Consolidated Results as at June 30th 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

H1 2018 results: Highlights

Turnaround of the bank completed in the first six months of the Plan: significant improvement in the overall risk profile

Capital

- **Solid capital position. CET1 ratio FL proforma[1] as at 30 June 2018 equal to 11.2% (15.0% Phased-in)**
- **Additional positive impact (+100/200bps) from the validation of AIRB models expected by the third quarter of 2018**

Asset quality

- **Strong acceleration in the derisking process. In Q2 18 NPE portfolio disposals for more than €2bn GBV of which €1.6bn through GACS:**
  - **Gross NPE ratio[2]**: 11.2% the lowest since 12/2011. FY2018 target (10.5%) substantially already achieved and well on track to achieve the 2020 target (9.6%)
  - **Gross NPE stock**: €2.0bn (-51% YTD) the lowest since December 2009. Gross bad loans at €802m (-54% YTD)
- **Coverage ratios of total NPE equal to 50.9% (53.8% including write-offs). Bad loans coverage at 71.5% (75.3% including write-offs)**

Liquidity

- **Satisfactory liquidity position: LCR >100%, NSFR >100%. Unencumbered eligible assets at €3.1bn[3].**

Profitability

- **NII in Q2 18 equal to €90.3m, +1.9% q/q (+3.0% q/q excluding IFRS9 effects) despite the negative impact related to the disposal of NPE**
- **Cost of risk at 69bps[4] (vs. 215bps FY 2017)**

Guidance FY 2018
NII: €380/385m
Cost of risk: €130/135m

(1) Including the transactions already signed which will have an impact on capital in H2 2018
(2) Excluding Government bonds (3) As of 8th August 2018
(4) Annualized; calculated on recurring LLPs of the period on net customer loans (excluding Government bonds)

Creval

Excellent track record in the execution of NPE portfolio disposals

Project Aragorn: Key financials and scope of the transaction

GBV	Gross Book Value: €1.6bn

PRICE	Price (% of GBV): 32.5%

- 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
- Impact on economic and risk profile of the bank:
  - Significant reduction in the gross NPE ratio[1] (to 11.2% from 19.3% as at 31/03/18) and gross bad loans ratio[1] (to 4.5% from 9.2% as at 31/03/18)
  - Positive impact on CET1 capital ratio equal to ~ 50 bps[2] driven by a reduction in the RWA for ~ €540m

NPE portfolio disposals finalized since 2016

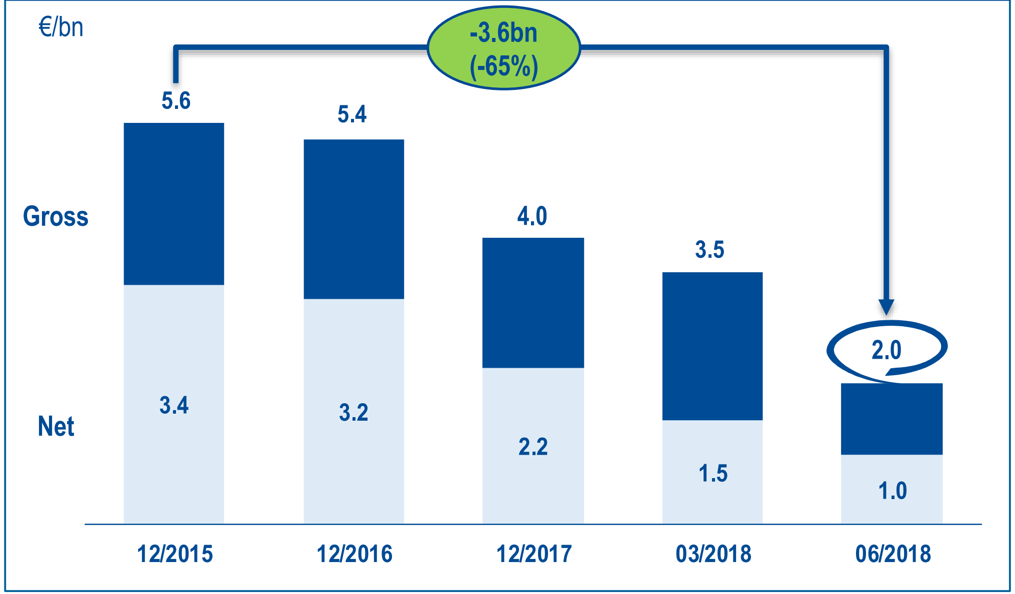
		Price / GBV	GBV (€/m)
2016	Small portfolio disposals	~ 41% (average price[3])	500
2017	Small portfolio disposals	~ 48% (average price)	74
2017	Project Elrond	~ 34%	1,400
2018	Project Gimli 1	~ 43%	245
2018	Project Gimli 2	~ 41%	222
2018	Project Aragorn	~ 32%	1,600

~ €4.0bn

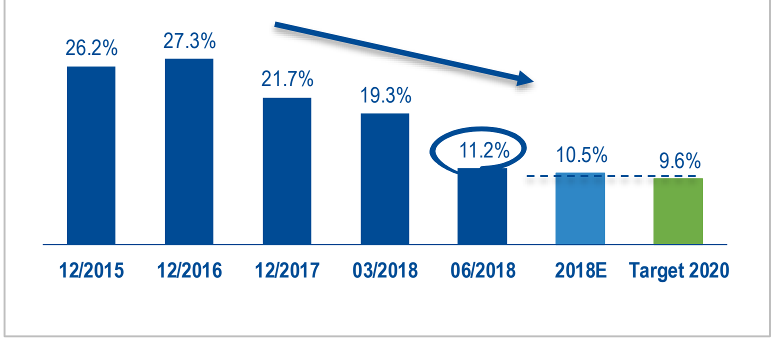
[1] Excluding Government bonds [2] Excluding P&L effects [3] Price related only to secured transactions

Significant acceleration in the derisking process in H1 18

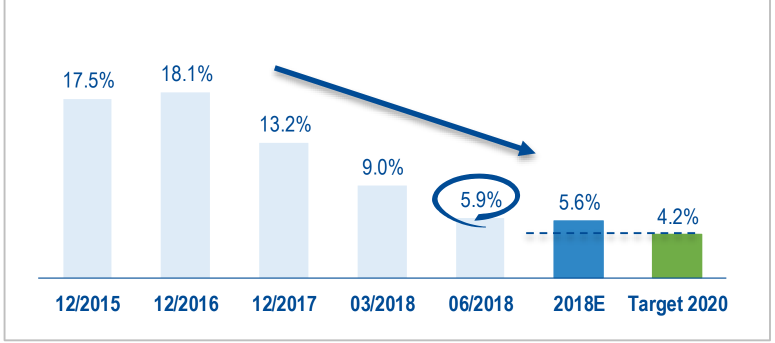
NPE trend*



*Gross NPE ratio**



*Net NPE ratio**

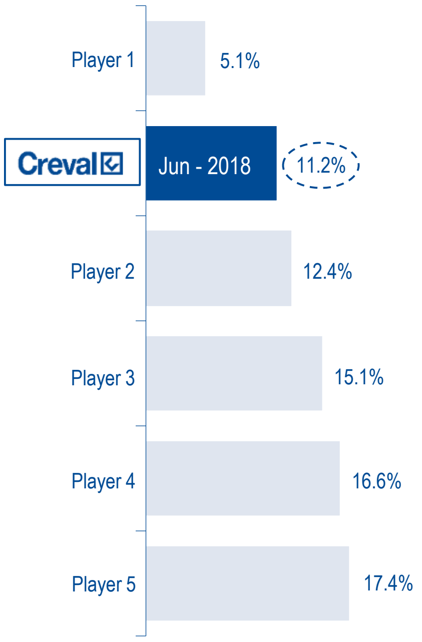


- -€3.6bn deleveraging since December 2015 (of which -€2.0bn in H1 18) leading to the lowest stock of gross NPEs since December 2009
- NPE ratio targets already almost achieved in the first six months of the Business Plan

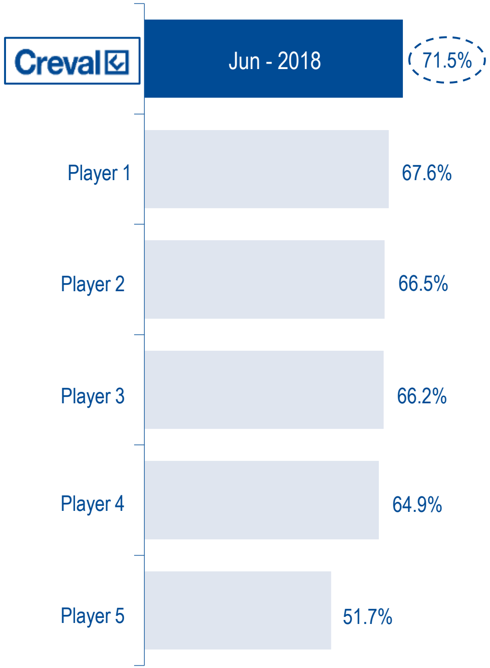
* Excluding Government bonds

Improvement in the asset quality indicators

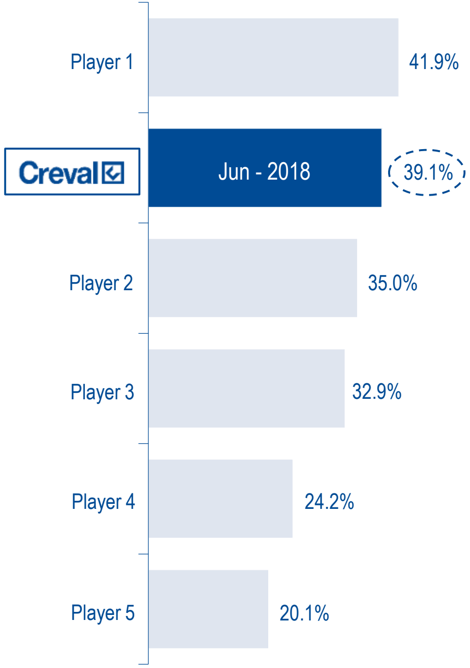
Gross NPE ratio



BAD Loans coverage ratio



UTP coverage

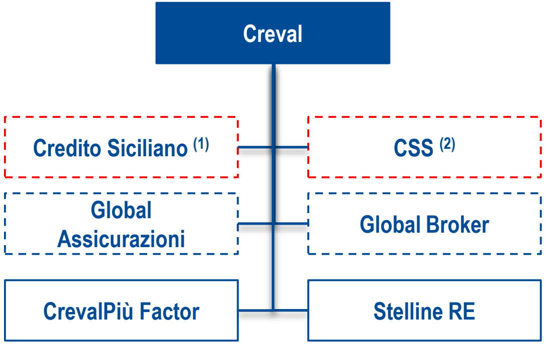


Source: Data as of June, 30th 2018. Peers: Banco BPM, Bper, Credem, Ubi Banca. Data as of March, 31st 2018 for Banca Popolare di Sondrio. Source: company presentations.

Simplification and rationalization of the Group structure

Simplification of the Group structure

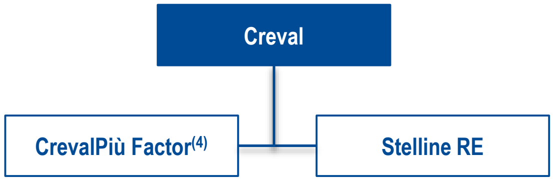
(as at 31/03/18)



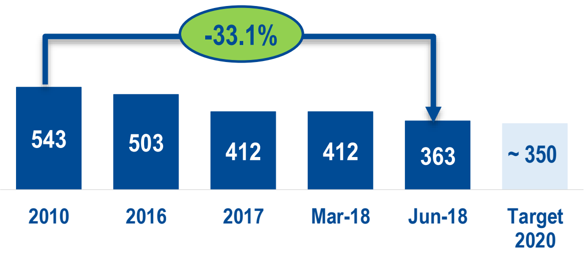
Merged into the Parent Company

Companies out of the scope of the consolidation following the reorganization of the bancassurance operating model (3)

To be

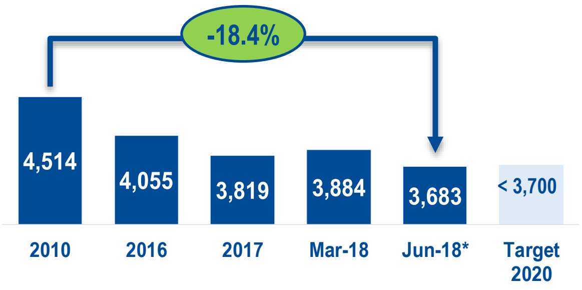


of branches



- Further closure of 50 branches finalized in May 2018
- The commercial network restructuring process is substantially concluded and the objectives of efficiency set in the business plan reached

Headcount



- In June 2018, 219 employees joined the redundancy plan (agreed with trade unions in April 2018) vs. 170 envisaged in the Business Plan which is therefore integrally reached, on a voluntary basis schemes exclusively

* Includes 219 employees exited the Group on 1st July 2018

(1) Merger effective since 25th June 2018

(2) Effectiveness of the merger expected by end-2018.

(3) Effectiveness expected by end-2018

(4) Includes the merger with Claris Factor announced on 8 August 2018

Improvement in the overall risk profile and operating efficiency

Capital strengthening

- €700mln capital increase completed in Q1 18
- Expected Validation of AIRB models by the third quarter of 2018

Asset quality improvement and balance sheet derisking

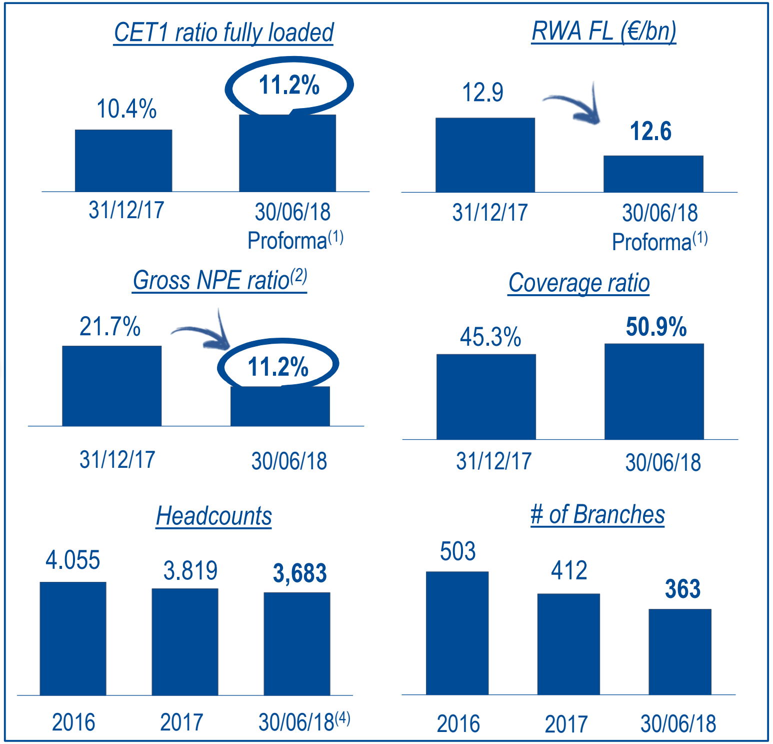
- Disposal of NPEs for more than €2bn GBV:
  - *Project GIMLI 1: NPE portfolio disposal for a GBV of €245m. P/GBV equal to 43%*
  - *Project GIMLI 2: NPE portfolio disposal for a GBV of €222m. P/GBV equal to 41%*
  - *Project Aragorn: NPE portfolio with GACS for a GBV of €1.6bn. P/GBV equal to ~32%*
- Significant reduction of Gross NPE ratio while maintaining healthy coverage ratios

Operating efficiency improvement

- Completion of the simplification of the Group structure with the merger of Credito Siciliano and CSS(3) into the parent company
- Additional closure of 50 branches
- Agreement signed with the trade unions for the incentivised exit of 219 employees (vs. 170 initially expected) who left the Bank on 1 July 2018.

Profitability relaunch

- Reorganization and enhancement of the bancassurance activity: new partnership in the life bancassurance business with Crédit Agricole Assurances and New Partnership in the non-life bancassurance business with Ri-Fin
- Acquisition of Claris Factor in order to develop the factoring business
- 2 new partnerships in the consumer credit: with Dorotheum in the pawncredit business and with Pitagora in the salary-backed loans



The actions put in place in H1 2018 were aimed at overcoming the legacy of the past, improving the overall risk profile of the Bank and increasing the operational efficiency in order to pave the way for a return to a sustainable profitability in the medium term

(1) Including the transactions already signed which will have an impact on capital in H2 2018
(2) Excluding Government bonds
(3) Effectiveness expected by end-2018
(4) Includes 219 employees exited the Group on 1st July 2018

Reorganization and enhancement of the bancassurance activity

On 24 July 2018 Creval announced the reshaping of its bancassurance operative model by establishing long-term strategic partnerships with Crédit Agricole Assurances SA (CAA) in the Life business and with Gruppo Assicurativo Ri-Fin S.r.l. (Ri-Fin) in the Non-Life business

Rationale	The reorganization and enhancement of bancassurance activity represents one of the pillars of the Creval Group's 2018-2020 Strategic Plan, in order to achieve a structural increase in overall profitability, to be implemented with initiatives aimed at developing the "fee based" business areas with low capital absorption
Impacts	The entire reorganization of the bancassurance business is expected to have a positive impact on Creval Group's CET1 ratio fully loaded of approximately **35 bps**
Timing	The closing of the transactions is expected to take place in the fourth quarter of 2018 and is subject to the usual regulatory approvals from IVASS and AGCM

Life bancassurance partnership

Creval — CRÉDIT AGRICOLE ASSURANCES

- The partnership will grant CAA, via its Italian subsidiary Crédit Agricole Vita S.p.A. ("CA Vita") exclusive access to CreVal's distribution network for all savings products as well as certain protection products for up to 15 years
- As part of the transaction, Crédit Agricole Assurances will purchase a minority stake in CreVal of 5%
- In addition, the parties have agreed to jointly assess, in the medium term, the possibility to extend the partnership between CASA Group and CreVal to other product areas. In such a situation, CASA Group could consider the possibility to increase its stake in CreVal to up to 9.9%.

Non-life bancassurance partnership

Creval — RI FIN Gruppo Assicurativo

- Reshaping of the bancassurance agreements in place with the current CreVal's bancassurance partner (Ri-Fin)
- Establishing two new distribution agreements relating to Non-Life bancassurance business and to the insurance brokerage activity on CreVal's clients both on exclusive basis and for a total duration of up to 15 years

Note: For further details on the two partnerships please refer to the two separate press releases issued on 24 July 2018.

New partnerships in the consumer credit

On 9 August 2018 Creval announced two partnership agreements in the consumer credit: with Dorotheum in the pawncredit business and with Pitagora (a company part of Cassa di Risparmio di Asti Group) in the salary-backed loans

	Pawncredit business	Salary-backed loans
	Creval / DOROTHEUM SEIT 1707	Creval / BANCA DI ASTI CASSA DI RISPARMIO DAL 1842 GRUPPO CASSA DI RISPARMIO DI ASTI / PITAGORA FINANZIAMENTI SU MISURA
Structure of the transaction	▪ The partnership will be implemented through Custodia Valore(1) which will make a capital increase reserved to Creval to be paid through the contribution of its business unit dedicated to the pawncredit business ▪ At the closing of the transation, Custioda Valore will held by 22% by Creval and 78% by Dorotheum	▪ Creval will buy 9.9% of Pitagora share capital ▪ Renewal for 5 years of the commercial distribution agreement currently in place with Pitagora for the distribution of salary-backed loans on Creval's network
Rationale	▪ The transaction will allow Creval to enter into a partnership with one of the main European leaders in the pawncredit market and is part of the initiatives envisaged by the 2018-2020 Strategic Plan for the enhancement of non-core assets aimed at increasing the bank's overall profitability and further strengthening capital ratios	▪ The transaction is part of the progressive strengthening and expansion of the Creval's offer dedicated to retail customers and - in line with the targets of the 2018-2020 Strategic Plan - will allow an increase in overall profitability, to be achieved in particular through the development of Creval's penetration of the consumer credit market
Impacts	▪ Net capital gain of ~ €45 m and 5bps positive impact on CET1 ratio FL	▪ Expected improvement in the commission income over the business plan horizon
Timing	▪ The closing of the transactions is expected to take place by end-2018	▪ The closing of the transaction is expected to take place by November 2018 (2)

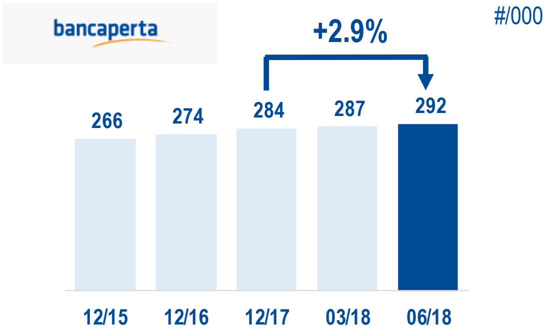
Note: For further details on the two partnerships please refer to the two separate press releases issued on 9th August 2018.

(1) The company created through Dorotheum's acquisition of the branch dedicated to the UniCredit Group's pawncredit business.

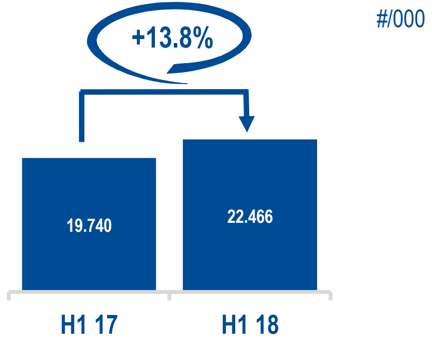
(2) Subject to the completion of the usual due diligence activities and the definition of final agreements in the light of what has already been agreed on the Term Sheet

Creval | Bancaperta: steady growth of active users

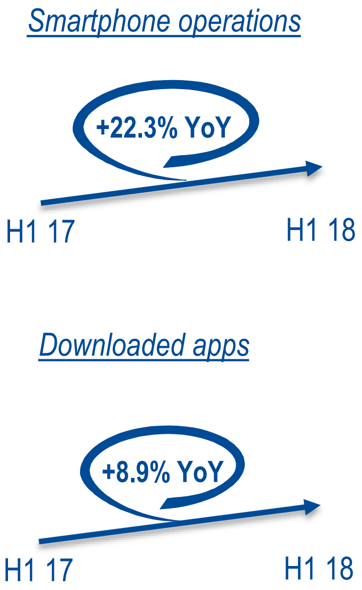
Active Internet Banking Users



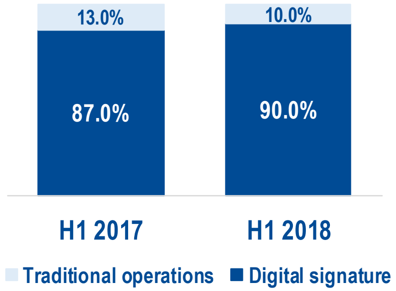
Bancaperta access: H1 18 vs H1 17



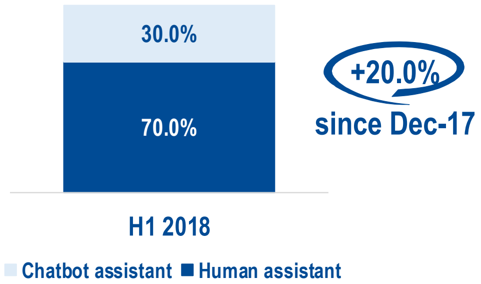
online operations



Contract signatures



Helpdesk requests

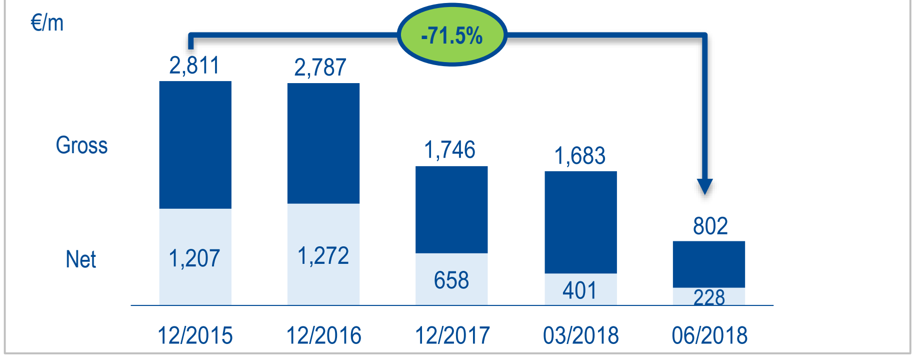


Source: internal data as at 30/06/2018

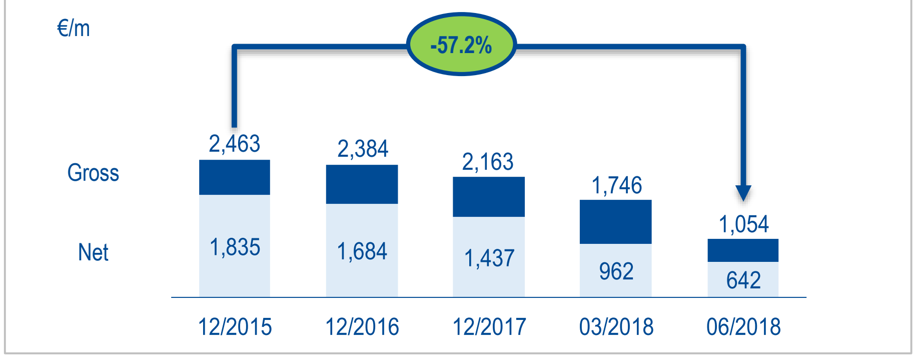
Agenda

Successful derisking while maintaining healty coverage ratios

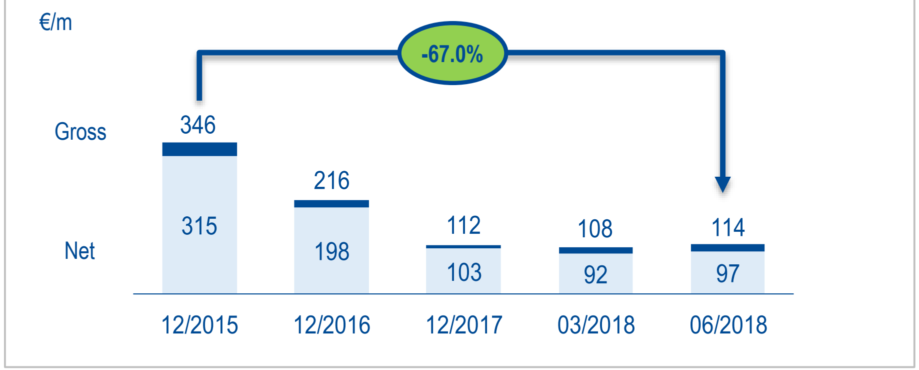
Bad loans



UTP



Past Due



Coverage ratio

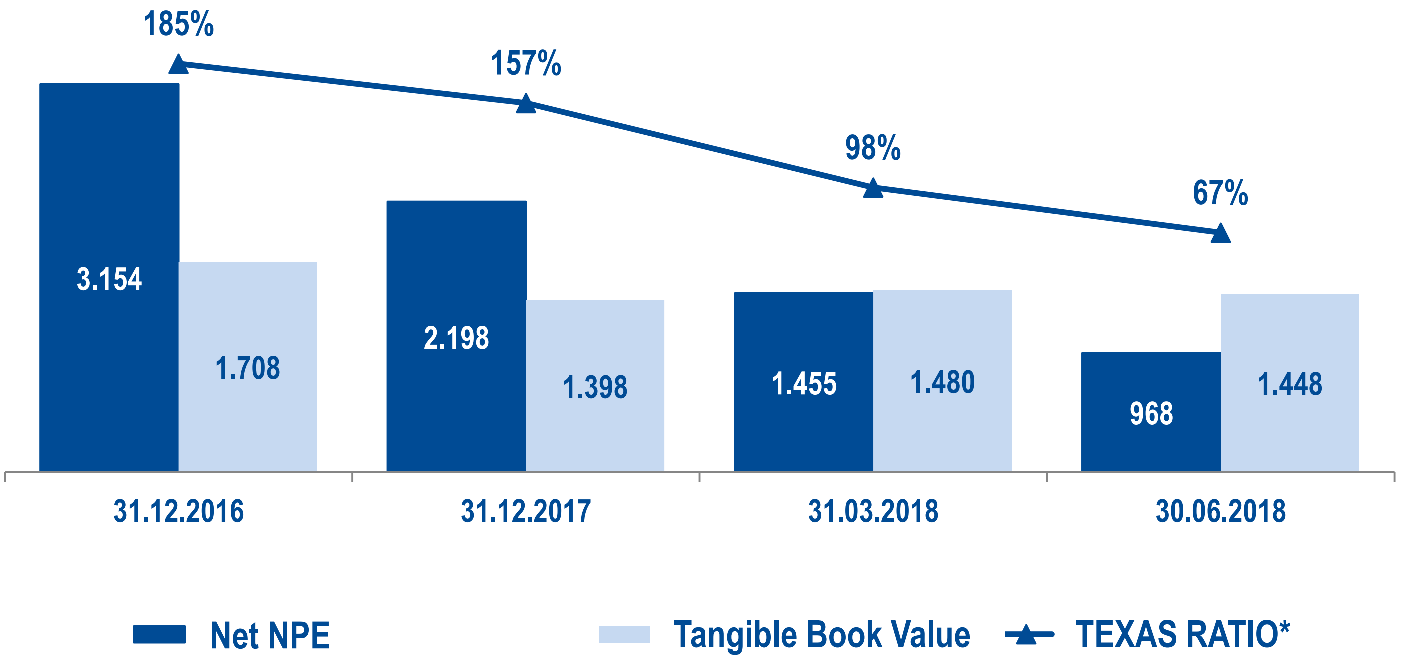
	30/06/2017	31/12/2017	31/03/2018	30/06/2018	Peer avg.[1]
NPEs	**41.0%**	**45.3%**	**58.9%**	**50.9%**	**49.6%**
including write offs	*43.0%*	*47.2%*	*60.4%*	*53.8%*	
Bad Loans	61.0%	62.3%	76.2%	71.5%	62.2%
including write offs	*64.1%*	*65.2%*	*78.0%*	*75.3%*	
UTP	29.8%	33.6%	44.9%	39.1%	32.0%
Past Due	8.5%	8.0%	14.7%	15.0%	13.3%
Bonis	0.53%	0.43%	0.76% [2]	0.75% [2]	

(1) Data as of June, 30th 2018. Peers: Banco BPM, Bper, Credem, Ubi Banca. Data as of March, 31st 2018 for Banca Popolare di Sondrio. Source: company presentations

(2) Excluding Government bonds

Improvement in the Texas Ratio

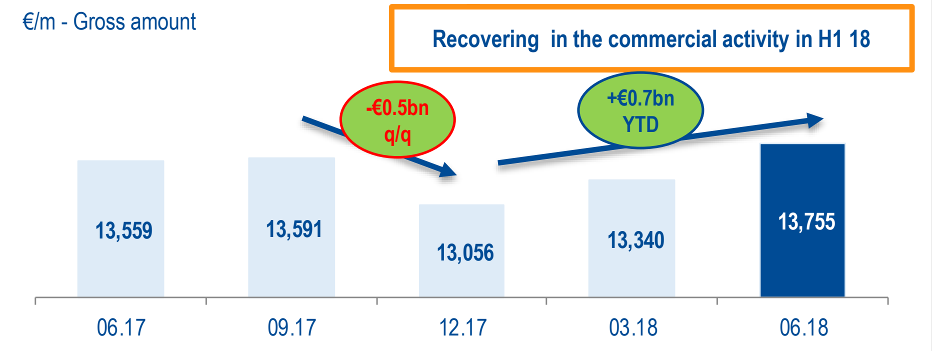
€/m



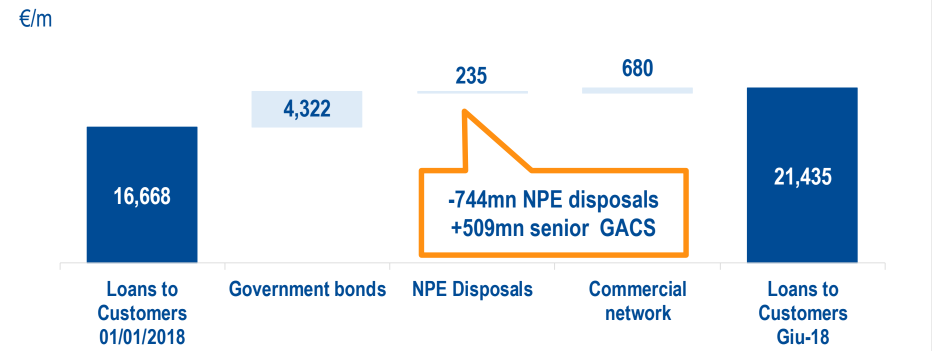
* Net NPE / Tangible Book Value

Customer loans

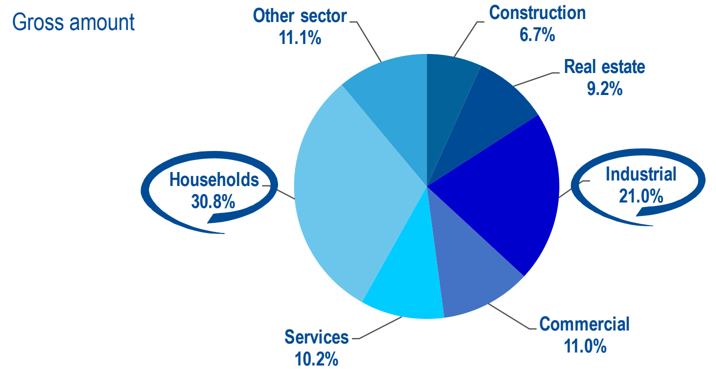
Performing commercial customer loans* – Quarterly trend



Net customer loans



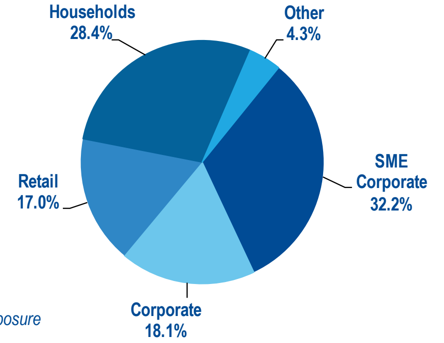
Performing customer loans breakdown by sector



Total customer loans by customer segment

Gross amount

SMEs represent 67% of total loan book

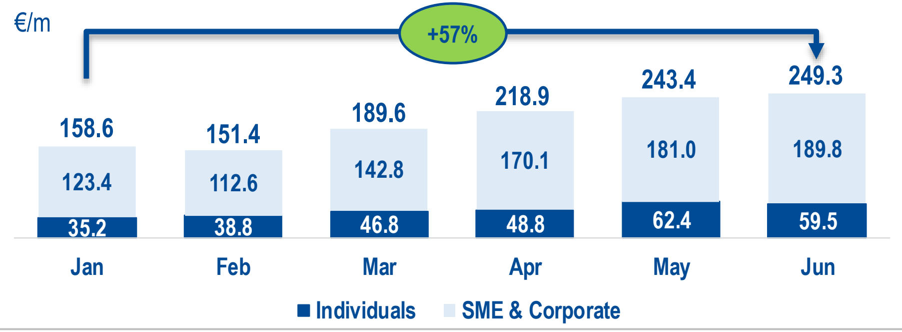


- *<u>SME corporate</u>: revenue or total assets < 25 mn*
- *<u>Corporate</u>: revenue or total asset ≥ 25 mn*
- *<u>Retail:</u> Small Retail exposure ≥ 100k, Micro Retail < 100k exposure*

* Performing gross customer loans net of exposures with institutions (mainly CCG - Cassa Compensazione e Garanzia) and Government bonds.

Increase in the new commercial lending flows on a monthly basis

New commercial lending flows in H1 2018 – monthly trend



Expected loss of the performing loans

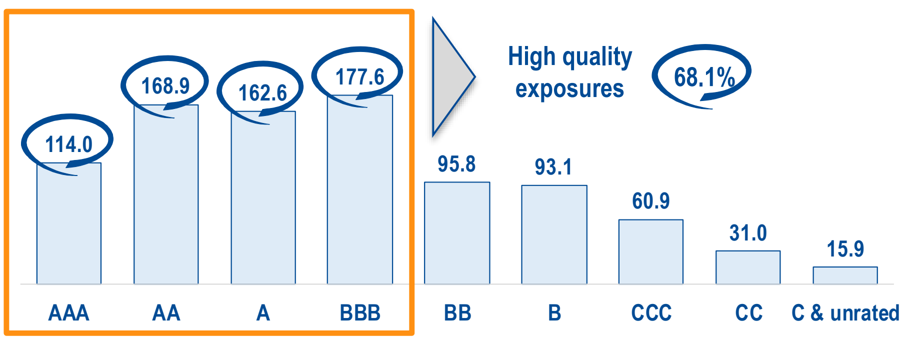
-22bps since December 2016

- €1,211m of newly granted commercial loans to Individuals (€291m) and SMEs/Corporate (€920m) in H1 2018 (+13.1% y/y)
- Average expected loss equal to 30bps (34 bps Individuals and 29 bps SMEs & Corporate)
- Average rate Individuals equal to 2.30% (vs. 2.61% in H1 2017)
- Average rate SME & Corporate equal to 2.11% (vs. 2.32% in H1 2017)

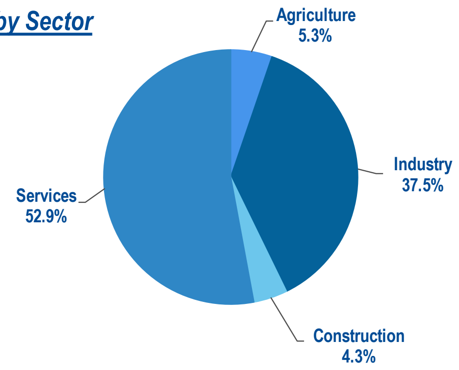
Focus on new lending to SME & Corporate

€/m

Breakdown by Rating



Breakdown by Sector



~ 96%

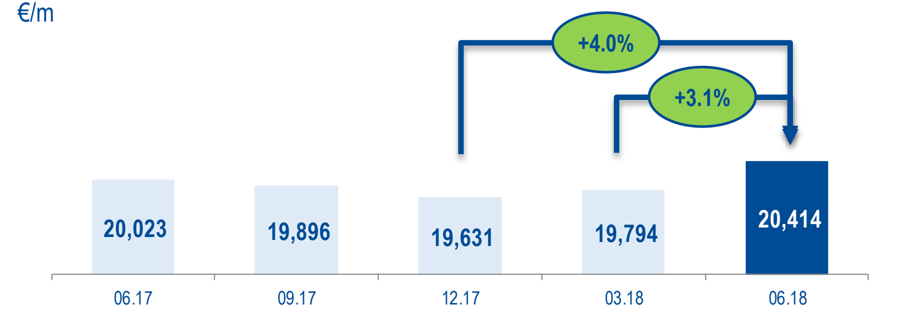
of new loans to the "real economy" (industry, agriculture, services)

Agenda

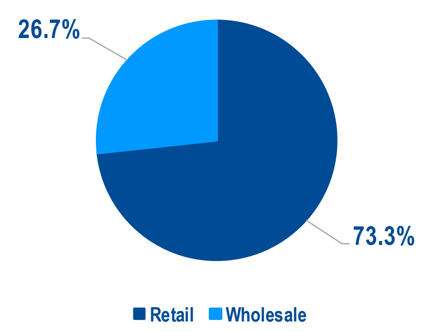
1. Update on Business Plan execution
2. Asset quality
3. Funding, liquidity and securities portfolio
4. Capital ratios
5. Consolidated P&L results
6. Annexes

Direct funding: increase in the core deposits YTD

Direct funding trend



Breakdown by customer segment



Breakdown by funding source

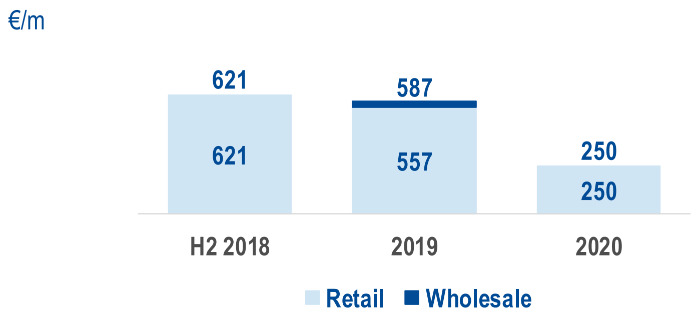
€/m	31/12/2017	31/03/2018	30/06/2018	Chg. % Ytd
Saving Deposits	366	346	326	-10.8%
Time deposits	769	818	903	17.4%
Current accounts	11,947	12,112	12,126	1.5%
Securitizations	586	528	171	-70.9%
Wholesale bonds (senior + subordinated)	281	285	277	-1.4%
Senior retail bonds	1,527	1,418	1,263	-17.3%
Subordinated retail bonds	206	207	175	-15.1%
Deposit certificates	120	115	105	-12.5%
Deposits CCG & CDP	3,633	3,798	4,889	34.6%
Other	195	167	179	-8.3%
DIRECT FUNDING	**19,631**	**19,794**	**20,414**	**4.0%**

Core Deposits +2.1% YTD

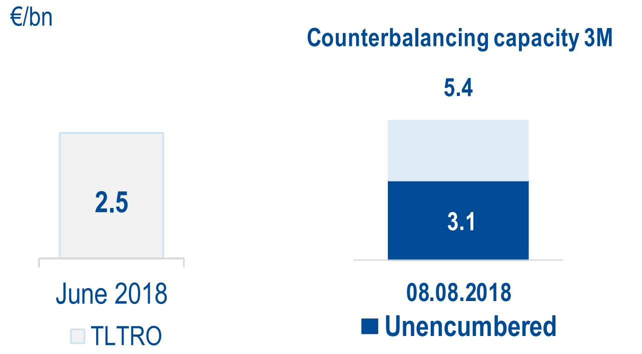
- Direct deposits increased **4.0%** YTD and **3.1%** q/q reverting the negative trend in H2 17
- Positive trend in core deposits which growth **2.1%** YTD.
- Large base of retail funding which represents **73%** of total direct funding
- The decline in the retail and institutional bond component continued, in line with the policy of reducing the most onerous forms of funding **(-15%** YTD in wholesale and retail bonds)

Satisfactory liquidity situation

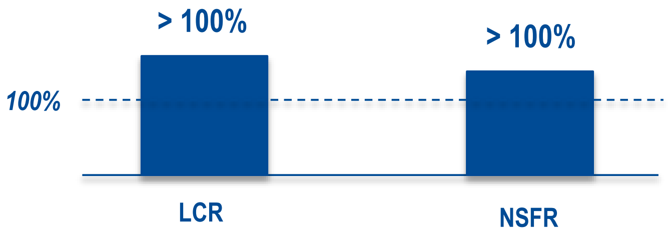
Bond maturities



ECB funding



Liquidity regulatory requirements



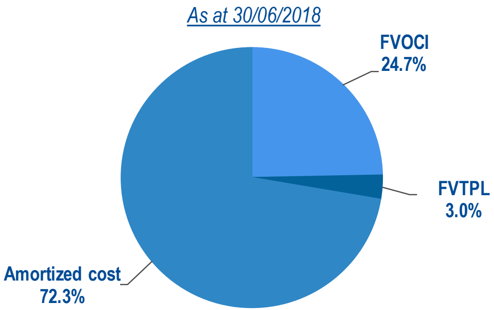
- Satisfactory liquidity situation that allow the Bank to manage the bond maturities over the business plan horizon
- The 3-months counterbalancing capacity as at 8 August 2018 is equal to €5.4bn (of which €3,1bn unencumbered) and benefited from the securitisation of the mortgage performing loans granted to SMEs finalized on 30 July 2018 for a total amount of €1.5bn.
- The liquidity requirements - LCR and NSFR - are well above the regulatory minimum requirements.

Securities portfolio

Securities portfolio breakdown

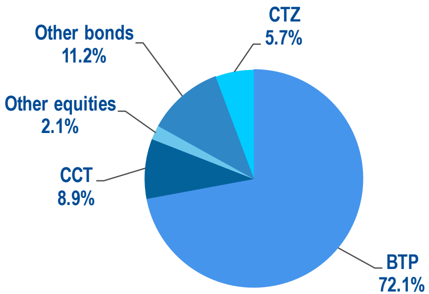
€/m

	31/03/2018	30/06/2018	Change
FVOCI portfolio	3,491	2,027	-1,464
FVTPL portfolio	211	243	+32
Amortized cost portfolio	2,062	5,904	+3,842
Total	**5,764**	**8,174**	**+2,410**



FVOCI portfolio breakdown

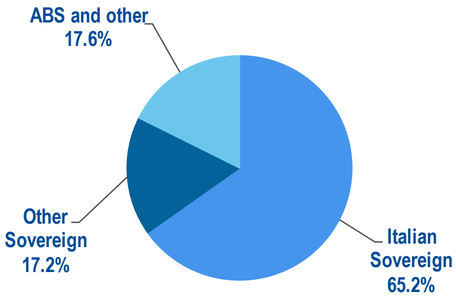
(As at 30/06/2018)



Average Duration : 2.45y

Amortized cost portfolio breakdown

(As at 30/06/2018)



Indirect deposits

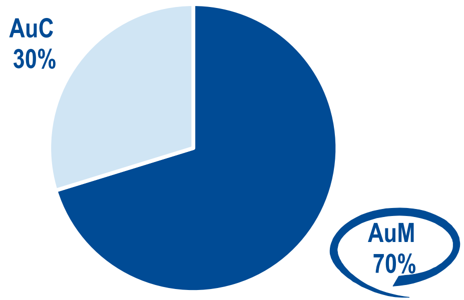
Indirect deposits

Development of the strategic partnership with ANIMA SGR

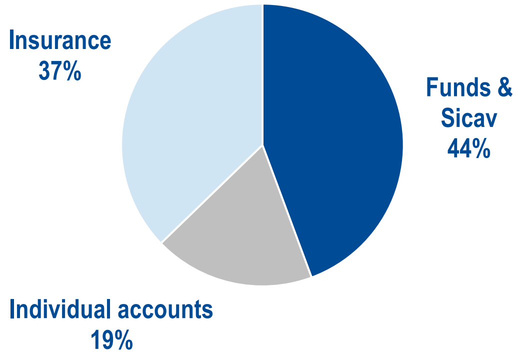
€/m	31/03/2018	30/06/2018	Chg. %
Funds & Sicav	3,221	3,251	0.9%
Asset under Custody	3,270	3,107	-5.0%
Individual accounts	1,541	1,350	-12.4%
Insurance	2,724	2,730	0.2%
Total	**10,758**	**10,438**	**-3.0%**

The negative trend in Q2 18 in the indirect deposits was mainly due to the negative performance of the financial markets, which affected both the AUM and assets under custody

Indirect deposit breakdown

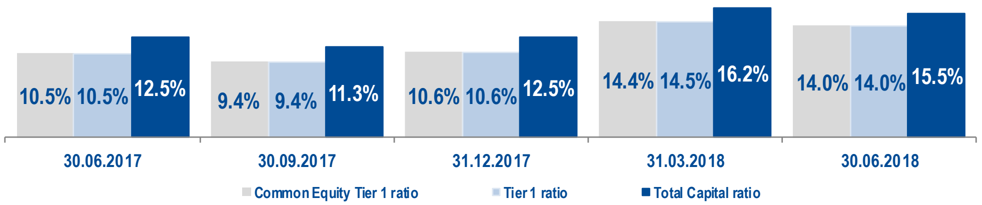


AUM breakdown



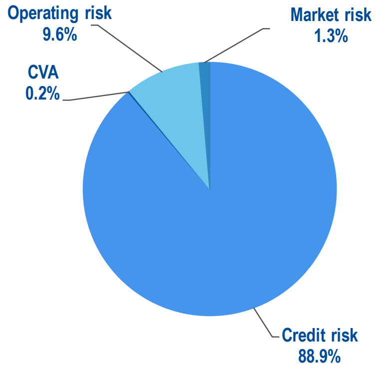
Capital ratios evolution

Phased-in capital ratios evolution



Capital ratio	30/06/2017	30/09/2017	31/12/2017	31/03/2018	30/06/2018	30/06/2018PF
COMMON EQUITY (€/m)	1,511	1,295	1,374	1,971	1,939	1,987
TIER 1 (€/m)	1,511	1,295	1,374	1,972	1,939	1,987
TOTAL CAPITAL (€/m)	1,795	1,557	1,623	2,208	2,158	
RWA (€/m)	14,361	13,739	12,944	13,642	13,892	13,220
TIER 1 RATIO	**10.5%**	**9.4%**	**10.6%**	**14.5%**	**14.0%**	**15.0%**
TOTAL CAPITAL RATIO	**12.5%**	**11.3%**	**12.5%**	**16.2%**	**15.5%**	

RWA Breakdown



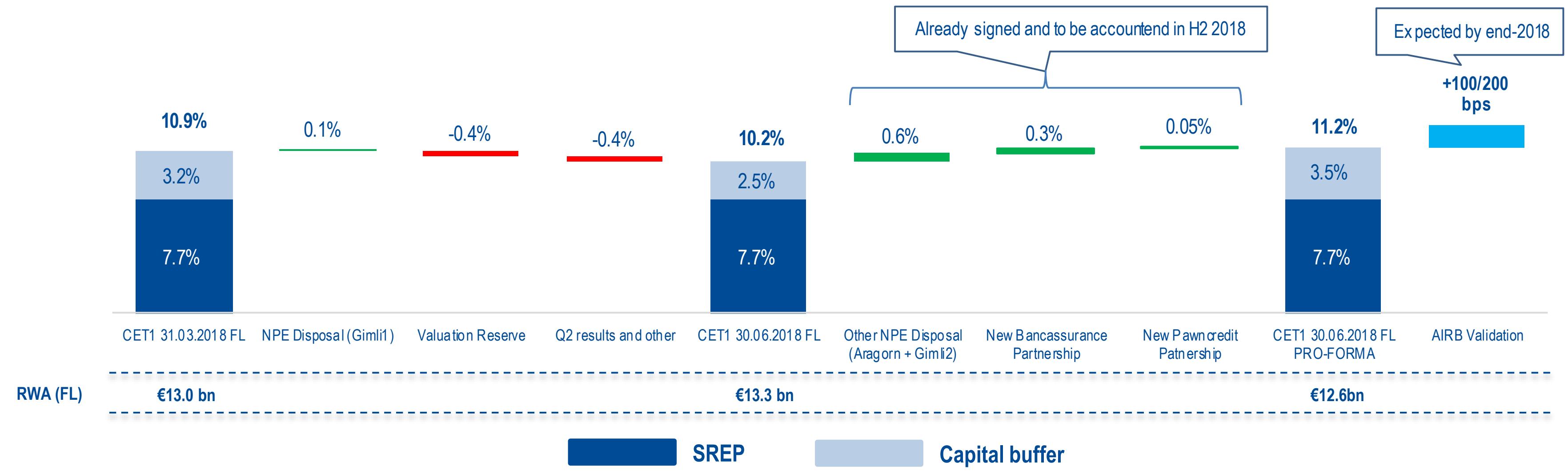
Capital ratios fully loaded

€/m

	30/06/18	30/06/18 proforma
CET1 Capital	1,355	1,403
RWA	13,252	12,581
CET1 ratio	**10.2%**	**11.2%**

Solid capital position

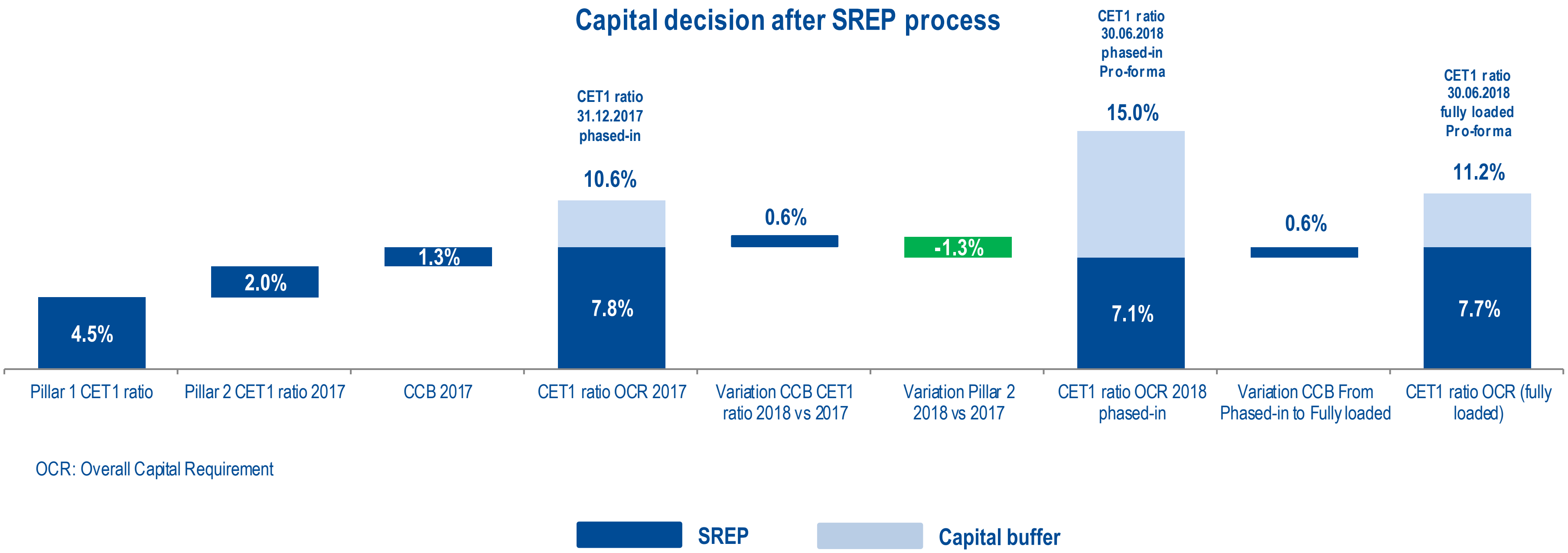
CET1 ratio Fully loaded - q/q trend



- **CET1 ratio FL proforma as at 30 June 2018 equal to 11.2%** including the transaction already signed whose impacts will be booked in H2 2018 (disposal of NPE portfolios, new partnerships in the bancassurance business and consumer credit).
- **Additional positive impact (+100/200bps) from the validation of AIRB models expected by the third quarter of 2018**

SREP: wide CET1 ratio buffer vs the minimum requirement

SREP process



OCR: Overall Capital Requirement

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

Creval Consolidated P&L and main extraordinary items in H1 2018

€/m

Income statement	H1 2018	Q1 18	Q2 18	Details of Extraordinary Items Q1 18	Details of Extraordinary Items Q2 18	Details of Extraordinary Items Description	P&L adjusted Q1 18	P&L adjusted Q2 18	P&L adjusted H1 18
Net interest income	178.9	88.6	90.3				88.6	90.3	178.9
Net fee and commission income	139.4	70.6	68.8				70.6	68.8	139.4
Net trading, hedging income (expense) and profit (loss) on sales/repurcha	16.5	5.3	11.1				5.3	11.1	16.5
Other income (1)	6.2	1.3	4.9		-3.7	Project Aragorn and Elrond	1.3	8.6	9.9
Operating income	**341.0**	**165.9**	**175.1**		**-3.7**		**165.9**	**178.8**	**344.7**
Personnel expenses	-193.4	-121.9	-71.5	-57.5	-6.0	Redundancy fund	-64.4	-65.5	-129.9
Other administrative expenses	-101.0	-51.3	-49.7		-9.5	3.4m for SRF extraord. contribution and 6.1m costs related to the Project Aragorn	-51.3	-40.2	-91.5
Depreciation/amortisation	-12.6	-6.2	-6.3				-6.2	-6.3	-12.6
Operating costs	**-307.0**	**-179.4**	**-127.6**	**-57.5**	**-15.5**		**-121.9**	**-112.1**	**-233.9**
Net operating profit	**34.0**	**-13.5**	**47.5**	**-57.5**	**-19.2**		**44.0**	**66.8**	**110.8**
Impairment or reversal of impairment and modification gains (losses)	22.2	-27.8	50.0		-13.7		-27.8	63.7	35.9
Net gains (losses) on financial assets at admortize cost	-95.2	0.0	-95.2				0.0	-95.2	-95.2
Net accruals to provisions for risks and charges	-4.6	-5.0	0.4	-1.2		Extraordinary provision related to the pawnbroker business	-3.8	0.4	-3.3
Net gains (losses) on sales of investments	0.0	0.0	0.0				0.0	0.0	0.0
Badwill	15.4	0.0	15.4		15.4	Badwill for the Acquisition of Claris Factor	0.0	0.0	0.0
Pre-tax profit (loss) from continuing operations	**-28.2**	**-46.4**	**18.1**	**-57.5**	**-17.5**		**12.4**	**35.7**	**48.1**
Income taxes	**30.8**	**17.0**	13.7	17.6	22.9	Of which 13m in Q2 due to DTA reversal	-0.6	-9.1	**-9.7**
Post-tax profit (loss) from continuing operations	**2.5**	**-29.3**	**31.9**				**11.8**	**26.5**	**38.3**
Profit (loss) for the period attributable to non-controlling interests	**-1.7**	**-0.8**	-1.0				-0.8	-1.0	**-1.7**
Profit (Loss) for the period	**0.8**	**-30.1**	**30.9**				**11.0**	**25.6**	**36.6**

-€59.3m

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

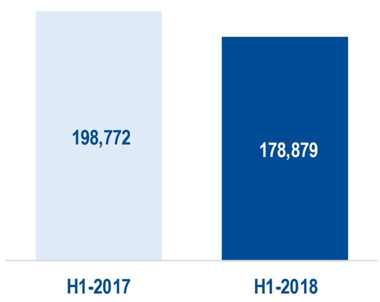
Creval

Net interest income

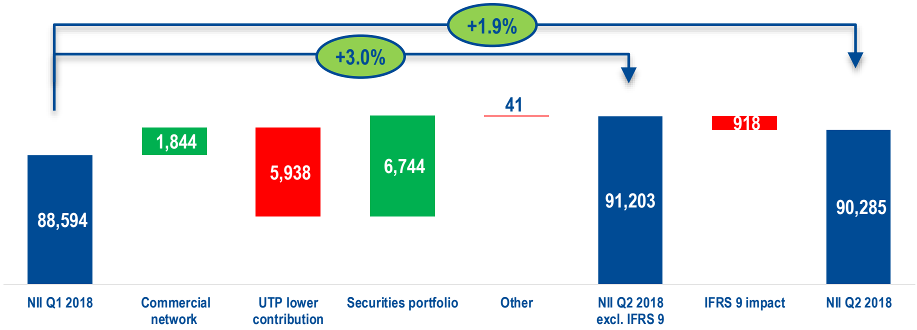
Net interest income trend

€/000

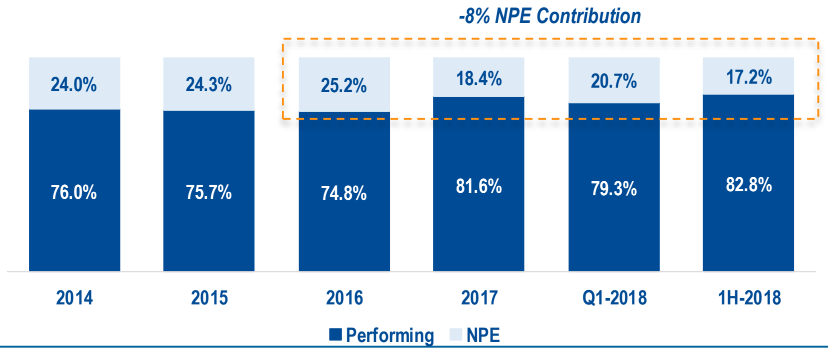
Yearly trend

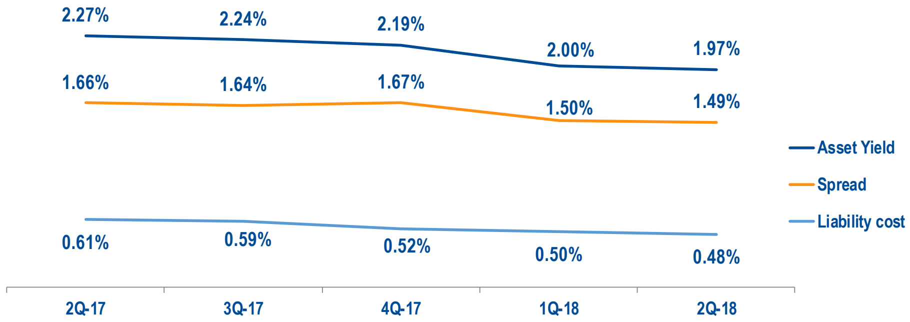


Quarterly evolution



Breakdown of NII contribution





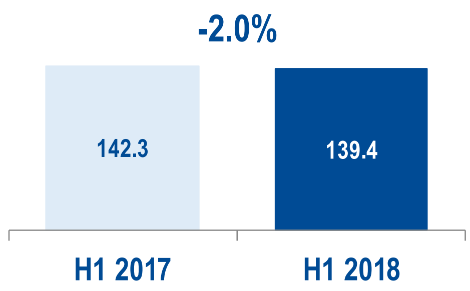
Asset yield calculated as annualized interest income / interest bearing assets

Liability cost calculated as annualized interest expenses / interest bearing liabilities

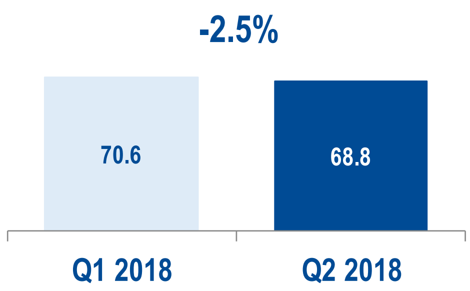
Net fees

Net fees

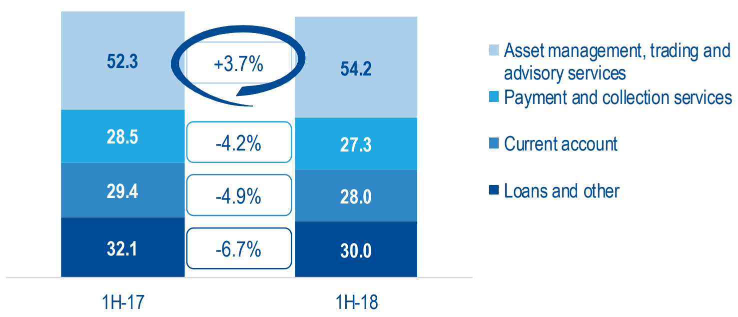
Yearly trend

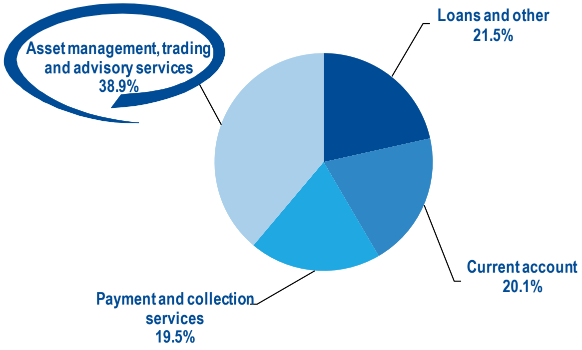


Quarterly trend



Net fees breakdown



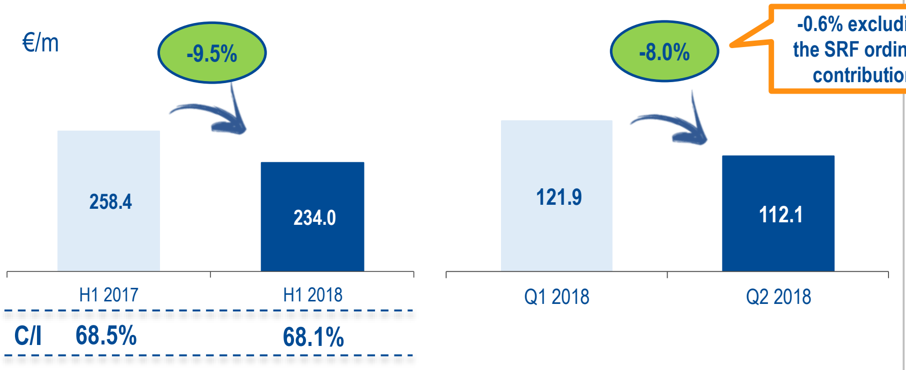


~ 11.9% of up front fees on total*

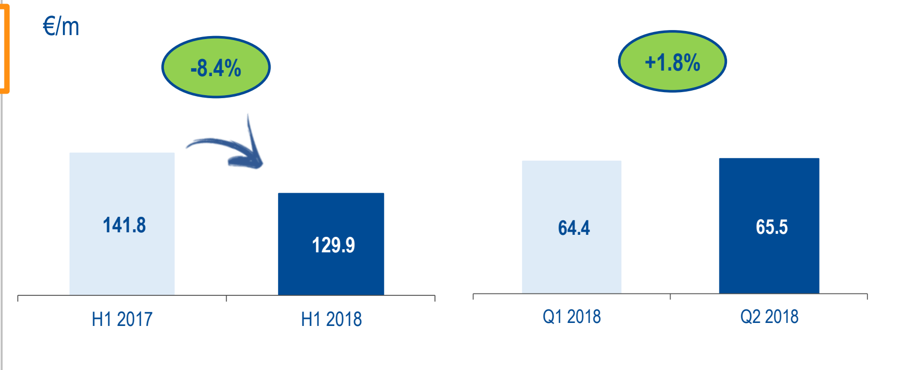
* Up front fees: placement of insurance and AUM, fees received from commercial partners (Alba Leasing, Compass, IBL) and Factoring fees.

Creval | Core operating costs*

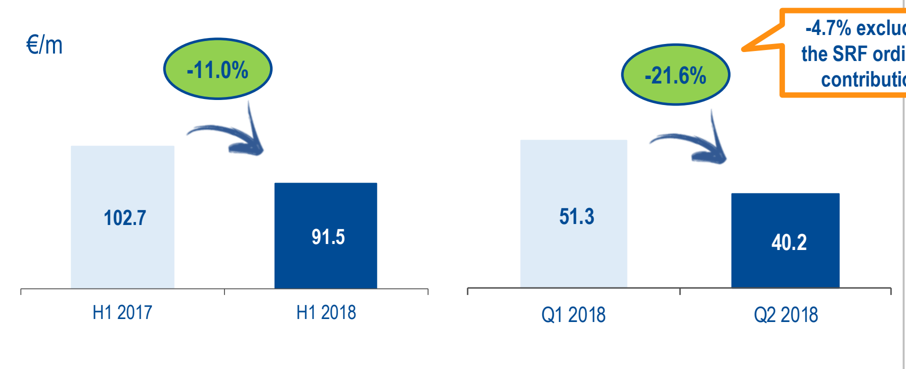
Core operating Costs trend



Focus on Core personnel costs



Focus on Core other Administrative costs



Extraordinary Items

€/m

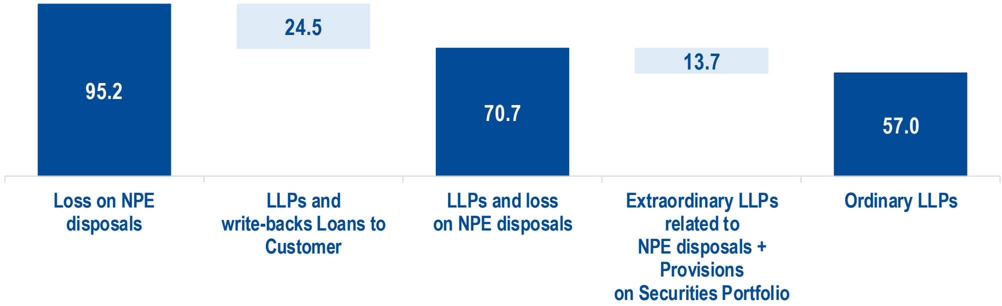
P&L item	Description	H1 2017	H1 2018
Other Income	Project Elrond	-2.0	
Other Income	Project Elrond and Aragorn		3.7
Personnel expenses	Redundancy fund	7.5	-63.5
Other administrative expenses	Cost related to Elrond	-5.0	
Other administrative expenses	Costs related to Aragorn		-6.1
Other administrative expenses	SRF extraordinary contribution		-3.4

* Excluding extraordinary items

Cost of risk

1H 2018 LLPs

€/m



H1 2018 Customers loans

€/m

Cost of credit*: 69bps

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

Tax and DTA

DTA as of 30 June 2018	Amount (€/m)	RWA weighting
DTA that can be converted into tax credit (pursuant to law L. 214/11)	374.7	100%
Tax losses carried forward	88.8	Fully deducted from CET1 capital
Other DTA	113.2	250% of the amount not deducted from the CET 1 capital
Total DTA on balance sheet	**576.6**	
Total DTA off balance sheet	**271.7**	

Annexes

Annex - Key business plan targets

	2017A	2018E	2020E
CET1 pre AIRB (fully loaded)	10.4%	11.0%	11.6%
Texas ratio	124.8%	74.7%	62.4%
LCR	259%	>100%	>100%
Net NPE ratio	13.2%	5.5%	4.2%
Gross NPE ratio	21.7%	10.5%	9.6%
NPE coverage	45.3%	50.3%	59.1%
C/I ratio	65.5%[1]	71.8%	57.5%
RoTE	Neg.	4.6%	8.2%

Note: 1) Calculated on adjusted figures

Annex – NPE disposals: completion of the project "GIMLI"

Project Gimli 1 - Algebris

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

Project Gimli 2 – Credito Fondiario

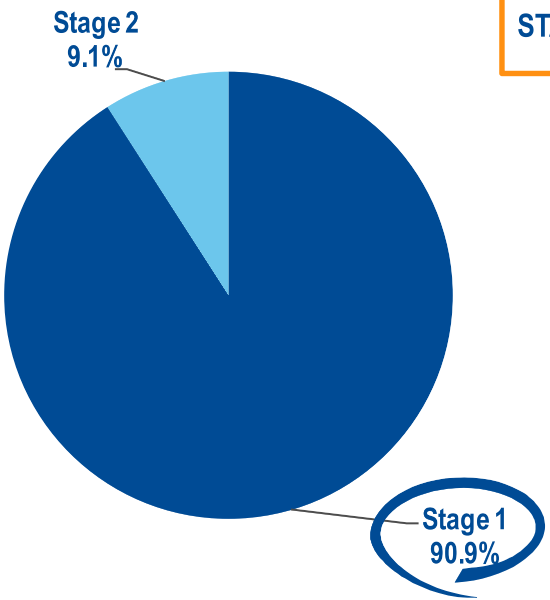
GBV	Gross Book Value : 222 €m
PRICE	Price (% of GBV): 41%

- 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.
- **Expected completion of Aragorn Project (GACS securitization) by the end of June (confirmed)**

Breakdown stage 1-2 (net amount)

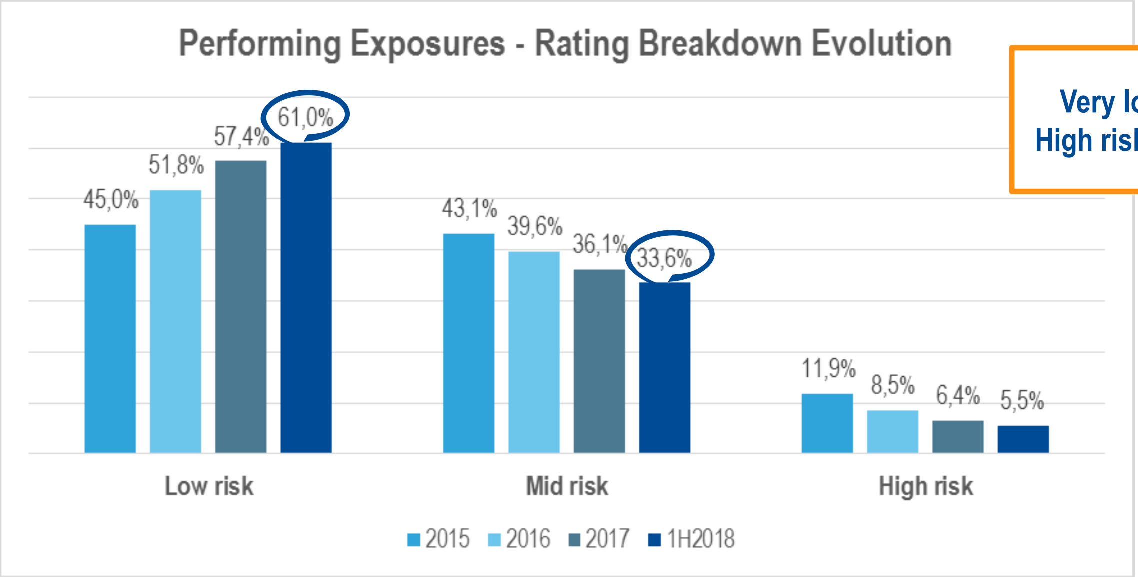
Classification in Stage 2 for:

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



STAGE 1	18,609
STAGE 2	1,857

Credit policies and asset quality – PE Rating Breakdown Evolution



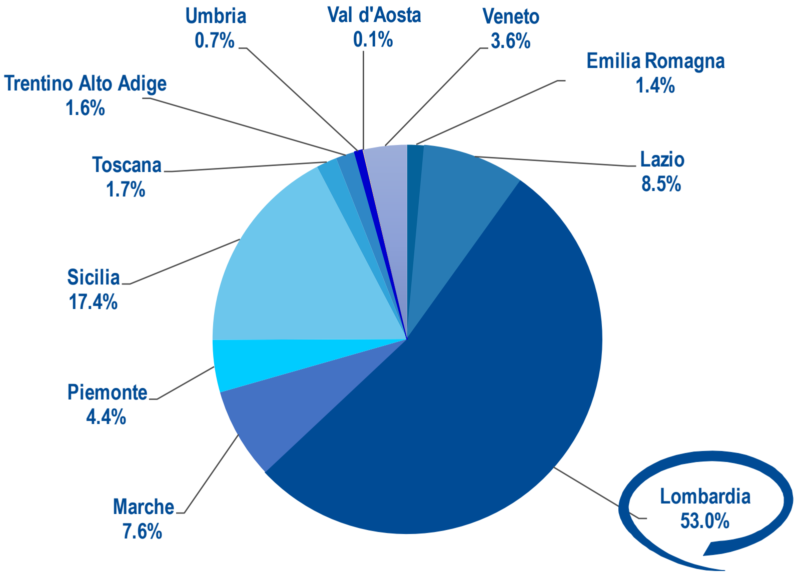
Very low level of High risk Exposures

Annex: Loan portfolio diversification

Gross loan book breakdown by geography (%)

- **~ 83%** of loans in North / Center Italy, of which **~ 53.0%** in Lombardy
- Average loan granted to real estate and construction sectors ("ATECO") **~ 188 k€**
- Conservative LTV (~ **53%**), both for households and SMEs

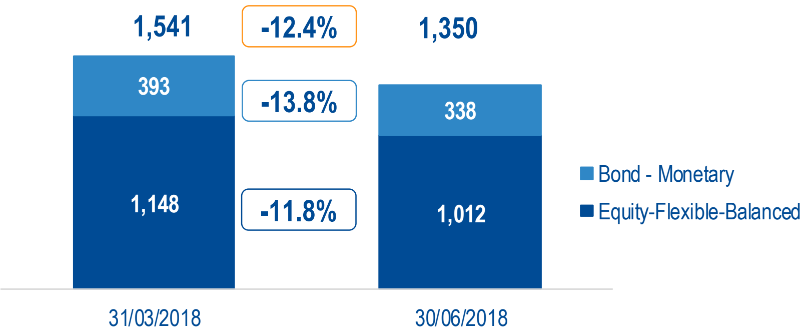
Average ~ EUR 86 k per loan



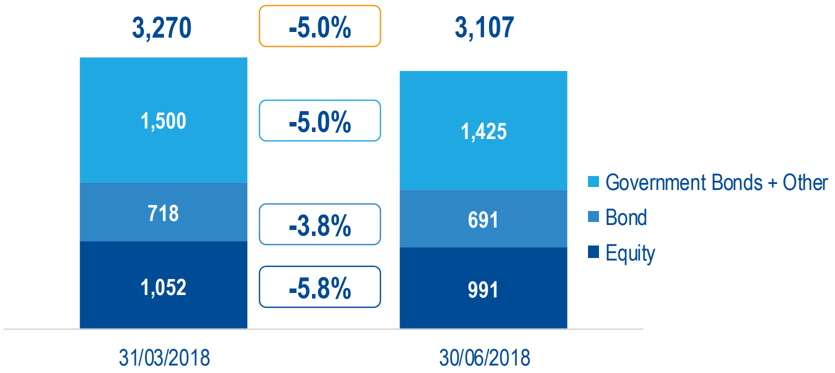
Loan Concentration	30/06/2017	30/09/2017	31/12/2017	31/03/2018	30/06/2018
Top 20 exposures	6.6%	6.8%	6.1%	6.7%	8.0%

Annex – Indirect deposit breakdown

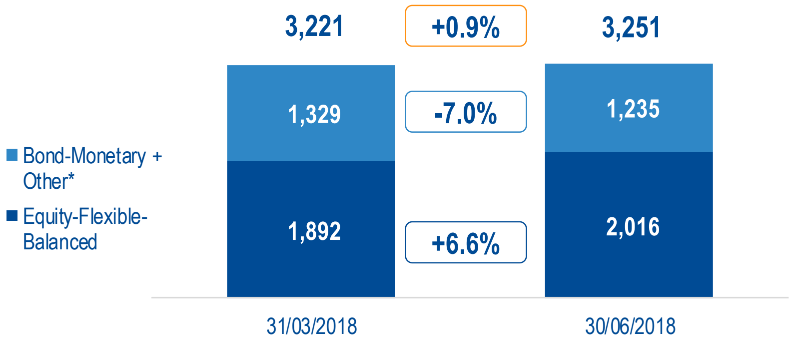
Breakdown Individual accounts (€/m)



Breakdown Custody (€/m)



Breakdown Funds & Sicav (€/m)



* Other including funds not of our placement.

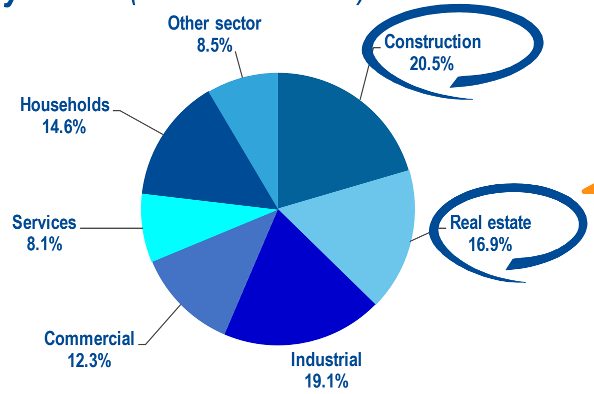
Annex – Loans to customers analysis

€/000

	Q1 18	Q2 18
Gross performing	**16,382**	**20,585**
o/w securities	*2,062*	*5,904*
o/w istitutionals	*980*	*926*
o/w commercial	*13,340*	*13,755*
Gross NPE	**3,537**	**1,970**
o/w bad loans	*1,683*	*802*
o/w UTP	*1,746*	*1,054*
o/w past due	*108*	*114*
NPE provisions	**-2,083**	**-1,003**
Performing exposure provisions	**-112**	**-117**
Net customer loans	**17,724**	**21,435**

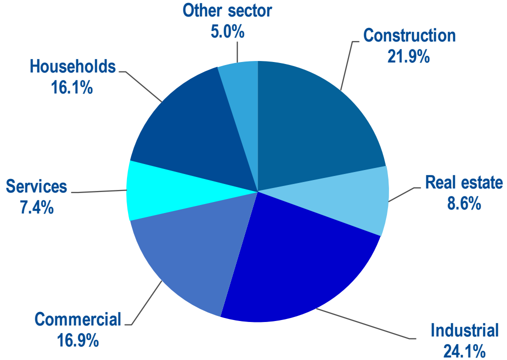
Annex - NPEs by sector – ATECO classification as at June 30, 2018

*Breakdown Npe by sector (ATECO classification)**

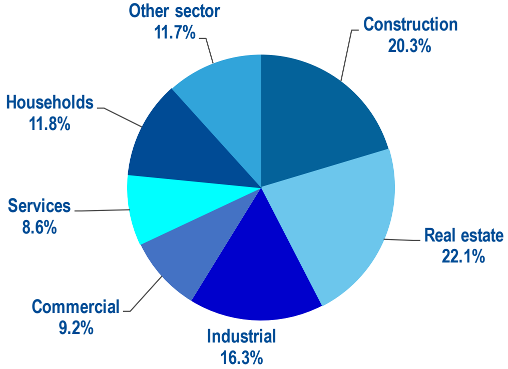


~ 37% of gross NPE real estate related

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

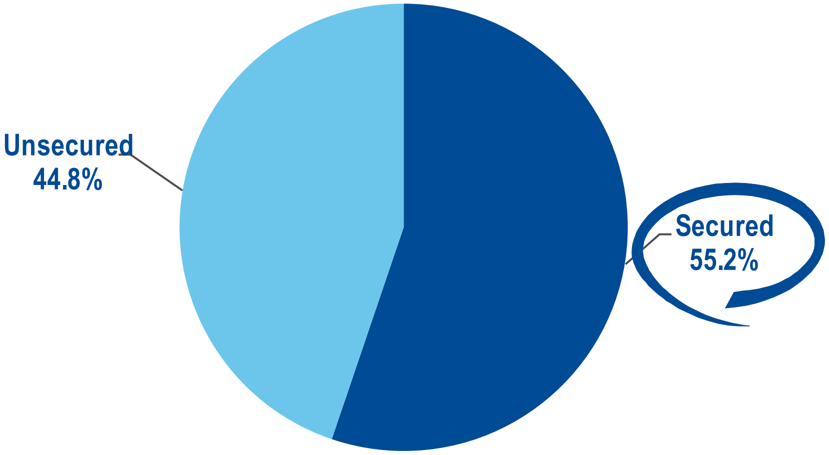


*Breakdown UTP by sector (ATECO classification)**

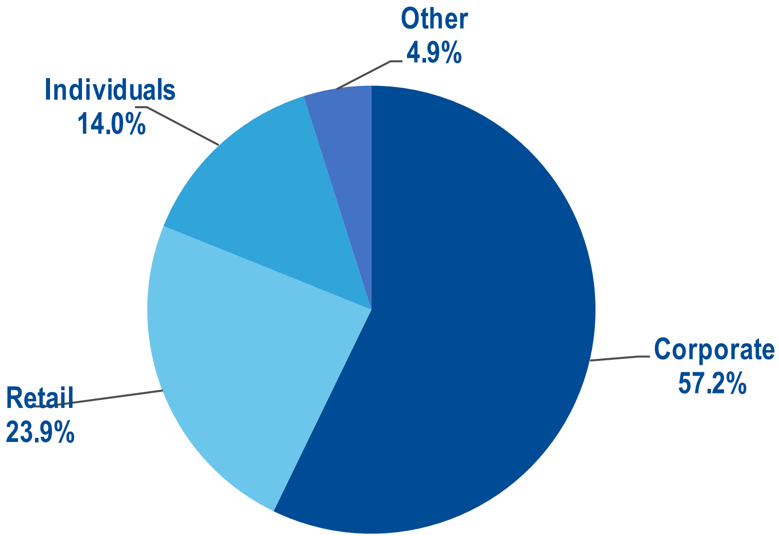


Annex - Breakdown of NPE as at June 30, 2018

Gross NPE– Guarantees



Gross NPE- Segment

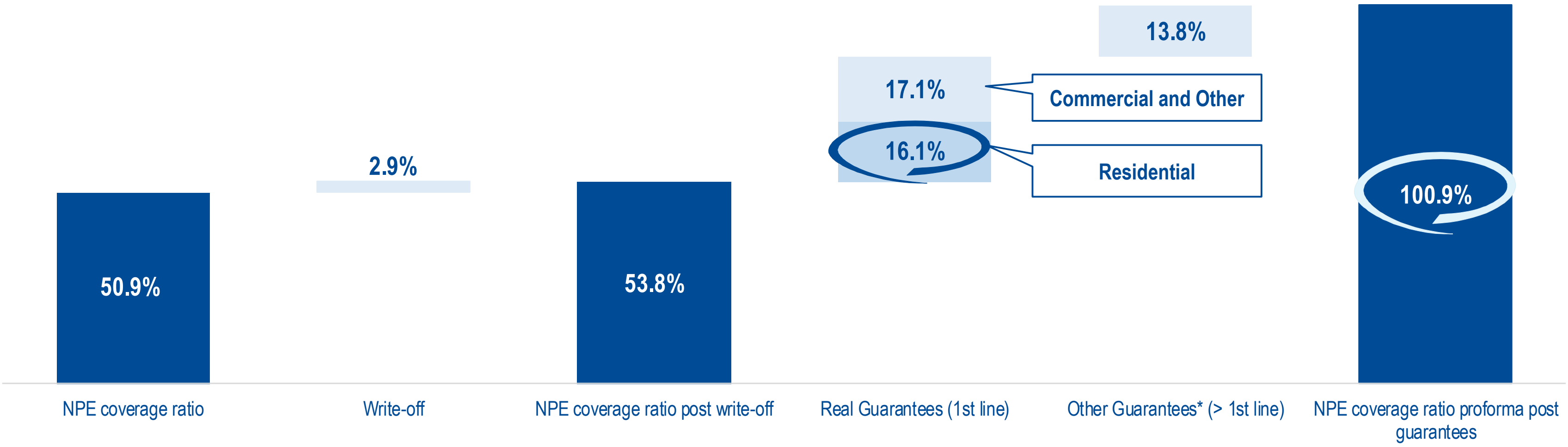


Personal guarantees not included

Source: internal data

Annex - NPE's analysis including collateral

NPE Coverage Ratio (%)



* 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.**

Annex - Reclassified balance sheet

€/000

Assets	30/06/2018	31/12/2017
Cash and cash equivalents	150,237	197,829
Financial assets FVTPL	243,265	20,681
Financial assets FVTOCI	2,026,565	4,419,352
Loans and receivables with banks	596,586	2,033,413
Loans and receivables with customers	21,434,668	16,680,944
Hedging derivatives	-	199
Equity Investments	25,167	24,371
Property, equipment and investment property and intangible assets	487,760	486,524
Non-current assets and disposal groups held for sale	89,471	3,955
Other assets	979,878	1,089,556
Total assets	**26,033,597**	**24,956,824**

Liabilities and Equity	30/06/2018	31/12/2017
Due to banks	3,124,573	3,143,189
Direct funding from customers	20,414,126	19,631,283
Financial liabilities held for trading	198	713
Hedging derivatives	135,599	138,691
Other liabilities	622,929	421,399
Provisions for specific purpose	242,602	174,103
Equity attributable to non-controlling interests	511	5,352
Equity	1,493,059	1,442,094
Total liabilities and equity	**26,033,597**	**24,956,824**

Annex - Reclassified consolidated income statement

€/000

Income statement	30/06/2018	30/06/2017
Net interest income	178,879	198,772
Net fee and commission income	139,422	142,316
Dividends and similar income	1,867	2,876
Profit (loss) of equity-accounted investments	1,299	158
Net trading, hedging income (expense) and profit (loss) on sales/repurchases	16,473	24,221
Other operating net income	3,039	10,700
Operating income	**340,979**	**379,043**
Personnel expenses	-193,432	-134,315
Other administrative expenses	-100,957	-107,711
Depreciation/amortisation and net impairment losses on property, equipment and investment property and intangible assets	-12,567	-13,854
Operating costs	**-306,956**	**-255,880**
Net operating profit	**34,023**	**123,163**
Impairment or reversal of impairment and modification gains (losses)	22,202	-328,562
Net gains (losses) on sales or repurchase of financial assets valued at the amortised cost	-95,220	-13,411
Net accruals to provisions for risks and charges	-4,575	-40,493
Net gains (losses) on sales of investments	-19	68,780
Badwill	15,357	0
Pre-tax profit (loss) from continuing operations	**-28,232**	**-190,523**
Income taxes	30,777	-2,477
Post-tax profit (loss) from continuing operations	**2,545**	**-193,000**
Profit (loss) for the period attributable to non-controlling interests	-1,721	-1,828
Profit (Loss) for the period	**824**	**-194,828**

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  Email: pelati.fabio@creval.it

Consolidated Results as at June 30th 2018