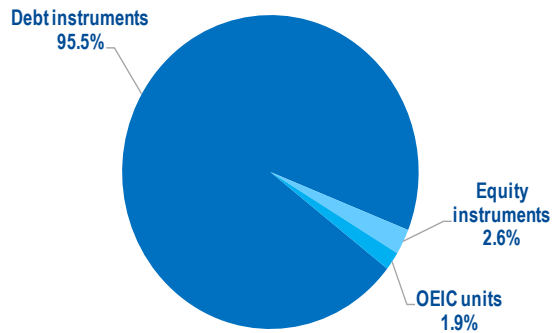
	31/12/2016	31/03/2017	30/06/2017
HFT Portfolio	19	23	20
AFS Portfolio	5,436	4,909	4,496
HTM Portfolio	-	624	810

Breakdown of HTM portfolio



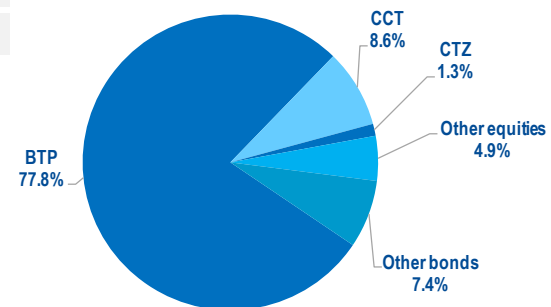
Current Average Duration of Govie's AFS portfolio* **3.18**

Breakdown of AFS portfolio



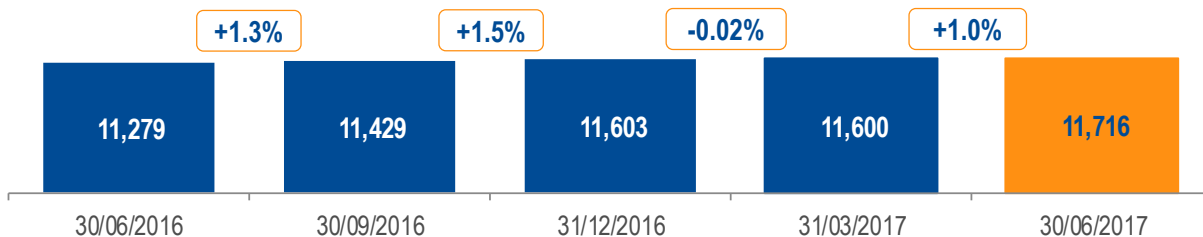
	31/12/2016	31/03/2017	30/06/2017
Debt instruments	5,199	4,669	4,293
Equity instruments	127	126	118
OEIC Units	110	114	85

- AFS reserve as at 30 June -37.7 mn €
- **AFS reserve on Govies, as at 30 June, - 38.4 mn**
- AFS reserve as at 31 March -60.9 mn €
- **AFS reserve on Govies, as at 31 March, ~ - 63.2 mn**

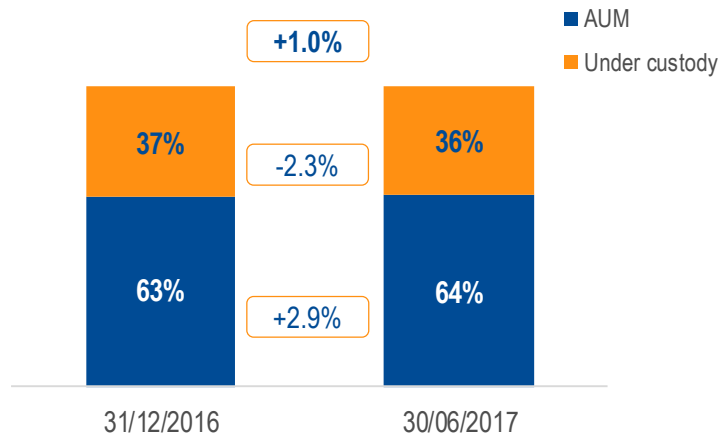


* As at 30th June 2017: Italian, Spanish and Portuguese government bonds.

Quarterly trend (€mn) Indirect Funding



Indirect deposits breakdown



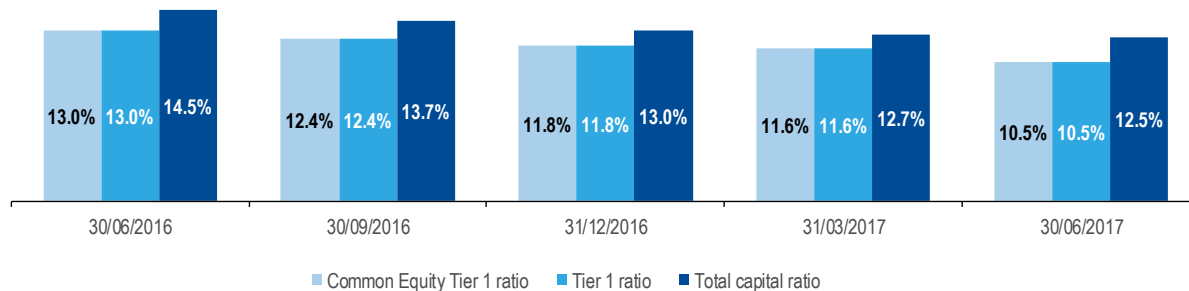
Placement of
"PIR" funds: 56.6 mn



(mn €)	31/12/2016	30/06/2017	Chg. %
Funds & Sicav	2,550	2,836	11.2%
Custody	4,312	4,211	-2.3%
Individual accounts	2,149	1,971	-8.3%
Insurance	2,592	2,698	4.1%
Total	11,603	11,716	1.0%

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Capital ratios evolution, phased-in calculation

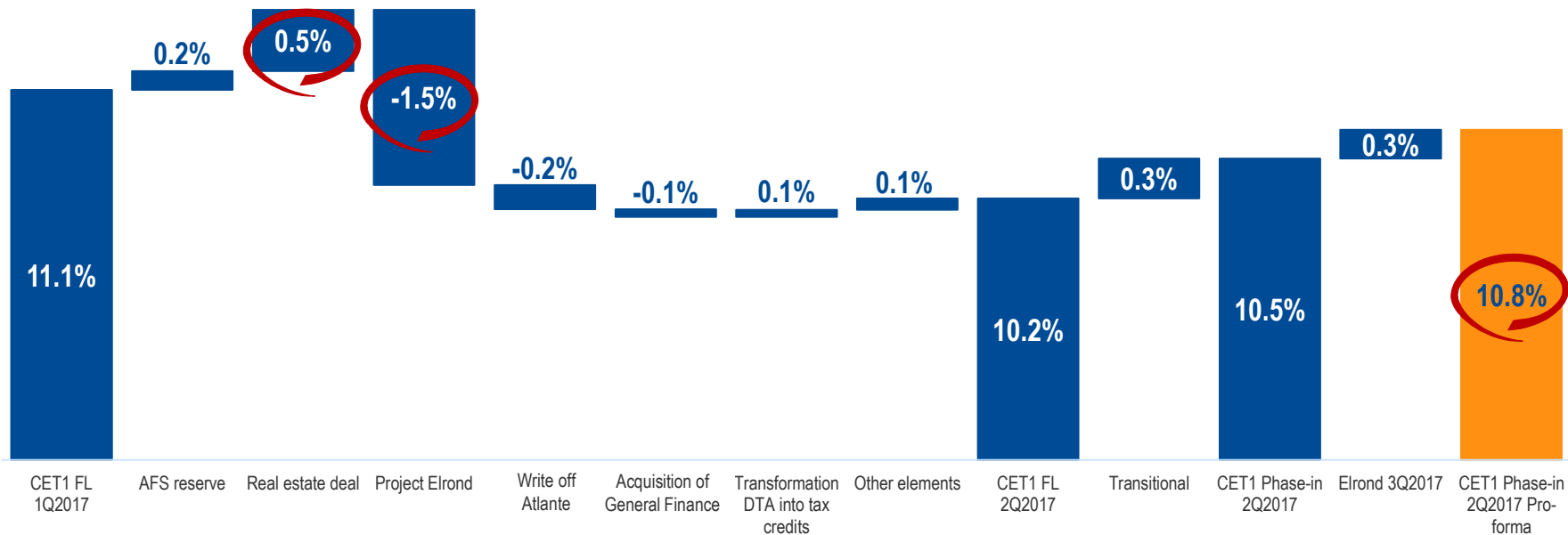


Capital ratio	30/06/2016	30/09/2016	31/12/2016	31/03/2017	30/06/2017
COMMON EQUITY (€ mn)	1,999	1,839	1,713	1,702	1,511
TIER 1 (€ mn)	1,999	1,839	1,713	1,702	1,511
TIER 2 (€ mn)	228	194	180	156	284
TOTAL CAPITAL (€ mn)	2,227	2,033	1,893	1,858	1,795
RWA (€ mn)	15,335	14,819	14,539	14,664	14,361
TIER 1 RATIO	13.0%	12.4%	11.8%	11.6%	10.5%

Leverage ratio as at 31/03/2017
6.0% (fully loaded)

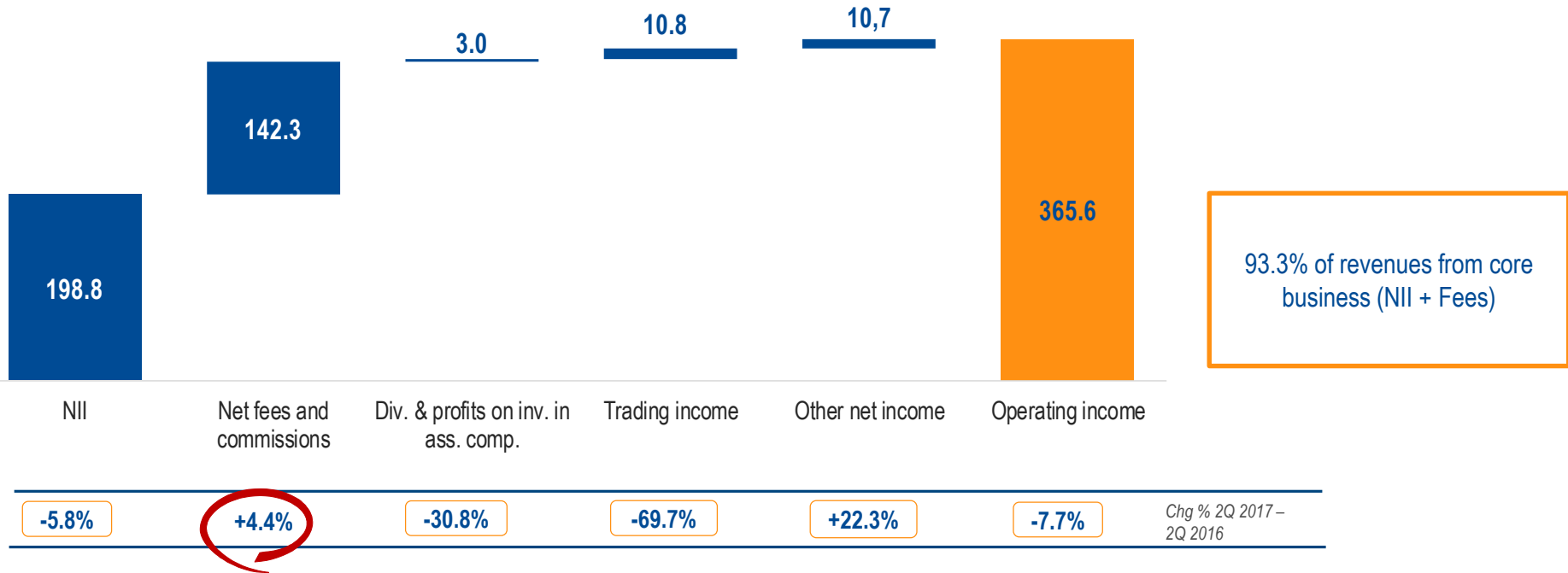
Indicator	30/06/2016	30/09/2016	31/12/2016	31/03/2017	30/06/2017
Gross Loan Risk weighted	67.0%	66.4%	64.1%	65.3%	65.5%
RWA/Assets	56.5%	56.8%	57.1%	56.4%	56.6%

Requirements	30/06/2016	30/09/2016	31/12/2016	31/03/2017	30/06/2017
Credit	90.5%	90.3%	90.3%	90.2%	90.1%
CVA	0.2%	0.2%	0.2%	0.2%	0.2%
Market	0.1%	0.04%	0.02%	0.1%	0.1%
Operational	9.2%	9.5%	9.5%	9.5%	9.7%

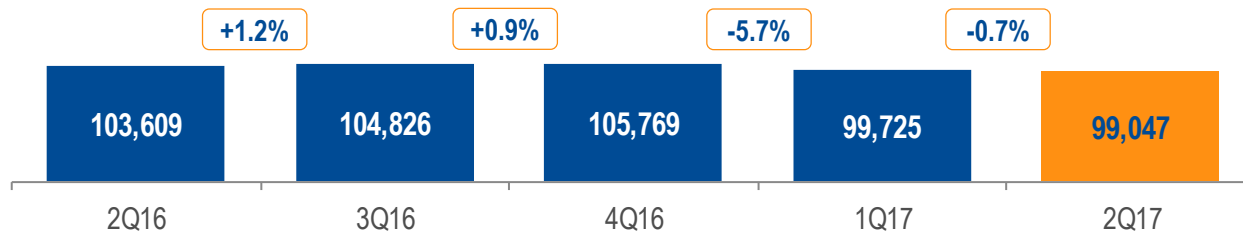


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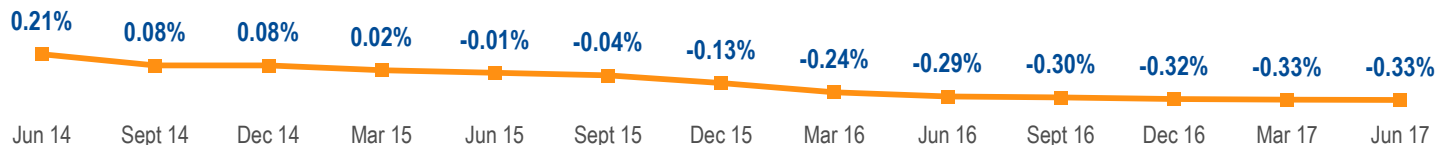
Revenues development – Operating income development



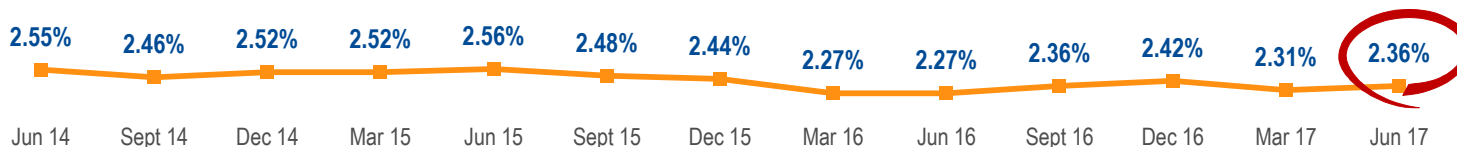
Interest Income, Quarterly figures (€/1,000)



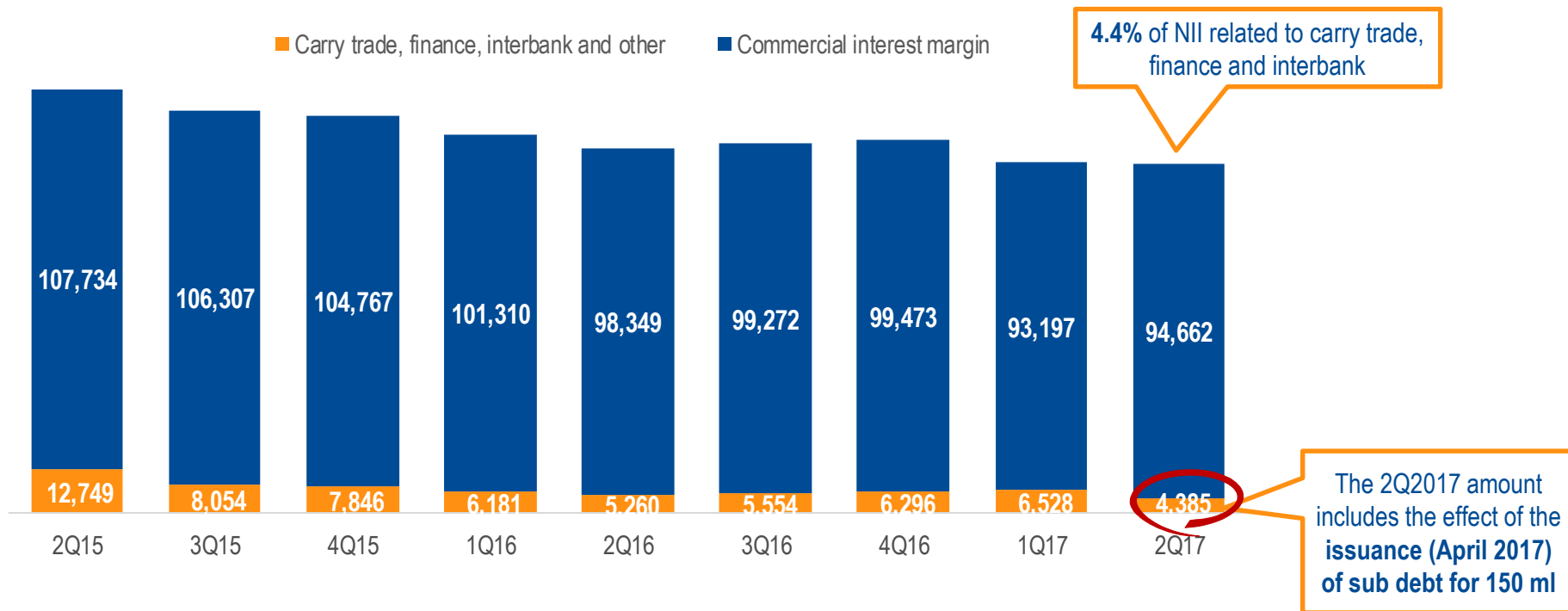
Trend euribor quarterly (2014-2016)



NIM* (2014-2017)

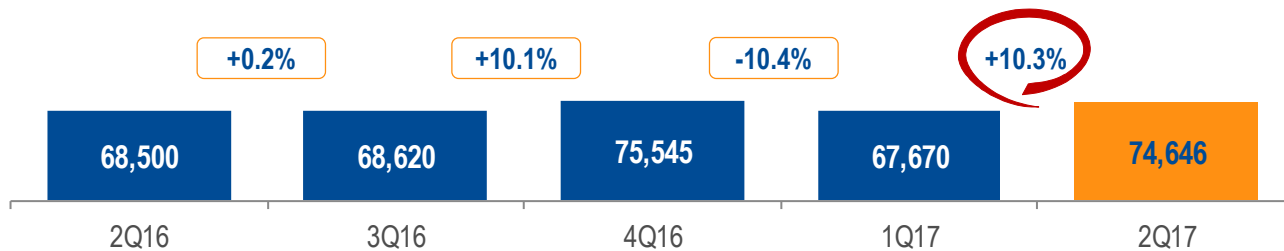


* NIM = Interest income / Loans to customers



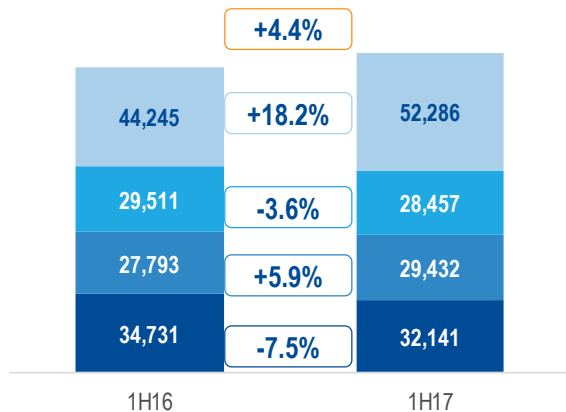
*Interest financial assets – Interest due to central counterparties – Interest term deposits with central bank – Hedging results – Interest loans to banks – Interest income securities – Interest banks – Other interest

Net fees quarterly trend (€/1,000)

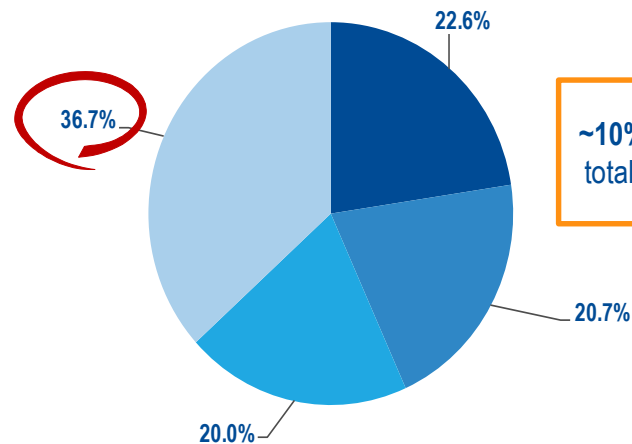


Strong rebound in fee margin due to placement of AUM and Bancassurance products

Net fees breakdown - YoY



- Asset management, trading and advisory services
- Payment and collection services
- Current account
- Loans and other

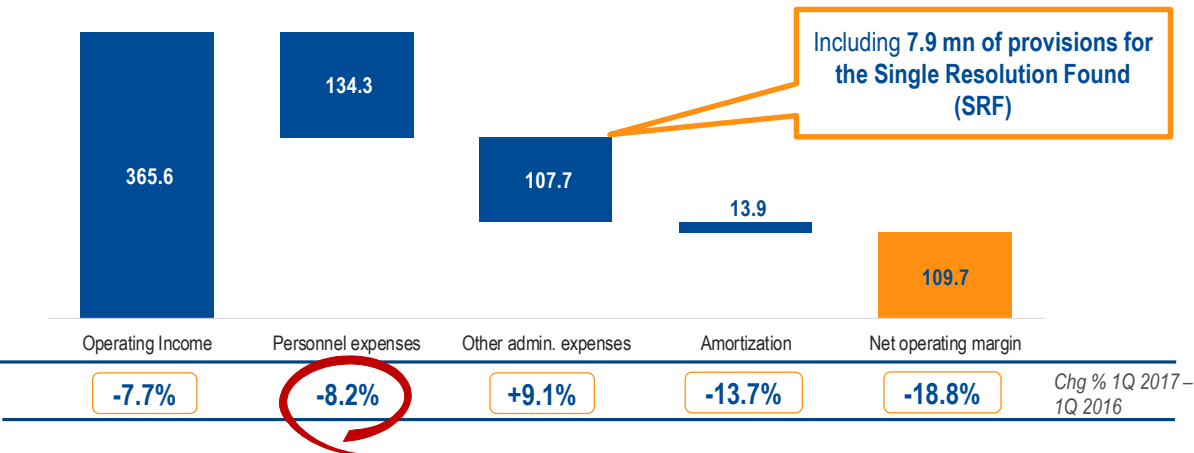


~10% of up front fees on total fees at June 2017*

* Up front fees: placement of insurance and AUM, fees received from commercial partners (Alba Leasing, Compass, IBL) and Factoring fees

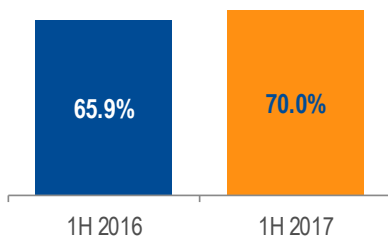
1. Overview of Elrond transaction
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Operating result development (€ mn)

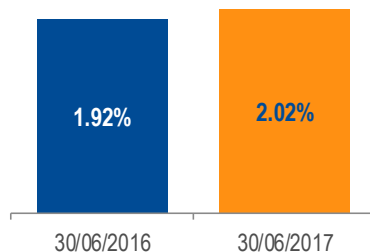


Action plan Creval 2017-2018:
88 branches closed
(of which 23 in 2016 and 65 in 1H 2017)

Cost income ratio

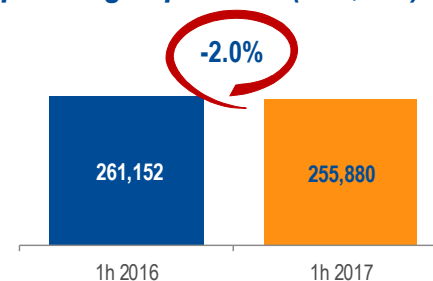


Cost to asset ratio

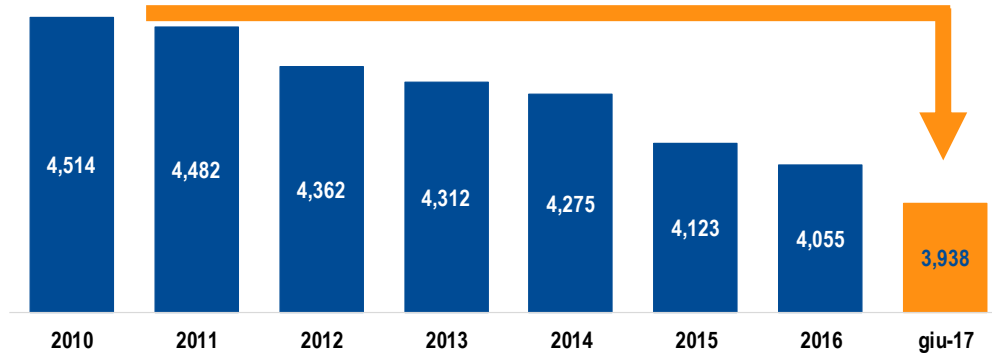


Operating expenses annualized / Total Asset

Operating expenses* (€ /1,000)

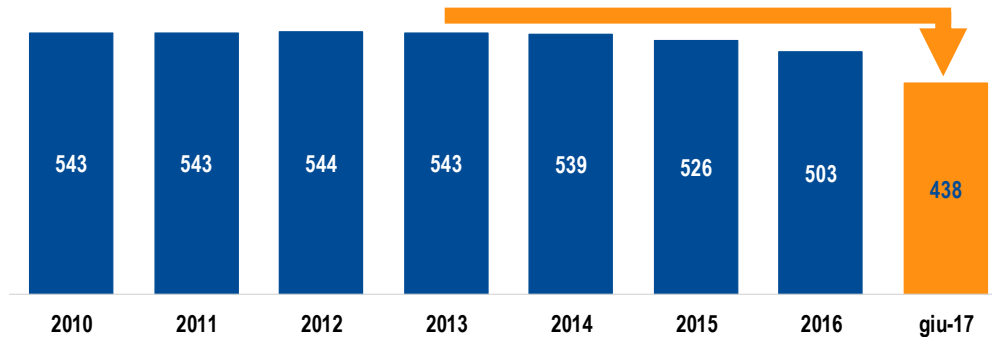


Number of employees



**-576 employees
since 2010 (-13%)**

Number of branches



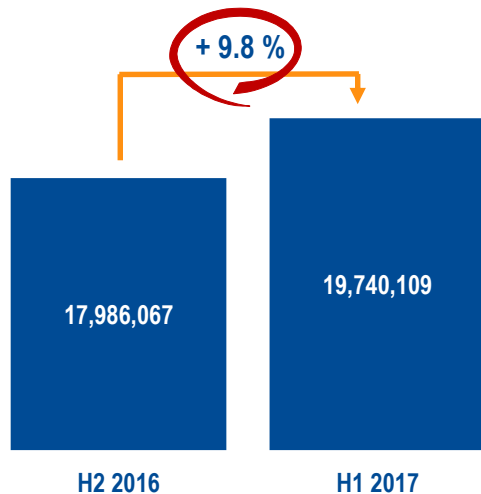
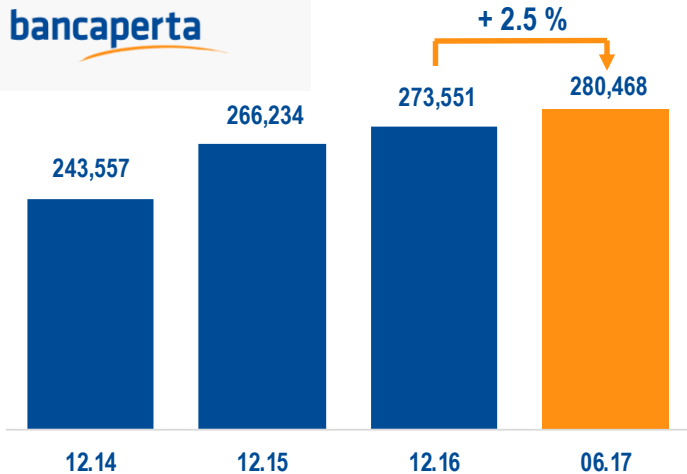
**-105 branches since
2010 (-19%)**

970 k customers
Cross selling ~ 4.1
Retention rate ~ 96.0%**

Active Internet Banking Users

Bancaperta access H1 2017

bancaperta



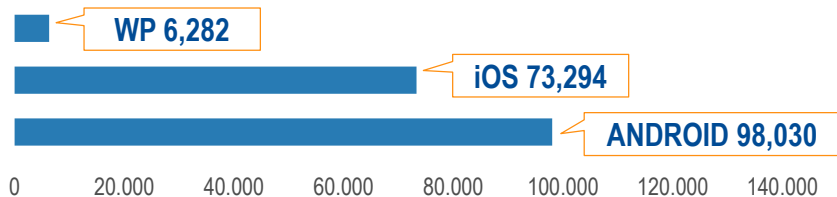
~ 177,606 downloaded apps*
+20% YoY

**Source: customer satisfaction survey – households – as at 30.06.2017

*As at 30/06/2017; source: internal data

Active app as at June 30, 2017: more than 177,000

(at least one access in the last 180 days)

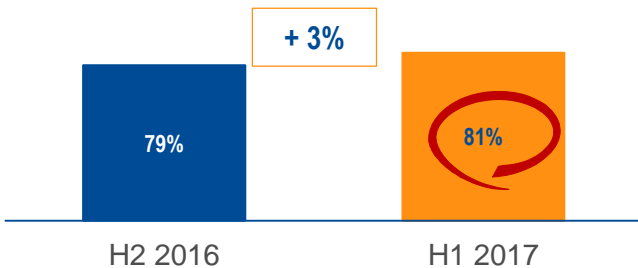


From app the 43% average daily access

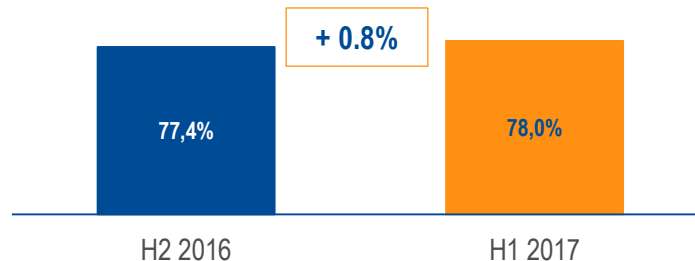
	Google play		Apple iTunes		Microsoft Store		Average rank
	Reviews	Rank	Reviews	Rank	Reviews	Rank	
Credito Valtellinese	2,432	4.5	164	4.2	143	4.4	4.5
Peer	30,260	4.5	8,284	4.2	588	4.1	4.4
Peer	69,913	4.3	9,475	4.1	1,950	3.9	4.3
Peer	1,961	4.3	454	3.0	117	4.3	4.1
Peer	1,827	4.2	438	4.0	n.d.	n.d.	4.2
Peer	6,781	3.8	1,091	3.5	n.d.	n.d.	3.8
Peer	2,737	3.9	388	3.0	n.d.	n.d.	3.8
Peer	5,905	3.7	989	2.5	n.d.	n.d.	3.5
Peer	6,525	4.1	1,112	2.5	234	2.3	3.8
Peer	28,667	3.6	2,906	2.5	940	2.9	3.5
Peer	11,777	4.1	1,919	3.5	423	2.5	4.0

Source: internal data

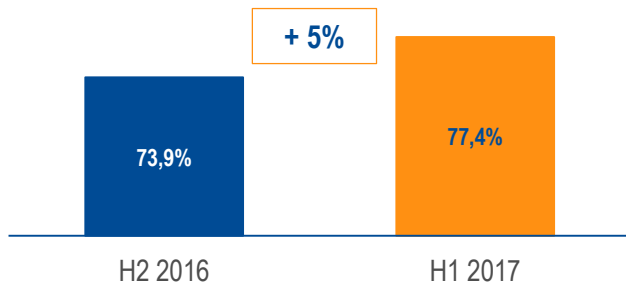
% money transfer online



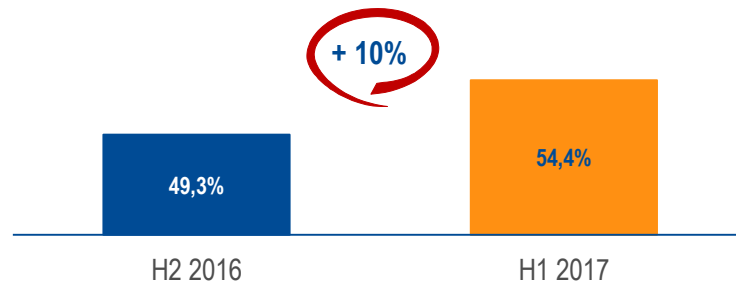
% F24 online



% trading online



Fees and commissions on trading online



Source: internal data



Of which
“Elrond” 229.5 mn
Atlante and other
stake 35.2 mn

Of which
real estate deal
69.5 mn

€ mn	1H 2017	1H 2016	Chg %
Net operating margin	109,752	135,087	-18.8%
Value adjustments	- 369,013	- 151,777	143.1%
Net accruals to provisions for risks and charges	- 42	- 1,883	n.s.
Net gains on sales of investments	68,780	26,252	162.0%
Income before taxes	- 190,523	7,679	n.s.
Tax for the period	- 2,477	13,612	n.s.
Minorities	- 1,828	- 2,155	-15.2%
Net result	- 194,828	19,136	n.s.



Extraordinary Items	June 2017
Loss for UTP disposal	-13.4
Sale of Anima	9.3
Operating Cost (Elrond)	-5.0
LLP and other provisions (Elrond)	-229.5
Write off of Atlante Fund and other	-35.2
Profit from sale of investment	69.7
Personnel extraordinary contribution	7.5
Extraordinary Items	-196.6
Pre-Tax Result	-190.5
Restated Pre-Tax Result	6.1

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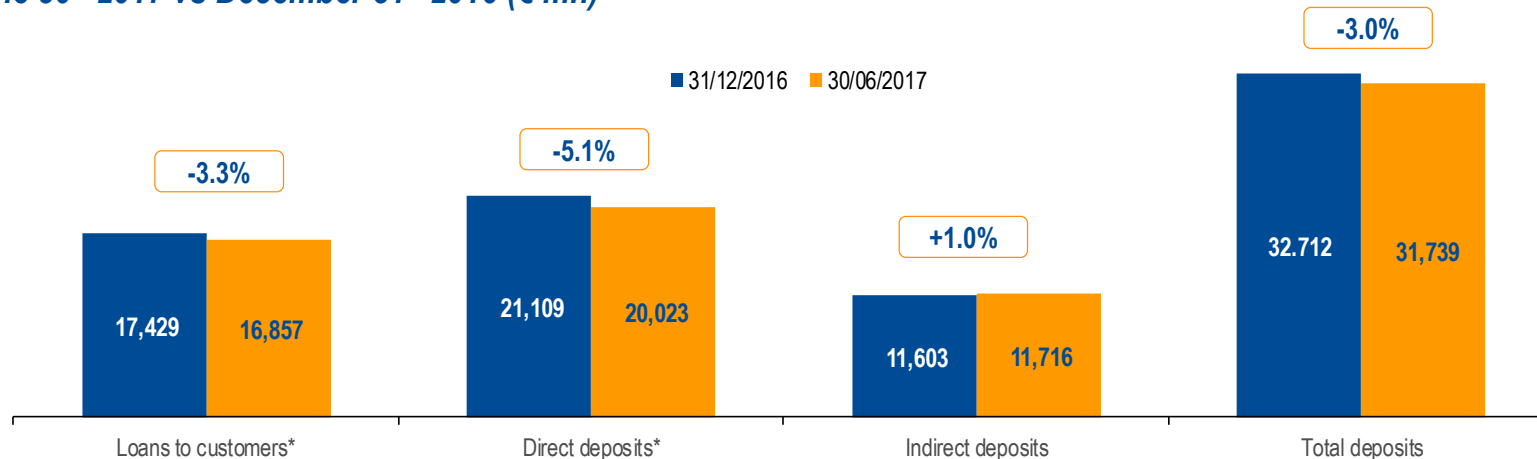


Mn €

Convertible DTA L. 214/2011 - Convertible into tax credits. The recovery is certain regardless of future taxable income	457	Transitional & Fully Loaded: Not deducted from CET 1 - 100% RWA
DTA related to temporary differences - The recovery is subject to future taxable income	91	Transitional: Deducted from CET 1 if they exceed 10% of adjusted CET 1 and if, added to significant holdings, they exceed 15% of adjusted CET 1. Amounts in excess deducted at phasing-in percentage (80% in 2017 for DTA arisen after 1.1.2014 & 30% in 2017 for DTA arisen before 1.1.2014) Fully Loaded: deducted from CET 1 if they exceed 10% of adjusted CET 1 and if, added to significant holdings, they exceed 17.65% of adjusted CET 1. Amounts in excess deducted from CET 1
DTA related to fiscal losses - The recovery is subject to future taxable income	60	Transitional: Deducted from CET 1 (80% in 2017, 100% in 2018) Fully Loaded: 100% deducted from CET 1
Total DTA recognized in balance sheet	608	
DTA not recognized in balance sheet	107.5	DTA related to income losses and not recorded due to the probability test outcome



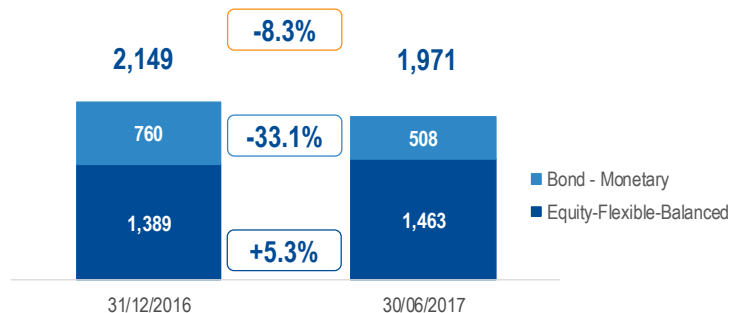
June 30th 2017 vs December 31st 2016 (€ mn)



Balance sheet structure	31/12/2016	30/06/2017
Indirect deposits from customers / Total deposits	35.5%	36.9%
Direct deposits from customers / Total liabilities	82.9%	78.9%
Loans to customers/ Direct deposits from customers	82.6%	84.2%
Loans to customers / T total assets	68.4%	66.4%

* The amounts include components referring to central counterparties and institutionals

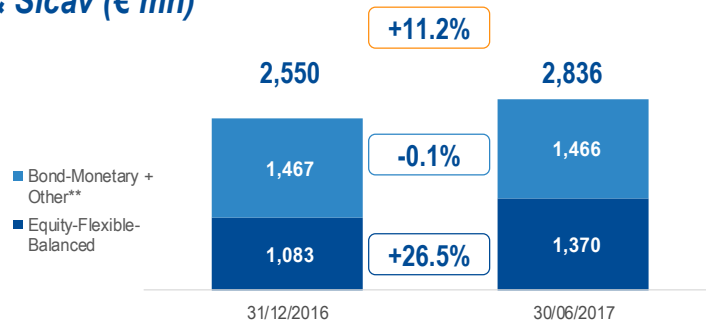
Breakdown Individual accounts (€ mn)



Breakdown Custody (€ mn)

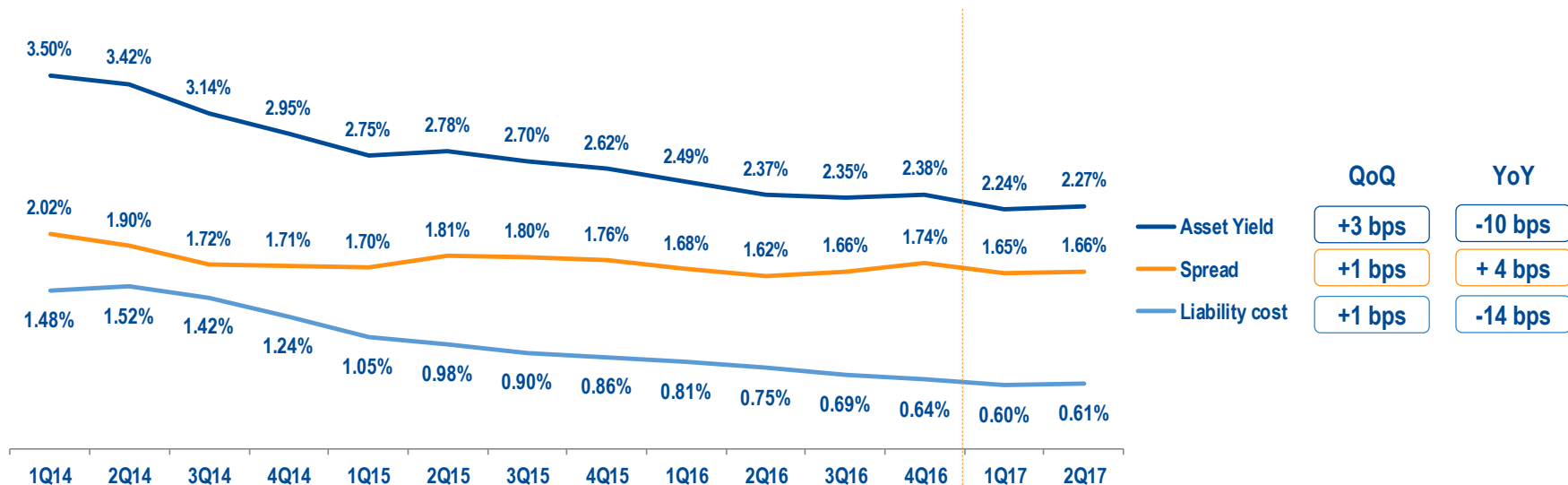


Breakdown Funds & Sicav (€ mn)



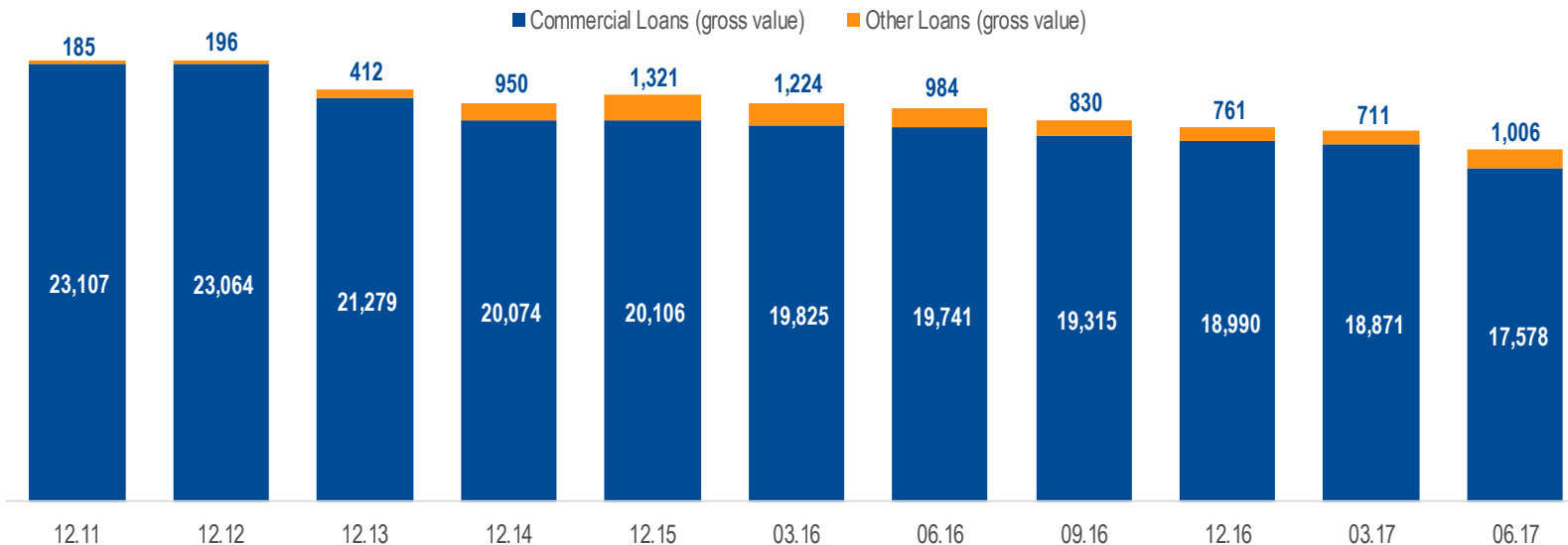
** Other including funds not of our placement

Asset yield, liability cost and spread

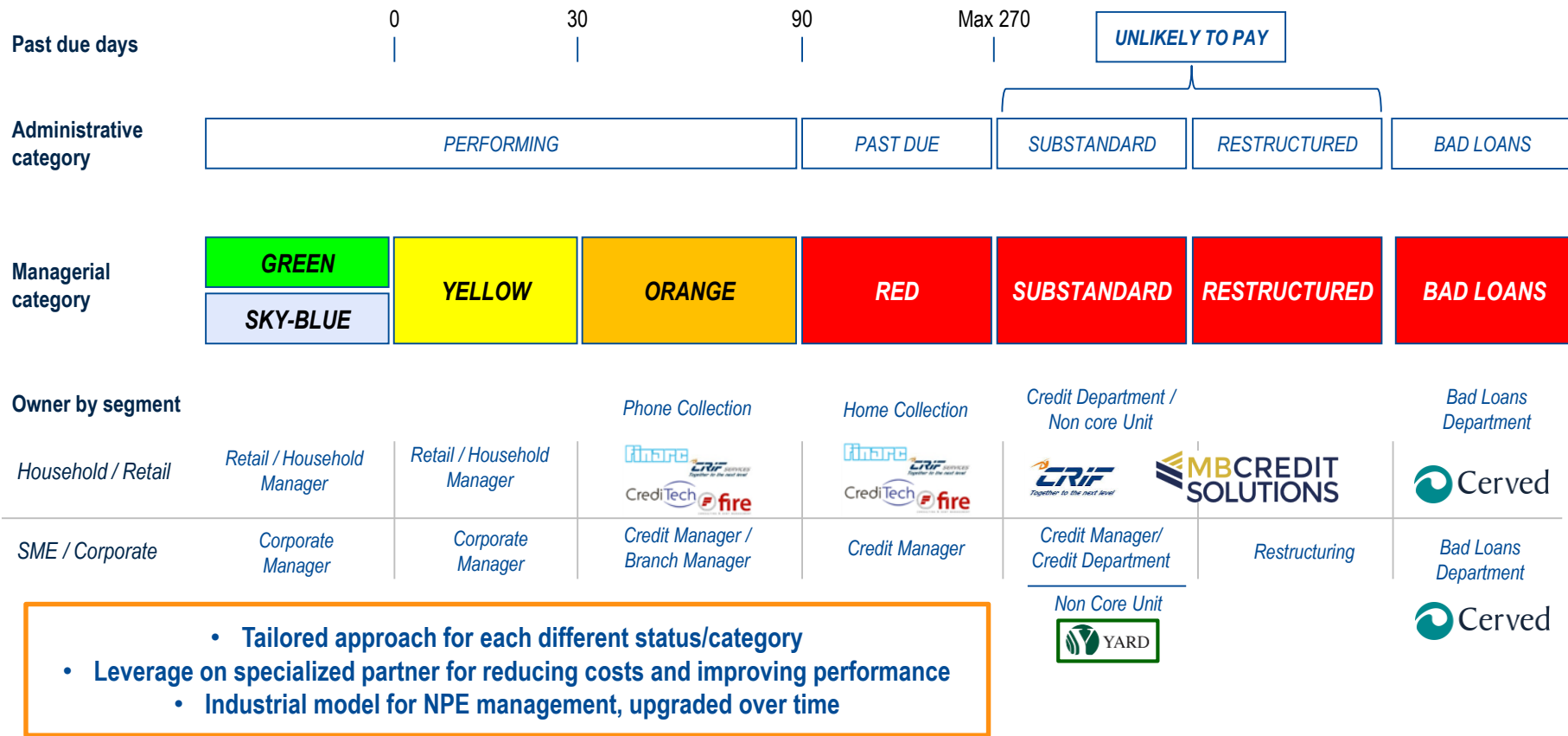


Asset = Loans to customers, loans to banks, financial assets
Asset yield = Interest income / average bearing assets of the quarter
Liability = due to customers, due to banks, securities issued
Liability cost = Interest expenses / average bearing liability of the quarter

Quarterly trend (€ mn)



Annexes – NPEs management model



Mn €

30/06/2017	Gross amount	Impairment losses	Carrying amount	Coverage ratio
Bad loans	1,562	- 953	609	61.0%
Unlikely to pay loans	2,290	- 683	1,607	29.8%
Past due exposures	167	- 14	153	8.5%
Total impaired loans	4,019	- 1,650	2,369	41.0%
Performing loans	14,565	- 77	14,488	0.53%
Total loans and receivables with customers	18,584	- 1,727	16,857	

Annexes – Reclassified balance sheet – quarterly figures

Assets	30/06/2017	31/03/2017	31/12/2016	30/09/2016	30/06/2016
Cash and cash equivalents	156,385	150,632	170,735	147,854	151,577
Financial assets held for trading	20,280	22,797	18,999	28,694	42,746
Available-for-sale financial assets	4,495,735	4,908,900	5,436,165	5,421,590	5,812,543
Held-to-maturity investments	810,229	624,471	-	-	-
Loans and receivables with banks	916,938	1,347,802	821,748	1,064,051	776,665
Loans and receivables with customers	16,857,488	17,281,485	17,429,196	17,813,992	18,614,840
Equity Investments	23,268	9,742	9,559	9,574	9,164
Property, equipment and investment property and intangible assets	449,962	480,553	483,816	562,903	568,623
Non-current assets and disposal groups held for sale	507,709	32,071	1,498	864	50,633
Other assets	1,155,950	1,125,569	1,097,743	1,031,093	1,122,532
Total assets	25,393,944	25,984,022	25,469,459	26,080,615	27,149,323

Liabilities and Equity	30/06/2017	31/03/2017	31/12/2016	30/09/2016	30/06/2016
Due to banks	2,655,250	2,805,884	1,661,670	1,742,354	1,770,058
Direct funding from customers	20,023,354	20,168,413	21,108,765	21,103,638	21,870,299
Financial liabilities held for trading	674	411	1,468	759	1,311
Hedging derivatives	263,821	286,390	294,137	350,170	339,042
Other liabilities	727,207	802,722	437,838	727,939	874,584
Provisions for specific purpose	171,722	209,463	208,111	187,404	182,895
Equity attributable to non-controlling interests	3,378	3,586	4,040	3,775	3,865
Equity	1,548,538	1,707,153	1,753,430	1,964,576	2,107,269
Total liabilities and equity	25,393,944	25,984,022	25,469,459	26,080,615	27,149,323

Annexes – Reclassified consolidated income statement

Income statement	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016
Net interest income	99,047	99,725	105,769	104,826	103,609
Net fee and commission income	74,646	67,670	75,545	68,620	68,500
Dividends and similar income	2,586	290	33	80	4,128
Profit (loss) of equity-accounted investments	- 16	174	142	480	167
Net trading and hedging income (expense) and profit (loss) on sales/repurchases	- 1,282	12,092	- 36,062	- 15,449	28,018
Other operating net income	5,795	4,905	3,375	4,115	4,440
Operating income	180,776	184,856	148,802	162,672	208,862
Personnel expenses	- 59,193	- 75,122	- 127,358	- 72,443	- 74,033
Other administrative expenses	- 59,494	- 48,217	- 69,494	- 41,928	- 48,264
Depreciation/amortisation and net impairment losses on property, equipment and investment property and intangible assets	- 6,455	- 7,399	- 9,474	- 8,389	- 7,886
Operating costs	- 125,142	- 130,738	- 206,326	- 122,760	- 130,183
Operating profit	55,634	54,118	- 57,524	39,912	78,679
Net impairment losses on loans and receivables and other financial assets	- 321,102	- 47,911	- 102,541	- 236,914	- 102,852
Net accruals to provisions for risks and charges	1,024	- 1,066	11,493	1,055	- 1,556
Value adjustments of goodwill	-	-	- 68,797	-	-
Net gains (losses) on sales of investments	68,798	- 18	5,105	9	26,244
Pre-tax profit (loss) from continuing operations	- 195,646	5,123	- 212,264	- 195,938	515
Income taxes	- 801	- 1,676	16,622	41,557	14,542
Post-tax profit (loss) from continuing operations	- 196,447	3,447	- 195,642	- 154,381	15,057
Profit (loss) for the period attributable to non-controlling interests	- 739	- 1,089	- 1,415	- 801	- 988
Profit (Loss) for the period	- 197,186	2,358	- 197,057	- 155,182	14,069

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Consolidated Results as at June 30th 2017