

## **CONSOLIDATED RESULTS AS AT 30 SEPTEMBER 2011**

- ✓ **operating income: EUR 643 million (+4% yoy, including interest margin +9.2% and net commissions +4.4%)**
- ✓ **operating expenses: EUR 427 million (+2.8% yoy)**
- ✓ **net income from banking activities: EUR 216 million (+6.5% yoy)**
- ✓ **net profit for the period: EUR 44.3 million (+2% yoy)**
  
- ✓ **loans to customers: EUR 22.9 billion (+3.9% on December 2010, +6.3% yoy)**
- ✓ **direct deposits: EUR 22.5 billion (+4% on December 2010, +6.8% yoy)**
- ✓ **indirect deposits: EUR 12.1 billion (-4.2% on December 2010, -5.2% yoy)**
- ✓ **total deposits: EUR 34.6 billion (+0.9% on December 2010, +2.3% yoy)**

**Sondrio, 8 November 2011** – Today's meeting of the Board of Directors of Credito Valtellinese – Parent Company of the Credito Valtellinese banking group – chaired by Giovanni De Censi, approved the consolidated results as at 30 September 2011 as presented by the Managing Director Miro Fiordi. The figures confirm the positive development of financial position aggregates and income margins, despite the continued instability of the general economic scenario.

### **Balance sheet aggregates**

As at 30 September 2011 **direct deposits** from customers totalled EUR 22,524 million, up approximately 4% compared to December of the previous year and 6.8% year on year. **Indirect deposits** amounted to EUR 12,074 million, down 4.2% on the year-end figure for 2010. The "administered" component remained steady, whereas "managed savings", which totalled EUR 5,472 million, dropped considerably by 8.9% year on year, affected by the negative performance of the financial markets. **Total deposits** reached EUR 34,598 million, up 0.9% on December 2010 and 2.3% year on year.

**Loans to customers** amounted to EUR 22,860, recording a 3.9% increase on the December figure and 6.3% on the corresponding period last year, percentages which confirm the bank's constant, uninterrupted focus on providing support to the production enterprise system in its areas of operation, particularly SMEs and households, albeit in a framework of strict credit risk control.

**Credit quality** felt the effects of the ongoing weakness of the economic cycle. As at the end of the third quarter, impaired loans totalled EUR 1,613 million, net of value adjustments, compared to EUR 1,222 million as at the end of 2010. In detail, doubtful loans net of value adjustments totalled EUR 537 million compared to EUR 464 million of the previous year, showing a 15.6% increase, with a 2.3% impact on the loans portfolio against 2.1% at year end, with 58% hedging. Other doubtful loans amounted to EUR 1,076 million, compared to EUR 758 million of the previous year.

As at 30 September 2011, Group **shareholders' equity** stood at EUR 1,919 million. Regulatory Capital was EUR 2,133.7 million, against risk-weighted assets of EUR 21,767.9 million. The core capital ratio amounted to 6.70% compared to 6.31% as at 31 December 2010, and the total capital ratio was 9.80% compared to 9.52% at the end of December 2010.

### **Economic results**

As at 30 September 2011 the **interest margin** reached EUR 389 million compared to EUR 356 million in September 2010, up 9.2% as a result of the increase in trading volumes and to the moderate recovery in market rates recorded from the fourth quarter of 2010 and in the first part of this year. Net commissions recorded a positive performance, totalling EUR 221 million and up 4.4% on the EUR 212 million of the comparison period.

Dividends and profits from investments carried at equity amounted to EUR 12.8 million against the EUR 13.1 million recorded for the first nine months of 2010.

Profit on trading, AFS disposals/repurchases and hedging totalled EUR 8 million, down on the EUR 24 million for the comparison period, also due to the marked volatility that characterised the financial markets performance, especially in the last quarter.

**Operating income** was up 4% to EUR 643 million from the EUR 618 million recorded for the comparison period.

**Operating expense** amounted to EUR 427 million, 2.8% up on the September 2010 figure. In detail, personnel expenses totalled EUR 262.6 million and recorded an increase of 5.5%, whilst other administrative expenses amounted to EUR 134.5 million (-1.5%).

The "cost/income ratio" – the ratio of operating expenses to operating income – stood at 66.5% compared to 67.3% last year.

The **net income from banking activities** reached EUR 216 million, marking an increase of 6.5% against the EUR 202 million recorded for the corresponding period of the previous year.

Adjustments to loans amounted to EUR 113 million, compared to EUR 100 million for the same period last year, with a "cost of credit" - expressed as a percentage of total loans to customers - of 65 basis points (61 b.p. at the end of 2010).

**Income before tax from continuing operations** amounted to EUR 101.4 million, slightly higher than the EUR 100.4 million recorded for the comparison period.

Tax expenses for the period are estimated at EUR 49.6 million, against EUR 48.4 million as at the end of September 2010.

Minority interests amounted to EUR 7.5 million compared to EUR 8.7 million as at September last year and resulted in **net profit for the period** of EUR 44.3 million, up 2% year on year.

### **Outlook for this year**

The ongoing instability and permanent uncertainties in the macroeconomic scenario lead to prudent assessments of the operating performance for the remainder of the year. However, it is felt that a positive trend in financial position aggregates and growth in income can be forecast, consistent with figures recorded in the first nine months of this year.

### **Declaration of the Executive in charge of drawing up the corporate accounting documents**

I, the undersigned Executive in charge of drawing up the corporate accounting documents, Simona Orietti, hereby declare that pursuant to Article 154-bis, paragraph 2, of the Consolidated Law on Finance, the accounting information provided in this press release matches the information reported on the company's documents, books and accounting records.

Signed: Simona Orietti

*The financial highlights and the reclassified Balance Sheet and Income Statement are provided below.*

#### Corporate contacts

Investor relations  
Telephone +39 02 80637471  
Email: [investorrelations@creval.it](mailto:investorrelations@creval.it)

Media relations  
Telephone +39 02 80637403  
Email: [mediarelations@creval.it](mailto:mediarelations@creval.it)

## HIGHLIGHTS

BALANCE SHEET DATA	30/09/2011	31/12/2010	% change	30/09/2010	% change
(in thousands of EUR)					
Loans to customers	22,860,076	22,004,043	3.89	21,501,559	6.32
Financial assets and liabilities	1,991,192	1,458,423	36.53	986,940	101.75
Investments in associates and companies subject to joint control	215,480	230,079	-6.35	218,073	-1.19
Total assets	28,315,300	26,760,794	5.81	26,333,711	7.52
Direct deposits from customers	22,523,825	21,664,000	3.97	21,086,253	6.82
Indirect deposits from customers	12,073,839	12,609,464	-4.25	12,734,781	-5.19
of which:					
- Managed savings	5,471,577	6,008,353	-8.93	6,144,409	-10.95
Total deposits	34,597,664	34,273,464	0.95	33,821,034	2.30
Shareholders' equity	1,919,392	2,002,868	-4.17	1,998,334	-3.95

SOLVENCY RATIOS	30/09/2011	31/12/2010
Tier 1 Regulatory Capital/Risk-weighted assets	6.70%	6.31%
Regulatory Capital/Risk-weighted assets	9.80%	9.52%

FINANCIAL STATEMENT RATIOS	30/09/2011	30/06/2011	31/12/2010
Indirect deposits from customers / Total deposits	34.9%	36.4%	36.8%
Managed savings / Indirect deposits from customers	45.3%	45.3%	47.6%
Direct deposits from customers / Total liabilities	79.5%	78.8%	81.0%
Customer loans / Direct deposits from customers	101.5%	102.4%	101.6%
Customer loans / Total assets	80.7%	80.7%	82.2%

CREDIT RISK	30/09/2011	30/06/2011	31/12/2010	Change (1)	Change (2)
Net doubtful loans (in thousands of EUR)	537,081	509,875	464,538	5.34%	15.62%
Other net doubtful loans (in thousands of EUR)	1,076,225	923,151	757,541	16.58%	42.07%
Net doubtful loans / Loans to customers	2.3%	2.2%	2.1%		
Other net doubtful loans / Loans to customers	4.7%	4.0%	3.4%		
Hedging of doubtful loans	58.1%	60.0%	60.4%		
Hedging of other doubtful loans	7.3%	7.2%	7.2%		
(*) Cost of credit	0.65%	0.63%	0.61%	-	-

(1) Calculated as compared to 30/6. (2) Calculated as compared to 31/12 of previous year.

(\*) Calculated as the annualised ratio between the net value adjustments due to deterioration of loans and year-end total loans.

<b>ORGANISATIONAL DATA</b>	<b>30/09/2011</b>	<b>30/06/2011</b>	<b>31/12/2010</b>	<b>Change (1)</b>	<b>Change (2)</b>
Number of employees	4,487	4,516	4,514	-0.64%	-0.60%
Number of branches	543	543	543	-	-
Banc@perta line users	179,514	174,808	160,494	2.69%	11.85%

*(1) Calculated as compared to 30/6. (2) Calculated as compared to 31/12 of previous year.*

<b>OTHER ECONOMIC INFORMATION</b>	<b>01/01/2011 - 30/09/2011</b>	<b>1st half 2011</b>	<b>2010</b>
Cost/Income ratio	66.5%	66.2%	64.9%

## RECLASSIFIED BALANCE SHEET

(in thousands of EUR)

ASSETS	30/09/2011	30/06/2011	31/12/2010	% change (*)	% change (**)
Cash and cash equivalents	171,201	178,361	188,314	-4.01	-9.09
Financial assets held for trading	119,504	146,192	232,741	-18.26	-48.65
Financial assets available for sale	1,505,293	1,591,555	864,114	-5.42	74.20
Financial assets held to maturity	519,458	517,520	376,218	0.37	38.07
Due from banks	997,716	775,176	1,089,160	28.71	-8.40
Loans to customers	22,860,076	22,819,881	22,004,043	0.18	3.89
Hedging derivatives	29	205	33	-85.85	-12.12
Investments in associates and companies subject to joint control	215,480	215,943	230,079	-0.21	-6.35
Property, plant and equipment and intangible assets (1)	1,234,024	1,237,408	1,249,824	-0.27	-1.26
Other assets (2)	692,519	786,940	526,268	-12.00	31.59
<b>Total assets</b>	<b>28,315,300</b>	<b>28,269,181</b>	<b>26,760,794</b>	<b>0.16</b>	<b>5.81</b>

(\*) Calculated as compared to 30/6. (\*\*) Calculated as compared to 31/12.

(1) Include items "120. Property, plant and equipment" and "130. Intangible assets"

(2) Include items "140. Tax assets" and "160. Other assets".

(in thousands of EUR)

LIABILITIES	30/09/2011	30/06/2011	31/12/2010	% change (*)	% change (**)
Due to banks	2,200,844	2,280,555	1,887,837	-3.50	16.58
Direct customer deposits (1)	22,523,825	22,278,026	21,664,000	1.10	3.97
Financial liabilities held for trading	10,150	9,856	14,683	2.98	-30.87
Hedging derivatives	142,942	42,420	-	n/a	-
Other liabilities	1,026,999	1,099,490	660,283	-6.59	55.54
Provisions for specific purpose (2)	224,582	216,168	247,141	3.89	-9.13
Minority interests	266,566	264,517	283,982	0.77	-6.13
Shareholders' equity (3)	1,919,392	2,078,149	2,002,868	-7.64	-4.17
<b>Total liabilities</b>	<b>28,315,300</b>	<b>28,269,181</b>	<b>26,760,794</b>	<b>0.16</b>	<b>5.81</b>

(\*) Calculated as compared to 30/6. (\*\*) Calculated as compared to 31/12.

(1) Include items "20. Due to customers" and "30. Securities issued".

(2) Include items "80. Tax liabilities", "110. Employee termination indemnities" and "120. Provisions for risks and charges".

(3) Includes items "140. Valuation reserves", "160. Equity instruments", "170. Reserves", "180. Share premium reserve", "190. Capital", "200. Treasury shares" and "220. Profit (loss) for the period".

## RECLASSIFIED INCOME STATEMENT

(in thousands of EUR)

Items	Q3 2011	01/01/2011 - 30/09/2011	Q3 2010	01/01/2010 - 30/09/2010	% change (* )	% change (**)
<b>Interest margin</b>	<b>137,012</b>	<b>388,878</b>	<b>118,854</b>	<b>356,157</b>	15.28	9.19
Net fee and commission income	72,377	221,411	72,963	212,023	-0.80	4.43
Dividends and similar income	36	1,335	(51)	2,057	n/a	-35.10
Income from investments in associates and companies subject to joint control measured at equity (1)	3,487	11,479	4,250	11,056	-17.95	3.83
Profit (losses) on trading, hedging activities and disposals/repurchases	(3,363)	8,114	5,958	23,877	n/a	-66.02
Other operating expenses/income (4)	3,594	11,734	4,632	12,986	-22.41	-9.64
<b>Operating income</b>	<b>213,143</b>	<b>642,951</b>	<b>206,606</b>	<b>618,156</b>	3.16	4.01
Personnel expenses	(87,047)	(262,589)	(82,058)	(248,815)	6.08	5.54
Other administrative expenses (2)	(45,198)	(134,510)	(46,828)	(136,610)	-3.48	-1.54
Net adjustments to/recoveries on property, plant and equipment and intangible assets (3)	(10,267)	(30,156)	(10,441)	(30,299)	-1.67	-0.47
<b>Operating expenses</b>	<b>(142,512)</b>	<b>(427,255)</b>	<b>(139,327)</b>	<b>(415,724)</b>	2.29	2.77
<b>Net income from banking activities</b>	<b>70,631</b>	<b>215,696</b>	<b>67,279</b>	<b>202,432</b>	4.98	6.55
Net value adjustments due to deterioration of loans of loans and other financial assets	(40,356)	(112,966)	(32,926)	(100,032)	22.57	12.93
Net provisions for risks and charges	(748)	(2,907)	(561)	(2,038)	33.33	42.64
Profit (losses) on disposal of investments in associates and companies subject to joint control	242	1,602	9	72	n/a	n/a
<b>Income (loss) before tax from continuing operations</b>	<b>29,769</b>	<b>101,425</b>	<b>33,801</b>	<b>100,434</b>	-11.93	0.99
Taxes on income from continuing operations	(15,020)	(49,617)	(16,637)	(48,405)	-9.72	2.50
<b>Income after tax from continuing operations</b>	<b>14,749</b>	<b>51,808</b>	<b>17,164</b>	<b>52,029</b>	-14.07	-0.42
Minority interests	(2,771)	(7,553)	(3,254)	(8,668)	-14.84	-12.86
<b>Profit for the period</b>	<b>11,978</b>	<b>44,255</b>	<b>13,910</b>	<b>43,361</b>	-13.89	2.06

(\* ) Calculated as compared to Q3 of previous year; (\*\* ) Calculation as compared to 01/01-30/09 of previous year.

(1) Income from investments in associates and companies subject to joint control measured at equity includes the profit (loss) on investments carried at equity included in item 240 "Income from investments in associates and companies subject to joint control". The residual amount of that item is included in profit (losses) on disposal of investments in associates and companies subject to joint control, together with item 270 "Profit (losses) on disposal of investments".

(2) Other administrative expenses include recoveries of taxes and other recoveries recognised in item 220 "Other operating expenses/income" (EUR 37,515 thousand as at 30/09/2011 and EUR 37,164 thousand as at 30/09/2010).

(3) Net adjustments to/recoveries on property, plant and equipment include items 200 "Net adjustments to/recoveries on property, plant and equipment", 210 "Net adjustments to/recoveries on intangible assets" and depreciation on costs incurred for leasehold improvements included under item 220 "Other operating expenses/income" (EUR 4,595 thousand as at 30/09/2011 and EUR 4,835 thousand as at 30/09/2010).

(4) Other income and charges correspond to item 220 "Other operating expenses/income" net of the above reclassifications.