

THE BOARD OF DIRECTORS OF CREDITO VALTELLINESE S.C.:

- **SETS THE DATE FOR THE EXTRAORDINARY SHAREHOLDERS' MEETING REGARDING ITS TRANSFORMATION INTO A JOINT STOCK COMPANY**
- **SUBMITS TO THE SHAREHOLDERS A TRANSACTION FOR THE SHARES CONSOLIDATION**
- **FIXES THE PAY-OFF VALUE OF THE WITHDRAWN SHARES (IF ANY) TO BE EQUAL TO EURO 0,4747 PER SHARE**
- **DISCLOSES ITS RESOLUTIONS SETTING OUT THE LIMITATIONS TO THE REPAYMENT OF THE WITHDRAWN SHARES**

Sondrio, 20 September 2016 – Today the board of directors of Credito Valtellinese S.c. ("**Creval**" or "**Bank**") resolved to call the shareholders' extraordinary and ordinary meetings on 28 October 2016 in first call and, if applicable, on 29 October 2016 in second call. The extraordinary meeting shall take a vote on the proposal to transform the Bank into a joint stock company (*società per azioni*) and the adoption of the resulting new by-laws. In that meeting Creval's shareholders shall also resolve on the shares' consolidation under a one new share *per* ten old shares ratio. The ordinary shareholders' meeting shall take a vote on the Regulation for Creval's Meetings, as amended in line with the Bank's transformation into a joint stock company, and appoint a new member of the board replacing the director who ceased to hold office on 29 July 2016.

1. Transformation in a Joint Stock Company and Withdrawal Right

In connection with the Bank's transformation into a joint stock company Section 2437*ff.* of the Italian Civil Code grants a withdrawal right upon those Creval's shareholders which are not taking part into the relevant resolution.

Under Section 2437-*ter*, paragraph 2, of the Italian Civil Code the pay-off value of the withdrawn shares must be calculated on the basis of the average closing price of the 6 months preceding the publication of the notice of calling ("**Liquidation Value**"). Since Creval's notice of calling will be published tomorrow on *Il Sole 24 Ore*, the Liquidation Value will be equal to Euro 0,4747 *per* Share.

Subject to their purchase by other shareholders exercising their pre-emption rights pursuant to Section 2437-*quater*, paragraphs 1 through 4, of the Italian Civil Code or their placement on the market, withdrawn shares will be paid-off according to the terms and limitations applicable under Law No. 33 of 24 of March 2015 and the implementing regulations issued by the Bank of Italy, as well as Section 36, paragraph 5, of Creval's by-laws.

In order to support its evaluations regarding the applicable limitations, if any, to the pay-off of the withdrawn shares, early in 2016 Creval's board of directors ("**Board**") appointed Equita SIM S.p.A., a leading independent market advisory firm ("**Advisor**").

Pursuant to Section III of Chapter 4, Third Part, of the Bank of Italy Ruling 285 of 17 December 2013 a bank's strategic supervisory body must decide on the term of the delay and the extension

of the limitations affecting the reimbursement of the shares and other capital instruments by taking in due account the prudential situation of the bank and specifically its or its group's overall financial situation, liquidity and solvency. The Supervisory Authority also required that prior to transformation the banks expressly disclose any relevant information to their shareholders to guarantee an informed exercise of their withdrawal right.

In order to take a proper decision regarding the limitations applicable to the pay-off of the withdrawn shares, the Board examined the general situation of the national and international markets and the specific situation of the Bank. The Board evaluated the prudential situation of the Bank and the scenario which could have a direct impact in terms of an increase of the weighted-risk activities or a reduction of the primary capital, as explained in its report drafted in view of the extraordinary shareholders' meeting, as required by the law.

In conclusion, in line with the evaluations of the Advisor and upon the proposal of Creval's general manager having heard the Bank's statutory auditors, the Board has resolved to completely and permanently exclude the reimbursement of the withdrawn shares following the transformation resolution with the Bank's own funds. Unless pre-empted by other shareholders or placed in the market according to Section 2437-*quater* of the Italian Civil Code, the withdrawn shares will not be repaid with the Bank's own funds, but will become freely disposable and no longer subject to the transfer constraints set out in Section 2437-*bis*, paragraph 2, of the Italian Civil Code.

On this matter, reference is made to the detailed information set out in the Board's report drafted according to Sections 125-*ter* of the Legislative Decree No. 58 of 24 February 1998 and 72 of Consob Issuers Regulation, which will be made timely available according to applicable law.

2. Shares Consolidation

In order to simplify the administration of the Bank's shares and enhance their perception in the market, today the Board submitted to the extraordinary shareholders' meeting the proposal for a shares consolidation transaction in the context of Creval's transformation process.

In an efficient market a shares consolidation does not impact on the shareholders' participation value. In fact, the decrease of the number of shares is offset by the growth of the single share's value, without any impact on the overall value of their investment, if the other conditions remain unchanged.

The proposal is to attribute 1 (one) new share for 10 (ten) old shares.

3. Ordinary Meeting

The Board also approved the amended version of the "Regulation of the Meetings of Credito Valtellinese", which is taking into account the forthcoming transformation of the Bank into a joint stock company, and is submitting it to the vote of the ordinary shareholders' meeting.

Finally, due to the resignation of a member of the Board occurred on 29 July 2016, the ordinary meeting is also summoned to replenish the Board pursuant to Section 32, paragraph 1, letter a), of the Bank's by-laws.

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Please refer to the notice of calling and the updated documents relating to the shareholders' meeting for any further detail, as they will be made available to the shareholders according to applicable law and Creval's by-laws.

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