

PRESS RELEASE

Crédit Agricole Are Failing Their Bid But Will Not Be Allowed To Spoil Our Bank

London, 6th April 2021: As one of the key shareholders of Credito Valtellinese (“CreVal”), Petrus Advisers note that CreVal’s Board of Directors has provided a clear opinion outlining why Crédit Agricole’s (“CA”) unsolicited and hostile offer of €10.50 p.s. is not fair from a financial point of view. It fails to adequately value the bank from both a standalone and M&A perspective.

Furthermore, the fairness opinions issued by CreVal’s financial advisors point to a valuation range of €12.95 - €22.7 p.s., with €15.2 p.s. being the low end of BAML’s opinion as a sophisticated international bank. We hence see no common ground for any claims by CA as their €10.50 p.s. offer is too low to be considered.

Since the start of the offer period, CreVal’s share price has consistently remained above €12 p.s., signalling that the market, like us, continues to support CreVal and its management team and lends no credibility to CA’s campaign to warn us over our investment.

We have seen a lot of stubborn and knuckleheaded M&A failures in our careers, but CA’s current hostile attempts to refute the analyses of CreVal’s financial advisors, going so far as claiming that they are “potentially misleading”, are unheard of – we view them as noise and strong statements supported by weak arguments commensurate with a long history of heavy-handed failure of Franco-Italian deal-making in various industries.

Petrus Advisers deem the recent proposal submitted by CA regarding the possible postponement of the renewal of CreVal’s Board of Directors as detrimental to both CreVal and its shareholders. We view it as an attempt by CA to protect their downside in case their failure is official and they end up with an orphaned and senseless minority stake, while asking other shareholders to forego their right to continue to see value creation at CreVal led by a strong Board of Directors following the upcoming AGM.

As another of CreVal’s key shareholders, CA could have presented their own candidates, but appear to have been distracted by their failing bid strategy of lowballing and badmouthing. CreVal’s shareholders should therefore be able to express their views and appoint a new Board of Directors at the AGM on 19th April 2021. As such:

Petrus Advisers would vote against Crédit Agricole’s proposed resolution to postpone the renewal of CreVal’s Board of Directors. We recommend that all CreVal shareholders join us.

We are pleased with the achievements of the current Board of Directors and as such we will support the slate filed by another key shareholder, DGF D S.A.

Petrus Advisers will contribute to ensure quality and value creation for all at the Board level and a continued focus on executing the 2019-2023 Business Plan.

Lastly, we reiterate our recommendation to all other CreVal shareholders to not tender into Crédit Agricole’s hostile, low-ball offer and furthermore recommend that Crédit Agricole either recognise the quality of CreVal’s business and leadership by offering a substantially higher price or simply shut up and go away.