



**Consolidated Results as at
31st December 2018**

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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.

- 1. Update on Business Plan execution**
- 2. Asset quality**
- 3. Funding, liquidity and securities portfolio**
- 4. Capital ratios**
- 5. Consolidated P&L results**
- 6. Annexes**

Capital

- **Solid capital position further strengthened in Q4 18:** CET1 ratio phased-in equal to **18.3%** (vs. 16.8% in Q3 18) and CET1 ratio FL equal to **13.5%** (vs. 12.1% in Q3 18)
- CET1 ratio FL buffer vs. SREP 2018 min. target: **+580bps. The highest among the main Italian banks (avg. +320bps*)**

Asset quality

- **550bps uplift in the NPE coverage ratios in Q4 18 for potential additional de-risking actions in 2019**
- **Bad loans coverage increased to 75% (the highest among the main Italian banks)** and 79% including write-offs
- **Total NPE coverage ratio at 56%** (vs. 50% as at 30/09/18 and 45% as at 31/12/17) and 59% including write-offs
- **Net NPE ratio⁽¹⁾: 5.2% (13.2% as at 31/12/17). Gross NPE ratio⁽¹⁾: 11.0% (21.7% as at 31/12/17)**
- **Net NPE stock: €0.9bn (-60% y/y). Gross NPE stock: €2.0bn (-51% y/y)**
- **2018 de-risking plan substantially completed.** Excellent track record in the NPE disposal process confirmed

Liquidity

- **Satisfactory liquidity position: LCR >100%, NSFR >100%. Well above the minimum regulatory level. Unencumbered eligible assets at €2.9bn⁽²⁾**

P&L

- **2018 profitability impacted by actions aimed at improving the bank's risk profile and by non-recurrent fiscal effects**
- **Net profit stated equal to €32m**

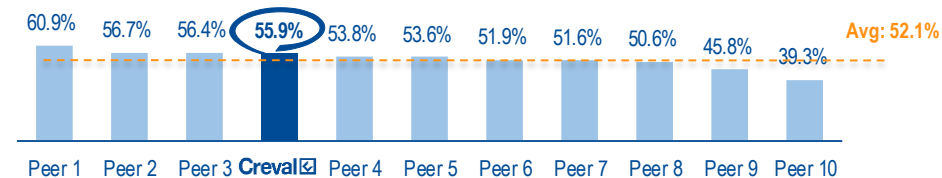
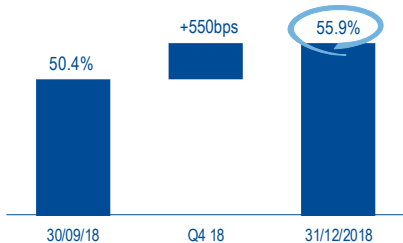
(1) Excluding Government bonds (2) As of 03/01/2019

*Data as at 30/09/18. Peers: Unicredit, Intesa Sanpaolo, MPS, UBI, BancoBPM, BPER, POPSO, Credem, Carige, Banco Desio.

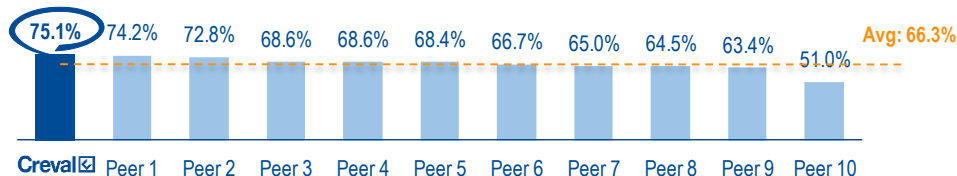
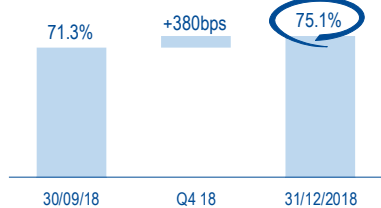
- Further strengthening in the NPE coverage ratio in Q4 18
- NPE coverage ratio increased by 550bps (to 55.9% from 50.4% in Q3 18), Bad loans coverage is up by 380bps (to 75.1% from 71.3% in Q3 18) and UTP coverage is up by 530bps (to 44.1% from 38.8% in Q3 18)

Coverage ratio

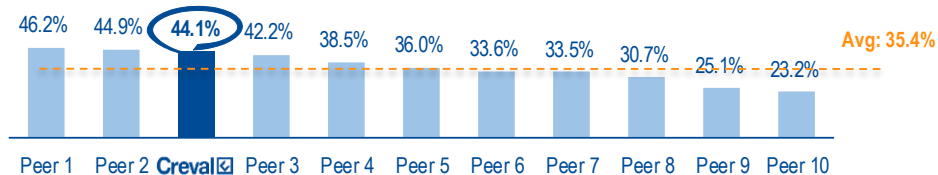
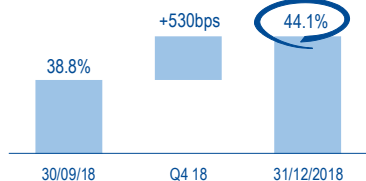
Total NPE



Bad loans

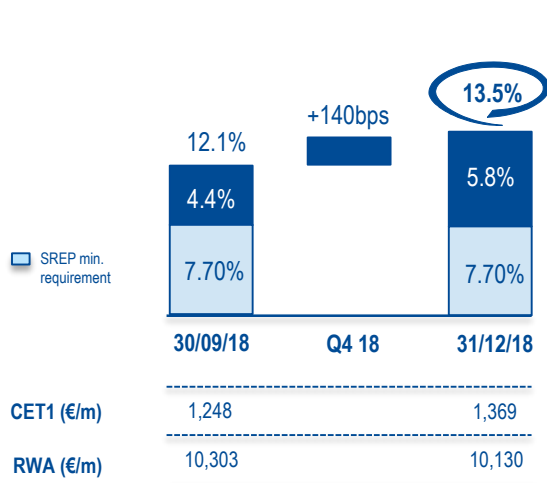


UTP

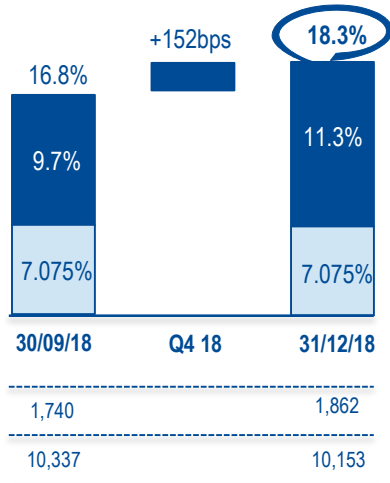


- Excellent capital position further strengthened in Q4 18: CET1 ratio FL at 13.5% (vs. 12.1% in Q3 18) and CET1 ratio phased-in at 18.3% (vs. 16.8% in Q3 18)
- CET1 FL buffer vs. SREP 2018 min. requirement: +580bps, the highest among the main Italian banks

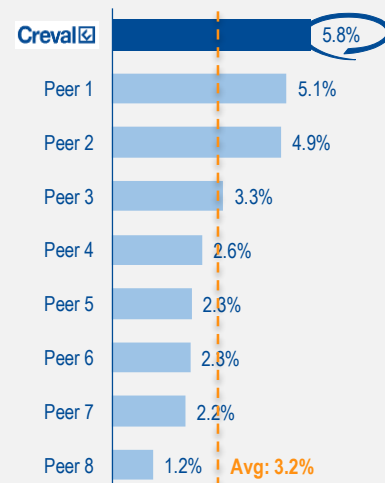
CET1 ratio Fully Loaded*



CET1 ratio Phased-in



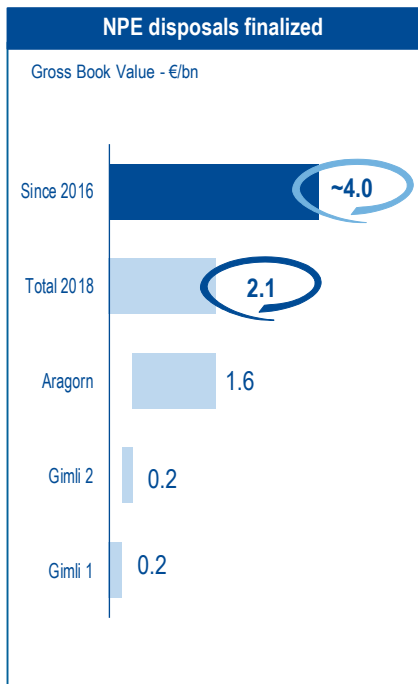
CET1 FL buffer vs. SREP 2018 min. requirement



Source: Company presentations and press releases as at 30/09/18. Peers: Unicredit, Intesa Sanpaolo, MPS, UBI, BancoBPM, BPER, POPSO, Credem

* Includes the full impact of IFRS9 FTA. In the SREP requirement the CCB is equal to 2.5%

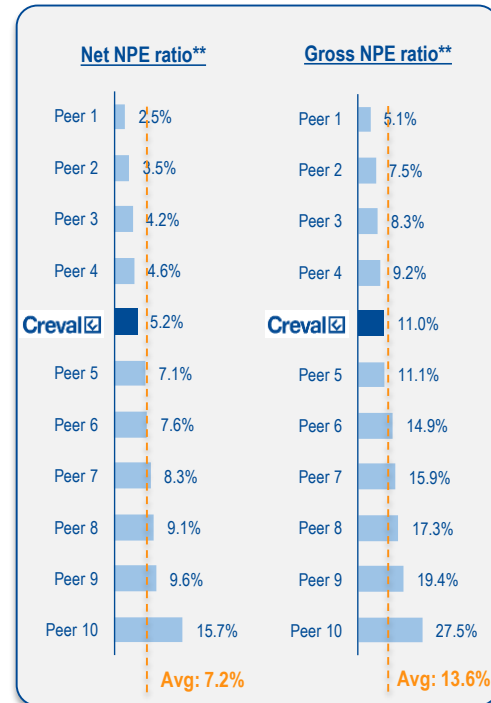
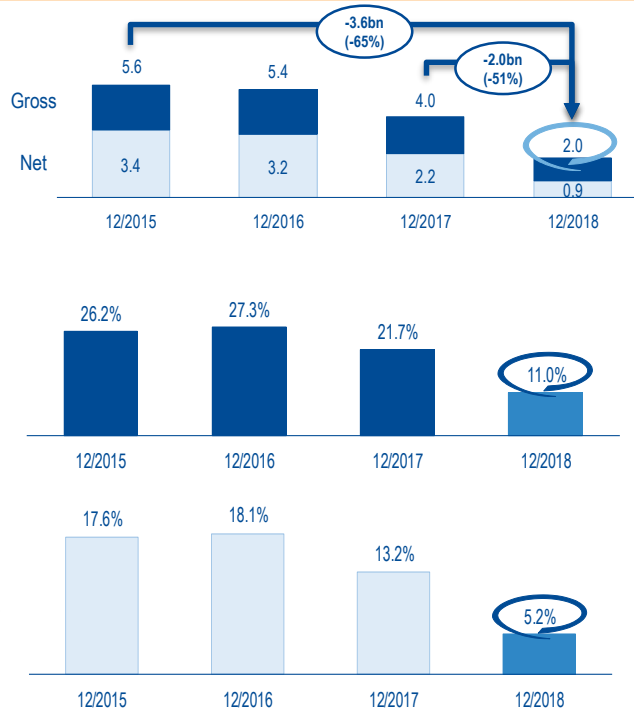
- NPE disposals for more than €2.0bn (GBV) successfully finalized in 2018 (€4bn since 2016), of which €1.6bn through the use of GACS.
- Potential additional NPE disposals in 2019 following the strengthening in the NPE coverage ratios, aimed at further accelerating the derisking process



NPE stock (€bn)

Gross NPE ratio*

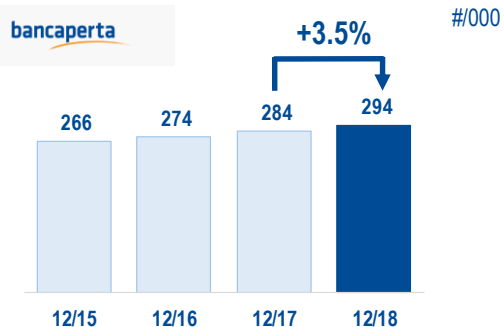
Net NPE ratio*



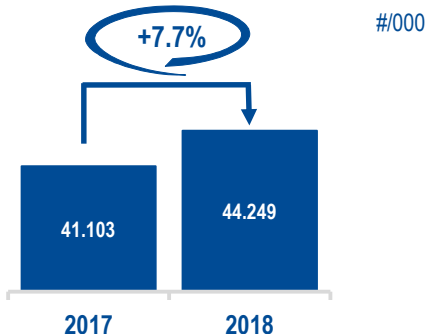
* Excluding Government bonds

**Source: Company presentations and press releases as at 30/09/18. Peers: Unicredit, Intesa Sanpaolo, MPS, UBI, BancoBPM, BPER, POPSO, Credem, Banco Desio, Carige

Active Internet Banking Users



Bancaperta access: 2018 vs 2017

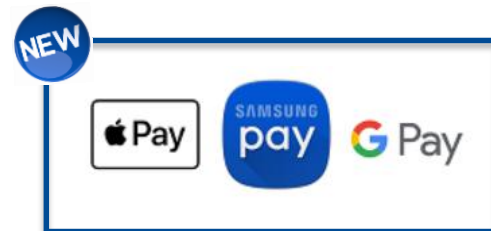


Bancaperta branches



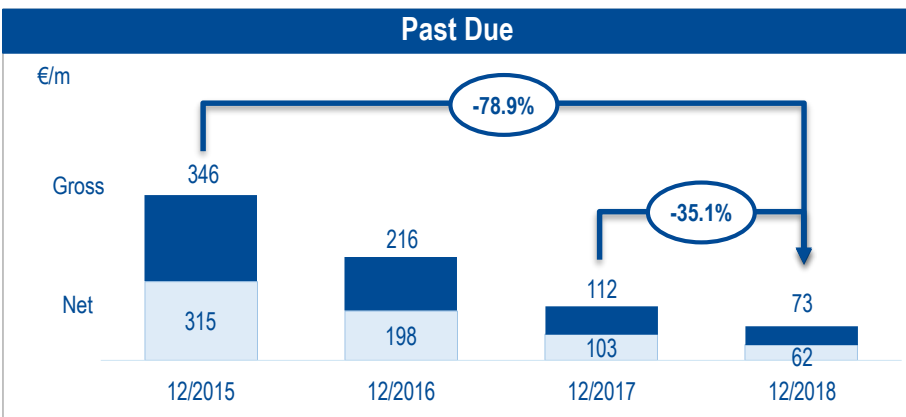
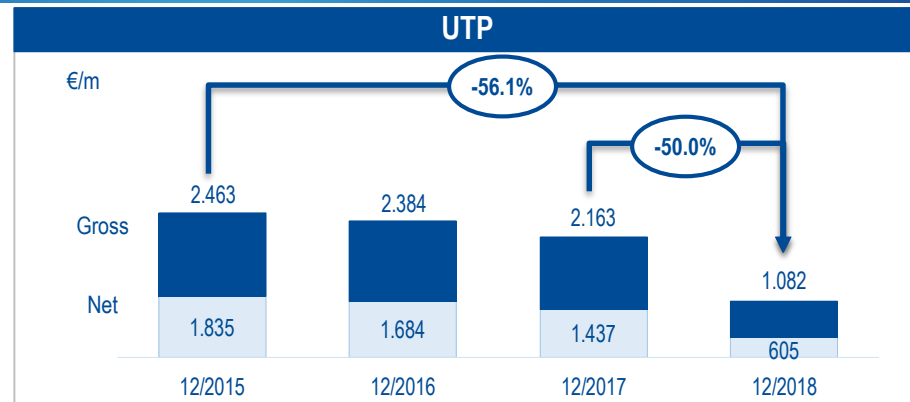
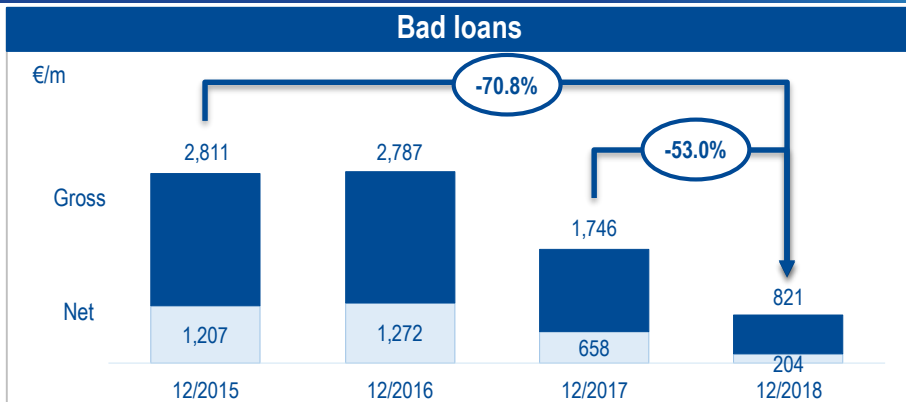
14 digital-only branches, of which 5 opened in Q4 2018.

online operations



Since November the bank's credit cards are enabled for mobile payment

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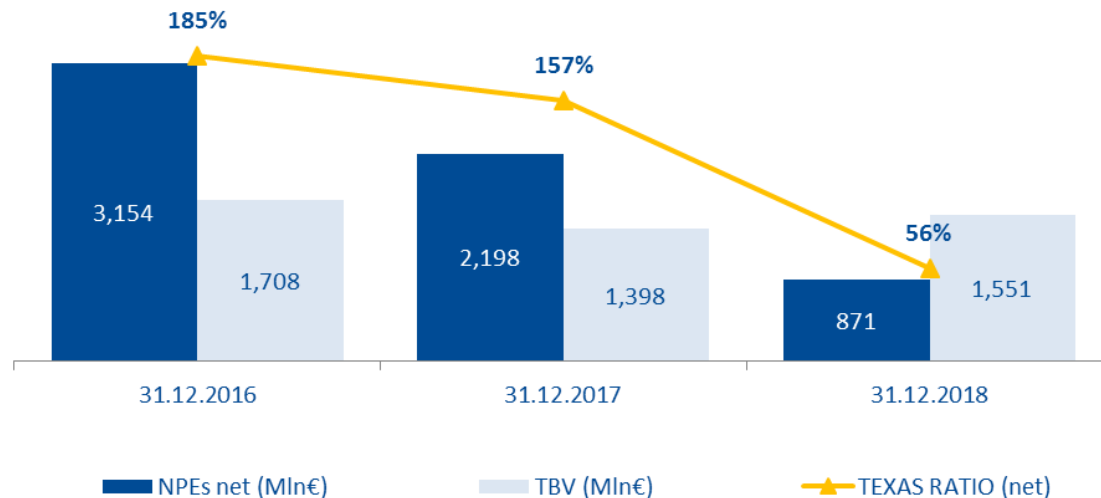
Coverage ratio

| | 31/12/2017 | 30/09/2018 | 31/12/2018 | Peer avg. ⁽¹⁾ |
|-----------------------------|--------------|----------------------------|----------------------------|--------------------------|
| NPEs | 45.3% | 50.4% | 55.9% | 50.5% |
| <i>including write offs</i> | <i>47.2%</i> | <i>53.6%</i> | <i>58.6%</i> | |
| Bad Loans | 62.3% | 71.3% | 75.1% | 63.5% |
| <i>including write offs</i> | <i>65.2%</i> | <i>75.5%</i> | <i>78.5%</i> | |
| UTP | 33.6% | 38.8% | 44.1% | 31.5% |
| Past Due | 8.0% | 11.4% | 15.7% | 14.2% |
| Bonis | 0.43% | 0.69%⁽²⁾ | 0.60%⁽²⁾ | |

(1) Data as of September, 30th 2018. Peers: Banco BPM, Bper, Credem, Ubi Banca, Banca Popolare di Sondrio. Source: company presentations

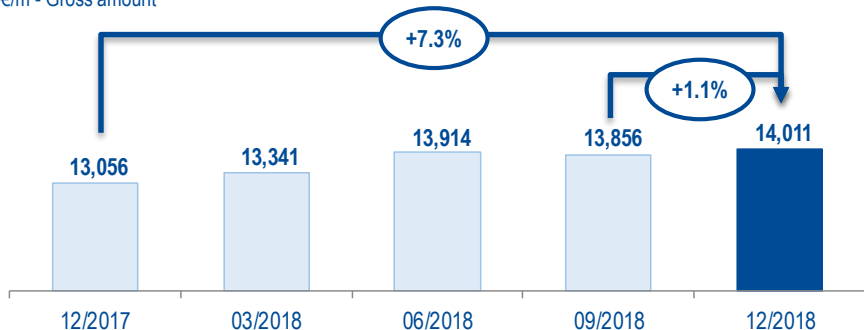
(2) Excluding Government bonds

€/m



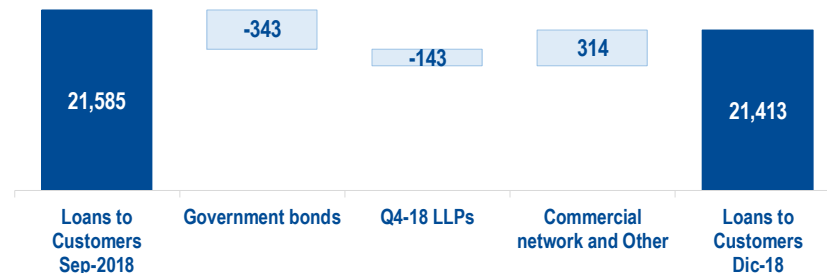
Performing commercial customer loans* – Quarterly trend

€/m - Gross amount



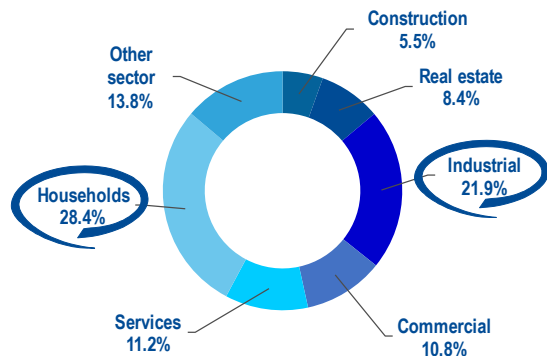
Net customer loans

€/m



Performing customer loans breakdown by sector

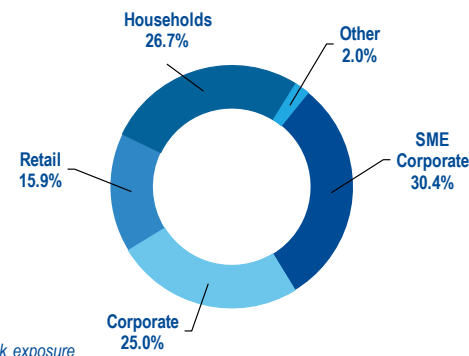
Gross amount



Total customer loans by customer segment

Gross amount

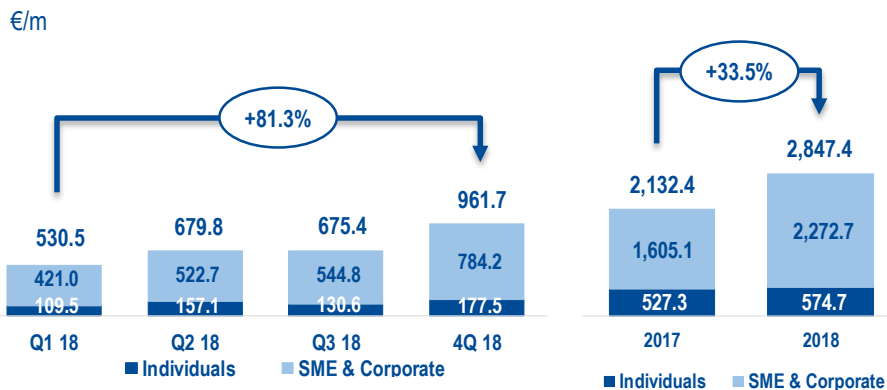
SMEs represent 71% of total loan book



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

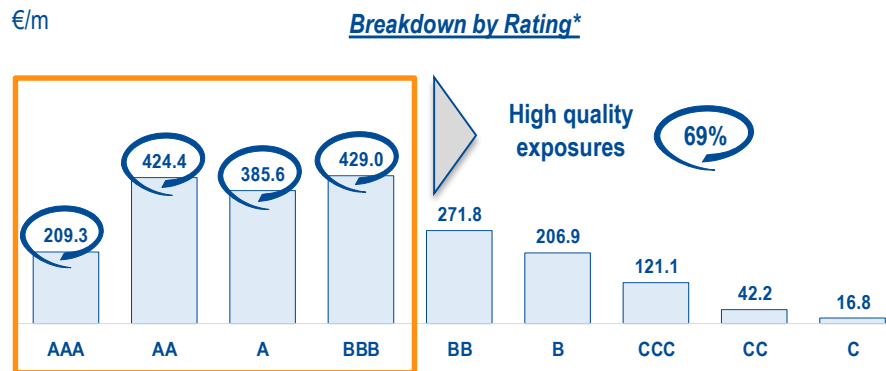
* Performing gross customer loans net of exposures with institutions (mainly CCG - Cassa Compensazione e Garanzia) and securities classified in the amortized cost category

New commercial lending flows in 2018 – quarterly trend

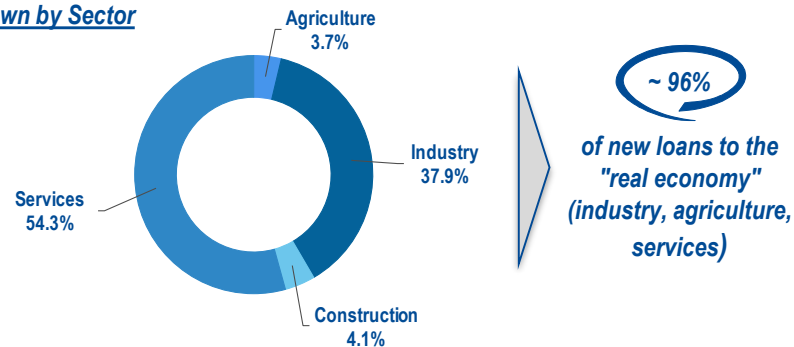


- €2,847m of newly granted commercial loans to Individuals (€575m) and SMEs/Corporate (€2,273m) in 2018 (+33.5% y/y)
- Average rate Individuals equal to **2.26%** (vs. 2.49% in 2017)
- Average rate SME & Corporate equal to 1.83% (vs. 2.19% in 2017)

Focus on new lending to SME & Corporate in FY2018

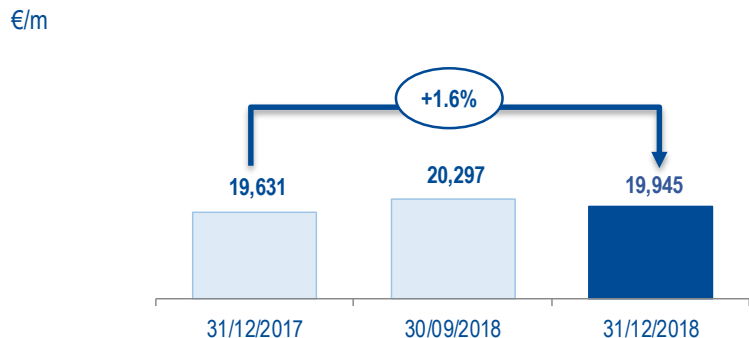


Breakdown by Sector

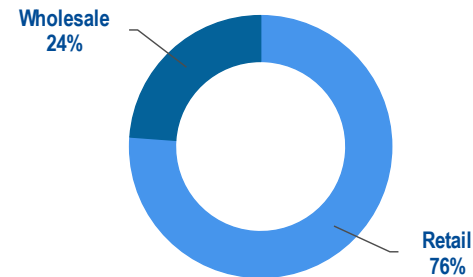


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Direct funding trend



Breakdown by customer segment



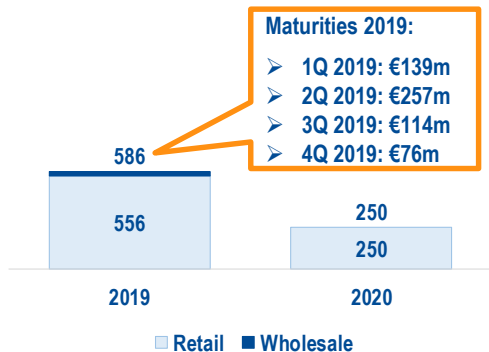
Breakdown by funding source

| €/m | 31/12/2017 | 30/09/2018 | 31/12/2018 | Chg. % Ytd |
|---|---------------|---------------|---------------|-------------|
| Saving Deposits | 366 | 320 | 305 | -16.8% |
| Time deposits | 769 | 1,107 | 1,276 | 65.9% |
| Current accounts | 11,947 | 12,323 | 12,610 | 5.5% |
| Senior retail bonds | 1,527 | 1,195 | 814 | -46.7% |
| Subordinated retail bonds | 206 | 177 | - | -100.0% |
| Deposit certificates | 120 | 92 | 52 | -57.0% |
| Other | 195 | 167 | 135 | -30.8% |
| Sub-Total: Retail | 15,131 | 15,381 | 15,191 | 0.4% |
| Securitized | 586 | 358 | 342 | -41.6% |
| Wholesale bonds (senior + subordinated) | 281 | 277 | 282 | 0.2% |
| Deposits CCG & CDP | 3,633 | 4,282 | 4,130 | 13.7% |
| Sub-Total: Wholesale | 4,501 | 4,917 | 4,753 | 5.6% |
| Total direct funding | 19,631 | 20,297 | 19,945 | 1.6% |

- Direct deposits increased by **1.6% y/y**
- Positive trend in the aggregate “Current account, Saving deposits and Time deposits” (€14.2bn): **+8.5% y/y** and **+3.2% q/q**
- Large base of retail funding which represents **76%** of total direct funding
- Retail and institutional bonds (€1.4bn) decreased by **45%** y/y, in line with the policy of reducing the most onerous source of funding

Bond maturities

€/m



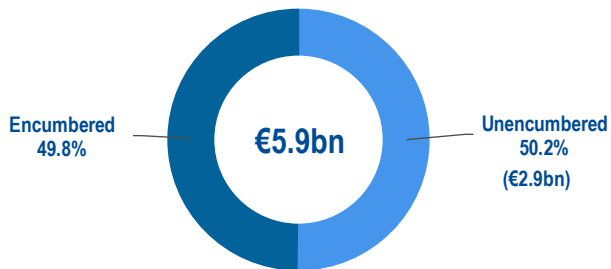
TLTRO funding maturity

€/bn

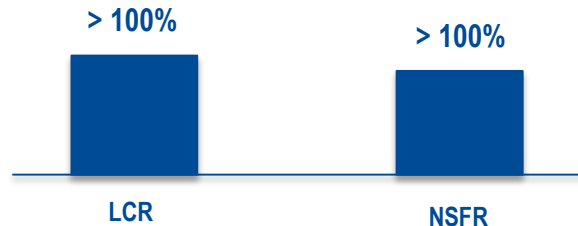


Counterbalancy capacity 3M

Data as at 03/01/2019



Liquidity regulatory requirements



Securities portfolio breakdown

€/m

| | 30/09/18 | 31/12/18 | Chg Q/Q |
|---|--------------|--------------|-------------|
| FVOCI portfolio | 2.224 | 1.938 | -286 |
| FVTPL portfolio | 246 | 235 | -11 |
| Amortized cost portfolio ⁽¹⁾ | 5.121 | 4.851 | -270 |
| Total | 7.591 | 7.024 | -567 |
| Senior notes with GACS | 900 | 901 | +1 |
| Total with GACS | 8.491 | 7.925 | -566 |

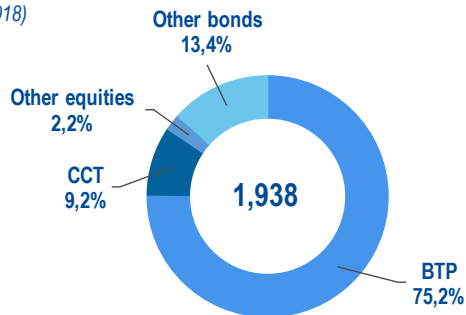


Of which Italian government bonds

| | 30/09/18 | 31/12/18 | Chg Q/Q |
|----------------------------------|--------------|--------------|-------------|
| FVOCI portfolio | 1,802 | 1,636 | -166 |
| FVTPL portfolio | 11 | 11 | -0 |
| Amortized cost portfolio | 3,979 | 3,648 | -331 |
| Total | 5,792 | 5,295 | -497 |
| Valuation reserve ⁽²⁾ | -46 | -20 | +26 |
| Spread 10y BTP-Bund | 268 | 250 | -18 |

FVOCI portfolio breakdown

(As at 31/12/2018)



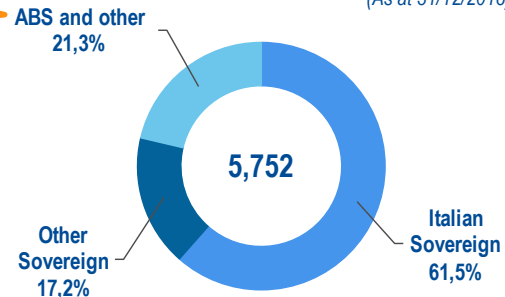
Average Duration : 2.4y

Italia Government bonds duration: 2.5y

Amortized cost portfolio breakdown

(As at 31/12/2018)

Includes €0.9bn of senior notes with GACS



(1) Excluding loans and receivables with Banks.

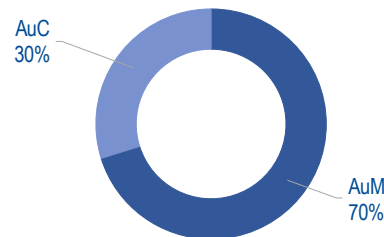
(2) Net of fiscal effect.

Indirect deposits

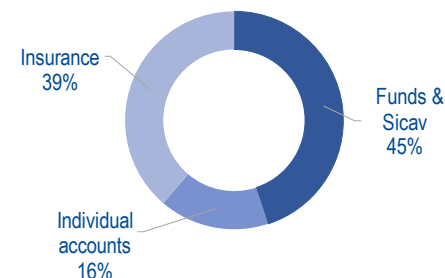
| € m | 30/09/2018 | 31/12/2018 | Chg. % |
|-------------------------|---------------|---------------|--------------|
| Assets under Custody | 3,070 | 3,001 | -2.2% |
| Assets under Management | 7,278 | 7,060 | -3.0% |
| Funds & Sicav | 3,258 | 3,174 | -2.6% |
| Individual accounts | 1,269 | 1,150 | -9.4% |
| Insurance | 2,751 | 2,736 | -0.6% |
| Total | 10,348 | 10,061 | -2.8% |

The negative trend in the indirect deposits was mainly due to the negative performance of the financial markets, which affected both the assets under management and assets under custody

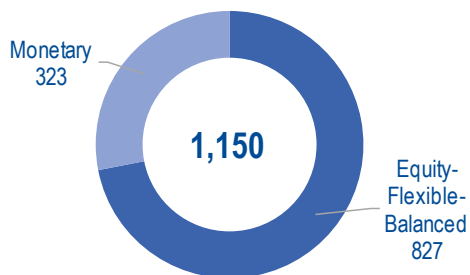
Indirect deposit breakdown



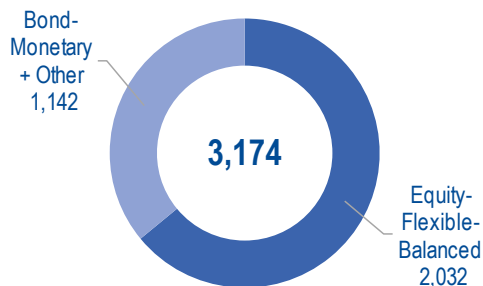
AUM breakdown



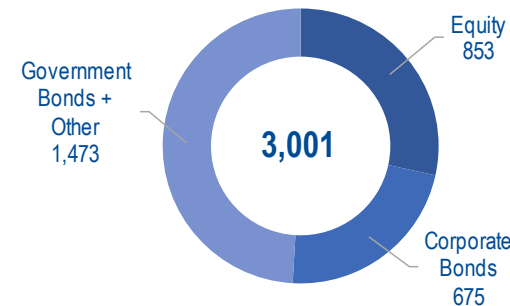
Breakdown Individual accounts (€/m)



Breakdown Funds & Sicav (€/m)

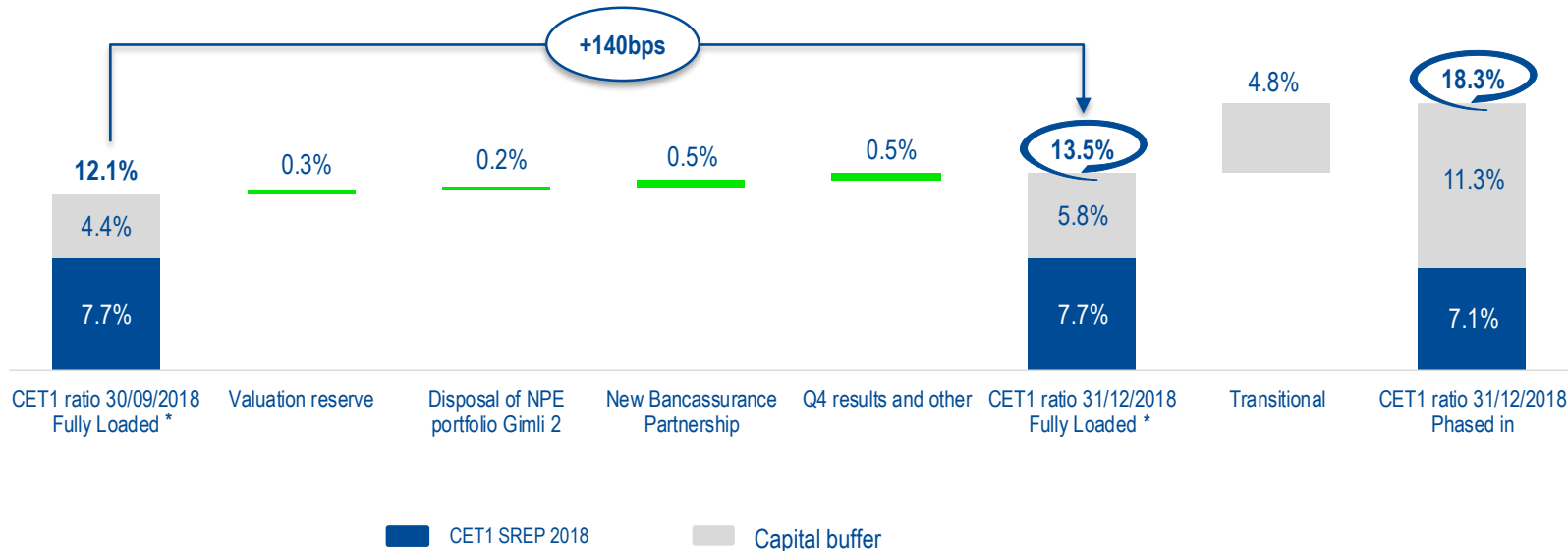


Breakdown Custody (€/m)



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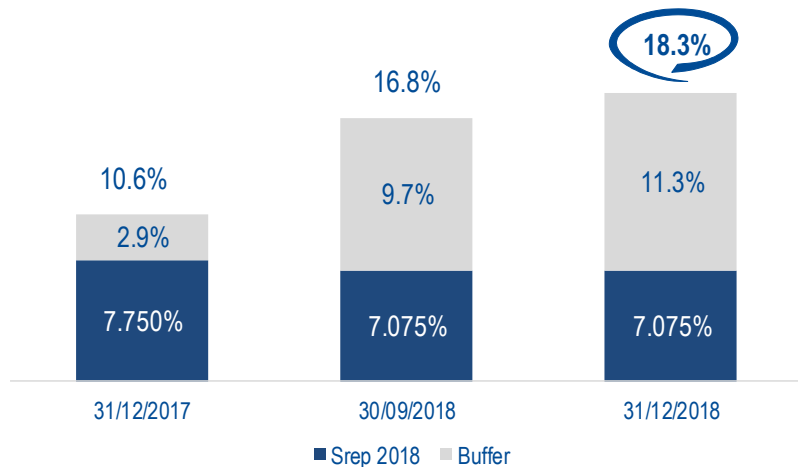
Regulatory ratios - q/q trend



| | | | |
|-----------------------------|--------|--------|--------|
| Total Capital Ratio | 14.0% | 15.6% | 20.2% |
| Srep 2018 | 11.75% | 11.75% | 11.13% |
| Buffer vs. Srep 2018 | 2.3% | 3.9% | 9.1% |

* Includes the full impact of IFRS9 FTA. In the SREP requirement the CCB is equal to 2.5%

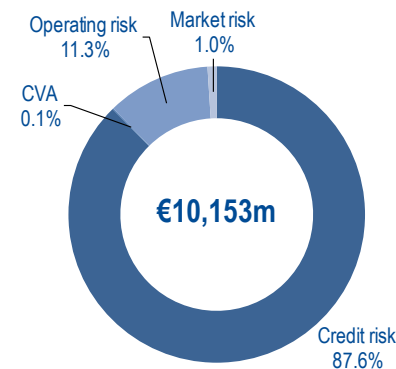
CET1 ratio phased-in evolution



Capital ratios phased-in

| | 31/12/2017 | 30/09/2018 | 31/12/2018 |
|----------------------------|--------------|--------------|--------------|
| COMMON EQUITY (€ mn) | 1,374 | 1,739 | 1,862 |
| TIER 1 (€ mn) | 1,374 | 1,739 | 1,862 |
| TOTAL CAPITAL (€ mn) | 1,623 | 1,936 | 2,056 |
| RWA (€ mn) | 12,944 | 10,337 | 10,153 |
| CET1 RATIO | 10.6% | 16.8% | 18.3% |
| TIER 1 RATIO | 10.6% | 16.8% | 18.3% |
| TOTAL CAPITAL RATIO | 12.5% | 18.7% | 20.2% |

RWA phased-in breakdown



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€/m

| Income statement | Q1 18 | Q2 18 | Q3 18 | Q4 18 | FY 2018 | 9M 18 | Description 9M 18 | Q4 18 | Description Q4 18 | FY2018 | 9M 18 | Q4 18 | FY 2018 |
|--|---------------|---------------|---------------|---------------|---------------|--------------|--|--------------|--|---------------|---------------|---------------|---------------|
| Net interest income | 88.6 | 90.3 | 95.5 | 91.8 | 366.2 | | | | | | 274.4 | 91.8 | 366.2 |
| Net fee and commission income | 70.6 | 68.8 | 66.3 | 69.1 | 274.8 | | | | | | 205.8 | 69.1 | 274.8 |
| Net trading | 5.3 | 11.1 | -0.6 | -7.8 | 8.1 | | | -4.4 | Write-off contribution voluntary intervention scheme | -4.4 | 15.9 | -3.4 | 12.6 |
| Other income (1) | 1.3 | 4.9 | 4.3 | 26.9 | 37.4 | 0.1 | Project Aragom | 28.2 | Extraordinary dividends and other | 28.3 | 10.4 | -1.3 | 9.1 |
| Operating income | 165.9 | 175.1 | 165.6 | 180.0 | 686.5 | 0.1 | | 23.8 | | 23.9 | 506.4 | 156.2 | 662.7 |
| Personnel expenses | -121.9 | -71.5 | -66.4 | -67.3 | -327.1 | -62.9 | Redundancy fund | -0.8 | Redundancy fund | -63.7 | -196.9 | -66.6 | -263.5 |
| Other administrative expenses | -51.3 | -49.7 | -40.9 | -41.1 | -182.9 | -9.60 | 3.4m for SRF extraord. contribution and 6.1m costs related to the Project Aragom | -3.2 | Cost related to NPE disposals and other | -12.8 | -132.2 | -37.9 | -170.1 |
| Depreciation/amortisation | -6.2 | -6.3 | -6.5 | -6.8 | -25.9 | | | | | | -19.1 | -6.8 | -25.9 |
| Operating costs | -179.4 | -127.6 | -113.8 | -115.2 | -535.9 | -72.5 | | -3.99 | | -76.5 | -348.2 | -111.2 | -459.4 |
| Net operating profit | -13.5 | 47.5 | 51.8 | 64.8 | 150.6 | -72.4 | | 19.8 | | -52.6 | 158.2 | 45.0 | 203.2 |
| Net impairment losses for credit risk | -27.8 | 50.0 | -35.3 | -130.8 | -143.9 | -13.9 | LLPs related to the NPE disposals | -84.5 | Increase in the coverage ratio | -98.4 | 0.8 | -46.4 | -45.5 |
| Losses on sale/repurchase of financial assets at amortised cost | 0.0 | -95.2 | 0.5 | -12.5 | -107.3 | | | -12.5 | Npe disposal | -12.5 | -94.7 | 0.0 | -94.7 |
| Provisions for risks and charges | -5.0 | 0.4 | -5.8 | -5.4 | -15.8 | -1.2 | Extraordinary provision related to the pawnbroker business | -3.0 | Non-recurring charges | -4.2 | -9.2 | -2.4 | -11.6 |
| Badwill and Net gain/lossess on sale of investments | 0.0 | 15.4 | 0.0 | 1.9 | 17.2 | 15.4 | Badwill for the Acquisition of Claris Factor | 2.3 | Bancassurance partnership and other | 17.6 | 0.0 | -0.4 | -0.4 |
| Pre-tax profit (loss) from continuing operations | -46.4 | 18.1 | 11.2 | -82.1 | -99.2 | -70.9 | | -78.0 | | -148.9 | 55.1 | -4.2 | 50.9 |
| Income taxes | 17.0 | 13.7 | 0.1 | 103.2 | 134.1 | | | | | | | | |
| Post-tax profit (loss) from continuing operations | -29.3 | 31.9 | 11.3 | 21.1 | 34.9 | | | | | | | | |
| Profit (loss) for the period attributable to non-controlling interests | -0.8 | -1.0 | -0.7 | -0.8 | -3.2 | | | | | | | | |
| Profit (Loss) for the period | -30.1 | 30.9 | 10.6 | 20.3 | 31.7 | | | | | | | | |

€140m cost of risk

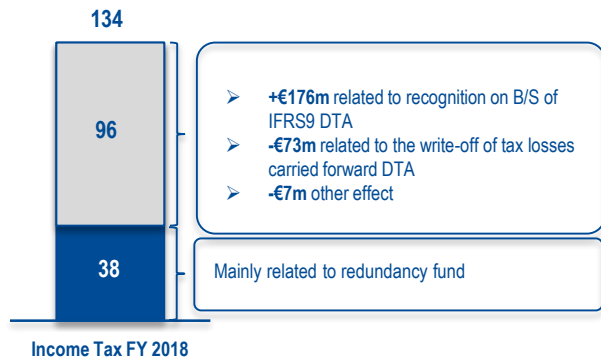
See next slide for extraordinary impacts

(1) Includes the following P&L items: 'Dividends and similar income', 'Profit of equity-accounted investments', 'Other operating net income'.

- The Law n. 145 (2019 Budget Law) approved on 30th December 2018 changed the tax discipline related to deductibility for IRES and IRAP purposes of expected credit losses booked at the date of IFRS9 First Time Adoption (FTA) which, according to the new rule, have to be deducted over ten fiscal years instead of one year as previously stated. This amendment allowed Creval to recognize on the balance sheet the DTA related to IFRS 9 FTA (resulting into a positive impact equal to **€176m** in the tax item in Q4 18) as, on the basis of the 'profitability test' carried out with the approval of the financial results as at 31 December 2018, they are fully recoverable.
- In addition, on the basis of the profitability test's findings which takes into account a more prudent evolution of macroeconomic scenario, the DTAs recognized in the P&L related to tax losses carried forward were written down by **€73m** in Q4 18 and booked off the balance sheet.

FY 2018 income tax

€/m

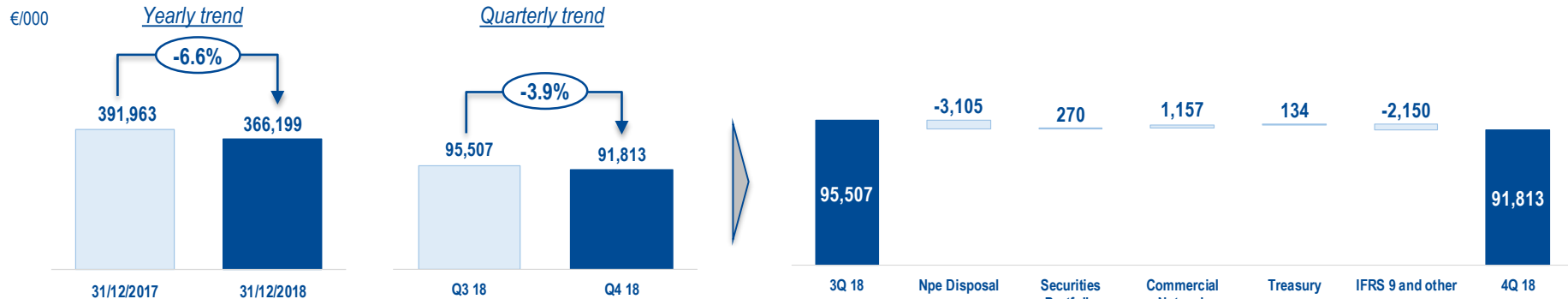


Other impact Q4 18 impact

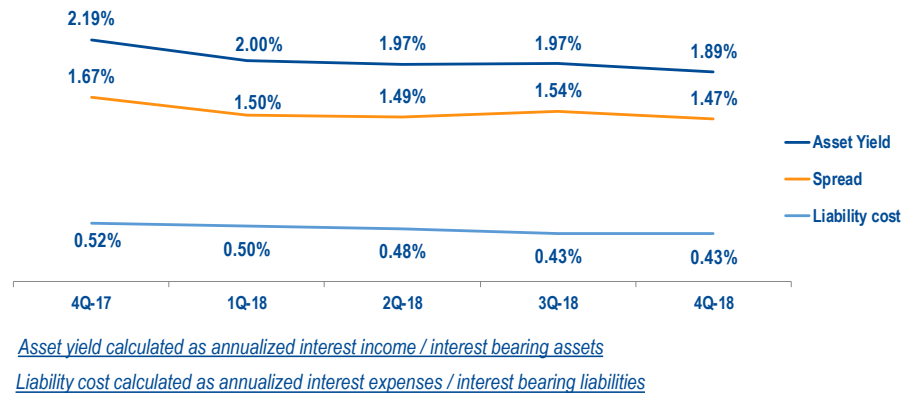
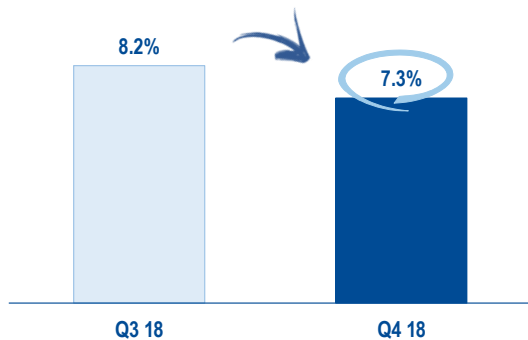
DTA as at 31 December 2018

| DTA | RWA weighting | 30/09/18 | 31/12/18 | Change in Q4 |
|---|---------------------------------|------------|------------|--------------|
| DTA that can be converted into tax credit (pursuant to L. 214/2011) | 100% | 377 | 377 | 0 |
| Tax losses carried forward | Deducted from own funds | 88 | 15 | -73 |
| Other DTA | 250% or deducted from own funds | 119 | 288 | 169 |
| Total DTA ON balance sheet | | 584 | 680 | 96 |
| Total DTA OFF balance sheet | | 273 | 244 | -29 |

Net interest income trend



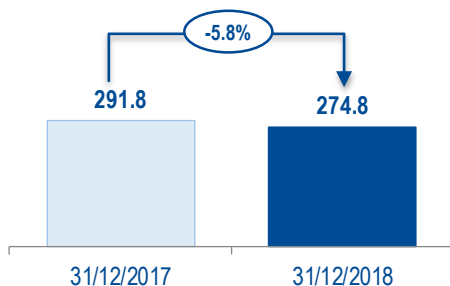
UTP contribution to NII



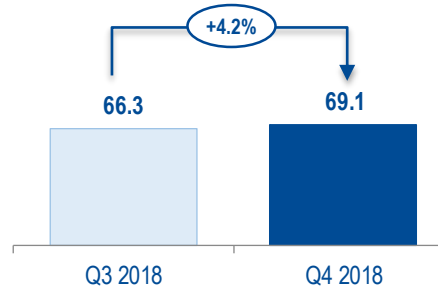
Net fees

€/m

Yearly trend

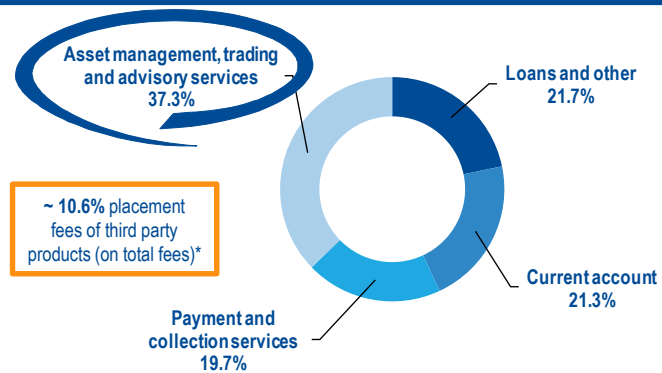
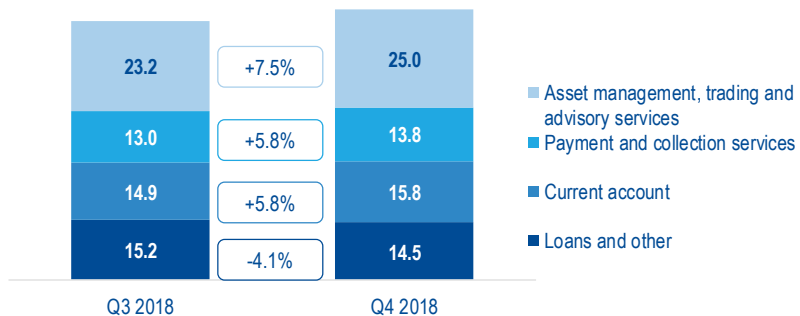


Quarterly trend



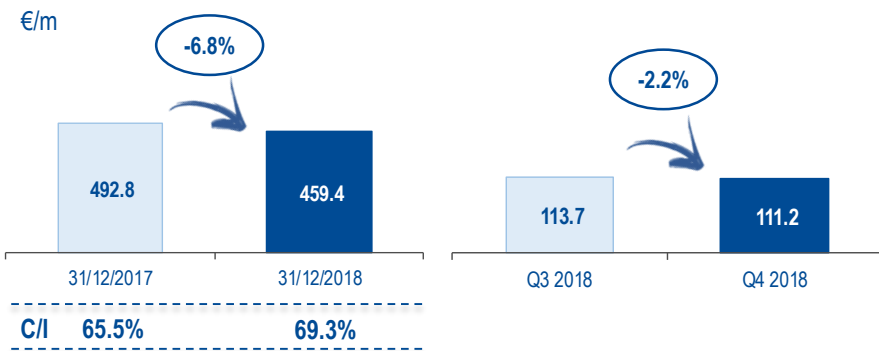
Drivers of Q4 2018 trend

€/m

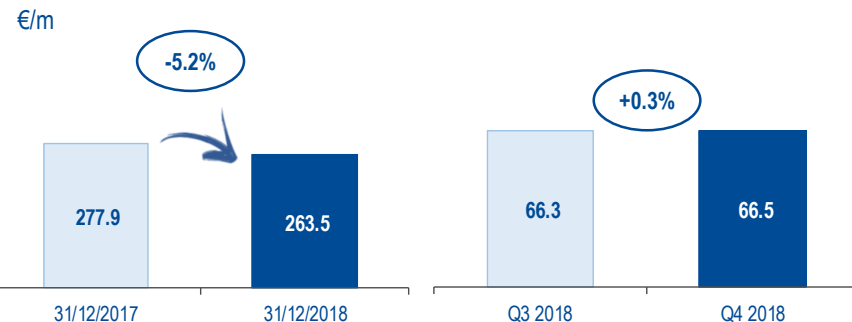


* Placement of insurance and AUM, fees received from commercial partners (Alba Leasing, Compass, IBL, Pitagora, Banca Sistema).

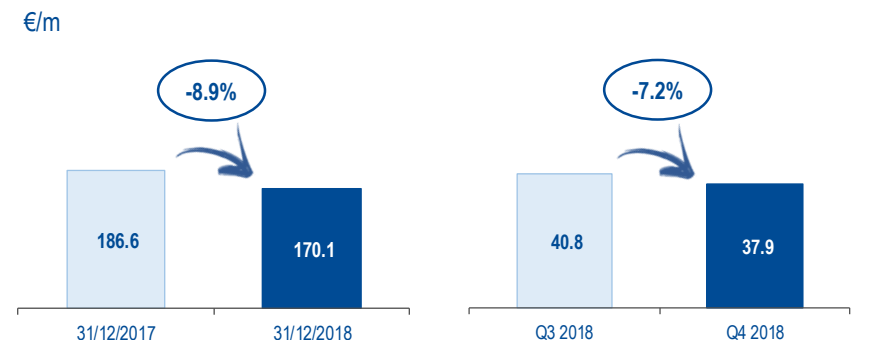
Adjusted operating Costs trend



Focus on adjusted personnel costs



Focus on adjusted other Administrative costs



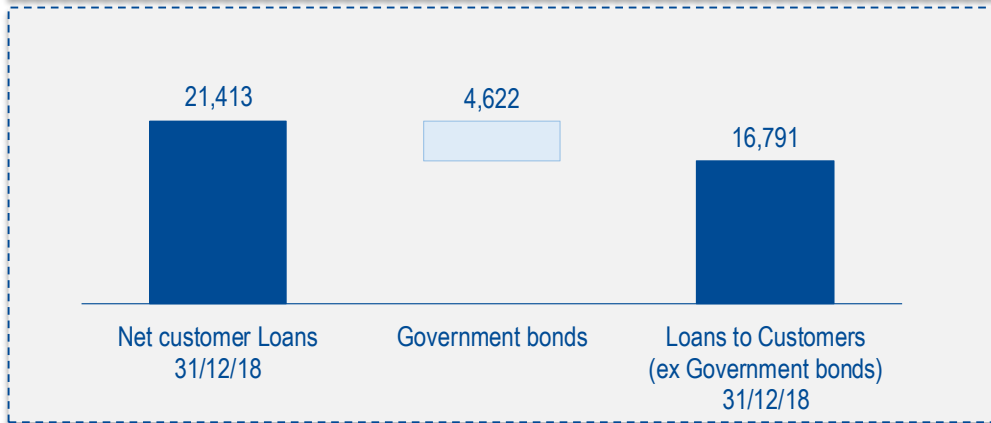
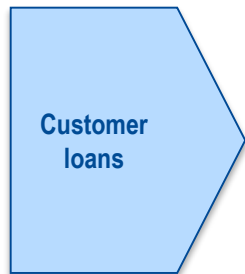
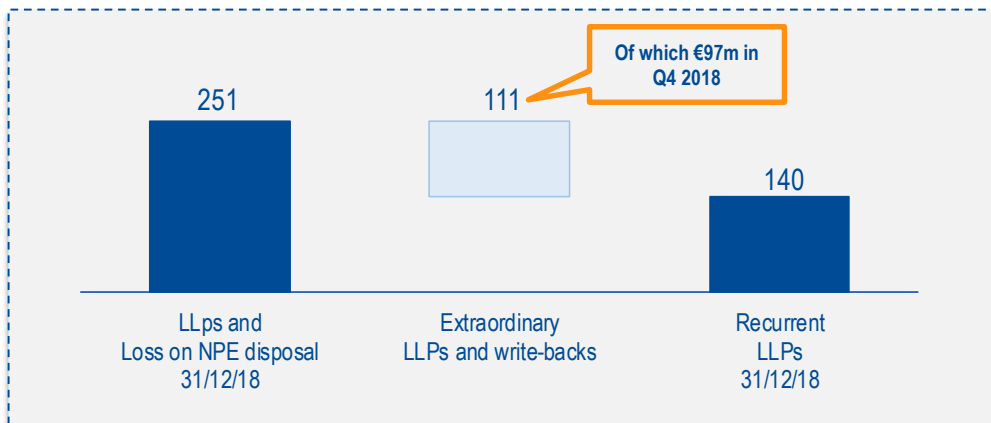
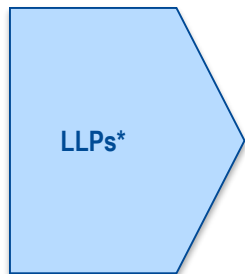
Extraordinary Items

€/m

| P&L item | Description | 31/12/2017 | 31/12/2018 |
|--------------------------------|--------------------------------|-------------|--------------|
| Dividends and similar income | Extraordinary dividend | | 28.7 |
| Net trading and hedging income | Sale of Anima stake | 9.3 | |
| Net trading and hedging income | Write-off sub. bond Carige | | -4.4 |
| Other operating net income | Npe disposal and other | 2.0 | -0.4 |
| Personnel expenses | Redundancy fund | 7.5 | -63.7 |
| Other administrative expenses | Cost related to Npe disposals | -7.0 | -9.4 |
| Other administrative expenses | SRF extraordinary contribution | | -3.4 |
| Total | | 11.8 | -52.6 |

* Excluding extraordinary items

€/m



Cost of credit:**
84bps

** Ordinary LLPs / Loans to Customers
(ex Government bonds)

* Sum of the following items of the reclassified P&L: 'Net impairment losses for credit risk and gains/losses from amendments to Contracts' and 'Losses on sale/repurchase of financial assets at amortized cost'

Creval 

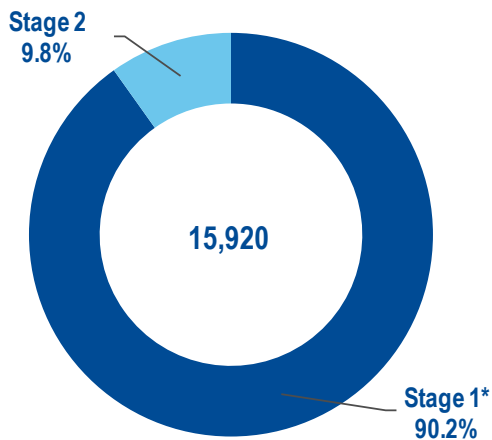
Annexes

Net performing loans – Stage 1* and Stage 2

Classification in Stage 2 due to:

- Significant Increase in Credit Risk (SICR);
- 30 days Past Due;
- Forbearance

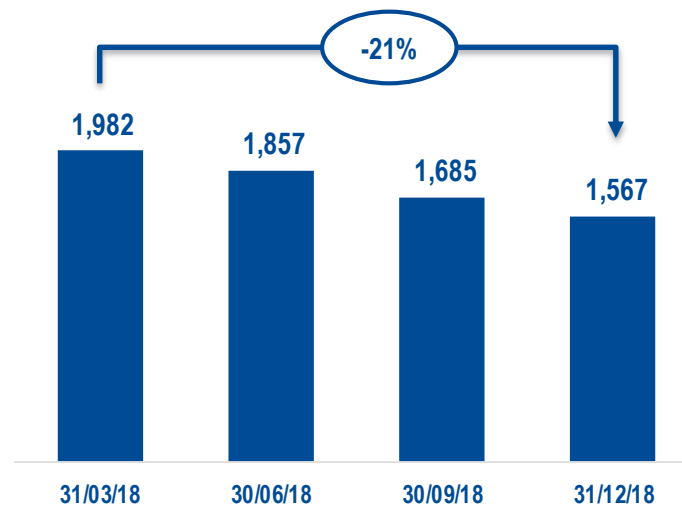
€/m



STAGE 1*: €14,353m
STAGE 2: €1,567m

Stage 2 loans trend in 2018

€/m

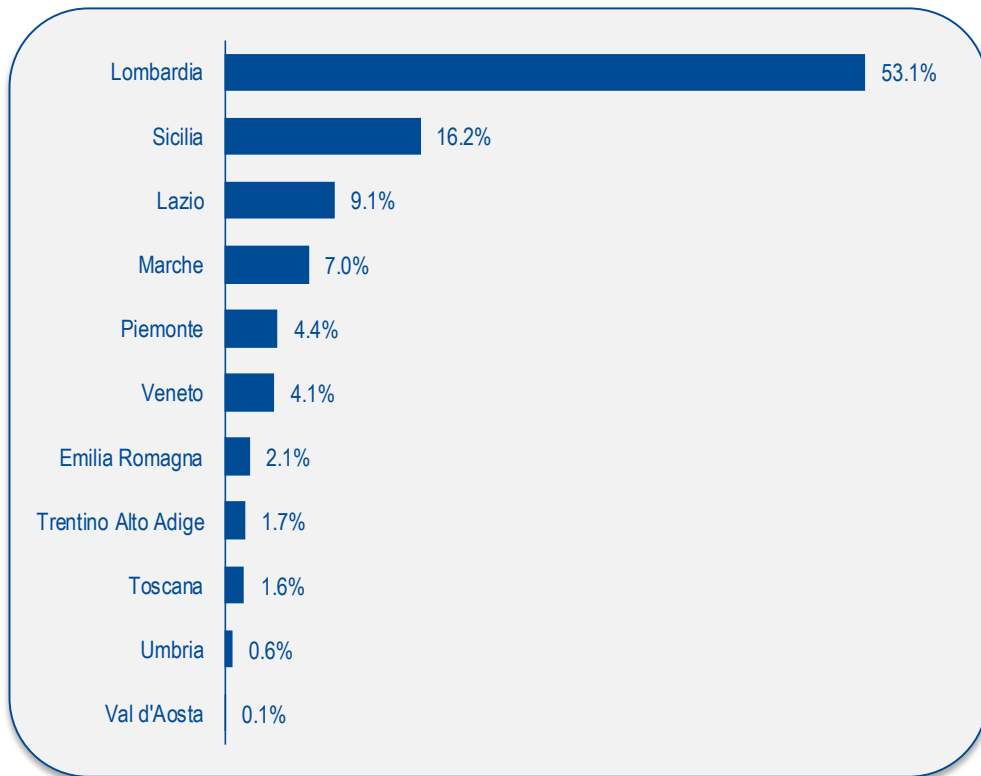


* Excluding Government Bonds.

- **84%** of loans in North / Center Italy, of which **53%** in Lombardy
- Average loan granted to real estate and construction sectors ~ **€186k**
- Conservative LTV **53%** both for households and SMEs

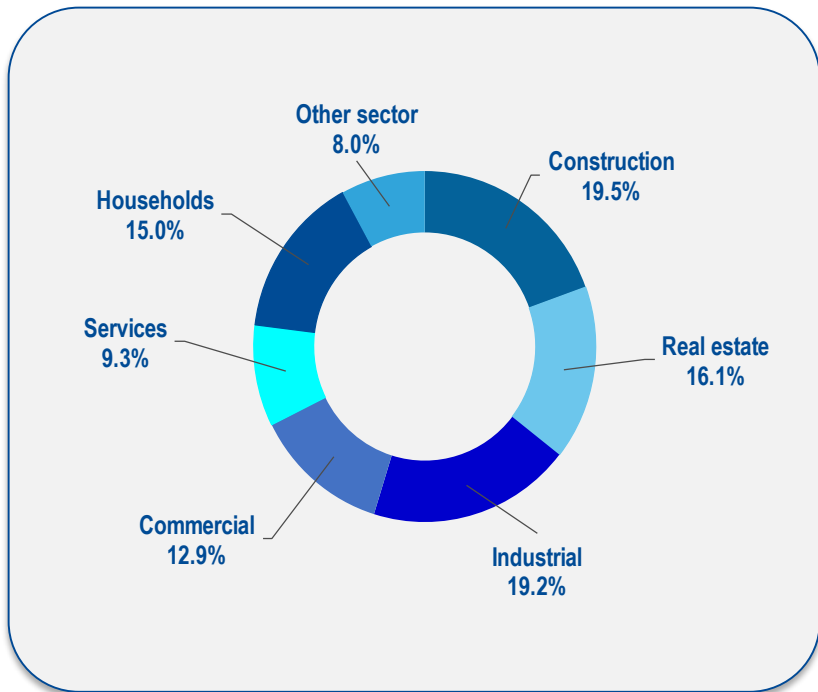
| | |
|--------------------|------------|
| Loan Concentration | 31/12/2018 |
| Top 20 exposures | 8.5% |

Gross loan book - geographical distribution (%)

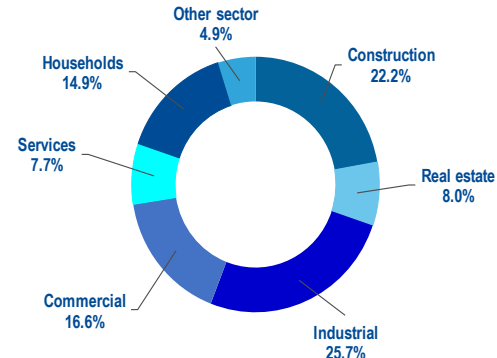


Data as at 31/12/18

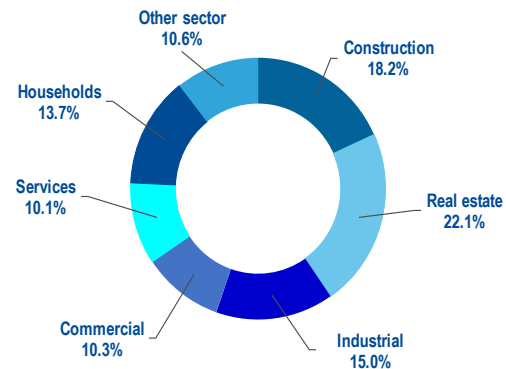
Total Gross NPE



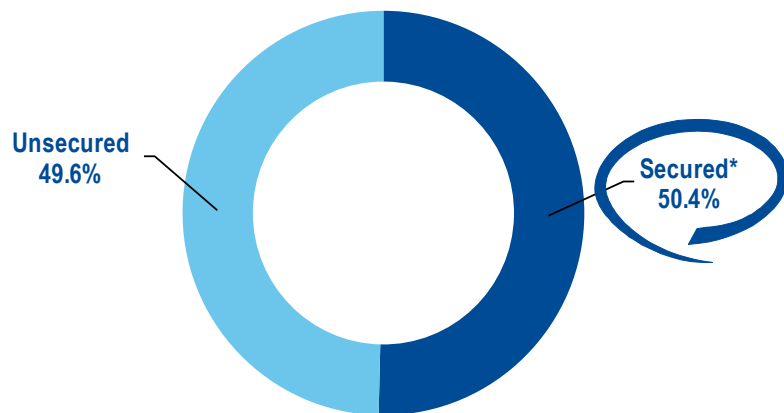
Gross Bad loans



Gross UTP

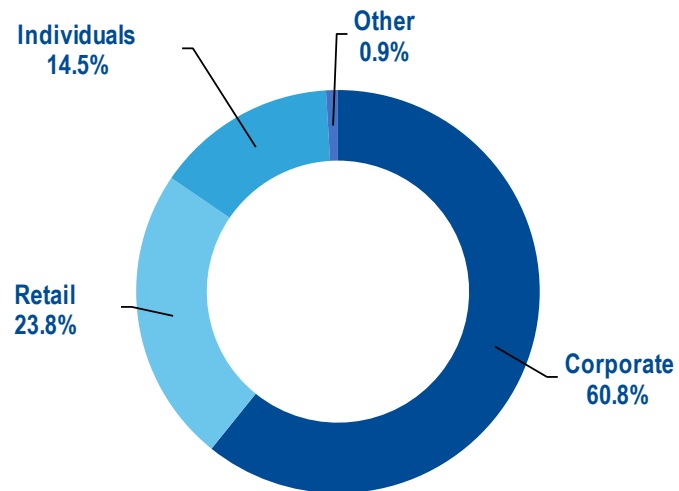


Gross NPE – Guarantees



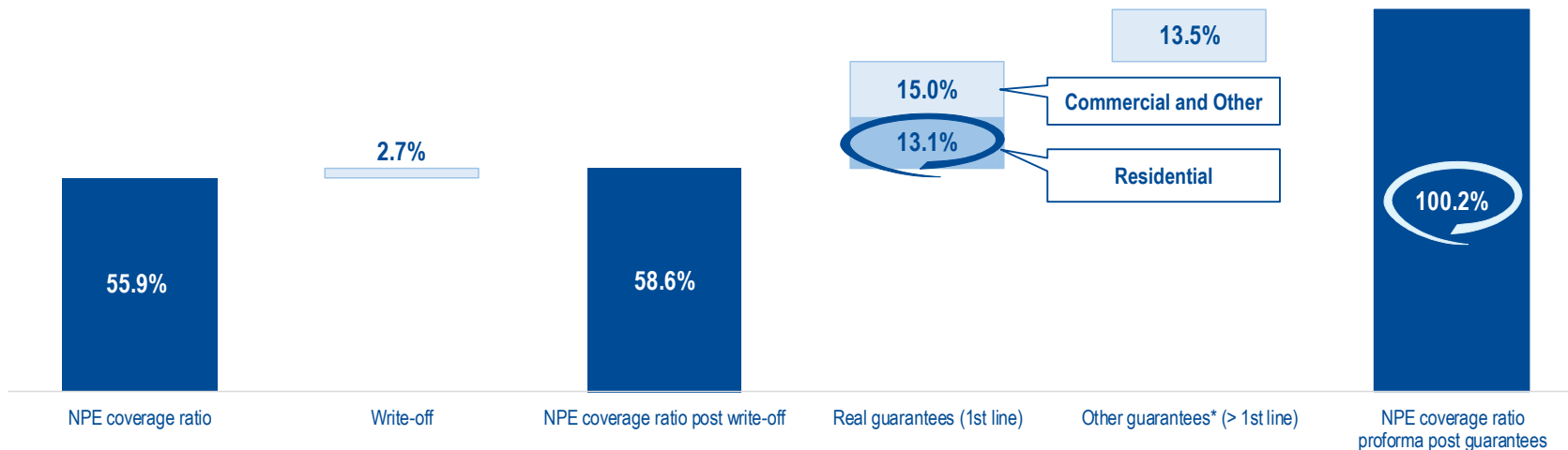
* Personal guarantees not included

Gross NPE – Customer Segment



Data as at 31/12/18

NPE Coverage Ratio (%)



* Real estate 2nd line + judicial + financial + Asset Protection Scheme + 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.**

€/000

| | Q1 18 | Q2 18 | Q3 18 | Q4 18 |
|---------------------------------------|---------------|---------------|---------------|---------------|
| Gross performing | 16,382 | 20,585 | 20,703 | 20,638 |
| <i>o/w securities</i> | 2,062 | 5,904 | 6,030 | 5,768 |
| <i>o/w institutions</i> | 979 | 767 | 817 | 859 |
| <i>o/w commercial</i> | 13,341 | 13,914 | 13,856 | 14,011 |
| Gross NPE | 3,537 | 1,970 | 1,997 | 1,976 |
| <i>o/w bad loans</i> | 1,683 | 802 | 802 | 821 |
| <i>o/w UTP</i> | 1,746 | 1,054 | 1,090 | 1,082 |
| <i>o/w past due</i> | 108 | 114 | 105 | 73 |
| NPE provisions | -2,082 | -1,002 | -1,007 | -1,105 |
| Performing exposure provisions | -112 | -119 | -109 | -96 |
| Net customer loans | 17,724 | 21,435 | 21,585 | 21,413 |

Aragorn - Securitization with GACS

| | | | |
|--------|--|-------|-------------------------------|
| GBV | Gross Book Value: €1.6bn | PRICE | Price (% of GBV) 32.5% |
| TIMING | June 2018 (GACS obtained in September) | | |

- Disposal of bad loans portfolio for a GBV equal to €1.6bn through a securitization whose senior tranche has been assisted by the GACS
- Portfolio composition: ~80.0% secured and ~20.0% unsecured
- Placement of 95% of the mezzanine and Junior notes entailing derecognition
- Senior tranche fully retained which will be assisted by the GACS entailing a zero risk weigh

Project Gimli 1 - Algebris

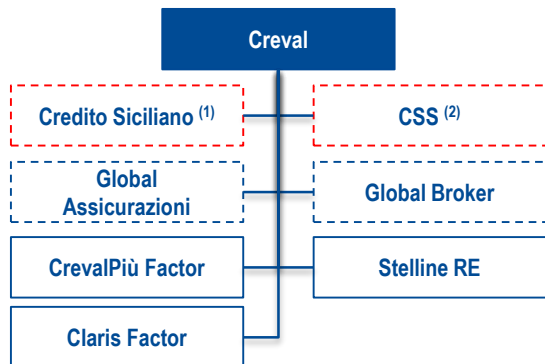
| | |
|--------|-----------------------------|
| GBV | Gross Book Value: €245m |
| PRICE | Price (% of GBV) 43% |
| TIMING | April 2018 |

- The so-called “**Project Gimli**” for 2018 is **completed**.
- Portfolios composed for the large part by **UTP loans**
- The operations had negligible effects on the Income Statement for the current year, also considering the loans impairments to be recognized as part of the **first application of the new accounting standard IFRS9**, with effects at CET1 level through the phasing-in mechanism.

Project Gimli 2 – Credito Fondiario

| | |
|--------|---------------------------------|
| GBV | Gross Book Value: €220m |
| PRICE | Price (% of GBV) 41% |
| TIMING | May 2018 (finalized in October) |

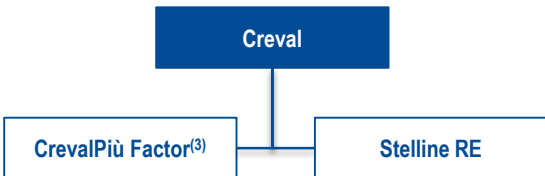
Simplification of the Group structure



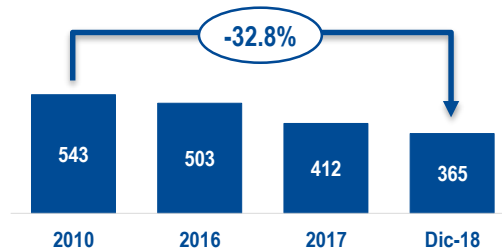
 Merged into the Parent Company

 Companies that went out of the scope of the consolidation following the reorganization of the bancassurance operating model finalized in Dec. 2018

(as at 01/01/19)

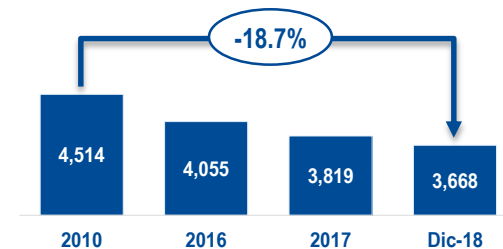


of branches



- Total branches reduced by 33% since 2010
- With the closure of 50 branches finalized in 2018 the commercial network restructuring process is substantially concluded

Headcount



- Headcount reduced by 19% since 2010
- Since 1st July 2018, 219 employees joined the redundancy plan vs. 170 envisaged

(1) Merger effective since 25th June 2018

(3) Includes the merger with Claris Factor effective since 1st January 2019

(2) Merger effective since 1st January 2019

€/000

| Assets | 31/12/2018 | 31/12/2017 |
|---|-------------------|-------------------|
| Cash and cash equivalents | 200,153 | 197,829 |
| Financial assets FVTPL | 235,378 | 20,681 |
| Financial assets FVTOCI | 1,937,531 | 4,419,352 |
| Loans and receivables with banks | 1,205,925 | 2,033,413 |
| Loans and receivables with customers | 21,413,093 | 16,680,944 |
| Hedging derivatives | - | 199 |
| Equity Investments | 20,269 | 24,371 |
| Property, equipment and investment property and intangible assets | 447,642 | 486,524 |
| Non-current assets and disposal groups held for sale | 75,548 | 3,955 |
| Other assets | 937,130 | 1,089,556 |
| Total assets | 26,472,669 | 24,956,824 |

| Liabilities and Equity | 31/12/2018 | 31/12/2017 |
|--|-------------------|-------------------|
| Due to banks | 4,096,231 | 3,143,189 |
| Direct funding from customers | 19,944,672 | 19,631,283 |
| Financial liabilities held for trading | 64 | 713 |
| Hedging derivatives | 134,545 | 138,691 |
| Liabilities associated with assets held for sale | 2,271 | - |
| Other liabilities | 491,739 | 421,399 |
| Provisions for specific purpose | 236,885 | 174,103 |
| Equity attributable to non-controlling interests | 20 | 5,352 |
| Equity | 1,566,242 | 1,442,094 |
| Total liabilities and equity | 26,472,669 | 24,956,824 |

€/000

| Income statement | 31/12/2018 | 31/12/2017 |
|--|-----------------|-----------------|
| Net interest income | 366,199 | 391,963 |
| Net fee and commission income | 274,837 | 291,758 |
| Dividends and similar income | 30,806 | 2,911 |
| Profit (loss) of equity-accounted investments | 1,988 | 1,279 |
| Net trading, hedging income (expense) and profit (loss) on sales/repurchases | 8,126 | 55,616 |
| Other operating net income | 4,571 | 20,434 |
| Operating income | 686,527 | 763,961 |
| Personnel expenses | -327,148 | -270,443 |
| Other administrative expenses | -182,907 | -193,621 |
| Depreciation/amortisation and net impairment losses on property, equipment and investment property and intangible assets | -25,868 | -28,227 |
| Operating costs | -535,923 | -492,291 |
| Net operating profit | 150,604 | 271,670 |
| Impairment or reversal of impairment and modification gains (losses) | -143,877 | -404,499 |
| Net gains (losses) on sales or repurchase of financial assets valued at the amortised cost | -107,278 | -255,843 |
| Net accruals to provisions for risks and charges | -15,822 | -4,402 |
| Net gains (losses) on sales of investments | 1,708 | 68,864 |
| Badwill | 15,507 | 0 |
| Pre-tax profit (loss) from continuing operations | -99,158 | -324,210 |
| Income taxes | 134,105 | -3,989 |
| Post-tax profit (loss) from continuing operations | 34,947 | -328,199 |
| Profit (loss) for the period attributable to non-controlling interests | -3,225 | -3,650 |
| Profit (Loss) for the period | 31,722 | -331,849 |

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**Consolidated Results as at
31st December 2018**