

Creval Business Plan 2018 – 2020

Run²

Restart Under New-Normality

November, 7th 2017

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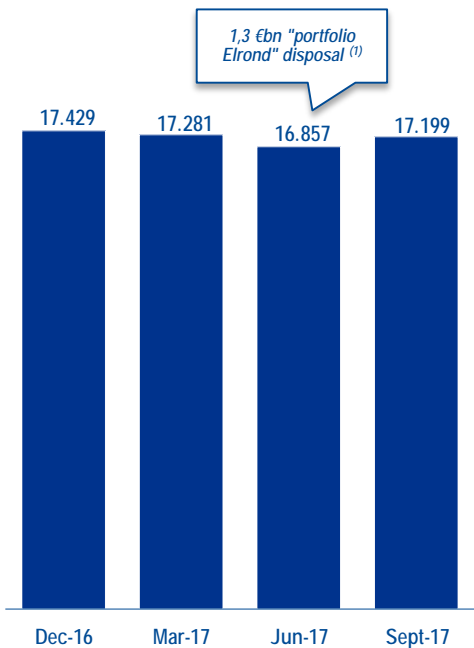
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1. 3Q 2017 results
2. Background
3. The three business plan pillars
4. Capital management initiatives
5. Asset quality
6. Relaunch efficiency and profitability
7. Economic and financial projections 2018 - 2020

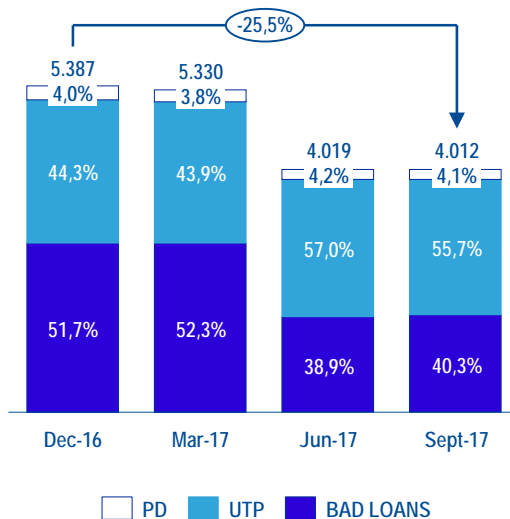
Net customer loans evolution

Data in €M



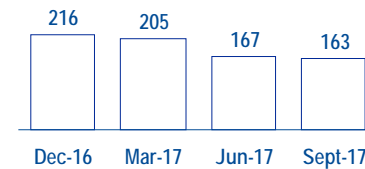
NPE evolution

Data in €M



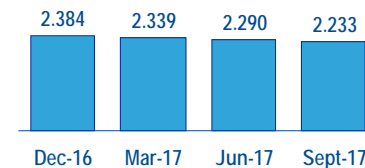
Past due

Data in €M



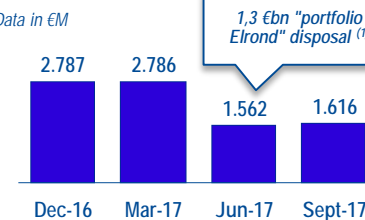
UTP

Data in €M



Bad Loans

Data in €M



Note: 1) Net of collection and other movement recorded from November, 30th 2016 to June, 30th 2017

Breakdown of coverage evolution

Coverage Ratio

Data in %

	December, 31 st 2016	March, 31 st 2017	June, 30 th 2017	September, 30 th 2017
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**NPEs
Coverage ratio**

	41,5%	41,6%	41,0%	45,8%
			↳ +4,8 pp	←

**Bad loans
Coverage ratio**

	54,4%	54,1%	61,0%	61,5%
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**UTP
Coverage ratio**

	29,4%	29,6%	29,8%	37,1%
			↳ +7,3 pp	←

**Past due
Coverage ratio**

	8,2%	8,2%	8,5%	8,0%
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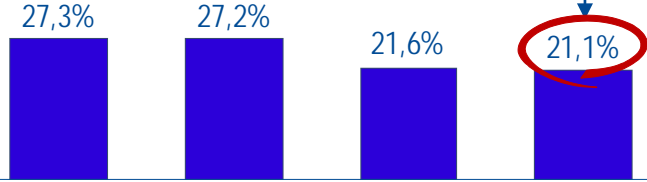
Increase of provisions in Q3
in relation to the new credit
value adjustments policy

NPE Ratio

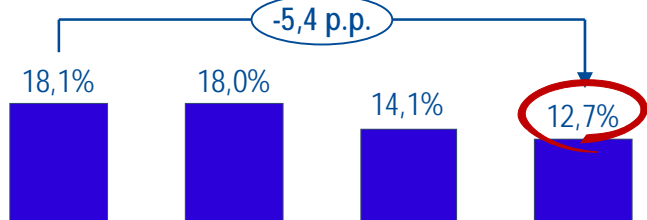
Data in %

	December, 31 st 2016	March, 31 st 2017	June, 30 th 2017	September, 30 th 2017
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**Gross
NPE Ratio**

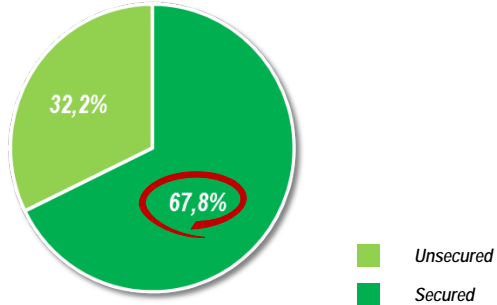


**NET
NPE Ratio**

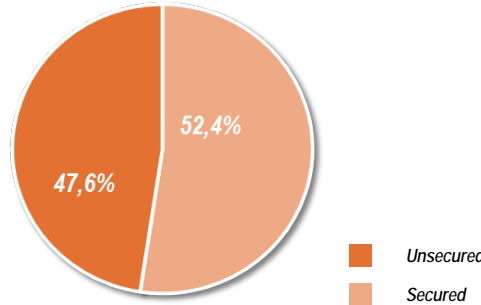


Data in %

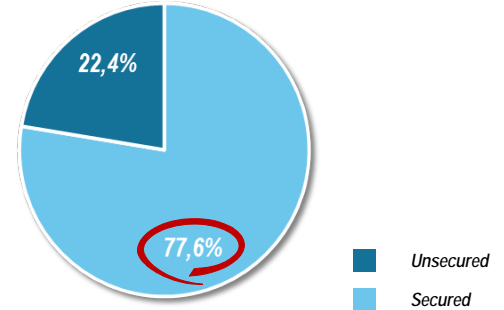
Secured/Unsecured NPEs



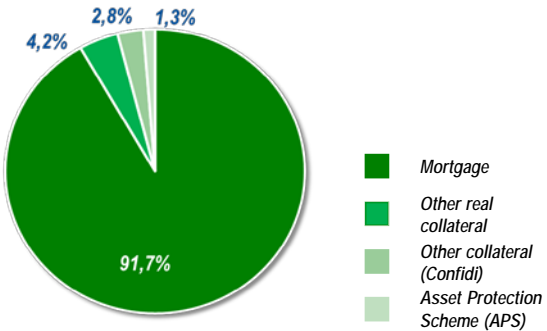
Secured/Unsecured Bad loans



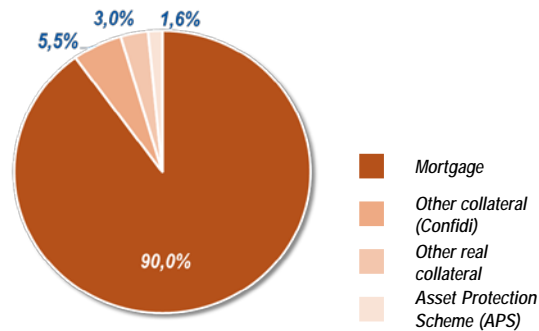
Secured/Unsecured UTP



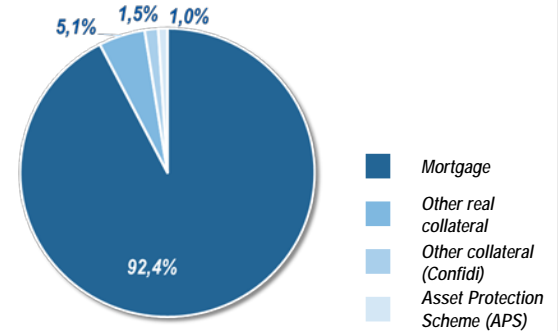
Focus Secured NPEs



Focus Secured Bad loans



Focus Secured UTP

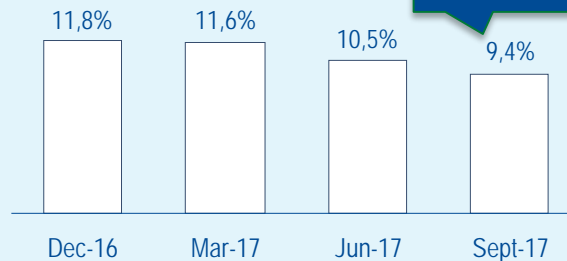


Data in €M

	December, 31 st 2016	March, 31 st 2017	June, 30 th 2017	September, 30 th 2017
CET 1 – phased in	1.713	1.702	1.511	1.295
TIER 2 – phased in	180	156	284	262
TCR – phased in	1.893	1.858	1.795	1.567
RWA – phased in	14.539	14.664	14.361	13.739

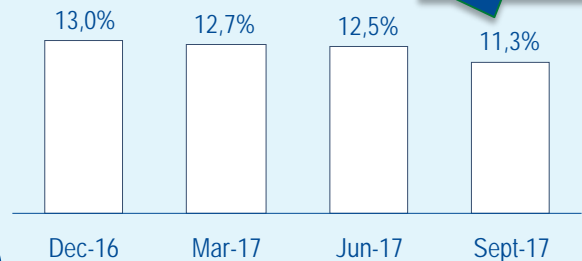
TIER 1 Ratio – phased in

Data in %



TCR Ratio – phased in

Data in %





Breakdown P&L stated

Data in €M

	December, 31 st 2016	March, 31 st 2017	June, 30 th 2017	September, 30 th 2017
Net interest income	421,7	99,7	198,7	294,6
Net commission income	280,4	67,7	142,3	213,2
Net interest and commission income	702,1	167,4	341,0	507,8
Other revenues ⁽¹⁾	5,6	17,4	24,6	-211,5
Operating Revenues	707,7	184,8	365,6	296,3
Operating costs	-590,2	-130,7	-255,9	-379,0
of which personnel expenses	-346,2	-75,1	-134,3	-202,4
of which other administrative expenses	-210,1	-48,2	-107,7	-155,4
of which impairment on tangible and intangible assets	-33,9	-7,4	-13,9	-21,2
Gross operating income	117,5	54,1	109,7	-82,7
Credit value adjustments	-491,2	-47,9	-369,0	-386,1
Other elements ⁽²⁾	-26,8	-1,1	68,8	68,2
Gross income	-400,5	5,1	-190,5	-400,6

Loss Elrond switch from credit value adjustments to trading profit. Elrond effect in Q3 for about 22€M

Top up provision in Q3 for the new credit value adjustments policy

Notes: 1) It considers: other management fees / incomes, share of profits and similar incomes, outcome of net assets evaluated shareholdings, finance profits; 2) It considers adjustments for credits impairment, net reserves to risks and costs fund and profit from investments and shareholdings transfer



Extraordinary Items (as of September, 30th 2017)

Data in €M

Loss for NPE disposal (Elrond)	-242,7
Loss for UTP disposal (Algebris)	-13,4
Sale of Anima stake	9,3
Operating income (Elrond)	5,0
Operating costs (Elrond)	-3,0
Personnel extraordinary contribution	7,5
Other administrative expenses (Elrond)	-7,0
Write off of Atlante Fund and other	-39,3
Effect of the new credit value adjustments policy, Elrond residual effect	-193,7
Profit from sale of investment	69,7
Extraordinary Items	-407,6

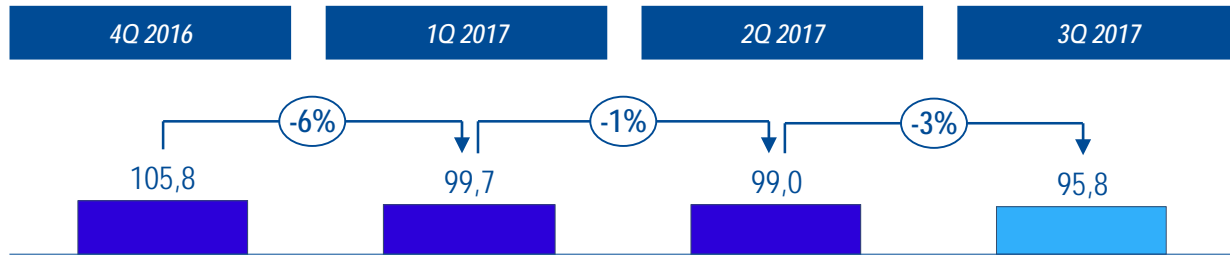
Adjusted P&L (as of September, 30th 2017)

Data in €M

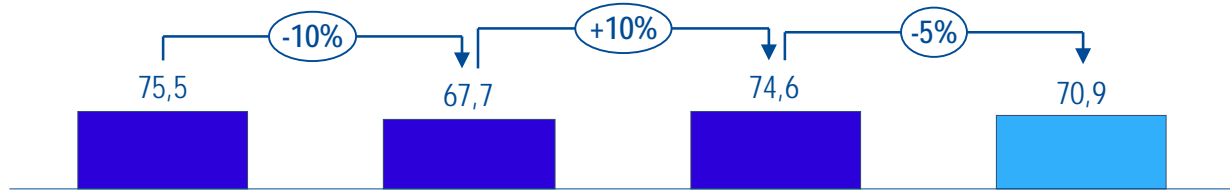
Net interest income	294,6
Net commission income	213,2
Net interest and commission income	507,8
Other revenues ⁽¹⁾	33,3
Operating Revenues	541,2
Operating costs	-379,6
of which personnel expenses	-209,9
of which other administrative expenses	-148,5
of which impairment on tangible and intangible assets	-21,2
Gross operating income	161,6
Credit value adjustments	-153,1
Other elements ⁽²⁾	-1,5
Gross income	7,0

Notes: 1) It considers: other management fees / incomes, share of profits and similar incomes, outcome of net assets evaluated shareholdings, finance profits; 2) It considers adjustments for credits impairment, net reserves to risks and costs fund and profit from investments and shareholdings transfer

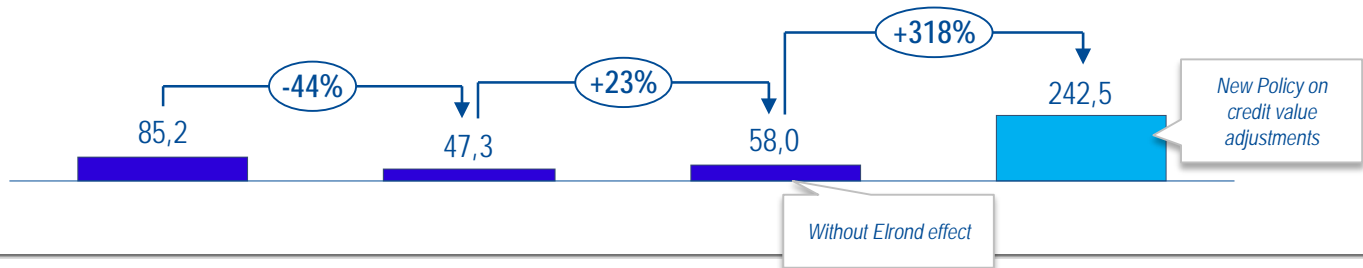
Interest income, quarterly figures
Data in €M



Net commission income, quarterly figures
Data in €M



Credit value adjustments, quarterly figures
Data in €M



December, 31st 2016

March, 31st 2017

June, 30th 2017

September, 30th 2017

Net interest income / Loans

Data in %

2,4%

2,3%

2,4%

2,3%

Net commission income /
Loans

Data in %

1,6%

1,6%

1,7%

1,7%

Cost of credit risk

Data in %

2,7%

1,1%

3,5%

2,7%

Provisions for Elrond
disposal -188 €M



December, 31st 2016

March, 31st 2017

June, 30th 2017

September, 30th 2017

Adjusted ⁽¹⁾ Cost / Income Ratio

Data in %

67,2%

64,7%

68,6%

67,1%

Adjusted ⁽¹⁾ Cost to Asset Ratio

Data in % (annualized cost)

1,9%

1,9%

2,0%

1,9%

Gross Banking Asset ⁽²⁾ /
branches

Data in €M

99,7

105,7

111,0

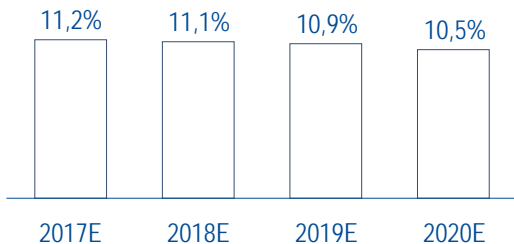
111,5

Notes: 1) Adjusted 31.12.2016 not includes redundancy fund, SRF, DGS, DTA fee and additional fees; Adjusted 31.3.2017 not includes SRF; Adjusted 30.6.2017 not includes SRF, DTA fee, Elrond expenses, NASPI; Adjusted 30.9.2017 not includes SRF, DTA fee, Elrond expenses, NASPI. 2) Calculated as: Direct deposit + Indirect funding + Customer loans

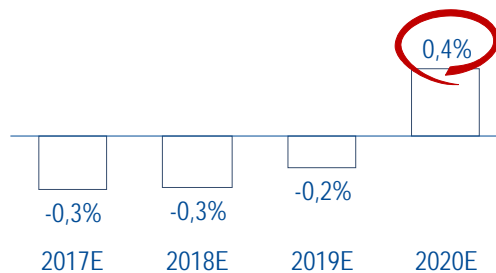


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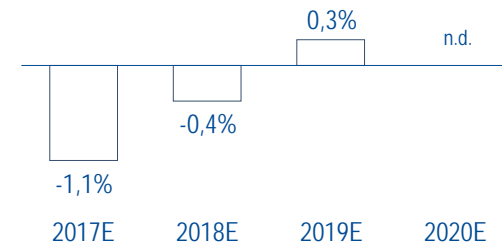
Unemployment ⁽¹⁾



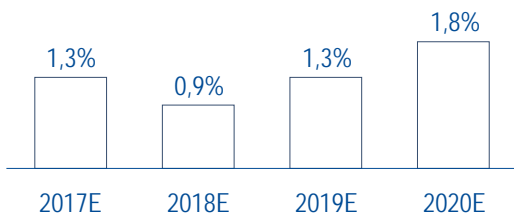
Euribor ⁽¹⁾⁽²⁾



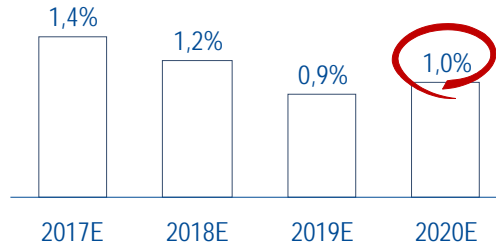
House price index ⁽²⁾



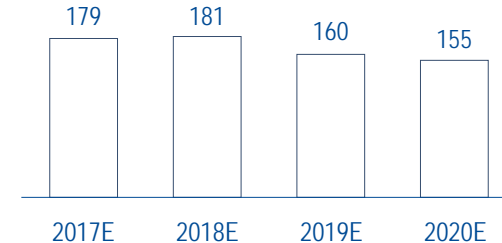
Inflation (consumer prices) ⁽¹⁾



GDP (average annual data) ⁽¹⁾

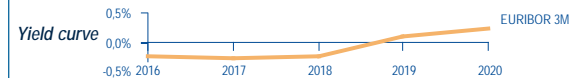


Spread BTP-BUND (in bps) ⁽¹⁾



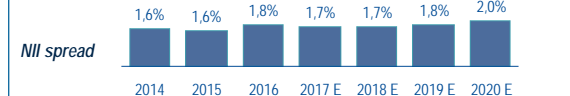
Pressure on interest rates

- Expected increase of the Euribor post 2019



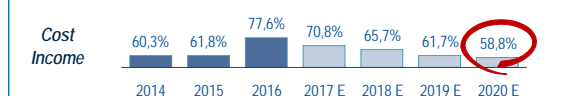
Pressure on revenues and review of the business model

- Focus on fee based revenue generation
- Review of the business and customer engagement model
- Research of new products/services



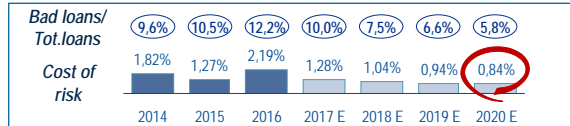
Improvement in operating efficiency

- Simplification and automation of processes
- Redesign and efficiency of front-end and back office processes
- "Obsessive" cost management



Progressive asset quality improvement

- Non performing stock expected decreasing from 2017
- Cost of risk expected under 100 basis point starting from 2019



Pressure on profitability

- ROE expected equal to approx. 6% in 2020, still with a significant gap with the cost of capital of the Italian banking sector and focusing banks on potential extraordinary operations to boost productivity



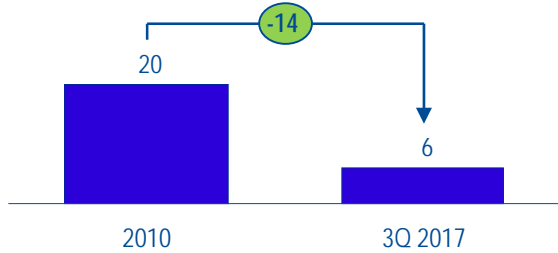
Regulatory impact

- Introduction of several new guidelines and principles shaping different aspect of the bank operations and business model
- Heavy adaptations needed in order to comply with new regulations

- SREP
- MIFID 2
- Riforma Popolari
- IFRS 9
- BRRD
- MREL
- PSD2
- Guidance on NPL
- Guidelines on NPL for Less Significant
- Calendar provisioning

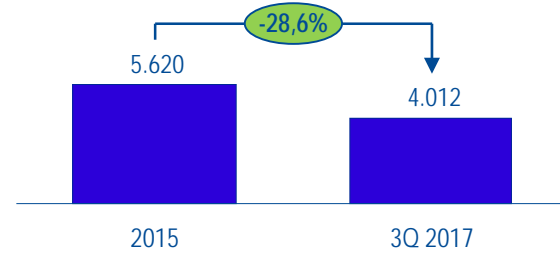
Creval Group Entities

Data in #



Gross NPE

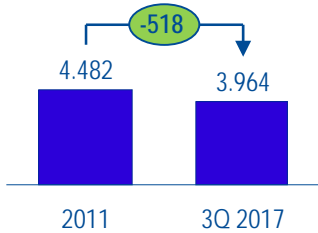
Data in €M



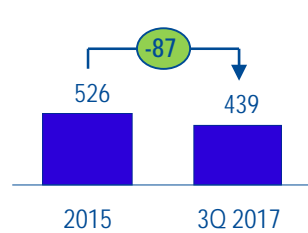
HR and Branches evolution

Data in #

Employees

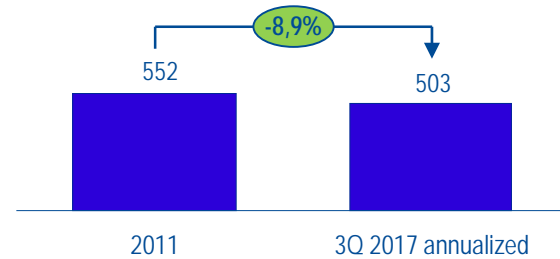


N° of branches



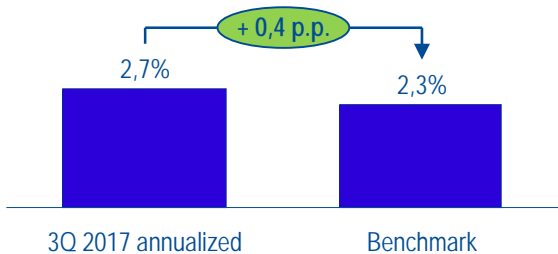
Operating Costs

Data in €M



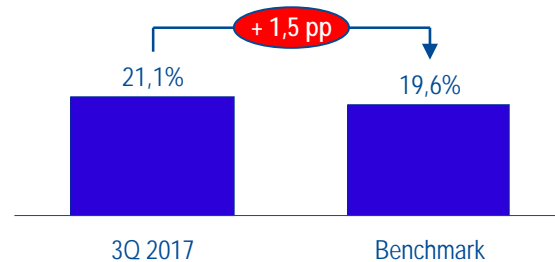
Net Interest and Commission Income / Total asset

Data in %



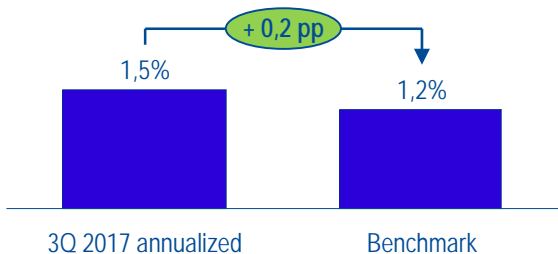
NPE Ratio

Data in %



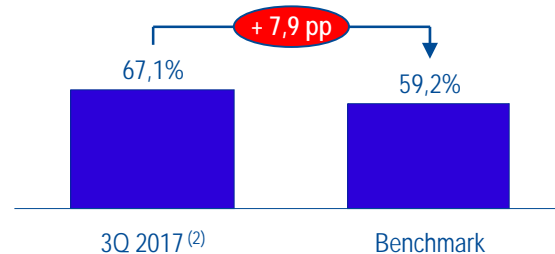
Operating income adjusted / Gross banking asset ⁽¹⁾

Data in %



Cost-income adjusted

Data in %



Notes: 1) Calculated as: Direct funding deposit + Indirect funding + Customer loans. 2) See page 9 for detail of adjustments

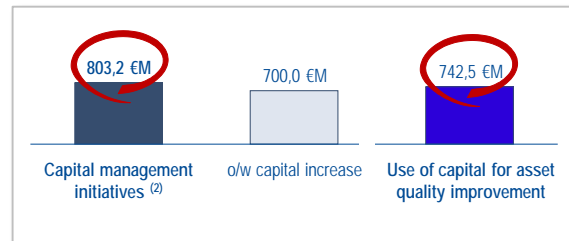
Source benchmark: Financial Statements 2016. Credem, Unicredit, Intesa San Paolo, Banca Popolare di Sondrio, UBI, Banco Desio, Banco BPM, MPS, BPER, Carige

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1

Capital strengthening

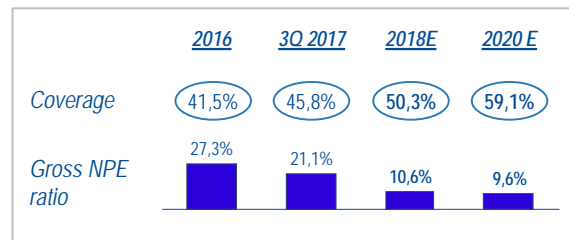
- 700€m rights issue fully pre-underwritten ⁽¹⁾
- Non core assets disposals
- *On top of the capital plan: AIRB models adoptions, subject to regulatory approval*



2

Asset quality and coverage ratio

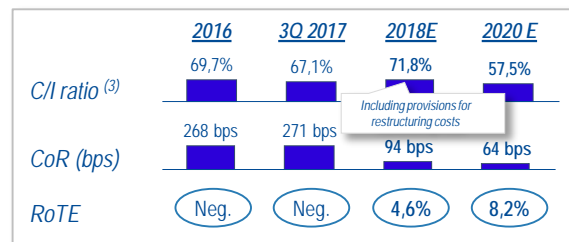
- Actions for decisive balance sheet derisking through:
 - NPEs disposal with GAGS (1,60€bn GBV)
 - Other NPEs disposal (0,5€bn GBV)
 - Increase of NPEs coverage ratios



3

Relaunch efficiency and profitability

- Improve operational efficiency
- Redundancy fund
- Cost of risk reduction
- Further actions aimed at strengthening business profitability



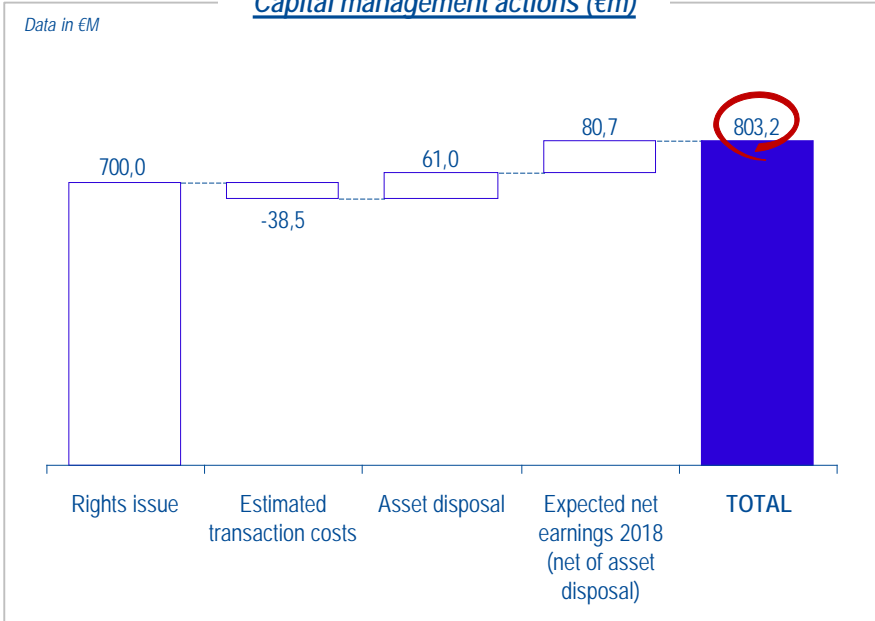
Notes: 1) Pre-underwriting commitment of Mediobanca subject to conditions in line with market practice for similar transactions and other specific provisions – See the press release for details. 2) Including 2018 expected net earnings. 3) Cost income adjusted.

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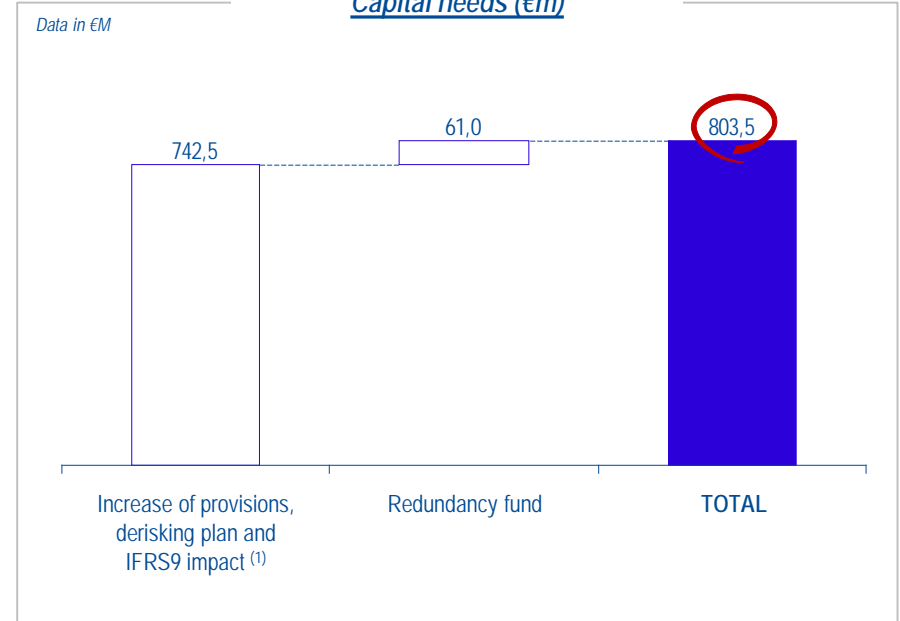
Action	Description	CET1 Impact ⁽¹⁾
<p>Capital increase</p>	<ul style="list-style-type: none"> • 700€m rights issue fully pre-underwritten by Mediobanca – Banca di Credito Finanziario S.p.A.⁽²⁾ • Issue of new ordinary shares with pre-emptive rights to current shareholders • Timetable: <ul style="list-style-type: none"> – EGM to approve transaction: December, the 19th 2017 – Launch expected in 1Q2018 subject to market conditions and regulatory approval 	<p>+480 bps</p>
<p>Disposal of non core assets</p>	<ul style="list-style-type: none"> • Disposal of non core assets / minority stakes with a positive impact on CET1 capital for c.60€m and c.40€m RWA release 	<p>+ 47 bps</p>
		<p>+ 527 bps</p>

Notes: 1) Impact calculated on 30.9.2017 Expected; ratios estimated pre AIRB validation. 2) Pre-underwriting commitment of Mediobanca subject to conditions in line with market practice for similar transactions and other specific provisions – See the press release for details.

Capital management actions (€m)

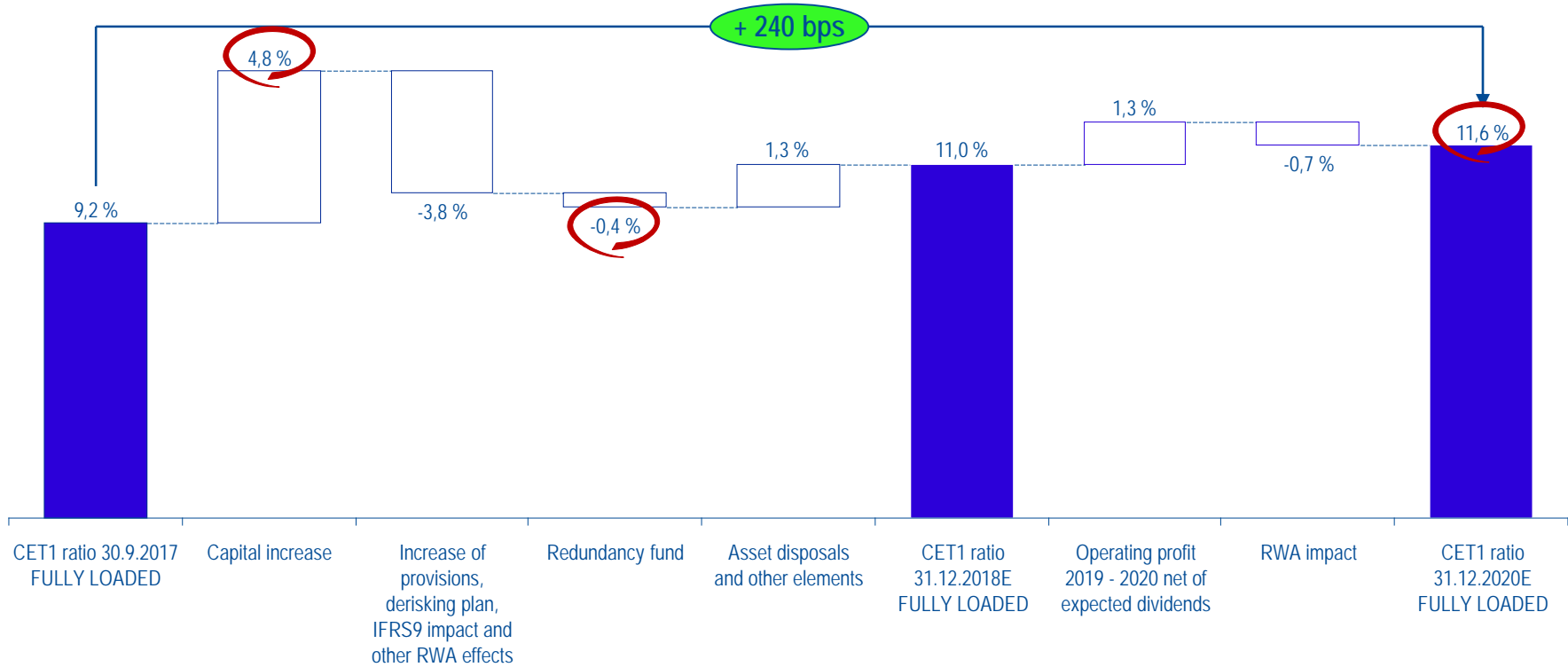


Capital needs (€m)



Capital reinforcement measures aimed at decisive derisking

Note: 1) Excluding the recurring cost of risk expected in 2018



Note: 1) Impact calculated on 30.9.2017

1

Internal Models

CREVAL deploys credit models since 2007. Internal models cover all relevant asset classes and have been or are being updated in order to include data as of 31/12/2016

	Corporate	SME Retail	Private individuals
<i>PD</i>	✓	✓	✓
<i>LGD</i>		✓ Unique model for the different regulatory asset classes	
<i>EAD</i>		✓ Unique model for the different regulatory asset classes	

2

Bank's core processes

In coherence with the progressive deployment of internal parameters, all the relevant risk management, credit approval and decision making processes have been refined accordingly

RAF & Strategic Planning	Pricing Risk Based
Credit Processes	Performance Management System
Reporting risk management	Credit Policy
Generic and Specific provisions	MBO
Credit Monitoring	

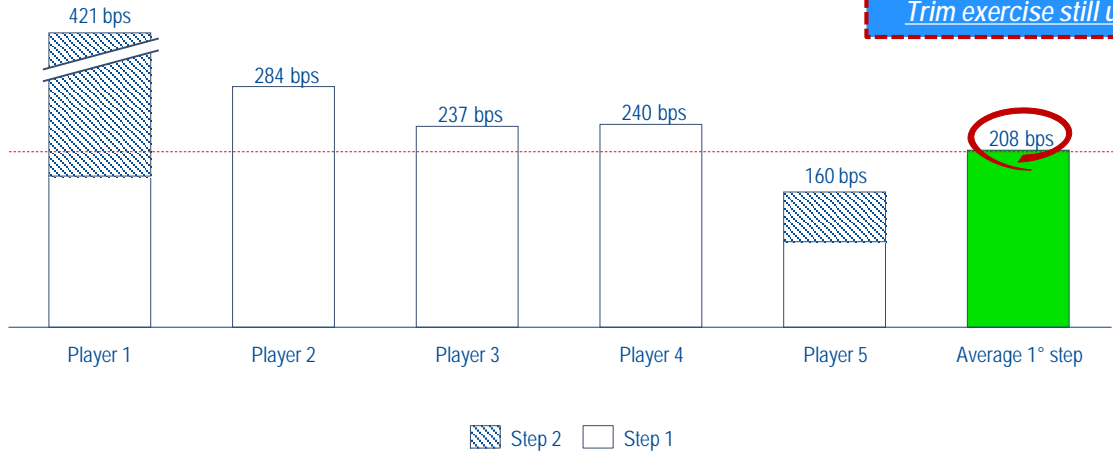
3

Information System

Ad hoc AIRB architecture has been implemented in order to allow both the internal models development and the subsequent release into the production environment for their effective use across Bank's internal processes

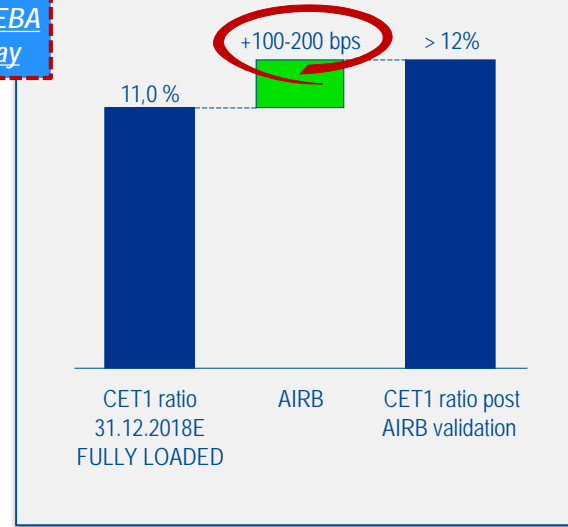
1 Potential AIRB impact on CET1 Ratio

Benchmark: Impact in terms of CET1 Ratio –AIRB Approach (1)



*New framework for the validation of AIRB models adopted by EBA
Trim exercise still under way*

Creval potential impact after the implementation of the derisking plan

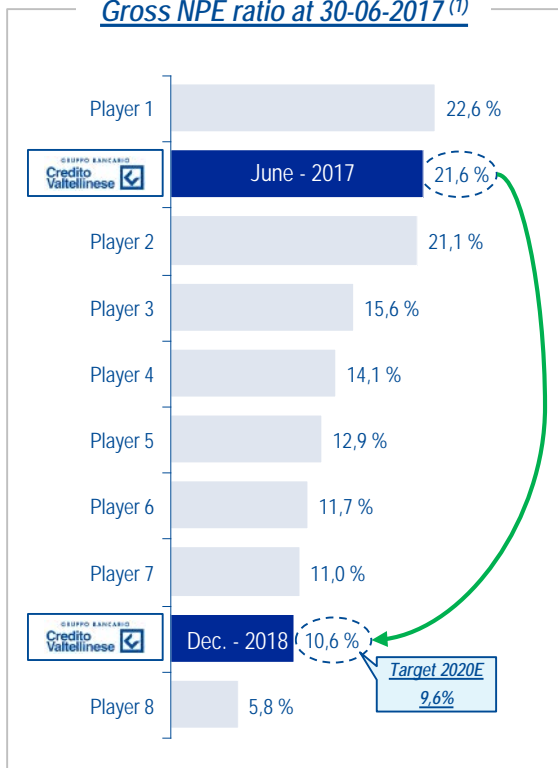


*Approval of the internal model expected in 2018
- subject to regulatory approval -*

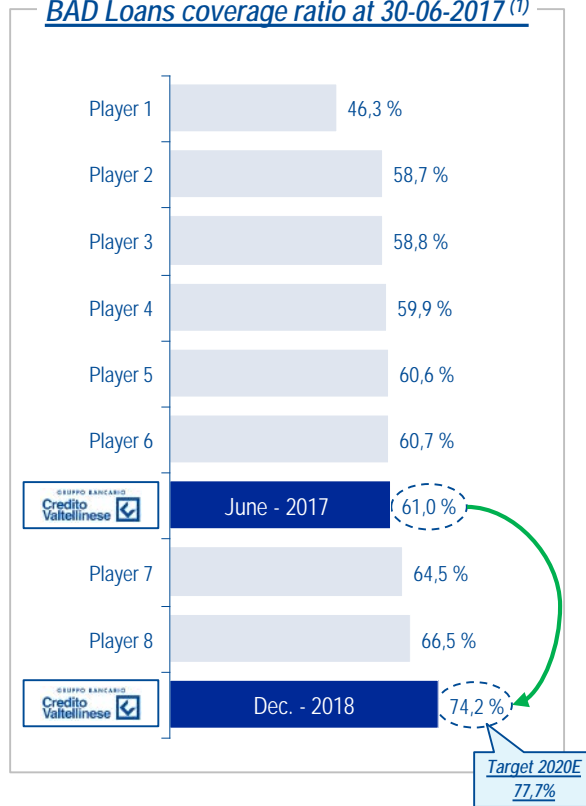
Note: 1) Only validations after 2009 are considered; capital impact calculated as the difference between the ratio between the reporting date before and after AIRB approval announcement

1. 3Q 2017 results
2. Background
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7. Economic and financial projections 2018 - 2020

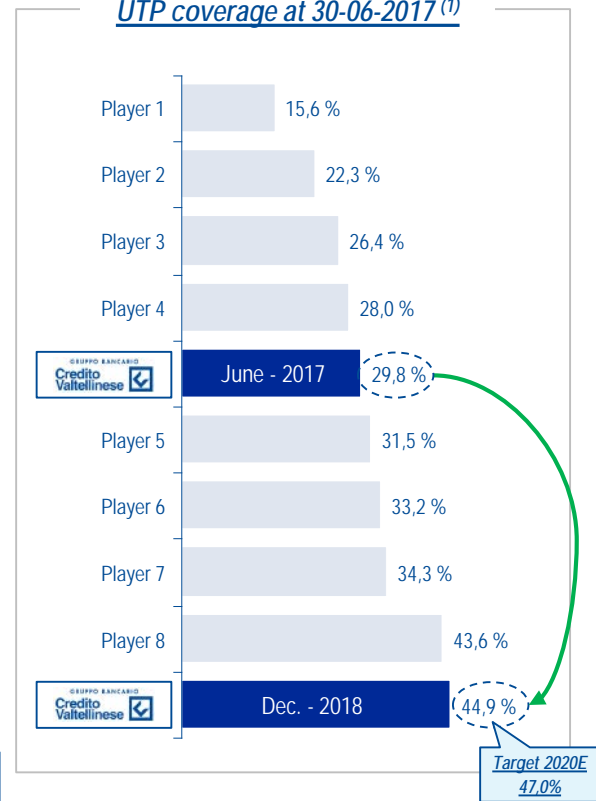
Gross NPE ratio at 30-06-2017 ⁽¹⁾



BAD Loans coverage ratio at 30-06-2017 ⁽¹⁾



UTP coverage at 30-06-2017 ⁽¹⁾



Notes: 1) Data including write-offs

Source: Data as of June, 30th 2017 for other Italian banks. Player : Unicredit, Intesa Sanpaolo, Banco BPM, Bper, Cariparma, Banca Popolare di Sondrio, Credem, Ubi Banca



Driver	Background and rationale	Main impacts															
<p>Deleveraging of NPE</p>	<p>Disposal of:</p> <ul style="list-style-type: none"> - 1,6 €bn NPEs via a GACS securitization in the first half of 2018; - 0,5 €bn through other disposal operations in the second half of 2018. 	<p>Gross NPE</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Gross NPE (€bn)</th> <th>Gross NPE ratio</th> </tr> </thead> <tbody> <tr> <td>2016</td> <td>5,4</td> <td>27,3%</td> </tr> <tr> <td>3Q 2017</td> <td>4,0</td> <td>21,1%</td> </tr> <tr> <td>2018 E</td> <td>1,9</td> <td>10,6%</td> </tr> <tr> <td>2020 E</td> <td>1,8</td> <td>9,6%</td> </tr> </tbody> </table>	Year	Gross NPE (€bn)	Gross NPE ratio	2016	5,4	27,3%	3Q 2017	4,0	21,1%	2018 E	1,9	10,6%	2020 E	1,8	9,6%
Year	Gross NPE (€bn)	Gross NPE ratio															
2016	5,4	27,3%															
3Q 2017	4,0	21,1%															
2018 E	1,9	10,6%															
2020 E	1,8	9,6%															
<p>Coverage</p>	<p>Envisaged a series of initiatives to increase the coverage of the NPEs portfolio up to about 59% in order to reduce significantly Credito Valtellinese's risk profile:</p> <ul style="list-style-type: none"> - Additional ~280€m provisions on UTP (including project Aragorn) - Additional ~180€m provisions on bad loans (including project Aragorn and other disposal) - Additional provisions in relation to IFRS 9 (Stage1+ Stage2) 	<p>NPE coverage</p> <table border="1"> <thead> <tr> <th>Year</th> <th>NPE coverage (%)</th> </tr> </thead> <tbody> <tr> <td>2016</td> <td>41,5%</td> </tr> <tr> <td>3Q 2017</td> <td>45,8%</td> </tr> <tr> <td>2018 E</td> <td>50,3%</td> </tr> <tr> <td>2020 E</td> <td>59,1%</td> </tr> </tbody> </table>	Year	NPE coverage (%)	2016	41,5%	3Q 2017	45,8%	2018 E	50,3%	2020 E	59,1%					
Year	NPE coverage (%)																
2016	41,5%																
3Q 2017	45,8%																
2018 E	50,3%																
2020 E	59,1%																
<p>NPE management model</p>	<ul style="list-style-type: none"> - Concentration of the NPE Unit on a smaller portfolio - Increasing UTP and Bad Loans Recovery Rate with less loans to manage - Cash flow on "going concern" basis from restructured loans and under restructuring - Incremental cash flow projections in relation to a positive Real Estate market development - Bad Loans recovery rate increased for the effect of the partnership with Cerved 	<p>Recovery rate</p> <table border="1"> <thead> <tr> <th>Year</th> <th>UTP (%)</th> <th>Bad loans (%)</th> </tr> </thead> <tbody> <tr> <td>2016</td> <td>3,9%</td> <td>3,9%</td> </tr> <tr> <td>2017 (1)</td> <td>4,7%</td> <td>3,3%</td> </tr> <tr> <td>2018 E</td> <td>5,6%</td> <td>1,7%</td> </tr> <tr> <td>2020 E (2)</td> <td>11,9%</td> <td>6,5%</td> </tr> </tbody> </table>	Year	UTP (%)	Bad loans (%)	2016	3,9%	3,9%	2017 (1)	4,7%	3,3%	2018 E	5,6%	1,7%	2020 E (2)	11,9%	6,5%
Year	UTP (%)	Bad loans (%)															
2016	3,9%	3,9%															
2017 (1)	4,7%	3,3%															
2018 E	5,6%	1,7%															
2020 E (2)	11,9%	6,5%															
<p>Credit strategy and Early Warning</p>	<ul style="list-style-type: none"> - Adoption of a new credit policy model, in order to strongly oversee the credit quality - Further reinforcement of credit quality KPIs in the performance management model - Reinforcement of the Early Warning system to promptly manage any problematic situations - Adoption of AIRB model 	<p>Default rate</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Default rate (%)</th> </tr> </thead> <tbody> <tr> <td>2016</td> <td>4,6%</td> </tr> <tr> <td>2017 (1)</td> <td>2,4%</td> </tr> <tr> <td>2018 E</td> <td>1,6%</td> </tr> <tr> <td>2020 E</td> <td>1,3%</td> </tr> </tbody> </table>	Year	Default rate (%)	2016	4,6%	2017 (1)	2,4%	2018 E	1,6%	2020 E	1,3%					
Year	Default rate (%)																
2016	4,6%																
2017 (1)	2,4%																
2018 E	1,6%																
2020 E	1,3%																

Notes: 1) Data June, 30th 2017 annualized; 2) 2020 influenced by significant outflows to performing exposure related to restructuring of 'going concern' positions

Total disposal 2017
- 2020 3,5€bn

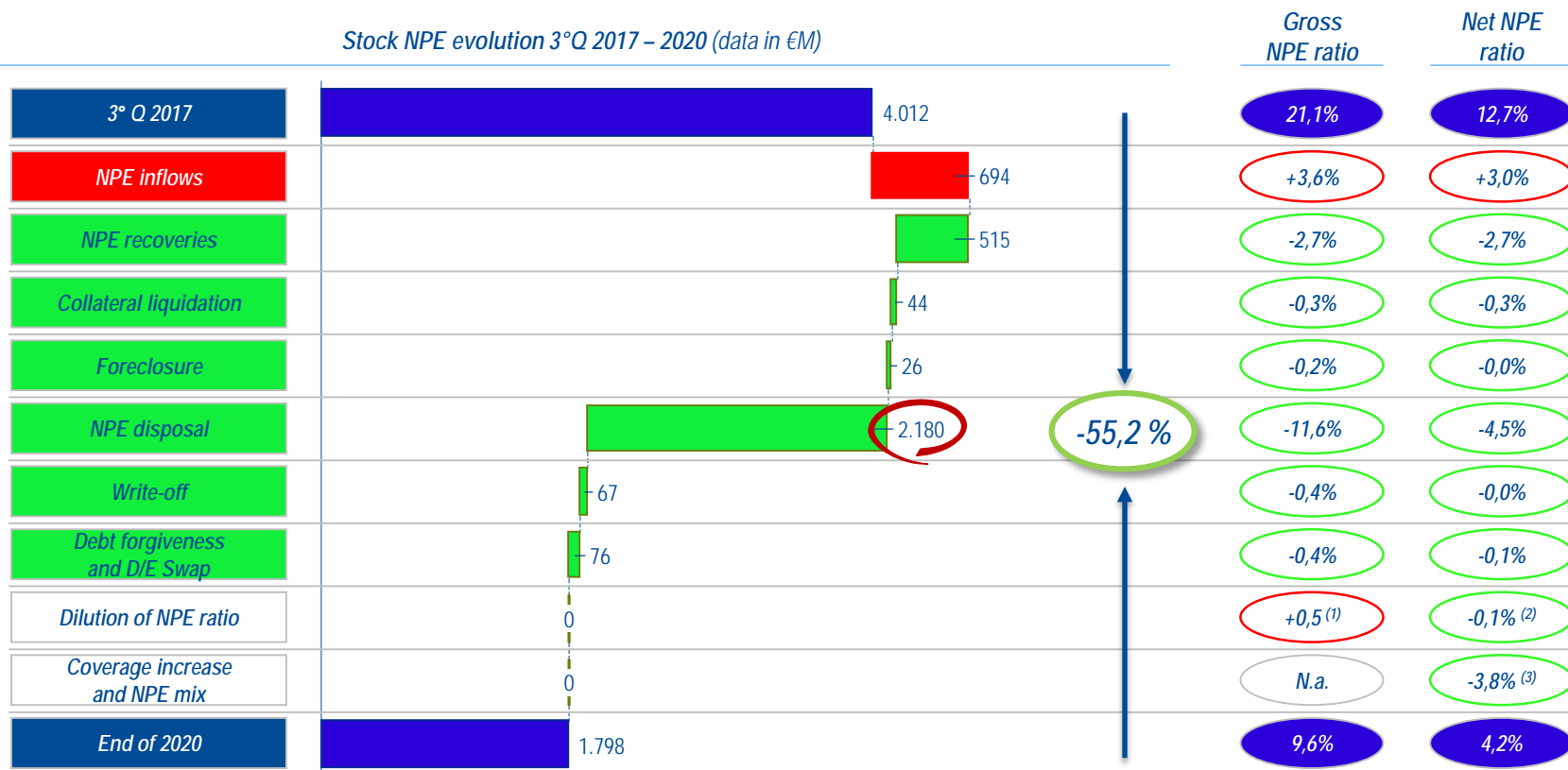
Year	Disposal	Description	Disposed assets	Status
2017	Small portfolio disposal	<ul style="list-style-type: none"> Disposed <u>50€m</u> GBV secured bad loans at (<u>44% valorization</u>) 	50 €m	✓
	Project Elrond	<ul style="list-style-type: none"> Disposed <u>1,4€bn</u> bad loans through securitization in 2017 through GACS - Portfolio composition: 73,5% secured and 26,5% unsecured - <u>Price/gross book value: 34,5%</u> 	1.400 €m	✓
2018	Project Aragorn	<ul style="list-style-type: none"> 1,6€bn bad loans portfolio to be disposed in 2018 through GACS • <u>Expected price in the range 30-35%</u> 	1.600 €m	<u>Started</u>
	Project Gimli	<ul style="list-style-type: none"> 0,5€bn bad loans portfolio to be disposed in second half of 2018 • <u>Expected price in the range 20-25%</u> 	500 €m	<u>To be activated</u>
2019 – 2020	Single name disposal	<ul style="list-style-type: none"> Single Name NPE disposal for 80€m (UTP and bad loans) in 2019 - 2020 	80 €m	<u>To be activated</u>

2,2 €bn

Capital buffer against deviations vis-à-vis the expected prices:
FTA phasing in regime, recurring profitability, AIRB validation effect (subject to regulatory approval)

2 NPE plan – main expected results

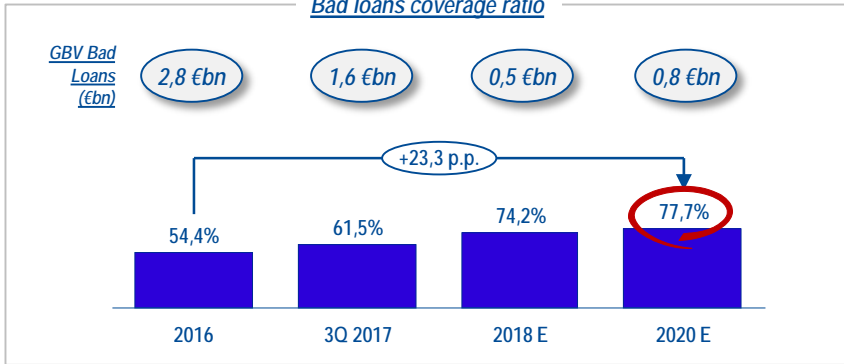
Stock NPE evolution 3°Q 2017 – 2020 (data in €M)



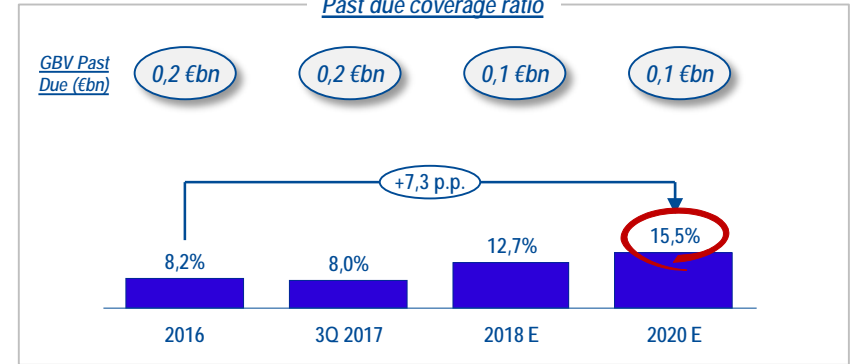
Notes: 1) Increase of the gross NPE ratio due to growth of gross performing exposures (-1,2% the effect on NPE ratio) and decrease of gross NPE (+1,7% the effect on NPE ratio). 2) Decrease of the net NPE ratio due to growth of net performing exposures (-0,7% the effect on NPE ratio) and decrease of net NPE (+0,6% the effect on NPE ratio). 3) Decrease of net NPE ratio due to coverage increase and variation in the NPE mix.

2 NPE plan – evolution of coverage ratio

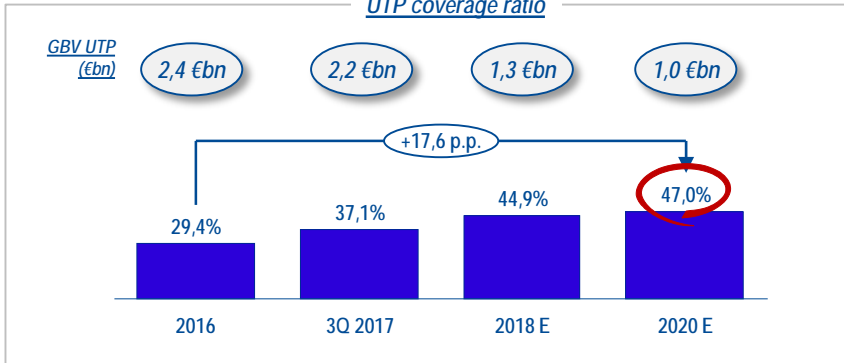
Bad loans coverage ratio



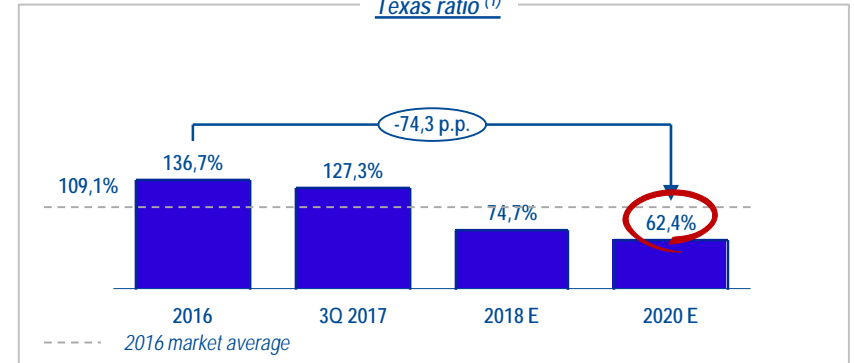
Past due coverage ratio



UTP coverage ratio

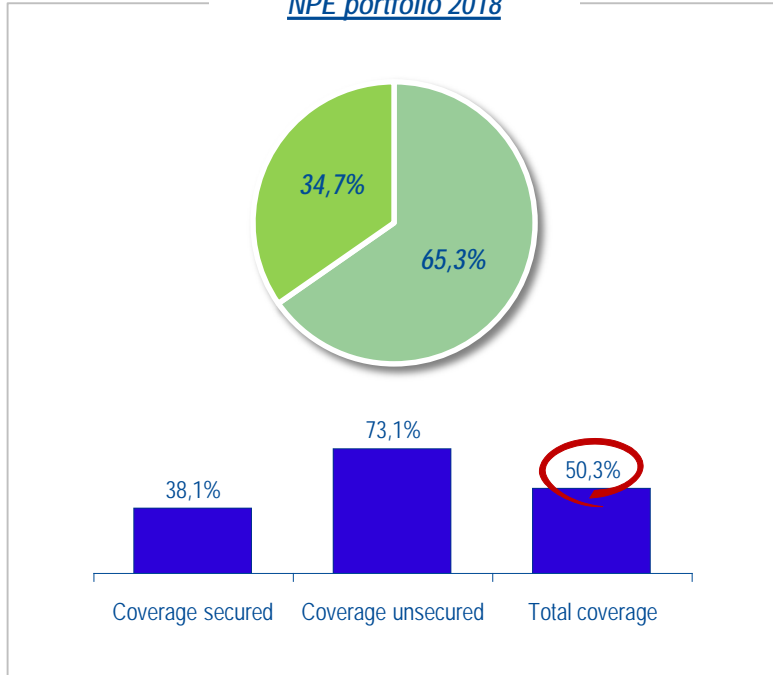


Texas ratio ⁽¹⁾

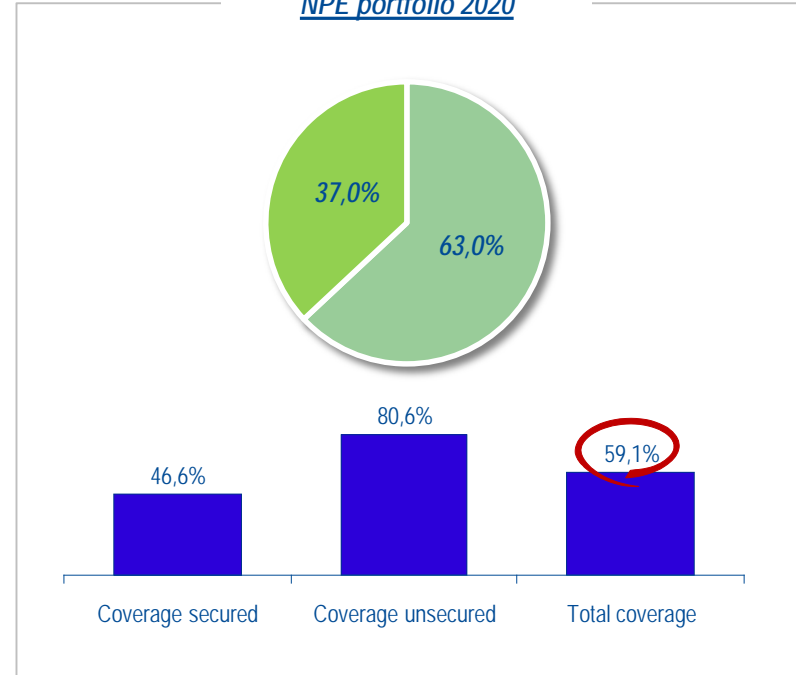


Note: 1) Calculated as = Gross NPE / (tangible book value + analytics adjustment funds)

NPE portfolio 2018



NPE portfolio 2020



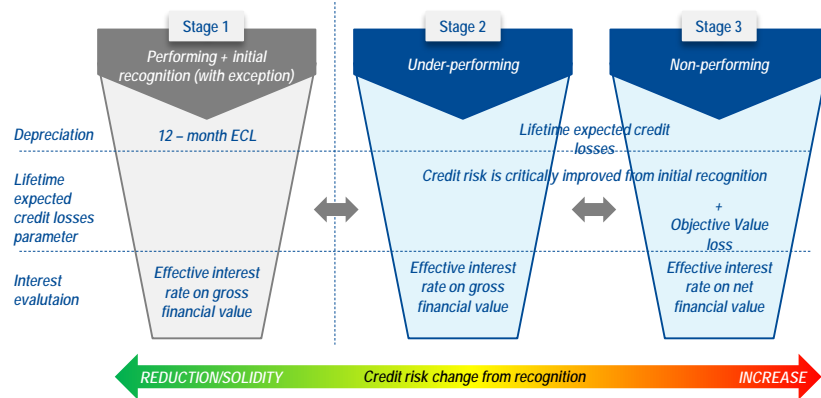
■ Unsecured

■ Secured

- P&L in the Creval's Business Plan prepared in continuity with IAS 39 principle, taking into considerations all the estimated impacts related to First Time Adoption (FTA) of the new IFRS9 principle
- No material impacts expected on the estimated cost of risk during the Business Plan horizon – for stage 1, stage 2 loans – due to the conservative approach to be adopted on FTA process

IFRS9

PHASING-IN OF
FTA RESERVES



- Credito Valtellinese is evaluating to activate – when all the framework will be finally determined and stabilized - the Phasing-in⁽¹⁾ option for the FTA regulatory treatment, in order to increase provisions and, at the same time, to achieve the maximum capital flexibility.

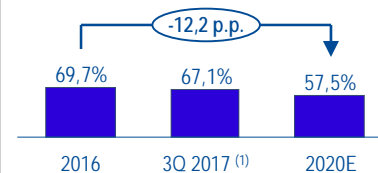
Note: 1) Phasing-in option to be defined

1. 3Q 2017 results
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6. **Relaunch efficiency and profitability**
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Efficiency and cost base optimization

- Merge by incorporation of Credito Siciliano into Credito Valtellinese
- Personnel reduction through the activation of redundancy fund for c.170 FTE
- Review of branch network with target of c.350 branches by 2018
- Reinforcement of cost management structure
- Cost cutting plan implementation

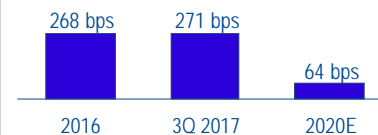
Cost income ratio (%)



Risk approach and cost of risk evolution

- Credit origination to SMEs and households with low expected loss
- Strict risk approach on new lending
- Activation of the new Early Warning model
- AIRB model implementation

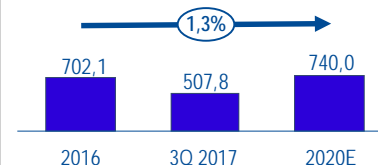
CoR (bps)



Further commercial improvement

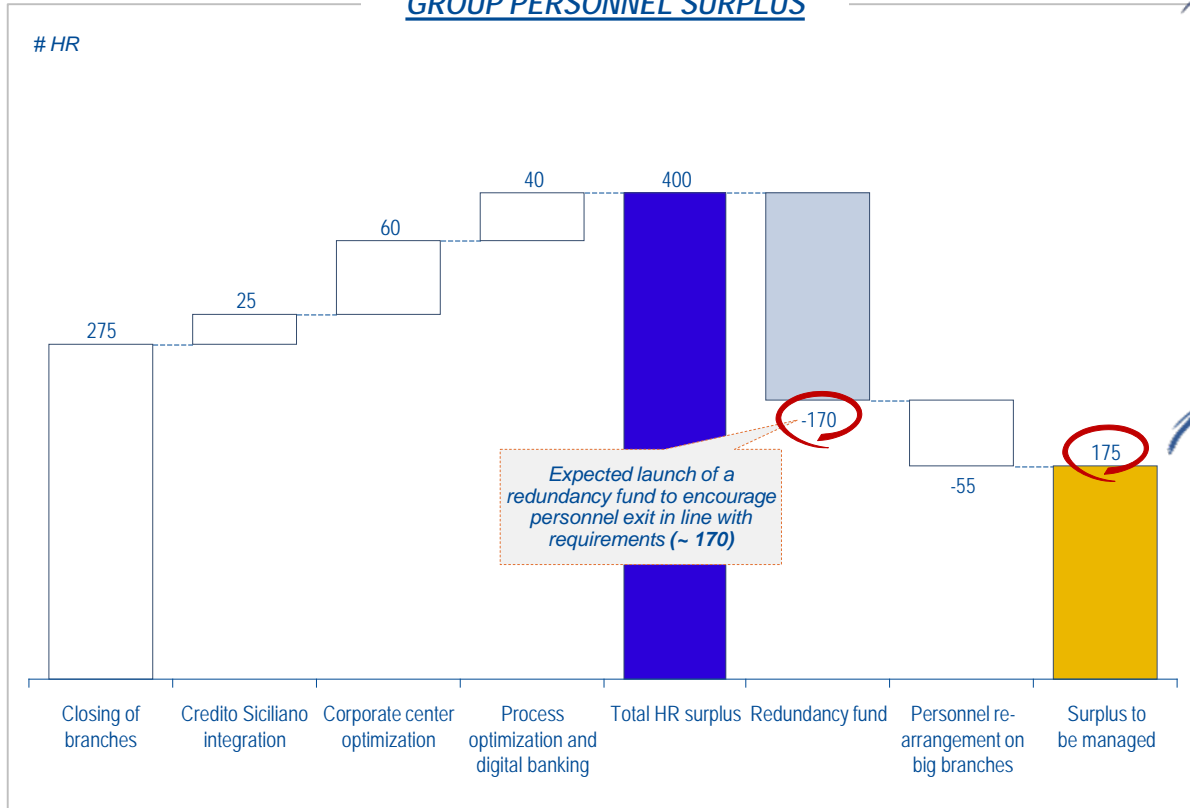
- Bancassurance agreement with best in class player
- Asset management improvement (1,7 €bn of net inflows over the horizon)
- 'Value lending' (i.e. personal loans) development
- Reinforcement of the international and agricultural business
- Development and implementation of performance management tools

*Net interest and commission income (€M)
CAGR*

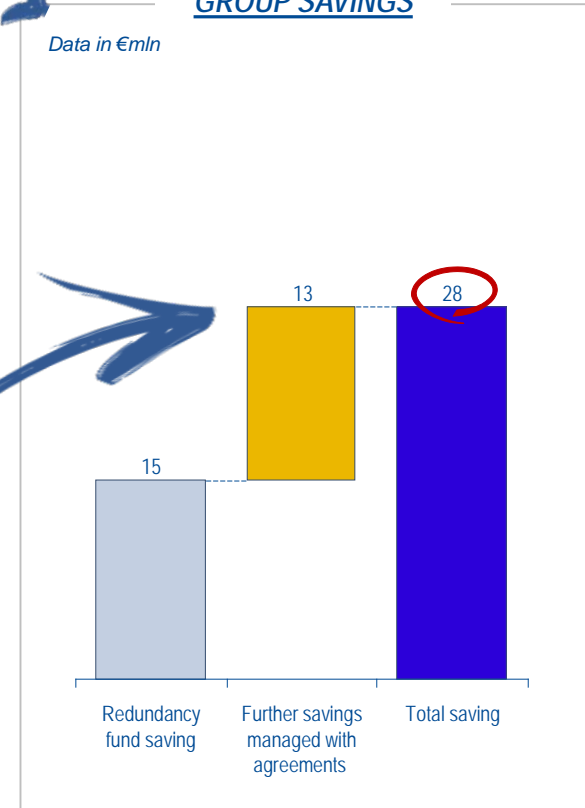


Note: 1) See page 10 for detail of adjustments

GROUP PERSONNEL SURPLUS



GROUP SAVINGS



Lean banking

- Lean banking model through further organizational simplification and a specific cost optimization program

Digital migration

- Migration from traditional channel to digital ones also through the development of an advanced online banking and innovative self-branches concept

ICT management

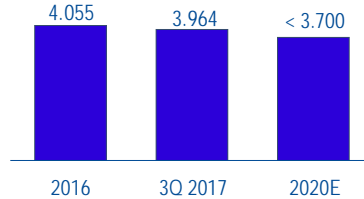
- Development of Creval Sistemi e Servizi, also through partnership, in order to optimize the cost base, improve the time to market and to face the investment needed in the future (blockchain, cyber security...)

Industrial transformation

- IT Investments for around 44€M to support the industrial transformation and evolution of the Group

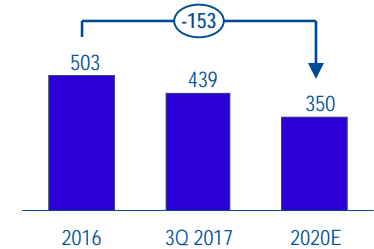
Personnel evolution

of employees



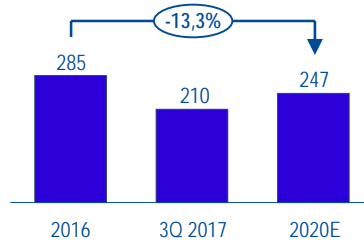
Branch network evolution

of Branch



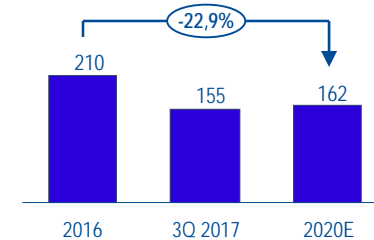
Personnel expenses

Data in €M



Other administrative expenses

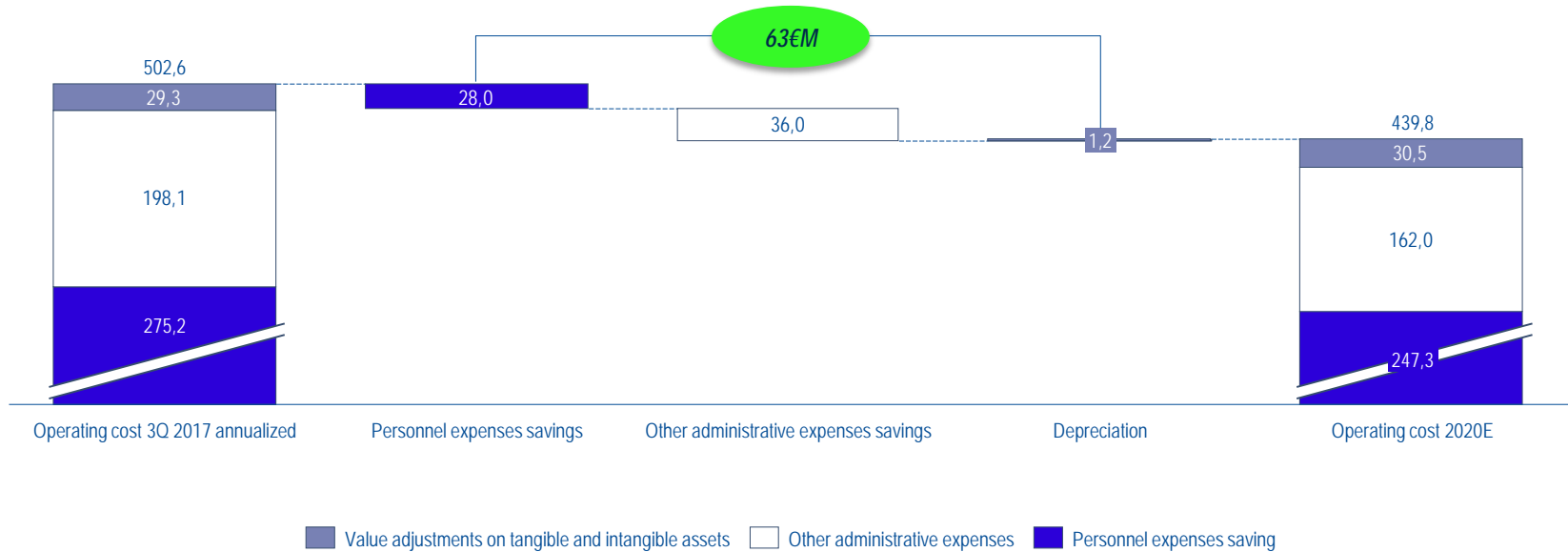
Data in €M

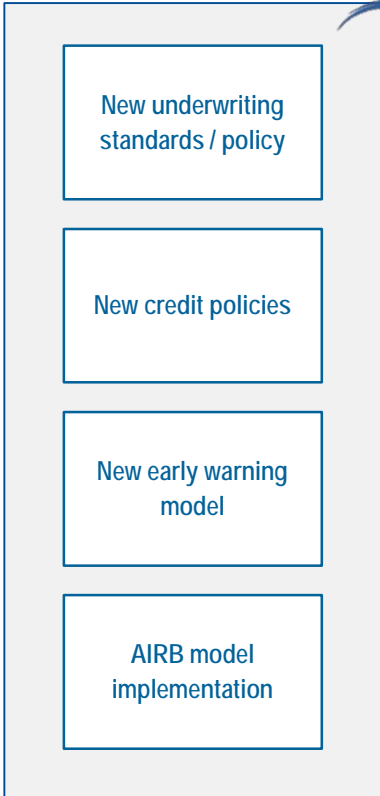


3 Cost saving program ("LightBank60")

Operating cost savings

Data in €M

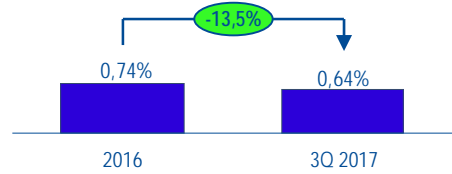




Results yet achieved

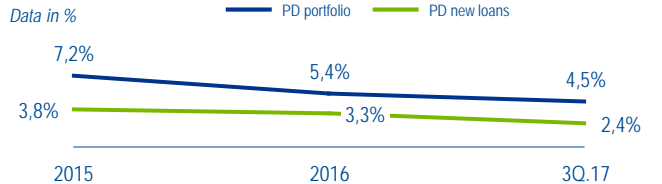
Expected loss

Data in %



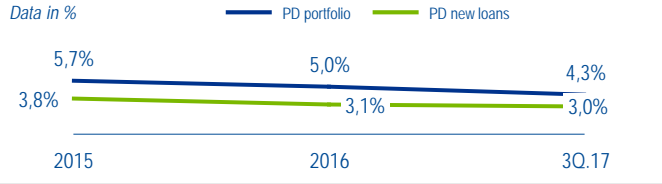
PD loans Corporate

Data in %



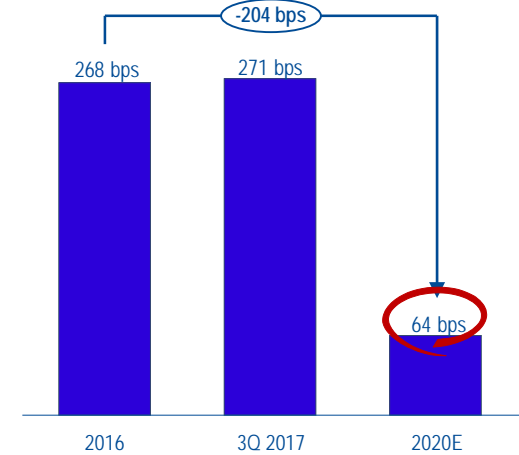
PD loans Retail

Data in %



Cost of risk evolution

Data in bps



Thanks to the actions envisaged in the Business Plan is expected a strong reduction of the cost of credit



Value lending

- "Value lending" development (i.e. personal loans)

High value product

- Factoring business already put in place; strengthening of the trade finance business through dedicated resources and budget and development of a dedicated offering for the agriculture sector

Bancassurance

- Improvement of the bancassurance performance also through the partnership with major insurance players

Big data

- Big data management through CRM development

Bancaperta

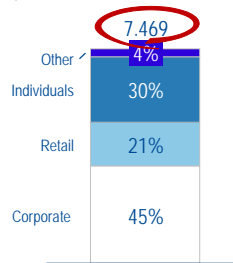
- Further improvement of the digital offer strategy (Bancaperta)

Performance management

- Development of performance management tools designed for real time monitoring

Loans disbursement by segment

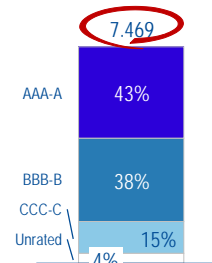
Data in €M



Total 2018 - 2020 E

Loans disbursement by rating

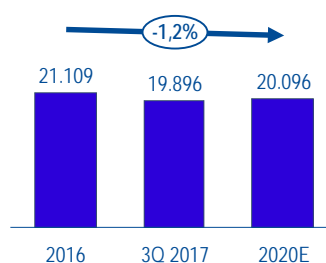
Data in €M



Total 2018 - 2020 E

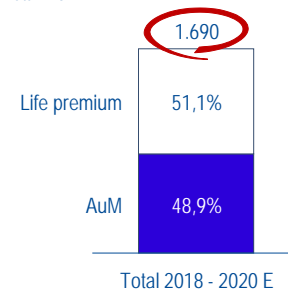
Customer deposits evolution

Data in €M
CAGR



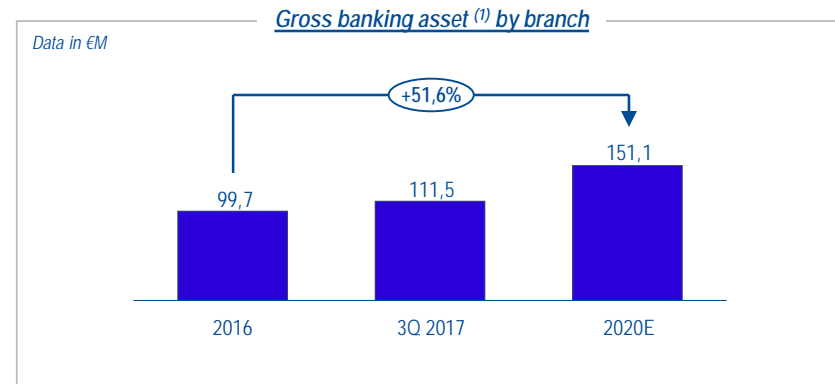
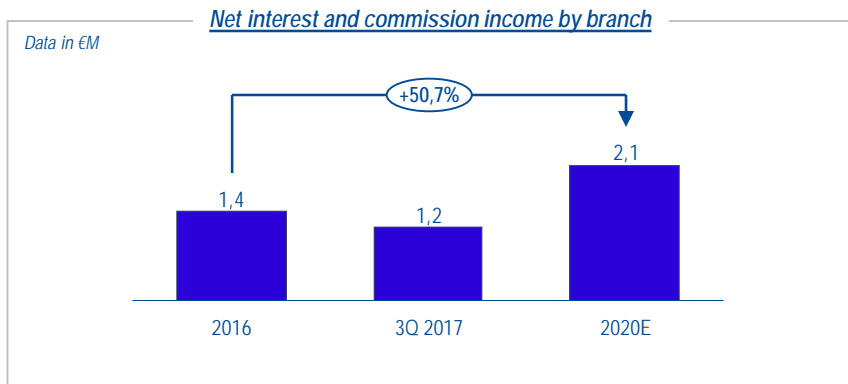
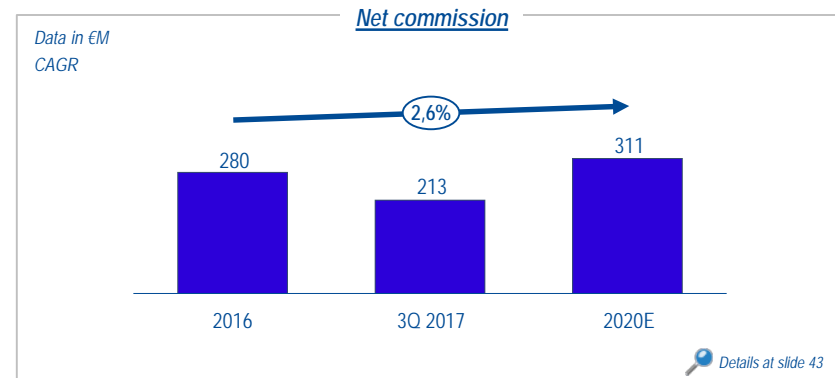
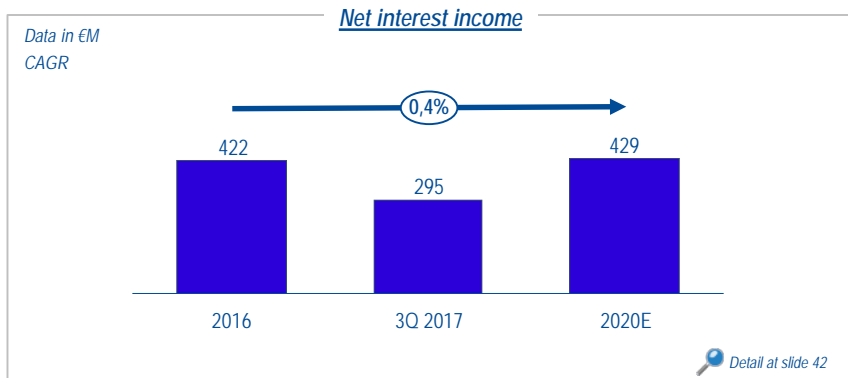
Indirect funding net inflows

Data in €M

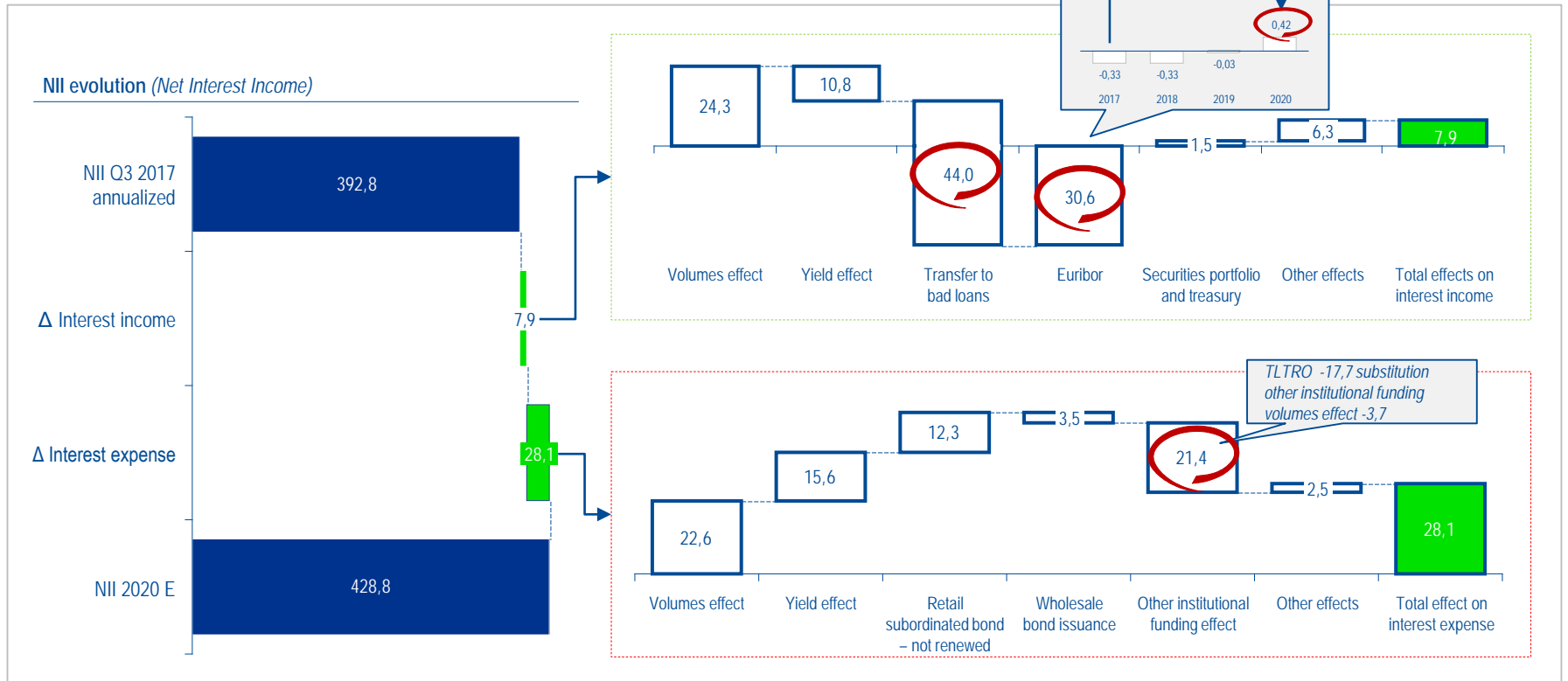


Total 2018 - 2020 E

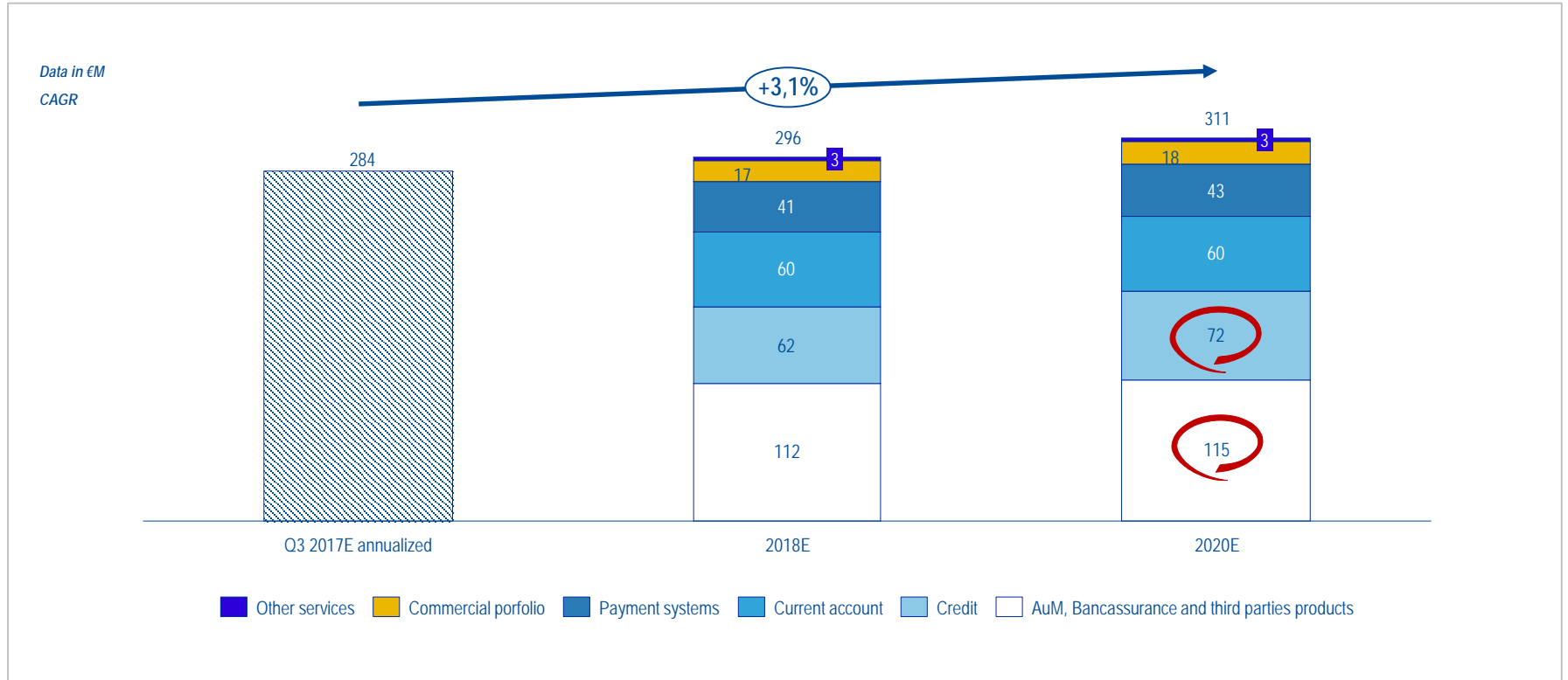




3 Net interest income evolution 3Q 2017 annualized – 2020E



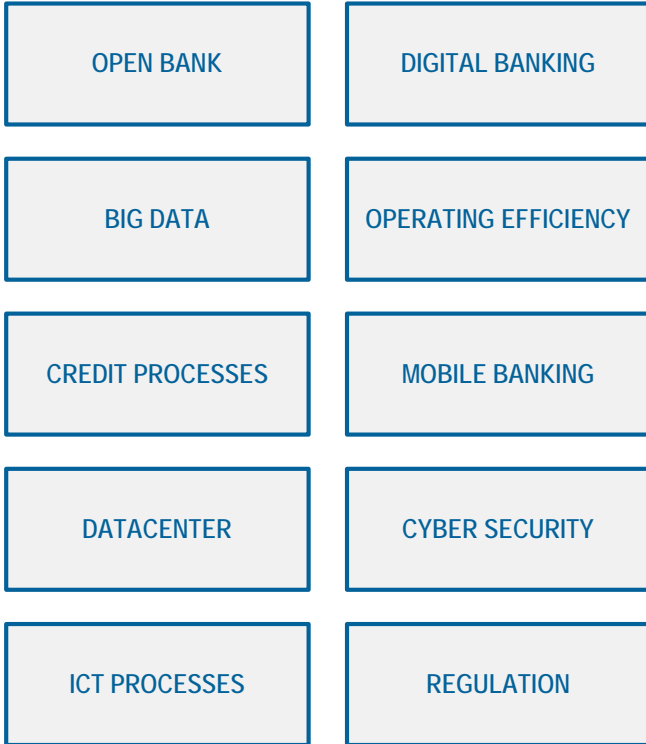
Note: 1) Euribor annual average rate



Legend: xx → CAGR %

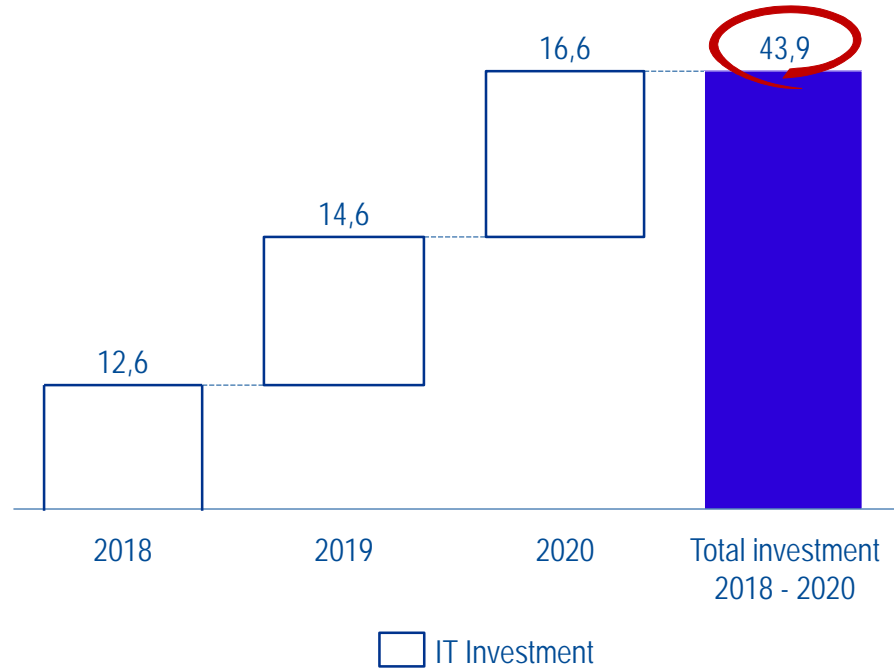
3 Creval Group investments between 2018 and 2020

Actions



Capex

Data in €M



1. 3Q 2017 results
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6. Relaunch efficiency and profitability
7. **Economic and financial projections 2018 - 2020**



	3Q 2017 Adj	2018E	2020E	CAGR 3Q 2017 Annualized - 2020E	
Income statement (€M)	Net interest income	295	394	429	+3,0%
	Net commission income	213	296	311	+3,1%
	Net interest and commission income	508	690	740	+3,0%
	Other revenues ⁽¹⁾	33	33	24	n.a.
	Operating costs	-380	-520	-440	-2,6%
	Value adjustments	-153	-161	-113	-39,1%
	Other elements ⁽²⁾	-2	52	-2	n.a.
	Income before taxes	7	95	210	n.a.
	Taxes	-	-18	-60	n.a.
Net income ⁽³⁾	-	73	150	n.a.	
Balance sheet (€M)	Direct deposits	19.896	20.068	20.096	+0,3%
	Indirect deposits	11.918	12.799	14.050	+5,6%
	Customer loans	17.119	16.832	17.417	0,6%
	Book value	1.361	1.603	1.834	+10,5%
	Tangible book value	1.316	1.587	1.818	+11,4%

Legend: Bankit Schemes

Notes: (1) It considers: other management fees / incomes, share of profits and similar incomes, outcome of net assets evaluated shareholdings, finance profits; (2) It considers, net reserves to risks and costs fund and profit from investments and shareholdings transfer (3) P&L prepared taking into considerations all the estimated impairment increase on stage 3 financial assets related to First Time Adoption (FTA) of the new IFRS9 principle (reported in equity)



	3Q 2017	2018E	2020E
CET1 pre AIRB (fully loaded)	9,2%	11,0%	11,6%
Texas ratio	127,3%	74,7%	62,4%
LCR	191%	>100%	>100%
NPE ratio	21,1%	10,6%	9,6%
NPE coverage	45,8%	50,3%	59,1%
C/I ratio	67,1%	71,8%	57,5%
RoTE	Neg.	4,6%	8,2%

Creval Business Plan 2018 – 2020

Run²

Restart Under New-Normality

November, 7th 2017