

JOINT PRESS RELEASE

CREVAL BUSINESS PLAN 2018-2020 - PROJECT "GIMLI"

CREVAL AND CREDITO FONDIARIO REACH AN AGREEMENT FOR THE SALE OF A PORTFOLIO OF NON-PERFORMING EXPOSURES FOR A GROSS BOOK VALUE OF EUR 222 MILLION

PRICE AT ABOUT 41% OF THE GBV

Sondrio, 8 May 2018 – Creval and Credito Fondiario announce an agreement for the sale to Credito Fondiario of a portfolio consisting of secured non-performing loans of the Creval Group for a gross book value ("**GBV**") of EUR 222 million - which includes real estate financial leases for a GBV of over EUR 56 million - at a price close to 41% of GBV.

The portfolio consists of credit exposures mainly to real estate companies, classified as unlike to pay and bad loans.

For Creval Group the disposal is 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. With this transaction the target for the sale of non-performing loan ("**NPL**"), set for the so-called "*Project Gimli*" for 2018 is almost completely achieved. The transaction is part of the positive track record of the bank, which has already finalized disposals of NPL for a total value of approximately EUR 2.4 billion, of which the most significant for EUR 1.4 billion (so called "*Project Elrond*") by way of securitization assisted by the State guarantee (GACS) on the senior tranche of the securitization, concluded in July last year.

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.

For Credito Fondiario this acquisition is part of its ongoing strategy of investing and creating value in portfolios of non-performing loans, classified both as unlike-to-pay and bad loans, both banking and leasing. Credito Fondiario confirms its positioning as leading debt purchaser and debt servicer in Italy, with over €600 million directly invested in credit portfolios and over €40 billion in credit under management, of which around €7 billion in special servicing.



In the transaction, Creval was assisted by Deloitte Financial Advisory, which prepared a fairness opinion on the portfolio being sold, while Credito Fondiario was assisted by Legance as legal advisor.

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