Creval

Update on the Business Plan Consolidated Results as at March 31st 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.

Agenda

1. Business Plan – Recap and execution
2. IFRS 9 First Time Adoption (FTA)
3. Credit policies and asset quality
4. Funding, liquidity and securities portfolio
5. Capital ratio
6. Revenues development
7. Cost management and Net profit development
8. Annexes

Business Plan – Recap and execution – Key messages

BUSINESS PLAN

Implementation started very well

- ✓ Capital increase successfully concluded
- ✓ NPEs disposal ("Project Gimli") almost completely achieved
- ✓ Agreement with Trade Unions signed
- ✓ Closure of 50 branches planned for 27 May 2018
- ✓ Digital innovation
- ✓ SREP decision: reduction of additional capital requirements ("add-on")
- ✓ *«Project Aragorn» on-going*
- ✓ *AIRB on-going*

MAIN ACHIEVEMENTS IN THE FIRST QUARTER

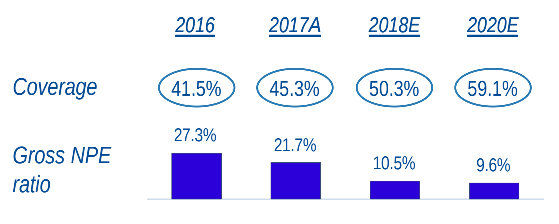
- ✓ Very sound Capital Ratio, ahead of the validation of the AIRB model
- ✓ Liquidity balance at the highest level, a good starting point to support the liabilities repricing
- ✓ Cost of risk significantly down, coupled with coverage ratios strongly up
- ✓ Cost base under control, in line with the target

The bank will now be strongly committed on the top line in order to improve NII and commission income in the coming quarters, in line with the objectives of the business plan

Business Plan – Recap and execution – The three business plan pillars

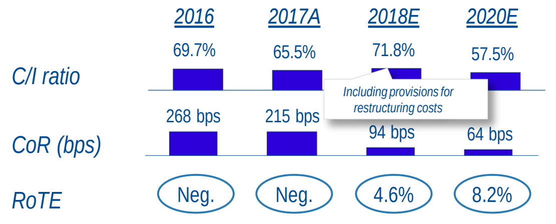
1 Asset quality and coverage ratio

- Actions for decisive balance sheet derisking through:
  - NPEs disposal with GACS (1.60€bn GBV)
  - Other NPEs disposal (0.5€bn GBV)
  - Increase of NPEs coverage ratios



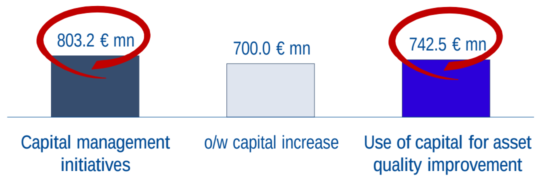
2 Relaunch efficiency and profitability

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



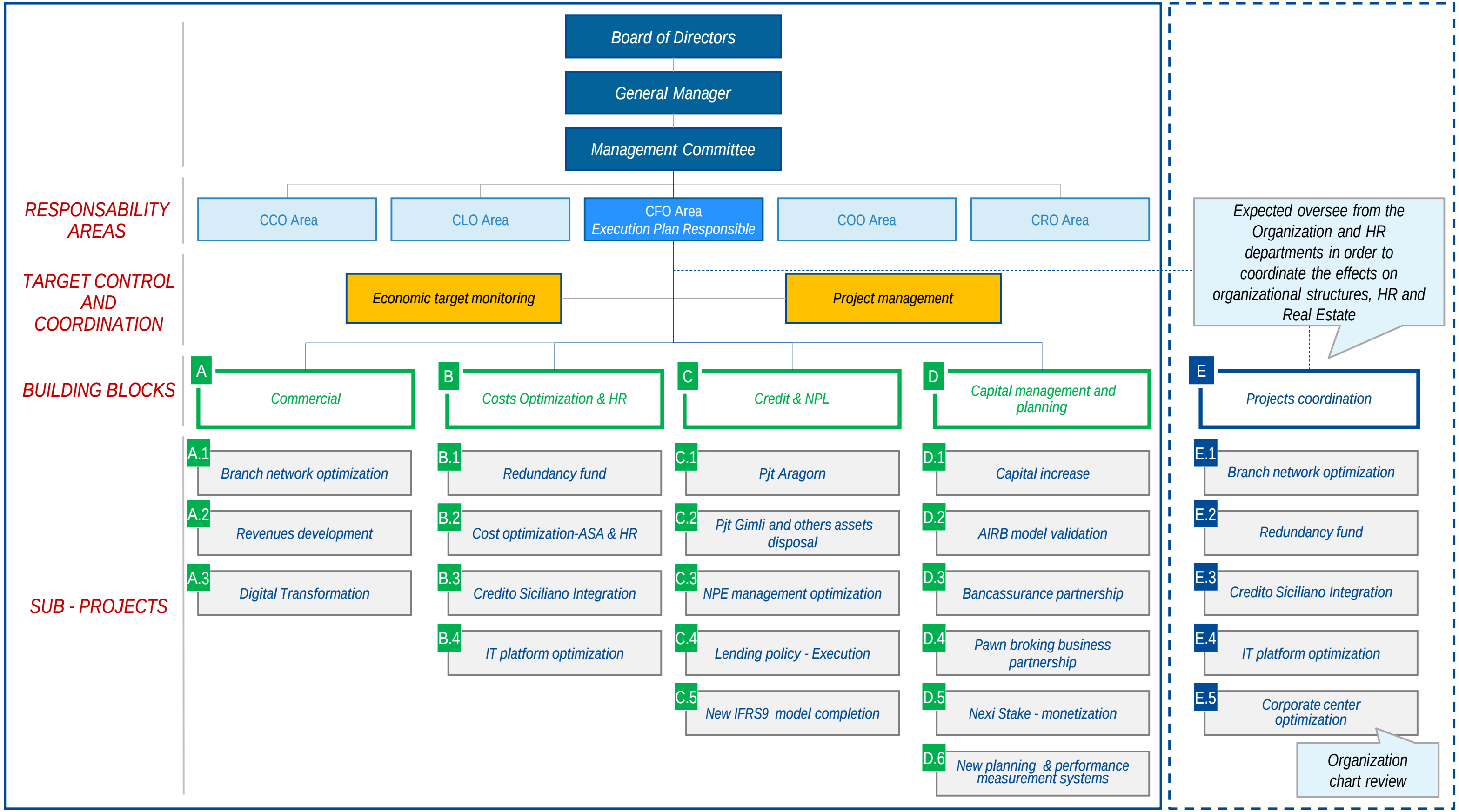
3 Capital strengthening

- 700 € mn rights issue Non core assets disposals under way
- *On top of the capital plan: AIRB models adoptions, and IFRS 9 FTA*



Business Plan Estimates

Business Plan – Recap and execution – Execution plan - organizational framework



Business Plan – Recap and execution – Completion of the capital increase

D *Capital management and planning*

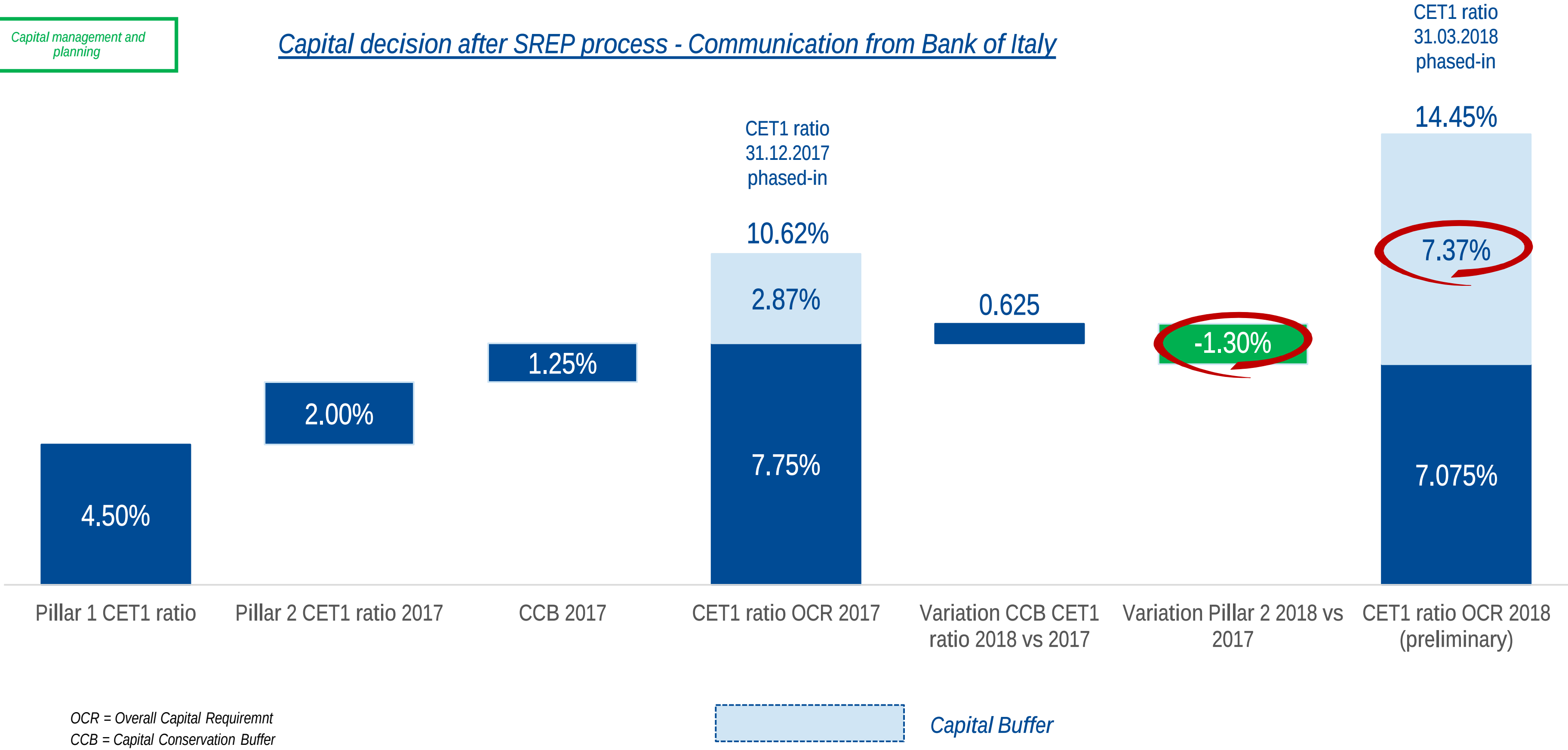
CAPITAL RAISE AMOUNT	
	Mln€
Capital Raise	699.7
Sale of the the rights	9.0
Transaction costs	-51.2
Fiscal effects	14.1
Equity Increase	671.5
CET1 ratio impact	+5.2%

- **07/11/17** – Approval of the Industrial Plan 2018-2020 Run[2]
- **15/12/17** – Authorization of Bank of Italy on the Creval's Rights Issue
- **19/12/17** – The Extraordinary Shareholders' Meeting resolved to delegate to the Board of Directors of Credito Valtellinese SpA, pursuant to Article 2443 of the Italian Civil Code, the right to increase the share capital
- **20/12/17** – The Board of Directors exercises the delegation for the Share Capital Increase
- **14/02/18** – The Board of Directors sets the final conditions for the share capital increase and the timetable of the offer
- **17/02/18** – Consob approves the prospectus relating to the Share Capital Increase
- **19/02/18** – Starting of the offer
- **13/03/2018** – Starting of the offer of the unexercised pre-emptive rights
- **15/03/2018** – Early termination of the offer to the market of the Rights

Business Plan – Recap and execution – CET1 requirement SREP 2018

D Capital management and planning

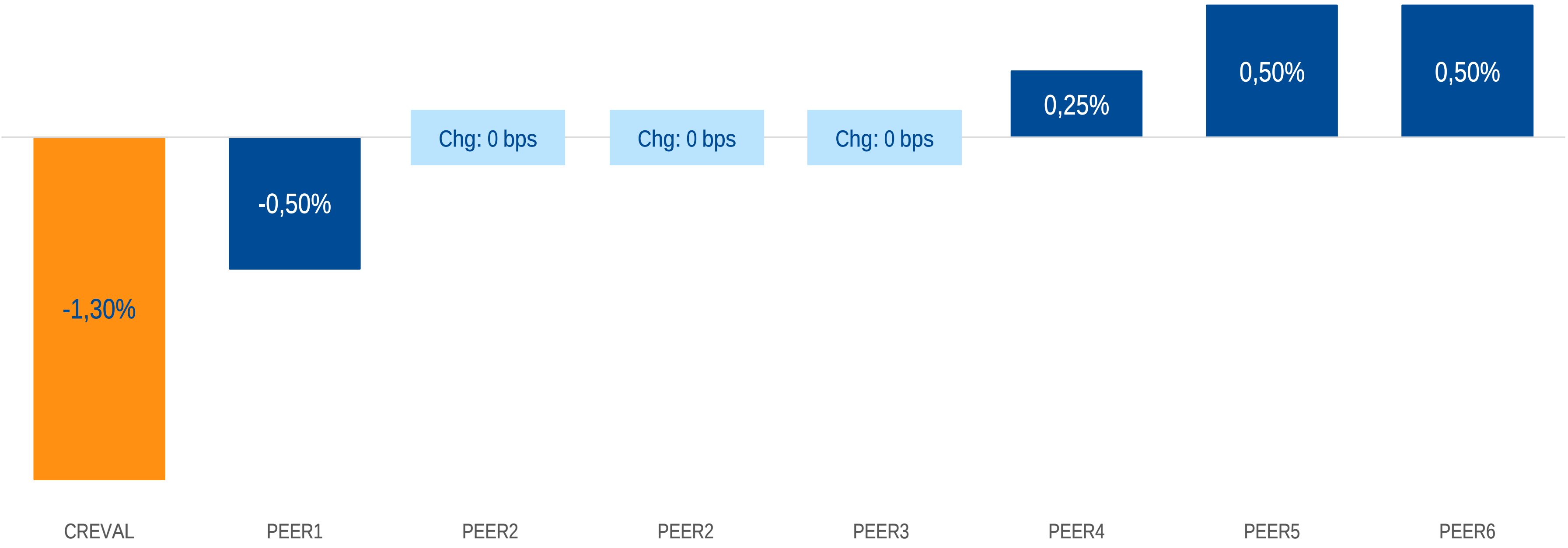
Capital decision after SREP process - Communication from Bank of Italy



OCR = Overall Capital Requiremnt
CCB = Capital Conservation Buffer

Business Plan – Recap and execution – Add On Srep CET 1 Ratio - YoY change

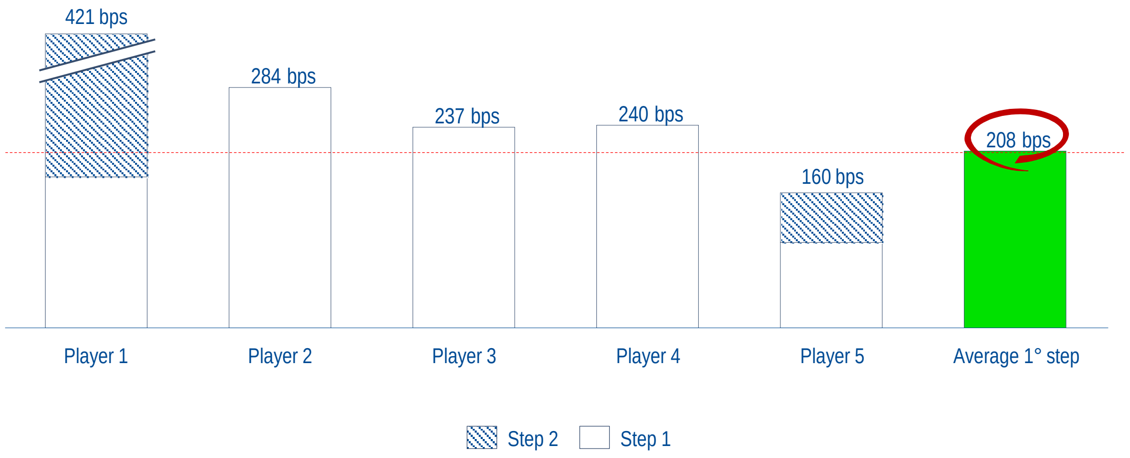
D Capital management and planning



PEER: CE, ISP, BPE, BPSO, UCG, UBI, CRG

D *Capital management and planning*

Benchmark: Impact in terms of CET1 Ratio –AIRB Approach[1]



26th March 2018 - start of inspection activity from Bank of Italy

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. 2) Subject to regulatory approval

Business Plan – Recap and execution – NPE disposal – completion of the project "GIMLI"

C

Credit & NPL

Project Gimli 1 - Algebris

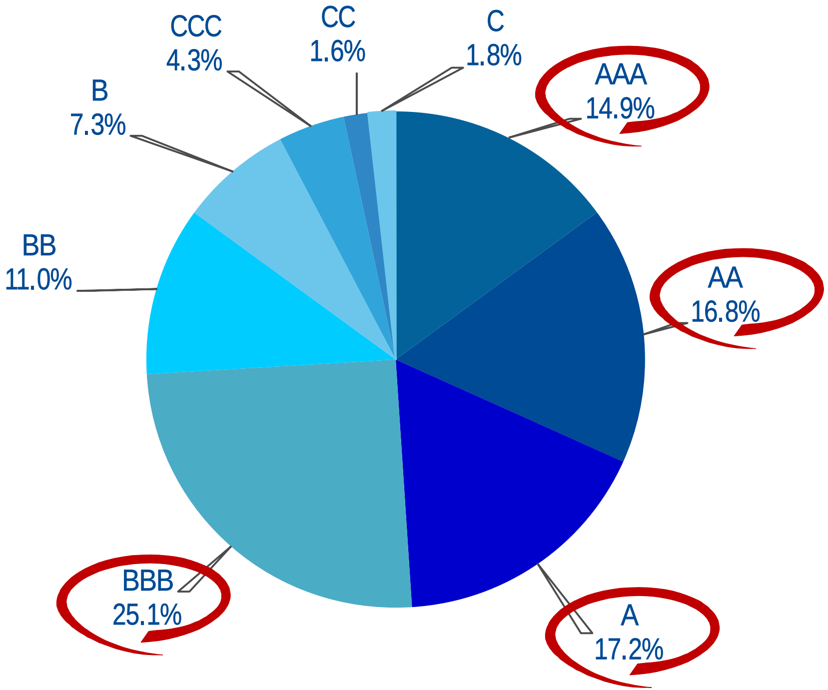
GBV	Gross Book Value: 245 € mn
PRICE	Price (% of GBV): 43%

Project Gimli 2 – Credito Fondiario

GBV	Gross Book Value : 222 € mn
PRICE	Price (% of GBV): 41%

- Disposals consistent with the de-risking objectives, as envisaged in the new Business Plan 2018-2020 with a gross NPE ratio target below 10% by 2020.
- Portfolios composed for the large part by UTP **loans**
- The so-called "**Project Gimli**" for 2018 is almost **completed.**
- Portfolios reclassified in to the **"non current assets" at the end of Q1.**
- The operation will have 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.
- <u>Expected completion of Aragorn Project (GACS securitization) by the end of June (confirmed)</u>

Loans to corporate and SMEs - Q1 2018



High quality exposures

74.0%

Expected Loss new performing exposures disbursed in the period

Individual: 32 bps
Corporate: 43 bps
Retail: 46 bps

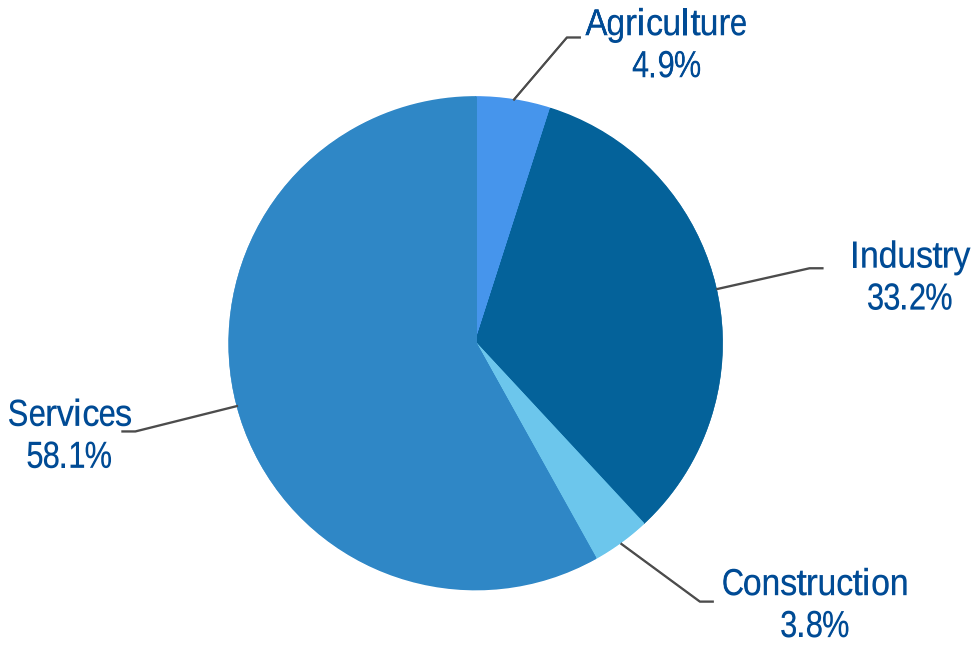
Total new originated loans Portfolio 1Q 2018: 41 bps

Source: internal data

Business Plan – Recap and execution – New loans to Corporate/SME by sector

C Credit & NPL

~ 96% of new loans to the "real economy" (industry, agriculture, services)



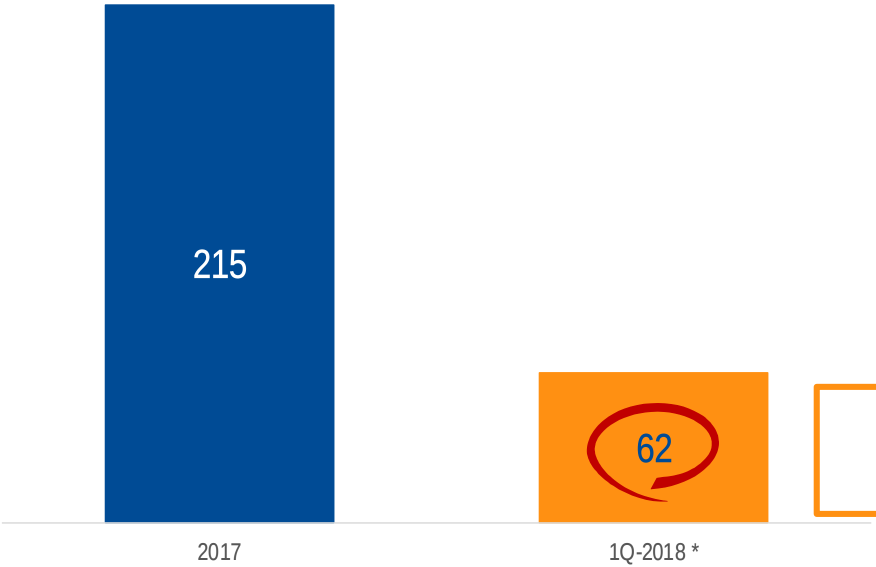
Source: internal data

C

Credit & NPL

Cost of credit

(Loan provisions annualized / Loans to Customers)



Cost of Risk target 2018
(business plan)
~ 95 bps

Cost of risk improvement, due to the **effects of the FTA IFRS 9** and the **good trend in the asset quality** (cure of positions, collections)

* Loans to Customers including financial assets (securities portfolio).

Business Plan – Recap and execution – Cost management - agreement with Trade Unions

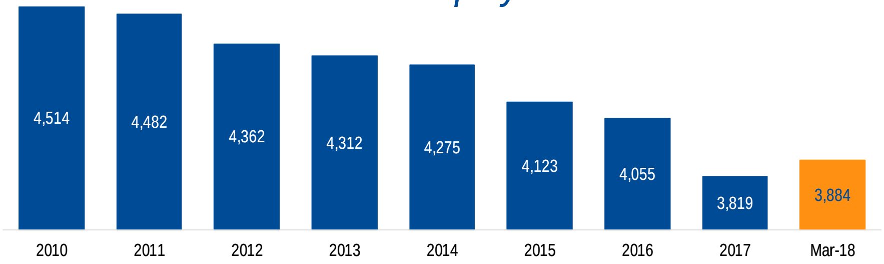
B *Costs Optimization & HR*

- Agreement for managing redundancies, through the use of the **Solidarity Fund for the credit sector for 170 people.**
- Early retirement plan for 170 employees who will fulfil pension requirements no later than 31 December 2024.
- Interested employees may access, on a **voluntary basis**, the extraordinary benefits of the **Solidarity Fund** for the credit sector, **starting from 1 July 2018.**

- Savings on personnel expenses for **EUR 7.5 million in 2018 approximately (EUR 15 million on annual basis** starting from 2019).
- **One-off costs** estimated at approximately EUR **61 million (57.5 net of State contribution**, so called "NASPI"), fully recognised in the **Income Statement of the current quarter.**
- **Further savings** thanks to specific actions to redefine the economic and regulatory treatment of personnel, with additional savings at regime of around EUR **13 million.**

TOTAL "VALUE" OF THE AGREEMENT around EUR 28 million on annual basis
in line with the Business Plan expectations

Number of employees



-630 employees since 2010 (-14.0%)

Target 2020: < 3,700

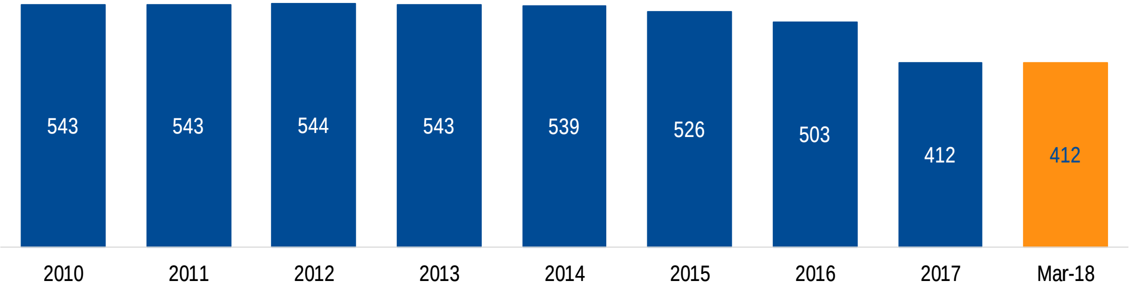
Business Plan – Recap and execution – Cost management – closure of branches

B

Costs Optimization & HR

- During the quarter, the plan for the operating network optimisation was define
- **closure of 50 branches, starting from 27 May 2018**
- 4 branches will be transformed into "Bancaperta" branches.
- **Number of branches will be 361,** in line with the target of the business plan (350), with a substantial reduction compared to the number at the end of 2010 (- 182 branches, for a total decrease of 33.5%).

Number of branches



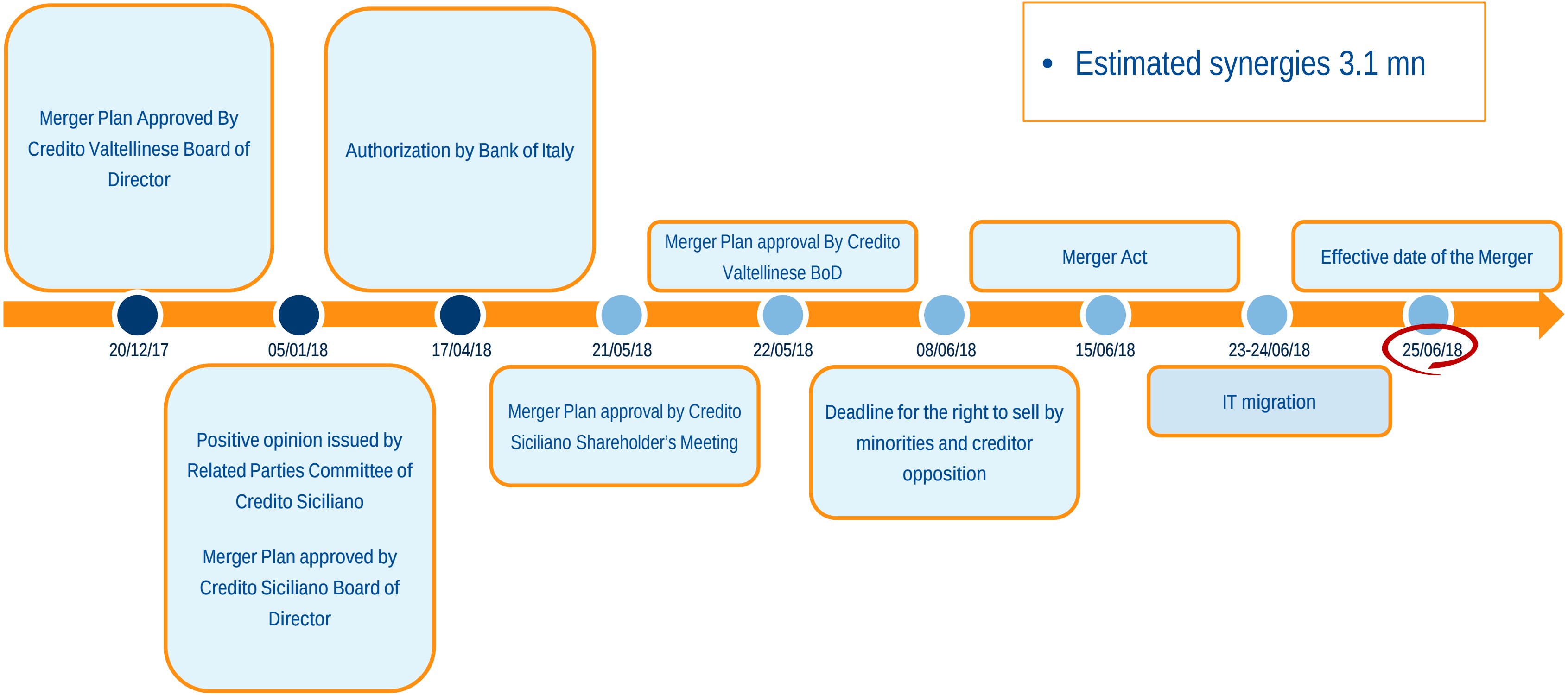
-131 branches since 2013 (-24.1%)

Target 2020: 350

B Costs Optimization & HR

Timeline

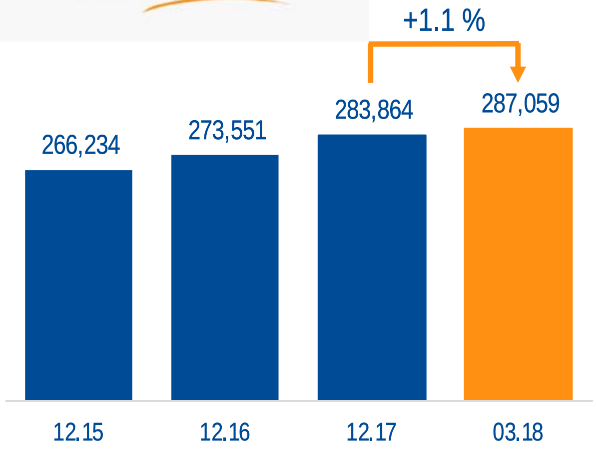
- Estimated synergies 3.1 mn



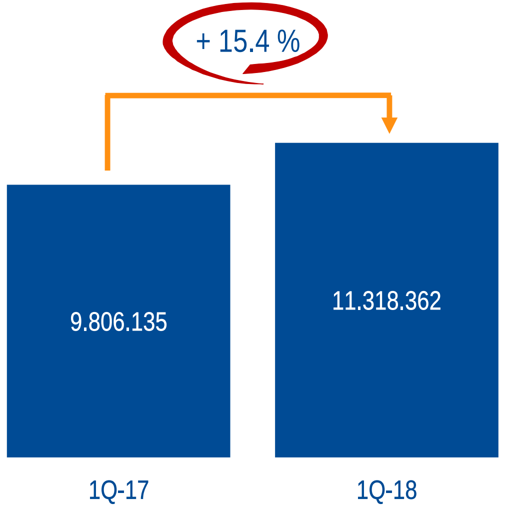
A

Commercial

Active Internet Banking Users



Bancaperta access: Q1-18 vs Q1-17



~ 192,251 downloaded apps**

+9.7% YoY

* Source: customer satisfaction survey – households – as at 31.03.2018

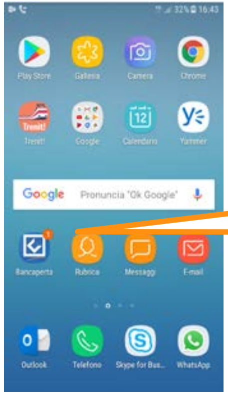
** As at 31.03.2018; source: internal data

Business Plan – Recap and execution – News (already available)

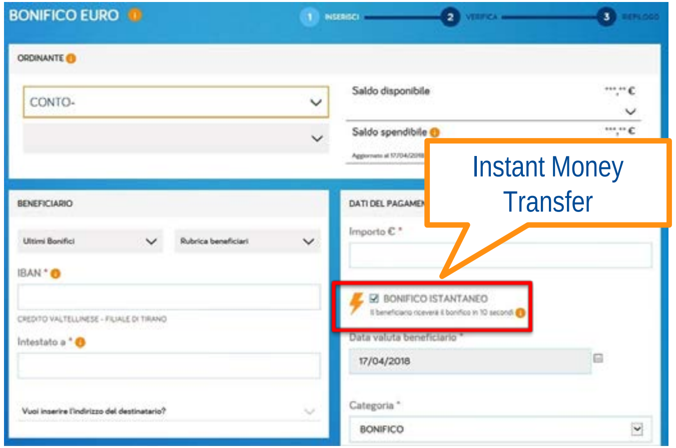
Foreign Money Transfer

Family Budget

App for Smart Watch



App Notification System



Instant Money Transfer

Remodulation offer Bancaperta

Business Plan – Recap and execution – Extraordinary items and adjusted P&L

Extraordinary Items (as of March, 31st 2018)

Data in € mn

Solidarity Fund	-57.5
Net accruals to provisions for risks and charges	-4.5
Extraordinary Items	**-62**

Adjusted P&L (as of March, 31st 2018)

Data in € mn

Net interest income	88.6
Net fee and commission income	70.6
Net interest and commission income	159.2
Other revenues (1)	6.7
Operating Income	165.9
Operating costs	-121.9
of which personnel expenses	*-64.4*
of which other administrative expenses	*-51.3*
of which depreciations/amortisations and net impairment losses on property, equipment and investment property and intangible assets	*-6.2*
Net operating profit	44.0
Impairment or reversal of impairment and modification gains (losses)	-27.8
Other elements (2)	-0.5
Pre-tax profit from continuing operations	**15.7**

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

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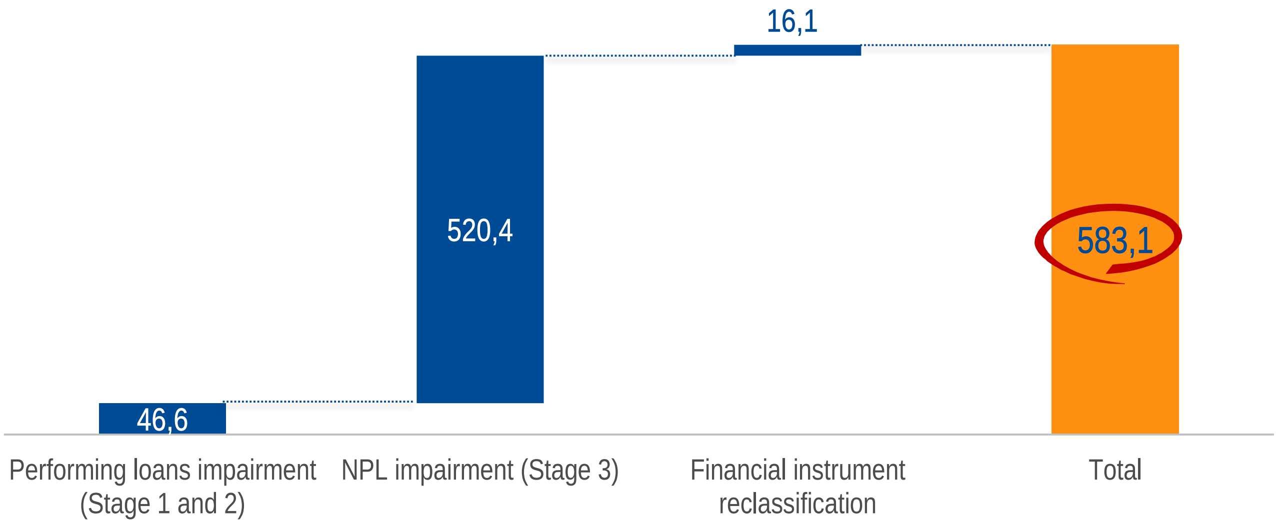
IFRS 9 FTA – Impairment – Loans to Customers

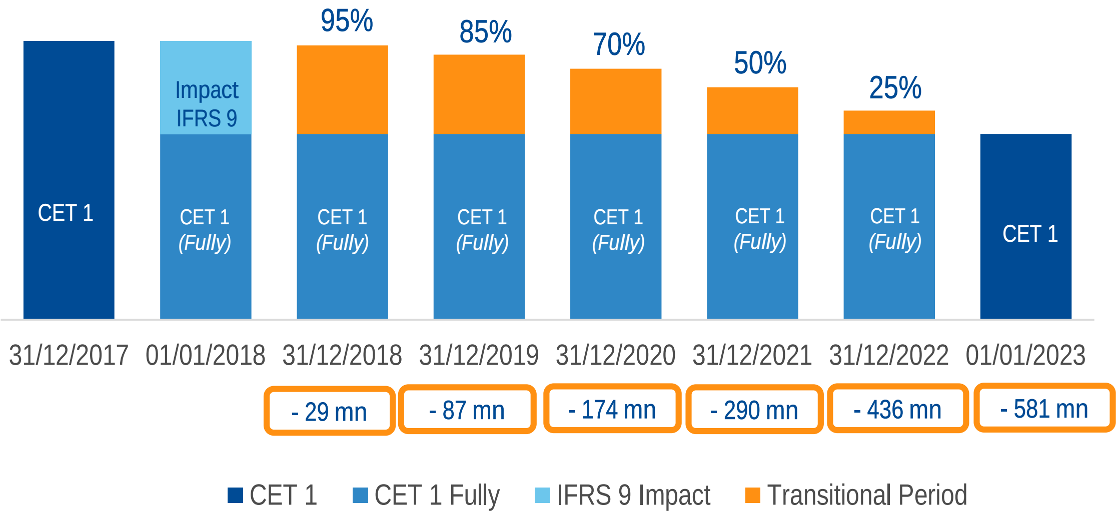
€ mn



IFRS 9 FTA – Transitional period

Regulation *2395* of the European Parliament and of the Council of 12 December 2017 amending ***Regulation*** (EU) No 575/2013 (as regards ***transitional*** arrangements for mitigating the impact of the introduction of IFRS 9) introduced the new article 473 bis "Application of IFRS 9", which provide the possibility to mitigate impacts on own fund deriving from the new rules on impairment included in the IFRS 9, in a transitional period of 5 years, spreading the impact through decreasing percentage over the time.

The impact of IFRS 9 related to the impairment has to be multiply for the transitional percentage in order to obtain the amount to be added to CET1 during the reference period.



CET 1 Impact (gross of tax effect)

IFRS 9 FTA – Equity

IFRS 9 FTA: focus impact on Equity (€ mn)

Equity as at 31.12.2017	1,442.1
Classification and measurement	16.1
Financial Assets at ammortised cost	16.1
Impairment	- 583.2
Financial Assets at ammortised cost	- 577.8
Provisions for specific purpose	- 5.4
Tax effects	- 3.1
Total effects	- 570.2
Minorities	1.4
Equity as at 01.01.2018	873.3

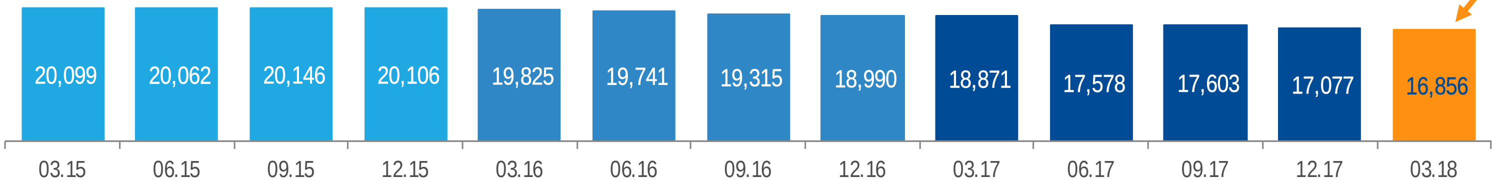
Equity as at 01.01.2018	873.3
Capital raise	671.5
Loss for the period	- 30.1
Other elements	10.0
Equity as at March 2018	1,524.7
Intangibles	44.5
Tangible Equity as at March 2018	1,480.2

Credit policies and asset quality – Loans to customers analysis

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

~ 1.3 € bn "Portfolio Elrond" disposal

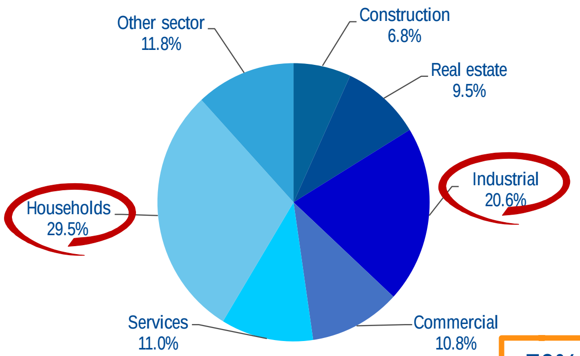
~ 0.5 € bn Riclassification of "Gimli" portfolio



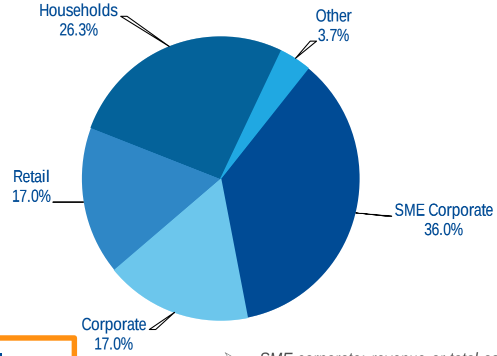
* Total gross loans to customers net of exposures with institutions (mainly CCG - Cassa Compensazione e Garanzia - and CDP - Cassa Depositi e Prestiti) and financial assets (securities portfolio).

Performing loans by sector

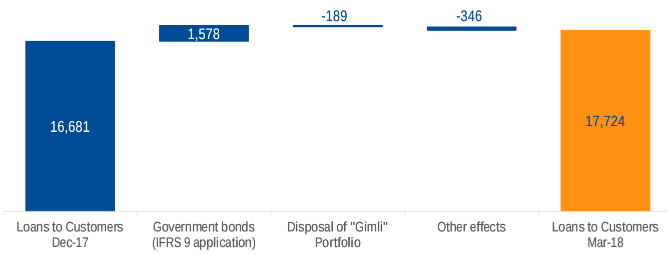
*(ATECO classification)***



*Total gross loans by asset class***



Loans to Customers (balance sheet data)



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*

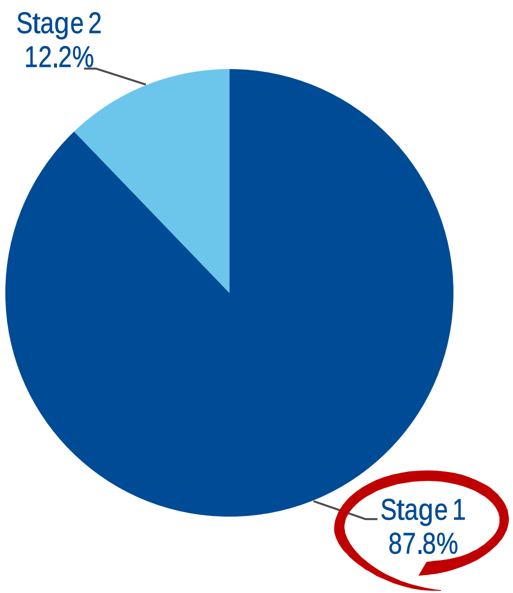
**Source: internal data

Credit policies and asset quality – Breakdown Performing Exposures

Breakdown stage 1-2 (net amount)

Classification in Stage 2 for:

- Significant increase in Credit Risk;
- 30 days Past Due;
- Forbearance



STAGE 1	14,287
STAGE 2	1,982

Source: internal data

Credit policies and asset quality – Focus on new loans

~ 557 mn of newly granted commercial loans (Individuals and SMEs/Corporate) over the period

INDIVIDUALS

	Amount	Chg % YoY	% Fixed	Average Rate*
Individuals	139 mn	-18.4 %	26.0 %	2.33 % (2.59 % in Q1-2017)

Of which substitutions («surroghe»): 7.7 mn

SME & CORPORATE

	Amount	Chg % YoY
Mortgage	43 mn	-44.3 %
Other (Secured & Unsecured)	375 mn	+50.6 %
Total amount	418 mn**	+28.0 %

Average Rate*

2.02 % (2.48 % in Q1-2017)

*Average rate from the beginning of the year

**Net of institutional loans

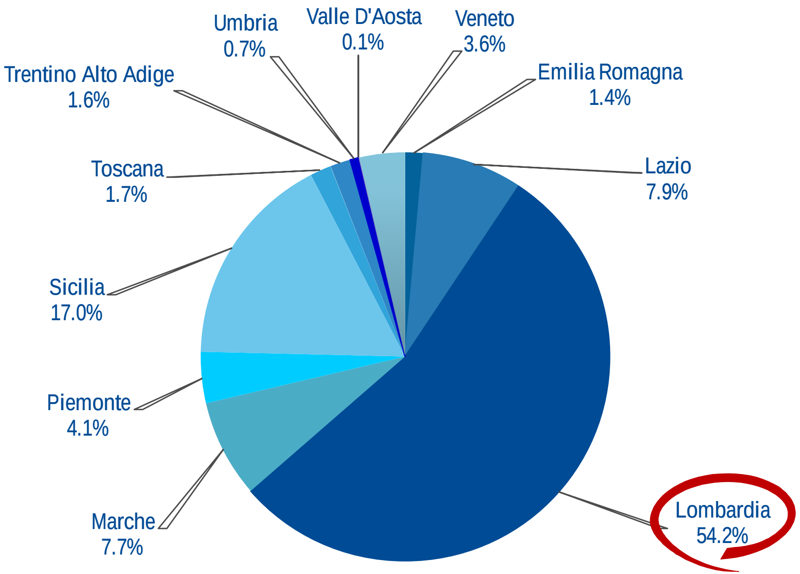
Source: internal data

Credit policies and asset quality – Loan portfolio diversification

Gross loan book breakdown by geography (%)

- ~ 83% of loans in North / Center Italy, of which ~ 54.2% in Lombardy
- Average loan granted to real estate and construction sectors (“ATECO”) ~ 245 k€
- Conservative LTV (~ 53%), both for households and SMEs

Average ~ EUR 83 k per loan

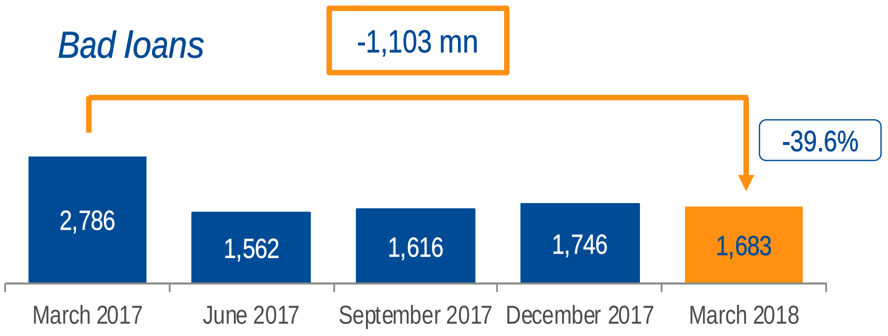


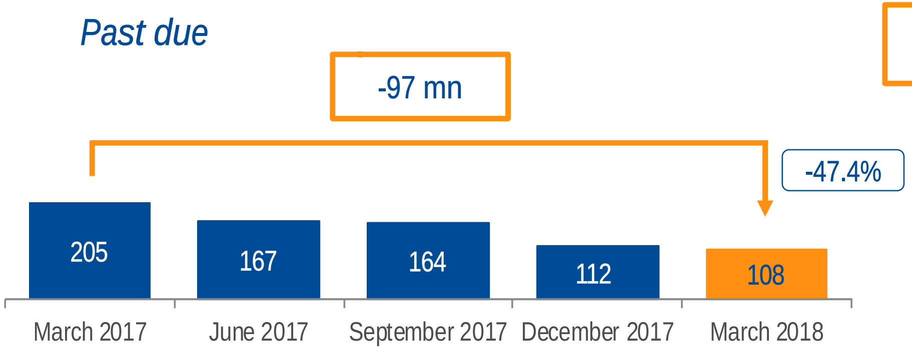
Loan Concentration	31/03/2017	30/06/2017	30/09/2017	31/12/2017	31/03/2018
Top 20 exposures	5.1%	6.6%	6.8%	6.1%	6.7%

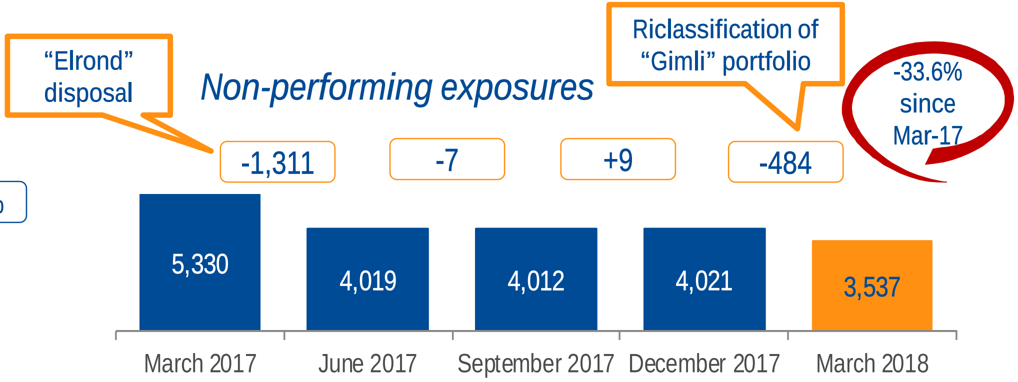
Source: internal data

Credit policies and asset quality – Non performing exposures (Gross amount)

€ mn

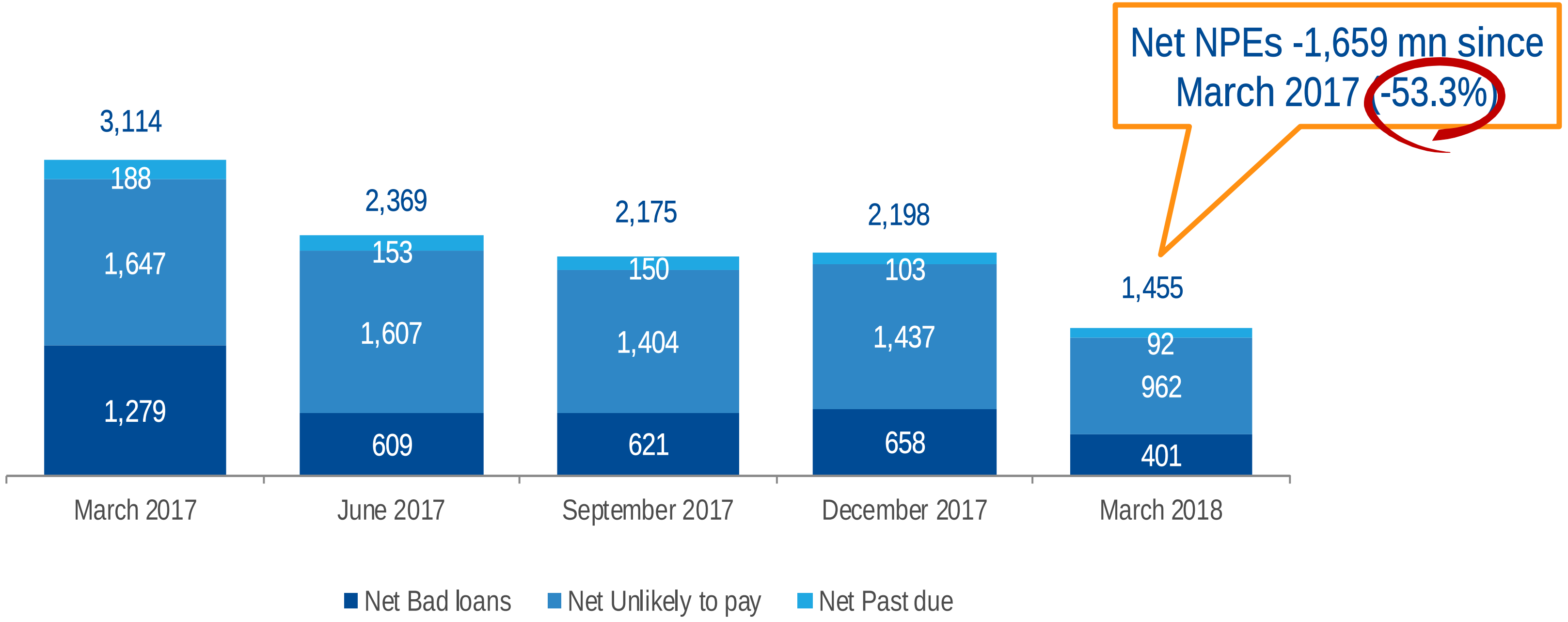




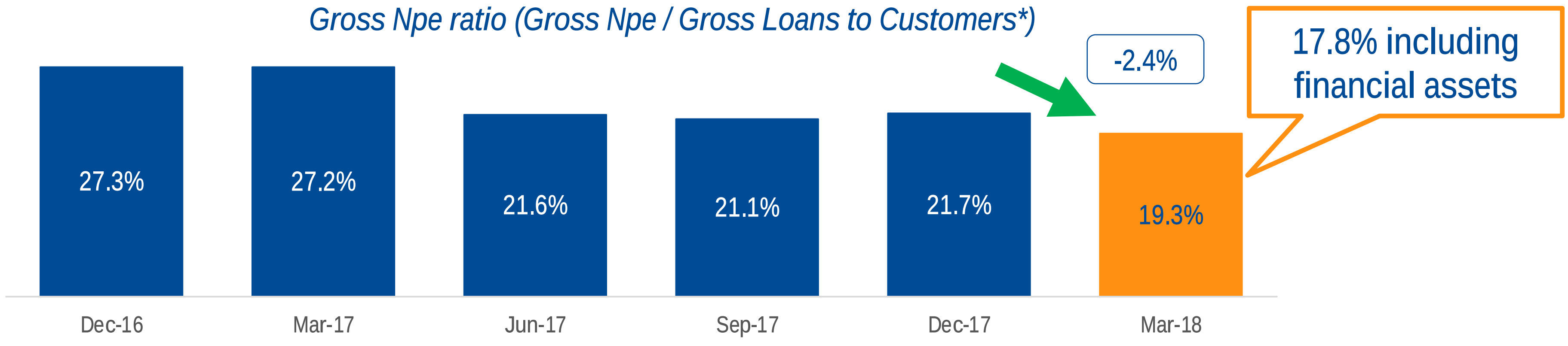


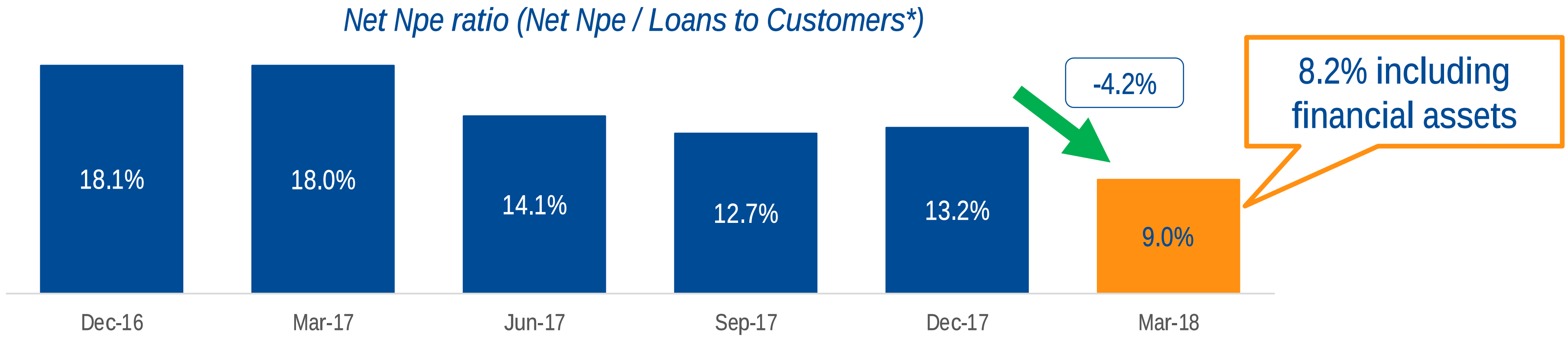
Credit policies and asset quality – Asset quality

€ mn



Credit policies and asset quality – Asset quality





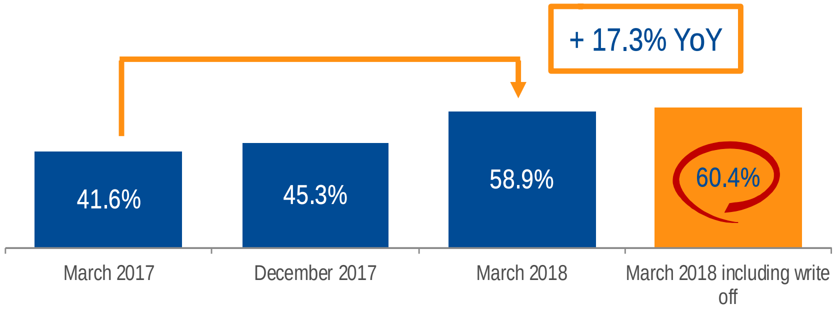
* March 2018 net of financial assets (securities portfolio).

€ mn

Coverage Ratios	31/12/2017	31/03/2018
Bad loans	62.3%	76.2%
Unlikely to pay	33.6%	44.9%
Past due	8.0%	14.7%

78.0% proforma including write off (+1.8%)

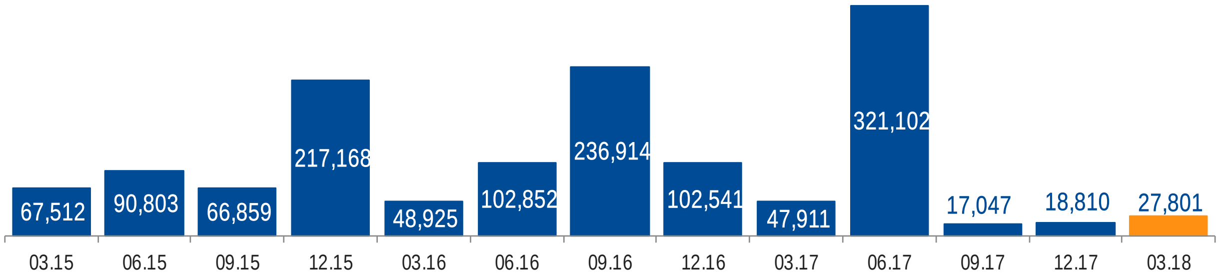
Non-performing LoansCoverage



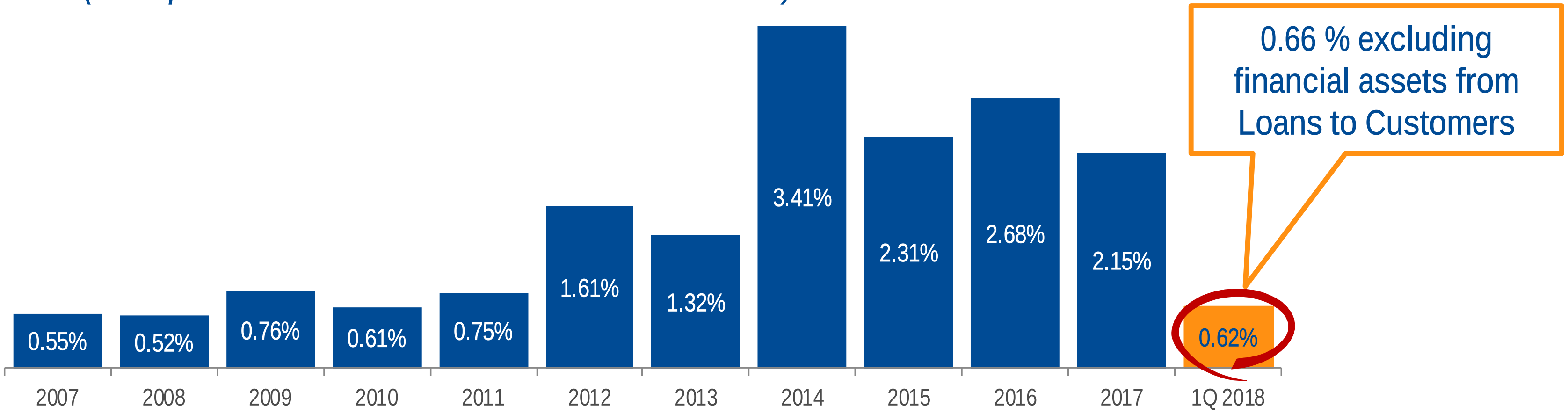
Performing Loans Coverage

Credit policies and asset quality – Cost of credit – Trend

Quarterly trend (€ mn) Impairment or reversal of impairment and modification gains (losses)



Cost of credit (Loan provisions annualized / Loans to Customers)*

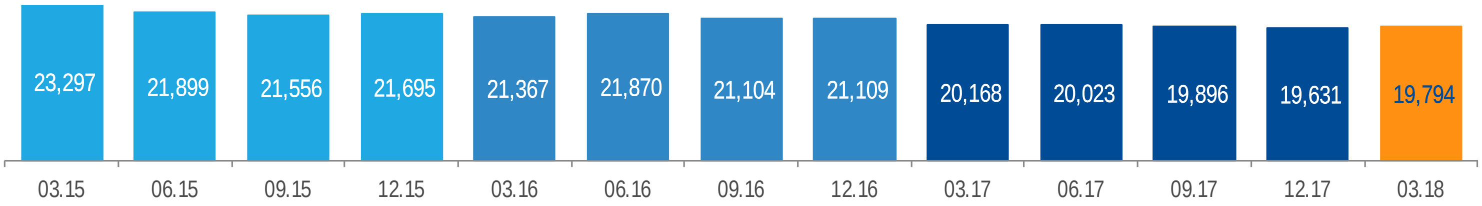


* Previous years not include financial assets (securities portfolio).

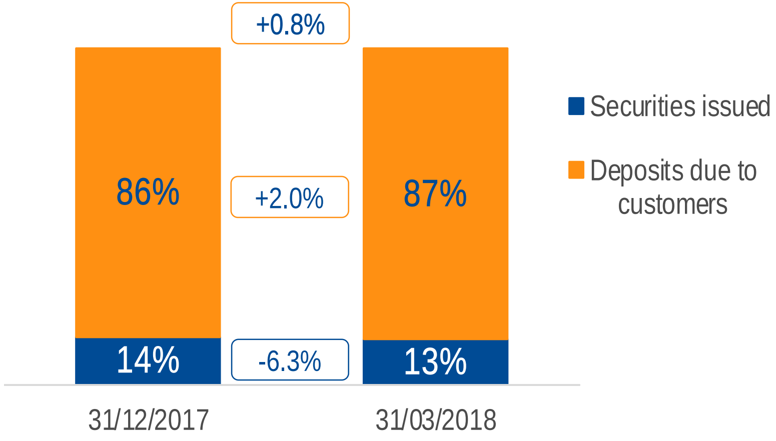
Agenda

Funding, liquidity and securities portfolio – Direct deposits

Quarterly trend (€ mn) Direct Funding



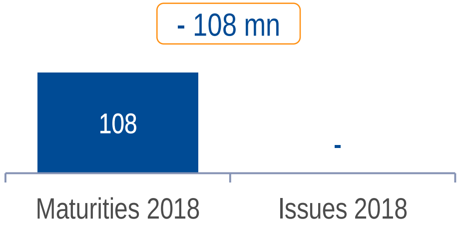
Composition of Direct Funding



€ mn	30/09/2017	31/12/2017	31/03/2018	Chg. % Ytd
Saving Deposits	443	366	346	-5,4%
Time deposits	877	769	818	6,3%
Current accounts	13.474	11.947	12.112	1,4%
Securitizations	227	586	528	-9,9%
Wholesale bonds (senior + subordinated)	278	281	285	1,4%
Senior retail bonds	1.771	1.527	1.418	-7,2%
Subordinated retail bonds	221	206	207	0,5%
Deposit certificates	131	120	115	-4,6%
Deposits CCG & CDP	2.289	3.633	3.798	4,5%
Other	187	195	167	-14,1%
DIRECT FUNDING	19.896	19.631	19.794	0,8%

Funding, liquidity and securities portfolio – Bonds by maturities and ECB funding

Retail: bonds senior + subordinated (€ mn)



2018 – 2020 Maturities Retail + Wholesale (€ mn)

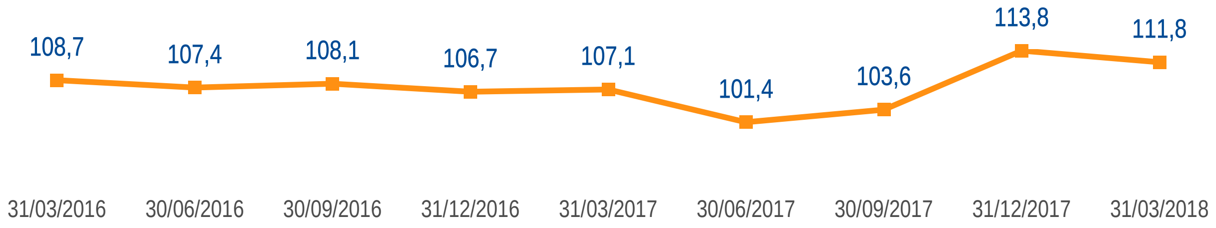
* 2018: maturities from 1st April 2018

ECB funding Creval March 2018 (€ mn)

Source: internal data

Funding, liquidity and securities portfolio – Liquidity position

Gross commercial loans / Retail funding



LCR as at
31st March 2018
209%

NSFR as at
31st December 2017
114%

Short-term liquidity position – March, 27th 2018 (€ mn)

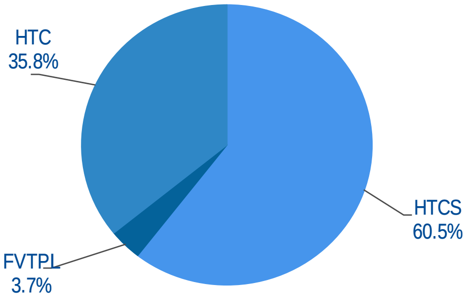
	1d	2d	3d	4d	5d	2w	3w	1m	2m	3m
Net balance of cumulative expiring positions	30	777	- 381	- 297	- 42	- 42	- 84	- 619	- 1,006	- 1,208
Counterbalancing Capacity	3,229	2,427	3,710	3,626	3,371	3,371	3,414	3,776	4,079	4,309
Net balance of overall liquidity	3,259	3,204	3,329	3,329	3,329	3,329	3,330	3,157	3,073	3,101

Net liquidity balance ~ 12.7%
of the Total Asset of the Group

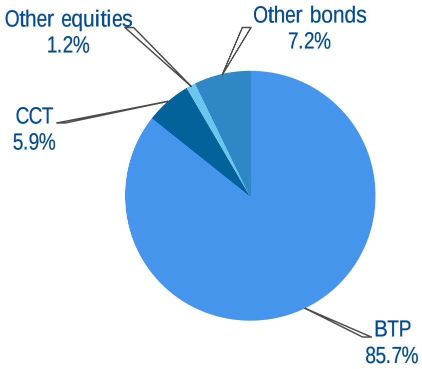
Funding, liquidity and securities portfolio – Securities portfolio diversification

	31/03/2018
HTCS Portfolio	3,491
FVTPL Portfolio	211
HTC Portfolio	2,062

Breakdown portfolio at 31/03/2018

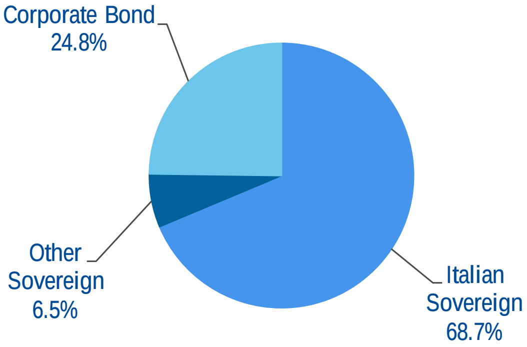


Breakdown of HTCS Portfolio



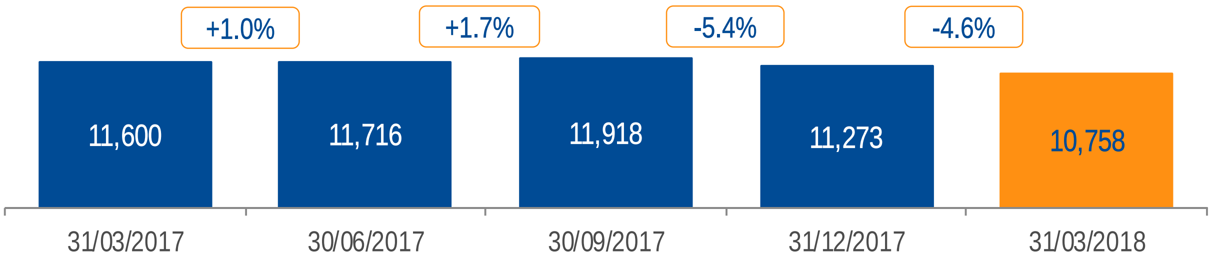
Current Average Duration of Govie's HTCS portfolio as at 31 March 2018: 3.08

Breakdown of HTC Portfolio



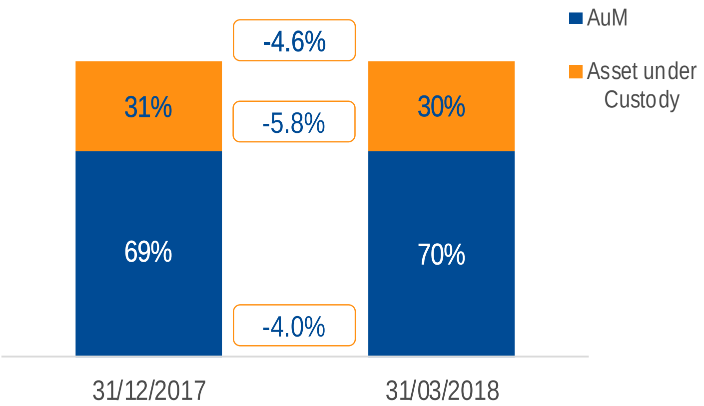
Funding, liquidity and securities portfolio – Indirect deposits analysis

Quarterly trend (€ mn) Indirect Funding



Placement of “PIR”: 158.3 mn

Indirect deposits breakdown



Development of the strategic partnership with ANIMA SGR

€ mn	31/12/2017	31/03/2018	Chg. %
Funds & Sicav	3.229	3.221	-0,2%
Asset under Custody	3.472	3.270	-5,8%
Individual accounts	1.822	1.541	-15,4%
Insurance	2.750	2.726	-0,9%
Total	11.273	10.758	-4,6%

Agenda

1. Business Plan – Recap and execution
2. IFRS 9 First Time Adoption (FTA)
3. Credit policies and asset quality
4. Funding, liquidity and securities portfolio
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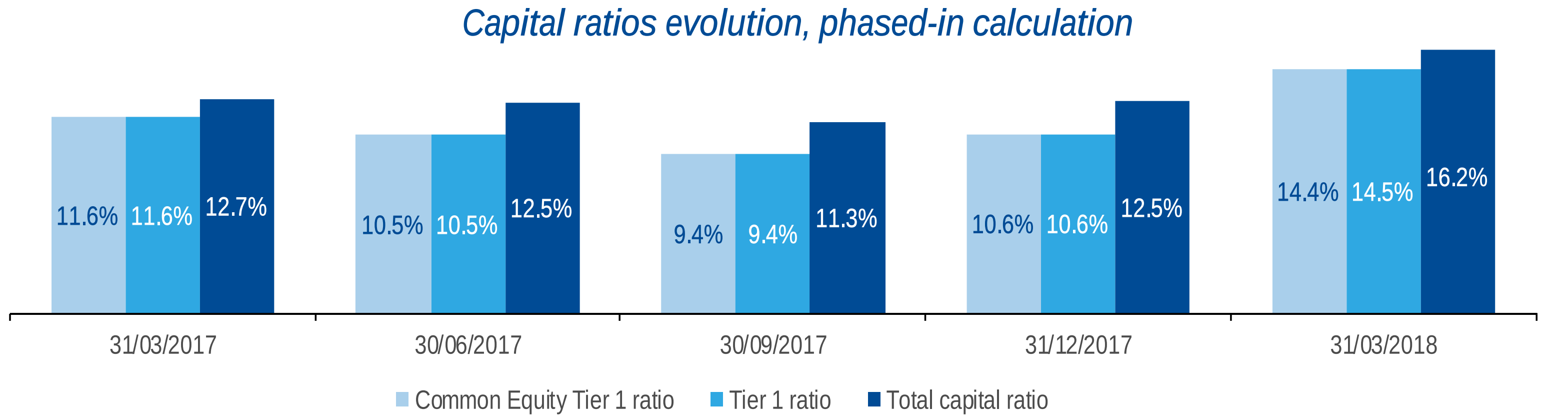
6. Revenues development
7. Cost management and Net profit development
8. Annexes

Capital ratio – Capital ratios evolution



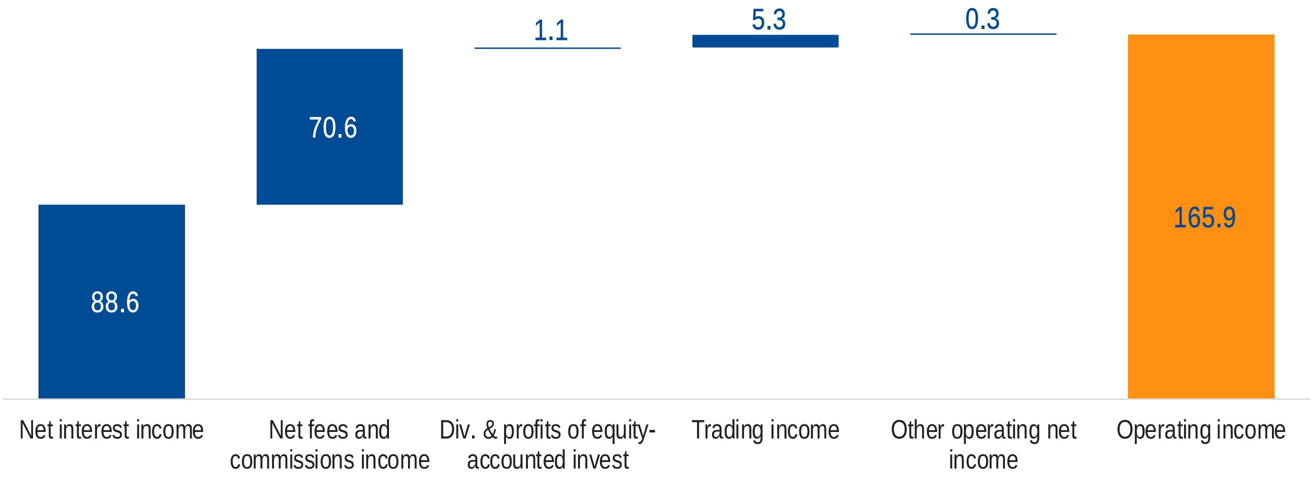
Capital ratio phased-in	31/03/2017	30/06/2017	30/09/2017	31/12/2017	31/03/2018
COMMON EQUITY (€ mn)	1.702	1.511	1.295	1.374	1.971
TIER 1 (€ mn)	1.702	1.511	1.295	1.374	1.972
TOTAL CAPITAL (€ mn)	1.858	1.795	1.557	1.623	2.208
RWA (€ mn)	14.664	14.361	13.739	12.944	13.642
TIER 1 RATIO	11,6%	10,5%	9,4%	10,6%	14,5%
TOTAL CAPITAL RATIO	12,7%	12,5%	11,3%	12,5%	16,2%

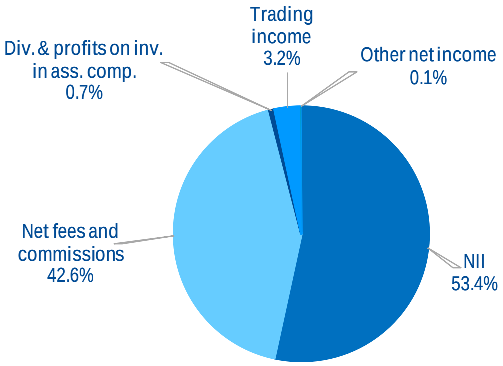
Capital ratio fully loaded*	31/03/2018
COMMON EQUITY (€ mn)	1,419
AT1	0.5
T2	237
TOTAL CAPITAL (€ mn)	1,656
RWA (€ mn)	13,032
TIER 1 RATIO	10.9%
TOTAL CAPITAL RATIO	12.7%

*Estimates

Agenda

Revenues development – Operating income development

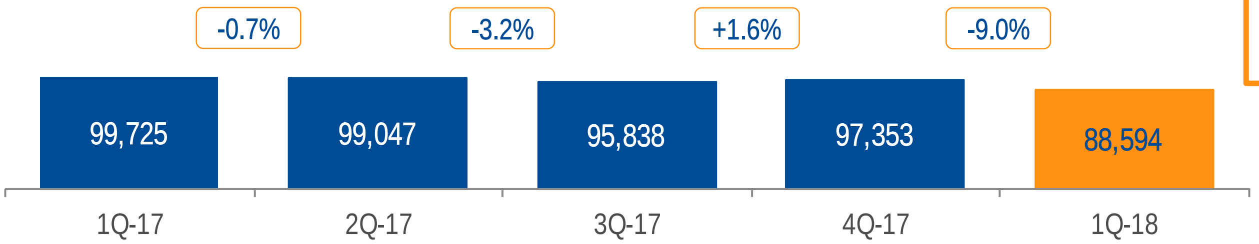




-11.2%	+4.3%	+137.3%	-55.8%	-95.1%	-10.3%	*Chg % Mar-18 vs Mar-17*

Revenues development – Focus on interest income

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



IFRS 9 net impact ~ 1.7 mn

Trend Euribor quarterly (2015-2018)

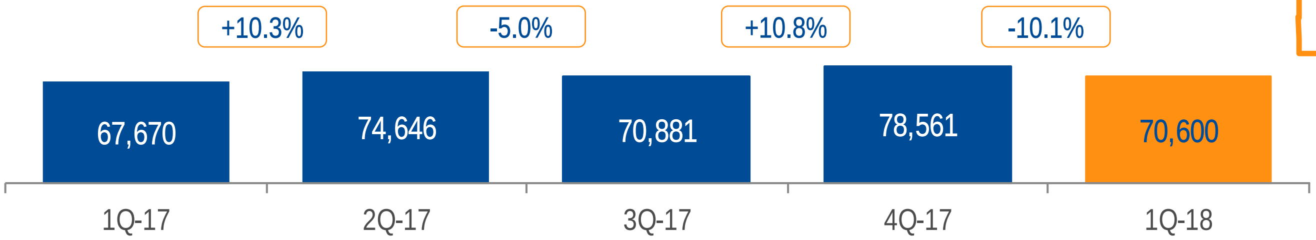
Net interest income / Loans to Customers (2015-2018)*

* Not include financial assets (securities portfolio).

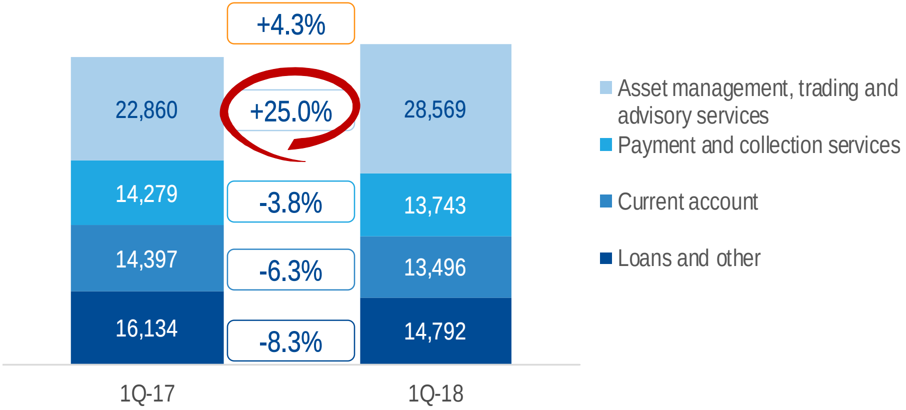
Revenues development – Focus on net fees

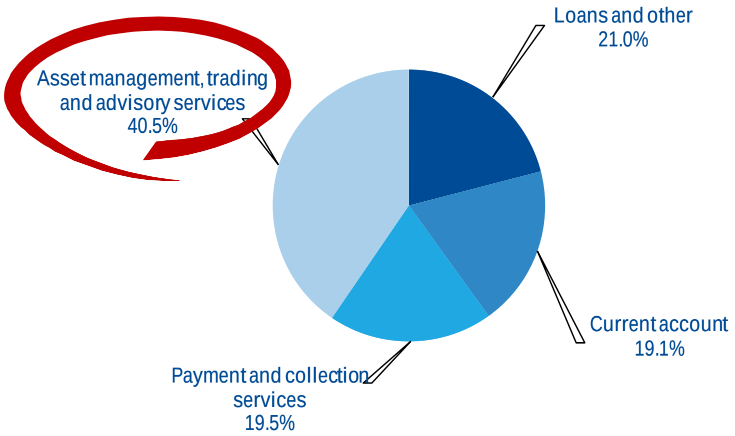
Net fees quarterly trend (€/1,000)

+4.3% on March 2017



Net fees breakdown - YoY

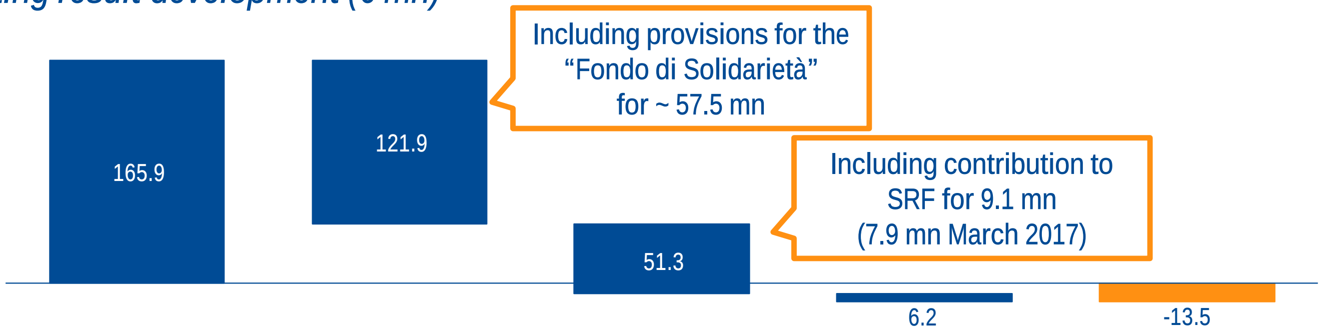




* Up front fees: placement of insurance and AUM, fees received from commercial partners (Alba Leasing, Compass, IBL)

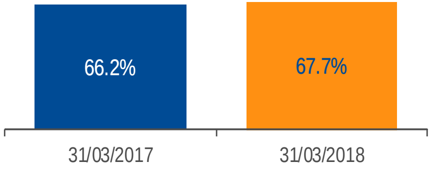
Cost management and Net profit development - Operating result and cost income

Operating result development (€ mn)

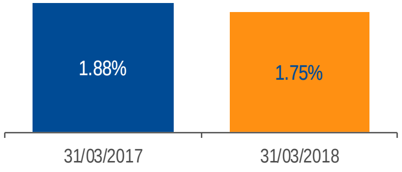


Operating income	Personnel expenses	Other admin. expenses	Depreciations/amortisations	Net operating profit	
-10.3%	+62.3%	+6.3%	-15.8%	n.s.	*Chg % Mar-18 vs Mar-17*

*Cost income ratio**

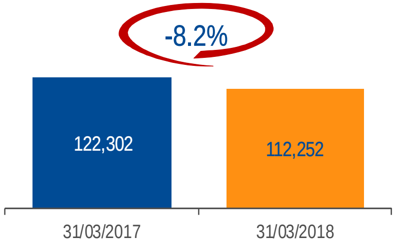


*Cost to asset ratio**



Operating expenses annualized / Total Asset

Operating expenses (€ /1,000)*



* March 2017 net of contribution SRF (7.9 mn), DGS (0.1 mn) and DTA (0.5 mn). March 2018 net of contribution SRF (9.1 mn), DTA (0.5 mn) and the provision for the so called “Fondo di Solidarietà” (57.5 mn).

Cost management and Net profit development – Net profit development

€ / 1,000	31/03/2018	31/03/2017	Chg %
Net operating profit	- 13.510	54.118	-125,0%
Impairment or reversal of impairment and modification gains (losses)	- 27.801	- 48.418	-42,6%
Net accruals to provisions for risks and charges	- 5.024	- 559	n.s.
Net gains (losses) on sales of investments	- 36	- 18	100,0%
Pre-tax profit (loss) from continuing operations	- 46.371	5.123	n.s.
Income taxes	17.037	- 1.676	n.s.
Profit (loss) for the period attributable to non-controlling interests	- 752	- 1.089	-30,9%
Profit (loss) for the period	- 30.086	2.358	n.s.

The positive amount of Tax Effect is related to DTAs recorded on Solidarity Fund.

Cost management and Net profit development – DTA – off balance sheet

Data in € mn

DTA on tax losses not recorded at December 31, 2017	*124*
New DTA on tax losses not recorded at March 31, 2018 (including those related to IFRS 9 FTA)	157
Total Amount	281

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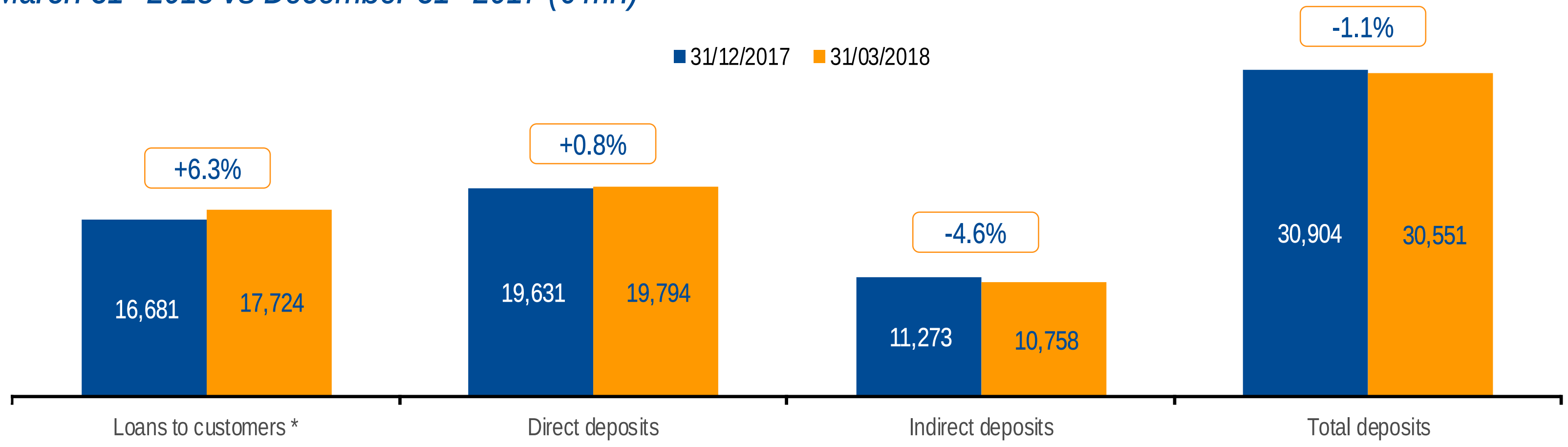
Annexes – Consolidated balance Sheet Data

March 31st 2018 vs December 31st 2017 (€ mn)

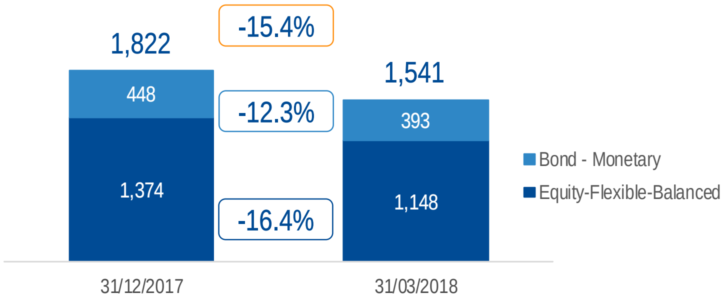


Balance sheet structure	31/12/2017	31/03/2018
Indirect deposits from customers / Total deposits	36.5%	35.2%
Direct deposits from customers / Total liabilities	78.7%	77.3%
Loans to customers* / Direct deposits from customers	85.0%	89.5%
Loans to customers* / Total assets	66.8%	69.2%

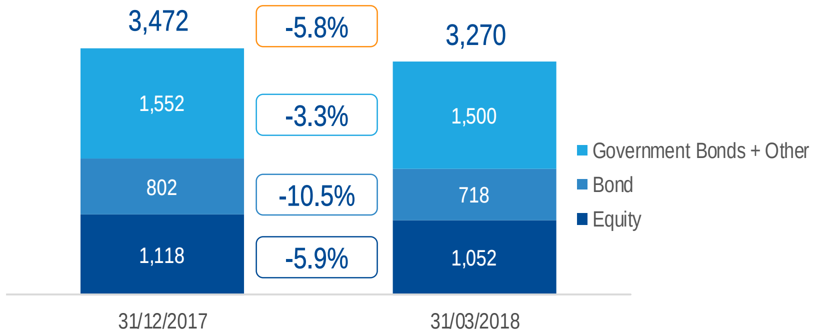
* March 2018 includes financial assets (securities portfolio).

Annexes – Breakdown indirect deposit

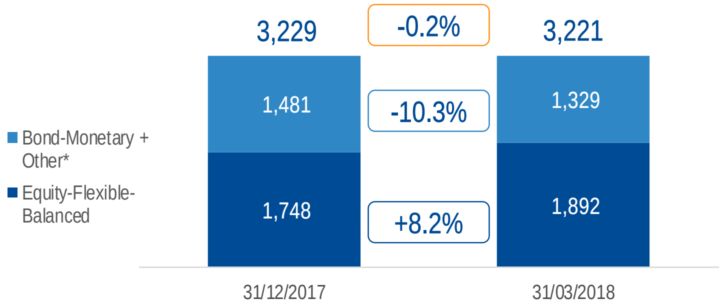
Breakdown Individual accounts (€ mn)



Breakdown Asset under Custody (€ mn)



Breakdown Funds & Sicav (€ mn)



* Other including funds not of our placement.

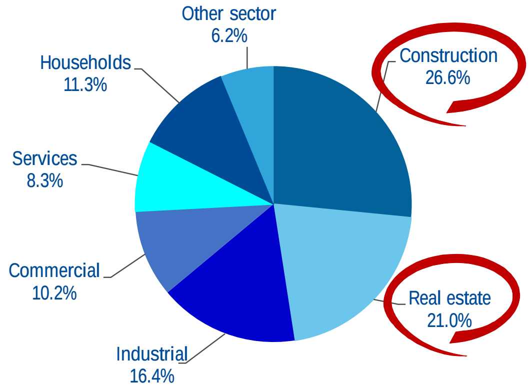
Annexes – Asset quality details

€ mn

31/03/2018	Gross amount	Impairment losses	Carrying amount	Coverage ratio
Bad loans	1,683	- 1,282	401	76.2%
Unlikely to pay loans	1,746	- 784	962	44.9%
Past due exposures	108	- 16	92	14.7%
Total impaired loans	3,537	- 2,082	1,455	58.9%
Performing loans	16,381	- 112	16,269	0.7%
Total loans and receivables with customers	19,918	- 2,194	17,724	

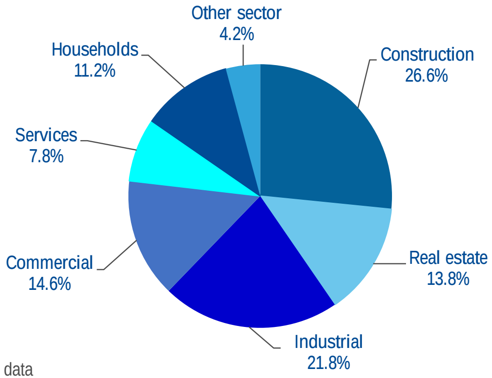
Annexes – NPEs by sector – ATECO classification as at March 31, 2018

*Breakdown Npe by sector (ATECO classification)**

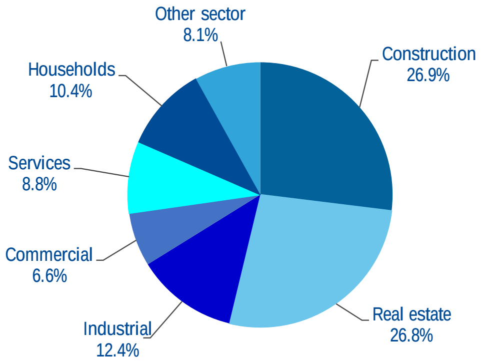


~ 48% of gross NPE real estate related

*Breakdown bad loans by sector (ATECO classification)**



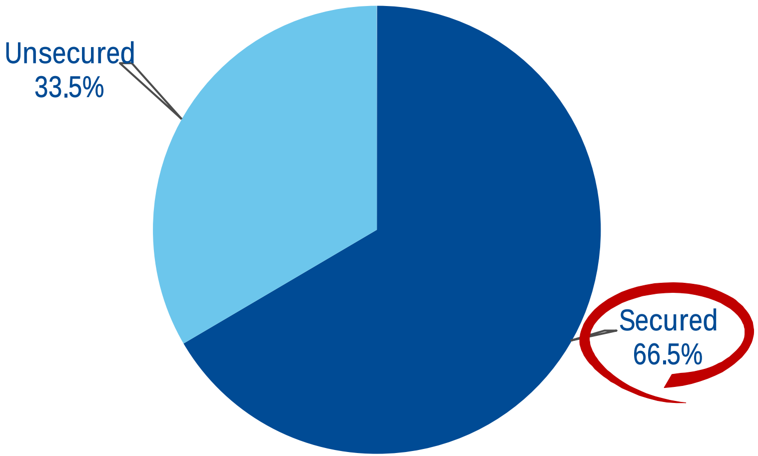
*Breakdown UTP by sector (ATECO classification)**



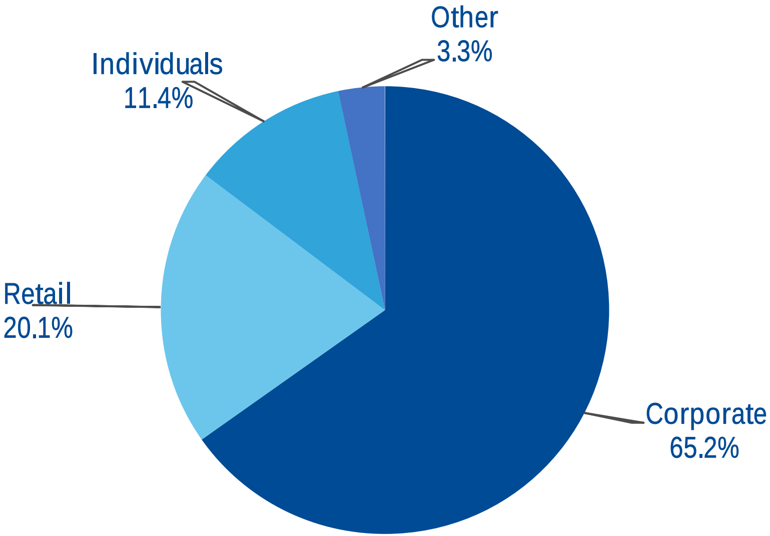
*Source: internal data

Annexes – Breakdown on Npe as at March 31, 2018

Gross Npe – Guarantees



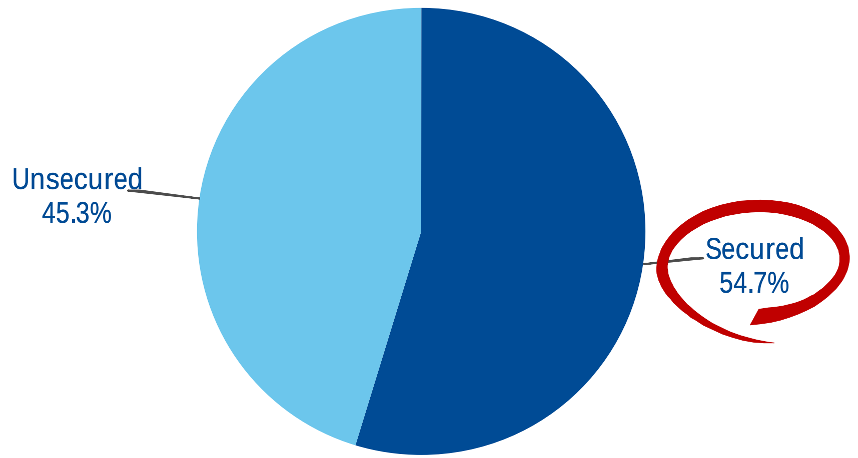
Gross Npe - Segment



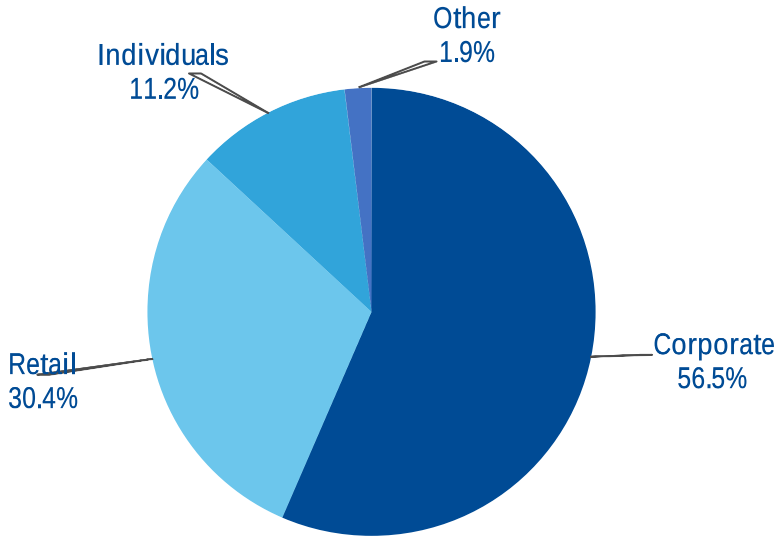
Personal guarantees not included

Source: internal data

Gross BAD LOANS – Guarantees



Gross BAD LOANS – Segment

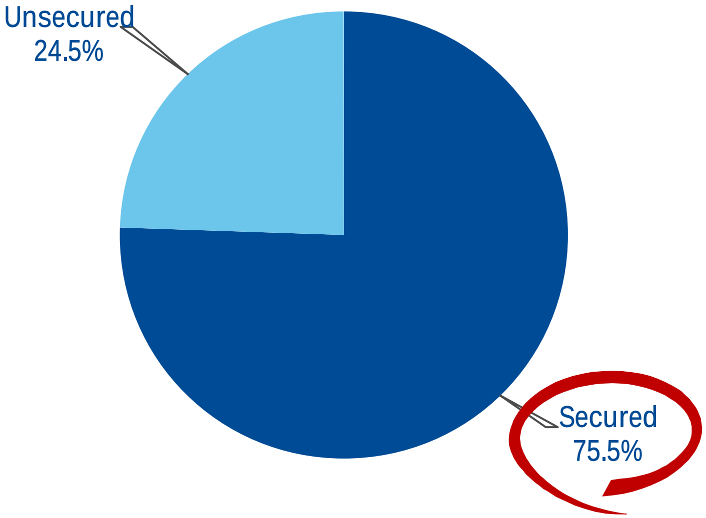


Personal guarantees not included

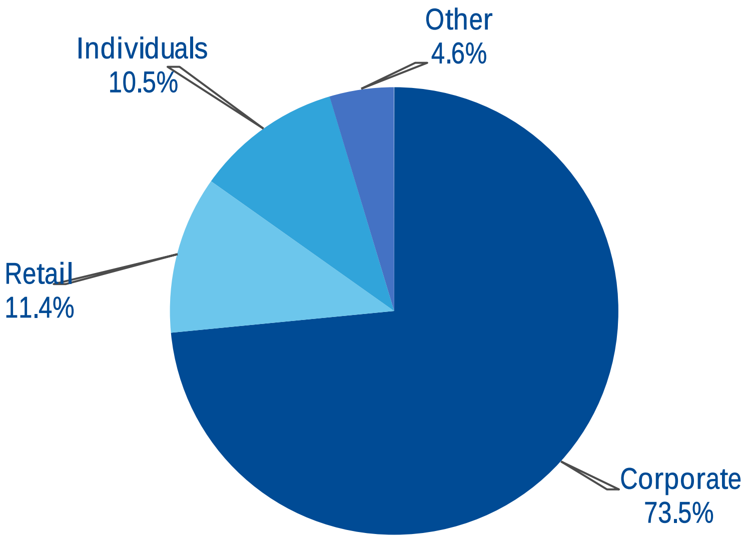
Source: internal data

Annexes – Breakdown of UTP as at March 31, 2018

Gross UTP – Guarantees



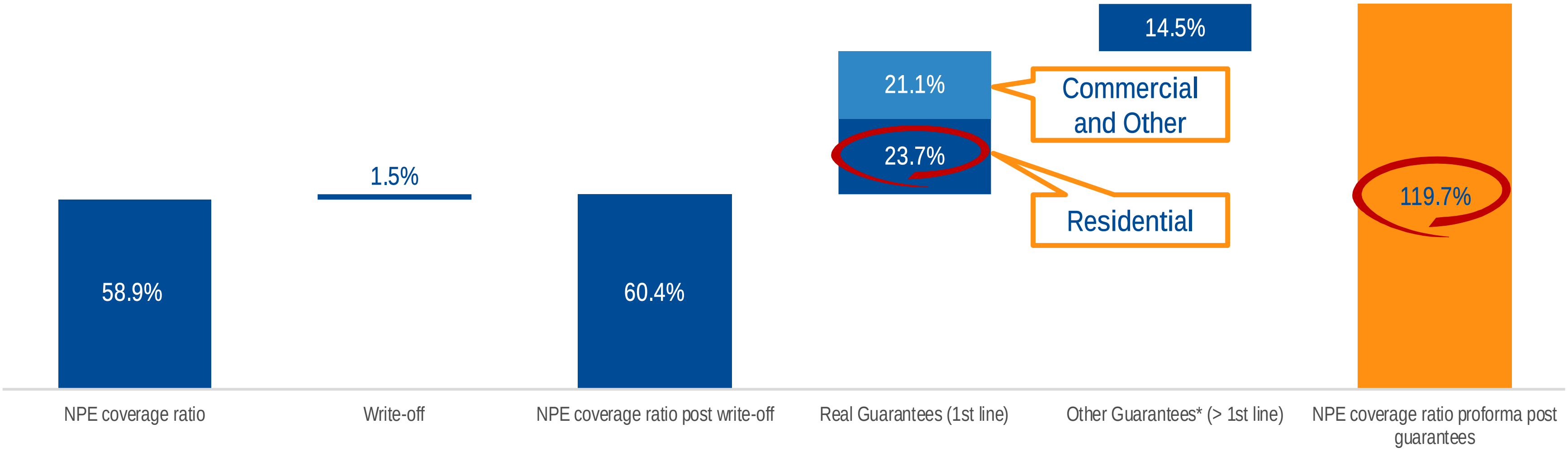
Gross UTP - Segment



Personal guarantees not included

Source: internal data

NPE Coverage Ratio (%)



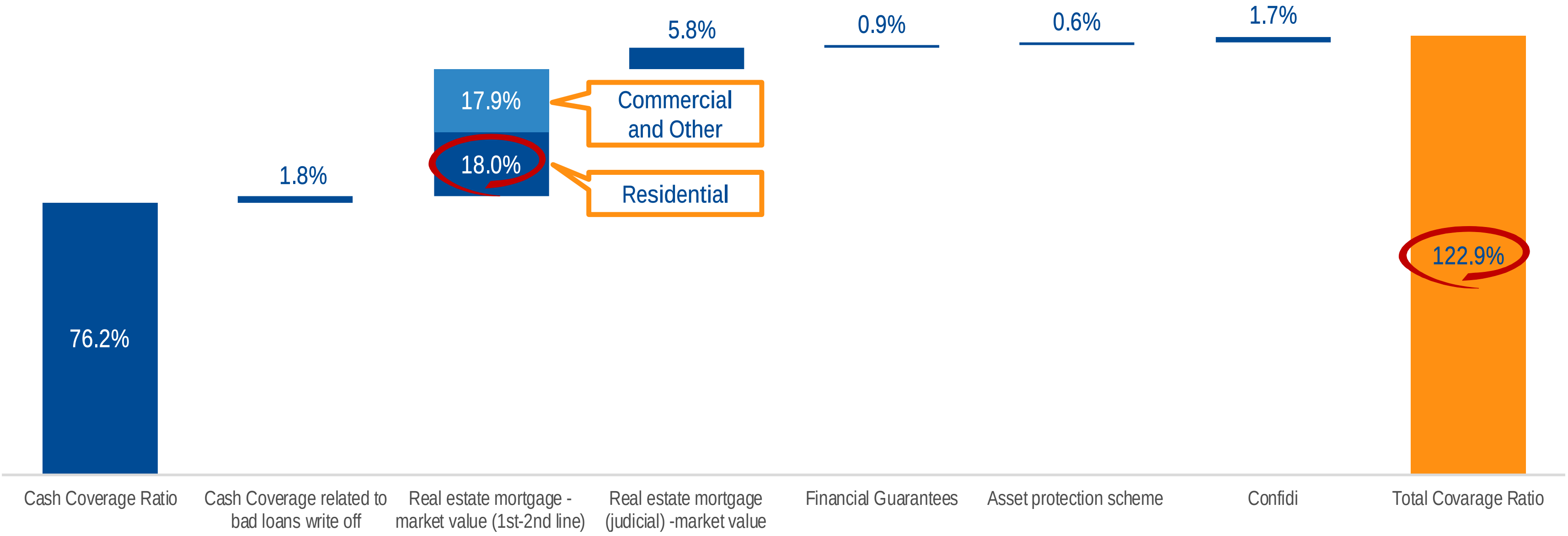
Source: internal data

* 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.**

Annexes – NPL's analysis - including collateral

Bad Loans – Total Coverage Ratio (%)



Source: internal data

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.**

Annexes – Reclassified balance sheet

Assets	31/03/2018	31/12/2017
Cash and cash equivalents	145,589	197,829
Financial assets FVTPL	210,870	20,681
Financial assets FVTOCI	3,490,659	4,419,352
Loans and receivables with banks	2,320,285	2,033,413
Loans and receivables with customers	17,724,314	16,680,944
Hedging derivatives	269	199
Equity Investments	24,808	24,371
Property, equipment and investment property and intangible assets	484,599	486,524
Non-current assets and disposal groups held for sale	188,629	3,955
Other assets	1,030,657	1,089,556
Total assets	25,620,679	24,956,824

Liabilities and Equity	31/03/2018	31/12/2017
Due to banks	3,060,671	3,143,189
Direct funding from customers	19,793,800	19,631,283
Financial liabilities held for trading	4,394	713
Hedging derivatives	137,620	138,691
Other liabilities	860,437	421,399
Provisions for specific purpose	235,664	174,103
Equity attributable to non-controlling interests	3,361	5,352
Equity	1,524,732	1,442,094
Total liabilities and equity	25,620,679	24,956,824

Annexes – Reclassified consolidated income statement

Income statement	31/03/2018	31/03/2017
Net interest income	88,594	99,725
Net fee and commission income	70,600	67,670
Dividends and similar income	660	290
Profit (loss) of equity-accounted investments	441	174
Net trading, hedging income (expense) and profit (loss) on sales/repurchases	5,344	12,092
Other operating net income	241	4,905
Operating income	165,880	184,856
Personnel expenses	- 121,906	- 75,122
Other administrative expenses	- 51,257	- 48,217
Depreciation/amortisation and net impairment losses on property, equipment and investment property and intangible assets	- 6,227	- 7,399
Operating costs	- 179,390	- 130,738
Net operating profit	- 13,510	54,118
Impairment or reversal of impairment and modification gains (losses)	- 27,801	- 48,418
Net accruals to provisions for risks and charges	- 5,024	- 559
Net gains (losses) on sales of investments	- 36	- 18
Pre-tax profit (loss) from continuing operations	- 46,371	5,123
Income taxes	17,037	- 1,676
Post-tax profit (loss) from continuing operations	- 29,334	3,447
Profit (loss) for the period attributable to non-controlling interests	- 752	- 1,089
Profit (Loss) for the period	- 30,086	2,358

Contacts for Investors and Financial Analysts

- **Ugo Colombo** CFO (Chief Financial Officer)

  Mob. +39 3355761968

  Email colombo.ugo@creval.it

- **Tiziana Camozzi** Head of Investor Relations

  Tel. +39 0280637471

  Mob. +39 3346700124

  Email camozzi.tiziana@creval.it

Update on the Business Plan Consolidated Results as at March 31st 2018