

JOINT PRESS RELEASE

CREVAL E GENERALFINANCE FINALISE THE AGREEMENT FOR THE DEVELOPMENT OF A STRATEGIC PARTNERSHIP IN THE FACTORING BUSINESS

CREVAL ACQUIRES APPROXIMATELY 47% OF THE SHARE CAPITAL OF GENERALFINANCE WITH A TOTAL INVESTMENT OF EUR 11 MILLION

Sondrio, Milano 29 June 2017 – Credito Valtellinese S.p.A. ("Creval"), GGH – Gruppo General Holding S.r.l. ("GGH") and Generalfinance S.p.A. ("Generalfinance" or also only "GF"), 100% controlled by GGH, finalised today an agreement - already announced to the market - for the development of a strategic partnership in the factoring business which envisages – among other things - the entry of Creval in the share capital of Generalfinance with a qualified minority interest (47% approximately).

Generalfinance is a financial intermediary, authorised to enroll in the Register of Financial Intermediaries managed by Bank of Italy, operating in the field of loans to businesses, with an annual turnover of approximately EUR 275 million and a net profit of EUR 2 million at 2016-year end.

Specifically, (i) the purchase by Creval of shares of GF owned by GGH, for a consideration of EUR 4 million, and (ii) the subscription and the paying-up, by Creval as well, of a reserved share capital increase of Generalfinance for a total subscription price of EUR 7 million, including share premium, were completed today.

At the end of the transaction, the equity investment of Creval in Generalfinance will stand at approximately 46.8%, with an initial limited negative impact on Creval CET1 ratio limited at 7pbs.

The business plan, shared with the management of Generalfinance, envisages a substantial development of GF activity and entails the following targets:

- turnover from EUR 275 million in 2016 to EUR 510 million in 2019 (CAGR + 23%)
- total operating income from EUR 8 million in 2016 to EUR 14 million in 2019 (CAGR + 20%)
- net profit from EUR 2 million in 2016 to EUR 4 million in 2019 (CAGR + 26%)

The business plan envisages – among other things – potential synergies in the NPLs management, thanks of to the highly specialised experience of GF in loans to companies under procedures or anyway “special situations” management.

The deal is part of the Creval Group's initiatives – envisaged in the 2017-2018 Action Plan – aimed at reducing the stock of impaired loans, as well as at entering in the factoring business thanks to the capabilities of Generalfinance, which in turn could expand its core activity, thanks to the Creval support.

Commenting on the transaction, **Mauro Selvetti, General Manager** of Creval, said: “*The strategic partnership – as well as the setup of Creval PiùFactor – allows Creval to further develop the activity in the factoring business, strengthen the offer for the SMEs operating in Creval’s non-core areas, due to the distinctive skills of GF, with positive effects in terms of profitability, in line with the targets of the 2017-2018 Action Plan. Moreover, we expect a remarkable return on investment, due to the significant perspectives of GF in terms of growth and to the listing of the company planned in the coming years.*”

“*I am very proud - said **Massimo Gianolli, Managing Director of Generalfinance** – to have led this wonderful company – founded by my father Armando in 1982 - for more than 25 years and enjoy the confidence of an important bank such as Creval. The agreement with Creval allows Generalfinance to achieve a substantial strengthening of capital ratios, continue the project of growth envisaged in the business plan, concentrate our resources in the continuous development of the “owner process” that allowed us to become extremely good in the field of loans to businesses and attract more structured forms of funding. The synergies that GF and Creval will put in place are potentially extraordinary.*”

In the transaction, Creval was assisted by Equita SIM as financial advisor, Galbiati, Sacchi e Associati Law Firm for the legal aspects and Kpmg for the financial and tax due diligence. GF was assisted by EFG Corporate Advisory as financial advisor, by La Scala Law Firm, for the legal aspects and by LTA San Marco.



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