

**CREDITO VALTELLINESE: FITCH ASSEGNA IL RATING (A-),
CON OUTLOOK STABILE**

Sondrio, 17 maggio 2007. Si comunica che in data odierna l'Agenzia di rating Fitch ha attribuito al Credito Valtellinese i seguenti rating:

- | | |
|------------------------------|--------------------------|
| ▪ Issuer Default (Long Term) | A- , con outlook stabile |
| ▪ Short term | F2 |
| ▪ Individual | C |
| ▪ Support | 3 |

Si allega il testo originale inviato da Fitch.

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Fitch Rates Italy's Credito Valtellinese 'A-'; Stable Outlook

Fitch Ratings-London/Milan-17 May 2007: Fitch Ratings has today assigned Italy-based Credito Valtellinese ("Creval") ratings of Issuer Default 'A-' (A minus) with a Stable Outlook, Short-term 'F2', Individual 'C' and Support '3'. The Support Rating Floor for the bank is 'BB'.

The ratings reflect the local franchise of the group - particularly the parent bank's in the wealthy northern Italian valley of Valtellina - in Lombardy and through the group's subsidiary, Credito Siciliano, in the island of Sicily. These have allowed it to benefit from relatively strong net interest margins which, in turn, underpin the bank's profitability.

However, the ratings also reflect the bank's high cost base. The high costs have been partly the result of large scale expansion since the late 1990s, but also of the relative inefficiency of the Sicilian network. They also reflect the cooperative and retail nature of the bank, and strong costs cuts are not expected in the immediate term. Nonetheless, some improvements in efficiency are being achieved and Creval's profitability has been increasing to reach adequate levels.

Although the group has a higher-than-average amount of impaired loans in its loan portfolio, these are largely historical, as they had been generated mostly in Sicily by the previous management of the acquired banks. They are slowly being recovered by a dedicated team within the bank. Concentrations in the bank's loan book are low, both by individual borrowers and by industrial sectors, although, like for a number of Italian banks, exposure to the real estate and construction sectors is slowly building up. Nevertheless, such exposure still remains within acceptable risk limits.

Creval's liquidity has been tightening as a result of fast loan growth and there is some reliance on the interbank market for funds, although other possible sources of funding are being explored. Capitalisation is strengthening, following the new EUR117m bond conversion in April 2007 and additional capital of EUR535m that is in the process of being raised. Overall there are plans to raise about EUR1bn in the three years to 2009.

The Support rating of '3' and the Support Rating Floor of 'BB' indicate the bank's importance to both Lombardy and Sicily, as well as its cooperative status. It is Fitch's view there is a moderate probability that should Creval ever require external support, this will be provided by the State of Italy.

Creval was Italy's seventh largest cooperative banking group and 15th largest bank at end-2006, with roughly 1% national market share of banking assets. The bank is also present in Lombardy, Lazio, Veneto and Tuscany, through two other subsidiaries, Credito Artigiano and Banca dell'Artigianato e dell'Industria.

A credit analysis on Creval will be available shortly on the agency's subscription website, www.fitchresearch.com under Financial Institutions/Banks/Full Rating Reports.

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